



London Borough of Hammersmith & Fulham | The Royal Borough of Kensington and Chelsea | Westminster City Council

# TRI-BOROUGH WHOLE PLACE COMMUNITY BUDGET

## INFRASTRUCTURE – AN INTEGRATED APPROACH

Securing Regeneration and  
Wider Economic Benefits from  
Major Railway Infrastructure Projects

October 2012



# INFRASTRUCTURE – AN INTEGRATED APPROACH

## Securing Regeneration and Wider Economic Benefits from Major Railway Infrastructure Projects

### Table of Contents

---

Executive Summary.....	2
1. Purpose of the Report.....	4
2. Current Proposals.....	5
3. Issues with the Current Approach and Missed Opportunities .....	8
4. New Approach.....	13
5. Timing.....	18
6. Replicability.....	20
Appendix A: Opportunity Area Planning Framework Governance.....	21
Appendix B: Contributors to the Report .....	22

# Executive Summary

---

## The problem

Railway infrastructure projects are currently designed and planned as ‘silos’, purely to deliver railway schemes. This approach stifles the additional wider benefits such schemes could otherwise deliver through real estate development, economic regeneration, inter-modal connectivity, etc. and provides very little opportunity to understand the rationale behind the decision making process, and even less scope for those outside the silo to influence decisions. Timetables are set on this basis, and then modifications to take a more holistic view are regarded as ‘costs’ as they risk ‘delays’.

## Why does this matter?

This report uses the example of High Speed Rail 2 (“HS2”) and Crossrail to demonstrate how a different approach, based on optimisation through a process of partnership working and integrated assessment, could deliver significant economic benefits. Our initial findings are that – if the railway design were optimised to facilitate development – then development at Old Oak Common and a Crossrail station at Kensal for Portobello could potentially yield approximately 21,000 new homes and 196,000 new jobs, with a gross value of approximately £17 billion<sup>1</sup> based on current land values. The additional development at Old Oak Common and Kensal would release substantial economic value, with local Gross Value Added of up to £74 billion in net present value terms (for Old Oak Common alone up to £2.3 billion would accrue to HM Treasury in the form of additional taxes). If these benefits are realised, and reflected in the appraisal of High Speed 2, then it would significantly strengthen the economic case for the project<sup>2</sup>. If developed fully the Old Oak Common site alone could accommodate up to twenty-five per cent of London’s growth over the next thirty years and much of this site is in public ownership (BRBR, TfL and DfT). Kensal / Portobello could be developed from 2018, with parts of the North Pole Depot available immediately.

## Options for addressing the problem

Maximising the economic value of railway projects requires Government to work with local partners in a different way. The railway infrastructure and associated development and regeneration will only be optimised where the development and regeneration potential are integrated into the options and analysis from the outset, and co-designed with those partners who are best able to identify those options. In the case of the HS2 and Crossrail projects, that means working with the local authorities to ensure that the configuration of the stations and depots at Old Oak Common and Kensal support the development and

---

<sup>1</sup> Source: H&F estimate. This figure will be verified shortly through additional economic impact assessment work

<sup>2</sup> We estimate that a £2.5 billion improvement in the net benefits of HS2 would improve the benefit: cost ratio (BCR) of that project by approximately 0.1

regeneration potential of west London. Formal consultations, such as the current consultation on safeguarding the route between London and the West Midlands, have a role to play, and boroughs will of course engage with such processes. But they are not a substitute for working in partnership from the outset of project development.

There is still an opportunity to ensure that development and regeneration opportunities are realised. The necessary changes can be made to the proposed configuration of the infrastructure. Those changes have the best chance of being optimised and implemented if the following conditions are met:

- The remit of HS2 should be broadened to include engagement with the local authorities along the route to ensure that investment in HS2 is planned to enable these areas to benefit from development opportunities around proposed stations and to deliver wider economic growth;
- The Royal Borough of Kensington and Chelsea should be invited onto the HS2 London / Heathrow Stakeholder Group;
- The assessment methodology for the project should be revised to include consideration of the regeneration benefits that the project will deliver;
- Government and Crossrail should acknowledge the wider economic benefits that a Crossrail station at Kensal /Portobello would deliver and plan the station into its future modelling of the business case and train timetabling;
- The Strategy Board of the Old Oak Common Opportunity Area Planning Framework should have a broader remit and should include Department for Transport at a suitable level of seniority (e.g. a member of the Ministerial team);
- Opportunities should be investigated for finance that can be mobilised by the development potential associated with the projects, e.g. Tax Increment Financing, Community Infrastructure Levy and/or section 106 planning obligations.

The approach advocated in this paper may be replicable elsewhere and should thereby help to ensure that the UK can secure maximum value from the programmes and projects within the Government's national infrastructure plan. Maximising the opportunities for regeneration and development on the back of major infrastructure projects needs to be a cross-government responsibility, and it is recommended that the Department for Communities and Local Government should review how it can contribute to this agenda most effectively.

# 1. Purpose of the Report

---

- 1.1 Railway infrastructure projects are currently designed and planned as ‘silos’, purely to deliver railway schemes. This approach stifles the additional wider benefits such schemes could otherwise deliver through real estate development, economic regeneration, inter-modal connectivity, etc. and provides very little opportunity to understand the rationale behind the decision making process, and even less scope for those outside the silo to influence decisions.
- 1.2 This report uses the example of High Speed Rail 2 (“HS2”) and Crossrail to demonstrate how a different approach, based on optimisation through a process of partnership working and integrated assessment, could deliver significant economic benefits. Our initial findings are that – if the railway design were optimised to facilitate development – then development at Old Oak Common and a Crossrail station at Kensal for Portobello could potentially yield approximately 21,000 new homes and 196,000 new jobs, with a gross value of approximately £17 billion<sup>3</sup> based on current land values. The additional development at Old Oak Common and Kensal would release substantial economic value, with local Gross Value Added of up to £74 billion in net present value terms (for Old Oak Common alone up £2.3 billion would accrue to HM Treasury in the form of additional taxes). If these benefits are realised, and reflected in the appraisal of High Speed 2, then it would significantly strengthen the economic case for the project<sup>4</sup>. If developed fully the Old Oak Common site alone could accommodate up to twenty-five per cent of London’s growth over the next thirty years and much of this site is in public ownership (BRBR, TfL and DfT).
- 1.3 The approach advocated in this paper may be replicable elsewhere and should thereby help to ensure that the UK can secure maximum value from the programmes and projects within the Government’s national infrastructure plan.
- 1.4 This paper has been prepared by officers<sup>5</sup> from the London Borough of Hammersmith and Fulham (LBHF), the Royal Borough of Kensington and Chelsea (RBKC) and Westminster City Council, during the course of preparing the tri-borough’s community budget submission to Government in October 2012.

---

<sup>3</sup> Source: H&F estimate. This figure will be verified shortly through additional economic impact assessment work

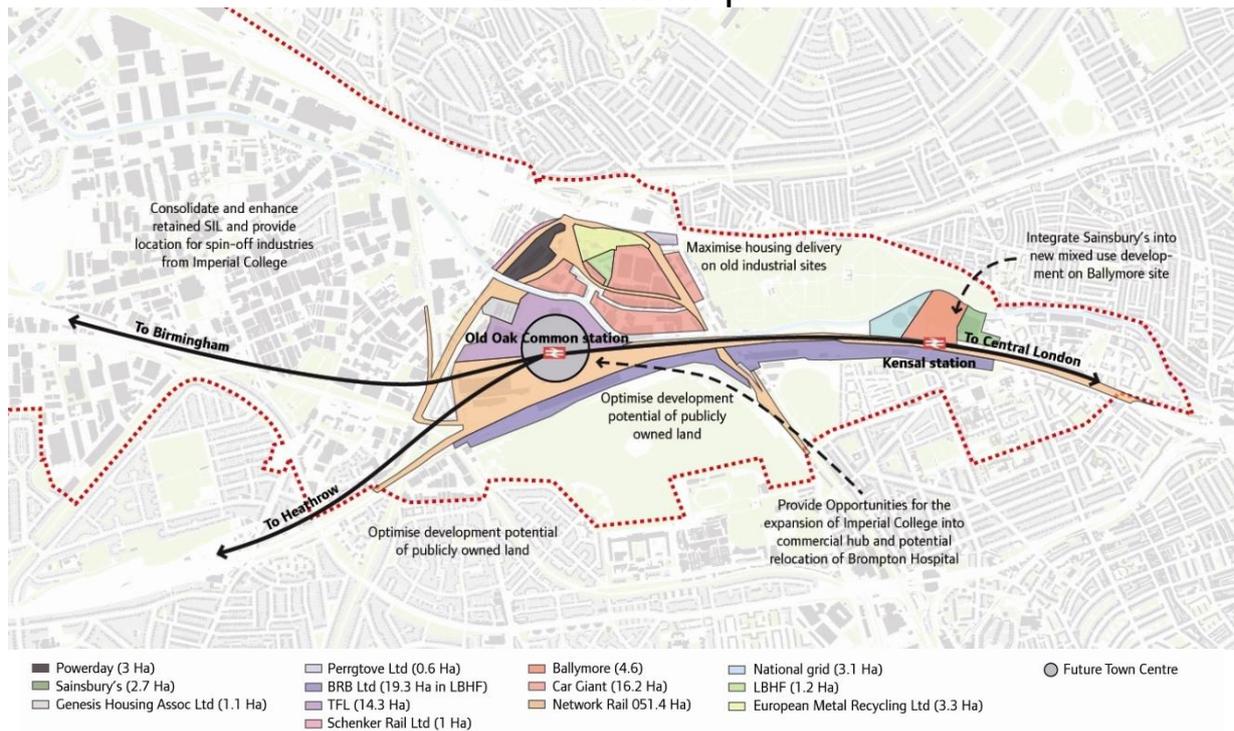
<sup>4</sup> We estimate that a £2.5 billion improvement in the net benefits of HS2 would improve the benefit: cost ratio (BCR) of that project by approximately 0.1

<sup>5</sup> See Appendix B for a list of contributors to the report.

## 2. Current Proposals

2.1 The map below shows the location of the proposed HS2 and Crossrail Stations at Old Oak Common and Kensal and adjacent land ownerships.

Location map



### HS2 Old Oak Common Interchange

2.2 As part of the High Speed 2 rail link from Birmingham to London, a new station will be built at Old Oak Common in the north west of London. Old Oak Common could become a new transport super hub for London linking to Birmingham (38mins), Heathrow (11mins), central London (15mins) and potentially to Watford and Milton Keynes. The journey time to Birmingham would be shorter than to Gatwick, making a second runway at Birmingham a realistic alternative or addition to further development of Gatwick, Heathrow or a new London airport. This level of connectivity will transform the surrounding areas, which are currently quite inaccessible, but this impact is not considered in HS2 / Crossrail station design or the government's investment decisions.

2.3 The current HS2 Ltd remit is to deliver the proposals as set out by the Department for Transport in January 2012. This includes the following:

- Old Oak Common will provide an interchange between HS2 and Crossrail services;
- A 14 platform station is envisaged at Old Oak Common, with 6 platforms for HS2 services and 8 platforms for Crossrail/Great Western Main Line (GWML) services.

2.4 On construction and operational cost grounds the station at Old Oak Common is currently being planned as a sunken, open-box station without enabling any associated development. Indeed, without an integrated approach, such a scheme might frustrate or blight future commercial investment and development.

2.5 At the time of finalising this report, DfT has just launched a consultation on safeguarding the HS2 Phase 1 route. We will seek early engagement with HS2 on the safeguarding lines, particularly in relation to construction sites and their potential implications for early development. It is important that the Safeguarding Direction does not preclude upcoming planning applications in the HS2 Old Oak station area that relate to the regeneration of the area and integration of HS2 with the local community.

## Kensal (Portobello) Crossrail Station

2.6 In order that a Crossrail station could be installed at a future date, Parliamentary assurance was given to RBKC to provide clear tracks - so called 'plain lining' - when the Crossrail Act went through parliament. RBKC is working with the Crossrail sponsors to establish a Crossrail Station at Kensal for Portobello. It is hoped that, once further modelling on both the business case and train timetabling has been completed (envisaged by Spring 2013), and discussions regarding financial undertakings of the Council have been resolved, the station will be included in the Crossrail construction programme, to open as part of the overall Crossrail project in 2019. Work completed to date suggests that a rail link is the only direct way of connecting Kensal to Old Oak Common. This will also be vital to bring forward the first phases around Old Oak Common before that station opens.

## Crossrail Depots Old Oak Common

2.7 Alongside the proposed HS2/Crossrail interchange station at Old Oak Common, there are proposals within the current Crossrail Act to provide a stabling depot and maintenance depot on land to the north of the station covering an area of approximately 13.7 hectares of land.

## North Pole Depot

2.8 North Pole Depot runs from Ladbroke Grove in RBKC to Old Oak Common Lane in LBHF, running to the south of the West Coast Main Line. The depot had previously been used in association with

Eurostar. The site is owned by the Department for Transport, currently held by the British Rail Board (Residuary) Ltd (BRBR) which is shortly to be disbanded. The western part of the depot has been leased for a depot to 2038, as part of the Intercity Express Programme (IEP), related to the electrification of the Great Western Mainline (GWML). Most of the land to the east of Scrubs Lane, however, has been provisionally earmarked for development by BRBR. However, it is now likely some of the site might be required for depot facilities displaced by the HS2 project.

## 3. Issues with the Current Approach and Missed Opportunities

---

### HS2 Old Oak Common Interchange

- 3.1 In functional terms the station will primarily act as an interchange enabling High Speed 2 passengers to transfer on to Crossrail and Great Western Main Line, reducing pressure on the HighSpeed Terminus of Euston.
- 3.2 The location of the new station, although at the junction and confluence of a number of major railway lines, currently has no national rail station on the site. The site is located at the centre of the Park Royal/Willesden Junction Opportunity Area identified in the London Plan, and adjacent to Kensal Canalside Opportunity Area. The wider area is predominantly industrial but it is also home to a number of residential communities as well as natural assets including Wormwood Scrubs and the Grand Union canal. The opportunity area has the potential for major mixed use development and it is important that the new High Speed 2 station plays a role in this regeneration.
- 3.3 It would be possible to design a station that focuses almost entirely on interchange passengers with no interaction with the surrounding area. However this would be a colossal failing in forward planning and would mean that a once in a lifetime opportunity to regenerate this area would be missed.
- 3.4 It is for this reason that the GLA, Transport for London and the surrounding local authorities - Hammersmith & Fulham, Royal Borough of Kensington & Chelsea, Brent and Ealing have started the production of an Opportunity Area Planning Framework (OAPF) for the area, which looks at the potential for regeneration around the new Old Oak Common station.
- 3.5 As part of this work, the authorities have set out three overarching principles for the station design:
  - To support the major development of the surrounding Opportunity Area;
  - To create a strategic transport interchange for west London as set out in the Mayor's Transport Strategy; and
  - To relieve pressure at Euston.
- 3.6 The authorities feel that in order to satisfy the above objectives, HS2's station remit would need to be changed so that:
  - The station is designed to allow for over station development;

- The station is designed with entrances that fit with the emerging plans for the Opportunity Area; and
- The station design allows for the re-routing of the North London Line and West London Line to a new station sitting between the HS2 station and the Crossrail/GWML station.

3.7 The initial findings of the work on the OAPF indicate that if the station were to be designed to take over station development, there would be capacity for up to 800 homes and 14,300 jobs, releasing a minimum of £1.9 billion<sup>6</sup> gross value based on current land values. Furthermore, development in the vicinity of Old Oak Common Station could potentially yield approximately 19,000 new homes and 190,000 new jobs in 4.6 million square metres of floor space with a gross value of approximately £15.1 billion based on current land values<sup>7</sup>.

3.8 Under the current proposals, transport modelling has estimated that 30% of travellers into London on the High Speed 2 line will stop at Old Oak Common, with the remaining 70% travelling on to Euston. The inclusion of the potential for a North London Line/West London Line connection has been estimated to alter this dispersal split so that 40% of passengers would disembark at Old Oak Common, with only 60% therefore travelling on to Euston. This would have profoundly positive impacts on the ability of the London Underground system at Euston being able to cope with passenger numbers. The proposed connection would also drastically reduce travel times for residents and businesses in western, southern and eastern London to Heathrow and to the new High Speed 2 line.

## Crossrail Kensal Portobello station

3.9 This significant development site, consisting largely of the existing and former gas works, was allocated as a strategic development site in the RBKC Core Strategy (adopted 2010). RBKC has prepared an issues and options paper as a first step for the preparation of a Supplementary Planning Document or Local Plan for the site, which offers three broad options, ranging from 2,000 – 3,500 new homes and up to 2,000 jobs<sup>8</sup>, depending on the provision of a station (see above). This shows how a station would stimulate significantly increased regeneration benefits for the area than could be achieved by the development of the adjacent sites without a station. The site comprises:

- Sainsbury's and Ballymore's landholdings to the north of the railway, fronting Ladbrooke Grove and in part the canal. There is an existing Sainsbury's supermarket that would be reprovided as part of the redevelopment. Crossrail have required, via a Transport and Works Act Order, the use of Ballymore's land (which currently has no permanent use) for construction of Crossrail and are

---

<sup>6</sup> Source: H&F estimate this figure will be verified shortly through additional economic impact assessment work

<sup>7</sup> Source: as above

<sup>8</sup> Source: RBKC Kensal SPD Issues and Options

resisting pressure to provide an end date for this requirement. This uncertainty is delaying the development of these sites.

- National Grid, with two gas holders which are programmed for decommissioning and ancillary equipment and housing. National Grid have recently announced decommissioning dates for all of their gas holders in London. The date for mothballing the Kensal holders has just been confirmed as November 2012, but the date for decommissioning remains to be confirmed. Consequently 1.7 ha of the site remains subject to the Health and Safety Executive's Consultation Zone requirements and cannot be developed. The landowners have long argued (with the support of the Council) that these requirements, and indeed, the arcane process of responding to proposals, require updating. However, opportunities to debate these matters have been very difficult to secure.
- Part of North Pole Depot, to the east of Scrubs Lane (the remainder of the depot is dealt with separately in this paper - see below). Crossrail have recently begun to acquire part of the North Pole Depot near the entrance to the site for a maintenance depot, which is being relocated from Old Oak Common. This is not good economic use of the land which could have a site value of as much as £53<sup>9</sup>m if used for residential and commercial, with a development capacity of around 850<sup>10</sup> homes. Crucially redevelopment of the eastern end of North Pole Depot is an integral part of the regeneration of Kensal, as it will allow for a bridge over the railway line, providing access from the surrounding housing to the proposed Kensal Crossrail station, and better integration of the development sites to the north into the surrounding area. Whilst the land take is only 1,500 sqm its location at the gateway to the site will adversely affect the desirability and financial uplift of this publicly owned land. Despite requests from RBKC and BRBR, Crossrail have rejected this argument and refused to investigate alternative locations, stating that the needs of the network outweigh all other concerns.

3.10 Work by Regeneris, an economics consultancy firm, has shown that compared to other Crossrail stations, the Kensal for Portobello station represents a significant regeneration opportunity, being the 5th most deprived location for a new station. A Crossrail station at Kensal could deliver in the region of £690m additional economic benefits for the wider community, without additional call on the public expense<sup>11</sup>. The Royal Borough has agreed to underwrite the £33million cost of the station, although the intention is that this will ultimately be met through developer contributions. All that is required is commitment to include a station at Kensal as part of the Crossrail programme. Recent work by GVA has identified that the uplift in property values as a result of having a Crossrail station is in the region of 20 per cent. RBKC are seeking to confirm what the uplift for Kensal/ Portobello would be<sup>12</sup>.

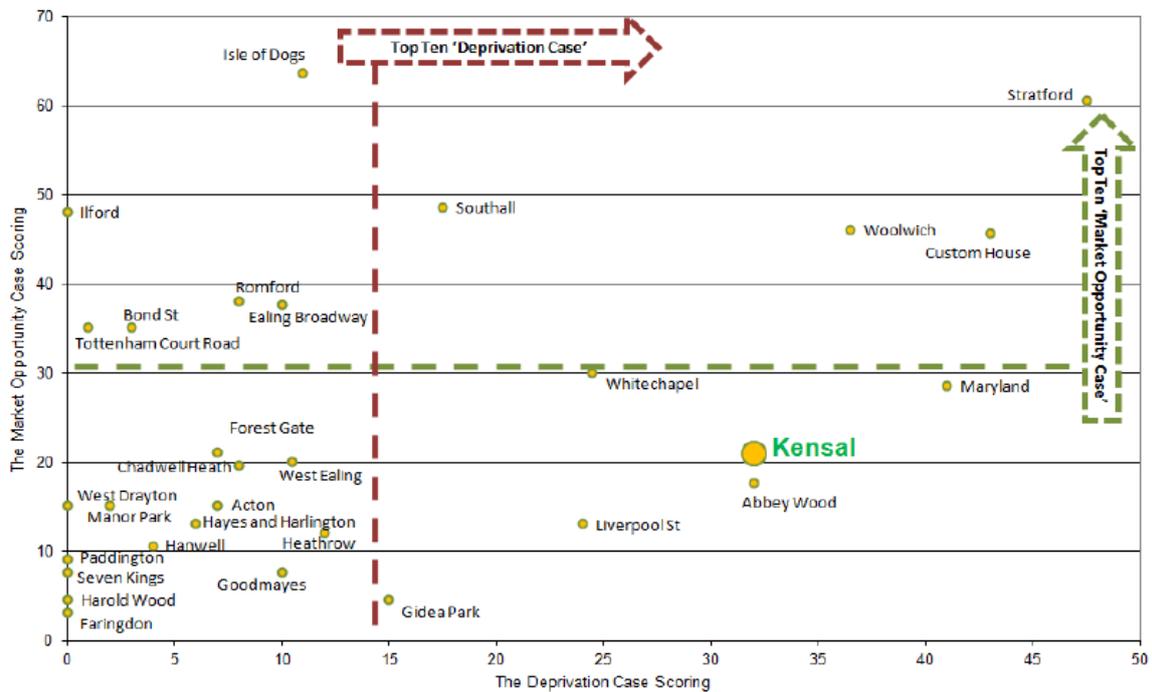
<sup>9</sup> Source: Knight Frank August 2011 (unpublished report)

<sup>10</sup> Source: Urban Initiatives North Pole Depot Masterplan 2011 (unpublished)

<sup>11</sup> See [http://www.rbkc.gov.uk/pdf/crossrail\\_note\\_on\\_results2.pdf](http://www.rbkc.gov.uk/pdf/crossrail_note_on_results2.pdf) for further detail.

<sup>12</sup> GVA Crossrail Property Impact Study 2012

## Crossrail regeneration benefits



## Crossrail Depots Old Oak Common

3.11 The Old Oak Common Economic Impact Assessment has identified that the Crossrail stabling depot and maintenance depot sites, if developed, have the potential to provide 4,500 homes and 9,500 jobs, or approximately 685,000sqm of floor space generating approximately £1.1 billion<sup>13</sup> of gross added value, based on current values in the area. The Crossrail land also sits between the station and what is considered to be one of the biggest areas of development potential in the vicinity of the HS2 station to the north of the canal. The inclusion of the Crossrail stabling and maintenance depots within any development scheme is therefore integral in order to make a viable place.

3.12 The authorities acknowledge that there are problems with altering the plans set out in the Crossrail Act, but believe that were plans for the HS2/Crossrail station to proceed, the HS2 Bill would provide a mechanism to relocate the Crossrail stabling and maintenance depot and realise the development potential that the site could deliver and the potential for this to strengthen the business case for HS2. The probable expansion of Crossrail to Reading and the electrification of the GWML provide other options for reviewing depot allocation and the current proposals for terminating 14 trains per hour at Westbourne Park looks like a poor return on the investment in Crossrail when other options for improved services are possible utilising new rolling stock and electrified routes.

<sup>13</sup> Source: H&F estimate this figure will be verified shortly through additional economic impact assessment work

## North Pole Depot Hammersmith and Fulham

3.13 The western part of North Pole Depot will be used as a new IEP Depot and will have a lease until at least 2038. Through discussions with the Department for Transport it has become apparent that this is fixed and there will be no opportunities for the release of this part of the depot site for development opportunities in association with the new HS2/Crossrail station. This is regrettable. Work on the OAPF has shown that this site has the potential to deliver up to 2,000 homes and 4,150 jobs or approximately 250,000 sqm of development with a gross development value of almost £2 billion<sup>14</sup>. The authorities believe that, were the HS2 scheme to proceed, consideration should be given to finding an alternative site for the IEP depot in order that the development potential of this section of the North Pole Depot can be realised.

3.14 More generally, the North Pole Depot site also provides the potential for an east-west connection between Old Oak Common Lane, Scrubs Lane and Ladbroke Grove, which could potentially have a huge impact on increasing accessibility to the new High Speed 2 station, as well as relieving pressure on the surrounding road network, particularly at Harlesden which is currently afflicted with severe traffic congestion.

### Summary – the extent of the opportunity

	Homes	Jobs	Gross Development Value (homes plus non-residential)	Gross Value Added
Kensal with a Crossrail station 2014 – 2030	2,500	2,000	£1 bn	£700m <sup>15</sup>
Old Oak Common				£73bn <sup>16</sup>
- Over station	800	14,300	£1.9bn	
- Around station	17,500	180,000	£14.1bn	
<b>Total</b>	<b>20,800</b>	<b>196,300</b>	<b>£17 bn</b>	<b>£74bn</b>

<sup>14</sup> Source: H&F estimate this figure will be verified shortly through additional economic impact assessment work

<sup>15</sup> Economic Impact Assessment of Crossrail: Kensal addendum

<sup>16</sup> Old Oak Common Economic Impact Assessment

## 4. New Approach

---

- 4.1 This paper calls for a new approach, under which the Mayor, Network Rail, DfT and HS2 would work together to deliver these rail infrastructure schemes in a way that maximises wider regeneration benefits and integrates with emerging Opportunity Area Planning Frameworks for Old Oak Common and Park Royal. That means not only looking at **what** will be built, but also the optimum **sequencing**, since this will affect when land values can be liberated. Together, these parties would investigate:
- The potential for Old Oak to become a major transport interchange for London, including links to existing and new transport infrastructure in the vicinity (with economic benefits estimated at £73billion);
  - How the station design can support major regeneration of the surrounding area and how this regeneration can support the economic case for HS2;
  - The case for a Crossrail station being opened at Kensal / Portobello at the time Crossrail starts operating (with economic benefits estimated at £700 million), together with the opportunity to bring forward the first phases of development around Old Oak Common before that station opens.
- 4.2 Governance will be crucial. This project is about bringing the expertise of relevant parties to the table to co-design value-adding approaches. At the same time, the arrangements must avoid the risk of confusing responsibilities for the delivery of a complex railway project to time and budget.

### HS2 Governance

- 4.3 The remit of HS2 was set out in January 2012<sup>17</sup> and is being revised in November 2012. The remit also includes a commitment to provide a document detailing sponsors' requirements early in 2012 but it is not clear if this has materialised. In summary the remit covers:
- Delivery of a safe and affordable route design;
  - Assessment of the environmental impacts of this design and production of the Environmental statement;
  - Consultation with all relevant bodies on aspects of the proposals;
  - Continue current work on developing routes from the West Midlands to Leeds, with a connection to the West Coast Main Line, and a spur to Heathrow, to include appropriate engineering designs and sustainability appraisal and the implications for the whole Y network;

---

<sup>17</sup> See <http://www.hs2.org.uk/publications/HS2-Ltds-remit-of-11-January-2012-79709>

- Prepare materials and provide advice to develop and inform informal consultations necessary to develop proposals for High speed rail;
- Undertake strategic work on the longer options for serving Scotland and the North East;
- Continue to advise DfT on costs, transport benefits and commercial issues so that the business case for the London to West Midlands phase of the whole Y-shaped network can be updated and costs controlled.

4.4 We would recommend that this remit be amended to include:

- Engage with the local authorities along the route to ensure that investment in HS2 is planned to enable these areas to benefit from development opportunities around proposed stations and to deliver wider economic growth.

4.5 The HS2 London / Heathrow Stakeholder Group is:

- London Councils
- London Borough of Hammersmith & Fulham
- London Borough of Camden
- London Borough of Hounslow
- London Borough of Ealing
- London Borough of Hillingdon
- Slough Borough Council
- Westminster City Council
- Greater London Authority
- South East England Development Agency
- London Chamber of Commerce and Industry
- Thames Valley Economic Partnership
- London First
- CH2M Hill
- Network Rail
- Transport for London, London Rail
- Crossrail
- BAA

4.6 RBKC is not currently a member of the HS2 London/ Heathrow Stakeholder Group although connection into Old Oak Common and the development of Kensal are key issues for the borough. RBKC ought to be invited onto that group.

## The Economic case for HS2

4.7 The wider economic impacts of HS2 are currently assessed in terms of impacts on:

- agglomeration - improvements in urban transport networks, to local rail services and road congestion relief as a result of released capacity;
- imperfect competition - increased output as a result of reduced transport costs;
- labour market impacts – reducing time and cost of travelling.

4.8 We would recommend that the assessment methodology is revised to include consideration of the regeneration benefits that the project will deliver. By bringing the boroughs into the process of project governance and co-design, greater confidence can be gained that the regeneration benefits will be realised, thereby improving the robustness of the project economics.

## Crossrail

4.9 Government / Crossrail should acknowledge the wider economic benefits that a Crossrail station at Kensal for Portobello would deliver and therefore plan the station into future modelling on both the business case and train timetabling.

## OAPF Governance

4.10 Details of the OAPF Governance structure can be seen in Appendix A. The main problem presented by this structure is that it is designed to meet the technical requirements of delivering a project of this kind. The Strategy Board is made up of the GLA Deputy Mayor, Leaders (or other representatives) of four boroughs (LBHF, RBKC, Ealing, Brent) and TfL Planning. There is no strategic representation from DfT that could allow consideration of wider national priorities like using investment in major infrastructure projects to deliver economic development.

4.11 The board could have a broader remit which includes all of the infrastructure to be put in place at Old Oak Common / Kensal and to include DfT (e.g. a member of the Ministerial team). Consideration would need to be given to protecting any planning proprieties (e.g. separation from any powers that DCLG Ministers have under the spatial planning processes and, if relevant, any similar considerations under the HS2 hybrid bill process). Potentially, this body could have a life extending beyond the planning process.

## Mayoral Development Corporation

4.12 The possibility of a Mayoral Development Corporation (MDC) for Park Royal, Old Oak Common and Kensal Canalside has been mooted. Whilst this may be desirable to bring forward this site in an

integrated manner and deliver benefits to London as a whole, it would not be sufficient to tackle the all the issues identified in this paper. The 'silos' we have identified are within DfT, HSE, Crossrail and HS2 and therefore outside the scope of a MDC.

## Funding

4.13 This project has identified instances where additional up front funding could have safeguarded longer term development opportunities. For example, the decision to build the Crossrail stabling and maintenance depots without the necessary piling to support over-development will mean that to develop these sites at a later date, the depots will need to be relocated.

4.14 It is possible that Tax Increment Financing could be used to cover additional costs like these. Alternatively local authorities should have the option to consider underwriting additional costs against future CIL/ s106 receipts, much as RBKC has committed to underwrite the cost of Kensal station (whilst intending that landowners should ultimately fund the station through developer contributions).

## Benefits

4.15 To London and the wider economy:

- The plans that emerge are optimised overall in terms of what gets built (and when). With a development befitting a major interchange, Old Oak Common could provide up to a quarter of London's employment growth (London Plan figures) and a major contribution to housing development and therefore housing affordability.
- By maximising the connections of existing overground and underground lines into HS2, the interchange has the potential to divert passengers away from Euston, which will be of benefit to Westminster as well as Camden.
- Through connecting to the North London Line and West London Line, connectivity with London as a whole is further improved, drastically reducing travel times for residents in western, southern and eastern London to Heathrow and to the new HS2 line.
- The new station at Old Oak will transform an area of Hammersmith and Fulham characterised by low density employment uses into one of the best connected areas of London, with the capacity for significant development.
- RBKC, along with Brent and Ealing, abuts the Old Oak Common area and the facility will thus have benefits for its residents. The Crossrail station at Kensal /Portobello can bring significant growth benefits to a very deprived part of RBKC, without the need for public funding.

#### 4.16 To HS2:

- Potential for development benefits arising from the development to contribute towards the cost of infrastructure.
- Potential improvement to BCR
- Participation of the boroughs will help generate buy-in to the proposals.

#### 4.17 To Crossrail:

- Delivery of additional regeneration benefits through serving a neighbourhood which is the fifth most deprived on the Crossrail route with a station at Kensal that would generate £690m additional economic benefits.

#### 4.18 To the GLA/TfL:

- A success for the OAPF process.
- Potential Mayoral Development Corporation.
- Accommodating 25% of London's growth over the next 25 years.

## 5. Timing

---

### HS2

- 5.1 It is anticipated that the remit for High Speed 2 will be fixed in September/October 2012. It is therefore a matter of urgency that any alteration to HS2's remit is agreed and implemented as soon as possible.
- 5.2 As part of the OAPF work, the authorities have commissioned a study looking in greater detail at the economic benefits that can be achieved through development around the HS2 station. This study focuses on value uplift and the sequencing of infrastructure delivery and development sites in order to realise the greatest value from development. Further work is being commissioned on the net value of development and extrapolating its impact on London which can be used to strengthen the business case for HS2. It is anticipated this work will be concluded by the end of 2012.
- 5.3 The authorities are working with Transport for London on the case for connecting the HS2/Crossrail station at Old Oak Common to the North London Line and West London Line. The initial work has been shared with the Department for Transport.
- 5.4 The authorities are in the process of producing plans for the design of the HS2/Crossrail station. These plans will show how the authorities envisage that the station could be designed so that it maximises the station's impact on the regeneration of the surrounding area, through its contribution to a sense of place and through the creation of a welcoming public realm within and outside of the station.

### Crossrail Depots

- 5.5 Crossrail are currently in the process of appointing a development partner to deliver the Crossrail depot sites. It is important that any solution is designed to allow for the potential release of these sites for development at a future date.
- 5.6 The economic benefits study identified the benefits of the inclusion of the Crossrail depots within a comprehensive approach to the regeneration of the Old Oak Common area as £700 million.

### Kensal / Portobello Crossrail Station

- 5.7 In order to ensure that the station at Kensal can be inserted into the Crossrail programme without causing delays, a decision on a station at Kensal is required before the end of 2013. Prior to that date discussions surrounding the businesses case and timetable modelling need to have been concluded.

## North Pole Depots

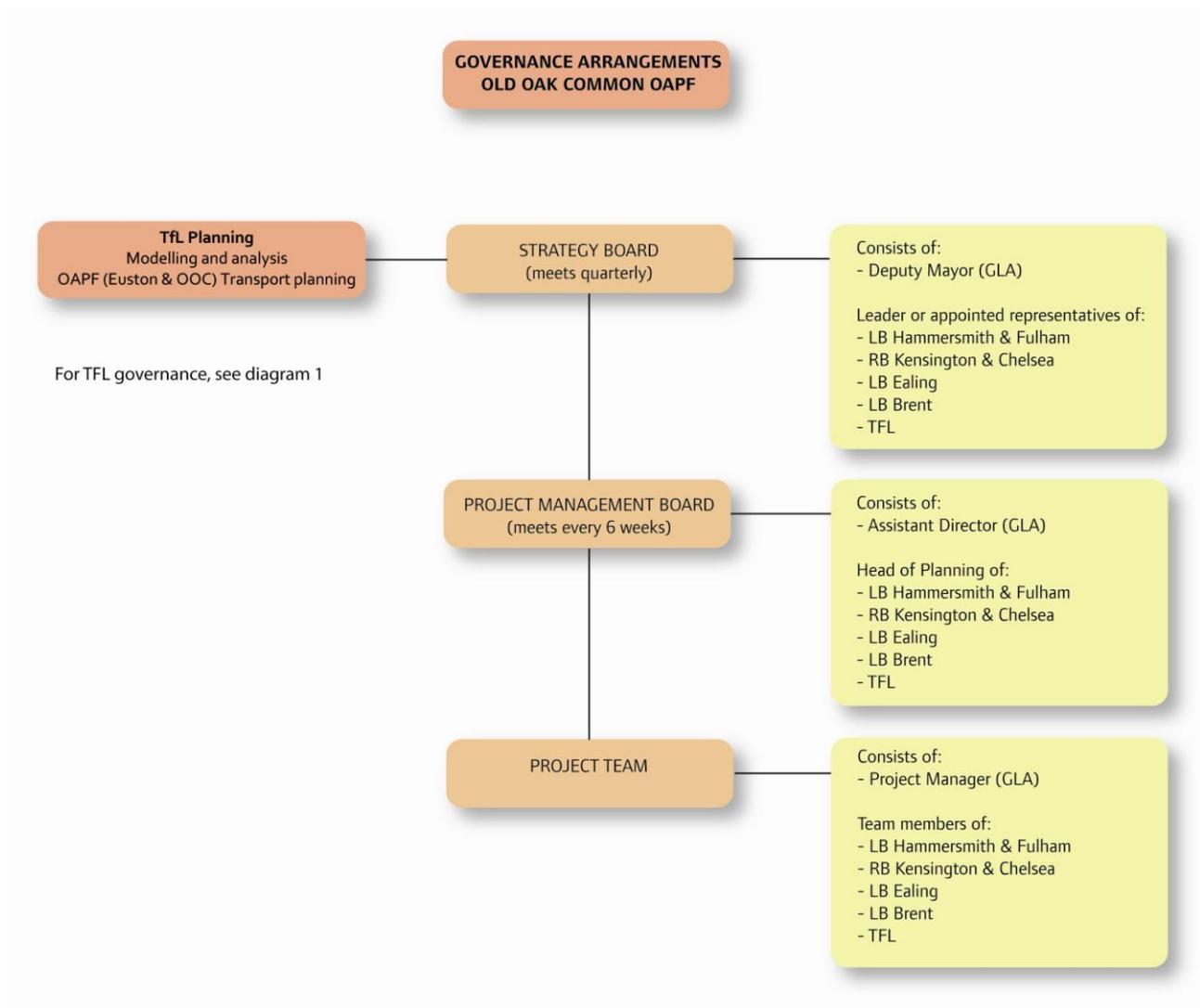
- 5.8 The economic benefits study identified the benefits of inclusion of the western part of the North Pole Depot to be used by electric trains to 2038 within a comprehensive approach to the regeneration of the Old Oak Common area as £200 million
- 5.9 The depot use is ill-conceived and whilst it may represent an optimum railway solution, it is important that the wider benefits of using the site differently. Early confirmation that the eastern part of North Pole Depot will be released for development (rather than be used for a depot) would significantly aid the project, as it is integral to ensuring the main sites can be connected effectively into the surrounding urban area.

## 6. Replicability

---

- 6.1 Many of the processes that are involved in major transport infrastructure projects are similar, so the ideas presented in this paper can have broader application, although this would need to be tailored to the specific circumstances. The particular lessons that can be learned by taking a different approach to this project, which could be adopted elsewhere are:
- Focussing from the outset on integrating the transport project with the wider benefits that can be realised;
  - Involving local partners in the design and governance of the project, in a way that generates buy-in, maximises benefits, allows local partners to make a contribution to the success of the project but without blurring accountabilities for delivery;
  - Ensuring that where decisions are made that prevent development, now or in the future, the value of the lost development is identified and acknowledged in the cost benefit assessment, and conversely ensuring that regeneration benefits that are delivered are included as benefits;
  - Allowing Local Authorities to be part of the design decision making process so that they have the option to consider calling upon alternative funding mechanisms like s106, CIL or Tax Increment Financing in order to deliver wider economic benefits from infrastructure investment.
- 6.2 Whilst the Department for Transport is the lead department for major transport infrastructure projects, maximising the opportunities for regeneration and development on the back of such projects needs to be a cross-government responsibility. In particular, the Department for Communities and Local Government would have a strong interest in ensuring that regeneration and development are factored in at the earliest stages of project development, and it is recommended that DCLG review how it can contribute to this agenda most effectively.

# Appendix A: Opportunity Area Planning Framework Governance



## Appendix B: Contributors to the Report

---

This report has been written with contributions from:

### **London Borough of Hammersmith & Fulham**

- Chris Bainbridge, Head of Transport Planning
- Thomas Cardis, Policy & Projects Officer
- Gordon Prangnell, Head of Highways and Construction
- Farrah Rossi, Principal Projects Officer

### **The Royal Borough of Kensington and Chelsea**

- Joanna Hammond, Neighbourhood Planning Team Leader
- James Masini, Neighbourhood Planning Officer
- Penelope Tollitt, Head of Policy and Design

### **Westminster City Council**

- Graham King, Head of Strategic Planning & Transportation
- Barry Smith, Operational Director

### **Tri-borough Whole Place Community Budget Team**

- Mark Davis, Theme Lead (Economic Opportunity)



London Borough of  
Hammersmith & Fulham

Town Hall  
King Street  
London W6 9JU

[lbhf.gov.uk](http://lbhf.gov.uk)

The Royal Borough of  
Kensington and Chelsea

The Town Hall  
Hornton Street  
London W8 7NX

[rbkc.gov.uk](http://rbkc.gov.uk)

Westminster City Council

Westminster City Hall  
64 Victoria Street  
London SW1E 6QP

[westminster.gov.uk](http://westminster.gov.uk)

