

WESTMINSTER CITY COUNCIL AND GROSVENOR PUBLIC REALM AGREEMENT

In November 2007, Westminster City Council and Grosvenor signed a groundbreaking partnership, the first agreement of its kind between the public and private sectors, which has the potential to revolutionise urban renewal. The innovative new funding model will see the local authority, which covers most of London's West End, invest £10m in proposed public realm schemes surrounding Grosvenor's holdings.

Grosvenor, already one of the biggest investors in Westminster, will use the cash to carry out improvements to public streets around its properties which would otherwise not benefit from street improvements. Grosvenor will reimburse the council several years after the work has been carried out, with Westminster and the community benefitting from an improved public realm and Grosvenor benefitting from the increased value of its property as a result of the improvements.

The potential for further agreements both with Grosvenor and other major property owners could help change the face of central London, releasing the large amounts of cash that are needed to make major improvements.

The leader of Westminster City Council, Sir Simon Milton, said: "This deal will revolutionise how the public and private sector operate. We've both got a vested interest in improving our streets, but instead of going with a begging bowl we can unlock significant amounts of investment at little cost to the council. It's a win, win situation for all. With one eye on the Olympics in 2012 we can hopefully use this type of agreement to drive forward one of the largest public realm improvements in Westminster's history."

The financial model means that major landlords will be able to use the local authority's injection of investment to improve the public realm thereby benefiting the local community.

Peter Vernon, Grosvenor's Executive Director for London said: "Our strategy is to improve the experience of living and working in Mayfair and Belgravia. We recognise that for residents, businesses and visitors, the public streets, squares and gardens are as important as the buildings themselves.

The funding arrangements are innovative as they do not place a burden on the council, and the long term improvement in the value of our holdings means that Grosvenor is able to fund public realm improvements that would normally be borne by the local authority."

Grosvenor and Westminster have agreed the principles of the first three schemes to be

taken forward, two in Mayfair and one in Belgravia, and public consultations will start later this spring with a view to work starting by the end of 2008.

Grosvenor published 'Places for People', its strategy for improving the environment across its London estate in March last year, based upon a detailed study it undertook with Jan Gehl, the internationally renowned urban design consultant. The underlining focus of the strategy is to create "places for people" by reducing the dominance of traffic in Mayfair and Belgravia and improving the environment for pedestrians.

For further information please contact:

Grosvenor - Nigel Hughes, 020 7312 6180 or Niall Tipping 020 7312 6143

Note to Editor

The aim is to deliver 'signature' improvements to public spaces which enhance "place", add value to all stakeholders (residents, businesses, visitors, landowners and leaseholders), utilising an innovative financing and management regime that maximises the value generated by the investment.

Grosvenor has, along with its consultants Gehl Architects and BDP, developed outline proposals for a number of individual streets and areas which demonstrate potential upgrading that would have a significant impact on visual amenity, usability, popularity and character of the streetscape with particular benefits for pedestrians. This agreement is intended to act as a model for future agreements, thereby providing a mechanism to kick-start specific public realm works that otherwise would have been impossible to fund.

The proposed financing model uses the City Council's business rates rebate from Central Government, awarded thanks to recent economic growth, to provide the initial capital investment needed for public realm works. This capital would be lent to Grosvenor who would manage the works and, after an agreed time, be repaid by Grosvenor in full to the City Council.

The City Council will continue to hold responsibility for maintenance of the enhanced streetscape using existing budgets. All works for each of the proposals put forward by Grosvenor will be competitively tendered by Grosvenor, in accordance with public sector procurement regulations.

The proposed schemes

Under the proposals, subject to planning regulations, public realm improvements will be commissioned by Grosvenor on behalf of the City Council. Project management,

design and execution will be carried out by Grosvenor to a mutually agreed specification and in general compliance with the principles laid out in “The Westminster Way” – the City Council’s guide to public realm design – supplemented by Grosvenor’s own Public Realm Handbook.

The initial three schemes are:

- Brown Hart Gardens (and the areas around Duke Street, Lumley Street and Balderton Street)
- Mount Street - including Carlos Place (and the entrances to Mount Street Gardens and its junction Berkeley Square)
- Elizabeth Street (West and East of Ebury Street)