



City of Westminster

Cabinet Member Report

Decision makers:	Councillor Geoff Barraclough, Cabinet Member for Planning and Economic Development Councillor Paul Dimoldenberg, Cabinet Member for City Management and Air Quality
Date:	22 December 2022
Classification:	For General Release
Title:	Strand Aldwych Management Model – A Collaborative Approach
Wards Affected:	St James's Ward
Reason for the Report	To approve a collaborative working arrangement approach to management of the new public space on Strand Aldwych
Key Decision:	No
Financial Summary:	The report seeks the approval from the Cabinet Member for Planning and Economic Development to enter into a Management Collaboration Agreement, generating an income of £500,000/year to provide support with management arrangements and administration associated with the new public space at Strand Aldwych.
Summary of the Recommendations contained within this report	<p>That formal approval is given by the Cabinet Member for Planning and Economic Development and the Cabinet Member for City Management and Air Quality to enter into new collaborative management arrangements with external organisations to cover aspects of operational management in respect of the new public space at Strand Aldwych.</p> <p>That the Cabinet Member for Young People, Learning and Leisure notes the decision in terms of its cultural implications.</p>
Report of:	Ruchi Chakravarty, Interim Director of Place Shaping
Report Author:	Rebecca Cloke, Head of Programme Delivery, Place Shaping

1. Executive Summary

- 1.1 This report sets out the basis on which a Management Collaboration Agreement is being set up to oversee the management arrangements and associated costs in respect of the new public space at Strand Aldwych.

2. Recommendations

- 2.1 That formal approval is given for Westminster City Council to enter into Management Collaboration Agreements with
- (i) Northbank Business Improvement District and
 - (ii) King's College London
- to work with and support the Council with the management arrangements and associated costs in respect of the capital investment and works at Strand Aldwych.

3. Reason for Decision

- 3.1 A Cabinet Member decision is required to enable Westminster City Council to enter into the Management Collaboration Agreements with the two organisations providing financial support and assistance.

4. Background & Context

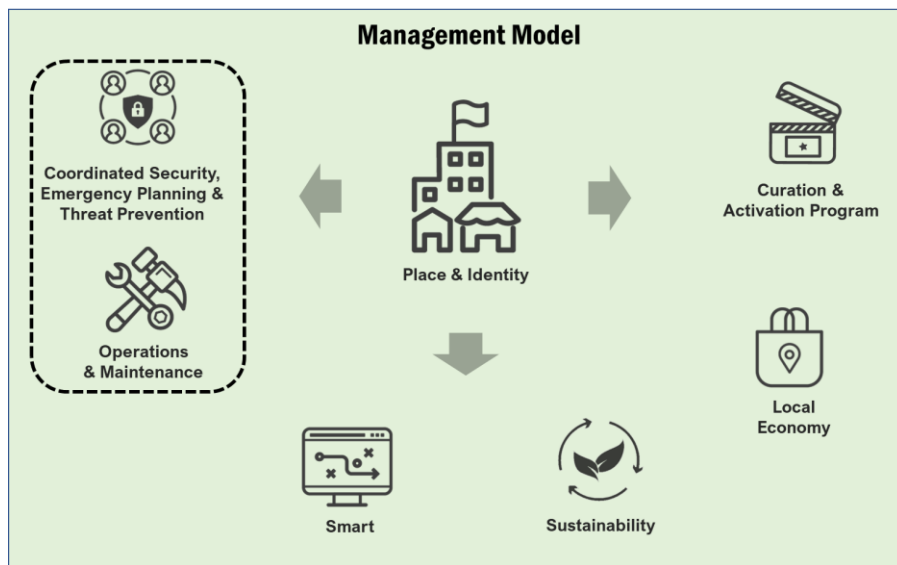
- 4.1 In December 2020, the then Cabinet Member for Business and Planning approved capital spend of £18m to undertake construction works through two inter-related projects: "Aldwych Two-Way" and "Meanwhile Strand". The Strand Aldwych project had been developed in collaboration with stakeholders in the area over the previous 3 years, involving over 70 stakeholders in a co-design process to establish the principles for the new design. The scheme includes removing a 4-lane gyratory, creating two-way traffic on Aldwych and a new public space on Strand between Lancaster Place and Surrey Street. The management of the new public space ('Strand Aldwych') is the subject of this report. The revised traffic arrangements on Aldwych are managed as part of the Council and TfL's normal business.
- 4.2 The project was reviewed during 2020 to take account of the impact of Covid-19 and was found to remain relevant and sound in the new context. However, it resulted in a change in approach to delivery, bringing it forward to support economic recovery of the West End as quickly as possible and introduced a "meanwhile" version of the Strand public space, using standard materials and off-the-shelf furniture for some elements of the design. The "permanent" version of the Strand space would follow 3 - 5 years later, in line with anticipated economic recovery and enabling collaborative investment to realise the final scheme.
- 4.3 Construction works began in January 2021 and have progressed on time and to budget, with substantial completion achieved in December 2022 and the space launched to the public. Throughout that time, a Management Model has been developed with local stakeholders, focusing on key areas of management. It was based on an understanding that the uplift in management costs to meet a shared ambition for a world-class experience at Strand Aldwych would need to be met by the external organisations.

4.4 This Cabinet Member Report is seeking approval to enter into a collaboration arrangement with key stakeholders to oversee the uplift in management of the new public space on Strand.

5. Management Model

5.1 In 2019 a stakeholder workshop involving 30 participants began shaping a management model for Strand Aldwych. Six key areas of management were established and working groups set up to ensure a collaborative approach to on-going management of the area alongside the physical changes in the public realm.

5.2 The Management Model was set up with six key pillars, as shown below:



5.3 Over the last two years, over 40 organisations have been represented over the six working groups with regular meetings to agree vision, direction and, where appropriate a programme or on-going process to be embedded into management arrangements on completion of the physical works on site.

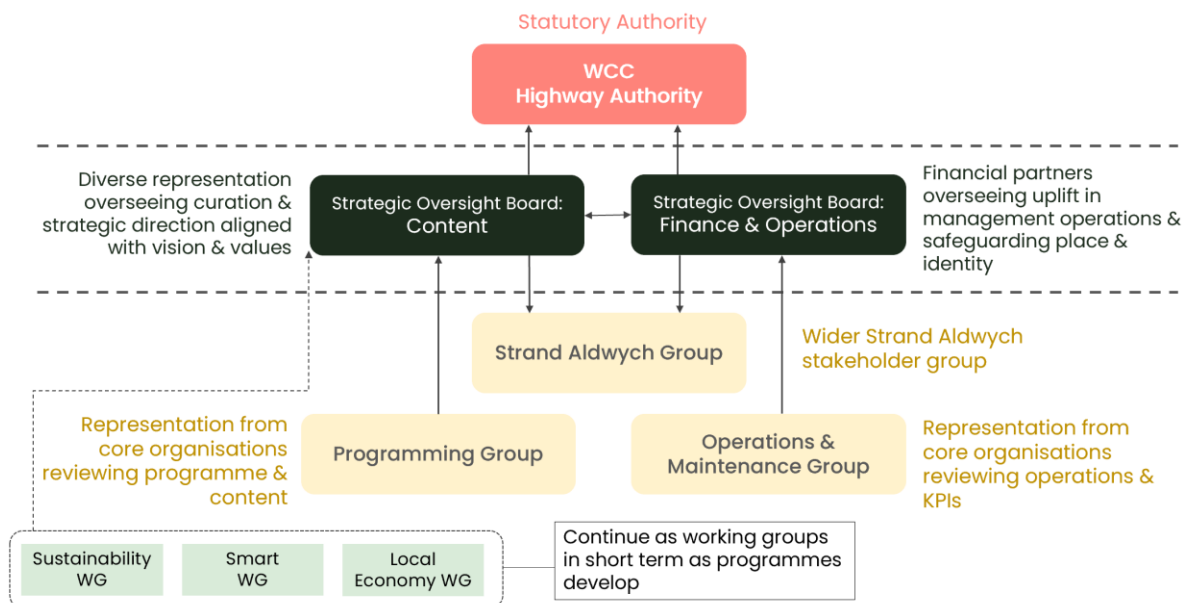
5.4 The Place and Identity pillar is central to all other areas of management as it is the experience of the place as a new destination for London that drives ambition for the other pillars. Stakeholder workshops held in early 2021 and 2022 helped to shape a vision and set of values for the area to take forward in the future management of Strand Aldwych. It is expected that the vision will evolve over time as the identity of the place evolves. The following is the latest version that was tabled at a Project Board in November 2022:

Vision	Values	Outcomes
<p>STRAND ALDWYCH</p> <p>A meeting place for learning <i>(Engaging, doing, thinking, playing, creating, innovating - verbs could be swapped)</i></p> <p>Where minds meet <i>(Creative, playful, curious, innovative, - adjectives could be swapped)</i></p>	<p>FAIR</p> <p>CREATIVE</p> <p>SUSTAINABLE</p>	<p>The re-emergence of Strand Aldwych as a destination</p> <p>People and activity are attracted</p> <p>World-leading art, ideas and research are generated</p> <p>SA is a model of urban sustainability</p> <p>And a catalyst for inclusive growth in the wider area.</p>

- 5.5 The **Operations & Maintenance** pillar incorporates security, emergency planning and threat prevention. The working group have contributed to a Management & Maintenance (M&M) Plan, which sets the ambition for service levels. The M&M Plan is being finalised at the moment ahead of hand over from Place Shaping to the City Highways Service. The majority of the management and maintenance services will continue to run through existing Council service contracts to ensure consistency through well-established processes, albeit the uplift in management costs are met by external financial contributions (as detailed in Table 1 in Section 7, below).
- 5.6 The **Curation & Activation** working group have been working to a vision statement to create a, “distinct, self-sustaining activation programme that amplifies the special history and character of the area, creating a unique identity combining culture, learning and research, that will attract audiences, stimulate the local economy and be an exemplar urban space for London”. A process has been developed as a starting point for a Programme Manager to begin to build a future programme for activation in the public space and this is embedded in a governance structure for future management.
- 5.7 The **Smart** pillar is aligned with WCC’s smart agenda. The pillar vision is to, “establish a digital identity for Strand Aldwych, and a framework for digital ways of working and collaborating, through a bold engagement and intelligence approach, leading the conversation on digital innovation to provide a seamless experience between the physical and digital place”. Work so far has included securing grant funding to develop an innovative “data springboard” as a multi-partner tool for data collection and sharing to inform future decisions and activity at Strand Aldwych.
- 5.8 The **Sustainability** pillar is closely aligned with WCC’s Climate Emergency agenda. Many of the key stakeholders in the area have ambitious policies and programmes around sustainability and the working group is proving useful in aligning organisations agendas with a coordinated approach to achieve collective gains. The vision for this pillar is that, “the Strand Aldwych district will be a pioneer in driving the sustainability and the climate emergency agenda, through an action oriented approach to testing, collaboration working and commitments”.
- 5.9 The **Local Economy** pillar’s vision is, “to build a dynamic post-pandemic economy, using Strand Aldwych’s creativity, innovation and enterprise as a catalyst for wider recovery and its strong partnerships to foster resilience”.

6. Collaboration Approach

- 6.1 WCC has led a collaborative approach throughout the development of this project, including building the management model. Stakeholders are embedded in working groups to progress key areas of management and these groups will transition into a new governance structure to ensure the common vision is met and upheld through management of the area.
- 6.2 In addition to significant stakeholder commitment in terms of time given to develop aspects of the project, there has also been a considerable level of support in financial terms, bringing added value and investment to the immediate area. At least £1.3million over five years has been contributed from stakeholders in the form of supporting studies, bringing in third-party funding from grants, physical investment in bespoke paving or signage, and activity/events.
- 6.3 Additionally, the project has been a catalyst to further investment in the immediate area including St Mary le Strand Church securing Heritage Lottery funding for significant restoration and renovations to maximise its potential in its new context, at the heart of the new public space. The Courtauld Institute continues its lottery funded refurbishment of historic buildings and galleries and 180 Strand continues to grow as a creative/cultural hub as its building works draw to a close. There have also been a number of significant building acquisitions in the immediate area and new occupiers, attracted to Strand Aldwych as a new cultural, creative and educational destination, including New York University.
- 6.4 The uplift in cost to manage the new public space on Strand is being funded by Northbank Business Improvement District and King's College London, each contributing £250,000 per year. This will cover aspects of management including the new planting, additional cleansing and waste collection and maintenance of street furniture.
- 6.5 **Management Collaboration Agreements** have been drafted by the Council in agreement with the two organisations to set out the terms of their contributions and collaborative management arrangements with the Council. A governance structure provides the framework in which this sits, covering the additional management arrangements not currently delivered by the Council as a Highway Authority. The structure is set out below as follows:



6.6 The black boxes represent an “executive board” level where some decisions can be taken on aspects of management. WCC will be represented at both these boards: the Head of Operations for City Highways will sit on the Strategic Oversight Board for Finance and Operations; the Head of City Promotions, Events and Film will sit on the Strategic Oversight Board for Content. For both of these boards there will be a rotating Chair. The orange boxes represent stakeholder groups that are advisory in nature and valuable to ensure local partnerships are maintained and that all are consulted and involved where appropriate in the successful running of the area. The green boxes show the working groups that will continue to be run as such until programmes and systems are sufficiently developed for them to be incorporated into the governance structure. WCC officers will continue to run these groups and will ensure programmes are aligned with WCC’s vision, wider agendas and policies.

6.7 A set of Key Performance Indicators (KPIs) are being developed to measure success of the Strand Aldwych. The latest draft of these can be found in appendix 1. They align with the key areas of management, as described by the management model “pillars”. Data for the KPIs relating to Operations & Maintenance will be collated by the Operations Manager and taken to the Operations & Maintenance Group to review and discuss any issues and solutions. The Operations Manager will compile a report for review by the Finance, Operations & Place Board to take decisions about whether service levels should be increased or decreased within the funding envelope.

6.8 Data for the KPIs relating to Curation & Activation will be collected by the Programme Manager and taken to the Programming Group to review and discuss any issues and solutions. The Programme Manager will compile a report for review by the Strategic Oversight Board to take decisions on the direction of the programme. KPIs for the other management model pillars (the green boxes in the governance structure) will continue to be developed alongside these programmes.

6.9 The Heads of Terms sets out the key areas covered in the Agreement including:

- The term of the Management Collaboration Agreements (the Agreement) is for a term of 10 years with an annual review and termination provisions. It should be noted that Northbank BID are subject to an annual approval by their Board and by their re-ballot cycles every 5 years. Included in the

agreement is an undertaking that, on being successfully re-elected, they will seek approval from their Board to seamlessly continue under the terms of the Agreement.

- Termination – any party may terminate the agreement at any time with 9 months written notice
- Terms of reference for the different Boards and Groups outlined in the governance structure, set out in 6.5
- Financial arrangements – further detail can be found in section 7 of this report
- Operational management – WCC remains responsible for the public realm in its capacity as Highway Authority and continues to be beholden to its statutory obligations.
- Events and activation in the public space – a programme will be compiled for approval by the Strategic Oversight Board for Content. Final approval and enabling on site will be overseen by WCC Events Team so as to ensure that all activities are feasible and deliverable and in accordance with WCC's statutory obligations.
- Bespoke provisions – there are some bespoke provisions for each party included such as designated time in the programme for events/activity

6.10 **Transition to permanent** – the transition period to permanent Strand, as referred to in 4.2, will enable these mechanisms to be tested as a working model. The aim is to ensure a fully robust system to take through to the permanent Strand arrangement in 3-5yrs time. The Agreement has been drafted with a term for a period of up to ten (10) years but there is an expectation that organisations will explore alternative operating models during this time to work towards a self-sustaining model. Indeed, this is written into the Terms of Reference for the Strategic Oversight Board for Finance and Operations. Flexibility has been built into the agreement to enable this transition with many review points. Any new future arrangement, however, would be subject to a further Cabinet Member approval.

6.11 Alongside the KPIs measuring operational success of Strand Aldwych, information will be gathered through a WCC-led Engagement Strategy, the purpose of which is to inform future decision-making on aspects of management and design of the public space in its permanent arrangement.

6.12 There is an expectation that further external capital investment from other interested organisations will enable the permanent Strand scheme over the next 3-5 years. Management arrangements will require some flexibility during this transition to the permanent Strand scheme.

7. Financial Implications

7.1 The council has committed £22m capital funding to deliver Aldwych Two-Way and Meanwhile Strand. External organisations have contributed £1.3million with supporting work and studies over the last 5yrs. There is a further £11m of future funding requirement to deliver the permanent space with an expectation that this will be funded by external organisations and not by the council. Discussions to secure the £11m additional funding are ongoing. This recommendation to enter into the Management Collaboration Agreement and associated management model will not impact the future delivery of the permanent space.

- 7.2 Table 1 below shows estimated forecasted management costs per annum up to December 2026 as well as the contribution. Expenditure and contribution have been increased each year by 3%, any uplift in agreed costs will result in an uplift in the contribution paid to ensure that contributions keep pace with expenditure. This has been included within the Agreement terms.
- 7.3 Table 2 below shows estimated cumulative spend and contribution. At the end of December 2024 there is forecasted to be a positive net balance of £63,757 which reduces to £3,715 at the end of December 2025 due to bench repair and replacement costs before returning to a balance of £13,199 at the end of December 2026. If any potential shortfall in contributions is encountered, this will ultimately be managed by external organisations, as the intervention levels required are driven by them.

Table 1: 4-year component spend and contribution.

Component	2023	2024	2025	2026	Total in 4 years
	Year 1	Year 2	Year 3	Year 4	
Benches	-	15,920	87,292	20,922	124,134
Lighting Column Maintenance	-	5,805	5,979	6,159	17,943
Planting Maintenance	40,000	83,554	86,060	88,642	298,256
Street Cleaning	312,734	309,237	318,515	328,070	1,268,556
Aldwych Commuted Sums	8,494	8,494	8,494	8,494	33,976
Strand Commuted Sums	29,295	29,295	29,295	29,295	117,179
HVM Gates	14,000	14,420	14,853	15,298	58,571
Operations Manager	40,000	40,000	40,000	40,000	160,000
Subtotal	444,523	506,725	590,488	536,879	2,078,615
Contributions	500,000	515,000	530,450	546,364	2,091,814

Table 2: Cumulative spend and contribution.

	2023	2024	2025	2026
	Year 1	Year 2	Year 3	Year 4
Cumulative spend	444,523	951,248	1,541,735	2,078,615
Cumulative contribution	500,000	1,015,000	1,545,450	2,091,814
Variance	55,477	63,752	3,715	13,199

- 7.4 The Management Collaboration Agreement is flexible to enable additional funding to be provided from external organisations. By January 2027, it is expected that suitable organisations will have implemented a future self-sustaining financial model for the management of Strand Aldwych. Any change to the way in which the area is managed will need to be approved by the Cabinet Member for City Management and Air Quality.
- 7.5 It is also expected that contributions will be received from external organisations at the start of each calendar year. The initial £500k is therefore expected early January 2023. WCC will then pay for services as required throughout each year and will inform organisations of expenditure at regular intervals as determined within the Management Collaboration Agreement.
- 7.6 The level of intervention required for management services will be advised by the Operations and Maintenance Group and reported up to the Strategic Oversight Board for Finance and Operations to agree the service level and ensure the contributions from each organisation is at an appropriate level and proportionate to management works being undertaken. Service levels can be varied depending on need and informed decisions made using data collected against a set of KPIs (see appendix 1).
- 7.7 Income generated from holding events in the new public space will be income for the Council in a similar way to other Council owned public spaces in Westminster.

Risks:

- 7.8 WCC will manage risk by first obtaining contributions for the organisations before incurring any expenditure as detailed in 7.5 above.
- 7.9 Contracts with external suppliers will be managed by WCC. Therefore, if future funding arrangements were to significantly change then WCC will terminate the Management Collaboration Agreement(s) and/or, will fund the management model directly through income raised through commercial events on the Strand Aldwych area.
- 7.10 As set out, 3% future inflation has been assumed in the costs presented in Table 1. All inflationary increases in future years will be met in full through the management model and will be periodically reviewed and agreed by the Finance and Operations oversight board.

8. Legal Implications

8.1 The Collaboration Agreement:

- 8.2 The recommendation in the report is seeking approval for the Council to enter into a Management Collaboration Agreement (the Agreement) with:

- (i) Northbank Business Improvement District BID and
- (ii) King's College London

- 8.3 The Agreement is being entered into to collaborate and oversee the management and additional funding arrangements in respect of the Strand Aldwych Project (the Project). It is intended for the Council and both organisations to work collaboratively together to deal with the management and financial arrangements for the continued development and operations for the Project.
- 8.4 The Council has the power to by way of retained UK law under section 1 of the Localism Act 2011, subject to sections 2 - 4, in which, it is permitted to do anything that individuals generally may do. Such powers can be exercised in manner whatsoever for the benefit of the Council, its area or for persons resident or present in its local area.
- 8.5 With regard to the Council's Principles for external arrangements officers must ensure they are compatible with the visions, aims and objectives of Council before entering into the Agreement. All external funding received must be properly recorded in the Council's accounts and in the name of the Council. A register of external funding for the Project must be maintained ensuring that all audit requirements are met.
- 8.6 The understanding from officers is that the collaborative arrangements agreed under the Agreement does not incorporate any activities for trade or investment with the Council to provide services to third parties.
- 8.7 The Agreement has been drafted by the Council's instructed external solicitors Bates Wells LLP in consultation with the Council officers and internal legal services.
- 8.8 **The Council as Highway Authority for the Strand Aldwych:**
- 8.9 The Council, as local highway authority, has a duty under the Highways Act 1980 to ensure the effective maintenance and management of the Council's highway and

highway assets, and that they remain safe and effective for use by members of the public. As such it is imperative that the Agreement recognises the right of the Council to veto any proposed activity which it considers to be inconsistent with this duty.

9. Ward Member Consultation

- 9.1 St James's Ward Councillors have been briefed on the arrangements. They have been kept informed of the project and its progress throughout.

10. Appendices

- 10.1 The following documents are appended to this report:
Appendix 1 – KPIs for Operations, Maintenance and Activation

11. Background Papers

- 11.1 The following background papers are available on request:
Heads of Terms for the Management Collaboration Agreement for Strand Aldwych
Cabinet Member report dated November 2020 titled, "Two-Way operation on Aldwych and creation of "Meanwhile Strand" as part of the wider Strand Aldwych public realm scheme"

If you have any queries about this Report or wish to inspect any of the Background Papers please contact: Rebecca Cloke on 07790 386671 or e-mail: rcloke@westminster.gov.uk

I have no interest to declare in respect of this report

Signed:

Date:



22 December 2022

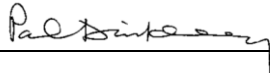
NAME:

Councillor Geoff Barraclough, Cabinet Member for Planning and Economic Development

I have no interest to declare in respect of this report

Signed:

Date:



22 December 2022

NAME:

Councillor Paul Dimoldenberg, Cabinet Member for City Management and Air Quality

State nature of interest if any

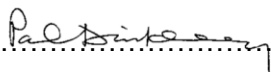
(N.B: If you have an interest you should seek advice as to whether it is appropriate to make a decision in relation to this matter)

For the reasons set out above, I agree the recommendation(s) in the report entitled **Strand Aldwych Management Model – A Collaborative Approach** and reject any alternative options which are referred to but not recommended.

Signed 

Councillor Geoff Barraclough, Cabinet Member for Planning and Economic Development

Date ...22 December 2022.....

Signed 

Councillor Paul Dimoldenberg, Cabinet Member for City Management and Air Quality

Date ...22 December 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:

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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 , Strategic Director Finance and Performance and, if there are resources implications, the Strategic Director of Resources (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.

ANNEX 1: Other Implications

1. Resources Implications

The body of this report is concerned with the resource implications

2. Business Plan Implications

This project supports objectives in Fairer Westminster, as follows:

Fairer Communities:

- ***Westminster is a great place for children to grow up, with its cultural and learning opportunities, active communities, and excellent schools*** – the new public space at Strand Aldwych aims to bring cultural and learning opportunities into the public realm and thereby more accessible to all, linked to the great institutions surrounding the space.

Fairer Economy:

- ***Westminster remains economically successful, with a diverse, sustainable, resilient economy that delivers growth and benefits for all residents today and in the future*** – the Strand Aldwych project aims to support resilience in the local economy by bringing together local stakeholders, bringing visitors to a new destination for London with a unique offer,
- ***Oxford Street and the West End are reimagined and revived, safeguarding their position in the national economy, and ensuring they deliver a world class offer and experience to residents, businesses, workers and visitors*** – the improvements at Strand Aldwych aim to create a new destination for London, attracting more visitors, creating a place to dwell, thereby supporting local businesses and organisations.

Fairer Environment:

- ***We will take ambitious action on climate change, and aim to become a net zero council by 2030, and a net zero city by 2040*** – one pillar of the Strand Aldwych management model is sustainability. Greater benefit can be achieved by bringing together stakeholders in the area, aligning agendas and working together to achieve objectives.
- ***Westminster's streets are cleaner and safer, our services use clean technology, and recycling is increased*** – this part of the Strand was previously dark and unwelcoming. The new public space includes better lighting, an open and more welcoming public realm both on Strand and around Aldwych, and encourages people to spend more time in the area.
- ***People have access to high-quality green spaces, shops, voluntary, community, health and leisure services within a 15-minute distance from their home*** – a new public space has been created on Strand with additional planting areas that were previously highway. Pockets of greenery have also been added outside St Clement Danes Church and at Drury Lane as part of the scheme.

- ***Residents, workers and visitors are enabled and are encouraged to travel through Westminster in more active and sustainable ways*** – active travel routes have been strengthened as a part of this scheme with a cycle link from the Embankment cycle super highway through to the Quietway through Covent Garden. The project adds pedestrian crossings to strengthen pedestrian walking routes through the area and a safer walking environment created with wider footways and junctions.

3. Risk Management Implications

The key risk facing this decision is the revenue impact should there be a shortfall in receipt of income due from external organisations does not address the uplift in management costs required for the project.

4. Health and Wellbeing Impact Assessment including Health and Safety Implications

The management agreement does not in itself have health and safety implications. However, the physical changes in the public realm it is supporting have significant health and well-being impacts, most particularly through addressing an area previously high in pollution, congestion and collision risk. Monitoring of these impacts will be ongoing.

5. Crime and Disorder Implications

No specific crime and disorder implications have been identified with setting up the management agreement itself. The Strand Aldwych public realm will continue to operate as Westminster highway and the responsibility of the Highway Authority. Any crime and disorder issues in the area will be dealt with in the normal way, as with any other Westminster public highway.

6. Impact on the Environment

No specific environmental impacts have been identified with setting up the management agreement itself. The physical changes at Strand Aldwych it supports have created a major new public space, and considerably enhance air quality and the overall environment of key cultural, educational and economic organisations, their students, workers, tenants and residents.

7. Equalities Implications

No specific equalities implications have been identified with setting up the management agreement itself. The agreement supports the physical changes at Strand Aldwych which do improve the environment to make it welcoming and accessible for people with disabilities.

8. Staffing Implications

An additional member of staff within the Events and Filming Team will support the project, funded for a period of two years from S106 funding, as part of a wider application to secure funding for initial programming. The post will be reviewed after that time and if Westminster City Council do not wish to continue the post, the external funders may put forward proposals for WCC to consider employment of a similar post.

9. Human Rights Implications

No specific human rights implications have been identified.

10. Energy Measure Implications

No specific energy implications have been identified.

11. Communications Implication

No communications implications have been identified as a result of setting up the Agreement itself. However, the project has been developed with a collaborative approach and a communications group is set up to coordinate external communications around Strand Aldwych. This consists of the key stakeholders in the area and, although not part of the management governance structure, is seen as mutually beneficial to all parties and set to continue. The governance structure does take account of internal communications within the wider stakeholder community at Strand Aldwych allowing for regular exchange of information.