

WESTMINSTER CITY COUNCIL

STATEMENT OF DECISION

SUBJECT: BOND STREET PUBLIC REALM AND DELIVERY

Notice is hereby given that the Cabinet has made the following executive decision on the above mentioned subject for the reasons set out below.

Summary of Decision

1. Approval is given to the funding package set out in the Financial Implications at Section 10 and the Council's commitments within it which are to:
 - (a) **provide a budget of £9.85m** for the entire project within the capital programme, receiving funds from the project partners of £7.8m as set out in appendix A and entering into contracts to deliver the scheme
 - (b) to enter into a loan agreement with the GLA for £2m guaranteed and repaid by the Council
 - (c) to provide £0.05m Section 106 funding.
2. If by December 2016 either the GLA/LEP has failed to provide the loan of £2m or the Treasury has not approved the business rates TIF for the West End Partnership, officers will report back to members on the issues and risk of the Council providing this additional £2m funding from its Capital Programme - or alternatively the consequences of decreasing the scope of scheme delivery or terminating the scheme before start of works, which are due in May 2017. The same applies if TfL assumed funding is not confirmed.
3. That approval is given to complete the drafting of the legal agreements between the Council and NWECC so that their elements of the funding package can be secured and to agree terms with the GLA for accepting the loan from the Growing Places Fund. That the agreements are completed before any formal construction contracts are let or works commence.
4. That approval is given to the Bond Street Stage 1 feasibility design shown on the General Arrangement drawing Sheets 1 to 5 (Appendix B to the report).
5. That the Bond Street Project Board involving Westminster City Council, NWECC and TfL (as set out in the Annex to the report) is delegated to have overall oversight over the project subject to reserved matters on the delivery and costs being referred back to the City Council for approval, as set out in the legal agreement with NWECC as detailed below.
6. That approval is given to carry out a programme of initial stakeholder consultation on the design of the scheme and the operational principles that have been incorporated into the design with the formal statutory consultation required for the Traffic Regulation Orders (TRO) to follow on from these early consultations, any amendment and a further specific approval through a further report to Members.

7. That spending approval of £2.0m is given, subject to approval of the budget arrangements, to allow design to continue to programme through Design Stages 1 to 3 (at a cost of £1.557m) with a sum of £0.243m to allow for surveys and engagements with utilities and £0.2m for contingency. The spending approval will also cover the cost of the early stakeholder engagements and amendments to be made so that the project can be finalised for a further Member Report and for approval for the subsequent TRO consultations.
8. That the relevant Executive Directors in consultation with the City Treasurer be authorised to complete the necessary legal agreements with NWECC and GLA and other necessary matters for the BID Bond Street project in consultation with the appropriate officers.

Reasons for Decision

1. The proposed highway modifications identified in this report will improve the streetscape for pedestrians and provide a safer environment for cyclists that will deliver substantial improvement of the public realm and maintain Bond Streets' status as a world class destination of choice for the purchase of high quality goods. NWECC will also work with our employment providers, Recruit London, to maximise employment opportunities for residents on Bond Street.
 2. Approval is required to commence the Council's initial stakeholder engagement activities. These are vital to ensuring that NWECC's earlier engagements and consultations, which indicated a good support for the scheme, are applicable over the wider audience engaged by the Council.
 3. The agreements associated with the funding package need drafting and signing to ensure that the timelines to be completed in line with the Elizabeth Line (Crossrail) opening are maintained, this will need delegated authority at a Member level.
- a. The key benefits of the scheme cited by the Bond Street partners are:
- The improved public realm will lead to better 'dwell time' (estimated at 7%-10%) by visitors and thus higher spend per person in the Bond Street stores (revenues and sales densities are likely to increase on average by 10-15%), capturing more of the market for such visitor expenditure which other cities have been enjoying whilst Bond Street's figures have remained static. An increased expenditure by visitors of £10m a year is envisaged by the Bond Street Partnership group.
 - The improved competitive position of Bond Street will in turn lead to higher visitor expenditure in the shops, restaurants and hotels of the West End, providing employment and training opportunities for residents. The Council's new Employment Service is linking up with these West End businesses to identify job opportunities to support the Council's aim of reducing long term unemployment in the city.
 - The scheme partners estimate that rental yields will be enhanced by 3-8% derived from improved turnover by businesses of over 10% produced by improved dwell times.
 - The scheme will yield significant additional Gross Value Added to the West End economy which CBRE has estimated at £23m.

- The scheme will reduce vehicle movement and improve pedestrian access, thereby reducing air pollution in the area. The retailers has proven that they are committed to change through this project by already having reduce the number of waste collection firms collecting waste from the street from over fifty firms half a dozen.
- The scheme will also link with Hanover Square and Oxford Street and Piccadilly – making the West End as a whole more accessible and coherent as a district, spreading footfall and crowds away from bottlenecks. This approach accords with the West End Partnership place shaping vision to create a wider retail district of the West End to relieve overcrowding on key streets.
- Employment opportunities will be targeted at Westminster residents through NWECC's sponsorship of the Recruit London employment initiative.
- To demonstrate an alignment with the Council's City for All employment priorities, the Bond Street partners have recently provided the following employment opportunities for residents via the Council sponsored Recruit London employment agency: 3 sales executives a Victorinox, 5 sales advisors at Russell & Bromley, 1 butler at Chanel, sales operatives at Bottega Vennetta.

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Publication Date: 08 June 2016

Implementation Date: 15 June 2016, 5pm