



The Economic Case for Public Realm Investment in the Heart of London Area

Heart of
LONDON
Business Alliance

PURPOSE OF THIS STUDY

Arup and Professor Tony Travers of the London School of Economics (LSE) were appointed by the Heart of London Business Alliance to:

Develop a case for greater investment in public realm for the Heart of London area to allow it to meet its full good growth potential, and

Inform decision makers of the economic benefits that could be achieved through investment in public realm.

The Heart of London area makes a unique contribution to the economic success of the wider West End, London and UK economies by helping attract hundreds of millions of visitors to London. The quality and capacity of public realm of the Heart of London area should reflect and support this economic role.

Economic case for public realm investment in the Heart of London area

Arup has assessed what the outcomes of selected public realm investment scenarios might mean in terms of property value enhancement, land use changes, employment, taxes at the London level and from a national perspective and Gross Value Added (GVA) – a measure of economic growth.

We have set out the conditions required for investments in public realm to fulfil the economic potential of the Heart of London area by building on the Placeshaping Strategy commissioned by Heart of London Business Alliance (developed by Publica) and an extensive body of literature, initiatives and lessons from international case studies.

The proposals outlined in this report present opportunities and some challenges to the delivery of good growth in the Heart of London area.

Our focus has been on producing analysis to ensure the Heart of London area's 'ecosystem' is secured and continues to thrive. We have assessed how investments in public realm would impact the diversity of

sectors that make up the Heart of London's economy, and assess how these fit together, to maximise good growth for all those who live, work, invest and visit this remarkable part of central London.

Major capital projects with the potential to affect the Heart of London area in the near future are already underway, and still more are in the pipeline. Some examples include:

- The arrival of the Elizabeth line (Crossrail) driving significant projected increases in footfall throughout the West End;
- Westminster City Council's [proposals in its Local Implementation Plan 2019-22](#); and;
- Construction of several large hotels at the centre of the Heart of London area.



Source: Heart of London Business Alliance

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FOREWORD

The Heart of London Business Alliance serves as a voice for 500 businesses in the Piccadilly & St James's and Leicester Square areas. We support the commercial well-being of the businesses and organisations we represent and ensure our areas remain integral to London's West End offer.

We have a 18 year track record transforming the area for the better, putting it on a global stage, and making our businesses more economically resilient and secure.

Continued investment in our public spaces will maintain the Heart of London area's status as a leading global hub for culture, commerce and leisure. And this report sets a clear case for investing in the Heart of London area to the benefit of businesses, workers, visitors and residents.

Ros Morgan

CHIEF EXECUTIVE

Heart of London Business Alliance

EXECUTIVE SUMMARY

The Heart of London area is one of the most economically successful areas in London, with over 45,000 people coming from across the capital and beyond to work there every day. The businesses in the area are parts of successful clusters of professional services and quality entertainment, culture and arts.

The Heart of London area's offer is unlike anything else in the UK. Leicester Square and Piccadilly Circus are places known by people who have never visited London, or indeed, Britain. The area's concentration of cinemas, theatres, hotels, restaurants, nightclubs and public space is a gift from London's history. The Great Estates and developers have left a remarkable patchwork of streets and buildings which have evolved to become one of the world's most famous (and visited) locations.

The Heart of London area is also an important cluster for the office sector, which accounts for two thirds of jobs in the area.

The economic case for public realm investment in the Heart of London area

THE NEED

Popularity comes at a cost. The intensity of use by day and night of this part of central London probably has no parallel in Britain. Coventry Street by Piccadilly Circus has a greater footfall than any street in the country. The challenge of ensuring the Heart of London area is clean and safe goes beyond what is required in most other city centres.

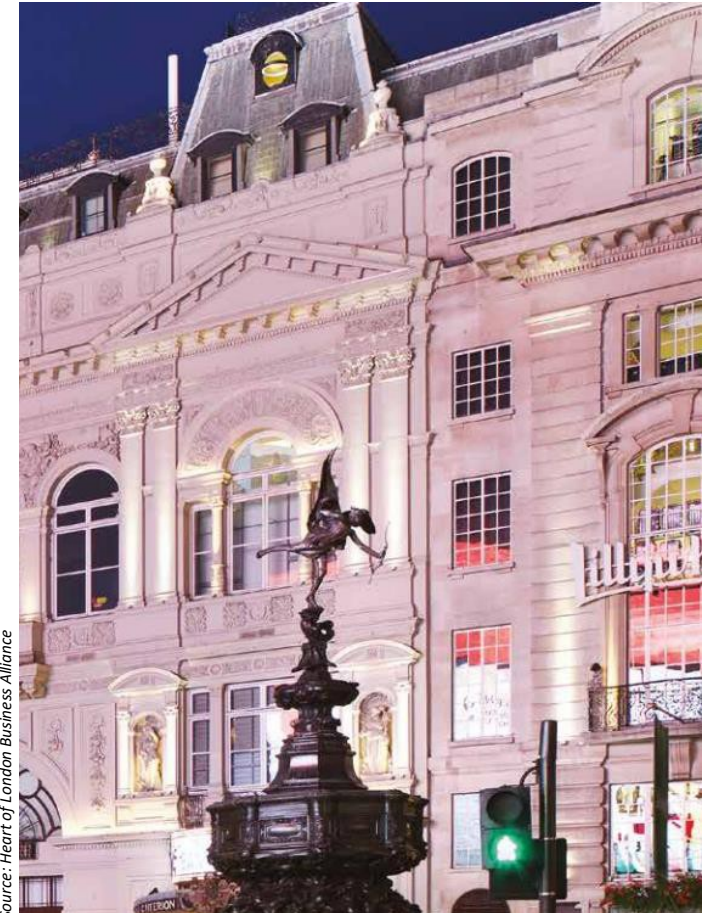
Furthermore, the area must evolve to accommodate new leisure trends. Conventional levels of street design, improvement and maintenance are simply not sufficient for an area facing such intense usage.

As a result, the Heart of London area is under pressure. Economic growth and development have not been matched by improvements in public spaces, places and transport. More people than ever are exposed to the negative effects of road traffic including poor air quality and accidents and experience the challenge of congested connections into and throughout the district. The

number of road casualties in the area is symptomatic of a 'distressed' urban environment and associated conflicts between users.

There is an opportunity to re-prioritise people and sustainable transport in public streets and spaces. Historical under-investment has not helped to protect the cultural and heritage assets of the area.

The Heart of London area as a destination is in competition for both visitors and inward investment with other world-class destinations. Accordingly, the public realm must compete on a global stage as well.



Source: Heart of London Business Alliance

EXECUTIVE SUMMARY

The economic case for public realm investment in the Heart of London area

THE OPPORTUNITY

Streets make and connect places. The Heart of London area is highly connected, both physically and culturally. The streets in the area offer a very diverse mix of uses and they provide an important social context for civic, residential and community life.

However, concerns over the quality and comfort of some of the streets and places in the Heart of London area mean that investment to enhance its sense of place, to support its attractiveness for investors in the face of international and domestic competition is required. The Heart of London area must play to its strengths and deliver a programme of coordinated actions to improve its public spaces and routes. This can be achieved through a series of high quality, ambitious and practical interventions aimed at improving the streetscape and enhancing distinctiveness which when viewed together will describe a world class place:

- more space for pedestrians and cyclists
- better way finding
- improved landscape quality
- planting trees
- creating new traffic free public spaces
- outdoor events and cultural activities

The list of interventions included in the Placeshaping Strategy recognise the unique strengths and weaknesses of the Heart of London area. It represents an active plan to exploit and change these, in relation to public realm quality, public transport and active travel connections, the presence of heritage assets, and the mix of services and amenities.

To tackle the area's challenges, the Heart of London Business Alliance will continue to work closely with Westminster City Council, TfL, the GLA and private partners to deliver the best possible future for the Heart of London area.

The programme of public realm improvements identified in the Placeshaping Strategy seeks to unlock the economic potential of the area with a compelling case for investment.

Recognising that the Heart of London area's continued success relies on managing its evolution carefully, the Heart of London Business Alliance and partners are working to secure new opportunities to make lasting improvements.

The Heart of London area is many things to many people. It is part of a remarkable past and the bright future of London. It is a product of the pooling of influences from London's West End and beyond.

A sophisticated area where creative, cultural, and professional worlds sit side by side and engage. Now is the time to invest in this unique environment to enable its continued growth to benefit London and Londoners together.

This report sets out the compelling case for public and private sector investment.

LEARNING FROM OTHER SUCCESSFUL COMPARABLE GLOBAL CENTRES

Our review of international comparators (Appendix D) has produced key insights about the attributes of success for the public realm in the Heart of London area, which further informs future iterations of the Placeshaping Strategy and help the area realise its full economic potential:

- There is a long-established policy of creating traffic-free spaces.
- Successful districts develop and implement proactive strategies. They also have effective programmes of stakeholder engagement including residential communities.
- Retailers are increasingly investing in quality of experience and defining their brands in part on "place".
- This means that architecture, lighting, and mixed use are now all attractors to reinforce retail offers and draw in visitors and spend.
- There is strong evidence of return on investment - investment of \$86m in Melbourne is estimated to deliver \$6bn of economic benefits.
- There is strong importance placed on curating spaces through well planned programming of activations and a comprehensive evening/night time entertainment offer that contrasts with daytime uses and caters for residents, workers and visitors.
- Successful districts showcase and maintain their heritage assets, landmark buildings, and open spaces.
- Overcrowding is managed through wider footways and new public spaces.
- Thriving residential communities are important to drive liveability factors e.g. absence of noise, stress, pollution and increased safety: reducing traffic in New York's Time Square has reduced collisions by 35%.

EXECUTIVE SUMMARY

A comprehensive Placeshaping Strategy and public realm programme for the Heart of London area can create opportunities for all. Evidence suggests that better place quality adds value economically, socially and environmentally.

Diversity is a defining feature of healthy streets and places – diversity in uses, users and physical character.

The [Westminster City Plan 2019-2040](#) is a vehicle to improve the health and well-being of the city's residents and workers to help ensure Westminster is a "City for All".

Governance of urban areas is increasingly a shared endeavour, including public, private and community sectors. Thus, it is important to create a shared perspective on the importance of providing high quality publicspaces.

The types of value that are unlocked for different stakeholders by investments in the public realm are summarised in the graphic opposite:

Creating opportunities for all



EXECUTIVE SUMMARY

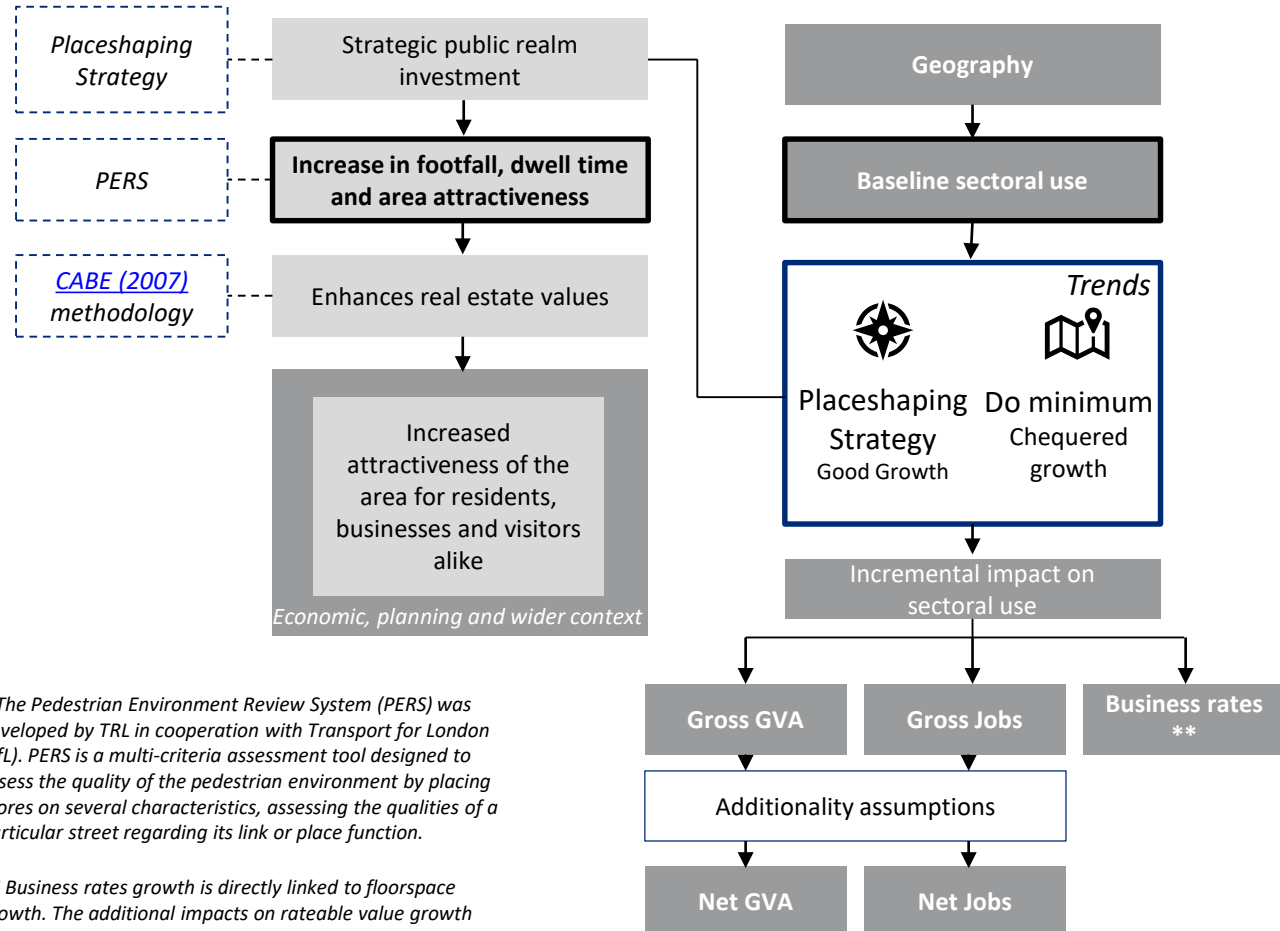
The case for public realm investment is based on the idea that public realm improvements have a positive impact on the attractiveness of an area to visitors, workers and residents. This, in turn, enhances the land values of commercial and residential properties from a range of perspectives, as well as the commercial opportunities for local service businesses.

For the Heart of London area, Arup undertook a Pedestrian Environment Review System (PERS) study* to estimate the scale of the impact of public realm investment on people's experience in the area.

The diagram to the right shows the 'logic model' for linking public realm investment to increased area attractiveness, property prices and—with the right economic and planning environment—increased development.

This method assumes that delivering a comprehensive improvement programme supported by a wider economic strategy will further increase demand for space and support more ambitious growth targets.

Methodology



EXECUTIVE SUMMARY

Economic impacts

The impacts of investment in the Heart of London area, as estimated by the model outlined on page 7, demonstrate benefits to business, land owners and the public sector. A summary of results for the Placeshaping Strategy / Good Growth investment scenario for the periods to 2030 and 2040 are shown in the table below. These results show the importance of investing in public realm to achieve good growth outcomes.



Placeshaping Strategy

Heart of London area					
	Annual level in 2019	Net change to 2030	% change 2019-30	Net change to 2040	% change 2019-40
Floorspace (sqm)					
Retail	148,400	5,000	3%	9,600	6%
Office	381,100	31,400	8%	62,100	16%
Residential	66,500	2,200	3%	4,300	6%
Hotel	129,200	3,500	3%	6,700	5%
F&B	13,200	800	6%	1,600	12%
Entertainment	101,600	6,200	6%	12,200	12%
Total	840,000	49,100	6%	96,500	11%
Gross Jobs (FTE)	46,400	4,530	10%	11,100	24%
Net Jobs (FTE)	46,400	3,480	8%	8,500	18%
Gross GVA (£m)	4,600	730	16%	2,630	57%
Net GVA (£m)	4,600	560	12%	2,020	44%
Residents	1,340	40	3%	90	7%
Homes	1,030	30	3%	70	7%
Business rates (£)	148,300,000	11,543,000	8%	23,719,000	16%
Additional rents (£)	655,500,000	408,900,000	62%	1,364,700,000	208%



Do Minimum

Heart of London area					
	Annual level in 2019	Net change to 2030	% change 2019-30	Net change to 2040	% change 2019-40
Floorspace (sqm)					
Retail	148,400	-1,900	-1%	-3,700	-2%
Office	381,100	0	0%	0	0%
Residential	66,500	1,800	3%	3,400	5%
Hotel	129,200	0	0%	0	0%
F&B	13,200	-200	-2%	-300	-2%
Entertainment	101,600	-1,300	-1%	-2,500	-2%
Total	840,000	-1,600	0%	-3,100	0%
Gross Jobs (FTE)	46,400	1,260	3%	4,600	10%
Net Jobs (FTE)	46,400	970	2%	3,600	8%
Gross GVA (£m)	4,600	210	5%	1,080	23%
Net GVA (£m)	4,600	160	3%	830	18%
Residents	1,340	40	3%	70	5%
Homes	1,030	30	3%	50	5%
Business rates (£)	148,300,000	-763,000	-1%	-1,404,000	-1%
Additional rents (£)	655,500,000	237,800,000	36%	768,000,000	117%

EXECUTIVE SUMMARY

Conclusions and recommendations

The Heart of London area makes a unique contribution to the economic success of the wider West End, London and UK economies by attracting millions of visitors to London.

The Heart of London area as a destination is in competition for both visitors and inward investment with other world-class destinations.

At the same time, the area has seen lower job growth rates than the rest of Westminster. This can be partly explained by a lack of commercial floor space supply.

In order to maintain the area's existing cultural, tourist and business attractors, a step-change in commercial and public realm investment and management is required.

Appraising existing and potential comfort levels is a good proxy indicator of wider benefits that can be achieved by investing in the public realm. Detailed design work can demonstrate the benefits of more walking and cycling, less traffic and pollution and fewer collisions, further enhancing the case for public sector investment in the area.

Investment in line with the Placeshaping Strategy will improve the area's public realm, property, curation of retail and occupiers, and public space activation through culture and arts. This all contributes to a 'good growth' scenario, which could increase jobs and GVA by 24% and 57% respectively over the period from 2019 to 2040. This compares to a 10% and 23% increase for jobs and GVA for a business as usual scenario over the same period

The opening of the Elizabeth line will bring as many as 80,000 additional people through Bond Street station every day. This is an opportunity for the commercial office sector in the Heart of London area to contribute towards job targets in the draft Westminster City Plan and London Plan.

Investing in the Placemaking Strategy creates a range of benefits for all stakeholders, and supports the Westminster City Plan and the Greater London Authority's 'good growth' objectives.

The Heart of London area will continue to seek collaboration with public and private stakeholders to achieve this shared vision to meet its potential as a global cultural and commercial centre.



Source: Arup

EXECUTIVE SUMMARY

Conclusions and recommendations

Substantial visioning and design work has already been undertaken for improvements in public realm in the Heart of London area.

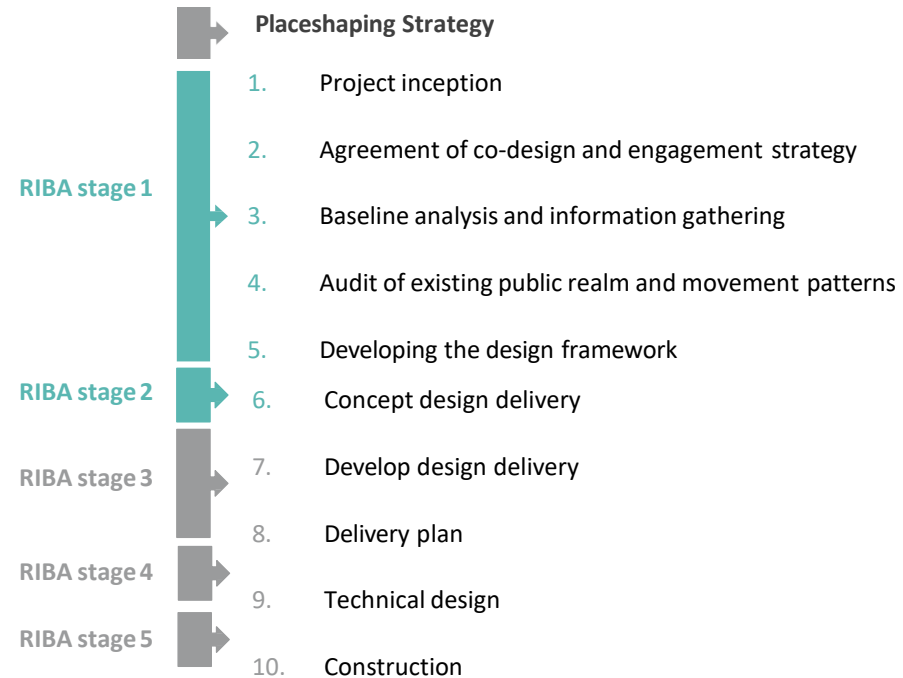
The Heart of London Business Alliance has identified emerging priority opportunities through the Placeshaping Strategy. This work is an evidence base, helping to inform one set of unifying principles for the area; it should set the parameters for prioritising areas to come forward and inform a delivery strategy.

Now is the time to focus on a comprehensive delivery programme for the Placeshaping Strategy. Key actions for Heart of London Business Alliance and strategic partners include the following:

- Develop concept designs for priority projects. This will require developing concept designs parameters, include infrastructure interventions with cost projections and consider and set out the post-construction maintenance and upkeep required for each site.
- Further develop and refine designs for priority projects, with associated cost and technical work included.

- Develop a plan that incorporates:
 - A capital and operating budget for priority projects in the Placeshaping Strategy, phased over time.
 - A funding strategy which outlines the public and private funding options to cover both capital and operating expenditure, alongside viability testing to identify their appropriateness.
 - A partnership governance and organisational structure, with the public sector, to oversee a delivery programme.
 - The vision and leadership of Heart of London Business Alliance will be vital to delivery of these essential investments to keeping the West End regionally, nationally and globally competitive as a centre for culture, tourism and business.

Royal Institute of British Architects (RIBA) Plan of Work



DEFINING THE HEART OF LONDON AREA

DEFINING THE HEART OF LONDON AREA The Heart of London Area in the West End's Ecosystem

The Heart of London Business Alliance serves as the voice for 500 businesses in the Leicester Square & Piccadilly Circus and Piccadilly & St. James's areas.

It is a vibrant destination with a distinctive identity central to London's West End. With over 50 premières staged every year, the world-famous Leicester Square is the epicentre of London's cinema, theatre and entertainment industry. The Heart of London area truly caters for everyone: visitors, workers and residents alike - contributing to the West End's continued appeal.

The Heart of London area is a popular and exciting world-class destination that includes 50 galleries and exhibitions. Piccadilly Circus stands in the centre, with the acclaimed Anteros statue watching over the 200 million yearly visitors.

Besides providing exceptional landmarks and cultural attractions, the Heart of London area plays a vital part of the city's economy, generating £4.6bn in GVA per annum, and hosting over 45,000 jobs.¹

Transport investments, such as the weekend Night Tube and the development of the Elizabeth line, have established the Heart of London area as a 24-hour place and catalysed the growth of the night-time economy, attracting younger and older people alike. Leicester Square is the busiest night tube station in London.

Night clubs and cocktail bars attract and retain visitors, creating a lively atmosphere. Art installations such as the Lumiere London lure in international audiences, showcasing the Heart of London area's unique personality to the world.

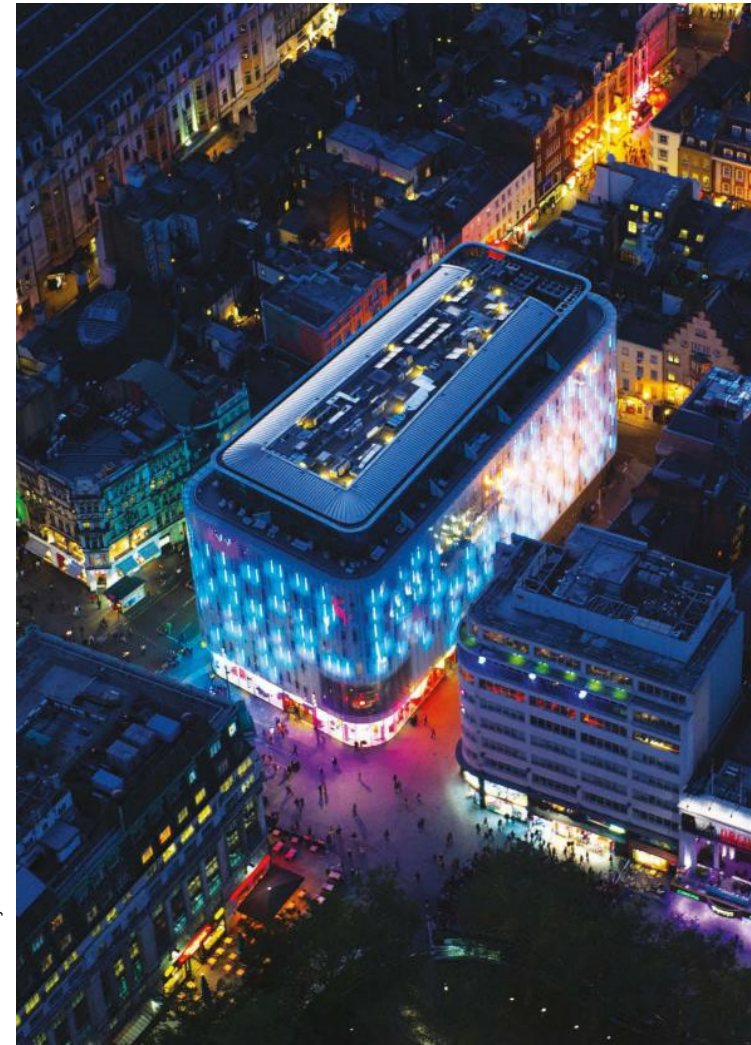
For longer stays, the Heart of London area offers some of the world's leading hotels and restaurants, including The Ritz. Visitors can also choose expertly packed hampers and unique gifts from The Royal Family's favourite food hall and department store, Fortnum & Mason, which recently celebrated 300 years of trading.

The Heart of London area truly sits at the centre of the city's cultural and tourism attractions.

Understanding the opportunities and challenges of Heart of London area

This section sets out the key information and understanding of the Heart of London area, including:

- Commercial floorspace
- Employment by sectors and type of commercial space
- Gross Value Added—the value of goods and services produced
- Commercial property rents
- Business rates collected
- Accessibility and air quality



DEFINING THE HEART OF LONDON AREA Baseline statistics - Floorspace

750,000+ sqm of commercial floorspace in Heart of London area, falling at an average of **-0.02%** annually*

65,000+ sqm of residential floorspace in Heart of London area, growing at an average of **1.60%** annually.

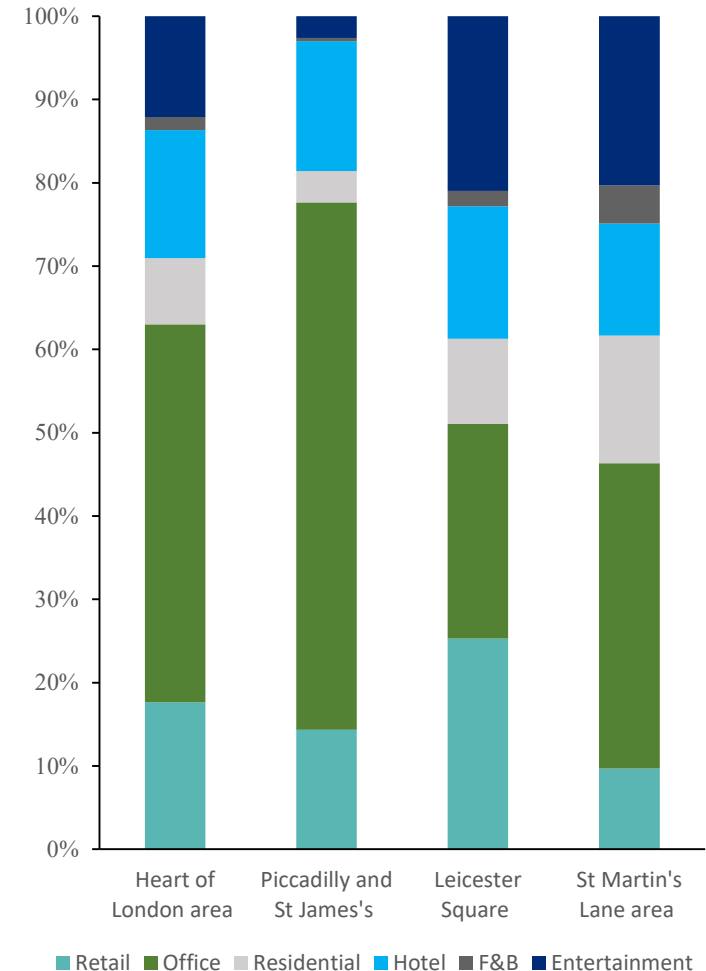
Competition for space in the Heart of London area is high, with floorspace in commercial properties stagnating or falling slightly over the period from 2015 to 2019, while residential space has been growing recently (a phenomenon which can be observed throughout the West End). The Office sector makes up more than 40 percent of floorspace across the area, with retail accounting for almost one-quarter of floorspace in areas like Leicester Square.

Sqm NIA	Heart of London area	Piccadilly and St James's	Leicester Square	St Martin's Lane area
Office	381,100	253,800	80,000	47,300
Retail	148,400	57,400	78,400	12,500
Residential	66,500	15,100	31,700	19,700
Hotel	129,200	62,500	49,300	17,400
F&B	13,200	1,600	5,800	5,900
Entertainment	101,600	10,400	65,000	26,200
Total	840,000	400,800	310,200	128,900

Source: Costar; LDD database; Arup analysis

*: Trends for commercial floorspace have been derived between 2015-19 using net floorspace accounted for in past planning applications across different types of uses included in the London Development Database. The net floorspace between 2015-19 is then compared to our baseline estimate of floorspace, derived using the CoStar property database.

Heart of London area - Floorspace composition as a percentage of total floor space in area



DEFINING THE HEART OF LONDON AREA Baseline statistics – Employment composition

45,000+ people are employed in the Heart of London area, equivalent to 8% of all employment in the West End.

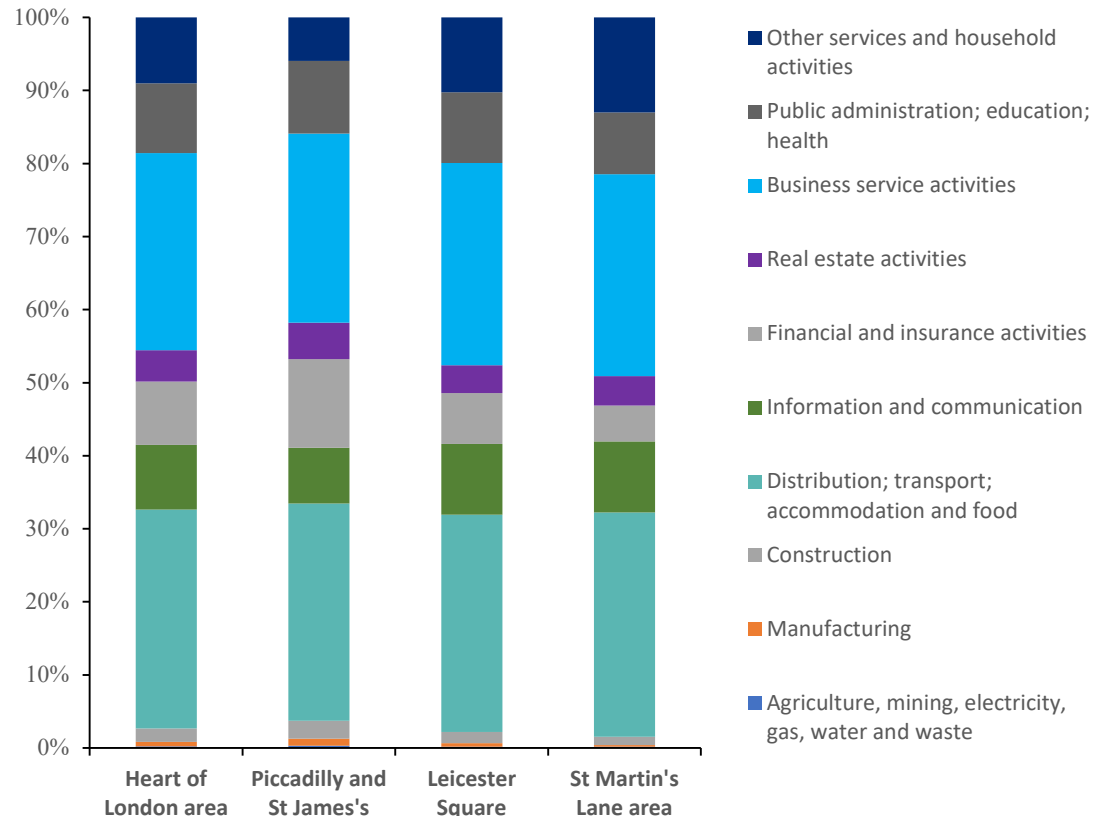
The Heart of London area is a significant place of employment for the West End and Westminster, both of which are important locations of employment for Londoners in general.

Around 1 in 4 jobs in the district are in the hospitality sectors (distribution, transport, accommodation and food), demonstrating the importance of culture and tourism to the area.

Almost 1 in 2 jobs are in professional private sector jobs. The area is in many ways a business district as much as it is a cultural hub.

Over the period from 2009 to 2014 employment in the Heart of London area has been growing at just 0.6% annually. Over the same period, the annual rate of employment growth for the West End as a whole was 2.9%.

Heart of London area - employment composition by SIC code broad industrial classification



EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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DEFINING THE HEART OF LONDON AREA Baseline statistics - Employment composition - continued

Heart of London's job density is **1,180 jobs** per hectare – nearly **40% greater** than for the West End as a whole.

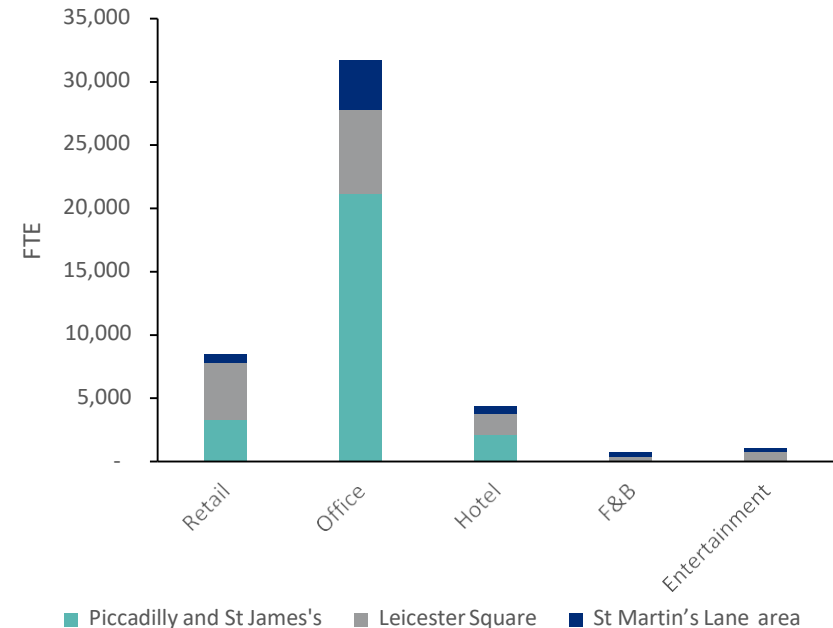


The Heart of London area is one of London's most dense areas for employment. Job density throughout the Heart of London area is about 1,180 jobs per hectare, compared to the West End as a whole with 800 jobs per hectare on average and Westminster as a whole with 350 jobs per hectare.

In comparison, Soho has a job density of 1,350 jobs per hectare. By way of illustration, if the Heart of London area achieved the same employment density as Soho, an additional 7,000 jobs could be accommodated, equivalent to a 15% increase. These comparisons need to be seen as illustrative and to a degree represent the different building typologies that shape each area in question – and indeed the width of roads and amount of greenspace that characterises different parts of the West End.

If the Heart of London area gains employment, this will inevitably create additional pressures on the public realm. In order to continue to attract visitors and new businesses and cater for residents, the district must ensure there is enough quality space for people to get around comfortably and that there are green spaces for rest and relaxation.

Employment in the Heart of London area



	FTE jobs	Heart of London area	Piccadilly and St James's	Leicester Square	St Martin's Lane area
Office		31,800	21,100	6,700	3,900
Retail		8,500	3,300	4,500	700
Hotel		4,400	2,100	1,700	600
F&B		800	100	300	300
Entertainment		1,000	100	700	300
Total		46,500	26,700	13,900	5,800

May not sum due to rounding

Source: CoStar; HCA employment densities; Arup analysis

EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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DEFINING THE HEART OF LONDON AREA Baseline statistics – GVA

An estimated **£4.6bn GVA** is generated annually in the Heart of London area.

This is equivalent to:

8% of the 'wider' West End's annual GVA

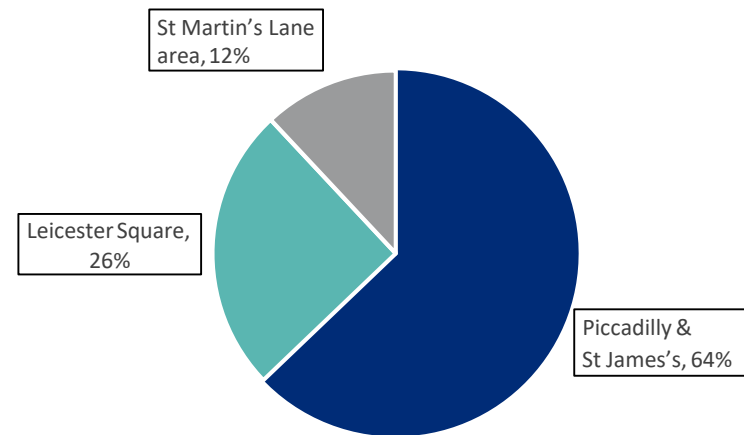
or **15%** of the 'core' West End annual GVA.

Gross Value Added (GVA) is a measure of economic contribution. It represents the value of goods and services produced in an area. The Heart of London area is an important contributor to London's GVA.

The West End's annual GVA contribution is estimated at £57bn (as defined in Arup's 2018 Good Growth report for the GLA). The annual GVA contribution of the 'core' West End, which matches the West End Partnership area is estimated at £30bn per year.

The Heart of London area punches above its weight in generating GVA for the West End. Its annual GVA contribution is £4.6bn, equivalent to 8% of the 'wider' West End's GVA but covering just 6% of its area. Similarly, the Heart of London area contributes 15% of the 'core' West End's GVA with just 10% of its surface area.

Area GVA as a percentage of total Heart of London area GVA



£m 2019	Heart of London area	Piccadilly and St James's	Leicester Square	St Martin's Lane area
Office	3,710	2,610	750	440
Retail	450	180	240	40
Hotel	330	160	130	50
F&B	40	10	20	20
Entertainment	80	10	50	20
Total	4,610	2,953	1,180	560

Source: ONS; BRES; Arup analysis

May not sum due to rounding

DEFINING THE HEART OF LONDON AREA Baseline statistics – Employment composition

Average rents across the Heart of London area have been rising steadily at a compounded annual growth rate of 3.7% (in real terms, 2019 prices).

The area is experiencing historically low vacancy rates – just 2.7%, which is well below the West End average of 3.7% (2018 data). Vacancy rates of around 5% are generally considered to be required for tenants to have flexibility to adapt to changing market conditions. The ‘buffer’ for that flexibility is used up in the Heart of London area. This risks hindering the proper functioning of the commercial property market.

Commercial floorspace has been falling at an average of -0.02% per year over the period from 2015 to 2019, although employment in the Heart of London area has experienced a modest annual growth of 0.6% between 2009 and 2014, and 0.4% between 2015 and 2017*.

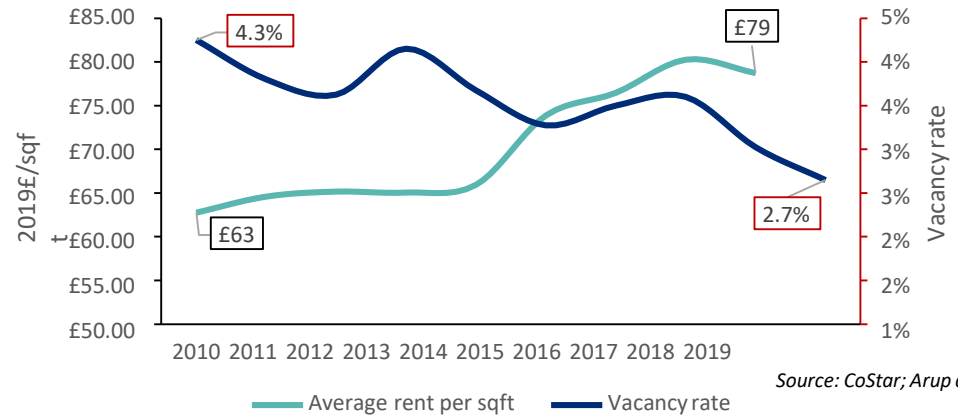
This has been achieved partly through some intensification of use of existing space and partly through falling vacancy rates. This trend may be difficult to sustain over the long term. This is because there are limits to how low floor space per worker can fall. Central London vacancy rates are already well below the London average. If these trends continue, employment may fall, which risks undermining the attractiveness of the Heart of London area as a major centre of employment.



Source: Heart of London Business Alliance

£79 per square foot (£850 per sqm) is the average rent for commercial properties across the Heart of London area.

Heart of London area - estimated commercial rents (2019 prices) and vacancy rates (2010-2019)



Source: CoStar; Arup analysis

* Employment data not comparable between these two periods at this geography level due to changes in ONS statistical boundary definitions in 2015

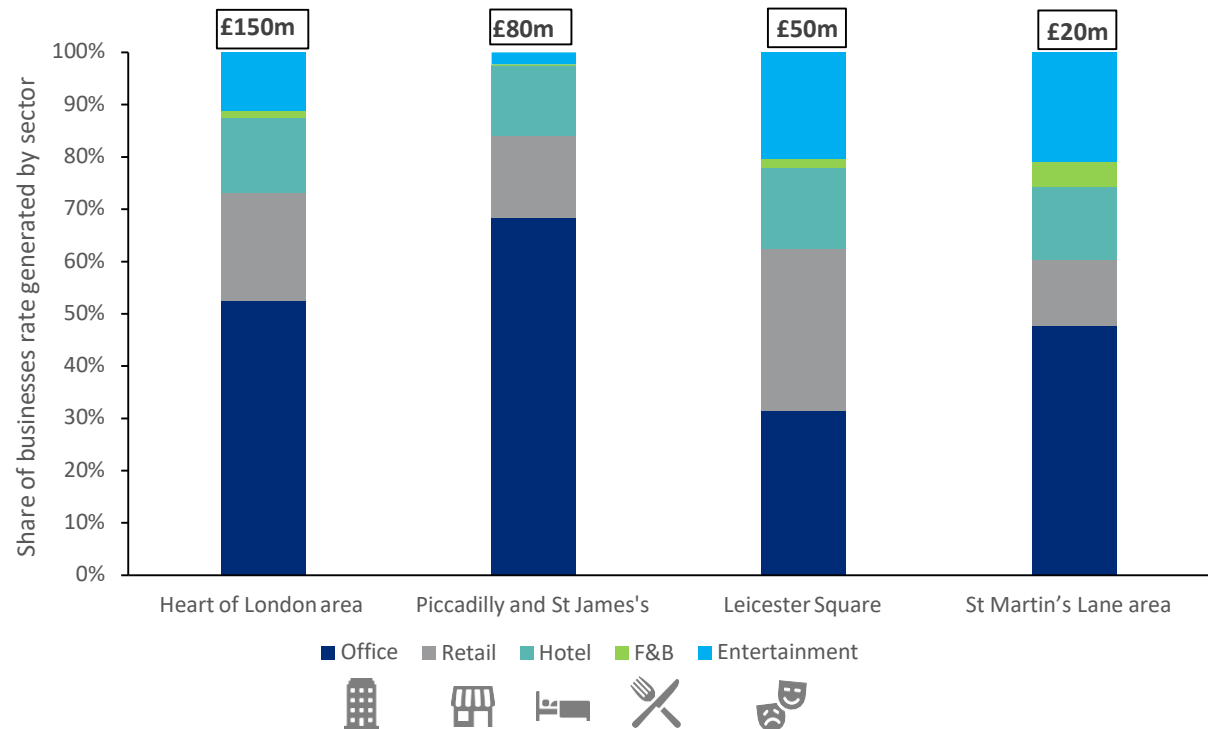
DEFINING THE HEART OF LONDON AREA Baseline statistics – Business rates

Business rates are a levy on non-domestic property value paid by occupiers of the property. Although a national tax, they in part mean businesses make a contribution to funding public services in their locality, comparable to Council tax for domestic residents. Business rates are a function of the rateable value of the property they occupy and the tax rate percentage (known as the multiplier).

The rateable value is similar to market value rent and is assessed by the Valuation Office Agency. The multiplier is set by Government and typically increases with inflation. Both are supposed to be reset every three years, allowing the tax to reflect changes to property markets while ensuring the total revenue raised nationally only rises in line with inflation.

The West End generates an estimated £1.3bn in business rates per year. Commercial properties in the Heart of London area generates an estimated £150m in business rates annually, equivalent to 11.5% of all business rates in the West End. In comparison, the Piccadilly and St James's area generates 6% of the West End's business rates, Leicester Square 4% and St Martin's lane area 2%.

Heart of London area - Annual business rates generated (2019)



Source: Valuation Office Agency; Arup analysis

DEFINING THE HEART OF LONDON AREA Accessibility and air quality

Connectivity

The central location of the Heart of London area and the density and variety of transport modes servicing the area means it is one of the most accessible places in London:

- It achieves the highest Public Transport Accessibility level (PTAL) score. This means Underground and rail stations are a short walking distance from any point in the Heart of London area.
- The imminent arrival of the Elizabeth line at Bond Street will bring an additional 80,000 commuters a day by 2041. An extra 1.5 million people will be brought within 45 minutes travelling time of central London.

Air quality

Notwithstanding its high level of public transport accessibility, the Heart of London area suffers from the worst air quality in London (over 97 ug/m3 annual mean NO2 in 2016). The Ultra Low Emission Zone (ULEZ) came into effect in the area on 8 April 2019. Alongside the congestion charge, non-compliant vehicles entering the area are charged

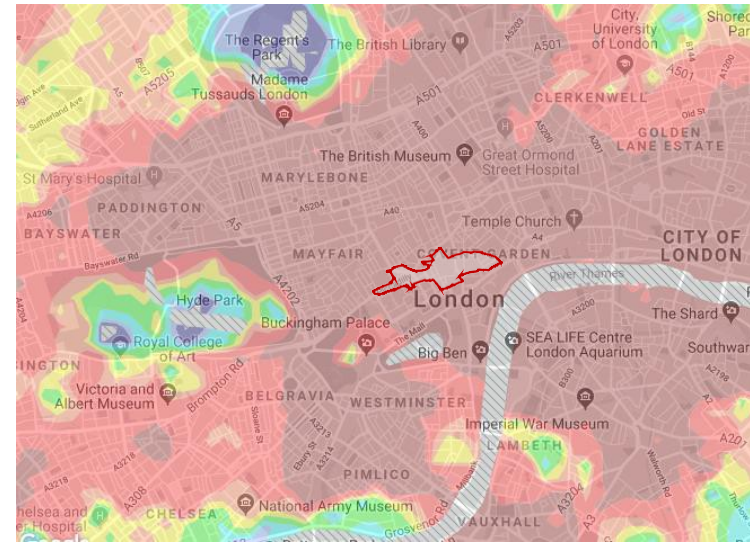
£12.50 (£100 for HGVs). The ULEZ is expected to reduce NO2 emissions by an estimated 20% in 2019.

Issues of congestion, poor air quality, road safety and noise pollution are predominant in the Heart of London area.

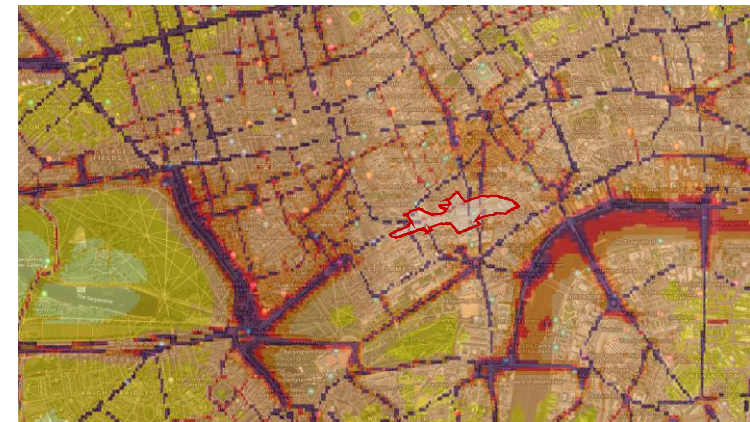
Investing in the public realm can provide a range of benefits to the area. It can improve the real and perceived physical and social environment experienced whilst travelling. The promotion of active modes of transport in the Heart of London area is likely to have wider benefits such as attracting tourists and additional spend to the area.

In addition, benefits will be experienced by the wider community through reduced emissions, fewer collisions, an improved environment and reduced congestion.

Accessibility in the Heart of London area



Air quality in the Heart of London area



Source: King's College London, 2016

THE HEART OF LONDON AREA IN THE WEST END'S 'ECOSYSTEM'

EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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THE HEART OF LONDON AREA IN THE WIDER WEST END

The West End Area

The West End is a dynamic place with wide reaching influences.

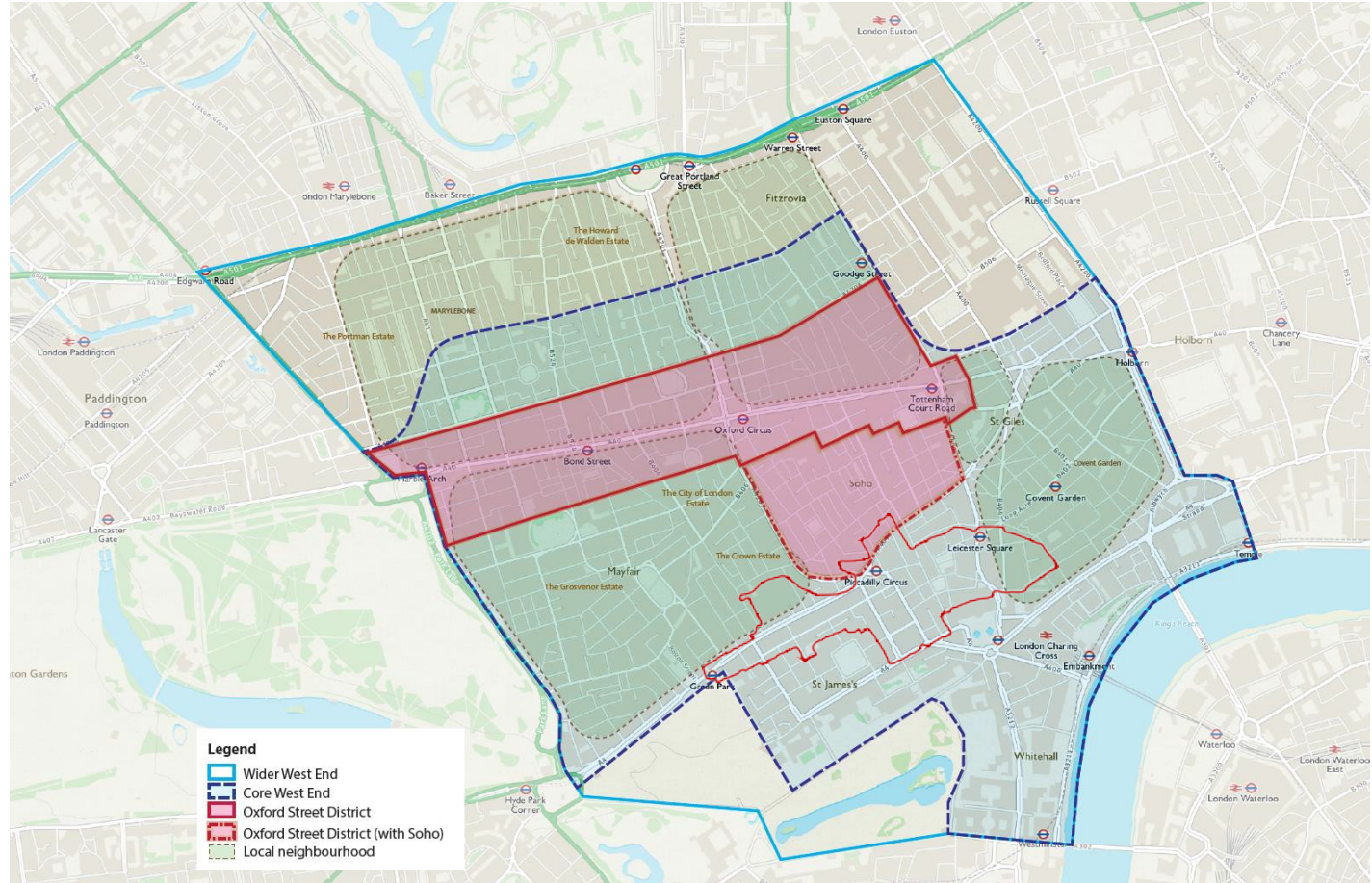
The geographical definition adopted in this study provides a basis for analysis of the Heart of London area.


In line with previous work commissioned by Westminster City Council, the Greater London Authority and others, Arup have utilised four geographical definitions of the West End:

- The wider West End
- The core West End
- The Oxford Street District (excluding Soho)
- Soho

The Heart of London area comprises an area within the boundaries of the 'core West End' (itself aligned to the West End Partnership Board's area of focus). The wider West End includes parts of Marylebone and Fitzrovia. The Oxford Street District incorporates the core area around Tottenham Court Road station.

The map opposite details these areas.



 Heart of London area

Source: Arup

THE HEART OF LONDON AREA IN THE WIDER WEST END The Heart of London area

The Heart of London area consists of three sub-districts:

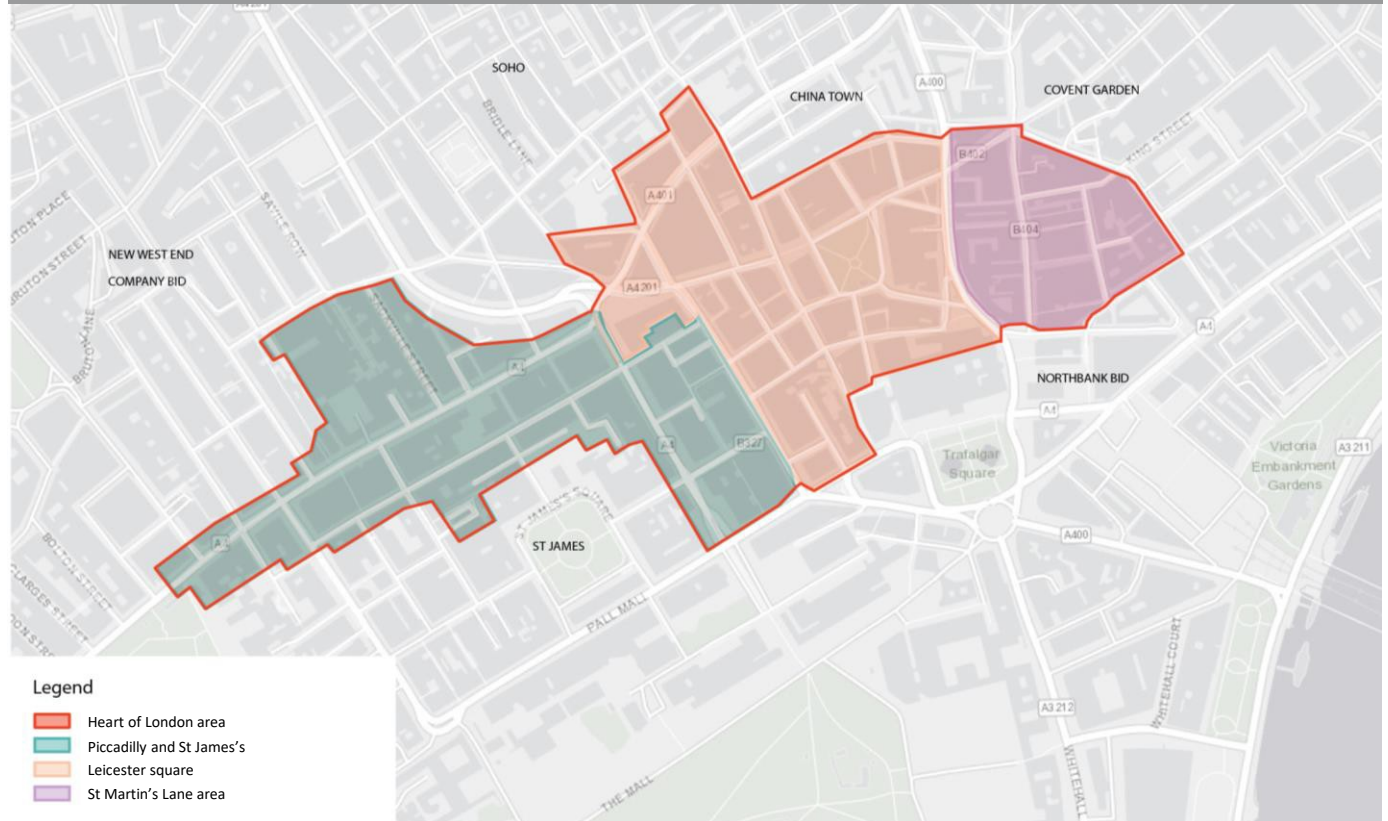
- Leicester Square
- Piccadilly and St James's
- St Martin's Lane area

Collectively, these areas host some of London's most popular tourist and cultural attractions. They also are home to workers and residents.

The Heart of London area therefore has to balance the needs and space demand of a global cultural destination against those of being a successful place to do business and a liveable urban neighbourhood.

While the area is largely successful, it does face important challenges in providing sufficient and good quality public realm. The volume of visitors and workers who occupy the Heart of London area every day, means that overcrowding can feel particularly acute.

The Heart of London area covers **39 hectares** of prime central London, equivalent to **6%** of the 'Wider' and **10%** of the 'Core' West End area.



THE HEART OF LONDON AREA IN THE WIDER WEST END

The West End generates over 3% of the UK's annual economic output. It amounts to around £50 billion Gross Value Added (GVA) per year. This compares to an annual economic output of £4.6bn for the Heart of London area, equivalent to 15% of the Core West End's GVA; a disproportionately valuable contribution considering the Heart of London area only occupies 10% of the Core West End's land surface.

The West End represents one of the largest and most diverse concentrations of employment anywhere in the United Kingdom. The area accounts for the equivalent of 80% of all workers in Westminster, 8% of which are employed within the Heart of London area boundaries. Employment density across the whole West End is around 800 jobs per hectare. In comparison, the Heart of London area's employment density is at 1,180 jobs per hectare on average.

Through the West End Special Retail Policy Area (WESPRA), the London Plan recognises the West End as a vibrant mixed-use business location, an internationally-renowned shopping, cultural and visitor destination and home to several world-leading academic institutions as well as a location with a significant residential population.

The Plan seeks to ensure that the unique role of the West End and its strategic contribution to the economy, culture and identity of the capital is promoted and enhanced. This will include growth and intensification of use in office and commercial space to meet projected demand as well as measures to enhance the attractiveness of the West End. This is so it can retain its crucial function as an international centre in London's town centre network.

Economic importance of the West End



Source: Arup

THE HEART OF LONDON AREA IN THE WIDER WEST END

Sector specific policies and associated public and private sector investment is required to enable good growth in the West End

Below is a summary of recommended policies for the West End that were identified in Arup's recent Good Growth Study for Westminster City Council and the Greater London Authority. This framework provides the lens through which the case for public realm improvements in the Heart of London area are assessed.

OFFICE

- Expansion in high quality (and other grades) of office space to take full advantage of the additional employment generating capacity Crossrail 1 (and 2) brings.
- Existing high quality listed buildings and other buildings of cultural importance are maintained.
- Higher rates of occupancy i.e. non-absent occupation – and where viable further intensification with respect to use of existing space.
- “Good neighbours” to residential and other uses.
- New development that complements or enhances the characteristics of the distinct areas that make up the West End and achieve appropriate height and massing.
- Provides Londoners with accessible employment space/employment opportunities – enterprises of varying sizes.

RETAIL

- The West End enhances its position as a leading retail destination (internationally, nationally, regionally, locally) and is able to compete with other world cities.
- Retail is able to react and adapt quickly to underlying changes in the sector, customer trends and the impact of technology.

HOTEL

- Make an increasing contribution to London's international offer as a world class destination.
- Provide diversity of offer to improve competitiveness with respect to “Airbnb” type offers (through more boutiques, mid-range, deluxe products).
- Redevelopment/renewal of ‘tired’ hotel stock to enhance the West End offer and amenity.
- Contribute to the West End's rich mix of experience for both international and national visitors.

ARTS, CULTURE AND ENTERTAINMENT

- Protection and enhancement of the public/non-public arts and culture offer of the West End to provide for international and national visitors and Londoners.
- Protect and support the entertainment sector (subject to contributing to rich mix

offer, ensuring manageable impact on residential areas).

- Promote and protect clusters of arts, so as to maximise benefits and minimise adverse effects.

RESIDENTS

- Increase in the number of residential units to help meet the London Plan housing targets.
- A growth in mix of tenure and type to contribute to meeting the needs of Londoners including affordability.
- Ensuring that residents' quality of life is improved.
- Higher rates of occupancy (i.e. non-absenteeism).
- Provision of public services (including community infrastructure) and private sector provision to meet residents' legitimate needs.
- Unique character and residential amenity enhanced, particularly for distinct neighbourhoods of Mayfair, Marylebone, Soho, Fitzrovia, Bloomsbury and Covent Garden.

FOOD AND BEVERAGE

- Food and beverage enhances its offer as part of the West End's sustained attractiveness as a destination.
- Food and beverage supports other sectors (e.g. retail to make them attractive).
- Diversity of offer grows and is maintained.
- Some growth but at appropriate, sustainable levels by location.

THE HEART OF LONDON AREA IN THE WIDER WEST END

Westminster City Council New City Plan 2019-2040

Along with the Mayor of London's draft London Plan to 2041, Westminster's City Council's new draft City Plan 2019-2040 sets out the targets, vision and strategy for the development of the Borough.

This section summarises the main targets from the draft city plan and what they might mean in the context of the Heart of London area.

EMPLOYMENT GROWTH

The plan sets a target of 63,000 new office jobs over the period to 2040 (policy 14A). This equates to 2,864 new jobs per annum. The target does not include employment growth for other sectors (e.g. retail, F&B, entertainment). Additional space for employment growth would be required to support the Heart of London area in achieving a wide variety of business requirements, quality and range of rental values. A flexible policy approach to employment growth would enable this variety of sectors to flourish.

A lack of sufficient space and employment growth may unduly limit the Heart of London area's economic role at a strategic, national and international level, as well as posing challenges in striking the right balance between its role as a commercial and cultural centre.

HOUSING

The draft City plan sets a target to deliver 1,495 new homes per annum over the first ten years of the Plan (Policy 8A), which is 50% higher than the target set in the London Plan. The majority of key development sites identified in the City Plan lie outside of the Heart of London area.

New housing units built will have a maximum size of 200sqm GIA (Policy 8B), and new developments will have to provide a target of 35% affordable housing (policy 9A).

RETAIL

The plan contains guidance on prioritising retail uses in town centres, high streets and the Central Activities Zone (CAZ), together with managing change of use of A1 retail uses to other town centre uses (Policy 15). Retailers in the Heart of London area increasingly seek to provide an experiential offer, which a generic use would support (a use which does not require planning permission to change uses). Planning policies ought to be flexible to allow retailers to adapt to rapidly changing consumer demands. There is a possibility that Policy 15's focus on A1 uses might place a challenge on the ability of retailers in the Heart of London area to quickly adapt to the changing economic dynamics affecting high streets and town centres,

HEIGHT AND MASSING

The draft plan encourages "high, quality, creative and contemporary design solutions to deliver additional growth". This includes optimising opportunities for infill development and extensions to existing buildings, up as well as out.

The plan considers that buildings of greater than 30 metres will be considered to be tall buildings, and will therefore need to satisfy relevant locational principles. Opportunity areas for the development of tall buildings listed in the plan exclude the Heart of London area.

Proposals for tall buildings outside of the areas identified will not generally be acceptable and will need to demonstrate how they significantly strengthen the legibility of a town centre or mark the location of a transport interchange or location of civic or visual significance within the area.

COMMERCIAL-LED DEVELOPMENT

Westminster's City Plan recognises that growth within the West End will be commercially led and will require the delivery of additional floorspace alongside the intensification of existing space. The plan mentions that growth can be achieved through new developments with increased scale of and massing that respect local context. Sensitive refurbishment and extension of existing buildings will support growth in areas of higher townscape value such as the Heart of London.

The plan recognises that the West End area will absorb much of Westminster's commercial growth. A potential uplift of 124,000 jobs to 2041 in the West End is projected, set to occur through a range of commercial development including retail, food and drink uses, hotels, arts, culture and entertainment and offices.

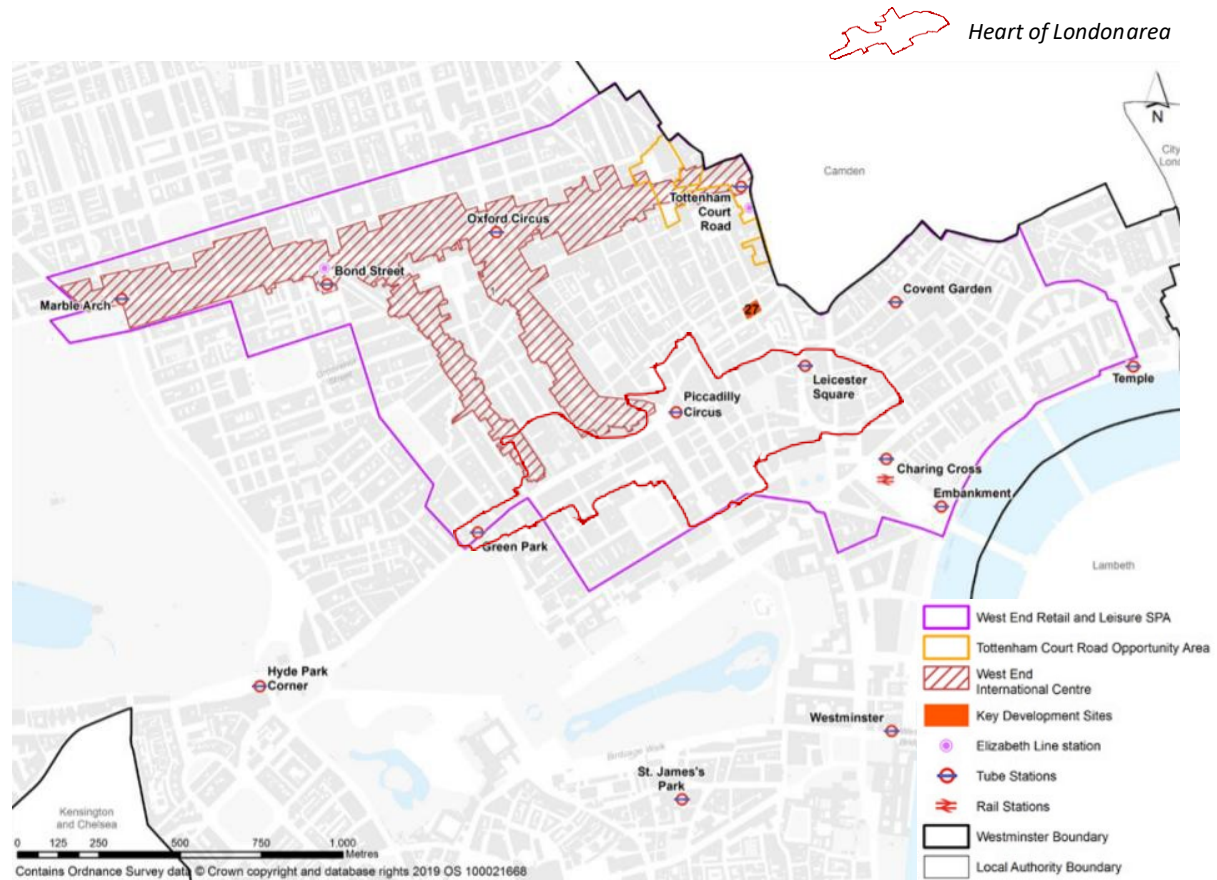
EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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THE HEART OF LONDON AREA IN THE WIDER WEST END

Westminster City Council New City Plan 2019-2040 – The West End Retail and Leisure Special Policy Area

The intensification of the West End Retail and Leisure Special Policy Area over the plan period will aim to deliver the following priorities:

- An enhanced pedestrian environment, public realm and network of public transport infrastructure
- Significant jobs growth through a range of commercial-led development including retail, leisure, office and hotel use
- An improved retail and leisure experience that responds to innovation and changes in the sector.
- A more co-ordinated approach to managing the area's freight, servicing and delivery demands
- The realisation of growth targets for the area identified in the London Plan
- A diverse evening and night-time economy and enhanced cultural offer
- Protection of the unique character of central London's distinct and iconic places and heritage assets



West End Retail and Leisure Special Policy Area. Source: Westminster City Council City Plan 2019-40

THE HEART OF LONDON AREA IN THE WIDER WEST END

Living up to the potential of London's cultural hub

The Heart of London area is an important part of the broader West End eco-system. In common with other world cities such as New York, Paris and Tokyo, London has a large 'downtown' district which alongside office-based employment, contains very high concentrations of retail, entertainment, leisure, cultural, educational and media activities-served by a network of transport services.

Increasingly, new tech and financial services companies have clustered in these central areas of global cities. Inner city residential populations have also grown in recent decades (after decades of decline) as city living has become more popular.

Competition for space is inevitable, particularly in a city such as London with limits on tall buildings within most parts of the West End. There is only one 'skyscraper' in the West End and few buildings above twelve floors. Public policy restricts very high buildings although densification and modest expansion are looked upon more favourably.

The Heart of London area's offer to visitors is unlike anything else in the UK. Leicester Square and Piccadilly Circus are places known by people who have never visited London, or indeed, Britain. The area's concentration of cinemas, theatres, hotels, restaurants, nightclubs, public space and history is a gift from London's history.

Great Estates and developers have left a patchwork of streets and buildings which evolved to become one of the world's most famous (and visited) locations. It is here that Hollywood royalty joins the British variety to premiere new films.

Such popularity comes at a cost. The intensity of use by day and night has no parallel in Britain. Coventry Street has a greater footfall than any street in the country. The challenge of ensuring the Heart of London area is clean and safe goes way beyond what is required in most other city centres. Moreover, the area must constantly change to accommodate new leisure trends. Conventional levels of street design, improvement and maintenance will never be able to meet the wear and tear on an area facing such intense usage.

Other parts of central London are enjoying step-by-step improvement. The Crown Estate has radically improved Regent Street. The West End Project has recently transformed Tottenham Court Road into a pedestrian, cycle and bus only route; and converted a side road into the West End's first new park for over one hundred years. There are plans to enhance Oxford Street following a successful project to give Bond Street a vastly-improved environment, increasing footway space by sixty five percent.

Covent Garden and Carnaby Street have benefitted from single owners who have been able to invest in these areas. The arrival of the Elizabeth line will help regenerate Charing Cross Road north of Leicester Square station. A little further away, Holborn is benefiting from improvements to its public realm.

Against this background, resources will need to be found to sustain the quality of the Heart of London area's streets and squares. Visitors have a choice, particularly when considering a mature tourism market like central London (or, for that matter, Britain). Located between Oxford Street, Regent Street, Soho, Covent Garden and Trafalgar Square/Whitehall, the Heart of London area is an essential element in the future of the West End.

INVESTING IN THE CONTINUED SUCCESS OF THE HEART OF LONDON AREA

EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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INVESTMENT PROPOSITION AND LOGIC

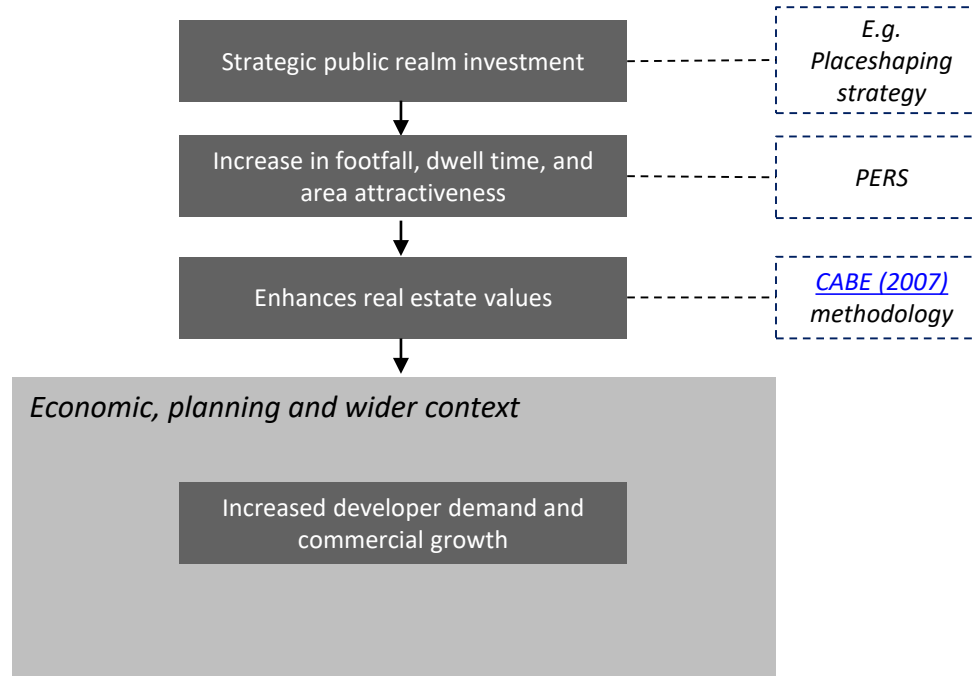
Why the Heart of London area requires investment in the public realm

The case for public realm investment is based on the idea that public realm improvements have a positive impact on the attractiveness of an area to visitors, workers and residents. This, in turn, enhances the land values of commercial and residential properties.

For the Heart of London area, Arup has undertaken a PERS study* to estimate the scale of the impact of public realm investment on people's experience in the area (described in Appendix C: Model Methodology).

The diagram to the right shows the logic model for linking public realm investment to increased area attractiveness, property prices and—with the right economic and planning environment—increased development.

This method assumes that delivering the improvement programme in a comprehensive approach supported by a wider economic strategy will further increase demand for space and support more ambitious growth targets.



Source: Arup

*The Pedestrian Environment Review System (PERS) was developed by TRL in cooperation with Transport for London (TfL). PERS is a multi-criteria assessment tool designed to assess the quality of the pedestrian environment by placing scores on several characteristics, assessing the qualities of a particular street regarding its link or place function.

INVESTMENT SCENARIOS

Scenarios description

This section of the report describes two scenarios of public realm improvement to assess the potential economic impact on the Heart of London area. These scenarios are explained in detail below.

**Placeshaping Strategy / Good Growth**

This scenario builds on the Placeshaping Strategy for the Heart of London area developed by Publica. (More details are provided overleaf).

**Do Minimum / Chequered Growth**

The 'Do Minimum / Chequered Growth' scenario includes [schemes included in Westminster's Local Implementation Plan 3, covering the period from 2019 to 2022.](#)

Schemes in this scenario includes proposals from:

- The Corridors and Neighbourhoods Programme,
- The Liveable Neighbourhoods Programme,
- The Principal Carriageway Renewal and Bridges and Structures Programme,
- The Cycle Network Programme; and
- The Bus Priority Programme.

This scenario also reflects existing developer and property owner funded schemes, as well as contributions from developers (e.g. in the form of S106 contributions). The information was collected from the Westminster City Council Planning Portal, the London Development Database, and funding identified in Westminster's Local Implementation Plan.

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INVESTMENT SCENARIOS

Heart of London Placeshaping Strategy

In March 2018, Publica was commissioned by the Heart of London Business Alliance to develop a Placeshaping Strategy to improve the area's streets and public spaces.

It is premised on eight overarching principles which guide key considerations for the area's public realm. These principles address a range of themes, including the celebration and enhancement of spectacle, the contrasts between character areas, movement, connectivity and wayfinding; and the importance of providing a diverse mix of uses and public spaces.

Some 34 projects for the area have been identified for specific streets and spaces and compiled into five compendium of project families, namely Leicester Square and Piccadilly Circus; St. Martin's Lane area; Haymarket District; Regent Street and St James's; and Piccadilly. These proposed interventions for streets and public spaces are shown graphically in the map opposite:



- LEICESTER SQUARE & PICCADILLY CIRCUS
- ST. MARTIN'S LANE
- HAYMARKET DISTRICT
- REGENT STREET ST. JAMES'S
- PICCADILLY

Source: Placeshaping Strategy

EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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INVESTMENT SCENARIOS

Heart of London Placeshaping Strategy

Leicester Square & Piccadilly Circus

This area falls within the Leicester Square geography used in this report

Leicester Square and Piccadilly Circus are two of the most prominent public spaces within the Heart of London area, both of which have been the focus of some public realm improvements.

With their linking streets, these spaces provide a major destination for events, performance, and people-gathering.

Proposed improvements to the public realm emphasise pedestrian priority at Coventry Street and side streets, many of which can be delivered within three years. Building on previous successes at Piccadilly Circus and Leicester Square, enhancements to these spaces could focus on creating more space for pedestrians.

More details on each individual projects proposed by Publica in Leicester Square & Piccadilly Circus can be found in the Placeshaping Strategy.

PROJECT LIST

- A1** Coventry Street
- A2** Piccadilly Circus
- A3** Leicester Square
- A4** Leicester Square side streets
- A5** Whitcomb Court & Whitcomb Street (north)
- A6** St. Martin's Street (north)
- A7** Oxendon Street
- A8** Shaver's Place
- A9** Rupert Street
- A10** Great Windmill Street



Source: Placeshaping Strategy

INVESTMENT SCENARIOS

Heart of London Placeshaping Strategy

St Martin's

This area falls within the St Martin's Lane area geography used in this report

The St Martin's area is lively and diverse in character with a broad mix of land uses varying in scale. However the potential of the area is undermined in places by disparate servicing arrangements, large expanses of asphalt carriageway and heavy traffic. Major improvements to the experience of the area as a whole could be achieved by reducing the perceived dominance of vehicles upon the streetscape.

The area is the interface between the Heart of London area and Covent Garden to the east. Key to improving this function will be enhanced connections across Charing Cross Road through better and more crossing points. Smaller side streets such as Cecil Court and St Martin's Court are performing well and have a distinctive character, but could benefit from material upgrade and further activation. Finally, there is also potential in this area to transform existing spaces to create outstanding new public amenity for local users as well as tourists.

More details on each individual projects proposed by Publica in St Martin's area can be found in the Placeshaping Strategy.



PROJECT LIST

- B1** St Martin's Lane
- B2** Cranbourn Street
- B3** Charing Cross Road
- B4** National Portrait Gallery pocket park
- B5** Cecil Court
- B6** St Martin's Court

Source: Placeshaping Strategy

INVESTMENT SCENARIOS

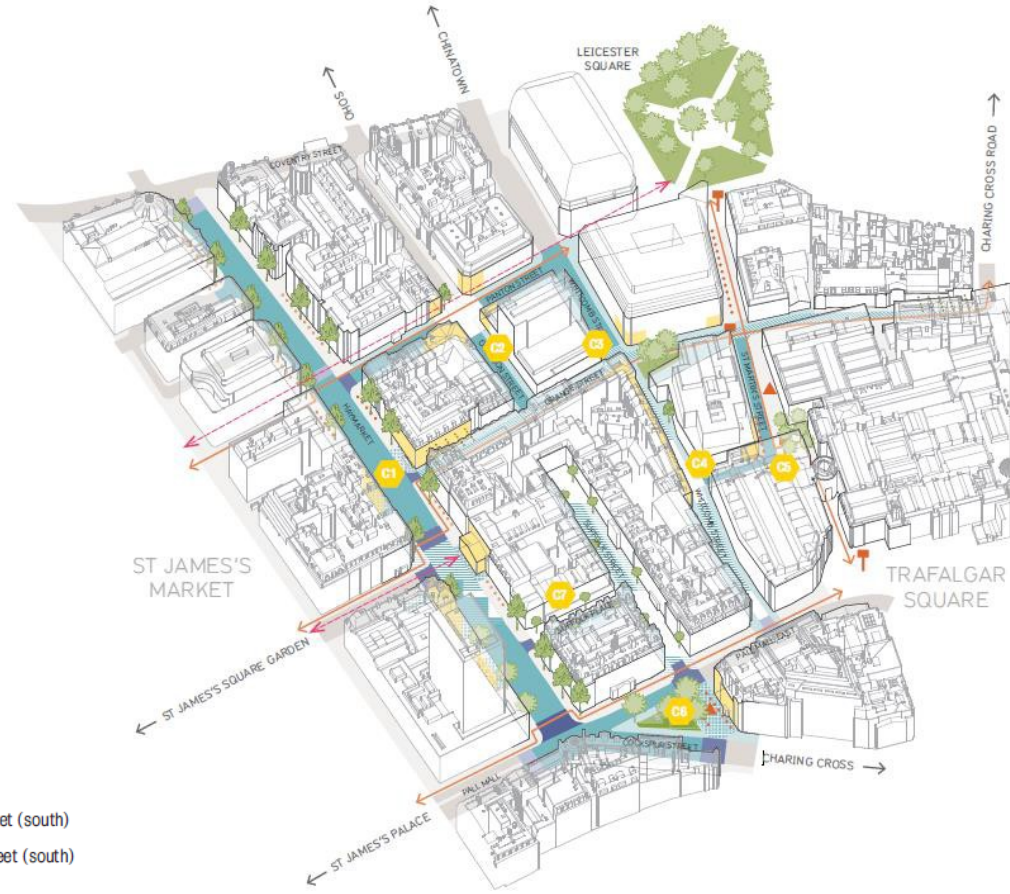
Heart of London area Placeshaping Strategy

Haymarket District

This area falls within the Leicester Square geography used in this report

With its rich mix of entertainment venues, theatres, retailers and restaurants, Haymarket has untapped potential to become more of a destination in its own right once again, anchoring a creative district around it. Ideas to enhance the experience of Haymarket and its street life build on recent investments and could include extensive greening, widening pavements – especially outside theatres – and encouragement of active and spill-out uses to create a bustling, attractive boulevard. Connections through Haymarket are also important: enhancements to linking streets and crossings will be key to establishing a recognisable identity for this historic thoroughfare.

More details on each individual projects proposed by Publica in Haymarket District can be found in the Placeshaping Strategy.



- PROJECT LIST**
- C1 Haymarket
 - C2 Panton Street
 - C3 Orange Street
 - C4 Whitcomb Street (south)
 - C5 St Martin's Street (south)
 - C6 Pall Mall East
 - C7 Suffolk Place

Source: Placeshaping Strategy

EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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INVESTMENT SCENARIOS

Heart of London area Placeshaping Strategy

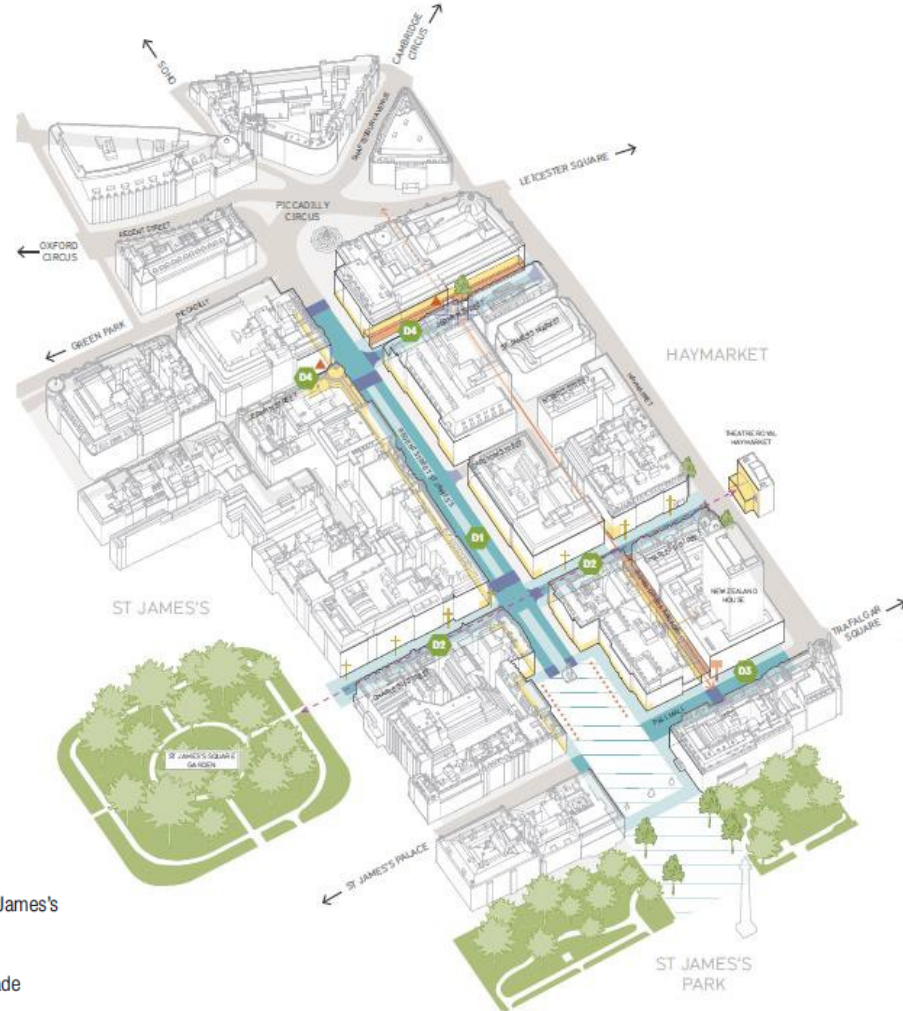
Regent Street and St James's

This area falls within the Piccadilly and St James's geography used in this report

Regent Street St James's forms one end of the set-piece townscape design and routes from Regent's Park to St James's Park. The street itself has a strong presence between the character areas of St James's and Haymarket/Leicester Square. This family of projects includes those streets immediately to the east and west of Regent Street St James's, which bridges these distinct areas.

Upgrades, developments and improvements by Westminster City Council and The Crown Estate have set in motion the transformation of the street. New specialist retail uses and restaurants have also added identity and purpose beyond the street's commercial and traffic functions. These positive steps should be capitalised upon in order to increase awareness of this part of London as a destination and walking route from St James's Park.

More details on each individual projects proposed by Publica in the Regent Street and St James's area can be found in the Placeshaping Strategy.



PROJECT LIST

- ◆ D1 Regent Street St James's
- ◆ D2 Charles II Street
- ◆ D3 Royal Opera Arcade
- ◆ D4 Jermyn Street (east)

Source: Placeshaping Strategy

EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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INVESTMENT SCENARIOS

Heart of London area Placeshaping Strategy

Piccadilly

This area falls within the Piccadilly and St James's geography used in this report

Piccadilly is a well-known busy area and historic route, yet its function as a joining seam between the neighbouring areas of St James's and Mayfair has the potential to be enhanced. Key to this will be the strengthening of Piccadilly's relationship to the network of smaller routes and arcades that connect from it. The intersection of Piccadilly with Old Bond Street, Albermarle Street, Burlington and Piccadilly Arcades, to name a few, can be accentuated by highlighting entrances, improving crossings and additional features. The main thoroughfare itself could be differentiated from the surrounding streets of a similar scale by amplifying the variation of architecture and functions that make it so unique and adding characterful public art and greenery.

More details on each individual projects proposed by Publica in Piccadilly can be found in the Placeshaping Strategy.



Source: Placeshaping Strategy

EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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INVESTMENT SCENARIOS

Relationship between investment scenarios and trends affecting the West End

As noted earlier, two public realm investment scenarios for the Heart of London area have been developed.

The scenarios consider the relationships between parameters, for example, how investment in public realm could interact with planning policy to lead to conversions of properties, supporting intensification or facilitating development.

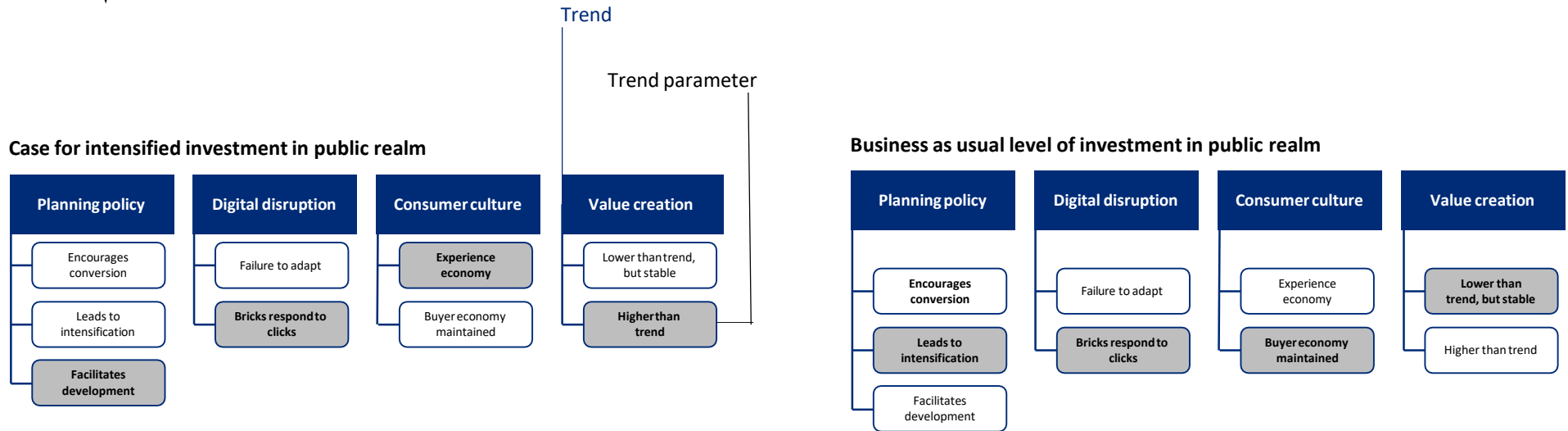
As each possible configuration was examined, a judgement has been made as to whether – or to what extent – each parameter was affected by public realm investment. Note that there is no inference of causality, but that these scenarios depict a likely relationship between public realm investment and wider economic and policy factors that could affect benefits of the investment.



Placeshaping Strategy / Good Growth



Do Minimum / Chequered Growth



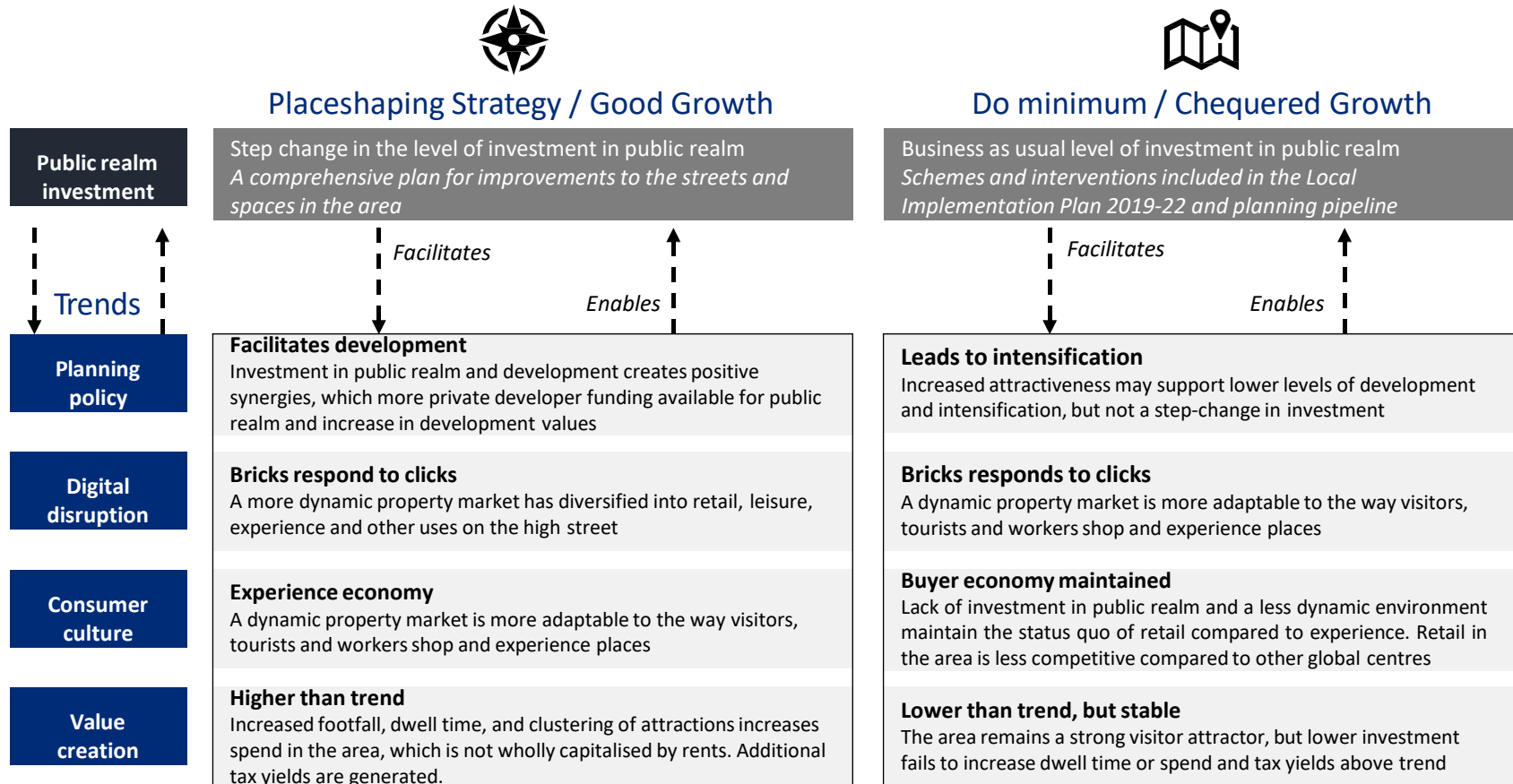
Source: Arup analysis based on Publica's Placeshaping Strategy for the Heart of London Business Alliance

EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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INVESTMENT SCENARIOS

Relationship between investment scenarios and trends affecting the West End

There is a two-way relationship between investment in public realm and the materialisation of trends leading to good growth outcomes in the West End. Investment in the public realm will have an effect on footfall, dwell time and attractiveness of the area which will in turn facilitate sustained business performance. It can also support growth by creating opportunities for infill developments and some extensions/increases in capacity to floorspace and by fostering the property market's ability to adapt to changing demands. Retaining some of the proceeds from growth in the local area, is one way by which investments in public realm can be funded.



EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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INVESTMENT SCENARIOS

Implications for land use



Placeshaping Strategy / Good Growth



Do minimum / Chequered Growth

Retail



The public realm creates opportunities for many types of spectacle and evening uses, which combined with a planning policy facilitating development and refurbishments allowing retailers to adapt quickly to changes in sector.

Slight decrease in floor space due to overcrowding and vehicles adversely impacting the footfall environment and area attractiveness in the long-term.

Office



Public realm investments create opportunities for infill developments and sensible extensions. Expansion in floor space with appropriate height and massing. Some intensification of use.

A lack of investment in public realm means that there are likely to be constraints on permissions to increase space due in part to concerns about the ability of public thoroughfares and green spaces to cope with additional demand.

Resi



The public realm enhances the network of smaller, quiet public spaces to serve different user groups, encourage public leisure, recreation and play, and provide a space of respite. Public spaces are catering for all socio-economic mix and encouraging a mix of housing tenure.

Impact of vehicles throughout the area is not mitigated. Properties are treated as 'nest eggs not nests'. Properties are not integrated with public spaces. Risks of vacancy rates growing.

Hotel



Hotel supply grows to meet growing demand. Offer is diverse, catering for various income levels.

Stagnation in overall stock and mix of rooms, mid-market decline. Some increase in very high-end/boutique rooms.

F&B



The public realm enhances gateways to and through major places. Varied and complementary day and night time offers are encouraged. All segments of sector thrive.

Side streets are not significantly improved. Slight decrease in number of smaller restaurants and bars. No obvious differentiator in area. Some loss of floor space.

Ent.



Public space supports an evolving mix use of activities and create opportunities for many types of spectacle. Entertainment offer thrives.

Focus on redevelopment creates price pressure on smaller venues. Offer caters for high end market. Shift to East continues.

INVESTMENT SCENARIOS

Impact of trends and future growth potential

An analysis of how trends affecting the West End might 'play out' in the context of various levels of investments in public realm in the Heart of London area, was carried out.

The two investment scenarios (Do minimum / Chequered Growth; and Placeshaping Strategy / Good Growth) have been linked to two plausible growth outcomes, which are driven by floor space.

The table to the right shows the amount of floorspace growth and employment created (based on a series of assumptions) which could be achieved in the Heart of London area if it achieved targets set in relevant planning guidance or by achieving the same densities of other areas.

It follows that, if the Heart of London area wants to achieve growth in jobs and development to any of these levels, investment in the public realm will be very important.

In the next section a case study on Sackville Street illustrates our approach to assessing the case for public realm improvements using Publica's report and preliminary analysis.

Source	Growth target category	Geography	Growth target	Apportionment method	Apportionment ratio	Target for Heart of London area	Equivalent annual space requirement (sqm)
WCC City Plan 2019-40	Residential growth	Westminster borough	1,495 units per year	Using the ratio of number of residents in Westminster and the Heart of London area	0.5%	8 units per year	516 sqm per year
WCC City Plan 2019-40	Residential growth	Westminster borough	1,495 units per year	Identifying all key housing development sites within the West End area included in WCC City Plan (equivalent to 1.5% of all units). Ratio is used to apportion overall annual target to West End area (equivalent to 22 units per year), then using the Heart of London's area land surface as percentage of total West End to further apportion annual target to Heart of London area	10% of West End share of target	2 units per year	135 sqm per year
WCC City Plan 2019-40	Office based employment	Westminster borough	2,864 jobs per year	Comparing the Heart of London area's land surface as a total of Westminster City Council's land surface	1.8%	51 office jobs per year	614 sqm per year
WCC City Plan 2019-40	Employment target for the West End	West End	124,000 jobs to 2041	Using the ratio of commercial floor space in West End and the Heart of London area	9.5%	11,810 jobs to 2041, equivalent to 537 jobs per year	13,500 sqm per year
Greater London Authority - London Plan	Office floor space	CAZ & NLoD	140,000 sqm per year	Using the ratio of total jobs in CAZ NLoD and the Heart of London area	2.7%	3,819 sqm of office floorspace per year	3,819 sqm per year
Greater London Authority - London Plan	Residential growth	Westminster borough	1,068 units per year	Using the ratio of number of residents in Westminster and the Heart of London area	0.5%	6 units per year	369 sqm per year
Arup (Good Growth report for GLA, WCC)	Employment growth	Heart of London area	Entire Heart of London area to achieve Piccadilly & St James's job density of 1.558 jobs/ha	The difference between employment achieved at the average job density of Heart of London area of 1,180 jobs/ha and Piccadilly & St James's	N/A	An additional 15,000 jobs could be delivered	380,000 sqm

Source: Arup Analysis; Westminster City Council New City Plan 2019-40; GLA London Plan

EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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SCENARIO RESULTS Indicative transport improvements

Investing in the public realm creates a safer, more attractive and less congested environment for all users. This would encourage more walking, improve health and wellbeing and provide new and reinvigorated places to dwell and spend time in the Heart of London area.

Journey time savings for cyclists and pedestrians

Interventions in each of the investment scenarios will make some walking and cycling trips quicker and more attractive by providing more and better quality space for cyclists and pedestrians.

Physical activity benefits

When people choose to cycle or walk there are significant health benefits, including extended life expectancy.

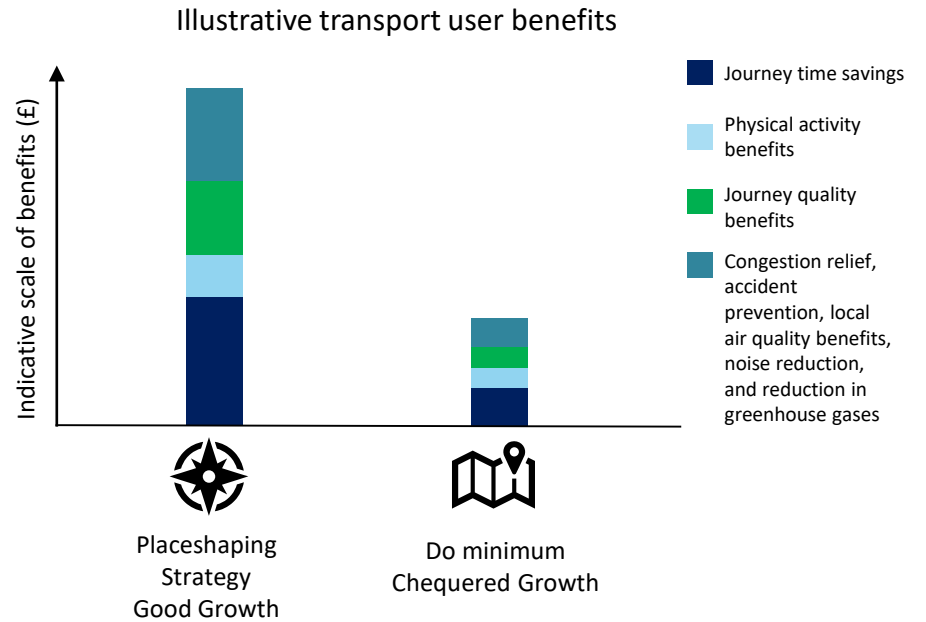
Journey quality benefits

Pedestrians value improved public realm and more footwayspace.

Cyclists value better cycling infrastructure.

Investment in the public realm can deliver:

- Less traffic
- Fewer collisions and casualties
- Better local air quality
- Reduced carbon emissions
- Less noise
- Health and wellbeing benefits



Source: Arup analysis based on Publica Placeshaping Strategy for Heart of London Business Alliance

SACKVILLE STREET CASE STUDY

SACKVILLE STREET CASE STUDY

Proposed interventions

Heart of London Business Alliance is leading the transformation of Sackville Street to reflect its significant location in the West End.

Sackville Street is a thoroughfare which runs north from Piccadilly to Vigo Street. Despite its important position in the West End - providing direct connections from Piccadilly and St James's to East Mayfair, Savile Row and Regent Street - Sackville Street maintains a low profile compared to its better known neighbours.

The street's many attractive qualities are diminished by low quality footway materials, parked vehicles along the length of both sides, and a general lack of activity at street level. Despite its central position and distinguished heritage, the street does not currently live up to its potential.

The opportunity to change traffic management in Vigo Street as part of the wider vision for East Mayfair brings a rare opportunity for the identity of Sackville Street to be enhanced and consolidated.

Possible ideas for transformation of Sackville Street include:

- Special paving materials to draw attention to the symmetry of the neoclassical facades at the southern end of the street
- Widened footways
- New tree planting and greenery to give the street a unique visual identity
- Reversal of the one-way system in Sackville and Vigo Street to deter 'rat-running' by motorists
- Rationalised parking and loading arrangements to better suit the needs of residents and businesses and reduce the prominence of vehicles in the street



Sackville Street looking north - Source: Publica

SACKVILLE STREET CASE STUDY

Proposed interventions - continued

Improvements on the north end of Sackville Street could include:

- Widening footways
- Activating frontages to create a focus of activity
- Creating better spaces for outdoor seating

Improvements at the space at the junction of Vigo Street and Sackville Street could include:

- Traffic reduction through the reversal of the one-way system in Sackville and Vigo Streets
- A special material treatment to define a sense of place
- A specimen tree to provide a point of focus
- A material ground treatment through Vigo Street (west) that emphasises the dramatic narrowing of the street
- Enhancing the blank gable wall to create a memorable feature in the townscape



North end of Sackville Street - Source: Publica



Approaching Sackville Street from Regent Street - Source: Publica

SACKVILLE STREET CASE STUDY

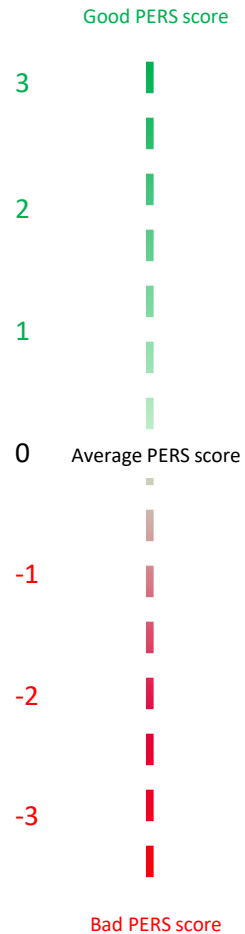
Pedestrian Environment Review System (PERS)

The methodology for the audit was based on the Pedestrian Environment Review System (PERS). PERS is a multi-criteria assessment tool designed to assess the quality of the pedestrian environment by placing scores on several characteristics and assessing the qualities of a particular street regarding its link or place function.

The proposed weighting to be used for the street audit is contained in the "Paved with gold – the real value of good street design" document published by CABE in 2007. The intended use of the PERS outputs is to quantify the impact of street design improvements on property market prices as revealed through commercial rents.

The weightings are as follows:

- Quality of environment: **24%**
- Personal security: **13%**
- Permeability: **12%**
- User conflict: **11%**
- Surface quality: **10%**
- Maintenance: **9%**
- Lighting: **7%**
- Legibility: **5%**
- Dropped kerbs: **4%**
- Obstructions: **3%**
- Effective width: **2%**.



Sackville Street - floorspace (NIA sqm)

 5,900	 1,800
 10,900	 500

	PERS Scores Baseline	PERS Scores with Proposed interventions
Effective width	0	1
Dropped kerbs	2	3
Obstructions	1	2
Permeability	1	3
Legibility	0	1
Lighting	1	1
Personal security	0	0
Surface quality	-1	3
User conflict	1	3
Quality of environment	-2	2
Maintenance	0	1
Overall score	-0.17	1.88

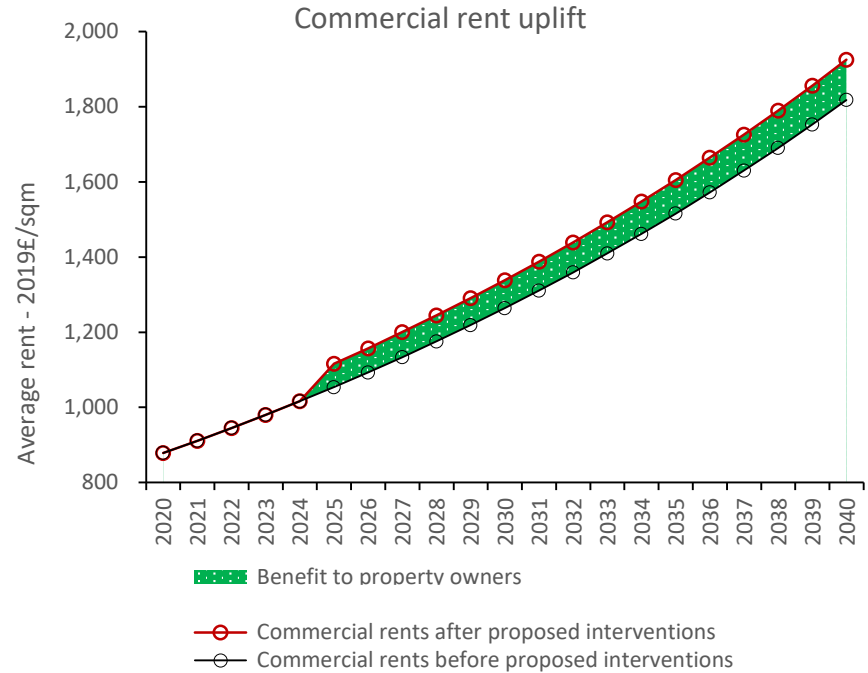
EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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SACKVILLE STREET CASE STUDY Economic and commercial outputs

Cost of proposed interventions*

£2.5-3m

	Annual Baseline level	Net impact of intervention compared to 2019	
	2019	2030	2040
Jobs	1,400	110 ^{+8%}	300 ^{+21%}
GVA	£100m	£20m ^{+20%}	£60m ^{+60%}
Business rates	£3.8m	£0.3m ^{+8%}	£0.6m ^{+17%}
Commercial rents	£16.2m	£14.0m ^{+86%}	£46.7m ^{+288%}



The Sackville Street example illustrates the potential benefits of public realm investments to property owners and businesses.

If the improvements increase the pedestrian environment such that it increases footfall, dwell time and overall area attractiveness, businesses will benefit. Some of those benefits will be capitalised in higher rents for the property owners, and those benefits will also be shared back to local government in the form of business rates.

The next section of this report illustrates the benefits of a district-wide approach to improving the public realm and placemaking using the same methodology.

*: assumes end of construction in 2025 – indicative costing received from Heart of London Business Alliance and benchmarked against similar schemes in London
Results in 2030 and 2040 are the net additional compared to 2019 levels

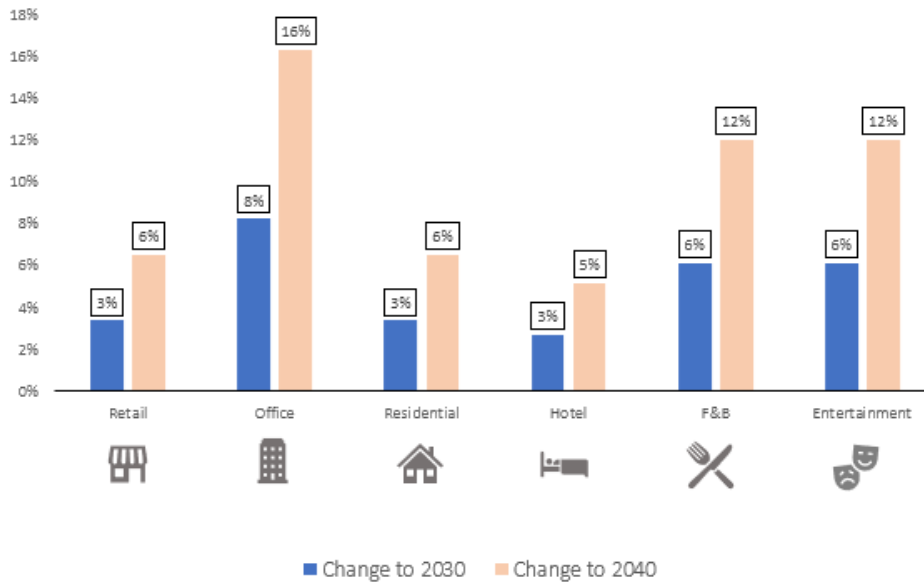
SCENARIO RESULTS

SCENARIO RESULTS – PLACESHAPING STRATEGY

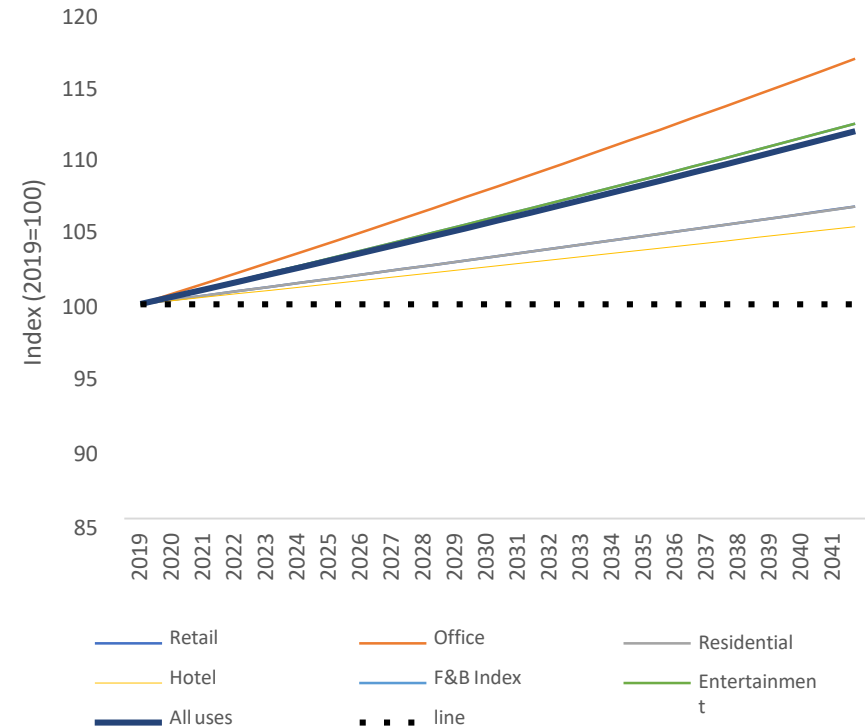
Placeshaping Strategy – floor space growth to 2030 and 2040



Net change in floorspace compared to 2019



Scenario sectoral floorspace indexed growth (2019=100)



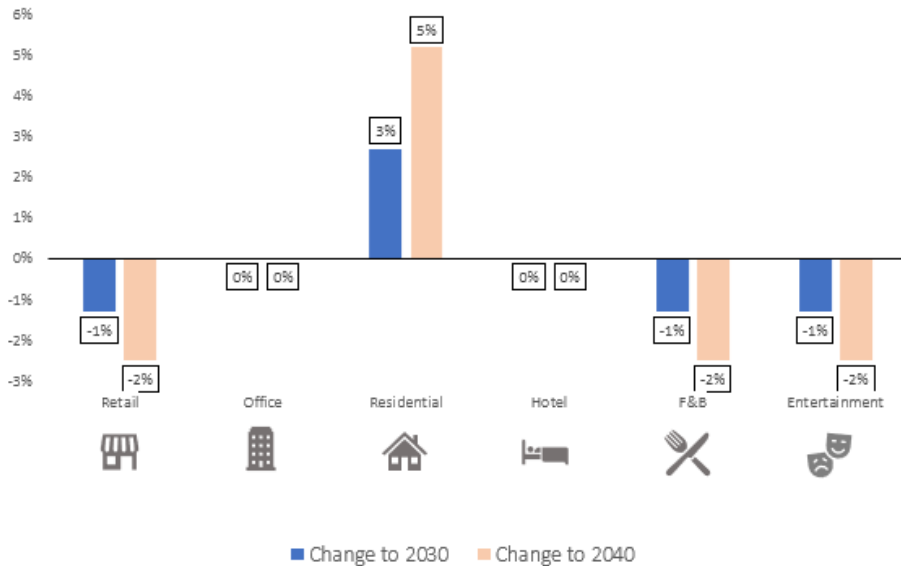
Source: Arup analysis

SCENARIO RESULTS – DO MINIMUM

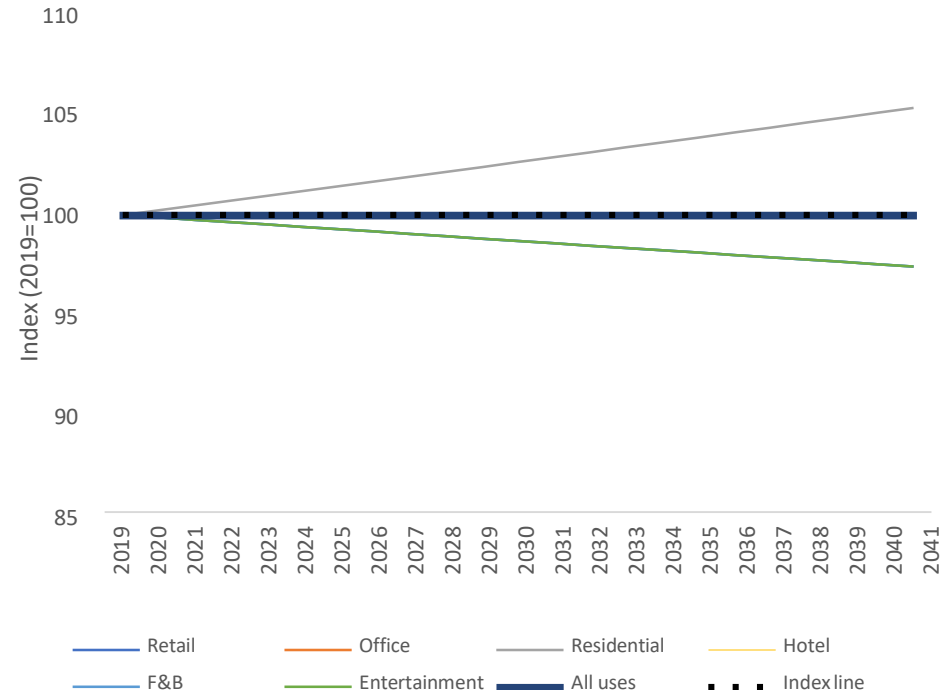
Do Minimum – floor space growth to 2030 and 2040



Net change in floorspace compared to 2019












Scenario sectoral floorspace indexed growth (2019=100)



Source: Arup analysis

SCENARIO RESULTS – PLACESHAPING STRATEGY

Placeshaping Strategy – overall outputs for the Heart of London area

		Heart of London area				
		Annual level in 2019	Net change to 2030	% change 2019-30	Net change to 2040	% change 2019-40
	Floorspace (sqm)					
	<i>Retail</i>	148,400	5,000	3%	9,600	6%
	<i>Office</i>	381,100	31,400	8%	62,100	16%
	<i>Residential</i>	66,500	2,200	3%	4,300	6%
	<i>Hotel</i>	129,200	3,500	3%	6,700	5%
	<i>F&B</i>	13,200	800	6%	1,600	12%
	<i>Entertainment</i>	101,600	6,200	6%	12,200	12%
	Total	840,000	49,100	6%	96,500	11%
	Gross Jobs (FTE)	46,400	4,530	10%	11,100	24%
	Net Jobs (FTE)	46,400	3,480	8%	8,500	18%
	Gross GVA (£m)	4,600	730	16%	2,630	57%
	Net GVA (£m)	4,600	560	12%	2,020	44%
	Residents	1,340	40	3%	90	7%
	Homes	1,030	30	3%	70	7%
	Business rates (£)	148,300,000	11,543,000	8%	23,719,000	16%
	Additional rents (£)	655,500,000	408,900,000	62%	1,364,700,000	208%



Placeshaping Strategy Good Growth

Results for the three sub-geographies are mutually exclusive

Results for the Heart of London area are inclusive of the other three sub-geographies

May not sum due to rounding

Zero due to rounding – marginal change










Business rates figures are not taking into account the increase in commercial values from the PERS analysis

Net results (at the GLA level) refer to additional macro-economic impacts whereas gross figures are specific to the Heart of London area

Source: Arup analysis

SCENARIO RESULTS – PLACESHAPING STRATEGY

Placeshaping Strategy – overall outputs for Piccadilly and St James's Area

		Piccadilly and St James's				
		Annual level in 2019	Net change to 2030	% change 2019-30	Net change to 2040	% change 2019-40
	Floorspace (sqm)					
	Retail	57,400	1,900	3%	3,700	6%
	Office	253,800	20,900	8%	41,400	16%
	Residential	15,100	500	3%	1,000	7%
	Hotel	62,500	1,700	3%	3,200	5%
	F&B	1,600	100	6%	200	13%
	Entertainment	10,400	600	6%	1,300	13%
	Total	400,800	25,700	6%	50,800	13%
	Gross Jobs (FTE)	26,700	2,750	10%	6,700	25%
	Net Jobs (FTE)	26,700	2,110	8%	5,100	19%
	Gross GVA (£m)	3,000	490	16%	1,790	60%
	Net GVA (£m)	3,000	380	13%	1,370	46%
	Residents	300	10	3%	20	7%
	Homes	240	10	4%	20	8%
	Business rates (£)	75,900,000	6,473,000	9%	13,494,000	18%
	Additional rents (£)	326,900,000	164,000,000	50%	548,600,000	168%



Placeshaping Strategy Good Growth

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May not sum due to rounding

Zero due to rounding – marginal change










Business rates figures are not taking into account the increase in commercial values from the PERS analysis

Net results (at the GLA level) refer to additional macro-economic impacts whereas gross figures are specific to the Heart of London area

Source: Arup analysis

SCENARIO RESULTS – PLACESHAPING STRATEGY

Placeshaping Strategy – overall outputs for Leicester Square Area

		Leicester Square				
		Annual level in 2019	Net change to 2030	% change 2019-30	Net change to 2040	% change 2019-40
	Floorspace (sqm)					
	<i>Retail</i>	78,400	2,600	3%	5,100	7%
	<i>Office</i>	80,000	6,600	8%	13,000	16%
	<i>Residential</i>	31,700	1,100	3%	2,100	7%
	<i>Hotel</i>	49,300	1,300	3%	2,500	5%
	<i>F&B</i>	5,800	400	7%	700	12%
	<i>Entertainment</i>	65,000	4,000	6%	7,800	12%
	Total	310,200	16,000	5%	31,200	10%
	Gross Jobs (FTE)	13,800	1,200	9%	3,000	22%
	Net Jobs (FTE)	13,800	920	7%	2,300	17%
	Gross GVA (£m)	1,200	170	14%	600	50%
	Net GVA (£m)	1,200	130	11%	460	38%
	Residents	640	20	3%	40	6%
	Homes	490	20	4%	30	6%
	Business rates (£)	52,100,000	3,470,000	7%	6,959,000	13%
	Additional rents (£)	236,000,000	119,300,000	51%	396,900,000	168%

Placeshaping Strategy
Good Growth

Results for the three sub-geographies are mutually exclusive

Results for Heart of London area are inclusive of the other three sub-geographies

May not sum due to rounding

Zero due to rounding – marginal change










Business rates figures are not taking into account the increase in commercial values from the PERS analysis

Net results (at the GLA level) refer to additional macro-economic impacts whereas gross figures are specific to the Heart of London area

Source: Arup analysis

SCENARIO RESULTS – PLACESHAPING STRATEGY

Placeshaping Strategy– overall outputs for St Martin's Lane Area

		St Martin's Lane area				
		Annual level in 2019	Net change to 2030	% change 2019-30	Net change to 2040	% change 2019-40
	Floorspace (sqm)					
	<i>Retail</i>	12,500	400	3%	800	6%
	<i>Office</i>	47,300	3,900	8%	7,700	16%
	<i>Residential</i>	19,700	700	4%	1,300	7%
	<i>Hotel</i>	17,400	500	3%	900	5%
	<i>F&B</i>	5,900	400	7%	700	12%
	<i>Entertainment</i>	26,200	1,600	6%	3,100	12%
	Total	129,000	7,500	6%	14,500	11%
	Gross Jobs (FTE)	5,800	570	10%	1,400	24%
	Net Jobs (FTE)	5,800	440	8%	1,100	19%
	Gross GVA (£m)	600	90	15%	320	53%
	Net GVA (£m)	600	70	12%	250	42%
	Residents	400	10	3%	30	8%
	Homes	310	10	3%	20	6%
	Business rates (£)	20,300,000	1,601,000	8%	3,266,000	16%
	Additional rents (£)	92,600,000	84,400,000	91%	282,000,000	305%

Placeshaping Strategy
Good Growth

Results for the three sub-geographies are mutually exclusive

Results for Heart of London area are inclusive of the other three sub-geographies

May not sum due to rounding

Zero due to rounding – marginal change










Business rates figures are not taking into account the increase in commercial values from the PERS analysis

Net results (at the GLA level) refer to additional macro-economic impacts whereas gross figures are specific to the Heart of London area

Source: Arup analysis

SCENARIO RESULTS – DO MINIMUM

Do Minimum – overall outputs for the Heart of London Area

		Heart of London area				
		Annual level in 2019	Net change to 2030	% change 2019-30	Net change to 2040	% change 2019-40
	Floorspace (sqm)					
	Retail	148,400	-1,900	-1%	-3,700	-2%
	Office	381,100	0	0%	0	0%
	Residential	66,500	1,800	3%	3,400	5%
	Hotel	129,200	0	0%	0	0%
	F&B	13,200	-200	-2%	-300	-2%
	Entertainment	101,600	-1,300	-1%	-2,500	-2%
	Total	840,000	-1,600	0%	-3,100	0%
	Gross Jobs (FTE)	46,400	1,260	3%	4,600	10%
	Net Jobs (FTE)	46,400	970	2%	3,600	8%
	Gross GVA (£m)	4,600	210	5%	1,080	23%
	Net GVA (£m)	4,600	160	3%	830	18%
	Residents	1,340	40	3%	70	5%
	Homes	1,030	30	3%	50	5%
	Business rates (£)	148,300,000	-763,000	-1%	-1,404,000	-1%
	Additional rents (£)	655,500,000	237,800,000	36%	768,000,000	117%



Do minimum Chequered Growth

Results for the three sub-geographies are mutually exclusive

Results for Heart of London area are inclusive of the other three sub-geographies

May not sum due to rounding

Zero due to rounding – marginal change










Business rates figures are not taking into account the increase in commercial values from the PERS analysis

Net results (at the GLA level) refer to additional macro-economic impacts whereas gross figures are specific to the Heart of London area

Source: Arup analysis

SCENARIO RESULTS – DO MINIMUM

Do Minimum – overall outputs for Piccadilly and St James's Area

		Piccadilly and St James's				
		Annual level in 2019	Net change to 2030	% change 2019-30	Net change to 2040	% change 2019-40
	Floorspace (sqm)					
	Retail	57,400	-800	-1%	-1,400	-2%
	Office	253,800	0	0%	0	0%
	Residential	15,100	400	3%	800	5%
	Hotel	62,500	0	0%	0	0%
	F&B	1,600	0	0%	0	0%
	Entertainment	10,400	-100	-1%	-300	-3%
	Total	400,800	-500	0%	-900	0%
	Gross Jobs (FTE)	26,700	780	3%	2,800	10%
	Net Jobs (FTE)	26,700	600	2%	2,200	8%
	Gross GVA (£m)	3,000	140	5%	740	25%
	Net GVA (£m)	3,000	110	4%	570	19%
	Residents	300	10	3%	20	7%
	Homes	240	10	4%	10	4%
	Business rates (£)	75,900,000	-214,000	0%	-393,000	-1%
	Additional rents (£)	326,900,000	130,900,000	40%	423,100,000	129%



Do minimum Chequered Growth

Results for the three sub-geographies are mutually exclusive

Results for Heart of London area are inclusive of the other three sub-geographies

May not sum due to rounding

Zero due to rounding – marginal change










Business rates figures are not taking into account the increase in commercial values from the PERS analysis

Net results (at the GLA level) refer to additional macro-economic impacts whereas gross figures are specific to the Heart of London area

Source: Arup analysis

SCENARIO RESULTS – DO MINIMUM

Do Minimum – overall outputs for Leicester Square area

		Leicester Square				
		Annual level in 2019	Net change to 2030	% change 2019-30	Net change to 2040	% change 2019-40
	Floorspace (sqm)					
	Retail	78,400	-1,000	-1%	-2,000	-3%
	Office	80,000	0	0%	0	0%
	Residential	31,700	800	3%	1,600	5%
	Hotel	49,300	0	0%	0	0%
	F&B	5,800	-100	-2%	-100	-2%
	Entertainment	65,000	-900	-1%	-1,600	-2%
	Total	310,200	-1,200	0%	-2,100	-1%
	Gross Jobs (FTE)	13,800	330	2%	1,300	9%
	Net Jobs (FTE)	13,800	250	2%	1,000	7%
	Gross GVA (£m)	1,200	50	4%	240	20%
	Net GVA (£m)	1,200	30	3%	190	16%
	Residents	640	20	3%	30	5%
	Homes	490	10	2%	30	6%
	Business rates (£)	52,100,000	-428,000	-1%	-788,000	-2%
	Additional rents (£)	236,000,000	53,700,000	23%	173,100,000	73%



Do minimum Chequered Growth

Results for the three sub-geographies are mutually exclusive

Results for Heart of London area are inclusive of the other three sub-geographies

May not sum due to rounding

Zero due to rounding – marginal change

Business rates figures are not taking into account the increase in commercial values from the PERS analysis

Net results (at the GLA level) refer to additional macro-economic impacts whereas gross figures are specific to the Heart of London area

Source: Arup analysis

SCENARIO RESULTS – DO MINIMUM

Do Minimum – overall outputs for St Martin's Lane Area

*Floorspace (sqm)**Retail*

12,500

-200

-2%

-300

-2%

Office

47,300

0

0%

0

0%

Residential

19,700

500

3%

1,000

5%

Hotel

17,400

0

0%

0

0%

F&B

5,900

-100

-2%

-100

-2%

Entertainment

26,200

-300

-1%

-700

-3%

Total**129,000****-100****0%****-100****0%***Gross Jobs (FTE)*

5,800

160

3%

600

10%

*Net Jobs (FTE)*

5,800

120

2%

400

7%

*Gross GVA (£m)*

600

20

3%

130

22%

*Net GVA (£m)*

600

20

3%

100

17%

*Residents*

400

10

3%

20

5%

*Homes*

310

10

3%

20

6%

*Business rates (£)*

20,300,000

-121,000

-1%

-223,000

-1%

*Additional rents (£)*

92,600,000

50,300,000

54%

162,300,000

175%

Do minimum
Chequered Growth*Results for the three sub-geographies are mutually exclusive**Results for Heart of London area are inclusive of the other three sub-geographies**May not sum due to rounding**Zero due to rounding – marginal change**Business rates figures are not taking into account the increase in commercial values from the PERS analysis**Net results (at the GLA level) refer to additional macro-economic impacts whereas gross figures are specific to the Heart of London area**Source: Arup analysis*

CONCLUSIONS

CONCLUSIONS

Key findings

The Heart of London area makes a unique contribution to the economic success of the wider West End, London and UK economies by attracting millions of visitors to London.

The Heart of London area as a destination is in competition for both visitors and inward investment with other world-class destinations.

At the same time, the area has seen lower job growth rates than the rest of Westminster, which can be partly explained by a lack of commercial floor space supply.

In order to maintain the area's existing cultural, tourism and business attractors, a step-change in commercial investment, public realm investment and place management are required.

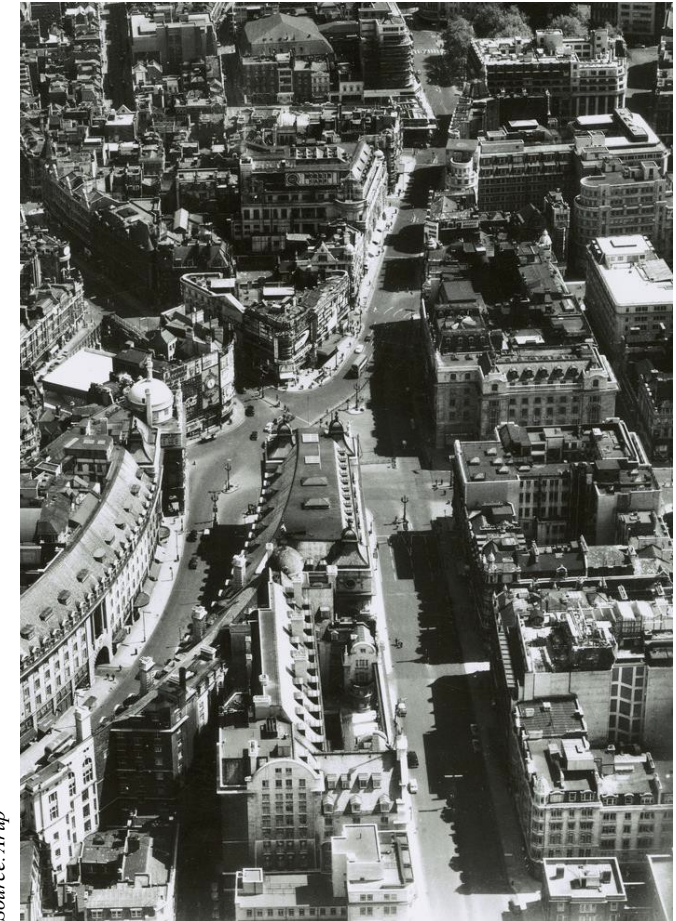
Appraising existing and potential comfort levels is a good proxy indicator of wider benefits that can be achieved by investing in the public realm. Detailed design work can demonstrate the benefits of more walking and cycling, less traffic and pollution and fewer collisions, further enhancing the case for public sector investment in the area.

Investment in line with the Placeshaping Strategy will improve the area's public realm, property, curation of retail and occupiers, and public space activation through culture and arts. This all contributes to a 'good growth' scenario, which could increase jobs and GVA by 24% and 57% respectively over the period from 2019 to 2040. This compares to a 10% and 23% increase for jobs and GVA for a business as usual scenario over the same period.

The opening of the Elizabeth line will bring as many as 80,000 additional people through Bond Street station every day. This is an opportunity for the commercial office sector in the Heart of London area to contribute towards job targets in the draft Westminster City Plan and London Plan.

Investing in the Placeshaping Strategy creates a range of benefits for all stakeholders, and supports the Westminster City Plan and the Greater London Authority's 'good growth' objectives.

The Heart of London area will continue to seek collaboration with public and private stakeholders to achieve this shared vision to meet its potential as a global cultural and commercial centre.



Source: Arup

EXECUTIVE SUMMARY	DEFINING THE HEART OF LONDON AREA	HEART OF LONDON IN WEST END'S ECOSYSTEM	INVESTING IN THE CONTINUED SUCCESS	SACKVILLE STREET CASE STUDY	SCENARIO RESULTS	CONCLUSIONS
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CONCLUSIONS

Recommendations

Substantial visioning and design work has already been undertaken to transform the Heart of London area's public realm.

The Heart of London Business Alliance has identified emerging priority opportunities through the Placeshaping Strategy. This work should be treated as an evidence base and to inform a delivery plan.

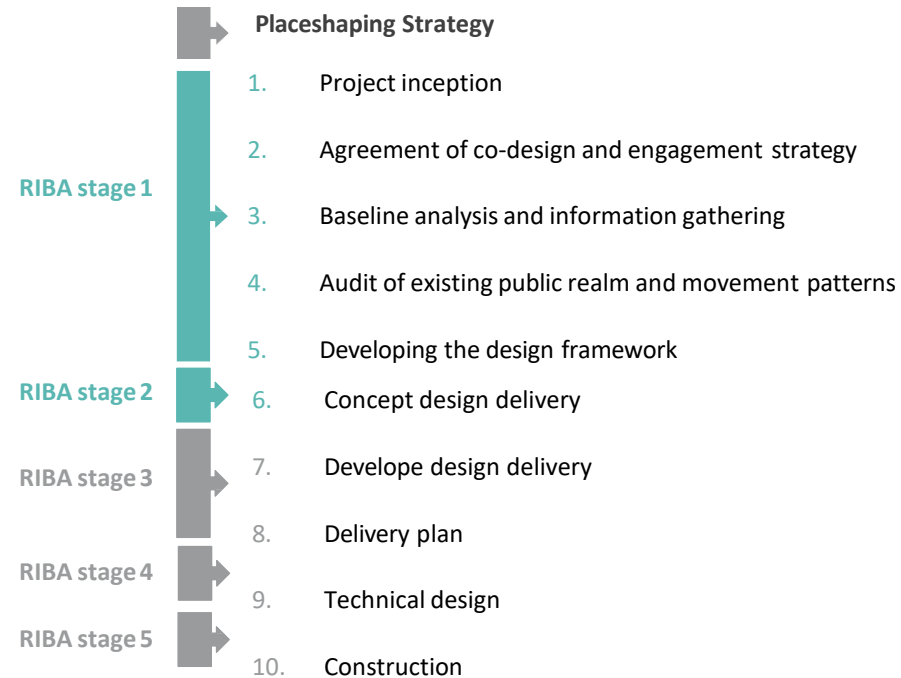
Now is the time to focus on a comprehensive delivery plan for the Placeshaping Strategy. Key actions for Heart of London Business Alliance and strategic partners include the following:

- A partnership governance and organisational structure, working with Westminster City Council, TfL and businesses, to oversee the delivery programme.
- Develop concept designs for priority projects.
- Further develop and refine designs for priority projects, with associated cost and technical work.

- Develop a business plan that incorporates:
 - Capital and operating budgets for the priority projects in the Placeshaping Strategy
 - A funding strategy which outlines the public and private funding options to cover both capital and operating expenditure.

The vision and leadership of Heart of London Business Alliance will be vital to delivery of the changes to the public realm and securing the investment to keep the Heart of London area regionally, nationally and globally competitive as a centre for culture, tourism and business.

Royal Institute of British Architects (RIBA) Plan of Work



APPENDIX A

Baseline methodology

APPENDIX A Baseline statistics methodology

STUDY AREA

The statistical boundaries used in the analysis are mutually exclusive. However, results for the Heart of London area is inclusive of the other three geographies.

The Heart of London area as defined in this study covers a land surface of 39 ha. It is worth noting that when roads have been used to define the area boundaries, the opposite side of the streets have been included in the study area, as public realm investments are likely to impact both sides of a street equally.

PROPERTY FLOORSPACE

Property floorspace in the Heart of London area has been estimated using land use data from CoStar, the Valuation Office Agency, the London Development Database, and the Census.

For residential property floorspace, the analysis considered the number of dwellings in LSOAs that intersect the study area, using Census data from 2011. The analysis has then considered the net additional dwellings added to each sub-geography between 2011 and 2019, relying on information sourced from the

London Development Database.

Commercial floorspace has been estimated with postcode level data from the CoStar database. Although CoStar has the most comprehensive database of real estate throughout the West End, some properties may not have been included in the database.

EMPLOYMENT COMPOSITION

The three sub-geographies in the Heart of London area identified for the purpose of the project are spread across boundaries of statistical areas for which employment data are available (the most detailed spatial division often times being Lower Super Output Areas – LSOAs).

In order to estimate employment values specifically for the study areas we needed to apportion LSOA level data to the specific Heart of London areas boundaries. There are a few apportionment methods widely used, with the most common being:

Apportionment based on the geographical area

Apportionment based on LSOA centroids

Apportionment based on proportion of postcodes

In this study we used the first approach – apportionment based on geographical area.

Step 1

We identified LSOAs covering the total Heart of London area boundary as defined for this study

Step 2

We overlaid LSOA boundaries with map of all study areas.

Step 3

We calculated the surface of each of the LSOAs.

Step 4

For each LSOA we calculated how much of its surface (%) falls within a given study area.

Step 5

Employment in each LSOA was apportioned to all study areas based on the proportions established in step 4.

GVA

The GVA per worker in each geography was determined by apportioning the SIC 2-digit GVA per worker in Westminster to the specific location and composition of employment in each sub-geographies.

Step 1

Sourcing GVA per SIC 2-digit at borough level using data from the Office for National Statistics.

Step 2

Sourcing employment figures from the Business Register and Employment Survey at Westminster level and re-allocating figures to SIC 2-digit level. Computing GVA per worker at Westminster level.

Step 3

Allocating SIC 2-digit to land use sectors used in this analysis (retail, office, hotel, F&B and Entertainment). Using employment for each geography as weight to allocate GVA per worker by sector to each sub-geography in the study area.

APPENDIX B

Model methodology

APPENDIX B Investment scenarios method

SCENARIO DEVELOPMENT

We have used a ‘morphological’ method of scenario development to translate assumptions across the four categories of trends (planning policy; digital disruption; consumer culture; value creation) into different land use outcomes.

Morphological analysis is a method for rigorously structuring and investigating the total set of relationships in inherently non-quantifiable socio-technical problems. The method is carried out by developing parameters of the problem to be investigated, here defined as the four categories of trends, and defining relationships between the parameters on the basis of internal consistency.

For example, the method begins by identifying and defining a trend, e.g. ‘consumer culture’ and assigning it a range of relevant parameters e.g. ‘experience economy’ or ‘buyer economy maintained’, as likely outcomes resulting from different levels of public realm investments in the Heart of London area.

Each investment scenario can then be viewed as a combination of parameters across each trend. Each potential configuration contains one parameter from each of the trend and thus marks out a particular state.

IMPACT ON POTENTIAL FLOORSPACE GROWTH

The two investment scenarios (Do Minimum and Placeshaping Strategy) have been linked to two plausible growth outcomes, which are driven by floor space. The extent to which floor space can fluctuate is informed by looking at historical growth rates and growth targets in the Heart of London area.

The overall land use outcomes across each sector is computed by factoring the impact of each individual parameter acting on a specific sector. The profile of impact across each parameter has been determined by taking a view on how alternative courses of trends could individually account for divergence from historical growth rates in a given sector, accounting for the respective mutual influences of each trends with each other.

We appreciate that any definitions of the sets of future possible parameters is always subjective. The probabilities and impacts of these parameters always remain estimates. The method has been used to form an estimate of the relative influence of different parameters on the paths taken by trends.

MODEL METHODOLOGY

Investment proposition and logic

Public investment is often used to improve the public realm of business areas and town centres as part of regeneration strategies on the understanding that this stimulates and supports new markets and enterprise opportunities.

Empirical evidence demonstrates (CABE 2007 *'Paved with Gold'* & *evidence shown in evidence base*) the potential positive impacts of public realm on the pedestrian environment e.g. improvements on high streets including increased volume of footfall, dwell-time, trade levels and local spend, property values and investments, and employment.

THE ADDED VALUE OF CULTURE ALONG PUBLIC REALM IMPROVEMENTS

The research papers provide evidence of added value of culture and creativity in relation to the benefits from public realm improvements.

Cultural quarters in Sheffield and Manchester, and Temple Bar District in Dublin, Carnaby Street and Marylebone High Street have seen significant increase in the number of businesses following public realm investments.

Other precedent case studies highlight in particular the positive impact of cultural and events programmes in public spaces to

further increase the levels of footfall, and maintain a sense of vibrant place and well utilised spaces throughout the year and the years.

EMPLOYMENT

There are a range of precedent cases and evidence research looking as the link between walking and cycling improvements, and increased number of businesses and jobs.

EVIDENCE BASE KEY FINDINGS

As well as generating income, property values changes are a measure of the attractiveness of an area for visitors, shoppers and businesses.

- Litman (2017) estimates that walking and cycling projects typically increase land value from 70 to 300 per cent
- Retail and commercial rates increase in the range of 10-30% following pedestrianisation
- Access to quality green space has also been seen to increase commercial rents by up to 20%
- A 1% increase in green spaces has been seen to lead to a 0.3-0.5% rise in average house prices

- Genecon's (2010) evaluation of regeneration in Sheffield reported a net increase in rental value of £1.60–£2.40 / sq. ft. and a 1–1.5% yield improvement (based on 40 – 60% attribution rate)
- Whitehead et al. (2006) found an increase in value of 21.7% for retail rents and 24.2% for commercial rents and that a reasonable range was in the order of 10% to 30%; and a mean increase in office rents of 24% from waterfront regeneration.

Source: The pedestrian pound, the business case for better streets and places, Living Streets

Public realm investments are an important catalyst for:

- Increasing footfall and dwell time of tourists and visitors, increasing spending
- Increasing attractiveness of an area for commercial and residential investment

But the wider planning policy, economic environment, and public realm programming also play an important part.

MODEL METHODOLOGY

Impact on rents - Pedestrian Environment Review System

Our assumptions and methodology are based on the following reports:

1. Paved with gold, CABE (2007) – provides evidence of the link between an increase in PERS score following a public realm improvement scheme and property values.
 - Residential uplift: a 5.2% increase in residential prices for each PERS point gained; and
 - Commercial rents: a 4.9% increase in shop rents for each PERS point gained.
2. The pedestrian pound, the business case for better streets and places, Living Streets (2015)– provides case studies that demonstrate the link between public realm improvements, increased footfall and various key indicators (e.g. retail spend, employment, etc.)

These assumptions are further supported by impacts experienced in Covent Garden (Capco) and Regent Street following public realm strategies (case study boxes opposite).

It should be noted that these impacts are typically dependent on:

- Good design, high quality materials and comprehensive approach, and
- Good governance structure to deliver and manage the space over time.

Covent Garden



Governance:

Capco acquired the Covent Garden Estate in 2006, becoming the sole owners and management group of West-End's food and fashion destination in the midst of Theatreland. The estate situation allows them to implement a retail zoning strategy by which they have direct leverage on the type of tenants and the balance between shops, restaurants and bars, as well as day and night-time economies.

Interventions:

Pavement resurfacing, shared surface and pedestrianisation on some segments with high quality paving, cycle Quietways, signage and wayfinding, station overcrowding management scheme (with TfL and WCC), year-long programme of street art, food-markets and other events.

Key impacts:

- Significant increase in annual footfall
- Significant increase in sales densities and corresponding increases in property values
- Improved security

Regent Street



Governance:

The Crown Estate is the single freeholder for most of Regent Street, allowing them to deliver a cohesive improvement programme throughout the Estate and create greater benefits than piecemeal interventions.

Interventions:

£25 million public realm improvements: decluttering and widening pavements, reducing traffic and carriageways, renew street furniture, improve signage and wayfinding, improve lighting. Temporary road closures and pedestrianisation for public events (e.g. Lumiere London)

Key impacts:

- Retail annual rental growth rates exceeded by far what has been anticipated to make the case for public realm improvements, surpassing market levels.
- Reduction of noise and air pollution, improved traffic and pedestrian safety, enhance wellbeing
- World-class office and shopping destination.

MODEL METHODOLOGY

Impact on rents - Pedestrian Environment Review System

This section summarises the result of the street audit undertaken for the Heart of London Business Alliance in the Piccadilly Circus & Leicester Square, Piccadilly & St James's, and St Martin's Lane areas.

The methodology of the audit was based broadly on the Pedestrian Environment Review System (PERS) developed by TRL in cooperation with Transport for London (TfL) in terms of the criteria used. PERS is a multi-criteria assessment tool designed to assess the quality of the pedestrian environment by placing scores on several characteristics, assessing the qualities of a particular street regarding its link or place function.

Nevertheless, it should be noted that the street audit below is not a standard PERS audit. It does not include all the criteria used in a standard PERS assessment; nor are the proposed weightings associated with the criteria (i.e. their relative importance compared to others) the same as the standard PERS.

The proposed weighting to be used for the street audit is contained in the "Paved with gold – the real value of good street design" document published by CABI in 2007. The intended use of the PERS outputs is to quantify the impact of street design improvements on market prices as revealed through commercial rents and residential flat

prices.

The weightings are as follows:

- Quality of environment: **24%**
- Personal security: **13%**
- Permeability: **12%**
- User conflict: **11%**
- Surface quality: **10%**
- Maintenance: **9%**
- Lighting: **7%**
- Legibility: **5%**
- Dropped kerbs: **4%**
- Obstructions: **3%**
- Effective width: **2%**.

For public spaces, the CABI criteria are ascribed to the following PERS categories:

- Moving in the space (**30%**): dropped kerbs, obstructions, permeability, and user conflict;
- Interpreting the space (**5%**): legibility;
- Personal safety (**20%**): lighting and personal security;
- Feeling comfortable (**26%**): effective width and quality of environment; and

- Sense of place (**19%**): surface quality and maintenance.

Because of the different weightings used, the final weighted scores (existing and future) for each street element may therefore be significantly different between the CABI approach and the standard PERS using the TfL methodology. This will in turn have impact on the property value analysis.

MODEL METHODOLOGY

Impact on rents - Pedestrian Environment Review System

A PERS audit of the Heart of London area was conducted on Tuesday, August 27th, 2019. Links and public spaces were assessed as part of the audit. The audit commenced at 10:00 and concluded at 16:30, between the AM and PM peak periods. A lunch break was taken during the lunchtime peak from 12:30 to 13:30. The weather was sunny and hot.

There were two auditors. Auditor 1 was responsible for public spaces and links A1-10 and B1-6. Auditor 2 was responsible for public spaces and links C1-7, D1-4, and E1-7. Scores between Auditor 1 and 2 were examined after the audit to ensure consistency in the PERS auditing process and that there are no significant differences in scoring criteria.

The links and public spaces that were surveyed to form the larger average scores for each area are detailed in the figure opposite. A full list of PERS audit IDs and public space and link names can be found in appendix D.

Piccadilly Circus and St James

A1-A10, C1-C7

Leicester Square

D1-D4, E1-E7

St Martin's Lane area

B1-B6



MODEL METHODOLOGY

Pedestrian Environment Review System outputs

Baseline



Do minimum
Chequered Growth



Placeshaping
Strategy
Good Growth

Considers PERS scores as reflected through the site survey

Considers PERS scores in relation to the Westminster Local Implementation Plan (LIP). Due to the large-scale nature of the LIP, blanket uplift scores were applied to individual links and public spaces in the 'Do minimum' scenario. These uplift assumptions were:

- Uplift of 1 point to dropped kerbs in response to dedicated dropped kerb funding;
- Uplift of 1 point to obstructions in response to the dedicated walking strategy;
- Uplift of 1 point to legibility in response to Legible London investment;
- Uplift of 1 point to surface quality in response to footway renewal schemes;
- Uplift of 1 point to user conflict in response to freight servicing schemes; and
- Uplift of 1 point to quality of environment in response to the Place Shaping Studies.

These assumptions were also similarly applied to public spaces, with the following uplift assumptions:

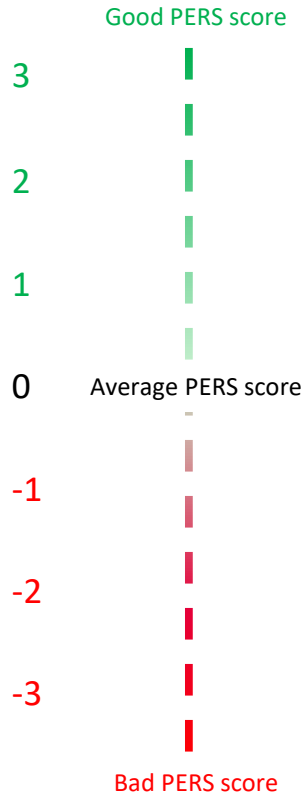
- Uplift of 2 points to moving in the space in response to dropped kerb funding, the dedicated walking strategy, and footway renewal schemes;
- Uplift of 1 point to interpreting the space in response to Legible London investment; and
- Uplift of 1 point to sense of place in response to the Place Shaping Studies.

Considers both the uplift scores in the 'Do minimum' scenario and possible public realm improvements as identified in the Heart of London Placeshaping Strategy to individual links and public spaces.

MODEL METHODOLOGY

Weighted PERS scores results

A more detailed assessment available in Appendix D



Placeshaping
Strategy
Good Growth



Do minimum
Chequered Growth

	Baseline	Placeshaping Strategy Good Growth	Do minimum Chequered Growth
Heart of London area	Links 0.84 Place 1.21	Links 1.77 Place 1.76	Links 1.34 Place 1.62
Piccadilly & St James's	Links 1.47 Place 1.69	Links 2.12 Place 2.23	Links 1.93 Place 2.23
Leicester Square	Links 0.50 Place 2.18	Links 1.66 Place 2.23	Links 1.02 Place 2.23
St Martin's Lane area	Links 0.97 Place -1.67	Links 1.59 Place -0.12	Links 1.49 Place -0.83

ECONOMIC IMPACT MODEL - METHODOLOGY

Approach to economic modelling

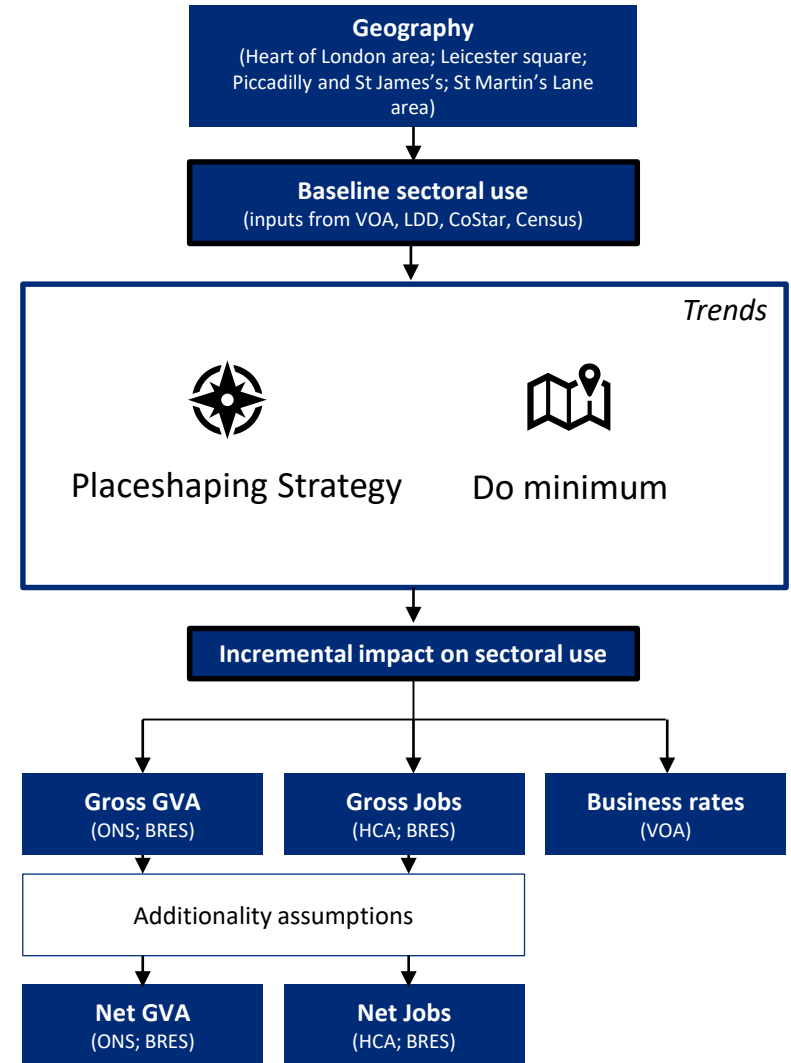
In this section of the report, we outline our approach to the development of our economic impact model. This is shown in a schematic form overleaf

- 1. Define the baseline sectoral use in each sub-geography** - These have been determined by sourcing land use data from CoStar, the London Development Database and Census.
- 2. Identify historical trends** – the baseline land use mix in each geography has been projected drawing on borough level historical time series (2001-16) from the Valuation Office Agency.
- 3. Determine the land use impact of sectoral trends for each investment scenario** – the case studies and trends analysis have informed our view of trends which may have the most potential impacts on land use in the Heart of London, the direction of their impacts (negative or positive) and their importance relative to each other. Four main categories of trends have emerged. For each category, we have developed two or three possible future outcomes. Our understanding of scale, relative divergence and timing of impact has then been informed ‘top-down’ by looking at growth targets in the area, potential growth brought by transport investments

and opportunity areas and borough targets as well as what made sense in terms of the relative impact between trends of diverging effects. This step is further detailed in the ‘Scenario’ section of this report.

- 4. Establish scenario** – the purpose of building scenarios is to identify plausible descriptions of the future which can be used to assess future economic outcomes. Two scenarios (do minimum and Placeshaping Strategy) have been created based on different combinations of possible outcomes across the four categories of trends.
- 5. Consider the economic impact** – the approach is based on widely accepted methodology used in socio-economic assessments. The analysis has considered four main types of economic output, namely, jobs, GVA, business rates, and residential development. A more detailed explanation of the quantitative economic assessment method is provided in this section.

All values are in 2019 prices, unless stated otherwise.



ECONOMIC IMPACT MODEL - METHODOLOGY

Approach to economic modelling - continued

When assessing economic impacts, it is necessary to convert gross outputs into net additional output; the assessment is therefore concerned with identifying additionality.

The following factors have been considered in the assessment to determine the genuinely additional outputs offered by above trend sectoral growth in the Heart of London area.

- **Leakage** – the proportion of outputs which benefit those outside the study area
- **Deadweight** – the outputs which would have occurred following historical trends
- **Displacement / substitution** – the proportion of outputs accounted for by reduced outputs elsewhere in the assessment areas.

This approach closely follows the framework [for evaluation recommended by the Homes and Communities Agency's Additionality Guide](#).

Employment effects

A quantitative assessment of effects has been undertaken at the regional (GLA) level for office, retail, hotel, F&B and Entertainment uses. Employment has been derived for the extent of floor space in each investment scenario. This comprised a calculation of FTE operational employment based on floorspace,

recognised employment densities as set out on the [HCA employment density guide](#) (and shown in the figure opposite), and assumptions on how they would evolve over time.

The assessment has estimated effects at the regional level. Based on the international nature of the Heart of London area, some employment is not expected to be provided from within the regional area. This is reflected within the additionality assumptions made which are set out in the following paragraphs.

A 'leakage' level of 10.4% has been assumed at the regional level. This assumes that a significant proportion of the benefits will be retained within the regional area.

Deadweight assumptions for operational employment account for estimated employment from the existing uses within the regional area. Deadweight for all operational employment assessment levels is therefore assumed to be equivalent to current employment. Thus only the net additional direct employment has been assessed relative to the leakage and displacement effect.






The Heart of London area competes with other attractor centres in the regional area such as King's Cross, NorthBank, Covent Garden, South Bank, or the Stratford Olympic Park.

This suggests that there would be some

displacement effects, although only to a limited extent considering the unique and complementary nature of commercial uses across the Heart of London area when compared to other regional centres and the high level of latent demand for commercial space across Greater London. Displacement and substitution have been assumed to be respectively at 37% and 2%.

A 'ready reckoner' has been used to determine the employment effects informed by HCA guidance. This is a composite multiplier and has been assumed to be 1.4 at the regional GLA level.

Job density assumptions (sqm NIA per worker)

	17.5 sqm/job <i>Falling at CAGR* -0.05%</i>
	12.0 sqm/job <i>Falling at CAGR -0.05%</i>
	30.0 sqm/job <i>Constant</i>
	17.5 sqm/job <i>Falling at CAGR -0.05%</i>
	100.0 sqm/job <i>Falling at CAGR -0.03%</i>

*: Compounded Annual Growth Rate

ECONOMIC IMPACT MODEL - METHODOLOGY

Approach to economic modelling - continued

Local economic impact (GVA)

The calculation for estimating the level of GVA contribution from scenario-based growth in the Heart of London area is based on the GVA per worker in each of the SIC 2-digit sectors making up the economy of each sub-geographies, multiplied by the gross amount of jobs created in each investment scenario.

The GVA per worker in each geography was determined by apportioning the SIC 2-digit GVA per worker in Westminster to the specific location and composition of employment in each sub-geographies (shown in the figure opposite). The compounded annual growth rate of GVA per worker at Westminster level from 1997 to 2016 across each sector has then been apportioned to geographies to project 2019 figures.

The same additionality assumptions are then applied in order to compute the net (GLA level) GVA created over the period in each scenario.

STEP 1

Source GVA per SIC 2-digit at borough level from ONS data.

STEP 2

Source employment figures from the Business Register and Employment Survey at

Westminster level and re-allocate figures to SIC 2-digit level. Compute GVA per worker at Westminster level.

STEP 3

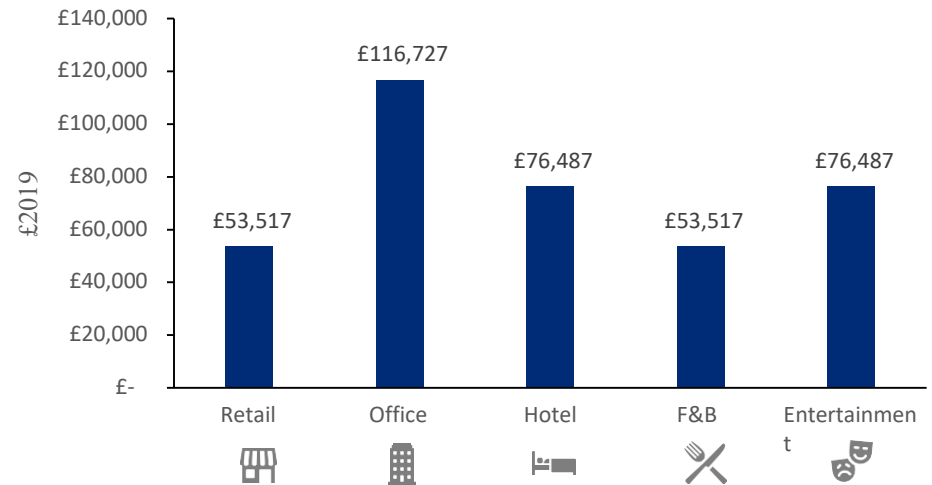
Allocate SIC 2-digit to land use sectors used in this analysis (retail, office, hotel, F&B and entertainment). Use employment for each geography as weight to allocate GVA per worker by sector to each sub-geography in the study area.

Business rates generated

Our projected baseline rateable values per sqm are based on 2016 values drawn from the Valuation Office agency and shown in 2019 prices. The baseline increases at each reset point based on the average annual growth rate over the period from 2011 to 2016 for the period from 2019 onwards.

Based on the latest government policy we assume rateable values reset in 2021 and then every three years following 2021. We assume that the business rate multiplier that is used to calculate business rates payable remains consistent with historical precedent (£0.504 in the year of reset and growing by 2% per year until the following reset). We have also assumed that the level of government taxation of businesses does not significantly change.

Heart of London area - GVA per job (Heart of London area average)



APPENDIX C PERS Scores

APPENDIX D Audit areas

ID	Name	Area	PERS type
A1	Coventry St	Leicester Square	Link
A2	Piccadilly Circus	Leicester Square	Public space
A3	Leicester Square	Leicester Square	Public space
A4	Leicester St	Leicester Square	Link
A4	Leicester Pl	Leicester Square	Link
A4	Leicester Ct	Leicester Square	Link
A4	Bear St	Leicester Square	Link
A5	Whitcomb St	Leicester Square	Link
A5	Whitcomb Ct	Leicester Square	Link
A6	St Martins St	Leicester Square	Link
A7	Oxendon St	Leicester Square	Link
A8	Shaver's Pl	Leicester Square	Link
A9	Rupert St	Leicester Square	Link
A10	Great Windmill St	Leicester Square	Link
B1	St Martin's Ln	St Martin's Lane area	Link
B2	Cranbourn St	St Martin's Lane area	Link
B3	Charing Cross Rd	St Martin's Lane area	Link
B4	National Portrait Gallery pocket park	St Martin's Lane area	Public space
B5	Cecil Ct	St Martin's Lane area	Link
B6	St Martin's Ct	St Martin's Lane area	Link
C1	Haymarket	Leicester Square	Link
C2	Panton St	Leicester Square	Link
C3	Orange St	Leicester Square	Link
C4	Whitcomb St	Leicester Square	Link
C5	St Martin's St	Leicester Square	Link
C6	Pall Mall E	Leicester Square	Link
C7	Suffolk Pl	Leicester Square	Link
D1	Regent St St James's	Piccadilly & St James's	Link
D2	Charles II St	Piccadilly & St James's	Link
D3	Royal Opera Arcade	Piccadilly & St James's	Link
D4	Jermyn St	Piccadilly & St James's	Link
E1	Piccadilly	Piccadilly & St James's	Public space
E2	Green Park entrance	Piccadilly & St James's	Link
E3	Piccadilly	Piccadilly & St James's	Link
E4	Piccadilly	Piccadilly & St James's	Link
E5	Eagle Pl and Bobmaes St	Piccadilly & St James's	Link
E6	Sackville St	Piccadilly & St James's	Link
E7	St James's Piccadilly courtyard	Piccadilly & St James's	Public space

APPENDIX D PERS scores for Leicester Square

Links

Criteria	Baseline	Do Minimum	Placeshaping Strategy	Difference Do Minimum	Difference Placeshaping Strategy	Weighted PERS Do Minimum	Weighted PERS Placeshaping Strategy
Effective width	1	1	2	0	1	0	0.02
Dropped kerbs	1	2	3	1	2	0.04	0.08
Obstructions	2	3	3	1	1	0.03	0.03
Permeability	1	1	2	0	1	0	0.12
Legibility	1	1	2	0	1	0	0.05
Lighting	2	2	3	0	1	0	0.07
Personal security	0	0	0	0	0	0	0
Surface quality	0	1	2	1	2	0.1	0.2
User conflict	2	3	3	1	1	0.11	0.11
Quality of environment	-1	0	1	1	2	0.24	0.48
Maintenance	1	1	1	0	0	0	0

Public spaces

Criteria	Baseline	Do Minimum	Placeshaping Strategy	Difference Do Minimum	Difference Placeshaping Strategy	Weighted PERS Do Minimum	Weighted PERS Placeshaping Strategy
Moving in the space	3	3	3	0	0	0	0
Interpreting the space	1	2	2	1	1	0.05	0.05
Personal safety	2	2	2	0	0	0	0
Feeling comfortable	1	1	1	0	0	0	0
Sense of place	3	3	3	0	0	0	0

APPENDIX D PERS scores for Piccadilly and St James's

Links

Criteria	Baseline	Do Minimum	Placeshaping Strategy	Difference Do Minimum	Difference Placeshaping Strategy	Weighted PERS Do Minimum	Weighted PERS Placeshaping Strategy
Effective width	1	1	1	0	0	0	0
Dropped kerbs	2	3	3	1	1	0.04	0.04
Obstructions	2	3	3	1	1	0.03	0.03
Permeability	1	1	2	0	1	0	0.12
Legibility	1	2	2	1	1	0.05	0.05
Lighting	2	2	3	0	1	0	0.07
Personal security	2	2	2	0	0	0	0
Surface quality	1	2	2	1	1	0.1	0.1
User conflict	2	2	2	0	0	0	0
Quality of environment	1	2	2	1	1	0.24	0.24
Maintenance	2	2	2	0	0	0	0

Public spaces

Criteria	Baseline	Do Minimum	Placeshaping Strategy	Difference Do Minimum	Difference Placeshaping Strategy	Weighted PERS Do Minimum	Weighted PERS Placeshaping Strategy
Moving in the space	2	3	3	1	1	0.3	0.3
Interpreting the space	1	2	2	1	1	0.05	0.05
Personal safety	2	2	2	0	0	0	0
Feeling comfortable	1	1	1	0	0	0	0
Sense of place	2	3	3	1	1	0.19	0.19

APPENDIX D PERS scores for Piccadilly and St James's

Links

Criteria	Baseline	Do Minimum	Placeshaping Strategy	Difference Do Minimum	Difference Placeshaping Strategy	Weighted PERS Do Minimum	Weighted PERS Placeshaping Strategy
Effective width	2	2	2	0	0	0	0
Dropped kerbs	1	2	2	1	1	0.04	0.04
Obstructions	1	2	2	1	1	0.03	0.03
Permeability	2	2	2	0	0	0	0
Legibility	1	1	1	0	0	0	0
Lighting	3	3	3	0	0	0	0
Personal security	2	2	2	0	0	0	0
Surface quality	-1	0	1	1	2	0.1	0.2
User conflict	1	2	2	1	1	0.11	0.11
Quality of environment	0	1	1	0	1	0.24	0.24
Maintenance	1	1	1	0	0	0	0

Public spaces

Criteria	Baseline	Do Minimum	Placeshaping Strategy	Difference Do Minimum	Difference Placeshaping Strategy	Weighted PERS Do Minimum	Weighted PERS Placeshaping Strategy
Moving in the space	-2	0	0	2	2	0.6	0.6
Interpreting the space	-2	-1	-1	1	1	0.05	0.05
Personal safety	0	0	0	0	0	0	0
Feeling comfortable	-3	-3	-1	0	2	0	0.52
Sense of place	-1	0	1	0	2	0.19	0.38

APPENDIX D

Learning from other successful comparable global centres

APPROACH Understanding the importance and impact of public realm investment in other cultural districts

Case study city comparators

Case studies were selected for comparison, based on their similarities to the Heart of London case study area within the context of the Wider West End area.

The following criteria informed their selection:

- Global entertainment destinations
- Main cultural attractor districts adjacent to major retail high-streets in mature markets
- Retail offer is predominantly high-street, mid-market and flagship
- Driving high levels of international and domestic visitors
- High pedestrian footfall observed in the street and district
- Public realm investments have been made or are in the pipeline

Analysis content

The objective of this research is to extract key insights from other places that are attributes of success, how other centres are evolving in a fast changing global context and where possible draw comparisons between them, with a focus on implications for the Heart of London area.

The main focus was on understanding the value and impact of “attractors”, which in this case we are referring to cultural institutions and entertainment activities.

Each of the case study areas have been summarised in accordance with their:

- Key attributes
- Public realm or area-wide strategy investments
- Impact / benefit of investment

The research was desk-based, using publicly available data, industry analysis and publications.

Case study areas

The following case studies were selected for analysis:

- Times Square and Midtown, New York
- South Bank & Laneways, Melbourne
- Millennium Park, Chicago
- Entertainment District & John Street Cultural Corridor, Toronto
- Museum Quarter, Amsterdam
- Central Barcelona
- Corso Vittorio Emanuele II, Milan
- Champs Elysees, Hausmann, Saint Lazare, Paris
- Ginza, Tokyo

CASE STUDIES Midtown and Times Square, New York

A transformation of public spaces for New York

New York City Plaza Program

Since 2007, NYC's Department of Transport (DoT) has partnered with community organisations across New York City to create over 73 new public plazas through the New York City Plaza Program. The goal was to transform underused streetscapes into vibrant public spaces through the creation of neighbourhood plazas.

Key features:

- Furniture, generally movable seating and tables for maximum flexibility.
- Extended areas for open-air activities.
- Visually enhanced pedestrian space, maximizing comfort and active uses.
- Plazas have been proven to enhance local economic vitality, pedestrian mobility, access to public transit, and safety.
- Plazas along Broadway created 37,000+ sqm of new meeting space.

The Green Light for Midtown

In 2010 the **Green Light for Midtown** project aimed at improving mobility and safety on the Broadway corridor. The project created new pedestrian plazas in the Times Square and Herald Square areas, along with safety improvements along the Broadway corridor between Columbus

Circle and Madison Square. The DoT collected extensive data in the months just prior to and just following project implementation, highlighting the impacts of these measures.

Impact

- For the Green Light for Midtown, there was a +11% increase in pedestrian volumes at Times Square
- 74% users declared that Times Square had "improved dramatically"
- 43% fewer people in the project area stated that they would avoid the area if they could
- The percentage of area employees satisfied with the Times Square experience increased by 72% (from 43% to 74% of those surveyed)
- Satisfaction increased across tri-state residents, NY residents and Times Square employees
- -40% decrease in particulate matter in the area
- -35% decrease in pedestrian injuries in the project area
- -63% reduction of injuries to motorists and passengers in the project area
- On 9th avenue, where a high quality cycle lane was rebuilt in late 2008, retail sales increased by up to 49% compared to 3% borough-wide



Source: NYC DoT



Source: NYC DoT

CASE STUDIES Melbourne Arts Precinct South Bank & Laneways, Melbourne, Australia

Celebrating art and culture through public realm investments

Melbourne Arts Precinct

Located in Southbank, the Melbourne Arts Precinct has one of the highest arts, cultural and creative organisations anywhere in the world – presenting up to 3,000 performances and exhibitions every year.

It's home to the most visited art gallery and busiest performing arts centre in Australia, the best arts education and training institutions, art galleries, theatres, music venues, public art, studios, creative co-working spaces and more.

However, most of the activity happens behind closed doors.

The Melbourne Arts Precinct Transformation

This will introduce major new attractions, as well as 18,000m² of new and renewed open public space to connect the iconic St Kilda Road cultural institutions to a world of new experiences behind them. The project will include an elevated inner-city park and new pedestrian connections into and throughout the area.

The project aims to bring the new public spaces to life through creative activations and performances throughout the day – for people to enjoy the area whether or not they have a ticket to a show.

The winning bid from HASSELL and SO-IL puts a strong focus on nature and will include seasonal gardens by world-renowned horticulturalists.

The Government has invested £208m for the first phase, to kick-start planning and enabling the NGV and Arts Centre Melbourne to begin raising philanthropic funds for the revitalisation. Plans and designs are expected to be completed by 2020.

Expected impact

Overall, the project will create 10,000 jobs during construction, and 260 ongoing jobs. Once complete, it is expected to draw an additional 3 million people to the area each year.

Melbourne Laneways

Today many of the laneways in Melbourne are world renowned for their street art, functioning as galleries as well as stages for performances; following the inception of the Laneways Commissions Programme in 2001.

The City has actively engaged in public life research since 1994. The findings have documented the impact of laneway revitalisation on the opportunities for ongoing improvement.



Source: Creative Victoria / HASSELL / SO-IL



Source: Creative Victoria / HASSELL / SO-IL

CASE STUDIES Millennium Park and Loop Theatre District, Chicago, America

Downtown City Park generating the “Millennium Park Effect” on property values

Millennium Park

Millennium Park is a 24.5 acre park established in 2004, costing £490m to implement. The project exemplifies the potential of designed landscapes to catalyse cities around them.

The park, with over 5 million visitors annually, generates an estimated annual revenue of \$1.4bn in direct visitor spending and an additional £78m in tax revenue. It is also sponsored by corporations which helps with maintenance.

The project has been coined to have generated the “Millennium Park Effect”.

It is a clear example of the ‘proximate principle’ to describe the impact of a nearby park on property values.

Loop Theatre District Transforms Downtown Chicago

Under former Mayor Richard M. Daley, the City of Chicago invested heavily in creating a Loop Theatre District as a part of a strategy for reinvigorating Chicago’s downtown area south of the Chicago River. The project included renovation of several high profile theatres, including the Bank of America Theatre, Cadillac Palace, and Oriental Theatre. In 2000, the

Goodman Theatre became part of the district when it built a new theatre on North Dearborn Street.

Overall, the city estimates that \$86 million in public investments for the theatre district alone have yielded approximately \$6 billion economic impact. This along with other public investments have brought many changes to downtown, including new, upscale, residential buildings, hotels, student housing, dining, and entertainment facilities.

The Goodman Theatre itself is an economic generator, bringing more than a quarter million visitors downtown each year and employing 130 people, 90 percent of whom are local residents.

Source: Chicago Loop Alliance



Source: Mellin Vito Palmisano/Photographer's Choice/Getty Images



Source: Josh Mellin



CASE STUDIES Downtown Toronto, Canada

A new plan for Toronto’s Downtown and Entertainment and Cultural Corridors

Significant Growth in Downtown Toronto

Downtown accounts for only 3% of Toronto’s land area, yet it makes up 40% of the non-residential gross floor area and 38% of the residential units proposed in the entire city. It is Canada’s largest employment cluster with over 500,000 jobs, relying on Union Station and the subway system to provide access to a regional workforce. Close to 240,000 people live Downtown, with more than 7,500 residents added annually over the past 5 years. By 2041, the population is projected to nearly double to a potential population of 475,000. In this same time frame, Downtown, together with the two ‘shoulder’ areas of South of Eastern and Liberty Village, has the potential to reach between 850,000 and 915,000 jobs.

The Entertainment District lies on the South West of Downtown, with the area expected to experience the highest amounts of population growth in the downtown area by 2041.

Downtown TO core Plan’s Park and Public Realm Strategy

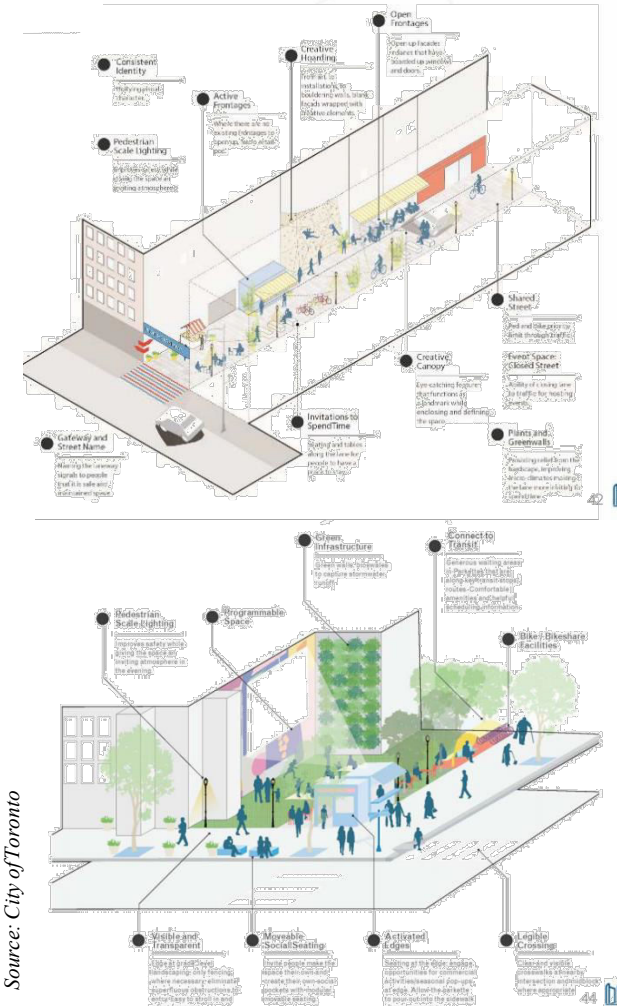
The Downtown Plan sets a 25 year vision for the city centre as the cultural, civic, retail and economic heart of Toronto.

The plan includes a Parks and Public Realm Strategy. The strategy has identified a number of different interventions to address issues, including the following:

- Narrow streets under pressure to accommodate different uses
- Street furniture, bike parking, street trees and outdoor cafés increasingly competing with a growing volume of pedestrians on the sidewalk.

Twelve **Great Streets** have been identified for focused public realm investment given their cultural, historical and civic importance and provide connections to significant public places. These streets will be prioritized for public realm improvements that reinforce their identity, character and heritage value. Each of the Great Streets connects to the Core Circle.

A precinct plan is also under way for the **John Street Cultural Corridor**.



Source: City of Toronto

CASE STUDIES Museum Quarter, Amsterdam**Using an area-wide digital and branding strategy to better coordinate use of public space in response to over tourism****Innovative data-led solutions to better manage tourist numbers and flow**

The increasingly popular capital of the Netherlands, which attracts over 14 million visitors each year, is getting creative rather than prohibitive with its solutions.

Udo and the I Amsterdam team, which oversees the city's tourism, have spent the last two years trying to subtly move tourists away from the most popular attractions, such as the Red Light District and Museum Quarter. They used the data stored on the chip inside Amsterdam's City Card, which gives access to various attractions and free public transport, to analyse tourist behaviour and devise ways of changing it to ease congestion.

"We can see exactly how these people behave," said Udo. "Everybody comes to the city and goes to the Van Gogh Museum in the morning, and [takes] a canal boat in the afternoon."

The team then attempted to switch up this pattern, for example by suggesting people take a boat ride in the morning to avoid the crowds when they bought their City Card. Another scheme involved displaying a live feed showing the queue at the most popular places, such as the Van Gogh Museum, to encourage visitors

to plan their trip for later in the day or plump for another destination altogether

Rebranding to redirect tourists to new attractors

Other strategies have included rebranding places to entice tourists to venture further afield. Zandvoort, 18 miles from the city centre, has been renamed Amsterdam Beach to signal that it can be easily reached – and public transport to more far-flung destinations like this is also now included as part of the City Card offering.

Technology is also playing a major role in Amsterdam's bid to encourage tourists to engage in different activities, at different times of the day, in different areas to manage overcrowding. A new app called "Discover the City" sends users notifications warning when an attraction is busier than normal and suggests alternatives.

The Dutch Tourism Board has now also decided to stop actively promoting the Netherlands because of its main attractors (in Amsterdam) but will focus on trying to spread visitors to other parts of the country and new "attractors".



Source: Lars van den Brink



Source: Stedelijk Museum

CASE STUDIES Central Barcelona

Adoption of a comprehensive and cross-cutting approach to managing urban spaces

Barcelona Tourism for 2020 - Tourist management

Much of Barcelona is facing saturation and pressure on daily life. The city is opting to reduce pressure on its most congested areas to reclaim quality of life for residents. It is taking an active approach to tourist management of the districts. District tourist plans were launched in 2014.

Tourist management includes mobility, accommodation, crowded spaces and ordering and regulation.

Coordination of content that feeds the communication channels aimed at visitors is also seen as vital, such as events, calendar, attractions and projects – public or private – that the territory aims to boost.

There is a strong focus on boosting the administrative structures of the districts involved in managing tourism and related activities. Integration of tourist activities and businesses into local and community development policies to have a positive impact on improving conditions in the neighbourhoods is a strategic priority.

Overcrowding

In response to the overcrowding, which is

making it difficult for people to get on with their daily lives, the city has adopted a range of measures, including:

- Carrying out an analysis and diagnosis of the Crowded Spaces (CS)
- Drawing up plans for measuring reduction in excessive number of visitors, including mobility, flow management, design of public spaces, communication, community revitalising, heritage, data and technological innovation.
- Creating a specific entity for coordinating the CS management

Urban Balance

The strategy also identifies cross-cutting measures that help to compensate for the pressure on neighbourhoods with larger floating populations, such as:

- Designing Urban Improvement and Management Plans
- Implementing policies to counteract pressure on the property market
- Implementing policies to minimise the environmental impact

The strategy also includes the development of an **Accessible Tourism Plan**.



Source: Lonely Planet



Source: Lonely Planet

CASE STUDIES

Corso Vittorio Emanuele II, Milan

Unique retail experience alongside pedestrianisation made the Corso a wandering destination of choice

Premium urban and pedestrian location

The *Corso* is a popular pedestrianised strolling destination for both residents and visitors in Milan. It is located in the historic city centre, very well characterised by a network of pedestrian piazzas as well as shopping and dining destination boulevards, all connected through a unique network of small streets and passageways. There, wandering the streets is a tourism destination in itself, anchored by nearby popular cultural attractions (Duomo, Gallerias) and one of Europe's major department store (La Rinascente). All this was made possible thanks to the pedestrianisation of parts of the city centre which started 10 years ago alongside with a congestion charge, logistics schemes and bike share scheme which allowed the improvement of the public realm, partly-funded by the congestion charge revenue.

Unique local shopping experience

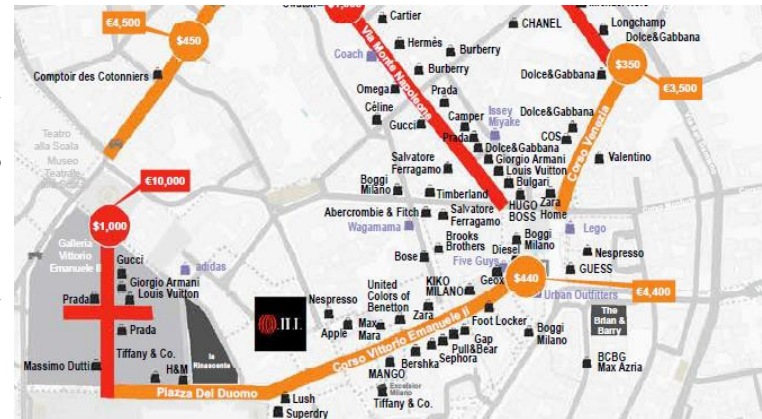
Pedestrianisation and renovation programmes as well as unit expansion participated to the renewal of the retail experience in the *Corso* in recent years. It is now a unique shopping destination catering for all, residents and visitors alike looking for mass-market to high-end fashion and accessories.

The diversity of the retail offer is very attractive with 50 of the 55 stores being domestic Milanese brands, some flagships stores opening recently that are becoming destinations in their own right (e.g. new Apple store) and emblematic luxury department stores. The *Corso* claims to compete with London and Paris as global retail and shopping destination and prime location for international retailers.

Potential improvements

The walkable space and mass-market retail contribute to the artery being a premiere destination for residents and visitors to stroll through the city. Footfall is amongst the highest in Europe (18,000 people at peak hour). However, some challenges were identified impeding the *Corso* to reach its full potential. In terms of accessibility, improvement may be required to further reduce car traffic that remains very high despite the congestion charge, as well as to increase public transport accessibility (no bus or metro exits directly on the street), which could increase footfall volume. Then, the relatively high retail rents tend to restrict new entries and diversification of uses (restaurants) and amenities in the area, with 90% of the frontage being retail.

Corso Vittorio Emanuele II within broader shopping district context (Source: Jones Lang Lasalle)



Galleria Vittorio Emanuele (Source: 2018 Gobbi 1842)



CASE STUDIES Champs Élysées – Haussmann – Saint Lazare, Paris**Complementary mixed-use hubs thriving for global rather than local recognition****A tourist and retail hub**

The area covered by the Champs Élysées, Boulevard Haussmann and the Gare Saint-Lazare is the anchor of the historic tourism in Paris city centre. As a key location surrounded by landmarks and iconic restaurants and diverse stores, the area attracts an ever-increasing number of both tourists looking for local and international luxury brands as well as mass-market stores and experiences, and retailers seeking flagship stores in key tourist locations. It is slowly becoming a global retail destination at the expense of domestic and local residents.

Complementing each other's

The Galleries Lafayette recently opened a second concept store on the Champs Élysées to enrich its Boulevard Haussmann iconic department store offer. These three locations are very much complementary to each other, mutually reinforcing their respective offers. On top of being a premium retail area, it is also key for the culture, entertainment and nightlife economy of Paris as well as being a nice area for scenic and architectural tours.

A mixed-use hub

It also known for being an employment hub, with some of the highest densities in Paris, largely surrounded by residential areas on the edge. All this makes the area very dense, with large amounts of car and cycle traffic as well as pedestrian crowding because of narrow sidewalk posing safety issues as well as preventing local residents from

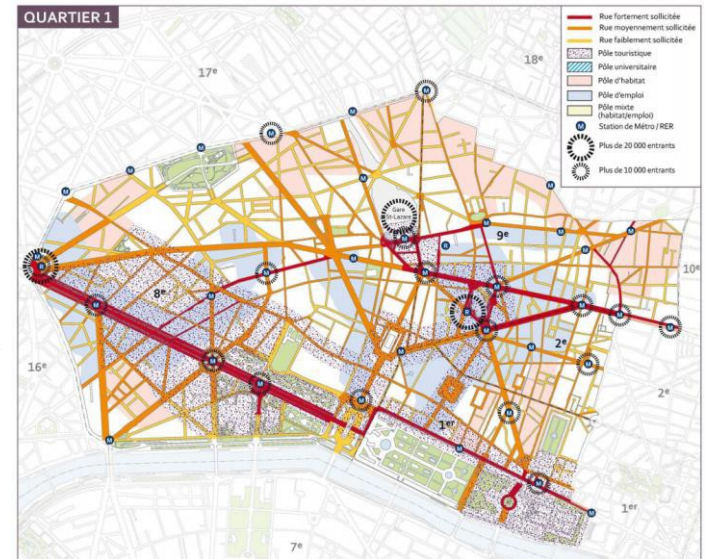
daily enjoying this area.

Ongoing accessibility and public realm improvements

Lately, the city of Paris has largely invested on building cycle lanes and on improving public transportation to connect central Paris to its suburbs with projects such as the Grand Paris with the expansion of some lines. This should bring footfall benefits as well as further improving accessibility to an already well-connected area. On the public realm side, some investments were made lately to improve the public realm in front of the Gare Saint Lazare, aligning with the objectives to make Parisian train stations surrounding a better place to go and shop (eg. the Gare du Nord redevelopment program). A 100 sqm animation zone was set up outside on the forecourt where brands can organise pop-up event or install stands.

Governance and planning constraints

Some constrains prevent the area from thriving further. First, the complementarity of these three areas is underlying, no programme nor governance mechanism with the key stakeholders (private and public) were ever put in place to create a more connected hub. Then, growth opportunities for commercial development are held down by strict planning policies, favouring residential development and protecting heritage buildings, as well as placing landmark department stores under specific jurisdiction controlling their operation hours.



Paris's Quartier 1 (Source: Apur)



Gare Saint Lazare. Source: Le Figaro

CASE STUDIES **Ginza, Tokyo****Coping with structural changes in the retail sector and embracing digital technologies****A mixed-used historic district**

Ginza is Tokyo's luxury retail and entertainment district, home to many department stores, international boutiques, art galleries, exclusive bars and restaurants and the city's most iconic kabuki theatre. Whereas a dense network of human scale side streets provides small retail and experiential offers, the main arteries host flagship and luxury stores. It is therefore one of the major commercial and employment hub with domestic headquarters and international offices located on the main artery Chuo Dori and across Ginza district. The atmosphere transforms around-the-clock from being a shopping destination at day to a becoming theatre and entertainment district at night. The district lives 24/7. However, as expected, pedestrians experience overcrowding, as well as being impacted by the huge volume of delivery happening. On the retailer side, land and property prices are very high, preventing small local stores to settle in.

Ginza Pedestrian Paradise and iconic illuminated shop windows

Ginza is known for organizing car-free days since the 70s, making it the oldest district in Tokyo to do so. These days are often referred

as Ginza Pedestrian Paradise, mostly happening on weekends and holidays, and making it a premiere shopping and family-friendly destination on these days. At night, designer stores are brightly illuminated, on top of embracing digital technologies during the day making these retailers be very innovative. This area is often characterised for its world-class architectural design and high quality public realm, however lacking public spaces.

Shared vision and planning specificities

Interestingly, fragmented land ownership is seen here as a key driver of the area's distinct architectural diversity and mix of uses, contributing to the area's distinctiveness and attractivity to visitors. On the planning side, lots of decision were made following bids, further helping to define and protect the local character whilst managing growth. Strong planning principles and shared vision, rooted in past culture have provided clear design guidelines for years.



Shibuya Crossing, Tokyo (Source: Ei Katsumata)



Ginza, Chuo Dori as Pedestrian Paradise (Source: Japan Guide)

CASE STUDIES Learning from global comparators

Summary of findings

- Cultural institutions are significant attractors that drive footfall for neighbouring uses
- Successful global retail districts are more likely to have adjacent attractors and a mix of uses, including leisure, food & beverage, hotels, residential and offices to create vibrancy into the evening
- Improvements to public realm tends to have a significant impact on pedestrian vibrancy and attraction of an area, drawing additional footfall and spend
- There is either a long-established policy of pedestrianisation and reducing vehicle access or a move towards increasing their levels for all areas analysed
- However some cities are facing significant issues with pedestrian overcrowding where attractor value is high. App based technologies and real time information provided to tourists can be an efficient tool to encourage people to do different things at different times of the day. It can help to manage overcrowding and manage visitor flows throughout the West End
- Digital strategies in addition to public realm improvements and urban district management strategies are becoming increasingly important to manage pedestrian flows and maintain quality of life in popular attractor areas
- All of the comparator cities have recognised the importance of strategic public and private collaboration
- There is strong importance placed on curating spaces through well planned programming of temporary activities



Source: Heart of London Business Alliance

GLOSSARY

BRES – Business Register and
Employment Survey

CAGR – Compounded Annual Growth
Rate

CAZ – Central Activities Zone

F&B – Food and Beverage

GIA – Gross Internal Area

GLA – Greater London Authority

GVA – Gross Value Added

HCA – Housing and Communities
Agency

HGV – Heavy Goods Vehicle

HOLBA – Heart of London Business
Alliance

LDD – London Development Database

LSE – London School of Economics

LSOA – Lower Layer Super Output
Area

NO₂ – Nitrogen Dioxide

NIA – Net Internal Area

NIOD – Northern Isles of Dogs

ONS – Office for National Statistics

PERS – Pedestrian Environment
Review System

PTAL – Public Transport Accessibility
Level

RIBA - Royal Institute of British
Architects

SIC – Standard Industrial Classification

Sqm – Square meters

S106 – Section 106

TfL – Transport for London

TRL – Transport Research Laboratory

ULEZ – Ultra Low Emission Zone

VOA – Valuation Office Agency

WESPRA - West End Special Retail
Policy Area

WCC – Westminster City Council

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Ove Arup & Partners Limited

October 2019