

Draft London Plan 2018 New West End Company Response

Executive Summary

1. Overview

The draft London Plan provides strategic direction for the future good growth of London, including guidance for emerging local plans.

2. The International Shopping Centre in the draft London Plan

Given the strategic importance of the West End to the growth of London - and in particular the importance of its International Shopping Centre - it is disappointing that the plan dedicates less than one page of its 460 pages to providing strategic advice on the growth of this crucial area.

3. The importance of the West End

3.1 *The importance of the West End to the economies of London and the West End*

The six hectares of the West End generates £51 billion GVA annually, more than the £43.9 billion of the City and as much as the whole of Wales. It accommodates over 650,000 jobs and the Oxford Street District is expected to create an additional 37,500 jobs by 2036. It draws international investment in retail, entertainment, hospitality, healthcare and the creative industries.

3.2 *The importance of London to the future financing of London government*

Government proposals to make business rates the primary income for London and local government funding makes the economic success of the West End central to future provision of public services in London. Westminster City Council generates £2 billion of business rates income, around 25% of all London business rates, much of this is from the West End.

3.3 *The importance of the West End to the Mayor*

One of the Mayor's top policy priorities is the transformation of Oxford Street District to accommodate the 81 million additional annual visitors expected by 2031 from the Elizabeth Line. The Mayor and his deputies constantly acknowledge and support the vital role of the West End to the economies of London and the wider UK and its contribution to key mayoral goals, such as improving air quality.

We are concerned that the draft London Plan does not reflect the importance of the West End and the welcome commitment that the Mayor has made to the district's future good growth.

3.4 *The importance of the West End to post-Brexit London*

As the UK leaves the EU and London loses two major assets – membership of The Single Market and the Customs Union – it is of strategic importance to London's future attractiveness to investors, talent, students and visitors that the appeal of the West End is enhanced further

4 Commitment to addressing West End growth in the London Plan

The forward to the Mayor's second stage consultation on proposals for the transformation of the Oxford Street District commits to addressing issues of growth "in future consultations, such as those on the London and City Plans". We do not see that commitment being honoured in the current draft London Plan.

5 The need for policies to promote actively growth in the West End

The continued success of the West End International Shopping Centre cannot be taken for granted. It faces many challenges which together demand that the London Plan should promote policies that actively encourage and enable good growth –

- continuing international competition, from established and emerging centres;
- growth of online retailing;
- changes in consumer expectation;
- the need to evolve and integrate the combined retail, entertainment and commercial elements of the West End; and
- uncertainty over Brexit.

6 How the London Plan should support the West End

New West End Company would like to see in the London Plan –

- a clear and detailed geographic definition of the International Shopping Centres to enable targeted growth policies to be applied;
- a clear acknowledgement of the importance of the West End to the future growth and well-being of London and the wider UK;
- a clear and detailed definition of the attributes and content of the International Shopping Centres and how these integrate with the international entertainment and commercial districts; and
- clear and detailed guidance to local planning authorities on what uses are and are not appropriate to ensure good growth and on the need to provide sufficient commercial space to accommodate the Mayor's jobs growth targets in the West End.

We realise that some of these issues may be dealt with in emerging local plans but we feel that the London Plan should provide a greater level of detailed strategic guidance to inform these plans, given the importance of the West End to London's future, beyond its purely local impact.

7. Moving forward

New West End Company would be happy to work with the GLA and local West End partners (e.g. the West End Partnership, Westminster Property Association, London First and other Westminster BIDs) to create a more enhanced set of strategic guidance within the emerging London Plan for the future good growth of the West End.

Draft London Plan 2018 New West End Company Response

1. Overview

- 1.1 Thank you for providing New West End Company with the opportunity to respond to the draft London Plan. New West End Company is the Business Improvement District representing over 600 retail, hospitality and property business in and around Oxford Street, Regent Street and Bond Street. In December 2017 New West End Company won its renewal ballot for a fourth term (2019-2021) with a 92% “yes” vote from businesses, guaranteeing £25 million of private capital investment in the district.
- 1.2 Our main concern is to ensure that the London Plan recognise, appreciate and responds more fully to the importance of the West End – and in particular the International Shopping Centre which we represent - both to the economies of London and the UK and to the appeal of London to investors, talent and visitors, particularly in face of Brexit uncertainties. As a consequence, we believe that the London Plan should provide more detailed strategic guidance to support the good growth of the West End and in particular the International Shopping Centre.
- 1.3 Section 2 outlines the few mentions of the International Shopping Centre of the West End within the London Plan. The importance of the West End is outlined in sections 3. Section 4 highlights the Mayor’s commitment to address growth issues in the London Plan. Section 5 explains why the West End needs positive policy support to good growth. Section 6 suggests four policy areas that should be include in the London Plan. Section 7 suggests how to move forward.

2. The International Shopping Centres in the Draft London Plan

- 2.1 The draft London Plan runs to 460 pages, excluding annexes. Within this the following mentions are made of the two International Shopping Centres.
- 2.2 The draft London Plan refers to the International Shopping Centres primarily in policy SD4, “The Central Activities Zone” which states -

“The vitality and viability of the international shopping and leisure destinations of the West End and Knightsbridge together with other CAZ retail clusters should be supported”. (SD4 F)

- 2.3 It continues :

“The CAZ contains a vibrant, successful and diverse retail offer at a scale and quality that makes it a **shopping destination** of global significance. It contains a range of unique centres and mixed-use clusters with a predominant retail function which perform different roles in the wider London Plan town centre network including:

- a. **International centres** - 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) and Knightsbridge

- b. **The West End Retail and Leisure Special Policy Area (WERLSPA)** including Covent Garden and Soho, where retail should complement the strategic cultural, leisure, evening and night-time economy roles of these areas.
- c. **CAZ retail clusters** - significant mixed-use clusters with a predominant retail function and in terms of scale broadly comparable to Major or District centres in the London Plan town centre network
- d. **Locally identified CAZ retail centres** – smaller clusters or parades of retail and related uses broadly comparable to local / neighbourhood centres in the London Plan town centre network and generally serving very localised areas
- e. **Specialist retail destinations / clusters** – including for example Covent Garden, arcades, street markets, covered and specialist markets and niche retailing
- f. **Other retail clusters including areas within the CAZ** defined in Local Plans as being appropriate for retail development and ancillary clusters of retail associated with public transport termini and stations.” (2.4.10)

2.4 It concludes :

“Wider trends in consumer expenditure and the emergence of **multi-channel retailing** present both challenges and opportunities for retailing within the CAZ. Overall, the CAZ is projected to have demand for approximately 375,000 sq m of additional comparison goods retail floorspace over the period 2016-2041 (after the committed pipeline of retail development is taken into account). Within this context the vitality and viability of the international shopping centres and other CAZ retail clusters above should be enhanced along with improvements to the quality of the environment and public realm.” (2.4.11)

2.5 There is welcome mention of the need, within the CAZ, to ensure that “the unique concentration and diversity of cultural, arts, entertainment, night-time economy and tourism functions should be promoted and enhanced.(SD4 E)

2.6 Policy E9, “retail, markets and hot good take aways” make no mention of the International Shopping Centres (although it does include four paragraphs on the siting of hot food takeaways).

2.7 Similarly, Policy SD6 “Town centres” makes no mention of the International Shopping Centres.

2.8 Within Annex A, “Town Centre Networks” the West End is recognised as one of two International Shopping Centres in London in this list :

“International centres – London’s globally-renowned retail and leisure destinations, providing a broad range of high-order comparison and specialist shopping, integrated into environments of the highest architectural quality and interspersed with internationally-recognised leisure, culture, heritage and tourism destinations. These centres have excellent levels of public transport accessibility.”

2.9 In the accompanying table of retail centres it states that the West End is judged to have :

- Night-time economy classification 1 (NT1)– area of international or national significance
- Commercial growth potential - high
- Residential growth potential – incremental

2.10 We strongly support policy SD4 F and paragraph 2.4.11 in their call for the promotion of vitality and viability in the International Shopping Centres.

- 2.11 We also strongly support Part E which calls for culture, arts, entertainment, night-time economy and tourism functions to be promoted and enhanced.
- 2.12 However, New West End Company believes that such little mention of the West End within the draft London Plan fails to appreciate its central importance to so many elements of London's well-being and good growth and the need for detailed policy guidance to support them. Given the importance of the West End and its International Shopping Centre we believe that the London Plan should contain greater and more detailed guidance for its future growth.
- 2.13 Similarly, we note that the draft Economic Strategy, currently being consulted upon, to which we will also be responding, makes just two passing mentions of the West End in a 202 page document.

3. The Importance of London's West End

3.1 The Importance of the West End to London and the wider UK

- 3.1.1 New West End Company's major concern is the lack of focus on the central role of the West End in London's successful future growth, particularly its International Shopping District, and the specific planning policies required to support good growth. We understand that the district is included within the wider CAZ policies but we outline here why we believe that the West End is a unique part of London's economy requiring more detailed strategic policy support.

The West End is a major element of the UK's economic growth¹

- 3.1.2 The 6.34 hectares of the West End generates more GVA per year than any other part of the UK (£51 billion), more than the City of London (£43.9 billion) and almost the same as the whole of Wales (£52 billion). It contains world beating retail, entertainment, medical-tech, cultural and media industries.
- 3.1.3 It generates the largest proportion of tax collected by the Exchequer, £17 billion per annum, including 8% of all National Non-Domestic Rates.

The West End is a major element of London's economic growth and well-being

- 3.1.4 The West End employs 650,000 people, 3% of the total UK working population.
- 3.1.5 It is one of the most productive areas of the UK (output per employee in Westminster was £71,152 in 20194 compared with the UK average of £55,659) and can contribute even more to the government's productivity challenge (because Westminster has a higher than average proportion working in the lowest GVA sectors, food and accommodation services).
- 3.1.6 The West End is primarily responsible for London's status as the world's most popular international visitor destination, attracting 18.7 million visitors in 2014, spending £11.8 billion and supporting 300,000 jobs.

West End retailers play a major part in this success

- 3.1.7 The West End is the world's top shopping destination, with over 200 million visits each year. This is predicted to rise by an additional 81 million visits annually by 2031 as a result of the opening of the Elizabeth Line.
- 3.1.8 West End retailers make £11 billion in sales and produce a £2 billion tax take annually.

¹ All figures are drawn from West End Partnership's "Transforming the Competitiveness of the West End: The Business Case for Investment" March 2016 unless otherwise referenced

- 3.1.9 The core West End shopping district (Oxford Street, Regent Street and Bond Street) generates £9.1 billion sales annually and directly employs 60,000 people.² In contrast, Britain's entire steel industry generates £2.2 billion in sales and employs 34,500 people.³
- 3.1.10 600,000 people visit Oxford Street every day (equivalent to the entire population of Glasgow or Leeds).
- 3.1.11 West End shopping is a major draw to international tourists who form 25% of its 200 million visits each year, so producing £3.3 billion of foreign income.
- 3.1.12 London's Luxury Quarter is the world's top luxury retail district, generating £3 billion in sales annually.

The West End is Britain's global high street, working in partnership with the rest of the UK to growth the economy

3.1.13 The West End is not just for London - uniquely it belongs to and benefits everyone in Britain. It's Britain's global high street. The West End is a vital partner to promote economic growth across the whole of the UK. Too often, London is seen as a rival to the rest of the UK. In reality the West End is part of team UK, working together with the regions to grow the whole British economy.

3.1.14 The West End :

- is Britain's high street – over 50 million non-London British people visit the West End every year, virtually the entire UK population outside London;
- attracts tourists to the UK and then acts as a gateway to other UK tourist destinations;
- trains retail and leisure staff to a world standard so that they can take these standards to postings throughout the UK;
- generates profits which are invested into more marginal stores throughout the UK; and
- has supply chains throughout the UK providing jobs and generating income across the whole of the country contributing £757m to the United Kingdom's fashion manufacturing supply chain, 8.4% of its total. The West End also contributes £88m to logistics and transport industries⁴.

3.1.15 We do not believe that the economic importance of the West End and its International Shopping Centre is adequately reflected in the one page of policies proposed in the draft London Plan. Its eclectic mix of world class retail, restaurants, hotels, art galleries and auction houses, which are a key reason for the global significance of this area, require coherent and sensitive planning policies to enable and encourage its evolution.

3.2 The importance of the West End to the future financing of London government

3.2.1 The Local Government Finance Bill 2016-17 proposed 100% business rate retention by local authorities to fund local services. It would replace existing government grants to both local authorities and the GLA. The Bill fell when Parliament was dissolved on May 3rd 2017 due to the June 2017 General Election. The Bill has not yet been re-introduced⁵.

3.2.2 In the November 2017 Budget the Chancellor announced that the Government has agreed a pilot of 100% business rates retention in London in 2018-19. He announced that the Greater

² New West End Company data

³ House of commons Library "UK steel industry: statistics and policy" May 2016

⁴ Research by Harper Denis Hobbs, "Value of West End to UK supply chain - December 2017

⁵ Bills Before Parliament: Local Government Finance Bill 2016-17 <https://services.parliament.uk/bills/2016-17/localgovernmentfinance.html>

London Authority and London boroughs will come together to form a pool and invest revenue growth strategically on a pan-London basis⁶.

- 3.2.3 There is still some uncertainty about how the pilot will operate and whether a Local Government Finance Bill will be introduced. However, it seems clear that business rate growth will play an important part in the future financing of public services and capital investment.
- 3.2.4 The Government's proposals are backed by the Mayor. His Finance Commission recommended that devolved property tax (business rates) and land tax should form the basis of independent local financing for London government⁷.
- 3.2.5 London currently collects £8 billion in business rates following the April 2017 revaluation⁸. Of this Westminster City Council contributes around £2 billion, 25% of the total⁹. The West End is a major contributor to Westminster City Council's business rate income.
- 3.2.6 It is clear that the future health and growth of the West End will be vital to the funding of London local government and GLA services and capital works as business rates provide much of their finance. We do not believe that the central role of the West End in the future funding of London's public services is reflected in the one page in the draft London Plan.

3.3 The importance of the West End to the Mayor

- 3.3.1 The Mayor has recognised the importance of the West End to London. His proposals for the transformation of the Oxford Street district in preparation for the opening of the Elizabeth Line West End stations, for example, is one of his most high-profile policy priorities. In his Manifesto one of his ten top priorities was to "restore London's air quality to legal and safe levels, with action to make travel greener and pedestrianise Oxford Street, while protecting the green belt"¹⁰.
- 3.3.2 His manifesto made the commitment to "Work with Westminster Council, local businesses, Transport for London (TfL) and taxis, to pedestrianise Oxford Street. I will start by bringing back car-free days, and possibly weekends, before moving towards full pedestrianisation. Our eventual ambition should be turning one of the world's most polluted streets into one of the world's finest public spaces – a tree lined avenue from Tottenham Court Road to Marble Arch."¹¹
- 3.3.3 On launching the first round of consultation on proposals for the transformation of Oxford Street, Val Shawcross, Deputy Mayor for Transport, said: "Today is an exciting first step in our plans to transform Oxford Street into one of the finest public spaces in the world. Oxford Street is iconic as a shopping destination, but there is far too much pollution and we have a huge opportunity to make it cleaner and safer for the millions of people who use the street every year"¹².

⁶ HM Treasury Autumn Budget 2017 Policy Paper Section 5.26 <https://www.gov.uk/government/publications/autumn-budget-2017-documents/autumn-budget-2017> Section

⁷ "Devolution: a capital idea" https://www.london.gov.uk/sites/default/files/devolution_-_a_capital_idea_lfc_2017.pdf

⁸ Mayor of London press release 12 October 2017. <https://www.london.gov.uk/press-releases/mayoral/london-to-retain-more-business-rates-income>

⁹ Report to Westminster City Council Business, Planning and Transport Scrutiny Committee 12 June 2017. <http://committees.westminster.gov.uk/documents/s22790/item%20-%20Business%20Rates%20report.pdf>

¹⁰ Sadiq Khan "A Manifesto for All Londoners" – These are my 10 priorities for London http://www.sadiq.london/introduction_manifesto

¹¹ Sadiq Khan "A Manifesto for All Londoners - World Class Public Spaces" http://www.sadiq.london/a_greener_cleaner_london

¹² Westminster City Council Press Release April 2017 <https://www.westminster.gov.uk/consultation-begins-transforming-oxford-street-district>

- 3.3.4 Announcing his decision to remove traffic from Oxford Street in November 2017 the Mayor said “this is a hugely exciting moment for the capital. Oxford Street is world famous with millions of visitors every year, and in just over a year the iconic part of the street west of Oxford Circus could be transformed into a traffic-free pedestrian boulevard. Whether you’re a local resident, a business, or shop in some of the area’s famous stores, our plans will make the area substantially cleaner and safer for everyone, creating one of the finest public spaces in the world”¹³. The Mayor has committed more than £60 million to phase one Oxford Street pedestrianisation and is committed to delivering an end to end scheme from Marble Arch to Tottenham Court Road.
- 3.3.5 New West End Company has also developed strong and constructive relationships with the Deputy Mayors for Business; Planning, Regeneration and Skills; Environment and Energy; Culture and the Creative Industries; and Policing and Crime. We are in no doubt of the importance they place in the West End and its International Shopping Centre.
- 3.3.6 We appreciate the way in which the draft London Plan addresses in detail the Mayor’s commitment to tackle the Capital’s housing crisis. But we do not believe that this commitment by the Mayor and his deputies to the future growth of the West End is reflected in the one page dedicated to the International Shopping Centre in the draft London Plan.

3.4 The importance of the West End to post-Brexit London

- 3.4.1 As the UK leaves the EU and London loses two major assets – membership of The Single Market and the Customs Union – it is of strategic importance to London's future attractiveness to investors, talent, students and visitors that the appeal of the West End is enhanced further. The West End, with all it has to offer, is a major reason for investors and individuals to choose London and the UK over other international destinations.
- 3.4.2 The City and Westminster Property Associations, in their “Manifesto for Growth Post Brexit” stress that “London has to up its game. It needs to demonstrate that its competitive status has not been diminished by the vote to leave the European Union. We cannot simply carry-on as before but outside the EU. This is a major structural change to London’s economy and we need to respond to it with urgency and boldness”¹⁴.
- 3.4.3 We strongly believe that actively supporting the growth of the West End should be a vital element in the Mayor’s preparations to ensure that London continues to prosper in a post-Brexit Britain.

4 Commitment to addressing West End growth in the London plan

- 4.1 In April 2017 TfL and Westminster City Council launched a consultation paper to start the process of delivering the Mayor’s commitment to transforming the Oxford Street District (see section 3.3, above). While much of the consultation paper commentary focuses on transport issues, the paper also sought to create proposals that :
- support future growth and economic activity
 - support businesses throughout the district, enabling economic growth and creating jobs
 - provide the commercial accommodation necessary to meet economic and employment growth targets
- 4.2 New West End Company’s submission to the Mayor’s consultation we identified two challenges that limit the growth potential of the West End. These challenges are:

¹³ Mayoral Press Release, November 6 2017 <https://www.london.gov.uk/press-releases/mayoral/oxford-street-transformation-plans>

¹⁴ “Manifesto for Growth Post Brexit” January 2017 <https://drive.google.com/file/d/0B9mbI9ICbb5kTHNjMGNCbUjHUHM/view>

- a shortage of commercial workspace
- evolving retail trends and fierce global competition

4.3 We repeat our planning policy suggestions to address these issues in section 6 below.

4.4 In the second round of consultation on proposals for the transformation of the Oxford Street District (November 2017), and in response to growth proposals made in response to the first round, TfL and Westminster City Council stated¹⁵

“As mentioned in the overview, the proposals for the Oxford Street District will create the conditions to allow businesses to grow. And while the issues on which this consultation focusses relate to traffic and public realm measures, those linked to growth more generally will be addressed in future consultations, such as those on the London and City Plans¹⁶.”

4.5 We do not see that commitment to addressing these growth issues in the Oxford Street district being met within the one page dedicated to the West End International Shopping Centre in the current draft of the London Plan. We strongly suggest that this needs to be addressed in the final version of the London Plan.

5 The need to for policies to actively promote growth in the West End

5.1 The continued success of the West End International Shopping Centre cannot be taken for granted. It faces many challenges which together demand that the London Plan should promote policies that actively encourage and enable good growth :

- continuing international competition, from established and emerging centres;
- growth of online retailing;
- changes in consumer expectation;
- the need to evolve and integrate the combined retail, entertainment and commercial elements of the West End; and
- uncertainty over Brexit.

5.2 West End retailers traded well in the first half of 2017 due to the immediate currency effects, however Q4 saw sales fall by 10.5%¹⁷. According to research by Moore Stephens¹⁸, a Top Ten accountancy firm, 19 per cent of UK clothing retailers currently exhibit early warning signs that they are at risk of going insolvent. Moore Stephens comments that rising business rates (estimated to cost businesses an extra £5 billion by 2021-22) has meant many fashion retailers have increased prices or lowered profit margins to meet these costs. This has been worsened by an increase in staff costs after the introduction of the National Living Wage. Fashion retailers have been hit by the perfect storm of rising costs, falling consumer spending and increased competition. All three have heaped pressure onto revenue and made profit margins difficult to maintain and limit the amount of capital investment into stores and buildings.

5.3 The West End Partnership, says of the West End “The West End’s unique and rich mix of businesses, urban neighbourhoods, cultural attractions, leisure and hospitality, and cutting-edge, internationally-recognised commercial sectors, makes the area uniquely challenging to

¹⁵ Online version of Second Round Consultation Paper, November 2017

¹⁶ “Have your Say On the Transformation of Oxford” - The transformation of Oxford Street in context. <https://consultations.tfl.gov.uk/roads/oxford-street/>

¹⁷ New West End Company trading reports

¹⁸ Moore Stevens – 19% of retailers at risk of insolvency. <https://www.moorestevens.co.uk/news-views/february-2018/19-of-fashion-retailers-show-signs-of-insolvency>

support. But it is precisely this rich diversity that makes the West End a special place, a magnet for millions of visitors and hundreds of thousands of jobs. In the face of growing and intense international competition and constrained public finances, the West End needs both a strong vision and a strong voice to secure its growing success.¹⁹

- 5.4 The London Plan should recognise the need to support actively the continued growth of the West End and include within in a wider range of more detailed policies to ensure that business and the public-sector work together to enable and encourage its growth.

6 How the draft London Plan should support the West End

- 6.1 New West End Company believes that there are four ways in which the London Plan should more effectively support growth of the West End, meeting the commitment made to in the Oxford Street Transformation consultation response. We accept that the detail of some of our proposals may be more appropriately addressed in emerging local plans but, given the strategic nature of the International Shopping Centres, we believe that more guidance should be given in the London Plan.

- 6.2 ***Define more precisely the geographical extent of the International Shopping Centres.*** Provide clear

and detailed geographic definition of the International Shopping Centres to enable targeted growth policies to be applied. This would more easily enable the classification to be used to target local, regional and national growth policies designed to recognise and support the unique position of the International Shopping Centres. While this is a matter for local plans believe that the London Plan should encourage this to be addressed in those plans.

- 6.3 ***Provide a clear acknowledgement of the importance of the West End to the future growth and wellbeing of London and the wider UK.*** Recognise and highlight the importance of the West End to the economic and social wellbeing of the whole of London and the wider UK, together with the need for continual investment to retain its global position, so that local and national growth policies appreciate the importance of prioritising the growth needs of the International Shopping Centres.

- 6.4 ***Provide a clear and detailed definition of the attributes and content of the International Shopping Centres and how these integrate with the international entertainment and commercial districts and the local residential community.*** This would guide planners and business to ensure that all elements of West End growth work together to produce the best possible environment to invest, work, visit and live.

- 6.5 ***Provide clear and detailed guidance to local planning authorities on what uses are and are not appropriate to ensure good growth and meet the Mayor's jobs growth targets in International Shopping Centres.*** In our response to proposals for the transformation of the Oxford Street District consultation we identified two core growth limiting issues – a shortage of commercial workspace and evolving retail trends and fierce global competition. Below we make specific proposals for each issue, aimed both at the Mayor and Westminster City Council.

Growth-limiting issues - A shortage of commercial workspace

- 6.6 While we appreciate the direction in policy GG2 which seeks, within the CAZ, to “proactively explore the potential to intensify the use of land” and “promote higher density development” we do not believe that this gives sufficiently detailed guidance given the scale of development

¹⁹ The West End – Vision 2030 P5 https://westendpartnership.london/wp-content/uploads/2017/10/wep_vision_2030.pdf

required to meet the jobs growth targets of the WEP and to maximise the economic benefits of the Elizabeth Line.

- 6.7 The Mayor and WCC have set ambitious growth targets for Westminster. In its consultation paper "Building Height" Westminster City Council states that "being at the heart of a world city there is no room for a 'no growth' option". The council continues "we have to find an additional two million square metres of business floorspace to accommodate an additional 77,000 jobs and to make up for the significant amount of office space we have lost to housing since 2005".²⁰
- 6.8 The West End Partnership supports this when it says "The Partnership is committed to ensuring that local people and all Londoners are able to see and access the benefits of greater prosperity and better life opportunities that a thriving and growing West End will offer. For example, there is a projected growth in jobs of 77,000 in Westminster by 2036".²¹
- 6.9 The Partnership's Vision proposes that "more space for employment and expanding businesses will be provided" and adds that "higher levels of economic growth in both the core West End and in its fringes will be matched by the sustainable and balanced creation of new capacity, in terms both of accommodation and city management."²² The Partnership notes "Its (the West End's) property stock faces a near-zero void rate soon, creating a shortage of commercial space for a huge number of small and medium sized firms that have traditionally started life here".²³
- 6.10 The Partnerships Vision 2030 further stresses the need for additional commercial space saying " It is estimated that Westminster will need to host thousands of new jobs every year over the next 20 years just to maintain its share of London's employment market, given the forecast growth in population.....The necessary growth in floor space to meet these jobs targets will be required over the next 20 years.....Changes to the West End's density, massing and form will have to be considered, on the basis that the interests of both residents and the needs of businesses can be met. It must enhance the West End, not detract from it".²⁴
- 6.11 In 2016/17 three reports were commissioned (by New West End Company and Westminster Property Association) to determine what level of additional commercial space would be required to accommodate the proposed jobs growth target²⁵. The first concluded that to house the full 77,000 a total of 1.9 million sqm of new commercial accommodation would be required. The second showed that to accommodate 30,000 jobs in the Oxford Street district (around 40% of the total) 750,000 sqm of net new commercial space would be required. The findings of the two are consistent. The third estimated how much of this required extra commercial space could have been met if recent and current developments across the Oxford Street district had been allowed a modest increase in density and concluded they would have been able to provide 10% of the total additional floorspace required over the next 15 years. An overview of the three reports is given below and the full reports are available from New West End Company.
- 6.12 Westminster Property Association commissioned research from Volterra into the amount of commercial floor space required to meet growth targets. The analysis takes into account the office floorspace losses of the last decade and approved developments. It concluded that Westminster would require at least 1.9 million sqm of new commercial floor space to accommodate its jobs target over the next 20 years. To put this into perspective, this is three times the amount of commercial floorspace delivered over the past 20 years.²⁶

²⁰ "Building Height: getting the right kind of growth for Westminster" March 2017

²¹ The West End. Vision 2030

²² The West End Vision 2030 page 12

²³ The Case for the West End August 2016 page 4

²⁴ The West End Vision 20130 page 12

²⁵ Theses studies are available from New West End Company

²⁶ Volterra "Note on Westminster employment and floorspace"

- 6.13 New West End Company commissioned research from Volterra and Gerald Eve to determine the amount of new commercial floorspace required to accommodate an additional 30,000 new jobs in Oxford Street over 15 years as the district's contribution to the West End Partnership's jobs growth targets (39% of the total). Three different floorspace scenarios were considered dependent on how these additional jobs are delivered and how much new floorspace is required to deliver them. The results show that up to 750,000 sqm of new office space could be required to meet these job creation targets. The full study is available from New West End Company.
- 6.14 The study also showed that WCC and The Mayor could accrue planning payments of up to £206 million over that 15 year period and additional business rate income of up to £160 million annually if permission to deliver the maximum commercial space required to meet its job targets was granted.
- 6.15 Gerald Eve was also asked to examine major development schemes across the Oxford Street district either being determined, permitted or under construction (but not yet occupied), as a sample of the historic pipeline, to consider the extent to which they could have contributed to meeting these employment targets.
- 6.16 The study looked at these schemes in terms of the floorspace uplift and contribution towards policy objectives in terms of jobs, homes and CIL/business rates. They then undertook a separate assessment based upon a more positive policy framework in terms of both building and employment growth and more flexible mixed-use policies for the district.
- 6.17 This sample confirms that a reasonably modest increase in these existing schemes alone would have delivered around 84,000sqm GEA of additional office floor area. This would have supplied over 10% of the new floorspace that may be needed over the next 15 years. This space could have accommodated around 8,000 new jobs, potentially adding up to £600m to the City of Westminster's annual GVA.
- 6.18 This sample would have, additionally, contributed £16.5m to Westminster's CIL receipts and a further £11.7m of Mayoral CIL / Crossrail payments. Gerald Eve's ratings analysis suggests this more ambitious approach to the sample of schemes reviewed could have secured an additional business rates take of £480m over a 20 year period.
- 6.19 The West End clearly needs additional commercial space to be created and there would be great economic and financial benefits to both businesses and the public sector in providing it. To meet the challenge of providing sufficient new commercial accommodation New West End Company believes that planning policy should;
- ensure that local planning authorities provide sufficient commercial space to accommodate agreed job growth targets. In particular policy GG2 which states that local planning authorities should "proactively explore the potential to intensify the use of land²⁷" and "promote higher density development²⁸" should be amended to "promote higher density development, sufficient to allow for the provision of the commercial space required to accommodate the jobs growth targets set for each borough"
 - continue with the current mixed-use policy to enable the maximum area of new commercial space to be created in the International Shopping Centre without having to provide a housing element (which is, we believe, an inappropriate use given the operation requirements of an International Shopping Centre)
 - relax the restrictions on the height of development in the CAZ. WCC is currently consulting upon appropriate locations for bigger and higher buildings and roof level extensions to meet growth targets. The Oxford Street district is ideally located for bigger and higher

²⁷ Policy GG2

²⁸ Policy GG2

buildings given the exceptional public transport accessibility, scale of existing buildings and streets and significant potential for place-making.

- consider other changes to local planning policy, such as rights of light, which would facilitate greater commercial development.

6.20 Without these policy considerations we do not believe that The Mayor and WCC will be able to meet its jobs growth targets, to the detriment of the economy and future business rate income for London government. We are not convinced that policies to “proactively explore the potential to intensify the use of land”, to “promote higher density development”, and to “support the vitality and viability of the International Shopping Centres” give sufficient guidance to the levels of development required to meet the ambitious jobs and Economic growth targets for the West End.

Growth-limiting issues - Evolving retail trends and fierce global competition

6.21 Planning policy needs to enable the International Shopping Centre to grow and develop in ways that respond to and build on evolving national and global retail trends. New West End Company proposes five key areas for policy guidance.

Encourage a broader range of uses including leisure, culture and civic amenities

6.22 The core West End (Oxford Street, Regent Street and Bond Street) is currently largely dominated by retail with office uses above. In accordance with best practice from other world leading cities and retail centres, there needs to be a broader range of leisure, cultural and civic uses which will improve the wider offer within the International Centre. We need to enhance the West End’s identity and attraction to a wide range of visitors and increase the dwell times within the district, including during the evening. Such uses would be expected within an International Centre given the number of visitors, and they are critical to realise fully the area’s potential during the day and evening, especially given its exceptional public transport accessibility. WCC’s current strict retail policies need to be suitably amended to enable Oxford Street, Regent Street and Bond Street to evolve in ways that appeal to modern day shoppers.

Expand the boundaries of the International Shopping Centre and West End Special Retail Policy Area

6.23 There is clear potential to expand the boundaries of the International Shopping Centre and WESPRA to surrounding streets reflecting the significantly enhanced pedestrian movements post Elizabeth Line. These nearby streets will play a key role in enhancing the overall function of the Oxford Street district. They can help to provide the mix of uses needed to transform Oxford Street into a modern retail district. Indeed, with some entrances/exits to the Elizabeth Line stations being one block back from Oxford Street, these streets will automatically acquire a new role, character and set of movement patterns.

Promote the evening economy of the Oxford Street District

6.24 The evening economy across the District is limited and Oxford Street itself is largely inactive once the major retailers close. There is the potential for significant enhancement of the evening economy in the District and along Oxford Street in particular (being relatively unconstrained in terms of residential uses). These will have a major beneficial impact upon retail trade in the evening and as part of the supporting offer for the District.

6.25 The Plan should promote planning policy that is sufficiently flexible to allow different uses at different times of the day throughout the key shopping streets.

Develop and promote a cultural strategy

- 6.26 Similarly, a cultural strategy for the Oxford Street District, including Regent Street and Bond Street, is required to add to the wider attractiveness of the district, particularly as part of the evening economy.

Prepare planning and design guidance that will help deliver the long-term aspiration

- 6.27 In contrast to the defined Opportunity Areas, there is very limited specific planning policy for the main shopping streets of Oxford Street, Regent Street and Bond Street. Given the scope for growth, place-making and district-wide collaboration, and the cross-borough spread of the International Shopping Area there should be explicit positive policy support by both WCC and the Greater London Authority.
- 6.28 In addition WCC-led planning and design guidance should reflect the aspiration for the District and provide a specific focus upon the identified urban zones and key sites to ensure that the principles are incorporated into new development proposals.

Other elements

- 6.29 We believe that the London Plan should give more guidance and consideration to :
- creating a world class digital infrastructure to enable continued growth
 - creating consolidation centres for freight reduction and sustainability (e.g. food waste)
 - promotion of growth through softer infrastructure, such as training academies for the retail and leisure sectors.

7 Moving forward

- 7.1 We realise that some of these issues may be dealt with in emerging local plans but we feel that the London Plan should provide a greater level of detailed strategic guidance to inform these plans, given the importance of the West End to London's future, beyond its purely local impact.
- 7.2 New West End Company would be happy to work with the GLA and local West End partners (e.g. the West End Partnership, Westminster Property Association, London First and other Westminster BIDs) to create a more enhanced set of strategic guidance within the emerging London Plan for the future good growth of the West End.

**JACE TYRRELL
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