

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

INTRODUCTION

- 6.1 The socio-economics chapter of the December 2023 ES has been reviewed in the context of the Amended Proposed Development submitted in December 2024 to determine if the conclusions of this assessment remain valid. In addition, consideration has been given to any updates or changes to baseline conditions, policy or methodology.
- 6.2 The proposed amendments relevant to this ES chapter are:
- Changes to the deconstruction and construction programme (including revised construction start and end dates and a decrease in total anticipated programme duration by one month). The previous construction programme in the December 2023 ES set out deconstruction commencement in Q1 2025, with completion in Q2 2030. The construction programme for the Amended Proposed Development commences deconstruction in Q4 2025, with completion in Q1 2031 as set out in **ES Addendum Volume 1, Chapter 1: Introduction, Proposed Design Amendments and ES Addendum Approach**.
  - The total proposed floorspace for the Amended Proposed Development has increased by 2,284m<sup>2</sup> (2.9% uplift) from 77,542m<sup>2</sup> in December 2023 Proposed Development to 79,825m<sup>2</sup> in the Amended Proposed Development.
  - Changes to the area schedules of the Amended Proposed Development, as summarised in Table 6.1, have resulted in an increase of Workspace comprising Lab Enabled Workspace (+16m<sup>2</sup>), Commercial Office (+3,202m<sup>2</sup>) and Retail floorspace (+249m<sup>2</sup>), and a decrease in Lobby space (-785m<sup>2</sup>), and Retail / Enterprise floorspace (-398m<sup>2</sup>).

Table 6.1 Existing and Proposed GIA

Land Use		Existing (GIA m <sup>2</sup> )	December 2023 ES (GIA m <sup>2</sup> )	2024 ES Addendum Proposed (GIA m <sup>2</sup> )	Total Change in Area from Proposed Amendments (GIA m <sup>2</sup> )
Workspace Class E(g)	Lobby	1,294	3,830	3,045	-785
	Lab Enabled Workspace	-	24,496	24,512	+16
	Commercial Office	52,477	46,465	49,667	+3,202
Retail (Class E)		1,055	748	997	+249
Enterprise Space (Class E/F)		-	2,003	1,605	-398
TOTAL		54,826	77,542	79,825	+2,284

\*Figures may not add due to rounding

LEGISLATION, PLANNING POLICY AND GUIDANCE

- 6.3 There have been no significant changes to policy, legislation or guidance since the December 2023 ES which would have a material effect on the approach to or findings of the assessment. Consequently, the legislation, policy and guidance set out in the socio-economics chapter of the December 2023 ES remains applicable and valid.

ASSESSMENT METHODOLOGY

- 6.4 There are no changes to the assessment methodology set out with the socio-economics chapter of the December 2023 ES.
- 6.5 Consequently, the assessment methodology and significance criteria stated in the socio-economics chapter of the December 2023 ES remains applicable and valid.

BASELINE CONDITIONS

Current Baseline Conditions

- 6.6 The baseline conditions have not materially altered from those set out in the December 2023 ES, and therefore have not been revisited as they will not be affected by the Amended Proposed Development.
- 6.7 The baseline conditions as set out within the socio-economics chapter of the December 2023 ES remain valid.

Evolution of the Baseline

- 6.8 The evolution of the baseline remains as assessed in the December 2023 ES.

RECEPTORS AND RECEPTOR SENSITIVITY

- 6.9 No amendments have been made to the receptors considered in the socio-economics chapter of the December 2023 ES as a result of the Amended Proposed Development.

IMPLICATIONS OF THE PROPOSED AMENDMENTS

- 6.10 The implications of the Amended Proposed Development on the socio-economics assessment are set out below.
- The Amended Proposed Development design and change to the construction programme, as set out in **ES Addendum Volume 1, Chapter 1: Introduction, Proposed Design Amendments and ES Addendum Approach**, have resulted in an adjusted construction cost. As a result, the number of construction jobs and local expenditure generated by construction workers has been updated to reflect this;
  - An increase in floorspace as well as the changes to distribution of Use Classes within the Amended Proposed Development will impact on the type and quantity of jobs generated once the Amended Proposed Development is complete and operational. A change to the jobs generated will also therefore impact on the local expenditure that is expected to be generated; and
  - The change to the workforce generated by the Amended Proposed Development will result in a change to the open and amenity space required to be provided by the LBC guidance.

POTENTIAL EFFECTS

Deconstruction and Construction

- 6.11 Amendments to the deconstruction and construction works required to facilitate the Amended Proposed Development are set out in the **ES Addendum Volume 1, Chapter 1: Introduction, Proposed Design Amendments and ES Addendum Approach**.

Employment

- 6.12 It is anticipated that 5,850-person years of employment (previously 5,815 in the December 2023 ES) could be supported by the deconstruction and construction phase, including a broad range of job types and occupations for roles both on- and off-site. With an anticipated 64-month programme (five years and four months), an average of 1,104 full-time equivalent (FTE) jobs could be supported in each year of this phase (previously 1,057 jobs in the December 2023 ES).
- 6.13 Construction employment is highly mobile and therefore consideration of the deconstruction and construction works is best considered at the regional level. As set out in the baseline section of the socio-economics chapter of the December 2023 ES, the construction industry currently supports about 188,000 jobs across London, so

annual employment supported by the Amended Proposed Development during the deconstruction and construction phase would be approximately 0.59% of annual employment in London’s construction sector.

6.14 The introduction of 1,104 direct FTE roles each year during the deconstruction and construction programme is beneficial to the local economy. However, within the existing local construction sector this is expected to have a low magnitude of impact on the construction industry and wider economy (low sensitivity receptor) in London. This results in a direct, short term, Negligible (not significant) effect at the regional level which is consistent with the findings of the December 2023 ES.

Additional Expenditure and Supply Chain

- 6.15 The Amended Proposed Development would result in indirect benefits including supply chain effects and spending by construction workers in retail outlets near to the site. However, as the number of construction workers on-site will fluctuate over the course of the construction programme, it is not possible to quantify the precise level of spending captured locally.
- 6.16 The HCA Additionality Guide provides an additionality ratio of 33% for FTE Construction employment to estimate the number of indirect and informal jobs associated with the main deconstruction and construction works. This results in an additional 364 FTE per year employed as result of the Amended Proposed Development (previously 349 in the December 2023 ES). However, this is an estimate, and actual supply chain and procurement effects can vary widely, even effecting international spatial levels, depending on the supply and sourcing of construction materials and other supplies.
- 6.17 The introduction of an estimated 364 indirect FTE roles each year during the deconstruction and construction programme is expected to have a negligible magnitude of impact on the construction industry and wider economy (low sensitivity receptor) in London. This results in a direct, short term, Negligible (not significant) effect at the regional level which is consistent with the findings of the December 2023 ES.

Completed Development

6.18 The potential effects of the operational Amended Proposed Development are as set out below and compared with the findings of the December 2023 ES.

Employment

- 6.19 As stated in the December 2023 ES, the site currently employs approximately 56 FTE across its retail spaces, with the office space across the remainder of the site vacant since 2021.
- 6.20 The Amended Proposed Development includes the provision of 79,825m² GIA of flexible Use Class E and F (compared to the provision of 77,541m² in the Proposed Development) which has the potential to generate employment opportunities. This includes 77,223m² GIA of workspace (i.e. office and laboratory space) (Use Class E(g)), 997m² GIA of retail space (Use Class E), and 1,605m² GIA of flexible commercial / Enterprise Space (Use Class E / F). The Enterprise Space is intended to comprise a mixture of affordable workspace for local entrepreneurs and small businesses, with associated flexible space for use by the local community.
- 6.21 The amended area schedules have resulted in a change in employment generated as presented below in Table 6.2 and Table 6.3.
- 6.22 As the precise end use of these spaces is not yet known, the anticipated employment generation figures set out below have been based on the reasonable highest and lowest employment densities falling under Use Classes E and F1. Likewise, given the flexibility in uses associated with Enterprise Space, and the lack of a correlating classification under HCA guidance, it is assumed that this space will not generate any additional employment.

<sup>1</sup> Formerly Use Classes A1, A2, A3, B1, D1(a-b) and ‘indoor sport’ from D2(e).

6.23 It is considered unlikely that this space would be used for very low employment density categories such as industrial, storage, distribution, cultural or entertainment uses.

Table 6.2 Amended Proposed Development Employment Generation (Best-Case Scenario)

Anticipated Use	HCA Classification	Type	December 2023 ES		Amended Proposed Development	
			Floorspace (m²) (NIA)	Jobs Created (FTE)	Floorspace (m²) (NIA)	Jobs Created (FTE)
Workspace (Office) Use Class E(g(ii))	B1a Offices Finance & Insurance	10m² NIA per FTE	48,062	4,806	50,932	5,093
Retail Use Class E	A1 Retail High Street, Foodstore	15m² NIA per FTE	585	39	514	34
Enterprise Space Use Class E / F	Mixed B Managed Workspace	12m² NIA per FTE	1,541	103	465	39
	N/A²	-			281	0
Gross Employment			4,948		5,166	
Less Existing FTE (56)						
Net Employment			4,892		5,110	
Displacement (25%)						
Total Direct Employment			3,669		3,833	
Economic Multiplier (1.21)						
Total Indirect Employment			770		805	
TOTAL Net Employment			4,439		4,638	

Source: Trium Calculations

- 6.24 Under a best-case scenario, the Amended Proposed Development would result in a net employment gain of 4,638 FTE roles (previously 4,439 FTE roles in the December 2023 ES), or 1.1% of the LBC’s current job market. This comprises 3,833 roles resulting from direct employment and 805 roles resulting from indirect employment.
- 6.25 A reasonable worst-case scenario involves a split between office and laboratory use, as well as total Enterprise Space uses across the flexible Use Class E / F space, as outlined below in Table 6.3.

<sup>2</sup> Comprising innovation, collaboration, and knowledge sharing space which is assumed to be non-employment generating.

Table 6.3 Amended Proposed Development Employment Generation (Most Likely Worst-Case Scenario)

Anticipated Use	HCA Classification	Type	December 2023 ES		Amended Proposed Development	
			Floorspace (m²) (NIA)	Jobs Created (FTE)	Floorspace (m²) (NIA)	Jobs Created (FTE)
Workspace (Office) Use Class E(g(i))	B1a Offices Finance & Insurance	13m² NIA per FTE	31,575	2,429	34,456	2,650
Workspace (Laboratory) Use Class E(g(ii))	B1b R&D Space	60m² NIA per FTE	16,487	275	16,476	275
Retail Use Class E	A1 Retail High Street, Foodstore	20m² NIA per FTE	585	29	514	26
Enterprise Space Use Class E / F	N/A	-	1,541	0	746	0
Gross Employment			2,733		2,951	
Less Existing FTE (56)						
Net Employment			2,677		2,895	
Displacement (25%)						
Total Direct Employment			2,008		2,171	
Economic Multiplier (1.21)						
Total Indirect Employment			422		456	
TOTAL Net Employment			2,429		2,627	

Source: Trium Calculations

- 6.26 Under this more likely worst-case scenario, the Amended Proposed Development would result in a net employment gain of 2,627 FTE roles (previously 2,429 FTE roles in the December 2023 ES), or 0.6% of the LBC’s current job market. This includes 2,171 roles resulting from direct employment and 456 roles resulting from indirect employment.
- 6.27 The worst-case gain of 2,627 net FTE opportunities within the context of 418,000 existing roles across LBC is expected to have a minor magnitude of impact on the local economy (low sensitivity receptor). This results in a direct and indirect, long term Negligible (not significant) effect at the local and Borough level which is consistent with the findings of the December 2023 ES.

Additional Expenditure

- 6.28 Under the best-case scenario, the direct employment of 3,833 FTE at the Amended Proposed Development is expected to generate approximately £9.66 million (£9.2 million in the December 2023 ES) annually. Under the worst-case scenario, the direct employment of 2,171 FTE at the Amended Proposed Development is expected to generate approximately £5.64 million (£5.1 million in the December 2023 ES) annually.
- 6.29 The spending impact of new employment on-site is expected to have a negligible magnitude of impact on the local economy (low sensitivity receptor). This results in a direct, long term Negligible (not significant) effect at the local and Borough level which is consistent with the findings of the December 2023 ES.

Open Space

- 6.30 Based on the LBC guidance requiring 0.74m² of open space per FTE, the new workforce of 2,171 to 3,833 FTE within the Amended Proposed Development itself will require 1,607m² to 2,836m² of open and amenity space (previously 1,486m² to 2,715m² in the December 2023 ES). The Amended Proposed Development will include

5,788m² of publicly accessible open space at the ground level, Level 01 and Level 02, which represents an uplift of 394m² from existing and is also above the provision requirement.

- 6.31 It is acknowledged that this provision of open space is above the LBC requirement, even in the best-case employment scenario, and is expected to have a low magnitude of impact on the availability of open space (low sensitivity receptor) in the study area. This results in a direct, long term Negligible (not significant) effect at the site and local level.

MITIGATION, MONITORING AND RESIDUAL EFFECTS

- 6.32 As per the socio-economics chapter of the December 2023 ES, no adverse socio-economic effects have been identified due to the deconstruction and construction of the Amended Proposed Development, nor due to the operation of the Amended Proposed Development; therefore, no additional mitigation is required to lessen negative impacts on relevant receptors.

CLIMATE CHANGE

- 6.33 The impacts of climate change discussed in the socio-economics chapter of the December 2023 ES are not affected by the Proposed Amendments.

ASSESSMENT OF THE FUTURE ENVIRONMENT

Evolution of the Baseline Scenario

- 6.34 The evolution of the baseline as discussed in the socio-economics chapter of the December 2023 ES are not affected by the Proposed Amendments.

Cumulative Effects Assessment

- 6.35 It is noted that since the December 2023 ES, HS2 has been confirmed to extend to Euston station. As set out in the December 2023 ES, the construction industry is typically mobile with resources pooled from a wide geographic area. An indicative programme of construction works for HS2 is set out in **ES Addendum Volume 1, Chapter 7: Traffic and Transport** which indicates that there may be an overlap between the HS2 construction works and the construction of the Amended Proposed Development from Q4 2025 and 2027. However, it is likely that most of the major works associated with major HS2 workstreams will be completed or partially completed before work on the Amended Proposed Development commences.
- 6.36 Whilst it is acknowledged that this scheme will bring additional construction employees and generate greater local expenditure to the area, this is not considered to be of a scale to materially alter the conclusions presented in the December 2023 ES. As such, the cumulative assessment for all socio-economic receptors remains as set out in the December 2023 ES for both the construction phase and once the Proposed Development is complete and operational.

LIKELY SIGNIFICANT EFFECTS

- 6.37 No likely significant effects relating to socio-economics have been identified, which is consistent with the findings of the December 2023 ES.