



Cabinet Member Report

Decision Maker: Councillor Tim Mitchell
Cabinet Member for Finance, Property and Corporate Services

Councillor Robert Davis MBE, DL
Deputy Leader and Cabinet Member for Business, Culture and Heritage

Date: 15 February 2017

Classification: General Release

Title: Oxford Street Project Resourcing

Wards Affected: West End

City for All Summary: The Oxford Street project will contribute to the City for All vision by delivering the following key outcomes: improvement of air quality, of pedestrian safety following the opening of the Elizabeth Line; improvement of the Oxford Street retail experience.

Key Decision: Yes

Financial Summary: The estimated cost to proceed with this project is £1.3m, which will be funded from Parking Services revenue.

Report of: City Treasurer

Report Author: Natalie Roberts / Roger Austin

1. Executive Summary

- 1.1 The West End Partnership (WEP) programme has gathered pace over the last 12 months, with a growing focus on the delivery of key projects. The need to make progress with the Oxford Street project in particular has increased as a result of a number of factors: Westminster City Council (WCC) and New West End Company (NWEC) desire to improve the Oxford Street retail experience; the imminent opening of the Elizabeth Line in December 2018; the Mayor's aspirations; TfL bus reduction proposals; and the need to improve air quality across the Oxford Street district more generally.
- 1.2 The objective of the Oxford Street project is to transform the street and deliver the 'world's best outdoor shopping experience'. The project, which focuses on Oxford Street from Marble Arch to Tottenham Court Road and the surrounding district, aims to encourage economic growth and benefits for those who live, work and visit the area.
- 1.3 The Oxford Street project will be Central London's biggest surface level transport and public realm project and as such, requires considerable capital and revenue funding over a number of years. The WEP has submitted a funding bid to the Treasury to cover the programme, including Oxford Street. Although the Autumn Statement did not contain any formal reference to the bid, ongoing discussions with HM Treasury have been positive, and the result of the application is expected to be known in spring 2017.
- 1.4 While these discussions with the Treasury continue, progress needs to be made with the Oxford Street project. This report sets out the revenue funding requirements to allow the project to continue.

2. Recommendations

- 2.1 That approval is given to the funding package set out in the Financial Implications and the Council's commitments within it which are to:
 - 2.1.1 Approve the virement of £1.3m from the Parking Services budget to the Oxford Street and West End Partnership projects as outlined in this paper.
 - 2.1.2 Approve the carry forward to the next financial year if this full allocation is not spent in 2016/17.
 - 2.1.3 Delegate the financial approval for expenditure of up to £1.3m revenue funding to the Executive Directors for City Management and Communities and Growth, Planning and Housing, so that resources can be recruited and work can commence on the project as soon as possible.

3. Reasons for Decision

- 3.1 The approval of the proposed resource expenditure will allow the commissioning of further studies and traffic modelling, as well as key project resources, both of which are required for the project to progress.

4. Background, including Policy Context

- 4.1 The Oxford Street project and its vision is in line with the key strategic aims of the Council through improving air quality, improving pedestrian safety following the opening of the Elizabeth Line and developing the Oxford Street retail experience. Through investment it is expected to result in further economic benefits for the area.

5. The Oxford Street Project

- 5.1 The aim of the scheme is to transform the street and deliver the 'world's best outdoor shopping experience'. The project which focuses on Oxford Street from Marble Arch to Tottenham Court Road and the surrounding district, aims to encourage economic growth and benefits for those who live, work and visit the area.
- 5.2 In order to meet the requirements for the Oxford Street Project, the Project Team will need to ensure there are adequate resources and expertise to allow the delivery of a preferred scheme that best meets the interests of the City Council and its stakeholders. The additional resources required will cover the following elements: project and programme management, legal and procurement expertise, financial management, utilities/highways management and communications and stakeholder management.
- 5.3 The project has commissioned a number of studies for Oxford Street West to understand the complexity of the street and the wider district. The findings of these studies have been reported to the Leader and Cabinet Members through the various meetings that reflect the agreed governance structure for the project and West End Partnership.
- 5.4 The project is now at a crucial stage where it needs to undertake detailed modelling to assess the impact of any changes to the district proposed. The City Council and TfL will also be commissioning a detailed public realm strategy for the district to support and deliver on the aspiration of creating the world's best outdoor shopping experience.
- 5.5 Initial studies to scope out possible options for Oxford Street East will need to be commissioned over the next three months. This is to enable a short list of options for the street and wider district to be developed for discussion and consideration by the Leader and Cabinet Members in early in the next financial year.

6. Financial Implications

- 6.1 The total expected revenue cost for the scheme is £1.3m. Revenue from Parking Services is over achieving against the current budget. As a result, the Oxford Street Project costs can be fully funded; it is proposed a virement of £1.3m is processed for this financial year. For any element that is not spent in 2016/17, this will be carried forward as an unspent contribution from reserves balances.

- 6.2 This is expected to be a worst case position for 2016/17 as TfL funding contributions towards the modelling and public realm strategy are expected. Discussions are continuing with TfL and by early next year their contributions to the commissions should be known. An element of slippage is possible for some of the work streams. The above is assumed to be revenue in nature at this initial feasibility stage of the project. However, an element of this may be capitalised, subject to further detailed work as the project progresses.
- 6.3 If the City Council decides to not progress with the project, the commitments currently would be minimal, although there may be some marginal additional costs such as decommissioning of the project. If the TIF bid is successful, the resourcing of the project team could be scaled up to meet the programme demands for both Oxford Street West and East. Any underspend of the £1.3m would be allocated to the wider WEP programme.

7. Legal Implications

- 7.1 There are no direct legal implications linked to the recommendations within this report. Legal advice will continue to be sought for the project as it progresses.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact: Natalie Roberts on 020 7641 8165, email nroberts@westminster.gov.uk, or Roger Austin on 020 7641 7061, email raustin@westminster.gov.uk

Background Papers: None

For completion by the **Cabinet Member for Finance, Property and Corporate Services**

Declaration of Interest

I have <no interest to declare / to declare an interest> in respect of this report

Signed: _____ Date: _____

NAME: **Councillor Tim Mitchell, Cabinet Member for Finance, Property and Corporate Services**

State nature of interest if any
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(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendations in the report entitled **Oxford Street Project Resourcing** and reject any alternative options which are referred to but not recommended.

Signed

Councillor Tim Mitchell, Cabinet Member for Finance, Property and Corporate Services

Date

If you have any additional comment which you would want actioned in connection with your decision you should discuss this with the report author and then set out your comment below before the report and this pro-forma is returned to the Secretariat for processing.

Additional comment:
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If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, Strategic Director Finance and Performance and, if there are resources implications, the Director of People Services (or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

Note to Cabinet Member: Your decision will now be published and copied to the Members of the relevant Policy & Scrutiny Committee. If the decision falls within the criteria for call-in, it will not be implemented until five working days have elapsed from publication to allow the Policy and Scrutiny Committee to decide whether it wishes to call the matter in.

Other Implications

1. Resources Implications

The Oxford Street project resources costs for 2016/17 are estimated at £1.1m, with an additional contingency of £0.2m, total £1.3m. Any underspend from 2016/17 will be carried forward as an unspent contribution from reserves balances.

2. Business Plan Implications

No implications.

3. Risk Management Implications

No implications.

4. Health and Wellbeing Impact Assessment including Health and Safety Implications

No implications.

5. Crime and Disorder Implications

No implications.

6. Impact on the Environment

No implications.

7. Equalities Implications

No implications.

8. Staffing Implications

No implications.

9. Human Rights Implications

No implications.

10. Energy Measure Implications

No implications.

11. Communications Implication

No implications.