

LONDON



TUNNELS

The London Tunnels

15. Socio-economic Assessment

30 November 2023



Contents

1.	Introduction	8
	Purpose of the document	8
	The vision	8
2.	A unique tourist opportunity for London	10
	London's importance as a tourist destination	10
	The economic importance of tourism	16
	Keeping ahead of the curve	18
	Destination City and Camden's tourism specialism	21
3.	Economic impacts	28
	Construction phase	28
	Operational phase	29
4.	Social impacts	37
	Educational impact	37
	Providing access to heritage	38
	Supporting film related tourism	39
	An inclusive tourist attraction	40
	Providing different types of jobs and training	40

Supporting the attractiveness of London and the UK

London is vital to the UK's tourism sector

169 million domestic day visits to London in 2022 (18% of England total), and **15 million** domestic overnight stays (14% of England total).

169 million



London attracts **15.4 million** international visitors each year, 52% of England's total.

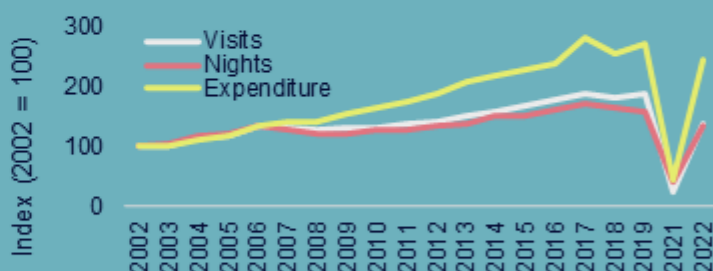
In 2013, **1 in 7** of London's jobs were related to tourism, and the sector contributed to **12%** of London's GDP. As of 2021, this would be equivalent to approximately **£60bn**.

£60bn

Increasing international visits and spend, strong post-pandemic recovery

International visitors to London increased from 12 million visitors in 2002 to 22 million in 2019 (+87%)

During the same time frame, international visitor expenditure increased by 172%, suggesting that expenditure per trip has increased substantially.



19%

International arrivals in London were up 19% and 15% in April and May 2023 compared to the 2019 levels, showing positive signs of recovery.

The importance of culture and leisure

"London's status as a cultural capital is one of its most valuable selling points for tourism. The city is unrivalled in its extensive cultural offering, making this a key driver for visits to the capital" – London & Partners



London ranks **third** in the 'Most Cultural City' in the world in a study by Luggage Hero



London ranks **first** as 'Best City' at the Times Travel Awards



London ranks **fifth** globally for the quality and quantity of its leisure attractions

£8.2bn

As of 2019, heritage-related tourism spend in London reached **£8.2bn**, almost as large as the entire economic contribution of London's manufacturing industry (**£8.9bn**).

62%

62% of total international visitor heritage-related spend across England was in London in 2019.

London's varied attractions sets it apart from the rest of the UK



Sources:

- Visit Britain, 2023. GB Domestic Overnight Tourism: Latest results
- Visit Britain, 2023. Inbound trends by UK nation, region & county 2002-2022

- Eventbrite, 2017. Fueling the Experience Economy

The increasing number of tourists and their changing preferences creates an opportunity for a new kind of cultural experience

Combining culture with technology



Visitors are shifting from traditional tourist attractions to seek more interactive adventures.

52% of Barclaycard users would rather pay for a good experience rather than material possessions.

An opportunity exists to build on London's existing attractions with the **use of modern technology** in order to develop attractions for the modern day consumer.

Some examples of this being done successfully are included below:

Experience	Location	Visitors
Atelier Des Lumieres	Paris	1.2 million visitors in 2018
Teamlabs	Tokyo	1 million visitors (from March 2023 – August 2023)
Van Gogh Alive	Various	>8.5 million since 2011
The Now building	London	85,000 (in February 2023)

What are the London Tunnels?



Kept secret for nearly 70 years, the Tunnels were originally built to shelter Londoners during the WWII Blitz. They have since served as the home of Special Operations Executive, an international communications exchange used during the Cold War, and the deepest bar in London used by nearly 200 government workers.

The Proposed Development would create a world-class cultural experience to bring the history of the Tunnels to life.

Immense size 40 metres underground

- 1.2km of tunnels, the size of the Eurostar tunnels, bigger than Wembley Stadium pitch, and more screens than Times Square.

Ideally located between the British Museum and Tate Modern

- Accessible to over 200 million people who enter London each year (residents, domestic day visitors, domestic overnight visitors and international visitors).

Complete cultural experience

- Bringing to life the history of the Tunnels by installing high-resolution large-scale curved immersive screens, interactive structure, scent-emitting technology and acoustic pinpoint speakers.

Keeping ahead of the curve



The Proposed Development would help London keep ahead of its competitors by diversifying the cultural offering, ensuring visitors have a reason to keep coming back.

Building on history



From a second world war bunker to home of 20th century espionage and host of the telephone exchange connecting the White House to the Kremlin during the Cold War. The Proposed Development can bring this history to life.

Evolving London's identity



The Tunnels will become an integral part of London's identity, connecting with London's history and culture, drawing in visitors and offering visitors a unique opportunity to engage with London in a way that's never been done before.

Sources:

- Eventbrite, 2017. Fueling the Experience Economy
- PwC, 2019, Seeing is believing
- Tourism Teacher, 2023, How smarttourism experiences are served by technology

Supporting Destination City ambitions and developing Camden's visitor economy

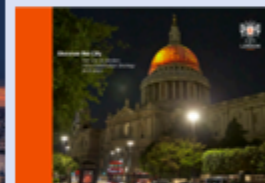
London mission:

- ❑ **London's 2030 Tourism Vision** – details the need for a more resilient future, embracing both innovation and technology, and that central to achieving this is by ensuring London's offering stands out in an increasingly competitive market.
- ❑ **The London Plan** – acknowledges the importance of the sector and supports the enhancement and extension of London's attractions.
- ❑ **Tourism Recovery Plan** – puts forth that remaining globally competitive requires an innovative industry that makes full use of digital technology enhance the visitor experience.
- ❑ **Mayor of London, 2023** – *"culture is at the heart of our city, and I'm delighted that our world-renowned theatres, venues, galleries and museums are helping to drive our recovery"*



City of London mission:

- ❑ *"Create exceptional experiences that are distinctively for City residents, workers and visitors through seasonal programmes and provide world class leisure offering."*
- ❑ *"Help to ensure that the City is the world's most innovative, inclusive and sustainable business ecosystem as well as an attractive place to invest, work, live, learn and visit."*
- ❑ *"Promote the City's cultural, heritage and creative strengths in the UK and abroad"*
- ❑ *"Keep workers and visitors in the area for prolonged periods of time."*
- ❑ *"Diversify the footfall attracted and use throughout the day & week."*



Camden mission:

- ❑ *"The Council recognises the importance of the visitor economy in Camden and will support tourism development and visitor accommodation"*
- ❑ *"Expect new, large-scale tourism development to be located in central London" that are "easily reached by public transport"*
 - ❑ Large-scale tourism is particularly encouraged in Holborn (the location of the Proposed Development)
- ❑ *"Seek opportunities for new cultural and leisure facilities in major, mixed-use developments and support the temporary use of vacant buildings for cultural and leisure activities."*
- ❑ Camden Council have been supporting development that enhances its visitor economy – such as recently providing the green light for the 'new London Eye' at Camden Lock, a 131ft high wheel, and new exhibitions within its surrounding area.



Sources:

- Camden Council, 2017. Local Plan
- Ecorys, 2021. The Economic and Social Impact of England's Cathedrals
- City of London, 2021. Draft City of London Plan 2036.
- DCMS, 2021. The Tourism Recovery Plan
- City of London, 2020. London Recharged: Our Vision for London in 2025
- City of London, 2019. Visitor Destination Strategy

Delivering substantial economic benefits to the local area

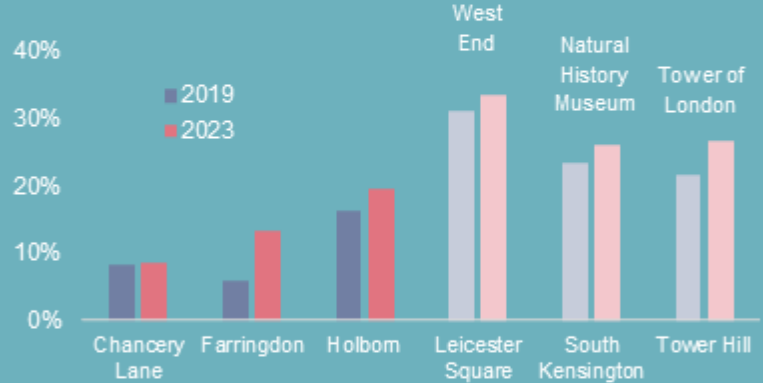
Over 2 million visitors each year, spending between £60m-£85m in the local area, providing a much-needed boost

Farringdon and High Holborn were heavily affected by the effects of the pandemic, with shops, offices and cafes having to close over lockdown. Two years on and changing work patterns have meant footfall has not yet returned.

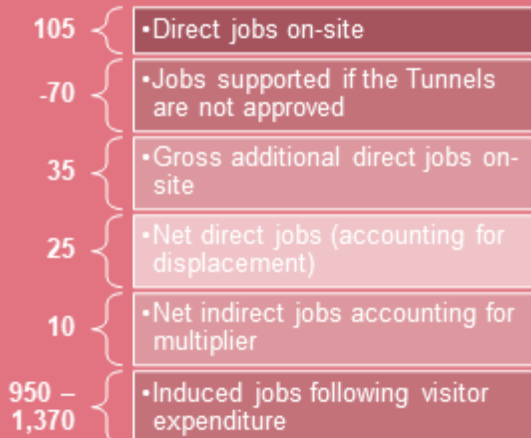
Two thirds of usage at nearby stations occurs Tuesday to Thursday, and weekend usage of the nearest station, Chancery Lane, is only 9% of weekday footfall, which is significantly lower than other central London comparators (see figure).

The Tunnels will drive footfall back to the area and provide a much-needed boost to the local economy.

Percentage of total weekday usage of stations on the weekend



Supporting between 990 – 1,405 net additional jobs across London



Of the 990 – 1,405 jobs across London, it is expected that 775 – 1,105 will be taken up by London residents

Economic impact if the Tunnels are not approved

- It is assumed that the 40-41 Furnival Street building would be occupied by office workers.
- The property has recently undergone refurbishment in 2016 and provides Grade B office space.
- However, the remainder of the Site would be assumed to remain vacant, and the opportunity to support significant visitor expenditure in the Tunnels would be lost.

Significant economic activity beyond jobs

£6.1m



in economic activity (Gross Value Added – GVA) per annum, equivalent to 1% of City and Camden's arts, entertainment and recreation industry as of 2021

£1.8m - £2.4m



In tax revenues each year, through economic activity supported on-site

c. £1.5m



In business rates each year, through economic activity supported on-site

This estimate is based on the business rates paid by other significant London tourist attractions

Sources:

- AIM, 2019. Economic Value of the Independent Museum Sector Toolkit
- TBR, 2015. The Economic Impact of Museums in England <https://tfl.gov.uk/>
- HCA, 2014. Additionality Guide
- ONS, 2023. GVA 2021
- ONS, 2022. Business Register and Employment Survey
- Ecorys, 2021. The Economic and Social Impact of England's Cathedrals

Delivering wider and social benefits to the local community



Free access for all primary school children in Camden and the City of London

- School trip cuts in 2023 have more than doubled from 21% in 2022 to 50% as the cost-of-living crisis and rising inflation stretches the funding given to the UK's public schools
- 10,000+ children in primary schools across the City and Camden will be offered free tickets and subsidised travel to learn about the Tunnel's rich history
- Targeting one academic year at a time, the commitment can be fulfilled with spare capacity for other opportunities



Access for all

- The Tunnels and all experiences are full accessible, multi-sensory and designed for those with learning difficulties and sensory impairments
- Discounts will be provided to those who need them most; universal and pension credit holders, emergency service workers and carers, teachers, students and young people

Providing heritage



Unlocking history

- MI5 & MI6 covert operations
- Deepest bar in London
- Cold War hotline between the White House and Kremlin



Old meets new

- £140m in restoring and preserving the Tunnels as they once were
- £80m installing technology to bring the Tunnels to life



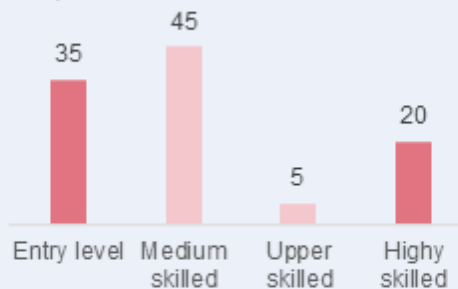
Heritage is a valuable sector

- £15bn direct GVA. £37bn once indirect and induced impacts are accounted for. 206,000 direct jobs and for every direct job, 1.7 jobs supported elsewhere
- Provides a sense of place to the community and a unique identity to the individual

Employment & skills

105 jobs provided by the Tunnels at a range of different skill level

- Entry level jobs for the 1 in 5 aged 16-24 unemployed in Camden
- Highly skilled jobs for others to upskill



- Apprenticeship starts and local job advertisements through local employment vehicles
- Promising a London Living Wage
- 10% local procurement target
- Hosting work experience for local schools
- Collaborate with like-minded partners, museums and universities across both boroughs

Enhancing film tourism



Inspiration

- James Bond's 'Q Branch' inspired by the Tunnels following Ian Fleming's experience working as an Admiralty's liaison officer in the 1945



Seizing an opportunity

- Inbound tourists spent an estimated £895m on film related attractions in 2018
- Highclere Castle (location of Downtown Abbey) was bringing £40,000 per day in 2014 from ticket on-site visitor purchases
- Visit Scotland recorded 46,000 page views specifically related to the Outlander tv show following the release of the season four trailer
- Northern Ireland saw tourists contributing in excess of £50m to the local economy in 2018 following the release of Game of Thrones

Sources:

- Department for Education, 2022/23, Schools, pupils and their characteristics
- Historic England, 2020. Heritage and the Economy
- Office for National Statistics, 2022. Business Register and Employment Survey 2021
- Visual.ly, UK screen tourism

1. Introduction

Purpose of the document

1.1 Volterra Partners LLP ('Volterra') have been commissioned by The London Tunnels PLC ('the Applicant') to produce a socio-economic assessment of the application to turn the Kingsway Exchange, a network of wartime-era tunnels beneath central London, into a major new tourist attraction ('the Proposed Development').

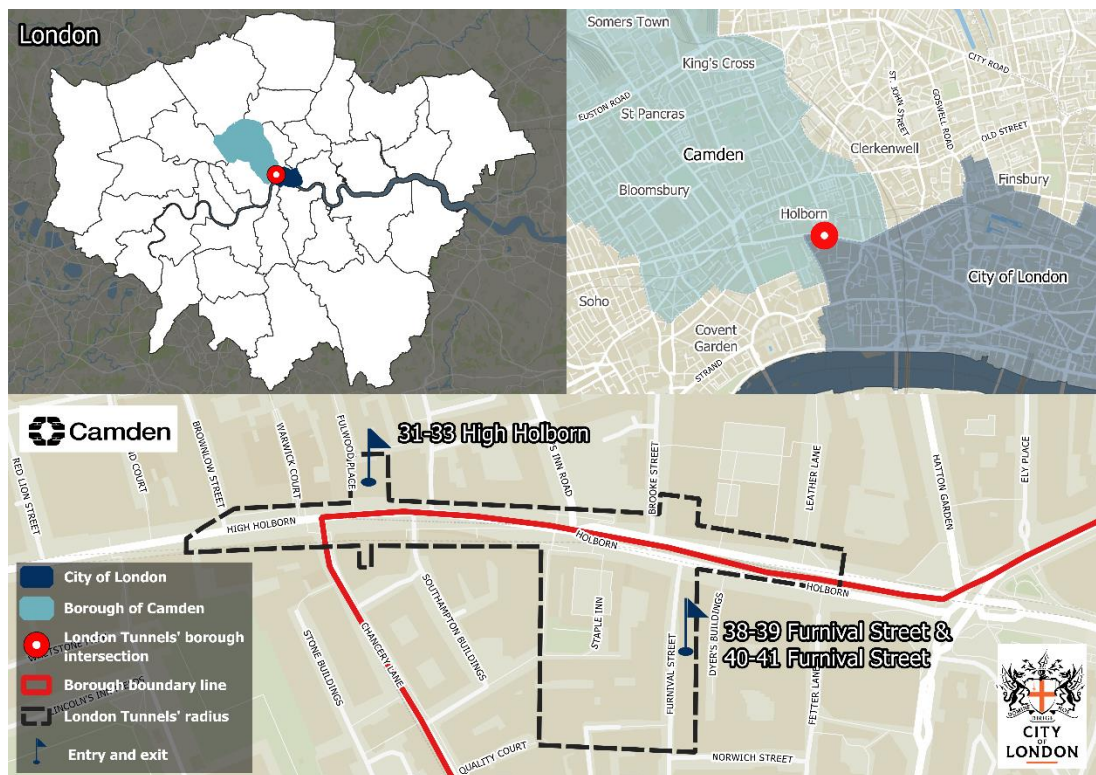
The vision

1.2 The vision for the Proposed Development is to transform the Kingsway Exchange into one of the world's most unique underground cultural experiences. This would play a key role in evolving London's tourist offering to ensure it remains as one of the world's most visited cities.

1.3 The site comprises 38-39 Furnival Street, 40-41 Furnival Street, 31-33 High Holborn and the mile-long secret underground tunnels that make up the Kingsway Exchange ('the Tunnels'), referred to hereinafter as 'the Site'.

Figure 1.1 – The Site borders Camden and the City of London (CoL) underneath High Holborn

The Site context



Source: MapTiler, OpenStreetMap contributors

- 1.4 Kept secret for nearly 70 years, the Tunnels were originally built to shelter Londoners during the WWII Blitz. They have since served as the home of Special Operations Executive (the inspiration for James Bond's Q Branch), an international communications exchange used during the Cold War, and the deepest bar in London used by nearly 200 government workers.
- 1.5 The Tunnels comprises 8,000sqm of passageways, together a mile-long and the width of three London buses. They have not been open to the public in several decades.
- 1.6 The Proposed Development would bring to life the history of the Tunnels by installing high-resolution large-scale curved immersive screens, interactive structure, scent-emitting technology and acoustic pinpoint speakers.
- 1.7 The history of the Tunnels, their scale and the location between London's Holborn and the historic Square Mile could make it one of London's most popular tourist destinations if they are transformed.

Figure 1.2 – The Proposed Development would be a major new attraction in central London

Summary of the vision for the Proposed Development

Major new attraction in central London

- A unique site located in central London, reusing the historic Tunnels

Immense size 40m below London

- 1.2km of tunnels, the size of the Eurostar tunnels, bigger than Wembley Stadium pitch, and more screens than Times Square

Ideally located between the British Museum and Tate Modern

- Accessible to over 200 million people who enter London each year (residents, domestic day visitors, domestic overnight visitors and international visitors)

Complete cultural experience

- The Tunnels will become an integral part of London's identity, connecting with London's history and culture, drawing in visitors and offering visitors a unique opportunity to engage with London in a way that's never been done before

2. A unique tourist opportunity for London

London is one of the world's most attractive cities for tourists both domestically and internationally, with both CoL and Camden at the heart of its offering. In order for London to remain a global leader it must continue to evolve its offering to continue to meet the demands of tourists. The Proposed Development presents a unique opportunity for London to provide a world-class cultural experience, attracting new types of diverse visitor groups to CoL and Camden.

London's importance as a tourist destination

A key driver of UK tourism

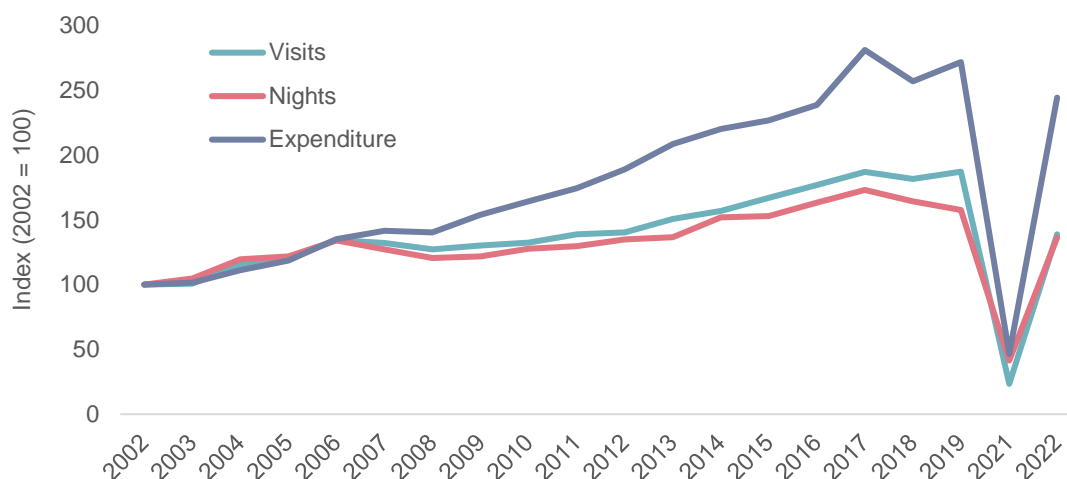
- 2.1 London is a world-leading global city, with its combination of cultural attractions and position as a leading business hub, there is a unique global image that is attracting a growing number of leisure and business visitors from the UK and overseas.
- 2.2 Analysis from 23 million online review platforms shows that London is the second best city in the world for tourist attractions, behind only New York.¹ London ranks fifth for the quality (rated 4.4 out of five) and quantity (almost 7,000) of its paid tourist attractions.
- 2.3 The number of overseas visitors to London consistently increased prior to the coronavirus pandemic, rising from 12 million visitors in 2002 to 22 million in 2019, an increase of 87%.² During the same time frame, visitor nights increased by 58% with the amount of visitor expenditure increasing by 172%, suggesting that expenditure per trip and per night has increased substantially. Despite a significant drop during the coronavirus pandemic, 16 million people from overseas visited London in 2022 (74% of the pre-pandemic level). The 2022 international visitors spent approximately £14bn, equivalent to 90% of the pre pandemic figure.

¹ Retrieved from: <https://travel.radicalstorage.com/best-cities-for-tourist-attractions/>. Accessed September 2023

² Visit Britain, 2023. Inbound trends by UK nation, region & county 2002-2022

Figure 2.1 – The expenditure (£bn) of international visitors in London has increased at a higher rate than the number of international visitors between 2002 and 2022, and is almost back at pre-pandemic levels

Index of long-term trends in London international tourism, 2002-2022 (2002=100)



Source: Visit Britain, 2023. Inbound trends by UK nation, region & county 2002-2022

2.4 London also attracts a great number of domestic tourists each year. In 2022, there were 169 million domestic day trips to London (18% of total England day trips).³ A further 15 million domestic tourists visited London as part of an overnight stay, almost identical to the number of international tourists.⁴ London attracts 52% of all international visits to the UK, compared to just 14% of domestic overnight visits. London is therefore pivotal in the UK’s ability to attract international tourists.

Table 2.1 – Whilst London attracts a similar number of domestic (overnight) and international tourists, the international tourists tend to stay for longer and spend more

London domestic and international overnight tourists, 2022

	Domestic (day trips)	Domestic (overnight)	International
Visits	169 million	15.4 million	16.1 million
Nights	N/A	42.4 million	103 million
Expenditure	£8.0bn	£5.2bn	£14.1bn

Sources: Visit Britain, 2023. GB Domestic Overnight Tourism: Latest results; Visit Britain, 2023. Inbound trends by UK nation, region & county 2002-2022. Visit England, 2023. Great Britain Tourism Survey

2.5 Whilst this number of international visitors is impressive, London it has taken London a longer period of time to recover from the coronavirus pandemic than other international destination. In 2022, London ranks

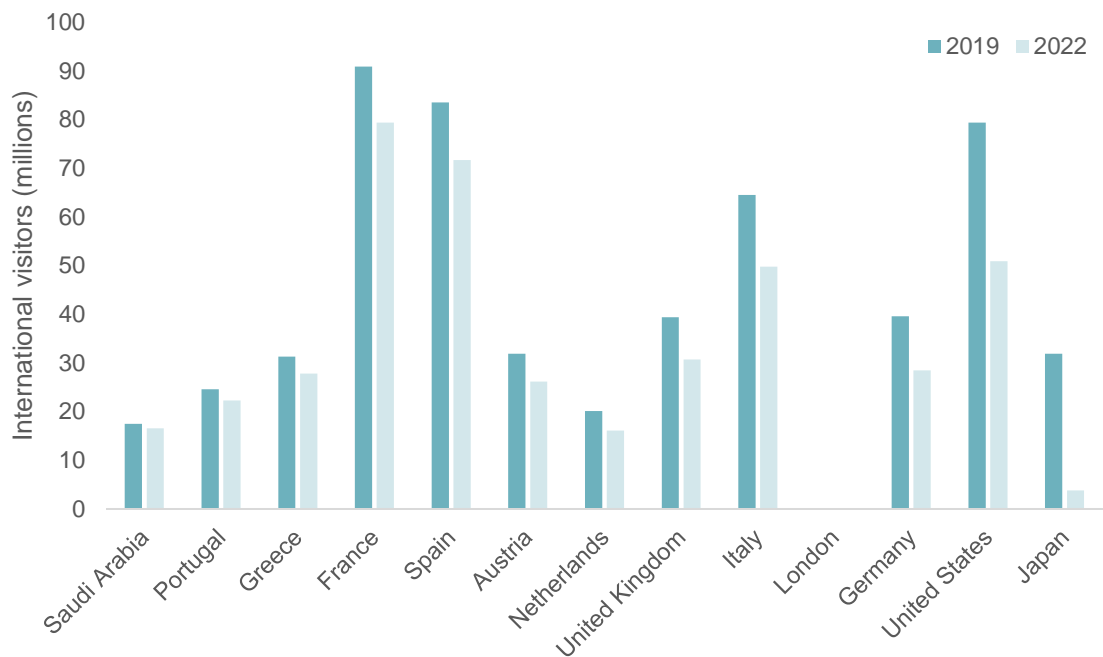
³ Visit Britain, 2023. Great Britain Day Visits Survey

⁴ Visit Britain, 2023. GB Domestic Overnight Tourism: Latest results

towards the bottom of the list of top destinations in terms of international visitor recovery post pandemic (see Figure 2.2).⁵

Figure 2.2 – Other tourist destinations have recovered international footfall faster than the UK and London

Post-pandemic tourism recovery by country



Source: United Nation's World Tourism Organisation, 2023. Global and regional tourism performance dashboard

2.6 Despite this slow recovery relative to other comparators, it is expected that London will fully recover and see a new record of international visitors in 2023, above the 2019 record. International arrivals in London were up 19% and 15% in April and May compared to the 2019 levels.⁶

2.7 There is reason to be cautious, however, as some tourists continue to choose other locations. For instance many international tourists appear to be heading to other European destination following the removal of VAT shopping for internationals.⁷ Given the substantial economic benefits the tourism industry brings, there is a need for London to ensure it is maximising its appeal to international tourists. The Proposed Development provides a unique opportunity to help do this.

⁵ United Nation's World Tourism Organisation, 2023. Global and regional tourism performance dashboard

⁶ Retrieved from: <https://harrowonline.org/2023/08/01/>. Accessed September 2023

⁷ Retrieved from: <https://www.standard.co.uk/>. Accessed September 2023

Importance of London's cultural and leisure attractions

- 2.8 Culture in a city serves as a magnet for tourists because it offers a window into the soul of a place. It provides opportunities for authentic experiences, learning and exploration, making cities with rich cultural offerings highly appealing to travellers.
- 2.9 It is estimated that cultural tourism accounts for 40% of all tourism in Europe.⁸ The role of culture in attracting tourists to cities should therefore not be overlooked. European cities are increasingly targeting tourism as a key sector for local development and are investing in cultural attractions and infrastructure to secure niche positions in the tourism market.⁹
- 2.10 Whilst most wouldn't classify themselves as cultural tourists, research has shown that almost all tourists are interested to learn and experience the culture of the destinations they visit.¹⁰
- 2.11 A World Tourism Organisation survey of global cultural tourism experts found that most consider cultural tourism to include the following:¹¹
- **Tangible heritage** – heritage sites, monuments, historic places and buildings, cultural routes, and others, etc.
 - **Intangible heritage** – crafts, gastronomy, traditional festivals, music, oral traditions, religious/spiritual tourism, etc.
 - **Contemporary culture** – film, performing arts, design fashion, new media etc.
- 2.12 London is enriched with a wide mixture of the above cultural offerings, and is a great example of how leisure and cultural attractions appeal to visitors. The capital's culture and heritage is the main reason four out of five visitors come to visit the city.¹²

“It could be argued that culture and heritage is the most important part of Britain's tourism offering as at some point it touches every visitors' trip to Britain. Culture is the single most important motivation for city trips, although relatively few visitors view themselves as 'cultural tourists'. However, whilst most wouldn't classify themselves as cultural tourists, research has shown that almost all tourists are interested to learn and experience the culture of the destinations they visit.”¹³

- 2.13 In recent years, London has been ranked as:
- The best city in the world in the Times Travel Awards in 2023¹⁴
 - The third best tourist destination in the world in the Trip Advisor Traveller's Choice Awards in 2023¹⁵

⁸ Retrieved from: <https://single-market-economy.ec.europa.eu>. Accessed October 2023

⁹ Russo & van der Borg, 2002. Planning considerations for cultural tourism: a case study of four European cities

¹⁰ Visit Britain, 2010. Culture and Heritage

¹¹ World Tourism Organisation, 2018. Tourism and Culture Synergies

¹² GLA, 2017. A cultural tourism vision for London 2015 - 2017

¹³ Visit Britain, 2010. Culture and Heritage

¹⁴ Retrieved from: <https://www.excel.london/>. Accessed September 2023

¹⁵ Retrieved from: <https://www.tripadvisor.com/>. Accessed September 2023

- The third most visited city and the city with the fifth greatest international visitor spend based on MasterCard transaction data in 2019¹⁶
- The third most cultural city in the world in a study by Luggage Hero in 2021¹⁷

“London’s status as a cultural capital is one of its most valuable selling points for tourism. The city is unrivalled in its extensive cultural offering, making this a key driver for visits to the capital.”¹⁸ – London & Partners

- 2.14 Given the scale of visitors both domestically and internationally, it is important that London continues to attract visitors from all locations to maintain its position as one of the world’s best cities for tourism. Vital to this, will be ensuring London attractions meet the demands of the modern-day tourist. One way of doing this would be to build on the array of cultural offerings in the capital.
- 2.15 On average, visitor footfall at London’s top 20 venues in 2022 has recovered to 68% of their 2019 figures, with no attraction having fully recovered.¹⁹ Compared against other regions and their respective top 20 attractions, eight in the East of England, seven in the East Midlands and seven in Yorkshire & Humber are now attracting higher visitor numbers in 2022 than in 2019. London may dominate in terms of actual footfall relative to the other regions, however, it may have to do more to attract the level of visitors it saw in 2019.
- 2.16 London’s visitor attractions have played a pivotal role in driving up the number of visitors to the capital. Despite having some natural fluctuations over the years, the number of visits to London’s top five tourist attractions grew significantly in the decade prior to the pandemic. Between 2009 and 2019, visitor footfall to the Victoria & Albert Museum (the 5th most popular attraction) grew by 72%. Footfall at the British Museum, Tate Modern, National Gallery and Natural History Museum grew by 12%-32% during the same time frame. Despite a big hit in visitor numbers during the coronavirus pandemic, the 10 most visited attractions in London have recovered to around 70% of pre pandemic footfall in 2022.²⁰
- 2.17 Museums and art galleries are leading drivers in attracting visitors across both London and the UK. Specifically, eight out of the top 10 attractions in the UK are museums and art galleries.²¹ Visitors want to continuously improve their cultural knowledge.²² The ever-changing events and exhibitions allow them to do so. The Proposed Development would build on this, celebrating the rich heritage of the Tunnels.

¹⁶ Mastercard, 2020. Global Destination Cities Index 2019

¹⁷ Retrieved from: <https://luggagehero.com/>. Accessed September 2023

¹⁸ London & Partners, 2016. London Tourism Report

¹⁹ Visit Britain, 2023. Annual site surveys, 2019 – 2022

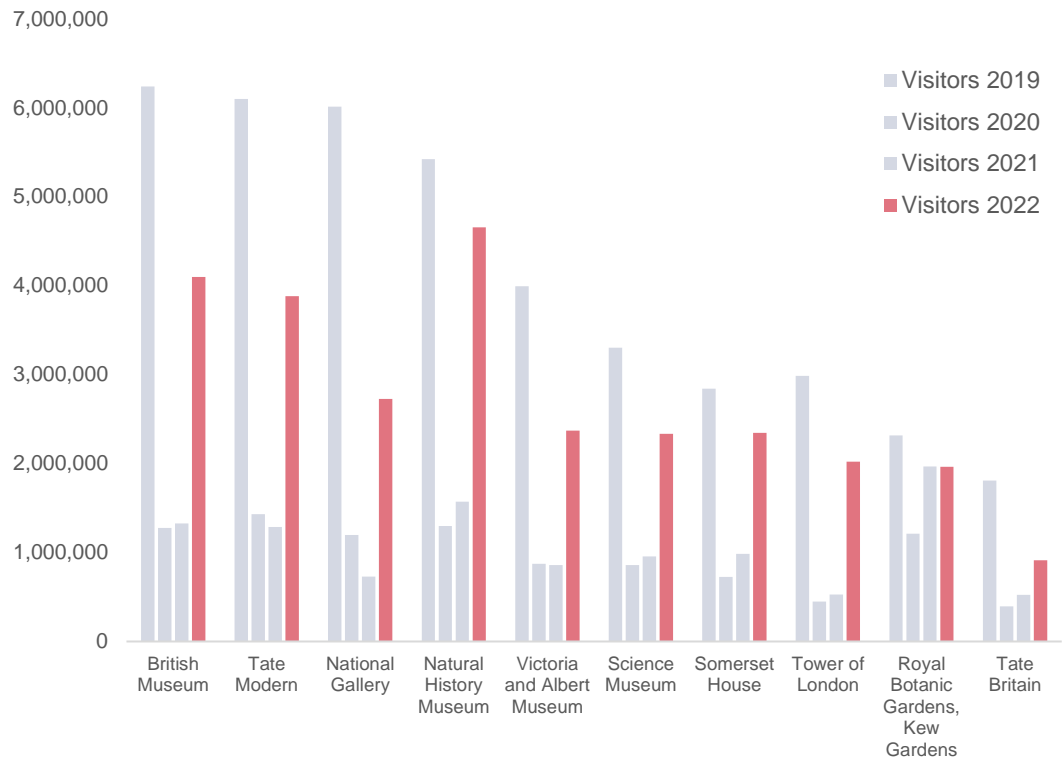
²⁰ Visit Britain, 2023. Annual site surveys, 2019 – 2022

²¹ Visit Britain, 2023. Annual site surveys, 2019 - 2022

²² Bournemouth University, 2014. Behaviour of Repeat Visitors to Museums

Figure 2.3 – London’s top attractions are starting to recover towards their pre pandemic levels

Visitor numbers to London’s top attractions



Source: Visit Britain, 2023. Annual site surveys, 2019 – 2022

2.18

Many of the above attractions are expected to exceed their 2019 visitor count in 2023. The summer months have been particularly popular, partly driven by a successful period for the music and film industry.²³ The positive future for London tourism is echoed by London Mayor Sadiq Khan.

“Our capital is roaring back with tourists from around the world joining Londoners in enjoying all of the fantastic attractions on offer. Culture is at the heart of our city, and I’m delighted that our world-renowned theatres, venues, galleries and museums are helping to drive our recovery”²⁴ – Sadiq Kahan, 2023

²³ Retrieved from: <https://harrowonline.org/2023/08/01/>. Accessed September 2023

²⁴ Retrieved from: <https://harrowonline.org/2023/08/01/>. Accessed September 2023

The importance of London's heritage

- 2.19 London has a wide range of both built heritage (famous buildings and monuments, castles and stately homes, and churches/cathedrals etc) and cultural heritage (museums, galleries, pubs, parks, performing arts, food and drink, and sorts etc) on offer to its visitors.
- 2.20 The built heritage of London is a big driver of tourism. Specifically, CoL has the densest cluster of heritage in England with over 600 listed buildings (2.1 listed buildings per hectare) followed by the City of Westminster with 1.8. In comparison, Camden has 0.9 and the London average is 0.1.²⁵
- 2.21 In some cases heritage is the primary reason for a visit, while others take part in heritage activities as part of a larger trips, in some cases extending their trip in order to do so.²⁶ **Table 2.2** provides an estimation of London share of the England heritage tourism offer. In particular, international tourists are drawn to London's heritage, with 62% of England's total heritage tourism related spend coming in London.

Table 2.2 – London is crucial to the UK's international heritage tourism offer

Heritage related tourism

	Domestic (day trip)	Domestic (overnight)	International
England total trips (2019)	182 million	15 million	18 million
London % of total trips (2019)	23%	12%	52%
England total spend	£4.6bn	£3.4bn	£10.4bn
London % of total spend	26%	15%	62%

Source: CEBR, 2020. *The heritage sector in England and its impact on the economy*

The economic importance of tourism

- 2.22 Tourism is pivotal to London's economy, employing over 700,000 people (equivalent to 1 in 7 jobs in London) and generating 12% of the capital's GDP (compared to 9% at the national level).²⁷ London's tourism industry further provides economic benefits to the rest of the UK by acting as a gateway for inbound visitors looking to make onward journeys.²⁸
- 2.23 The central economic benefit of tourism is the money spent by those on their trip. Visitor expenditure has the direct effect of job creation, income for businesses and wages for households.²⁹ In 2019, London's total visitor expenditure (domestic and international) amounted to £18.8bn³⁰ – greater than the GDP of Liverpool (£15.2bn).³¹

²⁵ Historic England, 2023. Listed building data

²⁶ CEBR, 2020. *The heritage sector in England and its impact on the economy*

²⁷ London Assembly, 2022. *London Calling: Rebuilding London's tourism industry*

²⁸ Retrieved from: <https://www.cityam.com/>. Accessed September 2023

²⁹ *Understanding the Economic Impact of Tourism*, 2003, Tourism and Travel Research Institute

³⁰ Greater London Authority, 2022, *London Tourism Forecasts*

³¹ Office for National Statistics, 2021, *Regional gross domestic product by city and region*

2.24 Tourism visitor expenditure directly supports employment in a wide range of sectors. The Office of National Statistics (ONS) provides a list of job sectors within the tourism and travel industry: accommodation services, food and beverage services, land, water and air transport services, travel agencies, cultural activities, sports and recreation services and the retail trade.³² Tourism specific jobs within these sectors cannot be isolated within the data available from the ONS, instead total industry employment is shown in **Table 2.3**.

2.25 Employment in CoL and Camden tourism related sectors account for 8% of London's tourism related workforce. However, at a more granular level, those working in sectors directly related to tourism across CoL and Camden account for a much larger percentage of London's equivalent workforce (14% and 25%, respectively) emphasising how valuable employment in these sectors is.³³

Table 2.3 – Camden and CoL employ a large proportion of London's museum and historical sites workforce, 2021

Employment in tourism related sectors

Industry	Camden	CoL	London	Camden & CoL as proportion of London
Accommodation, food and beverages	26,500	16,625	397,500	11%
Retail trade	21,500	7,000	428,000	7%
Land, water and air transport	4,345	2,230	130,750	5%
Travel agencies, tour operators and reservation activities	1,205	1,130	13,705	17%
Museum activities	1,375	250	11,500	14%
Operation of historical sites	375	125	2,000	25%
Botanical and zoological gardens and nature reserves	100	10	2,250	5%
Sports activities and amusement and recreation activities	2,750	2,000	66,000	7%
Total tourism related sector employment	58,150	29,370	1,051,705	8%

Source: ONS, 2022. Business Register and Employment Survey 2021

Case Study: Central New York³⁴

The total economic impact of visitors in New York is estimated to be approximately \$85bn. Visitor expenditure makes up 61% of this.

³² Office for National Statistics, 2012, Guidance Note 1: Definitions of tourism

³³ Office for National Statistics, 2022. Business Register and Employment Survey 2021

³⁴ Tourism Economics (an Oxford Economics Company), 2022. Economic Impact of Visitors in New York 2021

Visitor spending in New York reached \$52bn in 2021 (71% of the 2019 total \$74bn). The spend supported employment across a number of sectors, such as accommodation (32%), food & beverage (27%), retail (18%), transport (14%) and recreation (10%).

This provides further evidence that that visitor expenditure is crucial to supporting a variety of sectors, meaning that supporting tourism can have wide reaching benefits.

2.26 Deloitte's 2013 report "the economic contribution of the tourism economy in the UK" provides further quantitative metrics showing the impact of London's tourism sector:³⁵

- Labour productivity in tourism is approximately a third higher in London than across the UK.
- In London, for every £1 generated in direct GVA terms within the tourism economy, a further £1.30 is supported in GVA elsewhere in the economy through the supply chain.
- When accounting for consumer spending activities, the above figure increased to £1.90.

Keeping ahead of the curve

London visitor attractions must continue to evolve

2.27 Visitors are increasingly straying away from traditional tourist attractions and instead are after greater cultural experiences filled with greater interactivity.³⁶

2.28 In recent years there has been evidence of cultural tourism spreading to new destinations, driven by increased mobility and more experienced consumers. Cities such as Barcelona, Amsterdam and Lisbon have played an important role in the growth of urban tourism in Europe by developing their traditional heritage products (monuments and museums) alongside new attractions related the contemporary culture and everyday life.^{37,38}

2.29 London must build on its existing cultural offering in order to continue to attract and grow its visitor numbers reap the associated economic benefits.

"Going forward, in order for Britain to survive as a must-see destination and to keep giving visitors a reason to keep coming back, British tourism needs to look at how it presents its culture and heritage as an inspiring mix of the old and the new."³⁹ This is particularly relevant for London, given its key role in Britain's tourism offer and the vast array of built and cultural heritage on offer in the capital.

³⁵ Deloitte and Oxford Economics, 2013. Tourism: jobs and growth – the economic contribution of the tourism economy in the UK

³⁶ Retrieved from: <https://www.globalrescue.com/>. Accessed September 2023

³⁷ UNWTO, 2018. Tourism and Culture Synergies

³⁸ Richards, 2014. Cultural Tourism 3.0. The Future of Urban Tourism in Europe?

³⁹ Visit Britain, 2010. Culture and Heritage Topic Profile

- 2.30 The need for London to continue to evolve its tourist offering is accepted in various policy and strategy documents:
- **London's 2030 Tourism Vision** – details the need for a more resilient future, embracing both innovation and technology, and that central to achieving this is by ensuring London's offering stands out in an increasingly competitive market.⁴⁰
 - **The London Plan** – acknowledges the importance of the sector and supports the enhancement and extension of London's attractions.⁴¹
 - **Tourism Recovery Plan** – puts forth that remaining globally competitive requires an innovative industry that makes full use of digital technology enhance the visitor experience.⁴²

- 2.31 An opportunity exists to build on London's existing attractions with the use of modern technology in order to develop attractions for the modern day consumer.

Combining culture with technology

- 2.32 Research from Barclaycard found that more than half of its users (52%) would rather pay for a good experience rather than material possessions⁴³ The same cohort would also choose to tell their friends and peers about an enjoyable experience rather than a purchase they've made. The desire for experiences is even greater for the younger generation, more than three in four millennials (78%) would choose to spend money on an experience or event over buying something, and 55% of millennials say they're spending more on events and live experiences than ever before.⁴⁴

- 2.33 A growing cultural experience that has increased in popularity in recent years is the rise of digital art venues. Art has always been popular with tourists; two out of the top three most visited attractions in London (and the UK) are art museums and the Louvre in Paris sees more visitors than the Eiffel Tower.^{45,46} The new digital arts industry has taken an already established component of the tourism and blended together technology, creativity and interactivity into one, transforming the visitor's experience. Below are some popular examples that show the growth of this aspect of cultural tourism internationally:

- **Van Gogh Alive exhibit, international** – this has adapted the works of the famous 19th century artist into a 360 degree travelling digital arts venue that has welcomed over 8.5 million visitors across 80 cities worldwide since 2011.⁴⁷
- **TeamLab's digital arts museum, Tokyo** – this saw 2.3 million visitors in its first year in 2018, higher than the number of visitors to the Tower of London, and is becoming one of the world's most popular single-artist venue.⁴⁸
- **The Atelier des Lumières, Paris** – originally a metals factory built in 1835, this opened in 2018 after being redeveloped into a digital arts centre. In its first year, over 1.2 million visitors walked through its doors to experience the range of digital art exhibitions it offers.⁴⁹

⁴⁰ London & Partners, 2022. London Tourism Vision 2030

⁴¹ Greater London Authority, 2021. The London Plan

⁴² DCMS, 2023. Tourism Recovery Plan Update on Delivery

⁴³ Retrieved from: <https://home.barclaycard/press-releases>. Accessed September 2023

⁴⁴ Eventbrite, 2017. Fuelling the Experience Economy

⁴⁵ Visit Britain, 2023. Annual site surveys, 2019 - 2022

⁴⁶ Retrieved from: <https://www.condorferries.co.uk/france-tourism-statistics>. Accessed October 2023

⁴⁷ Retrieved from: <https://vangoghaliveuk.com/>. Accessed October 2023

⁴⁸ Retrieved from: <https://www.businesswire.com/news/>. Accessed October 2023

⁴⁹ Retrieved from: <https://www.theartnewspaper.com/>. Accessed October 2023

- **The Now Building, London** – Outernet's 'The Now Building', located at the intersection of Tottenham Court Road and Charing Cross, offers a 2,260 sqm immersive audio-visual experience.⁵⁰ It recorded average weekly visitors of 85,000 in February 2023, putting it in the top five visitor attractions in the UK if these numbers were to continue.⁵¹ Following its success, Outernet plan to expand to sites in New York, LA and across Europe.⁵²
- 2.34 The success of the digital venue market and the role it can play within the tourism industry creates an exciting opportunity for London to capitalise on visitors wanting a more interactive experience. Digitalisation can go beyond the world of art, being used as a way to bring the city's history alive.
- 2.35 The Acropolis Museum, one of Athens' most-visited tourist attraction, takes advantage of augmented reality technology to bring to life the history of the Acropolis through the 3D reconstruction of its monuments via the museum's mobile app.⁵³ The story of the war at New Orleans National World War Two museum is told through a 4D experience narrated by both war veterans and celebrities such as Brad Pitt.⁵⁴
- 2.36 The rich history of the Tunnels has the opportunity to be reanimated through technology with capabilities to install as much as 8,000 sqm of digital screens - over three times larger than the Now Building and ten times larger than the screen space at Piccadilly Circus. The Tunnels presents a golden opportunity for history to meet technology, and in doing so broaden London's cultural offering.

Underground sites are well placed to meet the need for experiential tourism

- 2.37 While there is a need to promote growth, there is a need to manage London's tourism infrastructure to support this growth and avoid overcrowding the city and compromising the experience for new visitors, existing visitors and Londoners.⁵⁵
- 2.38 London has success in recent years through encouraging the development of roof gardens. London's green roof policy was introduced in 2008 with a purpose of adapting the city to the more extreme climatic conditions, reducing energy use and combating emissions and two years after the policy was introduced, there was an estimated total area of 0.7 million sqm of green roofs – doubling by 2019 to 1.5 million sqm.⁵⁶
- 2.39 CoL has been a leader in terms of promoting opening roof gardens to the public. Venues such as the Sky Garden, London's tallest public garden that contains restaurants, bars and music events, have opened up and since 2015, capitalising on this introduction of vertical space. It has since recorded 10 million total visitors in 2023.⁵⁷ CoL's Visitor Destination strategy identified building on existing assets to create new experiences to attract new visitors to the historic centre, identifying the growing roof garden venues as an action area.⁵⁸
- 2.40 The Proposed Development creates an exciting opportunity to further capitalise on London's vertical space by making the most of its underground infrastructure by allowing the public to access infrastructure rich in heritage. A small number of tours of London's abandoned tube stations have surfaced in recent years and

⁵⁰ Retrieved from: <https://thespaces.com/now-building-tin-pan-alley-london/>. Accessed September 2023

⁵¹ Retrieved from: <https://www.outernetglobal.com/news/>. Accessed September 2023

⁵² Retrieved from: <https://globetrender.com>. Accessed September 2023

⁵³ Retrieved from: <https://www.archaeology.wiki/>. Accessed October 2023

⁵⁴ Retrieved from: <https://www.nationalww2museum.org/visit/>. Accessed October 2023

⁵⁵ London & Partners, 2022. London Tourism Vision 2030

⁵⁶ Linvgroofs, 2019. Living Roofs and Walls, 2019

⁵⁷ Retrieved from: <https://news.cityoflondon.gov.uk/>. Accessed September 2023

⁵⁸ City of London, 2019. Visitor Destinations Strategy, 2019-2023

have been successful in operation.⁵⁹ The Proposed Development would be of greater scale, providing a more permanent attraction for visitors.

Destination City and Camden’s tourism specialism

An ideal location to boost tourism in central London

- 2.41 The location of the Site at the intersection of London’s West End (known for its iconic high streets and world-famous theatres) and the historic Square Mile (the oldest part of London which owes its development to the Romans who arrived 2,000 years ago) makes the Proposed Development ripe to be a new and exciting destination for London’s visitors to add to their list.
- 2.42 Tourists who visit culturally deep cities spend most of their time exploring the major attractions located within the cities and while public transportation is not top of their list for deciding to visit a city or country, easily accessible public transport is nonetheless valuable to any traveller.⁶⁰ The Site boasts the highest measure of accessibility offered by Transport for London’s Public Transport Accessibility Level (PTAL) rating system, a level 6b.^{61,62} This is important as tourists need to be able to engage in tourist activities in a sustainable way as the number of overseas visitors in the capital is expected to grow. The tourism industry is one of the UK’s great success stories and it is crucial that this sector continues to be so, but by minimising the damage it does to the environment.⁶³

⁵⁹ London Transport Museum, no date. Hidden London Tours

⁶⁰ TourismReview, 2015, Public Transport Greatly Impacts City Tourism

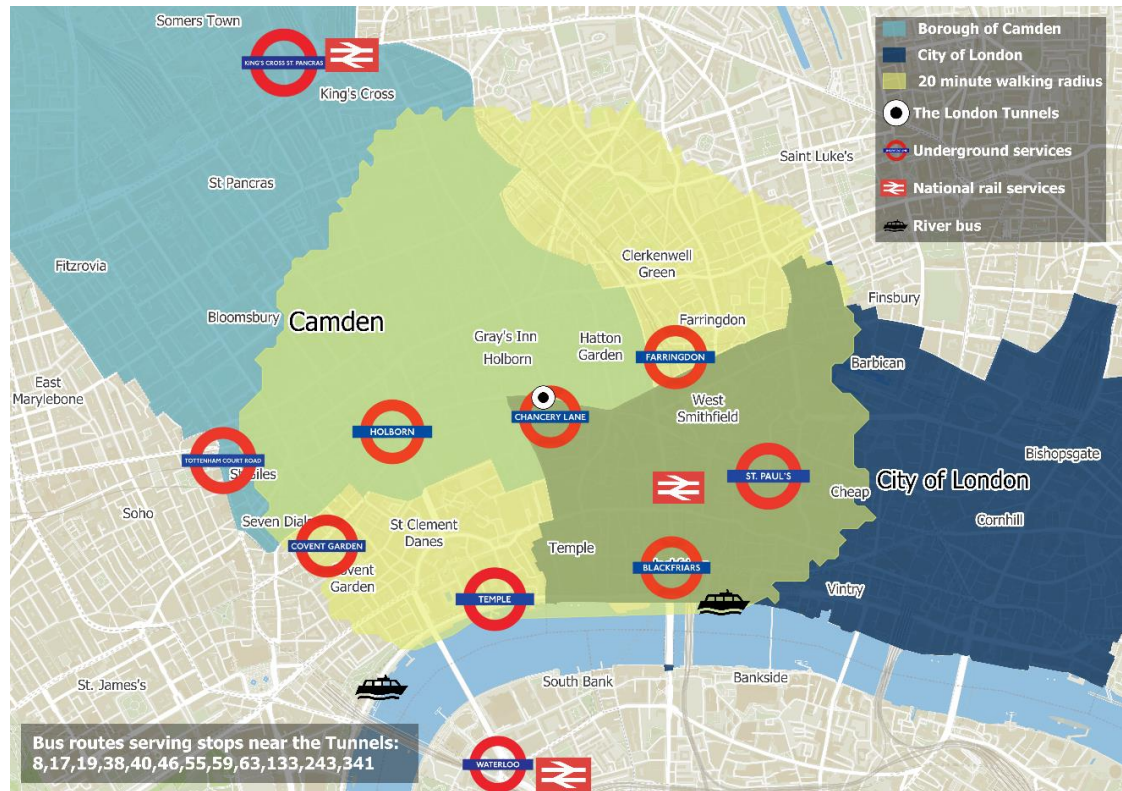
⁶¹ Transport for London, 2015. Public Transport Accessibility Levels

⁶² PTAL ratings range from 0 (Worst) to 6b (excellent) and is a measure which rates locations by distance from frequent public transport systems.

⁶³ Department for Digital, Culture, Media & sport, 2021, The Tourism Recovery Plan

Figure 2.4 – The Tunnels’ location boasts the highest TfL accessibility rating and is within a 20 minute walking distance from numerous stations and bus stops

Transport accessibility around the Tunnels



Note: The stations within a 20 minute walking radius provide links to the Central line, Piccadilly line, Hammersmith & City line, Circle line, District line, Elizabeth line, Northern line, Metropolitan line, London Overground and Thameslink services. Source: MapTiler, OpenStreetMap contributors

2.43

To further contribute to the sustainability credentials of the Site location, the Proposed Development will encourage active travel through:

- Providing long and short stay cycle parking for staff and visitors in accordance with the London Plan standard for 100 staff members and visitor numbers based on the above ground floor space.
- Short stay cycle parking will be provided in High Holborn.
- Secure long-stay cycle parking will be provided inside the building as two-tier stackers.

Unlocking Destination City and diversifying Camden’s tourist offering

The vision is to engage and inspire all visitors to CoL. To achieve this, the aim is to develop CoL as a vibrant, attractive and welcoming destination for all.⁶⁴

2.44 The Proposed Development presents an opportunity to support CoL in their ‘Destination City’ aspirations. Whilst CoL is an economic powerhouse, recognised globally for its contribution to several industries, most prominent financial and professional services, it faces a number of challenges (Table 2.4).

Table 2.4 – CoL needs to broaden its tourist offering to attract a more diverse group of visitors across the full week

CoL challenges

Challenge	Implication
Changes in workplace patterns and behaviours, such as the new Tuesday-Thursday week	Even pre-pandemic, CoL was reported to being a ‘ghost town’ on weekends. ⁶⁵ Since the pandemic, this has extended to Monday’s and Friday’s given the increased uptake of working from home. As of 2023, data suggest that that the Tuesday-Thursday ‘in office’ week is here to stay. Tube ridership in CoL shows levels returned to 69% of pre-pandemic levels by the last week of April 2023, and were busiest in the middle of the week (Tuesday-Thursday) at around 75% of 2019 levels. ⁶⁶ CoL businesses that rely on footfall struggle may increasingly struggle to operate outside Tuesday-Thursday.
A rise in local and global competition	This is true both for businesses and visitors. CoL rents are expensive, and it is vital businesses see the benefits of operating this location.
Undifferentiated leisure, retail and hospitality offering – predominantly targeted at the 9-5 worker	CoL struggles to attract diverse visitor groups, particularly on weekends. In an effort to attract more diverse visitor’s CoL launched the ‘City Belonging Project’. ⁶⁷

2.45 Launched in 2022, the central vision of Destination City is to ensure that CoL is one of the most vibrant and exciting places in the world with a truly diverse, economic, social and cultural offering. This would help to maximise the impact of the opening of the new Elizabeth line, that is expected to bring an extra 1.5 million people to within a 45-minute commute of the Square Mile.

2.46 Vibrant and new attractions, such as the Proposed Development, would help the CoL to keep these visitors in the area, rather than losing them to nearby boroughs.

⁶⁴ City of London, 2019. Visitor Destination Strategy 2019-2023

⁶⁵ Retrieved from: <https://www.mylondon.news/>. Accessed September 2023

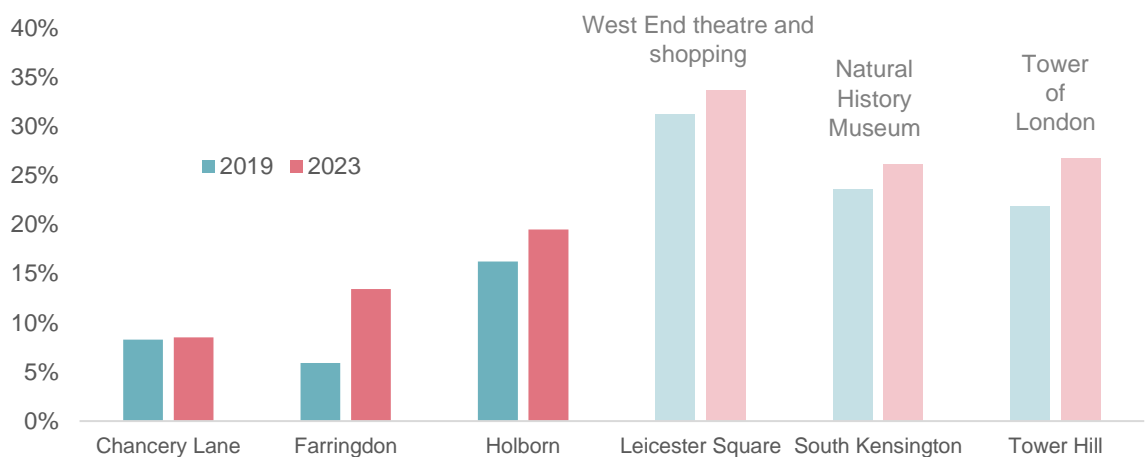
⁶⁶ Arup and Knight Frank, 2023. Future of office use

⁶⁷ Retrieved from: <https://news.cityoflondon.gov.uk/>. Accessed September 2023

- 2.47 As well as supporting Destination City, the Proposed Development will play a crucial role in supporting Camden’s aspirations for the tourism sector.
- 2.48 Camden has a wide variety of tourist and cultural attractions that attract high visitor numbers throughout the year. These include:⁶⁸
- **Major institutions** – the British Museum and British Library
 - **Open spaces** – Hampstead Heath and Primrose Hill
 - **Shopping destinations** – Camden Town’s markets and Covent Garden
 - **Venues** – the Roundhouse, Koko and the Forum and Regent’s Canal
 - **Historic places** – Hampstead and Bloomsbury
- 2.49 The Camden Local Plan shows a clear ambition for Camden to build on this tourism specialism. Policy E3 from the Camden Local Plan recognises the importance of the visitor economy in Camden.⁶⁹ It states that the council will support tourism development, and expect to see new, large-scale tourism development that are likely to attract large numbers, especially in Holborn, where the Site is located.
- 2.50 High Holborn currently lacks prominent cultural attractions, making it a relatively uncharted area for tourists in the bustling heart of London. Chancery Lane, Farringdon and Holborn stations are expected to be the most used method of accessing the Proposed Development. These stations are 120m, 460m and 675m away from 38-39 Furnival Street 40-41 Furnival Street site (the Site expected to be the main entrance for the Proposed Development). These stations show a much lower percentage of footfall occurring on weekends (entries and exits) than nearby comparator stations that are located near tourist attractions or cultural hubs (**Figure 2.5**). This suggests that the lack of attractions around the High Holborn area is disincentivising weekend trips. This pattern means that surrounding retail outlets survive predominantly on the expenditure of nearby workers during the working week.

Figure 2.5 – Weekend footfall, as a percentage of total weekly footfall, is higher at other London stations that are close to tourist attractions than at stations nearby the Tunnels.

Weekend footfall as a percentage of weekly footfall



Source: TfL, 2023. Daily rail station entry/exits. Retrieved from <https://tfl.gov.uk/>

⁶⁸ Camden Council, 2017. Local Plan

⁶⁹ Camden Council, 2017. Local Plan

- 2.51 Whilst failing to attract visitors on weekends, the closest stations to the Proposed Development are also seeing weekly footfall condense into a three day period of Tuesday, Wednesday and Thursday, rather than across the full working week. This places further pressure on nearby retail outlets.
- 2.52 In 2019, 63% of trips across the working week at Chancery Lane, Farringdon and Holborn stations were made between Tuesday and Thursday. In comparison, the figure for the comparator stations in **Figure 2.5** was 60%. However, in 2023, Tuesday to Thursday trips to Chancery Lane, Farringdon and Holborn stations accounted for 67% of the working week footfall, noticeably higher than the comparator stations 60%).⁷⁰
- 2.53 The introduction of a new tourist attraction in this strategically located area could yield significant benefits for the local area. Such an attraction could invigorate the local economy by (i) drawing in tourists who wouldn't have visited the area or (ii) retaining tourists who would have passed through regardless. This would generate revenue for local businesses, create jobs and potentially act as a kick starter for more investment in the area. Not just catering for tourists, an attraction like the Proposed Development could provide a cultural and recreational hub for residents on the weekend and local workers during the week. It has the potential to transform High Holborn into a vibrant destination, enriching the area's appeal and transforming it into a must-visit place in London.

Table 2.5 – The Proposed Development would host approximately 2 million visitors each year, who would spend locally and help to create a vibrant place across the full week

The role of the Proposed Development in meeting Destination City objectives

Destination City objective	The role of the Proposed Development
Drive footfall that encourages spend	It's estimated that approximately 2 million people would visit each year, greater than the Tate Britain's 2019 visitor footfall (1.8 million) - currently rank 10 for footfall across the list of London's top attractions. ⁷¹ This estimate was produced by The Visitor Attraction Company (TVAC). Based the estimate of 2 million annual visitors, this report suggest that these visitors could spend between £60m - £85m in the local area each year (see section 3 for detail).
Reappraise perception and drive desirability	The Proposed Development is rich in heritage, offers cultural experiences and is home to the deepest bar in London.
Enhance destination profile and leisure credentials	The hidden heritage exposed by the Proposed Development and the dynamic experiences and attractions offered inside it complements existing sites (e.g. St. Paul's Cathedral, which saw 1.7m visitors in 2019 – rank 11 for tourist footfall) and future sites (22 Bishop Gates' viewing gallery, London's highest free viewing spot). ⁷²
“Help develop new visitor experiences using our existing assets” ⁷³	The Proposed Development would make the most of an existing, underutilised asset in the Tunnels, bringing it to life for the benefit of tourists and the local community. This could encourage further modernisation of London's tourism offering elsewhere. For instance, in Bilbao the building of the Guggenheim

⁷⁰ Retrieved from: <https://tfl.gov.uk/>. Accessed October 2023

⁷¹ Visit Britain, 2022, Annual Survey of Visits to Visitor Attractions: Latest results

⁷² Visit Britain, 2022, Annual Survey of Visits to Visitor Attractions: Latest results

⁷³ City of London, 2019. Visitor Destination Strategy 2019-2023

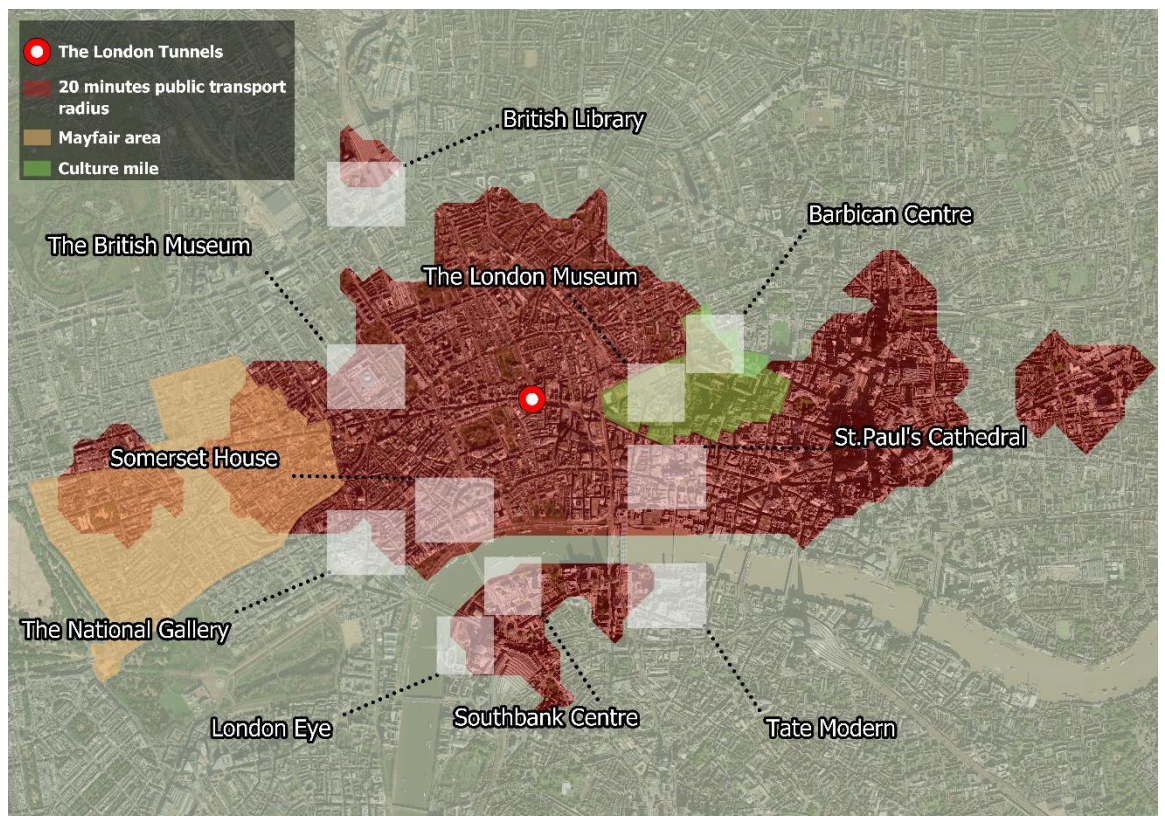
Destination City objective	The role of the Proposed Development
	Museum marked the beginning of the regeneration of the city and many old industrial sites were converted into parks and cultural spaces. ⁷⁴

Placemaking

- 2.54 From the perspective of the international and domestic visitor, the Tunnels is situated in a location where it can value to existing tourist hotspots, acting as a 60 minute pit-stop between the likes of St. Paul's Cathedral (11th most popular destination) and the Tower of London (7th most popular destination) to the west and the British Museum (ranking 1st for popularity) and the iconic high-streets of Mayfair (Oxford Street, Bond street and Regent's Street) to the east.
- 2.55 Five out of top the top 10 most popular attractions in London (British Museum, Tate Modern, the National Gallery, Somerset House and Tate Britain) are accessible within a 20 minute public transport journey from the Tunnels.

Figure 2.6 – Major new tourist attraction perfectly located to complement the surrounding areas attractions

Key attractions accessible within a 20 minute public transport journey from the Tunnels



⁷⁴ Alvarez, 2010. Creative cities and cultural spaces: new perspectives for city tourism

Source: MapTiler, OpenStreetMap contributors

Public realm improvements – Furnival Street

In addition to the placemaking benefits that arise from the central part of the Proposed Development, the new visitor attraction, there will also be public realm improvements to Furnival Street.

Specifically, a footway improvement. This will extend the footway by 1.7m, improving pedestrian comfort level and accommodating any external queues to the building.

The value added of the Proposed Development

2.56

The DCLG Appraisal Guide presents an additionality framework for non-residential developments.⁷⁵ All of the conditions they list provide further evidence for high additionality of the Proposed Development:

- **No or very low levels of vacancies in relevant non-residential stock** – there is no other site of this nature set to come forward in the near future, and there is a limited availability of sites with the level of heritage and historic value presented by the Tunnels. Where there are other sites, they are unlikely to be as well connected as the Tunnels, making it accessible for greater volumes of footfall.
- **Strong market failure** – the evidence in **section 2** shows that London is a popular tourist destination, but there is limited offerings that provide spaces for experiential experiences.
- **Strong strategic rationale** – the Proposed Development is part of a strategic clustering of leisure and retail industries with strong public transport accessibility (see **Figure 2.4**). The Proposed Development will support CoL Destination City ambitions, and help to diversify the range of tourist attractions in Camden.
- **Development being considered is in a low displacement sector** – London is an established destination for domestic and international tourists. The number of international visitors to London increased by 40% from 2002 to 2022 (as reported in **Figure 2.1**). London is responsible for 52% of the UK's entire international visitors. Over this time period, the amount visitors were spending increased by 145%. This all suggests that there is significant demand for a new visitor attraction in London and the UK and new provision will not significantly reduce economic activity elsewhere in the sector, which means that displacement is fairly low. On top of this, there is expected to be population growth across London and the UK. Allowing for this, along with the same rate of leisure/events/venue demand, that growth would provide further evidence for a new attraction to be accommodated without taking market share but instead meeting unmet demand, growing demand for experiential experiences, and serving a growing population.
- **Limited alternative uses for the land** – whilst 40-41 Furnival Street could continue to provide office spaces, the building at 38-39 Furnival Street and 31-33 High Holborn are deemed to be difficult to operate on and are unlikely to support other uses. Whilst the Tunnels are no longer in use and had been put up for sale by BT since 2008, before being purchased by the Applicant.⁷⁶ The length of time it was up for sale and its uniqueness means there is limited commercial viability for alternative uses of the land.

⁷⁵ DLUHC, 2023. Appraisal Guide

⁷⁶ Retrieved from: <https://www.layersoflondon.org/>. Accessed September 2023

3. Economic impacts

- 3.1 The Proposed Development would bring significant additional economic activity and employment to the Site and the surrounding area, to the benefit of the CoL and Camden economy. The main driver of economic benefits will be through the additional expenditure generated through the visitors to the Proposed Development once operational. There will also be economic benefits associated with the construction phase.

Construction phase

- 3.2 The construction phase of the Proposed Development would be expected to result in increased economic activity. Economic impacts arising from the construction phase are captured in two ways – first, the employment generated by construction and second, the additional spending in the local area as a result of this employment.

Construction employment

- 3.3 The standard method of calculating construction employment involves dividing the construction cost by the Gross Value Added (GVA) of the average construction worker in the area i.e. their annual economic output/contribution to the economy.
- 3.4 It is estimated that over the estimated 8-month construction period, the Proposed Development would create a total of 1,040 construction job years, and thereby support an average of 1,570 construction jobs over the construction period.

Construction worker expenditure

- 3.5 The construction workforce is highly mobile as job take-up flexibly occurs wherever construction takes place. As a result of this mobility and because construction is temporary, construction employment benefits are not typically viewed to have large local impacts. However, their expenditure does have a local impact.
- 3.6 Construction workers are expected to spend on retail, leisure, food & beverage on-site before and and/or after their work on the day. Greater London Authority (GLA) finds that an average office worker in London is expected to spend £13 per day in and around their workplace.⁷⁷ The following adjustments are made to accurately estimate construction worker expenditure:
- Sector differentials for earnings of construction workers relative to office workers⁷⁸
 - Earnings growth over 2020-2023⁷⁹
 - CoL and Camden wage levels workers⁸⁰
- 3.7 Once these differentials are accounted for, it is estimated that the average construction worker would spend approximately £17 per working day in the local area.

⁷⁷ GLA, 2020. Lost worker vs. tourism expenditure in the Central Activities Zone (CAZ) during the COVID-19 Pandemic

⁷⁸ ONS, 2023. EARN03 Average Weekly Earnings

⁷⁹ ONS, 2023. EARN01 Average Weekly Earnings

⁸⁰ ONS, 2023. Annual Survey of Hours and Earnings

- 3.8 Assuming 220 working days per year, the results in an expected expenditure of £3.9m by construction workers over the construction period in the local area.

Operational phase

- 3.9 Economic impacts arising from the operational phase are captured in four ways:

- The expenditure generated by the visitors to the Proposed Development.
- The employment generated by the operation of the Proposed Development.
- The expenditure generated from the workers in a year.
- The economic activity supported expressed as GVA
- The fiscal contributions, tax revenues and business rates paid.

Visitor expenditure

Through generating significant visitor expenditure, the Proposed Development directly helps to meet one of CoL’s central desired outcomes of its visitor destination strategy: “Increased levels of visitor spend, jobs and learning opportunities in CoL and London”⁸¹

- 3.10 As discussed in **Table 2.5**, the Proposed Development is expected to attract approximately 2 million visitors each year. This would generate significant consumer spending in the local area and across London.

- 3.11 To account for uncertainty and the desire to avoid overestimation of benefits, the economic impacts associated with visitor expenditure assume that 2 million people will visit the Proposed Development each year. It is expected that the 2 million visitors at the Proposed Development would generate additional spend of between £60m-£85m per year in visitor expenditure. The process as to how this figure is arrived at is detailed below:

- **Accounting for adult and child visitors** – to be conservative, it is assumed that only adult visitors to the Proposed Development would drive significant off-site spending. The age profile of visitors to the UK’s museums is deemed a reasonable estimation for the age range of visitors to the Proposed Development. Research from the Association of Independent Museums (AIM) finds that approximately 75% of visitors to museums across the UK are adults.⁸² For the Proposed Development, this would mean approximately 1.5 million adults visit per year.
- **Accounting for the different geography’s visitors come from** – the Proposed Development will attract visitors from different areas. It is expected that a significant number would be from within London. However, several would make “day trips” or “overnight trips” to the Proposed Development from elsewhere in the UK or abroad. The breakdown of visitors to “medium modern cathedrals” as reported in Ecorys 2021 Economic and Social Impact of England’s Cathedrals is used as a reasonable proxy, to account for the visitors who may come to the Proposed Development.⁸³ This split suggests that 50% of visitors to the Proposed Development would be local, 25% would be as part of a day trip and 25% would be as part of an overnight trip. **Table 3.1** summarises what these means for the visitor breakdown at the Proposed Development.

⁸¹ City of London, 2019. Visitor Destination Strategy 2019-2023

⁸² AIM, 2019. Economic Value of the Independent Museum Sector Toolkit

⁸³ Ecorys, 2021. The Economic and Social Impact of England’s Cathedrals

Table 3.1 – There will be visitors attending the Proposed Development from all different types of geographies

Type of trip to the Proposed Development

Type of adult visitor	Expected weighting	Annual visitors
Local	50%	740,000
Day	25%	380,000
Overnight	25%	380,000
Total		1.5 million

Source: Volterra analysis; Ecorys, 2021. *The Economic and Social Impact of England's Cathedrals*

- **Accounting for the different level of spend per visitor type** – it is reasonable to assume that the longer the trip, the more people will spend. For instance, a visitor from elsewhere in the UK might want to do other things as part of their visit, whereas a local visitor might just visit the Proposed Development and then grab a bite to eat before heading home. Figures for total spend by visitor type are collated from AIM's economic toolkit (a high estimate) and TBR's report on the Economic Impact of Museums in England (a low estimate).^{84,85}
- **Accounting for on-site visitor spend** – many of the visitors to the Proposed Development will spend money on-site as well as in the local area. This could be in the bar, café, or on merchandise available to purchase. AIM's economic toolkit provides a guide for the amount of onsite spending visitors would make on a trip to a museum and therefore an assumption can be made for off-site spend.⁸⁶

Table 3.2 – Whilst they are expected to make up the lowest percentage of trip type, overnight visitors are likely to spend the most as part of their visit to the Proposed Development

Spend per visitor, by trip type

Type of adult visitor	Expected annual visitors	On-site spend per visitor	Off-site spend per visitor	Total annual offsite spend
Local	740,000	£10-£12.50	£15-£20	£10m-£15m
Day	380,000	£12.50-£20	£40-45	£15m-£20m
Overnight	380,000	£12.50-£40	£105-£145	£30m-£40m
Total				£60m-£85m

Source: Volterra analysis; AIM, 2019. *Economic Value of the Independent Museum Sector Toolkit*; TBR, 2015. *The Economic Impact of Museums in England*; Note: All figures have been uplifted for inflation.

- **Accounting for displacement** – AIM report that displacement for museums that are a major or key attraction, drawing visitors to the area should be 25%.⁸⁷ Applying this to the Proposed Development would give total annual additional offsite spend of between £45m-£65m.

⁸⁴ AIM, 2019. *Economic Value of the Independent Museum Sector Toolkit*

⁸⁵ TBR, 2015. *The Economic Impact of Museums in England*

⁸⁶ AIM, 2019. *Economic Value of the Independent Museum Sector Toolkit*

⁸⁷ AIM, 2019. *Economic Value of the Independent Museum Sector Toolkit*

Sensitivity testing

- 3.12 Given that visitors are estimated to spend a significant amount of expenditure off-site and that this expenditure has been determined by combining a range of different assumptions, further analysis has been undertaken to validate the reliability of these estimates.
- 3.13 Sensitivity analysis has been introduced to determine the impact of switching input values on expenditure estimates. Values associated with the different locations visitors might travel from (**Table 3.1**) have been adjusted under two separate sensitivities. This assumption has been chosen given its significance in determining the final expenditure estimates and that ranges for expenditure per trip are already included within the core analysis.
- 3.14 Under sensitivity one, alternative visitor geography assumptions have been sourced from the Ecorys 2021 report used previously, with the breakdown of visitors to “medium modern cathedrals” and “medium historic cathedrals” used to determine visitor geography splits.⁸⁸ This new split suggests that 32% of visitors to the Proposed Development would be local, 25% would be as part of a day trip and 43% would be as part of an overnight trip.
- 3.15 Under sensitivity two, the profile of trips to London shown in **Table 2.1** is used as a proxy for visitors to the Proposed Development. Domestic (overnight) and international visitors are combined to reflect overnight visitors and domestic (day trips) has been split into local visitors and day visitors using the proportion of trips made to London by Londoners in 2015.⁸⁹ This new split suggest that 2% of visitors to the Proposed Development would be local, 83% would be as part of a day trip and 16% would be as part of an overnight trip.

Table 3.3 – Overnight visitors in sensitivity one drive off-site expenditure whereas day visitors drive off-site expenditure in sensitivity two. Relative to the core analysis, both sensitivities provide a higher range of off-site expenditure.

Sensitivity analysis for spend per visitor, by trip type

Type of adult visitor	Sensitivity one expected weighting	Sensitivity two expected weighting	Sensitivity one total annual off-site spend	Sensitivity two total annual off-site spend
Local	32%	2%	£5m-£10m	£0.4m-£0.5m
Day	25%	83%	£15m-£20m	£50m-£55m
Overnight	43%	16%	£65m-£95m	£25m-£35m
Total			£90-£120m	£75m-£90m

Direct employment

- 3.16 Estimations for the employment that would be required to support the proposed uses at the Proposed Development have been produced by (TVAC) as part of a viability study for the Proposed Development. From this, we have calculated an estimate for the FTEs based on part time split in relevant industries.

⁸⁸ Ecorys, 2021. The Economic and Social Impact of England's Cathedrals

⁸⁹ Visit Britian, 2015. London and Domestic Tourism

Table 3.4 – The Proposed Development would support approximately 105 jobs, equivalent to 85 FTEs

Employment, by type, supported at the Proposed Development

	FTEs	Jobs
Admin/management	50	45
Operations	40	50
Bar	5	5
Total	85	105

Sources: Volterra analysis; ONS, 2022. Business Register and Employment Survey 2021

Worker expenditure

- 3.17 Much like the construction workers, it is expected that those employed at the Proposed Development in the operational phase would spend money in the local area on retail, leisure, food and beverage on-site before and after their working day. Based on the same methodology as for the average construction worker expenditure, it is estimated that the average worker at the Proposed Development would spend between £6-£10 each day in the local area.
- 3.18 Based on this, workers are expected to spend £185,000 on-site and in the nearby area each year. This expenditure would provide additional income to local businesses like retail and leisure outlets near the Site.

Net additional employment

Reference case

- 3.19 The reference case represents the counterfactual scenario reflecting what would have occurred at the Site should the Proposed Development not come forward. In this case, there is no specific information regarding the alternative plans for the existing site.
- 3.20 The current building at 31-33 High Holborn is deemed a difficult site to operate in, and therefore would not be able to support employment until work has commenced. The current building at 38-39 Furnival Street would be similarly difficult to operate in without major work. The main aspect of the Site that could support employment in its current state is 40-41 Furnival Street.
- 40-41 Furnival Street currently consists of approximately 882sqm NIA of office space.⁹⁰
 - The property was refurbished in 2016.⁹¹
 - It is reasonable to assume, given the location of this building, that in time there would be demand for this property.
 - However, the office is Grade B status.⁹² Companies are increasingly demanding Grade A space and best-in-class space, so it is uncertain as to how long it may be before parts of building become occupied.

⁹⁰ Retrieved from: <https://www.tax.service.gov.uk/>. Accessed September 2023

⁹¹ Retrieved from: <https://www.loopnet.co.uk/Listing/>. Accessed September 2023

⁹² Retrieved from: <https://www.tax.service.gov.uk/>. Accessed September 2023

3.21 For the purposes of this report, we have assumed that a reasonable counterfactual would be for the building at 40-41 Furnival Street to be occupied with a standard vacancy rate for office space (9.7%).⁹³ Given the flight to quality, this is assumed to be a conservative assumption, as businesses look for best-in-class space.

Displacement

3.22 Taking into account the earlier discussion surround the value added of the Proposed Development (see **paragraph 2.56**) a low displacement (25%) is applied to the direct employment created. Whilst there is expected to be some displacement effects, this is thought to only be to a limited extent given the unique nature of the Proposed Development. The same displacement effect is applied to the induced employment associated with the visitor expenditure.

Multiplier

3.23 A composite multiplier reflects further economic activity (in this case employment) that results from income (arising from worker expenditure) and supply-chain impacts (purchases with linked firms along the supply chain) from the development. For the Proposed Development:

- The employment uses at the Proposed Development would be to support the visitor attraction in the Tunnels. It is expected that office inventory and facilities to allow the Proposed Development to function as a visitor destination could be a one-time purchase, however it would need to regularly source stock for the bar, thus giving rise to a supply chain effect.
- The Proposed Development is expected to support workers with a wide range of salaries, given the variety of jobs on offer from management roles to entry level. Therefore, they can be expected to spend varied amounts of their income on-site and in nearby areas on retail, food & beverages, and leisure options (after-office drinks, lunches and so on).

3.24 There are several estimations of the employment multiplier for the tourism and similar sectors. These are often considered at the national level. These include:

- **Heritage tourism** – for every 100 people the heritage tourism sector employs, the sector supports the jobs of another 102 people elsewhere in the economy. This results in a multiplier of 2.02.⁹⁴
- **Museums, USA** – the museum industry in the United States has an employment multiplier of 2.0⁹⁵
- **Museums, UK** – the report by AIM utilises a regional multiplier of 1.5, as suggested in the HCA Additionality Guide for sectors with average linkages.⁹⁶
- **Cathedrals, UK** – the report by Ecorys utilises a regional multiplier of 1.5 and a local multiplier of 1.1, as suggested in the HCA Additionality Guide for sectors with average linkages.⁹⁷
- **Museums, UK** – ONS FTES multiplier and effects research reports a national multiplier for libraries, archives, museums and other cultural activities sector of 1.4.⁹⁸

3.25 Overall, a medium multiplier at the regional level, i.e., 1.5 is considered at the regional level, and 1.1 at the local level. This means that for every 100 jobs created at the Proposed Development, 50 additional jobs

⁹³ Savills, 2023. City Office Market Watch August

⁹⁴ Oxford Economics, 2016. The Impact of Heritage Tourism for the UK Economy

⁹⁵ American Alliance of Museums, Andrw Mellon Foundation & Oxford Economics, 2017. Museums as Economic Engines

⁹⁶ AIM, 2019. Economic Value of the Independent Museum Sector Toolkit

⁹⁷ Ecorys, 2015. The Economic and Social Impact of England's Cathedrals

⁹⁸ ONS, 2023. FTE multipliers and effects, reference year 2019

would arise through the supply chain and worker expenditure at the London level. The reference case is assigned the same multiplier.

Table 3.5 – The Proposed Development is expected to support between 990 – 1,405 net additional jobs in London, equivalent to between 700 – 1,000 FTEs

Net additional employment, London (including CoL and Camden)

	Employment	FTEs	Jobs
	A. Gross direct proposed	85	105
	B. Reference case	65	70
= A-B	C. Gross additional direct	20	35
= C*(1-25%)	D. Net direct (accounting for displacement)	15	25
= D*(0.5)	E. Net indirect (accounting for multiplier)	5	10
	F. Induced ⁹⁹	680 – 975	950 – 1,370
= D+E+F	G. Net additional total	700 – 1,000	990 – 1,405
= D*(75%) + ((E+F)*(79%))	H. Of which to London residents	550 – 785	775 – 1,105

Source: Volterra analysis; HCA, 2014. *Additionality Guide*

Economic value and tax contribution

GVA

3.26

GVA is the additional value generated by economic activity. The GVA impact of a development is estimated by multiplying the number of jobs in each sector by the annual GVA per job in that respective sector. **Table 3.6** shows that the Proposed Development will lead to GVA of approximately £6.1m each year.

⁹⁹ Calculated by dividing the total additional visitor spend (£45m - £65m) by an estimation for consumer services GVA of £46,500 which is taken to represent the most likely sectors benefitting from the visitor expenditure.

Table 3.6 – The Proposed Development’s GVA contribution would be equivalent to 1% of CoL and Camden’s arts, entertainment and recreation industry as of 2021

Total annual GVA at the Proposed Development

Job type	Jobs at the Proposed Development	GVA per worker	Proposed Development GVA
Admin / management	45	£61,000	£2.8m
Operations	50	£61,000	£3.1m
Bar	5	£23,800	£143,000
Total	105		£6.1m

Source: ONS, 2023. *Regional Gross Value Added (Balanced) by industry*; ONS, 2022. *Business Register and Employment Survey 2021*.

- 3.27 Despite this being a valuable contribution to CoL’s and Camden’s economy, this figure is lower than what would be expected to be delivered under the reference case (£8.1m). However, this is dwarfed by the indirect GVA contributions that would be realised from the £60m-£85m annual visitor expenditure.

Tax contributions

- 3.28 By comparing national statistics on GVA in the years 1997 to 2017 with public sector receipts in each year, it can be shown that tax revenues typically account for between 30% and 40% of GVA, through business rates, VAT, corporate and income tax (among other smaller taxes).^{100,101,102} Applying this to the GVA calculation, it is estimated that the Proposed Development will result in additional gross tax revenues of between £1.8m-£2.4m.
- 3.29 Similarly to GVA, this total expected direct tax revenue is lower than what would be achieved under the reference case (£2.4m-£3.3m). However, this is dwarfed by the substantial indirect tax contributions that would be realised from the £60m-£85m annual visitor expenditure.

Business rates

- 3.30 By taking the rateable values for similar types of floorspace that is proposed at the Proposed Development, we are able to the business rates payments of the occupants of the can be estimated. It is accepted that there is quite a lot of uncertainty surrounding the amount of business rates that might need to be paid on at the Proposed Development as it is unique. In order to estimate this, we have researched the rateable values of some of London’s major tourist attractions, along with considering how the business rates payable by London Underground Limited for the land they occupy.¹⁰³

¹⁰⁰ ONS, 2019, *Gross value added (income approach)*

¹⁰¹ ONS, 2019, *Public sector finances*

¹⁰² ONS, 2019, *Public sector finances*

¹⁰³ For the space provided at 38-39 Fournival Street, 40-41 Fournival Street and 31-33 High Holborn, the rateable value from similar spaces in CoL and Camden has been used to estimate the business rates payable. For the Tunnels aspect of the Proposed Development, the rateable values per sqm of venues that attract a similar number of visitors that are expected to the Tunnels are considered, such as the British Museum, National History Museum, Victoria and Albert Museum, Tate

3.31 Each year, it is expected that the Proposed Development would pay approximately £1.5m in business rates. This is almost five times higher than the reference case, £300,000.¹⁰⁴

Modern and the National Gallery. To account for the Tunnels being underground, the current rateable value per sqm paid by London Underground Limited has been taken into consideration.

¹⁰⁴ Retrieved from: <https://www.gov.uk/find-business-rates>. Accessed November 2023

4. Social impacts

The Proposed Development would deliver significant benefit to the local communities in CoL and Camden through commitments during both the construction phase and operational phase of the project. These benefits are delivered both as part of planning policy obligations and the willingness of the Applicant to go above and beyond these policy requirements to deliver social impacts to local people.

Educational impact

The Applicant is committed to offering free tickets for all 10,000+ primary school children in CoL and Camden. Targeting one year at a time, it is possible to fulfil this commitment with spare capacity for other learning opportunities.

- 4.1 The cost of living crisis continues to be felt across households across the UK as of September 2023.¹⁰⁵ This is also true for state schools, many of which find their funding stretched by rising costs. Some schools have started to reduce expenditure with budget cuts made to school trips in 2023 (50%) having doubled compared to 2022 (21%).¹⁰⁶
- 4.2 The Applicant's ambition is that as much people as possible are able to enjoy such a significant London landmark, regardless of their economic circumstances.
- 4.3 To help achieve this, the Applicant is committed to offering free school trips for all primary schools in CoL and Camden to visit the Proposed Development, including subsidising their transportation. Whilst helping to alleviate the impacts of trip funding cuts, the main benefit of this offering is that school trips provide children with independence and confidence, development outside of their comfort zones and contribute to their perspective of the world.¹⁰⁷ This would help to inform and educate children of the local area about the history and cultural heritage of the Tunnels, and CoL and Camden in general.
- 4.4 There are 40 primary schools active in Camden and one in CoL in the 2022/23 academic school year, giving a total enrolment count of 10,933 children.¹⁰⁸ The Applicant is committed to providing all of these children an opportunity to visit the Tunnels. This can be achieved by targeting a specific year group across the primary schools, per academic year. With seven year groups in primary school, ranging from reception to year six and a typical class size of 30 children it would be possible to fulfil this commitment by offering two classes a

¹⁰⁵ House of Commons Library, 2023. Rising cost of living in the UK

¹⁰⁶ Sutton Trust, April 2023, The cost of living crisis hits school spending

¹⁰⁷ Trent schools, April 2022, Why are school trips beneficial

¹⁰⁸ Department for Education, 2022/23, Schools, pupils and their characteristics

trip per week – there would even be spare capacity for the applicant to provide additional learning opportunities.¹⁰⁹

Table 4.1 – The Applicant could ensure every CoL and Camden primary school child gets to visit the Tunnels by providing one to two trips per week

The Applicant’s commitment to ensuring the London Tunnels can be an experience shared by all

Step	Type	CoL and Camden
	A. CoL and Camden primary schools	41 ¹¹⁰
	B. CoL and Camden primary school enrolments	10,933 ¹¹¹
	C. Typical number of primary school year groups	7 (ranging from reception to year 6)
B / C	D. CoL and Camden children per year	1,562
	E. Typical UK school class size	30 ¹¹²
	F. Number of annual school trips required	52
	G. Number of school days per year	190 ¹¹³
= F / G	H. Trips per week required to ensure every child can visit the Tunnels	1.4

Source: Volterra analysis

Providing access to heritage

4.5 The Site is located near numerous heritage sites in CoL and Camden. The Tunnels and buildings that make up the Proposed Development currently contribute little to enhancing the heritage of the local area.

4.6 Protecting and supporting heritage is a key objective for both CoL and Camden. Specifically:

- CoL – “Destination City will celebrate, promote, and support the Square Mile’s unrivalled history and heritage, its world-class arts and culture, and its outstanding restaurants, cafes, hotels, pubs, and bars to UK and global visitors.”¹¹⁴
- Camden – Camden Council recognises the importance of heritage to the people who live and work in the borough.¹¹⁵ “The Council will preserve and, where appropriate, enhance Camden’s rich and diverse heritage assets and their settings”.¹¹⁶

4.7 The heritage sector provides a total direct GVA of £15bn to the UK’s economy.¹¹⁷ This rises to GVA of £37bn once indirect and induced impacts are accounted for. Heritage provides 206,000 direct jobs in the UK

¹⁰⁹ Nasuwt, Class sizes, 2022

¹¹⁰ Department for Education, 2022/23. Schools, pupils and their characteristics

¹¹¹ Department for Education, 2022/23. Schools, pupils and their characteristics

¹¹² Nasuwt, 2022. Class sizes

¹¹³ House of Commons Library, 2023. The School Day and Year

¹¹⁴ Retrieved from: <https://www.cityoflondon.gov.uk/about-us/plans-policies/destination-city>. Accessed September 2023

¹¹⁵ Camden Council, no date. People & Places: Heritage in Camden

¹¹⁶ Camden Council, 2017. Local Plan

¹¹⁷ Historic England, 2020. Heritage and the Economy

– for every directly related job in the heritage sector, 1.7 jobs are supported through their activity. By making a positive contribution to heritage in CoL and Camden, the Proposed Development can add to this total.

- 4.8 Research shows that heritage assets contribute an important sense of place to the community.¹¹⁸ For an individual, heritage can provide positive mental health benefits in the form of enhancing a sense of place and unique identity.
- 4.9 Indeed, culture and heritage are understood as key methods of generating a sense of place: ensuring local people have a voice, feel empowered and express a sense of belonging.¹¹⁹ For individuals this translates to a better quality of life, heritage can offer varied opportunities to address all five of the New Economic Foundation's (NEF) wellbeing actions – connection, mindfulness, activity, learning and contributing to the community.¹²⁰
- 4.10 The Tunnels has not been operational since the 1980s and its current lack of use locks away its potential. Buried underground is a unique story, a deep level bomb shelter fit for up to 8,000 people that was taken over by MI5 and MI6 for wartime covert operations following its completion in 1942. After the Second World War the Tunnels were occupied by the General Post Office as a telephone exchange which included secured lines to Number 10, the cabinet office, the Cold War hotline between the White House and the Kremlin.¹²¹
- 4.11 The Applicant seeks to unearth this rich history and has already undertaken an extensive digital mapping exercise to capture and preserve the details of the Tunnels and bring to life the objects inside exactly as they were when last occupied. Continuing to work with heritage experts, they are dedicated to investing £140m in restoring and preserving the Tunnels. They're further committed to:
- Preserving objects that reflect the Tunnels' history, including the Trunk Exchange and Generators
 - Having regular experiences dedicated to the Tunnels and their history
 - Allowing thorough exploration of the Tunnels by historical groups and societies before any modifications are made
 - Reinstating “the deepest bar in London” – an existing feature of the Tunnels dating back to the 1980s - for everyone to enjoy
- 4.12 While preserving the old, the Applicant seeks to bring in the new, with a commitment to invest £80m for installing the immersive technology that will help bring the story of the Tunnels to life.

Supporting film related tourism

- 4.13 The UK is one of the world's most in demand filming locations. Film and high end TV (HETV) are experiencing substantial growth due to voracious consumer appetite for new high-quality content. Inbound tourists to the UK spent an estimated £893m in the film-related tourism segment in 2018, showing the power of 'screen tourism'.¹²²
- 4.14 The majority of the UK's major films and HETV shows are produced in the 'West London Film Cluster'. The Tunnels served as the inspiration for the creation of James Bond's 'Q Branch' following Ian Fleming's

¹¹⁸ Heritage Lottery Fund (HLF), 2016. Values and benefits of heritage: a research review

¹¹⁹ Historic England, 2018. Wellbeing and the Historic Environment

¹²⁰ The Heritage Alliance, 2020. Heritage, Health and Wellbeing

¹²¹ Stray off the path, 2013, Kingsway Telephone Exchange

¹²² BFI, 2021. Screen Business Report 2019

experience working as the Admiralty's liaison officer with the Special Operations Executive, which was located in the Tunnels from January 1944 until May 1945.

- 4.15 There is good precedent in the UK for making the most of these sort of links in order to drive tourism:
- **Downtown Abbey** – Highclere Castle (location of Downtown Abbey) was bringing in £40,000 per day in visitor expenditure (made up of ticket prices and spend inside the venue) in 2014, which helped to fund repairs on the site.¹²³
 - **Peaky Blinders** – annual visitors to Birmingham increased by 26% from 2013 (the year where the first season of Peaky Binders aired) to 2018.¹²⁴ Whilst the series isn't filmed in Birmingham, this has not prevented the city from reaping the rewards with tourists seeking to view the area. The Proposed Development could do similar to capitalise on the James Bond links.
 - **Outlander** – After the trailer for season four aired, Visit Scotland recorded 46,000 page views specifically related to the show.¹²⁵
 - **Game of Thrones** – Northern Ireland saw tourists contributing in excess of £50m to the local economy in 2018.¹²⁶
- 4.16 The Applicant is willing to making the most of this link, and has future ambitions to work with Hollywood studios like Warner Brothers, Discovery and Amazon.com Inc, which now owns the James Bond franchise.¹²⁷

An inclusive tourist attraction

- 4.17 The Applicant is committed to providing discounts to those who need them most. This includes universal and pension credit holders, emergency service workers and carers, teachers, students and young people.
- 4.18 As well as providing discounts to ensure people of all backgrounds can afford to visit the Proposed Development, the Applicant is committed to ensuring the Tunnels are multi-sensory and designed to be enjoyable to those with learning difficulties or sensory impairments, helping to address the accessibility challenges faced in the current immersive economy.¹²⁸ The Tunnels will be fully accessible, including wheelchair users and parents with prams, and the safety of these groups has been a key part of the fire safety planning. All staff employed at the Proposed Development will receive equality, diversity and inclusion training.

Providing different types of jobs and training

- 4.19 There is expected to be over 100 direct jobs on site once the Proposed Development is in operation. Occupation skill level analysis, using ONS definitions across the nine major groups of skill level shows that the majority of these jobs (76%) are within the low to mid skill range (level 1-2) with the bulk of the remaining jobs (19%) considered to be at the highest occupational skill level (level 4).¹²⁹ With one in five 16-24 year olds unemployed in Camden,¹³⁰ the provision of entry level jobs provides a chance for these residents to

¹²³ Retrieved from: <https://www.mirror.co.uk/>. Accessed October 2023

¹²⁴ Retrieved from: <https://www.theguardian.com/>. Accessed September 2023

¹²⁵ Retrieved from: <https://visual.ly/community/Infographics>. Accessed September 2023

¹²⁶ Retrieved from: <https://visual.ly/community/Infographics>. Accessed September 2023

¹²⁷ Retrieved from: <https://curlytales.com/>. Accessed September 2023

¹²⁸ Immerse UK, 2022. Immersive economy report

¹²⁹ Office for National Statistics, 2020. Volume 1: structure and descriptions of unit groups

¹³⁰ Office for National Statistics, 2021, Employment by age 2021 census

join or re-enter the world of work, while the higher skilled opportunities simultaneously offers others a chance to upskill.

4.20 The Applicant is committed to meeting the strategies set out by CoL and Camden in their respective Supplementary Planning Documents (SPD).¹³¹¹³² Both CoL and Camden expect developers to assist with specific training and employment initiatives, via section 106 agreements with the Applicant, during both the construction phase and operational phase of the project.¹³³

4.21 Aspects of the construction phase obligations are consistent across CoL and Camden and this includes providing apprenticeship starts, work experience placements, local employment procurement and local supply chain procurement. These obligations are set out in more detail in **Table 4.2**.

4.22 There are no specific requirements for end use employment within the CoL SPD. However, Camden Council encourage apprenticeship starts, work placements and financial contributions towards employment initiatives during the operational phase. The contribution is determined by the number of full time jobs created by a development, the Camden resident workforce (21% of the total Camden workforce) and the cost associated with those requiring any training.¹³⁴

Table 4.2 – The Applicant is committed to work with CoL and Camden to meet the following construction phase policy requirements

CoL and Camden skills, training and employment construction phase policy requirements

Commitment	Camden	CoL
Apprenticeships	<ul style="list-style-type: none"> • One start for every £3 million of build cost where the length of the project allows. Starters are to be paid the London Living Wage. • A support fee of £1,700 per apprentice placement (payable to the Council) to cover employment activities • A £20,000 fee per apprentice will be payable to facilitate access to training an employment opportunities elsewhere in the borough if a start cannot be made 	<ul style="list-style-type: none"> • One start or a job start lasting at least 26 weeks for every £3 million in contract value. • a target number of completions of existing apprentices already employed by the developer or contractors transferring to and/or from other sites
Work placement	<ul style="list-style-type: none"> • One, two-week work experience placement per 500sqm of net additional employment floorspace • A default payment for non-delivery of £804.00 per placement 	<ul style="list-style-type: none"> • Placements for local school age children and / or local adults resident in the or local boroughs (number to be determined)

¹³¹ Camden Council, 2021. Employment Sites & Business Premises

¹³² City of London, 2021. Supplementary Planning Document

¹³³ Where developments have floorspace greater than 1,000sq m GIA (Camden) or have over £3 million build costs (Camden and CoL)

¹³⁴ Full time jobs created x 21% [% of Camden residents who work in Camden] x 35% [% of employees requiring training] x £3,995 [£ per employee requiring training]

Commitment	Camden	CoL
		<ul style="list-style-type: none"> Curriculum support activities for students of any institution in the City or local boroughs.
Local employment	<ul style="list-style-type: none"> Jobs advertised through local employment vehicles as per the Construction Industry Training Board (CITB) benchmark A payment in lieu of £3,995 per job target not met will be payable to allow for the promotion of employment opportunities elsewhere in the borough. 	
Local procurement	<ul style="list-style-type: none"> For schemes that exceeds £1,000,000, the Council expects that developers work towards a local procurement target of 10% of total procurement value. 	<ul style="list-style-type: none"> A 10% of goods and services procurement target from small and medium sized enterprises in the City and its neighbouring boroughs
London Living Wage	Whilst it is not a strict requirement in policy terms, the Applicant would ensure all staff are paid at least the London Living Wage, which standards at £13.15 as of 2023.	

Sources: Camden Council, 2021, *Employment Sites & Business Premises*. City of London, *Supplementary Planning Obligations*, 2021.

4.23

The Applicant is committed to working with CoL and Camden to ensure the Proposed Development can provide the most suitable employment and skills opportunities for local residents. As part of this, the Applicant is committed to:

- Maximising opportunities to support local jobs and apprenticeships through working with Camden and the City of London to advertise job opportunities locally and plan for future jobs and training.
- Hosting at least eight work experience placements a year for local schools.
- Commitment to paying all staff the London Living Wage (£13.15 as of 2023).¹³⁵
- Working in partnership with local community centres (e.g Dragon Hall Trust, Holborn Community Association, N1C centre and the wider C4 consortium) we will seek to build on existing links with these community centres in order to keep local residents informed about the progress of the development and to highlight employment and training opportunities as they arise.

¹³⁵ Retrieved from: <https://www.livingwage.org.uk/>. Accessed November 2023

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