

## 8.0 COMMUNITY IMPACT EVALUATION

### 8.1 The Need to Widen Out From Traditional CBA

Just as cost benefit analysis was evolved to widen out from the market to assess public sector expenditure (7.0 above) so has it been necessary to widen out CBA to assess urban and regional plans and projects. For example, Branch:{1}

"Certainly it would be most important for considerations in city planning if all significant considerations could be incorporated in some form of cost-benefit analysis which would permit conclusive comparison of density of urban developments, costs, and human needs and desires in an inclusive and meaningful use of term. Every aspect of cities relates in one way or another to the number and distribution of people and structures on the land".

"Living conditions are not easily evaluated. The size of the dwelling unit and working space are only partly indicative of their livability and acceptability. Their quality is not determined by sanitary facilities, utility services, and maintenance level alone. What is substandard for one family or person may not be for another group or culture. Health statistics illuminate only one important aspect of the quality of life. Personal contentment with living conditions and satisfying relationships with other people are probably the most important indicators of the socio-economic situation of each person, but they are the most difficult to measure individually or collectively. Opinion surveys not only are too expensive for regular use, but even with elaborately structured interviews cannot completely determine attitudes".

These observations apply also to conservation of the heritage, particularly when considered (as it should be) within the context of urban and regional planning. However, in most cases the assessment of benefits of cultural assets in the planning process cannot directly rely on the market mechanism, as most urban historico-cultural assets represent 'unpriced goods' characterised by external effects which are not included in the conventional 'measuring rod of money'.

Consequently, an operational assessment of the socio-economic and historico-cultural value of monuments - or the benefits of monument policy - is fraught with many difficulties. Monuments represent part of the historical, architectural and cultural heritage of a country or city, and do not always offer a direct productive contribution to the economy. Clearly, tourist revenues sometimes may reflect part of the interest of society in monument conservation and/or restoration, but in many cases this implies a biased and incomplete measure, so that monument policy can hardly be

based on tourist values alone. On the contrary, in various places one may observe a situation in which large-scale tourism (sometimes marked by congestion) even affects adversely the quality of a cultural heritage (Venice or Florence, for example).

The foregoing problems are especially relevant, because in the current period of budgetary constraints there is a risk that budget cuts in the public sector first will affect the 'less productive' or 'soft' sectors such as monument conservation, arts, and so forth. Therefore, it is necessary to pay due attention to the socio-economic and historico-cultural significance of our heritage. It is increasingly recognised that the socio-economic and historical-artistic value of a cultural good is a multidimensional (or compound) indicator which can often not easily be reduced to the common denominator of money.{2}

This also implies that the meaning of historical and cultural assets cannot be characterised only by means of the cardinal metric of money, but is also co-determined by its constituent qualitative attributes or features (such as style, period, age, uniqueness, historical meaning, visual beauty, physical condition, artistic value, etc). For instance, cities such as Venice, Florence, Sienna or Padua would never have received an international reputation without the presence of intangible values inherent in the cultural monuments in these cities.

Beside its historical, artistic, or scientific value (the symbolic heritage function), cultural heritage usually also has an actual user, as well as a potential future, value. Consequently, cultural heritage may be conceived of as a resource with a high economic potential.{3} The importance of this resource is reflected in the average annual growth rate of approximately 5% in tourism and recreation in the past twenty-five years in many countries. The historic cities of Europe (London, Paris, Rome, Copenhagen, Amsterdam, Athens, etc) house collections of cultural and historical artifacts of an intrinsic and important international dimension. Although the supply of cultural heritage is usually locally determined, the demand is dominantly non-local and frequently international. Clearly, demand is here mainly a response to the supply side, and consequently the planning and maintenance of the historic city are tasks of utmost importance.{4}

It should be recognised that a compound evaluation of collective goods - and especially public capital goods such as churches, palaces, parks, landscapes, 'cityscapes', etc. - is far from easy and cannot be undertaken by the exclusive consideration of the tourist and recreation sector.{5} Especially in the Anglo-Saxon literature the expenditures made in visiting recreational destinations are often used as a comprehensive proxy value for assessing the financial or economic meanings of natural parks, palaces, museums, etc. A geographically complicating problem here is the fact that such recreational commodities and the various users are distributed

unequally over space. This means that recreational expenditures are co-determined by distance frictions, so that the evaluation of recreation opportunities has to take into account the transportation costs inherent in recreation and tourist visits. Consequently, the socio-economic value of such recreational opportunities will then also depend on both their indigenous attractiveness and their location in geographic space. Therefore, increase of accessibility would then raise the socio-economic value of cultural heritage, although the indigenous historico-cultural value of monuments would remain invariant with respect to geographical location (apart from the scale of economies emanating from a 'socio-cultural complex').

## 8.2 Widening Out Into Community Impact Evaluation

The multi-dimensional nature of a compound evaluation of the cultural built heritage shows that what is needed is a form of multi-criteria evaluation (see also Section 10.6). The form introduced here is community impact evaluation, which is an adaptation of traditional cost benefit analysis for urban planning and conservation.{6} This is treated more fully in this Report than other methods, since it has less published literature.

The method originated around 1956, in the attempt to find a more satisfactory way of evaluating and choosing between alternative urban and regional development projects and plans as an aid to decision making.{7} Following a review of current methods which were found to be lacking for the purpose, the cost benefit approach was favoured.{8} But CBA proper was found to be inadequate for urban and regional planning (in relating primarily to a single sector, with lack of interdependency between projects) and while social cost benefit analysis was reaching out in the right direction it was not sufficiently all embracing. Accordingly CBA was adapted into planning balance sheet analysis (PBSA) which retained the theory and principles of CBA.{9}

It was not until the subsequent growth of impact prediction and assessment (IA) in the seventies (which took account of natural resource, environmental, economic and social, etc. impacts,{10} that it was appreciated that PBSA had in fact been attempting to evaluate not costs and benefits per se but rather the costs and benefits flowing from the array of impacts (repercussions) from the injection of a project or plan into the urban and regional system. In effect, the process of impact analysis within PBSA was somewhat in the 'black box'. PBSA was accordingly adapted and renamed community impact analysis (CIA), both in order to show that it was more comprehensive than other kinds of impact analysis (e.g. energy, transport, economic, social) and also to show that it is not simply the impact as output which is important (as in IA) but the effect of that output on people.{11}

Furthermore, since the end purpose of the impact analysis is not just assessment but also evaluation, CIA is seen as a step towards aiding choice in alternatives, that is towards community impact evaluation (CIE). This distinction between analysis and evaluation tends to be ignored in using the terms cost benefit analysis, social cost benefit analysis, or planning balance sheet analysis, even though it be understood that the purpose of the analysis is the evaluation. The distinction is thought useful in CIA/CIE.

### 8.3 Some Features of CIE

We saw above (4.3) that CIE can be seen as a member of the cost benefit family. We now turn to some of its special features, which are in amplification of "traditional" SCBA.<sup>{12}</sup> But they may well appear in more recent theory and application of SCBA, where the traditional shortcomings have been tackled.

The two antecedents in CIE of both cost benefit analysis and impact assessment are brought together into community impact evaluation in the following way:

1. CIE follows social cost benefit analysis in aiding a choice amongst options on the criterion of the relationship between benefits (outputs/impacts) and costs (resource inputs).
2. In the evaluation CIE differs from SCBA in one critical respect. In the latter the impact is seen as a totality on the economy (on whomsoever the costs and benefits fall). In CIE on the other hand it is necessary to disaggregate all relevant sectors from the outset in the attempt to identify, predict, assess and measure the difference as between the options in welfare on that community sector.
3. In contrast to SCBA, CIE pursues the question over all relevant sectors of the relevant community, with the aim of producing a set of sectoral 'social accounts'. This necessarily involves apparent 'double counting'. But as in conventional book-keeping and social financial analysis, a preferred term is "double entry", with any particular cost or benefit to a sector being reflected in another sector. For example, a road which increases accessibility to certain land and thereby land value to its owners (benefit) could shift established value from other land (costs).
4. In these accounts, CIE is concerned not only with the economic impacts of SCBA but with all impacts affecting the welfare of that community, thus embracing as well social, natural environment, hazard, etc. From this it follows that the community in question is defined in relation to the extent (in geography and time) of the impact which is under consideration. In conservation this could

range from the quite local (where the monument or site has only local value) to the international (where a world heritage site is concerned).

5. But while borrowing from the techniques of impact assessment, the purpose in CIE is different. Whereas IA is generally concerned with comparing the predicted impact with some standard as a measure of significance, CIE is concerned with evaluation in the cost benefit sense. Thus an impact of considerable significance in terms of IA might be of no significance at all in CIE, if its repercussions on people be trivial, or the differences in the repercussions as between options be only marginal.
6. In this regard CIE has the economic approach of SCBA in that the difference in welfare is seen from the viewpoint of the community sector's own objectives and values and not those of the analyst, decision maker, etc.
7. But just as impact prediction and assessment provides a better definition with measurement, so does impact evaluation. Accordingly while the costs and benefits must be included whether measured (or indeed measurable) or not, they should be measured where practicable. But the measurement is different from that in impact assessment, where it is the magnitude and scale of the output which is generally in question, measured in some scientific terms for comparison with standards. In CIE it is the benefits or costs to people, as perceived by them, which must be measured and, if practicable, valued.
8. But unlike the usual practice in impact assessment, the measurement is carried out in two cycles. In cycle 1, the impacts are measured only in respect of the data which are readily available. This may be adequate for a reasonable conclusion on evaluation. If not, from the conclusions and the feel of the analysis which has been obtained, the impacts are selected which would appear to be critical for choice between the options. It is these which are measured in cycle 2. This process thus ensures that measurement is carried out only on those impacts which are relevant to the evaluation.

A final feature needs amplifying. Just because CIE evolved for the purpose of plan evaluation yet was built up on cost benefit analysis it performs the two functions concurrently: extended social cost benefit analysis for project evaluation; and planning analysis for plans.

From this it is seen in respect of conservation that the analysis covers both the socio-economic costs and benefits of conservation and also the role of that conservation in the planning of the city of which it forms part. In this

way the analysis has regard to the planning repercussions on, and implications for, conservation and does not treat it in isolation from its urban context.{13}

#### **8.4 Concepts of Efficiency, Equity and Trade Off in Community Impact Evaluation{14}**

##### **Efficiency**

The conventional criterion for economic efficiency (net benefit or benefits minus costs) assumes that any decision unit would choose between options on its sectoral objective of maximising net benefit. This concept is applied in community impact evaluation by posing for each of the community sectors its sectoral objective, and judging which of the options they would prefer on that basis. That option is the most 'efficient' for them.

It follows that if all the community sectors preferred the same option then, on the judgements made, that particular option would be the most efficient, even though the excess of benefit over cost had not been measured. But where sectors differ in their preference for a particular option (as they usually do) the conclusion is not clear.

If we were able to value all the impacts we could compare the actual amount of benefit less cost for all the sectors, and therefore derive aggregate efficiency for the total community. But, it is only for a limited array of costs and benefits that comparative indices in money terms can typically be obtained. For others, but not all, measurement without money valuation, or only ordinal statements, can be made. This clearly inhibits reaching conclusions on efficiency. But it does permit of comparative and perhaps ordinal rankings on efficiency, by comparing marginal outputs with marginal inputs, even though not valued or even fully measured.

##### **Equity in distribution of costs and benefits**

Whatever the project, its choice and implementation will result in an allocation of resources and, inevitably, as in all economic activity, a distribution to the various sectors of the costs and benefits arising from this allocation. This will have certain 'social justice' or 'equity' implications which representative bodies must consider alongside 'efficiency'. In doing so, it is useful to recognise that in urban and regional planning generally the nature of the distribution is three-fold. We illustrate by reference to transport.

First comes the 'geographic' or 'horizontal'. Because the activities of the town are spread over an area, it is not possible for them to be evenly accommodated in the level of service offered. For example, some residents will have long walks to bus stops and infrequent services and

others will not. Thus in choosing where to live the household will trade off the various attributes of different locations, of which accessibility by transport is one (others being proximity to countryside; availability of schools, shops, etc; local environmental amenities). And in the trade offs, each may value differently the individual attributes of the package and its totality. And the total will be traded off against price.

In this trade off comes the second aspect of distribution, 'income' or 'vertical'. In the evaluation of the package, the town's residents cannot compete evenly, because of varying income and wealth levels, access to information and professional help, etc. Accordingly low income families are disadvantages in the competition.

This leads to the third aspect where 'needs' for public transport vary. Some groups (young, elderly or inform) are disadvantaged in that they are incapable of driving a car. Even if they could afford a car, this reduces their mobility and accessibility compared with a car-owning neighbour.

Faced with these inevitable inequalities in distribution of costs and benefits, the authority must have regard to the issues of 'social justice' or 'equity' which may arise, and the degree to which, when making their decisions, they wish to trade off conflicting efficiency and equity considerations. In essence, they must consider not simply value for money, but 'whose value' and 'whose money'.

In seeking the help of analysis for this purpose an authority will however find that the methods of evaluating 'equity' are currently inadequate compared with those of efficiency. But whether the method be there or not, decision makers must necessarily reach conclusions on these aspects in their decisions; to ignore distribution and equity is also reaching a decision on them. For this, there is no general agreement on what constitutes social justice or equity, nor any method of advising confidently on the topic (as there is in efficiency); there is no universal weighting system as between sectors. Some would argue that needs must be brought into the balance, some would argue for merit and some for deserts. Thus decision makers must use their judgement, in accord with their own concepts of social justice. These are matters of ethics, which will vary between localities and political parties, and over time even with given parties.

For the decision makers to do this, they need to know the incidence of the costs and benefits amongst various sectors of the community. On this, CIA can assist by displaying the costs and benefits of the array of sectors that are pertinent. Faced with such a display the decision makers can consider the costs and benefits by sector, and the question of whether and how they wish to trade off the option with the greatest efficiency against less efficient options which will provide a more equitable distribution, in accordance with their concepts of social justice. As indicated they cannot do so by any

accepted weights, even in SCBA where the costs and benefits are all measured in money terms. It is more difficult where there are non-measurables, as in CIA. But at least they will be able to readily recognise the existence of inequity (which is inevitable) and make adjustments, in accordance with their individual criteria on equity.

### **Trade off between efficiency and equity**

Having reached separate conclusions on efficiency and equity it is then necessary to trade off between the two in reaching the final conclusion on choice: which option would give the best mix of efficiency and equity? But since the criteria for equity are unsure, the trade-off becomes unsure. This is particularly so in CIE, where the efficiency conclusion can only be indicative, because of lack of measurement and valuation. What guidelines can be offered?

In the simplest case, the preference by sectors for a project on grounds of efficiency and equity could be symmetrical, and so enable a choice to be made which would have good features for both. In practice, however, this is rare. In the trade off between the two, the simplest approach would be to adopt provisionally the option proved best on efficiency and then consider the implications on equity. This would then lead to judgements as to whether a less-efficient more equitable option might be chosen instead, bearing in mind the opportunity cost in resources and equity. It is also possible to work from equity towards efficiency. Here the choice would be made on equity, and then consideration be given to the opportunity costs in dropping from the preferred option to one of the others.

In many instances, with so little certainty in the conclusion on either equity or efficiency, no recommended choice can be seen. But then the CIE display would enable the decision makers to consider the implications of their choice and so reach an informed judgement on their preferred option.

## **8.5 The Principle of Nesting**

In the widening out from conventional cost benefit analysis it is important not to lose the contribution that both financial analysis and cost benefit analysis can make to decisions on conservation by those decision takers concerned. One way of catering for these multi requirements is to use the principle of "nesting" in community impact analysis.

The relationship of the members of the cost benefit family brought out in Diagram 4.3A and B, and the fact that each of the family members can adjust their mode of analysis to particular circumstances, leads to the following conclusion. Since the CIA has the widest treatment (in site,



sectors and their costs/benefits) the community impact analysis can be set up in such a way to embrace the other analyses; these, as it were, nest within the CIA.

Accordingly, conclusions can be drawn from the CIA relating to particular criteria for choice set by the various decision takers (e.g. relating to the financial, economic or environmental costs and benefits on the sectors which are impacted) consistently with the overall analysis.

This is brought out in Diagram 8.5, based on a specific conservation project, which compares the use of four evaluation methods: social financial appraisal, cost revenue analysis, cost benefit analysis and community impact evaluation. As the Table shows, a common set of community sectors was used, from which selection was made as appropriate for the particular evaluation method which was adopted. This enabled the conclusions to be drawn and decisions made which were pertinent to that particular method.

This demonstrates how it is practicable, in conservation studies, to set up comprehensive analysis via CIE which will be designed from the outset to enable questions to be answered for all relevant kinds of decision takers, each of whom would use the member of the cost benefit family appropriate to the questions posed. Thus from the display of the community impact analysis any particular decision taker (or stakeholder) can select that array of impacts (and the costs and benefits flowing from them) which are his direct concern. In so doing he can make his own evaluation on the "sub-analyses" he chooses.

One difficulty in this is that traditionally there have grown up for each of the "sub-analyses" a particular definition of costs and benefits flowing from the impacts. For example, the private entrepreneur/ developer would be concerned only with the direct financial costs and returns; in this he would want definition of an accountancy and not economic kind. Accordingly for the nesting principle to work there would need to be some rigorous comparison across the board of cost/benefit definition and measurement/ valuation techniques for translating the costs and benefits from one member of the cost benefit family to another. That in itself poses a considerable research area. A start in this direction is provided by the Naples study, {15} in which the role of particular costs and benefits to particular decision takers was incorporated into the overall analysis.

## 8.6 An Illustration: Chinatown in Central London {16}

### 1. Introduction

No evaluation method is simple, be it financial appraisal, community revenue analysis or cost benefit analysis. The same can be said of

DIAGRAM 8.5: THE NESTING PRINCIPLE IN CIE

| Community Sector           |  | Evaluation Method |     |     |     |
|----------------------------|--|-------------------|-----|-----|-----|
| No.                        | Description  | FA                | CRA | CBA | CIE |
| <b>PRODUCERS/OPERATORS</b> |  |                   |     |     |     |
| 1                          | Current landowner on site  | ✓                 |     |     | ✓   |
| 3                          | Developer/financier  | ✓                 |     |     | ✓   |
| 5                          | Municipality on site   | ✓                 | ✓   | ✓   | ✓   |
| 7                          | Government on site<br>• National heritage  | ✓                 | ✓   | ✓   | ✓   |
| 9                          | Municipality off site  | ✓                 | ✓   | ✓   | ✓   |
| 11                         | Other landowners<br>(1) Adjoining<br>(2) Elsewhere   |                   |     | ✓   | ✓   |
| 13                         | Local economy<br>(1) Employers/firms<br>(2) Urban services   | ✓                 | ✓   | ✓   | ✓   |
| 15                         | Government budget  |                   |     |     | ✓   |
| <b>CONSUMERS</b>           |  |                   |     |     |     |
| 2                          | Current occupiers of site  | ✓                 |     |     | ✓   |
| 4                          | Residents in flats   | ✓                 |     |     | ✓   |
| 6                          | Users of site<br>(1) Traffic on site<br>(2) Visitors to NHM<br>(3) Visitors to Grove<br>(4) Visitors to open space<br>(5) Passers by |                   |     | ✓   | ✓   |
| 8                          | Tourists and visitors  |                   | ✓   | ✓   | ✓   |
| 10                         | Traffic<br>(1) To site<br>(2) General  |                   |     | ✓   | ✓   |
| 12                         | Other occupiers<br>(1) Adjoining<br>(2) Elsewhere  | ✓                 |     |     | ✓   |
| 14                         | Local economy<br>(1) Workforce<br>(2) Nearby residents - air/visual<br>(3) Downtown users<br>(4) Users of urban services             |                   | ✓   | ✓   | ✓   |

Source: Adapted from Lichfield, 1988, Part IV, Introduction.

community impact analysis. But it certainly has its particular complexity simply because of its wider scope, the difficulties of needing to cope with a comprehensive array of impacts and the large degree of non-measured and non-valued items.

Accordingly a simplified method is needed for practice, namely one which can achieve results more quickly on any particular problem while at the same time having the full rigour of CIE and therefore having credible conclusions. But whereas both financial appraisal and cost benefit analysis are abundant in published examples, the literature in CIE is more sparse.<sup>{17}</sup> Accordingly in demonstration, following is an actual conservation example from practice.

Chinatown in Central London is within a conservation area designated by the Westminster City Council. Part of the area is in one ownership, Shaftesbury Plc (Plan 1). The Island Site comprises two parts, that fronting on to Shaftesbury Avenue and Gerrard Street. The latter is part of Georgian London, some 200 years old, consisting of shops and upper parts; the former is the result of the redevelopment which followed the ploughing through of Shaftesbury Avenue between Charing Cross Road and Piccadilly Circus, some 100 years ago. Adjoining to the east is an outlying parcel known as Macclesfield Street East.

Shaftesbury Plc proposed to carry out its renewal within the conservation constraints of the local authority (Westminster City Council) and their Central Government advisors (English Heritage). To assist them they set up a project planning team (architects, engineers, surveyors, lawyers and planners). They, as part of the process of project planning with a view to seeking planning permission and consent to alter the buildings in the Conservation Area, carried out a series of studies. These included one on the Westminster CC policy implications for the development, on the lines shown in the contents in Annexe A to this chapter. Within this was a community impact evaluation (Sec.6.0) which is now described.

## **2. The options**

The following four options are put in ascending order of scale of investment:

- maintaining the status quo by carrying out of the minimum works for estate management objectives;
- piecemeal development of separate parts of the combined sites;
- (3) refurbishment of existing buildings on the Island Site and Macclesfield Street East;

- (4) comprehensive redevelopment and refurbishment for the Island Site and Macclesfield Street East.

### **3. The evaluation analysis**

The method of evaluation is illustrated by reference to Table A, which summarises the evaluation analysis described in Section 4 below.

Col.1: The community sectors who would be impacted by the options, subdivided into producers/operators on the one hand (those who would be responsible for bringing about the changes) and the consumers on the other (those who would be receiving the consequential impacts). Each is divided into 'on site' and 'off site'. Each is further sub-divided, where helpful to the analysis, into sub-sectors.

Col.2: Here is indicated the nature of the impact on each sector, that is the changes each will experience as a result of the carrying out of the options.

Col.3: Here for each of the options is shown the difference in the impacts. For this purpose each is compared with a datum, which is Option 1, namely the carrying out of the minimum works together with likely trends. A zero indicates no change from the datum. A plus (+) or minus (-) indicates a change, with (++) or (--) being correspondingly greater or lesser.

Col.4: For the changes to be judged in terms of the community sectors it is necessary to ask what their objectives would be, in terms of minimising or maximising the impact.

Col.5: By applying the sectoral objective to the differences in the impacts we reach the ranking for the options. This is recorded as 1-3, with 1 being the best and 3 the worst. In certain instances the outcome is non-certain, recorded by a question mark.

Col.6: From col.5 the option which is ranked first is entered for sectors or sub-sectors, and non-certain shown where relevant. This column is the culmination of the analysis in Table A.

### **4. The Impacts and the preferences**

From the description just made, it is apparent that the impacts on the sectors (col.2), their ranking in terms of the sectoral objectives (col.5) and the preferences (col.6) are the heart of the analysis. We here present briefly the reasoning behind these columns.

## **PRODUCERS/OPERATORS**

### **On site**

#### **Landowners/developers**

The primary objective of Shaftesbury is to carry out a feasible and satisfactory long term investment in the renewal of their ownership. Their sectoral objective is therefore the net increase in land and property values, reflecting the difference between both capital values and costs, and operating receipts and costs. Valuations showed that the preference would be for option 3, with 2 and 4 ranking lower in col.5 because of uncertainty.

#### **3. WCC/EH as Conservation Authority**

Given their policies for the area, the prime impact here will be the degree of enhancement in the heritage. The achievement here being uncertain in redevelopment, the objective is for retention of the existing buildings, improved and refurbished. Compared with the datum, the preference would thus be for Option 3.

### **Off site**

#### **5. Adjoining Landowners**

The renewal of the project site will act as a catalyst for the renewal of the surroundings. Accordingly the adjoining landowners will benefit the highest degree of renewal. This leads to the choice of Option 4.

#### **7. WCC as Highway Authority**

The prime concern here is the traffic congestion and the degree to which the options will contribute to its minimisation. The outcome will hardly be affected in Options 2 and 3 compared with the datum, which are shown equal. A considerable contribution will be made by Option 4, because of the on site servicing which should alleviate congestion from service vehicles which park on Gerrard Street and Shaftesbury Avenue. This brings the choice of Option 4.

#### **9. Local Economy**

The impact here will be in the changes in business activity and community services which are offered. Considering first all the local community, options 2 and 3 would bring greater activity than Option 1, because of the rationalisation and refurbishment of the

premises. This would be increased in Option 4, with the provision of retail and shopping in Shaftesbury Avenue, leading to choice of Option 4.

However, for the Chinese community, the outcome is less certain. At present, many Chinese occupiers operate on short term leases, which precludes consolidation of their activities and improvement/restoration of their buildings. Under Option 2 and 3, displacement of existing uses could be minimised and, along with the improvement to security of tenure through longer term leases, would allow for consolidation of the occupiers and the Chinese community as a whole.

But while Option 4 would provide the same security of tenure in Gerrard Street, there would be displacement in Shaftesbury Avenue. This would be compensated for by the proposal to incorporate a building on Macclesfield Street East for Chinese occupation. The net outcome for the sector as a whole is however uncertain.

#### 11. WCC as Local Authority

The prime impact here would be the change in tax base for the local authority. Had the traditional rating system continued the change would undoubtedly have led to increases in rateable value assessments, progressively over Option 2, 3 and 4 compared with the datum. But the proposed change to business rate and community charge is difficult to predict at this stage. Accordingly the conclusions are shown as non-certain.

### CONSUMERS

#### On site

#### 2 (a) Occupiers of Buildings

##### Current

Within the combined sites, current occupiers comprise business (shop and restaurant operators, enterprises in small workshops) and residents.

Current business occupiers will experience changes in occupation quality, tenure, rent levels and displacement. For these occupiers the objective would be individually to maximise their occupation quality and tenure while minimising rent increase and dislocation. Without more detailed analysis of each of the occupiers the outcome is difficult to predict and is shown as non-certain.

For residents, Options 2 and 3 are preferred to Option 1 as the number of residential units remains constant but there will be an improvement in the quality of accommodation in which 2 will be better than 1. Under Option 4 there will however be some displacement of residential accommodation and occupiers, with the outcome uncertain. The ranking is therefore uncertain as is the preference.

#### **New**

These will each make new contracts detached from the past. The impact for them would be the occupation quality they would be receiving and the rent they would need to pay. Since each would make a new contract, it can be assumed that they would each experience net benefit. They will therefore prefer the option with the greater opportunity, which is Option 4.

### **2 (b) Users of Buildings**

#### **Current**

Here are included the shoppers, restaurant users, office visitors, etc. Their impact would lie in the change in the amenity of the premises compared with what exists. On this basis, the greater the investment the greater the amenities that will be provided, leading to the ranking of options in col.5. The choice is Option 4.

Their interests would be the same as the current users. The ranking would be the same and the choice of option would be Option 4.

### **4. Tourists/Visitors**

The prime impact here would be the enhancement of the cultural heritage in Chinatown. This would clearly be greater in Options 2 and 3 compared with the datum. But some uncertainty must arise in terms of Option 4, with the replacement of the Shaftesbury Avenue frontage by new contemporary retail and office premises. Thus the ranking in col.5 leads to the choice of Option 3.

#### **Off site**

### **6. Adjoining Occupiers**

With the revitalisation of the project site the adjoining occupiers would enjoy enhancement of the local environment and property

values. The greater the investment the greater the enhancement, leading to the ranking shown in col.5 and the choice of Option 4.

## **8. Traffic to Site**

This would be sub-divided into:

### **(a) Cars**

Congestion in Central London is and will remain a problem under all options. Under Option 2 and 3 congestion on Shaftesbury Avenue could hardly be alleviated. But it would be in Option 4 as service vehicles would stop within the "Dansey Place" service lane and some cars parked on site. Thus the ranking leads to the preference for Option 4.

### **(b) Delivery vehicles**

For the reasons just described (and in sector 7 above) Option 2 and 3 would make little difference over Option 1, but there would be a significant difference with Option 4. Site servicing here will reduce congestion on Gerrard Street and assist in WCC's traffic management scheme. The only option able to provide such a facility is Option 4, leading to the ranking shown and the preference for Option 4.

### **(c) Pedestrians**

Options 2 and 3 would make little change in impact from Option 1. But Option 4 will improve the shopping and street environment on Shaftesbury Avenue. However, the service lane entrances on Wardour Street and Macclesfield Street could lead to minor interference with pedestrian movement and safety in those streets. The ranking is shown, leading to preference for Option 4.

## **10. Local Employees**

For these the major impact would be the change in employment opportunities. But in Option 3 there is likely to be more jobs offered than in the greater redevelopment of Option 4 (with its smaller number of units and more generous space standards and greater use of office machinery, etc). The ranking is shown, leading to a preference for Option 3.



## 12. Taxpayers

### (a) Local

For the same reasons as in sector 11 above, there would be uncertainty here of the impact on the local taxpayer, which is reflected in the non-certainty in the preference.

### (b) National

For the national taxpayer, however, the position is clearer. The greater the attraction to visitors and tourists the greater will be the expenditure from these sources. This suggests that the ranking would be similar to that of sector 3 above with a choice for Option 3.

## Summary of Overall CIE in Table B

From Table A it is seen that the preference is not uniform throughout. If it were, then there would be no need to take the analysis further. However, the non-certain items apart, there are conflicts between sectors on preferences. Accordingly we now summarise in Table B the essential findings of Table A in order to facilitate a clearer conclusion. Table B repeats the community sectors from col.1 of Table A, the ranking of the options in col.5, and the preference in col.6, respectively for sub-sectors and sectors.

From Table B it is seen that there is non-certainty for two community sub-sectors or sectors in Producers/Operators and two in Consumers; and for the remainder there are preferences for either options 3 and 4. To clarify we first consider the items which are non-certain:

### PRODUCERS/OPERATORS

9 (b)            Local Economy for Chinese  
11                WCC as Local Authority

### CONSUMERS

2(a) :            Current Occupiers of Buildings  
12(a) :           Taxpayers - Local

Within the time and resources available for this Study it was not practicable to probe these non-certainties further in order to try and reach a judgement on the preference. To do so would require a social survey amongst the Chinese (9(b)) and Current Occupiers (2(a)) which would at the exploratory stage hardly be feasible. Their views would be available later on, should there be consultation or a public inquiry into the planning

application, held by the Secretary of State.

As regards the WCC, the local authority concerned with local tax revenue (11) and the local taxpayer (12(a)) the situation could be probed by research if found necessary.

Pending further information on these four sub-sectors/sectors, we need to ask the question: accepting the non-certainty of the outcome in them, are they likely to be so significant that the balance for options 3 and 4 is undermined? The judgement here is: unlikely.

For the other sectors, Option 4 is preferred in two of the producers/operators sectors (5 and 7) and Option 3 for the remaining two (1, 3). For consumer sectors, Option 3 is preferred for two sectors (4 and 10) and Option 4 for three sectors (2(b), 6 and 8).

On the information available, it is not possible here to strike the balance between Options 3 and 4: we have not been able to measure or value the difference in degree of impact in the options in col.3; and knowing that the sectors have different weights for the decision takers, we are not as analysts able to offer a view on the balance as a basis for a decision.

But the display in the Tables can serve a different and useful purpose. Inevitably, the options under review would be the basis for two other functions:

- (a) discussion, negotiation and bargaining between the various stakeholders, being in the main the public authorities with their different functions;
- (b) representations by the public who would be impacted to the WCC as planning authority.

From Table B can be summarised the primary thrust of each of the stakeholders in turn:

- (a) **Discussion, negotiation and bargaining**
  - Sector 1** Shaftesbury as landowner/developer and manager would favour Option 3.
  - Sector 3** WCC/EH as Conservation Authority would favour Option 3.
  - Sector 11** WCC as local authority would be non-certain.
  - Sector 4** Tourist Board representing tourist visitors would favour Option 3.

**Sector 12** National Government representing tax-payers, national revenue, employment, balance of payments would favour Option 3 to Option 4.

(b) **Representations by public**

**Sector 5** Adjoining landowners would prefer Option 4.

**Sector 9(a)** The local economy would obtain its biggest boost from Option 4, except that there is uncertainty in relation to the important sub-sector of that community, namely the Chinese themselves.

**Sector 2(a)** The current occupiers of buildings would wish to clarify the uncertainty but the new occupiers would be clear in favouring Option 4, because of the new buildings available.

**Sector 2(b)** Users of buildings, both current and new, would see advantage in Option 4 because of the provision of modern accommodation.

**Sector 6** Adjoining occupiers off-site would prefer Option 4, since it would most help to boost the occupation value.

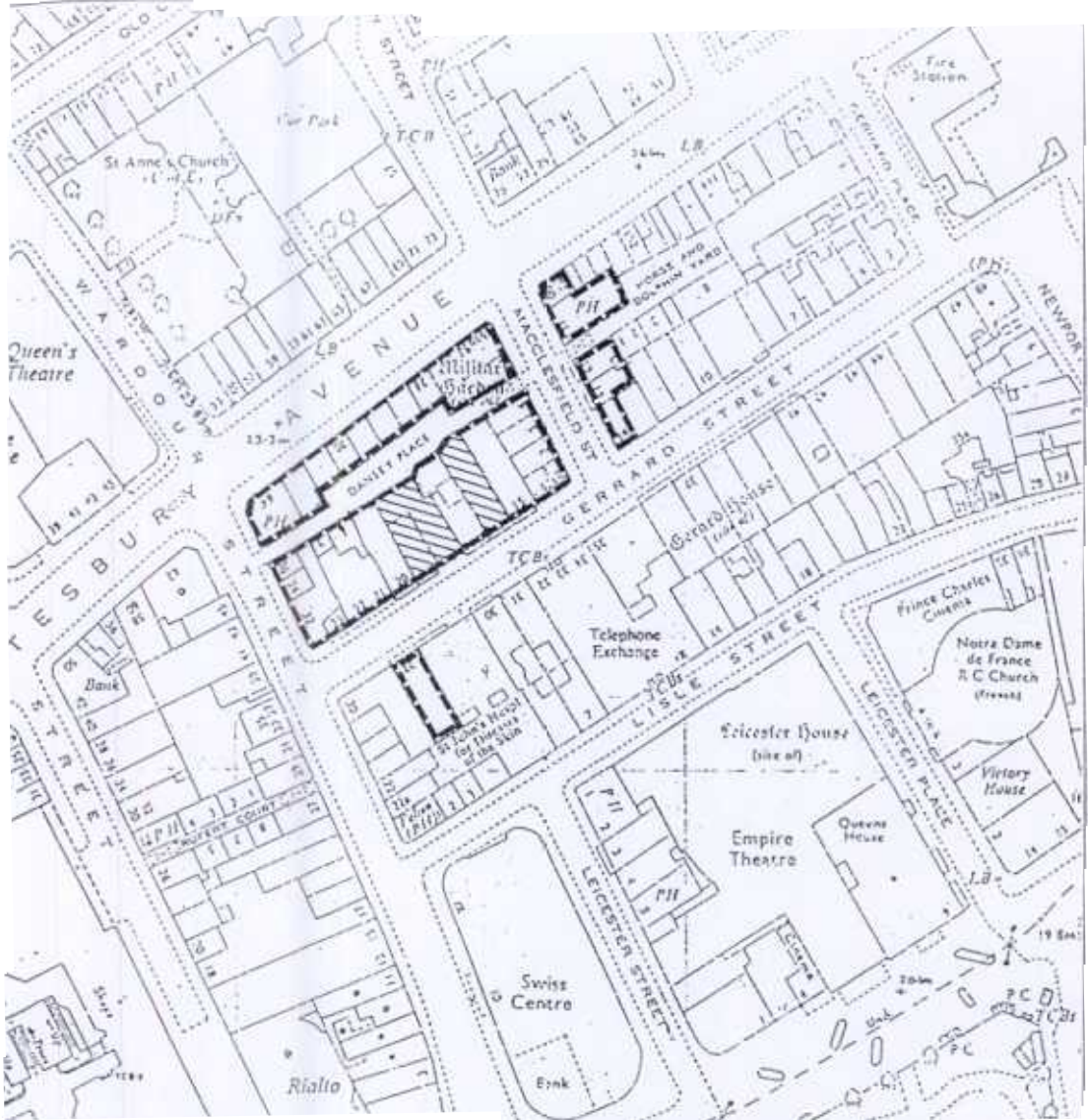
**Sector 10** Local employees would favour Option 3 since the job prospects would be greatest there.

But this would be tempered in each case by two kinds of other considerations:

- 1) while each community sector or sub-sector would be able to formulate its preference for particular impacts, it might not press that preference so hard when it is aware that its preferred options could cause other sectors or sub-sectors to lose;
- (2) each community sector or sub-sector would contain individuals or groups who would be impacted in other sectors. For example, users of new buildings (2(b)) would as such prefer Option 4, but as local employees (10) would prefer Option 3.

In brief, the interchange of views in these situations are typically carried out without some common foundation for the discussions; the CIA display gives this foundation, which could lead to more general agreement on the mutually acceptable preferred outcome. In particular, it should help the

local planning authority in reaching its own decision. It is faced with conflicting preferences in its own departments (sectors 3, 7 and 11) yet needs to form a view as planning authority in the "public interest". The display in Tables A and B gives them the foundation for judgement in "striking and balance".



Listed Buildings



Land Held in the Ownership of Shaftesbury

# Plan 1

WESTMINSTER: Chinatown

PROPERTIES COVERED BY  
THE DEVELOPMENT BRIEF

**TABLE A: RENEWAL OF CHINATOWN: COMMUNITY IMPACT EVALUATION (page 1)**

| 1<br>Community Sector      |                                  | 2<br>Impacts on Sector   | 3<br>Difference in impacts<br>by Option* |     |     | 4<br>Sectoral<br>Objectives | 5<br>Ranking of<br>Option |        |        | 6<br>Preference for<br>Option |            |
|----------------------------|----------------------------------|--|--|-----|-----|-----------------------------|---------------------------|--------|--------|-------------------------------|------------|
| No.                        | Description                      |  | 2  | 3   | 4   |                             | 2                         | 3      | 4      | Sub-<br>sector                | Sector     |
| <b>PRODUCERS/OPERATORS</b> |                                  |  |  |     |     |                             |                           |        |        |                               |            |
| <b>On site</b>             |                                  |  |  |     |     |                             |                           |        |        |                               |            |
| 1                          | Landowner/Developer              | Net change in land and property values                           | ++                                       | +++ | ++  | Minimise net increase       | 2                         | 1      | 2      |                               | 3          |
| 3                          | WCC/EH as conservation authority | Degree of enhancement of heritage value                          | +  | +++ | ++  | Maximise                    | 3                         | 1      | 2      |                               | 3          |
| <b>Off site</b>            |                                  |  |  |     |     |                             |                           |        |        |                               |            |
| 5                          | Adjoining landowners             | Net change in land and property values                           | +  | ++  | +++ | Maximise                    | 3                         | 2      | 1      |                               | 4          |
| 7                          | WCC as highway authority         | Change in traffic congestion                                     | 0  | 0   | +   | Minimise                    | 2                         | 2      | 1      |                               | 4          |
| 9                          | Local economy                    | Change in business activity and community services               |  |     |     |                             |                           |        |        |                               |            |
|                            | (a) All                          |  | +  | ++  | +++ | Maximise                    | 3                         | 2      | 1      | 4                             |            |
|                            | (b) Chinese                      |  | +  | ++  | ?   | Maximise                    | ?                         | ?      | ?      | N/C                           | N/C        |
| 11                         | WCC as local authority           | Change in rateable base<br>- business rate<br>- community charge |  |     |     | Maximise<br>Maximise        | ?<br>?                    | ?<br>? | ?<br>? | N/C<br>N/C                    | N/C<br>N/C |

TABLE A: RENEWAL OF CHINATOWN: COMMUNITY IMPACT EVALUATION (page 2)

| 1<br>Community Sector |                                | 2<br>Impacts on Sector                                       | 3<br>Difference in impacts by<br>Option* |     |      | 4<br>Sectoral Objectives   | 5<br>Ranking of<br>Option |   |   | 6<br>Preference for<br>Option |        |
|-----------------------|--------------------------------|--|--|-----|------|--|---------------------------|---|---|-------------------------------|--------|
| No.                   | Description                    |  | 2  | 3   | 4    |  | 2                         | 3 | 4 | Sub-<br>sector                | Sector |
| <b>CONSUMERS</b>      |                                |  |  |     |      |  |                           |   |   |                               |        |
| <b>On site</b>        |                                |  |  |     |      |  |                           |   |   |                               |        |
| 2(a)                  | <b>Occupiers of buildings:</b> |  |  |     |      |  |                           |   |   |                               |        |
|                       | • current:      businesses     | Change in occupation quality,<br>tenure, rent, displacement. | ?  | ?   | ?    | Maximise occupation<br>quality and tenure.<br>Minimise rent increase<br>and dislocation. | ?                         | ? | ? | N/C )<br>)<br>)<br>)<br>N/C ) | N/C    |
|                       | residents                      | Change in accommodation quality                              | +  | ++  | N/C  |  | 2                         | 1 | ? |                               |        |
|                       | • new                          | Achieve occupation quality at new<br>rent                    | +  | +   | ++   | Maximise quality.<br>Minimise rent.  | 2                         | 2 | 1 |                               | 4      |
| 2(b)                  | <b>Users of buildings:</b>     |  |  |     |      |  |                           |   |   |                               |        |
|                       | • current:                     | Change in amenity of premises                                | +  | ++  | +++  | Maximise   | 3                         | 2 | 1 | 4                             | 4      |
|                       | • new                          | -ditto-  | +  | ++  | ++++ | Maximise   | 3                         | 2 | 1 | 4                             | 4      |
| 4                     | <b>TOURISTS AND VISITORS</b>   | Enhancement of cultural heritage                             | +  | +++ | ++   | Minimise   | 3                         | 1 | 2 |                               | 3      |

TABLE A: RENEWAL OF CHINATOWN: COMMUNITY IMPACT EVALUATION (page 3)

| 1<br>Community Sector |                       | 2<br>Impacts on Sector                      | 3<br>Difference in impacts by<br>Option* |     |     | 4<br>Sectoral Objectives | 5<br>Ranking of<br>Option |   |   | 6<br>Preference for<br>Option |        |
|-----------------------|-----------------------|---|--|-----|-----|--------------------------|---------------------------|---|---|-------------------------------|--------|
| No.                   | Description           |   | 2  | 3   | 4   |                          | 2                         | 3 | 4 | Sub-<br>sector                | Sector |
| Off site              |                       |   |  |     |     |                          |                           |   |   |                               |        |
| 6                     | Adjoining Occupiers   | Enhancement of local environment and values | +  | ++  | +++ | Maximise                 | 3                         | 2 | 1 |                               | 4      |
| 8                     | Traffic on site       |   |  |     |     |                          |                           |   |   |                               |        |
|                       | (a) Cars              | Change in congestion                        | 0  | 0   | 0   | Minimise congestion.     | 3                         | 2 | 1 | 4                             | 4      |
|                       | (b) Delivery vehicles | Change in ease of access.                   | 0  | 0   | +   | Maximise.                | 2                         | 2 | 1 | 4                             |        |
|                       |                       | Change in off/on-site parking.              | 0  | 0   | +   | Maximise.                | 2                         | 2 | 1 | 4                             | 4      |
|                       | (c) Pedestrians       | Change in segregation and safety.           | 0  | 0   | +   | Maximise.                | 2                         | 2 | 1 | 4                             |        |
| 10                    | Local employees       | Change in employment amenity                | +  | ++  | +++ | Maximise.                | 3                         | 1 | 2 |                               | 3      |
| 12                    | Taxpayers             |   |  |     |     |                          |                           |   |   |                               |        |
|                       | (a) Local             | Change in real tax base.                    | ?  | ?   | ?   | Maximise.                | ?                         | ? | ? | N/C                           |        |
|                       | (b) National          | Change in national tax base.                | +  | +++ | ++  | Maximise.                | 3                         | 1 | 2 | 3                             | N/C    |

Notes: Option 1 Do minimum  
Option 2 Piecemeal redevelopment  
Option 3 Refurbishment  
Option 4 Redevelopment/refurbishment



**TABLE B: RENEWAL OF CHINATOWN:  
SUMMARY OF COMMUNITY IMPACT EVALUATION**

| COMMUNITY SECTOR           |  | RANKING OF OPTIONS |             |             | PREFERENCE  |        |
|----------------------------|--|--------------------|-------------|-------------|-------------|--------|
| No.                        | Description  | 2                  | 3           | 4           | Sub-sector  | Sector |
| <b>PRODUCERS/OPERATORS</b> |  |                    |             |             |             |        |
| <b>On site</b>             |  |                    |             |             |             |        |
| 1                          | Landowner/developer  | 2                  | 1           | 2           |             | 3      |
| 3                          | WCC/EH as conservation authority   | 3                  | 1           | 2           |             | 3      |
| <b>Off site</b>            |  |                    |             |             |             |        |
| 5                          | Adjoining landowners   | 3                  | 2           | 1           |             | 4      |
| 7                          | WCC as highway authority   | 2                  | 2           | 1           |             | 4      |
| 9                          | Local economy<br>(a) All<br>(b) Chinese  | 3<br>?             | 2<br>?      | 1<br>?      | 4<br>N/C    | N/C    |
| 11                         | WCC as local authority   | ?                  | ?           | ?           |             | N/C    |
| <b>CONSUMERS</b>           |  |                    |             |             |             |        |
| <b>Off site</b>            |  |                    |             |             |             |        |
| 2                          | (a) Occupiers of buildings<br>- current<br>- new<br><br>(b) Users of buildings<br>- current<br>- new | ?<br>3             | ?<br>2      | ?<br>1      | N/C<br>4    | N/C    |
| 4                          | Tourists and visitors  | 3                  | 1           | 2           |             | 3      |
| <b>Off site</b>            |  |                    |             |             |             |        |
| 6                          | Adjoining occupiers  | 3                  | 2           | 1           |             | 4      |
| 8                          | Traffic to site<br>- cars<br>- delivery vehicles<br>- pedestrians                                    | 2<br>2<br>3        | 2<br>2<br>2 | 1<br>1<br>1 | 4<br>4<br>4 | 4      |
| 10                         | Local employees  | 3                  | 1           | 2           |             | 3      |
| 12                         | Taxpayer<br>(a) local<br>(b) national  | ?<br>3             | ?<br>1      | ?<br>2      | N/C<br>3    | N/C    |

## **ANNEXE A**

### **SHAFTESBURY PLC WORKING PAPER NO.3 REHABILITATION AND REDEVELOPMENT OF THE CHINATOWN "ISLAND SITE"**

#### **POLICY IMPLICATIONS OF DEVELOPMENT OPTIONS L AND C**

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- 3.0 ESTABLISHED AND PROPOSED FLOORSPACE IN OPTIONS L AND C
  - 3.1 Change in Use
  - 3.2 Summary of Findings in 3.0
- 4.0 POLICY CONTENT
  - 4.1 The Greater London Development Plan (GLDP)
  - 4.2 Westminster District Plan (WDP)
  - 4.3 The Review of the District Plan
  - 4.4 Draft Strategic Plan Guidance for London
  - 4.5 Conclusion for 4.0
- 5.0 LIKELY WCC ATTITUDE ON THE CHANGE IN USES
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- 9.0 RECOMMENDATIONS

**ANNEXE A:** Extracts from relevant policies in the WCC District Plan and Alterations

**ANNEXE B:** Community Impact Evaluation of the Four Options

**ANNEXE C:** Selection of Recent Appeal Decisions Involving Office Policy and Planning Gain