

# CROSSRAIL TOWN CENTRE DEVELOPMENT

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## REASON FOR ITEM

Following on from the Town Centres Update that was introduced to the Committee on 29 November 2017, Members requested an update on how the Council are capitalising on Crossrail.

## OPTIONS OPEN TO THE COMMITTEE

The Committee is asked to note the report.

## CONTEXT

Policy Overview committee has previously considered and received updates on the ongoing investment in Hayes town centre, in terms of the traffic management schemes and the improvements to the urban realm.

The £6m Hayes Major Scheme, which is on track for completion later this summer, has included re-opening Station Road to two-way traffic, dedicated cycle lanes, and new and much improved street lighting throughout the town centre.

A landmark 'Gold Disc' has also been created celebrating the musical heritage of Hayes and the historic role of Hayes as the place where key inventions in telecommunications, sound recording, stereophonic sound, television and radar originated.

The Policy Overview Committee has heard how the Council is working in conjunction with Crossrail to deliver the next phase of improvements works, the new Hayes & Harlington Crossrail Complementary Measures (CCM)

This £3m scheme will focus on Station Road and the connecting underpass to Blyth Road, continuing down Station Road to the ASDA development at Fairey's corner.

Transport for London (TfL) are providing £1.8m funding as an extension to the major schemes grant and the balance comes from Section 106 contributions from the ASDA and the Old Vinyl Factory developments.

When the new Crossrail service opens through central London in December 2018, it will be known as the Elizabeth line, and when Hayes and Harlington Station opens, there will be up to ten trains an hour stopping at Hayes.

## **WIDER IMPACT OF CROSS RAIL**

Arising from these discussions, the Committee also asked for an update on the wider economic development opportunities, i.e. employment creation, inward investment that is being created by the development of the Crossrail scheme.

This report sets out to provide the Committee with an initial assessment on the impact that Crossrail is having.

## **BACKGROUND**

From the mid 1970s, Hayes has seen long-term decline in the manufacturing sector that once occupied significant acres of town centre land. The most high profile loss has been EMI, which employed a workforce in excess of 14,000 and occupied a reputed 150 acres when its factories were in full production in the 1960s.

Fairey Aviation, who later merged and traded as Westland, were also a prominent employer in Hayes, but like EMI, the business declined and Westland relocated (from the site now occupied by ASDA) in the 1960s. Nestles were the last major manufacturer to leave Hayes in 2015, and whilst by the time the factory closed it only employed just over 200 people, it was the last of the town's big manufacturing concerns to close.

Although the loss of EMI, Fairey and Nestles had an impact on the local economy, the growth of Heathrow and airport-related employment went some way cushioning the impact of the decline in the towns manufacturing industries. The closure of the factories, however, left Hayes with a legacy of acres of derelict and or underutilised employment land.

The biggest single area and most high-profile site has been that of the former EMI enterprise, which covered several acres and ran almost the entire length of Blythe Road.

## **PRE-CROSSRAIL**

There is a general misconception that pre-Crossrail, there had been little in the way of investment in Hayes. Undoubtedly, the 1970s and 1980s were difficult for the town as companies left or declined; however, the 1990s and early 2000s saw considerable investment in parts of Hayes. Foremost was the development of the High Point Village by Ballymore, who recognised the potential of Hayes some fifteen years in advance of Crossrail becoming operational.

The Blackstone Group, JER Partners and Resolution Property, created the London Gate employment park in Blythe Road and oversaw the refurbishment of the Shipping building, the first of the office buildings on what is now the Old Vinyl Factory site. The early 2000s also saw considerable investment in the former Safeway's headquarters complex, which ultimately developed to become Hyde Park and the home to Rackspace.

## **CROSSRAIL**

The impact of Crossrail has been significant, but it has been a long time coming. Whilst Crossrail has been in the design and development stage for a considerable number of years and Hayes was always earmarked as a transport interchange, it is arguable that until recently, the potential of Crossrail did little to stimulate investment. For example, the early to mid 2000s saw the London Gate development in Blythe Road stall due to lack of interest in the site.

In contrast, other town centres along the Crossrail line, both to the east and west of London, have reportedly been the recipients of investment long before Hayes and West Drayton. Ealing is probably a good local example of a town centre that is already benefitting from the potential of Crossrail.

### **FIRST SIGNS OF CROSSRAIL EFFECT**

The acquisition of the London Gate site in April 2011, by Cathedral Group PLC and Development Securities PLC (now U + I Group), was the first indicator that the potential of Crossrail and of Hayes was being recognised. The Cathedral Group's masterplan was for £250 million worth of mixed-use development, to include residential, commercial and community facilities. Whilst Cathedral's development team were excited by the history and potential of the site, the proximity to the Crossrail station has always been a major factor in Cathedral's investment.

The Cathedral Group have been followed by a number of other investors who have recognised the potential of Crossrail. SEGRO and their residential partner, Barratt London, secured the Nestles site and are looking to deliver a mixed use residential / commercial scheme. Their planning application has just been received.

Planning permission for Brickfield scheme at Silverdale Road has recently been secured. The 124-unit scheme incorporates the refurbishment of Shackles dock, a historic dock used when Hayes had brick making industry.

Whilst there has been some recent investment in Hayes in respect of a number of new cafes opening up, apart from those planned for as part of the Old Vinyl Factory, there is yet to be significant investment in the retail and leisure sector in Hayes town. However, this may materialise as some of the new residential developments fill up.

### **INVESTMENT AND EMPLOYMENT**

The office developments on the Old Vinyl site and Hyde Park, Hayes, give cause for optimism in terms of new employment opportunities. Additionally, the proposed leisure facilities on the Old Vinyl factory and the proposed new Premier Inn hotel and restaurant on the Hyde Park campus will again provide employment opportunities. Furthermore, these facilities will undoubtedly be a

boost to promoting Hayes as a destination for business, as well as supporting the existing commercial sector.

## **CHALLENGES**

The interest Crossrail has created in Hayes is, however, not without its challenges. The interest in Hayes tends to be primarily from residential developers and there are undoubtedly substantial profits to be made in being able to change the designation of land and buildings, so they can be used to provide residential accommodation.

The planning prior approval process, whereby commercial buildings can be converted to residential use without the need for a full planning application, has been used in Hayes to convert a number of commercial buildings. The most high-profile was Trident house, the previous regional office for the Avis car rental company. The building was converted to provide 98 one-bed apartments. The proximity of the Trident house to the Crossrail station was an obvious attraction.

Furthermore, the attraction of converting ageing 'low annual yield' employment sites into residential developments is an area for concern. The attraction to the owners is that they potentially secure significant levels of profit over a short time period, rather than the year-on-year relatively low levels of income.

Many of these low yield sites, however, provide a range of local employment.

The impact of these changes to the employment infrastructure of Hayes are unclear, but many of the 'low yield' sites traditionally offer low-skilled but relatively well paid employment and tend to be taken by local residents.

Equally, the loss of the Nestles factory could be regarded as a negative impact of Crossrail. The sale of the site & Nestles decision to relocate their production to Derbyshire could have been influenced by the potential value the site would attract.

Crossrail's connectivity and speed will certainly open up opportunities to some residents, and new jobs are being created locally e.g. on the Old Vinyl factory and in the logistics sector. However, it is too early to judge the impact of Crossrail on employment.

The investment in the logistics sector in Hayes has been significant. Prologis and SEGRO have both secured sites in, and around, the centre of Hayes, however, this investment is more likely to be motivated by the close proximity to Heathrow than the imminent arrival of Crossrail. The opening of the Hayes ASDA in the summer of 2015, which created some 300 jobs, is another example of non-Crossrail related investment in Hayes town.

## **CONCLUSIONS**

Crossrail is a significant driver for residential investment.

The potential of Crossrail has secured a genuine mixed use development in the Old Vinyl Factory.

Crossrail has not yet had a major impact on retail / leisure investment outside of the Old Vinyl Factory, but the combination of the town centre improvements programme and the investment in the residential sector, combined with Crossrail commencing operation could change that.

The growth in the logistics sector in Hayes is not driven by Crossrail, but an example of other factors driving investment.

It is too early to judge the impact of Crossrail on local employment.

Crossrail is important, in that it carries with it the promise of improvement and of prosperity and investment. It is seen as a positive development and a development to be welcomed. This is an important feature in the run up to Crossrail being operational.