

## **Chapter 6: Socio-Economics**

TOPIC	SOCIO-ECONOMICS
AUTHOR	Hatch
COMPARISON OF EFFECTS	The assessment presented within this ES Chapter is based on the revised proposals (referred to as the 'Proposed Development'), as described in Chapter 0 'Preface' and Chapter 4 'The Proposed Development'. A comparison of the findings and conclusions of this assessment against those of the December 2018 ES in relation to socio-economics is provided in the section of this ES Chapter titled 'Comparison of Effects'.
SUPPORTING APPENDIX	<b>ES Volume 3: Appendix - Socio-Economics</b> <ul style="list-style-type: none"> <li>Annex 1: Socio-Economics Planning Policy Context</li> </ul>
KEY CONSIDERATIONS	The socio-economic chapter considers the following matters: <ul style="list-style-type: none"> <li>Temporary construction employment;</li> <li>Future employment associated with the Proposed Development;</li> <li>Indirect and induced benefits generated as a result of the impact of employees' salaries being spent in the local area;</li> <li>The impact on the local economy (in terms of Gross Value Added and business rates) and how this could be expected to evolve as a result of the Proposed Development; and</li> <li>The demand for public realm and recreation space.</li> </ul>
CONSULTATION	An EIA Scoping Report was prepared and submitted to the London Borough of Southwark (LBS) for discussion on the 24th September 2018 in relation to the 2018 Environmental Statement (ES) (see <b>ES Chapter 2 – EIA Methodology (Volume 1)</b> ). Informal feedback on the Scoping Report was received from the LBS on the 29th November 2018 in the form of a high-level review (the 'LBS Review') with recommendations for consideration within the ES. The LBS Review comments were incorporated where appropriate within the 2018 ES that was submitted in support of the 2018 planning application to the LBS. A summary of the key points raised in the LBS Review in terms of the approach and methodology is presented within Annex A of this ES Chapter. This table signposts where these issues have been addressed within the chapter.  In addition to the Scoping Process, the 2018 ES was reviewed by an independent third party (Land Use Consultants (LUC)) on behalf of the LBS. The feedback received from LUC on the 2018 ES was responded to at the time and has been, as relevant, incorporated into this 2021 ES, thus ensuring that the 2021 ES for the revised scheme is comprehensive in terms of scope and addresses requested clarifications and additional information points raised previously by LUC on behalf of the LBS under Regulation 25 of the EIA Regulations. The LUC review comments and subsequent responses relating to the socio-economic assessment have been considered in this ES Chapter where relevant.  The 2018 scoping process was undertaken in detail and has provided the Applicant, Trium and Hatch with sufficient knowledge of the site and the surrounding area to be able to determine the scope of the EIA for the 2021 revised scheme.  In October 2020, an EIA scoping note was issued to the GLA (see <b>ES Chapter 2 – EIA Methodology (Volume 1)</b> ). The note confirms that in determining the scope of the EIA for the amended scheme, reference has been made to the September 2018 Scoping Report, the November 2018 LBS Review, the 2018 ES and 2019 ES Addendum and the LUC Review. A further scoping meeting (virtual) was held with the GLA on 8 <sup>th</sup> September 2021 to review and confirm the approach to the EIA.

## ASSESSMENT METHODOLOGY

### Defining the Baseline

#### Current Baseline Conditions

6.1 The socio-economic matters which are considered in this ES Chapter include:

- Location;
- The Labour Market;
- Employment;

<sup>1</sup> GVA is a measure of the increase in the value of the economy due to the production of good and / or services supported on-site

<sup>2</sup> For the purposes of this socio-economic assessment the LIA is defined as the following LSOAs – Southwark 002E, Southwark 003E, Southwark 003I, Southwark 003J, Southwark 006A, Southwark 006B and Southwark 006F.

<sup>3</sup> Mayor of London (February 2010), 'Bankside, Borough and London Bridge – Draft supplementary planning document and opportunity area planning framework'.

<sup>4</sup> Office for National Statistics (2020), 'Annual Population Survey'.

- The Economy (in terms of gross value added (GVA)<sup>1</sup> and business rates); and

#### Open Space. Spatial Boundaries of the Assessment

6.2 The Proposed Development's (references to the Proposed Development throughout this ES Chapter unless specified otherwise refers to the 'revised' October 2021 scheme) effects on the identified receptors are considered across a range of spatial areas which include:

- Local Impact Area (LIA) – defined as the best-fit Local Super Output Areas<sup>2</sup> (LSOA) surrounding the London Bridge intensification / commercial area within the Bankside, Borough and London Bridge Opportunity Area<sup>3</sup>;
- Borough – London Borough of Southwark (LBS). Defined as the administrative area in which the Proposed Development is located;
- Regional – London. For benchmarking purposes London has been included to set the relevant baseline data in context; and
- National – Averages for England have been included to contextualise both local and regional baselines.

6.3 The following is a list of key sources of data used to assess the baseline environment for the site. This includes relevant datasets from the Office for National Statistics (ONS), the Ordnance Survey (OS) and the Valuation Office Agency (VOA) which comprise of:

- 2011 Census of Population;
- Annual Population Survey<sup>4</sup> (APS);
- Business Register and Employment Survey<sup>5</sup> (BRES)
- Non-Domestic Business Rates<sup>6</sup>;
- OS Zoomstack<sup>7</sup>; and
- Annual Business Survey<sup>8</sup> (ABS).

#### Methodology for Evolution of the Baseline Condition Scenario

6.4 The likely evolution of the baseline is based on professional judgement, comprising a qualitative assessment of the baseline condition in the future should the Proposed Development not come forward.

6.5 Whilst it is reasonable to assume that the baseline situation will evolve at different points in the future, this is likely to bring about minor amendments to the baseline information presented within published data and statistics relative to the current available information.

#### Impact Assessment Methodology

6.6 The impact assessment includes the full assessment of two different floorspace options for the lower floors of the Proposed Development, in the event that either option could come forward. These are:

- Option 1: Where levels 1 - 10 of the Main Building are provided as D1 Use Class (medical use); and
- Option 2: Whereby levels 1 - 10 of the Main Building are provided as B1b Use Class (research and development use).

6.7 In both options the remaining levels of the Main Building and Warehouse are provided as B1(a) Office, affordable workspace (B1 / D1), D1 (community) and A1-A4 (retail).

6.8 For each of the floorspace options, an assessment of the significance of effects on each of the receptors

<sup>5</sup> Office for National Statistics (2019), 'Business Register and Employment Survey, 2019'.

<sup>6</sup> Valuation Office Agency (2020), 'Non-Domestic Business Rates'. Available at: <https://www.gov.uk/government/statistics/non-domestic-rating-stock-of-properties-2020>

<sup>7</sup> Ordnance Survey (2020), 'OS Open Zoomstack'. Available online: <https://www.ordnancesurvey.co.uk/business-and-government/products/os-open-zoomstack.html>

<sup>8</sup> Office for National Statistics (2020), 'Annual Business Survey, UK non-financial business economy'.

described below has been undertaken with the exception of the demolition and construction phase employment generation, whereby it is anticipated that the employment generated during the construction of the scheme will generally be the same across both options.

### Demolition and Construction

#### Construction Employment

- 6.9** To estimate the number of jobs likely to be generated during the period of demolition and construction works, labour coefficients<sup>9</sup> (i.e. person-years<sup>10</sup> of employment per £1 million spend) are applied to the estimated forecast costs associated with construction of the Proposed Development. Person years of employment are then divided by the expected demolition and construction period to provide the average number of jobs supported each year.
- 6.10** It is acknowledged that whilst some workers may live locally, the majority of construction employees would be expected to be drawn from the wider London region and beyond. On this basis, an estimate of the induced (i.e. local expenditure) effects of this construction activity cannot be accurately quantified and is therefore not included in this assessment.

#### Assumptions and Limitations

- 6.11** The assessment does not differentiate between demolition and construction activity and assesses the construction period as a whole (refer **ES Chapter 5 – Demolition and Construction (Volume 1)**). Where information is not readily available, assumptions are based on best practice guidance (such as the Home and Communities Agency (HCA) Additionality Guide<sup>11</sup>), professional judgement and experience from similar projects elsewhere.
- 6.12** It is assumed that the site of the Proposed Development, currently hosting the Vinegar Yard Street Food and Culture Hub supports around 100 FTE jobs. This is based on the site's area (0.3 hectares) and the application of HCA Employment Density Guide<sup>12</sup> benchmarks for retail (A1) and food and drink (A3) uses. This assumption is likely to be on the high side. Furthermore, it is assumed that all 100 FTE jobs currently located on-site will be lost once construction starts. Both assumptions retained as these present the (absolute) worst-case scenario for the Proposed Development in terms of socio-economics.

#### Completed Development

- 6.13** For the completed development, the likely effects for each of the floorspace options in association with the following matters are assessed as:
- On-Site and off-site job creation; and
  - Changes to the local economy (in term of gross value added (GVA) and business rates revenue generated); and
  - Open space.

#### On-Site and Off-Site Job Creation

- 6.14** The Applicant is proposing a range of uses on the site of the Proposed Development. More detail about the proposed uses is outlined in **ES Chapter 4 – Proposed Development (Volume 1)** and **Table 6.8** and **Table 6.9** of this ES Chapter. The likely number of full-time equivalent<sup>13</sup> (FTE) jobs that can be supported by each type of use class are identified using the HCA Employment Density Guide. The HCA guidance does not provide employment density estimates for uses such as education and medical uses. To inform the calculations, this assessment draws upon research by the NHS London Healthy Urban Development Unit<sup>14</sup> (HUDU) and recent

work on behalf of the Greater London Authority<sup>15</sup> (GLA) to identify benchmarks that can be used to generate employment estimates supported by health-related (i.e. D1) uses proposed on-site under Option 1.

- 6.15** The assessment in this ES Chapter is based on presenting a realistic scenario of the potential socio-economic impacts (including employment) that could be supported on-site. When assessing the impacts in terms of jobs created, as a rule, this assessment adopts the use class that generates the least employment (in terms of jobs created), as a worst-case scenario. The number of (direct) on-site jobs supported would vary if different employment density benchmarks and/ or use classes<sup>16</sup> to those presented in **Table 6.8** and **Table 6.9** are used.
- 6.16** It is assumed that the labour required to sustain both on-site (i.e. direct) and off-site (i.e. indirect / supply chain) employment would be drawn from a wider geographic scale. This will most likely extend beyond the regional (i.e. London) boundary, and into the greater South East region, especially for induced jobs. As the induced impacts of both on-site and off-site employment cannot be accurately quantified at the LBS level, the effect of wider (i.e. indirect and induced) employment is assessed only at the regional (i.e. London) level.
- 6.17** A series of additionality adjustments are applied to on-site job numbers to identify the level to which these are net additional. The adjustments are based on best practice from the HCA's Additionality Guide, and include:
- Displacement – refers to the proportion of outputs (such as jobs, GVA and business rates) accounted for by reduced outputs elsewhere within the impact areas assessed. In this case, the overall level of displacement is assumed to be low, and therefore a figure of 25% (as per the HCA's Additionality Guide) is used for all on-site uses, with the exception of the proposed (D1) healthcare uses. For the proposed (D1) medical uses within Option 1, displacement is anticipated to be higher, and therefore a figure of 75% is used. This is based on the assumption that under the worst-case scenario, healthcare uses currently located within the LIA are displaced to the completed Proposed Development;
  - Leakage – refers to the proportion of outputs (in this case jobs and the following changes in GVA output) that are lost to outside of the impact area(s) as a result of the Proposed Development. In this case, leakage is assumed to be 0% as the estimated direct jobs generated by the Proposed Development will be fully contained within the impact areas assessed (i.e. LBS and London);
  - Deadweight – Deadweight refers to the jobs, GVA and business rates that are currently generated on-site which will be lost (and replaced) as a result of the Proposed Development coming forward. It is assumed that the site of the Proposed Development does not currently host any permanent employment, but supports around 100 FTE jobs at the temporary Vinegar Yard Street Food and Culture Hub. Under the worst-case scenario it is assumed that these jobs will all be lost, however in reality there are likely to be displaced to another location once on-site construction commences; and
  - Multipliers – indirect and induced multipliers are used to measure the off-site jobs supported by the direct, on-site jobs occurring as a result of the Proposed Development.
    - Indirect (also referred to as supply chain) impacts are generated as a result of spend by the on-site activities on services and/ or supplies required for their day-to-day operations.
    - Induced impacts are associated with local expenditure as a result of those who derive incomes from the direct (i.e. on-site) and / or supply chain (i.e. off-site) impacts of the Proposed Development.
    - A composite multiplier (of 1.5) (as per HCA guidance)<sup>11</sup> is used.

#### Economic Output

- 6.18** The economic output of the direct on-site jobs supported by the Proposed Development is measured in terms of GVA. This is a measure of the increase in the value of the economy due to the production of good and / or services supported on-site. In simple terms, GVA is a measure of the additional profits generated within

<sup>9</sup> Homes and Communities Agency (2015), 'Calculating Cost Per Job – Best Practice Note. Third Edition'.

<sup>10</sup> Defined as the amount of work done by one person in a year on a specific project.

<sup>11</sup> Homes and Communities Agency (2014), 'Additionality Guide, Fourth Edition'. This provides guidance on how to assess the additional impact (or additionality) of local economic growth and/ or other interventions. Additionality is the extent to which something happens as a result of an intervention that would not have occurred in the absence of the intervention.

<sup>12</sup> Homes and Communities Agency (2015), 'Employment Density Guide, Third Edition'. The Employment Density Guide considers the impacts various uses and/ or use classes have on floorspace supporting employment activities. It provides average floorspace (in m<sup>2</sup>) per FTE member

of staff, and an indicator of how much space each person occupies within the workspace. In this ES Chapter, these benchmarks are used to convert floorspace into the number of on-site jobs supported by the Proposed Development.

<sup>13</sup> Full-time equivalent (FTE) is a unit that indicates the workload of an employed person. A FTE of 1.0 is equivalent to one full-time employee (typically working 35 hours per week), whilst a part-time employee working half the hours is recorded as 0.5 FTE).

<sup>14</sup> NHS London Healthy Urban Development Unit (October 2009), 'HUDU Planning Contribution Model Guidance Notes'.

<sup>15</sup> See CAG Consultants (May 2016), 'London Employment Sites Development'.

<sup>16</sup> For the B1/ D1 flexible uses proposed.

businesses plus the additional salaries that are paid to employees<sup>17</sup>.

**6.19** GVA is calculated using benchmarks of GVA output per employee for relevant sectors (in line with the proposed use classes within the Proposed Development), taken from the ONS's Annual Business Survey<sup>8</sup>.

*Business Rates*

**6.20** Non-domestic business rates (also known as just 'business rates') are a form of local taxation covering all property consisting of land and / or buildings not classified as domestic property or exempt from rating. Business rates apply to a wide range of property regardless of whether they are used for actual business purposes or not.

**6.21** The assessment of business rates is based on average rateable value (per m<sup>2</sup>) for LBS (data taken from the VOA<sup>6</sup>). The next step in the identification of the business rates bill is the application of the business rates multiplier. The Government sets two multipliers for Local Authorities to use (the same multipliers are used by LBS):

- the Small Business Non-Domestic Rate Multiplier of 49.9p in the pound (£); and
- the National Non-Domestic Rate Multiplier of 51.2p in the pound (£).

**6.22** For the purposes of this assessment, the National Non-Domestic Rate Multiplier (i.e. 51.2p in the pound (£)) is used. At this stage it is not known whether occupants locating within the Proposed Development would qualify for small business rates relief, and the highest of the two multipliers has been used.

*Open Space*

**6.23** The impact of the Proposed Development on open spaces and public realm provision within the LIA draws on a review of the current baseline (using the OS's Zoomstack dataset). The assessment of the Proposed Development's impact on the receptor is undertaken qualitatively based on professional judgement and best practice.

*Assumptions and Limitations*

**6.24** In this assessment the effects generated by the completed Proposed Development are considered against the current baseline conditions. As with any dataset, baseline data will change over time and is often characterised by a short lag to account for data collection, analysis and publishing. In all instance, the most recent datasets published and available are used – e.g. the latest BRES data is available for up to 2019. The assessment is based on information accessed from various sources (see section 'Data Sources') (including the Applicant), which are assumed to be accurate.

**6.25** The assessment of the sensitivity and magnitude of the impacts once the Proposed Development is completed is based on best practice, professional judgement and experience from similar projects elsewhere.

**Methodology for Defining Effects**

**6.26** The assessment of the effects resulting from the Proposed Development takes account of both the period of demolition and construction works, as well as once it is complete and occupied. The scale of effect is assessed based on the magnitude of change and sensitivity of receptor resulting from the Proposed Development (based on best practice guidance, professional judgement and experience from similar projects elsewhere).

*Receptor Sensitivity*

**6.27** The sensitivity of each receptor is evaluated as being high, medium, low or negligible based on a review of the baseline position of each receptor and its performance against benchmark areas, together with consideration of the importance of the receptor in policy terms. This can be summarised as shown in **Table 6.1**.

**Table 6.1** Definition of Sensitivity of Receptor

Sensitivity	Definition
High	Evidence of direct and significant socio-economic concern relating to the receptor. May be given a high priority in local, regional or national economic and regeneration policy.
Medium	Some evidence of socio-economic concern linked to receptor, which may be indirect. Change relating to receptor has medium priority in local, regional and national economic and regeneration policy.
Low	There is little evidence of socio-economic concern relating to receptor. Receptor is given a low priority in local, regional and national economic and regeneration policy.
Negligible	Very low importance and rarity with little or no priority event at the local scale.

*Magnitude of Impact*

**6.28** The magnitude of impact to a receptor is determined by considering the estimated deviation from baseline conditions both before and (if required) after mitigation and draws on professional judgment. The criteria used for the assessment of the magnitude are shown in **Table 6.2** below.

**Table 6.2** Definition of Magnitude of Impact

Magnitude	Definition
High	Loss of resources and / or integrity of resource; severe damage to key characteristics features or elements.
	Large scale of major improvement of resource quality; extensive restoration or enhancement; major improvement of attribute quality.
Medium	Loss of resource, but not adversely affecting its integrity; partial loss of and / or damage to key characteristics, features or elements.
	Benefit to and / or addition of key characteristics, features or elements; improvements of attribute quality.
Low	Some measurable change in attributes, quality or vulnerability; minor loss of and / or alteration to one (or more) key characteristics, features or elements.
	Minor benefit to and / or addition of one (or more) key characteristics, features or elements; some beneficial impact on attribute or a reduced risk of negative impact occurring.
Negligible	Very minor loss and / or detrimental alteration to one (or more) characteristics, features or elements.
	Very minor benefit to and / or positive addition of one (or more) characteristics, features or elements.

*Nature and Scale of Effect*

**6.29** The nature of the effects has been defined as either:

- Beneficial – an advantageous effect on the identified study area;
- Adverse – detrimental effect on the identified study area; or
- Neutral – neither beneficial nor adverse effect on the study area.

**6.30** The likely effect is also defined in terms of the timescale along which the likely effect on receptors could be felt. For the purposes of this assessment, the effects generated as a result of the demolition and construction phase of the Proposed Development are classified as 'short-term'. Effects that result from the Proposed Development (once complete and occupied) are classified as 'long-term'.

**6.31** Further details of the general criteria used to describe the likely effect (i.e. direct, indirect) is presented within **ES Chapter 2 – EIA Methodology (Volume 1)**.

<sup>17</sup> GVA is a component of gross domestic product (GDP), where GDP = GVA plus taxes (less subsidies) on products.

**Table 6.3 Matrix to Determine Scale of Effect**

Sensitivity of Receptor	Magnitude			
	Negligible	Low	Medium	High
Negligible	Negligible	Negligible	Minor	Minor
Low	Negligible	Minor	Minor	Moderate
Medium	Minor	Minor	Moderate	Major
High	Minor	Moderate	Major	Major

- 6.32** Effects are classified as being either significant or not significant. Likely effects described as moderate and major in scale are considered significant (shaded grey within the **Table 6.3** above), whilst those of minor or negligible scale are considered as not significant.
- 6.33** Where the assessment considers mitigation measures to either avoid or reduce the likelihood for significant adverse effects, these are incorporated into the Proposed Development. This assessment presents whether the residual effects are significant or not (refer section 'Residual Effects').

## BASELINE CONDITIONS

### Baseline Conditions

- 6.34** The following section sets out the relevant baseline conditions against which the social and economic effects of the Proposed Development are assessed. An assessment of baseline conditions is undertaken for the relevant spatial geographic impact areas (i.e. LIA and LBS), and where possible reported in the context of the regional and national spatial level.

#### The Site

- 6.35** The site of the Proposed Development is currently used to host the Vinegar Yard Street Food and Culture Hub, which consists of an eclectic mix of food and drink, a flea market and arts hub. The site includes a former warehouse (comprising of 998m<sup>2</sup> gross external area (GEA)) that is currently included within the temporary uses at the Vinegar Yard Street Food and Culture Hub. It is assumed that the site currently supports around 100 FTE jobs. Under the worst-case scenario it is assumed that all these jobs will be lost, however there are likely to be displaced to another local site once construction on the Proposed Development starts.

#### Labour Market

- 6.36** Headline labour market data for LBS, London and England are set out in **Table 6.4**. The data from the Annual Population Survey (APS) is not available below the Local Authority level (i.e. at the LIA level). Labour market statistics for the LIA are available only for 2011. These are included for illustrative purposes only.
- 6.37** The available data shows that around 84% of Southwark's population (aged 16-64, or 196,300 residents) are economically active<sup>18</sup>. This is higher than the level of labour market engagement across London (80%) and higher than the national level (79%). The higher level of economic activity in the labour market in LBS means that the employed rate in the borough (77%) is higher than the London (75%) and national (75%) averages. That said, unemployment for LBS is also higher (at 9.0%) compared with the London (6.2%) and England (5.1%) averages. The unemployment rate in LBS has increased by around five percentage points (from 4.1%) in December 2019 as a result of the impact of the COVID-19 pandemic and the national lockdown (in Spring 2020<sup>19</sup>) implemented to slow down its spread.
- 6.38** Overall, around two-thirds of residents (i.e. 66% or 120,700 people) living in the LBS are in management or professional occupations. These occupations are the ones that are likely to be supported by the Proposed

<sup>18</sup> The economic activity rate refers to the proportion of population (both employed and unemployed) that constitutes the manpower to the labour market, regardless of their current status. It excludes the retired, students, long-term sick or disabled, and people looking after home and/or family.

Development once completed.

- 6.39** Data from the APS shows that 8% (or 14,200 people) of Southwark's residents are engaged in service-based occupations such as leisure, care, retail and customer services.

**Table 6.4 Labour Market Profile (April 2020 to March 2021)**

Labour Market Indicators		LIA*	LBS	Greater London	England
Engaged in the Labour Market (for residents aged 16-64)	Economically Active	77%	84%	80%	79%
	Employed	68%	77%	75%	75%
	Unemployment	5%	9.0%	6.2%	5.1%
Occupation (% population aged 16-64 employed in...)	Management or Professional Services	68% (4,800)	66% (120,700)	62% (2.9 million)	35%
	Admin or Skilled Trades	13% (900)	11% (19,100)	15% (0.7 million)	19%
	Care, Leisure and Retail	10% (700)	8% (14,200)	7% (0.3 million)	9%
	Process. Plant and Machine Operatives and Elementary Occupations	9% (700)	10% (18,100)	10% (0.4 million)	15%

Source: ONS (2020), 'Annual Population Survey' and ONS (2011), 'Census of Population'.  
\*Please note: Data for the LIA is from 2011 and is provided only for illustrative purposes.

#### Employment

- 6.40** Recent employment data from the ONS indicates that in 2019 the LIA was home to around 84,060 jobs, accounting for around one-third of all jobs (33%) located within the borough as a whole (despite only making 3.3% of its total area).
- 6.41** Over the past five years (i.e. since 2015), the LIA has seen considerable growth in local employment, with the number of jobs increasing by 14%, compared to 9% across LBS, 6% in London and 9% nationally (see **Table 6.5**).

**Table 6.5 Employment Change (2015-2019)**

		LIA	LBS	London	England
Total Jobs	2015 (000s jobs)	74.0	232.1	5,082.3	25,929.9
	2019 (000s jobs)	84.1	253.2	5,366.7	27,152.2
Change 2015-9	No. (000s)	10.0	21.1	284.4	1,222.3
	%	+14%	+9%	+6%	+5%

Source: ONS (2015 and 2019), 'Business Register and Employment Survey'

- 6.42** **Table 6.6** below summarises the key employment sectors within the LIA, and puts these within the broader context of LBS, London and England.
- 6.43** It identifies finance and professional activities, and public admin, education and health as the two dominant employment sectors within the LIA. Together, these two sectors support the provision of 49,400 jobs and represent around 59% of all employment provision in the LIA (reflecting the presence of two major hospitals

<sup>19</sup> Please note, the impact of the second national lockdown (in Autumn 2020), and the wider impact of the COVID-19 pandemic on the labour market and wider economy are yet to be reflected within the data. In reality, unemployment estimates for LBS, London and nationally could be higher, with the Office for Budget Responsibility (OBR) predicting that unemployment nationally would reach 10% in 2020 (see OBR (April 2020), 'Commentary on the OBR coronavirus reference scenario').

south of the River Thames (i.e. Guys and St Thomas).

6.44 Other important employment sectors include business support services and ICT, media and creative activities with 11,400 and 10,700 jobs respectively.

**Table 6.6 Employment Sectors (2019)**

	LIA		LBS		London		England	
	No (000s)	%	No (000s)	%	No (000s)	%	No (000s)	%
Financial and Professional Services	32.1	38%	60.6	24%	1,142.7	21%	3,741.6	14%
Public Admin, Education, Health	17.3	21%	55.7	22%	1,136.1	21%	6,719.5	25%
Business Support Services	11.4	14%	28.4	11%	551.5	10%	2,267.9	8%
ICT, Media and Creative Activities	10.7	13%	42.3	17%	636.5	12%	1,649.8	6%
Hospitality, Leisure and Recreation	5.3	6%	22.6	9%	566.9	11%	2,720.8	10%
Construction	2.5	3%	6.2	2%	205.0	4%	1,355.3	5%
Retail	2.1	2%	12.2	5%	449.9	8%	2,957.4	11%
Wholesale	0.7	1%	4.1	2%	170.7	3%	1,133.7	4%
Transport	0.7	1%	9.6	4%	198.4	4%	823.8	3%
Other Services	0.4	1%	3.7	1%	87.1	2%	477.4	2%
Manufacturing - Food	0.4	0%	1.1	0%	41.7	1%	356.3	1%
Utilities and waste - gas, water, electricity	0.2	0%	1.5	1%	28.7	1%	280.7	1%
Manufacturing - Creative and Media	0.1	0%	0.7	0%	14.2	0%	115.8	0%
Warehousing and Logistics	0.1	0%	3.1	1%	65.4	1%	531.0	2%
Manufacturing - General	0.1	0%	0.8	0%	35.1	1%	808.1	3%
Manufacturing - Higher Tech	0.0	0%	0.5	0%	32.4	1%	833.7	3%
Agriculture and Mining	0.0	0%	0.1	0%	3.7	0%	57.0	0%

Source: ONS (2019), 'Business Register and Employment Survey'

*Economy*

6.45 There are several indicators that can be used to quantify and benchmark an area’s contribution to the economy. These include GVA and the level of business rates revenue generated by the total quantum of employment floorspace within the local area.

6.46 In 2019, the LBS contributed around £21.6 billion to the UK economy (in GVA) which represented around 4.6% of London’s total contribution (i.e. £468.2 billion) that year. Overall, total GVA generated nationally in 2019 was £1,702 billion.

6.47 Data from the VOA indicates that there are currently around 2.6 million m<sup>2</sup> of employment floorspace in Southwark, which in total generates around £640.5 million in annual business rates revenue. Business rates revenues are dependent on the rateable value of properties, which are in turn influenced by the quality of the floorspace available. This means that as both the quantum and quality of business floorspace improves, so does the level of business rates revenue generated. VOA data indicates that at the regional (London) level, total business rates revenue generated each year adds up to a little over £16.7 billion.

*Open Spaces*

6.48 There are several open spaces within a 2km radius of the site, although the area in the immediate surroundings is largely devoid of publicly accessible open space. Open spaces within a 2km radius are presented in **Figure 6.1**. It shows that there are up to 260 open spaces totalling just over 132 acres, within 2km from the site. The closest three open spaces are Pottersfield Park (300m from the Proposed Development), Leathermarket

Gardens (500m from the site) and Tanner Street Park (550m from the site).

6.49 The site is located within the London Bridge Area Vision of the draft New Southwark Plan<sup>20</sup> (site allocation NSP53). The draft Local Plan allocation acknowledges the lack of open space and high-quality public realm in and around the site of the Proposed Development and aspires to provide a new north-south green link whilst also creating new open spaces and high-quality public realm.

**Figure 6.1 Open spaces within a 2km radius from the Proposed Development**



**RECEPTORS AND RECEPTOR SENSITIVITY**

- 6.50 **Table 6.7** sets out the receptors assessed, and their respective sensitivity based on the baseline conditions identified in previous sections, in addition to overall sensitivity levels within the policy context.
- 6.51 The local economy is assessed at both the LBS and London spatial levels. However, the effects of temporary construction employment are assessed only at the regional level, as labour is expected to be drawn from the wider region.
- 6.52 The effects on the new jobs supported on-site are assessed at the LIA, LBS and London spatial levels, whilst the effect of wider off-site employment (i.e. indirect and induced jobs) is only assessed at the regional level.

**Table 6.7 Sensitivity of Existing Receptors**

Receptor	Sensitivity	Impact Area(s)	Comment
Temporary construction employment	Medium	<ul style="list-style-type: none"> <li>• Regional (London)</li> </ul>	<p>At the regional (i.e. London) level, overall unemployment rate is 6.2%. The current London Plan seeks to tackle problems of unemployment and worklessness.</p> <p>A proportion of the temporary construction employment created as a result of construction activity could be expected to be filled by unemployed people (both skilled and unskilled) from across London.</p>
On-site jobs	High	<ul style="list-style-type: none"> <li>• LIA</li> <li>• Borough (LBS)</li> <li>• Regional (London)</li> </ul>	<p>Office based (Use Class B1) employment is of key importance for LBS. The proposed Local Plan<sup>20</sup> for LBS indicates that over the next 20 years, the borough needs 460,000m<sup>2</sup> of new office floorspace which will have the potential to support around 47,000 new jobs.</p> <p>The Proposed Development will contribute directly to both targets, attributing to the receptor a high level of sensitivity.</p> <p>The Proposed Development will also generate employment in healthcare.</p>
Off-site jobs	High	<ul style="list-style-type: none"> <li>• Regional (London)</li> </ul>	<p>Direct, on-site employment will support additional employment indirectly through supply chain spend as well as through induced employee spending. Across London, unemployment currently stands at 6.2%, up from 4.7% at the end of 2020.</p> <p>The indirect and induced employment generated by the Proposed Development will go some way towards counteracting the adverse effects of a long and deep recession brought about as a result of the COVID pandemic</p>
Local economy (GVA; Business Rates)	High	<ul style="list-style-type: none"> <li>• Borough (LBS)</li> <li>• Regional (London)</li> </ul>	<p>GVA is a measure of productivity, made more important due to the role LBS plays in both regional and national economies</p> <p>Business rates are an important source of revenue for Local Authority areas. This is especially true at a time when Councils have to make up for cuts in central government funding.</p>
Open Space	High	<ul style="list-style-type: none"> <li>• LIA</li> </ul>	<p>Lack of open space and the need for high-quality public realm is a priority in the New Southwark Plan<sup>20</sup>.</p>

<sup>20</sup> LB Southwark (December 2017). 'New Southwark Plan, Proposed Submission Version, December 2017'.

**POTENTIAL EFFECTS**

**Demolition and Construction**

*Temporary Construction Jobs*

- 6.53 The period of demolition and construction works of the Proposed Development will support a number of on-site and off-site employment opportunities within the construction sector.
- 6.54 It is anticipated that 1,550-person years of temporary construction employment could be supported as a result of construction activity related to the Proposed Development (for both Option 1 and Option 2). An anticipated 36-month (or 3-year) construction programme means that an average of 520 FTE jobs could be supported each year during the demolition and construction phase. This employment could be expected to include a broad range of job-types and occupations, both on-site as well as off-site (i.e. both direct and indirect / supply chain employment). A number of these jobs could be expected to be filled by residents of LBS and who may currently be unemployed. However, it is assumed that the majority of construction jobs would be accessed by people (i.e. both employed as well as unemployed) from across the wider Greater London region.
- 6.55 The nature of the jobs supported during the period of demolition and construction works is expected to vary. On-site employment could include highly skilled professions (such as site surveyors) alongside lower skilled supply chain jobs (such as labourers), whilst off-site activity could be expected to support employment across a wide supply chain ranging from suppliers of building materials to architects.
- 6.56 The demolition and construction sector currently supports around 205,000 jobs across London (see **Table 6.5**). The estimated annual demolition and construction jobs supported during the period of works could therefore be expected to represent 0.3% of all regional employment in the construction sector. Given the small percentage, construction activity is not expected to stimulate a noticeable change in the baseline conditions at the regional level, and as such, the magnitude of the impact is assessed to be negligible.
- 6.57 With the sensitivity of the receptor assessed as medium, the scale of the effect on the receptor (i.e. temporary construction jobs) is therefore assessed as **Minor Beneficial** at the regional (London) level, which is not considered to be significant. This Minor beneficial effect applies to both Option 1 and Option 2.

**Completed Development**

*On-Site Jobs*

- 6.58 The Proposed Development is comprised of the following two floorspace options (see **ES Chapter 4 – Proposed Development (Volume 1)**):
  - Option 1: Where levels 1 - 10 of the Main Building are provided as D1 Use Class (medical use); and
  - Option 2: Whereby levels 1 - 10 of the Main Building are provided as B1b Use Class (research and development use).
- 6.59 In both options the remaining levels of the Main Building and Warehouse are provided as B1(a) Office, affordable workspace (B1 / B1b/D1), D1 (community) and A1-A4 (retail). The following assessment draws on the HCA Employment Densities Guide to assign different densities (per FTE job) based on proposed Use Classes, in addition to research by HUDU and research undertaken on behalf of the GLA to estimate health-related employment (in relation to Option 1).
- 6.60 **Table 6.8 and Table 6.9** below sets out the area allocated for each proposed use under Option 1 and Option 2 respectively and provides an overview of the estimated (gross) on-site employment that could be supported by each proposed land use. Floorspace figures are expressed for both Gross Internal (GIA) and Net Internal Areas (NIA). Given that research on employment densities for healthcare uses has identified a range of floorspace requirement for D1 uses, **Table 6.8** sets out a range of (gross) jobs that could be supported on-site. Overall, under Option 1 it is estimated that between 682 and 900 (gross) FTE jobs could be supported on-site

by the completed Proposed Development and under Option 2 it is estimated that 885 FTE jobs could be supported on-site.

**Table 6.8 Option 1 Estimated (Gross) On-Site Employment**

Proposed Uses	Use Class used for assessment	Floorspace (m <sup>2</sup> ) used to calculate Estimated FTEs	Area (in m <sup>2</sup> ) per FTE Assumption	Estimated (Gross) FTEs
Office	B1a	8,207 (GIA) 6,678 (NIA)	13	514
Healthcare	D1	12,634 (GIA) 9,832 (NIA)	45 (GIA) 156 (NIA)	281 / 63
Community Space	D1	180 (GIA) 180 (NIA)	45 (GIA)	4
Affordable workspace	Mixed B Class	1,115 (GIA) 803 (NIA)	40 (NIA)	20
Affordable Workspace	D1/B1b	1,952 (GIA) 1,417 (NIA)	45 (GIA)	43
Retail	A3	588 (GIA) 566 (NIA)	15 (NIA)	38
Total <sup>21</sup>	--	24,676 (GIA)	--	682 (low) / 900 (high)

**Table 6.9 Option 2 Estimated (Gross) On-Site Employment**

Proposed Uses	Use Class used for assessment	Floorspace (m <sup>2</sup> ) used to calculate Estimated FTEs	Area (in m <sup>2</sup> ) per FTE Assumption	Estimated (Gross) FTEs
Office	B1a	8,207 (GIA) 6,677 (NIA)	13	514
Research and Development	B1b	12,964 (GIA) 10,158 (NIA)	40 (NIA)	254
Community Space	D1	180 (GIA) 180 (NIA)	45 (GIA)	4
Affordable workspace	Mixed B Class	1,115 (GIA) 803 (NIA)	40 (NIA)	20
Affordable workspace	D1/B1b	1,952 (GIA) 1,417 (NIA)	45 (GIA)	43
Retail	A3	618(GIA) 594 (NIA)	15 (NIA)	40
Total	--	24,966(GIA) 19,777 (NIA)	--	885

<sup>21</sup> The total floorspace figure presented in Table 6.8 excludes the mechanical and back of house areas.

**6.61** The site is currently used to host the Vinegar Yard Street Food and Culture Hub on a temporary basis. It is assumed that all temporary employment (i.e. 100 FTE jobs) supported on-site will be lost. In reality, these are likely to be displaced to another location once construction of the Proposed Development commences.

**6.62** **Table 6.10** below sets out the additionality adjustments applied to the estimated gross FTE on-site employment supported by the Proposed Development for both Option 1 and 2. It shows that once all additionality adjustments (i.e. leakage, displacement and deadweight – refer to section ‘Impact Assessment Methodology – Employment Creation’) are taken into consideration, the completed Proposed Development has potential to support between 378-432 FTE jobs under Option 1 and 554 FTE net additional jobs under Option 2.

**Table 6.10 Additionality Adjustments Used to Estimate Net Additional Employment**

Additionality Measure	Jobs (FTE)	Comment
<b>(1) Gross on-site employment</b>	Option 1: 682 - 900 FTEs Option 2: 885 FTEs	-
<b>(2) Leakage</b>	0%	New jobs created by the Proposed Development will be contained within LBS and London respectively.
<b>(3) Displacement</b>	25% (or 75% for (D1) healthcare uses)	Displacement of jobs created within both LBS and London-levels is overall expected to be low. The only exception is the displacement for jobs within the proposed (D1) healthcare uses (as part of Option 1).
<b>(4) Deadweight</b>	100	Site of the Proposed Development does not support any permanent employment, however under the worst-case scenario it is assumed that all temporary employment at the Vinegar Yard Street Food and Culture Hub will be lost.
<b>Net (additional) employment (1) - [(2) + (3) + (4)]</b>	-Option 1: 378-432 Option 2: 554	-

**6.63** Under Option 1, based on an estimated net gain of 378-432FTE jobs from the Proposed Development, this would equate to around 0.5% of all jobs within the LIA and around 0.2% of all jobs in the borough (LBS) respectively. On this basis, the magnitude of the impact at both LIA and LBS spatial levels is therefore assessed as negligible for Option 1.

**6.64** Under Option 2, based on an estimated net gain of 554 FTE jobs from the Proposed Development, this would equate to around 0.65% of all jobs within the LIA and around 0.2% of all jobs in the borough (LBS) respectively. On this basis, the magnitude of the impact at both the LIA and LBS spatial level is assessed as negligible for Option 2.

**6.65** With the sensitivity of the receptor assessed as high, the scale of the effect on the receptor (i.e. on-site employment) is therefore assessed as **Minor Beneficial** at both LIA and LBS (Southwark) levels for both Option 1 and Option 2, which is not considered to be significant.

**6.66** At the regional (London) level, total employment is estimated to be around 5.37 million jobs. At this scale, the magnitude of the impact generated by the net additional FTE jobs supported by the Proposed Development under **both Option 1 and Option 2** equates to around 0.01% of all employment in London, and is therefore assessed as negligible.

**6.67** With the sensitivity of the receptor assessed as high, the scale of the effect on the receptor (i.e. on-site employment) at the London level is therefore assessed as **Minor Beneficial for both Option 1 and Option 2**. This is not considered to be significant in EIA terms.

*Off-site Jobs*

- 6.68 Indirect, off-site jobs are likely to be created as a result of the increase in spending on goods and services associated with the completed Proposed Development. Furthermore, both direct and supply chain jobs will generate a series of induced benefits associated with the re-investment of employees' salaries within the regional economy (in the form of local expenditure). Given the uncertainties about the extent to which both supply chain and induced expenditure will occur locally (i.e. within the LIA and / or LBS), the number of wider employment opportunities supported by the Proposed Development are only assessed at the regional (London) level. That said, it can be inferred that benefits would be experienced at all spatial levels.
- 6.69 The Proposed Development, once fully operational, has the ability to support 682-900 gross FTE jobs or 374-428 net additional FTE jobs under Option 1 Using benchmarks from the HCA's Additionality Guide, the completed Proposed Development under Option 1 therefore has potential to support between 188-216 additional FTE jobs across all industry sectors. Under Option 2, using the same method, the completed Proposed Development has the potential to support 277 additional FTE jobs across all industry sectors.
- 6.70 The baseline assessment has identified that there are currently 5.37 million jobs across London. It is estimated that the additional off-site (i.e. indirect and induced) jobs supported as a result of the completed Proposed Development under both Option 1 and Option 2 will equate to less than 0.01% of the region's (i.e. London) economy. On this basis, the magnitude of the impact generated at the regional (London) level is therefore assessed as negligible.
- 6.71 With the sensitivity of the receptor assessed as high, the scale of the effect on the receptor (i.e. off-site jobs) at the London level is therefore assessed as **Minor Beneficial for both Option 1 and Option 2**, which is not considered to be significant.

*The Local Economy*

*Economic Output (Gross Value Added)*

- 6.72 Once completed, a large proportion of the net additional jobs supported by the Proposed Development under both Option 1 and Option 2 are anticipated to be office-based (Use Class B1) and therefore likely to be in high value occupations such as professional and consultancy services. Under Option 2, a large proportion will also be within research and development occupations which are also typically higher value occupations than health care occupations.
- 6.73 Under Option 1, using GVA per job estimates from the ONS Annual Business Survey, it is estimated that the on-site employment in connection with the completed Proposed Development will generate around £78.5-£80.0 million in gross GVA annually. Once additionality adjustments are made (i.e. leakage, displacement, and deadweight are taken into consideration) the Proposed Development is estimated to generate £29.4-£29.6 million in net additional GVA each year.
- 6.74 Under Option 2, the completed Proposed Development will generate around £101.1 million in gross GVA annually, and around £38.0 million in net additional GVA each year.
- 6.75 The baseline assessment has identified that economic activity at borough (LBS) level contributes around £21.6 billion annually to the regional and national economies. This means that the (net additional) economic activity supported on-site under both Option 1 and Option 2 is anticipated to represent an increase of less than 0.2% over the current baseline. On this basis, the magnitude of the impact at the borough (LBS) level is therefore assessed as negligible.
- 6.76 With the sensitivity of the receptor assessed as high, the effect on the receptor (i.e. economic output) at the borough (LBS) level is therefore assessed as **Minor Beneficial for both Option 1 and Option 2**, which is not considered to be significant.

**Table 6.11 Summary of GVA Impacts of the Proposed Development**

Impact Area	Net additional GVA (£ million)	Total GVA (£ billion)	% Change in Total GVA
<b>Option 1</b>			
Borough (LBS)	£29.4-29.6	£21.6	+0.14%
Regional (London)		£468.2	+0.01%
<b>Option 2</b>			
Borough (LBS)	£38.0	£21.6	+0.18%
Regional (London)		£468.2	+0.01%

- 6.77 At the regional (London) level, the net additional economic activity generated by the completed Proposed Development is estimated to represent an increase of around 0.01% over the current baseline for both Option 1 and Option 2. On this basis, the magnitude of the impact is assessed as negligible at the regional (London) spatial level.
- 6.78 With the sensitivity of the receptor assessed as high, the effect on the receptor (i.e. economic output) at the regional (London) level is therefore assessed as **Minor Beneficial for both Option 1 and Option 2**, which is not considered to be significant.

*Business Rates Generation*

- 6.79 Once complete and operational, the Proposed Development is anticipated to generate additional revenue for the LBS through business rates. Using an average rateable value benchmark of £244 per m<sup>2</sup> of business floorspace in Southwark<sup>22</sup>, it is estimated that the Proposed Development under both Option 1 and Option 2 will have an overall rateable value in the region of £4.7 million, and generate around £2.4 million in annual business rates revenue for LBS.
- 6.80 The baseline analysis has identified that all commercial floorspace at the borough (LBS) level generates an estimated £640.5 million of business rates revenue each year. This means that the additional business rates revenue generated by the Proposed Development (once complete and fully occupied) is estimated to equate to around 0.4% of the current baseline. On this basis, the magnitude of the impact generated is assessed as negligible at the borough (LBS) level.
- 6.81 With the sensitivity of the receptor assessed as high, the likely effect on the receptor (i.e. business rates revenue) at the borough (LBS) level is therefore assessed as **Minor Beneficial for both Option 1 and Option 2**, which is not considered to be significant.
- 6.82 The baseline has also identified that at the regional (London) level, an estimated £16.7 billion in business rates revenue is generated each year. The £2.5 million business rates revenue generated by the Proposed Development will therefore represent a negligible increase over the current baseline at the regional (London) level.
- 6.83 With the sensitivity of the receptor assessed as high, the likely effect on the receptor (i.e. business rates revenue) at the regional (London) level is therefore assessed as **Minor Beneficial for both Option 1 and Option 2**, which is not considered to be significant.

*Improved Open Space*

- 6.84 There are around 260 open spaces located within a 2km radius of the site. Once completed, the Proposed Development under both Option 1 and Option 2 will provide an improvement to the quality of the public realm offer in its immediate surroundings, and the wider London Bridge area more generally. Given the scale of the

<sup>22</sup> Based on data from the VOA (June 2020), 'Non-domestic rating: stock of properties including business floorspace, 2020'.

site and public realm improvement, the magnitude of the impact at the LIA is estimated to be low.

- 6.85 With the sensitivity of the receptor assessed as high, the likely effect on the receptor (i.e. open space) at the LIA level is therefore assessed as **Minor Beneficial for both Option 1 and Option 2**, which is not considered to be significant.

### MITIGATION AND RESIDUAL EFFECTS

#### Demolition and Construction

- 6.86 There are no adverse socio-economic effects assessed for the construction phase of the Proposed Development and therefore no additional mitigation measures are required.

#### Completed Development

- 6.87 Overall, there are no adverse socio-economic effects assessed for the Proposed Development once completed and occupied, and therefore no additional mitigation measures are required for either Option 1 or Option 2.

### RESIDUAL EFFECTS

- 6.88 The residual effects resulting from the Proposed Development are summarised in **Table 6.12**. Unless stated otherwise, the residual effects are the same for both Option 1 and Option 2.

**Table 6.12 Summary of Residual Effects - 2021 Proposed Development**

Receptor	Receptor Sensitivity	Residual Effect (Nature and Scale)	Effect Significance	Geo	D I	P T	St Mt Lt
<b>Demolition and Construction</b>							
Temporary construction employment	Medium	Minor Beneficial	Not Significant	Regional (London)	D	T	St
<b>Completed Development</b>							
<b>Employment</b>							
On-Site Employment	High	Minor Beneficial	Not Significant	LIA	D	P	Lt
On-Site Employment	High	Minor Beneficial	Not Significant	Borough (LBS)	D	P	Lt
On-Site Employment	High	Minor Beneficial	Not Significant	Regional (London)	D	P	Lt
Off-Site Employment	High	Minor Beneficial	Not Significant	Regional (London)	D	P	Lt
<b>Local Economy</b>							
GVA	High	Minor Beneficial	Not Significant	Borough (LBS)	D	P	Lt
GVA	High	Minor Beneficial	Not Significant	Regional (London)	D	P	Lt
Business Rates Generation	High	Minor Beneficial	Not Significant	Borough (LBS)	D	P	Lt
Business Rates Generation	High	Minor Beneficial	Not Significant	Regional (London)	D	P	Lt
<b>Open Space</b>							

Receptor	Receptor Sensitivity	Residual Effect (Nature and Scale)	Effect Significance	Geo	D I	P T	St Mt Lt
Open Space	High	Minor Beneficial	Not Significant	LIA	D	P	Lt
<b>Notes:</b> Residual Effect - Scale = Negligible / Minor / Moderate / Major - Nature = Beneficial or Adverse Geo (Geographic Extent) = Local (L), Borough (B), Regional (R), National (N) D = Direct / I = Indirect P = Permanent / T = Temporary  St = Short Term / Mt = Medium Term / Lt = Long Term N/A = not applicable / not assessed							

- 6.89 The residual effects as a result of the Proposed Development remain the same as those reported for the 2018 scheme.

### LIKELY SIGNIFICANT EFFECTS

- 6.90 The assessment of the Proposed Development on socio-economic receptors has not identified any significant effects (of either beneficial or adverse nature).

### CLIMATE CHANGE

- 6.91 In the context of the socio-economics assessment, climate change related factors will have little direct influence on the baseline conditions and on the effects of the Proposed Development. Furthermore, there is no robust evidence that could be used to quantify the direct impacts of a changing climate on socio-economic indicators (including the economy and employment). These impacts would occur over a long period and would affect the activity generated by the Proposed Development in ways which are dependent on both the nature of the climate change impact and the type of business and employment.
- 6.92 Climate change will generate both economic opportunities and disbenefits. For instance, the management of climate change impacts is likely to see the development of new business activities relating to mitigation technologies and the process of adaptation. Conversely, business costs may rise as a result of impacts including shifts to low or zero carbon transport technologies, rising energy costs as a transition to alternative energy sources accelerates, and increases in the costs of materials linked to scarcity effects. The combination of opportunities and disbenefits related to climate change cannot be measured at this point in terms of business activity and employment, however these are expected to be present. The health of the local population and employees both within the Proposed Development and across the impact areas may be adversely affected by increased risk of overheating and other heat-related illnesses, drought, in addition to decreased water and food security. This would be partially offset against a reduced risk of cold weather-related illness in the winter, particularly amongst vulnerable groups such as the elderly. Increased rainfall over short periods may also lead to increased numbers of bacteria in surface water with detrimental effects on drinking water.

**Table 6.13 Summary of Receptor Sensitivity and Vulnerability for Assessment**

Resource / Receptor	Sensitivity	Vulnerability
Temporary construction employment	Medium	Low
On-site jobs	High	Low
Healthcare	High	Low
Off-site jobs	High	Low
Local economy (including GVA and Business Rates)	High	Low

6.93 As shown in **Table 6.13** above, the receptors accounted for within the assessment are of low vulnerability to the impacts of climate change, and therefore it is considered that there would be no material change to the effects and / or significance conclusions presented within this assessment as a result of the climate scenario considered. Furthermore, this means that there is no need for any additional mitigation measures to be implemented.

## ASSESSMENT OF FUTURE ENVIRONMENT

### Evolution of the Baseline Scenario

6.94 It is assumed that the existing baseline conditions would continue to change in the absence of the Proposed Development. These would arise as cumulative schemes considered in this assessment are delivered, which would generate additional temporary construction employment in addition to long-term / permanent employment within the LIA and the Borough (LBS), indirect employment at the regional (London) level, and increases in GVA and business rates revenue generated.

6.95 Beyond the specific impacts of the cumulative schemes on future baseline conditions, the site of the Proposed Development is located in a central London location, an area in which there is continual change in employment and business activity (and the related GVA and business rates revenue this activity generates). This is driven by the substantial number of businesses, public sector and other organisations who trade, deliver services and operated within the area, the gains and losses in employment that these generate, and the wider impacts that result from this activity through indirect and induced impacts.

6.96 Given the scale of activity described above, and the rate at which this changes over (even short periods of) time, it is not possible to provide quantitative estimates of the likely changes in baseline conditions. However, broad indicators of the scale and type of change expected are found in the emerging New Southwark Plan<sup>23</sup>, the London Plan (2021).<sup>24</sup>

6.97 Taking account of these policy drivers, the future baseline of the LIA would be expected to see an increase in local employment provision. The LBS's draft New Local Plan assumes considerable economic growth in the Borough over the next 20-years. It specifies that in order to meet the growing demand for employment space, around 460,000 m<sup>2</sup> of new (B1) office space will be required within its Central Activities Zone (CAZ) and town centre locations, facilitating the creation of around 47,000 jobs over the next 20-years.

## CUMULATIVE EFFECTS ASSESSMENT

6.98 This section of the assessment considers the potential effects of the site in combination with the potential effects of other existing or approved development (henceforth referred to as cumulative schemes) within the surrounding area, as listed within **ES Chapter 2 – EIA Methodology (Volume 1)**. Both Option 1 and Option 2 of the Proposed Development have been assessed within the cumulative effects assessment and it has been concluded that the significance of effect remains the same for each option. For the purposes of presenting the information in this section, Option 1 has been selected on the basis that it is considered to represent a worst-

case scenario in terms of employment generation.

6.99 In total, it is estimated that the Proposed Development and cumulative schemes identified will deliver around 303,500m<sup>2</sup> of gross floorspace (including 19,250m<sup>2</sup> of A1-A4 uses, 231,600m<sup>2</sup> of B1 uses, and c20,000m<sup>2</sup> of other (D1/D2/Sui Generis) uses).

6.100 The Cumulative Assessment is based on the following assumptions:

- The assessment is based on available information that is available in the public domain with regards to each cumulative scheme identified;
- Any mitigation measures required to minimise or avoid likely adverse effects arising from each cumulative scheme will be adopted in full as part of the implementation of each respective scheme; and
- It is recognised that a significant proportion of the cumulative schemes are either under construction and / or yet to be determined. Given that for the majority of schemes considered, construction is ongoing, it is assumed that these projects are yet to be reflected within the local baseline assessment, and as such are considered under this section.

### Demolition and Construction

#### Temporary Construction Employment

6.101 The effects of concurrent construction activity during demolition and construction activities associated with the Proposed Development and all cumulative schemes are expected to be temporary and short-term in nature.

6.102 The assessment of the Proposed Development during the period of demolition and construction works has identified a medium level of sensitivity in connection with the construction employment at the regional (London) spatial level.

6.103 The concurrent construction activity enabled by the Proposed Development and cumulative schemes is anticipated to have an overall positive impact whilst providing certainty, resilience and (job) security over the short to medium-term as the economy recovers from the adverse impacts of the COVID-19 pandemic. Whilst the Proposed Development and cumulative schemes considered represent a substantial level of investment at the local level, these are only a small number of the overall investments currently being delivered in London and across the wider South East. On this basis, the scale of development across the Proposed Development and all cumulative schemes, the magnitude of impact on the receptor (i.e. temporary construction) is therefore assessed as low.

6.104 With the sensitivity of the receptor assessed as low, the cumulative significance of effect is assessed as **Minor Beneficial**. This is not considered to be significant in EIA terms, and is in line with the assessment of the Proposed Development (i.e. **Minor Beneficial**).

### Completed Development

6.105 Taken together, the cumulative schemes in combination with the Proposed Development will lead to an increase in the overall quantum of business floorspace within the LIA. The following assessment is based on the Proposed Development in addition to all cumulative projects identified in **ES Chapter 2 – EIA Methodology (Volume 1)**, which together are anticipated to deliver:

- Around 16,500m<sup>2</sup> of (A1) retail and / or (A3) food service floorspace;
- A little over 150m<sup>2</sup> of (A2) financial and professional floorspace;
- Around 2,700m<sup>2</sup> of (A4 / A5) food service floorspace;
- A little under 230,500m<sup>2</sup> of (B1) office floorspace;
- Around 10,000 sq m of affordable workspace of mixed B use classes and D1 uses;

<sup>23</sup> LB Southwark (January 2020), 'New Southwark Plan Submission Version – Proposed Modifications for Examination 2019 to 2034'.

<sup>24</sup> Mayor of London (March 2021). 'The London Plan – The Spatial Development Strategy for London'.

- Just over 10,000 m<sup>2</sup> of (D1) healthcare floorspace;
- Over 12,000m<sup>2</sup> of (D2) Sui Generis/ entertainment floorspace;
- Four hotels, which together will have over 700 bedrooms; and
- Two student housing development, which together will have potential to accommodate over 1,300 students.

**6.106** The effects expected to occur as a result of the cumulative schemes in addition to the Proposed Development are set out in more detail below.

**6.107** The effects are expected to be direct, permanent and long-term in nature.

#### *On-Site Jobs*

**6.108** Once completed, the Proposed Development and cumulative schemes will bring forward a variety of uses, such as retail, office-based jobs, food service, (affordable) studio workspace, healthcare facilities, entertainment, and accommodation, totalling to over 303,500 m<sup>2</sup> of additional business floorspace. Collectively, this is estimated to support around 19,400 (gross) FTE jobs within the LIA. Once additionality is considered, it is estimated that around 14,500 of these jobs will be net additional across the various projects.

**6.109** The increase in net additional employment will represent an increase of around 17% over the current (employment) baseline within the LIA. On this basis, the magnitude of impact on the receptor is therefore assessed as high.

**6.110** With the sensitivity of the receptor assessed as high, the scale of the effect at the LIA is assessed as **Major Beneficial**. This is considered to be significant in EIA terms, and is more positive than the residual effect identified in the assessment of the Proposed Development (i.e. **Minor Beneficial**).

**6.111** The Cumulative Impact Assessment considers projects located in two additional boroughs (i.e. LBS and the London Borough of Tower Hamlets (LBTH)) and the City of London. Together, these three local authorities support a little over one million FTE jobs. The 14,500 (FTE) net additional jobs supported by the Proposed Development and cumulative schemes are estimated to represent an increase of around 1.4% over and above the local baseline. On this basis, the magnitude of impact is assessed as low.

**6.112** With the sensitivity of the receptor assessed as high, the scale of the effect at the local authority (i.e. LBS, LBTH and City of London) level is therefore assessed as **Moderate Beneficial**. This is considered to be significant and is greater than the beneficial residual effect identified in the assessment of the Proposed Development (i.e. **Minor Beneficial**).

**6.113** The baseline analysis has identified total employment across London to be a little over 5.3 million jobs, and therefore the additional 14,500 (FTE) jobs support will represent an overall negligible increase over the regional (London) baseline.

**6.114** With the sensitivity of the receptor assessed as high, the scale of the effect at the regional (London) level is therefore assessed as **Minor Beneficial**, which is not considered to be significant. This is in line with the assessment of the Proposed Development (i.e. **Minor Beneficial**).

#### *Off-Site Jobs*

**6.115** Based on an anticipated 14,500 (FTE) net additional jobs, it is estimated (using benchmarks from the HCA's Additionality Guide) that up to 7,250 (FTE) net additional jobs could be supported widely across London (i.e. off-site) as a result of the Proposed Development and cumulative schemes taken together. The baseline analysis indicated that in total, there are a little over 5.3 million jobs in London. The 7,250 indirect and induced jobs supported off-site are therefore anticipated to represent an increase of around 0.1% on the current regional (London) baseline. Based on this, the magnitude of impact of the Proposed Development and cumulative schemes regionally is assessed as negligible.

**6.116** With the sensitivity of the receptor assessed as high, the scale of effect at the regional (London) level is therefore assessed as **Minor Beneficial**, which is not considered significant. This is in line with the assessment of the Proposed Development (i.e. **Minor Beneficial**).

#### *The Local Economy*

##### *Economic Output (Gross Value Added)*

**6.117** The net additional employment supported by the Proposed Development and cumulative schemes could be expected to generate around £3.1 billion in gross GVA each year. Once the additionality of the jobs supported is considered, the Proposed Development and cumulative schemes could be expected to generate around £2.3 billion in net additional GVA each year. At the local authority level (i.e. LBS, LBTH and City of London), this is estimated to represent an increase of around 1.5% over the current baseline. On this basis, the magnitude of impact at the local authority level is therefore assessed as low.

**6.118** With the sensitivity of the receptor assessed as high, the scale of effect at the local authority level (i.e. LBS, LBTH and City of London) is therefore assessed as **Moderate Beneficial**. This is considered to be significant in EIA terms, and is marginally greater than the beneficial residual effect of the Proposed Development (i.e. **Minor Beneficial**).

**6.119** The baseline analysis indicated that at the regional (London) level, the overall GVA contribution of the London economy adds up to a little over £450 billion each year. The £2.3 billion net additional GVA generated by the Proposed Development and cumulative schemes is therefore estimated to represent around 0.5% over the current regional (London) baseline. As such, the impact on the receptor at the regional (London) spatial level is assessed as negligible in magnitude.

**6.120** With the sensitivity of the receptor assessed as high, the scale of effect at the regional (London) level is therefore assessed as **Minor Beneficial**, which is not considered to be significant. This is in line with the assessment of the residual effect of the Proposed Development (i.e. **Minor Beneficial**).

##### *Business Rates Generation*

**6.121** Once completed, the additional floorspace generated by the Proposed Development and cumulative schemes will add up to around 303,500 m<sup>2</sup> of business floorspace.

**6.122** Using average rateable values for the local authorities in which each of the projects considered are located<sup>25</sup>, the additional floorspace delivered by the Proposed Development and cumulative schemes could be expected to generate around £76 million of business rates revenue each year. This represents around 1.9% of the annual business rates revenue generated within the three local authority areas considered (i.e. LBS, LBTH and City of London). On this basis, the magnitude of impact at the local authority level is therefore assessed low.

**6.123** With the sensitivity of the receptor (i.e. economy) assessed as high, the scale of effect at the local authority level is therefore assessed as **Moderate Beneficial**, which is considered to be significant. This is better than the residual effect identified in the assessment of the Proposed Development (i.e. **Minor Beneficial**).

**6.124** The baseline analysis indicated that at the regional (London) level, the total annual business rates revenue generated adds up to over £16.7 billion. The additional increase generated by the Proposed Development and cumulative schemes is therefore anticipated to represent a negligible increase. As such, the magnitude of impact at the regional (London) level is therefore assessed as Negligible.

**6.125** With the sensitivity of the receptor (i.e. economy) assessed as high, the likely effect of the Proposed Development and cumulative schemes at the regional (London) level is therefore assessed as **Minor Beneficial**, which is not considered to be significant. This is in line with the assessment of the residual effect of the Proposed Development (i.e. **Minor Beneficial**).

<sup>25</sup> Which are £244/m<sup>2</sup> for LB Southwark, £401/m<sup>2</sup> for the City of London, and £230/m<sup>2</sup> for LB Tower Hamlets.

**SUMMARY OF EFFECTS**

- 6.126 The assessment of the Proposed Development has not identified any significant effects during the demolition and construction process. Once completed, and following mitigation, the assessment of the Proposed Development does not identify any significant effects either.
- 6.127 The assessment of the Proposed Development and cumulative schemes has not identified any significant effects during the demolition and construction process.
- 6.128 However, once completed the following significant effects are identified as a result of the completed Proposed Development and cumulative schemes:
  - **Major Beneficial** effect on employment at the LIA level, and **Moderate Beneficial** effect on employment at the local authority (i.e. LBS, LBTH and City of London) level;
  - **Moderate Beneficial** effect on economic output at the local authority (i.e. LBS, LBTH and City of London) level; and
  - **Moderate Beneficial** effect on business rates revenue at the local authority (i.e. LBS, LBTH and City of London) level.

*Open Space*

- 6.129 The Proposed Development is one of several schemes promoting improvements to the public realm (such as provision of a new public garden and improving pedestrian connectivity in and around the site). However, whilst the quality of the overall public realm within the LIA is expected improve, the overall quantum provided by the cumulative schemes in combination with the Proposed Development, is not expected to change significantly. Based on this, the magnitude of impact generated by the Proposed Development and cumulative schemes is therefore assessed as low.
- 6.130 With the sensitivity of the receptor assessed as high, the likely effect of the Proposed Development in combination with the cumulative schemes on the receptor (i.e. open space) is therefore assessed as **Minor Beneficial** at the LIA level. This is not considered to be significant and is in line with the assessment of the Proposed Development (i.e. **Minor Beneficial**).

**COMPARISON OF EFFECTS**

- 6.131 **Table 6.14** below presents the residual effects of the 2018 Proposed Development to allow for a comparison with the residual effects of the 2021 Proposed Development (**Table 6.12**).

**Table 6.14 Evaluation of Predicted Impacts and Effects - 2018 Proposed Development**

Receptor	Receptor Sensitivity	Residual Effect (Nature and Scale)	Effect Significance	Geo	D I	P T	R IR	St Mt Lt
<b>Demolition and Construction</b>								
Temporary construction employment	Medium	Minor Beneficial	Not Significant	Regional (London)	D	T	IR	St
<b>Completed Development</b>								
<b>Employment</b>								
On-Site Employment	High	Minor Beneficial	Not Significant	LIA	D	P	IR	Lt
On-Site Employment	High	Minor Beneficial	Not Significant	Borough (LBS)	D	P	IR	Lt
On-Site Employment	High	Minor Beneficial	Not Significant	Regional (London)	D	P	IR	Lt

Receptor	Receptor Sensitivity	Residual Effect (Nature and Scale)	Effect Significance	Geo	D I	P T	R IR	St Mt Lt
Off-Site Employment	High	Minor Beneficial	Not Significant	Regional (London)	D	P	IR	Lt
<b>Local Economy</b>								
GVA	High	Minor Beneficial	Not Significant	Borough (LBS)	D	P	IR	Lt
GVA	High	Minor Beneficial	Not Significant	Regional (London)	D	P	IR	Lt
Business Rates Generation	High	Minor Beneficial	Not Significant	Borough (LBS)	D	P	R	Lt
Business Rates Generation	High	Minor Beneficial	Not Significant	Regional (London)	D	P	IR	Lt
<b>Open Space</b>								
Open Space	High	Minor Beneficial	Not Significant	LIA	D	P	IR	Lt
<b>Notes:</b>								
Residual Effect								
- Scale = Negligible / Minor / Moderate / Major								
- Nature = Beneficial or Adverse								
Geo (Geographic Extent) = Local (L), Borough (B), Regional (R), National (N)								
D = Direct / I = Indirect								
P = Permanent / T = Temporary								
St = Short Term / Mt = Medium Term / Lt = Long Term								
N/A = not applicable / not assessed								

- 6.132 **Table 6.12** and **Table 6.14** demonstrates that the residual effects to socio-economics remain consistent between the 2018 Proposed Development and the 2021 Proposed Development. No additional or different likely effects or likely significant effects have been identified as a result of the revised proposals. In addition, it is considered that the residual effects are the same for both Option 1 and Option2.
- 6.133 In relation to cumulative effects, this assessment has considered the effects on permanent employment on-site at the LIA and Borough level, not previously considered for the 2018 Proposed Development. This has identified the potential for **Major Beneficial** (significant) effects at the LIA level and Moderate Beneficial (significant) effects at the Borough level. The cumulative effect of on-site employment at the regional level and off-site employment remains as assessed for the 2018 Proposed Development (**Minor Beneficial**).
- 6.134 Similarly, the assessment of cumulative effects on the local economy has identified **Moderate Beneficial** (significant) effects at the borough level for both GVA. The cumulative effect on the local economy at the regional level remains as assessed for the 2018 Proposed Development (**Minor Beneficial**).
- 6.135 In relation to open space, the cumulative effect remains as per the 2018 Proposed Development (i.e. **Minor Beneficial**).

**ANNEX A**

**LBS REVIEW**

Summary of Matter Raised in Scoping Opinion	Reference in the ES Chapter / Application Documentation
<p>Paragraph 1.35 The inclusion of this topic into the SR is considered to be appropriate, particularly in light of the commercial nature of the proposed development. However, it is noted that due to the scale of the overall development, impacts on employment, economic output and public realm are likely to be limited during both the construction and operational phases.</p>	<p>Noted. The ES Chapter has had regard within the assessment to employment, economic output and public realm matters.</p>
<p>Paragraph 1.36 The assessment should identify the baseline characteristics of the area through a range of appropriate sources, including those detailed in paragraph 171. Other sources could include reviewing local economic plans and any Local Enterprise Partnership publications.</p>	<p>Noted. Local and regional policy reviewed and presented with ES Volume 3: Appendix – Socio-Economics. Appropriate reference to relevant legislative and policy context is presented within the assessment where relevant.</p>
<p>Paragraph 1.37 It is considered that the Applicant has taken into account most of the standard issues and requirements and that the scope of the socio-economic elements of the chapter is considered appropriate.</p>	<p>Noted.</p>