



Healthy Street Portfolio Board

Date: 29 November 2018

Item: Oxford Street (West and East) Closure Report and Authority Request

PJ535 Oxford Street West				
Existing Financial Authority	EFC	Existing Programme & Project Authority	Additional Authority Requested	Total Authority
Gross Expenditure £44.5m	£8.9m	£7.1m	£1.832m*	£8.9m
Income £m	£m	£m	£m	£m
Net cost £m		£7.1m	£1.832m*	£8.9m

Level 3: PM-led single point EFC based on schedule of contractor rates (likely to be used from Gate 3 through to Gate 4),

PJ586 Oxford Street East				
Existing Financial Authority	EFC	Existing Programme & Project Authority	Additional Authority Requested	Total Authority
Gross Expenditure £39.5m	£1.0m	£1.6m	(£0.6m)	£1.0 m
Income £m	£m	£m	£m	£m
Net cost £m	£m	£1.6m	(£0.6m)	£1.0m

Delete levels not relevant to the paper and enter level in EFC box above

Level 2: PM-led EFC range based on benchmarked costs of previous projects of similar scope (likely to be used at Gate 2 and during Stage 3),

Project Pathway Status				
2 Feasibility Design	3 Concept Design	4 Detailed Design	5 Construction**	6 Close
08/ 16 – 08/17	08/17- 03/18	03/18 – ceased 06/18	01/18 -07/18	11/18

*This was quickly superceded by WCC cancellation of project

**Construction was only achieved on Wigmore St

1. Executive Summary

Decision required	<p>Ben Plowden - Director of Strategy and Network Development is asked to take the decision to:</p> <p>(a) endorse Programme and Project Authority of £1.832m for Oxford Street West, recognising that £0.596m could be transferred from unspent authority for Oxford Street East, leaving a net ask of additional authority of £1.236m. This reflects the fact that the overall project has been in breach while the complexities of closedown have been completed;</p> <p>(b) Note the closedown report and lessons learned from the project;</p>
Decision-maker	Ben Plowden
Summary	
<p>This report sets out the case for the Oxford Street project, jointly developed with Westminster City Council (WCC) and some of the project's history. Given WCC's unilateral abandonment of the project, without reference to the established joint governance, this report provides an overview of the closure of the Oxford Street project (Oxford Street West and East, OSW and OSE) and seeks additional authority to cover expenditure which has caused the OSW project to enter breach.</p> <p>WCC has developed alternative proposals to replace the jointly developed Oxford Street project, and is proceeding with consultation at a strategy level. However, these proposals are not to be delivered by TfL or a joint team, and hence should be understood as constituting an entirely new project.</p> <p>Given the unexpected nature of WCC's decision in June 2018, the uncertainty about the project before and after that date, and the fact that any remaining expenditure would still be well below the original expected EFC, it was agreed with the Finance Director that the project could enter financial breach during closedown. This paper now seeks to rectify that position.</p>	

2. Business Case

2.1. Strategic Case

2.1.1. Reason for Intervention

2.1.2 The transformation of Oxford Street and the surrounding district is proposed in the Mayor's Transport Strategy, and was intended to create an iconic destination in the heart of London. To achieve this aspiration, TfL was working in partnership with Westminster City Council (WCC) to develop proposals to make significant improvements to Oxford Street and the local area. The Oxford Street transformation formed a key part of the Healthy Streets Portfolio approved by the Programmes and Investment Committee in March 2017. The

Oxford Street Project was a strong part of TfL's Central London area planning and aligned with a number of outcomes within the Mayor's Transport Strategy.

- 2.1.3 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.
- 2.1.4 Nonetheless, there are a number of issues with the existing environment which result in a poor pedestrian experience. These include:
- severe pedestrian overcrowding during the busiest parts of the day
 - a high casualty record along Oxford Street
 - a disappointing public realm and a poor sense of place which does not serve those living, working or visiting Oxford Street and the surrounding area
 - poor air quality that will be significantly improved by the introduction of the Ultra Low Emission Zone in 2019 but which will still be expected to be at unlawful levels without other interventions
 - a perceived level of threat from hostile action given the crowded nature and iconic status of the street.
- 2.1.5 In addition, between 2019 and 2036 visitor numbers are anticipated to grow 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.
- 2.1.6 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. Overall numbers visiting the street will increase significantly and, whilst Oxford Circus is still expected to be the busiest station on Oxford Street, the proportion of rail passengers using Bond Street is also expected to increase. As a consequence, 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 provided 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
- 2.1.7 Given the significant challenges facing the area, and the opportunity presented by the opening of the Elizabeth Line, it was agreed by WCC, TfL and City Hall that there would be a joint project to develop proposals to improve Oxford Street, with objectives summed up by the foreword to the second consultation, as below:

The joint vision for Oxford Street and the wider district

We propose to make Oxford Street the world's best outdoor shopping experience and an unrivalled place to live, work and visit.

Our vision is not simply to transform Oxford Street, the proposals we have developed are for the entire district. They would:

- Make it much easier to walk throughout the area***
- Create beautiful, safe, accessible and inspiring public spaces full of life and spectacle***
- Address some of the very serious and pressing issues of poor road safety and air quality in the Oxford Street area***
- Support businesses to grow and respond to the district as it transforms and create new jobs***
- Equally protect and enhance the quality of life for residents in the area***
- Support the introduction of the Elizabeth line to the area***

Foreword to the second consultation, November 2017. Signed by Deputy Leader Westminster City Council Deputy Mayor for Transport , and Transport Commissioner for London

- 2.1.8 It is important to note that although this work was precipitated by the commitment to work with WCC in the Mayor's Transport Strategy, the ambition to improve Oxford Street pre-dated this. The West End Partnership (WEP), created and chaired by WCC (with the main Board chaired by the Leader of WCC), involves TfL and LB Camden, the Metropolitan Police, and representatives from businesses and residents. The purpose is to recognise the challenges facing the future of the West End and to work together to address them. The Partnership had already asked TfL to work with WCC transport officers to identify proposals for Oxford Street that would bring improvements, including explicitly exploring options around removal of traffic. Far from being a Mayoral imposition, the jointly developed proposals therefore responded to a call from WCC and the wider partnership. The project, with a joint team and a Head of Oxford Street reporting directly into both WCC and TfL, had joint governance in a Programme Board chaired by the WCC Chief Executive and a Strategic Board chaired by the WCC Deputy Leader. As exemplified by the foreword quoted above, there was no indication that WCC were unhappy with the proposal that went to consultation in late 2017.
- 2.1.9 In the aftermath of the second consultation, which gained majority support overall (although not from Westminster responses alone), a series of options for changing the scheme in response to points raised during the consultation were discussed with WCC officers. Unfortunately, WCC's cancellation of the project precluded further discussion. Briefings direct to WCC politicians were declined and it is not known whether any of the proposed changes were taken into account in WCC's eventual decision to cancel. The proposed changes in response to consultation are set out in summary in section 4 below. The

impacts of the project on the main challenges to the area are summarised in section 5.

2.1.10 A great deal of consultation information was shared, and this includes the post-consultation unilateral TfL reports.
 (<https://consultations.tfl.gov.uk/roads/oxford-street/?cid=oxford-street>).

2.1.11. Strategic impact of the project

2.1.12. The Oxford Street project aimed to deliver a transformational improvement to the local area, creating a new pedestrian-friendly space in central London whilst improving road safety and air quality, and delivering Healthy Streets benefits to the wider area and promoting the continued growth of the West End.

2.1.13. The figure below shows that the preferred option could have had a high impact on “Active” and “Unlocking” MTS outcomes with minor improvements for “Green” and “Space Efficient”. However, the proposed relocation of buses away from Oxford Street would lead to a reduction in overall accessibility levels (off-set by wider accessibility improvements across the district) and ease of interchange between modes of travel. This was to be addressed by (a) accessibility improvements across the surrounding area, (b) carefully designed changes to the bus network, and (c) the potential introduction of a local mobility service either directly along Oxford St or around the surrounding area (design of this would have interacted with a number of other features of a final project and so had not been completed).

Figure 2: Overview of Strategic Outcomes that would have been affected by project

PROJECT OUTCOME SCORING	Transport Outcomes	Score	Impact Description	V Low	Low	Medium	High	V High	
	Active	Increasing walking and cycling	+ High	Major incentive to Active travel	Green	Green	Green	Green	
	Safe	Safety improvements	+ Medium	Major reduction in incidents	Green	Green	Green		
	Green	Air Quality improvements and Greening	+ Low	Reduced congestion	Green	Green			
	Space Efficient	More efficient car and freight movement	+ Low	Improvement to road space use	Green	Green			
	Connected PT	New connections & improved frequency	- Low	Minor service removal	Grey	Grey			
	Reliable Service	Quicker & more reliable	+ Low	Journey time improvement	Red	Red			
	Quality Service	Less crowded & more comfortable	-V Low	Minor crowding increase	Grey				
	Inclusive PT	Accessible and affordable	None	Neutral impact on PT Inclusivity					
	Unlocking	Delivering new homes and jobs	+ High	Major development on TfL land	Blue	Blue	Blue	Blue	Blue
Sustainable	Active travel for new developments	None	Neutral impact on Sustainable Growth						

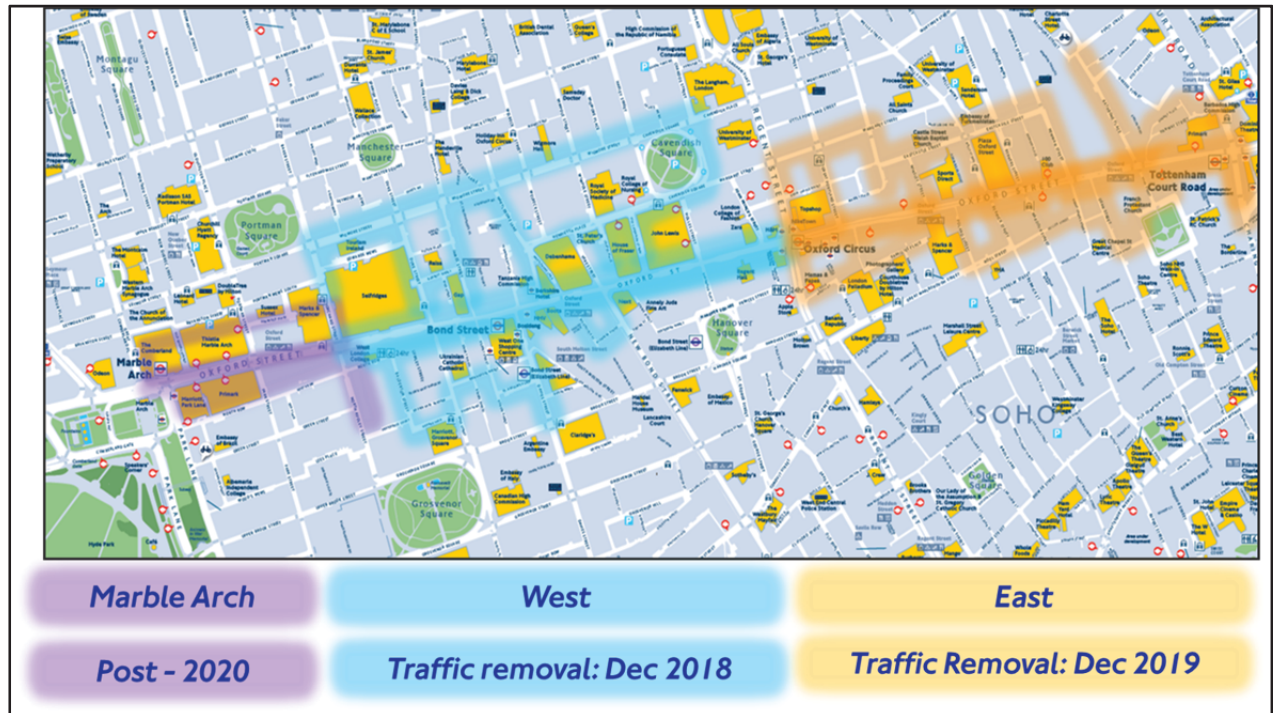
2.2. Project Proposal (Economic Case)

2.2.1. Scope of proposed project

2.2.2 The project took on a whole-district approach, in agreement with WCC and in line with the Mayor’s Healthy Streets approach. This resulted, for example, in 25 new and improved pedestrian crossings proposed across the wider area of Mayfair and Marylebone, wider footways at key points, and accessibility improvements across the area. Some cycle improvements were included in

the consultation proposals, and work had been taken forward to develop a further scheme for a high quality cycling link running east-west to the north of Oxford St, linked to strategic routes and reflected by cycle improvements across the area.

Figure 3: Overview of Three Parts of the Oxford Street Project



2.2.3 The physical works were complemented by a number of other proposals including:

- A review of kerbside uses across the area to ensure that there was a good, and well placed, balance between uses such as residential, loading and servicing, taxi stands and disabled parking.
- The development of a freight management plan, working with local businesses to rationalise and reduce freight traffic in the area
- An activation and public arts plan looking at potential uses for the new public spaces
- Discussion with New West End Company about new lighting proposals, looking to work with new urban realm approaches in partnership and move away from simply Christmas lighting.
- Led by WCC, a District Management Plan looking at the implications for all street environment services of the new influx of pedestrians from the Elizabeth Line, and the impacts of the Oxford Street project. This picked up on existing resident and business feedback about services, considered

additional powers where this was available, and looked to supply required additional funding from private sector contributions.

2.2.4 In this way the project took a very comprehensive and holistic approach to the challenges of the area, using transport investment not just to tackle transport issues but to enable wider and sustainable change.

2.2.5. Benefits and Disbenefits

2.2.6. The key planned transport benefits are shown in Table 1 below. It had been intended as part of the original Tax Incremental Funding (TIF) bid to the Department of Communities and Local Government that some economic indicators would also be developed and monitored to try and track the wider benefits of the project, although this had not reached a conclusion.

Table 1: Key Benefits of Oxford Street Proposals

Surface Transport Outcome	Impact of scheme	Measure	Expected change
Cycling	Cycle trip rate	Number of cyclists	Increase
Cycling	Reduced cycling casualties	Number of collisions involving cyclists	Reduction
Walking	Pedestrian comfort level	Pedestrian comfort assessment	Improvement
Walking	Pedestrian casualties	Number of collisions involving peds	Reduction
Bus	Bus journey time reliability	Excess wait time (seconds)	Improvement
Freight	Loading provision appropriate to the needs of businesses	Usage survey	Improvement
Safety	Number of KSI collisions	Number of collisions	Reduction
Safety	Number of slight collisions	Number of collisions	Reduction
Public Safety	Protected areas and pedestrian numbers from potential Hostile Vehicle attack	Area covered and secure during key times	Improvement
Environment	Air quality	Monitoring of NO2 across the area	Improvement overall and at most individual sites
Environment	Noise level	Noise monitoring at selected sites	Reduction

2.2.7. A range of potential changes post consultation were under consideration but WCC declined to discuss these before deciding to close the project. These are partially covered in the consultation issues report, but detailed discussions had

not occurred (<https://consultations.tfl.gov.uk/roads/oxford-street/?cid=oxford-street>).

2.2.8. An assessment of the impacts had been completed for the consultation proposals, including a pre-consultation design Healthy Streets Check, but no agreement on a final post-consultation proposal had been reached, so no iterative check had been carried out.

2.2.9. A significant monitoring strategy had been developed for OSW, which could have been extended to later stages. Baseline information had been gathered for some indicators (eg air quality, noise, casualty patterns, pedestrian comfort levels and footfall, traffic flows etc.).

2.3. Financial Case

2.3.1. The financial situation of the project is now best described as closing the costs expended on the development of the project, including the delivery of the Wigmore Street stand alone project.

Table 2: PJ535 Oxford Street West Finance table

£m	Prior Years	18/19	Total
Project EFC			
Latest forecast	6.2	2.7	8.9
External contributions	-	-	-
Net Expenditure	6.2	2.7	8.9
Financial authority*	4.0	40.0	43.9
Saving / (shortfall)	(2.2)	37.3	35.0
Difference to financial authority breakdown			
VE achieved savings			-
VE embedded in forecast			-
Cost (increases) / decreases	(2.2)	37.3	35.0
Scheduling	-	-	-
Saving / (shortfall)	(2.2)	37.3	35.0
Project Authority Requests			
Current authority	7.1	-	7.1
This authority request	-	1.8	1.8
Future requests	-	-	-

Total authority	7.1	1.8	8.9
*Financial Authority is the 2017 Business Plan			

Table 3: PJ586 Oxford Street East Finance table

£m	Prior Years	18/19	19/20	Total
Project EFC				
Latest forecast	0.9	0.1	-	1.0
External contributions	-	-	-	-
Net Expenditure	0.9	0.1	-	1.0
Financial authority*	1.1	11.4	26.0	38.5
Saving / (shortfall)	0.2	11.3	26.0	37.5
Difference to financial authority breakdown				
VE achieved savings				-
VE embedded in forecast				-
Cost (increases) / decreases	0.2	11.3	26.0	37.5
Scheduling	-	-	-	-
Saving / (shortfall)	0.2	11.3	26.0	37.5
Project Authority Requests				
Current authority	1.6	-	-	1.6
This authority request	-	(0.6)	-	(0.6)
Future requests	-	-	-	-
Total authority	1.6	(0.6)	-	1.0
*Financial Authority is the 2017 Business Plan				

Table 4: PJ535 Oxford Street West Project Authority Endorsement Summary

PA request for OSW £k	Previous requests	Current requests	Total requests	EFC
Project Management (staff)	2,462	362	2,824	2,824
Feasibility and Design	2,252	1,092	3,344	3,344
Implementation	1,491	378	1,869	1,869
Project Close	-	-	-	-
Base:	6,205	1,832	8,037	8,037
Risk	895	-	895	895
Total excluding Land	7,100	1,832	8,932	8,932
Provision for property purchase	-	-	-	-
Gross Expenditure	7,100	1,832	8,932	8,932
External contributions	-	-	-	-
Net Expenditure	7,100	1,832	8,932	8,932

Table 5: PJ586 Oxford Street East Project Authority Endorsement Summary

PA request for OSE £k	Previous requests	Current requests	Total requests	EFC
Project Management (staff)	567	(52)	515	515
Feasibility and Design	529	(40)	489	489
Implementation	315	(315)	-	-
Project Close	-	-	-	-
Base:	1,319	(596)	1,004	1,004
Risk	189	(189)	-	-
Total excluding Land	1,600	(596)	1,004	1,004
Provision for property purchase	-	-	-	-
Gross Expenditure	1,600	(596)	1,004	1,004
External contributions	-	-	-	-
Net Expenditure	1,600	(596)	1,004	1,004

Table 6: PJ535 Oxford Street West Stage gate EFC movements

	December 2017 Gate EFC*	3	Gate 6 EFC**	Better / (worse)	Reason for change
Project Management (staff)	2,668		2,824	(156)	Approved increase in project resources in order to accelerate delivery programme
Feasibility and Design	8,023		3,344	4,688	Project Closure prior to completion
Implementation	21,347		1,869	19,478	Project Closure prior to completion
Project Close	-		-	-	N/A
Base:	32,038-		8,037	24,001	
Risk	23,483		895	22,588	Project Closure prior to completion
Total exc Land	44,479		8,932	35,547	
Provision for property purchase	-		-	-	N/A
Gross Expenditure	44,479		8,932	35,547	
External contributions	-			-	N/A
Net Expenditure	44,479		8,932	35,547	

**Note: The project progressed from Gate 3 to Gate 6 (Project close) without passing through the intermediary stages.*

Table 7: PJ586 Oxford Street East Stage gate EFC movements

£k	December 2017 Gate 3 EFC*	Gate 6 EFC**	Better / (worse)	Reason for change
Project Management (staff)	2,369	515	1,854	Project Closure prior to completion
Feasibility	7,121	489	6,632	Project Closure prior to completion
Implementation	18,948	-	18,948	Project Closure prior to completion
Project Close	-	-	-	N/A
Base:	28,438	1,004	27,434	
Risk	11,043	-	11,043	Project Closure prior to completion
Total exc Land	39,481	1,004	38,477	
Provision for property purchase	-	-	-	N/A
Gross Expenditure	39,481	1,004	38,477	
External contributions	-	-	-	N/A
Net Expenditure	39,481	1,004	38,477	

**Note: The project progressed from Gate 3 to Gate 6 (Project close) without passing through the intermediary stages.*

2.4. Commercial case

2.4.1. Given that the project is not proceeding to construction this section is omitted.

2.5. Management case

2.5.1. Project risks and opportunities

2.5.2. The project has now ceased, with the unilateral decision by Westminster City Council not to proceed. This was without reference to TfL or the joint

governance set up and chaired by the Deputy Leader and Chief Executive of WCC.

- 2.5.3. Given that the project has now ceased the previous identification of key risks is largely irrelevant. It is worth noting that political and stakeholder risks had been identified but with a likely impact of delay or change to the project. Given the high level commitment from WCC to the project the abandonment of the joint governance, a refusal to discuss potential changes and the eventual complete abandonment of the project was not foreseen. This is an unprecedented example of bad faith, but the learning from this is being picked up for any future projects, with a strengthened expectation of a public Cabinet level commitment to any joint project, and exploration of arrangements for reimbursement for costs in the event of abandonment of joint decision making.
- 2.5.4. A key risk for the West End and for the MTS now is that the alternative proposals being developed by WCC will fail to address the key challenges to the area, and to capitalise on the opportunities presented by the Elizabeth Line. TfL will be feeding back to the WCC consultation and has had some limited engagement on practical issues such as potential changes to bus operation and signals work. This has been outline only at this stage.

2.6. Project milestones

- 2.6.1. All remaining milestones for the project have already been agreed to be deleted by HSPB in July and August 2018 once it became clear that the project would not proceed.

3. Legal & Equalities Implications

- 3.1.1. Although joint governance had been established for the project, with the two key project groups chaired by the Deputy Leader of WCC and the Chief Executive of WCC respectively, the sole formal decision making responsibility rested with WCC as the highway authority for Oxford Street and the surrounding neighbourhoods. This allowed WCC to set aside the joint governance and to make a unilateral decision to abandon the joint project, without discussion with or reference to delivery partners. As the lessons learned notes this is something that needs to be addressed early and more robustly in any future project involving similar characteristics.
- 3.1.2. Any equalities issues now become a matter for WCC alone, and should be taken into account in the development of their alternative projects.

4. Assurance

- 4.1. An Integrated Assurance Review was carried out and appended to the HSPB report of 21 December 2017, complete with response. No further assurance activity has taken place, given the cancellation of the project.

Appendices

A – List of consultees

B – Extract from Pathway closedown report showing high level lessons learned

C – Financial authority approval signatures sheet (*if requesting financial authority*)

Background Papers

Consultation documents including the TfL consultation report and consultation issues report are available at:

<https://consultations.tfl.gov.uk/roads/oxford-street/?cid=oxford-street>

Contact Officer: *Sam Monck, Head of Network Sponsorship (job share), formerly on secondment as the Head of the joint Oxford Street Transformation team.*

Number: [REDACTED]

Appendix B - List of Consultees

Name	Directorate	Decision
Julie Lewington	PPD	Supports
Justine Curry	Legal	Supports
Laura Ferguson	Finance	Supports

5 Appendix B – Extract from Pathway closedown report showing high level lessons learned

The Oxford Street project carried out a number of lessons learned reviews in the areas of consultation and engagement, project planning, governance, and joint working and these were shared within TfL (and Westminster) and can be accessed at

<\\Onelondon.tfl.local\shared\CDT\CDT Major Projects\Oxford Street\F - Risks and Issues Management\lessons learned post OSW>

However, with the withdrawal of Westminster from the joint governance and their unilateral decision not to proceed with the jointly developed project there are some higher level lessons learned.

Lesson	Context of issue/root cause/impact	Recommendation
1.	<p>Borough ownership of the project:</p> <p>The project was led for WCC by the Deputy Leader, the Chief Executive, and by the Director of the West End partnership. With the departure of these individuals there was a very significant loss of borough ownership, and understanding of the project. WCC had resisted full Cabinet decision making or briefings. Post purdah, any offer to brief key senior officers or elected members were rejected.</p>	<p>Any future project should seek to have a public, Cabinet level commitment decision at a very early stage, including a commitment to joint governance and decision making.</p> <p>Ownership and oversight as a project develops should be kept broad within the relevant highway/planning authority as a requirement for progress</p>
2.	<p>Governance limitations:</p> <p>Ultimately the project relied upon a joint governance structure with very senior WCC chairs but which was not binding on WCC in any formal way. There was nothing then to stop the unilateral withdrawal by WCC without any reference to partners</p>	<p>A future similar project should ensure that in the event of a unilateral withdrawal from joint decision making, there is the potential for clear compensation of public funds invested in good faith.</p>
3.	<p>Pace of the project:</p> <p>The pace of the project was set by the imperatives arising from the opening of the Elizabeth Line, with the consequent increase in the intensity of use of the space on Oxford St, and a failure to reap the benefits that increased footfall could bring. By the time that City Hall had persuaded WCC to collaborate on a project here the timescales were necessarily tight.</p> <p>As a result, pace remained a significant challenge throughout. The fluidity of the</p>	<p>It was understood that the context meant that pace would be problematic, albeit that the project rose to this challenge.</p> <p>Other lessons learned here set out what would require additional consideration in the event of a future project with such constrained delivery timescales. It is already understood that adequate time for development and delivery of projects is a considerable benefit.</p>

	scope and detail of the proposals for the second consultation were not pinned down until very close to the publication of the consultation.	
4.	<p>Consultation and Engagement:</p> <p>This has arguably been the most transparent and detailed of any project in central London, with very extensive stakeholder engagement during the development process. But we could improve our ability to present the overall “prize” of the project, and bite sized presentation of key issues (eg air quality) in addition to the more detailed work on offer</p>	<p>A number of specific lessons were learned around this area and are summarised in a separate document.</p> <p>The impact of the timing of consultation and decision making around the local election was unhelpful.</p>

Appendix C - Financial Authority Approval Signatures Sheet

	<u>Signature</u>	<u>Date</u>
<p>This approval sheet is only required for requests for financial authority (release of an unbudgeted value for a project). The section should be edited according to the level of approval being sought</p>		
<Name>		
Lead Sponsor	_____	_____
<Name>		
Director	_____	_____
Patrick Doig		
Finance Director, Surface Transport	_____	_____
Gareth Powell		
Managing Director, Surface Transport	_____	_____
Simon Kilonback		
Chief Finance Officer	_____	_____
Mike Brown MVO		
Commissioner	_____	_____
Programme and Investment Committee Meeting Minutes dated:	n/a	_____
(TfL) Board Meeting Minutes dated:	n/a	_____

Distributed to

Project Controls Finance Team

SAP entry