

Insights

NEW DEVELOPMENT CORPORATION TO DRIVE TRANSFORMATION OF OXFORD STREET

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SUMMARY

A new development corporation established by the Mayor of London to support the transformation and pedestrianisation of Oxford Street took affect from 1 January 2026. With the MDC expected to be given planning powers, in this Insight we discuss the likely practical and technical planning and highways impacts of this change.

WHAT HAS HAPPENED?

The Oxford Street Development Corporation (Establishment) Order 2025 established the new Oxford Street Mayoral Development Corporation (MDC) and identified the Mayoral Development Area that is subject to the MDC took effect from 1 January 2026

WHAT IS A MDC?

A MDC is a type of development corporation under Mayoral control using powers under the Localism Act 2011. The Mayor of London has previously used powers to designate the Old Oak and Park Royal MDC and the former London Legacy MDC. There are MDCs in areas outside London too, including Manchester and Teesside. An MDC is a vehicle to deliver the regeneration of an area. In London, previous MDCs have been comprised of representatives from the affected local authorities, a selection of regeneration experts and GLA representatives. However, previous MDC's have related to areas with a more traditional regeneration case as compared to Oxford Street which is a surgical designation of a generally vibrant and commercially active part of the west-end.

WHY HAS THE MAYOR OF LONDON TAKEN THIS STEP?

The Mayor of London has given two objectives for this intervention: (a) to secure the pedestrianisation of Oxford Street; and (b) to enable the “transformation” of Oxford Street more generally. The pedestrianisation of Oxford Street does not require the MDC to be in place but the

Mayor sees this direct intervention as a way to take greater control opposite Westminster City Council (mostly affected) and Camden. The Mayor has expressed frustration previously at what he sees as the untapped potential for Oxford Street. This extends beyond pedestrianisation to perhaps a more imaginative and permissive environment for considering/consenting development proposals.

WHAT POWERS DOES/WILL THE MDC HAVE?

Principally, the MDC will have powers to determine planning applications as local planning authority. It is also possible for the MDC to be issued with compulsory purchase powers. As at the date of writing, the follow-up Order to specify the powers bestowed on the MDC has not been laid before Parliament and so the precise powers that the MDC will have are not yet known. The MDC will not be the "highway authority" and so either WCC/Camden will continue in that regard or the GLA will designate Oxford Street as a "TfL Road" – albeit if that happens it will not connect with other parts of the TfL network without a more extensive designation. At the moment, the Mayor says that there has been no decision made in relation to GLA designation and that discussions continue around pedestrianisation with WCC and Camden.

HOW WILL THIS AFFECT DEVELOPMENT/DEVELOPMENT PROPOSALS?

From a highways perspective, this might cause both a practical and technical issue. If Oxford Street is pedestrianised, there will be a question over cycle and bus/taxi diversion routes with associated parking/layover provision. There is also the question as to which north-south routes will remain open to traffic to traverse the pedestrianised area. This will have wider network implications and so: (a) any development proposals that will require highway works or which plan to have a material impact on vehicular traffic (e.g. deliveries to commercial premises or more rarely on-site parking) will need to work out highway impact against a changing highway context (b) have discussions with both TfL and WCC or Camden to ensure there is a consistent response (c) overcome the practical difficulty of delay and reluctance to commit which is inherent with this sort of transition and (d) possibly be ready to combat a push for available street space being used for cycle parking, taxi ranks and bus stops. The Mayor himself will need to conduct a careful balancing act between the competing interests within TfL (taxis, streets and buses) let alone with the local authorities which may explain a reluctance to commit one way or another just yet.

From a planning perspective, it is likely that the MDC will become the planning authority for granting planning permission, discharging planning conditions and s106 planning obligations. Existing s106 agreements ought to automatically step across to MDC jurisdiction. However, a complicating factor in Westminster is that they often combine s278 highway obligations into the s106 agreements.

From a consultation perspective, development schemes outside the MDC area will likely need to consult with the MDC where there is to be a likely impact and vice versa. So, there will still be a need to engage positively with all stakeholders on major schemes on the periphery of the MDC area.

It is not yet clear how CIL receipts will be apportioned for development within the MDC area.

THE OVERALL EFFECT?

Standing back, once the transition has taken place, those deterred from promoting significant, high quality and architecturally diverse development proposals facing onto Oxford Street will have a real chance to take advantage of a more permissive planning authority. At least, in theory and if the Mayor's public indications are anything to go by...

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MEET THE TEAM



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