

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2256

Title: West End Good Growth Study

Executive Summary:

Approval is sought to commission a study to undertake a review of risks and opportunities to the achievement of the West End's potential within the context of the new London Plan policy for good growth in the Central Activities Zone. The study will be a standalone piece of work with a value up to £50,000, to be funded from the Mayor's Strategic Investment Fund (SIF).

Decision:

That the Assistant Director of Regeneration and Economic Development approves:

Expenditure of up to £50,000 on external services to undertake a West End Good Growth study on behalf of the GLA.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Debbie Jackson

Position: Assistant Director of Regeneration and Economic Development

Signature:



Date:

07/08/18

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. The draft new London Plan emphasises the significant contribution by the West End (including the primary retail functions of Oxford Street, Regent Street, Bond Street and the wider West End Retail and Leisure Special Policy Area) towards the Central Activities Zone (CAZ) and its vibrant, successful and diverse retail offer at a scale and quality that makes it a shopping destination of global significance.
- 1.2. The case for transformational investment in the West End's public realm relies in part on the need to improve the resilience of the West End economy and on the fact that it helps realise the full growth potential associated with the opening of the Elizabeth Line (increase of business turn over from £8.8bn in 2014 to £13bn in 2021 and of 30,000 jobs between 2017 and 2032).
- 1.3. The West End Partnership's Outline Business Case from 2017 for a proposed Tax Incremental Finance (TIF) investment aimed to resolve a number of long standing and interrelated issues – including air quality, road user safety, and pedestrian comfort levels, that were beginning to undermine the attractiveness of Oxford Street as a premier shopping destination – and to secure resilience and growth opportunities in the economy of the West End. The timing of the TIF investment was driven by the opening of the Elizabeth Line in December 2018 and the corresponding growth in visitor numbers which would compound all of these ongoing issues.
- 1.4. Since that time, there is a perception that structural change within the retail sector has gathered pace. The planned closure of the House of Fraser on Oxford Street, aligned with Westminster City Council's withdrawal from the partnership working on the Mayor's pedestrianisation proposals, have raised fundamental questions about the nature of the future economy of West End, in particular focussed around the Oxford Street district as a key commercial centre. Increased accessibility, driven by the Night Tube and the opening of the Elizabeth Line, and polarisation trends (whereby larger commercial centres attract relatively greater demand), mean that despite sectoral restructuring the potential for growth of the West End economy remains significant.
- 1.5. It is proposed to commission a study to review of risks and opportunities to the achievement of the West End's growth potential within the context of the new London Plan policy for good growth in the Central Activities Zone.
- 1.6. The study would be a standalone piece of work. Its value would be up to £50,000, to be funded from the Mayor's Strategic Investment Fund (SIF). The Regeneration and Economic Development team will manage the delivery of the study, in consultation with other GLA group teams as required. Consultants would be procured via direct call-off from the Architecture Design and Urbanism Panel (ADUP), utilising existing in-depth knowledge from previous relevant work in the area to deliver the study within the set programme and inform executive decision making in a timely manner.

2. Objectives and expected outcomes

- 2.1. The study will focus on the on the unique characteristics of the West End economy and the role of the Oxford Street district in that economy, building on existing studies on economic sectors and high streets as relevant.

- 2.2. The study will develop a holistic understanding of this economy, and an assessment of its potential to adapt and grow, given sectoral restructures and increasing West End accessibility. It will inform public policy decisions and enable public and private sector partners to develop coordinated investment strategies that maximise potential good growth in line with new London Plan policies.
- 2.3. Issues that the study will consider, in the context of the West End (but focussing particularly on the Oxford Street district):
- Structural changes within the retail sector: downward and upward trends;
 - The role of Oxford Street as the flagship location for retail in the UK;
 - International comparison of innovative solutions with centres in world cities;
 - The make-up and potential growth scenarios for the West End market in terms of visitor numbers and expenditure;
 - The mix of uses and experiences that will achieve/undermine economic growth projections;
 - The quality of and innovation within the environment, including that of the public realm, and innovation within the retail sector and beyond, that will ensure customers continue to be drawn to spend time and money in the West End.
- 2.4. In assessing customer spending patterns, attitudes and expectations, potential growth potential and factors that may constrain this potential we would expect the study to distinguish between the following key segments of West End users: West End workers and residents; domestic customers; international customers.
- 2.5. The study will provide:
- Targeted literature review on the current status and future perspectives for London's retail sector and commercial district, with a focus on the West End;
 - Overview of the structure of the Oxford Street district economy (number of businesses, employee jobs, and an estimation of headline GVA);
 - Review of current West End commercial space supply (including planning pipeline) and demand up to 2041;
 - Review of Westminster City Council Local Plan and London Plan approaches to accommodating the projected growth;
 - Assessment of space required, and capacity within the West End, to deliver forecasted growth of the West End workforce;
 - Assessment of potential for sectoral growth and resulting changes in space requirements;
 - Assessment of the impact of growth scenarios on existing residential communities;
 - SWOT analysis summarising the status and outlook for the West End Economy;
 - Assessment of essential and desirable conditions for ensuring a successful future for the West End, including recommendations for key actors.

3. Equality comments

- 3.1. The West End (and the Oxford Street district within it) is a key destination in the CAZ. The work set out in this decision is intended to inform a future strategy for the area which secures a viable, accessible and sustainable mix of uses for all residents, workers and visitors to the area.

4. Other considerations

a) key risks and issues

Failure to address the changes and challenges set out above could jeopardise the Mayor's plans to deliver inclusive and sustainable growth in the area. To mitigate this, this study would help inform future approaches and engagement with a range of stakeholders.

b) links to Mayoral strategies and priorities

In his manifesto the Mayor committed to prioritise the improvements of high streets, squares and public spaces across the city, and to work with Westminster Council, local businesses, Transport for London (TfL) and taxis, to pedestrianise Oxford Street.

In the draft new London Plan the Mayor committed to:

- Promote and enhance the unique international, national and London-wide roles of the CAZ, based on an agglomeration and rich mix of strategic functions as well as local uses;
- Support the vitality and viability of the West End as an international shopping and leisure destinations.

c) impact assessments and consultations

Successful delivery of a future strategy for Oxford Street district will be dependent on engagement with a range of stakeholders in the public and private sector, including local authorities, landowners, businesses, residents and other users.

5. Financial comments

This study will be funded from the Mayor's £112 million Strategic Investment Fund (SIF) which is being financed from the GLA's share of growth from the London 100% business rates retention pilot for 2018-19. Provision for the SIF has been made in the Mayor's 2018-19 budget. This study is being approved in advance of the Mayoral Decision allocating the wider fund to allow the procurement process to be commenced as soon as possible.

6. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract	Aug 2018
Delivery start date	Aug 2018
First draft report	Early Sep 2018
Final draft report	Mid Sep 2018
Delivery End Date	End Sep 2018
Project Closure	End Sep 2018

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

Note: This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason:

To enable a comprehensive announcement on Strategic Investment Fund decisions.

Until what date: 1 September 2018.

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer:

Tim Rettler has drafted this report in accordance with GLA procedures and confirms that the Finance and –if relevant- Legal teams have commented on this proposal as required, and this decision reflects their comments.

Corporate Investment Board:

The Corporate Investment Board reviewed this proposal on 6 August 2018.

HEAD OF FINANCE AND GOVERNANCE:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature: *Benoville*

Date: *7/8/2018*

*TIM SOMERVILLE IN THE ABSENCE OF
TOM MIDDLETON*

