

CentralLondon
Partnership

Economic Benefits of
Good Walking
Environments
(report 2003)



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The importance of good streetscape

What is the hypothesis?

Select Committee report “Living Places” 2003



- High quality public spaces...are an integral part of the thriving, inclusive, sustainable communities we are working to build.”
- “High quality public spaces are important for enhancing local prosperity”



Select Committee report “Walking in towns and cities” 2001

- “Successful cities are walkable cities”

A qualitative investigation



Problems

- Poor state of the public realm
- Threat to business competitiveness
- Reduced asset values
- Limited private sector influence

Opportunities

- Private sector contributions
- Wider community benefits from public investment

The problem is getting worse:

“The backlog of road maintenance has grown by 12% to £8.3billion in the year to June” – ICE 2003

How do business leaders view the importance of public realm?

- They perceive the importance of streetscape
- Half rated the environment around their business as “poor” or “very poor”
- They say public realm quality is important :
 - for locating a business
 - for retaining a business location
 - in making investment decision
 - in attracting custom
 - for attracting and retaining staff
 - for business image



Spaces – who is responsible?

- Most are wholly public
- Some are private but used by and open to the public (on conditions)
- Some are wholly private, but public can gain access (e.g. on purchase of a ticket)

Funding – who pays?

- How much should be paid by local authorities?
- How much by private contribution
- How much reliance on other sources (European money, lottery money etc)

Liverpool Street

- Private realm
- Public realm



Fifteen case studies

What do they tell us?

Study approach



Thematic

- 1: Major Landowners
- 2: Retail and Services
- 3: Private Developers
- 4: Tourism and Entertainment

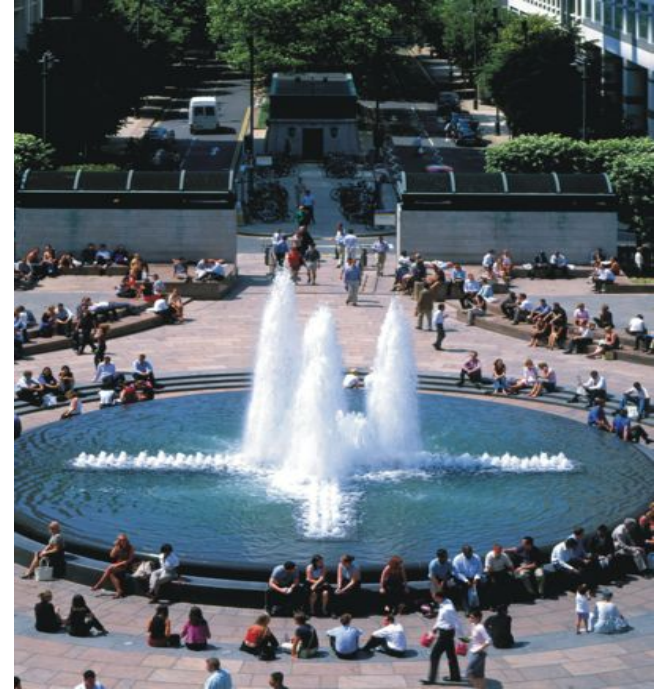
Area based

- 5: Canary Wharf Management, Canary Wharf
- 6: British Land, Broadgate
- 7: Grosvenor, Mayfair and Belgravia
- 8: London Eye, South Bank
- 9: South Bank Employers' Group, South Bank
- 10: National Gallery, Trafalgar Square
- 11: Burford and Piccadilly Circus Partnership, Piccadilly Circus
- 12: The West End Theatre District
- 13: New West End Company, Oxford Street
- 14: Madame Tussaud's, Marylebone Road
- 15: Heals, Tottenham Court Road

What value does business place on high quality public realm?

- No magic formula but businesses are prepared to put their money where their mouth is:
 - £30M for Broadgate (British Land)
 - £250K in Motcomb St. (Grovsenor)
 - £1.5M for Jubilee Gardens (Tussauds Group)
 - £500k for Oxford St/Regent St Masterplanning
- Recognise that high quality streetscape requires on-going investment
 - £1.25 per ft² Canary Wharf approximately annual service charge

Case Study Theme 1



Case Study Theme 1



What value does business place on high quality public realm?

- But expect their efforts to be matched:
 - “We’re not charities” & should not replace statutory duties
 - Disincentive to improve small area if wider area remains problematic

What are the perceived commercial benefits?

- Attracting customers
 - 85% said this was a factor
- Attracting tenants
 - Environmental quality key to business case (Heals)
 - Attracting an anchor store (Waitrose)
 - Investment in quality of environment supported rise in rents (Mayfair)
- Attracting and retaining staff
 - Employees not wishing to relocate from Canary Wharf to the City
- Maintaining value of assets

Case Study Theme 2

What are the perceived commercial benefits?



Case Study Theme 2



What are the perceived commercial benefits?

- Multiplier effect emerges from increase in 'dwell-time'
 - Up to 25 businesses boosted by the London Eye
 - Small business opportunities in revitalised Trafalgar Square

Case Study Theme 2



What are the perceived commercial benefits?

- What happens in the absence of a good public realm?
 - Withdrawal of customers from the street (Madame Tussauds)
 - Rents are lower – the impact of traffic dominance in Oxford St
 - Consider disinvestment from area known for chaotic public realm
 - Loosing out to areas able to guarantee better quality
 - Canary Wharf vs City
 - Regional Theatre vs West End
 - Regional Shopping Centres vs West End

Case Study Theme 2



What improvements should we prioritise?

- Streetscape seen as a package but some issues make frequent appearances
 - Cleansing & maintenance (85%)
 - Traffic intrusion (92%)
 - Quality of paving and lighting (75%)

Case Study Theme 3



How does it work?

- BIDs
 - 55% of interviewees belonged to business organisation
 - New West End Company/Piccadilly Partnership
- Contributions to cleansing costs
 - £60K p.a. around Madame Tussauds
 - £200K p.a around Jubilee Gardens
 - Maintenance Team around West End Theatres
- Contribution to town centre management
 - Boots supports 130 schemes
- Section 106
 - Varies significantly dependent on proactivity of planning authority

How does it work?

- Danger of squandering good will
- Concern about delivery capacity leads to exploration of alternatives
 - Trust fund for Jubilee Gardens
- Ways forward for public authorities
 - Joined up approach essential
 - “We always offer and get a good reception but then find it hard to get the improvements delivered. It’s hard to co-ordinate between Planning & Highways and (community) amenity groups”
 - Long term commitment
 - 25 year operating licence been critical for Jubilee Gardens Investment

Case Study Theme 4



- Businesses want to be involved as the street 'is their front door'
- Evidenced by creative efforts in the private realm
- Willing to be flexible to ensure public realm is just as good
- But as partners not as cash cows