

TECHNICAL APPENDIX 8A – SUPPLEMENTARY SOCIO-ECONOMIC INFORMATION

DETAILED ASSESSMENT METHODOLOGY

Direct and Indirect Construction Employment

Employment created during the demolition and construction phases of development can be measured by dividing the estimated cost of construction by the average annual gross output per construction industry employee¹. Established practice adopted by HM Treasury is to equate 10 person-years to 1 full time equivalent (FTE) job. Output per head for construction workers is available from the Office of National Statistics (ONS) and the most recent estimate has been used.

Additional employment generated from the demolition and construction works would result in spillover effects into the rest of the economy, as people spend their earnings and in so doing provide income for others. Based on the English Partnerships report 'Additionality Guide Second Edition' (September 2004) (Ref. TA8.1), it can be assumed that for every 100 jobs on-site a composite multiplier of 10% should be applied to estimate these indirect jobs created at the neighbourhood level. It also estimates the wider indirect effects, and suggests that the comparable multiplier for the regional level is 50%.

Since this measures only additional activity, this is net of any displacement effects.

Completed Development Employment

Standard employment densities are available from English Partnership (Ref. TA8.2) and are shown in Table TA8.1.

Table TA8.1: Standard Employment Densities for Various Land Use Types

Proposed Land Use	Employment Density (m ² per worker)
Offices	19
A1 Non Food Retail	20
A1 Foodstore	19
A3 (Retail)	20
Leisure and Family Entertainment	40
Nightclub	40
A3 (Restaurants, Café, Bars)	13
Health & Fitness	90
4/5 Star Hotel	0.8 employees per bedroom

Data Source: Arup Employment Densities a Full Guide, for English Partnerships July 2001

In addition there would be indirect employment created by the completed and operational Development Scenarios. The multipliers that are applied in respect of indirect construction employment are also applied in respect of the completed and operational Development Scenarios.

¹ For the purpose of this assessment, the gross output per construction industry employee is assumed to be £90,334. This is based on total construction output of £113,571 million in 2006 [series FGAY from ONS] and 1,257,235 employees in Construction in 2006 [ABI from Nomis]

Valuing the Productivity Benefits of the Additional Employment

The employment growth that would be created from the completed and operational Development Scenarios would add new value to the London economy over and above what would be created were this employment growth to take place in outer London. This is because employment growth in central London has a significant productivity advantage over employment growth elsewhere. The productivity differential is driven by the agglomeration benefits of locating within an area which holds one of the three largest Financial and Business Services (FBS) clusters in the world and the largest retail cluster in the UK.

To assess productivity benefits the highly prudent assumption is made that all additional office or retail employees would otherwise be in employment elsewhere if development did not proceed. It is further assumed that this alternative employment would be in Outer London. This region is chosen because it is a prudent comparator that has relatively high levels of productivity compared to the rest of the country. It should be stressed that Outer London is chosen so that a conservative estimate can be made, not because these jobs necessarily would be located in Outer London were development not to proceed.

These productivity benefits have therefore been calculated by taking the employment created by development and applying the productivity differential for the office and retail industries between Inner and Outer London. Current productivity differentials between Inner and Outer London are £16,674 per head for Office employment and £2,032 per head for Retail employment.

The secondary effect of allowing further agglomeration by allowing development is quantified using an elasticity of productivity to employment density established in the academic literature on agglomeration. A literature review by Rosenthal and Strange showed evidence from a variety of mostly US studies which found a typical elasticity of average productivity with respect to changes in city size between 0.04 and 0.11 (Ref. TA8.3). The case for including productivity benefits in transport appraisals has been advanced and developed by Volterra and Buchanans as part of the Crossrail Agglomeration Research, The Economic Benefits of Crossrail, May 2007 (Ref. TA8.4).

Additional Local Spend

New residents associated with the proposed Development Scenarios would generate additional spending, although not all would take place in the local area. 'Family Spending' (Ref. TA8.5), published by the ONS, states that the average spend per person in London is £216 per week. This figure has been used in the assessment. The same multipliers as those given for employment are also used in the assessment.

There would also be additional expenditure from additional workers in and around the proposed Development Scenarios. This spending is likely to consist of expenditure on food and drink at lunchtime but also of spending in local shops and pubs at the end of the day. The calculations assume that 60% of workers spend an average of £5 per day for 220 working days per year.

Housing

The proposed housing composition of the proposed Development Scenarios has been assessed in the light of relevant City of Westminster strategic policies and commented upon using expert judgement.

Education

The number of children that would arise from the proposed Development Scenarios is calculated by using data on child yields. The child yields applied in this assessment for private housing are taken from the Wandsworth New Housing Survey (Ref. TA8.6). This is the most appropriate set of child yields for inner London development of private flats as acknowledged by the GLA (Ref. TA8.7). Child yields for Social Housing are taken from the DMAG paper on this subject (Ref. TA8.8).

The child yield figures used differ slightly from the child yield figures used in the Play Strategy prepared by Atkins. The Play Strategy mostly utilises suggested child yield figures identified in Appendix B of the Mayor of London's Supplementary Planning Guidance Providing for Children and Young People's Play and Informal Recreation. Tables TA8.19 and TA8.20 are based on figures sourced from the underlying data taking additional account of the different child yield figures in the age bandings (0-15) for the relevant dwelling types.

To calculate how many of these children would require a place in a maintained school, consideration has been given to data contained in the Westminster Schools Organisation Plan (SOP) (Ref. TA8.9).

To identify whether additional school places are required as a result of the proposed Development Scenarios consideration has been given to existing school place surpluses and deficits in schools in the vicinity of the Site together with information on planned school development such as the 'Building Schools for the Future Programme' (Ref. TA8.10).

Health

Information on current levels of Health provision has been obtained from the NHS Information Centre and the NHS Website. The potential additional population arising from the proposed Development Scenarios has been calculated using data from the Data Management and Analysis Group (DMAG) of the Greater London Authority (GLA) (Ref. TA8.11). To identify whether additional General Practitioners (GPs) or dentists are required the existing provision has been compared with the average provision in England.

Open Space

The assessment of the potential effect of the proposed Development Scenarios on open space provision in Westminster is based on existing provision in WCC, provision as part of the proposed Development Scenarios and standards set out in the City of Westminster Open Space Strategy (Ref. TA8.12). This document provides information on the existing level of open space provision in Westminster as a whole and in the vicinity of the Site.

SUPPLEMENTARY BASELINE INFORMATION

Table TA8.2: Comparison of Ethnicity for the Seven Wards Surrounding the Site, Westminster and London

Area	White British	White Irish / Other	Other ethnic groups
Knightsbridge and Belgravia	50.9%	30.7%	18.4%
St James's	59.9%	20.7%	19.4%
West End	50.8%	26.7%	22.5%
Churchill	56.9%	18.8%	24.2%
Tachbrook	63.9%	21.5%	14.6%
Vincent Square	54.5%	22.8%	22.7%
Warwick	62.1%	22.0%	15.9%
Westminster	48.5%	24.7%	26.8%
London	59.8%	11.4%	28.8%

Source: 2001 Census of Population

Table TA8.3: Comparison of Tenure Type for Westminster and London

Tenure Type		Westminster	London
Owned	Owns outright	15.1%	22.1%
	Owns with a mortgage or loan	19.1%	33.5%
	Shared ownership	0.7%	1.0%
	TOTAL	34.9%	56.6%
Rented	Council (local authority)	12.9%	17.1%
	Housing Association / Registered Social Landlord	16.0%	9.1%
	Private landlord or letting agency	29.7%	14.3%
	Other	6.5%	2.9%
	TOTAL	65.1%	43.4%
Total Number of Households		91,172	3,015,997

Source: Census of Population, 2001

Table TA8.4: Comparison of Tenure type for the Seven Wards Containing and Surrounding the Site

Tenure Type	Knightsbridge and Belgravia	St James's	West End	Churchill	Tachbrook	Vincent Square	Warwick
Owned	Outright	24.5%	11.3%	12.9%	11.7%	9.5%	15.2%
	Mortgage / loan	14.8%	11.3%	14.2%	15.8%	15.9%	20.8%
	Shared	1.0%	0.4%	0.3%	0.4%	0.2%	0.7%
	TOTAL	40.3%	23.0%	27.4%	27.8%	25.6%	32.7%
Rented	Council	3.5%	8.3%	6.9%	33.5%	10.5%	9.4%
	Social Landlord	10.4%	29.8%	21.8%	20.3%	32.5%	21.6%
	Private	31.8%	28.2%	35.1%	13.6%	22.3%	27.1%
	Other	14.0%	10.7%	8.8%	4.8%	9.2%	5.1%
TOTAL	59.7%	77.0%	72.7%	72.2%	74.5%	67.3%	63.3%

Source: Census of Population, 2001

Table TA8.5: Employment in Westminster and London and Annual Percentage Changes

Year	Westminster		London	
	Employment ('000s)	Annual % change on previous year	Employment ('000s)	Annual % change on previous year
1995	514.5		3,451.3	
1996	518.7	0.8%	3,502.4	1.48%
1997	541.8	4.5%	3,620.3	3.37%
1998	533.9	-1.5%	3,764.1	3.97%
1999	572.5	7.2%	3,957.0	5.13%
2000	565.3	-1.3%	4,060.7	2.62%
2001	567.0	0.3%	4,016.5	-1.09%
2002	554.4	-2.2%	3,932.1	-2.10%
2003	555.5	0.2%	3,928.5	-0.09%
2004	550.3	-0.9%	3,969.3	1.04%
2005	569.5	3.5%	4,061.2	2.31%
2006	561.6	-1.4%	3,996.6	-1.59%

Source: Annual Business Inquiry and Annual Employment Survey rescaled

Table TA8.6: Absolute and Percentage Changes in Employment between 1995 and 2006, 1999 and 2006 and 2000 and 2006 in Westminster and London

Year	Westminster		London	
	Absolute Change ('000s)	Percentage Change	Absolute Change ('000s)	Percentage Change
1995 – 2006	47.1	9.2%	545.3	15.8%
1999 – 2006	-10.9	-1.9%	39.5	1.0%
2000 – 2006	-3.7	-0.7%	-64.1	-1.6%

Source: Annual Business Inquiry and Annual Employment Survey rescaled

Table TA8.7: Employment by Key Broad Industrial Groups in the Seven Wards Containing and Surrounding the Site in selected wards, Westminster, London and Great Britain (Percentage of Total in Employment)

Area	Distribution, Hotels and Restaurants	Banking, Finance and Insurance, etc	Public Admin, Education & Health	Other Services
Knightsbridge and Belgravia	22.0	36.1	26.7	10.5
St James's	17.3	34.5	29.5	9.7
West End	35.2	42.8	3.9	9.9
Churchill	13.7	15.9	39.7	2.4
Tachbrook	14.5	17.7	60.5	3.5
Vincent Square	22.1	21.5	40.2	11.2
Warwick	19.6	40.6	22.5	6.1
Westminster	25.4	37.0	19.5	9.8
London	21.3	33.5	22.7	6.9
Great Britain	23.5	21.2	26.9	5.3

Source: Annual Business Inquiry, 2006

Table TA8.8: Employment by Full Time and Part Time in Westminster, London and Great Britain (Percentage of Total in Employment)

Area	Full Time	Part Time
Westminster	76.1%	23.9%
London	73.4%	26.6%
Great Britain	68.9%	31.1%

Source: Annual Business Inquiry, 2006

Table TA8.9: Employment Statistics for Westminster, London and the UK

	Westminster	London	UK
Occupational Groups			
<i>% of all residents in employment who are:</i>			
Managers and senior officials	25.3%	17.9%	15.2%
Professional occupations	21.5%	16.5%	13.0%
Associate prof & tech occupations	20.3%	17.9%	14.2%
Sales and customer service occupations	2.1%	6.6%	7.6%
Industry Groups			
<i>% of all residents in employment who are:</i>			
Distribution, hotels and restaurants	17.5%	16.3%	18.8%
Banking, finance and insurance	37.6%	26.1%	16.2%
Public admin. education and health	18.4%	26.0%	28.4%
Other services	12.9%	8.7%	6.2%
Total services	90.8%	84.0%	76.3%
Employment and Unemployment			
<i>% of resident working age population who are in:</i>			
Unemployment	7.5%	7.1%	5.3%
Employment	61.8%	69.4%	74.1%
Hours worked per week			
<i>% of all in employment who work:</i>			
< 34 hours	18.8%	24.5%	28.9%
35-44 hours	36.5%	46.4%	45.7%
45 hours or more	44.7%	29.1%	25.4%
Wages (£ per week)			
10th Percentile	£345.00	£298.70	£252.30
Median wages	£667.70	£553.30	£456.70
90th Percentile	-	£1,164.20	£905.90
Qualifications			
% with NVQ4+	42.0%	33.3%	26.4%
% with NVQ3+	51.7%	46.7%	44.2%
% with NVQ2+	61.5%	59.9%	62.9%
% with NVQ1+	66.3%	70.4%	77.1%
% with other qualifications	21.6%	15.1%	8.3%
% with no qualifications	12.3%	14.3%	14.5%

Source: Annual Population Survey, September 2007 & Annual Survey of Hours and Earnings 2007 (Qualification data came from Annual Population Survey, March 2006)

Table TA8.10: Existing Land Uses and Estimated Employment on the Site

DEVELOPMENT SCENARIOS 1 AND 2			
Land Use	Estimated Gross Internal Floorspace (unless stated) (m²)	Employment Density (m² per worker)	Estimated Jobs
Retail (Net Internal Floorspace)	6,774	20	339
Office	27,978	19	1,473
Residential	6,146	0	N/A
Leisure	627	40	16
Hotel	134 bedrooms	0.8 employees per bedroom	107
TOTAL			1,935
DEVELOPMENT SCENARIOS 3 AND 4			
Land Use	Estimated Gross Internal Floorspace (unless stated) (m²)	Employment Density (m² per worker)	Estimated Jobs
Retail (Net Internal Floorspace)	5,306	20	265
Office	27,075	19	1,425
Residential	6,146	0	N/A
Leisure	627	40	16
Hotel	134 bedrooms	0.8 employees per bedroom	107
TOTAL			1,813

Source: Land Securities

Table TA8.11: Explanation of Domains of Deprivation

Domain	Indicators
Income	Recipients of means tested benefits
Employment	Unemployment, Incapacity Benefit & Disablement claimants, New Deal scheme participants
Health Deprivation & Disability	Years of potential life lost, mental health and disability data, emergency hospital admissions
Education, Skills & Training	Children's Key Stage scores, absenteeism and staying-on rates; adults' levels of qualifications
Barriers to Housing & Services	Distances from services, overcrowding, access to owner-occupation, homelessness
Crime	Burglary, violence, theft & criminal damage
Living Environment	Poor housing and lack of central heating; air quality and road accidents injuring pedestrians and cyclists

Source: Indices of Multiple Deprivation, CLG, 2007

Table TA8.12: Index of Multiple Deprivation – % of Westminster Lower Super Output Areas (SOAs) in the bottom 10% in England

Domain of Deprivation	Percentage of Westminster's areas in the bottom 10% of all English areas
Overall Index of Multiple Deprivation	12.5%
Income	15.8%
Employment	7.5%
Health Deprivation	6.7%
Education Skills & Training	0.0%
Barriers to Housing	71.7%
Crime	9.2%
Living Environment	63.3%

Source: *Indices of Multiple Deprivation, CLG, 2007*

Table TA8.13: Existing Provision for Retail and Leisure (gross external area - sq m) on Site

DEVELOPMENT SCENARIOS 1 AND 2			
	Land Securities Holdings (sq m GEA)	Third Party Holdings (sq m GEA)	TOTAL (sq m GEA)
Retail	5,145	5,276	10,421
Leisure	551	270	821
TOTAL	5,696	5,546	11,242
DEVELOPMENT SCENARIOS 3 AND 4			
	Land Securities Holdings (sq m GEA)	Third Party Holdings (sq m GEA)	TOTAL (sq m GEA)
Retail	2,888	5,276	8,164
Leisure	551	270	821
TOTAL	3,203	5,546	8,749

Source: *Land Securities*

Table TA8.14: Provision of Nurseries and Playgroups in Westminster

Type of Provision	Number
Day Nurseries	58
Pre-Schools and Playgroups	11
Nursery Schools and classes	47

Source: *Childcare Information Service, 2008, www.childcarelink.gov.uk*

Table TA8.15: Pattern of Primary School Provision

Primary Schools	No.	Type
Community schools	14	8 all through primary, 3 infant, 3 junior
Voluntary schools – Church of England	19	19 all through primary schools
Voluntary schools – Roman Catholic	7	7 all through primary schools
Academy schools	1	Took first two primary classes in September 2007, all through primary schools

Source: www.westminster.gov.uk

Table TA8.16: Pupils in Westminster Schools

Age of child	Resident pupils in Westminster Schools	Resident Pupils in outborough schools	Total residents in maintained schools	Mid Year Population Estimates 2001 (MYE)	Maintained school pupils as % of MYE	Westminster Maintained school pupils as % of MYE
Primary age	6693	866	7559	10481	72.1	63.9
Secondary age	2807	1586	4393	6440	68.2	43.6

Source: Westminster City Council School Organisation Plan 2003-2008, paragraph 49

Table TA8.17: Public Open Space and Housing Estate Land Provision in Westminster City Council's Form Areas

Forum Area	Public Open Space (POS)		Housing Estate Land (HEL)		Total and Assessment (POS) + (HEL)	
	No	Hectares	No	Hectares	Total hectares	Hectares per 1,000 population
Central	27	291.0	0	0	291.0	11.6
South	15	4.5	1	0.03	4.54	0.13
Bayswater	13	6.3	2	1.33	7.64	0.2
Maida Vale	13	16.2	0	0	16.2	0.46
Marylebone	4	1.4	0	0	1.4	1.07
St John's Wood	9	134.8	2	0.13	134.94	5

Source: Westminster City Council Open Space Strategy, Table 4.4

Table TA8.18: Occupancy Rates

Bedrooms	Occupancy Rate London		Occupancy Rate Central Area	
	All	Owner Occupied	All	Owner Occupied
1	1.31	1.26	1.26	1.27
2	2.01	1.78	1.91	1.71
3	2.71	2.55	2.47	2.05
4	3.42	3.28	3.17	2.91

Source: DMAG Analysis and associated data

Table TA8.19: Wandsworth New Housing Survey Child Yields – Private Flats

Child Age	0 Bed	1 Bed	2 Bed	3 Bed	4 Bed
0-2	0.00	0.01	0.06	0.10	0.00
2-4	0.00	0.00	0.02	0.07	0.00
5-10	0.00	0.00	0.02	0.11	0.00
11-15	0.00	0.00	0.01	0.03	0.00

Source: Wandsworth New Housing Survey, 2004

Table TA8.20: Child Yields – Social Housing

Child Age	0 Bed	1 Bed	2 Bed	3 Bed	4 Bed
0-2	0.00	0.20	0.32	0.31	0.2
2-4	0.00	0.00	0.32	0.31	0.21
5-10	0.00	0.00	0.23	0.74	1.22
11-15	0.00	0.00	0.08	0.47	1.29

Source: DMAG Child Occupancy of new Social Housing, 2006

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Technical Appendix 8A: Supplementary Socio-Economic Information

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