

Programmes and Investment Committee



Date: 28 June 2017

Item: Oxford Street

This paper will be considered in public

1 Summary

- 1.1 This paper provides an overview of the Oxford Street Transformation project and updates on progress to date.

2 Recommendation

- 2.1 **The Committee is asked to note the paper.**

3 Executive Summary

- 3.1 The transformation of Oxford Street is a key Mayoral objective, outlined in the draft Mayor's Transport Strategy (which is currently being consulted on), and is intended to support and sustain its position as an iconic destination in the heart of London. To achieve this aspiration, TfL is working in partnership with Westminster City Council (WCC) to develop proposals to make significant changes to Oxford Street and the local area. These proposals include reducing or removing vehicular traffic from Oxford Street and improving the public realm to significantly improve the quantity and quality of space for pedestrians.
- 3.2 In order to implement the changes to coincide with the opening of the Elizabeth line in December 2018, the proposed improvements to Oxford Street will be delivered in two stages. The changes to the western section of Oxford Street, between Orchard Street and Oxford Circus (known as Oxford Street West, OSW), are planned for implementation by December 2018 subject to the outcomes of consultation and other work referred to in this paper. The second stage of works would focus on the eastern end of Oxford Street, between Oxford Circus and Tottenham Court Road (known as Oxford Street East, OSE).
- 3.3 A potential third stage of the project, focussed on the Marble Arch section of Oxford Street, is not planned for delivery within TfL's current Business Plan period. There is strong interest, however, from local stakeholders, businesses and landowners to transform this section of the street as well. The Mayor and TfL have committed to developing proposals for this area, however this is subject to funding, local consultation and finding a viable solution. Additionally, the Crown Estate has future plans for Regent Street; and there are existing agreed and funded proposals for Tottenham Court Road, being taken forward by the London Borough of Camden for delivery by the opening of phase 1 of the Elizabeth line.

- 3.4 An initial consultation to gather general views and issues of concern from stakeholders closed on 18 June 2017. In parallel with the public consultation, feasibility work continues on developing and assessing a range of options (each with various sub options and iterations) and their potential impact on key user groups, such as pedestrians and cyclists. Informed by the feedback received from the current consultation and the initial assessment of options to date, a second consultation is timetabled to take place in November 2017 on a more detailed set of proposals.
- 3.5 A full business case is being developed and will be presented in due course. Early assessment work undertaken by TfL and its appointed consultants indicates that the OSW project is likely to deliver a good return on investment.
- 3.6 Delivery timescales for the implementation of the first phase of the project remain challenging. The project remains on track, however, to deliver the OSW section by December 2018 to align with the opening of the Elizabeth line, close coordination between TfL and WCC is essential if we are to launch successfully.
- 3.7 Since the project's inception, over 100 meetings have been held with key stakeholder groups, retailers and local residents. The meetings have been largely positive and allowed the project to respond to a wide range of potential issues. On 24 April 2017 the first of two planned public consultations was launched. A review of comments received is underway and a summary of the consultation results will be given verbally at the Committee meeting. Extensive stakeholder engagement exercises will continue throughout summer 2017 in advance of any second public consultation TfL may undertake in November 2017.
- 3.8 The Oxford Street Project is part of a wider plan for the Oxford Street District and the West End as a whole, with significant sums of money being invested by various parties. At this stage, TfL has committed to funding only those works associated with changes to the transport network and any immediate measures required to facilitate the long term improvements to the public realm. Beyond TfL's contribution, the funding status of the Oxford Street Project is largely dependent upon securing sufficient third party funding and we are working closely with WCC on this.
- 3.9 TfL has agreed to second a senior management position for 12 months to be jointly accountable to TfL and WCC, and to strengthen the good joint working and oversee the delivery of the OSW and related programmes.

4 Background

- 4.1 Oxford Street transformation forms a key part of the Healthy Streets Portfolio approved by the Committee in March 2017. The Oxford Street Project is a key part of TfL's Central London area planning and aligns with a number of outcomes within the draft Mayor's Transport Strategy.
- 4.2 Located in the heart of the West End, Oxford Street is one of the world's premier shopping streets. Approximately 3.5 million people visit Oxford Street each week, making a significant contribution to the UK economy. The Bond Street, Oxford Street and Regent Street area alone currently contributes around £7.6 billion annually to the UK economy.

- 4.3 Nonetheless, there are a number of key issues with the existing environment, which result in a poor pedestrian experience. These include poor air quality, a safety record that is of concern, street clutter and severe overcrowding during the busiest parts of the day. Between June 2013 and May 2016 there were 256 collisions involving a casualty. Taking into account expected increases in visitors and how levels of crowding vary across time, the experience of unacceptable levels of crowding will increase by 72 per cent by 2021 and 100 per cent by 2031 (relative to 2015). Feedback from disability groups is that this overcrowding can effectively deter people with mobility issues from using Oxford Street. There appears to be a general consensus that currently Oxford Street does not deliver a world-class city experience to those visiting the area.
- 4.4 Moreover, between 2011 and 2031 visitor numbers are anticipated to grow by around 80,000 people a day, significantly increasing the pressure on the transport network. This increase is a result of London's population and employment growth and the change in travel patterns facilitated by the opening of the Elizabeth line. Once fully operational, the Elizabeth line will deliver 24 trains with a total capacity of 36,000 passengers per hour (in each direction) through the core central London section.
- 4.5 Whilst Oxford Circus is still expected to be the busiest station on Oxford Street following the introduction of the Elizabeth Line, the proportion of rail passengers using Bond Street is also expected to increase significantly. As a result, bus patronage is expected to decline by around 20 per cent in the eastbound direction and approximately 15 per cent in the westbound direction. This provides a unique opportunity to deliver a transformational scheme at Oxford Street, catering for increased pedestrian numbers in a context of reduced demand for bus services.

5 Project Scope

- 5.1 The scope for the transformation of Oxford Street includes the length of the street from Marble Arch to Tottenham Court Road as well as changes to adjacent roads and improvements to the wider Oxford Street District. It is clear that this District approach, working closely with WCC and London Borough of Camden towards the eastern end, will be required to deliver a suitably improved West End. In order to meet the required deadlines, such as the need to make improvements to the Bond Street area prior to the opening of the Elizabeth Line in December 2018, the project is to be developed and delivered in three distinct phases.

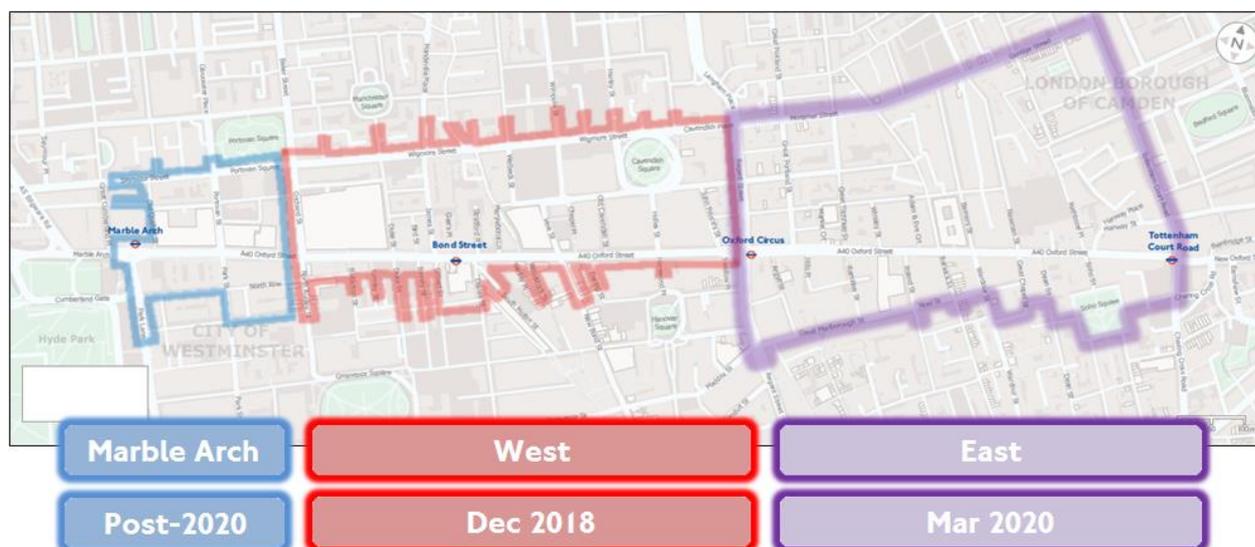
Phase 1 – Oxford Street West: The section of Oxford Street between Orchard Street and Oxford Circus, alongside necessary improvements to any side roads and adjacent streets in the wider District.

Phase 2 – Oxford Street East: The section of Oxford Street between Oxford Circus and Tottenham Court Road, alongside necessary improvements to any side roads and adjacent streets in the wider District there.

Phase 3 – Marble Arch: The section between Marble Arch and Orchard Street. It should be noted that any delivery of this phase is not included in TfL's current business plan, but is being explored for future funding, likely to involve a package approach from a variety of sources .

It is important to note that these timeframes do not include delivery of any longer term, wider urban realm improvements as these have yet to be defined and agreed.

Figure 1: Overview of Project Scope and Delivery Phases.



A larger scale map of the project scope is attached as Appendix 1.

5.2 Key issues for the project include:

- (a) ensuring a significant improvement to the environment on Oxford Street itself. This should include: addressing overcrowding that is a barrier to accessibility; designing a fully accessible environment; improving air quality and road safety; addressing personal security concerns; enabling required servicing and other necessary access but not necessarily at all times; improving the public realm to show a significant change in the perception of the spaces, enabling new and positive uses of the street;
- (b) addressing impacts in the surrounding area including: looking at better management of freight and servicing; improving walking and cycling access, including physical accessibility; mitigating any traffic impacts; improving air quality and road safety; enabling both business functionality and retaining and enhancing quality of life through the use of the Healthy Streets approach; and
- (c) addressing impacts on relocation or changes to bus services, and maintaining taxi access.

5.3 Changes to the local area and the transport network in and around Oxford Street as a result of project delivery are therefore likely to include (but are not limited to):

- (a) re-design of area for pedestrians, cyclists and road users;
- (b) provision of more space and direct route through area for pedestrians;
- (c) linking of signals for traffic progression;
- (d) new pedestrian crossings on desire lines;
- (e) provision of wayfinding signage for pedestrians and cyclists;
- (f) provision of connectivity to other cycling routes and connections;

- (g) urban realm improvements, including potential tree planting and “greening”;
- (h) new paving and surfacing;
- (i) new traffic management orders and signage for bus and taxi traffic away from Oxford Street to manage servicing, access and potentially mitigate impacts;
- (j) creating taxi pick up and drop off zones outside of Oxford Street;
- (k) introduction of a freight management programme in the wider area; and
- (l) consideration of other issues that may arise from an accessibility assessment or an environmental assessment.

5.3 On the last point, we are confident the emerging scheme will have benefits from an accessibility and equalities perspective, but is also likely to pose some challenges which arise from any decision to move bus services and taxis away from Oxford Street itself. The project has a number of accessibility work-streams underway with input from an independent consultant as well as other key advisors. An iterative EQIA (Equality Impact Assessment) process is being undertaken and the relevant approval boards will have sight of the EQIA at key points of decision making, noting that these considerations have fed into the design process from a very early stage.

6 Option Development

6.1 In parallel with the current public consultation, we are working to develop and assess a range of options and their potential impact on key user groups, such as pedestrians and cyclists. Although there are a large number of potential design variants, the options under consideration for Oxford Street West itself (the most advanced part of the programme) are likely to fall into two broad categories – traffic reduction, or full traffic removal for parts of the street, with limited overnight access for servicing and taxi functions. There is an acceptance that some north-south movements through Oxford Street will most likely remain. These broad concepts, summarised below, will be developed and assessed in parallel with a thorough appraisal process and selection of a preferred option subject to the outcomes of the public consultations.

6.2 **Do Nothing:** Currently we consider that doing nothing at Oxford Street would both fail to achieve the Mayor’s objective and fail to meet the significant challenges in the area, leading to a severe decline in the level of pedestrian comfort and safety. In addition, the opening of the Elizabeth line (scheduled for late 2018) affords a unique opportunity to upgrade local transport facilities. Failure to co-ordinate upgrades with the opening of the underground line may result in significant difficulties in delivering any future transport enhancements. Although our view at present is that doing nothing would not be an acceptable option, we will keep this under review in the light of feedback received during the public consultations.

6.3 **Full traffic removal (“Do Maximum”):** Full traffic removal options are the most impactful of the proposed interventions for Oxford Street. These options would deliver the greatest step-change and pedestrian improvements in the Oxford Street area and also most closely align with Mayoral objectives. These options would also necessitate the most extensive construction works - entailing a higher

level of disruption - and take longer to complete compared to the other less expansive options.

- 6.4 **Partial Traffic Removal (“Do Minimum”):** Partial traffic removal options entail a wide range of measures, covering the full spectrum of options between “full traffic removal” and “do-nothing”. It is, however, acknowledged that only notable changes and a sizable decrease in the number of buses and taxis serving Oxford Street would enable sufficient additional space to be provided to deliver enhanced public realm and reduce pedestrian crowding.
- 6.5 Within each of these options there are a number of sub-options covering a wide range of design and phased delivery approaches, including timed restrictions for vehicles, such as taxis, private hire vehicles and freight and numerous approaches for cycle provision on Oxford Street. As part of the Feasibility Stage work, each of these has been subject to a preliminary review against a range of criteria agreed with WCC to inform the next stage of design development.
- 6.6 It should be noted that London Buses has recently concluded a consultation on significant bus service reductions on Oxford Street (up to 40 per cent reduction). The result of this consultation was generally positive and London Buses are now beginning to implement bus service changes in advance of any changes implemented for the Oxford Street project. Further options around the potential removal of the remaining 60 per cent of buses using Oxford Street West, and similar implications for Oxford Street East, are under development. This includes the potential transfer of bus routes onto alternative routes such as Wigmore Street as an alternative to OSW.

7 Benefits and impacts

- 7.1 A full business case assessing the proposals developed to date in detail will be produced as the project clarifies in advance of the second public consultation, scheduled for November 2017. Nonetheless, early assessment work undertaken by TfL and its appointed consultants indicates that the OSW project is likely to deliver a good return on investment.
- 7.2 The key finding from the economic analyses undertaken to date is that the full traffic removal proposal is likely to perform significantly better than the partial traffic removal scenario and represent good overall value for money. For example the full traffic removal scenario delivers over seven times the public realm benefits of the partial traffic removal proposal.
- 7.3 The cumulative impact of various planned schemes across London introduces a level of highway dis-benefit. It is currently unclear within the economic appraisal the contribution that the proposed changes to Oxford Street would make to this cumulative impact, though it is likely that any dis-benefits are of a similar order in both the full and partial traffic removal scenarios. It should be noted, however, that the retention of buses on Oxford Street in the partial traffic removal scenario greatly limits the potential for the delivery of public realm benefits.
- 7.4 Given the level of detail currently available on the designs of the various schemes, a proportionate approach has been taken to quantifying and valuing urban realm, road safety, air quality impacts and motor vehicle journey times.

The analysis that has been undertaken to date has taken a conservative approach that could understate some benefits of the options, in particular the full traffic removal scenario. More detailed analyses will be undertaken on these impacts as the designs progress, and that the results of these will form an input to a more detailed appraisal that will be included in the full business case.

8 Delivery Timescales

- 8.1 Delivery timescales for the implementation of OSW remain challenging. The project remains on track, however, to make the required changes to OSW by December 2018.

Figure 2: Indicative Oxford Street West Delivery Milestones

Milestones	Date
Results of Consultation 1 Published	September 2017
Pathway Gate 2 (Feasibility)	September 2017
Consultation 2	November 2017
Pathway Gate 3	February 2018
Results of Consultation 2 Published	March 2018
Pathway Gate 4	May 2018
Start on Site	May/June 2018
Completion	December 2018
Opening of the Elizabeth Line	December 2018
Other Phases of Transformation Scheme Implemented	December 2018-2024

9 Stakeholder Engagement and Consultation

- 9.1 Since the project's inception, over 100 meetings have been held with key stakeholder groups, retailers and local residents. The meetings have been largely positive and allowed the project to respond to a wide range of potential issues. Extensive stakeholder engagement exercises will continue throughout summer 2017 in advance of any second public consultation in November 2017.
- 9.2 The first public consultation was launched on 24 April 2017. The consultation appears to have reached a wide range of different users of Oxford Street. The majority of early responses were received from individual customers, whilst the expectation was that key stakeholder groups would be submitting formal responses towards the end of the consultation period. The consultation closed on 18 June 2017 and the full consultation report will be published in early August 2017. A verbal summary of the main consultation outcomes will be given at the Committee meeting, but there will be ongoing work looking at the substance of the thousands of comments received.

10 Funding

- 10.1 The Oxford Street Project is part of a wider plan for the Oxford Street District and the West End as a whole, with significant sums of money being invested. At this stage, TfL has only committed to funding only those works associated with changes to the transport network and any measures required to facilitate the long term improvements to the public realm.
- 10.2 The project will be developed in stages with our partners at WCC and London Borough of Camden, with a Transition scheme for each part of Oxford Street, which would deliver the traffic access changes, and make Oxford St begin to feel very different. This could then be followed by a later Transformation scheme, with more ambitious changes, subject to securing relevant funding.
- 10.3 It should be noted that WCC has not yet secured funding for the longer-term transformation public realm improvements to Oxford Street (both West and East). The proposed funding source is via a Tax Incremental Financing (TIF) mechanism, which is currently being applied for by WCC. TIF has been implemented to fund other major development works within London such as the Nine Elms redevelopment and TfL is strongly supporting WCC in their bid for this funding, through the extent of any funding award is not yet known. An announcement on the TIF application is expected later in 2017. The TIF bid would allow for the retention of a raised percentage of locally collected business rates to put toward investment in a programme of public realm and transport projects within the area overseen by the “West End Partnership” (WEP). WEP includes both WCC, London Borough of Camden, residents and business and landowner interests, and is represented on behalf of TfL and City Hall by the Commissioner Val Shawcross, Deputy Mayor for Transport, respectively. These negotiations are ongoing. The current indication is that government can see a case that can be made and have asked for this to be re-cast on a project basis. TfL existing commitments are part of the contributions from various parties that would then be used to access a greater sum from the retained Business Rates.
- 10.4 Consideration is also being given to a funding strategy should the TIF application be partially or wholly unsuccessful. There are strong precedents for securing third party funding for schemes of this nature, including the £15m Baker Street project which is one-third private sector funded, and the Bond Street Project, which is 75 per cent funded by private sector voluntary contributions. Working with WCC, further funding will be sought from third parties, such as local retailers and land owners. This will also be required for ongoing revenue costs arising from the future management of the changed Oxford Street and surrounding areas. This latter area is not a matter for TfL funding.
- 10.5 Overall, the funding status of the Oxford Street Project beyond TfL’s committed contribution is largely uncertain and the delivery of the wider Oxford Street plan is heavily dependent upon the securing of third party funding. Contingency plans are therefore being developed, should the TIF application prove unsuccessful.

11 Financial Implications – 2017-2018

- 11.1 In August 2016, £0.7m project authority was granted to enable feasibility stage work to begin on the project. In April 2017, a further £4.4m project authority was

granted, raising total project authority to £5.1m. WCC are currently expected to contribute some further £1.9m within 2017/18 to the Oxford Street programme, largely on the development of measures in the wider area that will be required to take forward the Oxford Street project, but also on the development of OSW and OSE.

- 11.2 The current allocation of project authority is projected to fund the project until March 2018, at which time a further authority submission will be made.
- 11.3 Beyond 2017-18, the delivery of the Oxford Street project is likely to have considerable financial implications for TfL. Alongside significant capital costs, the necessary changes to bus operations for example along with other changes as a result of the works are likely to incur additional operational / revenue costs.
- 11.4 It should be noted that, as WCC is the highway authority for Oxford Street, Westminster's agreement is required to deliver any improvement works. As a result, further financial outlays may be required in the form of commuted sums for maintenance and other costs associated with meeting the Mayor's aspirations for Oxford Street. The extent of these costs is as yet unknown and will be explored further as the project matures.

12 Procurement

- 12.1 Much of the design and optioneering work required is being delivered in-house. Design, modelling, project management and stakeholder engagement activities are being led by the internal project team. Nonetheless, external procurement will be required for a number of project critical activities. These include:
 - (a) design and modelling of side road improvements: to be delivered by WCC (and potentially LB Camden in the eastern section) but predominantly funded by TfL;
 - (b) production of public consultation materials;
 - (c) analysis of consultation data;
 - (d) ground investigations and surveys;
 - (e) asset (drainage, lighting, etc.) condition surveys;
 - (f) consultancy services: including air quality, noise and accessibility assessment works;
 - (g) detailed design for the highway and public realm elements of the project; and
 - (h) construction.
- 12.2 TfL is currently finalising the procurement strategy for the delivery of the Oxford Street Project. A detailed design-and-build contractor for the works is to be procured through the London Highways Alliance Contract (LoHAC) framework. This will be undertaken via a mini-competition amongst the four contractors, which will be subject to modifications to the Framework terms and conditions to enable the call-off.
- 12.3 This approach has been agreed between TfL and WCC, with tender contract award scheduled for autumn 2017.

- 12.4 Early engagement has already begun with the LoHAC contractors to discuss the proposed approach and identify any concerns and ideas they have, which has been fed into the Procurement Strategy and considered as part of the overall methodology.
- 12.5 Due to the nature of the scheme, the Contractor's approach, staffing and resourcing will be key considerations, which will be built into the technical evaluation criteria.

List of Appendices:

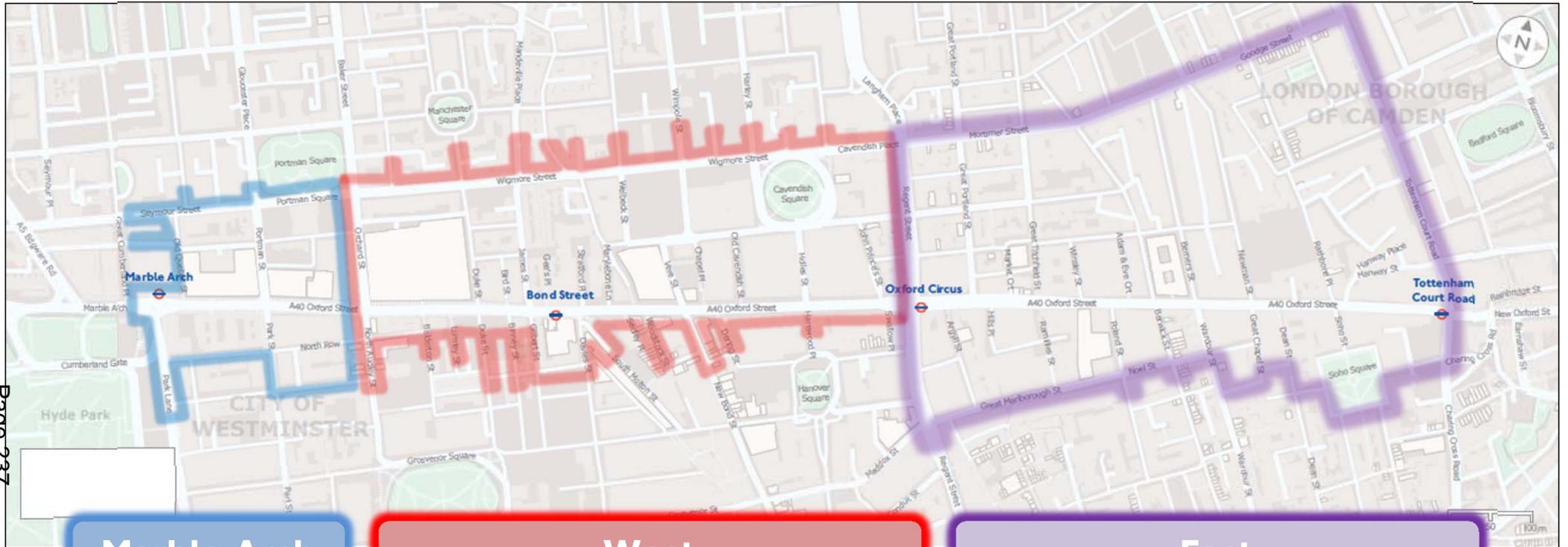
Appendix 1 – Map of Project Scope and Phasing

Background Papers:

None

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Map of Project Scope and Phasing



Marble Arch

West

East

Post-2020

Dec 2018

Mar 2020

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