West London

Delivering the Opportunities

LONDON FIRST

wsp

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Foreword

Over the past thirty years, the narrative around London's growth has been to "look east": reclaiming the derelict Docklands, building out Canary Wharf, realising the London Olympics and locking in their legacy – and providing the transport and associated infrastructure needed to support this impressive record of success – have been the headline stories of London's development. Yet West London's growth and assumption of distinctive roles in the economy, culture and life of the capital and the wider South East have been no less dramatic.

London needs to continue to make the most of its potential to the east. But as well as continuing to seize East London's regeneration opportunities, we believe London must also look west, recognising the significance and scale of the substantial regeneration already taking place from Wembley to White City – an area projected to grow by 400,000 people and provide 200,000 new jobs over the next 20 years. We need to understand the factors that have driven this development, ensuring that we maximise West London's opportunities to deliver the homes, jobs and prosperity the capital needs – and that we do so in ways which put it at the very forefront of protecting the environment and safeguarding quality of life.

West London can create more thriving, connected and sustainable places for communities. Building on the potential of nationally significant projects such as HS2 and its proposed station at Old Oak Common as well as more locally transformative projects such as the West London Orbital, the area has an ambitious pipeline of projects to maintain its claim of being "the world's most connected place".

But if West London's future growth is to be realised, action is required now to ensure we make the best use of its scarce land to unlock new housing and employment, and to deploy the right infrastructure to support both existing and new communities.

London has valuable experience of delivering complex and transformative regeneration, and understands the crucially enabling role that infrastructure plays. Rather than reinventing the wheel, we have looked to recent case studies for examples of successful outcomes. From governance to planning, funding and delivery, these case studies shed light on the critical factors, development catalysts and de-risking methodologies that can be applied in West London – and drawn on more widely.

We are optimistic about West London's ability and willingness to make complex projects happen. And we are pragmatic about the hard work and focus required to realise our shared ambition. Delivering new housing, better infrastructure and an upskilled workforce in ways that help fulfil our aspirations for a low-carbon, circular economy and inclusive growth principles will require stronger partnerships between central and local government – and between the public and private sectors.

It is in this spirit of partnership that our organisations have come together to explore and set out some of the ways we believe businesses, local government and local communities can collaborate to realise West London's full potential.

We look forward to continuing to work together – and with you – to deliver the homes, infrastructure and employment opportunities that will underpin West London's future success.

Ian Liddell
Managing Director, Planning & Advisory
WSP Capital West London, Board Member

Jasmine Whitbread
Chief Executive, London First

Cllr Julian Bell
Chair of the West London Economic Prosperity Board

Introduction

West London holds a unique position between central London, Heathrow Airport and the wider Thames Valley and South East England. It has a population of over 2 million, and its £73 billion economy is the second largest in the UK – behind only central London.

Today's economy and culture are rooted in connectivity – the ability to move people, ideas and information to, across and between places. In 2019, a study by West London Business identified West London as the world's most connected place, based on the criteria of culture, transport, internet access and ease of doing business. It is the place that best enables people, ideas and information to move across physical or virtual boundaries, to do business locally and globally and enable people to enjoy the best its diverse cultures from across the world have to offer.

This is both an accolade and a challenge. If West London is the world's most connected place, then how does it remain so? What are the gaps in connectivity within the area and between it and its neighbours and how can they be filled? Furthermore, how can West London deliver on its considerable potential and opportunities?

This report focuses on the key success factors for delivering economic growth and improved quality of life. As we will see on page 6, there are already visions for the future of West London. We support those visions, and want to see them realised. Our focus here is on delivery.

The challenges and obstacles to delivery have already been well-researched through recent studies, including the London Urban Transformation Commission's Seizing the Opportunities: A New Approach for Transforming London (2018). The commission's report proposes new approaches to accelerate regeneration in London's Opportunity Areas by making changes within the Greater London Authority (GLA) and its agencies and through reforms that would enable infrastructure investment by London government.

In this report, we take a different approach.

We review West London's Opportunity Areas and other large developments where successful delivery has already been achieved within the existing frameworks. We gather insights from developers who have delivered within the existing frameworks and by securing private sector funding.

We then look at how those success factors can be applied so that West London can achieve its considerable potential.

Ian Liddell
Managing Director, Planning & Advisory
WSP Capital West London, Board Member

Aspirations *for West London*

To deliver the outcomes West London seeks to achieve – more homes, more jobs and better connectivity to improve quality of life for locals and Londoners as a whole – we remind ourselves of the clear vision that already exists in West London. This is embodied in three core strands, as below.

The Draft London Plan

The draft London Plan's Key Diagram shows opportunity areas clustered along growth corridors. Two of the seven growth corridors pass through West London (HS2 / Thameslink, and Heathrow / Elizabeth Line West).

The HS2 / Thameslink growth corridor contains five Opportunity Areas with potential for at least 61,000 new homes and 107,500 new jobs. The text also refers to the West London Orbital (a new rail link from Brent Cross to Hounslow, via Old Oak Common), which could unlock significant new growth in the area.

The Heathrow / Elizabeth Line West growth corridor contains a further six Opportunity Areas with potential for at least 50,000 new homes and 38,000 new jobs. However, the text also notes that the Mayor of London will review and clarify the area's potential contribution to London's growth when the Heathrow expansion proposals and their implications are clearer.

Figure 4.1 of the draft London Plan sets out proposed annual housing targets for West London, which add up to an overall total of 16,998. This is just over 25% of the 66,000 new homes the draft London Plan says should be delivered every year. GLA employment projections underpinning the draft Plan anticipate 210,000 more jobs in West London into the 2040s. Clearly, West London will be a significant area of growth and development.

The West London Alliance (WLA) Vision for Growth

In 2016, six boroughs of the West London Alliance (Barnet, Brent, Ealing, Hammersmith and Fulham, Harrow and Hounslow) published an agreed Vision for Growth. Its goal is to ensure that West London remains a thriving and prosperous part of a premier world city, with highly profitable businesses investing in it, successful residents and resilient communities.

The Vision for Growth is supported by an Action Plan, which aims to:

1. Achieve a step change in partnership with business and industry to facilitate sustainable economic growth
2. Increase small business start-up and survival rates through business support hubs, higher exports and focused collaboration with higher education institutions
3. Remove the skills gap and support low-paid residents in work to enable them to achieve pay levels that can sustain and improve their living arrangements
4. Radically improve success rates for employment programmes for residents, with all young people in education, employment or training
5. Deliver a housing programme that meets the needs of residents and supports growth
6. Create and maintain thriving town centres which are hubs for work and living.

We expect an update Vision for Growth to be published and consulted upon over the Autumn, in time for publication early 2020. This will build on the current version, firmly placing inclusive growth, support for the circular and low carbon economies and a strong emphasis on infrastructure of all kinds at its heart. We support these new approaches; this clear statement of the kind of growth West London wants to see – and how to ensure its benefits are shared by all West Londoners – will set a clear framework for development and an agenda for cross-sector partners to deliver.

Old Oak and Park Royal Development Corporation (OPDC)

Old Oak and Park Royal lies at the heart of West London. Its reservoir of employment and industrial land means it is a place with unique potential to support London's economy across sectors old and new and provides opportunities to explore new approaches to mixed use neighbourhoods. Large-scale investment in infrastructure gives the potential to address long-standing problems of severance across West London. The area's potential value to London's overall development has long been recognised. The Old Oak & Park Royal Development Corporation (OPDC) is working hard to deliver on this potential.

The OPDC's mission is to work with boroughs to drive the delivery of high-quality homes and jobs, capitalising on the significant HS2 and Elizabeth Line (Crossrail) investment at Old Oak Common. This will contribute to London and UK growth and global competitiveness, and to realising the Mayor's vision and priorities for London and Londoners. OPDC is taking forward a local plan to underpin its delivery.

37,590
Jobs

14,200
Homes

The current London Plan sets out indicative estimates of employment capacity and minimum guidelines for the Old Oak and Park Royal Opportunity Area are 25,500 dwellings and 65,000 jobs. The local plan examination process has already resulted in a recommendation to delete redevelopment proposals for the CarGiant site because they would not be viable and capable of effective delivery within the plan period. This proposed change reduces the numbers of homes and jobs likely to be delivered over the next 20 years to 14,200 and 37,590 respectively.

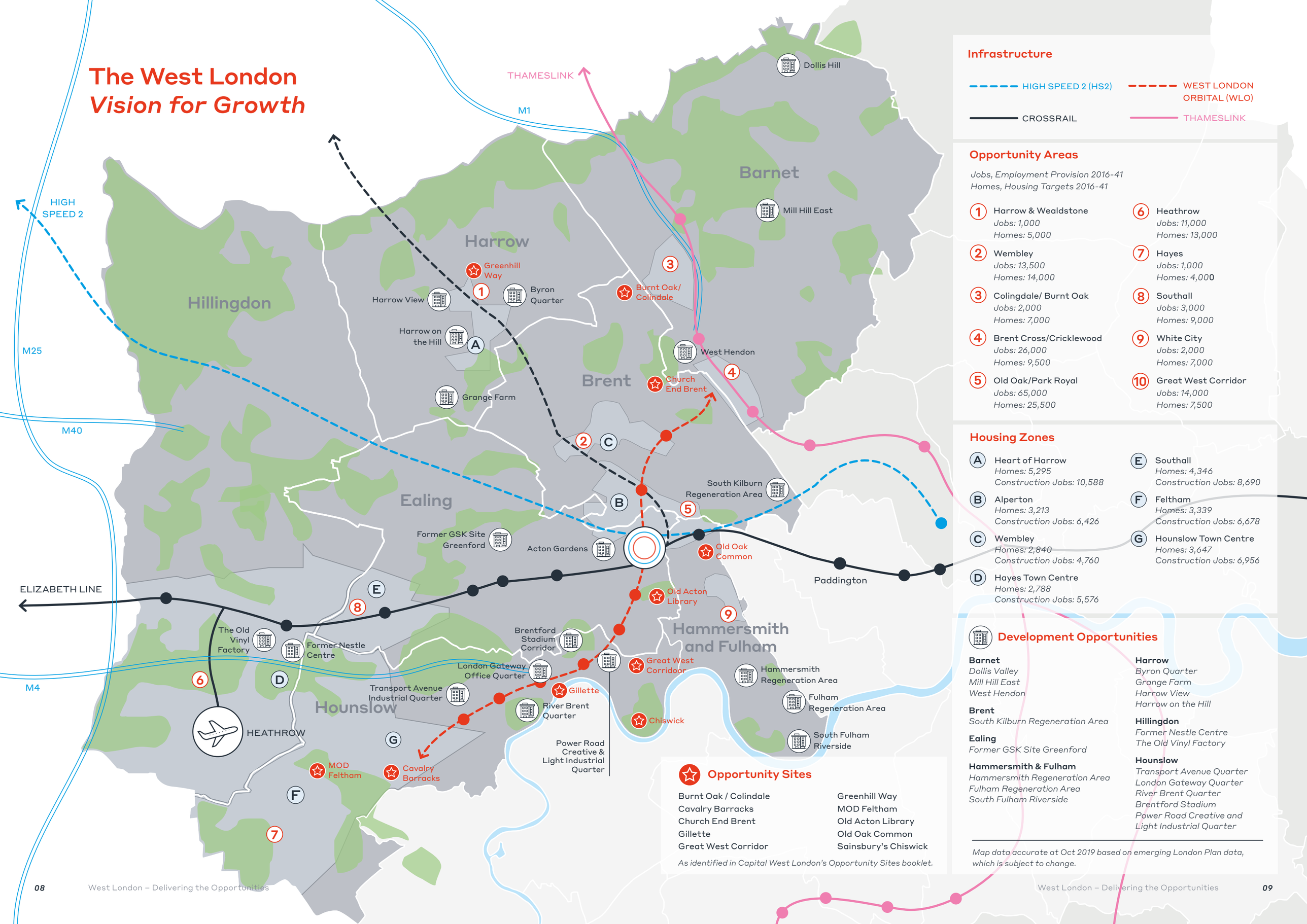
This illustrates some significant points:

- The availability of land is fundamental to future growth
- Deliverability is often a complex issue
- Achieving London's housing targets requires a focussed approach to accelerate the delivery of housing, jobs and social infrastructure (education, healthcare and community facilities)

We support the visions set out by the draft London Plan, the West London Alliance's Vision for Growth and OPDC – but the real value of these visions needs to be unlocked through successful implementation.

This clear statement of the kind of growth West London wants to see will set a clear framework for development and an agenda for cross-sector partners to deliver.

The West London *Vision for Growth*



Infrastructure

- HIGH SPEED 2 (HS2)
- WEST LONDON ORBITAL (WLO)
- CROSSRAIL
- THAMESLINK

Opportunity Areas

Jobs, Employment Provision 2016-41
Homes, Housing Targets 2016-41

1. Harrow & Wealdstone
   Jobs: 1,000
   Homes: 5,000
2. Wembley
   Jobs: 13,500
   Homes: 14,000
3. Colingdale/ Burnt Oak
   Jobs: 2,000
   Homes: 7,000
4. Brent Cross/Cricklewood
   Jobs: 26,000
   Homes: 9,500
5. Old Oak/Park Royal
   Jobs: 65,000
   Homes: 25,500
6. Heathrow
   Jobs: 11,000
   Homes: 13,000
7. Hayes
   Jobs: 1,000
   Homes: 4,000
8. Southall
   Jobs: 3,000
   Homes: 9,000
9. White City
   Jobs: 2,000
   Homes: 7,000
10. Great West Corridor
    Jobs: 14,000
    Homes: 7,500

Housing Zones

- A Heart of Harrow
  Homes: 5,295
  Construction Jobs: 10,588
- B Alperton
  Homes: 3,213
  Construction Jobs: 6,426
- C Wembley
  Homes: 2,840
  Construction Jobs: 4,760
- D Hayes Town Centre
  Homes: 2,788
  Construction Jobs: 5,576
- E Southall
  Homes: 4,346
  Construction Jobs: 8,690
- F Feltham
  Homes: 3,339
  Construction Jobs: 6,678
- G Hounslow Town Centre
  Homes: 3,647
  Construction Jobs: 6,956

Opportunity Sites

- Burnt Oak / Colindale
- Cavalry Barracks
- Church End Brent
- Gillette
- Great West Corridor
- Greenhill Way
- MOD Feltham
- Old Acton Library
- Old Oak Common
- Sainsbury's Chiswick

As identified in Capital West London's Opportunity Sites booklet.

Development Opportunities

Barnet
Dollis Valley
Mill Hill East
West Hendon

Brent
South Kilburn Regeneration Area

Ealing
Former GSK Site Greenford

Hammersmith & Fulham
Hammersmith Regeneration Area
Fulham Regeneration Area
South Fulham Riverside

Harrow
Byron Quarter
Grange Farm
Harrow View
Harrow on the Hill

Hillingdon
Former Nestle Centre
The Old Vinyl Factory

Hounslow
Transport Avenue Quarter
London Gateway Quarter
River Brent Quarter
Brentford Stadium
Power Road Creative and Light Industrial Quarter

Map data accurate at Oct 2019 based on emerging London Plan data, which is subject to change.

Challenges

The challenges and obstacles to delivery of housing and employment have already been well-researched through recent studies, including the London Urban Transformation Commission's *Seizing the Opportunities: A New Approach for Transforming London.*

During 2017, London First brought together built-environment practitioners to form the London Urban Transformation Commission (LUTC). The LUTC set itself the task of exploring why London's largest brownfield sites, primarily Opportunity Areas identified in the London Plan were not meeting their development potential – and how this shortfall could be addressed.

The LUTC identified the following key themes, which are relevant to our report's focus on translating visions into completed development:

- The importance of a clear leadership focus on delivery, with a sense of urgency and priority given to key challenges and risks
- Strains on local authorities' planning and regeneration skills
- The availability of significant up-front capital investment in remediation and infrastructure – often a precondition for development of the kind and scale envisaged
- The consequent need to combine public sector finance with private funding.

Since publication of the LUTC study, Sir Oliver Letwin's Independent Review of Build Out has reported on the factors leading to slow build-out of housing on large development sites. Although his main focus was on the rate at which new homes can be sold on the market, he also identified a number of issues which need to be addressed to speed up delivery from the time planning permission is granted to the time spades hit the ground:

Lack of transport infrastructure

Difficulties of land remediation

Delayed installations by utility companies

Constrained site logistics

Limited availability of capital

Limited supplies of building materials and skilled labour.

Together, these reports pinpoint *seven key challenges*

Maintaining a focus on delivery

Delivering transport infrastructure to unlock development potential

Efficiency constraints of logistics and skilled labour

Scale of up-front capital investment

Attracting private sector funding

Availability of planning and regeneration skills

Phased and coordinated delivery of utilities

Before we look in detail at how these challenges can be overcome, we examine the case studies for successful development – at scale – across London.

London Success Stories
Developing at scale

We identified several success stories among London's Opportunity Areas and large developments where delivery has been achieved within the existing frameworks of regulations and governance.

We followed up with further discussions to identify the key factors which enabled progress.

Case study:
White City Opportunity Area

The £8 billion White City regeneration area comprises 110 ha spread across three distinct sub-areas: White City East, Shepherd's Bush Town Centre and White City West.

Between 2012 and 2015, outline and detailed planning permission were granted for redevelopment to create a world-leading cultural, technological and educational hub with 6,000 new homes and 10,000 new jobs. At White City East, which includes the Grade II Listed former BBC Television Centre, Mitsui Fudosan is delivering a new neighbourhood comprising 1.45 million sq ft of office, residential and leisure space, with substantial public realm improvements.

Good existing transport infrastructure was cited as a major factor in attracting early-movers such as Westfield and Imperial College London. Their progress with public sector stakeholders raised confidence that further improvements (including Shepherds Bush Overground Station and a relocated bus station) could be delivered. This in turn attracted wider investment interest in the area.

Completion of the £1.6 billion, 1.2 million sq ft Westfield London shopping centre in 2008 and its extension to 2.6 million sq ft in 2018 acted as a further catalyst for economic improvements. Furthermore, the BBC's continued presence and Imperial College London's emerging research and development sector attracted new creative businesses and employment opportunities.

This was supported by a clear policy framework and the four main landowners' long-term collaborative approach to creating a valuable sense of neighbourhood quality and distinctiveness. This long-term approach helped to steer delivery through spells of political change and policy ambiguity, which posed a potential risk to securing funding from investors. The long-term approach saw the project successfully through issues with the phasing of utility upgrades and development build-out, which delayed some later stages of implementation.

25,500
Homes

65,000
Jobs

This was supported by a clear policy framework and the four main landowners' long-term collaborative approach to creating a valuable sense of neighbourhood quality and distinctiveness.

Case study:
King's Cross Central

King's Cross Central is recognised as a vibrant new city quarter of offices, homes, community facilities, schools, a world-renowned university, and a host of shops, restaurants, bars and cultural venues. When build-out of the current plans is complete in 2024, there will be 50 new and refurbished buildings set in a network of new streets, squares, parks and public space.

The site was attractive due to its excellent existing transport connections, which were being upgraded. So the focus was on improving pedestrian access to these transport connections across the Regent's Canal and throughout the site. This included an early investment of £7 million for a tunnel into the site from King's Cross Station.

The £40 million cost of remediation works and an underground servicing yard were funded by selling part of the site to London Borough of Camden for its new Town Hall.

A focus on placemaking and branding helped to create value, such that sales revenue from early development phases generated cash flow to fund the subsequent build-out. In all, £350 million of funding was raised.

Land ownership issues were largely resolved through private direct negotiations without public sector facilitation, although fallback/escalation routes were available. Today, all land is owned by King's Cross Central Limited Partnership – comprising Argent, London and Continental Railways, and DHL Supply Chain.

Dealings with utility companies were simplified because the site was largely clear of live utilities and by the installation of its own district heating network.

The importance of a patient capital approach, with the funding partner sharing a long-term view to curating the area for long-term ownership, was highlighted as a key factor in success at this site. Funding was provided by Hermes Investment Management on behalf of the BT Pension Scheme. The funder's requirements created a focus on achieving as much certainty as possible through contractual commitments, guarantees and a clean title.

£7million
investment for a tunnel into the site from King's Cross Station

The importance of a patient capital approach, with the funding partner sharing a long-term view to curating the area for long-term ownership, was highlighted as a key factor in success at this site.

Case study:
Wembley Park

Increasing the pace of delivery and adapting the mix of residential tenures in response to market changes have been key factors in achieving success at Wembley Park. To date 2,000 homes have been completed, with 3,000 more under construction and outline consent for a total of 8,000.

The site was attractive when land assembly began in 2002 because good transport links were already in place, and were going to be updated for the new Wembley Stadium. The original land uses continued to generate income and the developer, Quintain, also raised capital by selling its development land at Greenwich Peninsula and selling a freehold site to London Borough of Brent for its new Civic Centre.

A focus on placemaking and ensuring the new Wembley Stadium is accessible led to improved pedestrian connections to public transport, good public realm and a new seven-acre public park to create a setting for the development. Quintain also saw the importance of attracting occupiers that would put Wembley Park on the map, with the London Designer Outlet centre driving a footfall of 11 million visitors per year and the first 4-star hotel in the area making a statement of intent.

Successfully implementing utility infrastructure required careful planning and phasing, but the cost per serviced plot was high and network reinforcement was inevitable.

Until 2017, the focus had been on building homes for sale but 90% of homes now under construction are to be rented. This has coincided with an increase in the rate of build-out, made possible by funding from Lone Star and by a build-to-rent approach unconstrained by sales rates.

Lone Star funding has provided private, patient capital with ten-year time horizons and a shared plan for long-term ownership, like London's great estates.

Consent for
8,000 homes

A focus on placemaking led to improved pedestrian connections to public transport, good public realm and a new seven-acre public park to create a setting for the development.

Key ingredients *for success*

From our research and conversations, we identified common themes that led to successful delivery.

Transport
the sites had existing infrastructure to provide good transport connectivity, with further upgrades in the pipeline.

Land
clean title and resolvable land ownership issues.

Funding
ability to fund future development by sequencing revenue opportunities (selling off land, assets and/or retail, or using rental income) to manage cash flow.

Patient capital
an investor with a long-term vision for the curation and management of an estate, supportive of building at pace (King's Cross, Wembley).

Collaborative relationship with borough
working with local leaders to build a place that enhances opportunity for local people and fits with local economic development plans (Wembley, White City).

Cultural assets
strong brand or architectural heritage around which an area can be built (for example the Victorian industrial heritage buildings at King's Cross, the BBC at White City, or the international reputation of Wembley Stadium).

Infrastructure
the ability to invest in waste, digital and energy infrastructure.

Addressing delivery challenges *in West London*

On page 10-11, we summarised the seven key challenges to expediting the delivery of London's largest brownfield sites and opportunity areas:

1. Maintaining a focus on delivery
2. Transport infrastructure to unlock potential development potential
3. The efficiency constraints of logistics and skilled labour
4. The scale of up front capital investment
5. Attracting private sector funding
6. The availability of planning and regeneration skills
7. The phased and coordinated delivery of utilities

We have considered how these challenges can be overcome in West London, based on our experience of major development and infrastructure projects and our analysis of the case studies.

Maintaining a focus on delivery

The case studies show that focussing on the detail of delivery is key to progressing with implementation. This should be informed by assessments of risks to delivery, covering the development itself and its enabling infrastructure.

Producing Opportunity Area Planning Frameworks and similar strategic planning documents has worked well in defining a vision at the Opportunity Area scale, but they can lack a true delivery focus. This can be achieved in a separate Delivery Plan to establish a comprehensive understanding of the infrastructure required to deliver growth and how it can be funded, informed by a Development Infrastructure Funding Study and a Delivery Risk Assessment to focus on potential delivery risks and how they can be mitigated.

Delivery Plans should be working documents, updated regularly. They should:

- Include a review of projects identified as the enabling infrastructure – such as utility services; social infrastructure; public realm and environmental enhancement; and transport accessibility, connectivity and capacity
- Provide an assessment of the business cases for these projects
- Establish priorities within a comprehensive delivery programme
- Set out a process for securing funding
- Establish consistent, clear and responsive governance arrangements to make projects and programmes accountable, identifying key responsibilities and accountability
- Provide a basis for identifying and updating key risks and their mitigation.

In Croydon, the council has successfully set up a town-centre Growth Zone which includes 10,000 homes and 23,500 jobs.

This followed agreement of the Opportunity Area Planning Framework vision and the Development Infrastructure Funding Study.

The Growth Zone proposal aimed to enable delivery through a funding package, including a revolving programme of projects. This was set against a longer-term investment of circa £500 million towards infrastructure, with a funding gap of £300 million.

The Growth Zone plan was signed off by the Mayor of London and the GLA, who lobbied central government directly to agree a business rate retention model. This was secured through the 2014 Autumn Statement, and was initially available as a payment to service the debt of the loan Croydon sought.

The programme was kicked off through a five-year Delivery Plan which sets out the strategy for infrastructure, along with funding sources and delivery agents.

Deliver transport infrastructure to unlock development potential

Our case studies, and the previous work by LUTC, show that Opportunity Areas and large brownfield sites with good existing or planned transport provision are the most attractive to developers, whether from the public or private sector.

Many of London's identified opportunities depend on delivery of additional transport infrastructure – it may be a precondition for planning permission being granted or essential if enough value can be realised to make a scheme viable. This means that the 'usual' risks to development delivery can often be compounded by risks of transport infrastructure delivery. For example, ongoing uncertainty about Crossrail 2 will hamper the opportunity for up to 200,000 new homes along its route.

It is therefore vital to focus on delivering transport infrastructure in those areas which depend on it to attract investment and make progress towards new homes, jobs and social infrastructure.

In West London, the key scheme is the West London Orbital. This proposed rail scheme aims to enhance public transport connectivity (in particular north-south 'orbital' connectivity) in West London to facilitate 29,000 additional homes and 23,000 new jobs, while supporting a shift to active, efficient and sustainable modes of transport. Details and a summary of the Strategic Outline Business Case are set out on page 22-23.

The efficiency constraints of logistics and skilled labour

The Letwin Review identified that constraints of logistics and skilled labour are affecting the build-out rates of developments already underway. However, we also note that they have a bearing on construction cost, and by extension on funding requirements and the viability of developments.

Planners and engineers can help to address on-site logistics and the cumulative impact of construction traffic logistics at local and strategic levels. In West London, the logistics impact of delivering an average of some 17,000 houses per year to meet targets will have to be managed alongside the logistics impact of HS2 and other significant projects. These include enabling infrastructure for the Old Oak and Park Royal Opportunity Area, plus the planned expansion of Heathrow Airport. This will be a challenge to the pace of delivery, requiring a focus on efficient construction logistics and off-site manufacture of construction.

In West London, the WLA has established a West London Skills Board which brings together senior leaders from across the employment and skills sectors.

This oversees delivery of skills, employment and productivity programmes and sub-regional work with the Mayor's Skills for Londoners Board. It provides a forum for sharing information about skills shortages in key sectors. Construction has been a particular concern given existing shortages in key trades, an ageing workforce with too few young people entering the sector, as well as a reliance on a high proportion of workers from other EU member states, which might be affected by Brexit. The WLA is looking at ways of making sure it maximises the opportunities to promote construction training and skills, including through use of boroughs' planning powers.

Meanwhile, recent training and work experience initiatives to boost the level of construction-related skills in West London are encouraging steps towards meeting the challenge of building skills across the sub-region.

The scale of up-front capital investment

Many Opportunity Areas and larger brownfield sites need significant investment in infrastructure and expensive remediation works. This accounts for much of the up-front capital investment needed before sales receipts or income come in.

In Wembley Park and King's Cross Central, the cash flow requirements were mitigated by phasing enabling works and delivery, with the value realised from early development phases uplifted through a judicious approach to placemaking.

However, this is not always possible. The LUTC report highlighted the case of Greenwich Peninsula where 120 tonnes of hydrocarbons had to be removed from the soil. The LUTC observed that this "could only have been achieved with government backing across multiple departments, and no private investor would have taken the risk".

OPDC secured £250 million from the Housing Infrastructure Fund to assemble land and to design and build vital roads and utilities infrastructure. This will enable development of homes and businesses to begin at Old Oak North, which is the first of six new neighbourhoods planned for the 650-hectare site.

LUTC highlighted the example of Battersea Power Station, which lay derelict for decades because neither the private nor the public sector could access the significant up-front funding needed. The key move was the adoption of Tax Increment Financing (TIF) to fund a new Northern Line extension to the power station. TIF allows for large-scale forward funding of infrastructure because that money may be offset against expected future tax uplift once the area is fully developed. Securing a Treasury guarantee to underwrite the TIF proved to be the catalyst to unlocking significant private sector investment across multiple sites in the Vauxhall Nine Elms Battersea Opportunity Area.

Attracting private sector funding

Our case study interviews highlighted the importance of private sector funders taking a 'patient capital' approach to the delivery of large development opportunities. We heard about some of the important factors in decisions on the release of private funding.

Managing risk is a key consideration and risk-sensitivity varies from funder to funder, project to project and perhaps even from one phase to another of a project. The public sector has a key role in helping to de-risk investment opportunities to leverage private sector funding.

It is clear that the interface between public sector de-risking to facilitate development and private sector funding decisions is important in building mutual understanding and making progress towards win-win outcomes.

Capital West London

Capital West London is the inward investment and trade programme to drive investment, economic prosperity and business growth across the West London sub-region. Its objective is to promote the WLA boroughs to a global market, attracting more investment and ensuring the area remains a thriving and prosperous part of a premier world city.

It showcases borough-supported opportunity sites to a global market, and acts as a hub for information about investment and occupier opportunity across the sub-region – including specific sites, infrastructure investment and property developments.

The availability of planning and regeneration skills

While the Delivery Plan approach requires an up-front investment of public sector resources, over the longer term it can help to focus the available resources and the efforts of planning and regeneration officers onto delivery-critical tasks.

Nevertheless, it is clear that large-scale regeneration requires particular skills and experience – from placemaking through to financing infrastructure delivery. These skills are not readily available across all boroughs, meaning that the capacity of experienced planning and regeneration officers is highly constrained.

Short-terms fixes such as Planning Performance Agreements have helped to secure experienced officers to expedite the progress of some significant projects on a case-by-case basis. However, this cannot be seen as a long-term solution to this skills gap.

Meanwhile, we support the West London Alliance initiative of sharing resources and expertise across boroughs to make best use of the available skills at a sub-regional level. We also suggest that opportunities to second professionals with the relevant skills to assist with short-term resourcing needs and longer-term capacity-building be examined.

Large-scale regeneration requires particular skills and experience – from placemaking through to financing infrastructure delivery. Sharing resources and expertise across Boroughs helps to make best use of the available skills at a sub-regional level; secondments can also address short-term needs and build capacity.

The phased and coordinated delivery of utilities

A further requirement for most of London's Opportunity Areas and large brownfield sites is to secure delivery by the private sector utilities (principally water, energy and telecommunications).

There can be a chicken and egg problem: as regulated industries, the utilities will not invest without firm commitments from developers, but developers and their funders will not invest without the infrastructure in place. This is less of a problem when one landowner or developer can make firm commitments (as was the case with King's Cross Central and Wembley Park). Where ownership is fragmented, the complexity can lead to substantial delays.

The Letwin Review found that more effective coordination between government departments, agencies and private sector operators was required urgently to improve and accelerate the delivery of utility infrastructure before construction.

Meanwhile, the Institution of Civil Engineers' State of the Nation 2019: Connecting Infrastructure with Housing recommended that regulators should build greater flexibility into the utilities' regulated asset base model. This would enable consideration to be given to providing infrastructure for permitted new housing developments outside price control periods.

Until such reforms can be agreed and implemented, we continue to rely on careful planning and phasing by developers and their engineering advisors, in liaison with the utilities and with support from the public sector.

The West London Alliance has commissioned consultants to prepare a West London Strategic Infrastructure Delivery Plan that will identify the strategic physical and social infrastructure needed to support the sustainable delivery of planned levels of growth into the 2030s-2050s and beyond.

This will look at transport, energy, water/ flood risk, information and communications technology, social and green infrastructure. It will identify the infrastructure needed; its overall cost; the gap between identified cost and resources available and options for closing it; and non-funding obstacles to delivery and steps that can be taken to overcome them. The Plan will include a project schedule identifying the "what, where, who and when" elements of infrastructure planning – setting out for each project the cost and identified funding, an indication of delivery timing, an assessment of priority in supporting growth and any barriers to delivery. The SIDP should be ready for publication in spring 2020. It will be a key tool for boroughs in developing local plans and development frameworks, complementing their more local infrastructure planning.

Greater London Authority's Infrastructure and Development Coordination Team (IDCT)

The GLA recently established the IDCT to coordinate infrastructure and development planning and delivery in London. The team's projects include those related to delivery of infrastructure for housing.

The London Infrastructure Mapping Application (IMA), an interactive tool that explores current and future developments, supports this work, identifying opportunities for joint infrastructure delivery and giving infrastructure providers insight into future projects. The IMA helps developers, providers and utilities work together to phase projects, improving efficiency and reducing costs. The IMA currently has two versions – a public one for all users, and one for registered users with additional datasets. This allows the GLA to respect constraints on releasing sensitive information publicly.

In addition, the IDCT is documenting projects in key London growth areas where poor and inefficient planning for utilities has caused development to stall. From these, the IDCT has sought to learn lessons and identify improvements. These include designing utilities infrastructure for better outcomes, identifying up-front land requirements, gaining a better understanding of local demand, and incorporating collaboration as a key principle in delivery programmes.

Some organisations are already embedding off-site manufacture into their delivery in West London and WSP is supporting these initiatives.

At the Imperial College of Science & Technology White City campus, their mature student accommodation Building F incorporates "Design for Manufacture and Assembly" components based on hybrid concrete precast components. This has been combined with advanced digital technology to create a 'digital twin' making delivery efficient and making future adaptability easier. On the adjacent site, the College has received master-planning approval for the next phases of long-term development. In the interim, 'meanwhile' spaces have been designed to ensure that the site delivers useful space and regeneration. These meanwhile spaces are all based on modular principles to enable fast adaptable buildings to be created.

West London Institute of Technology, run by HCUC

HCUC – the merged college group for Harrow College and Uxbridge College has been chosen by the Department for Education (DfE) to open the West London Institute of Technology – one of the UK's first Institute of Technology centres.

Working with Brunel University London and anchor partners Fujitsu, Heathrow Airport and West London Business, HCUC is among 12 education and training providers to share in a £170 million capital fund to establish specialist technical education provision, predominantly at Level 4 and above.

The Mayor's Construction Academy

The Mayor's Construction Academy (MCA) brings together seven hubs – including Ealing, Hammersmith and West London College – to:

- Boost the number of skilled workers and opportunities in construction, particularly for women and those from black and ethnic minorities
- Provide more high-quality training and initiatives across the capital to give Londoners the skills to enter and progress in construction
- Increase collaboration in the sector, particularly between small and medium-sized businesses (SMEs) and construction skills training providers
- Support the development of training for the construction of more prefabricated housing in London.

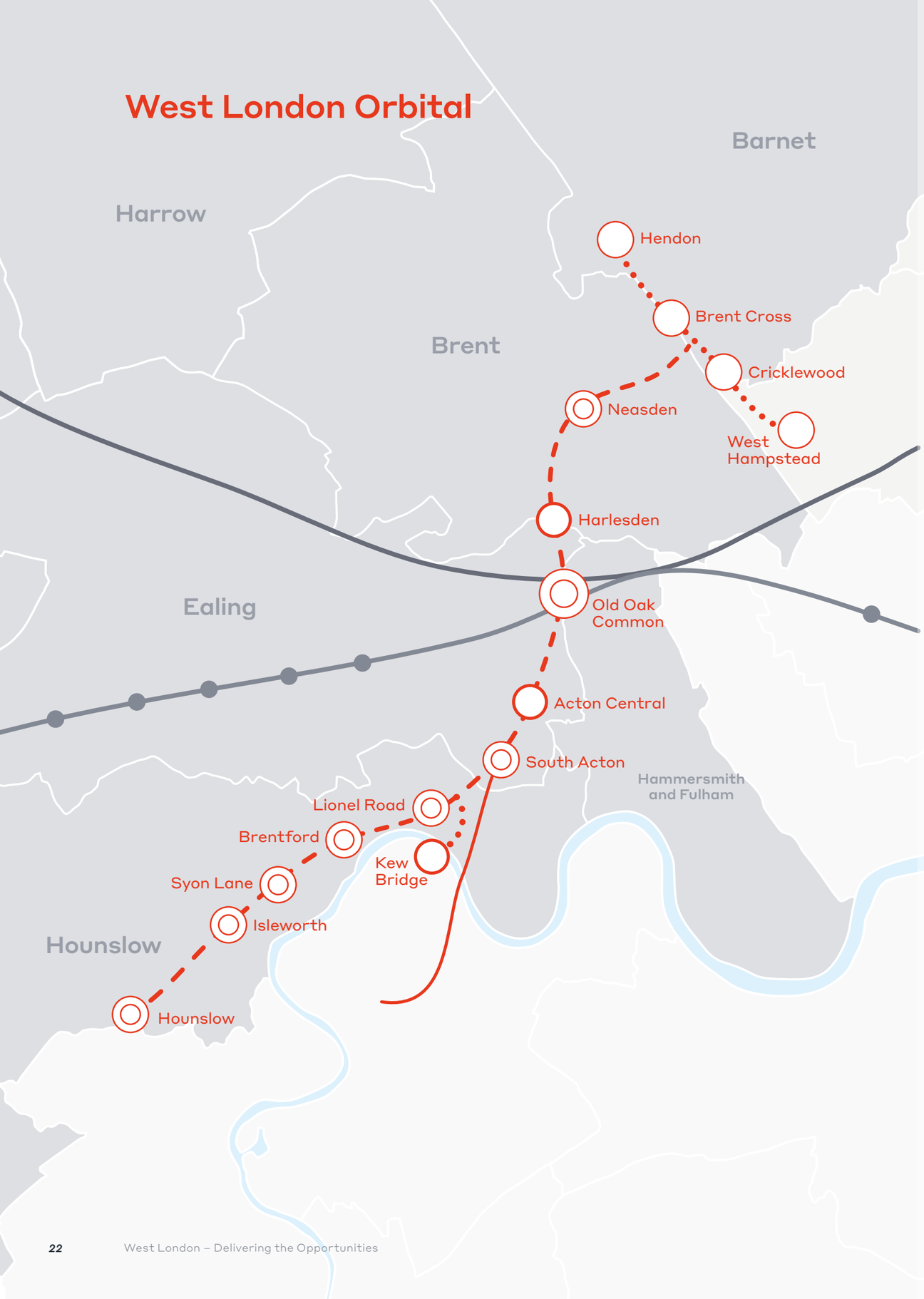
The hubs comprise key organisations involved with construction including large employers, SMEs, further education providers, independent providers, universities, trade bodies, local authorities and employment brokerages. All these organisations share the common goal of helping Londoners to develop the skills they need to tackle the city's housing needs.

Wembley Park Construction Skills Programme

Quintain has created a programme at Wembley Park, which aims to exceed Brent Council's Section 106 requirements. The objective is to create a legacy by working with local partners and Brent Council to create opportunities on people's doorsteps, and boosting the local economy with a trained workforce who will support existing businesses. The programme includes a focus on Construction Skills, to upskill local people, students and school children through a professional skills programme and a charitable fund.

There are currently over 1,500 construction workers on site, of whom nearly 40% are local Brent residents.

West London Orbital



As noted on page 17, areas with good existing transport provision and/or firm proposals for improvements are the most attractive to developers, whether from the public or the private sector. As our case studies have shown, the key requirement is for developers and their funders to have confidence that the proposed transport improvements will be realised.

For this reason, we highlight the West London Orbital rail link as an essential project to enable the delivery of up to 29,000 additional homes and 23,000 new jobs, while supporting a shift to active, efficient and sustainable modes of transport.

A summary of the Strategic Outline Business Case lists the following benefits:

- Medium to High value for money, with a Benefit to Cost ratio of up to 2.0
- Strong case for the scheme to be taken forward to the next stage of business case development
- Improves connectivity between key Opportunity Areas, existing town centres and employment clusters - to increase and spread the benefits of sustainable growth
- Halves journey times between the Old Oak & Park Royal and Brent Cross/Cricklewood Opportunity Areas
- Cuts journey times by up to 24 minutes between Brent Cross West and Ealing Broadway, and up to 20 minutes between Hounslow and Wembley
- Aligned with the Opportunity Areas at Burnt Oak/Colindale, Brent Cross/ Cricklewood, Old Oak & Park Royal, Wembley and the Great West Corridor, plus designated Housing Zones at Wembley and Hounslow Town Centre.
- Provides a new direct link between town centres and employment clusters in Hounslow and the Old Oak & Park Royal Opportunity Area
- Enhanced public transport capacity can enable existing neighbourhoods to grow sustainably while new public transport connections help unlock the full growth potential of parts of West and North West London
- Fills a gap in orbital public transport provision
- Makes public transport more competitive against car usage across West and North West London, supporting mode shift and helping to reduce road congestion and improve air quality.
- Provides a competitive public transport option to ensure that new trips are made by active, efficient and sustainable transport
- Relieves crowding on the Piccadilly and West London lines
- Provides additional north-south capacity, and alternative routes avoiding Central London to alleviate pressure on Central London interchanges
- Makes the transport network as a whole more resilient
- Enables the delivery of up to 29,000 new homes and 5,000 retail, 12,000 office and 6,000 industrial jobs
- New direct link between Hounslow Loop and Old Oak, enabling journeys between Surrey and Old Oak & Park Royal
- No technical ‘showstoppers’ have been identified but some significant challenges to delivering the scheme need to be considered through further feasibility work
- Estimated capital cost of is £152 million in 2017/18 prices, with an 80 per cent adjustment added (for optimism bias and contingencies) to reach an estimate of £273 million

Call to *action*

Having identified seven key delivery challenges to expediting the delivery of London's largest opportunity areas, and recognising West London's unique potential to build on its claim as the world's most-connected place, while delivering on its updated Vision for Growth, we recommend that the following actions be treated as priorities to alleviate each delivery challenge:

1.

Maintaining a focus on delivery

Recommendation: Boroughs in West London, with support from the WLA should consider ways of promoting the delivery of development and regeneration opportunities, particularly those of strategic importance, and ensuring its member boroughs have access to the skills and expertise they need to help stimulate market conditions for new homes and employment opportunities.

2.

Transport infrastructure to unlock development potential

Recommendation: TfL and the WLA should press ahead with the development of the West London Orbital and ensure its prompt delivery, building on the Strategic Outline Business Case. The lessons of this successful joint working should be applied in identifying future transport infrastructure needs in supporting growth and promoting connectivity.

3.

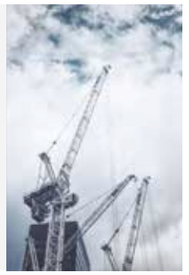
The efficiency constraints of logistics and skilled labour

Recommendation: Government and the GLA should ensure West London boroughs are adequately resourced to step up the work of the West London Skills Board in delivering on the skills dimension of the updated Vision for Growth.

4.

The scale of up-front capital investment

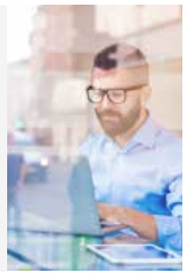
Recommendation: Central Government and the GLA should consider greater devolution of revenue raising powers to West London boroughs, individually and collectively, to ensure they have the resources and skills they need to help development come forward. Further funds should be devolved to sub-regional transport partnerships like WestTrans to support local transport schemes.



5.

Attracting private sector funding

Recommendation: West London Boroughs should build on the successes of Capital West London in creating an attractive investment proposition in West London, and work with London & Partners to further leverage HMG's network of international posts and trade visits to raise the attractiveness of the sub-region for international and institutional investors.



6.

The availability of planning and regeneration skills

Recommendation: West London boroughs should work collectively to identify planning and regeneration skills gaps and consider ways of seeking to address these collectively. This may include targeted secondments to and from the private sector and other public agencies and working with local universities and colleges and relevant professions to find innovative pathways and approaches to address these in the long term.

7.

The phased and coordinated delivery of utilities

Recommendation: The WLA, GLA and individual boroughs should work with the utilities, regulators and developers to promote coordinated forward planning to ensure energy and water infrastructure is in place to support the sub-region's strategic growth priorities. This planning should promote and incentivise the roll out of circular economy and net zero carbon solutions.

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For more information, please contact:

Ian Liddell
ian.liddell@wsp.com

Nick Belsten
nick.belsten@indigoplanning.com

www.wsp.com/westlondon