

Cabinet Member Report



City of Westminster

Meeting or Decision Maker:	Cabinet Member for Planning and Economic Development
Date:	2 November 2022
Classification:	Part Exempt Appendix A and Appendix B - Not for Publication Appendix A and Appendix B is marked "Not for Publication" on the grounds that it contains exempt information within paragraphs 3 and 5 (information relating to Financial or Business Affairs and Legal Privilege) Schedule 12A of the Local Government Act 1972 (as amended) and the public interest in applying this exemption outweighs the public interest in disclosing the information.
Title:	Oxford Street (OS) Programme
Wards Affected:	West End and Marylebone
Fairer Westminster:	Fairer Economy – A reimagined and revived Oxford Street and West End that delivers a world class offer and experience to residents, businesses and visitors supporting a diverse, resilient and successful economy that delivers growth in Westminster.
Key Decision:	Yes - significant expenditure
Financial Summary:	Following a review of the Oxford Street District programme a prioritisation of investment has been confirmed with the focus being on Oxford Street along with complimentary schemes (subject to external funding). Approval to spend £4.58 million from the Oxford Street Budget is requested to enable the preparation of a new programme business case, progress design to Stage 1, and to cover other identified costs.
Report of:	Bernie Flaherty, Deputy Chief Executive, Westminster City Council.

1. Executive Summary

- 1.1 This report outlines the revised scope of the Oxford Street District programme, following a programme review which took place from May 2022 until September 2022. During this period, and in line with the Fairer Westminster manifesto, the decision was made to prioritise the delivery of interventions on Oxford Street itself.
- 1.2 This report proposes a revision to the Council's commitment to investing in Oxford Street. This includes streamlining the scope of the programme to focus on fundamental public realm changes required for Oxford Street and selected side schemes alongside strategic interventions to address a host of issues that are vital to reviving the nation's high street. The programme will therefore no longer be the 'Oxford Street District' but the Oxford Street programme.
- 1.3 To deliver the revised scope and next phase of design development, funding drawdown is requested from the previously approved £150 million capital funding budget allocated to the Oxford Street District. These funds will cover the development of a new programme business case, the progression of project design to WCC Stage 1 (RIBA stage 2) and other identified costs.
- 1.4 This report seeks Cabinet Member approval for:
 - a) The development of a new business case to reflect the change of programme scope and approach (refer to Exempt Appendix A – Oxford Street Review 28 July 2022).
 - b) The progression of design for the Oxford Street programme to WCC Stage 1 for all schemes aside from Davies Street, Wigmore Street and Mortimer Street which will include completion of Stage 3 design.
 - c) Staff and consultant costs and other necessary expenses required to progress the design and other activities to progress the programme.
 - d) The approval of residual costs relating to the previous iteration of the Oxford Street District Programme.

2. Recommendations

That the Cabinet Member for Planning and Economic Development agree to recommendations 2.1 and 2.2:

- 2.1 To approve the new approach to investing in the programme recommended by the Oxford Street District programme review with a focus on delivering improvements on Oxford Street.
- 2.2 Approval of capital expenditure of £4.58m to progress the items outlined in 1.4 above. More detail of expenditure is given in Exempt Appendix B.

3. Reasons for Decision

- 3.1 The proposed revised programme scope seeks to focus public realm and strategic interventions on Oxford Street and complementary schemes to create a vibrant, accessible, and attractive place(s). This will allow a focussed delivery approach.

- 3.2 A new business case will be prepared which considers the revised programme scope and facilitates the identification of objectives and outcomes that align with the Fairer Westminster approach. Furthermore, the business case will outline the costs, benefits and risks in proceeding with the programme and specifically the rationale for preferred option.
- 3.3 Design can be developed to progress schemes that will form the basis for engagement with local communities and other stakeholders.

4. Background

- 4.1 In 2019 the Council accepted plans for a district-wide approach to be taken for the investment required to address public realm, safety, transport and economic challenges faced by Oxford Street and the surrounding neighbourhoods. A Place Strategy and Delivery Plan, that underwent public consultation, and a business case approving £150 million capital funding from the Council were approved.
- 4.2 Following the May 2022 local election the new administration launched a review of the Oxford Street District programme. The outcome of the review has been to ensure that Council funding is directed to delivering a revived Oxford Street as a core priority alongside a select number of adjoining areas. Any proposals or interventions outside of this scope will require significant private sector funding and strong resident support to be considered viable.
- 4.3 This approach strongly aligns with the Council's 'Fairer Westminster' strategy and the ambition to create a Fairer Economy with the outcome being an economically successful Westminster based on a diverse, sustainable, and resilient economy for the benefit of current and future residents. Part of this involves the reimagination and revival of Oxford Street and the West End, safeguarding their position in the national economy.
- 4.4 To deliver this refocused scope the programme will require a new business case to assess options that provide value for money and outline expected benefits. Key traffic surveys and design development activities also need to progress to inform this approach. Therefore, the £4.58m funding requested in this report will enable delivery momentum to be maintained.
- 4.5 A separate Cabinet Report will be published early 2023 which will detail the new business case and formalise the direction of the programme.

5. Financial Implications

- 5.1 In April 2019, Cabinet approved the Business Case for the Oxford Street District which supported the £150m investment by the Council. £21m of expenditure was approved for focused design, surveys and other feasibility related work for the programme and included an allowance for contingency. However, it was agreed that any future approval for specific projects to enter the delivery phase would need to be approved via a Cabinet Member Report (CMR) and signed off by the relevant Member(s).

- 5.2 Ramillies Street spend was approved in September 2019 and the project was completed in April 2022. The spend for the Manchester Square scheme was approved in December 2021.
- 5.3 An additional £0.963m was recommended via Capital Review Group in June 2022 to fund the spend on existing contracts whilst the scheme underwent review. This sum is included in this CMR for formal approval.
- 5.4 Spend against the OSD programme up until May 2022, at which point the programme was reviewed is £36.37m.
- 5.5 This review of the programme has led to a prioritisation on Oxford Street along with complementary schemes. The full detail of the new programme will be brought forward through a refreshed business case which is due to be completed in December 2022. Following the finalisation of the full business case a CMR will be submitted in 2023 to request approval for required expenditure against the OSD budget to deliver the new programme.
- 5.6 Until that time, this CMR is requesting approval to spend £4.58 million from the approved budget of £150m for the estimated costs outlined in Table 1 (refer to Exempt Appendix B for detailed cost breakdown), with the exception of the £0.041m for planter maintenance, which will be met through existing revenue budgets.

Table 1: Summary of cost estimates

Costs	
Previously Approved Costs	963,295
Stage 1 Design Costs	1,139,000
Stage 3 Design Costs	629,000
Additional delivery costs total	1,260,763
Residual Cost Total	319,709
Contingency - 15% of Stage 1&3 design costs	265,200
Total CMR Request	4,576,967

External Funding Sources

- 5.7 External funding sources for the future programme are currently being explored and details will be brought forward in the CMR in early 2023. Any external funding obtained will be applied against the total Oxford Street project budget.

Revenue Implications

- 5.8 A detailed management for the schemes to be delivered is to be developed, which will involve collaboration with third parties. Any residual revenue implications for the Council will be considered as part of the annual budget planning process.
- 5.9 WCC Finance will continue to support the OS team and will monitor all expenditure against agreed budgets reporting under/overspends as required.

6. Legal Implications

- 6.1 Appendix A and B is exempt owing to the contractual relationship with Murphy Carey Joint Venture (MCJV). A contract was signed with MCJV in January 2020. This contract envisaged a substantial amount of construction work in the Oxford Street area once design and estimated cost had been approved through a contractual gateway process.
- 6.2 The review referred to in this report has resulted in a reduction in the scope of that work. Discussions have taken place with MCJV regarding this new approach, and it appears the Contractor has agreed to work with the Council to deliver the revised scheme.

7. Carbon Impact

A Carbon Impact Assessment is not available at this stage as further design development is required. Initial discussion around carbon impact will be carried out at Stage 1 design with a Carbon Impact Assessment completed at the end of Stage 2 design. Discussions will also be carried out with MCJV on construction methods throughout the design process. There will be an expectation that electric vehicles and equipment will be used during construction.

8. Equalities Implications

- 8.1 All projects delivered within the Oxford Street programme will embed accessibility and inclusion principles from design up to delivery. An Equalities Impact Assessment will be completed at the end of Stage 1 design once a feasibility design has been developed. The programme is committed to engaging with a variety of stakeholders to ensure an inclusive design for Oxford Street is achieved.

9. Consultation

- 9.1 Further to the review undertaken since May 2022, and agreement on a revised programme ambition centred on the enhancement and regeneration of Oxford Street, efforts have been focused on briefing internal and external stakeholders on this revised scope including Transport for London, the Greater London Authority, ward councillors, residents associations and local businesses.
- 9.2 Meetings with Business Improvement District (BIDs) and landowners have provided an update on the revised programme with the expectation that third party funding will be leveraged to develop and deliver Oxford Street and other identified projects in the area.
- 9.3 Engagement will be supported through a new programme governance approach spearheaded by an Advisory Board with senior representation from key stakeholders including funders, BIDs, landowners, residents groups, ward councillors, etc. The aim being to discuss stakeholder strategic ambition and provide updates on project progress. This Board will be supported by further external engagement including a Partnership Working Group. Project specific consultation and engagement is to be determined over the coming months with support from the WCC Communities team

and the Oxford Street design and build contractor. The programme is committed to integrating a robust engagement plan as a part of all schemes.

If you have any queries about this Report or wish to inspect any of the Background Papers, please contact:

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APPENDICES

Exempt Appendix A: "Not for Publication" on the grounds that it contains exempt information within paragraphs 3 and 5 (information relating to Financial or Business Affairs and Legal Privilege) Schedule 12A of the Local Government Act 1972 (as amended) and the public interest in applying this exemption outweighs the public interest in disclosing the information.


Exempt Appendix B: "Not for Publication" on the grounds that it contains exempt information within paragraphs 3 and 5 (information relating to Financial or Business Affairs and Legal Privilege) Schedule 12A of the Local Government Act 1972 (as amended) and the public interest in applying this exemption outweighs the public interest in disclosing the information.

NB: For individual Cabinet Member reports only

For completion by the **Cabinet Member for Planning and Economic Development**

Declaration of Interest

I have no interest to declare in respect of this report

Signed:  Date: 02 November 2022
NAME: Councillor Geoff Barraclough

State nature of interest if any:

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

For the reasons set out above, I agree the recommendation(s) in the report entitled Oxford Street Programme and reject any alternative options which are referred to but not recommended.

Signed: 

Cabinet Member for Planning and Economic Development

Date: 02 November 2022

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

Additional comment:

If you do not wish to approve the recommendations, or wish to make an alternative decision, it is important that you consult the report author, the Director of Law, City Treasurer and, if there are resources implications, the Director of People Services

(or their representatives) so that (1) you can be made aware of any further relevant considerations that you should take into account before making the decision and (2) your reasons for the decision can be properly identified and recorded, as required by law.

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