

**Westminster City Council**

# **Oxford Street District - Business Case**

8<sup>th</sup> April 2019



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Working Draft

**8<sup>th</sup> April 2019**

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# 1 Oxford Street District

## 1.1 Revitalising One of London's Great Districts

Oxford Street is one of the world's most celebrated retail streets. One of its most important strengths is its vitality, which comes from its eclectic nature and continual newness; from the ebb and flow of commercialism, movement, complexity, contrast and constant change. It is both international and local. It is for residents, workers, and visitors of all ages. It is a microcosm of London.

Oxford Street is recognised as a leading retail destination, visited by millions of people each year and is an essential part of the West End and London offer. The Street's setting means it sits alongside several distinctive and historic neighbourhoods, including Fitzrovia, Marylebone, Mayfair and Soho, that provides a richness and vibrancy that cannot be matched. That is why it is important that Oxford Street is considered as part of a diverse district, integrated in to the wider West End, where it can provide world class retail, commercial, culture and leisure opportunities, and to be a good neighbour for local residents.

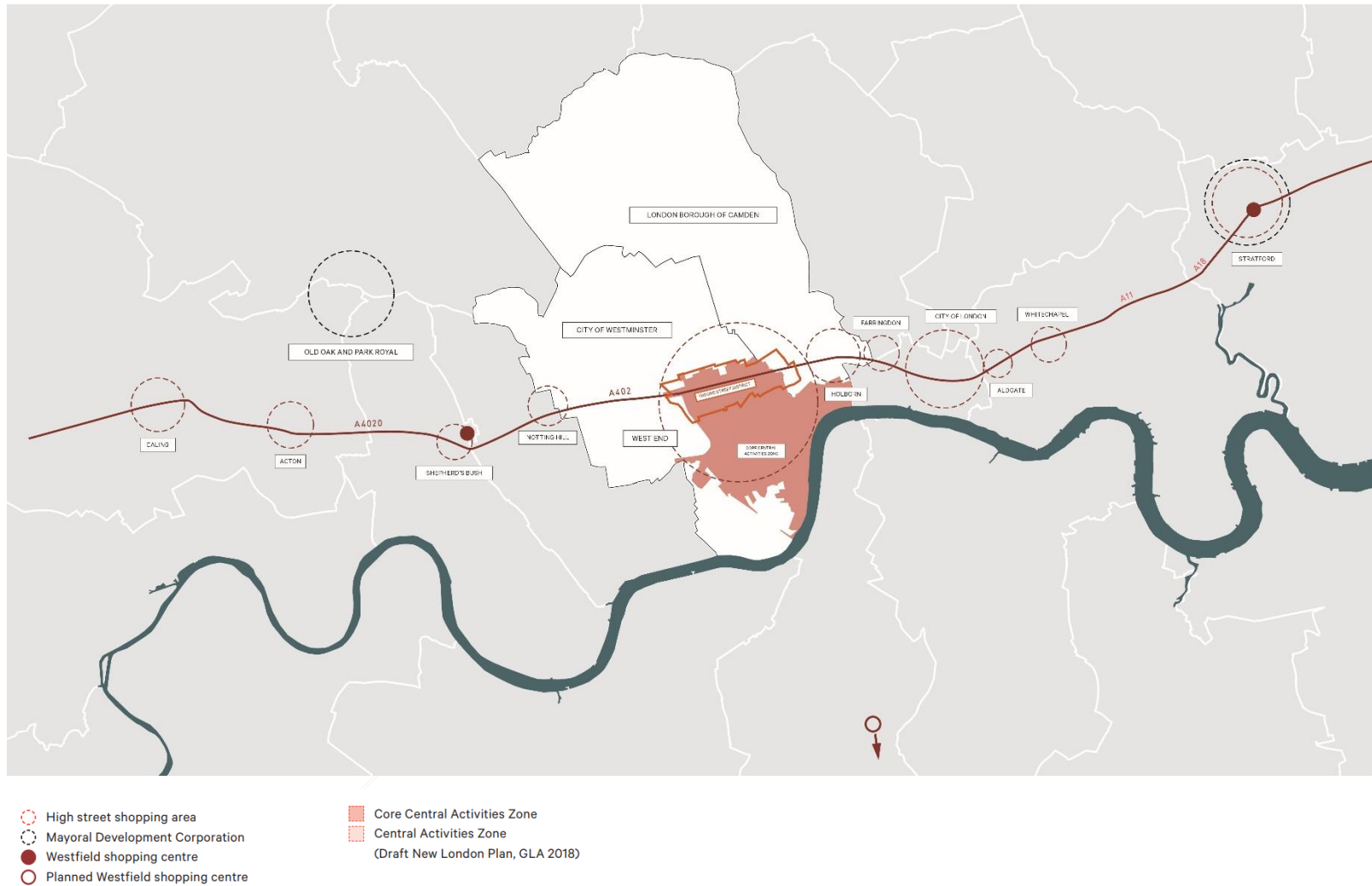
It is a street, not a shopping mall, with shops that have sides, backs and spaces in between them. It is a thoroughfare and a distributor of movement, but most importantly it is an intrinsic part of a street network that connects historic residential neighbourhoods and the wider West End. Oxford Street has character, authenticity and identity. Celebrating and amplifying these elements will reinforce its continuing status as London's primary shopping street and support its development into a vibrant centre for civic life and commerce.

The district is unique as a meeting point of Great Estates, international retailers, long-established neighbourhood forums and some of the UK's most important businesses and investors, all of whom have over time developed ideas and proposals for its streets and spaces. There is an incredible richness and heritage to the district that gives it its unique character. It is a place that is defined by historic neighbourhoods that each have their own clearly-defined attributes. This is what sets the area apart from all national and international rivals. Its connectivity to the commercial, cultural and unrivalled leisure offer of the wider West End provides endless opportunities that simply cannot be matched elsewhere.

## 1.2 The Case for Change

The case for change is both urgent and compelling – Oxford Street's current condition does not match its importance and status. Pedestrian safety and air quality must be urgently addressed, requiring the balance of vehicular and pedestrian movement to be transformed. Management and maintenance across the district is a key concern, affecting conditions today but also any proposed changes. The retail landscape is rapidly evolving and is currently challenging, with the importance of an enhanced environment more critical than ever.

**Figure 1.1: Oxford Street's location at the heart of London's longest shopping street**



The creation of the Elizabeth Line has already brought significant change and its opening will intensify conditions across the district. The two West End stations are projected to bring an additional 60 million people annually; increasing the 200 million annual visits to the district by almost a third<sup>1</sup>. The economic opportunities that this will bring are accompanied by the challenge of adapting congested streets and spaces to accommodate greatly increased pedestrian movement. The Elizabeth Line stations do not open out onto Oxford Street directly, but to Dean Street, Hanover Square and Davies Street, significantly altering the way people will move across the district.

## 1.3 Place Strategy and Delivery Plan

The Place Strategy and Delivery Plan for Oxford Street District, which underpins the proposals set out within this Business Case, builds on the momentum of change being brought by both the delivery of the Elizabeth Line and renewed thinking about Oxford Street, and provides a mechanism to knit together the area's diverse projects. In developing this work, the Council has listened carefully to those who know best – those who live, work, visit and do business in the area; that has helped shape our deep understanding of what makes the place so special and what we should seek to augment.

The district is busy and is intense. It is an extraordinary place but also somewhere we want people to be proud of and where they relish going about their day-to-day lives, be that shopping, going to work, simply meeting friends, or families and children being able to play. Enhancing all of these things is as vital as just focusing on improving the public realm. That is why the Place Strategy is all encompassing and addresses all the elements that will make the Oxford Street District a successful place.

It is crucial that it is well understood that the area is also an economic powerhouse for London and the UK and is one of the largest employment centres in the capital. The goal is to be able to share the prosperity and success of the district across the city. But this needs to be achieved in a sustainable and sensitive fashion. The challenges the district faces are clear, as set out within this Business Plan, and the ambition is to bring all the available public and private resources to bear to tackle them head on and future proof the district's ongoing success which is vital for Westminster and London as a whole.

### 1.3.1 *The Scale of Ambition*

The purpose of the Place Strategy is to unify, not to homogenise – to respect the diverse and often contrasting characters of different parts of the street and the wider district. It aims to reflect and maintain Oxford Street's character of inclusivity and eclecticism, and to provide the setting and amenities that will allow its activity and diverse economies to flourish. This calls for a holistic strategy encompassing all aspects of the built environment as well the critical elements of transport and movement. The starting point is to build from its assets; its urban form, its complexity of use and harness the many great ideas that have been advanced for its future. The strategy is pragmatic in addressing the diverse needs of the area but highly ambitious in setting

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<sup>1</sup> Oxford Street District: An Economic Assessment, Volterra, 2018

out a vision for a programme of extensive improvements to a fully functioning and complex district, elevating its civic amenity, greenery, play, cultural programme, art, lighting and the quality of the public realm.

The aim is to create a greener, cleaner environment where people enjoy spending time supported by interesting routes, ample amenities and outstanding public space. The restoration of spectacle and delight is a primary objective – it should still be intense and dynamic especially at certain times of the day, but the range and scale of retail and experiences on Oxford Street and the diversity of its surrounding neighbourhoods offers endless possibilities to explore places of varying characters and intensities.

### *1.3.2 Celebrating Diversity of Use*

The Oxford Street District does many things – It is a residential area, with Mayfair, Marylebone, Fitzrovia and Soho separated by Oxford Street, and an international shopping area. It also is a successful commercial office district with 51% of the area's employment within professional services, and 20% in retail<sup>2</sup>. The street itself is both a thoroughfare and a distributor, providing access to these neighbourhoods, particularly east of Oxford Circus. A successful strategy will be one that ensures that all of these elements thrive; that accommodates the shared aims of residents, workers and visitors and businesses; that makes the area a more enjoyable place to be.

Oxford Street and the wider district changes significantly through the different seasons of the year and also from daytime to night reflecting this diversity of use, with an intense peak in the late afternoon and early evening as many different types of use converge and shoppers and workers are using public transport at the same time. The Place Strategy is built upon a key principle of working with the patterns of use of the street and wider district – to make sure that pedestrian space is prioritised and also maximised when it is most needed and that essential servicing movements take place at appropriate times.

### *1.3.3 A Blueprint for Change*

The Place Strategy and Delivery Plan sets out an incremental and cumulative approach, with 88 projects that together form an ambitious proposal for the whole 2km-long district to bring radical and long-lasting change. Some of the projects are modest, some are long held ambitions, many are complex, all are put forward as proposals that will bring meaningful improvement. The Delivery Plan lists all projects and work is underway to schedule how to bring them forward in the most efficient and logical way to keep the area moving and working throughout.

## **1.4 Custodians for the Oxford Street District**

The street lies entirely within the City of Westminster. Westminster City Council is the highway authority responsible for the management and maintenance of the street and wider area, the planning authority responsible for determining planning and listed building applications on and around the Street and the statutory authority for things like trading standards, street trading, noise and air pollution, road safety and, with the Metropolitan Police, crime and anti-social

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<sup>2</sup> Oxford Street District: An Economic Assessment, Volterra, 2018

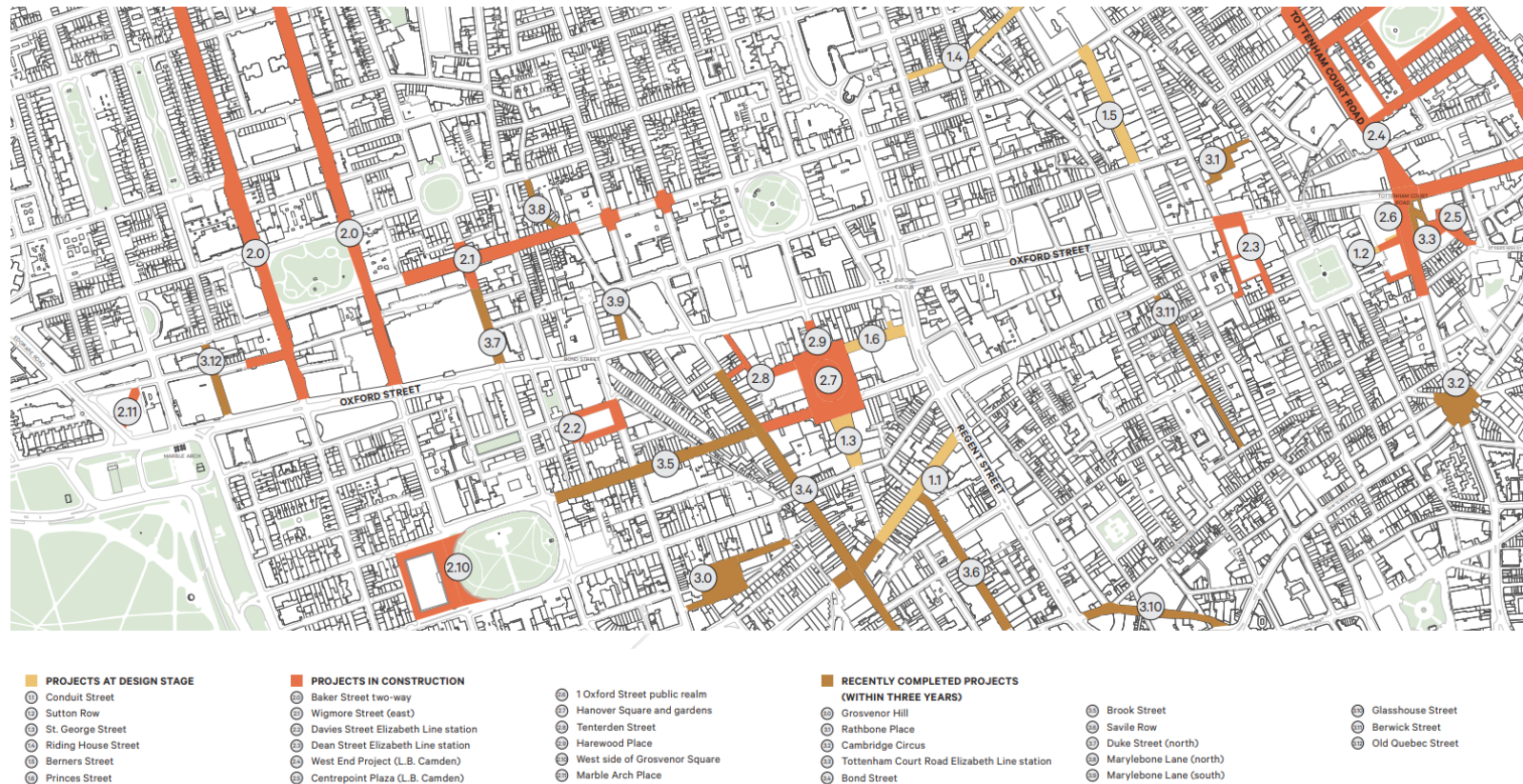
behaviour. Oxford Street is defined as a 'Strategic Road', which means that it is of strategic importance for the whole of London. In this respect the Mayor of London and Transport for London are responsible for the public transport (buses, Underground, taxis and private hire vehicles) that service the street and its environs.

The current proposals for the Oxford Street District are the latest in a long line of public realm and transformative projects that the council has initiated, developed and implemented over the past 30 years. With regard to Oxford Street, in the 1990s the western section of Oxford Street (Oxford Circus to Marble Arch) was significantly refurbished with wider pavements, de-cluttering, improved lighting and street furniture. In 2012 the eastern section of the Street (Oxford Circus to Tottenham Court Road) saw investment as part of the Northern Line Upgrade and preparation for the Elizabeth Line at Tottenham Court Road. Between 2009 and 2011 the 'Oxford Circus Diagonals' were installed; doubling the pedestrian capacity at this busy junction.

Other transformative schemes, led by Westminster Council, that impact on the wider Oxford Street District include the recently completed Baker Street Two-Way working and public realm improvements and Bond Street public realm improvements, which form part of a wide suite of public realm projects within the district, as shown in Figure 1.2 overleaf. Camden's West End/ Tottenham Court Road Two-Way project will also impact significantly on the eastern edge of the Oxford Street District. However, there is a lack of investment on Oxford Street itself.

Unlike other parts of the West End, within the district there is fragmented land ownership which is why the Council is showing the necessary civic leadership in order to set out a unifying vision that can act as a catalyst and drive improvements on the ground. The significant funding that the Council are also making available is a massive kick start to make this a reality and will encourage private and public partners to commit their support. We believe that no other major city has sought to refresh a whole district in such a comprehensive and ambitious fashion.

Figure 1.2: Existing major public realm projects



## 2 Strategic Case

### 2.1 Oxford Street District's Importance to the City of Westminster

#### 2.1.1 Significant economic importance

The Oxford Street District is an area running from Marble Arch station in the west to Tottenham Court Road in the east, encompassing Oxford Street itself (see Figure 2.1). It is located at the heart of the West End and is classified as an international shopping district in the London Plan. The street and the surrounding neighbourhoods are home to many residents and businesses which help to make up this vibrant mixed-use district. The district is multi-faceted in its character and combines residential, commercial and retail uses in close proximity to each other. It therefore greatly influences what it is like to visit, live and work in the City of Westminster.

The economic importance of the Oxford Street District to the City of Westminster is vast. Analysis undertaken by Volterra shows that the Oxford Street District has an employment density that is significantly higher than the Westminster average and contains some 155,000 jobs. As shown in Table 2.1, while the district only makes up 8% of the physical land area of Westminster, it accounts for 21% of the borough's total employment.<sup>3</sup>

Table 2.1: Employment within Oxford Street District (2016)			
	Area (ha)	Employment	Employment density (jobs per ha)
Inner OSD	75	85,000	1,130
Wider OSD	162	155,000	960
Westminster	2,100	730,000	340
London	157,000	5,200,000	33

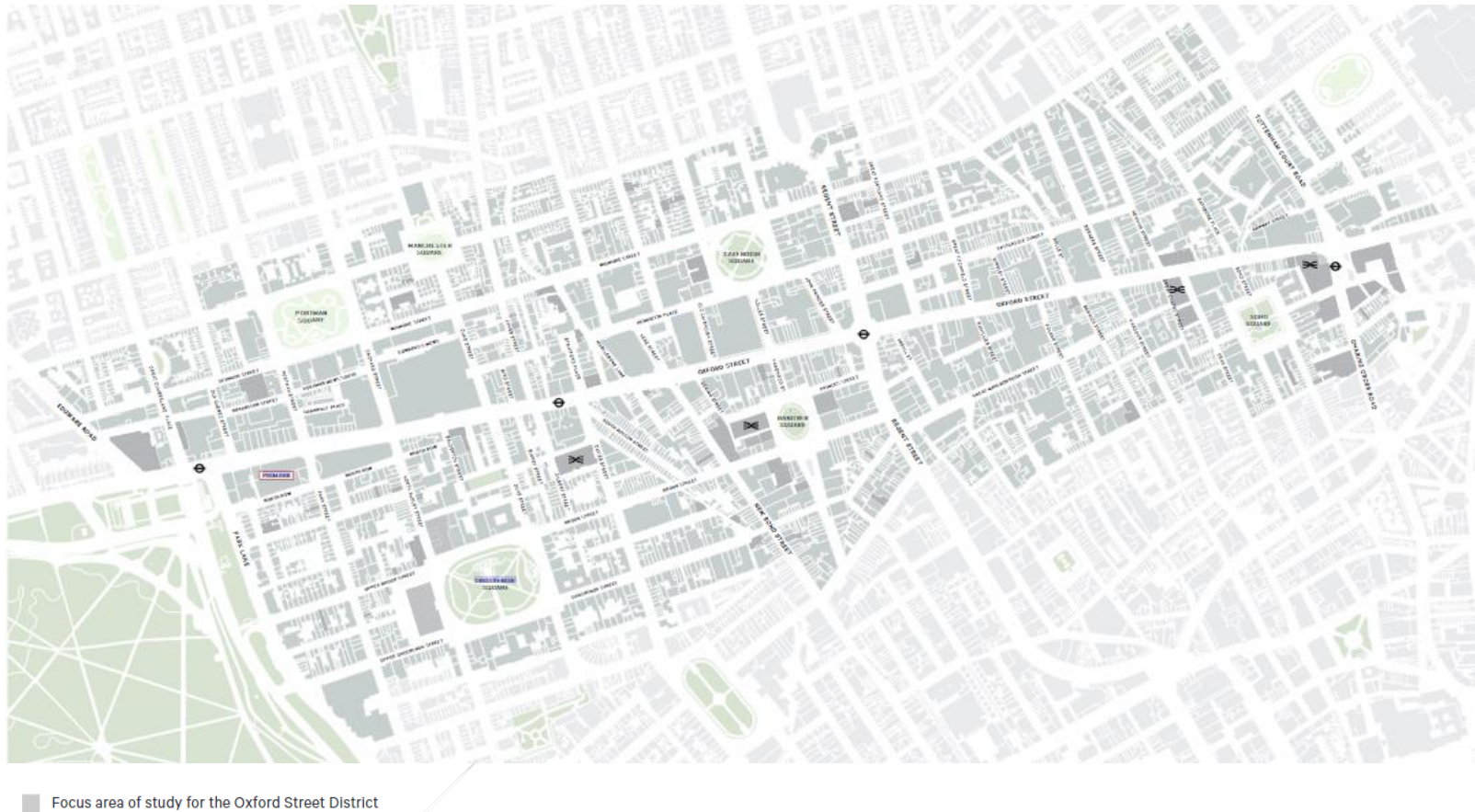
Source: adapted from Volterra (2018), figures are rounded

The analysis by Volterra found that the two largest employment sectors in the Oxford Street District are Professional services and Retail & Wholesale, accounting for an estimated 51% and 20% of total employment in the district respectively, as of 2016.

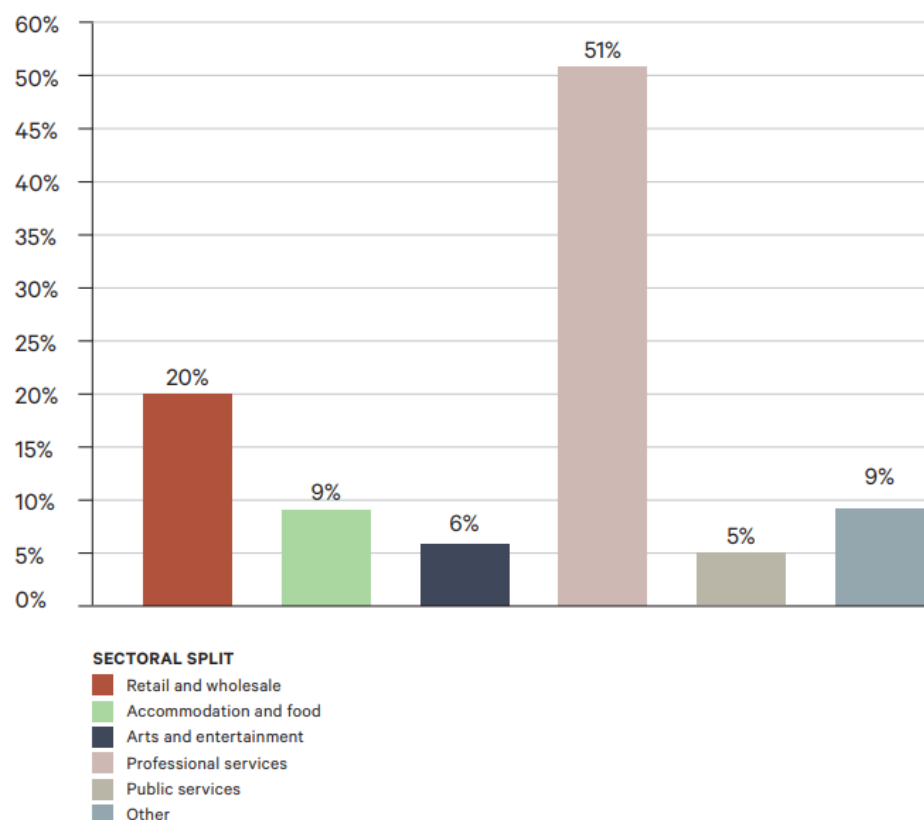
Although the size of the retail sector is consistent with the perception of parts of Oxford Street District being heavily retail dominated, the fact that the professional services sector is more than twice as large in employment terms highlights the diverse nature of the area. It also shows the importance of the district in relation to providing both a source of accessible employment opportunities for local residents and higher value jobs that underpin Westminster's significant economic output.

<sup>3</sup> Oxford Street District: An Economic Assessment, Volterra, 2018

Figure 2.1: Oxford Street District



**Figure 2.2: Breakdown of employment by sector in the Oxford Street District area**



Source: ONS, 2016, *The Census*; Volterra Report, 2018

Oxford Street District's importance as a key employment location in Westminster is further evidenced by recent growth trends. Volterra has calculated that between 2009 and 2016 employment in the district increased by approximately 17%, which was above the overall rate for Westminster of 15%. However, it is worth noting in terms of the potential current constraints on the district's growth (see Section 2.9), that the employment growth rates for the West End and London as a whole were both higher at around 21%.

The scale of employment and sectoral split within and around Oxford Street mean that the district is crucial to the Westminster economy. It is estimated that the Oxford Street District generates £13 billion in Gross Value Added (GVA) annually, compared to £56 billion for Westminster as a whole. This equates to 23% of the Westminster total, while, as identified above, the district represents 8% of the physical land area and accounts for 21% of total employment.<sup>4</sup> The density of employment is a key factor driving the district's contribution to the Westminster economy, but the nature of employment and size of the professional services sector also plays a role in Westminster having amongst the highest levels of productivity in the UK.<sup>5</sup>

<sup>4</sup> Oxford Street District: An Economic Assessment, Volterra, 2018

<sup>5</sup> Subregional productivity: labour productivity indices by UK NUTS2 and NUTS3 subregions, ONS, 2019

Table 2.2: Estimated GVA (2016)			
	GVA	% of Westminster	GVA per job
Inner OSD	£7bn	12%	£82,000
Wider OSD	£13bn	23%	£84,000
Westminster	£56bn	-	£77,000

Source: adapted from Volterra (2018), figures are rounded

Oxford Street District's economic contribution to Westminster is likely to be even larger once indirect and induced multiplier effects from supply chain expenditure and employee spend are taken into account. The Homes and Communities Agency Additionality Guide identifies local area multiplier benchmarks of 1.21 for retailing and 1.29 for office uses (i.e. for every £1 of direct GVA generated a further 21p or 29p will be created in the local economy).<sup>6</sup> Some of this multiplier effect will already be accounted for in the employment and GVA figures above; however, businesses in Oxford Street District will also be helping to support activity elsewhere within Westminster.

Unsurprisingly, given the scale of economic activity in the area, Oxford Street District is responsible for a significant proportion of the business rates payable within Westminster. As shown in Table 2.3, based on the estimates calculated by Volterra, in 2017/18 businesses in the district provided approximately 34% of the total rates generated in Westminster.

Table 2.3: Estimated business rates (2017/18)			
	Inner OSD	Outer OSD	Westminster
Office	£160m	£340m	£1.2bn
Retail, restaurants and cafes	£215m	£295m	£625m
Industrial	£690k	£1.6m	£5.0m
Other	£5.5m	£13m	£100m
<b>Total</b>	<b>£380m</b>	<b>£655m</b>	<b>£1.95bn</b>

Source: Volterra (2018), figures may not sum due to rounding

Overall, it is estimated that Oxford Street District generated £655 million in business rates in 2017/18, of which around £200 million was retained by Westminster. This is 12% more than all businesses in Camden and 60% more than all businesses in the whole of Birmingham. As highlighted by Volterra, it represents *"a very considerable contribution being made by a relatively small area, emphasising its economic importance to Westminster, the West End, London and indeed the UK"*.<sup>7</sup>

If the Oxford Street District is able to accommodate even more growth than it has in the past, it could generate between 1,600 and 7,200 new jobs each year across the district, further increasing the area's contribution in terms of GVA and business rates. Estimates are wide-ranging due to a

<sup>6</sup> Additionality Guide 4<sup>th</sup> Addition, Homes and Communities Agency, 2014

<sup>7</sup> Oxford Street District: An Economic Assessment, Volterra, 2018, p.24

multitude of variables that could be used to hypothesise this scenario; for example the impact of the Elizabeth Line, or continued changes to the nature of retail.

### 2.1.2 *A place to live and visit, as well as work*

Despite the high levels of employment, the district is also home to many residents, with an estimated 12,500 people living within the area. There are four neighbourhood forums that cover parts of the district, including Marylebone Neighbourhood Forum, Soho Neighbourhood Forum, Mayfair Neighbourhood Forum and Fitzrovia Neighbourhood Forum. Each of these forums represents both residents and businesses. There are also around a further 230,000 residents in the rest of Westminster, for whom the Oxford Street District provides an important destination for recreation, retail and leisure. The mix of land uses within the district is shown in Figure 2.3 overleaf, demonstrating the broad role of the area.

There are significant transitional spaces or thresholds that signify a change of character between Oxford Street and the neighbouring areas in the district. These transitions are particularly clear between Oxford Street and Soho to the south side of the street. This threshold and change of character is often defined by a change in the use, scale and grain of the buildings; as in the case of Berwick Street in Soho, where there is distinct change to a finer architectural grain and change in use from high street retail to specialist shops, cafés and restaurants and local shops such as hairdressers. However, larger retailers, particularly the flagship stores, have also recently started to include a variety of additional uses nested within their stores. For example, Topshop's flagship includes a café and hair and beauty salons, Nike Town organises a running club, and Lush is home to a spa and 'hair lab'.

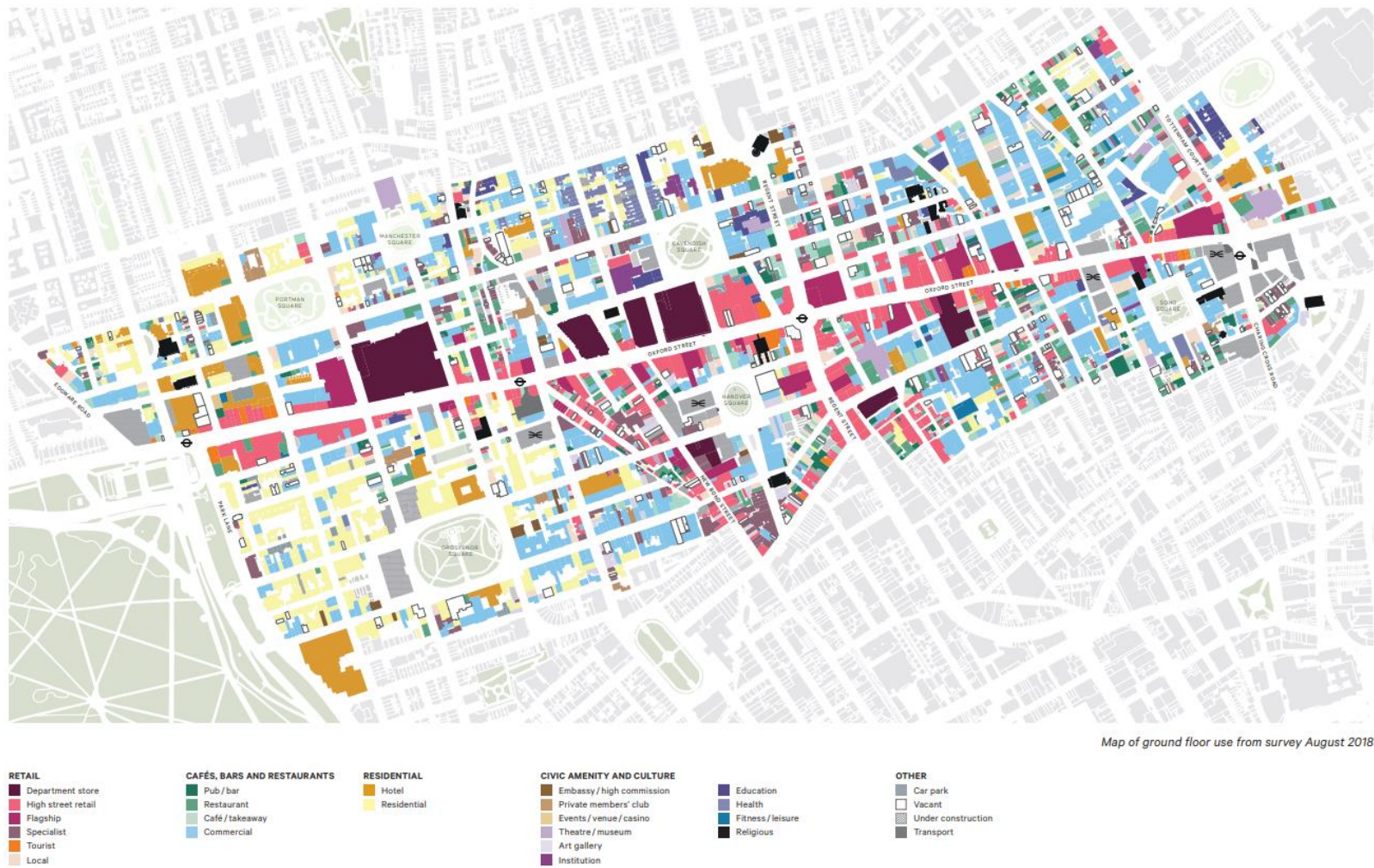
For all four stations within the Oxford Street District, the PM peak is the busiest period of the day, with the PM peak being between 35% and 65% busier than the AM peak period, in contrast to the pattern across the entire London network, which on average experiences only a 5% increase in use in the PM peak period compared to the AM peak. The reason for this is likely because of Oxford Street District's importance both as a major employment location – to and from which workers travel during the peak periods – and as a leading leisure and tourism destination, to which shoppers and tourists tend to arrive and leave at different times throughout the day, including during the PM peak period. This means that the transport capacity is being thoroughly utilised in serving the area throughout the whole day.

Fitzrovia and Soho have a variety of places to eat, drink and socialise, and provide much of the activity within the area during the evening. However, the life of these areas is highly influenced by licensing policy. Pubs in Fitzrovia tend to close at midnight, whereas many of Soho's bars and venues remain open much later. Oxford Street itself has a scarcity of restaurants, bars and cafés, with the majority located in clusters within areas to the north and south of the street. These include St. Christopher's Place, Market Place, Rathbone Place, Great Marlborough Street, Carnaby Street and Soho. Hotels are located throughout the area, with a clear cluster towards the western end of Oxford Street, around Marble Arch.

Oxford Street has a history of spectacle, and entertainment, theatres, concert halls and pubs once lined the streets. Forms of entertainment can still be found along the street and within the wider area, and a number of temporary uses and events take place in the area, many of which are seasonal or linked to city-wide events. Oxford Street, Oxford Circus or Regent Street are

occasionally closed to traffic for a specific show or event, such as the 2016 and 2018 Lumière light festivals and the annual Christmas light switch-on.

Figure 2.3: Oxford Street District



## 2.2 Strategic Context

The **Westminster City Plan** is undergoing a refresh. The Council consulted on a new draft Plan in November to December 2018. The new draft plan aims to enable our high streets to adapt to changing circumstances and to thrive in the future. The new policy includes a change in approach to how we manage our high streets and would aim to create a lot more flexibility for change of use in response to the changing nature of retail. It will seek to make our high streets a destination for leisure and entertainment as well as shopping, whilst still maintaining the retail focus of the area. This will help our shopping centres to face the unprecedented challenges posed by online retail, falling sales figures and customer expectations for exciting destinations and experiences. Oxford Street is an international shopping centre and expectations for the quality and range of retail and entertainment offers are that they should be world class. The new draft City Plan will help to deliver this.

The transformation of the Oxford Street District is seen as a key component of creating an improved retail and leisure experience that responds to innovation and change in the sector. The Plan identifies the aspiration for Oxford Street to include ‘a more diverse and interesting mix of uses and better quality public realm that prioritises pedestrians, enhances the shopper experience, and makes it a more attractive place to visit and enjoy.’ As part of achieving this vision, the Plan emphasises the need for comprehensive proposals for the future of the area to respond to the changes facing the retail sector, with a key focus on user experience.

Soho is a unique area within the wider West End and therefore we are determined to enhance it. We have worked closely with the Soho Society and Soho Neighbourhood Forum to identify the issues and root causes of the unwelcome changes we are seeing in Soho. The new City Plan includes a draft policy to address some of these – for example workspace for small and medium-sized enterprises (SME) particularly in the creative sector, housing that meets the needs of those working in the area, restricting the size of new hotels and a diversity of leisure and evening / night time venues. The draft policy also aims to conserve and improve the existing green spaces in Soho.

The consultation on the City Plan attracted a large number of responses giving a wide range of views on the suite of new draft policies. These consultation responses are being analysed and the policies amended accordingly before a second round of formal consultation takes place.

Westminster City Council’s ambition to create a city that benefits all its residents is further outlined within a **City for All** (2018/19). This follows five themes:

- City of opportunity
- City that offers excellent local services
- Caring and fairer city
- Healthier and greener city
- City that celebrates its communities

The ambition is to create a City for All where people are born into a supportive and safe environment, grow and learn throughout their lives, build fantastic careers in world-leading

industries, have access to high quality, affordable homes and retire into the community with dignity and pride. As part of achieving this ambition, City for All identifies that the Council's will work with residents to develop new proposals for the Oxford Street District, which includes the reduction of pollution levels, control of deliveries, protection of resident parking bays, ensuring traffic will not 'rat run' down residential roads and effective management of pedestrian areas and surrounding streets.

Details of further existing and adopted Westminster and Greater London Authority policy and guidance is set out within Appendix A.

## 2.3 The wider role of the West End

The West End is the most visited and economically prosperous area in the UK. Welcoming over 18.8 million visitors per annum, the area produces greater economic output than anywhere else in the country, generating £51 billion of GVA per year. In comparison, the City of London produces £43.9 billion per year while the West End's GVA per year is almost as large as the country of Wales (£52 billion). As a consequence, the West End creates higher tax revenues than anywhere else in the UK. At more than £17 billion per annum, the tax revenues generated in the area have important redistribution benefits for the whole of the UK.<sup>8</sup>

The West End is the main commercial and entertainment centre of the capital. According to JLL's Global Retail Market Maturity index, London is defined as a "Global Retail City", which has 'mature, established markets with the greatest appeal to international retailers'<sup>9</sup> and the West End is a major driver of London's international standing. Spanning Covent Garden, Trafalgar Square, Soho, Chinatown, Leicester Square, the shopping streets of Oxford Street, Regent Street and Bond Street, the West End is comparable to other well-established economic hubs internationally such as Midtown Manhattan in New York City or Causeway Bay in Hong Kong. In 2018, London retained its position as the best-performing retail centre in Europe, with visitors spending over £12.2 billion, mainly due to the importance of the West End and, in particular, Oxford Street.

Covering an area of only 6.3 hectares, the West End contains the most employment dense areas of both Westminster and Camden. Second only to the City, the West End's employment density rate is well above the average among London boroughs – 350 jobs per hectare, which is 9.5 times higher than the average density in London (38 jobs/ha). Moreover, the area is the largest employment zone in the UK, with over 120,000 businesses employing more than 650,000 people.<sup>10</sup> In comparison, the City employs 438,000 people.

The West End is a global leader in a number of sectors including advertising, digital technology, media and entertainment. The positive spillover effects of these sectors in the West End are far-reaching and can impact areas across the UK. For example, tourism is one of the West End's largest sectors and it is estimated that for every £1 spent by international visitors, an additional £1.20 is generated in supply chains outside of London.

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<sup>8</sup> Ten Years of Tax, Centre for Cities, 2016

<sup>9</sup> London City Report, JLL, 2018

<sup>10</sup> BRES Employment Data, 2017

The well-established connections and knowledge in the industries within the West End can incentivise investment in the area which can be exported throughout the UK. By way of example, while the West End remains the advertising capital of Europe, less than one third of its employees are London-based, with a significant proportion being outside of London. West End businesses rely heavily on people that live outside of London in cities such as Birmingham and Manchester that have a thriving advertising sector and have grown as a direct consequence of the West End's success and global reputation. There is a strong "ripple effect" within these sectors with a steady flow of people leaving London to work in the regions generating additional highly-skilled and highly-paid jobs, raising productivity levels and driving growth.

Accessible to visitors and workers by four underground stations – Marble Arch, Bond Street, Oxford Circus, Tottenham Court Road – transport connectivity is one of the key attributes to the economic prosperity in the area. The opening of the Elizabeth Line, serving both Bond Street and Tottenham Court Road, will further increase the connectivity of the area.

The economic prosperity, high employment and limited floorspace within the West End have resulted in the area being characterised by low vacancy rates and the highest asking rents of any market in the UK. The average office rent in the West End amounts to £65 per sqft per year. That is around 15% higher than in Midtown and 18% higher than in the City. The 'West End Good Growth' report produced by Arup shows that '55% of space has been leased to tenants from business services, financial institutions and retailers while retail estate tenants account for around 10% of transactions in terms of space'.<sup>11</sup> At more than £2 billion, the area's business rates account for 9% of all business rates nationally.

The Westminster City Plan (2019 – 2040) acknowledges the West End as the 'jewel in our commercial crown', with the vision for it to be 'the place to go for leisure, because it will offer everything; a place where people can shop, socialise and be entertained'. One of the core objectives of the Plan is to enhance the West End as London's primary retail, leisure and visitor destination. By doing so, the intensification of the West End Retail and Leisure Special Policy Area is projected to create at least 3,000 new jobs and 150 new homes. However, the Plan also recognises the issues and challenges faced by the West End due to its mix of uses and level of activity, highlighting the importance of improving the pedestrian environment and making visiting the area a more pleasurable experience.

The West End Partnership's Delivery Plan also highlights the uniqueness of the West End as a 'resourceful, busy, diverse and productive' area but warns that as 'a magnet for millions of visitors and hundreds of thousands of jobs' the West End places huge demand on London's infrastructure. With over 120,000 employees per square kilometre, the area is one of the world's densest employment hubs and 750,000 people pass through the West End stations on a typical weekday. The WEP identifies several interlinking issues such as congestion, air pollution, self-reliance and job opportunities which are critical to the long-term economic success of the area.

## 2.4 The Need for Intervention

In order to ensure the long-term success of the district, the Council must confront the challenges that it now faces. These challenges include inadequate public realm; pedestrian congestion; poor

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<sup>11</sup> West End Good Growth, Arup, 2018

air quality; poor street environment blighted by an excessive number of vehicles; poor road safety; and evolving retail trends and global competition. Addressing all of these issues is of paramount importance. While the Oxford Street District has a number of attributes that make it successful, alongside this there are a range of challenges that require solutions if the collective aspirations of the Council and its stakeholders are going to be achieved.

#### 2.4.1 *Inadequate public realm*

**Key challenge:** *poor quality public realm and limited amenities mean that the current pedestrian environment is no longer adequate or pleasant for residents and visitors to the district and connections between the street and its surroundings are often unclear. A good pedestrian environment is crucial to the ease with which visitors, residents and workers move through and enjoy the Oxford Street District.*

The Oxford Street District has one of the greatest concentrations of green squares in London, with Hyde Park in the far western edge providing an important amenity and visual relief in a relatively densely built up area. However, connections between Oxford Street and Hyde Park do not facilitate easy movement between the two, as pedestrians and cyclists must navigate Marble Arch and Park Lane, which are heavy with traffic.

Public spaces across the district are varied, with several well-used courtyard spaces like Rathbone Place, oasis spaces like Ramillies Street and Brown Hart Gardens; formal spaces with programmed uses like Berwick Street Market; and informal street spaces like Hills Space, used by shoppers and visitors who sit on the pavement and eat lunch. Aside from the high quality green spaces of the local garden squares, the public realm is generally inconsistent in quality. The pavements are often narrow making the accommodation of street trees difficult, and a lack of street cleanliness has a negative effect on the public realm, being both unsightly and obstructing movement.

Oxford Street currently lacks sufficient seating provision, and people therefore perch to rest on window ledges, utility boxes and cycle racks. Much of the existing seating is positioned in such a way that it impedes pedestrian movement on and around Oxford Street, or it is located behind kiosks where it is not immediately visible from Oxford Street itself.

Off Oxford Street, outdoor seating and tables associated with outside dining are prevalent along some streets like Duke Street, James Street and St. Christopher's Place. These objects serve a clear purpose, however they can impede movement through the area. Many of the kiosks on Oxford Street are typically located at the entrance to district streets, selling food and drinks or souvenirs. Kiosks can appear to dominate some spaces, therefore blocking sightlines and movement through the area.

Art and sculpture can be found across the district, with statues, monuments and fountains in its streets, parks and squares. The area is also home to contemporary works by major artists, including Barbara Hepworth's Winged Figure at John Lewis, and Anthony Gormley's ROOM in Brown Hart Gardens. As part of the public works to upgrade and revitalise Bond Street, Elizabeth Frink's Horse and Rider sculpture was restored and relocated from Dover Street to a more prominent position on New Bond Street.

Formal play provision is currently very limited in the Oxford Street District, and Westminster City Council has identified much of the district as deficient in both formal and informal play space. By designing streets that are suitable for use by children, we improve the quality of the urban environment for all users. The Draft New London Plan (Policy S4) states that incidental, playable space should be incorporated into large-scale public realm developments

The quality of public realm is an important feature of any global city but the poor quality of the current public realm in the Oxford Street District makes the pedestrian environment unpleasant. The West End's public realm is rated amongst the worst of other leading cities and is a negative factor in London's performance in global league tables. In the PwC's 2017 City of Opportunity Report London was ranked 13th, behind competitor cities such as Paris, Stockholm and Milan, based upon safety, security and health largely due to overcrowding, poor quality public realm and poor air quality.

Most of the West End's international competitors have implemented or invested in their public realm to improve the pedestrian and visitor experience. Savills Global Retail Destination Index ranked the West End 2nd out of 7 overall in a list of global comparable centres, behind New York. However, it was ranked in 5th place, taking into account the quality of its public realm. The report concluded that the poor quality of the Oxford Street District's public realm will continue to have a negative impact on visitor numbers and spend unless action is taken.

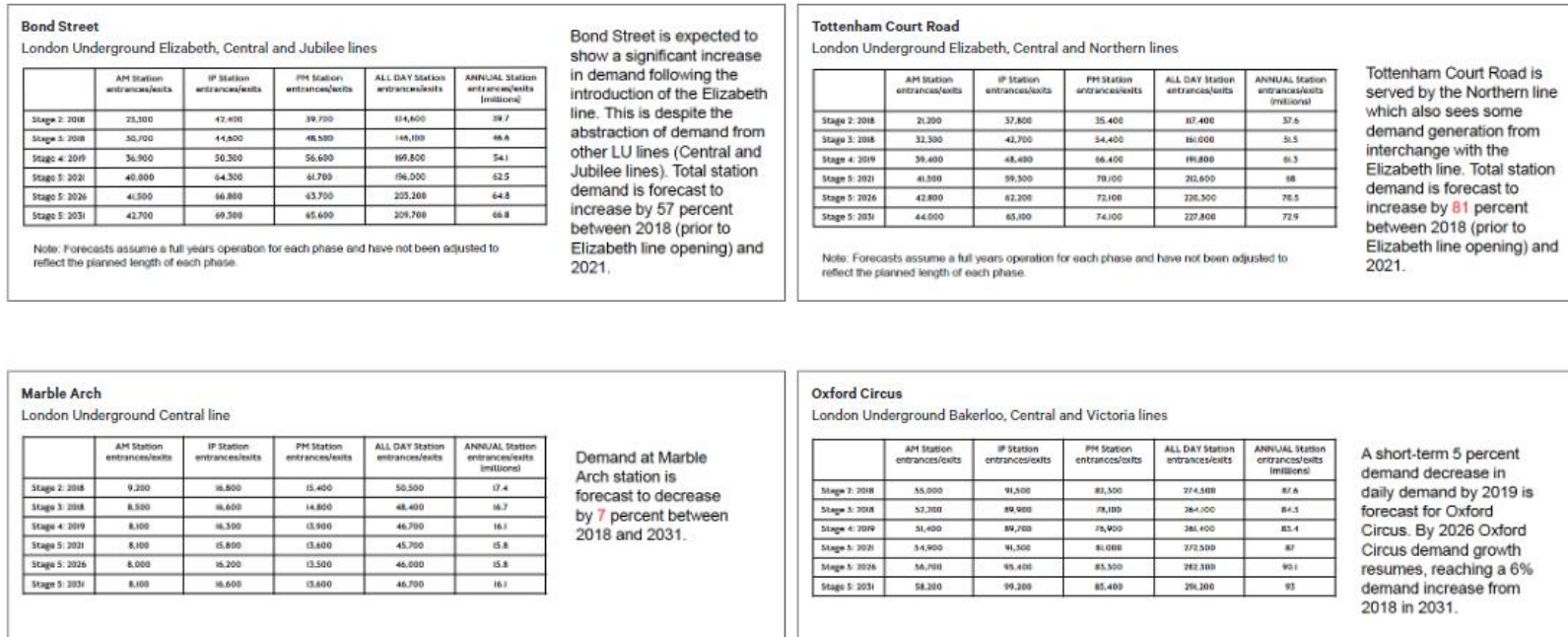
#### 2.4.2 Pedestrian congestion

**Key challenge:** *pedestrians using Oxford Street and parts of the surrounding district experience high levels of congestion and discomfort during some periods of the day. The street environment is cluttered and in some places constrained. It is anticipated that the number of pedestrians in the Oxford Street District will increase overall as a result of the new Elizabeth Line stations, with some areas experiencing very significant growth in pedestrian movement. If not addressed, the issues of pedestrian over crowding within the Oxford Street district will become more acute and this may lead to impacts on pedestrian safety.*

Oxford Street and some areas within Oxford Street District currently suffer from high levels of pedestrian congestion and crowding, which results in an uncomfortable environment for walking, particularly from midday onwards to early evening (with a peak around 5pm on most parts of the street). During the summer months and towards the end of the year, these problems worsen due to increased visitors and shoppers to the district. The designated pedestrian pavements are too narrow to accommodate the large numbers of UK-based and international visitors to the area. Footways are often cluttered by obstacles, poorly sited street furniture and the lack of pedestrian permeability further increases journey times.

Moreover, Oxford Circus station is one of the busiest stations in London with the highest number of entry and exit per year among all stations with no mainline interchange. In 2015, the Oxford Circus tube station was closed for an average of 1 in every 3 days due to overcrowding. The opening of the Elizabeth Line stations presents the Oxford Street District with important opportunities for growth and will increase accessibility especially for those people with mobility issues who will benefit from their step-free design. However, the increased visitor capacity that the Elizabeth Line will enable is likely to exacerbate the overcrowding of the District.

**Figure 2.4: Passenger demand forecast for stations on Oxford Street (March 2018)**



Data source: Passenger demand forecast for stations on Oxford Street, TfL, March 2018 (See full document for full details and methodology)

Total entry and exit demand during the AM peak, inter-peak (IP), PM peak, all-day and annual to reflect the staged opening of the Elizabeth line and includes:

- Stage 2 2018: before Elizabeth line opens
- Stage 3 2018: launch of Elizabeth line in central section in December 2018
- Stage 4 2019: Shenfield services extend through central section in May 2019
- Stage 5 2021, 2026, and 2031: full Elizabeth line services between Reading, Heathrow, Shenfield and Abbey Wood

N.B This information refers to a document released by TfL in March 2018. Updated information on station completion and service opening dates is awaited therefore for the purposes of this study the 2021 full service assessment is the principal focus.

The opening of the West End Elizabeth Line stations is a critical catalytic event in the area's history but, whilst this presents a tremendous opportunity for the area, it also presents significant challenges. The Oxford Street District is already severely overcrowded and struggles to safely accommodate peak demand. This will have a direct impact on economic performance due to reduced dwell time (and spend) in the area. There is an urgent need to ensure that these extra people can use the area in safety and choose to stay and spend more money in the area.

The increased transport capacity could result in more than three times the number of people visiting Tottenham Court Road station per day, although the Oxford Street District already struggles to safely accommodate visitors during the district's peak hours. The accident record for Oxford Street is concerning, with one pedestrian involved in a fatal collision with a vehicle each year on average. With the anticipated increase in pedestrians as a result of the Elizabeth Line opening, there is a significant probability that the number of collisions will increase without the introduction of measures to reduce the risks of accidents.

A good pedestrian environment is crucial to the ease with which pedestrians move through the Oxford Street District. The health and environmental benefits of walking and cycling are promoted in Westminster City Council's Walking Strategy (2017) and the Mayor's Transport Strategy (2018), which includes the Healthy Streets agenda. Both documents emphasise the importance of improving streets and the public realm to encourage the use of active travel for all.

#### 2.4.3 Poor air quality

**Key challenge:** *Oxford Street and the surrounding district is one of the most polluted areas in the UK. The majority of harmful emissions are released from road traffic. The current levels of traffic congestion, quantity of freight movements during busy periods of the day and high volumes of polluting diesel vehicles need to be addressed by a holistic programme of measures. Conditions in the future can be greatly improved by reducing the amount of traffic and ensuring that the remaining vehicles adopt low emission technology as rapidly as possible across the entire district.*

It is well understood that air quality in the Oxford Street District is poor. The primary source of air pollution is vehicular traffic. The current congestion issues often result in a dangerous and illegal build-up of harmful air pollutants in the district, especially during peak hours. During 2016, Oxford Street experienced 146 instances of exceeding the EU limit value for NO<sub>2</sub> air pollution levels and had two major 'pollution incidents'. London breached the annual air pollution limit by the fifth day of January in 2017. Although the introduction of the Ultra-Low Emission Zone in central London in 2019 will improve the situation, it is anticipated that Oxford Street, and some of the surrounding network, will still fail to meet required standards.

Evidence presented to WCC's Air Quality Task Force Group suggested that poor air quality was responsible for the equivalent of 29,000 premature deaths in the UK (extrapolated to almost 100 in Westminster) due to breathing in tiny pollution particles. This is higher than the number of UK premature deaths from alcohol and obesity. Behind smoking, poor air quality is the most significant public health challenge.<sup>12</sup>

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<sup>12</sup> WCC, Report of the Air Quality Task Group, 2017

A 2015 GLA study (by King's College, London) showed that in 2010 there were the equivalent of 5,900 deaths across London associated with NO<sub>2</sub> long term exposure and 3,500 deaths associated with particulate pollution PM<sub>2.5</sub> – combined equivalent deaths of 9,400. The majority of these have origins in the Oxford Street District, as the West End's busiest area. Peak pollution levels were found by the Government's Air Quality Expert Group to relate to increased hospital admissions and premature death of older and other people with respiratory and cardiovascular illness. Air pollution was identified as the number one concern for residents in a recent Westminster City Council opinion poll.

The Kings College/Policy Exchange report 'Up in the Air' states that 12% of London's total area, in effect central London, exceeded legal limits for nitrogen dioxide (NO<sub>2</sub>) in 2010. This central area contained a workplace population of 3.8 million people, as well as 979 schools attended by a quarter of London's school population. Westminster has 30,000 school pupils within 100 metres of a location with NO<sub>2</sub> concentrations above EU limit values (the highest of any borough in London) and Camden has almost 24,000 such pupils near a pollution hot spot.

The poor air quality has adverse health effects as well as wider negative impacts on the climate. It also has a negative impact on the visitor experience and ultimately the economic success of an area, deterring people from visiting the area, discouraging people from choosing to work in the district and also potentially deterring investment. Measures to improve air quality in the Oxford Street area will have a disproportionate positive impact on air quality across the West End and Westminster due to the scale of Oxford Street, its high concentration of businesses and officers, and its use as the main traffic highway through the West End.

#### 2.4.4 *Poor street environment blighted by an excessive number of vehicles*

**Key challenge:** *the excessive number of vehicles moving around and through the district contributes to poor air quality, road safety issues, traffic congestion and limits the space that can be provided to pedestrians and the public realm, however the presence of stationary vehicles is also a challenge. The streets around Oxford Street are very heavily utilised by waiting and parked vehicles, detracting from the quality of the public realm. Many of the vehicles have an important purpose but the most convenient location for them to stop is often where it causes the greatest impact, blocking sight-lines, causing obstructions, making crossing movements more difficult and dangerous, and dominating the street environment.*

The Oxford Street District is the most visited area in the UK and it suffers from serious congestion and safety issues. Detracting from the public's overall experience of the area, congestion in the area lengthens journey times considerably during peak hours and has a negative impact on the district's air quality and productivity. It is one of the country's busiest areas for commuters and this is set to increase as a result of the opening of the Elizabeth Line and further increases to visitor numbers and London's population.

Surface traffic congestion is at an all-time high which increases journey times, reduces pedestrian safety and has a negative impact on productivity, business competitiveness and the long-term attractiveness of the area as a place to live, work, visit and invest in. Leaders from across London have called for action to address the increasing traffic congestion levels, and the problems that it

generates. This was also identified by the West End Commission as being a key priority for the West End and London.

The current road network throughout the Oxford Street District does not provide a coherent, comfortable and safe environment for cycling and improvement is greatly needed. Existing and proposed cycle routes do not fully cross the district, meaning that there is a significant gap in cycle route provision. This gap will be partially addressed by the proposed cycle quietway scheme currently under development from Pimlico to Fitzrovia. This route provides a north-south cycle connection but does not address east-west cycling movement for which there is currently no high-quality route within the district.

Oxford Street itself is currently not an attractive route for cycling. Although Oxford Street provides a continuous east-west route across a large part of the West End, there are relatively few cyclists that choose to use it compared to other parallel routes, particularly west of Regent Street. This is because the environment is generally uncomfortable for cycling and the presence of large numbers of buses means that the street is intimidating and difficult to navigate.

#### 2.4.5 *Poor road safety*

**Key challenge:** *The issue of road safety is of critical concern for the Oxford Street District project. With the expected increase in pedestrians as a consequence of the Elizabeth Line, it is critical that the road safety issues on Oxford Street and throughout the district are addressed as part of the Oxford Street District project.*

On average one pedestrian per year is involved in a fatal collision with a vehicle on Oxford Street. Given that the number of pedestrians on Oxford Street and within the wider district is expected to rise in the future as a result of the improved access provided by the Elizabeth Line, it is essential that the proposals brought forward as part of the Oxford Street District project include measures to reduce the risk of collisions and reduce the severity of injuries. A strategy for road safety has been developed.

A detailed review of all recorded collisions within the last five years has been undertaken to understand the causes of collisions and to identify the measures required to address them.

A number of measures have been identified that can be delivered in the short term to address some of the existing problems, with the objective of ensuring that the risk of accidents on Oxford Street does not increase as a result of the expected opening of the Elizabeth Line. The delivery of these measures is currently underway with footway repaving, localised footway widening, and reduced delays at pedestrian crossings at key locations.

#### 2.4.6 *Evolving retail trends and global competition*

**Key challenge:** *In an age of online shopping, high street retail is increasingly moving away from traditional commerce, towards an approach that includes leisure, entertainment and*

*experience. In addition, Oxford Street's competitors – both within London and further afield – are providing attractive shopping destinations. Oxford Street should thrive as part of a diverse district, integrated into the wider West End, to build upon a unique mix of retail, workspace, homes, culture and leisure, delivering economic growth and responding to the rapid evolution of retail and working life.*

Although the Oxford Street District is the leading destination for the 19 million overseas visitors into London, retail trends are changing with an increasing emphasis on the overall visitor experience. New global consumer trends and fierce competition from e-commerce are forcing retail areas such as Oxford Street to place greater emphasis on the overall visitor experience including cultural, leisure and entertainment activities across the day and evening. The retail and wholesale sector in the Oxford Street District area has experienced a decline of 4% in the last five years. This is not symptomatic of a larger decline in the District as other sectors such as the professional services sector have experienced strong growth during the same period.

Without transformational change, the Oxford Street District will be highly unlikely to retain its global shopping reputation, with negative consequences for the West End and UK economy. To remain internationally competitive, Oxford Street must adapt, reducing the number of traditional retail units and creating more entertainment, leisure, food and beverage and office spaces. Other global cities, that are competitors with the Oxford Street District, are investing heavily in their urban infrastructure. Many European cities including Amsterdam, Dublin and Zurich are already moving ahead with public realm and other infrastructure improvements – making them better equipped to meet the needs of visitors who are increasingly moving towards a more integrated offer and away from traditional high street retail models.

If the Oxford Street District is to retain its international status as the world's leading retail experience against increasing competition both internationally and online, it needs to adapt and invest in ways to accommodate changing consumer trends. The expansion of the evening economy presents an opportunity to increase footfall after peak times. The NWECA argues that the current evening economy in the district is limited, particularly on Oxford Street itself where there is a lot of inactivity once the major retailers close for the evening<sup>13</sup>. A diverse evening and night time economy will enrich visitor's experience, increase spending and economic activity in the area and support more jobs, without necessarily requiring additional floorspace.

<sup>13</sup> Draft London Plan 2018 NWECA Response, New West End Company, 2018

Figure 2.5: Issues and opportunities

Issues



Overcrowded station entrances and exits



Narrow, cluttered footways on Oxford Street with high pedestrian flows



Inadequate places to rest



Impact of bus layover and dead-running on the district's streets



Evening life and uses on Oxford Street are limited



Undervalued and underwhelming spaces

Opportunities



Beautiful garden squares



Character and identity of one of London's great streets



Internationally renowned high street with world leading and innovative retailers



Extraordinary architectural settings and heritage



Popularity of existing public and playable spaces



Fine network of neighbourhood streets

## 2.5 The Place Strategy and Delivery Plan

### 2.5.1 *Overview*

The Place Strategy is for the future of the Oxford Street District and its streetscape and landscape revitalisation. It is a strategy about the place in its entirety, of which movement and transport are a critical part. Our commitment is to a project for the whole district that is exciting, holistic, ambitious and deliverable.

The strategy aims to restore one of London's greatest streets, revitalising its connections by expanding the area of intervention to encompass an entire Oxford Street District. The district-wide approach defines the area spatially as a series of nine zones, carefully considered to reflect the variations in character from Marble Arch to Tottenham Court Road. The Place Strategy and Delivery Plan has been developed around 15 overarching principles that outline the approach to Oxford Street and the wider district and a holistic set of elements that form a comprehensive, multi-faceted approach to achieve the ambitions for the whole area.

The strategic principles, when applied to specific places and locations will help to generate a set of solutions that meet the needs of the local residents and stakeholders. Each principle is designed to add to the character and function of the existing places within the district and help to determine the scope for new projects.

This strategy has a multi-layered approach, responding to the complex nature of the area and recognising that multiple aspects need to be addressed to create meaningful change. The Place Strategy contains proposals for these elements: mix of land uses; streets and spaces; proposed operational approach; transport including: walking; buses; cycling; air quality; vehicle access; road safety; coaches; London taxis (not including private hire vehicles); general traffic; goods vehicles; servicing and deliveries; accessibility for all; management; wayfinding and legibility; amenity; play; architectural quality; materials; lighting; landscape; culture and public art.

The Delivery Plan identifies 88 streets and spaces with 9 district-wide projects, with the aim of improving and enhancing the area as a place to live and work, while securing its continued position as a leading international retail destination. Delivery has been included in this strategy as it is clear that the improvements required to safeguard the future of Oxford Street and the wider district need to be implemented immediately, building upon existing project momentum and in preparation for the arrival of the Elizabeth Line.

The 10 example sites show how the overarching principles could be applied in specific places. These are not concept designs but a clear illustration of the approach to the streets and spaces and outline the type of improvements that could be applied to the other sites listed in the Delivery Plan for the whole district. These spaces will be designed, like the others in the district, in consultation with stakeholders.

### 2.5.2 *A district-wide approach*

A district-wide approach to the Place Strategy realises the area spatially as a series of nine character areas or zones from Marble Arch to Tottenham Court Road which have been sensitively considered to reflect the diverse demographic of users, the historic heritage, garden squares and

parks, the varied range of uses, traffic networks and major gateways into the district and wider West End. The nine zones are as follows:

- A. Marble Arch, a historic asset for the district, is the gateway to Oxford Street, Hyde Park, and the west, playing a critical role in movement through the centre of London.
- B. A number of flagship stores are located here, as well as hotels, connecting with neighbouring residential areas.
- C. Home to the Selfridges department store, Oxford Street connects Baker Street and the north Mayfair streets of Duke Street and North Audley Street.
- D. Connects south Marylebone with the heart of Mayfair, Bond Street and the new Elizabeth Line, it is characterised by a fine-grain network of historic streets.
- E. The Cavendish Square to Hanover Square connection – providing links to green spaces and the new West End gateway of the Elizabeth Line.
- F. Oxford Circus, the set-piece joining Oxford Street and Regent Street, is an iconic destination and arrival point for many visitors to the district.
- G. Characterised by the concentration of flagship stores it also provides connections through its district streets to East Marylebone into the north and Soho in the south.
- H. This zone plays a key role in connecting Soho and Fitzrovia, and facilitating movement across the district and beyond with its new connections to the Elizabeth Line, with finer grain and a diverse range of smaller shops and cafés.
- I. This is a primary gateway to Oxford Street and arrival point from the Elizabeth Line, linking the district with Tottenham Court Road and Bloomsbury, New Oxford Street, Holborn, St Giles, Seven Dials, Covent Garden and Charing Cross Road.

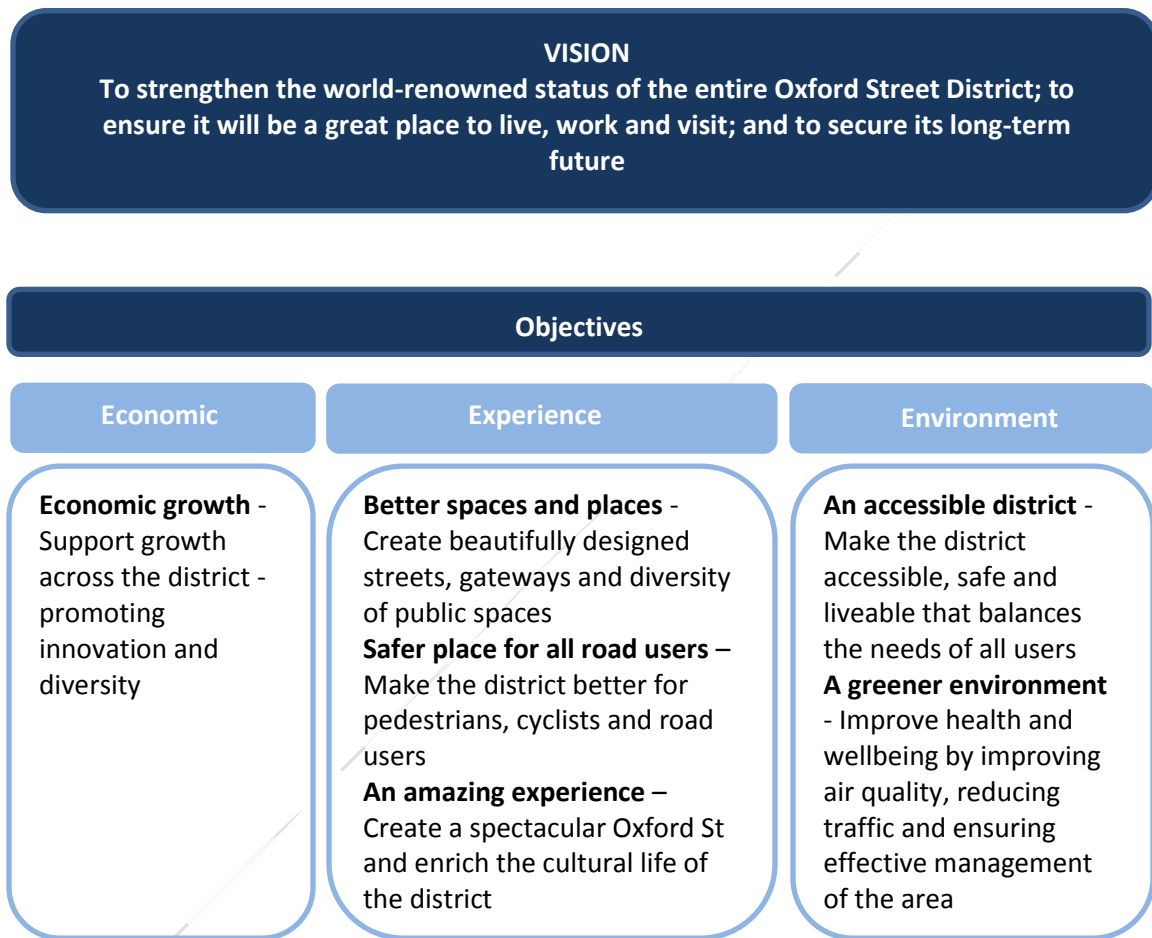
Figure 2.6: District approach



## 2.6 Vision, Objectives and Principles for Oxford Street District

### 2.6.1 Vision and objectives

A vision has been identified for the Oxford Street District, together with a set of core strategic objectives that reflect the comprehensive nature of the intervention required:



### 2.6.2 Place Strategy principles

The Place Strategy promotes 15 overarching place-based principles, which, when applied to specific places and locations, will help to generate a set of solutions that meet the needs of the local residents and stakeholders. Each principle is designed to add to the character and function of the existing places within the district and help to determine the scope for any new projects. The 15 principles are set out in turn below.

**Make the district inclusive, accessible and liveable**

Such an intensively-used district at the heart of a World City needs to cater for the many varied users: for all who live in, work, visit and pass through the area at all times of the day and night. It is therefore an essential overarching principle that everyone will have easy access to beautiful, safe, clean, well-managed and enhanced civic amenities.

### **Improve air quality**

Poor air quality is recognised as a significant issue across the district with vehicular traffic being the major contributor to emissions.

### **Improve safety**

Improvements in safety will be fundamental to the perception – and experience – of the Oxford Street District as a place which is inclusive, liveable and welcoming and a pleasure to visit by day or by night.

### **Take immediate steps to address management**

Feedback from stakeholders has highlighted a number of issues regarding the existing management of the district and has reinforced the need to have a collaborative approach to managing and keeping the district safe.

### **Prioritise pedestrians and value every space**

The strategy recognises and prioritises walking as the primary form of movement within and across the district.

### **Make the district better for cycling**

Westminster City Council supports the growth of cycling as an active, zero-emission mode of transport and is committed to make cycling across the borough practical, enjoyable and safe.

### **Support economic growth across the district and promote innovation and experimentation**

Investment in the Oxford Street District is important to protect and develop the area as a major employment district and to catalyse the inward investment and improvements that will support its continued status as an international shopping street.

### **Design for flexibility**

There is a finite amount of space to be shared between competing uses – a flexible approach should be used to create a design and management system that responds to the life of the district.

### **Build from existing and connect the whole district**

The district is a remarkable place, with many existing assets and a history of creative thinking by landowners, neighbourhood forums, retailers and developers. The strategy sets out to enhance and build on the area's existing qualities and harness its population's enthusiasm, vision and expertise.

### **Create beautifully-designed streets, gateways and a diversity of public spaces across the district**

The district's streets and spaces are some of London's most historic, handsome and internationally recognized, yet their current condition does not always reflect their quality and status. This strategy seeks to unlock the full potential of the existing urban realm and its built fabric; to reveal, connect, and upgrade the environmental conditions, whilst respecting the distinctive character and identity of the local historic neighbourhoods, making well-connected and enhanced civic amenity for all users.

**Take every opportunity to add additional trees and planting, creating new green spaces and revitalise the garden squares**

Creating linked green spaces through the district will enhance biodiversity, increase local amenity, create valuable habitats for wildlife and improve the environment for all.

**Enrich the cultural life & identity of the district**

This strategy aims to celebrate and build on the district's cultural and artistic assets whilst developing a programme of events which gives a reason to celebrate – and to visit – all through the year.

**Diversify land use and extend the life of Oxford Street**

Retail is changing and evolving. The economic vitality of Oxford Street will be strengthened by its ability to adapt and experiment and offer a range of attractions and ancillary, complementary uses that support the retail and commercial activities of the district.

**Make Oxford Street spectacular**

Oxford Street has a long tradition of celebration and spectacle. The aim is to celebrate the daily urban theatre of its existing retail and leisure uses whilst creating settings for events at every scale.

**Embrace Oxford Street's role as an important sustainable transport corridor for the West End**

Oxford Street transports people and traffic within, to and from the West End, either to visit Oxford Street or the surrounding district. A balance must be struck between the clear need for an improved pedestrian environment and this important city function.

## 2.7 Stakeholder Engagement

The public consultation on the Draft Oxford Street District Strategy and Delivery Plan opened on the 6th November 2018 for 6 weeks until the 16th December 2018. It employed a number of ways to engage with people and receive feedback including: a dedicated website; exhibition events across the district, a pop up shop and presentations to key stakeholders.

The online survey was opened to the public and responses came from a wide range of people including; residents, local workers and those visiting the district who were asked to respond to a set of open and closed questions inviting feedback on the Place Strategy. The strategy was generally supported with 63% of respondents strongly supporting or tending to support the principles, while 28% either strongly opposed or tended to oppose the principles.

In October 2018, Cabinet granted approval for the Place Strategy and Delivery Plan to go to public consultation, for the principles, proposals and ideas to be put forward for discussion and testing as part of an open conversation about the future of the Oxford Street District. The public consultation took place from 6th November to 16th December 2018 and involved: a dedicated website; several consultation events across the district; a pop up exhibition space; presentations to resident associations and key stakeholders and a survey for everyone to provide their feedback.

There were a total of 2,154 completed consultation responses\*. 66% of overall respondents stating they supported the Place Strategy principles, with 73% of resident respondents stating they supported the Place Strategy principles. The majority of stakeholders (resident and business groups) responded positively to the strategy, putting forward detailed responses. Air quality, management and the quality of the streets and spaces are the critical areas for improvement, and to make meaningful change the volume of vehicular traffic in the area must be addressed. There were also detailed comments that are directly relevant to the next design stages – these comments have been collated and will be revisited throughout the design process.<sup>14</sup> This was comprised of 1,800 questionnaires either completed online or paper copies posted to the council and completed at consultation events, as well as 354 completed through face to face fieldwork.

During the consultation Westminster City Council met with stakeholder organisations. The most frequent comments from stakeholders regarding the strategy included the following:

- Support for the strategic approach to the district
- Potential programme and phasing
- Request for ongoing stakeholder consultation
- Further detail of proposals requested
- Support for diversification of land use on Oxford Street
- Operational and servicing requirements
- Management
- Residential amenity

For detailed consultation analysis see 'Oxford Street District Strategy consultation analysis January 2019' which was appended to the 25<sup>th</sup> February Cabinet Report for this project.

## 2.8 Key Risks

A risk register has been produced for the Oxford Street District project, identifying the key risks and providing an assessment of probability and impact against each risk. Consideration has also been given to appropriate mitigation actions, as set out in Section 6 (Management Case).

## 2.9 Constraints and Dependencies

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<sup>14</sup> This was comprised of 1,800 questionnaires either completed online or paper copies posted to the council and completed at consultation events, as well as 354 completed through face to face fieldwork.

### 2.9.1 *Constraints*

A main constraint for the project is the availability of private sector funding. Other identified constraints include:

- The need to minimise the impact of temporary bus route relocations and traffic from Oxford Street to neighbouring communities
- Planning policies will need to balance the requirement for housing and affordable housing, in particular, with supporting growth and providing the policy framework for the Oxford Street District transformation. Westminster City Council issued its draft City Plan (2019-2040) for public consultation between 12th November and 21st December 2018 and is currently reviewing comments received and amending the Plan as necessary.

### 2.9.2 *Dependencies*

The project has multiple inter-dependencies and is undoubtedly the most complex city centre (or equivalent) transformation project in the UK. The key dependencies for the project are:

- Reduction of the volume of buses on Oxford Street and traffic volume in general (including goods and commercial vehicles).
- Commissioning of works for OSD to commence on-site – with all essential project planning, design and procurement being undertaken in advance of this period;
- Implementation and co-ordination of all works programme for the West End, including Baker Street Two-way, Tottenham Court Road Two-way, the Elizabeth Line and Crossrail 2 and largescale development works;
- Approval of planning, highway and other major consents to be granted in time to allow the project to proceed;
- Utilities and statutory undertakers - requirement to provide multiple consents to move assets and invest in upgrades;
- The implementation of the agreed Hostile Vehicle Mitigation(HVM) measures for key locations in the district. Bespoke solutions that complement the overall look and feel of the district and its public realm might be required
- Programme and coordination plan of all major traffic and highways across the wider West End to minimise disruption for all users;
- The consultation programme is ongoing and the project may need to be revised to incorporate feedback from residents and other stakeholders, as schemes develop such as on the traffic modelling, traffic management, amenity and the impact of construction works. The programme has the flexibility to incorporate reasonable changes to the preferred scheme where there is a strong rationale;
- The project and land owners – land owners will need to work with the different project team to ensure that property development/investment are coordinated to minimise disruption;

- Unnecessary delays and/or costs. The coordination of all works (public realm and development) will be managed by the contractor(s) with the contract administration provided by the council's Term Highways contractor;
- Procurement exercise to appoint a term contractor for the delivery of the projects in Oxford Street District; and
- Programme and coordination plan for all major private development in the area.

## 3 Economic Case

### 3.1 Introduction

This section sets out the economic case for investment in the OSD. The benefits as highlighted in this section build upon the evidence included in the Strategic Case. At this point, design and analysis of the options is still ongoing. As such, this Economic Case makes use of the information that is currently available. Where there are information gaps, it has been necessary to rely on professional judgement from relevant expert advisors. Whilst this means that the specific values presented are likely to change as more detailed work is undertaken, it would require a significant change in the underlying data for the overall thrust of this case to be materially altered.

There will be clear transport benefits associated with the strategy, and these are therefore addressed in this chapter. Quantification has focussed on transport impacts, as these are more immediate and readily quantifiable based on available data. However, this should not be interpreted as meaning that the outcomes that the strategy seeks to achieve are primarily transport-related. Rather, as noted in the Strategic Case improvements to transport are simply an enabler, that will contribute to the higher-level vision for the district.

### 3.2 Options Development Process

#### 3.2.1 *A district-wide approach*

For improvements that will benefit residents, visitors and workers the options development process has considered the district as a whole, rather than Oxford Street alone. What happens on Oxford Street affects surrounding neighbourhoods, and it is critical to be mindful of this in any changes to the street. Moreover the great strength of the West End is that it is made up of historic and dynamic neighbourhoods – and strong connections to the wider West End will continue to give vitality to this part of London.

The Oxford Street District is a complex place of mixed ownership, which makes large-scale improvements challenging, the strategy is therefore a mechanism to bring together diverse interests and priorities into a single and effective improvement project.

A district has been defined that includes all of Oxford Street, including the gateways at Marble Arch and Tottenham Court Road, and a substantial wider area. The initial criteria were to include streets and spaces at a minimum of two blocks either side, all of the garden squares, and the new Elizabeth Line stations. The district's edges are broadly defined as reaching Portman Square and Mortimer Street to the north, and extending to Grosvenor Street and Broadwick Street in the south, therefore including parts of the historic neighbourhoods of Marylebone, Mayfair, Fitzrovia and Soho. The definition of the district has remained flexible throughout the process, to allow for response to studies and ideas. The definition of the district was also part of the consultation that was undertaken, open for comments on its potential boundary.

### 3.2.2 *Project process*

In July 2018, WCC's Cabinet approved the decision to develop a Place Strategy and associated Delivery Plan for the Oxford Street District. WCC commissioned Publica and Norman Rourke Pryme (NRP), with additional supporting work from Volterra and WSP to create the strategy. This work was informed by the views of local residents and key stakeholders, and built upon the existing comprehensive technical evidence base. The project was driven by the need to be:

- **Inclusive** – opening up the conversation to as many people as we can, including many who did not take part in the previous consultations.
- **Swift** – to ensure momentum is retained and the delivery of this project is prioritised.
- **Efficient** – to build upon the studies and technical work of previous projects and to ensure that work is not repeated.
- **Effective** – setting out proposals to deliver change quickly and where it is needed most.
- The previous scheme focused on the pedestrianisation of the street. The Oxford Street District proposals spread further geographically and encompass areas and streets not included in the previous scheme due to the plan to concentrate on Oxford Street. The proposals ensure the long-term liveability of the area for local residents is considered alongside the vision for the future of the district.

The first part of re-setting the necessary work to improve Oxford Street was to review all aspects of the previous project and the detailed comments made in the public consultation processes to understand what the emerging priorities should be, and how these could be incorporated in a district-wide project.

The second was to develop an evidence-based approach, surveying the area and building upon the studies undertaken for the previous project to understand the range of issues and opportunities.

NRP and Publica have built upon the significant work undertaken as part of the Oxford Street Transformation Scheme project. They collected a lot of information regarding conditions within the district and this has been used to allow rapid progress in the development of the Oxford Street District Place Strategy. The consultation process for the previous proposals has provided a wealth of detailed information about specific issues and the viewpoints of stakeholders and residents. The Place Strategy project team used this information to inform the development of new strategic ideas and to build on the successful elements of previous work. The detailed technical consideration of transport issues and impacts has helped to develop the new approach, as outlined in this document.

Every street in the district has been studied in regard to how it works currently, and how it might be included as part of the improvements. This was approached through the application of criteria set out in the principles section of this document and in the detailed area analysis by the project team. The process also included a review of other previous strategies and ideas for Oxford Street and the wider district. There have been many excellent and detailed ideas developed for the area, over many years, therefore it is a key principle of this project to build on these studies and concepts.

Meetings were held with a broad cross-section of residents' groups, retailers, businesses, interest groups and landowners in August and September 2018, to discuss priorities and ideas for the Oxford Street District. Workshops were also held with the Westminster Youth Council and workers from across the district. This process continued throughout the consultation period.

In October 2018, Cabinet granted approval for the Place Strategy and Delivery Plan to go to public consultation.. The public consultation took place from 6th November to 16th December 2018 and involved: a dedicated website; several consultation events across the district; a pop up exhibition space; presentations to resident associations and key stakeholders and a survey for everyone to provide their feedback.

There were a total of 2,154 completed consultation responses<sup>15</sup>. 66% of overall respondents stating they supported the Place Strategy principles, with 73% of resident respondents stating they supported the Place Strategy principles. The majority of stakeholders (resident and business groups) responded positively to the strategy, putting forward detailed responses. Air quality, management and the quality of the streets and spaces are the critical areas for improvement, and to make meaningful change the volume of vehicular traffic in the area must be addressed. There were also detailed comments that are directly relevant to the next design stages – these comments have been collated and will be revisited throughout the design process.

### 3.2.3 *Prioritisation and delivery phases*

The work above identified a large number of projects on streets across the district. As such, the subsequent step has involved prioritising the interventions that were identified. Various phasing workshops have been undertaken with input from project partners. This structured process considered priority in relation to the following requirements:

- Enabling works
- Traffic management
- Stakeholders
- Adjacent scheme dependencies
- Requirements to develop projects in partnership with third parties

Based on this, each project was assigned to a delivery phase, which form the basis of the options considered in this business case.

Projects have initially been selected for inclusion in phase 2 (the delivery of option 3) on the basis of those that provide the best value for the Council's investment and deliver the core objectives of the scheme (which include improvements to road safety, walking, cycling, air quality and public realm).

Further projects are required to ensure that the transport network operates effectively and so that potential impacts are avoided. These projects have also been included within phase 2. Projects that improve the movement of people and vehicles will be prioritised within the phase 2

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<sup>15</sup> This was comprised of 1,800 questionnaires either completed online or paper copies posted to the council and completed at consultation events, as well as 354 completed through face to face fieldwork.

delivery programme so that the capacity of the transport network is enhanced early in the construction process to minimise construction impacts. This will also create a good foundation for other place based projects that are identified in later phases.

Projects that directly benefit local residents and stakeholders and address the concerns raised in the strategy consultation have also been prioritised for delivery in phase 2. It is the council's intention that the projects that are allocated into phase 3 (delivery of option 4) will be delivered in due course. It is likely that some of the most beneficial phase 3 schemes may be brought forward into phase 2 as the project moves forward subject to the identification of further funding

### 3.3 Business Case Options

The options considered in the business case are based on combinations of projects in the delivery phases discussed above. Four options are considered here.

#### (i) Option 1 (Do Nothing)

This option is the 'Do Nothing' option, that represents the most likely future situation if the OSD strategy was not implemented. It therefore differs from the current situation on the ground, as it includes schemes that are under construction and committed. All of the other options are therefore considered relative to this option.

#### (ii) Option 2 (Phase 2 – Oxford Street)

This option solely involves measures along Oxford Street itself. This option will see major improvements at key locations along Oxford Street. The carriageway width will be reduced to two lanes (one in each direction) and the footways will be widened and decluttered at key locations to maximise the available space for pedestrians.

Other improvements in this option will be additional tree planting and installation of new iconic and future proofed lighting columns on Oxford Street between Marble Arch and Tottenham Court Road.

However, it should be noted that in practice it would not be feasible to actually implement the improvements to Oxford Street without undertaking the complementary changes to the rest of the district (that are included in Option 3). This is due to the following reasons:

- **Buses:** The creation of the piazza areas to the west and east of Oxford Circus means that buses need to divert onto other streets to continue their journeys. Currently the adjacent road network is not designed to accommodate these movements and the diversion routes would be prohibitively long with unacceptable increases to journey times.
- **Traffic:** Traffic will be displaced from Oxford St and with no mitigation or management of it, traffic consultants would expect increased traffic congestion and the impact of the congestion is likely to be felt on sensitive streets (such as narrow residential streets).

As such, this option has been included for comparison purposes only, as it would not be a viable option on its own due to potential displacement impacts of undertaking the changes to Oxford Street without prior improvements to district side streets.

### (iii) Option 3 (Phase 2 – Total)

In addition to what is included in Option 2, this option includes additional measures on various district streets which form the remainder of Phase 2. These include those that are required to make Option 2 feasibility to implement. The district streets included in this option are shown Fig 3.1 below, and various levels of interventions have been applied to these streets for costing purposes:

- **High (Significant or Major public realm project):** For example, new pedestrian spaces or key walking routes, including new trees and / or street furniture. Allows for granite paving and kerbs, bespoke lighting, significant tree and street furniture intervention.
- **Medium (Streetscape enhancement):** For example, a mixture of granite or Yorkstone paving and kerbs, bespoke lighting, some tree and street furniture intervention.
- **Low (Minor alterations):** For example, Yorkstone paving and kerbs, bespoke lighting.
- **Do minimum / traffic operation change:** Low intervention, for example minor interventions to facilitate traffic operation changes

This option will implement improvements in the district, with the provision of more street trees and green spaces. The quality of the public spaces on and around Oxford Street will be significantly improved to restore and enhance the character of the district. This option will see the creation of various pedestrian zones and traffic free areas along Oxford Street, such as the northern end of Binney, Gilbert and Davies Streets but also the southern section of James Street.

In addition, this option includes a new Northern Cycling Alignment. Whilst this route uses existing streets, the proposed improvements will create a new connected east-west routes that will use interventions to achieve a low traffic environment complemented by measures such as early release traffic signals for cycles.

### (iv) Option 4 (All Phases)

In addition to all of the projects included in Option 3, this option also includes additional district streets that fall under Phase 3, as marked on Fig 3.1 below. The interventions on these district streets fall under the same categories described above.

This option will see the full implementation of the Oxford Street Place Strategy and Delivery Plan and its unifying vision, which will act as a catalyst and drive improvements on the ground. A highly collaborative approach to the development of this option will be needed, with funding contribution from external parties.

This option will include major improvements at key location, such as a reinvigorated gateway to the West End at Marble Arch. It will also provide additional and improved areas to rest with seating and shade, upgrade paving and accessibility throughout the district. This option will fulfil the appetite identified from key stakeholders during the public consultation, by having a district wide approach and improve multiple streets and places.

This option also includes a Southern Cycling Alignment with the implementation of an east west route at the south of Oxford Street, with improved facilities for cyclist and pedestrians (such as advance stop lines, signalised junctions and crossings improvements) .

**(v) Summary**

The schemes included in Options 2, 3 and 4 are summarised in Table 3.1 below, along with the phasing and level of intervention of each scheme.

It should be noted that work on developing the schemes is ongoing in parallel with the development of this business case. This means that there are some minor discrepancies between the specific list of streets in each phase presented here (and that has formed the basis of this economic case), and the streets that are currently included in each phase based on the latest WCC work.

Given the pace at which the phases are evolving, it would not be proportionate to constantly revise the economic case. As such, this economic case is based on the definition of the phases as of January 2019, which has now been superseded. However, the differences in the definitions of the phases are so minor that they would have an almost imperceptible impact on the analysis and conclusions presented here.

**Table 3.1: Schemes included in each option**

Zone		ID	Name	Intervention Level	Phase	Option 2	Option 3	Option 4
Oxford Street	B	1	Great Cumberland Place to Orchard Street	Significant	1	✓	✓	✓
	C	2	Between Orchard Street and Duke Street	Significant	1	✓	✓	✓
	D	3	Duke Street to James Street	Significant	1	✓	✓	✓
	D	4	James Street to Stratford Place (outside Bond Street station)	Significant	1	✓	✓	✓
	D	5	Stratford Place to New Bond Street	Significant	1	✓	✓	✓
	D	6	Junction Bond Street / Vere Street / Oxford Street	Significant	1	✓	✓	✓
	E	7	New Bond Street to Holles Street	Significant	1	✓	✓	✓
	E	8	Junction Harewood Place and Holles Street	Significant	1	✓	✓	✓
	E	9	Holles Street to John Princes Street	Significant	1	✓	✓	✓
	F	10	Oxford Street, John Princes Street to Great Portland Street	Major	1	✓	✓	✓
	G	11	Great Portland Street to Winsley Street	Significant	1	✓	✓	✓
	G	12	Winsley Street to Poland Street	Significant	1	✓	✓	✓
	G-H	13	Poland Street to Great Chapel Street	Significant	1	✓	✓	✓
	H	14	Great Chapel Street to Dean Street	Significant	1	✓	✓	✓
	H	15	Dean Street to junction of Soho Street and Rathbone Place	Significant	1	✓	✓	✓
	I	16	Soho Street to Tottenham Court Road	Significant	1	✓	✓	✓
	I	17	Junction of Tottenham Court Road / Oxford Street / Charing Cross Road	Significant	1	✓	✓	✓
A		18	Marble Arch Islands	Streetscape	2			✓
		19	Great Cumberland Place	Streetscape	2			✓
		20	Bryanston Street	Do minimum	2			✓
		21	Old Quebec Street	Significant	2			✓
		22	Seymour Street	Do minimum	2			✓

Zone	ID	Name	Intervention Level	Phase	Option 2	Option 3	Option 4
	23	Brook Street	Do minimum	2			✓
B	24	North Row	Do minimum	1		✓	✓
	25	Park Street	Do minimum	1		✓	✓
	26	Portman Street	Do minimum	1		✓	✓
	27	Portman Square surrounds	Do minimum	2			✓
	28	Portman Mews South and Granville Place	Streetscape	2			✓
C	29	Orchard Street	Significant	1		✓	✓
	30	Grosvenor Square surround	Streetscape	2			✓
	31	Grosvenor Square Gardens	Significant	2			✓
	32	North Audley Street	Do minimum	1		✓	✓
	33	Balderton Street	Streetscape	2			✓
	34	Brown Hart Gardens surrounding streets	Do minimum	2			✓
	35	Lumley Street	Streetscape	2			✓
	36	Manchester Square surround	Do minimum	2			✓
	37	Duke Street (south)	Do minimum	2			✓
	38	Duke Street (north)	Do minimum	2			✓
	39	Picton Place	Streetscape	2			✓
	40	Barrett Street	Significant	2			✓
	41	Bird Street	Significant	2			✓
	42	James Street	Significant	1		✓	✓
	43	Binney Street	Do minimum	1		✓	✓
	44	Gilbert Street	Do minimum	1		✓	✓
D	45	Stratford Place	Significant	2			✓
	46	Davies Street	Minor	1		✓	✓
	47	Weighhouse Street and St Anselm's Place	Do minimum	1		✓	✓

Zone	ID	Name	Intervention Level	Phase	Option 2	Option 3	Option 4
	48	Henrietta Place	Significant	1		✓	✓
	50	Wigmore Street	Do minimum	1.5			✓
	51	Marylebone Lane (South)	Significant	1		✓	✓
	52	South Molton Street	Do minimum	2			✓
	53	South Molton Lane	Streetscape	2			✓
	54	Woodstock Street	Do minimum	2			✓
	55	Vere Street	Significant	2			✓
	56	Chapel Place	Significant	2			✓
E	57	Old Cavendish Street	Significant	1		✓	✓
	58	Holles Street	Significant	1		✓	✓
	59	Cavendish Square and Gardens	Major	2			✓
	60	Cavendish Place	Minor	1		✓	✓
F	61	Margaret Street	Do minimum	1		✓	✓
	62	John Prince's Street	Significant	1		✓	✓
	63	Great Castle Street (west)	Streetscape	1		✓	✓
	64	Great Castle Street (east)	Streetscape	1		✓	✓
	65	Princes Street	Streetscape	2			✓
	66	Little Portland Street	Significant	2			✓
	67	Argyll Street and Place	Do minimum	2			✓
G	68	Ramillies Street and Place / Hills Place	Significant	1.5			✓
	69	Great Marlborough Street / Noel Street / Hollen Street	Significant	2			✓
	70	Market Place	Minor	2			✓
	71	Great Portland Street	Streetscape	1.5			✓
	72	Great Titchfield Street	Streetscape	1.5			✓
	73	Eastcastle Street	Significant	1.5			✓

Zone	ID	Name	Intervention Level	Phase	Option 2	Option 3	Option 4
	74	Mortimer Street	Do minimum	1.5			✓
	75	Winsley Street	Significant	2			✓
	76	Adam and Eve Court	Significant	2			✓
	77	Wells Street	Streetscape	2			✓
	78	Poland Street	Do minimum	2			✓
	79	Berwick Street	Streetscape	2			✓
H	80	Berners Street	Significant	1		✓	✓
	81	Wardour Street	Minor	2			✓
	82	Great Chapel Street	Do minimum	1		✓	✓
	83	Newman Street	Do minimum	1		✓	✓
	84	Rathbone Place	Do minimum	1		✓	✓
	85	Soho Street	Streetscape	2			✓
	86	Soho Square and Gardens	Significant	2			✓
I	87	Hanway Street and Place	Significant	1.5			✓
ALL	88	Southern alignment cycle grid	Do minimum	2			✓
	89	Northern alignment cycle grid	Do minimum	1		✓	✓

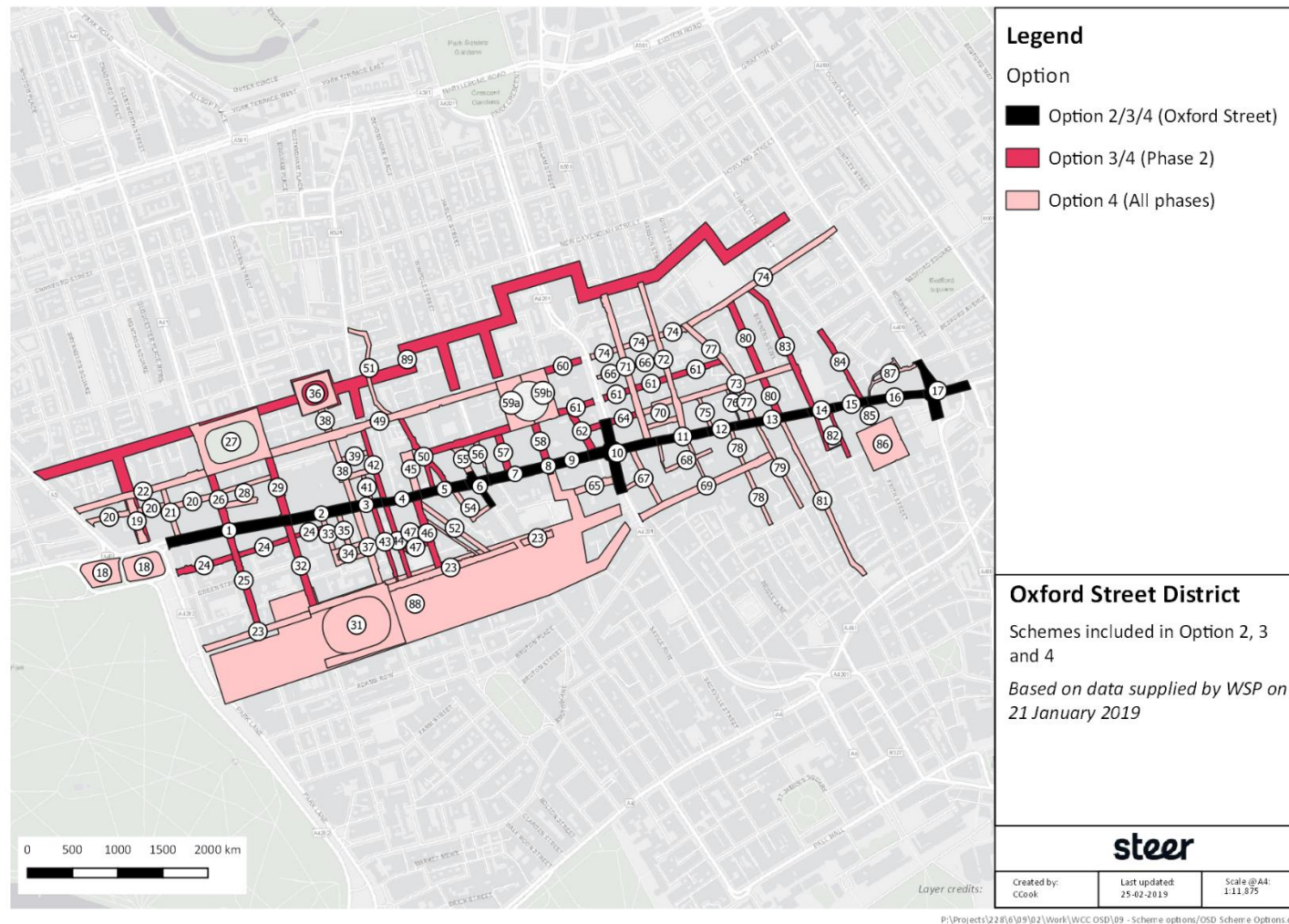


Figure 3.1: Projects included in each option



Figure 3.2: Level of intervention on each street

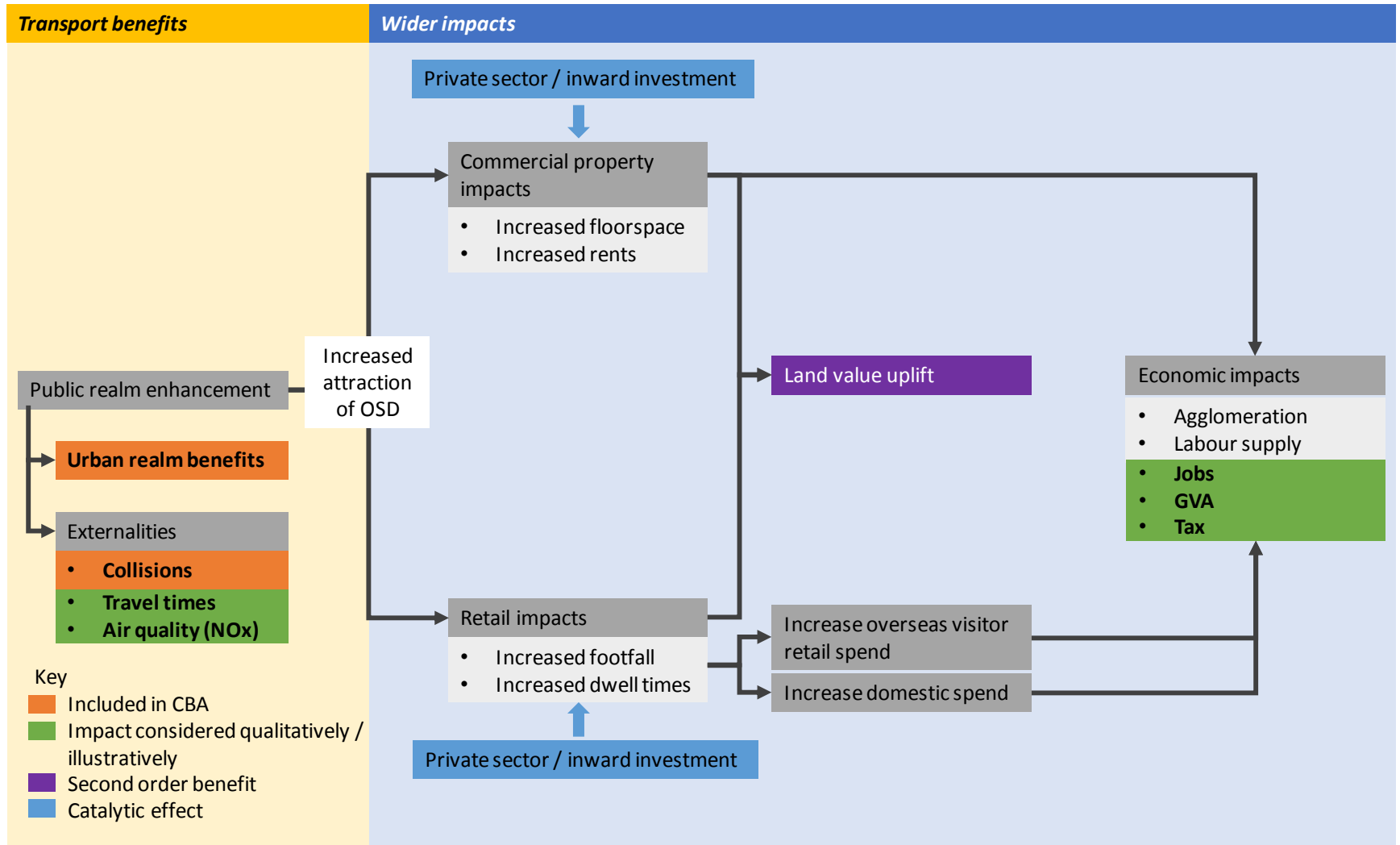
### 3.4 Cost-Benefit Analysis – Guidance and Overview of Monetised and Non-Monetised Benefits and Impacts

The project will deliver direct public realm and transport benefits that will make the area a more attractive and better-connected place to visit and spend time in, especially for pedestrians. This will in turn deliver wider economic benefits such as supporting employment and GVA growth in a diverse range of sectors. There will also be benefits in terms of increased tax revenues and land value uplift impacts.

The approach is therefore informed by relevant guidance, including the DCLG Appraisal Guide, the Department for Transport WebTAG appraisal guidance and TfL's Business Case Development Manual. These guidance documents are consistent with the Treasury Green Book, which provides overarching guidance for appraisal and evaluation of publicly funded projects across Government.

In developing this approach we have carefully considered the interaction between project benefits, where these are additional (or displaced) in nature and hence whether specific categories of benefit impact are legitimate for inclusion within the economic analysis. In this context we identify 'impacts' that we expect the project to result in, but highlight where these represent downstream effects of benefits that we do capture, and hence should not be considered as additive.

We also highlight a number of benefits of the project that relate directly to the strategic rationale for the project, but that are difficult to meaningfully quantify within the economic appraisal. Nevertheless, they do form part of the overall economic case, and should be considered within an overall assessment of Value for Money, alongside the benefit-cost analysis. The benefits and impacts related to the enhancement of the public realm that we have considered are shown in the diagram below.



### 3.4.1 *Transport benefits*

We have estimated transport-related benefits and impacts using standard and accepted approaches to the appraisal of transport impacts (including of public realm), prepared in line with TfL's Business Case Development Manual and DfT's WebTAG guidance. The largest transport benefits relate to public realm improvements. These benefits are based on willingness to pay for improvements to the public realm from TfL stated preference research.

The economic appraisal case includes the following benefits and impacts:

- Public realm - valuation of public realm improvements, based on TfL's Business Case Development Manual (BCDM) to "monetise" improvements to pedestrian ambience, such as increased pavement widths, improved street lighting and street furniture, and cycle ambience, such as greater segregation from motorised traffic.
- Road safety - valuation of benefits of reductions in road traffic collisions, based on changes to the road network associated with the scheme.

As traffic modelling of the business case options is not yet available, highways impacts, bus passenger impacts and air quality impacts have been assessed qualitatively using professional judgement at this point.

### 3.4.2 *Other economic benefits*

The OSD scheme will result in a range of economic effects, as a range of economic actors respond to the opportunities created by the project. These economic actors include individuals (workers, shoppers, visitors), existing firms (commercial businesses, retailers, leisure), landowners, developers and investors.

Depending on the nature of the response, the resulting economic impacts could be net additional, wholly or partially displaced (geographically e.g. between the West End and other parts of London), and a transfer effect (e.g. taxation, or between landowners who 'gain' and businesses who 'lose' from increased rents).

As these effects would be indirectly enabled by the OSD strategy (in conjunction with many other measures, such as planning policy), it would be difficult to robustly attribute a precise portion of these effects to the OSD strategy itself. We have therefore discussed them qualitatively using the available evidence, presenting illustrative calculations where possible. These economic impacts include increased employment and GVA.

## 3.5 Cost-Benefit Analysis – Approach to Analysis

In addition to Treasury Green Book guidance and associated DfT guidance, as described above, the economic appraisal has also been undertaken in line with TfL guidance relating the valuation of specific transport and public realm-related benefits. The economic appraisal has been based on the following key assumptions:

- An opening year of 2023. For the purposes of comparative appraisal, we have employed the same assumed opening year and appraisal period for the Do Minimum and Do Something;
- An appraisal period of 30 years from opening. This is consistent with DCLG appraisal guidance and reflects the likely asset life of the infrastructure;
- Discount rate of 3.5%, in line with the Treasury Green Book and Departmental guidance;
- Values of accidents, value of time and growth in values of time based on DfT's WebTAG;
- An optimism bias rate of 44% applied to the capital cost estimates, in line with DfT guidance;
- All discounted costs and benefits have been converted to 2010 prices and values, in line with DfT guidance; and
- The impacts above are all presented relative to Option 1 (Do Nothing).

### 3.5.1 *Scheme Costs Within Appraisal*

#### (i) **Capital costs**

The base capital costs for each of the options is as set out in the Financial Case. For the purposes of the economic appraisal we have profiled the costs based on the WCC's programme (see Management Case). The capital costs used within the appraisal are summarised in the table below.

**Table 3.2: Capital costs used within the economic appraisal**

Scheme option	Total cost (£m)
Option 2 (Oxford Street)	101
Option 3 (Phase 2)	150
Option 4 (All phases)	236

Within the economic appraisal we have also applied a 'market price adjustment' of 19% to all costs (this reflects the average rate of indirect taxation) to ensure that costs and benefits are in the same unit of account.

#### (ii) **Revenue costs**

Maintenance and renewal costs are expected to reduce in Options 2, 3 and 4 in comparison to the Do Nothing option, as the replacement of old and worn materials with new materials across the OSD area is likely reduce the need for upkeep and renewals. Notwithstanding this, we have applied a conservative approach and assumed that the change in maintenance and renewals costs (relative to the Do Nothing) in Options 2, 3 and 4 is zero.

There is expected to be an increase in management costs in comparison to the Do Nothing option. The need for improved management of the OSD area was highlighted during public consultation; therefore, the same increased level of management will be implemented across Options 2, 3 and 4. The management costs used within the appraisal are summarised in the table below. This is high level estimate which will be refined as design progresses.

**Table 3.3: Management costs used within the economic appraisal**

Category	Cost (per annum) £'000
Enhanced blended team (including city inspector, enforcement and engagement elements)	870
Rough Sleeping Service	100
HVM Asset Management and Maintenance	533
Waste and Cleansing	1,440
Parks Maintenance and Security	245
Management and upkeep of planters, water fountains etc.	100
Air Quality Monitors	92
<b>TOTAL</b>	<b>3,380</b>

This results in an operating cost of £3.38m per annum for Option 2, 3 and 4, which is applied from the opening of the scheme (2023). The costs for an enhanced blended team and Rough Sleeping Service (totaling £970,000 per annum) are also applied during the construction period (2019 to 2022). These nominal figures will increase in the future due to inflation.

As WCC does not have any funding to cover these additional management costs, private sector funding will be sought to cover them

### (iii) Opportunity costs

Given that the schemes involve changes to the public highway, opportunity costs (related to the alternative use of land) are not applicable.

### 3.5.2 Public realm benefits (pedestrians and cycles)

In order to quantify and value pedestrian user impacts of the project, we have employed the 2017 version of TfL's BCDM. The BCDM has been developed by TfL to provide objective, evidence-based justifications for investment, and includes valuation of changes to pedestrian ambience. In monetising some of the less tangible benefits of better streets and spaces, BCDM enables them to be considered on equal terms with conventional time-saving, safety and other benefits, in summary:

- We identified the number of pedestrians on each street. This is based on observed count data for different sections of each location. For streets where count information is not available, then we have made assumptions based on nearby counts. This has been converted into the annual number of visitors on each street.
- Future year flows have been estimated based on growth factors extracted from TfL's Railplan model, that consider the impact of the Elizabeth Line. Distance decay functions have been applied, so that growth is strongest on pedestrian links closest to Elizabeth Line station entrances. In addition, a background growth in pedestrian flows of 2% per annum has been applied, to account for population and employment growth in London.

- Using TfL's Ambience Benefits Calculator spreadsheet, we identified relevant pedestrian ambience attributes that would be affected by each scheme. This has enabled us to value the impacts on pedestrian ambience.

Overall, conservative assumptions have been used, which means that the benefits associated with the district street improvements are likely to be understated. The results of the public realm valuation are presented in the Economic Appraisal results section.

A similar approach was taken to ambience benefits for cycles.

#### **(i) Additionality**

The public realm benefits are benefits perceived by pedestrians from the enhanced pedestrian environment. The basis of transport appraisal is that these 'first order' benefits are net additional – existing users who experience a better pedestrian environment are undergoing the same activity as in Option 1, so no displacement effects are relevant. The same applies to benefits to cyclists from an enhanced cycling environment.

#### **3.5.3 Impacts on general traffic**

As the traffic interventions included in the scheme (the minor interventions to facilitate traffic operation changes) have not yet been designed in detail, NRP are unable to carry out modelling of the vehicle journey time impacts. However, as there is no significant rerouting of traffic included in any the scheme options, based on their professional judgement they have assessed that there will be a neutral impact on vehicle journey times across the Oxford Street District area.

Based on this, vehicle journey time impacts have not been quantified or monetised at this point.

However, NRP have used their professional judgement to assess that Option 2 will have the following impacts on general traffic:

- Buses: The creation of the piazza areas to the west and east of Oxford Circus mean that buses will need to divert onto other streets to continue their journeys. The adjacent road network is not currently designed to accommodate these movements and the diversion routes would be prohibitively long with unacceptable increases in journey times.
- Other traffic: Traffic will be displaced from Oxford Street and with no mitigation or management of it, there would be an increased in congestion. The impact of congestion is likely to be felt most on narrow residential streets.

This highlights that Option 2 is not feasible. For Options 3 and 4, displacement takes place but the changes to the surrounding network improve the capacity required to mitigate this. Therefore, it is likely that there will be no increase in overall congestion across the Oxford Street District area under Options 3 and 4.

#### **3.5.4 Benefits of reductions in road traffic collisions**

The reduction in traffic collisions has been estimated based on a thorough review of all recorded personal injury collisions with the immediate area affected by changes to the highway network as a consequence of the scheme. This analysis used collision records for a 60-month period as a

starting point. Royal Society for the Prevention of Accidents (RoSPA) collision saving forecasts we used, to estimate collision savings based on the changes to the road network associated with each scheme. It also encompassed a review of expected changes to traffic composition, alterations to junction configurations and on-board bus passenger casualties.

Compared to Option 1, there is expected to be a reduction in casualties of 35 per year in Option 2, 62 per year in Option 3 and 84 per year in Option 4.

These reductions have been valued based on the estimated severity of the casualties saved, to which casualty valuations from WebTAG guidance have been applied.

#### (i) **Additionality**

The theoretical basis for the estimating of transport accident benefits is that the overall benefit is net additional. Within this overall net additional impact, there will be distributional effects as some roads experience less traffic (and reduced accident rates) whereas others will experience more traffic. However, as outlined above, NRP have assessed that there will be a neutral impact on road traffic, as there is no significant rerouting of traffic included in any of the scheme options. As the traffic interventions included in the scheme (the minor interventions to facilitate traffic operation changes) have not yet been designed in detail, NRP are unable to carry out modelling of the displacement of traffic and road traffic collisions. NRP are therefore unable to state the specific streets where displacement will occur at this stage, as their traffic modelling is not currently available. However, they have assessed that traffic will be displaced from Oxford Street to the district streets. We would therefore expect the net impact on road safety to be additional, as traffic is being displaced from a busier road to streets with less incidents of conflicts.

There is a fundamental conservatism in this approach, as it relates solely to the immediate area affected by highway network changes. It should be noted that from a scheme and policy perspective the policy priority and imperative of WCC is to enhance the quality of the pedestrian environment and public realm, and to reduce levels of vehicular traffic within Westminster. This will further reduce the likelihood of collision migration.

### 3.5.5 *Impacts on air quality*

As explained in Appendix XX, detailed air quality modelling is not yet available for the business case options. However, traffic consultants have drawn upon previous air quality modelling to make informed estimates of the likely benefits and impacts that the scheme will have on vehicle emissions and therefore air quality. These potential impacts are summarised in Table 3.4 below.

**Table 3.4: Potential air quality impacts**

Option	Oxford Street	Wider district
Option 1	Based on previous analysis, it is expected that 'the Do Nothing (2021) (due to anticipated changes in the vehicle fleet associated with ULEZ, Euro VI buses and zero emission taxis) will create a significant benefit in reducing exposure, for residents, employees and pedestrians'	
Option 2	Significant further reduction in vehicle emissions on Oxford Street over and above those achieved by Option 1	Increased vehicle emissions in the surrounding area relative to Option 1 caused by the lack of mitigation of reassigned traffic and the expected traffic congestion that would occur.

Option 3	Significant further reduction in vehicle emissions on Oxford Street over and above those achieved by Option 1	Largely neutral impact on the surrounding area relative to Option 1 as for the most part potential traffic reassignment impacts would be mitigated
Option 4	Significant further reduction in vehicle emissions on Oxford Street over and above those achieved by Option 1	Scope for improved emissions across the wider district as additional, local schemes that seek to more than mitigate potential reassignment impacts would be developed and delivered.

Source: NRP

In addition to the above, under all options WCC is committed to the following measures to address the issues of poor air quality across the district that would be anticipated to further build upon the measures already in progress that form the basis of Option 1:

- Improve the street environment to encourage walking and cycling and reduce the general need for vehicle trips in and through the district.
- Work with landowners, BIDS, local businesses and stakeholders to minimise, consolidate and manage the movement of freight and servicing more efficiently in order to reduce vehicle movements.
- Accelerate the adoption of zero-emission buses, taxis, private hire vehicles, and ultra-low commercial goods vehicles throughout the district; setting an ambitious schedule for banning highly polluting vehicles from Oxford Street.
- Investigate and support the adoption of innovative ideas and technologies including portage and cargo bike schemes, kerbside monitoring, flexible use of kerbside space (e.g. loading permitted at some times of day, pedestrian space at others), geo-fencing areas for ultra-low emission vehicles, restricted parking zones and pedestrian zones.
- Monitor air quality throughout the implementation of the proposed strategy and Delivery Plan and post-scheme, and ensure this information is publicly accessible.

### 3.5.6 *Impacts on bus passengers*

As noted above, traffic consultants have assessed that there will be a neutral impact on vehicle journey times across the Oxford Street District area, including the impact on buses. They have therefore assessed that the overall impact on bus passenger journey times will be neutral.

Based on this, journey time impacts on bus passengers have not been quantified or monetised at this point.

### 3.5.7 *Impacts on freight*

The comprehensive package of freight measures included in Option 2, 3 and 4 would have a number of benefits, with the most readily quantifiable being a reduction in freight vehicle trips, which in turn would reduce overall delays on the road network. Whilst it can be difficult to precisely determine what the impacts of such measures are, we have drawn on case studies from elsewhere in order to estimate what the impacts of the measures could be. Based on this, it was estimated that the freight measures could reduce freight vehicle traffic in the OSD by 6%.

**(i) As traffic modelling is still in progress, the benefits of this potential reduction in freight vehicle traffic have not been monetised at this point. Additionality**

As with other transport benefits, the theoretical basis for their estimation is that they are net additional.

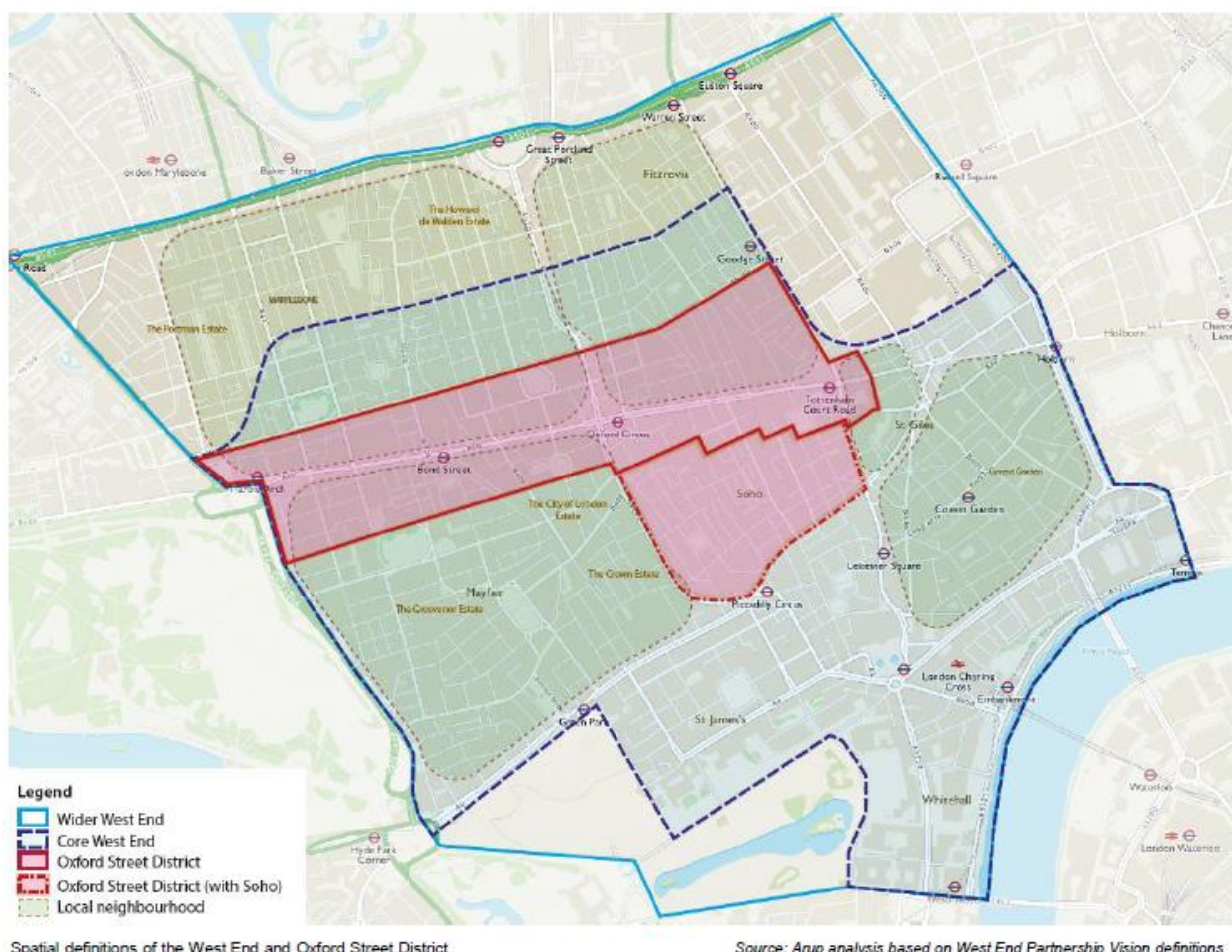
### 3.5.8 GVA Impacts

As noted in the Strategic Case, there are a number of challenges that face the district. Tackling these will therefore be necessary in order to realise the potential of the area and achieve the vision that has been set out.

Arup's *West End Good Growth* report identifies three future growth scenarios for the West End. Whilst this is a broader area than the OSD, it is still useful to refer to these to understand the overall potential trajectories that the OSD may take in the future, along with the factors that influence which scenario ultimately eventuates. These are:

- **Decline of Sorts:** This sees the West End failing to adapt and respond to change. Growth is restricted and policies don't allow business to innovate or invest successfully. There is a long term decrease in commercial space but some increase in high end residential.
- **Chequered Growth:** This assumes no major change in economic conditions being experienced at present and somewhat limited change to planning policy. Due to supply-side constraints, investment activity in the West End will be primarily focused on redevelopment of existing buildings. The amount of commercial space falls marginally. The West End only modestly draws on the opportunities Crossrail presents.
- **Good Growth:** The West End is able to grow and take maximum advantage of public transport capacity. Rich mix and attractiveness of the West End is enhanced. It continues to be an attractive global destination for visitors, employers and investors. In the good growth scenario the West End is able to accommodate a more diverse community of residents.

Arup carried out an analysis of these three scenarios, based on the areas marked on the map below. It should be noted that the definition of the Oxford Street District that they applied differs to the one used in this business case; nevertheless, they are generally similar, and so the conclusions reached by Arup are still of relevance.



Source: West End Good Growth, Arup, 2018

The findings of the Arup analysis in relation to the OSD are summarised in Table 3.5 below. According to this, relative to the Decline of Sorts scenario, the Chequered Growth scenario would result in additional GVA of £2bn a year, which the Good Growth scenario would result in additional GVA of around £8bn a year. There would also be a net increase of jobs of 9,000 in Chequered Growth and 36,000 in Good Growth, with an increase in business rates of £354m and £1,633m respectively.

**Table 2.5: Impacts of Arup scenarios on the OSD**

Statistic	Existing (2018)	Decline of Sorts scenario (2041)	Chequered Growth scenario (2041)	Good Growth scenario (2041)	Chequered Growth scenario relative to Decline of Sorts scenario (2041)	Good Growth scenario relative to Decline of Sorts scenario (2041)
Visitors (millions)	10	17	21	32	4	15
<i>Overseas</i>	3	7	11	20	4	13
<i>Domestic</i>	1	0	0	2	0	2
<i>Day trips</i>	6	10	10	11	0	1
VAT (£m) before deductions	372	766	1,105	2,132	339	1,366
Residents	4,057	4,292	4,392	4,598	100	306
Homes	2,443	2,584	2,659	2,747	75	163
Net jobs (thousand FTE)	164	151	160	187	9	36
Business rates (£m)	978	520	874	2,153	354	1,633
Net GVA (£m)	15,082	12,111	14,352	20,029	2,241	7,918

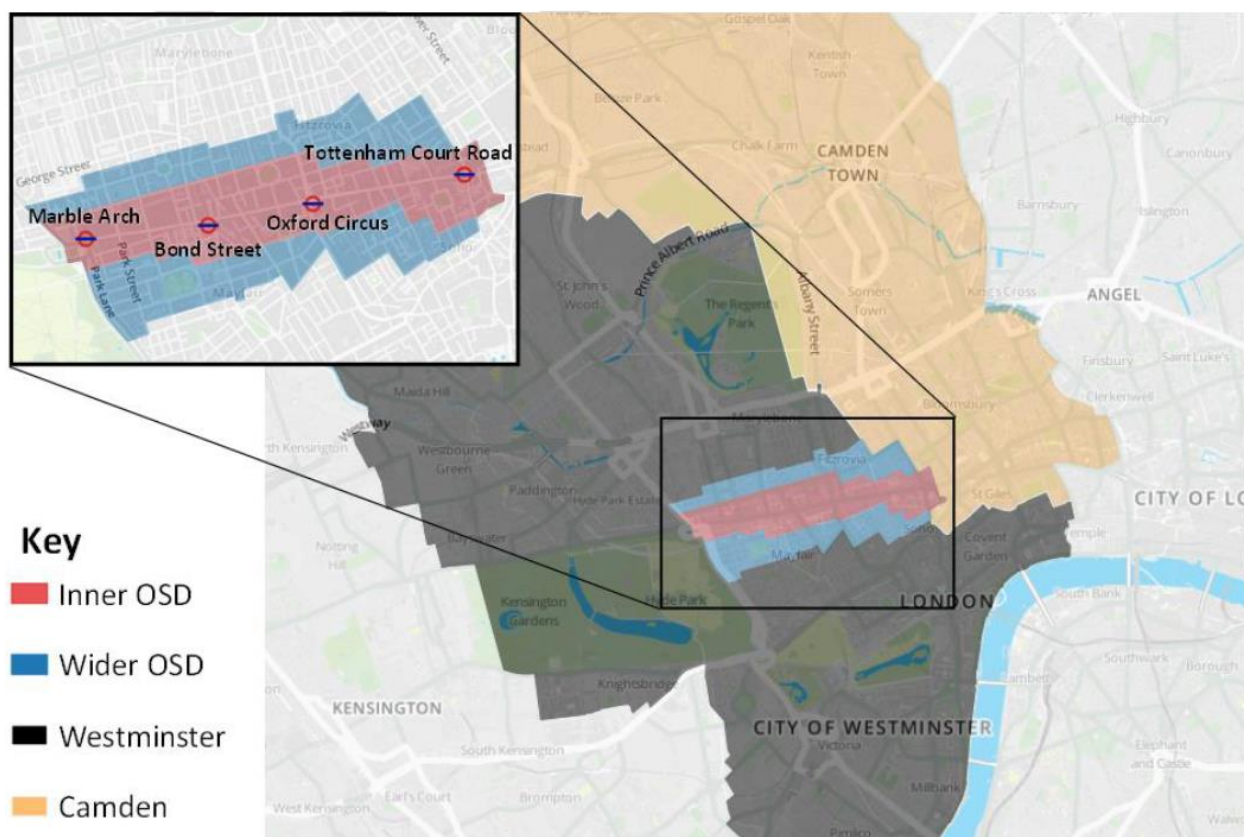
Source: West End Good Growth, Arup, 2018

What can be taken from the Arup analysis is that if action is not taken, the West End (and consequently the OSD) could take the path described by the Decline of Sorts scenario. Proactive action will need to be taken to avoid this, and facilitate either the Chequered Growth scenario at the very least, or ideally the Good Growth scenario. However, the Good Growth scenario would require many measures to enable it, of which public realm improvements will play a key part of. Whilst public realm improvements on their own would not be sufficient to enable the Good Growth scenario, it is clear that without them it would not be possible to fully realise it.

The projects included in the OSD strategy would therefore help to enable the latter two scenarios, by improving the public realm, as well as by creating attractive and convenient pedestrian links across the district, therefore enabling it to seize the opportunity offered by the Elizabeth Line. However, as noted above it is also clear that the OSD strategy is only one of the many ingredients required to enable these scenarios.

As such, whilst the OSD strategy will help to enable some of the increases in GVA, jobs and business rates outlined above, it could not be argued that it would be solely responsible for the entirety of them. In addition, the analysis produced by Arup focussed on the big picture, so whilst the overall conclusions reached by them are useful, the specific numbers contained in their analysis may need to be treated by caution.

Another analysis was carried out by Volterra, that was focussed on the OSD. They estimated that the existing GVA of this area is £13bn year, but this relates to a slightly different area than used in the Arup report. Volterra's report examined employment in the OSD, and whilst there are limitations associated with examining employment at a relatively small geographic scale, the analysis presented in the Volterra report is nevertheless useful in providing overall insights into the employment characteristics of the area.



*Contains OS data © Crown copyright and database right [2018].*

Source: Oxford Street District: An Economic Assessment, Volterra, 2018

The Volterra report divided the OSD into two sub-areas: the Inner OSD, and the Wider OSD (which incorporates the Inner OSD). For the purposes of this business case, we have drawn upon the statistics presented in the Volterra report, but for ease of comparison we have used what is termed the Outer OSD, which is Volterra's Wider OSD excluding the Inner OSD. These are presented in 3.6 below.

**Table 3.6: Characteristics of the Inner OSD and Outer OSD**

Statistic	Inner OSD	Outer OSD
Area (ha)	75	162
Employment (jobs)	85,000	70,000
Employment density (jobs/ha)	1,130	805
GVA (£bn)	7	6
Floorspace (NIA, m <sup>2</sup> )	1,400,000	1,100,000
Professional services	45%	70%
Retail, restaurants & cafes	53%	24%
Industrial	1%	1%
Other	3%	3%

Business rates (£m)	380	275
<i>Office</i>	<i>160</i>	<i>180</i>
<i>Retail, restaurants &amp; cafes</i>	<i>215</i>	<i>80</i>
<i>Industrial</i>	<i>1</i>	<i>1</i>
<i>Other</i>	<i>6</i>	<i>8</i>
Population (persons)	5,600	6,900
Population density (persons/ha)	74	79

Source: Oxford Street District: An Economic Assessment, Volterra, 2018

According to the Volterra report, there are about 155,000 jobs in the OSD, made up of about 80,000 in the Inner OSD and 70,000 in the Outer OSD. In terms of employment density, this translates into around 1,130 jobs/ha in the Inner OSD, which is 40% higher than the 805 jobs/ha in the Outer OSD. Another key difference is that in the Inner OSD the majority of floorspace is associated with retail, restaurants & cafes, whereas in the Outer OSD floorspace is dominated by professional services. On the other hand, population density in the Outer OSD (79 persons/ha) is higher than in the Inner OSD (74 persons/ha). Business rates collected in the Inner OSD are about £380m per year, whilst in the outer OSD the figure is £275m. The relative contribution of different sectors partially mirrors the different sectoral split of floorspace in each of the two areas, however what is notable is that retail, restaurants & cafes contributes proportionally more in business rates (relative to its share of floorspace) compared to other sectors.

For comparison, Soho currently has an employment density of 1,395 jobs/ha, which is higher than the current Inner OSD density and significantly higher than the current Outer OSD density. On the other hand, the population density of Soho is 78 persons/ha, which is higher than the Inner OSD density and comparable to the Outer OSD density.

What Soho therefore demonstrates is that it is possible for an area like the Outer OSD to sustain a much higher employment density, even with its current population density. It may also be the case that there is the potential for increased employment density in the Inner OSD, however as the Volterra report notes this may be limited by the higher floorspace per employee associated with the retail sector, which is much more dominant in the Inner OSD.

Based on the data reviewed, the Volterra report suggests an aspirational vision to create between 2,100 and 2,800 jobs per year across the OSD up to the year 2041, with a central target of around 2,500 jobs per year. Based on the conservative assumption that GVA per job remains constant, then this level of jobs growth could result in an annual increase in GVA in the OSD of around £214m. This is also likely to increase the total amount of business rates collected.

Whilst achieving this vision is likely to require more jobs throughout the OSD, the evidence presented above suggests that it is in the Outer OSD where there may be relatively more opportunity to increase employment. As such, solely focussing interventions in the Inner OSD (as is largely the case in Option 3) may prevent the vision from being met.

Given that the Outer OSD is generally further away from transport nodes (such as the existing Underground stations and future Elizabeth Line stations), realising the potential of the OSD is particularly dependent on created attractive high-quality links between these transport hubs and the Outer OSD. This is only fully achieved in Option 4, suggesting that the projects included in it

will be a key enabler in terms of achieving the levels of jobs and GVA growth suggested by the Volterra analysis. More generally, investment in Option 4 would make a more focussed contribution to achieving Arup's Good Growth scenario, by targeting an area that has more potential for mixed-use development, building upon the opportunities inherent in the Outer OSD given its current characteristics. Finally, better integrating these parts of the OSD with its core may also result in increased rateable values in the Outer OSD, which will increase the total amount of business rates collected in this area.

### 3.5.9 *Anticipated property impacts*

As set out above, the OSD is underperforming compared with other parts of the West End and other cities across the world with which it competes, yet has major potential for expansion and investment through intensification. The public realm improvements included in the OSD project are a key enabler of this, complemented by other improvements (such as planning policy).

The anticipated impacts on property within the OSD are:

- Increased floorspace: by either (1) new developments or (2) a greater intensity of use of existing commercial property and land, and thereby increasing the number of jobs that can be accommodated in the area;
- Agglomeration benefits: agglomeration refers to the benefits of 'clustering' of high-value sectors in locations where they can benefit from access to a large labour pool, have access to clients and markets, and gain from 'spillover' effects that characterise the knowledge economy. The West End is a highly agglomerated international centre for high value activities including financial and business services, media/ creative and entertainment. Environments which support agglomeration have been shown to increase productivity (GVA per worker) - this benefit is additional to that captured within standard economic appraisal; and
- Property investment / catalytic effects: as noted in the Strategic Case, some landowners have delayed investment in their stores and commercial properties pending the agreement of a funded and coordinated programme backed by the public sector and Government to address the major challenges facing the West End. We have not quantified the economic benefits associated with this potential private sector investment. However, it is clear that the OSD would act as a catalyst for wider private sector investment, and that this combination of public and private investment is required to deliver the strategic outcomes associated with the project and the wider WEP vision.

One way in which to monetise, in part, the property market impacts of the project would be through an assessment of the land value uplift. Guidance from MHCLG focuses on land value uplift of residential or non-residential sites as the approach to quantifying the economic benefits of investment. While this approach is easily applied to projects on greenfield or brownfield sites where investment leads to a change in land use (e.g. from brownfield to housing), the approach does not lend itself to projects in historic townscapes with a mix of uses. The OSD project will increase the value of land in the area, as it becomes more attractive for people to shop, work and visit, and for business to invest and locate. Consequently, this would result in a greater level of economic activity in the area (more jobs and GVA as noted above).

There are two main reasons why we have not included land value uplift within the economic appraisal. First, the increased 'value' created will, in large part, be either displaced (e.g. if values increase in the OSD, there could be a corresponding decrease elsewhere on the basis that the overall level of economic activity at the UK level is broadly the same), or represents transfers between economic actors (e.g. increased land value for property owners would be offset by increased rents for occupiers). Second, to include land value uplift would involve an element of double counting with the GVA benefits that are discussed above.

## 3.6 Economic Performance: Cost-Benefit Analysis

This section presents the results of the appraisal following the methodology set out above. Benefits and costs presented in this section are relative to Option 1. As set out above, the costs include an allowance for optimism bias of 44%.

### 3.6.1 Economic appraisal of Option 2

#### (i) Benefits and impacts

Table 3.7 below summarises the impacts of Option 2 relative to Option 1.

**Table 3.7: Costs, benefits and impacts associated with Option 2**

<b>Public Costs and Revenues (2010 PV)</b>	<b>£m</b>
CAPEX (Public)	109
OPEX (Public)	0
Maintenance	0
<b>Net public costs (PVC)</b>	<b>109</b>
<b>Private Impacts (2010 PV)</b>	<b>£m</b>
CAPEX (Private)	0
OPEX (Private)	54
<b>Social Benefits to Users (2010 PV)</b>	<b>£m</b>
Urban Realm Benefits	1,395
Casualties	25
<b>Net social benefits (users)</b>	<b>1,420</b>

The key drivers of the overall economic performance under the central case scenario are:

- The public realm benefits, which total £1,395m PV under a central scenario. These primarily accrue to pedestrians on Oxford Street.
- Casualty benefits, which are valued at £25m.

#### (ii) Economic performance

The cost benefit analysis for Option 2 is presented in Table 3.8 below.

**Table 3.8: Economic performance of Option 2**

Economic performance	Central
PVC	109
PVB	1,366
NPV	1,258
BCR	12.57

The economic appraisal shows that:

- The benefits of the scheme far outweigh its costs, with a BCR of 12.57 that demonstrates very high value for money.
- However, it should be noted that this excludes potentially negative traffic congestion, bus passenger and air quality impacts on streets surrounding Oxford Street, caused by the lack of mitigation of reassigned traffic and the expected traffic congestion that would occur.

In any case, as discussed elsewhere this option would not be feasible to implement, due to the unmitigated impacts of buses and traffic that are displaced from Oxford Street.

### 3.6.2 Economic appraisal of Option 3

#### (i) Benefits and impacts

Table 3.9 below summarises the impacts of Option 3 relative to Option 1.

**Table 3.9: Costs, benefits and impacts associated with Option 3**

Public Costs and Revenues (2010 PV)	£m
CAPEX (Public)	161
OPEX (Public)	0
Maintenance	0
<b>Net public costs (PVC)</b>	<b>161</b>
Private Impacts (2010 PV)	£m
CAPEX (Private)	0
OPEX (Private)	54
Social Benefits to Users (2010 PV)	£m
Urban Realm Benefits	1,478
Casualties	42
<b>Net social benefits (users)</b>	<b>1,520</b>

The key drivers of the overall economic performance under the central case scenario are:

- The public realm benefits, which total £1,478m PV under a central scenario. These primarily accrue to pedestrians on Oxford Street and other streets in the Oxford Street District. The increase in the value of these benefits relative to Option 2 is almost £200m which is a

significant amount, but it is a proportionally small increase due to pedestrian flows on these other streets being lower than the extremely high level on Oxford Street.

- Casualty benefits, which are valued at £42m.

## (ii) Economic performance

The cost benefit analysis for Option 3 is presented in Table 3.10 below.

**Table 3.10: Economic performance of Option 3**

Economic performance	Central
PVC	161
PVB	1,466
NPV	1,305
BCR	9.09

The economic appraisal shows that:

- The benefits of the scheme far outweigh its costs, with a BCR of 9.09 that demonstrates very high value for money.
- This BCR is lower than for Option 2. This is because whilst the marginal benefits of this option (relative to Option 2) far outweigh the marginal costs, the marginal BCR is lower than the 12.51 for Option 2. However, as Option 2 is not feasible to implement, the additional cost associated with Option 3 should also be viewed as a necessary cost for enabling the improvements to Oxford Street itself to be implemented.
- In addition, this excludes the potentially neutral air quality impact of this option, relative to the potentially negative impact of Option 2.

### 3.6.3 Economic appraisal of Option 4

## (i) Benefits and impacts

Table 3.11 below summarises the impacts of Option 4 relative to Option 1.

**Table 3.11: Costs, benefits and impacts associated with Option 4**

Public Costs and Revenues (2010 PV)	£m
CAPEX (Public)	162
OPEX (Public)	0
Maintenance	0
<b>Net public costs (PVC)</b>	<b>162</b>
Private Impacts (2010 PV)	£m
CAPEX (Private)	91
OPEX (Private)	54
Social Benefits to Users (2010 PV)	£m

Urban Realm Benefits	1,704
Casualties	86
<b>Net social benefits (users)</b>	<b>1,790</b>

The key drivers of the overall economic performance under the central case scenario are:

- The public realm benefits, which total £1,704m PV under a central scenario. These primarily accrue to pedestrians on Oxford Street and other streets within the district. This is over £200m higher than for Option 3, due to the larger number of streets included in this option.
- Casualty benefits, which are valued at £86m.

## (ii) Economic performance

The cost benefit analysis for Option 4 is presented in Table 3.12 below.

**Table 3.12: Economic performance of Option 4**

<b>Economic performance</b>	<b>Central</b>
PVC	162
PVB	1,645
NPV	1,483
<b>BCR</b>	<b>10.15</b>

The economic appraisal shows that:

- The benefits of the scheme far outweigh its costs, with a BCR of 10.15 that demonstrates very high value for money. This BCR is slightly higher than for Option 3, as the marginal costs of this scheme are borne by the private sector. For the purposes of the BCR calculation, the denominator is only made up of public sector costs, and the private sector contribution is counted as a disbenefit in the numerator.
- In addition, this excludes the potentially positive air quality impact of this option, relative to the potentially neutral impact of Option 2.

What this quantified analysis does not capture is the likely greater impact of this option (compared to Option 3) in terms of supporting the intensification of a diverse range of economic activity across the entire district, therefore enabling higher employment and GVA growth.

### 3.6.4 Commentary on security and hostile vehicle mitigation

The OSD, and particularly Oxford Street itself, are both highly crowded and iconic locations. Unfortunately, this makes them attractive targets for hostile activity. WCC is working on a wider strategy addressing security concerns, and in particular Hostile Vehicle Mitigation (HVM), following the tragic incidents at Westminster Bridge/Houses of Parliament and at London Bridge. The increased numbers of pedestrians expected from the Elizabeth Line increases the imperative to deliver security measures quickly, and the OSD project brings the opportunity to deliver this through designs that are incorporated into the wider public realm strategy. In this way the project

can deliver the enhanced security whilst avoiding a “fortress” impression that would be harmful for the economic prospects for central London.

There are very clear economic benefits associated with HVM measures. These not only include the value associated with preventing fatalities and injuries, but also the value of avoiding negative impacts on businesses and the wider economy in the aftermath of an attack. As such, it is clear that there would be a clear (and potentially very large) economic benefits associated with the HVM measures included in Options 2, 3 and 4. However, it is difficult to quantify these robustly, given the great uncertainties regarding the probability, nature and scale of a future terrorist attack on Oxford Street. In any case, the decision on whether HVM measures should be included in the scheme does not rest on a benefit cost ratio.

Therefore, whilst it is clear that there will be economic benefits from the HVM measures that are included, these impacts are difficult to quantify and have therefore not been monetised.

### 3.6.5 *Other non-monetised benefits*

As outlined in the Strategic Case, there are a number of economic benefits which have not been monetised, in particular, investments by retailers, office occupiers, land owners and developers, which are anticipated to lead to intensification in the use of space, making the area far more efficient in terms of land use. Furthermore, competition from other prime locations around the world, such as New York, Paris and Hong Kong means that investments to improve the visitor experience are vital to maintain London's, as well as the West End's, competitive position internationally.

Non-monetised benefits are included below.

- Pedestrian travel time savings – at this stage of the design process, it has not been possible to generate monetised estimates for changes in travel times for pedestrians. Nevertheless, it is expected that these impacts would be positive in Options 2, 3 and 4, due to reduced pedestrian travel times due to the much greater ease of crossing north-south across OSD, and also reduced pedestrian crowding.
- Cycling benefits – this forms an important aspect of the project proposals. Whilst we have monetised cycle ambience benefits, there are other benefits that have not been included in the economic appraisal, such as:
  - Time savings: improved journey times;
  - Growth in cycling and modal shift from other transport modes: by providing a coherent and safe cycle network this will support the overall trend towards increased cycling in central London and will reduce trips made by other modes of transport;
  - Environmental benefits: reduced use of motorised vehicles with associated improvements in air quality and reduced noise pollution;
  - Road safety: reduced conflict between cycling and motorised traffic and therefore a reduction in the rate of traffic accidents;
  - Health and productivity: studies show that increasing the number of trips made by cycling in central London is likely to result in health benefits that will provide a positive

impact in terms of increased productivity for employees and reduced costs for the National Health Service;

- Providing missing connections: the OSD does not currently provide any continuous and direct cycling facilities to connect the various areas within the district. Improvements will open up new opportunities for growth and will improve the user experience; and
- Other considerations: There are also the employment and GVA benefits that could be associated with increased floorspace, with the project potentially supporting a greater intensity of use of existing commercial property and land, and thereby increasing the number of jobs that can be accommodated within an area.

#### (i) Programme Wide Items

As noted in the Strategic Case, there are a number of cross-cutting issues that need to be tackled as part of the programme Measures to address these issues have not been included in this economic case but are being developed to ensure a rounded approach is taken to address the long-term challenges that threaten the success of the district. They are:

- Freight engagement
- Lighting strategy
- Culture and public art strategy
- Landscape and planting strategy
- Play strategy
- Study to accelerate the adoption of low emissions vehicles

## 3.7 Sensitivity and Optimism Bias

We have undertaken a range of sensitivity tests to assess the robustness of the central case appraisal under a range of scenarios. The scenarios considered are:

- Lower level of optimism bias: The central case assumes a 44% level of OB, whereas the sensitivity assumes 20%.
- Upper and lower range public realm benefits: We have assessed the impact on the appraisal with the public realm benefits at a +/-25% level compared to the central case.
- A delay to project opening of two years: This is proxied by delaying the benefits stream by two years, and keeping the costs based on the original profile.

The sensitivity analysis shows that the BCR remains positive and remains very high for all of the scenarios considered for all of the options. The lower BCR that occurs is 7.14 in Option 2 where urban realm benefits are reduced by 25%. This demonstrates the robustness of the economic appraisal.

**Table 3.13: Option 2 sensitivity tests**

Sensitivity test	PVC (2010 £m)	PVB (2010 £m)	NPV (2010 £m)	BCR
------------------	---------------	---------------	---------------	-----

Central	109	1,366	1,258	12.57
Lower optimism bias (20%)	91	1,366	1,276	15.08
Urban realm benefits +25%	109	1,769	1,660	16.27
Urban realm benefits -25%	109	1,072	963	9.86
Delayed opening	109	1,312	1,203	12.07

**Table 3.143: Option 3 sensitivity tests**

Sensitivity test	PVC (2010 £m)	PVB (2010 £m)	NPV (2010 £m)	BCR
Central	161	1,466	1,305	9.09
Lower optimism bias (20%)	134	1,466	1,331	10.91
Urban realm benefits +25%	161	1,889	1,728	11.72
Urban realm benefits -25%	161	1,150	989	7.13
Delayed opening	161	1,407	1,246	8.73

**Table 3.15: Option 4 sensitivity tests**

Sensitivity test	PVC (2010 £m)	PVB (2010 £m)	NPV (2010 £m)	BCR
Central	162	1,645	1,483	10.15
Lower optimism bias (20%)	135	1,645	1,510	12.18
Urban realm benefits +25%	162	2,216	2,054	13.68
Urban realm benefits -25%	162	1,364	1,202	8.42
Delayed opening	162	1,579	1,417	9.75

### 3.7.1 Switching values

Switching values have been tested for the value of urban realm benefits and public capital costs to generate a BCR of 1, as shown in Table 3.16 below.

- **Urban realm benefits:** For all of the options, the urban realm benefits would need to reduce by approximately 90% to result in a BCR of 1. For Options 2, 3 and 4, it would need to decrease by 90%, 88% and 87% respectively.
- **Public CAPEX:** For all of the options, public CAPEX would need to increase by a very significant factors to results in a BCR of 1. For Options 2, 3 and 4, it would need to increase by 1153%, 812% and 915% respectively.

**Table 3.16: Switching values (2010 PV £m)**

	Scenario	Option 2	Option 3	Option 4
Urban realm benefits	Central case	1,395	1,478	1,704
	Switching value (to reach a BCR of 1)	137	174	221

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Public CAPEX	Central case	109	161	162
	Switching value (to reach a BCR of 1)	1,366	1,466	1,645

## 3.8 Key Findings

### 3.8.1 *Appraisal Summary Table (AST)*

The Appraisal Summary Table is include in Table 3.3.17 below.

**Table 3.17: Appraisal Summary Table (AST)**

		Option 2 (Relative to Do Nothing) (2010 PV £m)	Option 3 (Relative to Do Nothing) (2010 PV £m)	Option 4 (Relative to Do Nothing) (2010 PV £m)
<b>A</b>	<b>Present Value Benefits – based on Green Book principles and Green Book Supplementary and Departmental guidance</b>			
	<i>Net social benefits (users)</i>	1,420	1,520	1,790
	<i>Private Sector Costs</i>	-54	-54	-145
<b>B</b>	<b>Present Value Public Costs / (Surplus)</b>	<b>109</b>	<b>161</b>	<b>162</b>
<b>C</b>	<b>Net Present Value [A -B]</b>			
	<i>Net social benefits</i>	1,258	1,305	1,483
<b>D</b>	<b>Benefit-Cost Ratio [A/B]</b>			
	<i>Net social benefits</i>	12.57	9.09	10.15
<b>E</b>	<b>Significant non-monetised impacts</b>	Potentially negative air quality, vehicle journey time and bus passenger impacts	Likely neutral air quality, vehicle journey time and bus passenger impacts Some contribution to achieving employment intensification in a diverse range of economic sectors, increasing GVA and business rates	Likely vehicle journey time and bus passenger impacts; potentially positive air quality impacts Strong contribution to achieving employment intensification in a diverse range of economic sectors, increasing GVA and business rates
<b>F</b>	<b>Value for Money (VfM) Category</b>	Very High value for money	Very High value for money	Very High value for money
<b>G</b>	<b>Switching Values and rationale for VfM category</b>	Very High value for money is achieved, and this remains robust under a range of sensitivity tests See Table 3.16 for switching values	Very High value for money is achieved, and this remains robust under a range of sensitivity tests See Table 3.16 for switching values	Very High value for money is achieved, and this remains robust under a range of sensitivity tests See Table 3.16 for switching values

<b>H</b>	<b>Risks</b>	As analysis of the options is still ongoing, values may be subject to change as more detailed analysis becomes available	As analysis of the options is still ongoing, values may be subject to change as more detailed analysis becomes available	As analysis of the options is still ongoing, values may be subject to change as more detailed analysis becomes available
<b>I</b>	<b>Other issues</b>	Not feasible to implement in isolation, due to unmitigated impacts from displaced traffic and buses	N/A	N/A
<b>Benefits and costs under proposed BCR metric</b>				
	<b>Consumer and business impacts</b>	<b>External impacts and public sector finance impacts</b>		
Present Value Benefits (numerator)	Net social benefits (public realm, accident reductions) Private sector funding for capital and operating costs (Section 106, CIL, other)			
Present Value Costs (denominator)		Public sector funding for capital costs (WCC)		

### 3.8.2 *Overview*

Putting aside Option 2 (which would not be feasible to implement), the key finding from the economic analysis is that both Option 3 and Option 4 represent overall very high value for money based on their economic performance against Option 1. Key points include:

- There is a very strong quantified case for the implementation of both of these options, even based on the limited range of benefits that have included in the quantified assessment at this point. Conservative assumptions have generally been taken to the quantification of benefits, meaning that the case remains robust even if further detailed work results in changes to some of the input data used. This robustness is demonstrated by the sensitivity tests and switching values presented.
- Option 4 has a higher BCR than Option 3, as it creates higher benefits (particularly related to the urban realm), whilst the marginal costs for Option 4 are not met by the public sector.
- It is clear that both options would contribute to maintaining and growing a diverse economy in the district, by enabling (along with other measures) intensification of employment across the district. This has not been quantified, given the difficulty of reliably isolating the contribution that the options would make, but if it were possible to include this impact in the BCR calculations then the value for money case would be even stronger. What is evident though is that Option 4 would make a larger contribution to Option 3, particularly because it will enable intensification in the outer part of the district, where there is likely to be more opportunity to achieve this. This also means that Option 4 is also likely to boost business rates to a greater extent than Option 3.
- As traffic modelling is ongoing, certain impacts (including vehicle journey times, bus passenger impacts and air quality) have not been quantified. Based on professional judgement, these impacts are considered to be generally neutral in Options 3 and 4, with a potentially positive air quality impact in Option 4. Notwithstanding this, even if further analysis shows that there are some negative impacts, these would need to be extremely large to outweigh the significant public realm benefits.

### 3.8.3 *Recommendations*

The case for Option 3 clearly meets the overall strategic rationale for the project, as set out in the strategic case. It also has strong and robust economic performance, delivering very high value for money. As such, it is recommended that this option is taken forward, as the case for public sector funding to implement it is clear.

Whilst public sector funding may not be available to cover the marginal cost of implementing Option 4, the analysis presented here demonstrates how it would play a key role in improving connectivity across the district, therefore supporting intensification of economic activity where there is the most potential to do so. It is therefore recommended that WCC work with the private sector to secure the investment necessary to implement it.

## 4 Commercial Case

### 4.1 Delivery Model

Procurement and delivery will be led by WCC. A project team will be created including a Project Director, Project Managers and range of specialist advisors. This team will be responsible for all aspects of project planning and delivery for the Oxford Street District and will report through the governance arrangements established for the project as set out in the Management Case.

To realise the ambition in this high profile and challenging environment, and given the scope of public realm works required, a design and build contract is considered most appropriate. The procurement of the Design and Build Contract will be covered by existing staff within the Procurement, City Highways, Place Shaping, Legal and Finance teams with the support from NRP under an existing Highways contract, Trowers and Hamlin and Ernst and Young Global Ltd.

### 4.2 Procurement Strategy

The proposed procurement exercise for The Oxford Street District Place Shaping project will ensure focus on reaching the best commercial arrangement with a quality service provider of suitable experience and compliance within relevant procurement regulations. A significant Soft Market Testing exercise was held with over 30 potential bidders in attendance that included discussion on partnership, sub-contracting, contract packaging, stakeholder engagement, evaluation criteria (Price/Quality ratios) and performance indicators. The intention was to be open and transparent with potential bidders to attract market interest from individual providers or from a consortium of providers and to 'de-risk' the procurement as much as possible from project commencement.

The approach the Council are taking for this procurement is to use the flexibility and allowed negotiation included in the competitive procedure with negotiation (CPN) in the Public Contracts Regulations 2015. This procedure has already been approved by WCC Board and is supported by a similar paper to Council Members. The first specific stage prior to launching this procedure from an options analysis presented is to engage with the supply market in the form of a Soft Market Test Event (SMTE).

Procurement Services were commissioned to advise on the route to market to secure a service provider that can deliver the Council's ambition for the district and achieve a quality outcome in a difficult and challenging environment. The following options were considered:

- Procure through existing Highway contract – the limits of the existing contract for the value of works per scheme mean that this option cannot be pursued.
- Use of construction framework arrangements – several construction framework contracts exist for engineering and construction services. These offer the option to draw down against pre-agreed contract terms with established providers. However, the ability to tailor these arrangements to the client's specific needs for delivery and commercial terms is limited. There is no guarantee therefore that the frameworks offer value for money. More

importantly, there is a very real risk that the providers on the frameworks do not understand the challenges of working in central London, leading to the potential for delays, increased cost and reputational damage.

- Procure the construction services in an open market – procuring the Oxford Street District Design and Build contract directly provides an opportunity to secure a commercially competitive service that meets the Council's financial and quality requirements. This option will be open and transparent and will attract a lot of market interest from suppliers or from a consortium of providers. This is the option being recommended.

Several routes to market were considered including the open, restricted or competitive dialogue (CD) process. In discussion with Procurement, and recognizing that many suppliers may not appreciate the context of construction in Westminster, the Competitive Procedure with Negotiation (CPN) route is to be pursued. This procedure is similar to the Restricted route but allows for negotiation as part of the process. This is only applicable where the works or services in question include design or innovation where there are technical, complex, financial or legal matters that require clarification and discussion with the bidders before the contract can be awarded. Negotiation under this procedure is not mandatory.

The steps under this procedure are:

- A formal notice to the supplier market
- Pre-Qualification and shortlisting stage
- Shortlisted contracting organisations are invited to submit initial tenders
- The initial tenders so as to improve them and can then invite further / refined tenders which it then negotiates
- During the negotiation stage, each contracting organisation will be invited to discuss and develop their tender outline proposal. The negotiation stage will end once it is clear there are proposals which WCC believes are robust, affordable and correlate closely with the aspirations for the project
- Bidders then submit a final tender
- These final tenders are evaluated and a contracting organisation is appointed subject to the necessary approvals preferred partnership plan is agreed.

The competitive procedure with negotiation provides that interested suppliers submit initial tenders which form the basis for negotiation with the Council. Any subsequent tenders (other than the final tenders) can also be negotiated by the Council to a point where there is at least one robust, realistic, affordable proposal the council could approve as a solution to the planned regeneration aspirations for the Oxford Street District Place Shaping Project.

This procedure allows identification from the open market of suitably qualified and experienced contractors and to refine submissions, as necessary, during the negotiation stage..

The Council remains open as to how bidders approach this commercial opportunity whether via Special Purpose Vehicles (SPVs), partnerships or other arrangements. The procurement strategy

seeks to drive innovation, creative thinking and a commercial approach that achieves delivery within reasonable timescales and ensures stakeholder management and, particularly public liaison, are of the highest quality.

The contract scope is to deliver Initial Designs, Detail Design stages and the construction of high-quality public realm and highway improvements across the district. The contract will allow the use of specialist sub-contractors who have significant experience in complex traffic modelling, urban design, landscape architecture and architecture. The contract is also geared to incentivise delivery through appropriate financial performance mechanism

Given the technical nature and challenging timescales of the procurement, the Council has, via the Compliance and Audit Services contract, retained the services of Norman Rourke Pryme (NRP) to prepare the technical specifications, pricing schedules and provide support with the evaluation of the submitted bids. NRP have the experience and understanding of the Westminster service contracts having supported the procurement of the Highways Term Contract in 2013. They are specialist in highways contracts, have an in-depth understanding of the market and, more importantly the context of working in Westminster. NRP supported the recent successful procurement of the West End Project (Tottenham Court Road) for the London Borough of Camden and have been retained to audit and monitor this contract.

Trowers and Hamlins LLP have provided external legal support to the internal legal team. Ernst and Young Global Limited are supporting the Finance Team in respect of the financial aspect of the bids.

### 4.3 Implementation Timescales

An outline procurement programme is shown in Table 4.1 below. The programme is ambitious but achievable assuming key decisions and consultation outcomes keep to the existing timetable. It is expected that once the contract is approved it will take three to five years from commencement to complete the programme, subject to the final scope and funding.

Table 4.1: Procurement Programme	
Milestone	Date
Publish PIN (Complete)	Sept 18
Soft Market Testing (Complete)	Nov 18
Publish OJEU (Complete)	Nov 18
Evaluate & Shortlist – Initial supplier submissions.	Mar 19
Invite shortlisted suppliers to submit initial tenders.	Mar 19
Negotiation Stage	May 19
Suppliers submit Final tenders	May 19
Evaluate/Moderate	June 19
Preferred Bidder Identified	Jul 19

Gate 2 paper/Board Approval	Aug 19
Contract Sign Off	Aug 19
<b>Contract Start Date</b>	<b>Aug 19</b>

#### 4.4 Contract Management Approach

The contract will be managed by WCC who has significant experience of managing high value, complex contracts of this nature and has a strong reputation for delivering high quality schemes on-time and within budget. Key staff have been upskilled in the new NEC 4 form of contract to ensure that they are up to date with the new forms of contract and their obligations under that form of contract. A gate process has been added to the form of contract so that the Council has control of key elements of the programme.

The contract management approach to the project is to ensure continuous sequential work streams are delivered to provide the greatest efficiency and value for money possible. For a project of this size, scale, complexity and importance this approach is common and the timescales are realistic and achievable. The deliverability and phasing of the programme have been verified by the Council's design and works contractor (FM Conways and WSP respectively) who have significant experience of delivering large scale highways and public realm improvements in densely urban city centre environments like Westminster and Camden.

WCC will ensure that contacts adopt a range of key outputs to maximise the wider benefits of this project wherever possible including:

- Social value: Local training apprenticeships and local jobs, especially for those Westminster and Camden residents that are long term unemployed. This will include the consultants and contractors providing support and mentoring programmes for local residents to either ensure they are work ready and/or can continue being employed post the completion of the works;
- Support for SMEs: A number of the contacts let for various elements of the design and works phases of the project are likely to be applicable and relevant to SMEs, especially creative workteams which are more likely to be dominated by small businesses. e.g. public art;
- Supply chain: As with most projects of this nature, there will be a number of bespoke design features (e.g. street furniture, street lighting, public art and other street furniture). The supply chain is likely to include UK suppliers and manufacturers. Even where supplies are likely to only be available from outside the UK (e.g. granite paving) these will be procured through UK suppliers so that there are wider benefits within the UK; and
- Environment/sustainability: Partners will ensure that sustainability is included as an important contract KPI. WCC aims to maximise the percentage of existing materials are recycled and not sent to land fill. It will use the Oxford Street District as an exemplar project for best practice for future public realm and highways schemes.

## 5 Financial Case

### 5.1 Capital costs

As detailed in the business case there are three phases. Option 3 covers phases 1&2, option 4 covers all phases (option 1 & 2 have now been discounted)

- Phase 1 involves immediate maintenance and safety related works
- Phase 2 involves the delivery of the proposed changes to Oxford Street, plus any related enabling works that will need to take place across the district streets
- Phase 3 involves the work on the wider Oxford Street District to deliver the full strategy.

The estimated costs are demonstrated in the table below:

**Table 5.1 – Programme costs**

Area	£m Phase 1	£m Phase 2	£m Phase 3	£m Total
Construction	3.0	75.6	43.9	<b>122.5</b>
Utilities Costs	-	11.3	6.6	<b>17.9</b>
Professional Design and Survey Costs	-	11.3	6.6	<b>17.9</b>
Client, Management Costs	-	6.7	3.4	<b>10.1</b>
Indexation	-	10.9	2.7	<b>13.6</b>
Risk & Contingency	-	34.2	19.1	<b>53.3</b>
<b>TOTAL</b>	<b>3.0</b>	<b>150.0</b>	<b>82.3</b>	<b>235.3</b>

The outline cost estimate shows an indicative total project cost of £235.3 million to complete implementation of all elements of the programme on presently available information and assumptions (outlined below). Of which option 2 costs £150m (plus an additional £3m for the immediate maintenance and safety related works).

### 5.2 Assumptions

FM Conway and WSP have undertaken an outline costing for the Oxford Street District. Alongside this, an indicative implementation phasing plan has been developed based on location, priority and scale of works to produce an estimated spend profile for the works. Cost estimates are currently at a high level, these will continue to be refined as the design phases progress.

#### **District wide projects**

Outline cost estimates for district-wide projects beyond Oxford Street itself have been developed using existing areas of footway and carriageway area combined with the proposed level of intervention indicated by the Place Strategy and subsequent workshops. The areas covered by the projects noted in the Delivery Plan have been used to calculate the potential costs to deliver these projects.

As the projects are at an early stage of design, an indicative costing scale has been applied. These provide a rate per m<sup>2</sup> of footway for high, medium and low levels of intervention:

- High (Significant or Major public realm project) = £900/m<sup>2</sup> – For example, new pedestrian spaces or key walking routes, including new trees and / or street furniture. Allows for granite paving and kerbs, bespoke lighting, significant tree and street furniture intervention.
- Medium (Streetscape enhancement) = £700/m<sup>2</sup> – For example, a mixture of granite or Yorkstone paving and kerbs, bespoke lighting, some tree and street furniture intervention
- Low (Minor alterations) = £500/m<sup>2</sup> – For example, Yorkstone paving and kerbs, bespoke lighting.
- Do minimum / traffic operation change = £225/m<sup>2</sup> – Low intervention – for example minor interventions to facilitate traffic operation changes

Additionally, carriageway resurfacing of non-Oxford Street projects has been included at a rate of £75/m<sup>2</sup>. The exact scope of each project will be defined with stakeholders over the coming months.

#### **Northern and southern alignments**

In line with the latest concept proposals, the northern and southern cycle alignments have been costed using the same approach as for the district streets, assuming a 'do minimum / traffic operation change' level of intervention to footways plus carriageway resurfacing.

#### **Other assumptions**

<b>Category</b>	<b>Assumption</b>
<b>Utilities</b>	An allowance of 15% on the construction costs has been included in the costing estimate for utilities. This is commensurate with allowances that WCC make in their estimates at this stage of project development.
<b>Professional design and survey costs</b>	An allowance of 15% on the construction costs has been included for professional fees, surveys and other costs associated with the development and implementation of a design. This is commensurate with allowances made by WSP in previous business case exercises and allowances that TfL make in their estimates.
<b>WCC staff and professional costs</b>	Allowance for Westminster City Council staff and professional costs is included at £10.1m based on the total estimated design and construction value. Also included in this amount for phase 2 is the approved funding for development of the Place Strategy.
<b>Indexation</b>	The base date of the Oxford Street District Project Estimate is FY 18/19, with an 8.2% indexation added to construction, utilities and design costs (reflecting the 2014 start date for Westminster's existing Highways Services Contract). Future inflation is applied at an estimated 2% for each subsequent financial year. Indexations applied on a projected spend

	forecast which will require review as the scheme develops further and both costs and phasing are revisited.
<b>Risk and contingency</b>	A Quantitative Cost Risk Assessment (QCRA) has yet to be carried out. An assumed allowance of 10% risk and 20% contingency of the combined construction, utilities, design, and surveys and indexation has been included. This is commensurate with allowances made by WSP in previous business case exercises and allowances WCC make in their estimates when a scheme is at this stage of design and business case development.

### 5.3 Phasing Overview

To complement the cost estimation, the identified works associated with the Oxford Street District scheme have been reviewed to develop an indicative construction phasing profile, developed based on a series of assumptions plus input from WCC and project partners.

A phasing workshop with input from WCC, Publica, NRP, WSP and FMC representatives provided the basis for the construction sequencing completed, by assigning a delivery phase to each individual project based on traffic management, stakeholder, adjacent scheme dependency and TfL approval requirements. Each project has been included as part of Phase 2 or 3 reflecting the existing Phase 1 works safety and maintenance works already underway.

Several assumptions, detailed below, were made to inform the development of this draft programme.

- Enabling works – No allowance has been made for delays by any of these activities. This does not include projects within the scope considered enabling works themselves for other parts of the scheme.
- Feasibility Design of the OSD scheme has started, with Initial Design to commence from Spring 2019;
- Projects have been scheduled as per agreements and discussions made following various phasing workshops including input from WCC and other project partners. The phasing assignment is driven by a combination of traffic management delivery priorities as assessed by NRP, priority assessed as part of the Place Strategy, also considering key WCC or stakeholder priority projects as noted during the delivery review. Individual projects have subsequently been assigned to prospective phases based on a combination of safety, traffic and pedestrian comfort levels;
- Construction works are assumed to commence in Autumn/Winter 2019;
- Construction works are assumed to occur on weekdays only (i.e. no night or weekend works);
- Works would be suspended during Westminster City Council's Christmas moratorium period (which has been assumed as a 4-week period from early / mid-December until early January each year)
- No allowance is presently made for design, contracting or street access capacity although it is recognised this may provide constraints on schedule and will require review as the programme advances.

A series of working arrangements and phasing assumptions have been developed with input from FM Conway as part of the Oxford Street Transformation scheme have been reviewed and applied to this phasing exercise:

- It is assumed that up to 18 compounds of two workers will be mobilised at any time. In order to minimise disruption on Oxford Street, a maximum of 5 compounds have been assigned to operate on Oxford Street (in its' entirety) at any given time.
- Multiple compounds have been assigned to one project where required to assist with the completion of early phase projects. This has only been applied for projects of sufficient size where multiple compounds could work without major traffic management implications. Given the size and scale of the cycle projects, three compounds have been assigned to complete the north and south alignments successively.
- Compounds will be approximately 40 – 50 metres in length (although it may vary from these lengths where it was deemed necessary, e.g. for safety, access or other requirements).
- Footway works can be carried out at a rate of 15 m<sup>2</sup>/day by each compound. This will include paving / kerb works, lighting and street furniture installation. This provided a basis for calculation of footway construction durations for each project.
- No allowance is presently made for HVM measures on Oxford Street or across the wider district, pending confirmation of the scope for these works.
- Carriageway resurfacing works can be carried out at a rate of 300 m<sup>2</sup>/day by each compound, although it is noted that final scheduling of resurfacing works is likely to be coordinated across several adjacent compounds to minimise disruption and delay to completion of individual projects. This provided a basis for calculation of carriageway construction durations for each project.
- At a high level, compound schedules were reviewed to avoid multiple construction compounds operating adjacent to each other, in order to avoid undue impacts on local neighbourhoods.
- A contingency of 20% has been added to each construction phase in allowance for potential delays.

## 5.4 Capital Funding

The Council has capital funding of £150m as approved by full Council on 6 March 2019 as part of the Capital Strategy Report. This has also been approved at project level by Cabinet on 25<sup>th</sup> February 2019 subject to the approval of a business case. This is sufficient to fund option 3 of the business case. The expected profiling of costs against the budget is demonstrated in the table below:

**Table 5.2: Phasing and funding overview**

Year £m	2018/19	2019/20	2020/21	2021/22	TOTAL*
Capital budget as per Capital Programme	2.5	27.5	80	40	<b>150</b>
Estimated Capital Cost	2.1	27.9	80	40	<b>150</b>
<b>Net Surplus/(Deficit)</b>	<b>0.4</b>	<b>-0.4</b>	<b>-</b>	<b>-</b>	<b>0</b>

*\*There is also a £3m budget in 2019/20 for Safety and Maintenance related issues on Oxford Street (Phase 1). This is not included in the above.*

To note of the £150m, £15m will be funded from the infrastructure reserve, with the remaining being funded from General Fund resources.

As demonstrated below the Council there is a funding gap in order to deliver the full strategy.

**Table 5.3: Funding of Option 4 (delivery of full strategy)**

	£m
<b>Total project cost</b>	<b>232.3</b>
Less approved capital programme allocation	-150
<b>Net funding required from external parties</b>	<b>82.3</b>

This gives a funding shortfall of c.£82m for the project. This funding shortfall is expected to be funded from the private sector. There have been initial discussions with a number of stakeholders.

**Note the Council's allocation of funding against phase 2 is indicative. It is expected that elements of this will be funded from external funders which will free up more council resources to fund phase 3. The Council's investment is a kick start for sustained investment in the district.**

Ongoing maintenance costs will be funded out of the annual Planned Preventative Maintenance capital budget. The call on this budget will be less than Option 1 'do nothing' scenario however design of the street is important to ensure that the call on the Council's capital budgets are minimised.

## 5.5 Sources of Funding

The council's ambition is unambiguously to deliver option 4 which delivers the full Place Shaping Strategy. It is well understood that residents and businesses feel that improving just Oxford Street is not enough.

The Council's capital expenditure £150m will be initially directed to fund option 3 of the business case, which focuses on the major changes to Oxford Street itself and the required enabling works in the surrounding district that will support the world class improvements along its entire length. This commitment provides that assurance to potential funders that real change will be taking place and will act as a catalyst to generate significant additional investment from the private sector. But in order to generate the additional funding required to do all the planned district wide work, it is necessary to begin by focusing the council's funds where it will have the most impact, which initially means the length of Oxford Street and its immediate environs.

However, the council is confident that this clear commitment would draw in new and additional private funding that will allow the council to quickly refresh and update its programme as to where it plans to spend its money. For example, private investment that comes forward for

certain locations on Oxford Street, that supports the delivery of the strategy, will mean that the portion of the council's £150m that was to have been spent there can be swiftly redirected and reapportioned elsewhere across the district.

It is also important to note that works proposed for phase two and three could also run in parallel, dependent upon the additional partner funding that is raised so that improvements can start to be felt district wide. The council's programme will also integrate with other public realm projects and work undertaken by third parties in the district. The project team are liaising with these delivery partners and will ensure the high level of coordination continues during all phases of the delivery of the strategy. As a result, there will be an ongoing and transparent review of the funding profiling of projects and the proposed delivery timetables to ensure that the most effective and efficient use is being made of all the funds, private and public, that come on stream through the lifetime of the project.

As indicated in the economic case there may be some increase in rateable area and the investment is likely to result in more intense use of the existing space and increases in land values leading to business rates revaluation growth which the Council could financial benefit from but it is difficult to quantify the benefit at this stage because of the expected reform of business rates retention.

It is acknowledged that there are challenges with attracting external funding:

- Funding is required for both capital and revenue elements
- The current economic climate linked to uncertainty around Brexit as well as challenges for High Streets across the country as consumers are increasingly choosing online avenues
- There is fragmented ownership across the Oxford Street District and particularly across Oxford Street itself
- High business rates in the area and BID levies resulting in businesses perceiving investment should be funded via these income streams. Business may conclude that investment will happen with or without their contribution

To address these, a comprehensive funding strategy is in development and this will set out an approach that will form the basis of a detailed and integrated implementation plan. There are three key elements proposed to provide additional capital and revenue funds to deliver the strategy and ensure the district is well managed and maintained:

- i. Seek partner contributions through a targeted programme of engagement about funding for specific schemes and locations as well as ongoing management costs.
- ii. Lobby for financial freedoms to generate additional resources for the City Council
- iii. Horizon scan for new funding opportunities from public and private sector

## 5.6 Revenue costs

The revenue costs in relation to the investment are c£9m per annum. This consists of MRP and interest costs. MRP is based on 30 year useful economic life (UEL). This is thought to be an accurate estimate of the UEL because there will be a strong focus on ensuring longevity during the design

process, this is also consistent with MHCLG appraisal guidance and reflects the likely asset life of the infrastructure given the significant investment. This is fully budgeted for as part of the capital programme. This expenditure represents c.6% of the Council total capital programme.

Throughout the consultation process there has been clear feedback that more resources are required for the Oxford Street District given the challenges, which will be exacerbated by the opening on the Elizabeth Line. Indicative assessments have an estimated an additional cost of £3.4m per annum which covers increased service delivery of highways cleaning and maintenance; park security and maintenance; management and upkeep of public realm such as planters; HVM asset management; improved rough sleeping service; and enhanced multi-skilled team to include city inspector, enforcement and engagement elements.

However, the Council has fully committed its revenue funding to the area and therefore additional resources and funding are needed. This will require input and collaborative working with private sector partners as well as the active engagement of those who live, work and visit the area.

## 5.7 Financial Risks and Responsibilities

A risk register has been produced for the Oxford Street District project, identifying the key risks and providing an assessment of probability and impact against each risk (see section 6.6). Consideration has also been given to appropriate mitigating actions.

As part of the Oxford Street District Place Strategy and Delivery Plan a number of projects are referenced. As outlined above the delivery of the strategy will exceed the Council's £150m budget allocation and therefore funding will need to be secured from external parties. In addition, revenue funding is required to deliver high quality management of the district. An inability to secure funding will mean that the Oxford Street District will continue to face challenges and lose ground against its competitors.

The projects are at varying stages of development with some at an early concept stage, an understanding of how and when these will be delivered, and the cost associated with these will be an iterative process. Key risks around cost increases include:

- Shallow services are regularly encountered throughout Westminster and Central London. These may impact on installing gullies and foundations to lighting columns, greening, posts, gullies, bollards requiring redesign or further utility works
- The outcome of Brexit negotiations may result in a reduced pool and availability of resource/labour to deliver the works and an adverse impact on being able to import materials resulting in cost increases
- Contractor unable to fully resource the design, management and construction in order to meet the Completion Date resulting in cost increases and a delay in the benefits
- Additional costs linked to proposed design changes as stakeholder engagement and traffic modelling are further developed

As this is a Design and Build contract once the contractor is procured they will work alongside the project team to fully work these up. Providing a clear scope on a project by project basis will

prevent cost increases and ensure value for money however, contingency and risk of 30% has been allocated to cover unexpected costs.

In addition, a key risk for the project is resourcing for all stages of the project including modelling, design and construction. A team structure has been developed and recruitment will progress once approval for further funding drawdown, as part of this report, has been approved.

The Council will be the accountable body and as such, it will have responsibility, among other things, for:

- Financial risk assessment and management;
- Financial management and controls;
- Negotiation of all funding sources and associated funding agreements/contracts;
- Monitoring and reporting to various relevant parties, and
- Project appraisal.

## 6 Management Case

### 6.1 Governance and Organisational Structure

#### 6.1.1 Programme Governance

Central to the delivery of the Place Strategy and Delivery Plan is robust programme governance. Outlined below is the current programme governance and some proposed changes that will ensure the programme continues to receive support at a senior level and the momentum required to deliver as planned.

Table 6.1: Existing governance	
Group / Board	Role and level of engagement
Project Board	<p>Weekly project board meetings which are chaired by the Chief Executive and attended by senior responsible officers including the Executive Directors for Growth Planning and Housing and City Management and Communities. The project board:</p> <ul style="list-style-type: none"> <li>• Monitor and approve any changes to the project programme and reports;</li> <li>• Exercise financial authority to support the project;</li> <li>• Review risks, issues and exceptions and determine appropriate course of action based on recommendations from the Project Working Group;</li> <li>• Manage and co-ordinate private sector funding mechanisms;</li> <li>• Review, comment and approve the project business case and economic case for investment;</li> <li>• Regular monitoring of the project budget;</li> <li>• Maintain overview of the communication strategy.</li> </ul>
Cabinet Members Steering Group	<p>Monthly steering group meetings which are chaired by the Cabinet Member for Place Shaping &amp; Planning and attended by the Cabinet Member for Environment and City Management and the Cabinet Member for Economic Development, Education and Skills. The Steering Group:</p> <ul style="list-style-type: none"> <li>• Provide strategic direction for the project including the agreed aspirations and outcomes;</li> <li>• Agree the programme for the project and any significant changes to key milestones;</li> <li>• Make decisions on proposals and agree the strategy for their implementation;</li> <li>• Approve the public realm strategy for the district;</li> <li>• Agree the funding model for the delivery of the project;</li> </ul>

Table 6.1: Existing governance	
Group / Board	Role and level of engagement
	<ul style="list-style-type: none"> <li>Resolve issues that the Project Board were unable to reach consensus on;</li> <li>Approval of communications strategy and key messaging relating to the project;</li> <li>Provide direction on possible impact this project may have on other major projects;</li> <li>Align the strategic plans and processes of their respective departments for the achievement of agreed project outcomes;</li> <li>Provide authorisation to spend against budget (formalised via a Cabinet Member report).</li> </ul>
Ward Members	<ul style="list-style-type: none"> <li>Bi-monthly updates to the ward members of the affected wards;</li> <li>Engagement with ward members will continue during the design process.</li> </ul>
Residents, Neighbourhood Forums and Amenity Societies	<ul style="list-style-type: none"> <li>Regular engagement with stakeholders. Further engagement will be undertaken with stakeholders during the design process to ensure their views are taken on board.</li> </ul>
Stakeholders including BIDs, business representatives and landowners	<ul style="list-style-type: none"> <li>Regular engagement with stakeholders. Further engagement will be undertaken with stakeholders during the design process to ensure their views are taken on board.</li> </ul>

### 6.1.2 Governance Arrangements and Post Business Case Approval

The Oxford Street District programme will continue to have a project board with representation at the most senior officer level in the Council. The Cabinet Member Steering Group will continue to provide strategic advice to the project board and the project working group.

The positive engagement with key stakeholders including residents, land owners, BIDs and the business community will continue and they will be encouraged to contribute to the design process via working groups that will be setup and will be focused on the projects within zones or groupings of zones that are relevant to them. These zonal working groups would be encouraged to input into the development of the design process. At the early stage of developing these zonal working groups we would need to define the following:

- Role of Cabinet Members in the working groups
- Role of Ward Members in the working groups
- Area covered (zones)
- Funders, stakeholders role / involvement
- Communication during the design and delivery of the projects
- Identify lead officer role and necessary support

Engagement with local stakeholders will take place throughout the design and delivery of the projects.

Equalities implications have been considered and each phase of the project will have an Equalities Impact Assessment carried out as part of the design process.

### 6.1.3 Reporting and Approvals

The Oxford Street District project will provide six monthly updates to Members on the progress of the delivery of the project. Progress updates by group are outlined in Table 6.2.

Table 6.2: Progress updates		
Group / Board	Frequency of reporting	Topics
Members	Every six months	Progress to date Updated programme of activity Key risks
Cabinet Member Steering Group	Monthly	Progress to date Updated programme of activity Key risks
Project Board	Fortnightly	Progress to date Updated programme of activity Key risks
Ward Members	Quarterly	Progress to date Updated programme of activity Key risks

### 6.1.4 Programme Resourcing

A programme of this scale and ambition requires a dedicated team of resources across directorates to manage the programme of activity and ensure successful delivery of the many projects outlined in the strategy, an allowance has been included within the programme costs. There will be a combination of senior and experienced individuals performing the client side role supported by consultancy input as required which will support the multi-disciplinary nature of the programme. It will be led by a dedicated Programme Director experienced in world class projects.

## 6.2 Project Management Approach

WCC are confident in their ability to procure and manage the Oxford Street District programme and have significant direct experience of managing similar large scale projects. The Council has successfully procured and managed other major capital works programmes and its most experienced officers form part of the core Oxford Street District team. The project will require input from a range of disciplines including traffic management, public realm, place management, finance and communication and engagement for an overview of key work streams.

The OSD Project Sponsor is ultimately responsible for the delivery of the project including its financial management. A Strategic Finance Lead and a Budget Managers provide the day-to-day financial management and support for the project. These roles report into the WCC's City Treasurer and the Project Sponsor. The Head of Programme provides an update to the Project and Strategic Boards by way of a monthly financial dashboard which details expenditure and funding against programme. It also details any slippage or overspend based on the forecasted profile for the project.

### 6.3 Programme Plan

The proposed timetable for the delivery of the Place Strategy and Delivery Plan is outlined below. Note that dates are indicative and are subject to change. The timetable is also subject to approval by Cabinet of this report and the upcoming business case in April.

Please note: there a number of dependencies outlined in the proposed programme such as those related to modelling audit by TfL.

Table 6.3: Indicative programme	
Project stage	Dates
Cabinet presented with the results of the consultation and updated Place Strategy and Delivery Plan	25th February 2019
Cabinet business case - £150m investment	8th April 2019
Design development	April 2019 onwards
Stakeholder engagement	April 2019 onwards
Traffic modelling completion	June 2019
Traffic model audit by TfL	July 2019
Traffic Management consultation to commence	September 2019
Phase 2 delivery to commence	Autumn 2019

### 6.4 Communication and Stakeholder Management

There are no direct public consultation implications arising from this report but consultations with internal and external stakeholders concerning scheme designs for the Place Strategy projects within the scope of the final contract will be significant.

A broad range of communication activities have been and will continue to be used to raise awareness of the Place Strategy and the related delivery including:

- Media coverage in the national, regional, trade and local media;
- Direct posted mail to households in the four wards affected by the proposals: Bryanston and Dorset Square; Hyde Park; Marylebone High Street, and West End;
- Regular social media activity and posting across all WCC channels;

- Working with local and community organisations to promote the project through their channels and newsletters;
- A dedicated website which will be kept up to date with the latest information to help keep stakeholders up to date ([www.osd.london](http://www.osd.london));
- Information about the project will be included in council publications, such as the My Westminster newsletter; and
- Regular e-newsletter updates.

A dedicated Stakeholder Engagement Manager and a team of Public Liaison Officers will be employed on the project to engage with residents, businesses, visitors and other interested parties throughout the period of works.

## 6.5 District Management

There are ongoing revenue costs for the management of the district. There are improvements currently in progress for the management of the district linked to the expected significant increase in pedestrian volumes once the Elizabeth Line opens. These include:

**New Multi-Agency District Team:** Since January 2019, the district has had a new dedicated team of Council City Inspectors, NWECC security services and Rough Sleeping Outreach support. Along with a new partnership governance structure, this team provides a proactive and co-ordinated response to management issues that arise in the area. Discussions are also ongoing with the Police to secure support to this team within the new West End BCU model. The team will liaise with partners such as contractors, local residents, businesses and property owners as well as other internal teams within their respective organisations. Monitoring of the effectiveness of this will be reported to the Council in due course.

**Improved Highways Maintenance:** The Council have increased the frequency of planned repairs and maintenance to the footways and highways within the district to ensure a more timely response to defective and damaged pavements and roads. Planned street closures have been increased from 6 at present to 18 per year. The Council have also co-ordinated the schedules of utility companies to better align their repair and upgrading works, to reduce the number of times the highway is dug up and disrupted, and where these works need to be carried out the areas will be replaced with the same standard of materials.

**Emerging Street Entertainment Policy:** Oxford Street will be a pilot area for the Council's emerging street entertainment policy. This policy is currently being developed with stakeholders and aims to ensure that street entertainment will be appropriate in terms of quality and management for this world class district. It should continue to bring culture and vibrancy to the district whilst minimising the risk to pedestrians caused by crowds on the already crowded street, and adverse impact of noise on businesses and residents.

**Improved Street Cleaning:** From April 2019 both NWECC and the Council have committed to increase the number of cleansing vehicles deployed to the street each day as well as increase the number of times the district is deep cleansed.

There has been substantial feedback that the ongoing management of the district to the desired standard is of high priority for stakeholders. It is vital that there is world class management to reflect the transformation of the district and to best exploit sustained investment in the area.

The Council is committed to maximising the use of existing resources, utilising technology and influencing the public realm design to ensure efficient maintenance. The key areas of focus will be:

- **Intelligence and insight** – There is a plethora of data collected within the Oxford Street District area from air quality to pedestrian counts however the active use of this data is limited. The aspiration is that this data is brought together and shared with all key partners to enable predictions of hot spots of activity and therefore allowing resources to be flexed in line with demand.
- **Improving safety and security** – It is important that resources utilised across the district have a multi-disciplinary focus which includes engagement, compliance, enforcement, ambassadorial as well as enforcement. To note there will need to be different regime of management during the transition period as this will bring with it unique challenges during the delivery phases.
- **Improving the environment** - There is a key role of design in ensuring that the area remains clean and provides a pleasant experience for all visitors. For example, materials will be utilised that reduces maintenance and management requirements.
- **Engagement** - Cultivating a sense of shared-ownership will be an important part of sustaining improvements to the district and can form a cost-effective, lower maintenance management approach to the upkeep of public spaces. The ambition is to encourage proactive engagement through fostering a sense of joint ownership and pride of place, rather than necessarily through compliance and enforcement. This will be nurtured by adding to the identify of the area through design and branding, helping to create a distinct personality and generate a strong relationship between people and place.
- **Animation and activation** – To utilise the space to the best affect it is important that the space is animated and activated for key events. There needs to be a dynamic and flexible use of the space to attract visitors and tourists and therefore positively encouraging investment into the area.

This is not totally within the Council's control. No single agency can achieve the aspirations and therefore it is important that there is a partnership approach to district management with key stakeholders such as the Metropolitan Police, major land owners, the New West End Company Businesses Improvement District, and businesses. Some of the challenges experienced in the area are outside of the Council's control and therefore there will be an ongoing need to lobby central government to address the root causes. Also, there is the funding element that remains a challenge.

## 6.6 Risk Management Strategy

A comprehensive approach to risk management has been adopted by the Oxford Street District project. An individual risk register has been developed in line with best practice. Progress is tracked regularly with the top risks reported to the Project Board. High level strategic risks are report to the Strategic Board. The risk register has been developed through a series of risk workshops with all key partners and continues to be updated on a regular basis.

Key risks include:

Risk Category	Risk	Mitigation Actions
Procurement	Procurement work stream delivery timeline - new contractor in place by Autumn 2019	Close liaison and adequate resources across departments to ensure this work stream progresses according to the proposed programme.
External approval	Crossrail delays impact on the place strategy	Officers in regular contact / engagement with Crossrail delivery team and are being updated on progress.
Design	Workstreams such as freight/services and street trading do not progress and the inhibits delivery of the Strategy	Project team to evaluate the need for an area study Resources proposed to help deliver this workstream Close liaison between the project team and relevant departments
Utilities (water, electricity, gas, BT, comms)	Shallow services are regularly encountered throughout Westminster and Central London. These may impact on installing gullies and foundations to lighting columns, greening, posts, gullies, bollards requiring redesign or further utility works	Coordination of design development with utility companies. Contractor to coordinate for the stages they are commissioned to deliver for each work package.
Utilities (water, electricity, gas, BT, comms)	Existing services are found to be damaged during the works - requiring protection, reconstruction or other works. Costs for protection and diversion of existing services will not be known until the relevant quotations are obtained.	Contingency and risk allocations included in the budget to cover unexpected costs
Other Works	Progression of works may be impacted by applications from third parties to carry out works	All works applications in the Oxford Street District to be considered by the Council for the potential impact on the project
Other Works	Works may be hindered by existing scaffolding, diversions, suspensions, closures, access requirements	Close engagement with neighbouring schemes Include as much information as possible in the contract documents
Other Works	Impact on neighbouring schemes on proposed works	Close engagement with neighbouring schemes Include as much information as possible in the contract documents

Management	Lack of funding for the management plan which will impact the long term operation of the strategy	Working group already setup which includes representation from across WCC departments. Revenue element to form part of the funding strategy
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*See section 5.7 for further information on key financial risks*

## 6.7 Monitoring and Evaluation

Westminster City Council is committed to the ongoing monitoring of the impacts of schemes that it introduces to ensure that benefits are realised, impacts are identified and any unforeseen effects are understood. In the case of the Oxford Street District, monitoring will include the survey of traffic flows on potentially affected streets before and after scheme implementation, continuous monitoring of air quality across the district, ongoing assessment of road user collision records, kerbside occupancy (parking and loading), traffic regulation infringements and specific issues and complaints from the public.

The programme of monitoring for the Oxford Street District will dovetail with existing monitoring strategies for the Baker Street Two-Way and Tottenham Court Road Two-Way schemes, meaning that there will be the opportunity to measure and understand the combined effects of all schemes and develop measures for mitigation should they be required.

Westminster City Council will monitor any changes in traffic in the Oxford Street District. The scheme will be designed with the aim of minimising traffic displacement into residential streets, however if it is shown that this objective has not been achieved at a particular location then the Council will commit to work with local groups to devise and implement appropriate measures to mitigate any Impacts. This could include measures that would restrict or calm traffic movement, alterations to the scheme where elements of it are shown not to be working as desired, or other measures that would provide benefits that are desired by the local community.

Broader measures to reduce traffic on a district wide and or city-wide level including, but not limited to, better management and consolidation of freight will also be explored by the Council as part of its overall role as the highway authority.

## Appendix A: Selection of relevant policies and strategic

### Westminster City Plan, 2016

The City Plan sets out its approach to the West End in Policy S7: West End Special Retail Policy Area (WESRPA). This states that the unique status and offer of the WESRPA as a global shopping destination should be maintained and enhanced through:

- Improved retail space.
- Appropriate retail growth throughout the WESRPA, including provision of A1 retail along the Primary Shopping Frontages at least at basement, ground and first floor levels.
- Improved pedestrian environment to manage the significant pedestrian flows and address the adverse impacts of pedestrian congestion.
- Improved public transport provision and access to it, including Elizabeth Line stations at Tottenham Court Road and Bond Street.
- Development of oasis areas of rest, including seating areas, and café and restaurant uses where appropriate to support the main retail areas.
- Improved linkages to and from surrounding retail areas and visitor attractions
- Provision of appropriate service uses where they complement the shopping environment.

Similarly, Policy S5 concerning the Tottenham Court Road Opportunity Area requests A1 retail use at basement to first floor level for all frontages onto Oxford Street within the opportunity area, due to its role as the eastern gateway to the Oxford Street district.

The Oxford Street district falls into two Stress Areas, West End and Edgware Road, identified in the City Plan as areas where a saturation of night time entertainment uses limits new uses.

### Conservation Areas

The Oxford Street District is across several different conservation areas, designated by Westminster City Council on the basis of 'special architectural and historic interest.' Additional planning permissions apply in these areas in order to protect their unique characters. These are:

- Portman Estate
- Stratford Place
- Mayfair
- Harley Street
- Regent Street
- East Marylebone
- Soho

- Hanway Street

### **Westminster Way, Supplementary Planning Document (SPD), 2011**

The Westminster Way is a public realm manual created to provide advice and direction on the design and maintenance of Westminster's public realm. It contains the Westminster Code, which is a set of ten principles, established to guide intervention in the city's public realm. "The Westminster Way aims to build on established best practice advocating a generally minimalist, but co-ordinated and holistic approach that considers whole life costing and sustainability in design, implementation and management of the public realm together with priority for the pedestrian and a truly inclusive public realm. It advocates that all parties within the council and partners need to 'join-up-the-thinking'".

### **Walking Strategy, 2017**

Westminster City Council's latest Walking Strategy seeks to provide 'an opportunity to enhance Westminster's excellent quality of life and its historic environment.' It advocates environmental improvements that 'make walking easier and more attractive, which can improve air quality and thus the health and lives of residents, workers and visitors and the local economy.' The strategy states Westminster City Council's target to 'increase the number of walking trips by residents from 84% to 92% of all potentially walkable trips'. The objectives of the strategy are stated as:

- Provide capacity to support current walking demand and accommodate future growth.
- Improve the quality of the walking environment and the public realm to make walking more comfortable.
- Make walking more intuitive by increasing legibility and permeability of walking routes.
- Ensure walking is a safe option for everyone.
- Make the pedestrian environment more accessible for everyone.
- Encourage behaviour change to realise the potential of walking.

### **Trees and the Public Realm, SPD, 2011**

This document provides guidance for appropriate tree planting throughout Westminster. Most of the Oxford Street district is categorised as an 'area for caution', where new street trees could detract from the historic character of the area, although may be considered in some circumstances as part of the evolving landscape. District streets off Oxford Street, however, might provide opportunities for tree planting, and other opportunities for greening should be considered.

### **Rough Sleeping Strategy, 2017 – 2022**

Westminster City Council's Rough Sleeping Strategy outlines the measures that the council will take, in partnership with others, to deliver their ambition of significantly reducing rough sleeping and the harm it brings to individuals and communities in Westminster.

### **Marylebone Low Emission Neighbourhood**

Marylebone's Low Emission Neighbourhood (LEN) was established in July 2016, and is a scheme aimed at improving air quality and promoting sustainable living in the area. Funded by the Mayor of London's Air Quality Fund and led by a partnership formed of Westminster City Council and local stakeholders, it serves as a test site for green innovations and parking-related initiatives. Projects underway address:

- Cleaning the air through planting
- Air quality for schools
- Anti-idling in Marylebone
- Green freight and delivery
- Smart deliveries

### **Soho Public Realm Study**

In 2014 Westminster City Council, in conjunction with TfL and the London Borough of Camden, commissioned a study of streets and spaces in Soho. The resulting Soho Public Realm Study examines the conditions in the neighbourhood and suggests recommendations and ideas for the improvement of pedestrian movement and cycling provision in Soho's streets and alleyways. The document sets out principles and makes recommendations for the area as a whole.

### **City of Westminster Cycling Strategy 2014 – 2026**

The Cycling Strategy sets out a plan for how Westminster intends to support the delivery of the Mayor's 2013 Vision for Cycling at a local level, to increase the level of cycling, and see it 'normalised' by encouraging a broader cross section of people to take up cycling. The strategy highlights opportunities and challenges associated with the increase in cycling, and how growth will be encouraged through a wide range of schemes and initiatives. Over the next 10 years, the Mayor's vision will be delivered using an estimated budget of £913m, a portion of which will be made available to boroughs working to support the delivery. Four high-level objectives have been set out by Westminster City Council:

- Creating safer and more legible routes, with actions including the implementation of a Central London Cycling Grid, and working in partnership with the Royal Parks to improve access points in parks from the highway.
- Improving road user interaction, education and enforcement, with actions including free cycle training, and safety training aimed at HGV and LGV drivers.
- Facilitating bicycle ownership / access and parking, with actions including trialling a bike loan scheme, and installing secure bicycle parking.
- Raising awareness and participation in cycling, with actions including the launch of a cycling-incentive scheme, and encouraging schools to develop active travel plans.

### **Health and Wellbeing Strategy for Westminster 2017 – 2022**

The strategy sets out how people, public services, businesses, and voluntary and community groups in Westminster will all play a part in creating a city in which everyone has access to opportunities to be healthy, stay well, and live well, supported by a collaborative and cohesive health and care system.

Westminster experiences unique challenges due to its central location and its position as a hub for business, culture, and tourism. The borough also has an ageing population and a high prevalence of childhood obesity.

The key priorities are:

- Support for children, young people and their families to live healthier lives.
- Helping people to prevent the onset of long-term health conditions such as dementia and heart disease.
- Improving mental health services through prevention and self-management.
- Improving the way we work to offer better health and social care.

### **Greener City Action Plan**

The Greener City Action Plan is designed to ensure that all of Westminster's services and policies work together to create a more sustainable and liveable city, while adapting to the challenges of a changing climate and increased population.

The 11 policy priorities for the ten-year strategy are:

- Addressing noise pollution across the city
- Making better use of the city's waste resources
- Delivering affordable, secure and low-carbon energy supplies
- Improving local air quality
- Supporting a sustainable transport system for Westminster
- Making the best use of open and green spaces
- Ensuring that sustainability is delivered through economic development
- Supporting a sustainable growth
- Managing water use
- Addressing flood risk
- Communicating and encouraging people into environmental action

### **Draft New London Plan, 2017**

The Draft New London Plan sets out the economic, environmental, transport and social framework for the strategic and sustainable development of London over the next 20 – 25 years.

It was released for public consultation from December 2017 to March 2018 and a final version is expected to be published in winter 2019/2020. Relevant draft policies include:

- Policy T2 states new development should adhere to the Healthy Streets principles as set out in Healthy Streets for London (2017).
- Policy SD4 The Central Activities Zone (CAZ) states that 'the vitality and viability of the international shopping and leisure destinations of the West End and Knightsbridge together with other CAZ retail clusters should be supported', and also 'The attractiveness of the CAZ to residents, visitors and businesses should be enhanced through public realm improvements and the reduction of traffic dominance'.
- Policy D1 states that Development Plans, area-based strategies and development proposals should address the form and layout of a place (for example using land efficiently; facilitating an inclusive environment; having clearly defined public and private environments; provision of active frontages and reciprocal relationships between the buildings and public realm; and facilitate active travel) and the development design should respond to local context, be of high quality and sustainable, respect heritage assets, provide urban greening, and achieve comfortable and inviting environments, inside and outside buildings.
- Policy D3 states that development proposals are required to achieve the highest standards of accessible and inclusive design.
- Policy D7 specifies how the public realm should be designed, for example: safe, accessible, attractive, easy to understand; relating to the historic context; ensuring it encourages active travel; being based on an understanding of the role of the public realm in an area; balancing ease of movement with the creation of a place; ensuring a mutually supporting relationship between the space, surrounding buildings and uses; ensuring buildings activate and define the public realm; good management and maintenance arrangements; incorporation of green infrastructure; creation of shade and shelter; an engaging public realm for people of all ages; non-continuous / non-dominant on-street parking; free drinking water.

#### **Central Activities Zone (CAZ), Supplementary Planning Guidance (SPG), 2017**

This SPG sets out specific policy guidance for the CAZ, within which the Oxford Street District sits. It builds on the policies in the London Plan, adding detail on how to support and enhance the special nature of this area, by:

- Protecting London's vibrant commercial heartland and ensuring it can remain a key driver of the UK economy for decades to come.
- Striking an appropriate balance between office and new residential development including the removal of office to residential permitted development rights when the current exemption expires in May 2019.
- Managing the attractions of the area as a global destination for culture, entertainment, shopping and tourism.
- Outlining the potential for additional housing capacity in central London without compromising the business, culture and other key functions of the zone. This could be done

by building new homes in specific parts of central London, including the Opportunity Areas and by renewing existing housing.

- Promoting movement by walking and cycling and encouraging investment in existing and new transport infrastructure to support development.
- Recognising the value of central London's unique heritage and supporting a quality of environment that befits the core of a world city.

#### **Accessible London: Achieving an Inclusive Environment, 2014**

This SPG includes guidance on the London Plan policies creating and promoting an accessible and inclusive environment and gives local planning authorities advice on how to incorporate and implement them. It explains the principles of inclusive design and how these principles should be applied in London and includes ideas for designers on where to find good technical advice and guidance. It also provides information on what to expect from planning in London for disabled people, older people and others who experience barriers in the built environment.

#### **The Mayor's Transport Strategy, 2018**

The Mayor's Transport Strategy promotes prioritising human health and experience and changing London's transport mix so that it works better for everyone. Key policies and proposals include:

- Policy 1 states that the Mayor will 'seek to make London a city where people choose to walk and cycle more often by improving street environments'.
- Proposal 2 states that the Mayor, through TfL, will work with the central London boroughs to transform the experience of the walking and cycling environment in central London by reducing the dominance of vehicular traffic, including by transforming Oxford Street.
- Policy 7 states that transport schemes should protect existing and provide new green infrastructure to deliver a net positive impact on biodiversity.
- Proposal 15 intends to improve the efficiency and safety of freight, an issue that is likely to affect the Oxford Street District, given the delivery and servicing needs of Oxford Street.

#### **Healthy Streets for London, 2017**

Healthy Streets for London prioritises walking, cycling and public transport to create a healthy city. It is supplemented by the 2018 Walking Action Plan. The ten Healthy Streets indicators are:

- Pedestrians from all walks of life
- People choose to walk, cycle and use public transport
- Clean air
- People feel safe
- Not too noisy
- Easy to cross

- Places to stop and rest
- Shade and shelter
- People feel relaxed
- Things to see and do

#### **Walking Action Plan, 2018**

The Walking Action Plan sets out the Mayor's aim to make London the world's most walkable city, with '80 per cent [from a base of 63 per cent in 2015] of all trips in London to be made on foot, by cycle or using public transport by 2041.'

#### **Vision Zero Action Plan, 2018**

The Vision Zero Action Plan sets out the Mayor's aims 'for no one to be killed in or by a London bus by 2030, and for all deaths and serious injuries from road collisions to be eliminated from London's streets by 2041.'

#### **Mayor of London's Draft Culture Strategy, 2018**

Culture for All Londoners, the draft Mayor's Culture Strategy, sets out the Mayor's programmes for investment in London's cultural offer, with a focus on inclusivity and community engagement. The strategy remains at draft stage following a public consultation in spring 2018.

A number of commitments in the strategy affect the future of culture in the Oxford Street District. The strategy also aims to also support Business Improvement Districts to develop cultural strategies, commits to publishing a Cultural Infrastructure Plan which can identify gaps where greater support is needed, and to improving licensing practice across the capital to support the Mayor's plans to transform London into a 24-hour city.

#### **Culture and the Night-Time Economy SPG, 2017**

The Mayor of London's SPG for culture and the night time economy sets out how London can move towards a 24-hour city model. It emphasises the need to support existing venues in the face of widespread closures. The Central Activities Zone (CAZ) is given particular prominence; the country's largest concentration of night-time activities should be recognised, improved and managed by the Mayor, boroughs and other agencies. The West End's special characteristics should be promoted, enhanced and protected as a Strategic Cultural Area.

The SPG supports extending the opening hours of existing daytime facilities like shops and cafés, and integrating leisure and other uses to create bridges between the day and night-time economy and diversify the range of activities and promote access for a range of audiences. Licensing should balance the interests of residents with the functions of the night time economy.

The document also emphasises the need for safe, convenient and accessible public transport throughout the day and night, and a public realm where the fear of crime does not undermine the quality of the experience.

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## Appendix B: Risk Register

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