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VICTORIA
Vibrancy Report 2017

THE VICTORIA BUSINESS IMPROVEMENT DISTRICT

A report by Volterra Partners

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Foreword

The Victoria Vibrancy Report 2017 arrives in a period of significant change at the local, regional and national level.

In recent months Victoria has seen the completion of phase one of the flagship Nova development by Landsec and the opening of Sir Simon Milton Square, creating a vibrant new hub in the heart of the BID. A new entrance from the Underground Station to Cardinal Place has also opened, representing the first steps in the rejuvenation of this vital transport hub. These schemes represent major milestones in the transformation of Victoria, and we anticipate that change will continue apace for the next three years with a further 79,000m^2 of commercial space, 7,000m^2 of retail space, 800 homes and 60 new hotel rooms forecast for delivery.

At a regional level, London has suffered a number of terrorist attacks, emphasising the importance of safety and security to our businesses and everyone who lives, spends time in, or travels through our area. Significant changes are also taking place on the road network, with Transport for London having delivered the first major changes to bus routes in a generation in preparation of major transport changes to nearby Oxford Street and the Strand. The Victoria BID will seek to ensure that these changes are beneficial to our area and that we remain one of the most accessible areas in our capital.

Nationally we are in a period of great uncertainty. Brexit and increasing global competition at a time of continued retrenchment in public finance present both a threat and an opportunity. Where threats present themselves, working on behalf of our businesses we will seek to mitigate these to create a safe, welcoming, economically vibrant community. And where opportunities arise we will seek to capitalise on these to ensure Victoria remains attractive to EU nationals and international investment after the withdrawal of the UK from the European Union in 2019.

Perhaps the most important message in the Vibrancy Report is that Victoria is once again becoming a place. Over 25% of people arriving in Victoria Station remain in our BID area; an area which now supports some 43,000 jobs and offers a genuine mix of places to work, live and relax. The report also underscores the national importance of Victoria in generating some £3.1billion in GVA and contributing some £105million in business rates to the Exchequer every year. Despite this success, with job creation having outstripped many comparative areas in recent years, the report also makes clear that business must continue to work together to achieve a step change in the pace of delivery of new office space and homes if we are to keep up with demand and for rents to remain affordable.

Integral to the success of Victoria and London is the station itself. It both underpins our local economy, and serves as a gateway to London for workers and visitors to the Capital. Crossrail 2 has the potential to be the catalyst for the rejuvenation of the station. However at a time when passenger congestion continues to rise and the station fails to provide an arrival experience befitting a global city, Victoria and London cannot wait over a decade for any further investment. Improving the public realm around the station is also vital if we are to improve air quality, reduce road accidents and traffic congestion which undermine Victoria's living environment. The BID will therefore continue to call for early investment in our infrastructure and explore creative solutions with the public and private sector, in order to make this happen.

The Vibrancy Report captures all of these issues and more, providing a snapshot, baseline and evidence base for our ambitions to create a vibrant destination for those working, visiting and living in Victoria.

Nigel Hughes MBE, Chairman,
Victoria Business Improvement District

Ruth Duston, Chief Executive,
Victoria Business Improvement District

Executive Summary

Victoria Business Improvement District (VBID) was established in 2010 to support the development of the Victoria area and create a vibrant destination for those working, visiting and living in the area. Volterra was commissioned by VBID to produce an economic assessment of the area to understand its current performance, how it has changed historically and the area's future potential in the context of the development pipeline and investment in the area.

VBID encompasses a 43 ha area entirely within the City of Westminster (CoW), equivalent to 2% of the borough. It is one of the most accessible parts of the country with London Victoria, the second busiest rail station in the country and Victoria Coach Station, the largest coach station in London, both in the study area.

The area is a key tourist location, near Buckingham Palace and the Royal Parks, and it accommodates a significant amount of economic activity. Major new developments and investment projects in the area include Landsec's Nova development and the TfL Victoria Station Upgrade both of which are part complete. VBID aims to capitalise on the significant development planned and underway in Victoria to ensure it continues to make a major contribution to the capital's economy.

> Victoria needs to become a place, not simply a place to pass through.
>
> **Westminster City Council, City Plan November 2016**

THE CONTEXT

Victoria currently supports an estimated **43,000 jobs** in one of the **densest parts** of central London

Victoria generates an estimated **£3.1bn in GVA** annually and tax revenues in the region of £1bn. The businesses alone contribute an estimated **£105m** pa in business rates

At **2.3%** per annum between 2003 and 2015, employment in VBID has grown faster than the borough average, although slower than some other parts of central London

Victoria is extremely well connected, with over **80m users** each of both rail and tube. It is the 2nd busiest tube station and Victoria Coach station is the largest coach station in London. An **estimated 75% of station users** travel on to jobs elsewhere across London, highlighting the **strategic importance** of Victoria station to the whole of London

There are high levels of deprivation in Victoria. Over **80% of the area** is within the **worst 5% in England** in terms of living environment

Victoria had **high office rents, low vacancy rates and had low SME growth. Only two of London's 330** recorded incubators, accelerators and co-working spaces are within the area

Only **2,900 people live in VBID**, meaning its population density is only around half of the borough average. **39% of residents are over 45**, which means it has a considerably older population than other parts of the capital

27% of jobs in Victoria are in the public sector - compared to less than 5% in both Cheapside and Soho. Victoria also supports a high number of head office and management consultancy jobs (which make up **15% of total employment**)

DEVELOPMENT & CHANGE

Significant development is planned and underway in Victoria including **79k sqm of office, 7k sqm of retail, 800 residential units and 60 hotel rooms**

The key development within Victoria is an 83k sqm mixed use development named Nova. This will significantly change the area near the station and **is responsible for the majority of additional floorspace** within the area

Significant improvements to transport and infrastructure at Victoria underground station will be completed soon but given the scale of growth in development and traffic it is likely that **further investment** will still be needed

5,200 new jobs and between 1,100 and 1,400 new residents to 2020. Equivalent to annual job growth of 2.9% - higher than recent growth of 2.1% - and annual population growth of **between 6.4% and 8.1%** - a significant impact on the size of the local population

ECONOMIC POTENTIAL

The past performance of the area, and its development pipeline to 2020, suggest that it should be aiming for an **additional 1,300 jobs per year** to 2036 which is equivalent to adding approximately an additional £100m in GVA and £30m in tax revenues per annum. In order to achieve this, Victoria would need to ensure that its offer is **diverse and appealing** enough to fill this scale of growth

RECOMMENDATIONS

1. Victoria is one of the most important business districts for London. VBID should:

- continue to demonstrate the economic contribution of the area (43K jobs, £3bn GVA, £1bn tax revenues, £105 business rates)
- attract more corporates to continue to reduce the past reliance on the public sector
- remain a place with a robust and varied offer which attracts corporates from across a wide range of sectors
- aim to accommodate at least an additional 1,300 jobs per annum which is equivalent to adding approximately £100m in GVA and £30m in tax revenues each year

2. Despite being economically important, the lack of supply of office space is potentially hindering growth. VBID should:

- ensure the continued delivery of new floorspace to ensure rents remain affordable for businesses; current vacancy rates imply that there is effectively no supply in Victoria
- consider the role of incubator / shared workspace providers and the possibility of attracting these to Victoria. Currently, VBID only houses two of London's 330 recorded incubators, accelerators and co-working spaces

3. Victoria Station is critical to London, not just VBID:

- not only does Victoria station support the significant economic activity in the immediate area, it also serves travellers who transfer here and go on to other destinations (around three quarters of users are making trips to Victoria for leisure purposes or to continue their commute onto to other parts of the capital)
- VBID should promote improvements to public realm around the station and more widely within the VBID in order to tackle the poor levels of air quality and high number of road traffic accidents identified
- Crossrail 2, coming in 2030 (at the earliest), is welcomed but is likely to be too long to wait
- There is a need to highlight the strategic importance of Victoria station not just to the VBID area but more widely to London and to continue to advocate for improvements at Victoria station

ECONOMIC CONTEXT

Victoria accommodates 43,000 jobs, contributing £3.1bn in gross value added (GVA) per year, delivering tax revenues to central government in the region of £1bn, of which c. £105m is in business rates – a similar amount to the total business rates contributed by all businesses in the boroughs of Barnet, Croydon or Enfield. It is one of the densest parts of CoW, supporting 6% of the borough's employment on just 2% of its land. The area's density is comparable to the densest parts of London including the City and the West End.

Nearly half (45%) of Victoria's jobs are professional services, which is a relatively low share, particularly when compared to other dense and economically important parts of London: Cheapside (85%) and Soho (59%). Within professional services, activities of head offices and management consultancy are a key sector in Victoria, accounting for 15% of the area's employment – a higher share than all of the comparators. Victoria appears however to be disproportionately represented by the public sector: 27% of its employment is in the public sector, which compares to less than 5%, in both Soho and Cheapside for example. This is largely due to the government buildings in the study area, although some of these have recently been vacated (eg New Scotland Yard) and the private sector is expected to drive future growth here. VBID borders onto Westminster to the east of the BID boundary, an area which is home to prominent public sector buildings and occupiers.

Employment in Victoria grew at an average of 2.3% a year between 2003 and 2015. This is faster than the borough average (1.7%) but lower than several other central London locations. Annual growth since 2009 (2.2%) was slower than the earlier period from 2003 and 2008 (2.9%), suggesting that growth here has slowed down. This is in contrast to growth across Westminster, which increased over the decade.

The overall employment growth in Victoria hides significant variation across the sectors and it is clear that professional services is driving growth in this location. Between 2009 and 2015, professional services created 3,600 jobs here – of which 1,500 were in information and communication and 1,600 in professional, scientific and technical.

Comparing sectoral growth in Victoria to some other areas indicates that, in relative terms, none of the sectors in Victoria have seen particularly strong growth. Indeed, whilst professional services have delivered the most new jobs here, the growth in this sector has been around 40% lower than in the best performing comparator locations.

There has historically been a decline in the stock of office floorspace across Westminster. This has widespread implications, not just for Westminster's economic growth, but for growth in the London and national economies as well. Data for the Victoria Opportunity Area (around half of the VBID area falls within the VOA) suggests that whilst VBID has contributed to the boroughs office stock in recent years, there are some large permitted schemes that have not yet been started in VOA which would result in a net loss of floorspace in coming years.

Any decrease in Victoria's office stock would be magnified since there are signs that demand for office space in Victoria is already outstripping supply. This excess demand has resulted in knock-on impacts in Victoria: office rents are among the highest in London; vacancy rates of 3.3% imply that there is effectively no vacant supply in Victoria (GLA suggest that vacancy rates should be managed at around 5%-8% of stock); and growth in SMEs is below the average for the capital (25% between 2010 and 2015 compared to 34% across London) – suggesting that a lack of office space is preventing businesses from locating in the area, either directly due to a lack of space or indirectly through high prices. This is not helped by a lack of start-up workspaces in the area: according to the GLA, only two of London's 330 recorded incubators, accelerators and co-working spaces are within Victoria. A lack of suitable office space for all sizes of business threatens to affect the area's competitiveness, undermining its future growth potential.

Victoria has a resident population of around 2,900, equivalent to a population density of 65 residents per ha. This is significantly lower (40% less) than the density across CoW. This is not unusual and many central locations have similar characteristics, with employment having crowded out residential units. Looking at who lives here, Victoria has a larger proportion of older residents – 39% of the resident population are 45 or over, considerably higher than other parts of central London.

In terms of deprivation there is a mixed picture in Victoria: it performs well on measures including employment, education, skills and training, and health deprivation and disability, but of the six small areas that make up Victoria, five are amongst the 5% worst performing in England in terms of living environment and all six areas are within the bottom 30% in terms of barriers to housing. While all inner city locations tend to score poorly on the living environment measure (factors impacting upon this indicator are condition of social housing, air quality and road accidents), Victoria scores particularly poorly. This is driven by poor levels of air quality and high levels of road traffic accidents.

ACCESSIBILITY

Transport accessibility is one of the key advantages of Victoria – the area is extremely well connected. London Victoria, the second busiest rail station and fourth busiest tube station in the country, and, Victoria Coach Station, the largest coach station in London, are both within the study area. Parts of the Victoria area are also a short walk from Green Park, Pimlico, St James Park and Sloane Square stations. As a result, the majority of the study area has the highest public transport accessibility level (PTAL) rating of 6b, making it one of the most accessible locations in London.

Over 80m users use each of the rail and tube stations each year. There is some overlap between these and, allowing for this, an estimated 167,000 people make return trips through Victoria each day. Given current employment levels within VBID, this implies that c.25% of the users of Victoria station are making trips to work within VBID and three-quarters are travelling through Victoria for leisure purposes or to continue their commute to other parts of the capital. This highlights the importance of Victoria station not just to the VBID area but in supporting access to job opportunities across London – upgrades to Victoria benefit a much larger group of individuals/businesses than just those in VBID.

Improvements to London Victoria underground station, including new ticket hall and entrances, are part completed, scheduled for full completion in 2018. The mainline station is however one of the most crowded, particularly during peak times and concern remains that whilst these improvements are welcomed, further investment is still needed to appropriately deal with the increased patronage of the station.

Further investment at Victoria is not currently planned until the introduction of Crossrail 2 at Victoria (scheduled for 2030 at the earliest).[1]
This would increase the accessibility at Victoria, but it is likely that interim improvements will be needed before then to ensure that growth, both within the VBID area but also more widely across London, is not constrained.

Accessibility both drives and enables development, particularly in the places with the most transport access such as Victoria. Crossrail 2 and associated improvements to the station are welcomed, but it is likely that further investment will be needed in the short term to enable the station to support planned growth in Victoria and further across London.

DEVELOPMENT AND CHANGE

There is significant development completed, planned and underway in Victoria which is not captured in the snapshot employment statistics presented above. Based on an assessment of the development pipeline, it is estimated that around 79,000 sqm of office, 7,000 sqm of retail, 800 residential units and 60 hotel rooms will be delivered by 2020. If all of this is delivered, it is estimated that they could accommodate an additional 5,200 jobs and between 1,100 and 1,400 new residents to 2020, taking Victoria's total jobs to around 48,000 and population to c. 4,000. In relative terms, this is a significant increase in the number of people living in the area – equivalent to an annualised increase of between 6.4% and 8.1%. The growth in employment is also high, matching annualised growth between 2003 and 2008 of 2.9%.

Table 1 presents a range of growth forecasts and targets for Victoria in order to highlight the potential for intensification in the area. This assumes that 2020 with the development pipeline is the base year and estimates potential for intensification to 2036. It is estimated that Victoria could grow by between 300 and 1,700 jobs per annum to 2036 – a wide range that depends crucially on the scale of ambition for the area, and the extent to which significant further development can be stimulated.

1. Crossrail 2 is a proposed rail route serving London and the wider South East and would increase capacity at Victoria serving destinations in London, Hertfordshire and Surrey.

TABLE 1 JOB CREATION FORECASTS, 2020-2036

SCENARIO	GROWTH RATE PA	ADDITIONAL JOBS PA	ADDITIONAL 2020-2036	TOTAL JOBS IN VICTORIA
LOW Westminster jobs/ London average	0.6-0.8%	300-400	4,500-5,900	53,000-54,000
MEDIUM trend growth 2009-15	2.3%	1,300	20,000	68,000
HIGH trend growth 2003-08 and development pipeline	2.9%	1,700	26,500	75,000

Source: GLA; Volterra calculations

The lowest scenario is based on the geographic size of the area, assuming that it only matches the long term London average growth rate in the future, or hitting the GLA growth targets for CoW. It is unrealistically pessimistic given the current density already achieved here, its accessibility, development pipeline and potential, and past performance. Investments in Victoria, particularly those involving the station and Crossrail 2, would be expected to increase the growth potential of the area within this time frame. Even the low scenario would make employment densities in Victoria higher than the current density of Soho.

Whilst the highest scenario is not unfeasible given past trends and the development pipeline, it would require a step change in the amount of development (it would need to grow faster than it has done over the last six years for a sustained period of 16 years), and would result in increasing the area's density by over half (20% higher than the current density of Cheapside, in the heart of the City) to 2036 which is likely to be too optimistic. In our opinion, the past performance of the area suggests that it should be at least aiming for the London average scenario, or, more ambitiously, for the medium – trend growth scenario. This would mean the area creates up to 1,300 new jobs each year, or 20,000 new jobs by 2036 which is equivalent to adding approximately an additional £100m in GVA and £30m in tax revenues per annum.

The extent to which the area can deliver this, however, depends crucially on the continued delivery of new commercial space here, and further transport improvements to allow workers to access the area.

Introduction

INTRODUCTION AND CONTEXT

This report provides an economic assessment of the area which makes up the Victoria Business Improvement District (VBID) to understand its historic and current performance, and future potential in the context of the development pipeline and investment in the area.

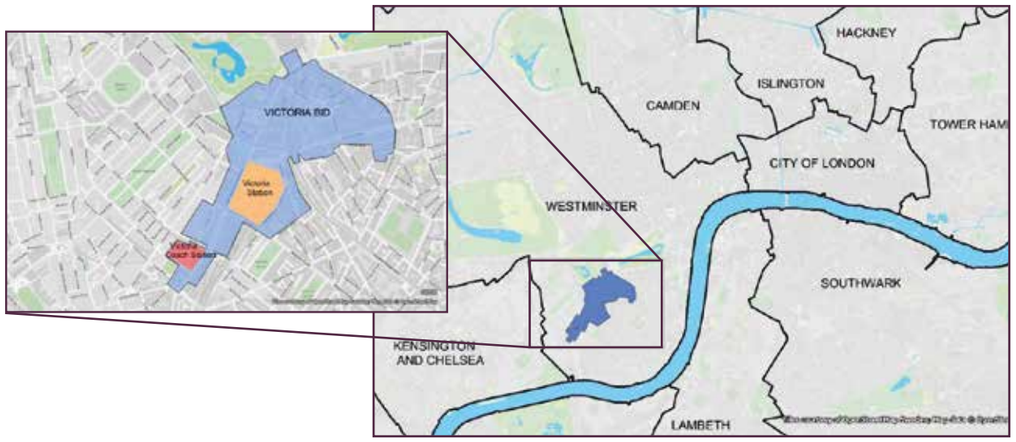
Situated within the City of Westminster (CoW), to the east of the London Borough of Kensington and Chelsea (LBKC) and near Buckingham Palace and the Royal Parks, Victoria is a diverse mix of office, retail, homes and visitor attractions. The area is home to key transport nodes including Victoria Station, one of the country's major railway stations, and Victoria Coach Station, London's busiest coach station, as well as a number of government buildings.

VICTORIA BUSINESS IMPROVEMENT DISTRICT

Victoria Business Improvement District (VBID) was established in 2010 after a successful ballot of businesses liable to pay the business rate levy in the area. VBID's first five year term ended in 2015 and businesses overwhelmingly decided to renew the BID.

VBID works in partnership with businesses in the area. It was formed to support the development of the area and create a vibrant destination for those working, visiting and living in the area. VBID have five key work programmes for the next five years, which are: clean and green; safe and secure; sustainable prosperity; destination Victoria; and public realm. Figure 1 outlines the VBID study area. This encompasses 43 ha – equivalent to 2% of the CoW. Appendix 1 summarises the planning policy context in Victoria and the accessibility to green space in the area.

FIGURE 1 LOCATION OF THE STUDY AREA



Economic Context

Victoria is one of the key gateways to London. It contains the second busiest terminus station in the UK and London's largest coach station. But Victoria is more than just a transport node: it is a vital part of London's economy supporting one of the highest concentrations of employment of anywhere in the capital, outside of the City and parts of the West End.

This chapter summarises these key statistics, and others, describing Victoria's economy. In order to do this effectively it compares Victoria to a number of study areas or comparators. These were chosen based on a combination of judgement and statistical evidence (see Appendix 2 for discussion of the comparators).

> "The busy roads and streets around the interchange and other developments in Victoria currently lack a coherent sense of place and urban quality, and are in need of regeneration. There is an opportunity to knit the area together in terms of the built form, connections to the wider area, and the functioning of the transport interchange. The vision for the Victoria area is simple: Victoria needs to become a place, not simply a space to pass through.
>
> **Westminster City Council, City Plan November 2016**

SUMMARY

The Victoria BID area is home to 43,000 jobs, contributing an estimated £3.1bn to London's economy, delivering tax revenues to central government in the region of £1bn, of which £105m is in business rates. The area's density is comparable to the densest parts of London, including the City and the West End.

Its industrial make-up however highlights the lack of a dominant sector here. Whilst professional services account for the most of the area's employment (45%), this is considerably less when compared to other dense and economically important parts of London.

There is a large amount of public sector employment in and around VBID. Whilst the public sector has continued to experience some growth in recent years, it is expected that the private sector service industry is likely to drive growth in the future. Indeed, professional services has recently driven growth in the area, creating 3,600 jobs since 2009.

There are signs that the demand for office space in Victoria is outstripping supply. This excess demand has resulted in knock-on impacts including high office rents, low vacancy rates and low growth in SMEs. And only two of London's 330 start-up workspaces are within Victoria. A lack of suitable office space for all sizes threatens to affect the area's competitiveness.

Victoria has a resident population of around 2,900 and is significantly less dense than the CoW average, suggesting that employment has crowded out residential units. Looking at the resident population, Victoria has a larger proportion of older residents.

In terms of deprivation there is a mixed picture in Victoria: it performs well on measures including employment, education, skills and training, and health deprivation and disability, but poorly on living environment and barriers to housing. While all inner city locations tend to score poorly on the living environment measure (factors impacting upon this indicator are condition of social housing, air quality and road accidents), Victoria scores particularly poorly. This is driven by poor levels of air quality and high levels of road traffic accidents.

TABLE 2 EMPLOYMENT DENSITIES (2015)

AREA	EMPLOYMENT DENSITY (JOBS PER HA)
VICTORIA	1,000
CoW	330
COMPARATORS	
KINGS CROSS	610
PADDINGTON	390
SOUTHBANK	420
CHEAPSIDE	1,510
SOHO	1,130

Source: Business Register of Employment 2015, Census 2011 (figures are rounded)

EMPLOYMENT

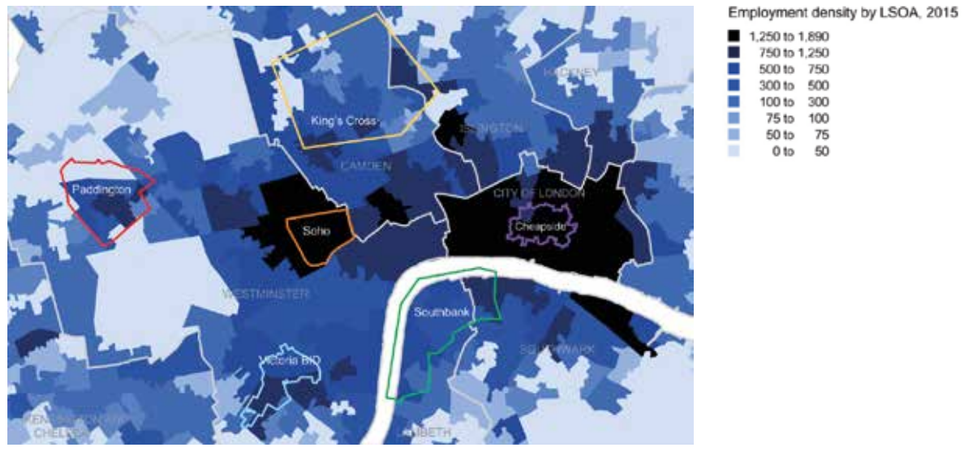
The Victoria area has an estimated employment of 43,000 jobs contained within its 43 hectare area; equivalent to a density of around 1,000 jobs per hectare. Given issues with the statistical geographies (see Appendix 3), employment in Victoria and some of the comparators has been estimated by combining a few different sources. Appendix 4 describes how employment was estimated for Victoria.

Table 2 shows that Victoria is significantly denser than Kings Cross, Paddington and Southbank, and around three times denser the average across CoW. Victoria is however less dense than Cheapside and Soho. These figures highlight that Victoria is one of the densest parts of London and that, despite having a lower density than Cheapside and Soho, the area is more comparable to the West End and the City than other parts of London.

Mapping the employment density by small area (LSOA), as shown in Figure 2, shows that Victoria is one of the densest parts of Westminster and London. Indeed, the study area contains 6% of CoW's employment on just 2% of its land (partly because of the number of parks in CoW; three Royal Parks, Green Park, St James's Park and Hyde Park, are all close to the study area).

Victoria is also an area that has undergone and is undergoing significant change. Recent development, and its impact on Victoria's economy, is addressed in the Development Pipeline chapter.

FIGURE 2 EMPLOYMENT DENSITY BY LSOA (JOBS/HA), 2015



Source: Business Register and Employment Survey, 2015

FIGURE 3 DOMINANT SECTORS BY LSOA (2015)

Source: Business Register and Employment Survey, Office for National Statistics

SECTORAL SPLIT

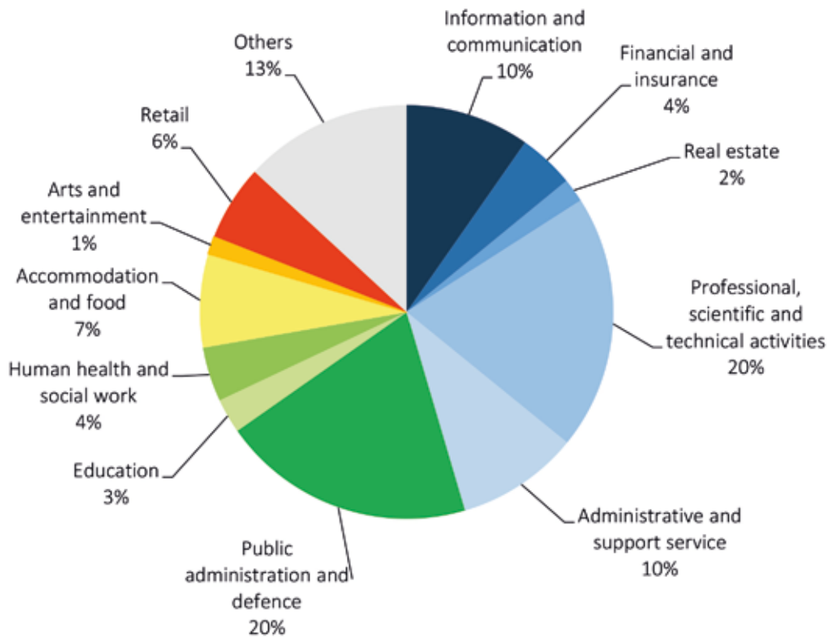
The Victoria area has a mixed industrial make up. Figure 3 maps the dominant sectors by small area (LSOAs) in Victoria, showing there is no real dominant sector across the area. Of the seven small areas that make up Victoria, only one sector is represented more than once, the remainder are mixed.

Just under half (45%) of Victoria's jobs are professional services (shaded in blue overleaf), the other broad sectors are then (in descending order) public (27%) (shaded in green), other (13%), accommodation and food (7%), retail (6%) and arts and entertainment (1%).[2]

The following figure disaggregates professional services and public services by the more detailed sub groups. This shows that of the total jobs in Victoria, 20% are professional scientific and technical activities and a further 20% are public administration and defence jobs. Within the professional, scientific and technical activities sector, activities of head offices and management consultancy is a key sub-sector, supporting 15% of the area's employment – a higher share than all of the comparators.

2. See Appendix 5 for a summary of the sub-sectors that make up these broad sectors

FIGURE 4 SECTORAL SPLIT OF EMPLOYMENT, 2015



Source: BRES

TABLE 3 SECTORAL SPLIT OF EMPLOYMENT, 2015

BROAD SECTOR	VICTORIA	KING'S CROSS	PADDINGTON	SOHO	SOUTHBANK	CHEAPSIDE	CoW
PROFESSIONAL SERVICES	45%	44%	62%	59%	51%	85%	49%
PUBLIC SERVICES	27%	23%	16%	2%	23%	3%	17%
ACCOMMODATION & FOOD	7%	10%	10%	15%	7%	5%	11%
ARTS & ENTERTAINMENT	1%	3%	1%	3%	6%	1%	14%
RETAIL	6%	7%	4%	16%	2%	3%	11%
OTHER	13%	14%	8%	6%	11%	4%	8%

Source: BRES

Table 3 compares the broad sectoral split in Victoria to the comparators, showing that Victoria has a disproportionate number of public sector jobs. This is largely due to the government buildings in the study area, although some of these, including New Scotland Yard, have recently been vacated. The private sector is expected to drive growth here. Victoria also has a disproportionate share of 'other' jobs. The majority of these are transport and storage jobs supported by the various transport interchanges in the area. Relative to the other dense areas, Soho and Cheapside, Victoria has a low share of professional services.

CREATIVE INDUSTRIES

Improvements in technology, coupled with globalisation and cheaper transport costs, have contributed towards a shift in manufacturing towards low-cost locations around the world. Now cities increasingly attract different types of economic activity; sometimes described under the broad term of 'the innovation economy'. This is because cities offer significant advantages including, but not limited to, infrastructure, opportunities for meeting people, dense supplier networks and significant choice of social activities that make them the natural home for this type of activity, and London is one of the most successful cities in this respect.

The new sectors and jobs that make up the innovation economy are frequently described under many different titles including tech, digital and creative. It is however difficult to measure the economic impact of new industries. Statistics and industry definitions are generally static, lagging behind changes in the economy. But there are a number of different definitions that broadly capture some element of the innovation economy. This sub-section maps jobs in central London using one of these definitions, namely the creative industries.

The creative industries are an increasingly important part of the London and UK economy. Official government statistics show that these creative businesses accounted for 5.8% of all jobs in the UK and 11.5% of jobs in London.[3] The following map shows that these are clustered centrally in city fringe locations. There is a clear arc from Soho at the heart of the West End moving north and east across over to Shoreditch. Victoria currently has a relatively strong presence in creative industries but it is still somewhat behind Soho and areas within the city fringe.

HISTORIC GROWTH

Victoria has historically had strong employment growth. Between 2003 and 2008 the level of employment grew by an annualised rate of 2.9% – more than double the borough average.[4] Victoria's growth over this period was higher than Southbank and Cheapside but lower than Kings Cross, Soho and Paddington.

Over the past six years, Victoria has grown at the slower rate of 2.2%, falling in line with the borough average and considerably below all of the other comparators. Lower growth in recent years means that total growth over the past twelve years is above Soho and the CoW average but below the other comparators. Paddington's employment base has grown significantly over this period. (The two periods, 2003-2008 and 2009-2015, are chosen due to availability and consistency of data.)

FIGURE 5 DENSITY OF CENTRAL LONDON EMPLOYMENT IN CREATIVE INDUSTRIES (JOBS/HA), 2015

Source: Business Register and Employment Survey

3. Department for Culture, Media & Sport (2016), Creative Industries: Focus on Employment, June 2016, DCMS
4. Office for National Statistics (2008), Annual Business Inquiry, ONS.

TABLE 4 HISTORIC ANNUALISED GROWTH RATES, 2003 – 2008 AND 2009 – 2015

AREA	GROWTH PA (2003 – 2008)	GROWTH PA (2009 – 2015)	GROWTH PA (2003 – 2015)
VICTORIA	2.9%	2.2%	2.3%
CoW	1.4%	2.2%	1.7%
COMPARATORS			
PADDINGTON	6.6%	4.3%	4.9%
KING'S CROSS	5.1%	4.2%	4.2%
SOUTHBANK	0.1%	7.8%	3.9%
CHEAPSIDE	0.8%	5.8%	3.2%
SOHO	4.0%	0.8%	2.0%

Source: Annual Business Inquiry; Business Register of Employment

Drilling down into Victoria's employment growth over the last six years, Table 5 shows that the majority of the total number of jobs created in Victoria were in the professional services sector – 3,600 new jobs were created in this sector alone. Professional services is driving growth in Victoria. Of the 3,600 jobs created here, 1,500 were in information and communication and 1,600 in professional, scientific and technical. The public sector also saw growth, adding 1,000 jobs.

TABLE 5 EMPLOYMENT GROWTH BY SECTOR, 2009 – 2015

SECTOR	GROWTH PA (2009 - 2015)	PROPORTION OF JOB GAIN	JOBS
PROFESSIONAL SERVICES	5.3%	98.1%	3,600
Information and communication	12.7%	40.6%	1,500
Financial and insurance	2.7%	5.3%	200
Real estate	-0.1%	-0.1%	0
Professional, scientific and technical	5.2%	42.4%	1,600
Administrative and support services	2.3%	9.9%	400
PUBLIC SERVICES	2.3%	28.1%	1,000
Public administration and defence	0.8%	7.2%	300
Education	17.0%	13.5%	500
Human health and social work	4.1%	7.4%	300
ACCOMMODATION & FOOD	2.4%	7.9%	300
ARTS & ENTERTAINMENT	0.3%	0.2%	0
RETAIL	-4.6%	-15.8%	-600
OTHER	-2.6%	-18.5%	-700
VICTORIA	**2.2%**	**100%**	**3,700**

Source: Business Register of Employment (2009 and 2015) (figures are rounded)

Employment within all of the other broad sectors (apart from professional services and the public sector), declined between 2009 and 2015. Many of these have fallen from relatively small bases, so the absolute decrease is fairly small, but retail employment has fallen by around 600 jobs. Whilst this could be a concern for Victoria if it has coincided with a fall in the provision of its retail offer, it appears that this will improve in the short term with Shop Direct bringing 250 staff to the area.

TABLE 6 ANNUALISED EMPLOYMENT GROWTH BY BROAD INDUSTRIAL SECTOR, 2009-2015

BROAD SECTOR	VICTORIA	KING'S CROSS	SOHO	PADDINGTON	CHEAPSIDE	SOUTHBANK	CoW
PROFESSIONAL SERVICES	45%	44%	62%	59%	51%	85%	49%
PUBLIC SERVICES	27%	23%	16%	2%	23%	3%	17%
ACCOMMODATION & FOOD	7%	10%	10%	15%	7%	5%	11%
ARTS & ENTERTAINMENT	1%	3%	1%	3%	6%	1%	14%
RETAIL	6%	7%	4%	16%	2%	3%	11%
OTHER	13%	14%	8%	6%	11%	4%	8%
TOTAL	**2.2%**	**4.2%**	**0.8%**	**4.3%**	**5.8%**	**7.8%**	**2.2%**

Source: BRES

Comparing employment growth by broad sector in Victoria to other areas, as shown in Table 6, indicates that, in relative terms, none of the sectors have performed particularly strongly. Even employment growth in professional and public sectors is low compared to many of the comparators. Whilst professional services have delivered the most new jobs here, the growth in this sector has been around 40% lower than the best performing comparator locations. This may be a symptom of high employment densities in Victoria making it difficult to build out further. Comparing the above figures those in the other dense areas, Cheapside and Soho, provides some evidence for this theory. The one outlier is then leisure which has increased in both Cheapside and Soho but fallen in Victoria.

Notably, Victoria has seen the largest reduction in retail and manufacturing jobs of all the comparators; although the fall in manufacturing employment is from a low base.

BUSINESSES

Figure 6 maps the concentration of businesses in Victoria by postcode. Whilst there is a clear cluster of businesses in Victoria, the northern part of CoW is much more concentrated.

Building on this, Table 7 shows the breakdown of businesses by their size. Victoria has a disproportionately lower number of micro businesses (those employing fewer than 10 people) and a higher number of small (with 10 to 49 employees), medium (50 and 249 employees) and large (250+ employees) businesses. The larger businesses in Victoria may help to explain why the concentration of businesses in the above map looks relatively low.

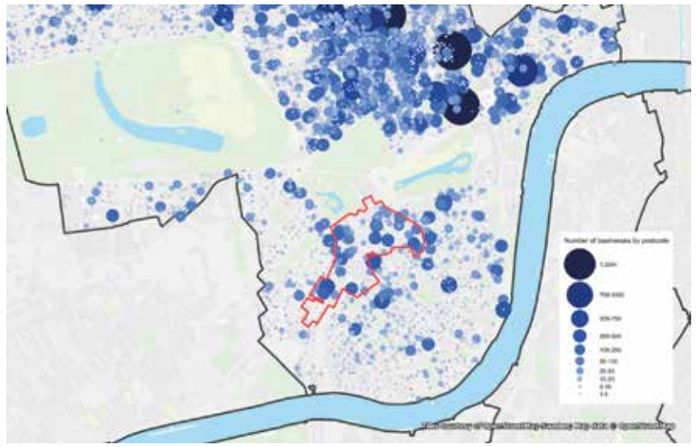


FIGURE 6
CONCENTRATION OF BUSINESSES BY POSTCODE, 2016

Source: Business Register and Employment Survey

TABLE 7 BUSINESS MAKE UP, 2015

AREA	MICRO (0 TO 9)	SMALL (10 TO 49)	MEDIUM (50 TO 249)	LARGE (250+)
VICTORIA	79.5%	14.9%	4.0%	1.7%
CoW	84.2%	12.5%	2.4%	0.8%
PADDINGTON	85.8%	11.3%	1.5%	1.0%
SOUTHBANK	95.0%	3.6%	1.1%	0.4%
KINGS CROSS	74.4%	17.2%	4.6%	3.7%

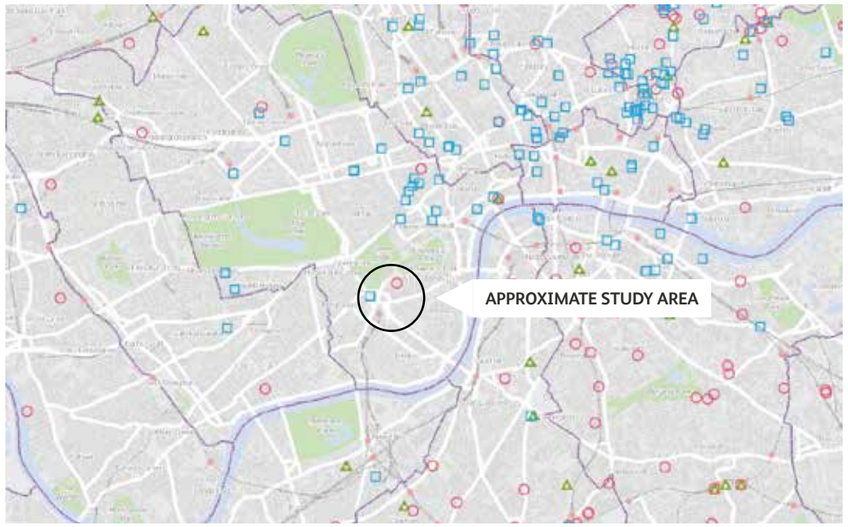
Source: UK Business Counts, Nomis

START-UP SPACE

Incubator, accelerator and co-working space (IACs) have an increasingly important role to play in the provision of workspace and support to start-ups and small businesses. Analysis commissioned by the GLA defines IACs as spaces that offer environments to suit small and micro businesses, sometimes alongside business support.[5]

The London Open Workspaces records and maps the location of over 330 IACs. Figure 7 maps the IACs in inner west London. This shows that there is a large cluster of these workspaces around the city fringe and Soho. URS note that the areas where there are lots of IACs "have clusters of businesses involved in digital technology, communication and other creative businesses." The map shows only two IACs in Victoria – the majority of the IACs in CoW are around Soho. The lack of spaces for supporting start-ups could be deterring these businesses from the area, and may partly be a reason for the small number of micro businesses in Victoria.

FIGURE 7 MAP OF IACS



NOTE: blue boxes are office spaces that offer flexible rental terms; IACs fall under this category. Red circles are artist spaces which are artist studies that provide a minimum of five studios and are publically accessible. Green triangles represent maker spaces which are similar to co-working spaces but offer access to a shared workshops space, as well as tools.

Source: https://www.london.gov.uk/webmaps/iacs/

5. URS (2014), Supporting places of work: incubators, accelerators and co-working spaces

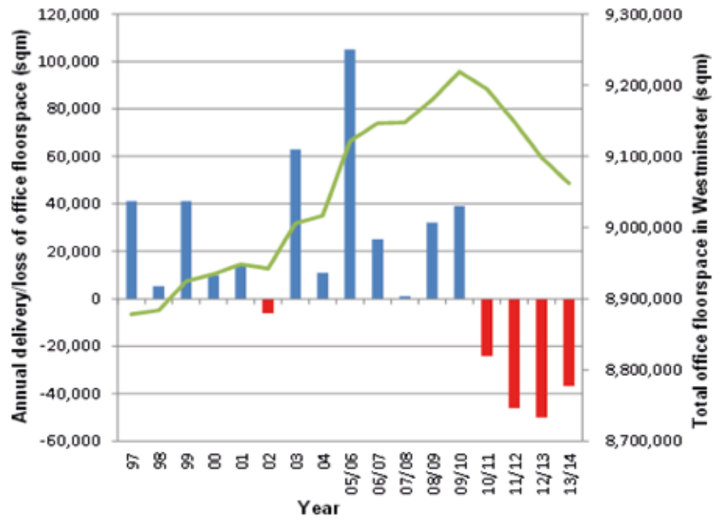
SUPPLY OF OFFICE SPACE IN WESTMINSTER

There has been a reduction in the level of office space in Westminster in recent years. Significant increases in residential prices have meant that the market has favoured building residential space. Indeed, over three quarters of the loss of office space in Westminster in the four years to 2013/14 has been conversions to residential. The remaining quarter is made up of conversions to hotel (11%) and retail, restaurants and other (15%).[6]

The following graph, from a booklet informing Westminster's City Plan, shows that the level of office space in Westminster has fallen in every year since 2010/11. The policy document notes that the conversion from office space to residential is a new problem (as highlighted by the graph). Until recently it was the residential market which required policy intervention to ensure sufficient growth, but now the focus has shifted back towards the encouragement of office growth.

In the four years to 2013/14 over 167,000 sqm of office space was lost in Westminster. This was mostly within the Core CAZ and around the West End. Whilst there was an increase in office space in VOA of 14,700 sqm over the same period, and 20,900 sqm of office space under construction, there are 42,500 sqm of office losses that are permitted but not yet started.

FIGURE 8 CHANGES TO OFFICE SPACE IN WESTMINSTER, 1997-2014



Note: blue bars represent years with an annual gain in office floorspace, whereas red bars represent years with an annual loss in office floorspace. The green line represent the total stock of office floorspace in Westminster.

Source: Booklet 18, Westminster City Plan Revision, City of Westminster, 2014

6. City of Westminster (2014), Mixed use and office to residential conversion: developing Westminster's city plan, Booklet No.18

As the stock of office space in Westminster has continued to fall, demand for offices has remained consistently high. This excess demand has resulted in a number of knock-on impacts including high rental prices, low vacancy rates and deterring new businesses.

HIGH RENTAL PRICES

In the last quarter of 2016, prime office rents in Victoria were £77.50 PSF[7] according to JLL and £82.00 PSF[8] according to Colliers.[9] The following table summarises the office rental figures for Victoria relative to some other key employment locations in central London, showing that prime office rents in Victoria are amongst the highest in central London. Of the areas shown below only Soho and Knightsbridge have higher rents. According to JLL, prime rents in Victoria have grown by nearly a quarter (24%) since the last quarter of 2010.

High rents in Victoria are not surprising given its location, history and accessibility. The rental levels reflect the attractiveness of the area. There are however downsides of the high prices, deterring new businesses from moving to the area and forcing current businesses out of the area.

TABLE 8 SELECTION OF CENTRAL LONDON PRIME OFFICE RENTS AND VACANCY RATES, Q4 2016

	COLLIERS		JLL
	VACANCY RATE	PRIME RENTS £PSF	PRIME RENTS £PSF
SOHO	4.3%	£92.50	£87.50
VICTORIA	3.3%	£82.00	£77.50
KNIGHTSBRIDGE	1.5%	£95.00	£85.00
PADDINGTON	5.6%	£67.50	£65.00
CITY CORE	3.6%	£70.00	£70.00
DOCKLANDS	5.1%	£30.00	£47.50
CANARY WHARF	2.9%	£45.00	
SOUTHBANK	3.3%	£67.50	£62.50

Source: JLL, Central London Office Market Report; Colliers, London Offices Snapshot

TABLE 9 TOTAL OUTPUT BY AREA, 2015

AREA	ANNUAL GVA
VICTORIA	£3.1bn
CoW	£52.7bn
COMPARATORS	
KING'S CROSS	£13.1bn
CHEAPSIDE	£5.8bn
SOHO	£4.0bn
PADDINGTON	£2.5bn
SOUTHBANK	£4.0bn

Source: Business Register of Employment (BRES), 2015

7. JLL (2017), Central London Office Market Report: Q4 2016, recovery in City take-up
8. Colliers International (2017), London Offices Snapshot, January 2017
9. The area definition of Victoria does not align with the VBID study area, although it is considered appropriate for this analysis

LOW VACANCY RATES

In any market with an active and growing business base there will be a natural churn of businesses. This is a positive sign showing that current businesses are growing and requiring new office space. To facilitate this churn it is necessary that some space is empty to avoid the longer term wait for building out new supply. To allow for this, guidance from the GLA suggests that this frictional vacancy should be managed at around 5-8% of stock.

In Q4 2016, Colliers found that vacancy rates in Victoria were 3.3% (Table 8). This indicates that demand has outstripped supply in Victoria, and is likely to hamper Victoria's ability to function as well as it should in attracting new businesses and facilitating growth of existing businesses.

DETERRING NEW BUSINESS

A knock-on impact of a lack of office space in Victoria is that new businesses have been deterred from locating in the area. Between 2010 and 2015, the number of small and medium-sized enterprises (SME) in Victoria grew by 25%, compared to 34% across the capital as a whole. This poor growth suggests that a lack of office space is preventing businesses from locating in the area, either directly due to a lack of space or indirectly through high prices.

OUTPUT

Gross Value Added (GVA) data is unavailable at a more detailed geography than borough level. Victoria's output has therefore been estimated by combining GVA per worker by sector for Westminster with employment by sector. Based on this, it is estimated that Victoria contributes £3.1bn in GVA per year. Putting that in context, Victoria's output is higher than that of Paddington but lower than the other comparators.

TAX REVENUES

A general rule of thumb is typically that a total of 30%-40% of GVA accrues to the Treasury through various forms of taxation, which would result in an estimate that Victoria contributes roughly £1bn in annual tax revenues.

BUSINESS RATES

The total business rates contribution of Victoria can be estimated by combining the rateable values of eligible properties within the area and the uniform business rate multiplier (UBR) set by central government. It is estimated that Victoria businesses contributed £105m in 2015/16 in rates income; equivalent to 7% of the total CoW contribution. Putting this into context, Victoria contributes a similar amount of business rates income to the whole London boroughs of Barnet, Croydon or Enfield.

POPULATION

The resident population of Victoria and the comparators has been estimated based on 2015 mid-year population estimates. Accounting for the proportion of the small areas (LSOAs) within the study area, it is estimated that Victoria is home to 2,900 residents – equivalent to a population density of 65 residents per ha. Table 10 shows that the population density in Victoria is significantly lower than King's Cross and Paddington, and over 40% lower than the density across CoW.

Victoria has a higher population density than Cheapside but a lower density than Soho. At high levels of density, high rents mean that commercial uses generally crowd out residential uses. High employment densities in Cheapside, Soho and Victoria can explain the relatively low population densities in the areas. Businesses rather than residential units dominate Victoria.

TABLE 10 POPULATION AND POPULATION DENSITY, 2015

AREA	POPULATION	POPULATION DENSITY (RESIDENTS/HA)
VICTORIA	2,900	65
CoW	242,300	115
COMPARATORS		
KING'S CROSS	33,200	135
PADDINGTON	11,700	135
SOUTHBANK	9,600	70
SOHO	3,100	75
CHEAPSIDE	900	30

Source: ONS Mid-year population estimates 2015

TABLE 11 AGE STRUCTURE, 2015

AREA	0 TO 17	18 TO 24	25 TO 44	45 TO 64	65+
VICTORIA	13%	8%	40%	24%	15%
CoW	18%	9%	40%	22%	12%
COMPARATORS					
KING'S CROSS	20%	21%	33%	17%	9%
PADDINGTON	18%	12%	42%	19%	10%
SOUTHBANK	10%	28%	35%	18%	8%
SOHO	8%	11%	47%	25%	9%
CHEAPSIDE	13%	5%	34%	29%	19%

Source: ONS Mid-year population estimates 2015

TABLE 12 TENURE OF HOUSEHOLD, 2011

AREA	OWNED	SHARED OWNERSHIP*	SOCIAL RENTED	PRIVATE RENTED	LIVING RENT FREE
VICTORIA	32%	1%	28%	35%	3%
CoW	31%	1%	26%	40%	3%
COMPARATORS					
KING'S CROSS	17%	1%	52%	28%	2%
PADDINGTON	28%	1%	21%	47%	3%
SOUTHBANK	22%	1%	39%	35%	2%
SOHO	17%	1%	31%	47%	4%
CHEAPSIDE	55%	1%	4%	34%	6%

* (part owned and part rented)

Source: ONS Mid-year population estimates 2015

AGE STRUCTURE

The following table shows that Victoria, similarly to CoW, has a high proportion of older residents. Indeed, 39% of Victoria's residents are 45 or over – only Cheapside has a larger proportion of this age group (48%).

TENURE

The 2011 census records 1,300 households within Victoria. In terms of tenure, 72% of these are privately owned or rented, which is lower than the CoW average (74%). Only Cheapside has a higher proportion of owner occupiers than Victoria.

Victoria data on tenure is summarised alongside a number of comparators in Table 12.

HOUSE PRICES

Figure 9 maps median house prices in 2014 by LSOA. This shows that small areas within CoW and the LBKC have the highest median house prices in London. Areas just to the west of Victoria are amongst the most expensive places to live in the UK.

DEPRIVATION

The Index of Multiple Deprivation (IMD) 2015 is the official measure of relative deprivation for small areas (LSOAs) in England. The IMD ranks the 32,844 LSOAs in England from 1 (most deprived) to 32,844 (least deprived).

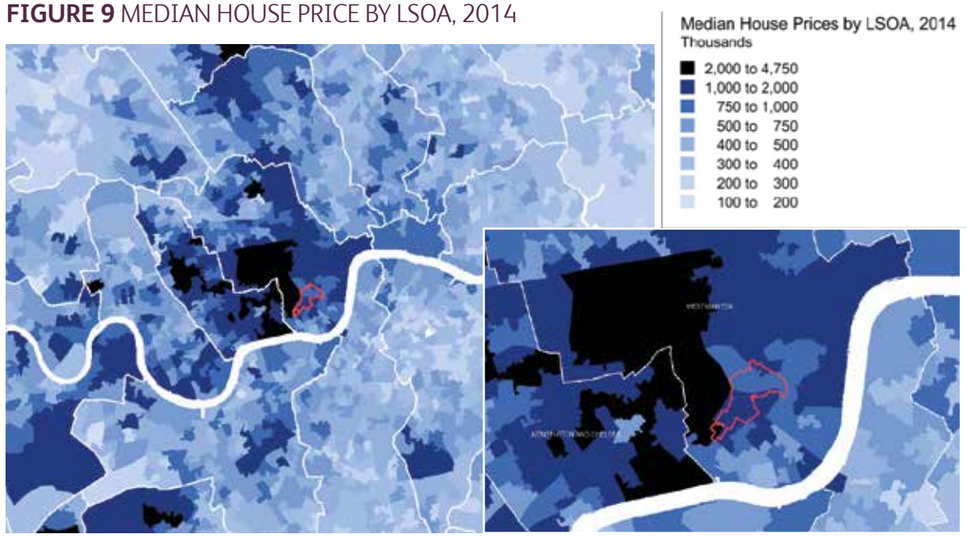
Figure 10 maps deprivation in inner west London. Here the shades of blue represent different deciles of deprivation; the darker the shade of blue, the more deprived an area. If an LSOA is the darkest shade of blue then it falls within the 10% most deprived LSOAs in England. This map shows that while large parts of CoW do not show much deprivation, some areas rank amongst the most deprived in the UK.

Of the six small areas that are at least 10% within the study area: two are within the 30% most deprived; three are within the 40% most deprived; and three are within the top 40% least deprived.

The above analysis presents the aggregate IMD score. This is calculated from seven domain indices which measure different types of deprivation.

The table below shows the IMD domain deciles for the six LSOAs which make up Victoria (LSOAs have been excluded which are not at least 10% within the study area). Similarly to Figure 10, here a rank of 1 means that the LSOA is within the 10% most deprived small area in England and 2 means the bottom 20%, whereas 10 means the top 10% of least deprived LSOAs. The best and worst performing LSOAs and domains are highlighted in the table.

FIGURE 9 MEDIAN HOUSE PRICE BY LSOA, 2014



Source: GLA House Prices

FIGURE 10 INDEX OF MULTIPLE DEPRIVATION, 2015

Source: DCLG IMD 2015

TABLE 13 DOMAINS OF DEPRIVATION, 2015

LSOA NAME (2011)	TOTAL	INCOME	EMPLOY-MENT	EDUCATION, SKILLS AND TRAINING	HEALTH DEPRIVA-TION AND DISABILITY	CRIME	BARRIERS TO HOSING AND SERVICES	LIVING ENVIRON-MENT
WESTMINSTER 023B	3	3	3	9	5	3	2	1
WESTMINSTER 020A	6	7	10	5	9	9	3	1
WESTMINSTER 020D	3	3	3	8	3	8	3	1
WESTMINSTER 020E	6	8	9	9	10	5	3	1
WESTMINSTER 022B	6	7	8	10	9	4	3	1
WESTMINSTER 023E	4	2	4	9	4	7	2	2

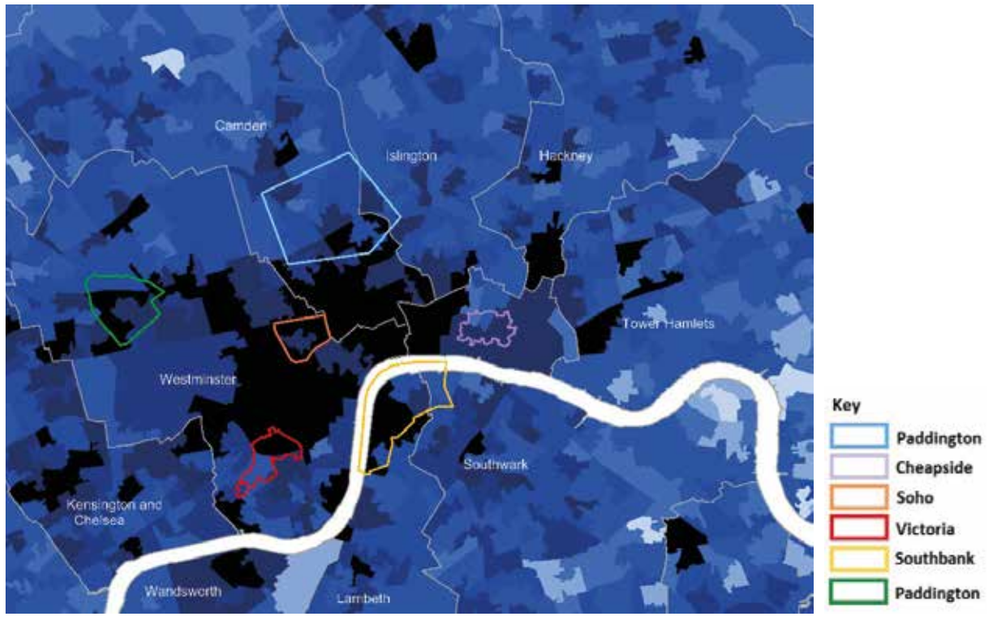
Source: Department for Communities and Local Government

This shows that all LSOAs within Victoria are within the bottom 20% most deprived in terms of living environment and all are within the bottom 30% in terms of barriers to housing. The measures that contribute to the housing measure are split into 'wider barriers' and 'geographical barriers'. The wider barriers including household overcrowding, homelessness and housing affordability, and the geographical barriers include distance to GP surgery, food shop, primary school and post office. The factors that contribute to the living environment measure are split into 'indoors' and 'outdoors' environment. The indoors factors are the condition of social housing and the proportion of houses without central heating, and the outdoors factors are air quality and road traffic accidents.

Whilst all inner city locations tend to score poorly on the living environment measure, Victoria scores particularly poorly. Indeed, one of the LSOAs falls within the 1% most deprived areas in England, two fall within the 2% most deprived and five out of the six are amongst the 5% most deprived. Figure 11 maps the living environment domain by LSOA showing that this part of inner west London performs poorly on this domain. This is driven by poor levels of air quality and high levels of road traffic accidents. Victoria performs better on other measures including employment, education, skills and training and health deprivation and disability.

Victoria also appears to do well in the crime domain. This may have something to do with VBID's safe and secure programme; the first of its kind to have its own business policing manager seconded from the Metropolitan Police Service which resulted in an overall reduction in crime and a 36% reduction in rough sleeping.[10]

FIGURE 11 DEPRIVATION – LIVING ENVIRONMENT DOMAIN BY LSOA, 2015



Source: Index of Multiple Deprivation

10. Victoria Business improvement district (2015), Victoria 2020: A vision of a vibrant Victoria, VBID

Accessibility

Transport accessibility is one of the key advantages of Victoria – the area is extremely well connected. London Victoria, the second busiest rail station in the country, is the lifeblood of the study area and the largest coach station in London, Victoria Coach station, is also within the area.

London Victoria is a central London railway terminus, providing commuter and regional services to south London, Sussex, East Surrey, south east London and Kent. The station is also has a direct service to Gatwick Airport, Gatwick Express, which takes only 30 mins and departs every 15 mins. In addition to the National Rail services, three London Underground lines run through the station: the District, Circle and Victoria lines.

Improvements to the underground station are part complete, due to finish in 2018. These include a new underground North ticket hall with entrance at street level; a larger Victoria line ticket hall; nine new escalators; a new interchange tunnel connecting the two ticket halls; new lifts; and improved access and new lifts between the National Rail and London Underground stations.[11]

Victoria is within a short walk of Green Park Station (13 minutes from northern boundary), Pimlico Station (11 minutes from the south-eastern boundary), St James Park (seven minutes from the eastern boundary) and Sloane Square (nine minutes from the western boundary). As a result of the various transport links within and around the site, the majority of the area has the highest public transport accessibility level (PTAL) rating of 6b, making it one of the most accessible locations in London.

STATION USAGE

London Victoria is one of the busiest tube and rail stations in the UK: it is the fourth busiest tube station and the second busiest railway station in the UK. Table 14 shows the top five tube and rail stations in terms of entries and exits.[12] Noting that the rail and tube station usage statistics are presented over different periods, this suggests that Victoria has around 160 million entries and exits per year.

FIGURE 12 ACCESSIBILITY TO THE STUDY AREA

11. https://tfl.gov.uk/travel-information/improvements-and-projects/victoria, Improvements to Victoria
12. Rail and tube station usage statistics are released from different sources and are captured over different time periods

INTERCHANGES

Victoria station doesn't just enable people to get to and from work in Victoria, plenty of people use this station to interchange and travel on to work elsewhere in the capital.

In addition to the 81.2m people entering or exiting Victoria rail station in 2015/16, 5.6m people interchanged within Victoria station to other rail services. Whilst this interchange data for rail from ORR is only available for interchanges between rail services rather than interchange between rail and other modes, TfL provide data on the mode which passengers used before they entered the tube (access mode) and the mode they used after they exited the tube (egress mode). This allows us to estimate how many of the 82.9m tube passengers either arrived by rail or continued their journey by rail, and are therefore also included within the 81.2m rail passengers.

On an average weekday in 2015, 113k people entering or exiting the tube at Victoria (44% of total usage) either arrived or left using National Rail services.[13] Aggregating this latter figure across the year, it is estimated that 36.3m people interchanged from rail to tube or from tube to rail at Victoria in 2015.[14]

Allowing for the estimated 36.3m people who interchange between rail and tube every year, there are approximately 167,000 people making return trips through Victoria each day.[15] Given the employment levels within Victoria, this implies that c.25% of the users of Victoria station are making trips to work within the VBID and the remaining three-quarters are travelling through Victoria either for leisure purposes or to continue their commute to other parts of the capital. These findings align with Westminster's conclusion that the area is currently more of a thoroughfare and lacks the pull of other destinations in London. However this also highlights the importance of Victoria station not just to the VBID area but in supporting access to job opportunities across London.

SUMMARY

Accessibility both drives and enables development, particularly in the places with the most transport access such as Victoria. Along with structural demand and the availability of commercial floorspace, the GLA considers accessibility one of the key determinants of where future employment growth should occur across London.

Transport accessibility is one of the key advantages of Victoria – the area is extremely well connected. London Victoria, the second busiest rail station and fourth busiest tube station in the country, and, Victoria Coach Station, the largest coach station in London, are both within the study area.

Over 80m users use each of the rail and tube stations each year. There is some overlap between these as many people use both modes for their trips. Accounting for this estimated overlap, there are approximately 167,000 people making return trips through Victoria each day. Given the employment levels within VBID, this implies that c.25% of the users of Victoria station are making trips to work within the VBID and three-quarters are travelling through Victoria for either leisure purposes or to continue their commute to other parts of the capital. This shows the importance of Victoria station not just to the VBID area but in supporting access to job opportunities across London.

Improvements to London Victoria underground station, including new ticket hall and entrances, are part completed, scheduled for full completion in 2018. Crossrail 2 and associated improvements to the station are welcomed, but as the earliest likely delivery of Crossrail 2 isn't until 2030, it is likely that further investment will be needed in the short term to enable the station to support planned growth in Victoria and further across London.

13. The category includes DLR and tram usage, although given that these are not available at Victoria it assumes that all of these interchanged via rail
14. An annual figure is estimated based on TfL assumptions of 253 weekdays, 52 Saturdays and 59 Sundays (bank holidays are assumed to be Sundays), and assumes that the relative difference between weekday usage and weekend usage for entries and exits is the same as interchanges
15. Averaged simply across 365 days and divided by two to allow for return trips

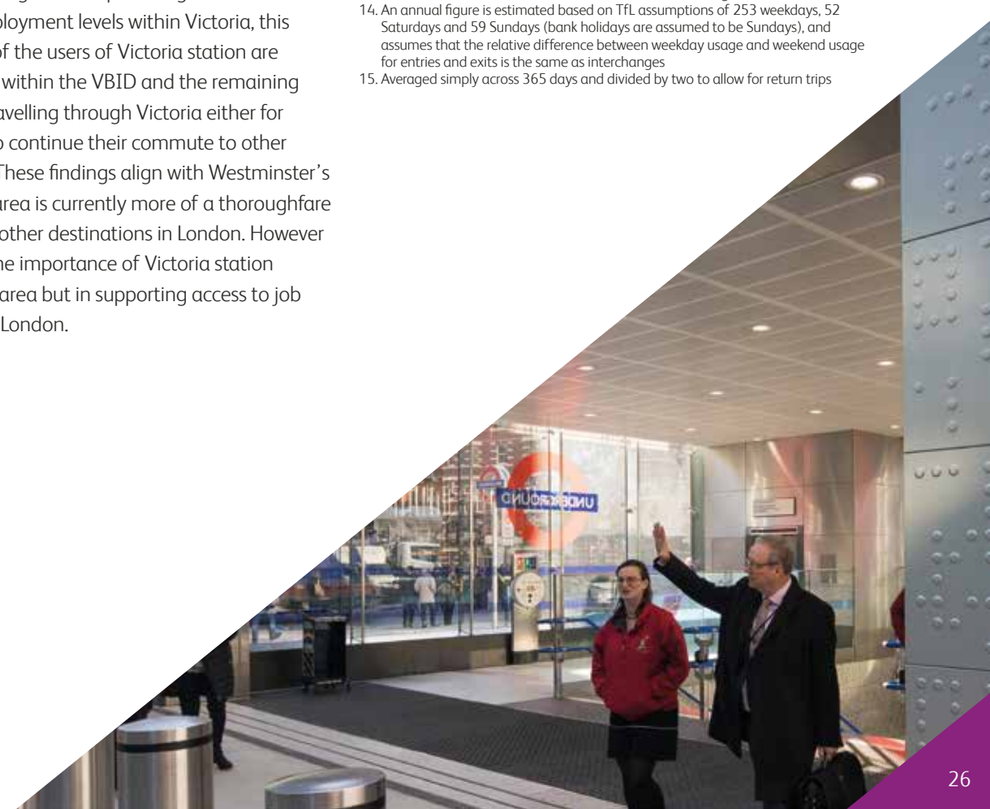


TABLE 14 TOP FIVE RAILWAY (2015/16) AND TUBE STATIONS (2015) BY ENTRIES AND EXITS

POSITION	STATION STATION	STATION USAGE (MILLIONS)
	RAIL STATIONS	
1	Waterloo	99.1
2	**VICTORIA**	**81.2**
3	Liverpool Street	66.6
4	London Bridge	53.9
5	Euston	41.7
	TUBE STATIONS	
1	Waterloo	95.1
2	King's Cross St. Pancras	93.4
3	Oxford Circus	92.4
4	**VICTORIA**	**82.9**
5	Liverpool Street	73.3

Source: ORR; TfL

TRENDS IN STATION USAGE

Figure 13 presents an index of annual tube entries and exits between 2007 and 2015 showing that tube usage in Victoria has shown weak growth since 2007. Total annual entries and exits only grew by 8% over this period despite significant growth in usage at the other comparator stations.

In contrast, rail usage at Victoria has grown by nearly 70% since 2004/05 – more than any of the comparators.

Weak growth in tube usage, coupled with strong growth in rail usage, suggests that there is limited capacity in the tube network at Victoria.

PATTERNS OF TUBE USE

Figure 15 shows that all tube stations are busiest in the PM peak. This aligns with the pattern of use experience by stations generally across the tube network where stations experience a 6% increase in use in the PM peak compared to the AM peak. Victoria is slightly higher than this with 11% more users in the PM peak relative to the morning peak.

Oxford Circus is nearly 40% busier in the afternoon peak than the morning suggesting that not only are the workers (who arrived in the morning) leaving, there are also a significant number of people visiting the West End to shop, eat and drink. These activities make Oxford Circus a clear outlier in this respect. The difference in station usage between the two reflects the fact that Victoria is not a destination for leisure purposes in the same way as the West End.

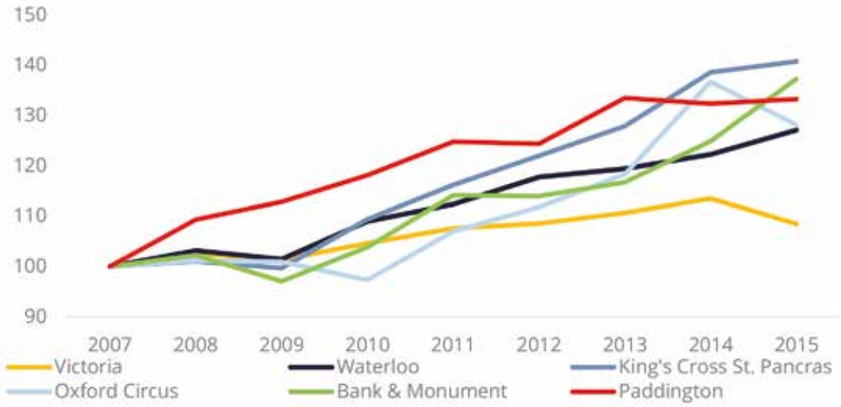
This is only one way of assessing how an area is used and implicitly assumes user types which are not known from the data. It is however useful for understanding the extent to which an area supports diverse activity.

Figure 16 shows the number of people coming into and leaving Victoria station on a weekday and weekend in 2015 throughout the day. Usage during a weekday is much spikier than weekend usage reflecting commuter use of the station. The busiest 15 minute slot is in the AM peak between 08:30-08:45 which is busier than any point in the PM peak. Whilst this includes all users of the station, whereas the above figure is tube usage only, the combination of these sources suggest that the busiest peak period is the afternoon peak but the busiest time is within the morning peak. This is important as the busy peak time in the morning will be the pinch point for the stations capacity.

AGE OF TUBE USERS

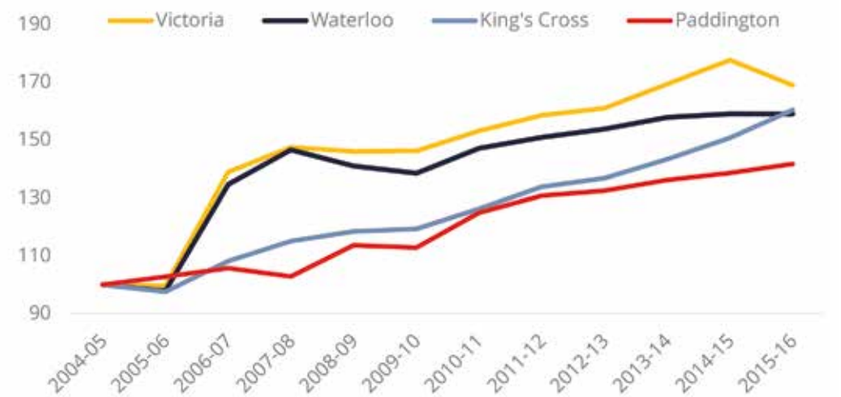
Tube users tend to be of a similar make up to the central London average. A quarter of users are between 45 and 59, which is just over the Zone 1 average.

FIGURE 13 INDEX OF ANNUAL TUBE ENTRIES AND EXITS (2007-2015)



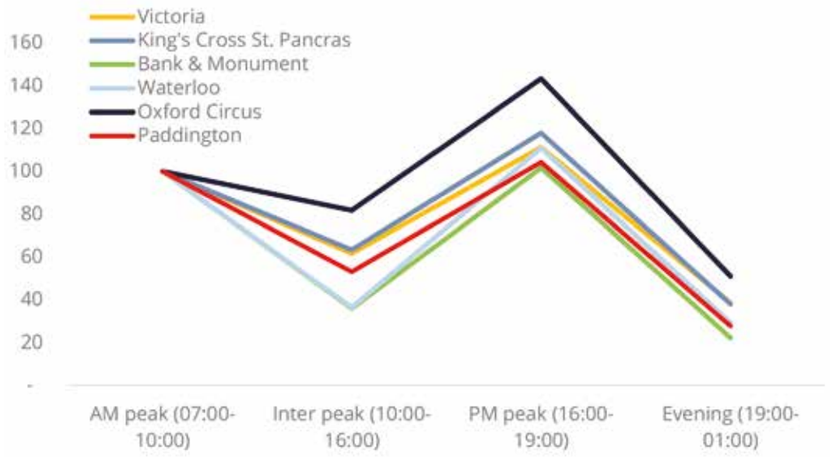
Source: GLA Economics

FIGURE 14 INDEX OF ANNUAL RAIL ENTRIES AND EXITS (2007-2015)



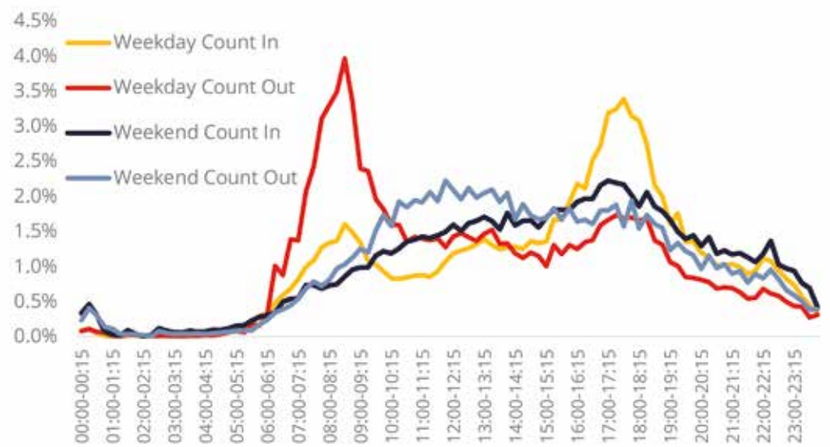
Source: GLA Economics

FIGURE 15 INDEX OF STATION USERS BY TIME PERIOD (AM PEAK = 100), 2015



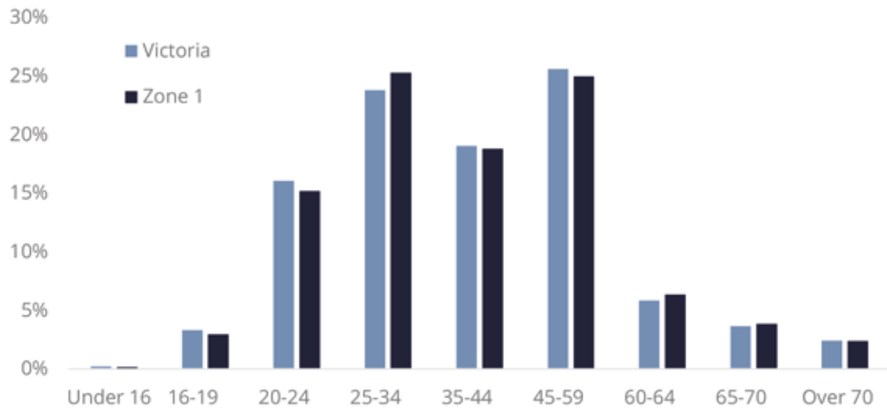
Source: TfL

FIGURE 16 PROPORTION OF CONCOURSE USAGE AT VICTORIA STATION BY TIME OF DAY, 2015



Source: TfL

FIGURE 17 PROPORTION OF THE AGE OF USERS (2015)



Source: TfL

CROSSRAIL 2

Crossrail 2, which is scheduled to be completed in the 2030s, is proposed to run through Victoria Station, significantly increasing capacity at the station and transport accessibility to destinations in London, Hertfordshire and Surrey. The introduction of Crossrail 2 at London Victoria would bring improvements to the study area, providing a greater capacity for growth.

According to a Crossrail 2 consultation note, a Crossrail 2 station at Victoria would:

- Provide up to 30 Crossrail 2 trains per hour to destinations including London, Hertfordshire and Surrey;
- Reduce crowding on the busiest part of the Victoria line during peak periods by approximately 25%;
- Reduce crowding at London Victoria by providing direct services to central London for passengers who currently interchange from National Rail to London Underground services;
- Connect with existing services;
- Provide step-free access from street level to Crossrail 2 platforms;
- Allow up to 24,000 more passengers to use the station in peak hour;
- Provide local people with access to more jobs within a 45 minute journey;
- Support local businesses and economic growth by enabling more people to get to Victoria; and
- Create an opportunity to provide a more pleasant spacious environment for pedestrians using Victoria.[16]

TRANSPORT AND DEVELOPMENT

Transport accessibility is a key determinant of development density. This is important as increasing employment densities can translate into economic benefits. Indeed, there is evidence that doubling the number of people in a city is related to a 6% increase in average productivity.[17] Put simply, cities derive advantages from scale.

TfL created a unique type of geographical area to break London into almost 900 different 'transport zones' designed around transport. For the purposes of this assessment, only transport zones that are over 20% within the study area are used.

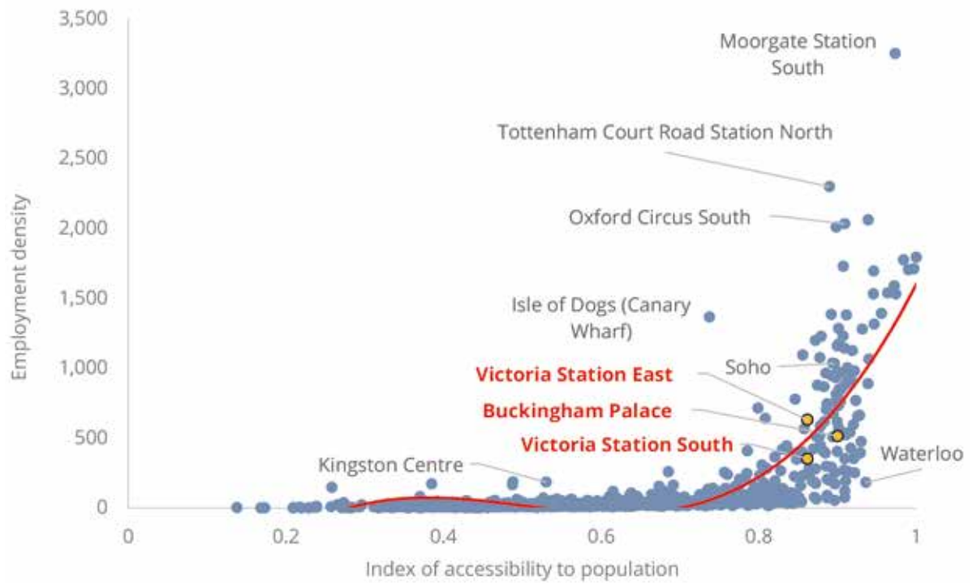
Volterra's Accessibility:Density model is useful for understanding the impact of transport on land use. It is based on the relationship between accessibility and population, and employment density.[18] Figure 18 shows that places with the highest levels of accessibility will, on average, support the highest employment densities. This measure of accessibility can explain around three quarters of the variation in employment density across the capital, giving it a reasonable degree of predictive power.

The red line in Figure 18 illustrates the relationship between accessibility and employment density in London. It essentially shows that up to a certain point, the accessibility of an area does not enable it to support higher employment densities, but if an area's accessibility increases beyond this tipping point, the employment density that the area can support rises in line with the accessibility – meaning that high employment densities can suddenly become possible.

There are eight transport zones that overlap the study area to varying degrees but only three that are at least 20% within the study. These are highlighted in red below. Based on their current levels of accessibility, only one transport zone, Victoria Station East, outperforms the level of employment density predicted by the model (as shown by its position in relation to the curve). The other two transport zones, Victoria Station South and Buckingham Palace, have a lower employment density than the model predicts although this is largely due to the presence of established heritage buildings, such as Buckingham Palace, and so we do not propose that they have more potential for densification than other parts of the study area.

The improvements to Victoria station will improve the accessibility of the area. The arrival of Crossrail 2 would significantly improve the accessibility of the area. Based on the relationship shown above, Victoria is at the point of the curve where small increases in accessibility can translate into significant increases in employment density. Improvements accessibility to and from Victoria can be expected to result in large development impacts.

FIGURE 18 ACCESSIBILITY: DENSITY MODEL, 2011



Source: Volterra Accessibility: Density

16. https://consultations.tfl.gov.uk/crossrail2/october2015/user_uploads/s9.pdf, Mayor of London, Network Rail, Transport for London (2015), Crossrail 2 factsheet: Victoria station
17. London School of Economics (2012), Links Between Planning and Economic Performance: Evidence Note for LSE Growth Commission, LSE Growth Commission
18. Our measure of accessibility takes into account the generalised cost of travelling (which accounts for the cost of travel and the value of time spent travelling as well as people's behavioural values for parts of travel such as waiting, interchanging etc) as well as the amount of population that can be reached. If a large number of people lived within a small journey of an area, its accessibility to population would be high.

Development Pipeline

The previous analysis has assessed the baseline position of the Victoria economy in order to understand its current and past performance. Whilst this is based on the most up to date information and data available, it does not capture recent and planned change. The following section therefore assesses Victoria's development pipeline, bringing together schemes that have been completed in recent years but are not captured within the baseline; schemes that are underway; and schemes that are planned for the area.

Data collection has been based on information provided by VBID, Westminster City Council's planning portal and various news sources. While this assessment should give a good understanding of Victoria's development pipeline – capturing the key developments in the area – it is likely that there are some sites that are not accounted for, and some permissions included which may not be implemented.

KEY DEVELOPMENTS

Victoria has seen significant change in recent years and there is more in the pipeline. Table 15 sets out the key developments that are taking place within the area.

NOVA

The key development within Victoria is Nova. Nova is 897,000 sq ft mixed-use development in Victoria comprising of office space, apartments and a cluster of restaurants, bars and retail.

The development will comprise of five buildings within a new 82,700 sq ft pedestrianised public space opposite London Victoria, creating public routes linking Buckingham Palace and the Royal Parks to London Victoria. Nova is responsible for the majority of the additional floorspace within the development pipeline.

TRANSPORT AND INFRASTRUCTURE

There are also a range of transport and infrastructure proposals that are currently under consultation, proposed or in the pipeline. In addition to Crossrail 2 and the Victoria station upgrades discussed already, other infrastructure projects include: the East-West Cycle Superhighway; the review of the A302 Inner Ring Road Gyratory; public realm proposals at Strutton Ground; and potential development at Terminus Place, including new enlarged public space.

DEVELOPMENT IMPACT

To assess the contribution of the development pipeline to Victoria's economy this analysis has assessed which developments are additional to the baseline – ie which impacts are not captured within the 2015 job figures presented previously. Since schemes might not be fully occupied until a while after they have been completed, the extent to which these are within the data has been assessed through desk-based research. Table 16 presents the impact of the development pipeline in terms of office and retail floorspace, hotel rooms and residential units.

SUMMARY

There is significant development completed, planned and underway in Victoria which is not captured in the snapshot economic statistics presented above. It is estimated that around 79k sqm of office and 7k sqm of retail space, 60 hotel rooms and 800 residential units will be delivered by around 2020.

If they are all delivered, it is estimated that Victoria could accommodate 5,200 new jobs and between 1,100 and 1,400 new residents to 2020, taking Victoria's total jobs to around 48,000 and population to 4,000. This is a significant development impact, equivalent to between 6.4% and 8.1% in annual population growth, and annualised job growth of 2.9%.

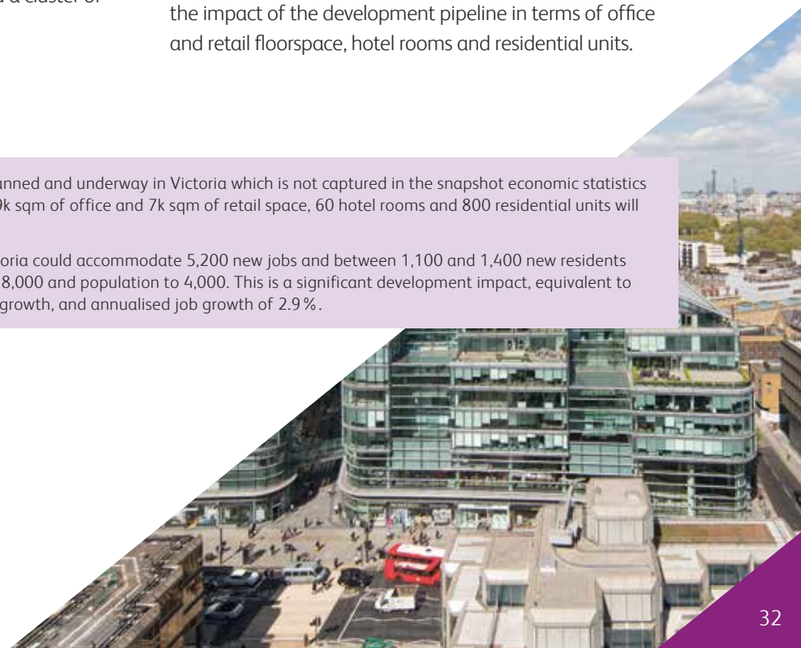


TABLE 15 KEY DEVELOPMENTS AT VICTORIA

SCHEME	COMPLETION	SCHEME	COMPLETION
BUCKINGHAM GREEN	2017	Nova East and Nova Place	TBC
32 BUCKINGHAM PALACE ROAD	TBC	1 Palace Street	2018
123 – 151 BUCKINGHAM PALACE ROAD	2018	Stockley House	TBC
CASTLE LANE	TBC	Ten Broadway	2020
GROSVENOR GARDENS HOUSE	2018	Vandon House	2018
NOVA SOUTH AND NOVA NORTH	2017	Verde SW1	2017
25 WILTON ROAD	2017	Victoria Palace Theatre	2017

Source: Victoria Business Improvement District

TABLE 16 DEVELOPMENT PIPELINE, 2016 - 2020

OFFICE FLOORSPACE (GEA SQM)	RETAIL FLOORSPACE (GEA SQM)	HOTEL ROOMS	RESIDENTIAL UNITS
79,000	7,000	60	800

JOBS AND POPULATION

The impact of the development pipeline upon jobs and population has been estimated using industry standard guidance where public information is unavailable. Employment is estimated based on the quantum of floorspace by use class within the development pipeline, and the Homes & Communities Agency's Employment Densities Guide.[19] Population has been estimated using the average number of people per household in the area, dampened to reflect lower average household sizes in new units.

Based on the development pipeline, it is estimated that Victoria will support an additional 5,200 jobs to roughly 2020, taking the jobs to around 48,000. This is equivalent to annualised job growth of 2.9% - higher than realised annual growth between 2009 and 2015 of 2.1%.

In addition to the jobs growth, it is estimated that Victoria's population will increase by between 1,100 and 1,400 to 2020. This is a significant impact on the number of people living in the area, taking the total population in Victoria to around 4,000 – equivalent to an annualised increase of between 6.4% and 8.1%.

This level of development will significantly contribute towards Westminster policy. Westminster's City Plan Policy S4 notes that "[a]t least 1,000 new homes and development capacity for 4,000 new jobs will be provided within the Victoria Opportunity Area between 2011 and 2031". Victoria, which overlaps the Victoria Opportunity Area, therefore contributes towards achieving Westminster's policy objectives.

19. Homes & Communities Agency (2015), Employment Densities Guide: Third Edition, HCA

Potential for Intensification

This section presents a range of employment forecasts and targets for Victoria in order to highlight the potential for intensification in the area. These are based on benchmarks or trends, some being more conservative and others more optimistic. The following assumes that the current (2015) employment numbers plus the additional jobs estimated from the development pipeline is the base, making 2020 the base year, and estimates potential for intensification to 2036.

GROWTH SCENARIOS ARE ESTIMATED AS FOLLOWS:

LOW – WESTMINSTER JOBS/LONDON AVERAGE: the GLA forecast that 72,000 new jobs will be created in CoW between 2021 and 2036.[20] Victoria is a dense part of CoW so it supports a disproportionate amount of its employment relative to its land. Assuming that Victoria maintains its share of CoW's employment, it would be expected to support an extra 4,200 jobs to 2036 – 300 per year. Similarly if Victoria were to keep to the target that it should match the London-wide growth forecast to 2036, as set out by the GLA, it would grow at 0.8% per year. Based on this, Victoria would accommodate 5,900 jobs to 2036 or 400 jobs per year. The range of these two estimates are considered the low scenario for job growth;

MEDIUM – TREND GROWTH 2003-15: if Victoria were to grow at its historical growth rate (2.3% per annum between 2003 and 2015), this would result in the creation of 1,300 jobs per annum, or 20,000 jobs between 2020 and 2036; and

TREND GROWTH 2003-08 AND DEVELOPMENT PIPELINE: Victoria achieved high employment growth between 2003 and 2008, when it grew at an annual rate of 2.9%. The development pipeline also suggests that this rate of employment growth is possible between 2015 and 2020. If Victoria can continue this rate of growth than it would be expected to create an additional 26,500 jobs to 2036 – an annual rate of 1,700.

SUMMARY

This section presents a range of growth forecasts and targets for Victoria in order to highlight the potential for intensification in the area. It is estimated that Victoria could grow by between 300 and 1,700 jobs per annum to 2036 – a wide range that depends crucially on the scale of ambition for the area, and the extent to which significant further development can be stimulated.

The lowest scenario is based on the geographic size of the area, assuming that it only matches the long term London average growth rate in the future, or hitting the GLA growth targets for CoW. It is unrealistically pessimistic given the current density already achieved here, its accessibility, development pipeline and potential, and past performance. Investments in Victoria, particularly those involving the station and Crossrail 2, would be expected to increase the growth potential of the area within this time frame.

Whilst the highest scenario is not unfeasible given past trends and the development pipeline, it would require a step change in the amount of development (it would need to grow faster than it has done over the last six years for a sustained period of 16 years), and would result in increasing the area's density by over half (20% higher than the current density of Cheapside, in the heart of the City) to 2036 which is likely to be too optimistic.

In our opinion, the past performance of the area suggests that it should be at least aiming for the London average scenario, or, more ambitiously, for the medium – trend growth scenario. This would mean the area creates up to 1,300 new jobs each year, or 20,000 new jobs by 2036.

The extent to which the area can deliver this, however, depends crucially on the continued delivery of new commercial space here, and further transport improvements to allow workers to access the area.

20. Greater London Authority (2016), Employment projections for London by borough, GLA

TABLE 17 JOB GROWTH FORECAST

SCENARIO	GROWTH RATE PA	ADDITIONAL JOBS PA	ADDITIONAL 2020-2036	TOTAL JOBS IN VICTORIA
LOW – WESTMINSTER JOBS/ LONDON AVERAGE	0.6-0.8%	300-400	4,500-5,900	53,000-54,000
MEDIUM – TREND GROWTH 2009-15	2.3%	1,300	20,000	68,000
HIGH – TREND GROWTH 2003-08 AND DEVELOPMENT PIPELINE	2.9%	1,700	26,500	75,000

Source: GLA; Volterra calculations

Table 17 summarises the job creation forecasts.

The above forecasts suggest a very wide range of between 300 and 1,700 jobs per annum which depends on the scale of ambition for the area, and the extent to which further development can be stimulated. For example, investments in Victoria, particularly those involving the station and Crossrail 2, would be expected to increase the growth potential of the area within this time frame. Even the low scenario would make employment densities in Victoria higher than the current density of Soho.

Whilst the highest scenario is not unfeasible given past trends and the development pipeline, it would require a step change in the amount of development (as historic trends would need to persist for 20 years forward), and would result in increasing the area's density by over half (to 20% higher than the current density of Cheapside, in the heart of the City). However the past performance of the area suggests that it should at least be aiming for the 'London average' scenario, and probably higher. This is equivalent to adding approximately £100m in GVA and £30m in tax revenues each year

Conclusions and Recommendations

Victoria is a vital part of London's economy, supporting one of the highest concentrations of employment anywhere in the capital, outside of the City and parts of the West End. It generates an estimated £3.1bn in GVA annually, tax revenues in the region of £1bn and business rates of c. £105m.

Professional services account for most of the area's employment and are the driving force behind the area's recent growth. A high proportion of Victoria's employment is in public services but it is expected that the private sector is likely to drive the growth in the future. The mixed industrial makeup of the local economy is one of the area's strengths, and that should be maintained in order for the area to continue to perform strongly.

RECOMMENDATIONS

- Continue to demonstrate the economic contribution of the area
- Attract more corporates to reduce past reliance on the public sector
- Remain a place with a robust and varied offer which attracts corporates from across a wide range of sectors

A lack of suitable office space in Westminster threatens to affect its competitiveness, undermining future growth potential. There is evidence that demand for office space is outstripping supply in Victoria. This excess demand has resulted in knock-on impacts including high rents, low vacancy rates and low presence of SMEs – suggesting that a lack of office space is preventing businesses from locating in the area. Moreover, only two of London's 330 recorded workspace for start-ups are within Victoria. A lack of office space for all sizes of businesses threatens to affect the area's competitiveness, undermining its future growth potential.

RECOMMENDATIONS

- Ensure the continued delivery of new floorspace to ensure rents remain affordable for businesses; current vacancy rates imply that there is effectively no supply in Victoria
- Consider the role of incubator / shared workspace providers and the possibility of attracting these to Victoria. Currently, Victoria only houses two of London's 330 recorded incubators, accelerators and co-working spaces

Victoria is one of the key gateways to London. It contains the second busiest terminus station in the UK and London's largest coach station. Over 80m users use each of the rail and tube stations each year. Allowing for the overlap between these, an estimated 167,000 people make return trips through Victoria station each day. Given current levels of employment in VBID, this implies that c.25% of the users of Victoria station are making trips to work within the VBID, but the majority, three-quarters of users, travel through Victoria either for leisure purposes or to continue their commute to other parts of the capital. This shows the importance of Victoria not just to the VBID area but in supporting access to job opportunities across London. This means that upgrades to Victoria station will benefit a much larger group of individuals/businesses than just those in VBID.

Linked to this, improvements to the underground station are part completed, scheduled for full completion in 2018. The station is however one of the most crowded, particularly during peak times and concern remains that whilst these improvements are welcomed, further investment is needed to appropriately deal with the increased patronage of the station, which will only increase further as the development pipeline is built out and occupied, and further development occurs in the area. Further investment at Victoria is not currently planned until the introduction of Crossrail 2 at Victoria (scheduled for 2030 at the earliest). This would increase the accessibility at Victoria, but it is likely that interim improvements will be needed before then to ensure that growth, both within the VBID area but also more widely across London, is not constrained.

RECOMMENDATIONS

- Not only does Victoria station support the significant economic activity in the immediate area, it also serves travellers who transfer here and go on to other destinations (around three quarters of users are making trips to Victoria for leisure purposes or to continue their commute onto other parts of the capital). There is a need to highlight the strategic importance of Victoria station not just to the VBID area but more widely to London and to continue to advocate for improvements at Victoria station. Crossrail 2, coming in 2030 (at the earliest), is welcomed but is likely to be too long to wait

Victoria has a resident population of 2,900, accommodating population at a significantly lower density than the CoW average. This is not unusual and many central locations have similar characteristics, with employment having crowded out residential units.

There is a mixed picture in terms of deprivation in Victoria. It performs well on measures including employment, education, skills and training, and health deprivation and disability, but of the six small areas that make up Victoria, five are amongst the 5% worst performing in England in terms of living environment and all six areas are within the bottom 30% in terms of barriers to housing. While all inner city locations tend to score poorly on the living environment measure (factors impacting upon this indicator are condition of social housing, air quality and road accidents), Victoria scores particularly poorly. This is driven by poor levels of air quality and high levels of road traffic accidents.

RECOMMENDATIONS

- Continue to promote improvements to public realm in order to tackle environmental problems (pollution, safety, crowding etc) identified

Victoria is a key part of London's economy, and this looks set to continue since there is significant development completed, planned, and underway across the area. It is estimated that if all the development pipeline is delivered, it could accommodate an additional 5,200 jobs and between 1,100 and 1,400 new residents to 2020. This is a significant relative increase in the number of people living in the area – equivalent to an annualised increase of between 6.4% and 8.1%. The growth in employment is also high, matching annualised growth before the recession (between 2003 and 2008) of 2.9%.

The past performance of the area, and its development pipeline to 2020, suggest that it should be aiming to accommodate an additional 1,300 jobs per year to 2036 which is equivalent to adding approximately £100m in GVA and £30m in tax revenues each year. In order to achieve this, Victoria would need to ensure that its offer is diverse and appealing enough to attract growth and the area is accessible enough for bringing the people and jobs required to fill this growth. The recommendations aim to contribute to this.

RECOMMENDATIONS

- Aim to accommodate at least an additional 1,300 jobs per annum

Appendices

APPENDIX 1 – PLANNING POLICY CONTEXT AND GREEN ACCESSIBILITY

PLANNING POLICY

A number of policy areas consider Victoria. Figure 19 shows that while the Victoria Opportunity Area (VOA), the Victoria Area Planning Brief and VBID area all overlap to some extent, they have inconsistent geographies.

Nearly half of the study area (48%) falls within the VOA – one of 38 Opportunity Areas across London. The GLA define Opportunity Areas as existing brownfield sites in London that have significant capacity for development and existing or potentially improved public transport access. [21]

Westminster City Council notes while the area is an established centre for offices, which has resulted in growth of amenity uses in the area, the dominance of offices mean that the area is quiet out of working hours and struggles with pedestrian flows generated by the transport interchange. Notably, Westminster's vision for the area is: "Victoria needs to become a place, not simply a place to pass through."[22]

Westminster's City Plan Policy S4 states that "[a]t least 1,000 new homes and development capacity for 4,000 new jobs will be provided within the Victoria Opportunity Area between 2011 and 2031", coupled with improvements near and within the transport facilities, public realm and legibility improvements and provision of active frontages.

The study area is also located within Westminster City Council's Victoria Area Planning Brief.[23] Similarly to the City Plan, this document focuses on the lack of a "sense of place and of urban quality" in Victoria, noting five principles/priorities which reflect the key problems within the area including aligning transport and development and prioritising pedestrian movement.

GREEN ACCESSIBILITY

Areas within London – and within cities in general – often lack directly available green space. Victoria however is surrounded by green space. It is a five minute walk to both Green Park and St James Park, and less than 15 minutes away from Hyde Park (Figure 20).

One of the areas many strengths that should not be underestimated is its proximity to world class gardens and parks, as well as landmarks such as Buckingham Palace, Westminster Abbey, Westminster Palace, Big Ben and the Churchill War Rooms.

FIGURE 20
GREEN ACCESSIBILITY

21. Greater London Authority (2016), https://www.london.gov.uk/what-we-do/planning/implementing-london-plan/opportunity-areas/what-are-opportunity-areas
22. Westminster City Council (2016), Westminster City Plan, consolidated with all changes since November 2013, November 2016
23. Victoria Area Planning Brief, Westminster City Council, July 2011

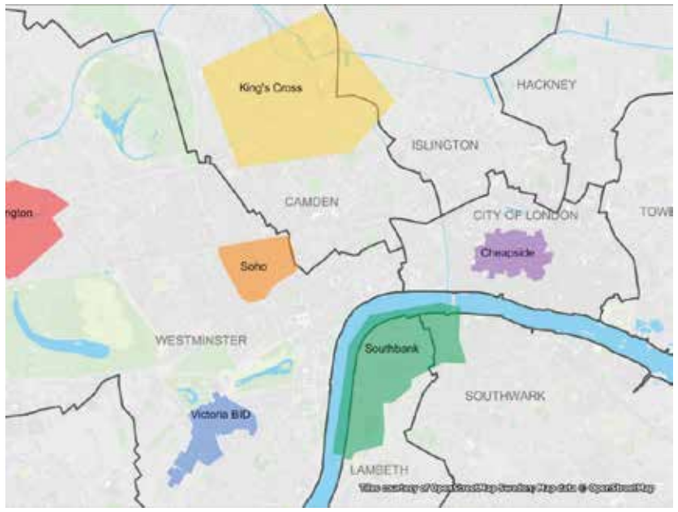
APPENDIX 2 – COMPARATORS

In order to summarise the key statistics describing Victoria's economy effectively, the analysis compares Victoria to the CoW (the borough within which is falls) as well as a number of study areas or comparators. These were chosen based on a combination of judgment and statistical evidence.

Figure 21 maps the comparator areas. In addition to CoW, these include Cheapside, Southbank, Soho, Kings Cross and Paddington. These are all within inner London, contain a key mainline or London Underground station and are undergoing significant change.

Paddington and Soho are home to major stations, are undergoing significant change and are also within CoW. Kings Cross is a larger area that contains Kings Cross and St Pancras stations which has seen significant change in recent years, attracting a number of renowned universities and research centres, such as the Francis Crick Institute. Southbank is another area which contains a major terminus, Waterloo, and is an area that has undergone significant change and, like Victoria, it is a key tourist attraction. The final comparator, Cheapside, also contains one of the busiest stations in London, Bank, and is one of the densest parts of the UK.

FIGURE 21 COMPARATOR AREAS



Source: Volterra

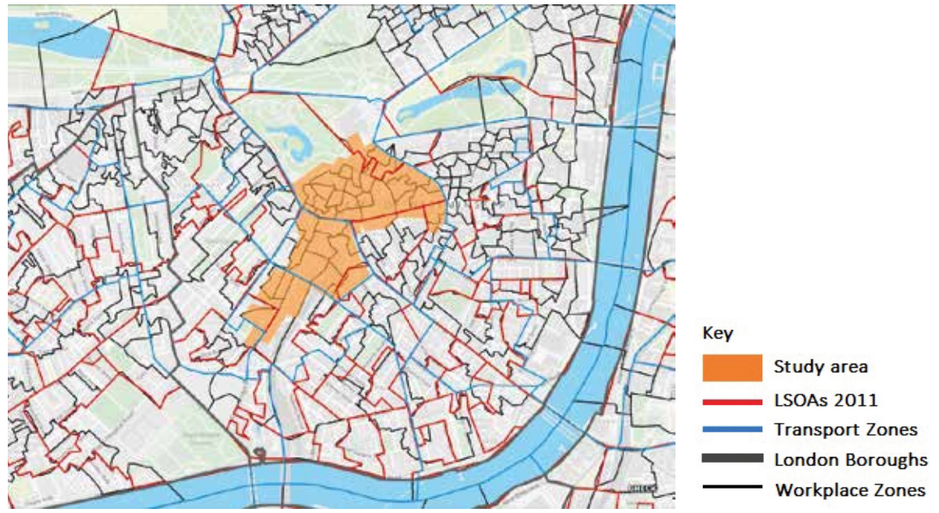
APPENDIX 3 – GEOGRAPHIC AREAS

The geographic size of the study area, coupled with the availability of data used in this analysis, means that it has been necessary to use different geographical definitions for different purposes.

Figure 22 depicts an example of this, showing some of the different geographies used to collect data on the characteristics of Victoria. The blue outlines show transport zones (TZs), a TfL geography, which is used for the accessibility analysis, and the red outlines show the Lower Super Output Areas (LSOAs), an ONS geography and one of the smallest areas for which economic and social data can be analysed. Workplace zones (WZs), highlighted in black, are another ONS geography that allows us to collect data at a more detailed geographical level. The orange shaded area shows the actual study area of Victoria which overlaps with 8 TZs, 9 LSOAs and 55 WZs.

Some statistics based on different geographies are scaled down appropriately, and transparently to take account of the mismatch between data and geography. This is done using geographic information systems (GIS).

FIGURE 22 GEOGRAPHIC AREAS



Source: ONS; TfL; Victoria Business Improvement District

APPENDIX 4 – EMPLOYMENT

The geography of the study area does not match exactly with any geographical areas for which data is recorded (see Appendix 3 for an example of this). As a result, estimates of economic statistics are approximated based on the proportion of Victoria within geographical areas for which data is available, calculated using mapping software (GIS).

The following analysis uses data from two sources to estimate employment in the area as there are positives and negatives of using each. The first source is the census which is useful as it provides employment data at a detailed geography WZs but the last census was in 2011 so this information is now somewhat out of date. The second source is the business register and employment survey (BRES). Unlike the census data this is collected annually so gives more up to date information on current employment, the problem however is that it not available at a similar level of detail (the most detailed is LSOA) so the geographic fit to the study area is worse than the census. In short, there is a trade-off is between using data which is detailed but irregular or more up to date but less detailed.

Table 18 summarises these employment estimates, also presenting BRES employment in 2011 for comparison with the census estimate. This shows that the BRES 2011 estimate is lower than the census estimate for the same year. Since the census data has a better fit to Victoria, this suggests that BRES estimates underestimate employment in the study area.

To account for this, the analysis has included one further job estimate which applies job growth between 2011 and 2015 from BRES to the more geographically accurate census figure. As this now takes into account the detailed geography, as well as the most up to data, this is believed to be the most accurate approximation of Victoria's employment, although it is still an estimate of employment levels.

The census suggests that employment in Victoria was 35,000 in 2011. Allowing for the 15% growth which has taken place from 2011-2015 across the wider area for which more recent data is available, and assuming that Victoria has matched this rate of growth, we estimate that the area now accommodates around 43,000 jobs.

TABLE 18 ESTIMATES OF EMPLOYMENT WITHIN THE STUDY AREA BY SOURCE AND YEAR

ESTIMATED OF EMPLOYMENT WITHIN VICTORIA	YEAR	SOURCE
24,000	2011	BRES 2011 (based LSOAs)
29,000	2015	BRES 2015 (based LSOAs)
35,000	2011	Census 2011 (based on WZ)
43,000	2015	Census 2011 (based on WZ) combined with 2011-15 employment growth from BRES

Source: BRES 2015, 2011 Census and Volterra calculations (figures are rounded)

APPENDIX 5 – BROAD INDUSTRIAL SECTOR LOOKUP

TABLE 19 SECTOR LOOKUP

SECTOR	SUB SECTOR
PROFESSIONAL SERVICES	Information and communication
	Financial and insurance activities
	Real estate activities
	Professional, scientific and technical activities
	Administrative and support service activities
PUBLIC SERVICES	Public administration and defence; compulsory social security
	Education
	Human health and social work activities
ARTS AND ENTERTAINMENT	Arts and entertainment
ACCOMMODATION AND FOOD	Accommodation and food
WHOLESALE AND RETAIL	Motor trades
	Wholesale
	Retail
OTHERS	Agriculture, forestry and fishing
	Mining and quarrying
	Manufacturing
	Electricity, gas, steam and air conditioning supply
	Water supply, sewerage
	Construction
	Transport and storage

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