

# **OBJ3/P5/A1-9**

Transport and Works (Inquiries Procedure) Rules 2004

Proposed London Underground (Victoria Station Upgrade) Order

LAND SECURITIES PLC AND OTHERS (Objector No. 3)

APPENDICES 1 – 09 TO PROOF OF EVIDENCE of HUGH BULLOCK of  
GERALD EVE

PROOF OF EVIDENCE of HUGH BULLOCK of GERALD EVE

APPENDICES 1 – 09

| <b>Reference</b> | <b>Document</b>   |
|------------------|---|
| OBJ3/P5/A1       | Schedule of examples of Hugh Bullock's professional work                          |
| OBJ3/P5/A2       | Convention for the Protection of Human Rights and Fundamental Freedoms (extracts) |
| OBJ3/P5/A3       | The London Plan 2004 (extract)  |
| OBJ3/P5/A4       | The City Plan 2006-2016, Westminster City Council Community Strategy (extracts)   |
| OBJ3/P5/A5       | Westminster Economic Development Strategy 2008-2011(extracts)                     |
| OBJ3/P5/A6       | London View Management Framework, 2007(extract)                                   |
| OBJ3/P5/A7       | Introduction to Transport Analysis, TAG Unit 1.1                                  |
| OBJ3/P5/A8       | Transport Appraisal and the New Green Book, TAG Unit 2.7.1 (extract)              |
| OBJ3/P5/A9       | Green Book, Appraisal and Evaluation in Central Government (extracts)             |

# **OBJ3/P5/A1**

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LAND SECURITIES PLC AND OTHERS (Objector No. 3)

PROOF OF EVIDENCE of HUGH BULLOCK of GERALD EVE

APPENDIX 1

[SCHEDULE OF EXAMPLES OF HUGH BULLOCK'S PROFESSIONAL  
WORK]

## Hugh Bullock – Examples of Professional Work

| <b>Client</b>  | <b>Instruction</b>   |
|--|--|
| Alliance & Leicester   | Advising on town centre representation throughout the UK.  |
| Ahli United Bank (UK) Plc  | Advising on mixed use redevelopment in Central London.   |
| Argyll Property Asset Management                                       | Advising on redevelopment potential.   |
| Anglesey Aluminium Metal Limited                                       | Advising on development of surplus land.   |
| Arcadian International Plc   | Advising on hotel development included listed buildings.   |
| BAA  | Advising on redevelopment of Terminals 1, 2 and 3, Heathrow Airport.   |
| Barlow Lyde & Gilbert  | Advising as an expert in respect of High Court proceedings.  |
| Bedford Estates  | Advising on development projects.  |
| Bee Bee Developments Limited   | Advising on large scale urban extensions.  |
| Berkeley Square Holdings Limited                                       | Advising on a range of property related matters in Central London, including estate development strategy.                                  |
| British Land   | Advising on development in Central London.   |
| Bryant Homes (Southern) Limited  | Advising on release of land for housing development.   |
| Cadogan Estates Limited  | Advising on a range of development projects in Central London and Manchester, including the Duke of York's Headquarters site, King's Road. |
| Capital and City Plc   | Advising on Central London office development.   |
| Central Railway Group Holdings   | Advising on proposed new rail route.   |
| Chesterfield Properties Plc (now Quintain Estates and Development Plc) | Preparing pre-purchase reports in respect of retail investments and town centre development throughout the UK.                             |

| <b>Client</b>                 | <b>Instruction</b>  |
|-------------------------------|---|
| Circle Plane                  | Advising on mixed development in Central London   |
| City Inn                      | Advising on hotel development.  |
| Church Commissioners          | Advising as an expert in respect of High Court proceedings.   |
| Crown Estate Commissioners    | Advising on development in Central London.  |
| Croydon Borough Council       | Advising on Arena related development.  |
| Delancey Group Plc            | Advising on mixed use development.  |
| Derwent London Plc            | Advising on office development in Central London and impact of Crossrail, including petitioning of Parliament and negotiating with promoters. |
| Diageo Plc Corporate Property | Advising on corporate headquarters office in Central London.  |
| Development Securities Plc    | Advising on office and mixed use development in Central London and Docklands.   |
| Dorchester Collection         | Advising on hotel development in Central London.  |
| English Partnerships          | Advising on the regeneration of the Dome and the Greenwich Peninsula.   |
| Fenwick                       | Advising on retail development.   |
| Freeport Leisure Plc          | Advising on development of factory outlet centre and leisure facilities in Braintree.   |
| Friends Provident Life        | Advising on office and hotel development in Central London.   |
| Furniture Village Plc         | Advising on retail development programme.   |
| Gascoyne Holdings Ltd         | Advising on leisure development in Central London.  |
| Gillette UK Limited           | Advising on development of principal United Kingdom manufacturing plant.  |

| <b>Client</b>                    | <b>Instruction</b>  |
|----------------------------------|---|
| Great Portland Estates           | Advising on development in Central London including over site development associated with Crossrail.                              |
| Grosvenor Limited                | Advising on a range of property related matters in Central London and elsewhere in the UK, including estate development strategy. |
| Halifax Plc                      | Advising on town centre representation throughout the UK.   |
| Hammerson UK Properties Plc      | Advising on office and retail developments in Central London and elsewhere in the UK.   |
| Her Majesty's Prison Service     | Advising on Category B prison development programme.  |
| Hermes                           | Advising on redevelopment for retail purposes.  |
| Hines UK                         | Advising on office redevelopment in Central London.   |
| Howard de Walden Estates Limited | Advising on planning matters in Central London.   |
| HSBC                             | Advising on retail development strategy.  |
| IHI Plc                          | Advising on hotel development in Central London.  |
| Ilchester Estates                | Advising on residential development project in Central London.  |
| Imperial College, London         | Advising on estate strategy and South Kensington Campus development and planning matters across the property portfolio.           |
| King's College, London           | Advising on development of Campus.  |
| Lancer Property Asset Management | Advising on a range of property related matters in Central London, including estate development strategy.                         |
| Land Securities Plc              | Advising on Central London commercial and residential development, including Victoria Transport Interchange.                      |

| <b>Client</b>   | <b>Instruction</b>  |
|---|---|
| Lend Lease Real Estates Solutions UK                    | Advising on the Dome and the Greenwich Peninsula.   |
| London Development Agency                               | Advising on major London redevelopment projects, including Royal Docks and Crystal Palace Park.   |
| London & Regional Properties                            | Advising on mixed use redevelopment.  |
| London First  | Advising on planning matters in London and appearing at the draft London Plan Examination in Public.  |
| London Institute  | Advising on planning and development of surplus property.   |
| London Merchant Securities                              | Advising on mixed use development.  |
| Marylebone Cricket Club                                 | Advising on development of new Grandstand, Media Centre and Hospitality facilities at Lord's Cricket Ground.  |
| McAleer & Rushe Group                                   | Advising on office, residential, retail and hotel developments in Central London.   |
| Morley Properties Limited                               | Advising on retail development potential of retail and industrial park.   |
| NatWest Group Property (now The Royal Bank of Scotland) | Advising on town centre representation in the UK and development of surplus land.   |
| Peugeot Motor Company Plc                               | Advising on development of principal UK manufacturing facility and disposal of surplus property assets and other property assets.                             |
| Portman Estate  | Advising on planning matters in Central London.   |
| Prudential Property Investment Managers                 | Advising on large scale urban extensions.   |
| Quintain Estates and Development Plc                    | Advising on a range of development projects in the UK, including the Greenwich Peninsula regeneration and Wembley Regeneration Area, and the Wembley Complex. |
| Rialto Homes Plc / Frogmore Developments Ltd            | Advising on residential and commercial major regeneration projects in Central London.   |

| <b>Client</b>  | <b>Instruction</b>  |
|--|---|
| Royal Ballet School  | Advising on White Lodge, Richmond Park.   |
| Six Continents   | Advising on development of flagship hotel.  |
| Standard Life Assurance Company                              | Advising on redevelopment of town centre and retail warehouse parks throughout the UK. Advising on office development in Central London.  |
| St Anne's College, Oxford                                    | Advising on the expansion of the College.   |
| St. Catherine's College, Oxford                              | Advising on the expansion of the College.   |
| Stanhope Plc   | Advising on development of Selfridges' retail and office development, Oxford St, London and Bracknell Town Centre redevelopment.  |
| Sunrise Senior Living  | Advising on development programme in the United Kingdom.  |
| Unison   | Advising on relocation of UK Headquarters.  |
| University of Oxford and The Saïd Business School Foundation | Advising on the development of an International Business School in Oxford.  |
| Van den Bergh Foods Limited                                  | Advising on disposal of surplus land, impact of the Channel Tunnel Rail Link, petitioning of Parliament, negotiating with the promoters. Appearing as expert in the Lands Tribunal pursuant to Blight Notice Claim. |
| Wansborough Willey Hargrave                                  | Advising as an expert in High Court proceedings.  |
| Westminster Property Owners Association                      | Advisor to the Association's Planning Working Party in respect of Planning Policy for London and the City of Westminster.   |
| Workspace Glebe  | Advising on regeneration of employment land portfolio across Greater London.  |



# **OBJ3/P5/A2**

Transport and Works (Inquiries Procedure) Rules 2004  
Proposed London Underground (Victoria Station Upgrade) Order

LAND SECURITIES PLC AND OTHERS (Objector No. 3)

PROOF OF EVIDENCE of HUGH BULLOCK of GERALD EVE

APPENDIX 2

[CONVENTION FOR THE PROTECTION OF HUMAN RIGHTS AND  
FUNDAMENTAL FREEDOMS (EXTRACTS)]



**Convention for the Protection  
of Human Rights  
and Fundamental Freedoms  
as amended by Protocol No. 11**

**with Protocol Nos. 1, 4, 6, 7, 12 and 13**

The text of the Convention had been amended according to the provisions of Protocol No. 3 (ETS No. 45), which entered into force on 21 September 1970, of Protocol No. 5 (ETS No. 55), which entered into force on 20 December 1971 and of Protocol No. 8 (ETS No. 118), which entered into force on 1 January 1990, and comprised also the text of Protocol No. 2 (ETS No. 44) which, in accordance with Article 5, paragraph 3 thereof, had been an integral part of the Convention since its entry into force on 21 September 1970. All provisions which had been amended or added by these Protocols are replaced by Protocol No. 11 (ETS No. 155), as from the date of its entry into force on 1 November 1998. As from that date, Protocol No. 9 (ETS No. 140), which entered into force on 1 October 1994, is repealed.

Registry of the European Court of Human Rights  
September 2003

**Convention for the Protection  
of Human Rights and  
Fundamental Freedoms**

Rome, 4.XI.1950

The governments signatory hereto, being members of the Council of Europe,

Considering the Universal Declaration of Human Rights proclaimed by the General Assembly of the United Nations on 10th December 1948;

Considering that this Declaration aims at securing the universal and effective recognition and observance of the Rights therein declared;

Considering that the aim of the Council of Europe is the achievement of greater unity between its members and that one of the methods by which that aim is to be pursued is the maintenance and further realisation of human rights and fundamental freedoms;

Reaffirming their profound belief in those fundamental freedoms which are the foundation of justice and peace in the world and are best maintained on the one hand by an effective political democracy and on the other by a common understanding and observance of the human rights upon which they depend;

Being resolved, as the governments of European countries which are like-minded and have a common heritage of political traditions, ideals, freedom and the rule of law, to take the first steps for the collective enforcement of certain of the rights stated in the Universal Declaration,

Have agreed as follows:

**Article 1 – Obligation to respect human rights**

The High Contracting Parties shall secure to everyone within their jurisdiction the rights and freedoms defined in Section I of this Convention.

- c to defend himself in person or through legal assistance of his own choosing or, if he has not sufficient means to pay for legal assistance, to be given it free when the interests of justice so require;
- d to examine or have examined witnesses against him and to obtain the attendance and examination of witnesses on his behalf under the same conditions as witnesses against him;
- e to have the free assistance of an interpreter if he cannot understand or speak the language used in court.

**Article 7 – No punishment without law**

- 1 No one shall be held guilty of any criminal offence on account of any act or omission which did not constitute a criminal offence under national or international law at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the criminal offence was committed.
- 2 This article shall not prejudice the trial and punishment of any person for any act or omission which, at the time when it was committed, was criminal according to the general principles of law recognised by civilised nations.

**Article 8 – Right to respect for private and family life**

- 1 Everyone has the right to respect for his private and family life, his home and his correspondence.
- 2 There shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

**Article 9 – Freedom of thought, conscience and religion**

- 1 Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief and freedom, either alone or in community with others and in public or private, to manifest his religion or belief, in worship, teaching, practice and observance.

**Protocol to the Convention for the  
Protection of Human Rights and  
Fundamental Freedoms**

Paris, 20.III.1952

The governments signatory hereto, being members of the Council of Europe,

Being resolved to take steps to ensure the collective enforcement of certain rights and freedoms other than those already included in Section I of the Convention for the Protection of Human Rights and Fundamental Freedoms signed at Rome on 4 November 1950 (hereinafter referred to as "the Convention"),

Have agreed as follows:

**Article 1 – Protection of property**

Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law.

The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

**Article 2 – Right to education**

No person shall be denied the right to education. In the exercise of any functions which it assumes in relation to education and to teaching, the State shall respect the right of parents to ensure such education and teaching in conformity with their own religious and philosophical convictions.

**Article 3 – Right to free elections**

The High Contracting Parties undertake to hold free elections at reasonable intervals by secret ballot, under conditions which will ensure the free expression of the opinion of the people in the choice of the legislature.

#### **Article 4 – Territorial application**

Any High Contracting Party may at the time of signature or ratification or at any time thereafter communicate to the Secretary General of the Council of Europe a declaration stating the extent to which it undertakes that the provisions of the present Protocol shall apply to such of the territories for the international relations of which it is responsible as are named therein.

Any High Contracting Party which has communicated a declaration in virtue of the preceding paragraph may from time to time communicate a further declaration modifying the terms of any former declaration or terminating the application of the provisions of this Protocol in respect of any territory.

A declaration made in accordance with this article shall be deemed to have been made in accordance with paragraph 1 of Article 56 of the Convention.

#### **Article 5 – Relationship to the Convention**

As between the High Contracting Parties the provisions of Articles 1, 2, 3 and 4 of this Protocol shall be regarded as additional articles to the Convention and all the provisions of the Convention shall apply accordingly.

#### **Article 6 – Signature and ratification**

This Protocol shall be open for signature by the members of the Council of Europe, who are the signatories of the Convention; it shall be ratified at the same time as or after the ratification of the Convention. It shall enter into force after the deposit of ten instruments of ratification. As regards any signatory ratifying subsequently, the Protocol shall enter into force at the date of the deposit of its instrument of ratification.

The instruments of ratification shall be deposited with the Secretary General of the Council of Europe, who will notify all members of the names of those who have ratified.

Done at Paris on the 20th day of March 1952, in English and French, both texts being equally authentic, in a single copy which shall remain deposited in the archives of the Council of Europe. The Secretary General shall transmit certified copies to each of the signatory governments.

# **OBJ3/P5/A3**

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APPENDIX 3

[THE LONDON PLAN 2004 (EXTRACT)]

**MAYOR OF LONDON**

## **The London Plan**

Spatial Development Strategy for Greater London

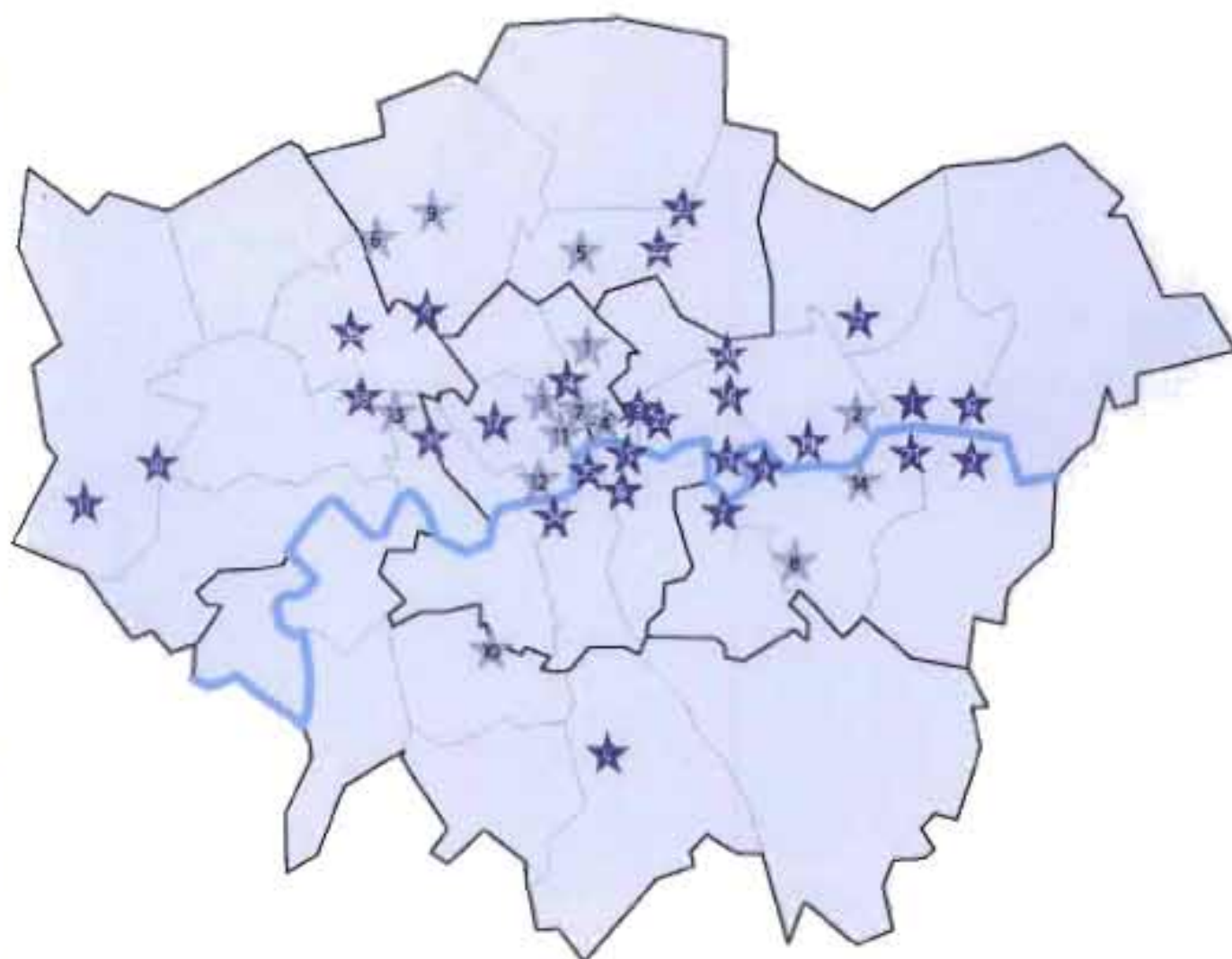


February 2004



- take account of the community, environmental and other distinctive local characteristics of each area.

**map 2A.1 Opportunity Areas and Areas for Intensification**



★ Areas for Intensification

- |                                  |                                       |
|----------------------------------|---------------------------------------|
| 1 Arsenal/Holloway               | 8 Kidbrook                            |
| 2 Beckton                        | 9 Mill Hill East                      |
| 3 Euston                         | 10 South Wimbledon/Colliers Wood      |
| 4 Farringdon/Smithfield          | 11 Tottenham Cr. Rd                   |
| 5 Haringey Heartlands/Wood Green | 12 Victoria                           |
| 6 Colindale                      | 13 Willesden Junction                 |
| 7 Holborn                        | 14 Woolwich Town Centre/Royal Arsenal |

## ★ Opportunity Areas

- |   |                                      |
|---|--------------------------------------|
| 1. Barking Reach                          | 15. London Bridge                    |
| 2. Belvedere/ Erith                       | 16. Lower Lee Valley                 |
| 3. Bishopsgate/ South Shoreditch          | 17. Paddington                       |
| 4. Cricklewood Brent Cross                | 18. Park Royal                       |
| 5. Croydon Town Centre                    | 19. Royal Docks                      |
| 6. London Riverside                       | 20. Stratford                        |
| 7. Deptford Creek/<br>Greenwich Riverside | 21. Thamesmead                       |
| 8. Elephant & Castle                      | 22. Tottenham Hale                   |
| 9. Greenwich Peninsula                    | 23. Upper Lee Valley                 |
| 10. Hayes/West Drayton/Southall           | 24. Vauxhall/Nine Elms<br>/Battersea |
| 11. Heathrow/Feltham/Bedfont Lakes        | 25. Waterloo                         |
| 12. Ilford                                | 26. Wembley                          |
| 13. Isle of Dogs                          | 27. Whitechapel/Aldgate              |
| 14. King's Cross                          | 28. White City                       |

- 2.8 Opportunity Areas have been identified on the basis that they are capable of accommodating substantial new jobs or homes and their potential should be maximised. Typically, each can accommodate at least 5,000 jobs or 2,500 homes or a mix of the two, together with appropriate provision of other uses such as local shops, leisure facilities and schools. These areas generally include major brownfield sites with capacity for new development and places with potential for significant increases in density. Their development should be geared to the use of public transport and they are either located at areas of good access or would require public transport improvements to support development. Their broad locations are indicated on Map 2A.1. Their detailed boundaries, capacity and policies will be identified in Sub-Regional Development Frameworks and in UDPs (see also Chapter 5).

### *Areas for Intensification*

#### *Policy 2A.3 Areas for Intensification*

UDP policies should identify Areas for Intensification including those shown on Map 2A.1. Policies for development should exploit their public transport accessibility and potential for increases in residential, employment and other uses, through higher densities and more mixed and intensive use.

- 2.9 These areas have significant potential for increases in residential, employment and other uses through development or redevelopment of available sites and exploitation of potential for regeneration, through higher densities and more mixed and intensive use. An initial identification of these Areas for Intensification is given in Map 2A.1. Their detailed boundaries, capacity and policies will be developed,

in participation with local communities, in Sub-Regional Development Frameworks and in UDPs, along with any further suitable Areas for Intensification identified by boroughs. The Mayor will also work with boroughs in preparing planning frameworks for these areas.

- 2.10 Tables for each sub-region (see Chapter 5) set out the identified Opportunity Areas and Areas for Intensification and suggest indicative estimates of housing and employment growth for the plan period. These development capacity guidelines are indicative and will be tested and refined with sub-regional partners. Development or redevelopment of these areas will contribute significantly to meeting the indicative sub-regional growth estimates.

#### *Areas for Regeneration*

##### *Policy 2A.4 Areas for Regeneration*

Within the Areas for Regeneration shown on Map 2A.2 the Mayor will work with strategic partners to achieve their sustained renewal by prioritising them for action and investment.

In their UDPs, Community Strategies, and Neighbourhood Renewal Strategies, boroughs should identify Areas for Regeneration and set out integrated spatial policies that bring together regeneration, development and transport proposals with improvements in learning and skills, health, safety, access, employment, environment and housing.

These policies and actions should state how they seek to achieve the government's objective, which the Mayor supports, that no-one should be seriously disadvantaged by where they live within 10–20 years.

UDP policies should identify any local regeneration areas and highlight any suitable additional strategic areas for inclusion in the first review of the London Plan.



Environmental and traffic management improvements are crucial to the successful redevelopment of this southern gateway to central London.

*Other Central London Opportunity Areas*

- 5.37 King's Cross has the best public transport accessibility in London. This will improve further with the completion of the CTRL, Thameslink 2000 and the Cross River Tram. Construction of the CTRL will release 20 hectares of underused land. Its central location and unique public transport accessibility offer particular scope for high-density business development, as well as housing. Conference facilities could be appropriate, provided they can be integrated satisfactorily with other activities. In such a highly urbanised quarter, environmental quality is crucial. The development framework should draw upon the historic features of the site to create a truly sustainable business and residential community, reliant on minimal use of cars.



- 5.38 Paddington is a major national and commuter rail terminal, which has good links with Heathrow and London rail services. Crossrail 1 would extend links to the City and eastwards. The area has a distinct 'canal-side' character to build on. Existing developments have already begun to respond to the site's scope for high density, good quality, business and housing development. Proposals for the renewal of St Mary's Hospital and the relocation of the Royal Brompton and Harefield Hospitals should support the creation of the largest health campus in London. It is an area generally suitable for tall buildings. Future development should enhance environmental quality, support low car use and integrate with the surrounding neighbourhood.

*Areas for Intensification in Central London*

*Policy 5B.5 Areas for Intensification in Central London*

The Areas for Intensification in the Central London sub-region are shown in Table 5B.2, with indicative estimates of additional homes and jobs growth. To help accommodate growth, boroughs, in consultation with the Mayor, should promote development opportunities through higher density redevelopment at key transport nodes of good accessibility and capacity and in town centres and seek to achieve higher levels of provision wherever possible, especially for housing.

**table 5B.2 Areas for Intensification in Central London – indicative estimates of growth**

| Areas for Intensification | Area (ha) | New jobs to 2016 | New homes to 2016 |
|---------------------------|-----------|------------------|-------------------|
| Farringdon/Smithfield     | 10        | 2,000            | 100               |
| Holborn                   | 13        | 2,000            | 200               |
| Euston                    | 16        | 4,000            | 200               |
| Tottenham Court Road      | 10        | 2,000            | 200               |
| Victoria                  | 41        | 2,000            | 200               |
| Arsenal/Holloway          | 38        | 1,500            | 2,000             |

source: GLA 2003

5.39 The general policy for Areas for Intensification is set out in Policy 2A.3. The existing Victoria, Euston and Farringdon Stations could provide varying levels of development. Land use development should not compromise long-term measures to improve public transport provision at these key locations. Development at Farringdon should be set in the context of the proposed review of London's wholesale markets to ensure integration with any potential increment to development capacity associated with nearby Smithfield.

5.40 A new Crossrail interchange could support increased development capacity, suitably phased, in the area around Tottenham Court Road Station. It is also close to the wider Holborn/Midtown area, which could respond to improved public transport accessibility and capacity through redevelopment at higher densities. There are already proposals for Holloway/Arsenal to secure a new 60,000 seater stadium entailing sequential mixed development across three sites, which is an example of the type of intensive development that should be sought in Areas for Intensification.

#### *Areas for Regeneration in Central London*

5.41 The general policy for Areas for Regeneration is set out in Policy 2A.4. While some parts of Central London are extremely affluent, there are significant concentrations of deprivation in the rest of the sub-region. In planning for these areas, boroughs should identify links that will enable their residents to benefit from the growth in nearby Opportunity Areas and the Central Activities Zone. These linkages extend to parts of Areas for Regeneration elsewhere in London, especially East London.

5.42 A combination of new transport links to these areas, training programmes, and capacity-building initiatives should ensure that development opportunities benefit and assist in regenerating local communities.

# **OBJ3/P5/A4**

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APPENDIX 4

[THE CITY PLAN 2006-2016, WESTMINSTER CITY COUNCIL  
COMMUNITY STRATEGY (EXTRACTS)]



working  
together to  
shape our  
city's future



## Our shared vision and goals

**Our shared vision** for Westminster is that by 2016 it will be the best city to live in, work and visit in the UK, a vibrant city with great quality of life, strong, united communities and excellent services, offering real opportunities for everyone to achieve a better future.

**Our goals** are:

### An improving city environment

Developing a safer, more sustainable, well-designed and distinctive city

- A safer city
- A more sustainable, cleaner & greener city
- A well designed & distinctive city

### Better life chances for all our citizens

Improving health, care, housing, learning, employment and enterprise opportunities in an economically thriving city

- A better city for children and young people
- A city of opportunity where everyone can improve their life chances, well being and health
- A strong city economy with a skilled workforce and successful businesses

## Westminster 2016

### Strong, united and engaged communities

Building a stronger and more united city

- A more united city
- A stronger voice for local people in shaping their city

### Customer tailored services

Better meeting customer needs, better understanding community priorities, and delivering to meet them

- Accessible services
- Locally focused services



## Introducing the City Plan

### What is the City Plan?

The City Plan is the community strategy for Westminster. It sets a vision for the future and outlines key aims and priorities to achieve this vision over the next ten years.

Community strategies are required by the Local Government Act 2000 to improve the economic, social and environmental well being of the area and to contribute to the achievement of sustainable development in the UK.

### Sustainable development

Sustainable development is about achieving physical, economic and social developments in ways that do not compromise environmental resources and quality. It refers to immediate and future impacts and to preventing global as well as local environmental damage, including mitigating the effects of climate change.

One aspect of sustainable development is the 'sustainable community': one where

people want to live and work, now and in the future. Our City Plan explores what this means in the unique circumstances and environment of Westminster.

In Westminster the City Partnership will use the Plan as a tool to co-ordinate partners' activities, improve local services and make sure everyone is working towards the same goals.

### Who is the City Plan for?

Westminster's partners and stakeholders – those who have a specific responsibility for delivering the Plan's aims – will primarily use this document but the vision should be shared by everyone living and working in Westminster.

A summary for residents, businesses and visitors is available at [www.westminster.gov.uk/partnerships](http://www.westminster.gov.uk/partnerships).

### A sustainable community means one that is:

- *active, inclusive and safe:* fair, tolerant and cohesive with a strong local culture and other shared community activities
- *well-run:* with effective and inclusive participation, representation and leadership
- *environmentally sensitive:* providing places for people to live that are considerate of the environment
- *well-designed and built:* featuring a quality built and natural environment
- *well-connected:* with good transport services and communications linking people to jobs, schools, health and other services
- *thriving:* with a flourishing and diverse local economy
- *well-served:* with public, private, community and voluntary services that are appropriate to people's needs and accessible to all
- *fair for everyone:* including those in other communities, now and in the future.

Source: 'Local Strategic Partnerships: Shaping their future'. Office of the Deputy Prime Minister 2005.

### How was the Plan developed?

The Westminster City Partnership has used various information sources to put the City Plan together.

During 2005 the Partnership developed a Local Area Agreement (see page 16) with central government to enable us to target resources better on local priorities. We have used the priorities we agreed for the Local Area Agreement as the basis for this City Plan.

### Consultation

To decide exactly which issues we should focus on in the City Plan we used the information we have about local residents, businesses and stakeholders' views. Since 2002 we have consulted local people on a wide range of different issues about improving Westminster. The Plan builds on these consultations and on the plans we have developed since 2002.

To help us develop the City Plan we also used:

- 2005/06 One City workshops, survey and seminars
- two City Plan public surveys and web-based surveys
- 2006 City Partnership summit on community cohesion
- focus groups with Westminster workers
- meetings with key local networks and partnerships
- consultation on a draft Plan from June to September 2006.

It is very important that the Plan has a positive effect on all our communities, so we carried out an equalities impact assessment to identify the impact of the Plan on black and minority ethnic people, disabled and Deaf people, and women.

There is more information about all the consultation at [www.westminster.gov.uk/partnerships](http://www.westminster.gov.uk/partnerships).

### What you want for Westminster

Consultation over the last four years has given partners a lot of information about local people's views and aspirations. The City Plan is about how we prioritise them and respond collectively. These were some of the strongest messages:

- Residents are very positive about living in Westminster.
- Reducing crime must continue to be one of our highest priorities and young people care just as much as adults about being safe.
- Residents are very keen to work together to influence local decision-making.
- Information about services and language and literacy levels are the biggest issues for black and minority ethnic communities.
- Environmental issues and the 'green' agenda are increasingly important.
- People choose to live in Westminster because of easy access to facilities and good public transport.



### The first City Plan

We also looked at how the first City Plan had worked and whether we had achieved our aims. We found that the first City Plan had made a real difference and had helped us improve quality of life across Westminster. Only two of the 106 targets were not reached. Achievements ranged from significant progress in working with black and minority ethnic communities to identify their needs and concerns, to funding a range of community projects and improving our cross-agency approach to people with mental health issues.

Partnership working also improved substantially. Some things about the way the Plan worked could have been done differently, for example, the way we monitor our progress. For the second Plan we have changed this.

### How will the City Plan be turned into action?

The City Plan is the 'umbrella strategy' for other strategies and plans that partners develop. Business and action plans will take account of the City Plan priorities and contribute to achieving them. In particular the City Plan sets the context for the City Council's Local Development Framework: the overall spatial development strategy for the city, which contains our planning policies for all land in Westminster.

Although each partner will deliver those aspects of the City Plan which are their direct responsibility, the eight networks of the City Partnership will oversee progress against relevant sections of the Plan. The City Partnership will look at achievements annually and there will be a full review in 2011.

### Taking forward the City Plan – the Local Development Framework (LDF)

All local authorities have to produce this new type of development plan for their area. Westminster's LDF will replace the current Unitary Development Plan.

The LDF provides the 'spatial' strategy for how Westminster will develop over the next 15 years and there will be extensive consultation with local communities about it. Its vision will reflect the City Plan's vision and the City Plan will provide the context for the LDF's key planning and development policies.

[www.westminster.gov.uk/environment/planning/ldf](http://www.westminster.gov.uk/environment/planning/ldf) gives more information about the development of the LDF through to 2009.

### Taking forward the City Plan – One City: strong communities and excellent services

Westminster City Council's 'One City' programme (2006-10) shows how the City Council will take forward the City Plan's priorities. The Council's objective is to make Westminster the best-governed city in the world. This means:

- an example of united, tolerant and active communities
- a centre of opportunity and enterprise with active citizens and flourishing businesses
- support from a city council, which sets a leading edge example in terms of community leadership.

Other organisations' plans will help achieve the aims and priorities of the City Plan in a similar way.

### The Westminster context: changes and challenges

**The home of Government and the monarchy, great buildings, famous streets and squares, Westminster is also an area where rich and poor live side-by-side and a first home for many migrants. As partners, over the next decade, we will be delivering services to increasing numbers of people, from more diverse backgrounds who have higher expectations of those services and of local governance.**

To develop our vision for the future we have looked at how the city could change over the next ten years and what some of the major opportunities and challenges will be.

Westminster service providers face some unique challenges. We serve a residential population of 244,400 but a daytime population of closer to a million and Europe's largest nighttime economy.

We are the largest centre of employment in the UK, have the busiest planning authority in the UK, are home to government, and to state and national ceremonies and many internationally famous buildings and tourist attractions.

As London's 'shop window' we are responsible for keeping the most visible part of the capital clean, safe, attractive and free moving. At the same time we need to balance the vibrancy and pressures of our 24/7 city with residents' expectations for a high quality of life and good, affordable public services.

Successfully addressing this requires constant innovation, new ways of working across local organisations and a commitment to better and more effective use of existing resources.



These are some of the big issues for the next ten years:

### The changing economy

In economic terms Westminster is dynamic. Over half a million people and around 50,000 businesses in the city make a measurable contribution to national GDP. But, in common with the UK and much of western Europe, the transfer of wealth and manufacturing to the low labour cost economies such as India and China will leave us ever more reliant on the service sector and professional and support services to provide jobs and income. With some significant pockets of unemployment in Westminster we must raise the skills base across the whole city to ensure local people can compete successfully in this changing environment.

Improving what Westminster can offer to businesses is critical to supporting our economy. Businesses want many of the same things as residents: a high quality city environment based on clean, attractive and safe streets and public

space with good transport links as well as Westminster's unique cultural facilities. These are also key issues for visitors. Leisure and business tourism is going to continue to be an important driver in Westminster's economy, which means that further investment in new attractions and upgraded facilities are needed to encourage visitors to return.

### Safety in the city

Community safety will inevitably remain a major issue for Westminster as it is for London as a whole. Total crimes in Westminster decreased by 4,000 between 2000/02 and 2004/05 but, despite falling crime levels, residents still identify reducing crime and safety as their top priority. Crime levels are strongly affected by the million people entering the city every day and by the unique circumstances of the West End. Managing this will continue to be crucial.

Terrorism is likely to remain a concern for those living and working in the capital. It is crucial that our communities in

Westminster are not divided by fear and misunderstanding and that they are united in the face of any attack.

### The city environment

In the centre of London, Westminster will always face huge challenges around land use. The city has a large number of listed buildings, conservation areas, and a World Heritage site. Conserving the best of the past is central to maintaining Westminster's unique appeal. But we also need our new buildings and landmarks to be worthy of conservation in the future.

Addressing the shortage of affordable housing and high levels of housing need including homelessness and overcrowding, are key issues in maintaining and improving overall quality of life in Westminster. Protecting and improving the natural environment and promoting more sustainable approaches to urban living are becoming increasingly important to everyone and taking forward this agenda will be a major priority.

## Neighbourhoods and Neighbourhood Renewal

**“In an increasingly global and fragmented world, people identify not with the metropolis but with their local community or neighbourhood.”**

(One City, 2005)

The City Plan will be implemented with a strong focus on working at a neighbourhood level. We know that in the future neighbourhoods will increasingly be seen as a critical ‘unit’ for local decision-making and service provision. The opportunities offered by expanding technology will allow partners to improve the local focus of their services. We also believe that people are keen to have a stronger voice at the local level.

### Neighbourhood initiatives

Our neighbourhood approach will build on the increasing number of locally focused programmes and initiatives which partners have successfully put in place over recent years. Each of these brings together a range of partners to join up service delivery and improve outcomes for residents within a particular area and with

a particular focus such as crime or environmental management. They include:

- six **Area Forums** which cover the whole city, consulting with and informing residents through regular open meetings.
- **Integrated Area Management**, which aims to improve liveability by tackling street environment issues in a targeted way.
- **Area-based Action Plans** that set out detailed development, environmental and renewal proposals for specific areas, aiming to support the individual character and needs of those areas. The **plans focusing on areas within the West End** have been developed with the ultimate aim of improving the West End, making better and more interesting places to live in, work and visit. A high priority is ensuring the process includes residents, businesses and other stakeholders.
- **CivicWatch** and **Safer Neighbourhoods** programmes which successfully tackle local crime and safety issues, significantly reducing fear of crime and improving community confidence. They focus on local areas’ particular challenges –

tackling anti-social behaviour, persistent environmental problems and signposting positive activities for young residents.

- the **Civic Streets** initiative is designed to improve the environment and strengthen the role of the seven district shopping centres outside the West End. A programme of street enhancements is helping increase the attractiveness of these areas.
- the **Building Schools for the Future** programme that is now underway will transform secondary education by providing an enhanced secondary infrastructure which positions schools as hubs providing wider services to their neighbourhoods.
- **Extended Schools** will contribute to raising standards, creating learning opportunities for all ages and strengthening community cohesion.
- two **Healthy Living Centres** working with disadvantaged communities to encourage and support healthier living.
- **Children’s Centres** are ‘virtual’ centres that currently ensure children in areas of deprivation have streamlined access to services. They will be further extended across Westminster.



- **Business Improvement Districts (BIDs)** are one type of neighbourhood management. A BID is where businesses agree through a formal ballot to pay a levy on top of their business rates to generate income that is used to improve their area. There are three BIDs in Westminster: Heart of London, New West End Company and Paddington.

### Neighbourhood Renewal in Westminster

The Westminster City Partnership has made significant progress in tackling issues of deprivation at a neighbourhood level.

### The national Neighbourhood Renewal programme

This aims to improve outcomes in the most deprived communities so that no one is seriously disadvantaged by where they live. This involves setting national goals for the poorest neighbourhoods in terms of reduced worklessness and crime, improved health and well being, education and housing and improved environments. The objective is to narrow the gaps in quality of life between the

most deprived neighbourhoods and the rest of the country.

Westminster was identified as a Neighbourhood Renewal area because of the high levels of disadvantage in some parts of the city, and the City Partnership set out its plans to tackle deprivation in its 2002 Neighbourhood Renewal Strategy.

The picture in Westminster was, and continues to be, complex – with pockets of disadvantage as well as prosperity in most wards of the city. The Partnership recognised that although neighbourhoods and communities of need were already being prioritised through mainstream funding as well as individual programmes, concerted joint work was needed to tackle some of the complex causes underlying deprivation and to ensure all services were high quality.

The City Partnership's approach was to prioritise the areas where research showed that there was significant disadvantage or communities faced significant pressures on quality of life. It set up Local Area Renewal Partnerships in:

- Church Street
- Queen's Park

- Harrow Road
- Westbourne
- South Westminster
- West End

These neighbourhoods tend to be those where crime is highest, where social housing is concentrated, where the greatest numbers of vulnerable people live and where there are high numbers of people from black and ethnic minority communities and disabled people.

The Local Area Renewal Partnerships have each drawn up a delivery plan to help achieve sustainable change in their neighbourhoods (see page 25 for a snapshot of some of their priorities.)

As well as focusing on these areas, disadvantaged groups were identified across the city: vulnerable young people and families; older people; recent arrivals in need; and the city street community.

Over the coming years the City Partnership will continue to work to tackle issues of deprivation and City Plan priorities reflect this. We will look at how best practice in local renewal areas can be used in other neighbourhoods.

## Neighbourhood Renewal progress

Since 2002 the Partnership has made significant progress. The six Local Area Renewal Partnerships (LARPs) have involved stakeholders and communities in tackling specific local issues and developing action plans.

- Elections to LARP Boards have shown that local people are highly enthusiastic about engaging with new locally based partnerships focused on their communities.
- Church Street's groundbreaking approach to neighbourhood management gained pathfinder status, attracting £2.6m over 7 years and, uniquely, is managed by a community-led regeneration organisation, Paddington Development Trust.
- Our CivicWatch initiative has not only reduced fear of crime amongst residents but also has reduced crime levels. For example there is less theft from vehicles and increased satisfaction with the physical environment.

- The 'Helping People Help Themselves', 'Bengali Outreach' and 'Arab Advice & Advocacy' projects have helped over 1,000 people a year.
- South Westminster LARP was chosen to be a national pilot 'management centre'. This means that the LARP's approach to managing agencies and sectors together on cross-cutting projects was used to identify best practice.

## Neighbourhood Renewal outcomes and targets

The national outcomes are:

- Reducing overall crime and narrowing the gap between the worst performing neighbourhoods and other areas.
- Improving housing conditions in the most deprived neighbourhoods and ensuring all social housing is made decent.
- Improving the quality of the local environment by reducing the gap in aspects of liveability between the worst neighbourhoods and the locality as a whole.
- Reducing premature mortality ratios and inequalities in premature mortality

rates with a particular focus on heart disease, stroke & related diseases.

- For wards with the worst labour market position improving their overall employment rate and reducing the difference between their rate and the overall rates of England.
- Raising standards in English, maths and science in secondary schools.

**In Westminster we have developed more detailed targets to help us achieve or exceed these national outcomes. These include:**

- All Council-owned homes will be made decent by 2007, four years ahead of the national target.
- 77% of 14 year olds will achieve level 5+ at Key Stage 3 in English, 77% in maths and 73% in science by summer 2008.
- The number of domestic violence perpetrators brought to justice will have increased by 4% by 2009.
- Over 250 people currently claiming incapacity or lone parent benefit will have moved into employment.



## Neighbourhood Renewal priorities identified by Local Area Renewal Partnerships

### Queen's Park

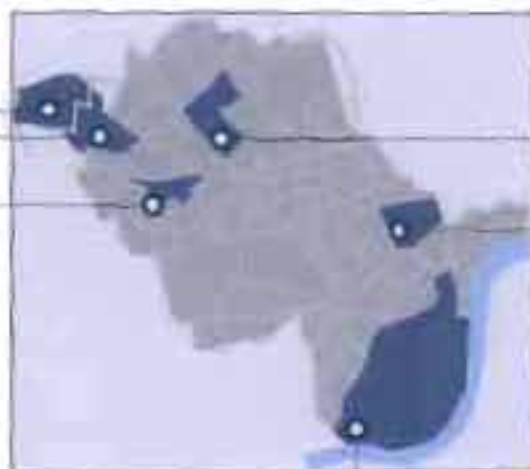
- Increasing resident participation in community life and decisionmaking
- Improving partnerships between residents and community safety agencies to reduce crime and fear of crime
- Involving the public in improving the local environment
- Reducing health inequalities
- Improved access to basic employment training for local people

### Harrow Road

- Improving public spaces, buildings and facilities
- Addressing crime 'hot spots'
- Promoting healthier lifestyles through prevention and early intervention
- Increasing local training and employment opportunities for young people
- Strengthening the retail economy in Harrow Road

### Westbourne

- Making open spaces safer and better used
- Increasing advice and support for vulnerable residents in social housing
- Better partnership work around community safety, with a particular focus on working with young people
- Improving access to health services
- Supporting young people and families



### Church Street

- Programme of community events and activities to promote neighbourliness, belonging and cultural awareness
- Transforming Church Street market
- Reducing crime and fear of crime
- Maximising the use of, and improving the quality of, open spaces
- Tackling long term problems of overcrowded social housing and health inequalities

### West End

- Improving access to affordable community project space
- Improving night-time transport options
- Partnership action on night-time anti-social behaviour
- Improving the retail business mix
- Extending and revitalising the Berwick Street market

### South Westminster

- Improving leisure facilities with a focus on young people, older people, estates and black and minority ethnic communities
- Improving crime and anti-social behaviour reporting
- More support and signposting around skills and employment for vulnerable and isolated groups
- Develop new ways to support resident involvement and engagement and new community cohesion projects
- Delivery of 'A Moveable Feast' Healthy Living Centre

## A strong city economy – with a skilled workforce and successful businesses

Our ambition for Westminster is to...  
**“maintain the city’s economic vitality, develop a skilled, flexible local workforce and encourage enterprise.”**

### Westminster Today...

With 47,000 businesses based here, the city generates more of the UK’s GDP and more employment than any other locality. Westminster is key to London’s global position. Areas such as the West End are doing well and have action plans supporting them. Three successful Business Improvement Districts have been set up, and a new programme to support creative industries has been launched in the north of the city. But maintaining our leading position needs continued effort. Although half of residents have degree-level qualifications, 10% have no formal qualifications and unemployment is higher amongst vulnerable groups such as some BME communities and disabled people, and those who live in disadvantaged areas.

There are nearly 9,000 people on incapacity benefit in Westminster, the majority of whom have mental health issues and many have been out of work for some time. Specialist support needs to be provided for these residents to boost their skills and confidence to enable them to return to the work place. Finally, business and leisure tourism is key to Westminster. In 2002, visitors contributed over £5 billion to our economy and supported 65,000 jobs.

### Expected challenges over the next 10 years...

- Business activity is low in disadvantaged areas and we have significant business failures: 5,275 in 2004 against 4,930 start-ups. Small business growth is key to increasing economic security for black and minority ethnic communities, particularly in disadvantaged areas. Sustaining local and community shops and services is part of this.
- As the capital’s major area for accommodation and entertainment Westminster has the opportunity to use the Olympics & Paralympics to boost our economy and attractions.

### In the next three years we will:

- encourage and support enterprise and self-employment, particularly in the major renewal areas, and through the establishment of a Westminster Enterprise Zone
- promote the business support on offer in Westminster, especially to small and start-up businesses in our most disadvantaged areas
- work with businesses to jointly lobby regional and national government on issues of mutual concern such as business rates
- support the continued operation of Business Improvement Districts and establish a Victoria regeneration partnership with businesses to help improve the local area
- improve signposting of information about training and employability programmes
- increase the number of local employers and businesses providing work placements, volunteering and employment opportunities for local people



- encourage young people's enterprise activities in and out of school
- implement significant improvements to areas key to the city's economy
- support programmes that overcome barriers to accessing employment for disadvantaged residents e.g. English language and basic skills needs, lack of affordable childcare or homelessness
- develop joint programmes with businesses and employers to address skills shortages in specific occupational areas.

**We'll know we've achieved our objectives if by 2009:**

- 2000 local job seekers (including 476 incapacity Benefit and Lone Parent Benefit claimants) have been supported into work through local employment services such as Paddington First and SW1st
- 120 young people (including those not in education, employment or training) will have benefited from a youth enterprise programme
- there is increased provision of

affordable business units for small businesses in the city

- 80 procurement/contract opportunities have been offered to small businesses through the Westminster Small and Minority Business Council.

**In the longer term we will continue to focus on:**

- promoting enterprise, economic growth and investment in Westminster
- promoting a range of business support services to small businesses in our most deprived communities
- maintaining Westminster as the UK's top business and leisure destination and improving visitors' experiences of visiting the city
- tackling barriers to employment faced by disadvantaged groups
- improving pathways into training and employment for all residents, developing a local workforce that possesses the skills that businesses in Westminster need
- working with partners on access to affordable business premises for new and growing small businesses.

**Westminster Focus:  
Paddington First and SW1st**

Paddington First works with new and expanding employers in the area to fill vacancies arising from developments at Paddington Waterside, one of the biggest regeneration areas in London. Since its launch in 1999 it has helped over 4,000 residents into employment.

Based on this successful model, a similar service, 'SW1st', has been launched in South Westminster to harness the employment opportunities arising from local regeneration and redevelopment. Supported by the Westminster City Partnership Learning & Employability Network, both initiatives provide employment opportunities for local people, many from our most disadvantaged communities, and contribute significantly to Westminster's economy.

# **OBJ3/P5/A5**

Transport and Works (Inquiries Procedure) Rules 2004  
Proposed London Underground (Victoria Station Upgrade) Order

LAND SECURITIES PLC AND OTHERS (Objector No. 3)

PROOF OF EVIDENCE of HUGH BULLOCK of GERALD EVE

APPENDIX 5

[WESTMINSTER ECONOMIC DEVELOPMENT STRATEGY  
2008-2011(EXTRACTS)]



# Economic Development Strategy 2008 – 2011



City of Westminster  
ECONOMIC DEVELOPMENT

## Contents

|  |           |
|--|-----------|
| <b>Foreword</b>  | <b>2</b>  |
| <b>Introduction</b>  | <b>3</b>  |
| <b>Westminster's Place in the Global Economy</b>                         | <b>4</b>  |
| <b>Delivering the Economic Development Strategy through Partnerships</b> | <b>6</b>  |
| <b>Funding the Economic Development Strategy</b>                         | <b>7</b>  |
| <b>Economic Development Issues and Priorities – A Spatial Approach:</b>  | <b>9</b>  |
| West End/Central Activities Zone   | 10        |
| South Westminster  | 15        |
| North Westminster Enterprise   | 20        |
| <b>Cross Cutting Themes – Priorities and Actions:</b>                    | <b>25</b> |
| Employment and Training  | 26        |
| Business Support   | 28        |
| Business Environment   | 30        |
| <b>Appendix 1 – Key Partners</b>   | <b>32</b> |



## Introduction

Different parts of Westminster face different challenges. The West End is a vastly different business environment from the Harrow Road, Paddington and Victoria are areas undergoing intense development whilst the challenge in areas such as Savile Row is to maintain the historic fabric and specialist retail offer. A spatial approach to economic development is therefore essential and this strategy focuses on the following three core areas –

### West End/Central Activities Zone

#### South Westminster

#### North West Westminster

This strategy looks at the strengths, weaknesses, opportunities and threats to these core areas, with actions tailored specifically to meet the demands in them.

Our approach to economic development will also focus on the three cross-cutting themes that the council should most effectively focus upon for the benefit of the business community and our residents:

- **Employment and training**

Westminster contains some of the most deprived wards for employment, education and child poverty in the country. The council will work with its partners, contractors and developers to improve access to training and employment for residents, tackle specific barriers to work and look to engage local employers in initiatives to address skills needs.

- **Business support**

Whilst many local authorities have to focus on attracting major inward investment in order to revitalise their economies, Westminster's economy has remained strong through periods of economic difficulty. The council's role in supporting business is therefore to be a business-friendly council, ensuring that Westminster remains a highly supportive environment in which to do business; to assist businesses in getting their voices heard; and to provide entrepreneurial residents of all ages in our disadvantaged communities clear routes to self-employment.

- **Business environment**

For the majority of businesses, the quality of the environment in which they operate is hugely important to them. Businesses demand a clean and safe environment within which they can operate successfully. This strategy highlights a number of ways in which the council and the business community is making commitments to create a first class business environment across Westminster.

- **Developing the Strategy**

The range of feedback received from stakeholders during consultation on this strategy was considered for the final EDS and a summary can be found at <http://www.westminster.gov.uk/Business/economicdevelopment/>

Annual action plans have been drawn up to guide delivery of the EDS and these can also be found at the above link. An Equality Impact Assessment has been carried out and any actions arising from this assessment have been incorporated into the EDS year one Action Plan

## Westminster's place in the global economy

With over half a million employees, Westminster's economy contributes a huge amount to the wider London and national economy. Over 214,000 people are employed in the banking, finance and insurance sectors alone. It is also home to the UK's largest clusters of creative and cultural, retail and hospitality sectors. Visitors to Westminster from the UK and across the world contribute approximately £5 billion annually to Westminster's economy, supporting 65,000 jobs.

Given Westminster's economic position within London, the UK and global economy, it is important to consider some of the key factors affecting our economy at these various levels. This section looks at some of these factors to outline the context in which the EDS is set, highlighting how the council can respond to a range of issues.

### International Property Market

The West End is the most expensive area in the world for businesses to locate in because of its world-wide reputation. In some parts of Westminster prices have exceeded £100 per sq. ft. for prime office space, and in recent years the property market in Westminster has out-performed the City of London's financial district. Whilst this is indicative of Westminster's enviable desirability as a business location, it also places extreme pressure on small businesses and those in sectors such as the creative industries that often cannot afford such high prices.

A danger of steeply rising property prices is the erosion of the local distinctiveness which makes Westminster such a special location for residents, businesses and visitors. Whilst the council obviously has no control over property prices, we have demonstrated with our work on Savile Row that we can influence landowners and businesses to take a shared long-term vision for particular areas, so that Westminster remains one of the world's most diverse and interesting economic hubs.

### International Migration

Currently 60% of our secondary school pupils and 40% of our working age residents come from ethnic minorities and over 150 languages are spoken within Westminster's boundaries. Around 13,000 international migrants a year take up residence in Westminster, and our population could grow by as much as 60% by 2016, becoming even more diverse. Job seekers from overseas bring skills and resources which need to be recognised, but often undertake lower skilled jobs for lower pay. The challenge for Westminster is to ensure all our residents have the opportunity to find work or realise self-employment aspirations.

### Worklessness

Although Westminster employs 14% of London's total workforce and there are as many vacancies as jobseekers, in some of our wards almost half of the residents are unemployed. Characteristics of worklessness in Westminster that we aim to tackle include:

- High rates of residents on incapacity benefit (over 9,000)
- The high cost of childcare discourages many low income parents from accessing work and only a third of lone parents are employed
- Almost 18,000 residents have no qualifications at all
- Around half of all disabled people in Westminster are economically inactive
- Approximately 43% of our BME residents are economically inactive (24,000 people)
- Worklessness concentrated on our housing estates
- Small pockets of unemployment are often found alongside wealthy areas of the City making them difficult to identify from Government statistics



## **Tourism**

Westminster lies at the heart of London's visitor economy with an unrivalled range and combination of visitor attractions and over 39% of London's hotel accommodation. Westminster and the West End in particular is a key economic driver for the whole of London and the visitor economy is a major component of this across the retail, hospitality, catering and entertainment sectors. Visitors to Westminster alone spend over £5 billion per annum and support nearly 65,000 jobs. 95% of all visitors to London spend at least part of their visit in Westminster. However, despite this growth London has also been losing its share of the market for world tourism – falling from a peak of 2.8% of world arrivals in 1985 to below 2% in 2006.

The council has a strong policy framework to protect and promote tourism in Westminster, including:

- A Tourism Charter developed in consultation with the industry
- The UDP contains specific planning policies aimed at maintaining and improving tourist facilities, visitor attractions and hotels, whilst supporting the dispersal of tourism to those areas outside Westminster seeking to promote it.
- Specific Actions Plans developed in partnership with the business community and other stakeholders e.g. Theatreland action plan

The most important challenge ahead is to ensure that Westminster's tourist offer is ready to capitalise on the opportunity presented by the 2012 Olympics, and the council will continue to work in partnership to strengthen the tourist industry. More support and investment needs to be provided to enhance the key existing tourism product assets in central London. This is vital in the run up to the 2012 Olympics and will help secure a successful legacy. Visitor management, public realm and transport infrastructure investment are all linked with this.

## **Retail Competition**

The Oxford Street, Regent Street, Bond Street (ORB) area is by far the largest retail area in London and one of the most successful in the world. However, major London shopping centres being developed at White City and Stratford will increase competition within the sector. The objective is to maintain and build on the ORB area's position as one of the world's most successful retail and leisure destinations. In order to achieve this, the council will work in partnership with New West End Company, the Mayor and TfL, landowners and developers, to improve the public realm, manage congestion (both pedestrian and vehicular), and bring development opportunities forward through the production of planning briefs for sites, particularly at the eastern end of Oxford Street.

## **Climate Change and Liveable Cities**

With population densities set to increase, climate change and the quality of life in urban environments is now one of the biggest global issues. The council is looking at how it can adopt more environmentally friendly approaches to its work. Westminster has established a new cabinet chaired working party called the Go Green board whose role is to ensure all of our services and policies help to create a greener, more sustainable city. Increasingly, businesses are showing leadership in adopting more environmentally friendly practices and the council will consider how it can play a role in encouraging Westminster based businesses to reduce their carbon footprint. For example, the council recently hosted a 'Meet the Buyer' event which attracted over 400 businesses. Future events could provide an excellent opportunity to provide advice and guidance to business owners on how to reduce the impact on the environment and help tackle climate change.

# South Westminster

## BACKGROUND

South Westminster is an area of huge contrasts – it is the home of Monarchy and Government and associated iconic tourist attractions, London's busiest transport interchange at Victoria station and London's only international coach station. It is also home to a vibrant and diverse community of 57,000 people with 9,000 people living in social housing. It is also the location of two of the capital's biggest individual developments, one located just north of Victoria station and the former home of Chelsea Barracks.

Unlike the West End, where businesses predominate over residents, and North west Westminster where residents outnumber businesses, in South Westminster businesses and residents are roughly in balance but there needs to be more interaction between the two. Residents need to be able to successfully compete for jobs available on their doorstep, businesses need to be able to provide goods and services for residents as well as for the working population that outnumbers the residents every working day.

Worklessness is an issue for people in a range of accommodation e.g. permanent social housing, temporary accommodation, those in supported housing (including hostels). These sets of people might have different support needs which we will seek to address through our proposals for a Westminster Works employment service (see p26).

## CURRENT APPROACH

Like the West End, there is no shortage of economic activity or jobs in the area and two of the most effective economic development actions for the council are to keep the area clean and safe. Crime has fallen in recent years due to joint work with the Police.

The council has funded the establishment of a local jobs brokerage agency in SW1st to work with local employers to recruit local residents into jobs, but the South Westminster LARP has identified as one of its priorities the need to provide more support and signposting to get people job-ready so that they are able to compete for employment in the area. The Abbey Community Centre provides not only a community facility but is a focus for social enterprise advice and information.

## KEY ISSUES

The success of the area is tied in with proposed developments in and around the station that will provide increased public transport capacity. The area around the station has been designated by the Mayor as an Opportunity Area within London Plan. The recently constructed Cardinal Place development signifies the start of major change in this area, and major development will take place over the next ten years. The council will work closely with the developers to secure construction jobs and end user jobs for local people as part of these developments, but economic development benefits need to flow to the local community during the course of this ten year programme of renewal.

The construction of nearly 650 new homes on the site of the former Chelsea Barracks will provide a substantial increase to the local population when completed. It will also take some time to build, and there is an opportunity to work with developers not only to employ local people and provide apprenticeships but also to use local businesses in the construction and fitting out of the new homes.





Pockets of deprivation exist in South Westminster and the area will benefit from new job brokerage and business support programmes

The council has supported the development of the Victoria Partnership to represent local businesses in the area to help ensure that business needs are met during this period and will support its development into a formally established BID.

The LARP – the South Westminster Renewal Partnership, represents the local resident and voluntary sector and is well established in the area, and the council will bring together the business led Victoria Partnership and the LARP so that these sectors can work together to their mutual advantage.

The LARP is managed by the Cross River Partnership (CRP) that brings together the council, Lambeth, Southwark and the City of London to work together on cross river issues. The CRP has successfully promoted the Cross River Tram as a new transport route, and there is potential to similarly examine the 36 Bus Route that connects both the deprived areas of Peckham and Camberwell with Victoria as well the deprived north west of Westminster to see if a similar approach could be carried out. The council will work with CRP to manage regeneration investments in South Westminster over the course of the EDS.

## Case Study A Moveable Feast – Social Enterprise Development

The **A Moveable Feast (AMF)** project is increasing the quality of life in south Westminster through health, exercise and enterprise activities; with a special focus on the Arabic and Bangladeshi residents; working out of the Abbey Community Centre. It employs a **Social Enterprise Development Worker**, helping residents to start social enterprises. Since July 2006 he has engaged in discussions with 84 people and is currently assisting 41 start social enterprises, 5 of which have started.

The Social Enterprise Development Worker assists people starting social enterprises by mentoring, coordinating, coaching from industry specialists, business training, feasibility studies, meeting with estate agents, coordinating specialist training, matching people for collaboration and hosting a monthly networking event for all entrepreneurs to meet, peer nurture and learn from an invited speaker. Strong partnerships have been developed with Social Enterprise London, Cross River Partnership and Jobcentre Plus.

The council will work with the Social Enterprise Development Worker to develop a **Community Venture Fund** to supply start up capital and task the social entrepreneur to find the rest of the investment. The proposed model will ensure that the fund grows over a long period of time so that it becomes self-sustaining.

There is a need to bring together the social housing providers such as City West Homes and Peabody Estate and the hostels to look at a more integrated support package for residents to provide them with life skills to get them job-ready so they can gain jobs in the local area and move out from the hostels. Self-employment is also an option and we will explore how business support agencies can assist in this regard.

The Government has previously stated its desire to move Civil Servants out of their Whitehall and Victoria offices to cheaper accommodation elsewhere in the UK. If this happened all at once, then it could seriously damage the local economy. But the completion of Cardinal Place has seen an influx of private sector companies and the area is attracting other businesses deterred by the high cost of space in the West End. To date, little relocation of civil servants has taken place, but if it were to happen, then the local economy is sufficiently mixed so that it would successfully cope.



# South Westminster Renewal Area

**SW1st** - The Council has funded the establishment of a local jobs brokerage agency in SW1st to work with local employers to recruit local residents into jobs. There are considerable opportunities to expand the number of employers involved with the scheme through the proposed re-development of the area around Victoria Station area and subsequent influx of new businesses and occupiers.

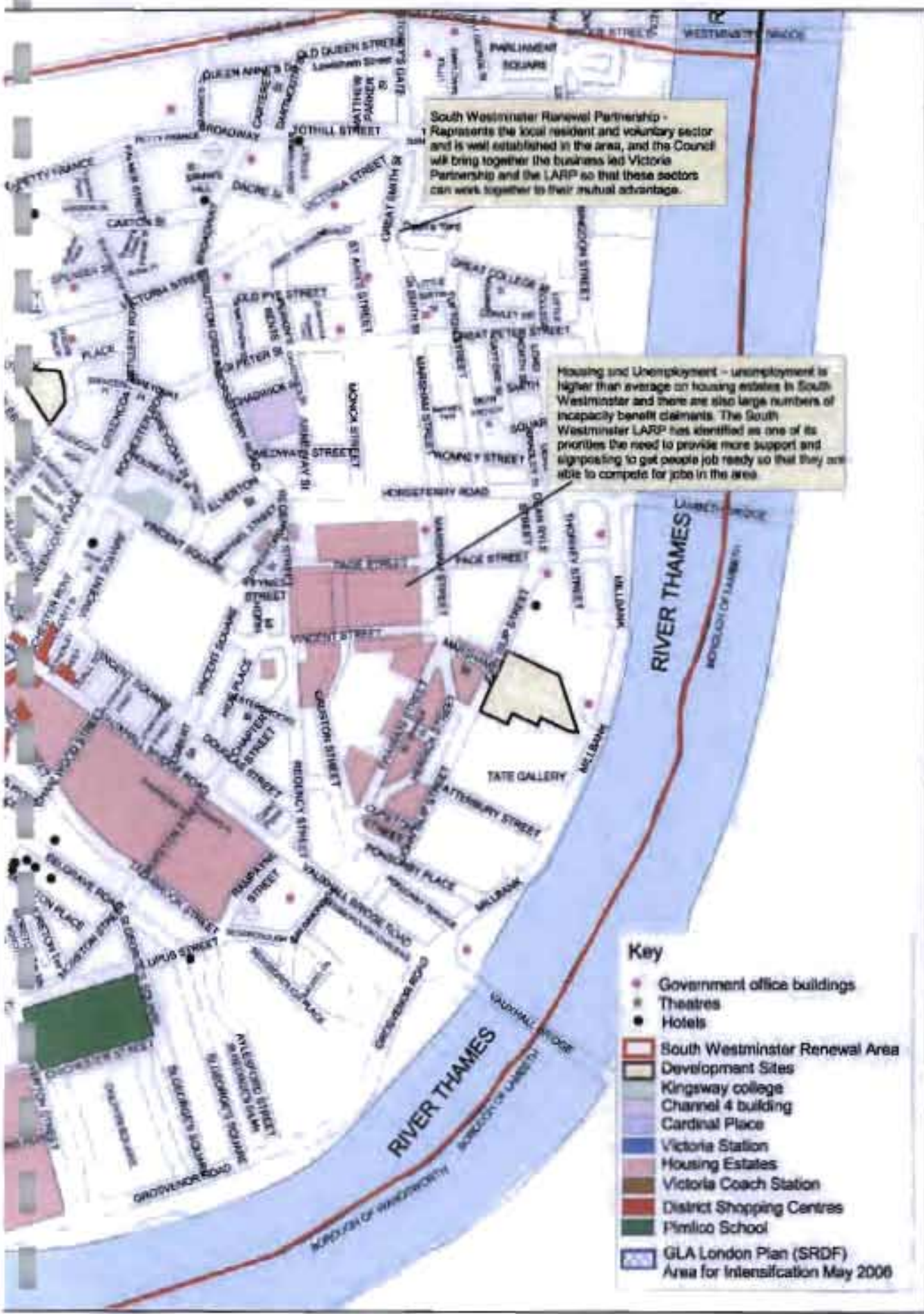
**Victoria Partnership** - The Council has supported the development of the Victoria Partnership to represent local businesses in the area to help ensure that business needs are met during this period and will support its development into a formally established BID.

**Victoria Transport Interchange Developments** - Major development is expected in and around Victoria station in the coming years. Victoria is identified as an Opportunity Area in the London Plan, with an estimated growth of 6,000 new jobs and 1000 new homes in the period up to 2026.

**Chelsea Barracks** - The construction of over 500 new homes on the site of the former Chelsea Barracks will provide a substantial increase to the local population when completed. It will also take some time to build, and there is an opportunity to work with developers not only to employ local people and provide apprenticeships but also to use local businesses in the construction and fitting out of the new homes.

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**South Westminster Renewal Partnership -**  
 Represents the local resident and voluntary sector and is well established in the area, and the Council will bring together the business led Victoria Partnership and the LARP so that these sectors can work together to their mutual advantage.

**Housing and Unemployment -** unemployment is higher than average on housing estates in South Westminster and there are also large numbers of incapacity benefit claimants. The South Westminster LARP has identified as one of its priorities the need to provide more support and signposting to get people job ready so that they are able to compete for jobs in the area.

- Key**
- Government office buildings
  - Theatres
  - Hotels
  - South Westminster Renewal Area
  - Development Sites
  - Kingsway college
  - Channel 4 building
  - Cardinal Place
  - Victoria Station
  - Housing Estates
  - Victoria Coach Station
  - District Shopping Centres
  - Pimlico School
  - GLA London Plan (SRDF) Area for Intensification May 2006



# Employment and Training

## BACKGROUND

Both Westminster's economy and labour market is diverse. Whilst almost half of Westminster's residents aged 16–74 have qualifications at degree level or above, over 17,000 residents aged 16–74 have no qualifications at all. Resident turnover in Westminster is high, and deprived areas in the north and south of the city are increasingly home to recent arrivals from abroad who come to London in search of employment opportunities. There are a range of initiatives to support local people into work, training and volunteering and our challenge is provide a joined-up service that offers residents the best opportunity to progress and become more prosperous.

## PRIORITIES

- 1. Develop a new City wide Westminster Works employment support service for local job-seekers & employers**
  - Develop a business plan with service providers and commissioners for Westminster Works
  - Sign-up new employers including the council to provide work-experience, mentoring and employment opportunities
  - Raise employers' awareness of recruiting people with particular employment needs e.g. disabilities or childcare
  - Pilot the new service at Churchill Gardens Estate in South Westminster
  - Promote the new Westminster Works service to local residents
  - Update the s106 Supplementary Planning Guidance and Community Infrastructure Plan/levy to reflect the Westminster Works offer and requirements
  - Undertake a feasibility study into a group training scheme to support small businesses and other business sectors to take on apprentices.
- 2. Pilot a package of employment & enterprise support at Churchill Gardens Estate**
  - Appoint a project manager based on the estate to co-ordinate an array of existing services and to be a single point of contact for local job seekers
  - Enable 100 job-seekers to develop individual action plans with locally based employment advisors
  - Hold targeted campaigns to increase the take up of Childcare tax credits and improve benefits advice
  - Encourage people in temporary accommodation and permanent social housing to claim an extended payment and Discretionary Housing Payment when moving into employment
  - Improve the offer of genuinely affordable and accessible childcare for lone parents and households on low income
- 3. Encourage more employees and residents across the City to participate in volunteering activities to develop their skills and meet local needs**
  - Support volunteering programmes for disadvantaged residents as a step towards employment
  - Develop a pool of volunteers to support major events including London 2012 through the City Guides initiative
  - Reward resident and employee volunteers who have a positive impact on deprived areas of Westminster
  - Development volunteering opportunities for City Council staff and encourage partners to do the same for their employees
- 4. Provide training and employment opportunities for young people, particularly those who are disadvantaged e.g. young offenders and care leavers, including:**

## Case Study Westminster Works

Westminster Works is an integrated skills and employment service for individuals and employers being developed by the council and its partners. The aim is to develop local one-stop shop for job-seekers offering advice and guidance, work-placements, on the job-support and a matching service to vacancies in Westminster and Central London.

Through a network of personal advisors the service will target the areas and estates in Westminster with the highest number and concentration of job-seekers. It will enable residents to navigate the range of provision on offer through the voluntary and community sector, Jobcentre Plus and the council.

The focus of the service will be on delivering improvement priorities for particular communities which include vulnerable young people, lone parents and the long term unemployed.

It will also look to offer a high quality, free of charge service to local businesses and employers, be it a small enterprise on the Harrow Road or a high street chain in the West End.

- A range of apprenticeships and work placements at the council and other Westminster partners
  - Vocational training for key sectors in Westminster, such as construction, hospitality, creative industries
  - Initiatives for developing enterprise skills and exploring opportunities for self employment
  - Support the development of a construction training centre at Paddington Green
- 5. Enable more adults in Westminster to develop their skills**
- Increase the number of residents and employees in Westminster gaining a Level 2 qualification
  - Improve sign-posting and co-ordination of basic skills training provision available across the City
  - Provide training opportunities to address specific needs of Westminster employers – including the council
  - Widen access to English language skills development through embedding ESOL in a range of training courses
- 6. Involve more local businesses and employers in employment & training schemes**
- Support local residents into work through the council's temporary recruitment contract
- Develop annual targets for involving other council contractors and local businesses in supporting job-seekers into work or work placements.
  - Promote the council and other public sector organisations as employers to local residents
  - Secure ongoing support for an employer liaison manager to oversee this priority
  - Work with Cross River Partnership and TfL to assist in delivery of the TfL Transport Accord programme
  - Commission research into construction opportunities and end user jobs resulting from the redevelopment of Victoria Station and employ a work place co-ordinator to support residents into vacancies
  - Support job seekers into construction training and employment opportunities with:
    - Registered Social Landlords via the Notting Hill Construction Initiative
    - Developers across Central London via the Building London Creating Futures scheme
- 7. Underpin service delivery with accurate and regular labour market and benefits data**
- Provide quarterly ward analysis of skills, training and employment data to LARPS



# Business Support

## BACKGROUND

With over 40,000 business located here, Westminster has a strong and extremely varied economy. Many large multi-national businesses from a variety of sectors have their headquarters in Westminster but there are many more small businesses that are important to our economic health. The sectoral make-up of Westminster economy is also very well balanced, giving a great degree of stability in periods of wider economic difficulty. Westminster is such a popular business destination partly because of its diversity.

Where necessary, the council will seek to work with a wide variety of stakeholders to ensure that the distinctive diversity which characterises Westminster's economy is maintained. The council aims to be a business-friendly council, ensuring that Westminster remains a highly supportive environment in which to do business; assisting businesses in getting their voices heard; and to provide entrepreneurial residents of all ages in our disadvantaged communities clear routes to self-employment.

Business support providers have an important role to play in assisting aspiring entrepreneurs within our neighbourhoods to realise their potential. The Government's Business Support Simplification programme will be a driver of change and the council will assist in the application of the programme within the city.

## PRIORITIES

- 1. Develop a strategy for Creative Industries based on the research contained within the Westminster's Creative Industries report**
  - Seek support from partners to implement economic development actions to protect and develop Westminster's creative industries
  - Consider the planning policy recommendations arising from the research through the Local Development Framework process
  - Invite expressions of interest from suppliers of affordable workspace in preparation of letting the Business Opportunities Centre to small creative businesses.
  - Implement actions from the TheatreLand action plan
- 2. Create sites for new business space in north Westminster through the production of planning briefs**
- 3. Encourage the provision of more affordable business space for micro enterprises in Westminster**
  - Develop an affordable business space policy paper considering how to release more affordable business space in Westminster
  - Work with Housing to undertake a review of under utilised space in LARP areas
  - Consider the role of the council's property assets in providing accommodation for new businesses in priority areas
  - Invest Civic Enterprise Fund resources in affordable business space schemes such as the Merchant Square Business Opportunities Centre
  - Assist GWS in their efforts to relocate near to their current facility which is due to be demolished as part the construction of Crossrail

**4. Support Westminster's Business Improvement Districts**

- Work with Paddington BID to ensure their continuation to a second term
- Work with the Victoria Partnership in seeking to establish a Business Improvement District
- Engage with Camden regarding the possibility of a Covent Garden BID

**5. Support the development of procurement and supply chain initiatives that support the delivery of One City 'Enterprise' objectives**

- Ensure the Westminster Small and Minority Business Council delivers procurement opportunities between small business and corporate sponsors
- Work with Westminster's Procurement department on the revision of the Council's Procurement Code to promote supply chain diversity and the use of local labour to assist unemployed people into work
- Deliver City-wide meet the buyer events and targeted interventions to benefit businesses in LARP areas
- Work with Cross River Partnership and member boroughs to seek external funding for sub-regional supply chain approaches
- Provide procurement opportunities for local businesses via the economic development team.

**6. Promote Westminster as a tourist destination**

- Work with the Westminster Collection to promote Business Tourism in Westminster
- Promote tourism in LARP areas through Hidden Gems Guides in South Westminster and Church Street
- Promote the West End as an international tourist destination through the West End Marketing Alliance

**7. Support the development of the Social Enterprise sector in Westminster**

- Work with CRP, South Westminster Renewal Partnership and the A Moveable Feast project to develop a 'Community Venture Fund' to support the development of the social enterprise sector in South Westminster
- Assist the work of South Westminster's Social Enterprise Development Worker.
- Seek funding to establish St Mary Magdalene's Crypt as a workspace centre for social and community enterprises

**8. Work with PDT and key stakeholders to deliver a 'Neighbourhood Enterprise' programme**

- Provide resources through the Civic Enterprise Fund for youth enterprise projects in the North Westminster Enterprise Area
- Develop approaches with PDT to tap into latent entrepreneurial talent in our most disadvantaged areas

**9. Lobby on the retention of a greater share of business rates and monitor proposed changes to the Government's Local Authority Business Growth Incentive scheme**

# **OBJ3/P5/A6**

Transport and Works (Inquiries Procedure) Rules 2004  
Proposed London Underground (Victoria Station Upgrade) Order

LAND SECURITIES PLC AND OTHERS (Objector No. 3)

PROOF OF EVIDENCE of HUGH BULLOCK of GERALD EVE

APPENDIX 6

[LONDON VIEW MANAGEMENT FRAMEWORK, 2007 (EXTRACT)]

**London View Management Framework**  
The London Plan Supplementary Planning Guidance



July 2007



## 9 Linear View: King Henry VIII's Mound, Richmond to St Paul's Cathedral

- 1 Richmond Park was first enclosed by Charles I and is the largest of London's Royal Parks. There are excellent Londonwide panoramas from various locations within the park, those from Sawyer's Hill being particularly good examples. King Henry VIII's Mound is reputedly a Bronze Age barrow, much altered. It provides magnificent views across the Thames to Twickenham and the North Downs to the west. To the east, a keyhole view of St Paul's Cathedral is obtained through an artificially maintained gap in the trees covering the mound, which is aligned with a gap in the trees in Richmond Park beyond.
- 2 There is one Viewing Place with one Assessment Point in this designated view. The significant view from this Assessment Point contains a Protected Vista, which is managed by Geometric Definition and is subject to a direction issued by the Secretary of State that is reproduced in Appendix G.

### **Viewing Place and Assessment Point for Designated View 9: King Henry's Mound, Richmond to St Paul's Cathedral**



### Viewing Place 9A

#### King Henry VIII's Mound: the viewing point

- 3 There is one Assessment Point at this Viewing Place. The view from King Henry's Mound is unlike any other view designated in the London Plan. Although the Viewing Place is far removed from urban central London, not only in distance but also in its scale and character, it offers a view of one of London's best-known landmarks, that is ten miles away, through the space in the trees. Very little intervening development can be seen between the trees in the foreground and St Paul's Cathedral and all visible development is entirely subordinate to the form of the lantern, dome, drum and peristyle of the Cathedral. Development around Broadgate and Liverpool Street Station can be seen in the background beneath the level of the dome.

#### Visual management guidance

- 4 The view is subject to Qualitative Visual Assessment described in Chapter 3. In addition the guidance in Chapter 4 – 'Management by Geometric Definition' applies. This view is over such a long distance that atmospheric conditions have a considerable effect on its visibility. The dome of St Paul's Cathedral should therefore always be seen against sky.
- 5 Reference should also be made to visual management guidance paragraph 3.40 that refers to *Landscape management in the foreground*. Trees should be pruned so as to preserve the view. The guidance regarding *The quality of the Viewing Place* at paragraphs 6.13 - 6.16 applies.

#### Assessment Point 9A.1

King Henry VIII's Mound: the Viewing Point – looking towards St Paul's Cathedral

- 6 The view of St Paul's Cathedral experienced from this Assessment Point is managed by Geometric Definition.
- 7 The Strategically Important Landmark in the linear view is St Paul's Cathedral.

#### Protected Vista

- 8 The Protected Vista is centred on the dome of the Cathedral, creating a Viewing Corridor of two dome widths (70 metres). Due to the keyhole nature of the view, there are no Lateral Assessment Areas within this Protected Vista.
- 9 The following width applies between the defining points identified below
  - C to D the Landmark Viewing Corridor measures 70m.



## Full extent of the Protected Vista from Assessment Point 9A.1



## Geometrically Defined Assessment Areas for the Protected Vista from Assessment Point 9A.1



|               | Co-ordinates |            | Height for Theshold Plane (AOD) |       |
|---------------|--------------|------------|---------------------------------|-------|
|               |              |            | VC                              | BAA   |
| a             | 518,605.8E   | 173,150.3N | 59.1m                           |       |
| b             | 532,054.4E   | 181,142.2N | 52.1m                           | 52.1m |
| c             | 532,036.5E   | 181,172.3N | 52.1m                           | 52.1m |
| d             | 532,072.3E   | 181,112.1N | 52.1m                           | 52.1m |
| y             | 535,041.1E   | 182,966.9N |                                 | 52.1m |
| z             | 535,084.9E   | 182,893.2N |                                 | 52.1m |
| <b>Length</b> |              |            |                                 |       |
| ab            | 15.6Km       |            |                                 |       |
| bx            | 3.5Km        |            |                                 |       |
| <b>Width</b>  |              |            |                                 |       |
| cd            | 70m          |            |                                 |       |



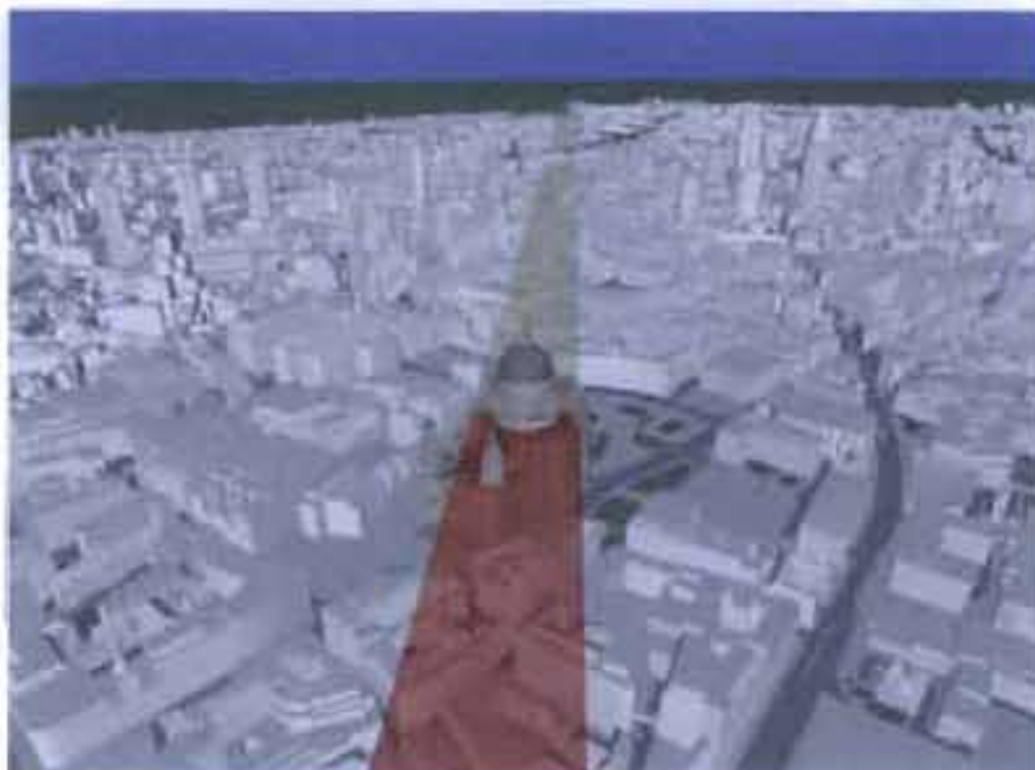
**Significant view from Assessment Point 9A.1**



**Telephoto view of the Strategically Important Landmark with outline of the Protected Vista from Assessment Point 9A.1**



**3D/Aerial view of the Protected Vista at the Strategically Important Landmark from Assessment Point 9A.1**



# **OBJ3/P5/A7**

Transport and Works (Inquiries Procedure) Rules 2004  
Proposed London Underground (Victoria Station Upgrade) Order

LAND SECURITIES PLC AND OTHERS (Objector No. 3)

PROOF OF EVIDENCE of HUGH BULLOCK of GERALD EVE

APPENDIX 7

[INTRODUCTION TO TRANSPORT ANALYSIS, TAG UNIT 1.1]



## **Introduction to Transport Analysis**

### **TAG Unit 1.1**

June 2005

Department for Transport

Transport Analysis Guidance (TAG)

# Contents

|          |  |          |
|----------|--|----------|
| <b>1</b> | <b>An Overview of Transport Analysis</b>       | <b>1</b> |
| 1.1      | The Green Book                                 | 1        |
| 1.2      | A Background to Transport Appraisal            | 1        |
| 1.3      | The New Approach To Appraisal                  | 2        |
| 1.4      | Appraisal and the Study Process                | 2        |
| 1.5      | The Government's Five Objectives for Transport | 4        |
| 1.6      | Appraisal of Options                           | 5        |
| 1.7      | The Appraisal Summary Table                    | 5        |
| 1.8      | Regional and Local Objectives                  | 5        |
| 1.9      | Effectiveness of Problem Solving               | 6        |
| 1.10     | Supporting Analyses                            | 6        |
| <b>2</b> | <b>Further Information</b>                     | <b>6</b> |
| <b>3</b> | <b>References</b>                              | <b>7</b> |
| <b>4</b> | <b>Document Provenance</b>                     | <b>7</b> |

# 1 An Overview of Transport Analysis

## 1.1 The Green Book

- 1.1.1 The Green Book, Appraisal and Evaluation in Central Government, provides guidance on appraisal and evaluation in Government - see *Transport Appraisal and the New Green Book* (TAG Unit 2.7). All central departments and executive agencies use this guide, the latest version of which was released on 17 January 2003.
- 1.1.2 Appraisal is the process of assessing the worth of a course of action – which includes projects, programmes or policies. Evaluation is similar to appraisal, although uses historic data and takes place after the event.
- 1.1.3 The Green Book places appraisal in the context of policy development, discussing the whole process. This includes establishing the rationale, setting objectives and appraisal of the costs and benefits. The process also includes monitoring and evaluation, the results of which are fed back in to the process.
- 1.1.4 The Green Book aims to make the appraisal process throughout government more consistent and transparent, ensuring that no course of action is adopted without first having the answer to these questions:
- Are there better ways to achieve the objectives?
  - Does it provide value for money?

## 1.2 A Background to Transport Appraisal

- 1.2.1 In the transport context appraisal is always likely to be complex, with interactions at many levels with other policy areas. The Government's White paper *A New Deal for Transport: Better for Everyone* (DETR, 1998) sets in place the policy context for dealing with transport and highlights the complexity of transport problems and the interaction with other policy areas:
- 'Our quality of life depends on transport. Most of us travel every day, even if only locally. And we need an efficient transport system to support a strong and prosperous economy. But in turn, the way we travel is damaging our towns and cities and harming our countryside. As demand for transport grows, we are even changing the very climate of our planet.'
- 1.2.2 Transport appraisal is carried out to provide input to efficient policy development and resource allocation across government. To be effective, transport appraisal must deal consistently with competing proposals, be even-handed across modes and take account of a wide range of effects. This guidance represents the department's attempt to ensure that transport appraisals are carried out effectively. It has been written to be broadly consistent with the Green Book, but is guidance designed specifically for transport schemes. As such it is a more appropriate reference than the Green Book for anyone wishing to appraise a transport scheme in England. Should you identify any apparent contradictions between TAG and the Green Book you should contact DfT to discuss.
- 1.2.3 The White paper framed the move away from 'predict and provide' solutions to transport problems and put at the core an integrated transport policy. Appraisal of problems is key to the efficient delivery of this policy. The decisions made as part of the delivery need to be based on a full range of options and a comprehensive analysis of the impacts using a consistent approach. To this end, the White paper introduced the New Approach To Appraisal (NATA), to appraise and inform the prioritisation of transport investment proposals. The New Approach to Appraisal is outlined in *The Overall Approach: The Steps in the Process* (TAG Unit 2.1) and *The Appraisal Process* (TAG Unit 2.5). Further detail is provided in *Appraisal* (TAG Unit 3.2).



### 1.3 The New Approach To Appraisal

- 1.3.1 NATA has evolved since its original launch in 1998, most recently to take account of the latest Green Book recommendations. It is now the basis for:
- appraisal of multi-modal studies;
  - appraisal of Highways Agency road schemes and Local Transport Plans major road and public transport schemes;
  - the Strategic Rail Authority's Appraisal Criteria;
  - the project appraisal framework for seaports; and
  - the appraisal process employed during the development of the Government's airports strategy
- 1.3.2 NATA is broadly in line with the Department's Sustainable Development policy statement and the Department's guidance *Better Policy Making: Integrated Policy Appraisal in DTLR (IPA)*.
- 1.3.3 The Department's Sustainable Development policy statement sets out the Department's approach to the achievement of the Government's overall sustainable development objectives. It has three criteria at its core: economic, social and environmental. The Policy requires decision-makers to take a balanced approach to ensure that all three are given equal consideration. It states that, in assessing transport projects, an integrated project appraisal methodology will be used, and refers the reader to the Transport Analysis Guidance website.
- 1.3.4 The IPA is a good practice tool of use to anyone embarking on a policy project. It allows the user to review the widest possible range of impacts - economic, environmental, social and distributional - and thus ensure a robust approach to policy development.
- 1.3.5 Strategic environmental assessment (SEA) of certain plans and programmes, including Local Transport Plans and Regional Transport Strategies, is required under European Directive 2001/42/EC *on the assessment of the effects of certain plans and programmes on the environment*. SEA is broadly consistent with NATA and should be carried out as part of the NATA process for such plans and programmes (see *Strategic Environmental Assessment for Transport Plans and Programmes* TAG Unit 2.11).

### 1.4 Appraisal and the Study Process

- 1.4.1 As recommended in the Green Book, transport appraisal must be carried out as part of an overall process. The form and basis of the appraisal strongly affects the way in which all other stages of the process are carried out. NATA includes the transport study process outlined in Figure 1 below.
- 1.4.2 The level to which each of the steps in this process is implemented will be dependent upon the type and size of the problems being addressed. It is expected that appraisals will be comprehensive but proportionate.



- 1.4.3 In all cases, however, the process of identifying solutions should be broadly similar and:
- be easily comprehensible, to those commissioning, steering and undertaking the work; and where possible to a wider public;
  - avoid leading to a particular outcome simply by virtue of the method or process adopted;
  - enable a wide range of solutions and the synergy between combinations of components to be investigated in a cost-effective manner;
  - enable a preferred solution to be developed which addresses the objectives and problems at which it is aimed; and
  - provide a means by which the acceptability of the solution to the public can be tested and taken into account.
- 1.4.4 Typically, a study should include:
- agreement on a set of objectives which the solution should seek to satisfy;
  - analysis of present and future problems on, or relating to, the transport system;
  - exploration of potential solutions for solving the problems and meeting the objectives;
  - appraisal of options, seeking combinations which perform better as a whole than the sum of the individual components; and
  - selection and phasing of the preferred solution, taking account of the views of the public and transport providers.

## 1.5 The Government's Five Objectives for Transport

- 1.5.1 Throughout the NATA process the Government's five objectives for transport as outlined in the White paper are central:
- **Environmental** impact involves reducing the direct and indirect impacts of transport facilities on the environment of both users and non-users. There are 10 sub-objectives including noise, atmospheric pollution of differing kinds, impacts on countryside, wildlife, ancient monuments and historic buildings. See *The Environment Objective* (TAG Unit 3.3);
  - **Safety** is concerned with reducing the loss of life, injuries and damage to property resulting from transport incidents and crime. The 2 sub-objectives are to reduce accidents and improve security. See *The Safety Objective* (TAG Unit 3.4);
  - **Economy** is concerned with improving the economic efficiency of transport. The 5 sub-objectives are to improve economic efficiency for consumers and for business users and providers of transport, to improve reliability and the wider economic impacts, and to get good value for money in relation to impacts on public accounts. See *The Economy Objective* (TAG Unit 3.5);
  - **Accessibility** is concerned with the ability with which people can reach different locations and facilities by different modes. See *The Accessibility Objective* (TAG Unit 3.6); and
  - **Integration** aims to ensure that all decisions are taken in the context of the Government's integrated transport policy. See *The Integration Objective* (TAG Unit 3.7)
- 1.5.2 These are the basis for the appraisal process in NATA.



## 1.6 Appraisal of Options

- 1.6.1 The appraisal framework in NATA is made up of four distinct parts:
- Appraisal Summary Table (achievement of Government objectives)
  - Achievement of regional and local objectives
  - Effectiveness of problem solving
  - Supporting analyses
- 1.6.2 These four strands when considered together provide the decision-maker with the information needed to reach a considered judgement on the worth of a project.
- 1.6.3 To enable a consistent judgement to be made of the relative merits of options a single summary sheet of each of the four analyses is produced for each strategy or plan option. Single sheet information is also provided to decision-makers on each of the following:
- An annotated map describing the strategy or plan option
  - A list of the alternatives considered and their reasons for rejection (if this information cannot be fitted onto the previous sheet)
- 1.6.4 In addition there will also be worksheets for each sub-objective on the AST.

## 1.7 The Appraisal Summary Table

- 1.7.1 An important element of the New Approach to Appraisal is the inclusion of an Appraisal Summary Table (AST), See *Transport Appraisal and the New Green Book* (TAG Unit 2.7). This is a one page tabular summary of the main economic, environmental and social impacts of a transport solution.
- 1.7.2 An Appraisal Summary Table is produced for each option and sets out simply and concisely the key consequences of different options for tackling a particular problem using the five objectives. Some of these objectives have been divided into a number of sub-objectives as described earlier, reflecting the wide variety of impacts arising from transport projects.
- 1.7.3 The AST and its more detailed supporting documents provide the information needed to make a judgement about the overall value for money of the option or options in achieving the Government's objectives. Providing the information in this way enables a consistent view to be taken about the value of projects.
- 1.7.4 The AST does not automatically provide a mechanistic way of estimating value for money, but summarises the effects in each area so that decision-takers have a clearer and more transparent basis on which to make a judgement. The inclusion of any sub-objective in the AST, with the associated qualitative and quantitative analyses, cannot be used to imply weightings between objectives in forming decisions.

## 1.8 Regional and Local Objectives

- 1.8.1 As part of the study process it is anticipated that specific local objectives will be set, these are expected to 'nest' within the Governments five objectives for transport. This is discussed further in *Objectives and Problems* (TAG Unit 2.2).
- 1.8.2 By their nature these objectives will be specific to each study; there is no requirement for them to be the same in all studies. It is therefore not practical to be prescriptive about their formulation or measurement. However it is recommended that a key set of indicators are developed against which to measure the performance of solutions.
- 1.8.3 In many instances, it will be sensible and cost-effective to use the same indicators for measuring performance against local and regional objectives as are used to measure impacts in the Appraisal Summary Table. Differences may

arise in that different or supplementary indicators may be used for some impacts.

- 1.8.4 An assessment of the degree to which the local and regional objectives of the project will be achieved is likely to be of particular interest to the regional and local authorities, and the local people.
- 1.8.5 Clearly, overlap between this appraisal strand and the previous one is to be expected.

## 1.9 Effectiveness of Problem Solving

- 1.9.1 At an early stage in the study process, the current and future transport related problems will have been identified, analysed and displayed using text, tables and plots as appropriate.
- 1.9.2 An assessment of the extent to which the problems identified would be solved by the option or options proposed needs to be made considering both absolute and relative performance against key indicators.
- 1.9.3 It is possible that the second and third of these appraisal strands may amount to much the same thing, although this will clearly depend on the nature of the local and regional objectives adopted and the form of the local problem analyses.
- 1.9.4 This analysis is also likely to be of particular interest to the regional and local authorities, and the local people, and additionally the local transport providers.

## 1.10 Supporting Analyses

- 1.10.1 Supporting analyses cover three additional groups of issues that do not easily fit within the Appraisal Summary Table. These are further discussed *Supporting Analysis* (TAG Unit 3.8).
- 1.10.2 These issues are:
  - **distribution and equity** which aims to show the distribution (spatially, across modes, etc.) of the impacts of the solution, thus enabling an assessment to be made about the fairness of impacts on those affected;
  - **affordability and financial sustainability** which aims to outline the financial performance of the solution, identifying public and private sector input; and
  - **practicality and public acceptability** which follows a checklist that includes such measures as feasibility, area of interest, complexity, time scale, phasing, and political nature of solution.
- 1.10.3 Supporting analyses are likely to be of interest to both Central Government and the regional and local authorities, as well as the local people. The local transport providers will be particularly interested in the impacts on the financial sustainability of their operations.

## 2 Further Information

The following documents provide information that follows on directly from the key topics covered in this Unit.

| For information on:                                    | See:  | TAG Unit number: |
|--|---|------------------|
| Appraising options against the environment objective   | <i>The Environmental Objective</i>                    | TAG Unit 3.3     |
| Appraising options against the safety objective        | <i>The Safety Objective</i>                           | TAG Unit 3.4     |
| Appraising options against the economy objective       | <i>The Economy Objective</i>                          | TAG Unit 3.5     |
| Appraising options against the accessibility objective | <i>The Accessibility Objective</i>                    | TAG Unit 3.6     |
| Appraising options against the integration objective   | <i>The Integration Objective</i>                      | TAG Unit 3.7     |
| The Green Book and the Appraisal Summary Table         | <i>Transport Appraisal and the new Green Book</i>     | TAG Unit 2.7     |
| The New Approach to Appraisal                          | <i>The Overall Approach: The Steps in the Process</i> | TAG Unit 2.1     |
|  | <i>The Appraisal Process</i>                          | TAG Unit 2.5     |
|  | <i>Appraisal</i>                                      | TAG Unit 3.2     |
| Regional and Local Objectives                          | <i>Objectives and Problems</i>                        | TAG Unit 2.2     |
| Supporting analysis                                    | <i>Supporting Analysis</i>                            | TAG Unit 3.8     |

### 3 References

DETR (July 1998) A New Deal for Transport: Better for Everyone

DETR (July 1998) A New Deal for Trunk Roads in England

HM Treasury (2003) revised edition of its Green Book, *Appraisal and Evaluation in Central Government*

DTLR (2002) *Better Policy Making: Integrated Policy Appraisal in DTLR*

### 4 Document Provenance

This Document was produced in August 2003 to provide an introduction to the restructuring of the GOMMMS and associated guidance into a family of TAG Units.

Technical queries and comments on this TAG Unit should be referred to:

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# **OBJ3/P5/A8**

Transport and Works (Inquiries Procedure) Rules 2004  
Proposed London Underground (Victoria Station Upgrade) Order

LAND SECURITIES PLC AND OTHERS (Objector No. 3)

PROOF OF EVIDENCE of HUGH BULLOCK of GERALD EVE

APPENDIX 8

[TRANSPORT APPRAISAL AND THE NEW GREEN BOOK, TAG UNIT  
2.7.1 (EXTRACT)]

## **Transport Appraisal And The New Green Book**

### **TAG Unit 2.7.1**

April 2004

Department for Transport

Transport Analysis Guidance (TAG)

# Contents

|                 |  |           |
|-----------------|--|-----------|
| <b><u>1</u></b> | <b><u>Transport Appraisal And The New Green Book</u></b> | <b>1</b>  |
| 1.1             | <u>Introduction</u>                                      | 1         |
| 1.2             | <u>Overall approach</u>                                  | 1         |
| 1.3             | <u>Costs and Benefits</u>                                | 2         |
| 1.4             | <u>Price base and taxation</u>                           | 4         |
| 1.5             | <u>The Transport Economic Efficiency table</u>           | 4         |
| 1.6             | <u>The Appraisal Summary Table</u>                       | 5         |
| 1.7             | <u>Discount rate</u>                                     | 6         |
| 1.8             | <u>Risk, Uncertainty and Optimism Bias</u>               | 7         |
| 1.9             | <u>Distributional issues</u>                             | 9         |
| <b><u>2</u></b> | <b><u>Further Information</u></b>                        | <b>13</b> |
| <b><u>3</u></b> | <b><u>References</u></b>                                 | <b>13</b> |
| <b><u>4</u></b> | <b><u>Document Provenance</u></b>                        | <b>14</b> |



# 1 Transport Appraisal And The New Green Book

## 1.1 Introduction

- 1.1.1 On 17<sup>th</sup> January 2003, the Treasury published a revised edition of its Green Book, *Appraisal and Evaluation in Central Government*. This is a best practice guide to carrying out appraisal and evaluation of policies and capital projects. It is used by all central government departments and executive agencies. It aims to make the appraisal process throughout government more consistent and transparent. This note sets out how the New Approach To Appraisal (NATA, as described in *Guidance on the Methodology for Multi-Modal Studies*, GOMMMS, now TAG) has been changed to reflect the guidance given in the Treasury's new Green Book (GB). Key points are in bold text.
- 1.1.2 The need to make changes to the NATA has provided the opportunity to bring it more in line with the Department's guidance *Better Policy Making: Integrated Policy Appraisal in DTLR* (IPA). The IPA is a good practice tool of use to anyone embarking on a policy project. It allows the user to review the widest possible range of impacts - economic, environmental, social and distributional - and thus ensure a robust approach to policy development. It includes a standardised summary of the impacts in a form that can be used in submissions to Ministers, public consultations, and so on. This is similar to the NATA's Appraisal Summary Table (AST) (TAG Unit 2.7.2).

## 1.2 Overall approach

- 1.2.1 The new Green Book (GB) presents appraisal and evaluation as a process, starting with the identification of the rationale for intervention, proceeding through the development of outcomes to be achieved and appraisal of a range of solutions to implementation, monitoring and evaluation. This process is well established for transport investment. In particular, the NATA is based on a very similar appraisal process, from consideration of problems through to the identification of a preferred solution.
- 1.2.2 The GB recognises the need to take account of all the economic, social, environmental and financial impacts of an intervention. The GB uses the term 'economic appraisal' for this process. The NATA is fully consistent with this approach. The need to integrate consideration of environmental, economic and social impacts is central to the NATA method. The NATA Appraisal Summary Table (AST) is designed to provide decision takers with a concise overview of impacts across the board.
- 1.2.3 The GB recommends that options should be appraised using cost benefit analysis, with supplementary techniques to be used for weighing up those costs and benefits that remain unvalued. It defines cost benefit analysis as "analysis which quantifies in monetary terms as many of the costs and benefits of a proposal as feasible, including items for which the market does not provide a satisfactory measure of economic value".
- 1.2.4 The emphasis on quantification in monetary terms is clearly an important issue for the appraisal of transport investment, where several significant environmental and other impacts are identified but not, currently, valued. The Department is committed to extending valuation to a wider range of the impacts of transport investment. Valuation is planned for impacts such as noise, local air quality and global emissions, but is further off for 'land take' impacts such as landscape, heritage, biodiversity and so on. The Department's ambition to extend monetary valuation to more of the impacts of transport investment will bring the NATA closer to the GB ideal, bringing greater transparency to decision making.

# **OBJ3/P5/A9**

Transport and Works (Inquiries Procedure) Rules 2004  
Proposed London Underground (Victoria Station Upgrade) Order

LAND SECURITIES PLC AND OTHERS (Objector No. 3)

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APPENDIX 9

[GREEN BOOK, APPRAISAL AND EVALUATION IN CENTRAL  
GOVERNMENT (EXTRACTS)]

&lt;&lt; Previous

Contents

Next &gt;&gt;

# INTRODUCTION AND BACKGROUND

# 1

## INTRODUCTION

1.1 All new policies, programmes<sup>1</sup> and projects, whether revenue, capital or regulatory, should be subject to comprehensive but proportionate assessment, wherever it is practicable, so as best to promote the public interest. The Green Book presents the techniques and issues that should be considered when carrying out assessments.<sup>2</sup>

The purpose of the Green Book is to ensure that no policy, programme or project is adopted without first having the answer to these questions:

- ┆ Are there better ways to achieve this objective?
- ┆ Are there better uses for these resources?

1.2 This guidance is designed to promote efficient policy development and resource allocation across government. It does this by informing decision-making, and by improving the alignment of departmental and agency policies, programmes and projects with government priorities and the expectations of the public. The guidance emphasises the need to take account of the wider social costs and benefits of proposals, and the need to ensure the proper use of public resources.

1.3 This is achieved through:

- ┆ Identifying other possible approaches which may achieve similar results;
- ┆ Wherever feasible, attributing monetary values to all impacts of any proposed policy, project and programme; and,
- ┆ Performing an assessment of the costs and benefits for relevant options.

The Green Book describes how the economic, financial, social and environmental assessments of a policy, programme or project should be combined.

### **back to top**

1.4 The Green Book is a best practice guide for all central departments and executive agencies, and covers projects of all types and size. It aims to make the appraisal process throughout government more consistent and transparent.

1.5 When more detailed analysis is required, as signposted throughout the Green Book, reference should be made to the technical advice contained in the annexes. These annexes address the needs of specialist technicians and economists by focusing on some of the more involved aspects of appraisal and evaluation. The annexes contain:

- ┆

Guidance on the conduct of an advanced appraisal; and,

- ↳ The analytical foundations of the approach contained in the Green Book.

1.6 Departments and agencies should ensure that their own manuals or guidelines are consistent with the principles contained here, providing supplementary guidance on their specific areas.

**BOX 1: ACTIVITIES COVERED BY THE GREEN BOOK**

|                                     |  |
|-------------------------------------|--|
| Policy and programme development    | Decisions on the level and type of services or other actions to be provided, or on the extent of regulation.   |
| New or replacement capital projects | Decisions to undertake a project, its scale and location, timing, and the degree of private sector involvement.  |
| Use or disposal of existing assets  | Decisions to sell land, or other assets, replace or relocate facilities or operations, whether to contract out or market test services.  |
| Specification of regulations        | Decisions, for example, on standards for health and safety, environment quality, sustainability, or to balance the costs and benefits of regulatory standards and how they can be implemented. |
| Major procurement decisions         | Decisions to purchase the delivery of services, works or goods, usually from private sector suppliers.   |

**WHEN TO USE THE GREEN BOOK**

1.7 The Green Book will be useful for:

- ↳ Anyone required to conduct a basic appraisal or evaluation of a policy, project or programme; and,
- ↳ People seeking to expand their knowledge in this area.

1.8 This guidance applies:

*At the start ...* to any analysis used to support a government decision to adopt a new policy, or to initiate, renew, expand or re-orientate programmes or projects, which would result in measurable benefits and/ or costs to the public. This is the *appraisal* part of the process.

*And at the finish ...* to retrospective analysis of a policy, programme or project at its completion, conclusion or revision. This is the *evaluation* part of the process.

1.9 The ability to judge how effectively government resources have been expended is essential to their strategic long-term management. Planning for this evaluation should be considered at the time of appraisal.

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1 A programme is defined as a group of related projects  
 2 Assessments is the general term used in the Green Book to refer to both appraisals before decisions are made, and evaluations of decisions once made

**[back to top](#)**



&lt;&lt; Previous

Contents

Next &gt;&gt;

# APPRAISING THE OPTIONS

# 5

## INTRODUCTION

- 5.1 The purpose of option appraisal is to help develop a value for money solution that meets the objectives of government action. Creating and reviewing options helps decision-makers understand the potential range of action that they may take.
- 5.2 The approach set out here explains how options can be created, and values estimated for the Base Case (i.e. the best estimate of the costs and benefits of an option). It goes on to state how the Base Case may be adjusted to account for uncertainty about the future, using sensitivity and scenario analyses, and how to consider non-monetised impacts.

## CREATING OPTIONS

- 5.3 This step involves preparing a list of the range of actions which government could possibly take to achieve the identified objectives. The list should include an option where government takes the minimum amount of action necessary (the 'do minimum option'), so that the reasons for more interventionist actions can be judged.
- 5.4 The range of options depends on the nature of the objectives. For a major programme, a wide range should be considered before short-listing for detailed appraisal. Both new and current policies, programmes and projects should be included as options. At the early stages, it is usually important to consult widely, either formally or informally, as this is often the best way of creating an appropriate set of options.
- 5.5 An option may affect, or be affected by, other expenditure across the public sector (for example, where its outputs or costs depend upon another project or the implementation of a related policy perhaps in another department). Where a number of expenditures or activities are linked together and the costs or benefits are mutually dependent, the proposal must be appraised as a whole. However, the contribution of the component parts of each proposal to achieving overall value for money must be taken into account.

### **BOX 8: CREATING OPTIONS**

Establishing a range of options can be challenging. The following actions are suggested:



Research existing reports, and consult widely with practitioners and experts, to gather the set of data and

information relevant to the objectives and scope of the problem.

- Analyse the data to understand significant dependencies, priorities, incentives and other drivers.
- From the research, identify best practice solutions, including international examples if appropriate.
- Consider the full range of issues likely to affect the objective.
- Identify the full range of policy instruments or projects that may be used to meet the objectives. This may span different sorts or scales of intervention; regulatory (or deregulatory) solutions may be compared with self-regulation, spending or tax options.
- Develop and consider radical options. These options may not become part of the formal appraisal but can be helpful to test the parameters of feasible solutions. Well-run brainstorming sessions can help to generate such a range of ideas.

**[back to top](#)**

## **BOX 9: EXAMPLES OF OPTIONS**

Examples of strategic and operational options include:

- Varying time and scale
- Options to rent, build or purchase
- Changing the combination of capital and recurrent expenditure
- Refurbishing existing facilities or leasing and buying new ones
- Co-operating with other parts of government
- Changing locations or sites
- Provision of the service, such as maintenance, or facility by the private sector
- Co-locating, or sharing facilities with other agencies
- Using IT to improve delivery, as part of wider organisational changes
- Transferring service provision to another body, or improving partnership arrangements
- Varying the balance between outsourcing and providing services (or retaining expertise in-house)
- Engaging the voluntary sector

- Regulation, including private sector self regulation, and voluntary action
- Different standards or compliance procedures for different groups (e.g. large and small businesses)
- Varying quality targets
- Different degrees of compulsion, accreditation, monitoring, and inspection regimes, including voluntary codes, approved codes of practice or government regulation
- Action at a regional, national, or international level (e.g. European wide)
- Better implementation of existing measures or initiatives
- Information campaigns
- Deregulation and non-intervention
- Changes that will be permanent in the foreseeable future, or initiatives with specified time horizons

### **Short-listing options**

5.6 A shortlist of options may be created, partly to keep the appraisal process manageable, usually at the preliminary stages of a policy appraisal, or during the strategic outline business case stage for a capital investment appraisal. However, there is a risk that the process of short-listing will eliminate the optimal solution before it is given full consideration. Therefore, shortlists should still try to cover a wide range of potential action.

5.7 The shortlist must always include the 'do minimum' option. Reasons behind the rejection of each excluded option should be recorded.

[back to top](#)

## **VALUING THE COSTS AND BENEFITS OF OPTIONS**

### **Introduction**

5.8 The relevant costs and benefits to government and society of all options should be valued, and the net benefits or costs calculated. The decision maker can then compare the results between options to help select the best. It is important to avoid being spuriously accurate when concluding from, and presenting the results of, data generated by the appraisal. However, the confidence in the data provided by the analysis will need to increase, depending on the importance or scale of the decision at hand (for instance, depending on how much resource will be committed by the decision).

5.9

In this context, relevant costs and benefits are those that can be affected by the

decision at hand. Although they will vary depending on the scope of the proposal, some general principles apply. It is useful early on in the appraisal process to consider widely what potential costs and benefits may be relevant.

- 5.10 Costs and benefits considered should normally be extended to cover the period of the useful lifetime of the assets encompassed by the options under consideration, although, if the appraisal concerns the contractual purchase of outputs and outcomes (e.g. in PFI), the appraisal period may be different.
- 5.11 Costs and benefits should normally be based on market prices as they usually reflect the best alternative uses that the goods or services could be put to (the opportunity cost). However, market prices may need to be adjusted for tax differences between options.
- 5.12 Wider social and environmental costs and benefits for which there is no market price also need to be brought into any assessment. They will often be more difficult to assess but are often important and should not be ignored simply because they cannot easily be costed. [Annex 2](#) provides more information on how to take into account the wider impacts of proposals.
- 5.13 Cashflows and resource costs are also important in an appraisal, as these inform the assessment of the affordability of a proposal. However, they do not provide the opportunity cost and, therefore, cannot be used to understand the wider costs and benefits of proposals. Proposals are also likely to require resource budgets, so that it is clear how they will be funded, and, ex post, accounted for. Chapter 6 provides more information on resource budgets and the other accounting requirements of appraisals.

**[back to top](#)**

## **Estimating costs**

- 5.14 Costs should be expressed in terms of relevant opportunity costs. It is important to explore what opportunities may exist. An example of an opportunity is to use land in a different, more valuable, way than in its current use. Another is the alternative use of an employee's time. Full time equivalent (FTE) costs should be used to estimate the costs of employees' time to the employer<sup>1</sup>, and should include pensions, national insurance and allowances, as well as basic salaries.
- 5.15 Costs of goods and services that have already been incurred and are irrevocable should be ignored in an appraisal. They are 'sunk costs'. What matters are costs about which decisions can still be made. However, this includes the opportunity costs of continuing to tie up resources that have already been paid for.
- 5.16 It can be useful to distinguish between fixed, variable, semi variable and step costs:
- Fixed costs remain constant over wide ranges of activity for a specified time period (such as an office building);
  - Variable costs vary according to the volume of activity (external training costs, for example, varying with the number of trainees);
  - Semi-variable costs include both a fixed and variable component



(maintenance is an example, where there is usually a set planned programme, and a responsive regime whose costs vary in proportion to activity, i.e. the number of call-outs); and,

- Semi-fixed, or step costs, are fixed for a given level of activity but they eventually increase by a given amount at some critical point (after telephone call volumes reach a certain level, a new call centre may be required).<sup>2</sup>

5.17 Categorising costs in this way can aid sensitivity analysis, but the categorisation should be used carefully. A cost that is fixed relative to one factor may change with another. More complex modelling may be required to describe how costs change over time and with different variables.

5.18 For substantial proposals, the relevant costs are likely to equate to the full economic cost of providing the associated goods and services, and for these proposals, the full economic cost should be calculated, net of any expected revenues, for each option. The full cost includes direct and indirect costs, and attributable overheads. The full cost of the Base Case, as built up in this way, should also equal the total of the analysis of costs into their fixed, variable, semi-variable and stepped elements. A dual cost analysis of this kind enables opportunity costs to be fully considered, and sensitivity analysis to be conducted later on.

5.19 Appraisals leading to short-term or non-strategic decisions are likely to have a smaller set of relevant costs. The relevant costs are likely to be those that are marginal to the organisation's overall activity.

5.20 Cost estimation can be difficult, depending on the class of costs under consideration. It will normally involve input from accountants, economists and other specialists, depending on the type of appraisal. The appraiser needs to understand and communicate clearly the scope of the appraisal to ensure that specialists provide relevant cost information, whilst ensuring that opportunities have been thoroughly explored.

5.21 Depreciation and capital charges should not be included in an appraisal of whether or not to purchase the asset that would give rise to them (although for resource budgeting purposes they may be important). Depreciation is an accounting device used to spread the expenditure on a capital asset over its lifetime. Capital charges reflect the opportunity cost of funds tied up in capital assets, once those assets have been purchased. They are used to help test the value for money of retaining an asset. They should not be included in the decision whether or not to purchase the asset in the first place.

5.22 Even where an appraisal covers the full expected period of use of an asset, the asset may still have some residual value, in an alternative use within an organisation, in a second-hand market, or as scrap. These values should be included, and tested for sensitivity, as it may be difficult to estimate the future residual value at the present time.

5.23 Some projects expose the government to contingent liabilities – that is commitments to future expenditure if certain events occur. These should be appraised (and monitored if the proposal goes ahead). One class of contingent

liabilities is the cancellation costs for which the government body may be liable if it terminates a contract prematurely. Such liabilities, and the likelihood of their coming about, must be taken into account in appraising the initial proposal. Redundancy payments fall into this category, but as the wider social and economic consequences of these should also be assessed, advice from economists should be sought.<sup>3</sup>

[back to top](#)

## Estimating the value of benefits

- 5.24 The purpose of valuing benefits is to consider whether an option's benefits are worth its costs, and to allow alternative options to be systematically compared in terms of their net benefits or net costs. The general rule is that benefits should be valued unless it is clearly not practicable to do so. Even if it is not feasible or practicable to value all the benefits of a proposal, it is important to consider valuing the differences between options.
- 5.25 In principle, appraisals should take account of all benefits to the UK.<sup>4</sup> This means that as well as taking into account the direct effects of interventions, the wider effects on other areas of the economy should also be considered. These effects should be analysed carefully as there may be associated indirect costs, such as environmental costs, which would also need to be included in an appraisal. In all cases, these wider effects should be clearly described and considered.
- 5.26 Real or estimated market prices provide the first point of reference for the value of benefits. There are a few exceptions where valuing at market prices is not suitable. If the market is dominated by monopoly suppliers, or is significantly distorted by taxes or subsidies, prices will not reflect the opportunity costs and adjustments may be required and specialist economic advice will be needed. An example of this is the effect of EU subsidies on the market for agricultural land.
- 5.27 The results of previous studies may sometimes be used to estimate the economic value of changes stemming from current programmes or policies. There will be increasing scope for using this 'benefit transfer' method as databases expand, though care must be taken to allow for different circumstances. The characteristics of the consumers or client group for which data exist may differ from those of the proposal under consideration. These factors can limit the extent to which values can be transferred or generalised.
- 5.28 In the absence of an existing robust (i.e. reliable and accurate) monetary valuation of an impact, a decision must be made whether to commission a study, and if so how much resource to devote to the exercise. [Annex 2](#) sets out the key considerations that may govern a decision to commission research.
- 5.29 Where it is concluded that a research project to determine valuations is not appropriate, a central estimate, together with a maximum and minimum plausible valuation, should be included. These figures should be included in sensitivity analyses to give assurance that benefit valuation is not critical to the decision to be made. A plausible estimate of the value of a benefit or cost can often be drawn out by considering a range of issues which are summarised in [Annex 2](#).