Brent HS2 Impact Study

A Final Report by Regeneris Consulting
# Brent HS2 Impact Study

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Private and confidential
Executive Summary

i. LSH, Regeneris and Pell Frischmann were instructed by LB Brent in 2014 to examine the impacts of HS2 proposals in the South Kilburn area of the Borough.

ii. This report provides an assessment of the socio-economic implications of the HS2 proposals as set out in the HS2 Environmental Statement\(^1\), and the implications of a number of alternative HS2 scenarios established by Pell Frischmann in the accompanying technical reports.

Study Context

Local Area Context

iii. The geographical focus for the study is the South Kilburn area of LB Brent. The area has relatively distinct socio-economic characteristics:

- South Kilburn is a densely populated area, housing around 10,050 residents. The area is characterised by relatively high levels of unemployment and low skills levels. Reflecting this, household income levels are below average.
- One of the key challenges for South Kilburn is the quality of the housing stock; the area is characterised by 1960s residential estates which are now deemed to offer poor quality accommodation and are affected by overcrowding.
- South Kilburn contains concentrations of severe relative multiple deprivation: four of the five LSOAs\(^2\) which make up the area are within the 10% most deprived nationally.

iv. Partly in response to these characteristics, LB Brent has developed major regeneration aspirations for South Kilburn. The South Kilburn Regeneration Programme is a long term physical regeneration programme which over the course of a 15 year period will “transform South Kilburn from an estate of poor quality, predominantly socially rented homes into a successful neighbourhood of high quality, well designed, mixed tenure homes with quality local shops, services, employment opportunities and community facilities”\(^3\).

v. The programme anticipates the demolition and re-provision of approximately 1,250 new homes for tenants, alongside the provision of an equivalent number of homes for sale. The Programme commenced in 2011 and is being delivered in eight main phases, with delivery of the final phase (Phase 4b) expected to complete in 2026.

HS2 Proposals

vi. In 2011 the Government announced the proposed High Speed Two line (HS2) route; this was subsequently confirmed in the HS2 Environmental Statement. While the proposed route passes through the south of LB Brent entirely in tunnel, a number of surface level works are proposed

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\(^2\) LSOA – Lower Super Output Area, the smallest statistical geography for which data is available

\(^3\) South Kilburn Supplementary Planning Document (2005) http://brent.gov.uk/media/195108/South%20Kilburn%20SPD.pdf
including a ventilation and access shaft and auto transformer (ATS) at Salusbury Road in Queens Park.

Implications for the South Kilburn Regeneration Programme

vii. The site proposed for the surface level HS2 works in Queens Park is a key development site within the South Kilburn Regeneration Programme and is known as Site 18 within local policy documents. Site 18 forms part of phase 2b of the Regeneration Programme: planning consent has been achieved for the delivery of 137 residential units, 2,180sqm of commercial floorspace and significant public realm and improvements. Construction is due for completion in 2017.

viii. The development of site 18 is integral to the wider South Kilburn Regeneration Programme for a number of reasons:

- **Financial Viability** – the financial model depends upon capital receipts from the development of site 18 (and all other sites within the programme) being reinvested to finance the delivery of its future phases
- **Resident Decant** – A fundamental principle underlying the South Kilburn Regeneration Programme is that all tenants who wish to remain in South Kilburn have the opportunity to do so. A complex decant model has been designed to ensure that affordable properties are allocated to residents currently residing within blocks earmarked for redevelopment within the next phase of the Programme.

ix. LB Brent has stated that the development of Site 18 would no longer be viable if the site was utilised by HS2 for the vent shaft and auto-transformer (ATS), with potentially adverse implications for local socio-economic outcomes.

Study Objectives and Assessment Framework

x. Given the importance of Site 18 to the wider South Kilburn Regeneration Programme, LB Brent wished to understand the implications of HS2 proposals for the site.

xi. This report accompanies the Pell Frischmann technical report and provides a robust socio-economic impact assessment of the proposals. The work complies with guidance on economic impact and appraisal as set out in the HM Treasury Green Book.

xii. A number of scenarios for HS2 in LB Brent have been identified by Pell Frischmann and form the basis of this assessment. From a socio-economic perspective, there are four key geographies of interest across these scenarios:
• Site 18 – the site adjacent to Queens Park Station on which HS2 Ltd is proposing to place the vent shaft and ATS

• The Canterbury Works Site – located around 500m to the east of Site 18, bordering the existing rail alignment. The site is currently occupied by 6 businesses engaged in activities such as car breaking and motor repairs.

• The ‘Travis Perkins Site’ – a strip of former rail land, adjacent to the current surface rail alignment, to the west of Site 18. The site is currently used by a builders merchants for retail purposes.

• The South Kilburn Regeneration Programme (SKRP) – the wider area covered by the South Kilburn masterplan.

xiii. The assessment considers 5 scenarios; the development assumptions underpinning these are summarised in the table below.

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<th>HS2 ES Scenario</th>
<th>Alternative Scenarios</th>
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<tr>
<td><strong>Scenarios</strong></td>
<td>Scenario 1: No vent shaft or ATS:</td>
<td>Scenario 2: Vent shaft and ATS on Site 18</td>
<td>Scenario 3: Vent Shaft and ATS on Site 18</td>
</tr>
<tr>
<td><strong>Implications for Site 18</strong></td>
<td>Site 18 developed as planned pre HS2</td>
<td>No development possible on Site 18</td>
<td>Site 18 developed out</td>
</tr>
<tr>
<td><strong>Implications for other local sites</strong></td>
<td>Sites unaffected</td>
<td>Sites unaffected</td>
<td>Existing businesses on Canterbury</td>
</tr>
<tr>
<td><strong>Implications for SKRP</strong></td>
<td>SKRP progresses as per original phases &amp; timings; funding currently in place to deliver scheme up to the end of phase 3b</td>
<td>Increased funding gap for future phases of regeneration programme; potential delays and revisions to future programme if gap cannot be filled.</td>
<td>SKRP progresses as per original phases and timings; funding currently in place to deliver</td>
</tr>
</tbody>
</table>

Source: Regeneris Consulting, 2014
Assessment of Impact

xiv. Our assessment of impact highlights significant differences in the socio-economic implications of the five scenarios:

The Reference Case

xv. The development of Site 18 as proposed within the South Kilburn masterplan (Scenario 1) has the potential to directly generate significant socio-economic benefits for the local area, including:

- the direct creation of around 80 new jobs on Site 18 and additional GVA of £3.4 million per annum through the commercial elements of the scheme
- the provision of around 100 additional homes, generating additional residential expenditure of up to £1.1 million per annum in Brent (enough to indirectly support around 10 additional FTE jobs across the Borough)
- significant income for the council, including around £2.6m from NHB and CIL payments
- significant environmental and public realm improvements on a 'gateway' location for Queens Park and South Kilburn

xvi. Taken alone, these direct benefits have the potential to contribute strongly against many of LB Brent’s strategic objectives for the South Kilburn area, through the generation of new employment opportunities accessible to local residents, the improvement of the housing stock and the physical transformation of this key gateway site.

xvii. However, just as crucially, the Site 18 scheme is required to help to bring forward future phases of the South Kilburn Regeneration Programme, playing a key role in both the Programme’s resident decant model and financial model (via the generation of capital receipts and by helping to deliver regenerative uplift in local property values). As such, the development of Site 18 is integral in helping to catalyse the significant socio-economic benefits associated with the delivery of the wider masterplan for the area.

HS2 Scenarios

xviii. All the HS2 scenarios result in weaker socio-economic outcomes compared to those achieved under the reference case. However, certain scenarios are found to be more damaging in socio-economic terms than others:
Of the alternative scenarios, Scenario 3 is the most advantageous in socio-economic terms, resulting in some minor adverse socio-economic impacts on the Canterbury Works site, but allowing Site 18 and future phases of the South Kilburn Regeneration Programme to progress as currently planned.

The scenario proposed by HS2 Limited within the HS2 Environmental Statement (Scenario 2) is the most damaging in socio-economic terms. This scenario would result in no development activity taking place on Site 18 (and hence loss of the benefits described above), permanent blight of this important gateway site, and constraints on the delivery of future phases of the South Kilburn Regeneration Programme.

Scenarios 4 and 5 would result in minor adverse impacts on the Canterbury Works and Travis Perkins sites respectively. After HS2 construction has ended, development on Site 18 would be able to progress (albeit at a slightly reduced scale).

That said, the delay in the delivery of the scheme under Scenario 4 and 5 will result in a net economic cost to LB Brent: when set against the benefits that could accrue under Scenarios 1 and 3, up to 9 years’ worth of financial benefits and income streams would be lost. Site 18 would only become operational in 2026, resulting in the following costs (relative to Scenario 1):

- **Commercial impacts** - the creation of 80 FTE jobs would be delayed and there would be a cumulative loss of up to £22.9m economic value (GVA). There would also be a cumulative loss of £0.5 million business rates income
- **Residential impacts** - delay of around 100 additional new homes; loss of up to £7.5m residential expenditure in Brent (which would have supported up to 10 FTE jobs); cumulative loss of up to £0.9m council tax income; NHB & CIL income delayed with adverse implications for reinvestment potential
- **Catalytic Impacts** - the delay in delivery of Site 18 would also result in the temporary blighting of this important gateway site and would result in an increased financial deficit in the council’s financial model for the regeneration programme.

These impacts are summarised in the table overleaf.
## Summary Comparison of Scenarios

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<tbody>
<tr>
<td><strong>Delivery Timescales</strong></td>
<td>• Site 18 operational by 2017</td>
<td>• No Site 18 develop</td>
<td>• Site 18 operational by 2017</td>
<td>• Site 18 operational by 2026</td>
</tr>
<tr>
<td><strong>Impact of Delay (relative to reference case)</strong></td>
<td>• No delay</td>
<td>• No development</td>
<td>• No delay</td>
<td>• Loss of £22.9m GVA from commercial scheme; creation of 80 jobs delayed; loss of £7.5m residential expenditure</td>
</tr>
</tbody>
</table>

### Site 18
- **Strong Positive Impact**
  - Operational by 2017
  - Commercial Impacts: up to 80 FTE jobs; GVA of £3.4m per annum (PA); business rates £0.8m PA
  - Residential: expenditure of £1.1m PA; 10 FTE jobs supported; £2.6m income for council via NHB and CIL
  - Wider impacts: regen of gateway site; public realm improvements; catalyst for future SKRP phases

- **Minor Adverse Impact**
  - Displacement of 25 FTE jobs

### Canterbury Works
- **Strong Positive Impact**
  - As per Scenario 1.

### Travis Perkins
- **Minor Adverse Impact**
  - Displacement of 10 FTE jobs

### South Kilburn Regen Prog
- **Strong Positive Impact**
  - Phases 3a, 3b, 4a and 4b complete by 2026
  - 240 additional residential units
  - Residential Impacts: expenditure of £3.2m PA; 30 FTE jobs supported; £6.9m income for council via NHB and CIL
  - Wider impacts: delivering LB Brent strategic ambitions for estate renewal and helping to tackle local socio-economic disparities

- **Adverse Impact**
  - Increase in SKRP financial model deficit by £11.4m
  - Challenges for council in securing additional resources
  - If financial gap cannot be filled, re-profiling & delays to SKRP result in adverse socio-economic impacts

- **Strong Positive Impact**
  - As per Scenario 1.

- **Adverse Impact**
  - Increase in SKRP financial model deficit by £9.3m
  - Challenges for council in securing additional resources
  - If financial gap cannot be filled, re-profiling & delays to SKRP result in adverse socio-economic impacts
Compensation and Mitigation

xx. All scenarios for the placement of the HS2 vent shaft and auto transformer will result in adverse impacts for LB Brent in comparison to the reference case. As such, compensation and mitigation is required to minimise the costs to LB Brent, its residents and its businesses.

xxi. Financial compensation would be required to ensure that future phases of the South Kilburn Regeneration Programme are able to progress according to current timescales, unaffected by the loss of capital receipts and hence financial gap created by delays to or non-development of Site 18. The financial compensation required is set out in the accompanying Navigant report4 and includes:

- Under Scenario 2, compensation of £11.9m would be required in 2015 to fill the financial gap left by non-development of Site 18
- Under Scenario 4 and 5, compensation of £9.7m would be required in 2015 to fill the financial gap left by non-development of Site 18

xxii. If the development of Site 18 is delayed, compensation would also be required to cover the necessary upgrades to Cullen House to make the accommodation fit for purpose under decent homes standards. Early estimates suggest this would be in the region of £0.6 million.

Socio-Economic Mitigation

xxiii. In addition to the compensation set out above, a range of socio-economic mitigation measures will be required to help to minimise the impacts of HS2 works in the South Kilburn area and to ensure that local businesses and residents are able to access potential opportunities relating to construction activity:

- Mitigation measures to address property / place based impacts could include:
  - working with HS2 to ensure appropriate phasing to minimise construction traffic impacts (including timings and quantum of lorry movements and access improvements where necessary)
  - property interventions where necessary to mitigate noise and vibration impacts
  - interventions to maintain appearance of the physical environment such as hoardings and artwork, public realm enhancements
  - interventions to maintain / improve footfall such as improved wayfinding
- Mitigation measures to ensure costs are minimised for local business could include:
  - providing information and advice – advice on compensation / timescales / implications of HS2 on local firms; tailored advice for businesses undertaking self-mitigation measures (e.g. triple glazing)
  - procurement support (engagement with businesses to make them aware of supply chain opportunities and brokerage to help access them)
- Measures to help maximising opportunities for local residents could include:

4 Financial Impact Study of HS2 on the South Kilburn Masterplan, 2014, Navigant
- employment brokerage support – eg a project to link South Kilburn residents to emerging HS2 employment opportunities
- identifying skills gaps and needs – eg mapping of HS2 skills needs versus local skills supply to identify areas for training provision
- training provision – eg a project to help residents to gain the necessary skills to access employment opportunities; including creating linkages between local schools and HS2.
1. **Study Purpose**

1.1 LSH, Regeneris and Pell Frischmann were instructed by LB Brent in 2014 to examine the impacts of HS2 proposals in the South Kilburn area of the Borough.

**Study Background**

1.2 Located in the south-east corner of the Borough, South Kilburn is the focus of a major physical regeneration programme. Over the course of 15 years, the South Kilburn Regeneration Programme is aiming to transform the area “from an estate of poor quality, predominantly socially rented homes into a successful neighbourhood of high quality, well designed, mixed tenure homes with quality local shops, services, employment opportunities and community facilities”. The Programme commenced in 2011 and is being delivered in eight main phases, with delivery of the final phase expected to complete in 2026.

1.3 In 2011 HS2 Ltd safeguarded one of the key development sites within the South Kilburn Regeneration Programme for use during HS2 construction and operation. Specifically, the site was identified as the location for a ventilation and access shaft and auto transformer. The HS2 Environmental Statement suggests that HS2 works will cover a large part of the site. LB Brent have advised that if this was the case, the development planned by itself for the site would not be able to progress.

**Study Objectives**

1.4 In this context, LB Brent wanted to understand the socio-economic implications of HS2 proposals for Site 18 and to ensure that HS2 Ltd had considered all possible alternatives for the placement of its infrastructure.

1.5 This report accompanies the technical / engineering reports produced by Pell Frischmann and provides:

- a full assessment of the socio-economic implications of HS2 proposals for Site 18
- an assessment of possible alternative scenarios for the placement of the vent and access shaft and auto transformer in the South Kilburn area, assessing the relative impact of these
- an assessment of the compensation and mitigation implications of each scenario to ensure that HS2 is delivered at zero cost to LB Brent and its residents

**Report Contents**

1.6 Report contents are as follows:

- Chapter 2: Local Socio-Economic Context
- Chapter 3: HS2 Context
- Chapter 4: Framework for Assessing Impacts
- Chapter 5: Assessment of Impacts
- Chapter 6: Compensation and Mitigation.
2. South Kilburn Context

2.1 This section provides a summary of the South Kilburn socio-economic context and LB Brent’s strategic objectives and aspirations for the local area.

Local Socio-Economic Context

2.2 South Kilburn is located in the south-east corner of Brent. The area is a largely residential mix of dense Victorian streets and 1960s housing estates set within open space. Queens Park town centre acts as a local retail and service centre, while Queens Park Station plays an important role as a local transport hub. Nearby Kilburn High Road is designated as a Major Centre in the London Plan and offers a wide array of services and facilities for the wider area.

2.3 This study deals with two local geographies:

- South Kilburn – covers the South Kilburn Regeneration Area and the immediate surroundings of Queens Park Station
- Wider Impact Area – covers a wider (1km) catchment from Queen’s Park, and taking in South Kilburn, Queens Park and up to Kensal Rise and Kilburn High Road.

2.4 Generally speaking, South Kilburn underperforms in socio-economic terms. This is highlighted by Table 2.1 which summarises local performance against a range of key socio-economic indicators.

Table 2.1 Summary of Key Indicators

<table>
<thead>
<tr>
<th></th>
<th>South Kilburn</th>
<th>Wider Impact Area</th>
<th>Brent</th>
<th>London</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population (000s)</td>
<td>10.1</td>
<td>43.8</td>
<td>311.2</td>
<td>8,173.9</td>
</tr>
<tr>
<td>% Working Age</td>
<td>69.9%</td>
<td>71.8%</td>
<td>69.3%</td>
<td>69.1%</td>
</tr>
<tr>
<td>% Economically Active</td>
<td>67.5%</td>
<td>68.0%</td>
<td>66.4%</td>
<td>67.3%</td>
</tr>
<tr>
<td>% Unemployed</td>
<td>14.0%</td>
<td>10.7%</td>
<td>10.0%</td>
<td>8.8%</td>
</tr>
<tr>
<td>% No Qualification</td>
<td>19.5%</td>
<td>18.1%</td>
<td>19.2%</td>
<td>17.6%</td>
</tr>
<tr>
<td>% NVQ4+</td>
<td>33.9%</td>
<td>39.3%</td>
<td>33.3%</td>
<td>37.7%</td>
</tr>
<tr>
<td>Mean Annual Household Income</td>
<td>£33,635</td>
<td>£44,743</td>
<td>£39,093</td>
<td>£46,549</td>
</tr>
<tr>
<td>Overcrowded Households</td>
<td>17.8%</td>
<td>16.2%</td>
<td>17.7%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Jobs (000s)</td>
<td>2.3</td>
<td>9.7</td>
<td>109.2</td>
<td>4,593.4</td>
</tr>
<tr>
<td>Businesses</td>
<td>200</td>
<td>2,110</td>
<td>12,660</td>
<td>432,100</td>
</tr>
</tbody>
</table>

2.5 Performance against these indicators is discussed in more detail in the narrative below.

### Local Economy

South Kilburn is a largely residential area, with retail (primarily in Queens Park) the largest employment sector. Since 2008 South Kilburn has enjoyed strong economic growth, with growth in both the local business base (+18%) and employment base (+6%).

2.6 There are around 2,260 jobs based in South Kilburn. This represents an increase of 6.0% (+130) since 2008, almost twice the London average (3.2%). However, Figure 2.2 reveals that this hides considerable year-on-year volatility; the area witnessed a significant drop in employment during 2009/10 but subsequently recovered the following year. The wider impact area experienced significantly higher employment growth (+10.6%) than South Kilburn since 2008, rising to 9,670. Similarly, Brent witnessed considerable employment growth over this period (+9.8%).

![Figure 2.2 Employment Change (Indexed to 2008)](source: BRES (2014))

2.7 The South Kilburn area has a small business base: around 200 businesses in total. Although this represents a very small proportion (1.6%) of Brent’s total business base (12,660 businesses) there has been strong growth in the number of businesses of 18% since 2008, compared to a borough-wide increase of 7% and London-wide growth of 8%. The wider impact area contains a significantly larger number of businesses (2,110 in total) but has experienced a slower growth rate (5%) since 2008.

2.8 Town centre retail is an important driver of economic activity locally: nearby Kilburn Town Centre is one of Brent’s two designated Major Town Centres, and Queens Park is designated as a Local Centre. The London Town Centre Health Check (2013) shows that Kilburn Town Centre is performing around the London average; Kilburn has a vacancy rate of around 9.3%, slightly above the London average of 8.8%.

2.9 Other than retail, the most important employment sectors in South Kilburn are business admin and support services (17%), health (13%), and transport and storage (13%). The three largest sectors in the wider impact area are education (13%), health (12%), and professional, scientific and technical activities (12%).
Labour Market

South Kilburn is a densely populated area, housing around 10,050 residents. Although the local economic activity rate and skills levels are in line with borough averages, South Kilburn largely underperforms when compared to London wide averages.

2.10 With over 311,200 residents, Brent is the fifth largest of London’s 32 boroughs. South Kilburn’s population of around 10,050 represents just over 3% of the borough total, with the wider impact area housing a population of around 43,800.

2.11 As shown in Figure 2.3, South Kilburn and the wider impact area have a slightly younger age profile compared to LB Brent and London as a whole. South Kilburn contains both the highest proportion of 0-16 year olds (21.8%) and the lowest proportion of residents aged 65+ (8.3%) of the four geographies.

2.12 Although South Kilburn’s economic activity rate (67.5%) is marginally above the borough average (66.4%), unemployment in South Kilburn (14.0%) is significantly above the borough (10.0%) and city-wide level (8.8%). The wider impact area performs considerably better, with an economic activity rate of 68.0% and an unemployment rate (10.7%) in line with the borough average. As demonstrated by Figure 2.4, this points to a high concentration of unemployment in South Kilburn, but much higher levels of employment in surrounding areas. For example, of South Kilburn’s five LSOAs, two have an unemployment rate of over 15%.

Figure 2.3 Age Profile

Source: Census 2011

Figure 2.4 Unemployment Rate

Source: Census 2011
2.13 The proportion of South Kilburn residents without any qualification (19.5%) is in line with borough-wide levels but slightly above the London average (17.6%). Similarly, the proportion of residents with a level 4+ qualification is similar in South Kilburn (33.9%) to Brent as a whole but noticeably below the city-wide average (37.7%). Further, as illustrated in Figure 2.5, less than 25% of residents in two of South Kilburn’s five LSOAs have a level 4+ qualification. The wider impact area performs considerably better; only 18.1% of residents have no qualification while 39.3% have a level 4+ qualification. Consequently, although skills levels in South Kilburn reflect those of the borough as a whole, the area is largely surrounded by areas with noticeably higher skills levels.

Infrastructure

One of the key challenges for South Kilburn is the quality of the housing stock; the area is characterised by 1960s residential estates which are now deemed to offer poor quality accommodation and are affected by overcrowding.

2.14 In common with many local policy documents, the South Kilburn Partnership Regeneration Strategy identifies housing as one of the area’s primary sources of deprivation. The strategy highlights the need for the area’s decaying public housing estates to be redeveloped, with a greater mix of tenures a key necessity. Overcrowding is a particular issue for South Kilburn, with 17.8% of households having an inadequate number of bedrooms. Although this is in line with the proportion of overcrowded households across Brent (17.7%), it is considerably higher than the London average (11.3%).

2.15 South Kilburn and the wider impact area are served by a number of bus services, primarily along Kilburn High Road, as well as Overground rail services and the Bakerloo line. There are two rail stations located in South Kilburn: Queens Park Station and Kilburn Park Station. Consequently, the area has better Public Transport Accessibility Levels (PTAL) than the majority of the rest of the borough. However, as shown in Figure 2.6, overall South Kilburn actually has lower levels of accessibility compared to its surroundings to the east, west and south.
Quality of Life

South Kilburn is a relatively deprived area (with four of five LSOAs within the 10% most deprived nationally), characterised by a localised concentration of low incomes, poor quality housing and lower than average health and education levels.

2.16 Partly reflecting the labour market trends described above, mean household incomes in South Kilburn (£33,650 pa) are noticeably below those of the borough as a whole (£39,100 pa). The wider impact area, however, has mean household incomes (£44,750 pa) significantly higher than South Kilburn and above the borough-wide level. London-wide household income average around £46,550 PA. As illustrated by Figure 2.7, this points to a concentration of low income households (South Kilburn) surrounded by relatively high levels of affluence in areas that are nonetheless themselves below the city-wide average.

2.17 The Index of Multiple Deprivation (IMD) is a composite indicator used by the government to measure relative deprivation at a local level using indicators such as crime, employment, health and education. Brent is within the 15% most deprived local authorities across England. Two of South Kilburn’s five LSOAs (40%) are within the 5% most deprived localities nationally, with a further two in the 10% most deprived LSOAs nationally. Although the wider impact area is also typified by high levels of deprivation, it is to a much lower extent than South Kilburn; only 18% of LSOAs (4/22) are in the 5% most deprived LSOAs, while 46% (10/22) are within the 10% most deprived nationally. As shown in Figure 2.8, this high concentration of relative deprivation in South Kilburn is at odds with significantly lower deprivation levels to the south and east.

Local Strategic Context

LB Brent Strategic Objectives

2.18 The Brent Economic Assessment (2010) identifies a number of issues that the borough must consider to promote local economic growth, including:
• Need to balance new housing with employment development, specifically through the delivery of mixed-use developments
• Ensure Brent residents and businesses directly benefit from regeneration efforts
• Up-skilling the local workforce, and connecting to job opportunities is vital for future economic prosperity in the borough.

2.19 The Brent Core Strategy identifies the retail, hospitality, logistics and distribution sectors as being particularly important for future employment growth in the Borough.

2.20 The Core Strategy also notes that although Brent has a relatively young population, the borough’s working-age population has a ‘low skills profile’. To take advantage of Brent’s young age profile and combat low skills levels, the strategy aims for new commercial development to accommodate local employment schemes and strategies to improve the borough’s skills base.

2.21 In relation to housing, Core Strategy policy CP21 seeks to maintain and provide a balanced housing stock in Brent protecting existing accommodation that meets known needs and by ensuring that new housing appropriately contributes towards the wide range of borough household needs, including a range of types and sizes. The Brent Housing Strategy (2009-14) also highlights that “the need for new supply is overwhelming”, with a need to redevelop a large quantity of the borough’s public housing to improve tenants’ living standards and create more mixed-tenure communities.

2.22 A Regeneration Strategy for Brent (2010-30) sets out three strategic priorities for the borough:
• Deliver change across the borough by focusing investment in identified priority neighbourhoods, such as South Kilburn
• Increase employment and income levels of residents, principally in priority neighbourhoods
• Maximise investment in Brent from the private, public and community sectors.

Local Strategic Objectives

2.23 South Kilburn is designated in the Core Strategy as one Brent’s five ‘Growth Areas’, which collectively account for around 85% of the residential consents pipeline and Site Specific Allocations potential housing capacity. The core strategy sets a minimum target of 2,400 new homes to be delivered in South Kilburn over the period 2007-26.

2.24 Core Strategy policy CP9 outlines the council’s regeneration plans for the South Kilburn Growth Area; to “physically improve the area and change the perception to a busy, thriving, safe and secure section of urban London”. The council aims to “facilitate a shift from the housing estates of the 1960s and 1970s to a compact district set around the traditional street pattern with a substantial increase in the proportion of owner occupied households”. Key to delivering the desired growth is a quantum of commercial uses and community facilities.

2.25 Detailed plans for the South Kilburn Regeneration Programme were first set out in the South Kilburn Supplementary Planning Document (2005) which set out plans for the phased refurbishment/redevelopment of existing public housing, the strategic phased rehousing of residents within South Kilburn, a significant increase in the quantity of private market housing, and the delivery of retail, employment and community uses.

2.26 The Queens Park Station Area Supplementary Planning Document (2007) was compiled by the council and focuses on the part of South Kilburn immediately around Queens Park Station. The document highlights the area’s importance to the wider South Kilburn Regeneration Programme. It identifies the council’s first priority as the delivery of a high density mixed-use scheme to assist in kick-starting the South Kilburn Regeneration Programme and spreading the relative prosperity
of the Queens Park area south into the regeneration area. A number of key sites are identified in the South Kilburn Growth Area within the Brent Site Specific Allocations (2011); one of these is the Queen’s Park Station site (also known as Site 18) which is identified for “redevelopment of underused site with mixed-use development, including: residential, community facilities, retail, open space and a new bus interchange”.

2.27 Policy ambitions for South Kilburn are currently being put into practice through the delivery of the South Kilburn Regeneration Programme. The specific details of this are set out in more detail below.

The South Kilburn Regeneration Programme

2.28 In the context of these strategic ambitions for the area, LB Brent and its partners have developed a comprehensive regeneration plan for South Kilburn. The South Kilburn Regeneration Programme is a long term physical regeneration programme which over the course of a 15 year period will aim to “transform South Kilburn from an estate of poor quality, predominantly socially rented homes into a successful neighbourhood of high quality, well designed, mixed tenure homes with quality local shops, services, employment opportunities and community facilities”.

2.29 While the precise nature of the scheme and its phases is subject to ongoing revision (as would be expected given the economic climate and overall timescales of delivery), these overall objectives remain the same as those set out in the 2005 Supplementary Planning Document.

Overarching Masterplan and Phases

2.30 The Programme commenced in 2011 and is being delivered in eight main phases, with delivery of the final phase (Phase 4b) expected to complete in 2026. The latest version of the masterplan envisages the decant of residents in approximately 1,260 existing homes, and the provision of around 1,280 new affordable homes and 1,310 private homes. The scheme will provide around 1,130 additional homes in total.

2.31 The nature and the timescales for the delivery phases of the masterplan are summarised below.

<table>
<thead>
<tr>
<th>Table 2.2 Summary of South Kilburn Regeneration Programme Residential Phases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Phase 1A</td>
</tr>
<tr>
<td>Phase 1B</td>
</tr>
<tr>
<td>Phase 2A</td>
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<tr>
<td>Phase 2B</td>
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<tr>
<td>Peel</td>
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<tr>
<td>Phase 3A</td>
</tr>
<tr>
<td>Phase 3B</td>
</tr>
<tr>
<td>Phase 4A</td>
</tr>
<tr>
<td>Phase 4B</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Source: LB Brent
Figure 2.9 South Kilburn Masterplan, 2014

Source: London Borough of Brent
Queens Park Station Site / Site 18

2.32 The Queens Park Station Site / Site 18 comprises a package of land to the immediate south of Queens Park Station. The main part of the site is currently underutilised, housing the derelict Keniston Press, a TfL staff welfare facility at Premier House, 29 social housing units in Cullen House and a car park. Site 18 also includes a smaller island site, separated from the main site by a gyratory and housing the Falcon public house.

2.33 The site is adjacent to Queens Park town centre and the primary shopping frontage the other side of the railway line. The site has a prominent location as a gateway into Queens Park heading north, and the South Kilburn growth area heading south. The site’s location adjacent to Queens Park station means it has a high Public Transport Accessibility, making the site one of the best connected locations in Brent.

2.34 As such, local policy notes that this is a high value development site and its use should be fitting to such a prime location.

2.35 Site 18 forms part of phase 2b of the South Kilburn Regeneration Programme. Outline permission has been received and construction is due for completion in 2017. The scheme is due to deliver:

- 137 residential units of which 39 will be affordable housing
- A transformation of the area around Queens Park Station, reconfiguring a poorly performing road layout and providing public realm improvements
- New retail space extending to 2,180 sq m

2.36 The financial model suggests that the scheme will generate capital receipts to the Council of £10 million which will be reinvested in future phases of the regeneration programme.

<table>
<thead>
<tr>
<th>Table 2.3 Summary of Site 18 Development under Scenario 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demolished</td>
</tr>
<tr>
<td>Residential Units (No)</td>
</tr>
<tr>
<td>Commercial Floorspace (m²)</td>
</tr>
</tbody>
</table>

Source: LB Brent

Delivery of the South Kilburn Regeneration Programme

2.37 The Council has developed a bespoke self-funding and delivery model for the Programme. The Programme has been parcelled up into a series of smaller development sites which are intended to be brought forward on a phased basis. This approach is important for a number of reasons:

- **Financial Viability** – The adoption of a phased approach is important in terms of development viability in the current economic climate. The capital receipts from the disposal of the individual sites are reinvested back into the South Kilburn Regeneration Programme in order to contribute towards the delivery of its future phases and to ensure that the momentum of the Regeneration Programme is maintained. The financial model is also dependent upon higher sales prices being achieved in later phases of the Programme as a result of the regenerative uplift across the area generated by earlier phases.

- **Residential Decant** – A fundamental principle underlying the South Kilburn Regeneration Programme is that all tenants who wish to remain in South Kilburn have the opportunity to do so. Reflecting this, all new affordable homes delivered are made available to existing South Kilburn households. A complex decant model has been designed to ensure that
affordable properties are allocated to residents currently residing within blocks earmarked for redevelopment within the next phase of the Programme.

2.38 Reflecting this, it is critical that each development site and development Phase is delivered as scheduled. This ensures that subsequent development phases are able to progress within the timescales anticipated.

2.39 In their report on the South Kilburn Regeneration Programme financial model, Navigant state\(^5\) that finances are currently only in place for the Council to complete up to phase 3B of the Programme; completion of the whole programme (i.e up to the end of phase 4B) would result in a deficit of £24.5m based on current finances.

Progress to Date and Forthcoming Development Phases

2.40 The Programme has progressed successfully to date. Development Phase 1a is already complete, whilst Phases 1b and 2a commenced in 2012 and 2013 respectively and are progressing as planned.

2.41 The next phase of development, Phase 2b, is scheduled to commence in 2015. Phase 2b comprises a number of development sites including Durham Court, Gloucester House, Wordsworth House, Masefield House and Site 18.

2.42 The successful delivery of Phase 2b, including Site 18 will provide a capital receipt to the Council as well as new affordable homes which form an integral part of the decant programme. Both elements will be critical to enabling the development of the final phases of the South Kilburn Regeneration Programme, with Phase 3 scheduled for completion in 2019, Phase 4a in 2021 and Phase 4b in 2023.

\(^5\) Financial Impact Study of HS2 on the South Kilburn Masterplan, 2014, Navigant
3. **HS2 in Brent: Context and Proposals**

3.1 High Speed 2 (HS2) is a proposed new high speed railway to connect major cities in Britain. Stations in London, Birmingham, Leeds, Manchester, South Yorkshire and the East Midlands are to be served by high speed trains running at speeds of up to 360kph (225mph). It is proposed HS2 will be built in two phases, with Phase One comprising the construction of a new railway line of approximately 230km (143 miles) between London and Birmingham. Construction is expected to begin in 2017 and the line will become operational by 2026.

3.2 As a key step in the planning and development process, the HS2 Environmental Statement was published in 2013. This sets out full details of the routes, necessary works, impacts and mitigation measures. The Environmental Statement identifies a number of HS2 works in the South Kilburn area of Brent; these are outlined below.

### HS2 in Brent – Route Summary

3.3 HS2 through the Kilburn to Old Oak Common area will be approximately 5.4km in length. This route section will be in tunnel, as it proceeds southwest through Brent towards Old Oak Common. The route will continue westwards for a further 2.6km into a triangular site at Old Oak Common. Within the triangular site a new HS2 interchange station and associated infrastructure, known as Old Oak Common Station, will be constructed.

### HS2 in Brent – Proposed Works

3.4 The Environmental Statement identifies a need for a ventilation and intervention shaft (vent shaft) and auto-transformer in the South Kilburn area. The site identified for this is at Salusbury Road in Queens Park; the site is known as Site 18 in local policy.

**Site Selection**

3.5 A number of options for the vent shaft at Salusbury Road were examined:

- **Option A:** moving the shaft over the northern Euston tunnel to the northeast of the site
- **Option B:** moving the tunnel route and shaft headhouse to the north
- **Option C:** creating a rectangular shaft positioned over all three tunnels below
- **Option D:** moving the shaft entirely away from the site at Salusbury Road to the Canterbury Works site, a small business park approximately 500m to the east.

3.6 In engineering terms, Option C was selected because, despite the additional land required temporarily, the shaft will have a shorter construction time than the other options considered. In environmental terms, the duration of impacts on local amenity and local traffic will be reduced for HS2, and the extent of noise and air quality effects was assessed to be less.

3.7 The site at Canterbury Works (Option D) was dismissed because of changes required to the tunnel alignment, access issues and potential temporary impacts on nearby residents and a local school during construction.
Vent Shaft and Construction Compound Overview

3.8 The proposed Salusbury Road vent shaft will be approximately 43m x 19m. Its base will be 41m below ground with foundations extending to approximately 51m below ground. The vent shaft will provide passive and mechanical ventilation for the tunnels and will allow intervention and evacuation in the event of an emergency. Key features of this vent shaft will include a permanent fenced compound, containing:

- A shaft headhouse building, which will be approximately 43m x 19m and approximately 9.5m above ground level
- An area of hardstanding to allow for maintenance and emergency access and egress from the tunnel
- An auto-transformer station to supply power to the trains. The auto-transformer station will be approximately 33m x 16m, with a height of approximately 5m.

3.9 The Salusbury Road construction compound will be used for civil engineering and construction works in relation to: the vent shaft, ventilation and intervention connections to tunnels, tunnel fit-out headhouse construction and the auto-transformer station. The compound will be used to manage construction of the Salusbury Road vent shaft, including equipment fit-out, and will be used for civil engineering and railway installation works. The compound will:

- Be occupied for approximately six years and three months. Starting in 2018 the excavation and construction of the shaft will take approximately two and a half years, followed by a two year suspension period. There will then be around two and a half years for other civil engineering, mechanical and electrical work, with site demobilisation at the end of 2024
- Support approximately 50 workers per day throughout the civil engineering works and approximately 25 workers per day throughout the railway installation period
- Facilitate railway installation works.

Construction and Operational Impacts

3.10 The Salusbury Road main compound will be surrounded by 2.4m high hoardings. In addition, the presence of cranes, construction traffic and activity will introduce large scale and prominent new elements into a predominantly residential area, altering the local character. Overall, the magnitude of change is assessed as medium. Combined with the medium sensitivity of the character area, the ES anticipates will result in a moderate adverse impact.

3.11 The movement of construction vehicles (carrying materials, plant equipment etc.) will take place within the construction sites and on public roads. There will also be movement of construction plant and materials via the rail network. Construction compounds will provide the interface between construction works and the public highway/rail network. During the peak activity period, vehicle movements at Salusbury Road are not expected to exceed 100 vehicles, primarily HGVs, per day (combined in/out movements). The ES considers this to be a small increase in comparison to wider traffic flows and, consequently, states that this will not have significant effects.

3.12 With regard to air quality, the main potential effects are anticipated to result from the emissions of pollutants from road traffic during construction and operation. Dust emissions will be associated with activities, including demolition, site preparation works and the use of haul routes within construction areas.

3.13 The ES highlights that local businesses may experience air quality, noise and vibration, visual and traffic impacts as a result of HS2 construction works. Taken in combination, these effects may
amount to a significant change in amenity, leading to a possible loss of trade for businesses. The ES notes that other development in the local vicinity could result in greater cumulative adverse noise or vibration effects if they were to be built at the same time as the HS2 works.

3.14 Construction will also require the demolition of a London Underground Limited train crew facility in an office building at Premier House, Kilburn Lane. The activity affected is dependent upon proximity to the railway and therefore alternative space will need to be obtained nearby. The effect on this resource and its employees is assessed by the ES to be major adverse.

3.15 The ES states that no diversions of existing utilities or watercourses will be required. Further, no road or cycleway closures are anticipated but some pedestrian routes will be affected. In addition, the Salusbury Road vent shaft will require the relocation of bus stops on Premier Corner and on Claremont Road. It is expected that the distances to the replacements will, respectively, be 100-200m, (a moderate adverse effect) and over 400m (a major adverse effect).

3.16 Residents at approximately 80 properties on Salusbury Road, Claremont Road and some properties at the east of Kilburn Lane are predicted to experience temporary effects during construction:

- Significant visual effects on views west from Salusbury Road, north from Kilburn Lane and east from Claremont Road
- Significant noise impacts from construction activities.

3.17 The ES expects that the combination of these effects, coinciding for between six and 18 months, will have a major adverse effect on residential amenity and is considered significant.

Committed development

3.18 The ES notes that outline planning permission has been provided for a mixed use development on the Salusbury Road site.

3.19 The ES assumes that the planning permission on Site 18 will not be implemented due to the safeguarding of the site for HS2 purposes.

3.20 Around half of Site 18 has been identified as a ‘main construction compound’ for HS2, with a headhouse, vent shaft and an auto-transformer station to be constructed on-site. Nonetheless, the ES notes that some form of development could be expected to be able to proceed on the unused part of Site 18 after HS2 works are completed.

Implications for LB Brent

3.21 The site proposed for the surface level HS2 works in Queens Park is a key development site within the South Kilburn Regeneration Programme and is known as Site 18 within local policy documents.

3.22 As set out in Chapter 2, Site 18 forms part of phase 2b of the South Kilburn Regeneration Programme: planning consent has been achieved for the delivery of 137 residential units, 2,180sqm of commercial floorspace and significant public realm and improvements. Construction is due for completion in 2017.

3.23 LB Brent has stated that the development of Site 18 would no longer be viable if the site was utilised by HS2 for the vent shaft and ATS, with potentially adverse implications for local socio-economic outcomes.
4. **Assessment Framework**

4.1 This chapter sets out our framework and methodology for assessing the socio-economic impacts of the HS2 proposals in Brent. It draws upon best practise guidance such as the HM Treasury Green Book.

**Scenarios and Assumptions**

4.2 A number of scenarios have been identified regarding HS2 in LB Brent. The scenarios have been formulated based on the research in the previous chapters and the findings of the accompanying technical reports produced by Pell Frischmann:

- **Reference Case (Scenario 1)** – the baseline scenario which considers what would have happened on the various development sites in the total absence of HS2 (and the impact of this)
- **HS2 Environmental Statement (Scenario 2)** – this scenario assumes that HS2 works in South Kilburn progress as per the proposals set out in the Environmental Statement, with the use of Site 18 for the vent shaft and ATS
- **Alternative scenarios (Scenario 3, 4 & 5)** – the technical work by Pell Frischmann has identified a number of possible alternative locations for the vent and access shaft and / or the ATS in the South Kilburn area:

**The ‘Canterbury Works site’**

- The Canterbury Works site is located around 500m to the east of Site 18, bordering the existing rail alignment
- The site neighbours the South Kilburn Regeneration Programme but does not form part of the masterplan. The part of the site identified by Pell Frischmann does not included Canterbury House; a former industrial building located on the edge of Canterbury Works which has planning permission for a residential development
- The site is currently occupied by 6 businesses engaged in activities such as car breaking and motor repairs
- The site has been the subject of enquiries from a developer (to the council) regarding the potential for the future redevelopment of the site for residential uses. However, these enquiries have been informal to date and the development of the site is not anticipated within LB Brent’s Local Plan or related policy documents

**The ‘Travis Perkins site’**

- The Travis Perkins site is a strip of former rail land, adjacent to the current surface rail alignment to the west of Site 18. The site is currently used by a builders merchants for retail purposes
- There are no current plans or proposals for future development activity on the site

4.3 The location of the sites and areas of interest in our assessment are mapped below.
4.4 All 5 scenarios and their top line development implications are summarised in the table below.

Table 4.1 Summary of Scenarios

<table>
<thead>
<tr>
<th>Scenarios</th>
<th>Implications for Site 18</th>
<th>Implications for other local sites</th>
<th>Implications for SKRP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference Case</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Scenario 1: No vent shaft or ATS:</td>
<td>Site 18 developed out as planned pre HS2</td>
<td>Other sites unaffected</td>
<td>SKRP progresses as per original phases &amp; timings; funding currently in place to deliver scheme up to the end of phase 3b</td>
</tr>
<tr>
<td>HS2 ES Scenario</td>
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<tr>
<td>Scenario 2: Vent shaft and ATS on Site 18</td>
<td>No development possible on Site 18</td>
<td>Other sites unaffected</td>
<td>Increased funding gap for future phases of regeneration programme; potential delays and revisions to future programme if gap cannot be filled.</td>
</tr>
<tr>
<td>Alternative Scenarios</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Scenario 3: Vent Shaft and ATS on Canterbury Works site</td>
<td>Site 18 developed out as planned pre HS2</td>
<td>Existing businesses on Canterbury Works displaced</td>
<td>SKRP progresses as per original phases and timings; funding currently in place to deliver scheme up to the end of phase 3b</td>
</tr>
<tr>
<td>Scenario 4: VS on Site 18; ATS on Canterbury Works site</td>
<td>Site 18 development reduced and delayed to 2024</td>
<td>Existing businesses on Canterbury Works displaced</td>
<td>Increased funding gap for future phases of regeneration programme; potential delays and revisions to future programme if gap cannot be filled.</td>
</tr>
<tr>
<td>Scenario 5: VS on Site 18; ATS on Travis Perkins site</td>
<td>Site 18 development reduced and delayed to 2024</td>
<td>Existing business on Travis Perkins site displaced</td>
<td>Increased funding gap for future phases of regeneration programme; potential delays and revisions to future programme if gap cannot be filled.</td>
</tr>
</tbody>
</table>
We have made a number of key overarching assumptions which underpin the assessment:

- **Technical Feasibility** – our scenarios reflect the technical work carried out by Pell Frischmann and so all are considered to be technically feasible. The Pell Frischmann reports should be referred to for full assessment of the technical merits of the various scenarios.

- **HS2 timings** – it is assumed that HS2 will progress according to the timescales set out in the Environmental Statement, with construction works at Site 18 taking place for 6 years from 2018 to 2024.

Other scenario specific assumptions are set out in the write up of each scenario in the next chapter.

**Assessment Methodology**

Our socio-economic impact assessment has been conducted according to a robust methodology, which is summarised below.

**General Methodological Considerations**

For all impacts, we present the Present Value of impacts. Future impacts have been discounted using standard HM Treasury Guidance (with annual discounting of 3.5% assumed). This is a recognised approach for comparing impacts which occur in different time periods and are based on the principle that, generally, people prefer to receive goods and services now rather than later.

All impacts are net additional against the current baseline.

**Categorising Impacts**

In assessing economic impacts under the 5 scenarios, our estimates of the impacts are split into three categories:

- **Economic Impacts** – this category includes impacts to the LB Brent economy, such as changes in local employment levels, changes in the overall size of the LB Brent economy (in terms of local Gross Value Added\(^6\) generated) and changes in levels of residential expenditure in the local area. We have used a range of techniques to quantify these impacts; our key assumptions and methodology are outlined where relevant within the commentary.

- **Financial Impacts** – this category covers those financial impacts likely to be borne by the London Borough of Brent (i.e. the local authority itself) and other public sector partners such as the Greater London Authority (GLA) and Central Government. These include direct impacts relating to business (e.g. income from business rates) and impacts relating to housing (e.g. income from Council Tax, the New Homes Bonus and the Community Infrastructure Levy and wider housing impacts relating to the provision of social housing and the delivery of the South Kilburn Regeneration Programme). Again, we have used a range of techniques to quantify these impacts; our key assumptions and methodology are outlined where relevant within the commentary.

- **Societal Impacts** – this category covers wider non-monetary impacts, such as those relating to disruption to community networks, and those relating to image and perception. Whilst

\(^6\) GVA is the official measure of the contribution to the economy of each individual producer, industry or sector in the United Kingdom. GVA is used throughout the report as a measure of the level of impact on the LB Brent economy resulting from the proposals.
we provide qualitative commentary regarding these impacts throughout the study, in the scope of this study we have not sought to quantify these impacts.

**Impacts Assessed**

4.11 Our assessment considers three types of impacts: construction impacts, operational commercial impacts, and residential impacts.

4.12 It should be noted that each of these assessments are distinct from each other and impacts cannot be aggregated.

**Construction Impacts**

4.13 The construction costs for the proposed scheme will provide output (turnover) for firms in the construction sector.

4.14 Based upon guidance from CLG/Offpat, we estimate a turnover per FTE construction job figure (including the self-employed) of around £57,000 per annum for commercial schemes and £48,000 for residential schemes. This assumption is used to estimate the total number of construction years the proposed scheme would support. Given that the construction period for each of the three schemes development is projected to be around 4 years, we can therefore estimate that the average number of construction jobs that would be supported per annum over the course of the construction period.

4.15 It is important to note that:

- Construction employment includes both onsite and offsite employment (e.g. design and consultancy).
- These are also gross impacts - we have not applied additionality factors to take into account leakage and displacement.

**Commercial Impacts**

4.16 Our assessment of commercial impacts quantifies two types of impact:

- **Employment** – To estimate the quantum of employment we have drawn on two data sources:
  - ONS and other datasets – we have used official datasets on employment and business such as BRES and IDBR to estimate current employment levels of the various development sites of interest.
  - HCA guidance on employment densities – the report provides the following assumptions on employment densities which are of relevance to the proposed development:

<table>
<thead>
<tr>
<th>Use Class</th>
<th>Use</th>
<th>Employment Density</th>
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<tbody>
<tr>
<td>B1a</td>
<td>Office</td>
<td>12</td>
</tr>
<tr>
<td>A1</td>
<td>Retail</td>
<td>19</td>
</tr>
<tr>
<td>A3/4</td>
<td>Café / restaurant</td>
<td>18</td>
</tr>
</tbody>
</table>
• **Gross Value Added** – The proposed development will provide an injection of growth in local private sector employment. Directly relating to this, the scheme will strengthen the local economy through the generation of additional economic output. This can be assessed in terms of net additional Gross Value Added (GVA). GVA comprises the sum of employee salaries and corporate profits and is a measure of the value of goods and services produced in an area, industry or sector. We have used ONS data to estimate the GVA which could be generated by the commercial floorspace. The Annual Business Survey (ABS) provides data on GVA for the London economy by each sector. Using information from BRES on the number of employees within each sector we have estimated average GVA per FTE employee. We have applied these benchmarks to the employment figures to estimate total GVA supported per annum.

4.17 We refer throughout to **direct impacts**; we have not included multiplier benefits (e.g., induced or indirect impacts) within our analysis.

4.18 Throughout our analysis, we focus upon **additional impacts** (rather than gross impacts); that is, the employment and GVA supported by the operational schemes which is *additional* to that generated by activity already situated on the development sites.

4.19 Within the scope of this work we have not provided an assessment of net impacts.

**Residential Impacts**

4.20 We have used the bespoke Regeneris housing model to estimate the possible expenditure of households in the proposed development.

**NOTE:** Residential expenditure and employment impacts are not aggregable with commercial development impacts, given the potential for overlap between residential expenditure (and hence employment) and the employment supported by commercial elements of the scheme.

4.21 Our model measures residential expenditure and the employment supported by this:

- **Residential expenditure**: the model estimates the likely income of households in the proposed development based on the breakdown of house types and the likely price range of each house type. House prices used in our model reflect those used by Navigant in the South Kilburn Regeneration Programme financial model. We determine income by applying the assumption that the average deposit for new mortgages is 21%. We then assume annual household income to be one third of the mortgage value. For intermediate housing, we apply a standard ratio to convert property capital value into estimated annual rentals. We then use data on the average proportion of income spent on rent per annum to determine likely income levels. For each income group, we determine the typical expenditure on different categories of goods and services using the Family Expenditure Survey 2012 Edition. For each category we reach sensible assumptions about the proportion of spend locally and the proportion spent across London. This draws upon local Retail Studies as a guide. We then deduct indirect taxation to arrive at a figure for total spend in the impact areas. Whilst our assessment takes into account leakage, it does not take into account displacement.

- **Employment supported**: we convert the figure for total spend into jobs supported in the three impact areas using an estimate of output per full time equivalent employee in different sectors (from the Annual Business Survey). We then apply medium local multipliers taken from government guidance on measuring additionality to arrive at a total jobs figure across the wider economy. Again, our methodology estimates gross economic
impacts. In the scope of this work we have not sought to estimate the proportion of employment impact lost to factors such as displacement and leakage (i.e. the net impact).
5. **Assessment of Impact**

5.1 Utilising the assessment framework and methodology set out in the previous chapter, our assessment of impact against each scenario is set out below.

### Reference Case: Full Development of Site 18

#### Scenario Summary

5.2 The development proposed for Site 18 as part of the South Kilburn Regeneration Programme, would be delivered as currently planned. This would include:

- Demolition of Keniston Press, Premier House, Cullen House and the Falcon public house
- Development of 137 flats (39 affordable), along with new public space and 2,180 square metres of commercial space (including 1,200 sqm of A1/A3/A4 and 960 square metres of B1a for dedicated use by TfL).
- South Kilburn Regeneration Programme would progress as currently planned

#### Key Assumptions

5.3 Our key assumptions under Scenario 1 are:

- Site 18 would be developed as per the existing planning permission (scheme details summarised in Chapter 2), with the scheme completed and operational by 2017
- Phases 3a, 3b, 4a and 4b of the wider South Kilburn Regeneration Programme would progress as currently set out in the development schedule (summarised in Chapter 2), with completion in 2019, 2021, 2024 and 2026 respectively.

#### Assessment of Impacts

5.4 Our assessment of impact considers in turn the impact on the separate development site:

##### Site 18 Impacts

5.5 If the development of Site 18 progresses as per the existing planning permission, a number of economic benefits would accrue to the Brent economy:

- We estimate that the construction of the scheme will directly support up to 360 construction years of employment, equating to around 180 construction positions per annum over the two year build period. This is a benefit to the local area; there are currently over 100 unemployed LB Brent residents seeking work in the construction industry, and there are local mechanisms which would help these residents to engage in new construction opportunities locally.
- Once operational, the commercial elements of the scheme could:
  - Directly support around 80 additional FTE jobs on the site (compared to existing on-site employment). This is a significant benefit for the current area given that the area is currently characterised by higher than average levels of unemployment. There are around 800 people claiming unemployment related benefits across the
South Kilburn area and around 6,800 across LB Brent. Of these, around 2,400 unemployed LB Brent residents are seeking work in the retail sector. Given the fact that many of the additional jobs created will be retail positions, there is clear potential to engage local unemployed residents in new employment opportunities, with associated positive social outcomes. This outcome links strongly with LB Brent’s strategic objectives of improving access to employment opportunities for residents in the South Kilburn area.

- Directly generate additional Gross Value Added of up to £3.4 million per annum for the LB Brent economy (compared to that generated by existing commercial activities on the site). Increased economic prosperity in the local area is a potentially important benefit for local businesses and will help to support the economic vitality and viability for the area, ultimately providing additional multiplier benefits (including employment opportunities) for local residents.

- These are gross impacts and as such do not take into account jobs and GVA which might be impacted elsewhere in LB Brent as a result of displacement (i.e. increased retail competition). However, evidence presented in the LB Brent Retail Study Update (2008) states that there is currently overtrading in some of the Borough’s convenience stores and that there is capacity for up to 5,200 sqm net additional convenience floorspace in the Borough by 2017 and for 12,500 sqm by 2026. Combined with the fact that Scenario 1 will see a population increase in the immediate area as a result of additional residential units, this suggests that there is sufficient capacity to accommodate the proposed convenience floorspace without significant displacement impacts.

- Once occupied, the additional residential units on the site could directly generate up to £1.1 million additional expenditure in the Brent economy per annum (gross) compared to that generated by existing residential units on the site. Again, this would represent a benefit for local businesses and will help to support the economic vitality and viability for the area; we estimate that this additional expenditure would be enough to directly support up to 11 FTE jobs across the Brent economy.

5.6 Note: residential expenditure impacts and GVA impacts relating to the commercial elements of the scheme (and related employment impacts of both) are not directly comparable as there is potentially a small amount of overlap between the two.

Table 5.1 Scenario 1: Site 18 Additional Economic Impacts

<table>
<thead>
<tr>
<th>Activity</th>
<th>Measure</th>
<th>Monetary Impact (£ million)</th>
<th>Employment Impact (FTE Jobs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>Employment positions for duration of construction – per annum, 2014-16</td>
<td>n/a</td>
<td>+178</td>
</tr>
<tr>
<td>Commercial Floorspace</td>
<td>Additional Direct, Onsite GVA and Jobs – per annum (from 2017 onwards)</td>
<td>£3.4</td>
<td>+78</td>
</tr>
<tr>
<td>Residential Units</td>
<td>Additional resident expenditure and jobs directly by this supported across LB Brent – per annum (from 2017 onwards)</td>
<td>£1.1</td>
<td>+11</td>
</tr>
</tbody>
</table>

NOTE: This table sets out future impacts which are additional to those currently located on site

Source: Regeneris Consulting, 2014

5.7 A number of financial benefits would also accrue:
One off payments / lump sum payments will be generated via the Community Infrastructure Ley (CIL) and the New Homes Bonus (NHB):

- The scheme could generate total Community Infrastructure Levy (CIL) payments of £2.0 million, including £1.7 million for the London Borough of Brent and £0.3 million for the GLA.
- In addition it could generate total New Homes Bonus income of £1.0 million over 6 years, split between the London Borough of Brent and the GLA.

A number of ongoing income streams will also be generated by the development:

- Additional Council Tax income for the London Borough of Brent totalling up to £0.1 million per annum;
- Additional Business Rates income of £0.1 million per annum. A proportion of this could be retained by the London Borough of Brent.
- Ground rents of around £34,000 per annum receivable by the Council from 2017.

### Table 5.2 Scenario 1: Site 18 Financial Impacts

<table>
<thead>
<tr>
<th>Type of Income</th>
<th>Source</th>
<th>£ (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Off Payments</td>
<td>New Homes Bonus (over 6 years)</td>
<td>+£1.0</td>
</tr>
<tr>
<td></td>
<td>CIL - LB Brent</td>
<td>+£1.7</td>
</tr>
<tr>
<td></td>
<td>CIL - GLA</td>
<td>+£0.3</td>
</tr>
<tr>
<td>On-going Annual Income (2017 onwards)</td>
<td>Council Tax</td>
<td>+£0.1</td>
</tr>
<tr>
<td></td>
<td>Business Rates</td>
<td>+£0.1</td>
</tr>
</tbody>
</table>

**NOTE:** This table sets out future impacts which are additional to those currently located on site. These are total, one off (or time limited) payments the public sector will receive.

5.8 There are also a number of wider societal and environmental impacts. These have not been quantified but include:

- **Housing Impacts** – the development will help the council to achieve its objectives of improving the quality of the housing stock in the South Kilburn area:
  - The redevelopment of Site 18 will include the demolition (and replacement) of Cullen House, a housing block which is currently deemed to provide poor quality accommodation.
  - The scheme will also deliver net additional housing units – in addition to replacing all affordable units lost, the scheme will provide around 10 additional affordable units and 98 additional private market units on the immediate site.

- **Physical Environment** – given its location bordering Queens Park, Site 18 has been identified as an important gateway site for South Kilburn. However, in its current use the site has a very low development density with a large proportion of land is underutilised or unused. The Site is currently occupied by a car park, a largely redundant industrial building and a public house. As such, in its current use, the site does little to enhance the appearance and overall quality of the surrounding area, or perceptions of the area to local residents and businesses. The proposed development has the potential to improve the overall environment and accessibility of the surroundings in a number of ways:
The proposed development will deliver a new development of high quality design. In doing so it would immediately act to improve the physical appearance of this prominent ‘gateway’ location.

The proposed development will also include a series of highway and accessibility works. These include the removal of the existing gyratory road system and the provision of new public realm within the development. These will improve accessibility and permeability both within the immediate area, but also links between South Kilburn and Queens Park.

In delivering the above environmental improvements, the redevelopment of Site 18 is a critical element of the wider place making aspirations of the South Kilburn Regeneration Programme, providing a new gateway site which reflects strategic ambitions to transform perceptions and image of the area.

**Catalytic Impacts** – LB Brent has identified the delivery of Site 18 as being integral to the delivery for the wider South Kilburn Regeneration Programme:

- Site 18 is a crucial element of the financial and decant model via which the rest of the South Kilburn Regeneration Programme (and its related societal benefits) will be delivered. Proceeds from the development of Site 18 will be reinvested in the Programme to allow future phases to proceed, while the Programme’s decant schedule is also dependent on the delivery of additional units at Site 18 to rehouse residents from the subsequent development phases.

- The place making outcomes identified above are also significant within the Programme’s financial model. Navigant project that the improved physical nature of the area will help local residential sales value perform 3% higher than might have been the case in the absence of the improvements. The self-funded programme is dependent on this 3% increase in private residential values being achieved.

**Wider South Kilburn Regeneration Programme Area Impacts**

5.9 The South Kilburn Regeneration Programme would continue as currently planned, with the delivery of 95 additional residential units under Phases 3a, 3b, 4a and 4b. Full details of the schedule are set out in Chapter 2.

5.10 It is assumed that taking into account the current proposals for the full implementation of the South Kilburn Regeneration Programme, a number of economic benefits would accrue for the Brent economy:

- The *construction* of the three phases will directly support up to 2,500 construction *years* of employment, equating to an average of around 300 construction positions per annum over the duration of the 8 years of construction activity (the assumed total build period for the four phases);

- Once occupied, the *residential* units on the site could directly generate up to £3.2 million additional expenditure across the Brent economy per annum (gross) compared to that generated by existing residential units on the site. This additional expenditure would directly support up to 30 FTE jobs across the Brent economy.
Table 5.3 Scenario 1 South Kilburn Regeneration Phases 3a, 4a and 4b Economic Impacts

<table>
<thead>
<tr>
<th>Activity</th>
<th>Measure</th>
<th>Monetary Impact (£ million)</th>
<th>Employment Impact (FTE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>Construction impact of employment for all phases</td>
<td>n/a</td>
<td>+2,500 construction years, or around 300 jobs supported for a cumulative total of 8 years</td>
</tr>
<tr>
<td>Residential Units</td>
<td>Expenditure and Jobs supported across LB Brent – per annum (once all phases completed in 2026)</td>
<td>+£3.2 million</td>
<td>+33</td>
</tr>
</tbody>
</table>

**NOTE:** This table sets out future impacts which are **additional** to those currently located on site.

Source: Regeneris Consulting, 2014

5.11 A number of **financial benefits** would also accrue:

- **One off payments / lump sum payments will be generated via the Community Infrastructure Levy (CIL) and the New Homes Bonus (NHB):**
  - The scheme could generate total *Community Infrastructure Levy* (CIL) payments of £5.6 million, including £4.8 million for the London Borough of Brent and £0.8 million for the GLA.
  - In addition, it could generate total *New Homes Bonus* income of £2.1 million over 6 years, split between the London Borough of Brent and the GLA.

- **Additional annual income of:**
  - Additional Council Tax income for the London Borough of Brent totalling up to £0.3 million per annum (once all phases are completed);
  - Ground rents of around £0.2 million per annum are receivable by the Council when all phases are complete in 2026.

Table 5.4 Scenario 1 South Kilburn Phases 3a, 3b, 4a and 4b - Financial Impacts

<table>
<thead>
<tr>
<th>Type of Income</th>
<th>Source</th>
<th>£ (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Off Payments (for all phases)</td>
<td>NHB (over 6 years)</td>
<td>+£2.18</td>
</tr>
<tr>
<td></td>
<td>CIL - LB Brent</td>
<td>+£4.8</td>
</tr>
<tr>
<td></td>
<td>CIL - GLA</td>
<td>+£0.8</td>
</tr>
<tr>
<td>On-going Annual Revenue (once all phases competed)</td>
<td>Council Tax</td>
<td>+£0.3</td>
</tr>
</tbody>
</table>

**NOTE:** This table sets out future impacts which are **additional** to those currently located on site. These are total, one off (or time limited) payments the public sector will receive.

Source: Regeneris Consulting, 2014

5.12 There are also a number of wider **strategic and societal impacts**. These have not been quantified but include:

- **Estate Renewal** – The development will include the demolition of a number of existing housing blocks which are deemed by LB Brent to provide poor quality accommodation. The provision of new affordable housing through the SKRP will deliver beneficial outcomes for local residents in terms of living standards. The scheme will also deliver additional housing
units – Phases 3a, 3b, 4a and 4b will deliver a total of around 240 additional residential units. This is a significant benefit given current constraints on the supply of housing across LB Brent and London as a whole.

- **Physical Environment** – the South Kilburn Regeneration Programme has been designed to provide a comprehensive and coherent approach to the regeneration of the area. This includes significant enhancements to the current physical environment through the delivery of a higher quality built environment and improvements to public realm. The delivery of Phases 3a, 3b, 4a and 4b will ensure that LB Brent’s strategic objectives for the area is fully realised, with positive outcomes for both existing residents and new residents and businesses attracted to the area.

- **Responding to socio-economic challenges** – as set out in Chapter 2, South Kilburn is characterised by significant socio-economic challenges, including high unemployment levels and high levels of deprivation. The regeneration of South Kilburn is a key part of LB Brent’s strategy for responding to these challenges. The programme will directly improve the quality of housing and the environment and provide additional jobs which local residents can access. Ultimately, it is intended that estate renewal will help to deliver a step change in local quality of life, raising aspirations and reducing levels of disparity.

### Scenario 2: Site 18 Used for Vent Shaft and ATS

#### Scenario Summary

5.13 The delivery of the HS2 project as set out within the Environmental Statement would see the placement of a vent and access shaft and auto transformer on Site 18. As a result of this, any additional development on Site 18 by LB Brent and its partners would not be possible and the decant and financial model for future phases of the South Kilburn Regeneration Programme would be adversely affected.

#### Key Assumptions

5.14 Our key assumptions under Scenario 2 are:

- There would be no scope for development activity on Site 18 – LB Brent have advised that development on Site 18 would not be possible given the amount of space required by HS2 Ltd for the construction of the vent shaft and auto-transformer

- An increase in the funding gap for future phases of the South Kilburn Regeneration Programme – financial modelling undertaken by Navigant states that the South Kilburn Financial Model currently shows a deficit of £24.5m upon completion of phase 4B and, that under current finances, the Council is only able to complete up to the end of phase 3B. Under Scenario 2, Navigant report that there would be an increase in the total deficit to £35.9m, a loss of £11.4m to the scheme. Navigant state that this would mean that the Council would only be able to complete the development of the programme up to phase 3A.

#### Assessment of Impacts

5.15 Our assessment of impact considers in turn the impact on the separate development sites.
Site 18

5.16 There would be no additional development activity on Site 18, and as such, no additional socio-economic benefits would accrue.

5.17 It is also assumed that the current employment use on the main part of Site 18 (the TfL office facility) would be lost. This would mean the displacement of around 25 FTE jobs, a minor adverse local economic impact.

5.18 Wider regeneration impacts relating to the site, including the removal of the gyratory and the improvement of the public realm and environment, would not be achieved. Significantly, rather than contributing to the council’s place making aspirations for the area, the Scenario would result in the long term blight of this important gateway site.

5.19 The scenario will also result in some short term financial costs for the council. There would need to retain Cullen House until 2024 and would therefore need to carry out essential works to bring the units up to Decent Homes standard. An initial assessment suggests that this could be at a financial cost of around £0.6 million.

South Kilburn Regeneration Programme

5.20 Non-delivery of development on Site 18 would result in an increase in the funding gap for future phases of the South Kilburn Regeneration Programme.

5.21 Financial modelling undertaken by Navigant states that under Scenario 2, the total deficit for the whole South Kilburn Regeneration programme would increase by around £11.4m (increasing the current deficit by around a third). In the current climate of financial constraints faced by LB Brent, this represents a significant cost to the council and it is likely that major challenges would be faced in securing extra financial resources to fill the gap.

5.22 In the short term, LB Brent is likely to incur financial and resource costs relating to efforts to lever additional funding for the programme.

5.23 In the event that LB Brent was unable to secure extra resources to fill the financial gap, it is likely that significant revisions would need to be made to the current South Kilburn Regeneration Programme proposals, including the quantum of development, the resident decant schedule and the timescales of delivery. Such revisions would result in adverse financial and socio-economic impacts:

- In the short term, there would be additional financial costs for the council relating to the development of a revised masterplan and development process
- In the longer term, the potential socio-economic outcomes of the programme would also be adversely impacted:
  - Any delays and / or reductions in the quantum of development would have adverse implications for the decant schedule, with knock on implications in terms of the ability of the scheme to deliver quality of life improvements for local residents
  - Any delays and / or reductions in the quantum of development might would also impact upon the arrival of new, additional residents in the area, thus lessening the potential of the scheme to generate increased levels of residential expenditure in the local economy.
Scenario 3: Canterbury Works Site Used for Vent Shaft and ATS

Scenario Summary

5.24 This is an alternative scenario, which has been found to be technically feasible within the Pell Frischmann Technical Reports.

5.25 This scenario would see the Canterbury Works site for the vent and access shaft and the ATS. As a result:

- Existing businesses on Canterbury Works site would be displaced, with the whole site being required for HS2 works
- Site 18 would be developed as per the existing planning permission (scheme details summarised in Chapter 2), with the scheme completed and operational by 2017
- Phases 3a, 3b, 4a and 4b of the wider South Kilburn Regeneration Programme would progress as currently set out in the development schedule (summarised in Chapter 2).

Key Assumptions

5.26 Our key assumptions under scenario 2 are:

- Site 18 would be developed as per the existing planning permission, with the scheme completed and operational by 2017
- Phases 3a, 3b, 4a and 4b of the wider South Kilburn Regeneration Programme would progress as currently expected, with completion in 2019, 2021, 2024 and 2026 respectively
- We have assumed that HS2 would require the use of Canterbury Works site from 2017 to 2023 inclusive for construction and access purposes:
  - It is assumed that the Canterbury Works site safeguarded area would not include Canterbury House and that the current planning permission for residential development on that part of the site would be implemented as currently proposed
  - While the rest of the Canterbury Works site has been the subject of enquiries from a developer regarding the potential for the future redevelopment for residential uses, this has not been taken into account in our analysis: all enquiries have been informal to date and the redevelopment of the site is not anticipated within LB Brent's Local Plan or related policy documents
  - All current uses on the rest of the Canterbury Works site would need to be vacated for HS2 construction works
  - LB Brent has advised that there are currently constraints on the availability of land / premises to accommodate the types of uses operating in Canterbury Works within the Borough. As such, it is not likely to be possible to relocate the businesses within the Borough during the Vent Shaft construction period.
  - While construction would be completed in 2023, Pell Frischmann advise that much of the site would be required for the physical infrastructure and as such, no part of the site could be returned to employment uses
Assessment of Impacts

5.27 Our assessment of impact considers in turn the impact on the separate development sites:

Site 18

5.28 Site 18 would be developed as per the existing planning permission. The impacts of this scheme are provided under Scenario 1 and comprise:

- Additional economic benefits (jobs and GVA) from the construction of the site, the operation of the commercial uses and increased residential expenditure.
- Additional financial benefits from the development and operation of the scheme including NHB, CIL, business rates and council tax.
- Wider benefits relating to the development of the site including transport improvements, environment improvements, wider catalytic impacts relating to the regeneration of an important gateway site.

Canterbury Works site

5.29 HS2 Limited would use the Canterbury Works site for the Vent Shaft and the ATS. As such, use of the Canterbury Works site for employment activities would be lost throughout the duration of construction (2018-2024) and thereafter.

5.30 This would result in a number of adverse economic impacts for the Borough. There are currently around 6 businesses and 10 FTE jobs on the site, supporting annual GVA of around £0.6 million. This activity would be displaced and would be lost to the Borough unless appropriate premises can be found (which due to employment land constraints is deemed unlikely).

5.31 Reflecting the level of economic activity on the site, financial implications would also be relatively minor: activity on the site currently generates business rates of around £50,000 per annum. Only a small proportion of this is likely to be received by the council under business rates retention policy.

| Table 5.5 Scenario 3 Canterbury Works Site Impacts |
|-----------------------------------|-----------------|------------------|
| Economic Impacts                 | Employment (FTE) | -13              |
| GVA per annum (£ million)        | -£0.6           |
| Financial Impacts                | Business Rates per annum (£ million) | -£0.05 |

Source: Regeneris Consulting, 2014

South Kilburn Regeneration Programme

5.32 The South Kilburn Regeneration Programme would be developed as per the current masterplan and phasing. The impacts of this are provided under Scenario 1.
Scenario 4: Site 18 Used for Vent Shaft; Canterbury Works Site for ATS

Scenario Summary

5.33 This is an alternative scenario, which has been found to be technically feasible within the Pell Frischmann Technical Reports.

5.34 The vent shaft would be delivered on Site 18 as set out within the HS2 ES, but the ATS would be constructed on the Canterbury Works site. A reduced and delayed development would be feasible on Site 18. These changes to Site 18 development would impact upon the delivery of the South Kilburn Regeneration Programme.

Key Assumptions

5.35 Our key assumptions under Scenario 4 are:

- The development of Site 18 would be delayed. It is assumed that HS2 would require both Site 18 and the Canterbury Works site from 2018 to 2024 for construction.
- After HS2 has finished construction activity it is assumed that the remainder of site 18 could be developed, becoming operational in 2026.
- The scale of development on Site 18 would be slightly reduced as a result of the loss of part of the site to the Vent Shaft. Our assumptions in this regard are based upon information from LB Brent’s architects for the scheme who have appraised the scale of development which could be accommodated on the reduced site. The difference between current capacity and assumed future capacity following HS2 is summarised below.

<table>
<thead>
<tr>
<th>Table 5.6 Scenario 4 – Site 18 Development Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Residential Units</strong></td>
</tr>
<tr>
<td>Private</td>
</tr>
<tr>
<td>Site 18 – Scenario 1</td>
</tr>
<tr>
<td>Site 18 – Scenario 4</td>
</tr>
<tr>
<td>Difference</td>
</tr>
</tbody>
</table>

- It is assumed that the Canterbury Works site safeguarded area would not include Canterbury House and that the current planning permission for residential development on that part of the site would be implemented as currently proposed.
- While the rest of the Canterbury Works site has been the subject of enquiries from a developer regarding the potential for the future redevelopment for residential uses, this has not been taken into account in our analysis: all enquiries have been informal to date and the redevelopment of the site is not anticipated within LB Brent’s Local Plan or related policy documents.
- It is feasible that the ATS could be constructed in such a way to enable the return of some employment uses to Canterbury Works after HS2 construction. However, given uncertainties about the placement of the ATS and small size of the site, we have assumed a worst case scenario, with no employment uses returning.
- An increase in the funding gap for future phases of the South Kilburn Regeneration Programme – financial modelling undertaken by Navigant states that the South Kilburn
Financial Model currently shows a deficit of £24.5m upon completion of phase 4B and, that under current finances, the Council is only able to complete up to the end of phase 3B. Under Scenario 2, Navigant report that there would be an increase in the total deficit to £34.3m, a loss of £9.8m to the scheme. Navigant state that this would mean that the Council would only be able to complete the development of the programme up to phase 3A.

Assessment of Impacts

5.36 Our assessment of impact considers in turn the impact on the separate development sites:

Site 18

5.37 The scheme will see the delivery of 127 residential units (98 additional) – a slightly smaller number than under Scenario 1. Around 2,100 sq m of commercial floorspace delivery (1,072 sq m additional), again a slight reduction on the quantum provided under Scenario 1.

5.38 The scheme would result in economic impacts, financial impacts and societal impacts which would be similar in scale (albeit slightly reduced) to those set out under Scenario 1 and 3:

- The construction of the scheme would see around 350 years of construction employment supported, equating to around 180 construction positions per annum (assuming a two year build);

- Once operational, the commercial elements of the scheme would directly support around 70 FTE jobs on site and would generate around £3.3 million GVA per annum in the local economy. The operational scheme would generate around £0.07 million in business rates per annum.

- Once occupied, the residential units on the site would generate around £1.1 million residential expenditure per annum in the LB Brent economy, which in turn would support around 10 FTE jobs locally. The residential development would generate CIL of around £2.0m, NHB of around £0.9 million, annual council tax income of around £0.1 million and annual ground rent income of around £0.02 million.

- As with Scenario 1 and 3, once operational, the scheme would result in a number of wider benefits including public realm and environmental enhancements and potential catalytic regeneration impacts relating to the improvement of an important gateway location.

<table>
<thead>
<tr>
<th>Activity</th>
<th>Type of Impact</th>
<th>Impact Indicator</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Development</td>
<td>Economic</td>
<td>Employment</td>
<td>74 FTE jobs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>GVA</td>
<td>£3.2m per annum</td>
</tr>
<tr>
<td></td>
<td>Financial</td>
<td>Business Rates</td>
<td>£0.08m per annum</td>
</tr>
<tr>
<td>Residential Development</td>
<td>Economic</td>
<td>Expenditure</td>
<td>£1.1m per annum</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Employment Supported</td>
<td>10 FTE jobs</td>
</tr>
<tr>
<td></td>
<td>Financial</td>
<td>NHB</td>
<td>£1.04 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CIL</td>
<td>£2.0 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Council Tax</td>
<td>£0.1 million</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ground Rent</td>
<td>£0.02 million</td>
</tr>
</tbody>
</table>

Source: Regeneris Consulting, 2014
However, crucially, these positive impacts would be delayed until 2026, with the loss of 9 years’ worth of positive economic and financial benefit compared to scenarios 1 and 3.

Significantly, rather than contributing to the council’s place making aspirations for the area, the Scenario would result in the temporary blight of this important gateway site.

This delay would also impact on the decant and financial model which underpins the rest of the South Kilburn Regeneration Programme, implications of which are discussed in more detail below.

The scenario will also result in some short term financial costs for the council. There would need to retain Cullen House until 2024 and would therefore need to carry out essential works to bring the units up to Decent Homes standard. An initial assessment suggests that this could be at a financial cost of around £0.6 million.

**Canterbury Works site**

HS2 Limited would use the Canterbury Works site for the Vent Shaft and the ATS. As such, as with Scenario 3, we have assumed use of the Canterbury Works site for employment activities would be lost throughout the duration of construction (2018-2024) and thereafter.

However, comparatively speaking, the adverse economic and financial impacts of this would be relatively minor, as set out under Scenario 3.

**South Kilburn**

Impacts for the South Kilburn Regeneration Programme would be similar to those identified under Scenario 2.

Non-delivery of development on Site 18 would result in an increase in the funding gap for future phases of the South Kilburn Regeneration Programme. Financial modelling undertaken by Navigant states that under Scenario 4, the total deficit for the whole South Kilburn Regeneration programme would increase by around £9.3m. As is the case under Scenario 2, in the current climate of financial constraints faced by LB Brent, this represents a significant cost to the council and it is likely that major challenges would be faced in securing extra financial resources to fill the gap.

In the short term, LB Brent is likely to incur financial and resource costs relating to efforts to lever additional funding for the programme.

In the event that LB Brent was unable to secure extra resources to fill the financial gap, it is likely that significant revisions would need to be made to the current South Kilburn Regeneration Programme proposals, including the quantum of development, the resident decant schedule and the timescales of delivery. Such revisions would result in adverse financial and socio-economic impacts:

- In the short term, there would be additional financial costs for the council relating to the development of a revised masterplan and development process
- In the longer term, the potential socio-economic outcomes of the programme would also be adversely impacted:
  - Any delays and / or reductions in the quantum of development would have adverse implications for the decant schedule, with knock on implications in terms of the ability of the scheme to deliver quality of life improvements for local residents
  - Any delays and / or reductions in the quantum of development might would also impact upon the arrival of new, additional residents in the area, thus lessening the
potential of the scheme to generate increased levels of residential expenditure in the local economy.

Scenario 5: Site 18 Used for Vent Shaft; Travis Perkins Site for ATS

Scenario Summary

5.49 This is an alternative scenario, which has been found to be technically feasible within the Pell Frischmann Technical Reports.

5.50 The vent shaft would be delivered on Site 18 as set out within the HS2 ES, but the ATS would be constructed on the Travis Perkins site. As per Scenario 4, a reduced and delayed development would be feasible on Site 18. These changes to Site 18 development would impact upon the delivery of the South Kilburn Regeneration Programme.

Key Assumptions

5.51 Our key assumptions under Scenario 5 are:

- The development of Site 18 would be delayed. It is assumed that HS2 would require both Site 18 and the Travis Perkins site from 2018 to 2024 for construction.
- The scale of development on Site 18 would be slightly reduced as a result of the loss of part of the site to the Vent Shaft. Quantum of development would be as per set out under Scenario 4.
- After HS2 has finished construction activity it is assumed that the remainder of site 18 could be developed, becoming operational in 2026.
- Visual assessment suggests that the Travis Perkins site is currently underutilised and could be reconfigured to accommodate the ATS without loss of the buildings or storage space. However, we have assumed a worst case scenario that given access requirements (and current access constraints), HS2 would require the whole site for ATS construction purposes. Given uncertainties about the placement of the ATS we have also assumed a worst case scenario, with no employment uses returning to the site after construction.
- An increase in the funding gap for future phases of the South Kilburn Regeneration Programme – financial modelling undertaken by Navigant states that the South Kilburn Financial Model currently shows a deficit of £24.5m upon completion of phase 4B and, that under current finances, the Council is only able to complete up to the end of phase 3B. Under Scenario 2, Navigant report that there would be an increase in the total deficit to £34.3m, a loss of £9.8m to the scheme. Navigant state that this would mean that the Council would only be able to complete the development of the programme up to phase 3A.

Assessment of Impacts

5.52 Our assessment of impact considered in turn the impact on the separate development sites:
Site 18

5.53 Site 18 impacts would be the same as those set out under Scenario 4 above: while the scheme would result in economic impacts, financial impacts and societal impacts which would be similar in scale to those set out under Scenario 1 and 3, there would be a significant delay (up to 9 years) in these benefits coming forward.

5.54 Significantly, rather than contributing to the council’s place making aspirations for the area, the Scenario would result in the temporary blight of this important gateway site.

Travis Perkins Site

5.55 We have adopted a worst case scenario that HS2 Limited would require the use of the whole Travis Perkins site for ATS construction purposes. As such, use of the site for employment activities would be lost throughout the duration of construction (2018-2024) and thereafter.

5.56 This would result in a number of economic impacts for the Borough. The whole of the site is currently used by Travis Perkins for builder’s merchants operations. We estimate that there are currently around 10 FTE jobs on the site\(^7\), with the site contributing annual GVA of around £0.7 million. This activity would be displaced and would be lost to the Borough unless appropriate premises can be found (which due to employment land constraints is deemed unlikely).

5.57 Reflecting the level of economic activity on the site, financial implications would also be relatively minor: activity on the site currently generates business rates of around £30,000 per annum. Only a small proportion of this is likely to be received by the council under business rates retention policy.

<table>
<thead>
<tr>
<th>Table 5.8 Scenario 5: Travis Perkins Site Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Impacts</td>
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<tr>
<td></td>
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<tr>
<td>Financial Impacts</td>
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</tbody>
</table>

Source: Regeneris Consulting, 2014

South Kilburn

5.58 As would be the case under Scenario 4, the viability of the South Kilburn Regeneration Programme would be impacted by an increase in the size of the funding gap in the financial model for the programme. The impacts of this are the same as those set out under scenario 4.

Summary of Scenarios and Impact

5.59 The above analysis has highlighted the following findings regarding the relative socio-economic implications of the different scenarios:

The Reference Case

5.60 The development of Site 18 as proposed within the South Kilburn masterplan (Scenario 1) has the potential to directly generate significant socio-economic benefits for the local area, including:

\(^7\) Based on a visual assessment, cross reference with local employment datasets and employment densities
The direct creation of around 80 new jobs and additional GVA of £3.4 million per annum through the commercial elements of the scheme

- the provision of around 100 additional homes, generating additional residential expenditure of up to £1.1 million per annum in Brent, enough to directly support around 10 additional FTE jobs across the Borough

- significant income for the council, including around £2.6m from NHB and CIL payments

- significant environmental and public realm improvements on a ‘gateway’ location for Queens Park and South Kilburn

5.61 Taken alone, these direct benefits have the potential to contribute strongly against many of LB Brent’s strategic objectives for the South Kilburn area, through the generation of new employment opportunities accessible to local residents, the improvement of the housing stock and the physical transformation of this key gateway site.

5.62 However, perhaps just as crucially, capital receipts from the scheme will help to catalyse future phases of the South Kilburn Regeneration Programme, and bring forward the significant socio-economic benefits associated with the delivery of the wider masterplan for the area.

**HS2 Scenarios**

5.63 All the HS2 scenarios result in weaker socio-economic outcomes compared to those achieved under the reference case. However, certain scenarios are found to be more damaging in socio-economic terms than others:

- Of the alternative scenarios, Scenario 3 is the most advantageous in socio-economic terms, resulting in some minor adverse socio-economic impacts on the Canterbury Works site, but allowing Site 18 and future phases of the South Kilburn Regeneration Programme to progress as currently planned.

- The scenario proposed by HS2 Limited within the HS2 Environmental Statement (Scenario 2) is the most damaging in socio-economic terms. This scenario would result in no development activity taking place on Site 18 (and hence loss of the benefits described above), permanent blight of this important gateway site, and constraints on the delivery of future phases of the South Kilburn Regeneration Programme.

- Scenarios 4 and 5 would result in minor adverse impacts on the Canterbury Works and Travis Perkins sites respectively. After HS2 construction has ended, development on Site 18 would be able to progress (albeit at a slightly reduced scale).

- That said, the delay in the delivery of the scheme under Scenario 4 and 5 will result in a net economic cost to LB Brent: when set against the benefits that could be accrue under Scenarios 1 and 3, up to 9 years’ worth of financial benefits and income streams would be lost. Site 18 would become operational in 2026, resulting in the following costs (relative to Scenario 1):
  - Commercial impacts – the creation of 80 FTE jobs would be delayed and there would be a cumulative loss of up to £22.9m economic value (GVA). There would also be a cumulative loss of £0.5 million business rates income\(^8\)
  - Residential impacts – delay of around 100 additional new homes; loss of up to £7.5m residential expenditure in Brent (which would have supported up to 10 FTE

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\(^8\) All cumulative figures for impact lost presented as Net Present Value in 2014 prices
jobs); cumulative loss of up to £0.9m council tax income; NHB & CIL income delayed with adverse implications for reinvestment potential

- Catalytic Impacts – the delay in delivery of Site 18 would also result in the temporary blighting of this important gateway site and would result in an increased financial deficit in the council’s financial model for the regeneration programme.

5.64 These impacts are summarised in the table overleaf.
Table 5.9 Summary of Future Contribution of Site 18 and Related Sites (once complete)

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<tbody>
<tr>
<td><strong>Delivery Timescales</strong></td>
<td>• Site 18 operational by 2017</td>
<td>• No Site 18 develop</td>
<td>• Site 18 operational by 2017</td>
<td>• Site 18 operational by 2026</td>
<td>• Site 18 operational by 2026</td>
</tr>
<tr>
<td><strong>Impact of Delay (relative to reference case)</strong></td>
<td>• No delay</td>
<td>• No development</td>
<td>• No delay</td>
<td>• Loss of £22.9m GVA from commercial scheme; creation of 80 jobs delayed; loss of £7.5m residential expenditure</td>
<td>• As per Scenario 4</td>
</tr>
<tr>
<td><strong>Impact once Operational</strong></td>
<td></td>
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<tr>
<td></td>
<td>• Operational by 2017</td>
<td>• Displacement of 25 FTE jobs</td>
<td>• As per scenario 1.</td>
<td>• Up to 70 FTE jobs; GVA of £3.2m PA, business rates of £0.7 PA</td>
<td>• As per scenario 4.</td>
</tr>
<tr>
<td></td>
<td>• Commercial Impacts: up to 80 FTE jobs; GVA of £3.4m per annum (PA); business rates £0.8m PA</td>
<td></td>
<td></td>
<td>• Residential Impacts: expenditure of £1.0m per annum; 10 FTE jobs supported; £2.5m income for council via NHB and CIL</td>
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<tr>
<td></td>
<td>• Residential: expenditure of £1.1m PA; 10 FTE jobs supported; £2.6m income for council via NHB and CIL</td>
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<td></td>
<td>• Wider impacts: regen of gateway site; public realm improvements; catalyst for future SKRP phases</td>
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<tr>
<td>Canterbury Works</td>
<td>Minor Adverse Impact</td>
<td>Minor Adverse Impact</td>
<td>Minor Adverse Impact</td>
<td>Minor Adverse Impact</td>
<td>Minor Adverse Impact</td>
</tr>
<tr>
<td>Travis Perkins</td>
<td>• Displacement of 10 FTE jobs</td>
<td>• Displacement of 10 FTE jobs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>South Kilburn Regen Prog</td>
<td>Strong Positive Impact</td>
<td>Adverse Impact</td>
<td>Strong Positive Impact</td>
<td>Adverse Impact</td>
<td>Adverse Impact</td>
</tr>
<tr>
<td></td>
<td>• Phases 3a, 3b, 4a and 4b complete by 2026</td>
<td>• Increase in SKRP financial model deficit by £11.4m</td>
<td>• As per Scenario 1.</td>
<td>• Increase in SKRP financial model deficit by £9.3m</td>
<td>• Increase in SKRP financial model deficit by £9.3m</td>
</tr>
<tr>
<td></td>
<td>• 240 additional residential units</td>
<td>• Challenges for council in securing additional resources</td>
<td></td>
<td>• Challenges for council in securing additional resources</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Residential Impacts: expenditure of £3.2m PA; 30 FTE jobs supported; £6.9m income for council via NHB and CIL</td>
<td>• If financial gap cannot be filled, re-profiling &amp; delays to SKRP result in adverse socio-economic impacts</td>
<td></td>
<td>• If financial gap cannot be filled, re-profiling &amp; delays to SKRP result in adverse socio-economic impacts</td>
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<tr>
<td></td>
<td>• Wider impacts: delivering LB Brent strategic ambitions for estate renewal and helping to tackle local socio-economic disparities</td>
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</tbody>
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Private and confidential
6. Mitigation and Compensation

6.1 As set out in the previous chapter, all scenarios for the placement of the HS2 vent shaft and auto transformer will result in adverse impacts for LB Brent in comparison to the reference case.

6.2 As such, compensation and mitigation is required to reduce the costs to LB Brent, its residents and its businesses to zero.

Compensation

6.3 Financial compensation would be required to ensure that future phases of the South Kilburn Regeneration Programme are able to progress according to current timescales, unaffected by the loss of capital receipts and hence financial gap created by delays to or non-development of Site 18.

6.4 The financial contribution required is set out in the accompanying Navigant report:

- Under Scenario 2, compensation of £11.92m would be required in 2015 to fill the financial gap left by non-development of Site 18
- Under Scenario 4 and 5, compensation of £9.7m would be required in 2015 to fill the financial gap left by non-development of Site 18

6.5 If the development of Site 18 is delayed, compensation would also be required to cover the necessary upgrades to Cullen House to make the accommodation fit for purpose under decent homes standards. Early estimates suggest this would be in the region of £0.6 million.

Socio-Economic Mitigation

6.6 In addition to the compensation set out above, a range of socio-economic mitigation measure will be required to help to minimise the impacts of HS2 works in the South Kilburn area and to ensure that local business and residents are able to access potential opportunities relating to construction activity.

6.7 These mitigation can be grouped into three categories:

- Place and property mitigation
- Business support and development
- Skills and employment support and brokerage

6.8 Mitigation options under these three categories are summarised below
Property / Place Based Mitigation

Local Context
- Site 18 is an important gateway site in a prominent location, seen as critical for improving the image of the area
- A largely residential area with dense population in the immediate surrounds
- Existing traffic congestion issues, with major enhancement planned for the gyratory system at Site 18

Impacts to be Mitigated
HS2 will impact upon the local area in a number of ways, largely relating to the detrimental impacts of construction:
- Disruptive impacts from HS2 construction activity for local residents (e.g. traffic, noise, vibration and visual blight).
- Disruption for other users of the local area, including travel / way-finding disruption and blight (noise and visual)
- Possible disruption for local businesses as a result of increased blight
- Congestion related blight impacting upon perceptions of and confidence in the area, with implications on local property values and investment

Anticipated that these impacts will be temporary in nature – largely persisting for the duration of the construction works (2017-2024).

Mitigation Options for Consideration
Mitigation measures for consideration could include:
- Working with HS2 to ensure appropriate phasing and consistency in construction activity
- Working with HS2 to mitigate construction traffic impacts, including timings and quantum of lorry movements and access improvements where necessary
- Property interventions where necessary to mitigate noise and vibration impacts (e.g. triple glazing for affected properties)
- Interventions to maintain appearance of the physical environment such as hoardings and artwork, public realm enhancements, meanwhile uses for empty space and security and protection of construction sites when unused
- Interventions to maintain / improve footfall – visitor information materials, temporary wayfinding and signage
Business Support

Local Context
- HS2 construction sites are in close proximity to two important retail centre in Brent – Queens Park (a local centre) and Kilburn (a major centre)
- Also a mix of other light industrial uses in the area, particularly on the Canterbury Works site
- Local policy aspirations to support business and enterprise and help retain and create jobs for local residents

Impacts to be Mitigated
HS2 will impact upon the local area in a number of ways, largely relating to the detrimental impacts of construction:
- Potential displacement of business on Canterbury Works site or Travis Perkins site
- Local retail businesses susceptible to changes in footfall / traffic flows associated with HS2 construction activity
- Local businesses impacted by wider construction impacts including noise, traffic and visual blight

Anticipated that these impacts will be largely temporary in nature – largely persisting for the duration of the construction works (2017-2024). However, displacement of businesses will be permanent.

Mitigation Options for Consideration
Mitigation measures for consideration could include:
- Information and advice – HS2 specific business advice on compensation / timescales / implications of HS2 on local firms; tailored advice for businesses undertaking self-mitigation measures e.g. triple glazing; enterprise support to help to sustain vulnerable firms
- Procurement support – engagement with businesses to make them aware of supply chain opportunities and brokerage to help access them
- Local Business Groups / Forums – set up of groups to represent interests of local traders
Maximising Training and Employment Opportunities

Local Context

- A dense population with close proximity to the proposed HS2 construction site
- South Kilburn characterised by high unemployment levels, below average skills levels and concentrations of severe relative multiple deprivation
- Strategic aspirations to reduce levels of socio-economic disparity in the South Kilburn area, particularly improving training and employment opportunities for local residents

Impacts to be Mitigated

HS2 will impact upon the local area in a number of ways, largely relating to the detrimental impacts of construction:

- Loss / delay of employment opportunities which would be created by development activity at Site 18
- Adverse impacts on the delivery of the South Kilburn Regeneration Programme with its objectives of improving outcomes for local residents
- Adverse impacts on local businesses with potential impacts on supply of jobs and wealth generation locally

Mitigation Options for Consideration

Mitigation measures for consideration could include:

- Employment and Brokerage Support – project to link South Kilburn residents to emerging employment opportunities
- Identifying Skills Gaps and Needs – mapping of HS2 skills needs versus local skills supply to identify area for training provision
- Training provision – project to help residents to gain the necessary skills to access employment opportunities; including creating linkages between local schools and major employers