The West End.

Transforming the Competitiveness of the West End: A Business Case for Investment
Changing the West End

This document is a business case to the Government from the West End Partnership to support investment to improve the competitiveness of the West End. It is submitted on behalf of the West End Partnership by Westminster City Council, London Borough of Camden, Transport for London and is supported by the Greater London Authority.

The document sets out the case to:

• Support the principle of developing a West End Tax Incremental Finance (TIF) Investment Deal, through a mechanism linked to business rates, in order to help fund the delivery of a strategic programme of investment in the West End which will generate substantial benefits for the UK economy.

• Work with the GLA, TFL, Westminster Council and the London Borough of Camden to consider opportunities for pilot schemes as part of the ongoing reform of the Business Rates Retention Scheme.
The West End of London is one of the most dynamic economies in the world and a major driver of London’s, and the UK’s, economic success, competitiveness and productivity.

It generates more GVA per year than any other part of the UK, including the City of London, and generates a large proportion of UK taxes collected by the Exchequer including 8% of all National Non Domestic rates (NNDR). The West End is the growth engine of the UK and a significant net contributor to the UK’s fiscal position.

The West End continues to be one of the most productive areas of the UK and plays a major role in supporting the Government’s strategy to address the UK’s productivity challenge. With a world leading retail centre and a diverse range of high growth sectors; the West End plays a leading role in closing the productivity gap between the UK and other G7 economies. Productivity is the single most important determinant of living standards and is critical to the long term competitiveness of any economy, including London.

The West End's strong economic performance cannot be taken for granted; its long term success is at risk. London’s population is forecast to grow to more than 11 million by 2036 and its visitor numbers continue to rise. Other global cities are investing in infrastructure and are implementing strategies to attract investors, workers and visitors. After years of underinvestment in enabling infrastructure and a fragmented approach to growth, the West End’s infrastructure cannot sustain current economic activity, never mind future growth.

London is in danger of slipping down global league tables in terms of investment, productivity, competitiveness and quality of life and it will lose out to other global cities in the heavily competitive foreign direct investment market unless action is taken. Given the West End’s economic importance to the UK, this is a significant threat to the UK’s economic recovery. The solution is to invest strategically in the West End as a place - and to act now.

With Crossrail 1 due to open in 2018 and the potential opening of Crossrail 2 around 2030, there is a real sense of urgency by all partners associated with the West End, and London, to work together to ensure that the West End maintains and strengthens its global competitive advantage. There is an immediate need to prioritise the West End to ensure that it can build upon Crossrail and maximise its benefits to the UK economy.

Transport for London (TfL) forecasts a 60% increase in passenger numbers at Bond Street and an 89% increase at Tottenham Court Road. The surrounding infrastructure is not capable of handling this increase and the economic impact of Crossrail 1 will not be realised without additional investment across the West End. Footfall across the West End is forecast to rise with Oxford Street set to experience an additional 60,000 people per day for much of its length. Pedestrian comfort levels are already amongst the worst in the world and on a par with shopping streets in India and South Asia. The West End Partnership’s investment programme incorporates the additional investment required to address these challenges and maximise the opportunities to the UK economy.
Investing in the West End

For the first time in the West End’s history, all key stakeholders have come together in the West End Partnership (WEP) to design, implement and fund a £1 billion (real terms) strategic investment programme for the West End over the next 15 years.

The investment programme comprises more than 40 projects to transform the West End’s infrastructure, competitiveness and productivity and includes a range of projects to improve the area’s public realm; energy, broadband and waste infrastructure; traffic management; employment, skills and enterprise; housing; freight and traffic reduction; security and safety; and inward investment promotion. All of this will also leverage further significant private sector investment into the West End.

The WEP’s investment programme is expected to deliver substantial benefits including:

- In the region of 102,000 additional jobs (gross).
- A net GVA increase of £12.3 billion in NPV terms (at 3.5% real) over the period 2016-2036.

The WEP investment programme is also expected to deliver other benefits including:

- Increased visitor numbers.
- Increased overseas retail tourism and associated income and additional tax take.
- Improved productivity and competitiveness.
- Reduced unemployment and public sector dependency.
- Reduced levels of ill health and death.

The business case

This West End Tax Incremental Finance (TIF) Investment Deal business case is targeted on a significant part of the WEP’s investment programme. The TIF Investment Deal focuses on projects which represent 82% of the total costs of the programme. These high priority strategic projects have secured significant levels of private sector contributions; the TIF Investment Deal will unlock further private sector investment.

The West End TIF Investment Deal business case is for £409 million to meet the WEP funding gap as part of an £814m programme. Over the life of the WEP investment programme this equates to £525 million (including interest) and is an average of less than £40 million per annum. The WEP Board has considered a range of funding options and considers the best option to close that gap is to leverage funding from Westminster Council’s National Non Domestic Rates income via a form of TIF arrangement.

In return for substantial benefits to the UK economy, the WEP is asking government to:

- Support the principle of developing a West End Investment Deal, through a mechanism linked to business rates, to help fund the delivery of the WEP.
- Work with Westminster City Council and the London Borough of Camden to consider opportunities for pilot schemes as part of the ongoing development of the Retention Scheme.

These proposals mean that Westminster Council would increase its retained NNDR retention from 4% to around 6.5% of the total £1.8 billion the Council collects per annum. This represents an overall net positive position to the Exchequer of between £2.5 billion and £3.8 billion in NPV terms net of the cost of funding (based upon a 24% and 34% tax take).

The WEP investment programme will deliver growth and improve competitiveness; an inability to deliver this will have detrimental implications for the West End and London. The programme provides an opportunity to ensure that the West End of London remains a premier global destination for investors, workers and visitors and that the productivity gap between the UK and the rest of world continues to reduce, improving living standards across the UK.
**The West End Partnership Report**  
March 2016

**Executive Summary**

**ECONOMY**

- Up to 102,000 gross additional jobs by 2036.

**THE WEST END**

- A net increase in GVA of up to £12.3bn over the period 2016-2030.

**GROWTH**

- £5.65bn estimated tax take over the period 2016-2030 with WEP investment.

**RETAIL**

- Average spend is the highest in the UK and among the highest in Europe.

**VISITORS: TOP FACTS**

- 14.6m visitors attracted to Theatres in 2014
- 24% growth in the evening/nite time economy
- Top 10 of UK’s visitor attractions
- 600,000 people visit Oxford Street every day
- 20% growth in visitors on the opening of Crossrail and up to 40% growth by 2030

**ENTERTAINMENT AND CULTURE**

- 120,000 businesses covering a diverse range of sectors

**EMPLOYMENT**

- The West End has the largest concentration of employees in the UK and generates
- £12.69bn turnover, 60,467 employees
- £74bn turnover, 284,279 employees
- £6.8bn turnover, 40,748 employees
- £30.5bn turnover, 173,418 employees
- £1.98bn turnover, 8,855 employees
- £4.74bn turnover, 21,509 employees

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GROSS VALUE ADDED.

Greater Manchester

Wales

West End

City of London

Birmingham

£56.3bn

£52.0bn

£51bn

£43.9bn

£24bn

Up to £23.6bn growth GVA (NPV)

Up to 102,000 gross additional jobs

£5.6bn increase in Exchequer Tax*

Major increases in tourist expenditure

With WEP Projects

Without WEP Projects

* NPV gross before cost of funding adjustments

Up to £11.3bn expected Growth in GVA (NPV)

35,600 additional jobs

£2.7bn increase in Exchequer Tax *

Flat tourism expenditure

COMMERCIAL FLOOR SPACE

2m additional sqm

commercial floor space growth over and above the current 16m sqm in the West End by 2036.

Expected distribution of floor space

Other Commercial Space

Office

60%

40%
section 1

The need for Strategic investment
The Need for Strategic Investment

1.1 The West End Matters to the UK Economy and Internationally

The West End is critical to the success of the UK economy because of its economic contribution to productivity; businesses and jobs; exports; inward investment performance; the taxes it generates (including corporation tax, national insurance, VAT, stamp duty and business rates); its transport connectivity and its overall contribution to the UK's current account position:

- The West End generates 3% of the country's economic output: £51 billion of GVA per year – more than the City of London and 180 times more GVA per square metre than Greater Manchester.

- The West End generates taxes of £17 billion per annum. The City of Westminster alone generates more than £1.8 billion in business rates (8% of the UK total) – more than any other area in the UK.

- The West End is a leading national and international retail destination with 5.7 million people a year visiting Oxford Street, Regent Street and Bond Street. More than half of all visitors to West End shopping districts are from overseas. Its retail sector supports more than 65,000 jobs and contributes £2.1 billion in taxes a year to the UK economy. Between 2004 and 2014, the West End’s turnover increased by 90% to more than £11 billion.

- The West End is one of the world's leading luxury shopping destination with annual sales of more than £3 billion due to the creation of a luxury district anchored around Bond Street.

- It is one of the UK's biggest, most innovative and resilient commercial centres hosting more than 120,000 businesses, 650,000 jobs and a diverse range of sectors with strong innovation and export performance including creative, digital media (Soho), medical (Marylebone) and life sciences (Euston). Productivity gains are more likely to come from these high growth sectors.

- The West End hosts the main campuses of four top ranking Universities (Kings College London, the LSE, University of Westminster and University College London - the latter also incorporating the Royal Academy of Music, The Courtauld Institute and London Business School). These universities employ some 20,000 people, have some 90,000 students between them and are all expanding rapidly. In addition, the West End is the location choice for several US and other overseas universities and many colleges and research institutes.

- London is Europe’s most important location for foreign direct investment (FDI). The West End is a major factor in investors’ decisions to invest in the UK, as well as being a significant recipient itself.

- Key investment drivers include the strength of the West End’s property market, the West End’s cultural offer, a strong labour market and the areas connectivity and accessibility. The attractiveness of the West End as a place to invest is a major driver of the UK’s overall economic strength.

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1  Based upon GVA NUTS3 analysis – ONS, December 2015
2  City of Westminster Council; 2016
3  Destination Europe; JLL 2015
4  Economic Value of the West End; Volterra 2015
5  Luxury Quarter Review; JLL 2015
6  WEP Vision and Delivery Plan; 2015
7  UK Attractiveness Report; Ernst Young 2015
• The West End is primarily responsible for London's status as the world's most popular international visitor destination⁸, attracting 18.7 million visitors a year⁹ who spend almost £11.8 billion¹⁰ and support almost 300,000 jobs¹¹. West End tourism is thought to generate more than £10 billion of GVA per year.

• The West End matters internationally; it is one of the key drivers of London's position as a leading global city and a world famous retail destination.

1.2 The West End Matters to London

The West End is an integral and major contributor, to London's economic success and global status in global cities league tables¹². Its importance is recognised in the London Plan, especially in relation to the Central Activities Zone (CAZ):

• The West End generates 15% of London's GVA¹³ – at £51 billion this GVA is more than any other area including the City of London.

• The West End has a major role to play in delivering jobs in London.

• Improvements to London's environmental conditions, including air quality, can be delivered by targeting initiatives across the West End.

• In terms of public transport, the West End is the best connected place in the UK and is the most important employment area as a result.

• Around two-thirds of central London jobs are filled by people living in other parts of London; the improved access to higher-paying central London jobs and the benefits this increased spending power brings to local economies right across London was a key element in the case for Crossrail 1.

• The West End is central to achieving the Mayor's cultural vision for London and building upon the record visitor numbers into London.

• The growth of the West End has enabled major infrastructure investment across London to be funded. The London Borough of Camden and Westminster Council collected more than 17% of the total Mayoral Community Infrastructure Levy (CIL) to help pay for Crossrail 1.

• The London Infrastructure Plan 2050 identifies Central London, including the West End, as vital to accommodating and supporting London's future growth.

• The West End is at the heart of London and plays a critical role in enabling London's worker and visitors to move throughout the city by all forms of transport.

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⁸ Mastercard Global Destination Cities Index; 2015
⁹ London received 18.7 million tourist visits in 2014 with the West End being the biggest driver behind this demand. London’s West End; JLL 2015
¹⁰ Visit Britain 2014 snapshot
¹¹ Tourism as defined in the GLA’s The Value of Cultural Tourism to London; 2015
¹² Global City Index 2014 (JLL); Global Cities Index 2014 (AT Kearney); Global City Competitiveness Index 2014 (The Economist); and Cities of Global Opportunity 2014 (PwC)
¹³ Westminster City Council calculations, based on CBRE report for Col. 2015
A successful West End is essential to achieving the objectives set by the London Enterprise Panel in its Jobs and Growth Plan for London and the London Plan – especially in relation to the growth of key sectors such as retail, tourism and leisure, professional services, culture, digital and creative sectors and in creating jobs for London’s, and the UK’s, growing population.

The Greater London Authority’s (GLA) London Plan recognises the fundamental importance of the CAZ, which is within the West End, to London's development and sustained success. It is the city’s core, bringing together economic, social and administrative activities of national as well as regional importance and home to nearly a third of all London jobs.

The London Plan also recognises the importance of the West End's proximity to deprived areas of London. A stronger performing West End is more likely to have a positive impact on less successful parts of London.

It has the most active property market in the world and the West End has some of the best performing stock in the world.

1.3 There are Opportunities to Increase the West End’s Contribution to the UK

The West End has the potential to further increase its contribution to the UK economy:

Building upon Crossrail 1

• Crossrail 1 will open in 2018 and will bring significant transport connectivity and capacity to the West End. The stations at Bond Street and Tottenham Court Road will be at the heart of the area, each station with two entrances providing development opportunities.

• Crossrail 1 will bring an additional 1.5 million people to within 45 minutes of central London and travel times will be cut dramatically – Bond Street will be 29 minutes from Heathrow, 2 minutes from Paddington and 8 minutes from the new Farringdon transport hub linking with Thameslink. This will make the West End even more attractive to international and domestic investors, visitors and talent but investment is needed now to exploit this opportunity for the West End and the UK.

• Investment in adjacent infrastructure is required to maximise the value of Crossrail 1 including public realm improvements to accommodate the increase footfall in the West End area. Projections illustrate that Crossrail 1 has the potential to increase passengers exiting the West End every day with between 155,000 and 220,000 additional passengers existing Bond Street (Hanover Square and Davis Street) and between 150,000 and 200,000 additional passengers existing Tottenham Court Road.

• Once open, it is estimated that Crossrail 1 has the potential to create a 27.5% increase in consumer spend from an additional 1 million shoppers. Major stores are investing in store refurbishment to exploit growth potential. For example, Selfridges is expected to invest £300 million over the next 10 years to increase retail space by 10%. Other private sector investment may be leveraged as part of the strategic investment programme delivered across the West End.

14 SDG WEP Oxford St study for TfL
• It is estimated that Crossrail 1 could create £5.5 billion of added value to real estate between 2012 and 2021. Great Portland Estates pre-let its entire new 280,000 square metre development at Rathbone Square to Facebook which will create 3,500 jobs by 2020. A major study for the Oxford Street West private sector stakeholders \(^\text{15}\) is currently underway which will identify other specific development opportunities. The conclusion from this work will be used to inform the ongoing development of this business case.

• Proposals are currently being developed for Crossrail 2 which will see further transport investment across London including an increase in passenger numbers exiting West End stations. The WEP programme stands between the opening of Crossrail 1 and the plans for Crossrail 2, which has a projected opening date around 2030. A strategic investment programme for the West End will ensure that there is a platform to maximise the benefits of Crossrail 1 and 2 especially in the area adjacent to Tottenham Court Road which will be the major hub between 1 and 2. Experience from Crossrail 1 has highlighted the importance of effective planning for essential wider infrastructure to support Crossrail 1. The period before Crossrail 2 is an opportunity to maximise the value from investments in Crossrail 1 and 2 to the West End.

Improving Productivity in the West End

• The West End is a highly productive part of the UK economy.

• Westminster’s output per employee job in 2014 was £71,152; compared with £55,659 for Great Britain as a whole (27.8 per cent higher).

• At the sub-regional level, Inner London GVA per hour worked is 42.3 per cent higher than the UK average; Inner London West including the West End is 48.5 per cent higher.

However, there is much to be done to improve productivity further:

• GVA per employee job in Westminster is 7.6 per cent lower than for London as a whole. This is because, despite having many high value added sectors, Westminster supports a higher proportion of employee jobs in accommodation and food services (12.2 per cent of all jobs) compared with London and Great Britain as a whole (7.6 per cent and 7.1 per cent respectively). Accommodation and food services has the lowest GVA per workforce job of any industrial sector (£29,082; 48.7 per cent lower than the all sector average). (Source: GLA Economics based on ONS regional calculations 2014).

• The WEP programme aims to improve efficiency and productivity in the West End by addressing the following areas:

  — Improved income levels achieved through supporting improvements in the growth of key growth sectors important to the UK economy such as medical, media and financial services (from the recovery of the office market and ending of the office to residential losses) will improve average wages in the WEP area which are currently above London levels.

  — More efficient transport and travel time. It has estimated that improved travel options from Crossrail 2 will bring 270,000 additional people into Central London but in order to gear up to this level, additional major improvements in the public realm, economic efficiency and quality of floorspace is needed otherwise such benefits cannot be realized.

\(^{15}\) Work is being undertaken by Volterra for Great Portman Estates, Grosvenor, NWEC and retailers
Greater densification and intensification of space in Westminster to enable sites to achieve greater floorspace and employment densities. According to research for the WEP by Volterra Economics, the WEP programme could improve its density. This will move the area closer behind Tower Hamlets (Canary Wharf) and the City of London which are the most productive places in the UK currently (as per the graph below).\(^{16}\)

**Figure 1: Productivity by Borough**

Creating Additional Capacity

- There are opportunities to improve the efficiency of existing commercial floor space and to create additional commercial floor space across the West End. With Westminster Council has committed to facilitating at least 2 million square metres of additional commercial floor space as part its evidence in support of the Westminster City Plan. This will involve a review of existing planning policies on mixed use, building height and heritage. Additional commercial floor space will generate additional jobs, taxes, GVA growth and will attract investment.

- The West End has a strong track record of delivering commercial floor space efficiencies and the intensification of uses in major new developments off Regent St, such as Burlington Street and Air Street have led to record breaking space to worker ratios of 1:9 per square metre which demonstrates this. The Crown Estate has recently redeveloped behind the façade of Regent Street to create around 30% increase in net floor space.

\(^{16}\) London Infrastructure Plan and Atkins (page 79, Atkins, Future Proofing London, 2016)
Changing the Planning Environment

• The majority of the West End Partnership programme will be delivered within Westminster. Westminster's City Plan is currently being revised, with a number of the revisions directly affecting the delivery of commercial floor space across Westminster, particularly the West End. The programme will help Westminster to both achieve its existing London Plan target and go beyond it to support additional commercial floorspace that will enable the West End to grow in line with London's employment growth trend and thus support a rapidly rising population with the supply of new jobs.

• A new mixed use planning target is nearing a final, public examination stage. The current policy includes a floor space provision of 1.3 million square metres of commercial floorspace based on a conversion of GLA Economics employment estimates converted to commercial floor space.

• A revision has been proposed to the independent inspector noting that the Council is working with partners to increase the target by a further 750,000 square metres which would increase the target to 2 million square metres. This is based on recouping both the office floor space lost over the past 10 years and anticipated to be lost over the next few years while the development pipeline is built out.

• This revision will generate commercial floor space as a result of:
  — Protecting offices, to bring in line with other commercial land uses such as retail and hotels.
  — Reducing policy requirements from new office floor space to incentivise development.
  — Removing policy requirements from other commercial uses.
  — Allowing greater flexibility as to how policy requirements can be met.

• Design, heritage and where appropriate building height changes are also being developed. These revisions will facilitate development uplift and densification at all scales. The approach to alterations and extensions, particularly in the commercial townscape of the West End, is a key area for review to facilitate densification and development uplift. This will be coupled with a review of all Conservation Area Audits to ensure that blanket restrictions on extensions and alterations are removed and a more detailed and nuanced approach is taken.

Increasing Dwell Times

• The investment in the WEP programme will facilitate significant additional dwell time across the West End. The creation of new pedestrian and oasis areas as well as improvements in overall public realm will increase retail, leisure and entertainment spend and leverage further investment.

Stimulating Private Sector Investment

• Several areas have been identified where specific development proposals could be accelerated as a result of a more strategic approach to the overall development framework of the West End. The research identifies that some 1.2m sq metres of additional office supply could be unlocked in the West End in both Westminster and Camden as a result of the programme's area focus and promotion of development onto the back of public realm and

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17 GLA Economics – 77,000 employment figures for the period 2016 – 36. WCC has converted this jobs figure into a floor space figure and has included this in its statutory local plan to provide a counter balance to the housing target from the London Plan which WCC is required to adopt. Note that the employment figure is not a target and there is no statutory obligation with regards to achieving this figure.
transport improvements. (See table 1 on page 16). The WEP has carried out work with Volterra Economics and Gerald Eve to assess the development capacity and opportunity of some of the key areas that will benefit from the WEP programme. This is not an impact analysis, only a capacity study to assess the opportunity to improve densities of floorspace and employment in these areas. The areas with significant development potential include:

— **Oxford Street West** – the investment opportunities created by this major renewal project have significance to the whole of London. The retailers and property owners are now united under a single Property and Occupier BID organisation and are fully committed to aligning their investment strategies with the programme of improvements to the street and wider district. As part of the wider proposals for Oxford Street West, the private sector partners have identified several sites where landowners would bring forward more intense uses and/or redevelop floorspace. Some sites will be office focussed and others retail focused. The stakeholders estimate that the wider district, including the 6 opportunity sites that have been identified, could generate 240,000 square metres of additional commercial floorspace accommodating 10,400 additional jobs.

— **Oxford Street West/Hanover Square** – with the arrival of a Crossrail 1 station entrance there will be improvement to the historic square, pedestrianisation of the west side of the square, de-cluttering the street, new lighting and better management of traffic. In addition to the existing oversight property scheme above the station, GPE and Clivedale are yet to start major developments on the west side of the square. A total of 50,000 square metres of commercial space will be achieved which is not included in the Oxford Street West total above.

— **Oxford Street East** (corner of Tottenham Court Road/ Shaftsbury Avenue) – the opening of Crossrail 1 at this location creates a major demand for growth adjacent to Soho and Fitzrovia and it is anticipated that major development and greater employment densities could come forward by 2025 as part of the WEP programme. Significant investment by landlords such as Shaftsbury would be supported by improved public realm. It is estimated that additional floor space capacity of some 100,000 square metres could be achieved by 2030 in advance of Crossrail 2 opening in the following decade. However, Crossrail 2 alone cannot achieve this investment as major changes in the public realm and movement strategy for the area including Soho and Fitzrovia would be required to gain investment by the private sector. This project has the potential to open up development capacity in the wider Soho and Covent Garden area, with estimate of 422,000 square metres of additional floorspace.
— **Baker Street** – this street is the subject of a major traffic and public realm investment project within the WEP programme. Gerald Eve and Volterra Economics have confirmed that over the past 10 years there has been little new development and the amount of offices has actually fallen by 18% (16,000 square metres) which has reduced employment in the capital. Discussions with the private sector have highlighted the potential to use this area as a major office and business quarter in West End. If Baker Street matched the average West End density it could accommodate 4,000 more jobs. If it matched Soho densities the area could accommodate 17,000 more jobs. The introduction of the two way traffic scheme would be a catalyst for new investment. The WEP programme would enable the radical redevelopment of Baker Street and reverse its decline as a commercial centre.

— **Strand-Aldwych** – the Strand project promoted by Northbank BID proposes major improvements to the public realm and movement strategy for this key area which includes Kings College London and several world headquarters such as BAT and PwC. It is home to Somerset House, which is set to become the biggest concentration of small and micro firms anywhere in Europe and already hosts 250 individual firms in its creative and media workshop spaces. The improvements are set to achieve at least 159,000 additional square metres of floor space and 6,700 additional jobs.

— **Tottenham Court Road** – the completion of a two way system for this road includes improvements to Gower Street and some side streets. It is estimated that some 84,000 square metres of additional floorspace could be achieved accommodating some 5,000 new jobs in the area. A further economic impact study is being considered for this project to identify specific investment opportunities with the private sector stakeholders.

### Table 1: West End Areas of Change: Additional Economic Capacity

<table>
<thead>
<tr>
<th>Area</th>
<th>Scenario 1: New Jobs</th>
<th>Scenario 1: Commercial Floor Space (GEA) sqm</th>
<th>Scenario 2: New Jobs</th>
<th>Scenario 2: Commercial Floor Space (GEA) sqm</th>
</tr>
</thead>
<tbody>
<tr>
<td>West End</td>
<td>74,200</td>
<td>1,791,050</td>
<td>94,100</td>
<td>2,122,350</td>
</tr>
<tr>
<td><strong>Examples of Area of Change:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Soho (Oxford Street East)</td>
<td>5,650</td>
<td>146,950</td>
<td>7,400</td>
<td>176,150</td>
</tr>
<tr>
<td>Covent Garden (Oxford Street East)</td>
<td>9,550</td>
<td>204,300</td>
<td>12,200</td>
<td>246,350</td>
</tr>
<tr>
<td>Northbank</td>
<td>5,100</td>
<td>133,150</td>
<td>6,700</td>
<td>159,600</td>
</tr>
<tr>
<td>Tottenham Court Road</td>
<td>4,500</td>
<td>75,400</td>
<td>5,050</td>
<td>84,450</td>
</tr>
<tr>
<td><strong>Baker Street</strong></td>
<td>1,900</td>
<td>49,250</td>
<td>2,500</td>
<td>59,000</td>
</tr>
<tr>
<td><strong>Oxford Street West</strong></td>
<td>7,700</td>
<td>200,350</td>
<td>10,400</td>
<td>245,100</td>
</tr>
<tr>
<td>Euston (Camden Source)/ Not included above West End total:</td>
<td>NA – estimated at 3,000</td>
<td>NA – estimated at 150,000</td>
<td>16,000</td>
<td>300,000 (incl retail)</td>
</tr>
<tr>
<td><strong>Total Example Areas of Change</strong></td>
<td><strong>37,400</strong></td>
<td><strong>959,400</strong></td>
<td><strong>154,350</strong></td>
<td><strong>1,270,650</strong></td>
</tr>
</tbody>
</table>

Source: Volterra, GE, WCC Capacity Study 2016
1.4 The West End’s Continued Contribution to the UK Economy is Under Threat

Sustaining the West End’s contribution to the UK economy, and exploiting its potential for further economic growth, is vital to the UK economy. Its ongoing success cannot be taken for granted.

There are significant threats to the West End’s future competitiveness and long-term sustainability which can only be countered with substantial strategic investment in the area’s infrastructure. Although the West End economy has grown from £25 billion (2007) to £51 billion (2014), its proportion of GVA compared to London has remained the same since the early 1990s. The key issues are:

- **London’s population is projected to increase** from 8.2 million to 11.3-13.4 million people over the next 15 years; and visitor numbers are increasing. This puts pressure on housing, employment, transport, and all forms of infrastructure.

- **The need to create jobs.** If the West End grows in line with the London Plan, an additional 74,200 jobs would be required to be created over the next 20 years. Growth rates in line with the London Plan growth rates for London overall would require an additional 94,100 jobs by 2036. If the West End were to grow in line with historical growth trends, experienced across London (2004-2014) the West End would need to grow by 1.8% per annum.

- If the West End matched this historic growth rate, 281,000 additional jobs would be required over the next 20 years. Over the past 5 years the West End has grown slightly faster than the London average – 2.9% per annum in the West End compared to 2.8% per annum across London. **The WEP Board’s Vision of June 2015 agreed that the West End should aim to grow at least in line with London growth rates.**

- Transport developments, including Crossrail 1, the Central Line upgrade at Bond Street and Tottenham Court Road, will significantly **increase the number of people travelling** into the West End. By 2026, at the morning peak, TfL forecasts a 60% increase in passengers at Bond Street and an 89% increase at Tottenham Court Road. The surrounding infrastructure must be capable of handling this increase or the economic impact of Crossrail 1 will not be realised and the West End of London will miss out. The WEP programme incorporates this additional investment requirement to maximise these opportunities as a direct result of Crossrail 1.

- Crossrail 1 means that footfall on Oxford Street is set to rise by an additional 60,000 people per day for much of its length and will lead to serious rises in pedestrian discomfort levels to some of the highest of any street in the world. Pedestrian and other casualties on the streets of the West End are already high with a 109 major accidents, 9 of them fatal in 2014.

- Such pressures will lead to rises in the conflicts between pedestrians and vehicles and inevitable increases in casualties as more people are forced off the pavement into the road. There is also a concern that such crowds could deter visitors over time, leading to a reaction against the West End as a comfortable and safe place to be. This may also threaten the West End’s property market which is currently the most traded in the world. Figure 2 for a review of passenger comfort levels.
• Global competitiveness depends on good infrastructure and despite London’s rankings as a leading global city, much of its infrastructure is not considered world-class (Crossrail 1 being the exception to this)\(^{18}\). With other global cities investing in infrastructure, the West End and London are in danger of slipping down the global league tables and reducing its share of foreign direct investment and international visitors.

Figure 2: Oxford Street West Pedestrian Comfort Levels Projections to 2031

Source: TfL/SDG 2015

• An increase in air pollution in the West End which runs counter to the wider London trend of decreasing pollution concentrations flowing from improvements in engine technology. NO\(_2\) in Oxford Street is three times higher than the EU health maximum of 200 micrograms per cubic metre for more than 18 hours in an entire year and shows no signs of falling. According to Clean Air London, in 2014 Oxford St reached 1,361 hours where the permitted NO\(_2\) levels were exceeded.

• Retailers and other businesses have identified air quality as a top priority for action because a reduction in pollution is critical to London retaining its status as a leading global city.

• Although the introduction of the Ultra-Low Emission Zone (ULEZ), and on-going improvements to the bus and taxi fleets, will result in emissions reductions, the predicted improvements still fall short of EU standards. Freight and other commercial vehicles also need to be addressed as well as environmental policies e.g. building pollution.

• The West End has a highly congested road network, which includes some intensely used parts of TfL’s strategic roads. Lorry and van traffic into central London is currently running at 10,100 vehicles per hour in the morning peak period, representing 28.5\% of all traffic. Based on current trends, TfL forecast congestion will rise by 60\% by 2025. This has a corresponding impact on air quality issues.

\(^{18}\) Infrastructure Survey; KPMG/CBI 2013

\(^{19}\) Infrastructure Survey; KPMG/CBI 2013
Although demand for West End assets remains strong, a lack of floor space is starting to constrain volumes and there are ongoing business concerns about planning policy restricting capacity of sites through permitted usage, infill constraints, heritage policy and height restrictions. Office vacancy rates in the West End, especially in core markets around Oxford Street, have declined dramatically to 2.6%, much lower than the GLA’s benchmark of 8% for a healthy performing office market. The West End has 300,000 square metres of available floor space. In particular small footplate workspace is very constrained, with GE reporting that demand for units below 3,000 square metres is running at 3:1 for each unit. This has resulted in prime office rents increasing to 11% last year and they are now at around £11 per square metre, the highest for a decade. These rises are in excess of any other world city. The headline rises in rents and values is damaging perceptions of affordability in the West End; and this is a major factor in London slipping down global league tables in recent years.

Developers may become increasingly reluctant to invest in an environment that has both a declining public realm and increasing congestion. Feedback from Business Improvement Districts (BID) suggests that several major retail refurbishments and office schemes are being reviewed pending agreement on a funding strategy to address the areas’ infrastructure and environmental problems. Confidence from investors will be enhanced with a clear and funded strategy.

Appendix IV illustrates a number of West End property developments that may further leverage the investment in Crossrail 1. Whilst some of these schemes are in delivery, 13 are yet to progress and their decision to proceed will be significantly influenced by the outcome of the WEP programme and its delivery.

Competitor Global Cities are Increasing Their Investment

Meanwhile London’s global competitors are investing to sustain and improve their competitive positions in the markets for investors, shoppers, visitors and talent:

- New York, Hong Kong, Paris, Milan, Singapore and Dubai are viewed by the New West End Company as some of London’s closest retail rivals. Paris is investing more than 500 million Euros in the Champs Elysees retail area. Madrid has invested in promoting retail tourism and has invested in public realm improvements in and around the luxury retail area. Madrid saw the biggest rise in South East Asian tourism during 2015 according to Global Blue.

- Competition is increasing in the high end retail sector from Asian Pacific countries and there is an emerging retail sector in countries such as Chile, China, Uruguay and Brazil.

- London’s, and the West End’s, cultural offer has moved to fifth place in the Nations Brand Index which rates the attributes of 50 countries. This is due to other countries improving at a faster rate on cultural attributes. New York has seen a 50% increase in cultural visitors over the last decade and Amsterdam has launched its internationally successful “I Amsterdam” campaign. A recent study by Savills for NWEC places London (effectively the West End and Knightsbridge) as 5th of the 7 world retail cities in terms of feedback from retailers on quality, with its paving ranked the second worst of all cities scoring only just above Milan. Other countries are investing more in the quality and promotion of their cultural offer.

- See case studies for Paris, New York and other cities overleaf.

20 London’s West End, JLL 2015
21 The Global Retail Development Index 2015
case study 1

Competitor Retail Cities

Competitor Retail Cities: Champs Élysées, Paris
Paris is planning a multi-million Euro investment in the Champs Élysées, neighbouring streets and other retail areas in Paris over the next three years. The aim is to make it both a pedestrian friendly environment for local people and to strengthen its retail offer. The area attracts more than 100 million people a year, including 20 million tourists and 300,000 pedestrians each day. Despite the major improvements in 1994 which included moving car parking to underground areas, the road has 80,000 vehicles travelling along per day. The new scheme will reduce the number of vehicles and will introduce greater segregated bus and cycle lanes to link up with the Plan Vélo and REVe cycle networks due to be completed in 2020. Paris is a direct competitor to the West End for high street retail and luxury retail. Paris has been particularly successful in increasing its market share of South East Asian tourist retail expenditure and is ahead of the West End.

Competitor Retail Cities: New York
New York invested in the pedestrianisation of the Highline project, Times Square and Lower Broadway several years ago. This increased dwell times to 84% and local resident shopping to 42% from previously low levels. Retail units in the year after the scheme closed almost tripled\(^2\). However, the scheme is now being modified to deal with the management of street entertainment in the area.

Other Competitor Retail Cities
Major competitor retail locations around the world include Rodeo Drive, Bahnhofstrasse, Zurich and Ginza Tokyo. Other European Cities have invested heavily in their retail and urban cores including:

- Stockholm: sustainable capital, transport and air quality, investment in new metro lines.
- Turin: pedestrianisation, other public realm, public transport (new metro lines).
- Lyon: public realm, green space, arts and culture, public transport.
- Hamburg: public realm, mixed use development and stabilising car use.

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\(^2\) Sustainable Streets and beyond – New York Dept of Transport 2013
Architect Jean-Paul Viguier’s concept plan for Champs Élysées. Galeries La Fayette is to open a new 1m sq foot department store in 2019 on the back of the city’s planned improvements to the area.
1.6 About the West End

- The area is home to neighborhoods known throughout the world: Fitzrovia, Bloomsbury, Soho, the West End ‘theater district’, Chinatown, Marylebone, Piccadilly, Covent Garden, St James’s and Strand.

- It comprises 6.34 hectares in the centre of London and sits with the areas of the London Borough of Camden and Westminster.

- 59,000 people are resident here yet the daytime population peaks at around 1.2m people everyday including commuters and visitors.

- There are 650,000 jobs hosted here. With 120,000 jobs per square kilometre, its employment density is amongst the highest in the world. There is more than 16 million square metres of floor space including 9 million square metres of office space.

- Along with the world famous shopping districts of Oxford Street, Regent Street and Bond Street, it also comprises globally leading museums, theatres, galleries, cinemas, parks, events, universities and colleges and commercial businesses in a wide range of sectors.

- The West End is at the heart of London’s transport network and is the best connected place in the UK. 750,000 people pass through the six West End stations on a typical weekday and it is an important hub for London commuters. The West End stands on the brink of major change and challenges presented by the advent of the Elizabeth Line (Crossrail 1) in 2018 and beyond that landmark event in London’s history to the implications and opportunities arising from the arrival a decade or so later of Crossrail 2.

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23 Source: Census/Westminster City Council and TfL

24 Source: BRES/GLA data store/Westminster City Council refers to jobs including self employed and people with more than one job (Note if BRES employees rather than jobs are used for the density calculation then the figures are 612,000 employees and density of 100,000 employees per square kilometer)
Figure 1: Map of the West End: Major WEP projects
Culture, Entertainment and Media Sectors in the West End

Culture and Entertainment
The West End Partnership programme will further consolidate the West End’s preeminent position in the world as a centre for culture and entertainment. The West End’s core evening and night time economy grew by 24% in the decade to 2013, accounting for some 3,975 firms and organisations, although employees, at 43,000 have not grown substantially. The GVA from this sector is estimated at £177 million, contributing £500 million to the Exchequer (Westminster ENTE study 2014) and contributes nearly half of the entire UK output from the ENTE sector.

The core offer is the close proximity, quality and range of theatres, performance venues, bars and restaurants which is not replicable anywhere else in the world. PwC’s Global City Review stated that London was the best place to live in the world in terms of quality of life and culture. In terms of tourism, the West End theatres (including Old Vic and the Globe) attracted 14.6m visitors in 2014 which is 600,000 more than the previous year with a third of overseas tourists now experiencing a theatre trip in London.

Media
Soho is home to 46,000 creative workers producing a combined turnover of more than £7.5 billion. Tom Teichman, entrepreneur and investor, said the following when he was asked why he set up his incubator development, The Garage, in Soho, “In Soho we have a great advantage over most of the cities in the world and most of the world’s creative hubs, because here we have the greatest concentration of creative talent on the planet.”

The Soho cluster now has the biggest concentration of Oscars outside Hollywood and some of the world’s most creative brands and service companies are based there. West End Theatre now sells about £15 million in tickets every year.

Soho has developed an integrated cluster of film, development, production, post production and distribution businesses which took off in the 1960s, partly on the back of the actors, agents, lawyers and musicians already active in theatre. This sector supports other major investment outside of London in for example, Pinewood Film Studios. Soho creates the talent and cluster environment which underpins significant international investment into the UK.

Major companies now include Microsoft, Dolby, Sony, King and Industrial Light & Magic. Movie franchises like Star Wars and Harry Potter and now James Bond are major contributors to Soho’s growth.
Figure 3: Culture and Entertainment Across the West End

- The West End theatre and entertainment area
- Crossrail stations
One of the major growth sectors in the West End that would expand as a direct result of the WEP programme is the medical and medical technology sector which clusters around Harley Street in Westminster and UCH/Francis Crick Institute in Camden. The Harley St and MedCity areas of the West End are now support some 90,000 people working directly in medical, medical technology and related health fields.

The “Med Tech” sector includes Life Science sector business that are focussed on the development and commercialisation of medical technologies which includes Bio Tech (pharmaceutical products), Medical Devices and enabling technologies such as Digital Health.

The Harley Street area alone has a cluster of over 100 medical companies and supports 2,200 doctors and some 3,000 additional staff work in the sector. It is mostly owned by the Howard de Walden Estate which plans to expand the international medical offer over the next ten years. In the past four years major new centres and specialisms have been added, all of which bring major overseas investment into the UK.

- Isokenetic sports rehabilitation centre (the main FIFA football injury centre).
- London Clinics recent Cancer Centre at Marylebone Road.
- HCA investment at Devonshire Street (the company has now expanded so much in the West End that it is now to take most of the space at the Shard).

The Harley Street medical area now abuts the Mayor of London’s designated MedCity area, including UCLH, the Welcome Foundation and the Francis Crick Institute cluster – a recognised growth pole in the BIS national strategy. This area is set to attract an additional 1,200 medical professionals by 2017. UCLH has some 29 Nobel prize winners credited to its name, 16 of which were in Physiology or Medicine.

The Med Tech sector is a priority sector for the WEP. Recent developments such as the Francis Crick Institute in Camden that will open in early 2016, increase the importance of the sector, create new growth opportunities and strengthen the UK’s Med Tech sector.
Figure 4: Med Tech Sector in the West End

1. Harley Street Medical Area
2. University College London Hospital (UCLH)
3. Welcome Foundation
4. Francis Crick Institute

Crossrail stations:

- London Borough of Camden / Westminster City Council / City of London Borough Boundary
- King’s Cross
- Euston
- Tottenham Court Road
- Holborn
- City of London
- Southbank
- Waterloo
- Victoria
- St James’ Park
- Birdcage Walk
- Battersea / Vauxhall Nine Elms
The historic area of Mayfair, St James’ and Piccadilly lies at the heart of London’s Luxury Quarter which is the world’s leading luxury destination outperforming other luxury destinations including Beverly Hill’s Rodeo Drive and Paris’ L’Avenue Montaigne. Anchored around New and Old Bond Street the area is home to two thirds of the top 100 celebrated luxury brands, hosts eighteen luxury five star hotels, and 23 Michelin star restaurants with 31 stars awarded between them.

The global luxury market is estimated to be worth almost £350 billion in 2015 with Europe remaining the largest luxury market although competition is increasing from Asia Pacific markets which are rapidly investing in their own luxury markets. It is estimated that London’s Luxury Quarter has annual sales of approximately £3 billion which will generate tax revenues in the region of £90 million per annum. Given the year-on-year increase in international visitors into the West End, the growth of the luxury market is set to increase.

The West End’s success has been driven by a multifaceted approach to luxury; it is not just focused on retail but also offers luxury dining, tourism, office accommodation, culture and arts and leisure. It is also attractive for property investors and is one of the most expensive locations in the world.

New Bond Street was recently revealed as the fourth most expensive shopping location in the world with rents of £868 a year per square foot, up 12% on the previous year. New York maintained the top spot with rents of £2,238 per square foot. The Bond Street area is in high demand, floor space is in short supply (in the region of 3 million square foot) and vacancy levels are relatively low (less than 5%) which place a continued upwards pressure on rentals. Demand continues to be high and there are still many international brands that do not have a presence in the area. If London is to retain its dynamism in this market and continue to refresh and improve its offer, additional capacity is required including the expansion of the Luxury Quarter into other surrounding streets. The opening of Crossrail is anticipated to increase new developments.

Landowners have a track record of working in partnership with other private and public sector organisations to invest in public realm improvements to ensure that the area continues to compete against other luxury destinations. Grosvenor and the Crown Estate have taken advantage of block ownership and are coordinating projects that aim to create places that offer more than just retail.
Figure 5: The West End’s Luxury Quarter

1. Chiltern Street / Marylebone High Street
2. Bond Street / Regent Street including Piccadilly, St James’ and Jermyn Street

Crossrail stations
section 2

The Proposed Programme
The Proposed Programme

2.1 The West End Partnership Programme Vision, Outcomes and Guiding Principles

Vision 2030

Build upon the West End’s existing commercial, economic, social and cultural successes to create a more vibrant and high growing economy to compete with, and rival, other leading global locations.

Outcomes

- Vibrant, productive, resilient, creative and surprising.
- Pivotal in London’s continued economic success.
- London’s leading centre for new jobs and skills opportunities.
- Easy to reach, with less congestion and better air quality.
- Safe and secure as well as open and relaxed.
- Renowned for quality, interest and extent of its public spaces, helping to differentiate London from other world cities.
- Inspirational – instilling a sense of common purpose.
- More self-reliant.

Guiding Principles

- An economically more successful West End of London will strengthen the UK’s overall global positioning, competitiveness and productivity through a targeted investment programme.
- A better performing and more resilient West End will deliver strong exchequer benefits due to increased levels of taxation and reduced dependence on the benefits system.
- Creating a better place rather than a set of fragmented investments by adopting a whole-place approach considering large and small scale investment which together provide a more strategic and joined-up approach to development.
- Maximise value and impact by prioritising investment that will deliver the greatest overall return.
- WEP anticipates an increasing London and national population – proposals anticipate growth and the associated opportunities and challenges that this brings. By planning for this growth, the West End can become more productive, more competitive and more efficient as it competes better with other leading global centres.
- The programme is transformational and will embrace some difficult decisions which may change the West End forever. In doing so, the West End’s position as the UK’s ‘beating heart’ and its global status as a destination for visitors, businesses and investment will be strengthened.
2.2 The Delivery Plan Process

The WEP delivery plan was developed in 2015 and was the first stage in producing a rolling 15 year strategic investment programme and is a step change in the level of investment and coordination across the West End.

More than 40 projects have been approved by the WEP board because they contribute towards the programme outcomes. Projects range in size from £1 million to more than £150 million and are at various stages of development – some are already underway, some are at the feasibility stage and others are ready to move into delivery subject to funding.

The programme comprises all projects critical to the long term success of the West End including those that are already part – or fully – funded. This is to ensure that the programme reflects total investment, there is visibility of overall investment, outcomes can be monitored, dependencies and synergies are managed and delivery can be more successfully coordinated and planned. Projects are led by the London Borough of Camden, Westminster Council or TfL. All projects require partnership working and all three partners are involved in the development and delivery of the projects. Other partners are critical to the development and delivery of the programme as set out in section six.

2.3 The WEP Investment Programme

The investment programme is split into three key themes: people, place and prosperity which will drive the long term success of the West End. Productivity is a key cross cutting theme which underpins the programme and all three themes.

People – Improve the lives of those who work, live and visit the West End

- Improve air quality – and consequent reductions in ill health and death caused by poor air quality.
- Security and safety – to ensure the West End is resilient, safe and secure to continue to attract visitors and investment.
- Freight and traffic reduction measures – to improve business efficiency and productivity and ensure the West End adopts a more strategic approach to traffic movement and to improve air quality.
- Employment – measures to both create new jobs and move people from long term unemployed to employed. Creating new jobs and opportunities is central to the WEP vision.

Place – Maintain and strengthen the West End as a place of vital importance in the UK’s Capital City

- Public Realm Improvements (paving, road and street furniture) – to maximise the impact of Crossrail and accommodate additional growth across the West End and London.
- Infrastructure – essential to improving business costs, competitiveness and productivity – energy, broadband and waste.
- Traffic Management – improvements to alleviate congestion and associated issues that constrain growth and reduce the visitor experience including signalling, bus relocation and bus reduction, cycling improvements and station improvements.
Prosperity – Increase Prosperity for the West End, London and the UK

- **Employment** – skills and enterprise programmes to ensure the West End can deliver the additional jobs to exceed the London Plan projections and address long term unemployment.

- **Business Space** – the provision of facilities for the development of new business opportunities including incubators, support for start-up companies and targeted business support services.

- **Promotion and Inward Investment Activity** – a more strategic and effective approach to promotion, working with Business Improvement Districts to strengthen investment and growth opportunities.

### 2.4 The WEP TIF Investment Deal Projects

Whilst the WEP’s investment programme includes more than 40 projects, the WEP projects which form part of the West End TIF Investment Deal (see section 6) are summarised in the table below and have been selected on the basis of their scale within the WEP programme, impact and interdependency with other projects. These are the highest priority projects which will make the greatest difference to the economic performance and competitiveness of the UK.

A full list of WEP projects is included in Appendix I.

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Additional project information is provided for each of these projects in Appendix I and II. Appendix III provides a summary of each of the projects highlighted in bold (project description, key milestones and outputs).

The following case study presents an overview of one of the major WEP Projects, Oxford Street which is the most significant WEP project, central to other WEP projects and will transform the growth potential of the West End.
Oxford Street Vision and Objectives

The transformation of Oxford Street has been identified as the WEPs priority development project by WEP Board. It is one of the world’s leading shopping destinations in the heart of the West End and includes some of the world’s leading retail brands. It hasn't attracted a major international department store retailer for several years. The strategic vision is to turn Oxford Street into a district rich in experience, choice, accessibility, comfort, and safety. The key objectives are to:

- Make it the world’s best outdoor shopping experience – improving how it ranks in world retail indices and capturing growing markets abroad from retail tourism.
- Enhance the character, heritage and experience of shoppers, workers, visitors and residents.
- Exploit the arrival of Crossrail 1 by encouraging land owners and developers to invest and develop.
- Radical reorganisation of the public realm – wider footways and better dropping off points.
- Improve the mix of retailers and introduce new retailers to diversify and widen quality and offer.
- Create more space for employment, culture, restaurants and entertainment.
- Reduce air pollution and create better well-being for people who use the area.

Improved connections to the wider neighbourhoods and commercial areas will upgrade side streets and enable the integration and rediscovery of related squares such as Hanover and Cavendish Square. Views will be opened up and access to green spaces will be improved.

A project board has been created and a major options study has been commissioned between TfL and Westminster Council with a private sector stakeholder group of landowners and retailers. Consultation on the options begins in the Summer and will lead to the final option being adopted by the WEP Board and Westminster Council in December 2016 and a final public consultation on bus routes in Spring 2017, leading to start of work in 2018 and first phase improvements in time for the opening of Crossrail 1.

The Oxford Street development includes:

- **Oxford Street West** – between Oxford Circus and Marble Arch and roads north/south.
- **Oxford Street East** – between Oxford Circus and Tottenham Court Road and the areas immediately to the south, including east Soho and Charing Cross Road and Tottenham Court Road including Noho. This is a project based on the prospect of Crossrail 2 and the major new stations and exits which will promote new development.

Oxford Street – The Challenge

- High levels of pedestrian congestion – Pedestrian Comfort Levels are set to increase to intolerable levels at peak times, risking pedestrians being pushed into the road and increasing accidents. This also risks stopping people visiting the area due to the associated safety and health risks (see Appendix VI for a heat map to illustrate the issues faced on Oxford Street).
• Reducing the number of buses – currently 49% of the traffic passing Selfridges are buses, yet only 18% of people visiting the area arrive by bus and fewer will do so once Crossrail 1 opens. 30% of vehicles are taxis and 12% are cycles.

• Reducing freight and delivery movement – the traffic on neighbouring streets is now dominated by goods and delivery vehicles contributing to air pollution levels that have made the street the most polluted in Europe (see air pollution section).

• Major clutter of abandoned phone boxes and other street furniture and street trading kiosks and bins which block the entrances to the side streets preventing visitors from exploring the wider area and its food and beverage offer.

Many taxis use the street but few drop off there as the facilities on side streets at rear entrances of stores are not currently available to them.

Oxford Street – The Plan
Four options are being reviewed by the WEP team including movement and reduction of buses, part pedestrianisation and full pedestrianisation involving the removal of all buses and taxis from Oxford Street.

Oxford Street – Creating New Opportunities
Several other sites have been identified by the Oxford Street West private sector consortium, which includes Grosvenor, GPE, Portman, NWEC and advisors Gerald Eve and Volterra, that could come forward for development should this project be approved:

• A major department Store – this store would cover a radical refurbishment and expansion of its available retail space bringing new international retail brands and refurbishment of a very significant office tower which would significantly intensify the employment at this site.

• A major new five or six star hotel and related food and retail – this could come forward on a new consolidated block at the far west of Oxford Street potentially attracting major international investment and operators. This would improve the quality of the offer at this end of Oxford Street and have a major impact on the creation of a destination and visitor numbers.

• The US Embassy Site at Grosvenor Square – Grosvenor is currently considering bringing forward a major office development which would create significant employment.

• A mixed retail, food, gallery and office scheme in Mayfair – this would have a major impact on the size of floor plates available in the market and create a new focus for future development in the business quarter at Grosvenor Hill.

• Selfridges – the store has announced a £300 million investment to capture the benefit of the Crossrail station at Bond Street and its plans for completing this investment are being reviewed in the light of the options for the future of Oxford Street. The WEP programme would trigger additional investment by Selfridges.

• Very significant redevelopment of sites on Baker Street – this would help to address the 18% decline in employment space over the last decade.

• Major new sites within Westminster and Camden would come forward arising from the Oxford Street East project especially on Charing Cross Road simulated by and exploiting the potential of the Crossrail 2.

Retail Opportunities Created
The Oxford Street project will help to capture the potential for:

• An increase in domestic retail trips by 20% – based on London's population and employment growth to 2036.

• An increase in visitors by 2036 and an increase in retail catchment by 27.5% which is anticipated following the opening of Crossrail 1 (SDG for WEP/TfL, Dec 2015).
section 3

The West End Partnership
3.1 The Role of the Partnership

West End Partnership is the body providing strategic direction on the transformation and long term development of the West End. Its board includes private sector landowners, businesses, local authorities, the GLA, the cultural sector, BIDs and TfL.

West End Partnership was created in 2013 following the report of the West End Commission, led by Sir Howard Bernstein, which called for a radical reform programme focused on the West End as a place. The report recognised the significance of the West End both nationally and internationally and identified that a new leadership and governance model and a defined investment programme, were essential for long term sustainability and growth.

The West End Partnership enables many stakeholders to engage in the West End's development in a systematic, cohesive and coordinated way. It has raised aspirations and galvanised the private and public sector in a way which has not been achieved before. There is now significant buy-in and support from the private and public sector for a strategic approach to nurturing and growing one of the UK's most important areas.

**The Role of the West End Partnership**

- Creating a **unified vision and one voice** for the West End.
- Providing **leadership** on critical issues and opportunities facing the West End.
- Taking a more integrated approach to place-making including the creation of a West End district rather than a series of individual projects and streets.
- Providing a **single point of contact with Government**.
- Ensuring that the **private sector is a driving force** behind the growth of the West End – including leveraging private sector investment.
- More **effectively coordinating and planning** – ensuring project delivery is coordinated.
- Developing a work programme which delivers **procurement and cost efficiencies**.
- Developing a programme-wide approach to development which **minimises disruption** to visitors, businesses and residents.
- **Raising aspirations** about the quality of the West End as a place to invest in.
- **Providing confidence** to the business and wider community about the future of the West End.
3.2 How the Partnership Works

The West End Partnership is a unique opportunity to ensure that the West End continues to be at the heart of a strong thriving London and UK economy. The importance of the investment drives the imperative for successful partnership working including a robust approach to delivery across multiple organisations. In addition, the 15 year timeline for the programme requires an approach to programme management that is scalable, flexible and adaptable to complement the ongoing development of London as a major economic centre and global city.

There are a wide range of organisations working in partnership to deliver the change across the West End. This includes the London Borough of Camden, Westminster City Council, TfL, the GLA, Business Improvement Districts, property developers and a range of other important public and private sector organisations. This brings both opportunity and challenge to ensure that partnership working is maximised to derive value and impact from any investment. The approach to partnership working is centred on the following success factors:

- **Governance, Organisational Commitment and Working Relationships**
  - Governance has and will continue to be designed to be inclusive, accountable and responsive across the different levels of the programme.
  - The delivery of the WEP programme will be a priority for the senior management teams of the partner organisations supported by Chief Executive commitment.
  - There are already strong working relationships in place between the various organisations including at senior executive level.

- **Coordination, Communication and Management Information**
  - There is an overall coordinating programme team to provide support, oversight and appropriate challenge.
  - Communication will be centrally coordinated across the programme to provide consistency and an appropriate level of assurance.
  - Timely and accurate management information will support decision making at all levels of the programme.

3.3 Programme Governance

WEP is supported by a wide range of stakeholder organisations that are committed to achieving the vision and programme outcomes. Effective governance is critical to the success of the programme thereby enabling effective decision making. Governance of the WEP is set across three levels as illustrated in Figure 5 overleaf.

**Figure 6: Overview of West End Partnership Governance**
The West End Partnership Board was formed to oversee the entire programme and provide overall strategic direction. It is chaired by the Leader of Westminster City Council and involves wide senior level representation from stakeholder organisations. Its members are:

<table>
<thead>
<tr>
<th>Name</th>
<th>Organisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cllr Philippa Roe, Chairman</td>
<td>Leader, Westminster City Council</td>
</tr>
<tr>
<td>Peter Vernon, Vice-Chairman</td>
<td>Chief Executive, Grosvenor Britain and Ireland and Board Director, London First</td>
</tr>
<tr>
<td>Alex Beard CBE</td>
<td>Chief Executive, Royal Opera House (representing the cultural sector)</td>
</tr>
<tr>
<td>Matthew Bennett MBE</td>
<td>Soho Society / West End Community Network (representing residents)</td>
</tr>
<tr>
<td>Sir Edward Lister</td>
<td>Deputy Mayor of London for Policy and Planning (and Chief of Staff for GLA)</td>
</tr>
<tr>
<td>Mike Brown CBE</td>
<td>Commissioner of Transport for London</td>
</tr>
<tr>
<td>Cllr Phil Jones</td>
<td>Cabinet Member for Regeneration, Transport and Planning, London Borough of Camden</td>
</tr>
<tr>
<td>David Kaner</td>
<td>Covent Garden Community Association / West End Community Network (representing residents)</td>
</tr>
<tr>
<td>Simon Loomes</td>
<td>Portman Estate and Baker Street Quarter (representing West End Business Improvement Districts)</td>
</tr>
<tr>
<td>Professor Tony Travers</td>
<td>Director, London Group, London School of Economics</td>
</tr>
<tr>
<td>Neil Thompson</td>
<td>Director Great Portland Estates, Westminster Property Association (representing West End landowners)</td>
</tr>
<tr>
<td>Commander Alison Newcombe</td>
<td>Metropolitan Police</td>
</tr>
</tbody>
</table>

Each of the three themes of People, Place and Prosperity has a board accountable to the WEP Board. These boards oversee delivery of the relevant projects within their theme. Membership of these boards is derived from key organisations along with senior individuals holding subject matter expertise in the relevant area. This approach ensures that the outcomes within each theme and successfully coordinated and realised.

Each of the projects/programmes will have their own delivery board comprising key stakeholders critical to successful delivery. These boards will oversee delivery of their project, own the business case and be responsible for the realisation of benefits. Individual projects will have a lead organisation and it is likely that project governance will also be an integral part of that organisation. Each project/programme will have a senior sponsor and a lead project/programme manager accountable for day-to-day delivery.

Timely and accurate management information is critical to the success of the West End Partnership. A coordinating programme team are supporting the governance of the programme ensuring the relevant management information is provided to support timely and effective decision making.
3.4 Programme Assurance and Track Record

The West End Partnership is predicated on proven and tested capability in delivery of large scale infrastructure, economic and social programmes of national importance. The major partners, collectively, have significant expertise in the delivery of major projects and in designing innovative finance schemes. These factors are the catalyst for successful delivery of the WEP. The programme is being delivered by the partner organisations under the auspices of a single coordinating programme team accountable to the West End Partnership Board. The major partner organisations are:

Westminster City Council

The Council is the local authority for a significant proportion of the West End of London and has a significant track record of delivering innovative and complex change involving multiple partner organisations. It has a population of over 250,000 residents and a daytime population of one million people. Westminster has a national reputation as a leading local authority driving forward social, economic and infrastructure change along with strongly influencing national policy in these areas.

London Borough of Camden

Camden is one of London’s leading local authorities with a population of 230,000 people reaching from Holborn and Bloomsbury in the south to Hampstead Heath in the north. It contains some of London’s most important business districts. Camden has a strong track record of delivering important infrastructure and economic projects. It generates over £20 billion of GVA annually, equivalent to 1.6% of the UK’s total GVA. The Council has a strong track record of delivering major infrastructure developments, for example Kings Cross. Westminster and Camden Councils along with TfL collaborate on many important projects and have established working relationships at senior executive level.

Transport for London

TfL is the local government organisation responsible for most aspects of London’s transport system. It has a significant track record of delivering major infrastructure projects across the Capital including Crossrail 1, Bakerloo line extension and a range of others. TfL has a strong track record of working with Local Authorities and other important stakeholder organisations to deliver major change. It has significant credibility in delivering and assuring major infrastructure projects along with proven and tested expertise in transport planning and logistics. TfL also has significant experience of innovative financing schemes to ensure the success of major transport infrastructure projects. There are strong working relationships between TfL and the other major partner organisations.
Greater London Authority

The GLA is a top-tier administrative body for Greater London accountable to the Mayor of London. It provides oversight of major infrastructure and economic development programmes across London working in partnership with Local Authorities, Transport for London and a range of other important organisations. The Mayor's 2020 Vision and the Long Term Economic Plan for London sets out how the capital will stimulate new jobs, make major improvements to transport systems, open up new sites for housing and improve the skills of Londoners. The WEP contributes significantly to this vision and economic plan.

Other Key Partners

There are a range of other important partner organisations including Business Improvement Districts and other representative groups such as Westminster Property Association and Local Amenity Society. Together they make the WEP the recognised force to deliver the plan over the next 15 years.

3.5 Programme Timelines

The WEP programme covers the period 2016 to 2030 and the investment programme is focused on delivering and implementing a numbers of projects during this period. The wider benefits of the programme are likely to be achieved beyond the life of the current investment programme and the economic impact analysis reflects this.

The WEP investment programme is concentrated in the first four years up to 2020 although this will continue to be reviewed and developed. A proportion of this investment is driven by the opening of Crossrail 1 in 2018 and the need for urgent street level infrastructure to accommodate the increase in projected passenger volumes and to leverage private sector investment on the back of Crossrail 1 (and 2) and other developments. This investment programme timetable reflects that projects and programmes are at different stages in their lifecycle: some at initiation stage, some are in latter stages of planning, and others are further down the delivery path.

3.6 Programme Delivery

Each project within the WEP has a lead organisation, a single sponsor and a nominated project manager. Each project is managed using standard project management methodologies under the auspices of the lead organisation's structured approach to delivery.

All WEP projects are being managed with the same rigour and oversight ensuring successful delivery of the overall programme. This is a critical aspect of programme delivery recognising the significant number of stakeholder organisations, the political imperative and the economic importance of London's West End.
section 4

The Outcomes to be Generated by the WEP
4.1 Overview

There are a many economic and social benefits that can be achieved by the West End Partnership programme. The higher level benefits include:

- **Increase in overseas retail tourism and earnings** – for example, according to SDG consultants for TfL, additional retail turnover in just Oxford Street West is put at being achievable of up to £232 million (medium impact) to £463 million (large impact) if consumer activity increases by 20% as it is expected to. This would create up to 1,352 (medium case) 5,407 additional jobs (high case). Some £115 million additional GVA is possible arising from this one project alone within the WEP programme.

- **Increased tax** – it is estimated that the tax generated from within the West End take including Camden and Westminster is approximately £17 billion per annum. Investment will lead to major additional tax revenues over and above this. Growth in the West End area will lead to significant additional tax revenues and will result in a net Exchequer gain – see PwC section below.

- **Increased employment** – PwC has estimated that some 102,000 gross additional jobs could be created in the West End by 2036. These are 74,000 gross additional jobs allowing for displacement, leakage, substitution and multiplier which is 25,900 more than without the WEP programme. These jobs can be accommodated in the West End as a result of increased economic activity and new commercial floor space. The programme identifies the capacity for some one million net additional square metres of floor space over that which would otherwise be created. The additional jobs will help to reverse the current trend of shrinkage in relation to the London growth rate and enable the area to contribute more by supplying jobs to support the rising population.

- **Reductions in unemployment** from the employment initiatives in the West End – the savings to the Exchequer from the WEP employment programmes will save in the region of £14 million per year in relation to the Westminster area alone. Parts of North Westminster and Camden have some of the highest levels of long term unemployment in the country and major child deprivation. The WEP programme will seek to improve the life chances and skills of people living in these deprived communities with the growth and prosperity of the West End. Initiatives such as Central London Forward’s ‘Working Capital’ jobs programme will be expanded.

- **Reductions in ill health and death** from reduced number of accidents and reduced air pollution – there are believed to be 9,000 deaths from air pollution a year in London which would be reduced through the air quality aspects of the WEP programme including reductions in diesel motor vehicles.

- **Improvement in efficiency and productivity** – greater densification and intensification of commercial floor space in Westminster will generate more jobs that will feed through to the London productivity ratings. According to research for the WEP by Volterra Economics the WEP programme could improve density per hectare. This will move the West End area closer to levels achieved by Tower Hamlets (Canary Wharf) and the City of London which are the

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25 SDG for TfL/WEP
26 WCC analysis from CBRE data 2015
The West End Partnership Report
March 2016
Section 4
The Outcomes to be Generated by the WEP Programme

4.2 PwC Economic Impact Analysis

To support the case for investment in the West End, the partners have commissioned PwC to consider the economic impact that may be attributed to the West End Partnership programme. This has focused on the improved GVA achieved and additional employment created by the programme. At the level of London:

- PwC estimate that the WEP programme has the potential to create up supply 102,000 gross jobs. This equates to 74,000 net additional jobs allowing for displacement and other economic effects. This compares with 25,900 net additional jobs that would be created without the programme over the same period, a gain of 48,100 jobs attributable to the WEP programme’s projects allowing for displacement and other effects.

- Under the WEP programme GVA would increase (in NPV terms) by £23.6 billion to 2036 compared with an increase by £11.3 billion without the programme which is a net increase of £12.3 billion in NPV terms.

- The West End Investment Programme is forecast to generate additional Exchequer tax take to the Treasury of £5.6 billion GVA in NPV terms. This is £2.9 billion more in NPV terms than would be achieved without the WEP programme (based upon a tax take of 24%). The Exchequer tax take using a 35% tax rate (which is used for TfL economic impact purposes) would be £4.3 billion.

- Adjusting these figures to take account the cost of funding the programme, the corresponding figures are a net Exchequer tax take of £2.5 billion assuming a tax take of 24% of GVA or £3.8 billion assuming a tax take of 35% of GVA.

The current estimates of the impact of the WEP programme do not take into account the wider economic benefits that may be attributable to Greater London in particular from tourism. Westminster City Council has estimated that 15% of retail expenditure in the West End is made by shoppers who reside outside of the EU (this estimate is based on the percentage of VAT that is claimed back on purchases). It is estimated by Visit Britain that retail spending makes up only 25% of foreign tourists’ expenditure in the UK (i.e. 75% is spent on other goods and services such as hotels, leisure, transport, restaurants, etc.).

If the growth in jobs that we have forecast for the West End is a result of increased visitor numbers, it follows that there would be a significant knock-on benefit for the rest of London across a wide range of sectors.

PwC estimate that the wider economic benefit caused by this effect would be on average £1.5 billion of GVA per year (or £17 billion in NPV terms), which would result in an additional annual treasury tax take of £350 million (assuming 24% tax take assumption) or £510 million per year (assuming 35% tax take assumption).

Additional work has been commissioned to undertake a detailed assessment of productivity gains that can be delivered by the WEP programme.

PwC’s Economic Impact report is included as Appendix V.

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27 London Infrastructure Plan / Future Proofing London; Atkins 2016
section 5
The Investment Model
5.2 Programme Costs

The total investment required between 2016 and 2030 for the West End Investment deal (including those projects part – or fully – funded) is estimated at £814 million of which:

- 53% needs to be invested between 2016-20; and
- 47% needs to be invested between 2021-30.

The projects have been subject to cost assessments. Some, including the Oxford Street West project which has a number of delivery options, remain subject to ongoing cost review, options analysis, consultation and board approval. The £814 million estimate is based on upper cost estimates where more than one option is being considered.

The estimated overall cost was derived from costing each project individually. The next phase of the programme will take a programme-wide approach and will consider procurement cost savings, cost efficiencies arising from timetabling coordination and wider cost savings arising from project scoping such as reduced cost of bus service delivery or changes to maintenance costs.

Total costs also include an allocations for on-going costs associated with the management of the Programme.

5.2 Programme Funding

Funding has been considered on a project-by-project basis and a prudent approach has been taken to classifying it as secured or unsecured. This will continue to be reviewed throughout the programme with the aim of leveraging private sector investment where possible. Where private sector funding is currently considered to be unsecured this will continue to be negotiated to maximise the opportunity to secure funding. Projects will only start when they are fully funded.

Westminster and The London Borough of Camden have a successful track record of leveraging private sector financial support for major projects and this is clearly evident with £154 million (38%) of the expected funding to be provided by the private sector.

Fourteen of the projects are located within Westminster, three in the London Borough of Camden and three cross boundaries. Westminster Council funding includes s106 allocations from the private sector.

The following graph illustrates the WEP programme’s funding by source and highlights the significant proportion of private sector investment that has either already been secured or has been indicatively pledged by the private sector. Private sector investment represents voluntary contributions and BID levies and relates to occupiers, property developers and landlords.
TfL is a major stakeholder in the WEP with several major projects being critical to leveraging additional investment. An analysis is currently being undertaken to consider synergies and interdependencies associated with each project as part of the ongoing development of the programme. TfL have flagged that the anticipated funding is subject to a budget review expected to be published in March.

This analysis excludes significant additional private sector investment which is expected to be leveraged once a strategy to close the funding gap has been identified. It is difficult to obtain long term investment plans from private sector landowners, property owners and businesses. However anecdotal evidence from key stakeholders in the West End has highlighted that a government commitment to the programme would raise business confidence and may stimulate additional private sector investment or bring forward some longer term investment proposals. This will be explored as part of the next phase.
5.3 Funding Gap

The table below shows the programme has expected funding of 45% secured from a public and private sources. The funding gap of £409 million falls primarily in the period 2016-20.

**Table 2: West End Partnership Programme Financial Summary**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost</td>
<td>429</td>
<td>239</td>
<td>146</td>
<td>814</td>
</tr>
<tr>
<td>Funding</td>
<td>(264)</td>
<td>(88)</td>
<td>(53)</td>
<td>(405)</td>
</tr>
<tr>
<td>Funding gap</td>
<td>165</td>
<td>151</td>
<td>93</td>
<td>409</td>
</tr>
</tbody>
</table>

The graph below illustrates the funding gap as a proportion of total costs.

**Figure 8: West End Partnership Funding Gap by Year**

Following the development of the programme’s financial model and agreement on the projects to be included within the programme, a top-level review will also be undertaken to identify potential opportunities to secure private sector investment and other public sector investment. A more strategic approach to funding may help to smooth the funding gap over the life of the programme and reduce the short term funding deficit. This will also include a review of CIL funding which is currently excluded on a project level but is factored in at a programme level with a £5 million per annum CIL contribution.
section 6
The ‘Ask’ of Government
6.1 Overview

To help close the £409 million funding gap, the West End Partnership asks Government to:

- Support the principle of developing a West End Development Deal, through a mechanism linked to business rates, to help fund the delivery of the West End programme and deliver substantial economic benefits for the UK economy.

- Work with Westminster Council and the London Borough of Camden to consider opportunities for pilot schemes as part of the ongoing development of the Retention Scheme.

6.2 Business Rates in Westminster

Westminster City Council has around 35,000 NNDR hereditaments and collects around £1.8 billion a year in NNDR – 8% of the national NNDR collectable debt. This quantum and proportion is expected to increase following the next revaluation.

Whilst the Council collects by far the largest amount of NNDR in the country, the Council only retains 4% of what it collects (around £77 million) due to the working of the current Business Rate Retention scheme. This could fall to 3.5% after the next revaluation.

Since the inception of the Business Rate Retention scheme, the Council has argued that there are major anomalies within the national Retention scheme which cause inequitable financial outcomes for local government and which remove the original objective of providing an incentive for local authorities to promote growth. The key anomalies are that only floor space growth is rewarded under the Retention scheme; and all local authorities have to retain a provision for unsettled rateable value appeals which are completely outside of their control.

This means that, for the last three years, although the Council collects 8% of the nation's business rates, it has received 7.5% less than the government's own calculation of the NNDR baseline funding level – a loss of £6m a year. There is no sign of this trend being reversed until the scheme is reviewed for the revised 100% Retention scheme in 2020.

The Council continues to lobby for a resolution to the anomalies in the current Retention system, whereby we are not rewarded for Revaluation growth, whilst being penalised for errors in the Valuation Office's valuations which are outside of our control. This in turn is compounded by the need to maintain an appeals provision within the scheme. The failings / anomalies of the Retention scheme are understood by government and work is known to be underway to improve the revised Retention scheme for 2020. For this reason, the Council's WEP proposal, including the proposed NNDR funding options, should be considered on its own merits, i.e. without any link to the Council's current financial outcome from the existing Retention scheme.
6.3 The WEP NNDR Funding Options

Westminster commissioned PwC to review potential funding options available to meet the funding gap. PwC concluded the only feasible option would be to leverage funding from the Council’s NNDR income via a form of TIF arrangement.

The government has stated that the new “100%” retention scheme will be cost neutral (with the additional NNDR funding being matched by new rolled in responsibilities / services and reduced / removed grants). Whilst there is no additional funding at the outset of the new scheme, the Council believes that it may be possible for the Council to improve its financial position if it can contribute to the development of a revised Retention scheme, i.e. without the anomalies of the appeals provision and with financial incentives retained for achieving Revaluation growth. At the latest DCLG retention scheme national working group meeting, it was clear that there is as yet no firm detail or additional commitments behind the original headline announcements regarding the revised 100% scheme. Therefore, it is, at this stage, not possible to assume that the anomalies mentioned above will be removed. If the anomalies are not removed, in particular the appeals issue, the Council is likely to continue to lose funding below baseline funding levels even after 2020 (we are likely to have the largest rateable value increase on Revaluation and also the largest number of subsequent number of new appeals in the country). Therefore, at this point in time, the Council must discount a TIF1 solution, as we are unable to forecast future financial growth based on the existing Business Rate Retention scheme.

A Westminster Offset

The City of London is defined as a ‘special’ Council within the Business Rates legislation. This allows it to retain £10 million from its NNDR income, with only the remainder of their NNDR income utilised for the Business Rate Retention scheme calculation.

A similar arrangement for Westminster could potentially allow the Council to retain sufficient annual sums to repay loan interest and principle on a loan to meet the project’s funding gap. The advantages of this option are:

• There is a precedent (City of London’s “special” Council arrangement).
• It is simple for Westminster and central government to administer.
• It is outside of the Business Rate Retention scheme calculation mechanism.
This option would therefore require an offset of £37.5 million per annum for the full investment period (14 years). The borrowing requirements have been modelled against the profiled expenditure and with the business rates offset netting off the requirements year on year. In addition it is assumed that the £37.5 million offset will remain static over the 14 year period, however the costs will increase in line inflation and the funding will be received at the end of each financial year.

This will be further refined over the period as the profiling is refined and opportunities will be explored as the programme develops, including but not limited to the use of bonds or European Investment Bank borrowing.

Retaining Revaluation Growth

The Council’s proposals for the West End are primarily related to infrastructure/public realm improvements rather than new build development, although improvements in the West End may subsequently trigger private sector planning applications for floor space growth. The Council would therefore need a different type of deal to other New Deals agreed to date, to allow it to retain an element of revaluation growth.

The West End rateable value generates around £1.3 billion of the Council’s £1.8 billion annual NNDR collection.

Table 4: West End Rateable Values

<table>
<thead>
<tr>
<th>In WEP Area?</th>
<th>Sum of Rateable Values</th>
<th>% of RV in Westminster</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>£1,206 million</td>
<td>29%</td>
</tr>
<tr>
<td>Yes</td>
<td>£2,903 million</td>
<td>71%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>£4,110 million</td>
<td>100%</td>
</tr>
</tbody>
</table>

There is as yet no information available from the Valuation Office as to the likely increase in rateable value which will result from the forthcoming 2017 Revaluation, or indeed any information from DCLG regarding any Transitional Protection scheme that may be introduced to protect businesses from excessive rateable value increases/decreases.

However, a Volterra report, commissioned by the New West End Company Business Improvement District, considered a number of studies which have attempted to forecast likely NNDR growth at the 2017 Revaluation. These appear to be indicating an expected significant increase in rateable values in the West End, in a range between 63% and 85% for retail/prime retail, but with a much lower increase for West End offices (15%). The Volterra report assumes that nationally the overall rateable will fall, resulting in a proportionally increased poundage/multiplier in 2017/18.
Table 5: West End Valuations – Assumptions

| Current WEP area 2010 Valuation List RV | £2.9 billion |
| 2016/17 Poundage | x 0.484 |
| Current WEP Gross NNDR Liability | £1.4 billion |

Based on the above assumptions, Westminster Council would need to retain a different share of the revaluation depending on the overall rateable value increase for the 2017 revaluation, as demonstrated in the following table.

Table 6: West End Revaluation Financials

<table>
<thead>
<tr>
<th>Overall increase in RV at 2017 revaluation</th>
<th>Additional gross NNDR income due to revaluation</th>
<th>WCC retention % needed to achieve an annual NNDR income of £40m</th>
</tr>
</thead>
<tbody>
<tr>
<td>10%</td>
<td>140,519,946</td>
<td>-28.17%</td>
</tr>
<tr>
<td>20%</td>
<td>281,039,892</td>
<td>-14.08%</td>
</tr>
<tr>
<td>30%</td>
<td>421,559,838</td>
<td>-9.39%</td>
</tr>
<tr>
<td>40%</td>
<td>562,079,784</td>
<td>-7.04%</td>
</tr>
<tr>
<td>50%</td>
<td>702,599,730</td>
<td>-5.63%</td>
</tr>
<tr>
<td>60%</td>
<td>843,119,675</td>
<td>-4.69%</td>
</tr>
<tr>
<td>70%</td>
<td>983,639,621</td>
<td>-4.02%</td>
</tr>
<tr>
<td>80%</td>
<td>1,124,159,567</td>
<td>-3.52%</td>
</tr>
<tr>
<td>90%</td>
<td>1,264,679,511</td>
<td>-3.13%</td>
</tr>
<tr>
<td>100%</td>
<td>1,405,199,459</td>
<td>-2.82%</td>
</tr>
</tbody>
</table>

Finally, this initiative could be considered to be a suitable pilot to inform the development of the new 2020 100% Retention scheme, i.e. to test how the Retention of Revaluation growth can be utilised to deliver future growth.

The original principal aim of the Business Rate Retention scheme was to incentivise local authorities to promote and deliver growth. The current scheme only incentivises floor space growth, which whilst an important factor, only reflects an element of how growth is delivered. Local authorities through their actions can promote growth through other means, such as through the improvement of public realm and infrastructure. This is particularly important in areas which are already densely populated by businesses, such as the West End. The WEP programme therefore provides a real opportunity to undertake a pilot exercise to assess how additional investment in public realm and infrastructure can deliver growth and financial benefits.

While both of the above options will require the government to agree special ‘pilot’ variations for the Council, the benefits of the project are clear for London and the nation as a whole and at a headline level the proposal would only result in the Council increasing its current retained NNDR retention from 4% to around 6% of the total £1.8bn the Council collects per annum.

For both the “Offset” and “Revaluation” options we propose that the funding adjustment is reflected through a reduction in the Council’s Tariff payment. This will ensure that the GLA’s funding under the Business Rate Retention scheme is unaffected by the proposed WEP funding arrangements.
Summary

The West End is the key driver of the UK’s economic success. It is a net contributor to the UK’s fiscal position and due to its diverse and rich business base, it is one of the country’s largest collectors of NNDR. The economic success of the West End, and the net revenues that it generates, enables the Government to finance one of its most significant priorities; rebalancing the UK economy. A more successful West End of London means a more successful “rest of the UK”.

London’s “productivity premium” is a major contributing factor to the UK’s productivity levels and the West End plays a vital role in driving this. A more competitive and productive West End will help the UK to close the productivity gap between the UK and the rest of UK; driving up living standards across the country.

Although the West End’s productivity levels are one the highest in the UK, productivity has not increased at a fast enough pace compared to other leading countries and the West End can achieve more. Tackling the productivity challenge is a Government priority and is central to the WEP’s vision to improve the competitiveness of the West End to ensure that it continues to be one of the world’s leading cities for investment, talent and visitors.

Investment in the West End is an urgent priority now. The WEP programme stands between the opening of Crossrail 1 in 2018 and the plans for Crossrail 2, and provides an opportunity to maximise the opportunities of both of these investments. Without a strategic approach to improving the competitiveness of the West End, the UK is in danger of losing out on significant overseas investment and export markets.

Crossrail 1 will place significant pressure on the West End, the likes of which cannot be managed within existing infrastructure. The West End is in danger of becoming too overcrowded and congested with deteriorating air quality. The completion of Crossrail 1 and other key infrastructure projects including public realm improvements will enable the West End to better meet the challenges of a growing London and make an even greater contribution to the UK’s economic performance.

With an investment programme focused on investing in infrastructure across the West End, combined with cross cutting programmes and projects, the WEP investment programme will address the challenges that are restricting the West End’s growth potential and will enable the West End to exploit a number of opportunities, including the further development of its high growth sectors.

The programme will also leverage significant private sector investment which is in addition to the private sector funding contributions which have already been factored into the WEP funding programme. The private sector is fully supportive of the WEP and is in the process of reviewing investment plans to determine what opportunities can be brought forward as a direct response to the WEP programme. WEP will unlock this investment.

In addition to attracting significant private sector investment into the UK, the WEP investment programme will also deliver substantial wider benefits including:

- In the region of **102,000 additional jobs (gross)**.

- A net GVA increase of **£12.3 billion** in NPV terms (at 3.5% real) over the period 2016-2036.
• The West End Investment Programme is forecast to generate additional Exchequer tax take to the Treasury of £5.6 billion GVA in NPV terms. This is £2.9 billion more in NPV terms than would be achieved without the WEP programme (based upon a tax take of 24%). The Exchequer tax take using a 35% tax take rate (which is used for TfL economic impact purposes) would be £4.3 billion.

• Adjusting these figures to take account the cost of funding the programme, the corresponding figures are a net Exchequer tax take of £2.5 billion NPV assuming a tax take of 24% of GVA or £3.8 billion NPV assuming a tax take of 35% of GVA.

• Increased **visitor numbers**.

• Increased **overseas retail tourism and associated income and additional tax take**.

• Improved **productivity and competitiveness**.

• Reduced **unemployment and public sector dependency**.

• Reduced levels **of ill health and death**.

**Without the delivery of the WEP investment programme, job creation will be severely restricted over the next 15 years and the rate of Exchequer tax take from the West End will be reduced.**

The Investment Deal business case is for £409 million to meet the WEP funding gap. Over the life of the WEP investment programme this equates to £525 million including interest and is an average of less than £40 million per annum. The WEP Board has considered a range of funding options and considers the best option to close that gap is to leverage funding from Westminster Council’s National Non Domestic Rates (NNDR) income via a form of TIF arrangement.

In return for substantial benefits to the UK economy, the WEP is asking government to:

• Support the principle of developing a West End Investment Deal, through a mechanism linked to business rates, to help fund the delivery of the WEP.

• Work with Westminster Council and the London Borough of Camden to consider opportunities for pilot schemes as part of the ongoing development of the Retention Scheme.

**The WEP programme provides an opportunity to ensure that the West End of London remains a premier global destination for investors, workers and visitors and that the productivity gap between the UK and the rest of world continues to reduced, improving living standards across the UK.**
appendices

1 West End Partnership Projects
2 West End Partnership Project Costs and Funding
3 Sample Profiles of Top Projects
4 West End Development and Crossrail 1
5 PWC Economic Impact Report
WEP Projects

Criteria for inclusion:

1. Be vibrant, productive, resilient, creative and surprising.
2. Play a pivotal role in London’s continued economic success.
3. Provide new jobs and skills opportunities.
4. Be easy to reach, with less congestion and better air quality.
5. Be safe and secure as well as open and relaxed.
7. Inspire a sense of common purpose.
8. Be more self-reliant.

Priority WEP Projects to be in the WEP Investment Deal

<table>
<thead>
<tr>
<th>Project/Programme</th>
<th>Summary Description</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Quality</td>
<td>Cross-cutting measures and planning polices to include and co-ordinate: Ultra Low Emission Zone (ULEZ), Building Quality (Sustainable Building Standards) / Pollution</td>
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<td></td>
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</tr>
<tr>
<td>Baker Street Two Way</td>
<td>Introduction of two-way operation on Baker Street and Gloucester Place for traffic from Rossmore Road to Oxford Street. This project is promoted by Baker Street Quarter and Portman Estates</td>
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</tr>
<tr>
<td>Bond Street Retail Public Realm</td>
<td>Improvements to Bond Street including new paving maximising space for pedestrians with improved servicing; new street furniture and public seating; improved connections to neighbouring oasis spaces</td>
<td></td>
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<tr>
<td>Bond Street (TfL)</td>
<td>New London Underground ticket hall at Marylebone Lane and Oxford Street with associated public realm improvements. Development of the two Crossrail exits at Bond street including associated public realm improvements at Davies street and Hanover Sq. and the commercial over-site developments</td>
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<tr>
<td>Broadband</td>
<td>Additional investment in Broadband to increase bandwidth and speeds. Also to ensure that the West End remains a competitive location for businesses with a significant reliance on broadband connectivity</td>
<td>•</td>
<td>•</td>
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<tr>
<td>CCTV</td>
<td>Design and implementation of a new CCTV infrastructure and supporting services to enhance safety and visibility across the West End</td>
<td>•</td>
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</tr>
<tr>
<td>Cycling</td>
<td>Improvements aimed at making cycling in the West End easier, safer and more accessible to a wider range of people. This includes a greater number of cycling bays, safer cycling areas and overall safety measures to increase uptake.</td>
<td>•</td>
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</tr>
<tr>
<td>Employment and Skills Programme</td>
<td>A programme of cross-cutting projects including: Recruit London Workplace Coordinator Programme, Skills Project, West End Employment Programme, Working Capital. Significant focus on reducing long term unemployment</td>
<td>•</td>
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</tr>
<tr>
<td>Project/Programme</td>
<td>Summary Description</td>
<td>1</td>
<td>2</td>
<td>3</td>
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<td>5</td>
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<td>8</td>
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<tr>
<td>Energy</td>
<td>Provision of local power to ensure a secure power supply, reduced power costs with increased energy efficiency, particularly aimed at local businesses. Establishment of a new West End substation and associated tunnelling works.</td>
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<tr>
<td>Enterprise</td>
<td>Provision of affordable business space, business training mentoring and investment opportunities</td>
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</tr>
<tr>
<td>Euston Road</td>
<td>Provision of substantial public realm improvements with corresponding highway improvements with the key driver being to improve the poor air quality in the area</td>
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<tr>
<td>Freight and Waste Consolidation</td>
<td>A programme of reduction, retiming and consolidation and low emission vehicle projects delivering commercial, health and air quality benefits. Projects; Delivery Vehicle Reduction, No Waste on Streets, Baker Street Waste, Smarter Deliveries.</td>
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<tr>
<td>Holborn</td>
<td>Public realm roadway improvements to enhance traffic flow and safety within the Holborn area. Also includes pavement enhancements and improvements to pedestrian access.</td>
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</tr>
<tr>
<td>Marble Arch</td>
<td>This project is been delivered by TfL and Westminster City Council, the Oxford Street West project and the emerging Marble Arch BID. It will provide public realm, highway and transport improvements at the western edge of Oxford Street West to primarily improve pedestrian and cycling facilities</td>
<td></td>
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</tr>
<tr>
<td>Oxford Street West</td>
<td>Provision of substantial public realm for Oxford Street West including a reduction in surface transport, revitalised open spaces and upgrades to utility infrastructure. Significant economic benefit to the area through enhanced footfall, increased spend and new inward investment</td>
<td></td>
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</tr>
<tr>
<td>Oxford Street East</td>
<td>Provision of public realm and highway improvements connected to Crossrail and Tottenham Court Road</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>The Strand</td>
<td>Significant public realm improvements to the Aldwych gyratory improving traffic flow, reducing air pollution and creation of new pedestrian areas</td>
<td></td>
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</tr>
<tr>
<td>Tottenham Court Road Two Way/‘The West End’ project</td>
<td>Provision of two way system in the Tottenham Court Road area and St Giles linked to Crossrail Station improvements at Tottenham Court Road</td>
<td></td>
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</tr>
<tr>
<td>Tottenham Court Road Station (TfL)</td>
<td>Public Realm improvements around the Western Ticket Hall of the new Tottenham Court Road Crossrail Station. Physical improvements to improve pedestrian access, traffic flow and</td>
<td></td>
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</tr>
</tbody>
</table>
## WEP Project Costs and Funding

<table>
<thead>
<tr>
<th>Project</th>
<th>Cost £M</th>
<th>Funding £M</th>
<th>Funding Gap £M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Air Quality</td>
<td>3.89</td>
<td>(2.59)</td>
<td>1.30</td>
</tr>
<tr>
<td>Baker Street Two Way</td>
<td>15.28</td>
<td>(8.00)</td>
<td>7.27</td>
</tr>
<tr>
<td>Bond Street Crossrail (TFL)</td>
<td>61.32</td>
<td>(48.90)</td>
<td>12.41</td>
</tr>
<tr>
<td>Bond Street Retail Public Realm</td>
<td>10.80</td>
<td>(4.88)</td>
<td>5.92</td>
</tr>
<tr>
<td>Broadband</td>
<td>14.70</td>
<td>(2.60)</td>
<td>12.10</td>
</tr>
<tr>
<td>CCTV</td>
<td>15.36</td>
<td>(3.27)</td>
<td>12.10</td>
</tr>
<tr>
<td>CIL</td>
<td>–</td>
<td>(60.00)</td>
<td>(60.00)</td>
</tr>
<tr>
<td>Cycling</td>
<td>27.00</td>
<td>(27.00)</td>
<td>–</td>
</tr>
<tr>
<td>Employment</td>
<td>9.46</td>
<td>(2.69)</td>
<td>6.77</td>
</tr>
<tr>
<td>Energy</td>
<td>56.20</td>
<td>(22.48)</td>
<td>33.72</td>
</tr>
<tr>
<td>Enterprise</td>
<td>32.00</td>
<td>(15.35)</td>
<td>16.65</td>
</tr>
<tr>
<td>Euston Road</td>
<td>18.00</td>
<td>(9.00)</td>
<td>9.00</td>
</tr>
<tr>
<td>Freight and Waste Consolidation</td>
<td>5.58</td>
<td>(1.60)</td>
<td>3.98</td>
</tr>
<tr>
<td>Future projects</td>
<td>100.00</td>
<td>–</td>
<td>100.00</td>
</tr>
<tr>
<td>Marble Arch</td>
<td>30.00</td>
<td>(21.00)</td>
<td>9.00</td>
</tr>
<tr>
<td>Oxford Street East</td>
<td>133.72</td>
<td>(48.34)</td>
<td>85.38</td>
</tr>
<tr>
<td>Oxford Street West</td>
<td>160.85</td>
<td>(47.08)</td>
<td>113.77</td>
</tr>
<tr>
<td>Programme Management</td>
<td>15.50</td>
<td>–</td>
<td>15.50</td>
</tr>
<tr>
<td>The Strand</td>
<td>25.67</td>
<td>(13.10)</td>
<td>12.57</td>
</tr>
<tr>
<td>Tottenham Court Road LU (TFL)</td>
<td>34.00</td>
<td>(34.00)</td>
<td>–</td>
</tr>
<tr>
<td>Tottenham Court Road Two Way (&quot;The West End Project&quot;)</td>
<td>45.00</td>
<td>(33.00)</td>
<td>12.00</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>814.31</strong></td>
<td><strong>(404.88)</strong></td>
<td><strong>409.43</strong></td>
</tr>
</tbody>
</table>
Sample Profiles of Top Projects

**Employment Programme**

**What will this deliver?**

- **The benefits of economic opportunity aren't always shared amongst all communities.** Employment and skills are key building blocks for overcoming barriers across a range of vulnerable cohorts enabling people to become more resilient and independent. The objectives of the Employment Programme are to:

  1. Reduce long term unemployment in partnership with West End employers and stakeholders
  2. Invest in activities to better prevent long term unemployment and complex dependency

**At a Glance**

- **76%** of claimants in Westminster are long term unemployed
- **14,440** unemployed claimants in Westminster
- **33%** reduction in long term unemployed by 2018
- **£13m** investment up to 2020
- **£14m** estimated ANNUAL saving to HM Treasury in supporting long term unemployed residents into employment

**Key Milestones**

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Reduce long term unemployment in partnership with West End employers and stakeholders</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>2. Invest in activities to better prevent long term unemployment and complex dependency</td>
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</tr>
</tbody>
</table>

**Delivered By:**

Sponsor: Ed Watson, Executive Director of Growth, Housing and Planning, WCC

Project Manager: Tom Harding, Westminster City Council (WCC)
Hanover Square Project (Bond Street Crossrail)

Hanover Square is to be comprehensively transformed into an internationally significant public space through:

1. Delivery of a greatly improved public realm: which integrates Crossrail’s Bond Street Eastern Ticket Hall with heritage and new schemes; is safer for all users; and which recognises the Square’s rich history and its fast changing role.
2. Increasing the capacity of the Square to cope with additional pedestrians associated with the arrival of these major developments, co-ordinating works, and maximising on the opportunities that these developments bring.
3. Providing wider pavements and enhanced public spaces with better physical and visual connections between the square and its surrounding area.

What will this deliver?

New Shared Space to improve pedestrian accessibility
Improved Pedestrian Flow for new Bond St Passengers
Improved Lighting and street furniture
New garden area and green space
Enhanced heritage features e.g. look and feel

Key Milestones

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Detailed design developed in partnership through the Project Board</td>
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<tr>
<td>Scheme is a catalyst for further private sector development and investment</td>
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<tr>
<td>Co-ordinated implementation of public realm works</td>
<td></td>
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<tr>
<td>TARGET: Phased delivery ahead of Crossrail’s opening in December 2018</td>
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</tbody>
</table>

Delivered By: City of Westminster | Transport for London

Sponsor: Charlie Parker, Chief Executive, Westminster City Council (WCC)
Project Manager: Hilary Skinner, WCC

At a Glance

1.2 ha public space with more planned in connecting streets
10k Crossrail passengers expected at peak times
20k sqm uplift in commercial floor space in development with more expected
£250k funds secured from private sector contributions (section 106)
£3.75m further agreed from adjacent developments (section 106)
The Strand Project

Improvements to the Aldwych Gyratory will offer the greatest upgrade to the Northbank area. The Aldwych area is blighted with heavy traffic and a poor pedestrian environment. Over 20 listed buildings and monuments sit within a landscape of fast-flowing traffic, buses, parking, asphalt poor lighting and street clutter. The objective is to:
1. Create a new large pedestrian space around St Mary-le-Strand, closed to traffic for special events
2. Rationalise traffic flows and combat air polluting modes
3. Upgrade the areas streets, including making Arundel Street a fitting setting for the forthcoming Garden Bridge, knitting it into the West End
4. Allow the public life of the area to be reinvented, and the local institutions to invest to show their public face and create a distinct identity

What will this deliver?

- **Wider Pavements**
  - to improve pedestrian access
- **Redesigned Carriageway**
  - To enhance aesthetics, parking and traffic flows
- **Improved Lighting**
  - And street furniture
- **Enhanced parking and loading**
  - To improve traffic flow, shopping experience and freight logistics
- **Enhanced Cycle Parking and Pedestrian Areas**

Delivered By:
- **City of Westminster**
- **Transport for London**
- **Westminster City Council (WCC)**

Key Milestones

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasks</td>
<td><img src="image" alt="Footfall and traffic flow data (March)" /></td>
<td><img src="image" alt="Seek consents (March)" /></td>
<td><img src="image" alt="Commence design (May)" /></td>
<td><img src="image" alt="Commence build (January)" /></td>
<td><img src="image" alt="Refine design with local stakeholders (September)" /></td>
</tr>
<tr>
<td>Tasks</td>
<td><img src="image" alt="Complete build (July)" /></td>
<td></td>
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</tbody>
</table>

At a Glance

**Better**
- Allocation of road space prioritising pedestrians and fostering civic pride
- **20%** improvement in air quality
- **£10m** cost, encouraging inward investment
- **£5m** private sector investment up to 2019

Sponsor: Ruth Duston, Chief Executive Northbank
Project Manager: Graeme King, Westminster City Council (WCC)
Bond Street Public Realm Project

Bond Street is a key element of the luxury retail quarter of the West End attracting 50 to 70% of annual sales from international tourism of which 26% are Chinese. In comparison to other luxury retail quarters internationally the public realm on Bond Street is not fit for purpose. It is economically important to enable a shopping experience that competes with similar international destinations. The project will deliver a set of enhancements to the public realm ensuring that Bond Street retains its attractiveness to international consumers. The project is also being delivered to complement the opening of Crossrail in 2018 by significantly enhancing the public realm in the vicinity of Bond Street.

What will this project deliver?

- **Wider Pavements**
  - Using quality materials to improve pedestrian access

- **Redesigned Carriageway**
  - To enhance aesthetics, parking and traffic flows

- **Improved Lighting**
  - And street furniture

- **Enhanced Parking and Loading**
  - To improve traffic flow, shopping experience and freight logistics

- **New Pedestrian Priority Areas**

Delivered By: 
- City of Westminster
- Transport for London

Sponsor: Jace Tyrrell, Chief Executive NWEC
Project Manager: Mark Allen, Westminster City Council (WCC)

Key Milestones

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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</thead>
<tbody>
<tr>
<td>Stage 1 design complete (January)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<tr>
<td>Stage 2 design complete (July)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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<tr>
<td>Stage 3 design complete (December)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>On-street works commence (January)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>On-street works complete (August)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
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</table>

At a Glance

- **70%** (up to) of retail sales from international tourism
- **10%** target increase in on street dwell times by shoppers
- **44%** target increase in conversion from browsing to buying
- **£1.8b** target annual sales revenue for retailers in 2023
- **50** additional jobs for long-term unemployed residents
Oxford Street West Project

Oxford Street is the premier shopping destination attracting a wide range of international visitors and Londoners. It makes a significant contribution to the UK economy generating £3bn of retail sales annually from its 4.27m sq. feet of retail accommodation. There is a need to update and refresh the public realm to ensure that Oxford Street West maintains its reputation as a global shopping destination and continues to attract significant inward investment. The project will provide the following benefits:
1. growth of mixed use district and jobs to generate additional revenues;
2. increase in dwell time and enhanced experience, all leading to more return trips and increased spend per head; and,
3. inward investment by existing and new occupiers and property owners across a range of sectors including intensification of use, investment in existing building stock, enlargement of building stock and redevelopment.

What will this deliver?

At least 17k sqm of Extra Pedestrian Space
Reduction in surface transport
Better Lighting and Street Furniture
Revitalised Public Open Spaces
Upgrades to Utility Infrastructure

Key Milestones

<table>
<thead>
<tr>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>☀️ Public Consultation commences on possible options (September)</td>
<td>☀️ Decision by WEP Board on preferred option (April)</td>
<td>Preferred option finalised for implementation (March)</td>
<td>Implementation of surface transport and public realm improvements ahead of Crossrail (June)</td>
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At a Glance

- 600,000 (Up to) people visit Oxford Street West each day
- 1.5 miles long making it the largest shopping street in Europe
- 85,000+ sqm of public realm improvements being planned
- £1.52b of retail sales generated by Crossrail per from 2018
- 780k estimated additional square metres of employment floor space through investment (Source:Volterra)
Freight and Waste Consolidation Programme

The West End needs to do more to meet its targets on air quality and traffic congestion. This programme brings together a number of projects using innovative vehicles along with a toolkit to manage and change behaviours in freight. These projects will give the West End a competitive edge ensuring that it continues to be an attractive place to live, work and visit.

The benefits of the programme are:
1. Reduced freight traffic
2. Reduced traffic congestion
3. Improved visitor experience
4. Cleaner and safer vehicles
5. Improved air quality
6. Reduced emissions
7. Increasing competitiveness

What will this deliver?

Delivery Service Plans for businesses
Improvements to reduce freight movements and improve air quality

Oxford Street West Freight Plan
A holistic freight plan for this important economic area

Freight Electric Vehicles for SMEs
Providing help to buy or other schemes to enable sharing

Loading and Charging Points

Delivered By:

Sponsor: Steve Medway NWEC & Stuart Lowe Westminster City Council Project Manager: Vicky Keeble (Cross River Partnership)

Key Milestones

<table>
<thead>
<tr>
<th>Year</th>
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<tr>
<td>Launch of Oxford Street West Four Year Freight Plan (October)</td>
<td>New street charging points (April)</td>
<td>Retrofitting limited no of vehicles for low emissions (April)</td>
<td>Launch pilot for Personal Delivery Pilots Scheme (April)</td>
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At a Glance

- **281,000** delivery and servicing vehicles in use in London on an average day
- **5%** of London's workforce is employed in delivery and servicing
- **20%** annual growth rate in online shopping
- **50%** of cyclists killed or seriously injured in London involve delivery and servicing vehicles
Oxford Street East forms part of the UK’s premier shopping street, attracting significant footfall along with associated retail spend. To the south is the vibrant district of Soho with over 4,000 business rate payers generating significant revenue. With the arrival of Crossrail 2 in 2030 there will be a need to radically reduce the surface transport and revitalise the public realm to accommodate the influx of people and growth it will generate for the area. The project will provide the following benefits:

1. Continued growth and dominance of Europe’s largest creative sector;
2. Increase in dwell time and enhanced experience, all leading to more return trips and increased retail and leisure spend per head; and,
3. Inward investment including intensification of use, investment in existing building stock, enlargement of building stock and redevelopment.

What this will deliver?

- Over 11Km of streetscape and public realm improvements
- Reduction in surface transport and freight consolidation
- Major improvements to two London Squares in the heart of Soho
- Upgrades in utility infrastructure including super fast broadband

Delivered By:
City of Westminster
Transport for London
Shaftesbury Property Owner
Sponsor: Charlie Parker, Chief Executive, Westminster City Council (WCC)
Project Manager: Roger Austin, WCC

Key Milestones

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- Implementation of some public realm improvements in Soho (May)
- Completion of public realm improvements around Tottenham Court Road Station (November)
- Roll out of freight consolidation scheme for district (July)
- Preferred option for public realm and transport schemes around new Crossrail 2 stations (November)

At a Glance

- **430,000** people a day visit the district.
- **2** new Crossrail 2 stations in 2030 with up to 24 trains an hour
- **46,000** creative workers in Soho generating a combined turnover of £7.5bn per annum.
- **40,000** people a night- the night time economy
- **11 km** of roads and public realm improvements planned
Tottenham Court Road Two Way/’The West End’ Project

Tottenham Court Road is an iconic area of London and important to the capital’s economy. This investment in public realm, traffic improvement and leisure will make it safer and more attractive for residents, boost business and create new public spaces, ahead of the opening of the new Crossrail station in 2018. The vision is:

- High quality public spaces for everyone to enjoy
- Better streets that reduce traffic congestion, delays and collisions
- Brand new parks, green spaces and improved air quality
- Streets designed to make bus journeys simpler, faster and more reliable
- Improved streets for cycling including protected cycle lanes on Gower Street
- Capitalise on benefits of new Crossrail station; Tottenham Court Road expected to generate highest gross value uplift on the line

What will this deliver?

- New High Quality Public Spaces
- Better Streets reducing traffic congestion, delays and collisions
- New Parks, Green Spaces and improved air quality
- Improved Cycle Ways and Safer Journeys

Delivered by: Camden

Transp for London

Sponsor: Rachel Stopard, Acting Executive Director, Camden Council
Project Manager: Siml Shah, Camden Council

Key Milestones

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<tr>
<td>Approval for the project (Aug)</td>
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<tr>
<td>New Park at Alfred Place (Oct)</td>
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<tr>
<td>Tottenham Court Road Two Way Fully Operations (Dec)</td>
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<tr>
<td>Buses operating two way on the street (Jul)</td>
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At a Glance

- 4:1 cost benefit ratio over a thirty year investment period
- £4.25m public realm ambience benefit for pedestrians
- £1.4m public realm ambience benefit for cyclists
- £40m health benefit of increased cycling estimated at over a thirty year period
West End Development and Crossrail 1

These are a sample of developments identified by New West End Company linked to Crossrail 1 opening. Most have planning consent, some are underway and many are yet to be realised. (Source HDA ‘Identifying new shoppers’ for WEP Oxford St stakeholder group August 2015, and NWEC Fast Track to the Future: Visionary new developments driven by Crossrail 1, June 2015).
1. Selfridges
2. 71-77 Wigmore Street
3. Marylebone Lane
4. 66 Wigmore Street
5. 33 Grosvenor Street
6. 20 Grosvenor Street
7. 69 Grosvenor Street
8. 287-291 Oxford Street
9. 11-12 Hanover Square
10. 1 New Burlington Place
11. 10 New Burlington Street
12. Burlington Gate
13. 12-14 New Bond Street
14. 5-7 & 8/9 Cork Street
15. 6 Burlington Grds & Burlington House
16. Burlington Arcade
17. 161-167 Oxford Street
18. 36 Poland Street
19. Plaza Shopping Centre
20. 57-59 Broadwick Street
21. 21 Glasshouse Street
22. 7 Air Street
23. Artisan
24. Rathbone Square
25. 73-89 Oxford Street
26. 11 Soho Street
27. 26-48 Oxford Street
28. One Bedford Avenue
29. Centre Point
30. St Giles Circus
31. Trocadero
32. Charing Cross Rd & Newport Place
**Future Developments in the West End**

1. Selfridges
   Redevelopment of the store with c.10% new retail space created (bringing total floor space to c. 585,000 sq ft). Plans also include the construction of a new entrance via Duke Street.

2. 71-77 Wigmore Street & Christopher’s Place
   2 units for either retail or restaurant use and 8 residential units above. September 2018 planned completion.

3. Marylebone Lane
   Public realm improvements including footway widening and realignment, new carriageway, improved lighting and relocation of parking.

4. 66 Wigmore Street
   Office re-development of 54,000 sq ft across 7 floors. Status: Under construction - due for completion early 2016

5. 33 Grosvenor Street
   11,000 sq ft townhouse reimagined as new office space and residential mews. Status: Under construction.

6. 20 Grosvenor Street
   Office development totalling 39,400 sq ft. Pre-let to KPMG as a meeting suite. Status: Existing.

7. 69 Grosvenor Street
   ‘Boutique townhouse’ office development on Grosvenor Street totalling 14,500 sq ft.

8. 287-291 Oxford Street
   Alongside 11-12 Hanover Square development – retail and office development with Oxford Street frontage including a large shop at ground and 1st floor level.

9. 13-12 Hanover Square
   Alongside 287-291 Oxford Street - office and retail development.

10. 1 New Burlington Place
    20,000 sq ft of retail space, pre-let to Polo Ralph Lauren and Michael Kors, and 80,000 sq ft of office space. Status: Under construction.

11. 10 New Burlington Street
    37,200 sq ft retail space – let to J Crew and Watches of Switzerland. 95,000 sq ft of office space.

12. Burlington Gate
    Redevelopment of existing building to create 42 apartments totalling 45,000 sq ft and 25,000 sq ft of art gallery space.

13. 12-14 New Bond Street
    Extension into Cork Street Mews – retail space at basement, ground and 1st floor; office/ancillary retail at 2nd, 3rd and 4th floors.

14. 5-7 & 8/9 Cork Street
    Alongside 12-14 New Bond Street - retail and office space as a result of redevelopment of existing buildings.

15. 6 Burlington Gardens & Burlington House
    Royal Academy of Arts redevelopment – new bridge and corridor to link Burlington House and Burlington Gardens. Planned completion is early 2018.

16. Burlington Arcade
    New statement flooring and art installation as part of planned restoration project.
Future Developments in the West End

17. 143-157 Oxford Street & 18-36 Poland Street
Redevelopment of Academy House comprising three retail units merged to create one 15,000 sq ft unit, and 26,700 sq ft of office space over 5 floors.

19. Artisan
Merging of 7 buildings into one scheme including 18 apartments and 5 retail units totalling 2,000 sq ft.

14. Rathbone Square
112,000 sq ft office development, new public square, shops, cafés and restaurants, altogether totalling 411,000 sq ft.
Status: Under construction

13. Plaza Shopping Centre
Redevelopment including 60,000 sq ft flagship store and other retail units.

20. 57-59 Breadwick Street
Retail conversion and office extension/redevelopment, and creation of new residential space.

21. 21 Glasshouse Street
28,000 sq ft office development adjacent to 7 Air Street development.
Status: Under construction

22. 7 Air Street
46,000 sq ft office space known as ‘Quadrant 2’, adjacent to 21 Glasshouse Street development.
Status: Under construction

Future Developments in the West End

25. 71-89 Oxford Street
85,000 sq ft of new retail (circa 35,000 sq ft) and office (circa 50,000 sq ft) space close to Dean Street entrance to Crossrail.
Status: Planning Granted

28. One Bedford Avenue
115,000 sq ft of retail and office accommodation. Due to be completed in early 2017.
Status: Under Construction

26. 11 Soho Street
Mixed-use scheme including 6 residential units, 2 floors of office space totalling 15,000 sq ft and a 35,000 sq ft flagship retail store (pre-let to Zara).

27. 26-48 Oxford Street
Mixed-use development – predominantly retail (76,500 sq ft) and some residential (18 apartments).

29. Centre Point
82 apartments, new public square and circa 42,000 square feet of retail space.

30. St Giles Circus
224,000 sq ft redevelopment of area, enabled by the demolition of several buildings for Crossrail.

32. Charing Cross Road & Newport Place
Reconfiguration of existing block to create 32,000 sq ft of retail space on Charing Cross Road and 13,500 sq ft of restaurant space fronting Newport Place.

31. Trocadero
Transformation of the scheme to potentially include large budget hotel, and two flagship retail stores.
PWC Economic Impact Report
See separate report
Formed in 2013 the West End Partnership brings together senior public service and private sector leaders, academic experts and resident representatives.

It was created to be the catalyst and mechanism to enable the West End to accommodate growth, whilst at the same time strengthen its unique cultural character, amenity and openness.

The West End is one of the most celebrated and exciting places in the world. Comprising just a few square miles, it sits at the heart of a global city projected to expand to ten million people over the next fifteen years.

The Partnership will coordinate and initiate action and delivery in response to this growth with new policies, plans and actions which benefit residents, communities, businesses and visitors alike.

www.westendpartnership.london
info@westendpartnership.london