

# SOCIO ECONOMIC — METHODOLOGY —

DERWENT  
LONDON

Investing in communities



## 1.1 INTRODUCTION

Derwent London commissioned JLL/Envoy Partnership to evaluate the socio-economic impacts of The Buckley Building/Turnmill to understand the net impact (positive or negative) that the building has had on the local area and community.

The overall methodology used was an outcomes-based approach, to evaluate the change that has occurred as a result of the building's redevelopment. An outcomes-based methodology measures the change that has occurred compared to if the development or refurbishment had not taken place. It is focussed on long term outcomes rather than outputs – i.e. quantifying what has happened as a result of an activity, rather than quantifying the activity that has taken place.

The analysis sought to understand the impact of The Buckley Building from the perspective of its stakeholders who experience change or impact. Identifying what changes are important for stakeholders helps define the most significant and material outcomes for those key groups, and informs the indicators of whether, and by how much, the outcomes are being achieved or not. This helps move the analysis beyond relying only on measures of change in outputs e.g. number of workers or economic value, and thus broadens the evidence base to include measures of change in outcomes as a result of those outputs e.g. improved quality of life scores or improved sense of place.

The research was focused on what outcomes and added value, if any, that The Buckley Building or Turnmill may have on the immediate neighbourhood and local stakeholders. This included identifying any material effects on residents, local businesses and workers, the Local Authority's objectives for the area, and whether the quality of the immediate location has been enhanced.





It was important to gain a reflective and broad evidence base that could be triangulated by different stakeholders and sources of information, to reduce bias or over-reliance on one viewpoint, or one dominant group.

Therefore, the research approach comprised a blended approach, using quantitative measures (data and surveys) and qualitative evidence (interviews and consultation). This was in order to best demonstrate if the outcomes and objectives identified were achieved from the development. This involved engagement with a significantly broad range of stakeholders, including:

- Building occupiers
- Project architect
- Local businesses
- Local residents
- Local workers
- Islington Council

Due to the proximity of another Derwent London development – the Turnmill building on Clerkenwell Road, it was decided that the impact of the two buildings could overlap and that where feasible to do so, the socio-economic impacts of both buildings should be considered.

## Phased approach undertaken

The study was undertaken in a four month period from November 2014 to February 2015 and was conducted in three phases:

### Phase 1: Nov-Dec 2014

#### Project review & one-on-one stakeholder interviews

- 1.1 Data collection plan and stakeholder map
- 1.2 Project document review
- 1.3 Building design impact & quality assessment
- 1.4 Interviews with key stakeholders:
  - Building Manager
  - Project architect
  - Metropolitan Police
  - Clerkenwell Green Preservation Society
  - Islington Council representatives
- 1.5 Desktop benchmark review

### Phase 2: Jan-Feb 2015

#### Stakeholder engagement and surveys

- 2.1 Surveys of local workers / residents
- 2.2 Survey local businesses on percentage change in footfall / revenue
- 2.3 Survey tenants on local economic spend
- 2.4 Interviews with local residents

### Phase 3: Feb 2015

#### Analysis & production of outputs

- 3.1 Quantitative data analysis
- 3.2 Qualitative data analysis
- 3.3 Production of summary report and methodology

**Phase 1** sought to identify the key socio-economic priorities in the local area and the perceived influence of the building on these priorities, through primary and secondary data collection.

**Phase 2** involved interviewing and surveying local residents, local businesses and passers-by to understand the actual impact of the building from the perspective of the local community. A tenant employee survey was also undertaken to calculate the impact of employee spend on the local economy.

**Phase 3** comprised the identification and prioritisation of the social and economic impacts through synthesis and analysis of the qualitative and quantitative data gathered in Phases 1 and 2, and the production of outputs to communicate the findings.



## 1.2 PHASE 1: PROJECT SET-UP, DESKTOP REVIEW AND STAKEHOLDER INTERVIEWS

### 1.2.1 Data collection plan and stakeholder map

A stakeholder mapping and prioritisation process was undertaken to identify the key stakeholders that are impacted by The Buckley Building and Turnmill.

Stakeholder groups considered were:

- Tenants of the building
- Derwent London employees
- Building architects and design teams
- Local residents
- Local businesses
- Business Improvement Districts and business groups
- Local community groups
- Heritage and conservation groups
- Local service providers (e.g. schools, police)
- Local Government
- National Government

The priority stakeholders were determined using impact mapping, a process which identifies the key material outcomes that are valued by a stakeholder group and that are attributed by those groups to the development.

An impact map was produced that identified and described important stakeholders, activities and changes/outcomes that have arisen from the development, and have a material impact on other stakeholders that can also be attributed directly to the project. Qualitative research informed this process, in order to underpin the nature and type of impacts being experienced by a range of stakeholder groups. The impact map was then used to inform which indicators to measure and the data collection process by identifying key sources of information for the material impacts.



## Summary of the impact mapping process:

The table below presents the findings of the impact mapping process undertaken to identify the impacts measured in this study. The following process was used to create the impact map:

1. **Study focus area:** Derwent London identified two focus areas in the brief for this study, to test the intended outcomes of The Buckley Building, and to facilitate comparability against the previous study undertaken on the Angel Building.
2. **Derwent London long term sustainability priority:** These focus areas were mapped against Derwent London's long term sustainability priorities, as set out in Derwent London's Sustainability Strategy.
3. **Supported LB Islington objective:** Determining the alignment between LB Islington's sustainability priorities and the impacts generated by the buildings.
4. **Key stakeholders identified:** Our professional judgement was combined with initial stakeholder engagement to determine the key stakeholder groups influenced by these priorities.
5. **Impact areas and metrics identified:** Desktop research and initial stakeholder engagement findings were used to produce a shortlist of impacts to measure through this study. These were selected from a long list of potential impact areas and metrics that have been collated by JLL/Envoy Partnership. The long list included metrics considered in the study undertaken on the Angel Building, to support the replicability and comparability of this assessment.
6. **Angel Building:** The impact metrics selected were designed to be comparable with those used in the study undertaken on the Angel Building, to support comparability of findings where feasible to do so.

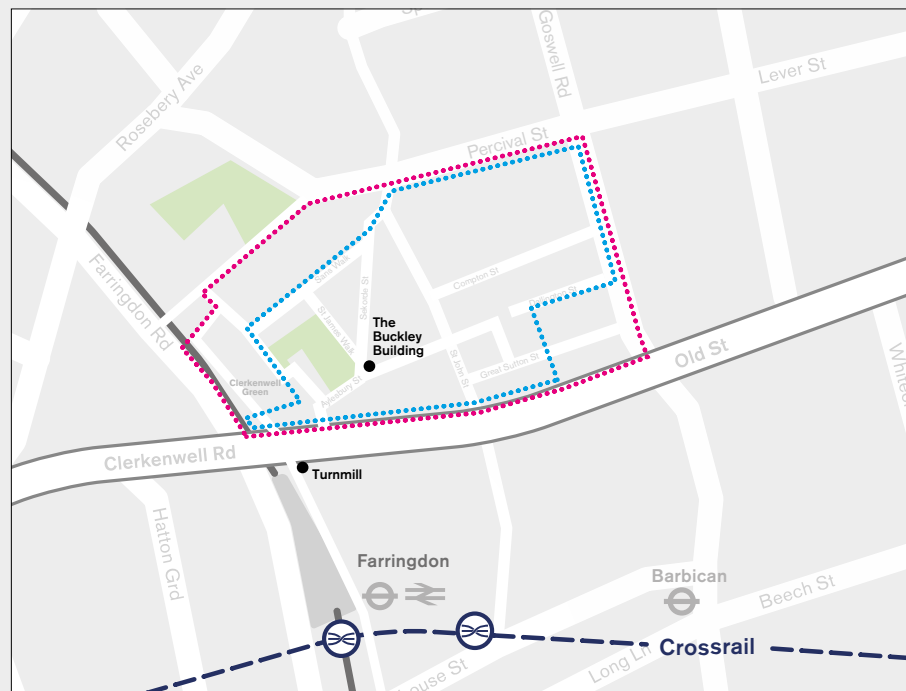
## Stakeholder impact map produced for The Buckley Building

Derwent London Stakeholders	OUTCOME (end benefit to stakeholder)	IMPACT MEASURES	Informed by
Local residents / general public	Improved public realm (e.g. more pleasant streetscape)	Building design impact and quality assessment	Resident Survey, Clerkenwell Green Preservation Society, LB Islington
	Improved community well-being	Proportion change since opening	Resident Survey, Clerkenwell Green Preservation Society, LB Islington
	Improved sense of place	Proportion change since opening	Resident Survey, Clerkenwell Green Preservation Society, LB Islington
	Improved economic mix and/or night time economy offering	Proportion change since opening	Resident Survey
	Enhanced architectural character and setting	Performance on urban design impact assessment	Architect / LB Islington / Urban Design Impact Assessment
	Retention of the historic character of the area	Building design impact and quality assessment	Resident Survey, Clerkenwell Green Preservation Society, LB Islington
	Change in crime rate	Proportion change since opening	Metropolitan Police Services
	Accessibility & welcoming feel to the area	Proportion change since opening	Resident survey & Local business survey & LB Islington & Clerkenwell Green Preservation Society
Local businesses	Enhanced revenue	Proportion change since opening	Business Survey
	Enhanced footfall with new people being brought to the area	Proportion change since opening	Business Survey
	Improved public realm / architectural quality (e.g. more pleasant streetscape)	Proportion change since opening	Business Survey
Local Authority (Islington)	Local procurement	£	Derwent London data & Building Manager interview
	Transport contribution and/or 106 levies (e.g. transport, pedestrian & cycling access)	£	106 Agreement (Note N/A for 49 Clerkenwell Green)
	Business resilience	% change retail vacancy rates since opening	Lettings Agents data
	Training & skills for local people	£	106 Agreement (Note N/A for 49 Clerkenwell Green)
	Enhanced local standard of built office environment	Qualitative feedback	Conservation Officer
	Retention of the historic character of the area	Qualitative feedback	Resident Survey & Conservation Officer, Clerkenwell Green Preservation Society
	Environment improvements: public realm & accessibility	£	106 Agreement (Note N/A for 49 Clerkenwell Green)
Occupiers: Unilever UK Ltd, Deloitte LLP, Indeed.com, MyLotto24Ltd, Hill & Knowlton Limited	Economic behaviour change (e.g. going out and spending in the local area)	£ per week spend and proportion of spend with independent businesses	Occupier Survey
	Perceived quality of building design and architecture	0-10 Score AND % change compared to other offices	Occupier Survey & Office Managers

An area scoping visit was undertaken to understand the location of key stakeholders in communities surrounding the buildings and to understand how the public realm around the buildings is used by people working or visiting the building, and passers-by. This visit was also used to identify suitable boundaries for surveying local businesses and conducting an urban impact assessment. The boundary was set by mapping concentrations of businesses, routes taken by employees to and from the buildings, and routes frequented by other local workers and residents. The map below shows the following boundaries:

- Building impact assessment: radius approximately 250m (blue boundary)
- Survey of local businesses: radius approximately 350m (red boundary)

**Map showing boundaries used for surveying and building impact assessment**



..... Survey of local businesses      ..... Building impact assessment

### 1.2.2 Project review

A review was undertaken of secondary data relevant to the study to understand key socio-economic issues and priorities in the Clerkenwell area. The following documents and secondary data sources were reviewed:

#### Derwent London documents

1. The Buckley Building marketing pack
2. Records of community engagement workshop undertaken during The Buckley Building planning process

#### Islington Council documents

3. Closing the Gap: The final report of the Islington Fairness Commission, 2011
4. Towards a Fairer Islington: Corporate Plan 2011-15
5. Islington Council Annual Performance Update 2013/14
6. Farringdon Urban Design Study
7. Bunhill and Clerkenwell Urban Design Study
8. Bunhill and Clerkenwell Area Action Plan Issues and options consultation report
9. Finsbury Local Plan (Area Action Plan for Bunhill and Clerkenwell)
10. Finsbury Local Plan Sustainability Appraisal
11. Clerkenwell Green Conservation Area guidance
12. Commissioning, procuring and contract managing Social Value in Islington Supply Chain

#### Office of National Statistics data

13. Indices of Multiple Deprivation 2007 and 2010
14. Lower layer super output area data for E01002724, Islington 022D

#### Metropolitan Police Services data

15. Metropolitan Police Services Crime Mapping Data

#### JLL Research data

16. Crossrail Identifying Opportunities, JLL Residential Research
17. Clerkenwell prime and average office rents, JLL Office Research

### 1.2.3 Building design impact and quality assessment

As part of the research, an analysis of the building's fit and sensitivity of design with the urban and historic fabric of the immediate neighbourhood around Clerkenwell Green was conducted, by a heritage architect and urban architect. This was to triangulate evidence of integration from qualitative interviews with residents, workers and business, as well as to ensure that any gaps in impact were identified with regards to the preservation and conservation of the historic area and its character.

The assessment seeks to measure how well buildings relate to their urban environment, as well as the human behaviour allowed for by their design and that of their urban surroundings. The method of assessment used, accepts that both objective and subjective judgements are made. The study thus separates the human behaviour element (which measures access and engagement) from the environmental effects experienced by people, where quality of architecture and the contrast with surrounding buildings are measured. The analysis of the type of human behaviour being more objective, while the perception of the environment (quality/contrast of architecture) being more subjective, and dependant on the assessor's experience in the field. Four separate criteria were thus discerned; Access, Engagement, Quality of architecture and Contrast of architecture with the surrounding urban environment.

#### Access

The pattern of the streets and thoroughfares were analysed in the vicinity of the building, an area ranging from its immediate perimeter to a defined radius, up to a maximum of 500 metres (in this case 350 metres was determined as the building's natural sphere of influence as the majority of businesses and passers by participating in the research were unaware of the building at this point). The amount of footfall around the building was then measured through visual observation. The assessor returned to the same positions several times during the observation period.

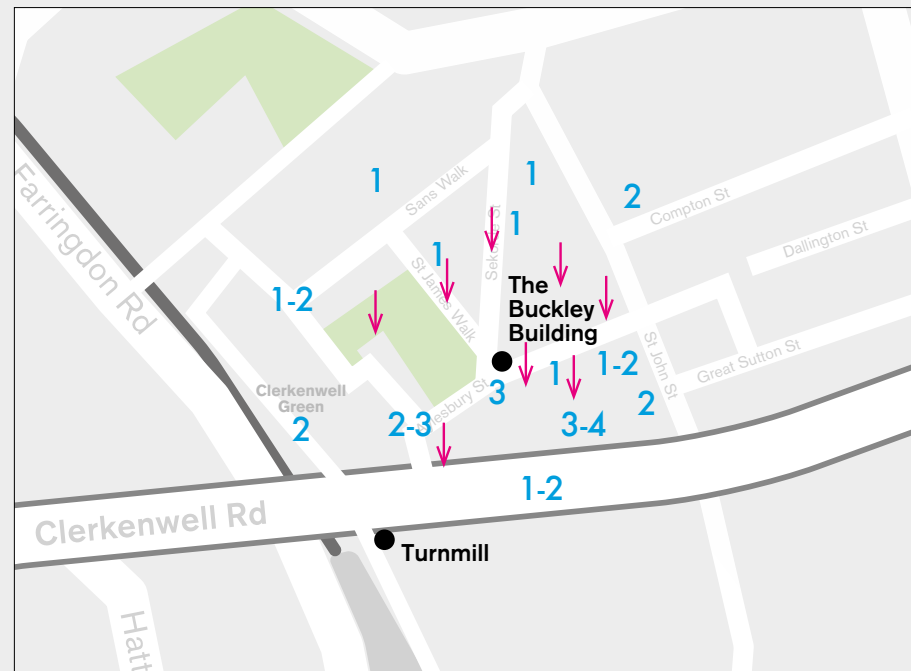
#### Engagement

The level of interaction passers-by/people had with their environments was measured through direct observation of the type of activity people were engaged in; interaction with the environment was observed, not social interaction with one another. This was then related to the building/urban surroundings by indicating it on a map through the scale described below.

- Almost no one around
- Commuter foot traffic, no stopping
- Walking/window shopping/resting outside of buildings/viewing buildings and artwork
- Working in public view/some people in shops and buildings (able to be seen from the street)
- Shops/café's spilling out onto street/open air market stalls/many people in shops
- Larger congregations of people engaged in a single activity, performances, and assemblies.

Note that this is distinct from Access; there were areas where large amounts of people flowed but with no engagement with their surroundings (i.e. people would use a route solely as a thoroughfare). Superimposition of the Access and Engagement maps revealed these areas, as demonstrated on the below map.

Map of the area surrounding The Buckley Building showing access and engagement assessment



↓ Design & access assessment points



Areas of access and engagement for The Buckley Building are demonstrated above. The building was scored three for engagement, although there were high variances between the scores depending in different areas, with the scores being notably higher when approached from the front of the building via St James's Walk or Aylesbury Street, than from the rear via Hayward's Place or Woodbridge Street.

### Quality (of materials) and contrast of architecture

The quality of the building was carried out through visual assessment via the identification of materials used, an assessment of how the building has weathered over the years and its upkeep. A grading of high, medium and low was determined for main facades of the building and interior of the lobby and downstairs restaurant unit.

### Contrast

The contrast with the existing townscape or 'urban fit' was assessed through visually assessing the surrounding buildings and streetscapes. This took into account: **materials, scale, building alignments, fenestration and plot widths** of the building in comparison to those same factors in its surroundings. A grading of high, medium and low contrast can then be provided, and thus also helps to compare against resident and worker views on how well the building blends with, compliments or enhances its setting.

The quality of materials used in The Buckley Building were assessed individually and were awarded the following scores:

- Steel, glass, metal beams: High quality and Low Contrast
- **Exposed brickwork and covered surfaces with white paint in the façade:** High quality and Low Contrast
- **Double-glazed openings on the ground floor, with single-piece glass surfaces (some with a semi-transparent effect):** High quality and Medium Contrast
- **Black/granite steel for the opening frames and junctions:** High quality and Low Contrast

### 1.2.4 Interviews with key stakeholders

Contact details to arrange semi-structured in-depth interviews with the building's occupiers, main architect, and building manager were provided by Derwent London. The research team also attended a residents' meeting at the downstairs restaurant unit, Granger & Co, in November 2014, and additionally a steering group meeting with the Clerkenwell Green Preservation Society in December 2014. This was to engage with a larger residents group to record views on the impact of The Buckley Building on the local area, and reflect on what the building was achieving for the neighbourhood to date. The research team also arranged an in-depth interview with a member of the Development team at Islington Council.

Six in-depth interviews were conducted for 'qualitative' stakeholder research, summarised below:

### Summary of stakeholder interviews undertaken

Stakeholder representative interviewed	Subjects discussed in interview
<b>Derwent London</b> – Karolina Gasiorowska, Building Manager, The Buckley Building	Experience of how the building functions and its fit-for-purpose for occupiers. Residents' and community interaction with the building
<b>BuckleyGrayYeoman</b> – Matt Yeoman, Director (Project Architect)	The building design process, conservation priorities and intended and actual results
<b>Metropolitan Police</b> – Sergeant Brian Quail, Clerkenwell Safer Neighbourhoods Team	Crime figures in the surrounding area and impact of Turnmills club closure on local crime rate
<b>Local residents / members of the Clerkenwell Green Preservation Society</b> – Ann Pembroke, Leora Neidle, Marion Sparks, Helen Cangoni	Impressions of the building and how it impacts on the neighbourhood and local people; any issues experienced throughout the development process
<b>Islington Council</b> – Kevin Henson, Deputy Head of Service, Development	Socio-economic priorities in the Borough and the impact of the buildings on the local area

Interviews were also undertaken with representatives of the following The Buckley Building occupiers to understand the motivations for the business to take space in The Buckley Building, their perception of the building and to gain approval to conduct a survey of their employees.

**Occupiers interviewed:** Hill + Knowlton, Tipp 24, Indeed, Pitch (Unilever)

The above engagement was used to inform which socio-economic impact areas and metrics to be measured.

### 1.2.5 Comparison against other socio-economic impact studies

A desktop review was undertaken of existing socio-economic impact studies on office assets and other real estate developments. The studies identified were:

Derwent London – Assessing and communicating the socio-economic benefits of the Angel Building (not published), undertaken by JLL/Envoy Partnership

British Land – Regent’s Place at 30, undertaken by nef consulting

The Crown Estate – Our Contribution, report undertaken by nef consulting and KPI manual undertaken by JLL

Hammerson – Demonstrating the true value of shopping centres, undertaken by JLL and Envoy Partnership

Land Securities - Trinity Leeds: The Local Impact, undertaken by Corporate Citizenship

Unibail Rodamco – Economic study, undertaken by Beyond Financials

In addition, the project team’s broad knowledge on socio-economic research work in and out of the real estate sector was used to identify useful sources of impact metrics for benchmarking. A summary of socio-economic impact metrics was collated from the documents reviewed and an assessment was undertaken of the relevance of each metric to this study to identify suitable metrics for benchmarking.

Metrics relating to the construction period and to tenant controlled impacts were excluded as they are outside the scope of this study.

## 1.3 PHASE 2: STAKEHOLDER ENGAGEMENT AND SURVEYING

To further enhance the evidence base, quantitative data was also collected, in order to identify social and economic impact through key measures of change. This was done through surveys, whilst also using visual aids of pictures of the building before and after re-development to enable participants to accurately assess the changes that had been made.

The quantitative data was collected by conducting the following:

- 110 online surveys with occupiers of the building
- 80 face to face surveys of local residents and workers
- 31 paper surveys of local businesses in the immediate area about changes to footfall and revenue

The surveys were focused on identifying changes such as perceptions of quality of the building compared to other buildings, the quality of the neighbourhood, perceptions of integration, impact to neighbourhood wellbeing, in addition to local occupier spending/business revenue trends and local footfall trends.

### 1.3.1 Surveys of local workers / passers-by

Local resident/worker surveys were conducted on the ground on Clerkenwell Green and around the immediate vicinity of the building from December 17 to December 19 2014, during busier periods of footfall flow between 9.30am to 3.30am. Visual aids on A4 and A3 laminated prints were used, to demonstrate the building before and after re-development.

### 1.3.2 Surveys of local businesses

Local business surveys were conducted via hard paper copy in person, using face-to-face interaction, between December 17 and December 20 2014. This also provided an opportunity where time permitted, to carry out discussions with local business managers. Visual aids were used, to demonstrate the building

before and after re-development. Prospective businesses were selected based on their geographic location within an agreed boundary of proximity to The Buckley Building, and based on feedback from occupiers about locations of frequent spend.

### 1.3.3 Survey of occupier employees

The occupiers' surveys were conducted via secure online questionnaire. A meeting was held with a representative of each occupier in advance to obtain approval to conduct a survey of their employees. A small incentive was offered to encourage participation and no personal data was required for submission.

### 1.3.4 Interviews with local residents

Interviews were undertaken with four local residents, in addition to informal discussions undertaken at a residents' meeting held in Granger and Co and a meeting of the Clerkenwell Green Preservation Society.

## 1.4 PHASE 3: SYNTHESIS AND OUTPUTS

### 1.4.1 Quantitative data analysis

Measures of impact related to both material economic and social outcomes arising from the operation of the building. Economic outcomes were measured using surveys for a sample of 110 occupiers (approximately 20% sample) and 30 local businesses with active frontage (approximately 40% sample, excluding office-based businesses).

### Section 7: Net impact – the building's role in local value creation

Occupiers were asked to record their weekly expenditure amount in the immediate area, the most likely locations of expenditure in the immediate area, and the proportion of expenditure on independent traders, chain stores or multiples.

Businesses were asked to record any percentage change they attributed to the building in terms of footfall to their establishment and change in revenue since the building re-opened. This was in addition to general rating on 0-10 scale of quality of design compared to other office buildings - further described under Social impact as follows:

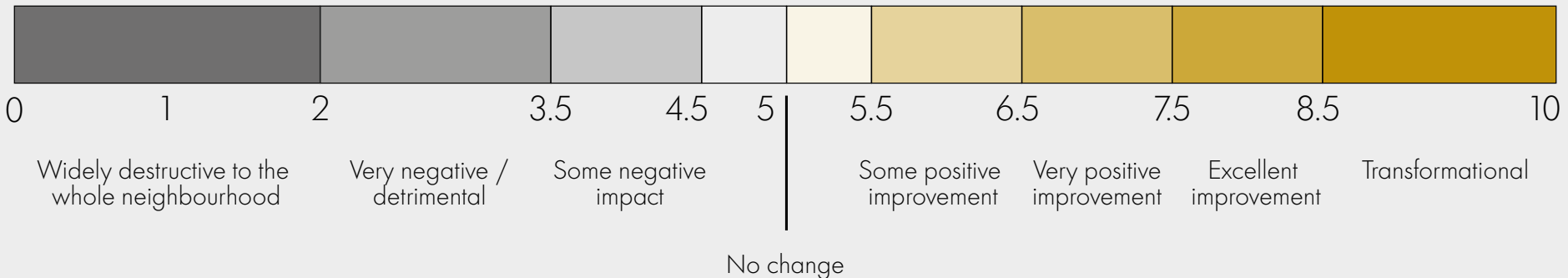
### Section 8 – Net impact – the building's design quality and fit with the local

Occupiers and residents/workers were also asked to rate on a 0-10 scale, at a general level, the quality of the building design compared DIRECTLY to other office buildings (with a score of 5 as "around average"), and also its blend with the immediate surroundings since re-opening (with a score of 5 as "No impact/change" as a result of the re-development). We could therefore gauge in this way how attributable the changes experienced were by looking at the distance travelled from 'No change' or 'No impact' score.

Residents in addition were asked to rate on a 0-10 scale as to whether the building had had any noticeable positive or negative impact on their sense of happiness with the quality of the neighbourhood, with 5 as no impact/change (linking to a well-being outcome).

For example, the scales for blend with neighbourhood and impact on sense of happiness with the area can be analysed with the below scores:

#### Design quality scale





Our confidence interval for occupier survey (or margin of error) is within around 8%, at a 95% confidence level, for the samples. This means that we can be 95% confident that the average scores provided by the population reflect the true population result to within  $\pm 8\%$  of the score provided.

For residents and businesses, we estimate the margin of error to be approximately  $\pm 12\%$  at a 95% confidence level.

#### 1.4.2 Qualitative data analysis

Key qualitative findings were extracted from interviews undertaken in Phase 1 and Phase 2 and common themes were identified amongst interview responses. Quotes were also extracted to provide qualitative narrative on key findings referenced in the report.

