



# CHEAPSIDE BUSINESS ALLIANCE: BASELINE STUDY & ECONOMIC ANALYSIS

DECEMBER 2020

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# EXECUTIVE SUMMARY

## CHEAPSIDE



Cheapside supports a relatively small residential population of approximately 690 people.



Cheapside supports approximately 55,510 jobs in one of the densest parts of the City of London.



Since 2015 total jobs across Cheapside has risen by 7,690. This equates to a 17% increase.



42% of Cheapside's workforce (23,200 people) are employed in the financial and insurance sector.



The high value nature of the employment supported within Cheapside is reflected in a GVA generation of approximately £7.9 billion annually.



The Cheapside economy generates tax revenues in the region of £2.9 billion annually.



In net terms, a total of 152,000 sqm of additional non-residential space has been constructed over the period 2005-2019. This is anticipated to have generated between 9,000 and 10,800 additional jobs.



The Cheapside economy is set to benefit from a number of technology led interventions in the coming years, as well as the drive to a Net Zero economy - which will have both environmental and commercial benefits.

## 2. INTRODUCTION

# INTRODUCTION

## ECONOMIC CONTEXT

The Cheapside Business Alliance (BID) was formed in 2015 to support the development of the Cheapside area, and to help drive inclusive economic growth and regeneration.

WSP has been commissioned by Primera Corporation to undertake a detailed socio-economic baseline study into the BID, elucidating the key economic characteristics and profile of the area, assess the potential impact of the area's development pipeline, as well as identify future opportunities and challenges which will impact the BID going forward.

The Cheapside Business Alliance started life as the Cheapside Initiative (CI) in 2007, with the aim of promoting this part of the City as a seven-day retail and leisure destination, and in doing so helping to generate a step change in current perceptions of this historic part of London. The aim of the BID is to continue to reposition Cheapside as a lively and engaging location that can be enjoyed seven days a week, whilst retaining its employment and business profile in the heart of the City.

Located against the backdrop of St Pauls Cathedral - and enriched with a diverse offering of iconic lanes and historic buildings, Cheapside is an area full of character and vitality. Since the development of the CI and subsequent BID, Cheapside has seen unprecedented investment and regeneration, transforming into a first-class retail location, offering visitors a fusion of contemporary shops and restaurants. The retail offering is anchored by two major retail hubs – One New Change and the Royal Exchange.

The area's appeal as a business destination has been

further enhanced by the recent development of Bloomberg's European Headquarters (known as Bloomberg Place) within the BID. The striking design, which comprises two buildings linked by bridges and a 210-meter helical bronze "ramp" - won the Stirling Prize for Excellence in Architecture in 2018.

The challenge moving forward is to continue to promote and market the BID as a destination in itself, bringing both international tourists and London's residents to the area throughout the week, all year round. This has never been so pertinent in the light of the Covid-19 pandemic and the recent shift to home working, which has dramatically reduced the weekday footfall in the area.

The Cheapside BID, having won a second 5-year term in 2020, along with the City Corporation, will be key in helping the area navigate the coming months and years.



Source: Bloomberg



# INTRODUCTION

## CHEAPSIDE BID GEOGRAPHY

The Cheapside BID is wholly located within the City of London (CoL) local authority, straddling Cheapside Street, which links St Pauls and the London Stock Exchange, to the Bank of England and the Royal Exchange Shopping Centre (from west to east). The geographical size of the BID is approximately 30 hectares, equating to 10% of the CoL's total surface area.

The BID's location in the heart of the City means it is easily accessible by public transport, with three of London's busiest tube stations – Bank, St Pauls and Cannon Street – all located within the area. The area is also facilitated by a multitude of bus services.

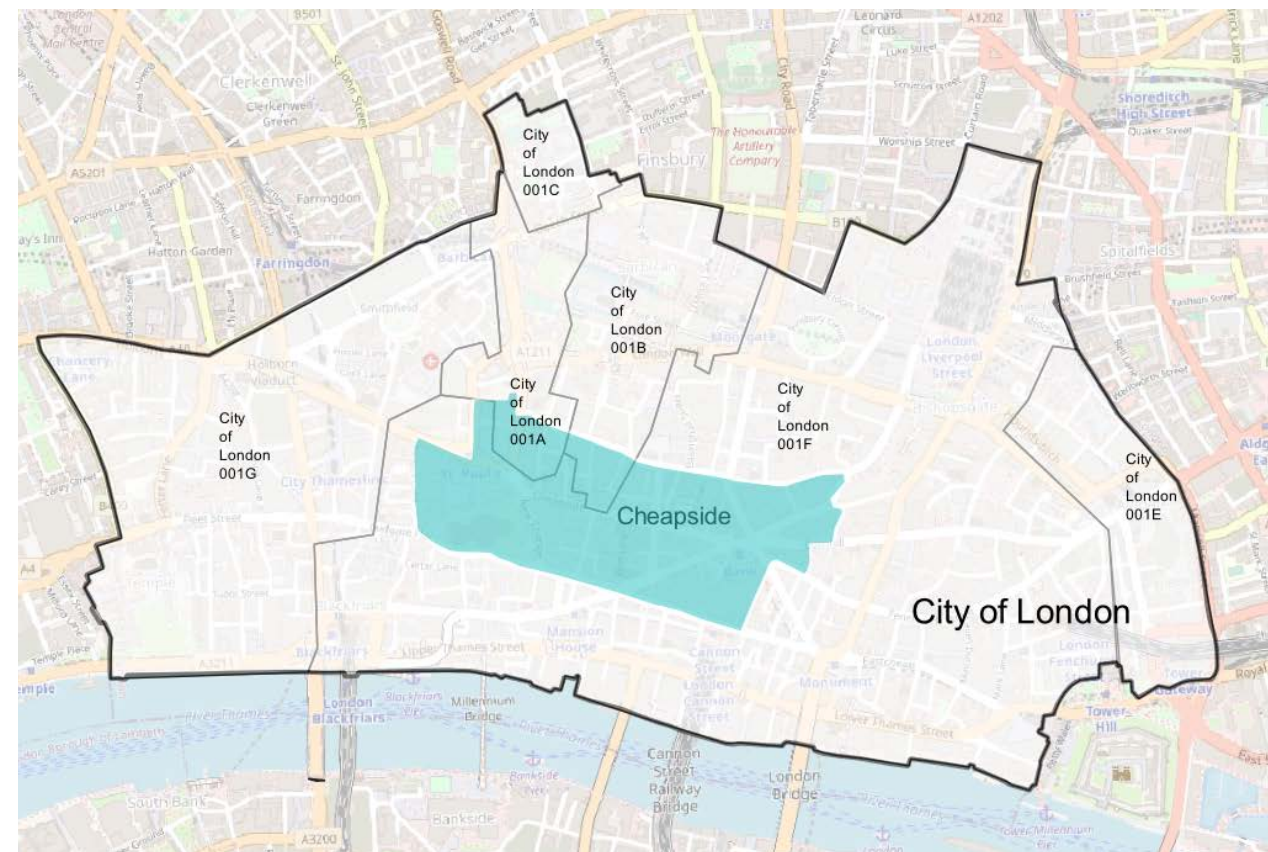
In terms of smaller geographical areas, the Cheapside BID has a presence across three Lower Super Output Areas (LSOAs) to varying degrees:

- City of London 001A;
- City of London 001B; and
- City of London 001F.

LSOAs are an ONS geography and one of the smallest areas for which economic and social data can be analysed. The majority of the Cheapside BID is located within LSOA 001F, with smaller proportions in the north of the BID located across LSOA 001A and LSOA 001B.

The BID boundary, in relation to the LSOAs and CoL boundary, is illustrated in **Figure 1**.

**Figure 1 – Cheapside BID area boundaries (blue) relative to LSOA boundaries (white)**



# INTRODUCTION

## METHODOLOGY

In order to undertake the socio-economics baseline assessment, WSP has drawn on a range of publicly available data sources. These have included:

- NOMIS;
- Annual Population Survey/Labour Force Survey (ONS);
- Business Register and Employment Survey/Annual Business Inquiry (ONS);
- Population Estimates/Projections (ONS);
- Transport for London (TfL);
- Planning portals of City of London; and
- London Datastore (GLA).

These data sources have been supplemented with a review and assessment of any data/analytical research or emerging policy frameworks available directly from Primera, the BID partnership or from the City of London Corporation.

Pertinently for the baseline assessment, the geography of the BID area does not match exactly with any geographical areas for which data is recorded. For example, the BID has a presence across three LSOAs to varying degrees (see Figure 1 for an example of this). As a result, estimates of economic

statistics are approximated and scaled based on the proportion of the Cheapside BID within geographical areas for which data is available, calculated using GIS. The respective scaling of socio-economic statistics for the BID area is outlined in **Appendix 1**.

WSP has also held discussions with members of the Cheapside BID Board – including the Chair Charlotte Fletcher, representatives from the City of London research team, and Primera corporation. These discussions have been used to gain an insight into the existing strengths and weaknesses of the BID, and where the future opportunities and challenges lie.

These discussions have supported the economic analysis undertaken within the report.



### **3. SOCIO-ECONOMIC BASELINE ASSESSMENT**



# POPULATION

## CHEAPSIDE BID POPULATION

The City of London (CoL) has the smallest residential population of any local authority in London, with an estimated 9,721 people residing in the borough in 2019. With an estimated 6,506 dwellings in CoL, this equates to 1.42 people per dwelling, significantly lower than the UK average of 2.4. This is reflective of a population made up of predominantly young single professionals and couples.

Two estimates of population have been undertaken for the Cheapside BID. Firstly, the population of each BID has been estimated based on LSOA data obtained from the ONS, scaled appropriately using the proportions outlined in Appendix 1.

Based on this approach, Cheapside is home to approximately 690 people (7.1% of the CoL population), with the highest proportion of these aged between 16-64 (65.2%). The following illustrates the breakdown of the population in 2019:

- Aged 0 -15: 100 people
- Aged 16 – 64: 450 people
- Aged 65+: 140 people

In comparison to 2015, the total population has increased from 500, a growth rate of 38% with people aged between 0-15, 16-64 and 65+ increasing by 43%, 41% and 27% respectively, again underlining the fact that Cheapside's small population is made up of predominantly working age residents.

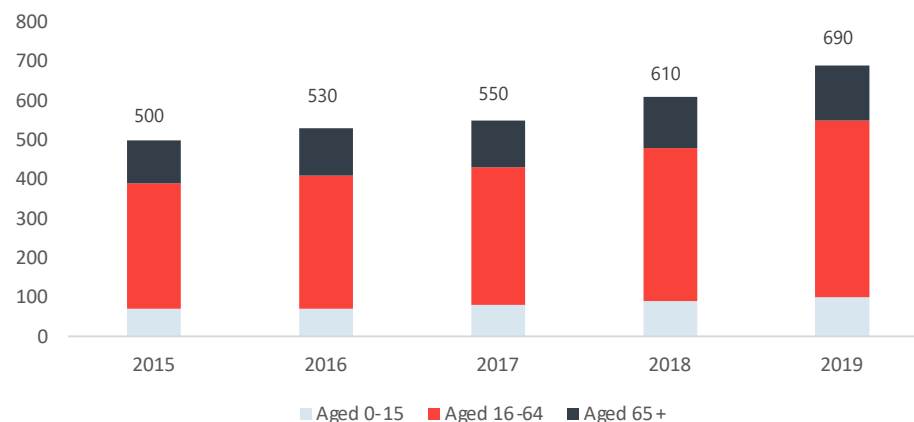
A second population calculation has been undertaken based on the number of dwellings and the residents per dwelling for the BID area. Using information from the

2011 census to proportion the 6,506 dwellings across the 6 LSOAs in the City of London, and applying the number of people per dwelling (1.42), an estimated population by LSOA is calculated. Again applying the proportions outlined in Appendix 1, a total population of 770 was calculated for Cheapside – slightly higher but broadly similar to the population found based on the first approach. Using the age cohorts breakdown from the CoL, the population is distributed as follows:

- Aged 0 – 15: 120 people
- Aged 16 – 64: 520 people
- Aged 65+: 130 people

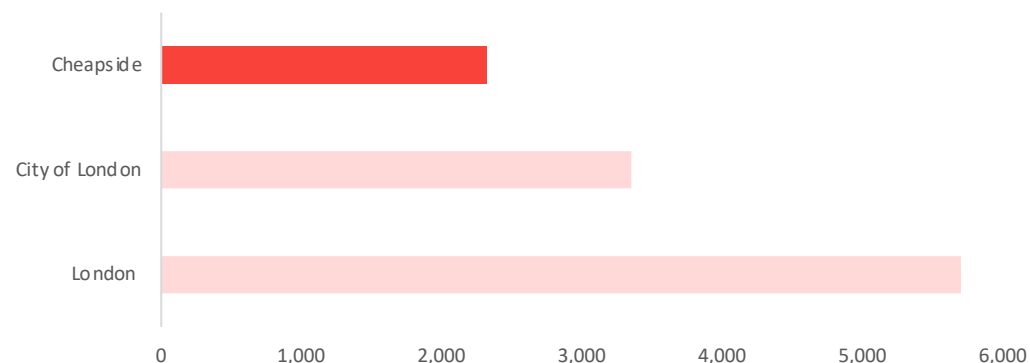
**Figure 2** illustrates the population estimates based on the first approach. **Figure 3** shows the population density (number of people per km<sup>2</sup>) and illustrates that the Cheapside BID is sparsely populated compared to the City of London and London average. The number of people per km<sup>2</sup> in Cheapside was 2,320 in 2019 compared against a CoL average of 3,350 and London average of 5,700.

**Figure 2 - Age Profile of Cheapside BID Population in 2019**



Source: WSP Calculation based on ONS Population Estimates

**Figure 3 - Population Density in 2019 (selected geographies)**



Source: WSP Calculation based on ONS Population Estimates and land areas by the London Datastore

# POPULATION

## ETHNICITY

The ONS and GLA do not publish ethnicity data at the LSOA level, and therefore it is not possible to scale data appropriately for the Cheapside BID. In the absence of this, WSP have considered the population ethnicity breakdown of the City of London (CoL), and have assumed this is a fair reflection of the Cheapside population.

The latest projections from the Greater London Authority estimates that in 2020, 31% of the residential population in CoL are from a BAME background, an increase from 21% in 2011. Despite this, Greater London's population is more diverse, with 44% of the population coming from BAME backgrounds in 2020.

**Table 1** sets out the ethnic mix of the residential populations across CoL (and for the purpose of this exercise Cheapside), compared to Greater London as a whole. Other than White, Asian is the most common ethnicity group in the City of London, at 13% of the population in 2020, and has remained stable since 2011. A similar picture is seen when considering Greater London as a whole, with 21% of the population from Asian descent, up marginally from 19% in 2011.

The ethnicity of CoL's residential population has evolved over the last decade, with an increase in multi-culturalism and residency from different ethnic groups. **Figure 4** illustrates the more detailed breakdown of BAME ethnic groups within CoL, and how the proportions have evolved since 2011. The main difference between 2011 and 2020, is the increasing number of people with Arab ethnicity within CoL, rising from 4% of the BAME population in 2011, to just under a fifth in 2020.

Considering the detailed breakdown of BAME groups, the three main ethnicities within the City in 2020 are:

1. Arab (19% of all BAME)
2. Other Asian (16% of all BAME)
3. Mixed (15% of all BAME)

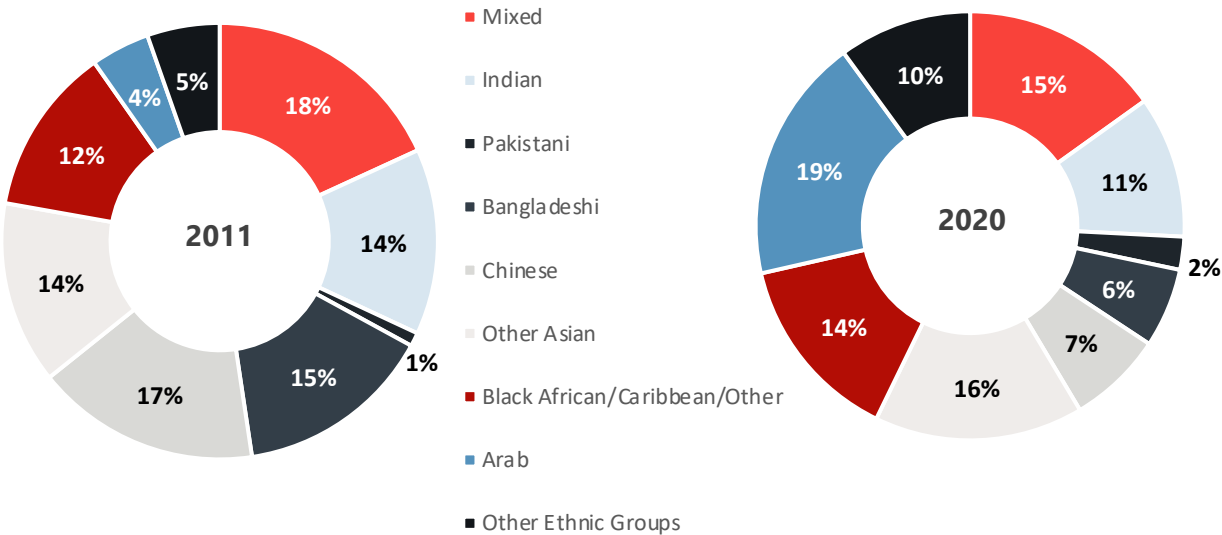
These groups account for 50% of all BAME residents in CoL (and the Cheapside BID based on our assumptions).

Table 1 – Ethnic mix of the Residential Population (selected geographies)

	White	Mixed	Asian	Black African/Caribbean and Other Black	Arab	Other ethnic group
CoL/Cheapside (2011)	79%	4%	13%	3%	1%	1%
CoL/Cheapside (2020)	69%	5%	13%	4%	6%	3%
London (2011)	60%	5%	19%	13%	1%	2%
London (2020)	56%	6%	21%	13%	2%	2%

Source: Greater London Authority

Figure 4 – Breakdown of BAME Ethnic Groups in City of London



Source: Greater London Authority

# EMPLOYMENT

## TOTAL JOBS

The number of jobs supported across the Cheapside BID has been estimated using the ONS' Business Register and Employment Survey (BRES) for 2018, which is disaggregated at the LSOA level. As outlined in the methodology section, the LSOA data has been scaled appropriately to fit the geography of the BID.

In 2018, Cheapside supported approximately 55,510 jobs across a range of sectors, equating to approximately 11.0% of the total jobs supported in the City of London. The total number of jobs supported across the BID has risen from 47,550 jobs in 2015, an increase of 7,960 (16.7% or a Compound Annual Growth Rate of 5.3%). This is a greater increase than that seen across the City of London (4.9%) and London as a whole (1.6%).

As will be analysed in more detail shortly, Cheapside specialises in a number of highly-skilled industries which generate significant value to the local economy. The top three industries in the BID in terms of employment are:

1. **Financial & Insurance** – 23,200 jobs (41.8% of total)
2. **Professional, Scientific & Technical** – 10,500 jobs (18.9% of total)
3. **Business Administration & Support Services** – 6,290 jobs (11.3% of total)

At the same time, Cheapside also supports a high proportion of jobs in the accommodation and food services sector (2,620 in 2018). This was the fifth biggest sector in employment terms and supports the hypothesis that Cheapside is a service-based economy

of two halves, comprising a set of globally competitive advanced producer services (e.g. financial/insurance/tech) together with more locally focused sectors (e.g. food and drink, accommodation) providing lower-value personal and household services. Both have grown in recent years and they are, to some extent, complementary.

Considering recent growth, it is the high value service based sectors which have seen the greatest increase in employment within the BID. These sectors, particularly the financial and tech sectors, have benefited on the back of technology led interventions over the last five years, with an increasing prevalence of **fintech** and **legaltech** firms entering the marketplace.

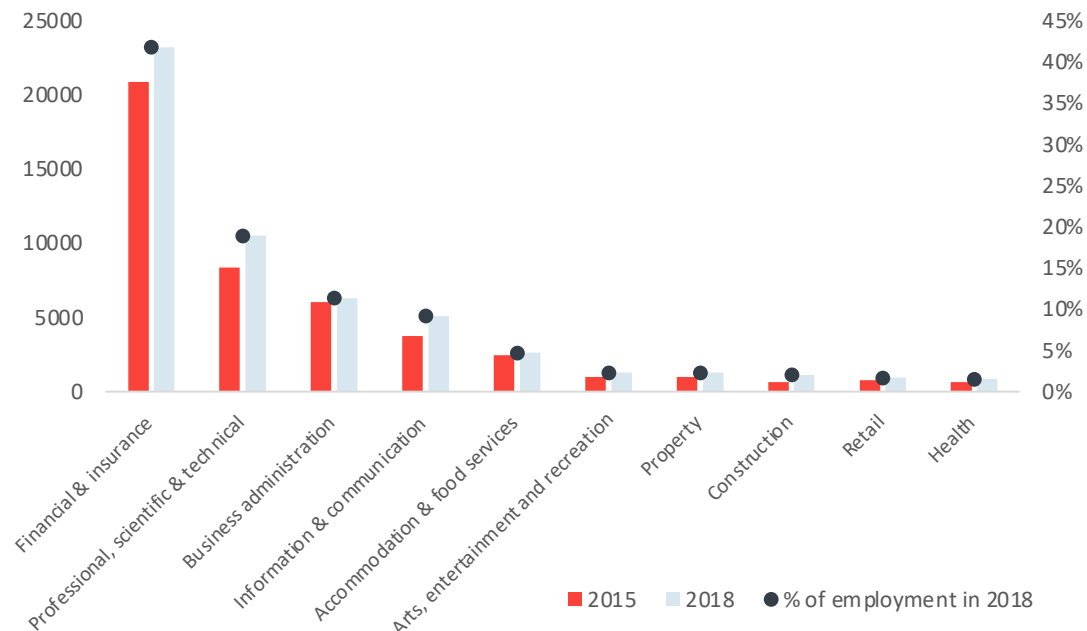
The industries which saw the greatest increases in employment (in absolute terms) were the following:

1. **Financial & Insurance** (+2,350)
2. **Professional, Scientific & Technical** (+2,150)
3. **Information and Communication** (+1,340)

Growth in these three sectors accounted for 73.4% of all job growth between 2015 and 2018. This analysis is set out in **Figure 5** and **Table 2**.

An interesting observation, is that despite Cheapside in recent years looking to market itself as a retail hub within the City, the retail sector employs a relatively small proportion of employment within the area. In 2018, the retail sector employed 940 people, up from 780 in 2015. This only represented 2% of Cheapside's employment base.

**Figure 5 - Largest employment Sectors for Cheapside in 2018 and % of Total Employment**



Source: WSP Calculation based on Business Register and Employment Survey data. Only sectors > 1% of total employment within BID included.

**Table 2 - Largest Employment Sectors in Cheapside**

Sector	Jobs in 2015	Jobs in 2018	+/- in jobs
Financial & insurance	20,850	23,200	+2,350
Professional, scientific and technical	8,350	10,500	+2,150
Business administration & support services	6,050	6,290	+240
Information and communication	3,760	5,100	+1,340
Accommodation and food services	2,470	2,620	+150
<b>Total</b>	<b>47,550</b>	<b>55,510</b>	<b>7,960</b>

Source: WSP Calculation based on Business Register and Employment Survey data

# SECTOR COMPOSITION

## TOP EMPLOYMENT SECTORS

The top 5 employment sectors within the Cheapside BID are illustrated in **Figure 6**, and in more detail on the previous slide.

While the Financial and Insurance sector is the dominant employer across the BID, the sector encompasses a vast range of services including activities such as fund management, banking and security, and commodity contracts brokerage.

In order to ascertain a greater understanding of the services that drive the Cheapside BID, analysis has been undertaken using the more detailed 2 Digit Standard Industrial Classification (SIC) Codes. Based on this, the top 3 sub-sectors in terms of employment within the BID are:

- 1. Activities Auxiliary to Financial Services and Insurance Services (11,100 jobs and 20% of total workforce)** - This division includes the provision of supporting services involved in or closely related to financial service activities e.g. Stock Exchange, Foreign Currency Exchange.

Examples of Companies/Institutions in Cheapside under this classification include: the London Stock Exchange and Bloomberg.

- 2. Financial services activities, except insurance (9,850 jobs and 18% of total workforce)** - this includes activities undertaken by: Banks, Building Societies and Central Banks.

Examples of Companies/Institutions in Cheapside under this classification include: Lloyds Bank and the Bank of England.

- 3. Activities of head offices and management consultancy activities (4,160 jobs and 8% of total workforce)**

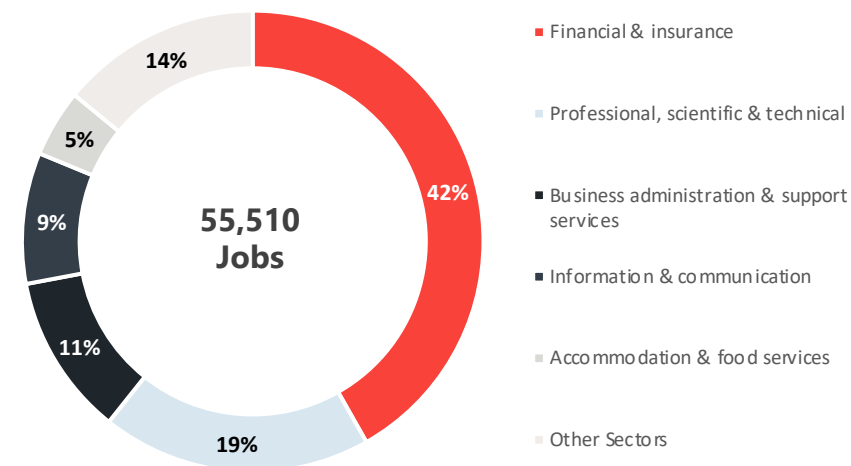
Examples of Companies/Institutions in Cheapside under this classification include: BT Investment Group and AXA.

The more detailed sector analysis confirms that the Cheapside BID is dominated by financial service activities, with 40% of the workforce employed in either direct financial services or auxiliary services. These sectors have seen healthy employment growth over the period 2015-2018, growing by 13% and 9% respectively, helping to cement Cheapside as a financial services hub within the City. A similar picture is observed when considering the adjacent Eastern City Partnership.

While the dominance of the financial services sector in Cheapside is clear to see, the BID also has a notable concentration of employment in the management consultancy sector, legal and accounting sector, computer programming, and food and drink services, with total employment rising across all of these sub-sectors since 2015. The computer programming sector has seen strong growth in particular, with employment increasing by almost 50% between 2015 and 2018, a reflection of how technology is reshaping advanced economies as we know them. This is explored in more detail later in this report, and the analysis is set out in **Figure 7**.

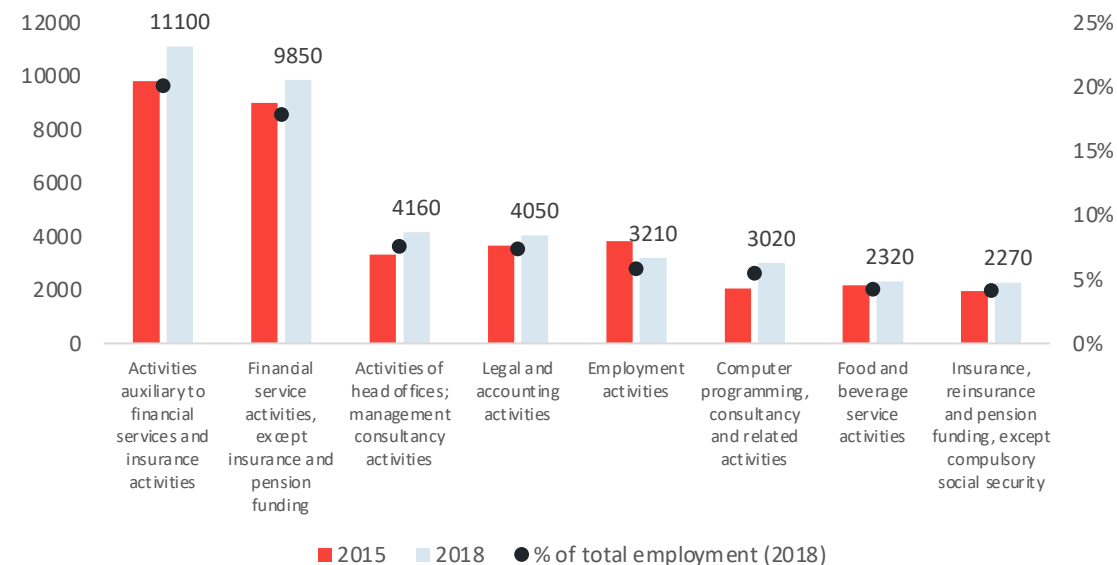
These sectors, barring the food and drink sector, are all highly skilled, high value sectors, which generate considerable economic value for London and the wider UK economy, as will be demonstrated later in this report. While not generating the same amount of value in terms of GVA, the importance of the food and drink sector to Cheapside's eco-system should not be downplayed. The sector acts as a key facilitator for other services, and brings a vibrancy and energy to the area.

Figure 6 - Top Employment Sectors for Cheapside in 2018



**16.7% increase in jobs 2015-2018**

Figure 7 - Detailed employment sectors within Cheapside and % of employment





# EMPLOYMENT

## JOB DENSITY

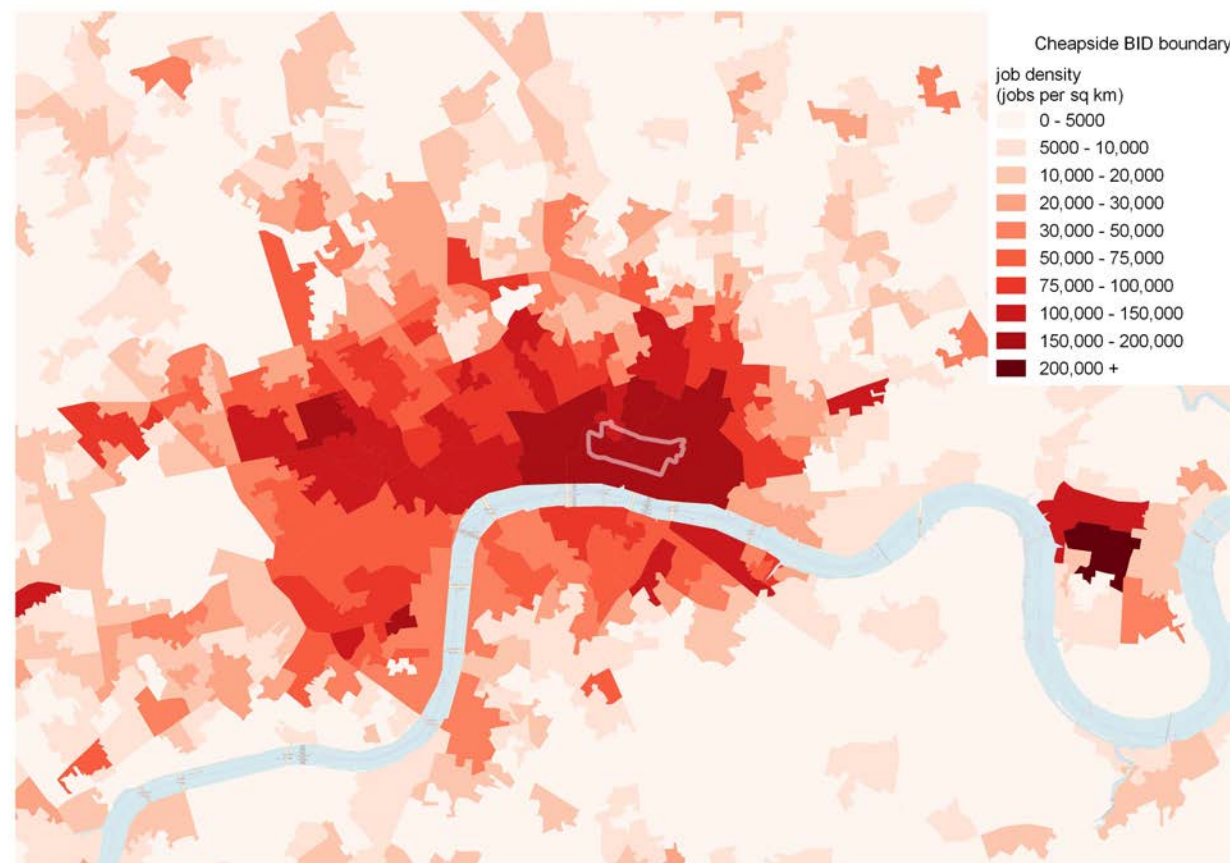
The previous analysis suggests that approximately 55,510 people are employed across Cheapside's 0.3km<sup>2</sup> (30 hectares) area – equivalent to an employment density (number of employees per km<sup>2</sup>) of 187,000. This is greater than the corresponding employment densities of the City of London (174,200) and Greater London as a whole (3,280).

It should be noted that data outside of the City of London is skewed by the inclusion of all non-employment land areas (e.g. housing, parks, open spaces) with a greater prevalence of these assets provided outside of the City of London.

Irrespective of this, mapping the employment density by LSOA, as shown in **Figure 8** illustrates that the Cheapside BID has one of the highest employment densities across London. This confirms the Cheapside BID as a major employment hub.

**Figure 8** also illustrates how employment density in London tapers off outside of the City of London, and Greater London more generally.

**Figure 8 - Job Density in Inner London (jobs per km<sup>2</sup>, 2018)**



Source: Business Register Employment Survey data

# COMPANIES HOUSE DATA

## TOP EMPLOYMENT SECTORS

Companies House data from October 2020 has been analysed to identify the types of businesses registered to addresses within or immediately adjacent to the Cheapside BID and, correspondingly, the types of businesses operating in Cheapside. This provides a more holistic and detailed view of the type of businesses supported in the BID.

Currently, there are 5,169 active and registered businesses in the area covering a variety of different sectors as shown in **Table 3**.

A breakdown of 2 digit SIC codes shows that the following were the top industries currently registered:

1. Financial Services excluding insurance and pension funding
2. Office administrative; office support and other business support activities
3. Activities of head offices; management consultancy activities

Please note that companies can be classified under more than one SIC code and, in this instance, the Primary SIC code has been analysed. **Figure 9** maps the location of Cheapside's businesses by six-digit postcode. This illustrates a fairly even distribution of businesses across the BID area, with several larger clusters straddling Cheapside Street.

As of 2020, the top three sectors accounted for 39.0% of the total registered businesses in Cheapside with Financial Services the largest of these accounting for 20.7%.

Companies House data also shows the number of new active companies created each year. In 2019 and 2020, 612 and 167 new active companies respectively were newly registered to addresses in the Cheapside BID. The new companies are within similar industries to those which are already located in the BID area. The top business growth sectors for 2019 were:

1. Financial Services excluding insurance and pension funding
2. Office administrative; office support and other business support activities
3. Real estate activities
4. Activities of head offices; management consultancy activities
5. Computer programming; consultancy and related activities

The top five growth sectors account for 53.3% of all business growth in the Cheapside BID in 2019.

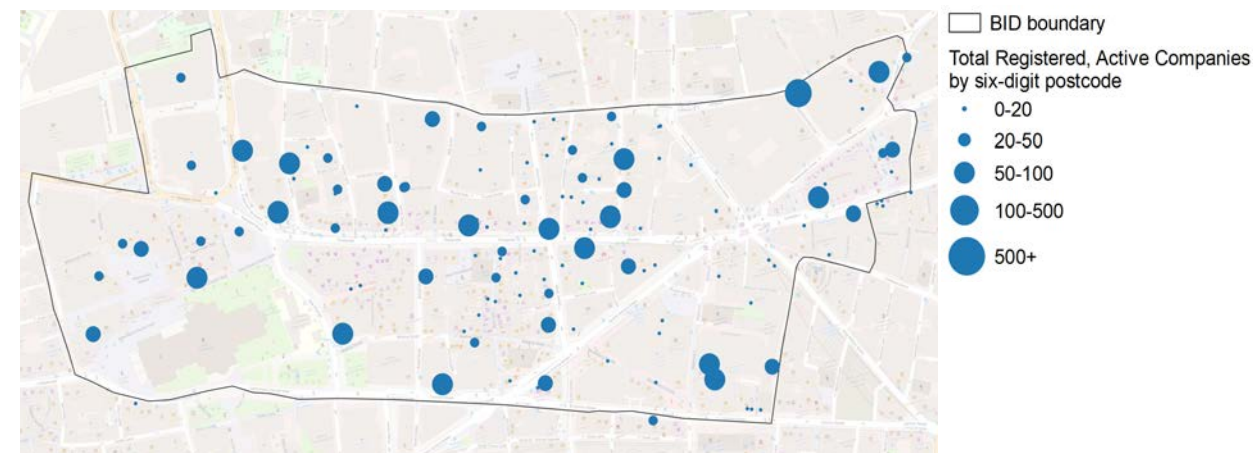
The analysis of the Companies House data aligns with the BRES analysis undertaken earlier in the report; namely that the Cheapside BID is a major employment hub across the City, with a high concentration of businesses in the financial and professional service sectors, and associated support services e.g. office administration.

**Table 3 - Top Cheapside businesses by sector (Active and Registered, 2020)**

Sector	Number of Registered Companies	% BID Total
Financial service activities; except insurance & pension funding	1,071	20.7%
Office administrative; office support and other business support activities	542	10.5%
Activities of head offices; management consultancy activities	402	7.8%
Computer programming; consultancy and related activities	305	5.9%
Real estate activities	280	5.4%
<b>Total</b>	<b>5,169</b>	<b>100%</b>

Source: Companies House

**Figure 9 - Total number of active companies registered to local and surrounding six-digit postcodes (2020)- all industries**



Source: Companies House

# NEW BUSINESSES AND BUSINESS SURVIVAL RATES

## ACTIVE ENTERPRISES

A further indication of an area's business environment is the number of enterprises present, and the business survival rates of new entries to the market. This data is only collected at the local authority level by the ONS, and it has not been possible to disaggregate this further. Despite this, analysis of the City of London data against comparator geographies is still a useful exercise in understating the wider context of the environment in which the Cheapside BID is located.

The City of London has one of the highest concentrations of businesses of any part of London. **Table 4** shows the number of active enterprises in 2015 and 2018 across selected geographies.

In 2018, the City of London had the 3<sup>rd</sup> highest number of active enterprises in London at 31,440, increasing from 26,130 in 2015 or a 6.4% CAGR. This was a greater increase than that seen for London or England as a whole, who grew by 4.2% and 3.3% over the same time period respectively.

Despite the strong overall growth in new enterprises, new business entries into the City of London have a lower survival rate than other geographical areas.

**Table 5** shows the 1-3 year survival rates of enterprises across different geographies.

The data shows that 75.2% of City of London businesses remain open after their first year, 11.2 percentage points and 14.5 percentage points lower than the London and England averages respectively.

The 2 year survival rate in the City of London is again lower than that of all other geographic areas observed, and the difference in geographical performance continues to diverge across the 3 year

survival rates with only 35% of businesses in the City of London surviving compared to over 50% for London and England as a whole.

There are many reasons why a start-up may fail, ranging from funding issues, a lack of product-market fit, or poor management. Within the City of London, the lower than average survival rate is likely to reflect the higher sunk costs faced by new businesses (e.g. higher rent and business rates), reducing their operating margins. For instance, according to data from the Valuation Office Agency, the rateable value per sqm in the City of London, which business rates are directly derived from, was £306 in 2015. This is greater than the Inner London average rateable value of £261, the London value of £193, and the England and Wales value of £80. The divergence helps to illustrate the operating margin pressures SMEs and new entrants to the market may face in the City in particular.

That said, the data is also thought to be skewed by the simple fact that so many businesses attempt to "make it" in London. Given the current economic climate as a result of the Covid-19 pandemic, these survival rates are expected to deteriorate when updated data is published.

**Table 4 - Active Businesses in 2015 and 2018 (selected geographies)**

Geography	Active Enterprises in 2015	Active Enterprises in 2018	CAGR, 2015-2018 %
City of London	26,130	31,440	6.4%
London	541,310	612,860	4.2%
England	2,347,740	2,586,645	3.3%

Source: Office for National Statistics, Business Registry

**Table 5 - Businesses Survival Rates registered in 2015 (selected geographies)**

Geography	1 year survival, %	2 year survival, %	3 year survival, %
City of London	75.2%	60.3%	35.0%
London	86.4%	68.2%	51.8%
England	89.7%	71.4%	55.2%

Source: Office for National Statistics, Business Registry

# OUTPUT

## GROSS VALUE ADDED

Gross Value Added (GVA) is a measure of goods and services produced within any given geographical area, and is the primary metric of the economic value generated by an area.

GVA data is unavailable at a more detailed geography than borough level. Cheapside's output has therefore been estimated by combining the GVA per worker by sector for the City of London, with the employment by sector for the Cheapside BID (calculated earlier in this report).

Based on this approach, the estimated total GVA of the Cheapside BID is £7.9 billion in 2018 as illustrated in **Figure 10**. This equates to an average GVA per worker in Cheapside of £142,490, marginally higher than the average for the City of London (£136,595) and significantly greater than that for London as a whole (£87,259). This is illustrated in **Figure 11**.

In relation to the GVA generated by the City of London as a whole, the Cheapside BID accounts for 11.4% of the total. This is in line with the BID's relative proportions in terms of surface area and total jobs supported.

The sectors which generated the most GVA for the Cheapside BID in 2018 were:

1. Financial & insurance
2. Professional, Scientific and technical
3. Information and Communication

The three sectors contributed approximately 79% of the Cheapside GVA in 2018, again highlighting their

importance to the BID and the high value nature of their services.

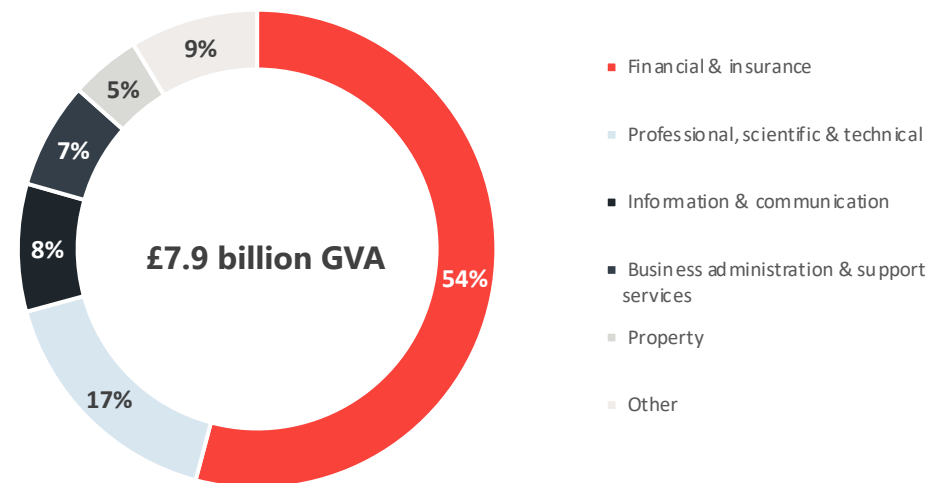
### Tax Revenue

Further analysis has been undertaken into the amount of GVA which accrues to the Treasury in the form of taxation.

The proportion of national income (i.e. total GVA) that accrues to the Treasury in the UK was estimated to be approximately 37% by the Institute for Fiscal Studies (IFS). Other publications have placed the figure between 30% - 40%. The main types of taxation are: Income Tax, National Insurance contributions and VAT which account for approximately two thirds of total taxation collected by the UK Government.

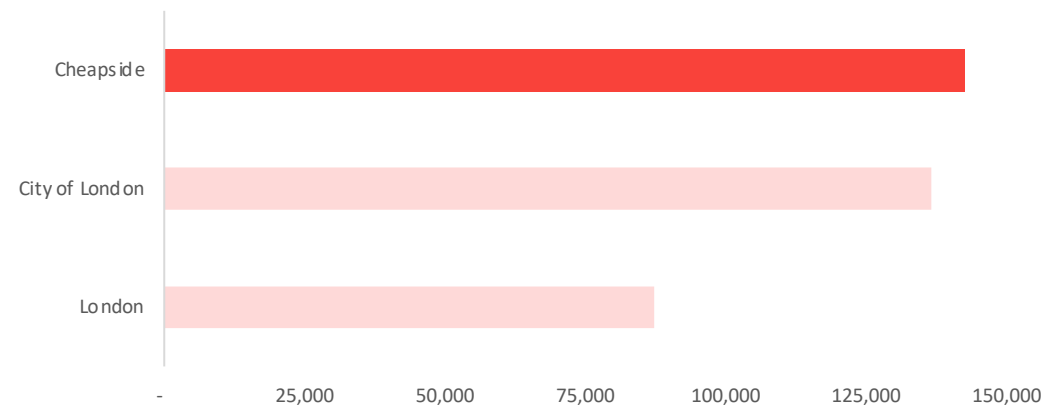
Using the IFS figure of 37%, it can be estimated that **Cheapside generated £2.9 billion in tax revenue in 2018.**

Figure 10 – %, Breakdown of Cheapside GVA in 2018



Source: ONS and WSP Calculations

Figure 11 - GVA per worker (£) in 2018 (selected geographies)



Source: WSP Calculation based on GVA and Number of Employees (previous calculations)



# DEPRIVATION

## INDEX OF MULTIPLE DEPRIVATION

The Index of Multiple Deprivation 2019 (IMD) is the official measure of relative deprivation in England published by the Ministry of Housing, Communities and Local Government. It ranks all small areas (LSOAs) from 1<sup>st</sup> (most deprived) to 32,844<sup>th</sup> (least deprived) on seven distinct domains. The following are the domains with their respective weighting in brackets.

1. Income (22.5%)
2. Employment (22.5%)
3. Health Deprivation and Disability (13.5%)
4. Education, Skills Training (13.5%)
5. Crime (9.3%)
6. Barriers to Housing and Services (9.3%)
7. Living Environment (9.3%)

**Figure 12** maps the overall IMD ranking of LSOAs in Central London by decile. The different colours represent the different deciles of deprivation, with blue the least deprived and red the most. The map shows that the three LSOAs which cover the BID are amongst the least deprived in the country, with all three ranking in the top 30% of neighbourhoods.

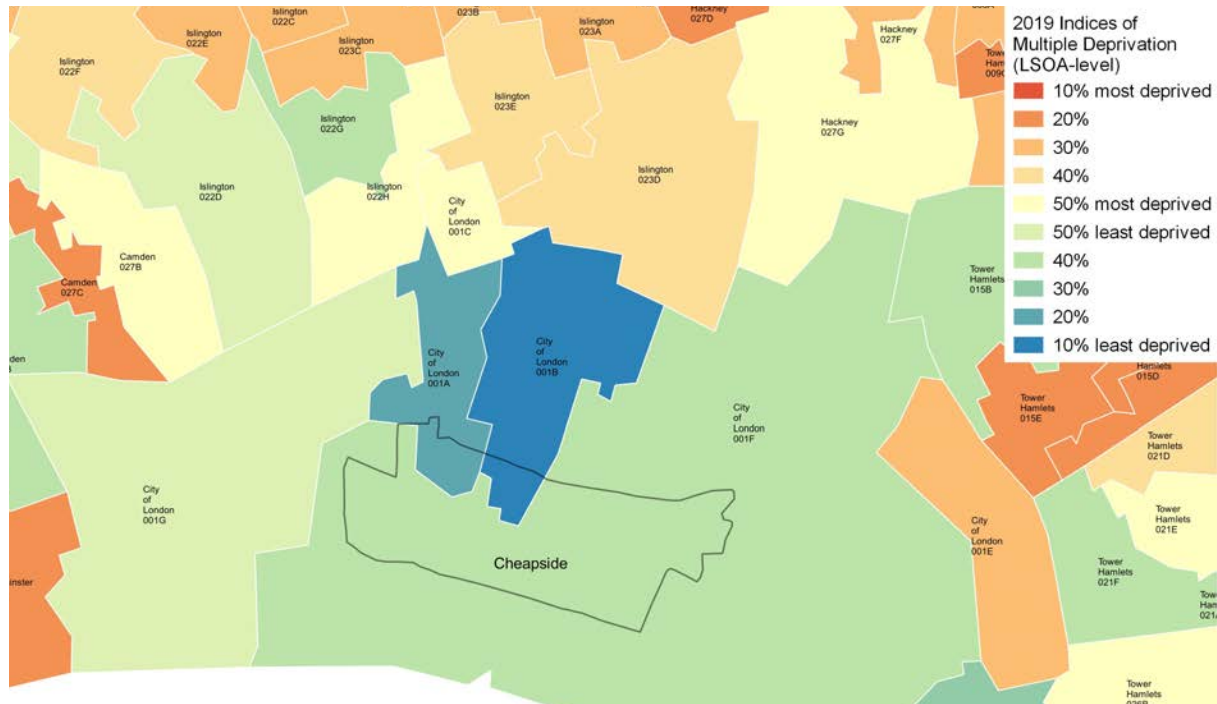
There are however variations across the different domains (see **Table 6**). While all three LSOAs perform well in terms of the income, employment, education, health and crime domains, they score considerably worse in terms of the barriers to housing and the living environment domains.

The barriers to housing domain measures the physical and financial accessibility of housing and local services. The LSOAs poor ranking, which places them amongst the most deprived neighbourhoods in the country, is a likely reflection of the minimal housing offer in these areas, as well as significantly higher house prices when compared to the national average.

Concurrently the living environment domain measures the quality of the local environment. With minimal green space and high levels of congestion compared to other neighbourhoods in England, it is not surprising the three LSOAs also score poorly in this regard.

That said, in general it can be said that the Cheapside BID, and the LSOAs it falls within, do not suffer from high levels of deprivation compared to other areas in England.

Figure 12 - Indices of Multiple Deprivation, 2019, London



Source: MHCLG, Indices of Deprivation

Table 6 - Index of Multiple Deprivation, 2019, LSOAs in the City of London

LSOA	Overall	Income	Employment	Education, Skills & Training	Health Deprivation & Disability	Crime	Barriers to Housing & Services	Living Environment
CoL 001A	9	10	10	10	10	10	3	3
CoL 001B	10	10	10	10	10	10	4	4
CoL 001F	7	10	10	10	8	10	1	1

# ACCESSIBILITY

## TRANSPORT AND MOBILITY

The Cheapside BID is extremely well connected, with three of London's busiest tube stations – St Pauls, Bank and Cannon Street- all falling within the boundaries of the BID area. Mansion House tube station is also located just outside the BID boundary.

These stations give the area direct access to six underground lines – Central, Northern, Waterloo and City, District, Circle, and the Docklands Light Rail.

**Figure 13** maps the tube stations located within the BID and in the vicinity.

In addition, the BID area is also in close proximity to the City Thameslink which connects the City of London with St Pancras International, Cambridge, Peterborough, London Luton Airport, London Gatwick Airport and Brighton.

These transport links, and the BID's level of accessibility is a key driver of development density and employment growth. Areas with the high levels of accessibility can support the most economic activity.

A further method of measuring the level of accessibility in an area is using the Transport for London's (TfL) Public Transport Accessibility Level (PTAL) rating system, whereby areas of 100 metres by 100 metres are assigned a rating of between 1a (low) and 6b (high) in terms of the quality of their public transport infrastructure.

**Figure 14** shows that the PTAL score for the entire Cheapside BID was 6b (the highest rank), demonstrating that the level of accessibility is high within the BID.

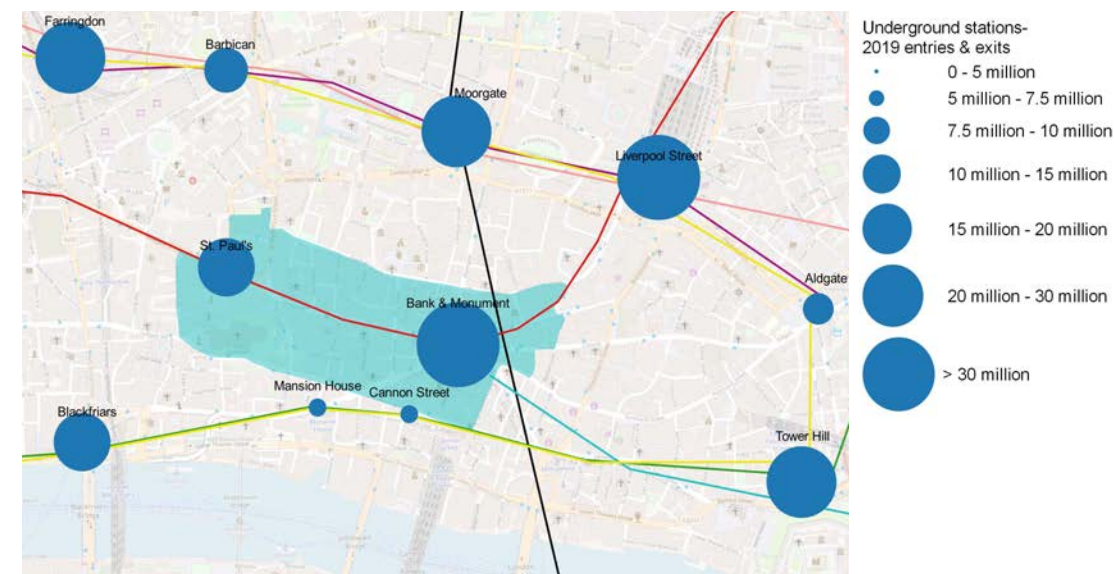
TfL has also conducted research into Central London

journeys which are quicker to walk. Given the close proximity of the three station in the Cheapside BID, it is quicker to walk between some stations rather than use the underground.

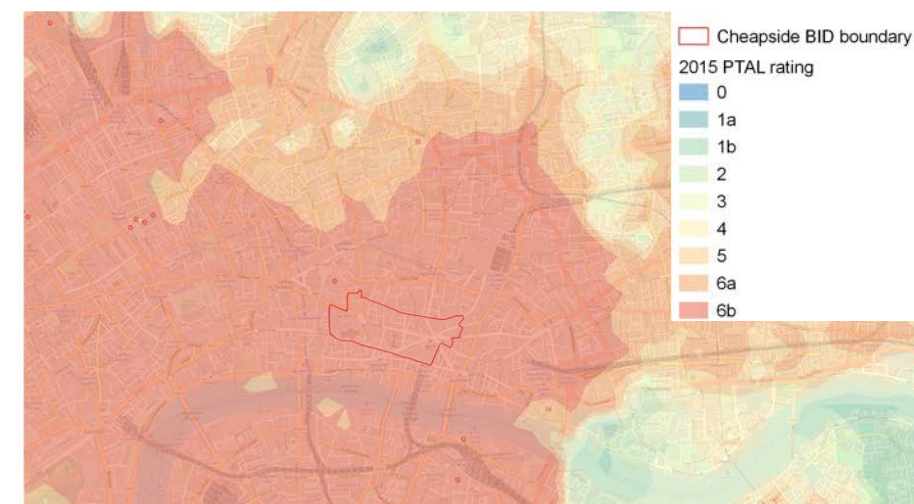
The following journeys are highlighted by TfL in the top 10 priority routes for walking.

- Bank -> Mansion House: This journey is 5 minutes or approximately 500 steps.
- Bank -> Cannon Street: This journey is 4 minutes or approximately 400 steps.

**Figure 13 – BID area boundaries (blue) and nearby London Underground Stations by total annual passenger entries and exits (2019)**



**Figure 14 – PTAL Score in Cheapside, compared to surrounding areas**



# ACCESSIBILITY

## TRANSPORT AND MOBILITY

Bank station is one of the busiest stations in London in terms of average daily entries and exits, with an estimated 61.8 million entries and exits to and from the station in 2019.

**Figure 15** shows that for the four nearest stations to the BID boundaries, overall entries and exits have broadly increased since 2007, although passenger numbers to these stations did experience a minor slump in the period 2016-2018.

**Figure 16** demonstrates that, in spite of the recent diversification of uses in the City of London and the push towards a weekend economy, passenger numbers at local London Underground stations drop considerably at weekends.

Of the four local stations, Cannon Street experiences the biggest drop in station entries between weekdays and Saturday, with Saturday entries numbering only around 29% of weekday entries in 2019 (Cannon Street's figures for 2010 are zero on weekends due to its closure during that year). Comparatively, in 2019 St Paul's Station experienced the smallest average change in passenger numbers over the weekend, with Saturday station entries 56% of total average weekday entries.

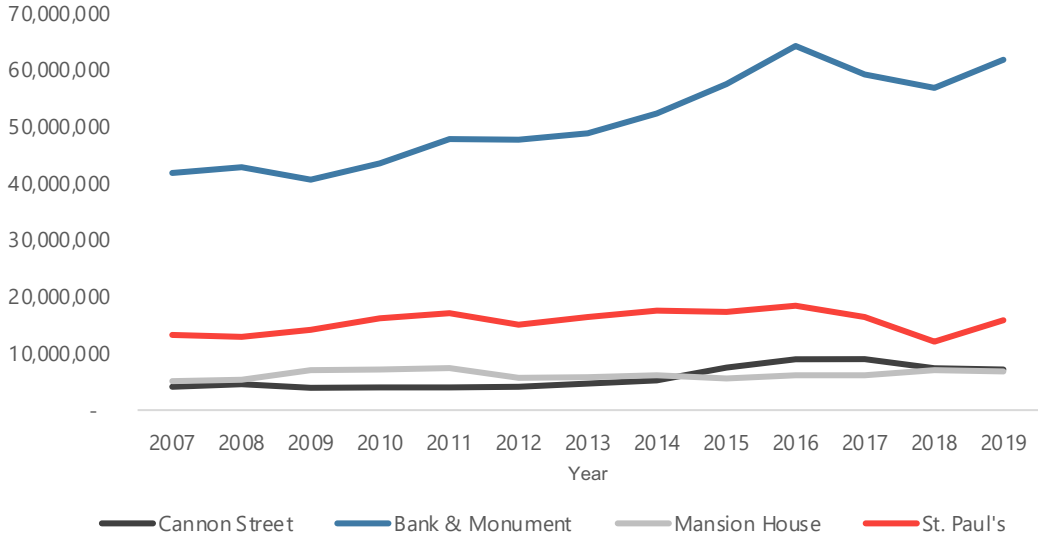
Notably, Bank and Monument stations have experienced a considerable uptick in weekend passenger numbers in the period up to 2019. Total average station exits on Saturday in 2019, for example, were 41% higher than the equivalent figures for 2010.

In terms of passenger numbers over the course of 2020, all four stations have (predictably) seen a

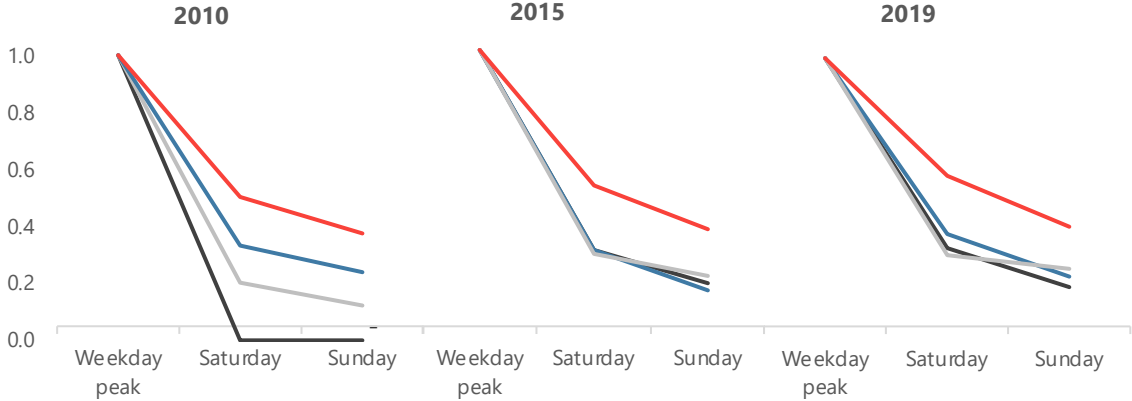
significant drop in both weekday and weekend entry and exit numbers.

TfL data shows that total passenger entries at Bank Station (not including Monument) for equivalent Mondays before and during the national government's lockdown slumped considerably from 67,683 entries on February 3 to 1,027 total entries on May 4. The figures have marginally recovered since May, with a total of 10,939 passenger entries on September 4 (at a point of relatively minimal restrictions to office working). However, passenger entries prior to the national government's second lockdown have not recovered to February-March figures.

**Figure 15 – Annualised Entries and Exits by Local Station- 2007-2019**



**Figure 16 – Average number of weekday/weekend entries by Local Station by year**



# ACCESSIBILITY

## TRANSPORT AND MOBILITY

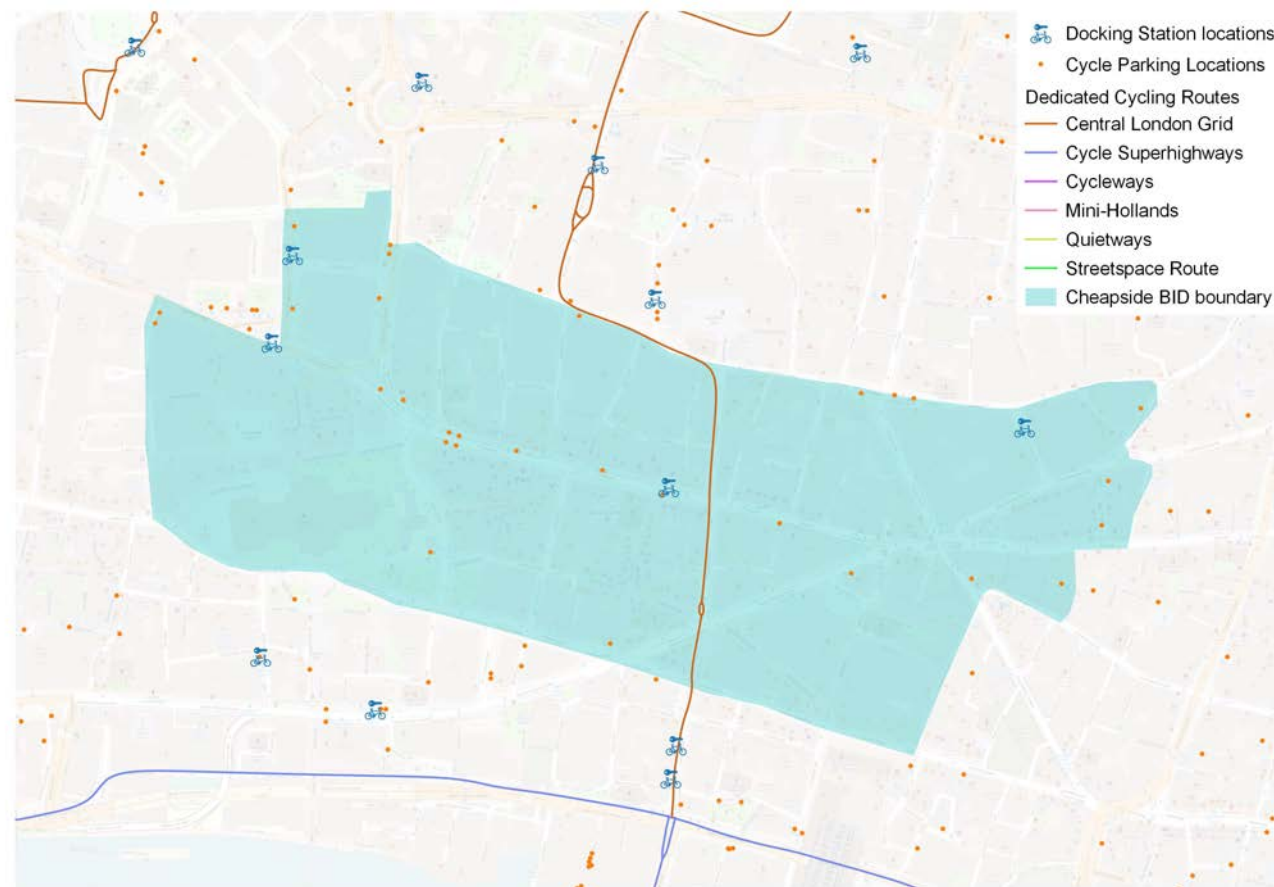
The Cheapside BID area is relatively well-served by infrastructure to enable cycling and car-free commutes.

As shown in **Figure 17**, there are four TfL Santander Cycles docking stations within the boundaries of the BID area, along with part of the Central London Grid bicycle path, which runs along Queen Street, King Street and Gresham Street.

Recent data from the 2 to 8 September 2020 on usage of TfL Santander Cycles suggests that journeys from local docking locations to a second location are only marginally less common than journeys from other locations to local docking stations. During this period there were a total of 1,580 journeys from local stations and 1,770 journeys from other London locations to the four local docking stations.

Figures for the 4 to 10 September 2019 (a period of relative normalcy in terms of the number of workers travelling to the City) show considerably higher numbers of inbound and outbound cycling trips to and from docking stations in the area. In the week of 4-10 September 2019, there were a total of 2,358 bicycle trips from docking locations in the BID area and a total of 2,456 trips to the BID area from other locations.

Figure 17 – Local Cycling Infrastructure in and around the Cheapside BID area



Source: Transport for London



## 4. DEVELOPMENT PIPELINE

# DEVELOPMENT PIPELINE

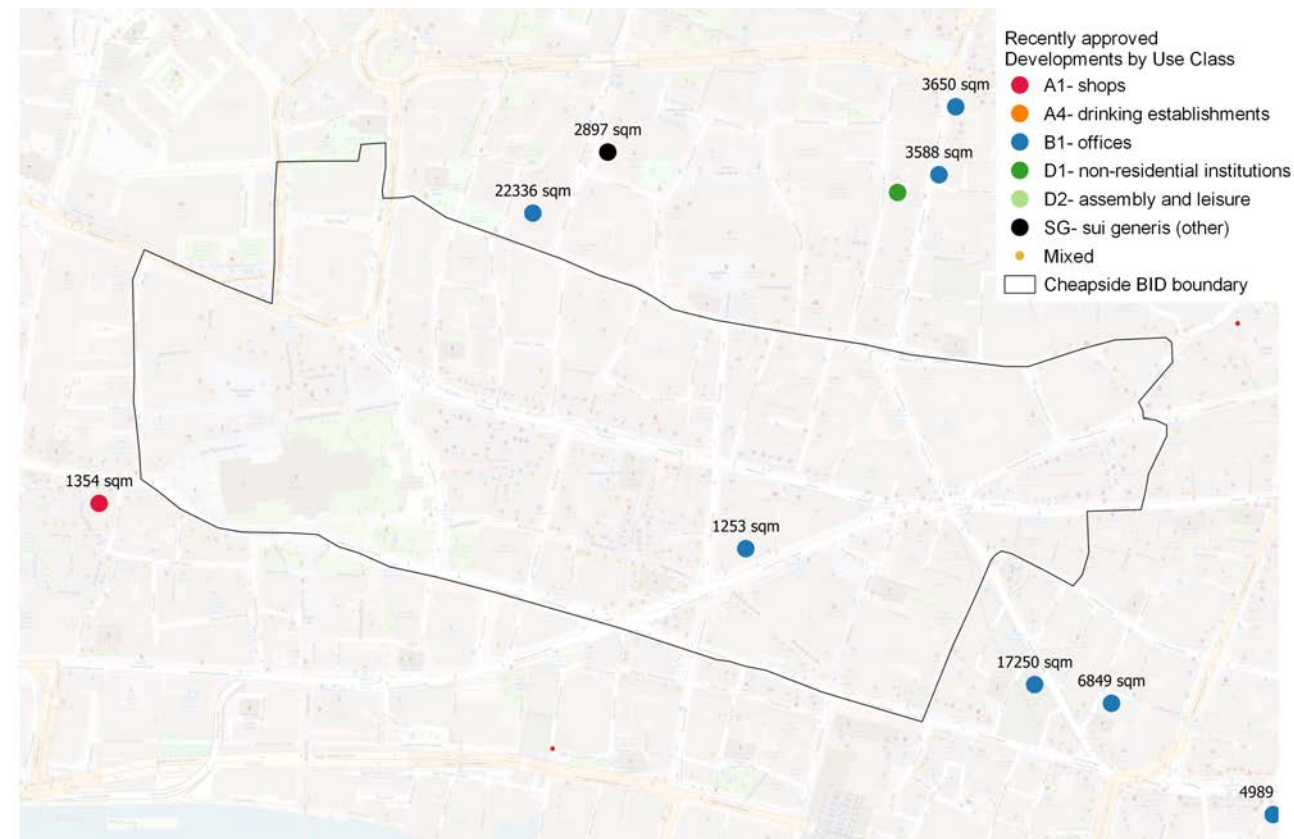
## HISTORIC & FUTURE COMMERCIAL DEVELOPMENT

The area within Cheapside BID has a smaller density of forthcoming planning applications than neighbouring areas of the City, such as Moorgate to the north and the financial services and insurance cluster around Bishopsgate, to the east.

As shown in **Figure 18**, as of August 2019, the only proposed development captured by the London Development Database which fell within the BID boundaries was the conversion of the ground floor of a bank to office space on Queen Victoria Street.

Despite the recent diversification in uses across the City of London in recent years away from predominantly commercial space, the area has largely not seen an uptick in new-build residential development or conversions as has been the case in Aldgate and the area to the immediate north of the BID area. A total of 41 residential units have been approved and completed within the boundaries of the BID area during the period 2005-2019. The GLA's population yield calculator tool estimates that this increase in overall units over the fifteen year period corresponds to a population increase of **63 additional residents**.

**Figure 18 - On-going development with planning permission by general use class and proposed new, non-residential floorspace (sqm)**



Source: London Development Database

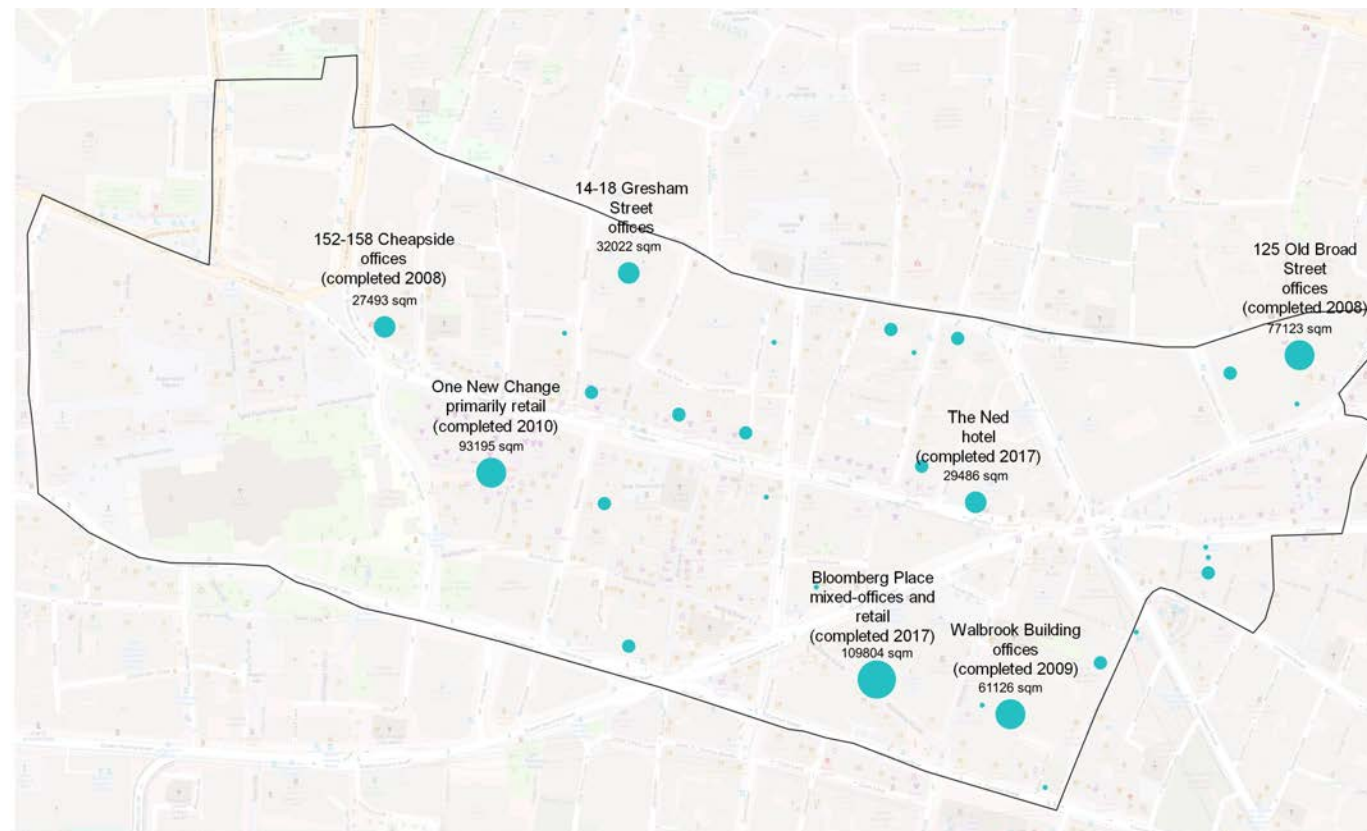
# DEVELOPMENT PIPELINE

## HISTORIC & FUTURE COMMERCIAL DEVELOPMENT

In recent years, however, there have been a number of large-scale commercial developments within the BID boundary, such as Bloomberg Place, which was completed in 2017 and has delivered more than 100,000 sqm in additional commercial space. Other major projects in the BID area over the past few years have included the conversion of the former Midland Bank to provide the area's largest luxury hotel, The Ned, which opened in 2017. These developments, and their relative size, are illustrated in **Figure 19**.

In net terms, a total of 152,000 sqm of additional non-residential space has been constructed over the period 2005-2019. When applying the former Housing and Communities Agency's Employment Density Guidance, this is anticipated to have generated **between 9,000 and 10,800 additional full-time equivalent jobs in Professional Services industries**. Further additional jobs in the hotel and retail sectors will also have been generated during this period.

**Figure 19 - Completed development within BID area boundary, 2005-2020 by proposed floorspace (sqm)**



Source: London Development Database

## 5. KEY CHALLENGES AND OPPORTUNITIES



# COVID-19 ECONOMIC IMPACT

At the time of writing (November 2020) the size of the UK economy, despite recording monthly GDP growth across the summer months, remains 8% below its pre Covid-19 levels, a direct consequence of the record output fall in 2020q2.

The short and medium-term economic implications for the Cheapside economy vary greatly across sectors. On the one hand the professional, financial and information/communication sectors, which were already shifting to more online and remote working, have been able to adapt more easily during the pandemic. For these industries, while some changes to policies and workplace environments may be necessary, output and employment have broadly recovered from the initial shock, albeit perhaps at a higher cost.

Conversely, other sectors are far more vulnerable to a combination of lower footfall and increased costs, resulting from reductions in travel and tourism, possible reductions in domestic consumer spending, and the continuation of social distancing and other policies (imposed or voluntary) designed to reduce the risk of virus transmission.

This is particularly true of Cheapside's accommodation and food service offering, which without the Monday-Friday workforce influx has struggled to stay operational. Anecdotal evidence illustrates that small and independent businesses in particular have been impacted, with many still not reopening following their enforced closure in March. This is reflected in the latest GDP data for September

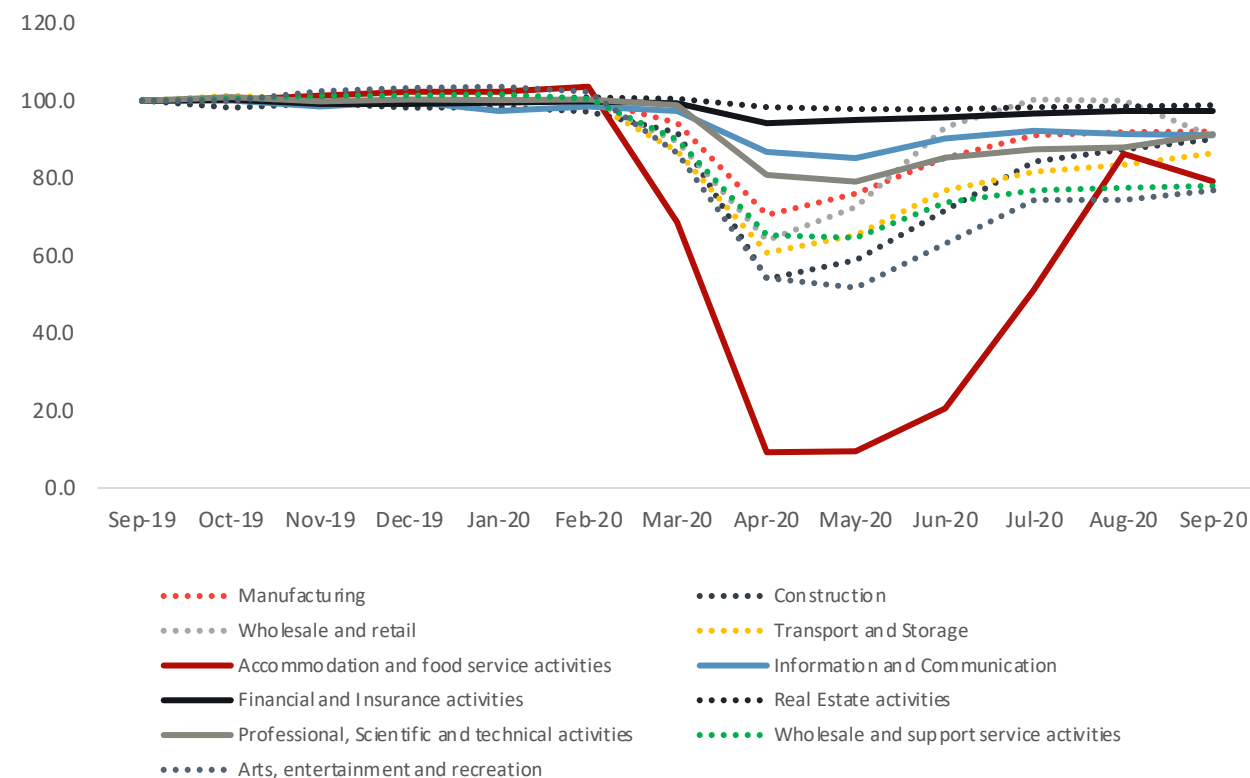
2020, which shows output in hospitality sectors such as accommodation and food services, and the arts and entertainment sectors, remaining over 20% down on their pre Covid-19 levels. Conversely sectors which have been able to adapt to home working and have not faced severe restrictions to their activities – such as the financial services sector – have seen their output broadly recover. This is illustrated in **Figure 20** for the UK as a whole.

The GLA have taken this into account and in their latest macroeconomic forecasts provide 3 medium term scenario predictions for the London economy:

- **Scenario 1** - Fast economic recovery (an optimistic but plausible scenario) – in which output recovers by 2021q2;
- **Scenario 2** - Gradual economic recovery – in which output recovers by 2022q4; and
- **Scenario 3** - Slow economic recovery – in which output is yet to recover by 2022q4.

While the "fast recovery" projection is possible, WSP are of the view that a gradual more protracted recovery (more akin to scenario 2) is most likely. Clearly any recovery will have been hampered by the second national lockdown introduced in November, with further support required for those hospitality sectors most vulnerable.

**Figure 20 – UK monthly GVA by sector (Index: September 2019=100)**



Source: ONS (Cheapside's dominant sectors represented by solid lines)

# COVID-19

## SOCIETAL IMPACT AND THE ONSET OF HOME WORKING

While the economic impacts of the Covid-19 pandemic are severe, they are expected to be temporary in nature, with most economic forecasts predicting that the economy will recover within 2 years. The recent news regarding the promising developments of several Covid-19 vaccines, should further support this view.

What is perhaps more interesting moving forward are the wider societal changes to the way in which we work and socialise, and the long-term impact this will have on inner city locations such as Cheapside.

For example, home working is now the (temporary) national and international norm (**Figure 21**), and this may have far-reaching implications for the future demand for employment space, in particular office space.

Already we are seeing major tech companies such as Twitter and Facebook saying employees can work from home permanently if they want to. The move to remote working – which many have enjoyed and actually have found to be more productive – could see companies use this as an opportunity to downsize, to reduce operating costs and invest more in technology and training. Indeed research by investment bank Morgan Stanley has predicted that, throughout Europe, the numbers of those working from home for all or some of the week will more than double to 30% by 2030.

There could also be a structural shift in terms of office locations, with more companies opting for cheaper out-of-town or suburban locations, as opposed to expensive inner-city urban locations. All of this would drastically reduce the footfall in Cheapside, negatively

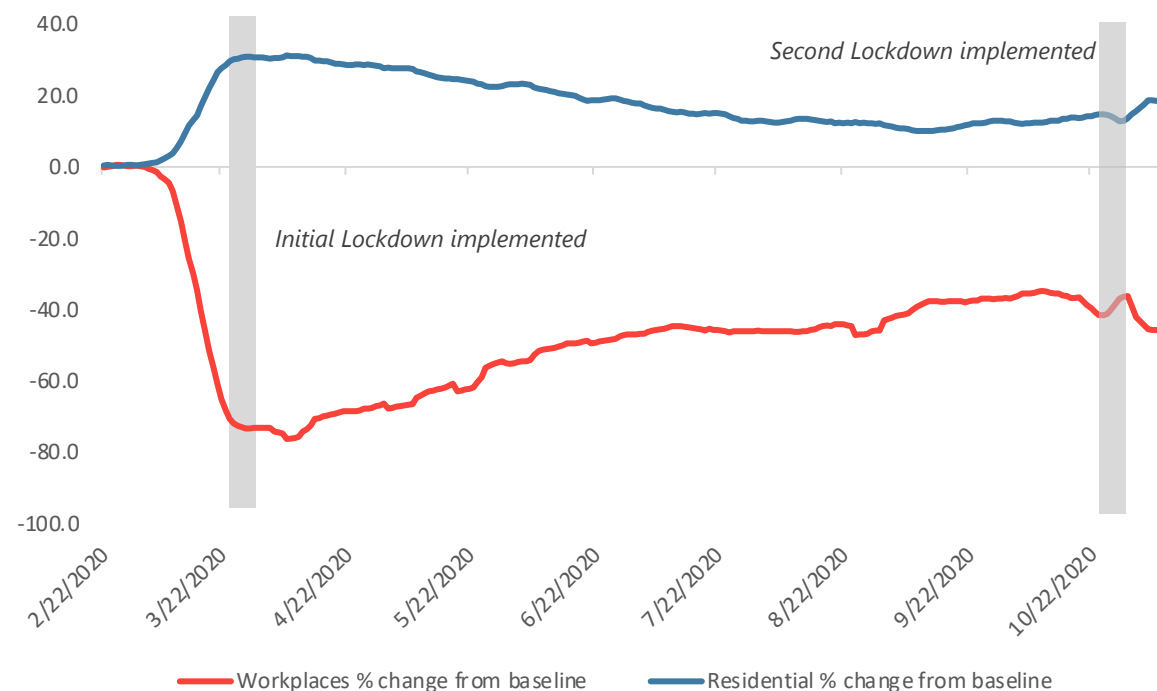
impacting the vitality of the area.

However, while the pandemic has brought insight into the benefits of remote working, it is unlikely that the age of urbanisation is over. Cities have been important to global economic development. The so-called agglomeration benefits of cities – the way in which, as scale and density increases, output and productivity rises – are well understood. These gains arise because cities (and offices) foster specialisation, learning, relationships, competition and the exchange of ideas. This is particularly important for younger workers, at the start of their careers.

There is also evidence that workers want an office they can attend, be it two or three days a week, as evidenced by the anecdotal pick-up in footfall during September, as well as the TfL passenger data previously assessed. The opportunity to come into the City, to meet colleagues and socialise remains an attraction for many.

What we may see instead therefore, are offices reducing in size – in order to accommodate say 50% of a workforce at any one time – but becoming more attractive and “destinations” in their own right, importing some of the home comforts that we’ve become used to. One school of thought is that we will see the major re-purposing and “hotelization” of large office blocks within Cheapside, with businesses downsizing to say one or two floors with sustainable building designs, more characterful buildings and lower rents, but still retaining an employee hub.

**Figure 21 – Greater London Google Mobility Report**



Source: Google Mobility Data – google activity metrics compared to baseline (7 day rolling average)

# BREXIT

## POSSIBLE IMPACT ON THE CHEAPSIDE ECONOMY

Leaving the EU (in terms of its potential impacts on trade, investment and the availability of labour and skills) remains one of the greatest economic risks to the UK's business environment and broader economy in the long run. This may seem trivial in the context of the deepest recession in living memory as a result of the Covid-19 pandemic, but this places undue weight on the dramatic, but mostly temporary impacts of Covid-19, compared to the larger, long-term costs of Brexit, which could be expected to accumulate over time.

In December 2020, the UK Government announced that a post-Brexit agreement on trade has been agreed, just a week before the transition period between the UK and the EU ended on the 31 December 2020. While this was welcome and avoids the disruption of a 'no-deal' Brexit in the middle of the Covid-19 pandemic, the agreement is primarily centred around the rules for goods crossing borders. It says far less about trade in services, the dominant sector of the Cheapside, and wider UK economy.

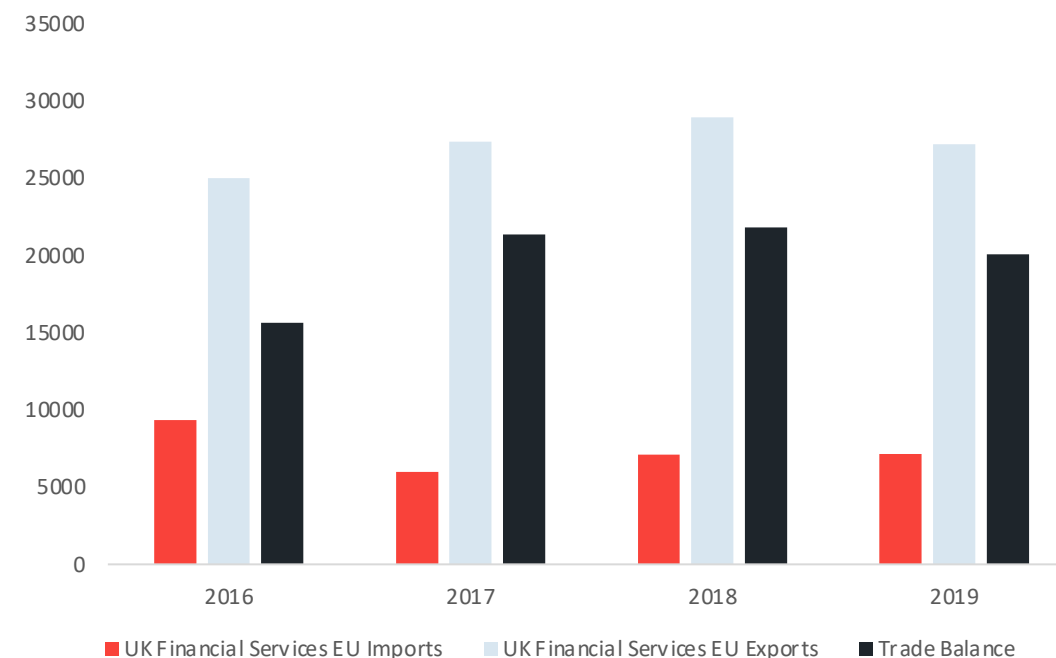
For Cheapside, the impact on the financial services sector, and related activities such as legal services, will be of great concern. Decisions on issues such as equivalence, regulatory alignment and the ability of UK firms to access the single market (often collectively referred to as 'passporting rights'), as well as the ease with which closely related professionals such as lawyers are able to travel to and from the EU for work, **are still to be confirmed, and will be at the forefront of businesses' minds going into 2021.**

This is particularly important given that according to some estimates, a quarter of the financial services sector's annual revenue comes from business related

to the EU. However, the relationship works both ways: London is a world leading financial centre, with no European alternative able to match it on efficiency and cost-effectiveness. This is evident in **Figure 22**, with the data illustrating that the UK boasts a £20 billion trade surplus with the EU in financial services. Based on discussions with members of the BID board, there is a general feeling that given the reciprocal nature of the benefits, equivalence rights will be granted, following further discussions across the start of 2021.

Away from the financial sector, more generally the importance of foreign workers to London and the Cheapside economy – both in highly skilled and entry level jobs – cannot be played down. It is estimated that 14% of jobs in London in 2017 were held by workers born in the European Economic Area (EEA) compared to 6% in the rest of the UK. EEA workers play a particularly prominent role in certain industries. For instance they account for over a quarter of jobs in the accommodation and food sector (28%). Any future policy that restricts the free movement of labour from the EU, will have significant impacts on Cheapside's eco-system.

**Figure 22 – UK's trade in financial services with EU (£, millions)**



Source: ONS (Financial services includes financial and insurance activities.)

# PROMOTING THE BID

## WAYFINDING AND SIGNAGE

Prior to the Covid-19 pandemic, there had been a drive across the BID to promote Cheapside as a 7-day retail and leisure destination, as opposed to a predominantly workforce hub Monday to Friday. Unfortunately, the economic impact of the Covid-19 pandemic will have stunted a lot of the progress made over the last 5 years, with many of the smaller, independent hospitality services (e.g. shops, cafes, bars, restaurants) still shut, and their long-term future uncertain. Meanwhile the shift in work patterns means the BID now finds itself in a situation where it needs to attract workers back during the work week, as well as visitors.

While the drive to attract office workers back will be dependent on how people view their workplace (e.g. does their office environment entice them to come back) and individual company policy, crucial to attracting more international tourists and residents of London will be the improved promotion of Cheapside's retail and leisure offering.

This is the archetypal Catch-22 situation. Unless there is greater footfall to the area, further shops, restaurants and cafes won't want to set up business there. Concurrently, unless these services are there, people won't come. There is a requirement for collaboration between the BID, City of London Corporation and TfL to promote and market Cheapside as a destination in itself, thereby encouraging businesses to set up there (or remain), and to help the BID to regain any of the ground lost over the past 9 months.

There is also a more general issue of wayfinding across the BID. Evidence garnered from the Business Alliance Consultation the Cheapside BID undertook,

found that the majority of businesses within the BID reported issues in wayfinding and local area orientation, not just for staff but also for their business visitors. The retail and leisure businesses also wanted better signage to assist and help promote visitors and tourists into the area. Put simply, people are not aware where Cheapside is. Better signage has and remains a key challenge for the BID moving forward.



*Better signage remains a key objective for the Cheapside BID.*

# TECHNOLOGY

## NEW TECHNOLOGY IS RESHAPING CHEAPSIDE'S ECONOMY

The role of technology and automation is reshaping economies as we know them.

Indeed, the speed of technological change, as well as the breadth and the depth of the changes, is having major impacts on what we produce, how and where we work, and indeed how we earn a living. This is impacting all sectors of the economy, none more so than the financial and insurance sector, a dominant driving force within the Cheapside BID.

Key technological drivers behind the sector include:

- The rise of **FinTech** and **LegalTech** start-ups, which, underpinned by customer-friendly solutions and unencumbered by legacy systems, have encroached upon established markets. Focussing on particular innovative technologies or processes, they are challenging the incumbents in all areas from mobile banking (e.g. Monzo, Revolut) and insurance (e.g. Tifgroup), to foreign exchange (e.g. TransferWise). Their work seeks to improve upon the traditional financial services offering, by using new technology to streamline processes and enhance the overall customer experience, thereby digitally disrupting the UK's financial sector, and changing its structural make-up.
- Linked to the rise of FinTechs, is the use of **Cryptocurrencies**, and in particular **Blockchain**. The list of potential uses of Blockchain is almost limitless, from financial transactions and automated contractual agreements, to tax regulation and equity trading. Several industry groups have already come together to commercialise the technology and apply it to real financial services scenarios – including one

of Cheapside's dominant employers, the Bank of England. This trend is expected to continue as funding and innovation helps to drive blockchain technology from a largely retail focus to include more institutional uses in the coming years.

- There have already been astonishing advances in **robotics** and **AI**, **machine learning** and **pattern recognition** in recent years, enhancing the productivity and efficiency of firms in the financial sector. Existing applications include risk management analysis, chatbots and virtual assistants, underwriting, fraud detection, and algorithmic trading. However, over the next 10 years, it is expected that there will be shift from standalone uses of these technologies, to full integration into a company's business-as-usual activities.

The result of these technological changes – as well as the higher value employment opportunities and huge productivity benefits within the BID – is a changing workforce and work patterns.

Indeed, while technology provides substantial new enterprise and job creation opportunities, especially in locations where skills and talent are already concentrated, we have seen in recent months that it is also a huge facilitator of remote working.

Striking the balance between attracting workers to Cheapside's centrally located assets and the desire to find new ways of working will need to be thought through carefully.



Source: Bank of England  
*The Bank of England has examined how Britain could adopt a bitcoin-style digital currency in the future.*



# RETAIL SECTOR

## THE PANDEMIC COULD ACCELERATE A STRUCTURAL SHIFT IN THE RETAIL SECTOR

The impact of Covid-19 on the retail sector is likely to accelerate a number of the pre pandemic structural trends, a positive based on our consultations with members of the Cheapside BID board.

Indeed, the enforced closure of all non-essential retail stores as a result of the initial national lockdown in March has accelerated a shift away from physical retail purchases to online purchases.

Online sales accounted for approximately 20% of UK retail sales before the pandemic. At its peak, as a total of all retail sales, e-commerce accounted for 33.9% of sales in May (**Figure 23**). While high-street activities have returned since May, helping to bring the proportion down to 27.5% in September (**Figure 24**), there are indications that the shift in consumer preferences could persist in the long run.

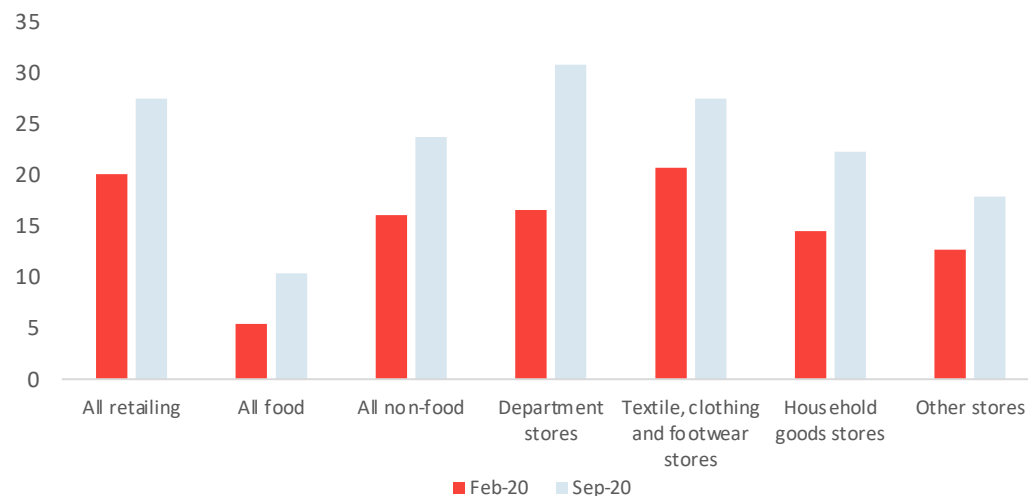
As a result of the move to online shopping, major department stores such as Debenhams, M&S and House of Fraser, who were already struggling financially before the pandemic, have seen footfall dramatically fall and hence have been left with a large amount of excess underutilised space. Consequentially in many cases they are looking to shut down stores or downsize.

There is an expectation that by 2021/22, the growing closure or downsizing of large department stores will result in a significant amount of vacant units within the City, including at Cheapside's One New Change. These will be filled by smaller, niche retailers who having grown on the back of the shift to online shopping, see the next step in their businesses cycle as having a physical presence i.e. a shop.

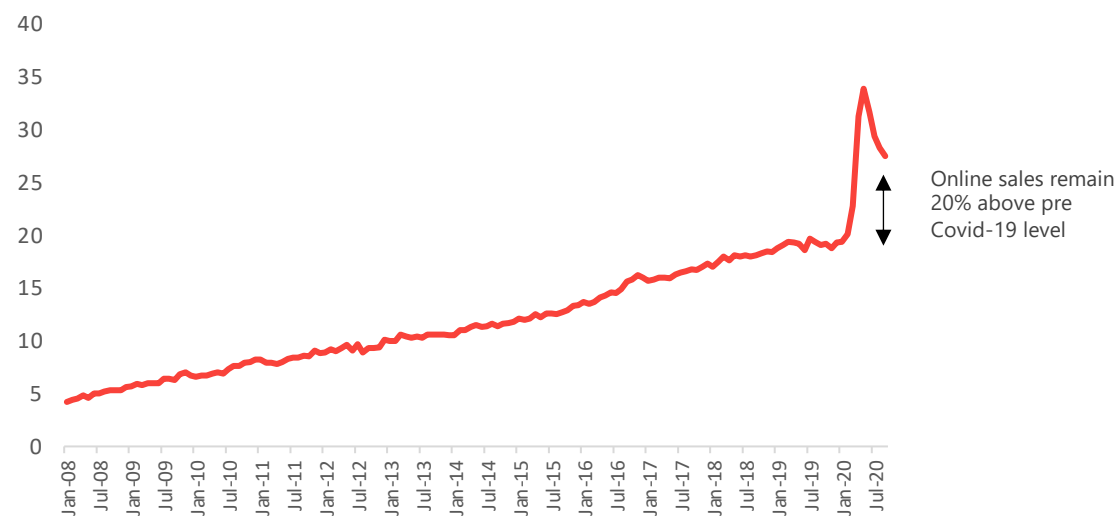
Characterised by shorter tenancies and lower sunk costs, there is a belief within the retail industry that we will see a structural shift to more innovative "pop-up" shops, which provide the customer base with a "wow" experience, as opposed to just convenience.

As a result, the Covid-19 pandemic could bring about a structural shift in the retail sector for the better.

**Figure 23 – Online sales as a percentage of retail sales by category**



**Figure 24 – Time series online sales as a percentage of retail sales**



Source: ONS

# NET ZERO

## DRIVE TO A NET ZERO ECONOMY BY 2050

The UK Government's commitment to achieving 'Net Zero' carbon emissions by 2050 – now enshrined in law – will have a significant impact on how commercial development as well as transport infrastructure will be planned, delivered and financed within the Cheapside BID.

Already the BID has had a focus on introducing more green space within Cheapside, as well identifying suitable interventions to offset emissions and to promote Cheapside as a "clean air" business district e.g. through the provision of Santander Cycle Docking stations in conjunction with TfL. The BID also helped to modify the major junction at Bank, in order to make it safer for cyclists and pedestrians.

The drive to a Net Zero emissions target will see real estate within the area undergo significant change, continuing transitions that are already well underway. New residential and commercial buildings for instance, under the guidance of UK Green Building Council (UKGBC), will require significant investment in new sustainable heating and power infrastructure, while there will also be a need for widespread retrofitting of old buildings. These technologies will be driven by new power sources e.g. hydrogen and biomass, but will also require widespread implementation of building management systems, smart systems and demand side response (DSR) systems, generating considerable opportunities and new business for tech companies within the BID, and their value chains.

The Net Zero agenda will also provide many opportunities in high-value service sectors, with legal, financial and consulting expertise required when it comes to financing low carbon and Net Zero projects. The Government has said it wants the UK to develop

world leading 'green finance' capabilities, a growing arm of the UK's already dominant services sector. The announcement in November 2020 that the UK government will issue its first **green bond** next year, in a bid to capitalise on growing investor demand for assets that fund environmentally-friendly projects, further underlines this.

The location of Cheapside, in the heart of the City and with its existing economic base, makes it an ideal location for the development of these capabilities. This has been recognised by the City Corporation who in 2020 unveiled its radical new Climate Action Strategy. The Strategy will invest £68 million to help reduce greenhouse emissions over the next six years, creating 800 green jobs, and in the process make the Square Mile a net zero area by 2040, 10 years earlier than the government's goal.

The drive to a net zero economy is set to have not only environmental benefits for Cheapside, but commercial benefits too.



*The Cheapside BID has helped to make Bank junction more cycle and pedestrian friendly.*

## 6. CONCLUSIONS

# CONCLUSIONS

## CHEAPSIDE BID SOCIO-ECONOMIC PROFILE

The socio-economic baseline study has elucidated the key economic characteristics and profile of the Cheapside BID. The main findings from the report are summarised below:

- Cheapside has a relatively low resident population of **around 690 people**. This equates to approximately 7.1% of the City of London population.
- Cheapside accommodates approximately **55,510 jobs**, across a range of sectors, equating to approximately **11.0% of the total jobs supported in the City of London**.
- The total number of jobs supported across the BID has risen from 47,550 jobs in 2015, **an increase of 7,960** (16.7% or a Compound Annual Growth Rate of 5.3%).
- The dominant sector of employment across Cheapside is the **financial and insurance sector**, which supports **23,200 jobs, equating to 42% of the total workforce**.
- Cheapside also has a notable concentration of employment in the management consultancy sector (8% of workforce), legal and accounting sector (7%), computer programming (5%), and food and drink services (4%), with total employment rising across all of these sub-sectors since 2015.
- Cheapside **generated approximately £7.9 billion in gross value added (GVA) in 2018**, equating to around 11.4% of the GVA generated by the City of London as a whole.
- The high value nature of the services provided is evident in the **GVA per worker of £142,490 in Cheapside**, significantly greater than that for London as a whole (£87,259).
- The Cheapside BID **generated tax revenue of £2.9 billion in 2018**.
- Cheapside's role as an employment hub is underlined by an **employment density** (number of employees per sq km) of **187,000**. This is greater than the corresponding employment densities of the City of London (174,200) and Greater London as a whole (3,280).
- In terms of deprivation, Cheapside, and the LSOAs it falls within, do not suffer from high levels of deprivation compared to other areas in England. All three LSOAs which Cheapside has a presence in are ranked in **the top 30% of neighbourhoods in England**.
- **Cheapside is extremely well connected**, with three of London's busiest tube stations – St Pauls, Bank and Cannon Street- all falling within the boundaries of the BID area. The BID also has the highest PTAL rating of 6b.
- In recent years, there have been a number of large-scale commercial developments within the BID boundary, such as Bloomberg Place.
- In net terms, a total of **152,000 sqm of additional non-residential space** has been constructed over the period 2005-2019. This is anticipated to have generated **between 9,000 and 10,800 additional jobs in Professional Services industries**.





## 7. APPENDIX

# APPENDIX 1

## CHEAPSIDE BID GIS ANALYSIS

As set out in the main body of the report, the geography of the Cheapside BID area does not match exactly with any geographical areas for which data is recorded. For example, the BID has a presence across three LSOAs to varying degrees (see **Figure 25** for an example of this). As a result, estimates of economic statistics are approximated and scaled based on the proportion of the Cheapside BID within geographical areas for which data is available, calculated using GIS.

Using GIS software, each LSOA has been analysed to determine the proportion of the area which covers the BID geography.

The following values have been quantified and have been rounded to nearest 5%:

- City of London 001A – 20%;
- City of London 001B – 10%; and
- City of London 001F – 15%.

WSP has determined this to be the most robust approach to calculating and scaling key economic metrics including: population, employment, job density and Gross Value Added for the BID area.

### Advantages of using this method

LSOA data uses the most up-to-date information rather than historic census data.

There isn't the requirement of applying growth factors to forecast recent years.

### Limitations

The dispersion of different metrics including jobs and population are equal across the LSOA without allowing for any clustering in parts of the LSOA.

**Figure 25 – Cheapside BID area boundaries (blue) relative to LSOA boundaries (white)**

