

# Economic Impact of the Night Tube Programme on London's Economy

## Journeys

7.8 million → 8.7 million

During its second year of operating the service expanded to include night services on parts of the overground line and saw total journeys increase by 12% to 8.7m.

## GVA in current year

£171m → £190m

The increased number of journeys has resulted in an additional GVA contribution of £190m to London's economy, through increased footfall and patronage.

## Impact over 10 years

£1.38bn → £1.54bn

The night tube is estimated to contribute an additional £1.54bn to London's economy over the next 10 years.

## Employment (FTEs)

3,616 → 3,909

An additional 3,909 jobs are supported by the night tube, including 589 who are directly employed by TfL to operate the night tube service.

## Methodology

- ▶ The increased night time trips into areas of London due to the night tube will benefit a number of relevant sectors indirectly through increased patronage and hence drive an increase in their employment numbers.
- ▶ In order to estimate this additional employment and GVA impact, EY developed a model which estimates the impact the increase in trip numbers into parts of London has on certain sectors which operate later into the night.
- ▶ This model estimates a relationship between the size of the London night time economy and increased footfall driven by the night tube service, to provide an estimate of the gross impact.
- ▶ The model takes into account the following factors:
  - ▶ **Substitution:** The methodology assumes that 55% of the demand for night tube will displace existing modes of night travel, while 45% will be incremental trip generation resulting in increased activity.
  - ▶ **Displacement:** It is assumed that 50% of the of the night time activity and jobs that are driven by the night tube is likely to be associated with displacement of some day time activity or activity from another London location.
  - ▶ **Multiplier:** EY were also able to generate economic multipliers at the local level, enabling us to determine the knock on effect on supply chains of the relevant sectors in London which have benefitted from increased economic activity due to the night tube.