

## Gateway 7: Outturn Report

<b>Committee(s):</b>	<b>Date(s):</b>	
Streets and Walkways	17 September 2012	
Projects Sub Committee	18 September 2012	
<b>Subject:</b> Angel Lane Outcome Report	<b>Public</b>	
<b>Report of:</b> The Director of the Built Environment	<b>For Information</b>	

### Overview

<b>Brief description of project</b>	<p>The Angel Lane Environmental Enhancement scheme was approved by Members in January 2010. It involved the creation of a new linear public space through the closure of most of the street to vehicles. A series of large stone planters, paving, seating and lighting have then been installed. Following Committee approval in January 2009 for the landscaping works a vehicle drop-off point was incorporated at the northern end of the Lane at the request of Nomura, the occupiers of Watermark Place. This introduced a major change to the scheme at a late stage, reflected in the cautious pricing of the works in the estimates. The use of the Term Contractor allowed this late change to be incorporated and issues on site and costs managed. Particularly in relation to stopping work on site and removing the contractor for an extended period, to accommodate Nomura and Man Group occupation of the neighbouring buildings, without incurring additional costs and penalties.</p> <p>The scheme also included York stone paving around Riverbank House on Upper Thames Street and Swan Lane.</p> <p>The works commenced in June 2010 and were constructed in phases, with the final phase being substantially completed in July 2011.</p>
<b>Link to Strategic Aims</b>	<p>This project has links to the following strategic aim:</p> <ul style="list-style-type: none"> <li>• To provide modern, efficient and high quality local services and policing within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes</li> </ul> <p>This project has provided much needed amenity space and added asset value to the public realm for the benefit of local</p>

	<p>occupiers and visitors that use the area.</p> <p>The 'Thames and the Riverside' has been identified through the City's Core Strategy as a 'Key City Place', where the following policies apply:</p> <p>STRATEGIC OBJECTIVE 2 To ensure that the challenges facing the five Key City Places are met, complementing the core business function of the City, contributing to its unique character and distinguishing it from other global financial districts.</p> <p>The Vision: Thames and the Riverside The Thames and its riverside will provide well designed and managed public spaces, ranging from lively and vibrant areas, to areas of relative tranquillity for relaxation and contemplation. Residential, educational, recreational and employment activity will be enhanced by high quality sustainable streetscapes which will address the challenges of climate change.... The riverside will be easily accessible from other parts of the City and from the south side of the Thames.</p>										
<p><b>Within which category does the project fit</b></p>	<ul style="list-style-type: none"> <li>• Substantially reimbursable</li> </ul> <p>Which in this case is fully reimbursable</p>										
<p><b>Resources Expended</b></p>	<p>The projected total cost of the project is £1,114,493, an underspend of some £763,258, inclusive of a contingency of £289,870 that was not used, against the current approved budget of £1,877,751. Please see Appendix A for further details.</p> <p>The scheme was financed as follows:</p> <table data-bbox="470 1480 1189 1742"> <tr> <td>Watermark Place S106</td> <td>£ 632,995</td> </tr> <tr> <td>Riverbank House S106</td> <td>£ 643,875</td> </tr> <tr> <td><u>Sub Total S106 Funded</u></td> <td><u>£1,276,870</u></td> </tr> <tr> <td>Nomura S278</td> <td>£ 600,881</td> </tr> <tr> <td><u>Total</u></td> <td><u>£1,877,751</u></td> </tr> </table>	Watermark Place S106	£ 632,995	Riverbank House S106	£ 643,875	<u>Sub Total S106 Funded</u>	<u>£1,276,870</u>	Nomura S278	£ 600,881	<u>Total</u>	<u>£1,877,751</u>
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## Outturn Assessment

<b>Assessment of project against Success Criteria</b>	<p>The scope of the project has not altered from the Committee approval and the scheme has achieved the following outcomes:</p> <ul style="list-style-type: none"><li>• Creation of new green space in line with the Riverside Walk Enhancement Strategy</li><li>• An improved walking route/connection to the river in line with the strategy</li><li>• A better environment to complement new adjacent developments at Watermark Place and Riverbank House</li><li>• An enhanced riverside environment that improves biodiversity and provides seating opportunities for people to rest</li></ul> <p>The scheme has created the largest green public space on the City's Riverside Walk. The space includes a range of seating areas as well as a lawn at the southern end. A total of twelve trees have been planted, together with a variety of mature hedges and planting and a lawn.</p> <p>A greatly improved walking route to the Riverside has been formed, with level access and a significant width of 3.8 metres to accommodate the increasing number of people using the area.</p> <p>Officers have received positive feedback from Nomura and the developer of Riverbank House about the project. The design was carefully developed in order to complement the materials and layout of neighbouring private land. The result is a scheme that blends seamlessly with its surroundings and encourages greater use of the wider area and walking routes.</p> <p>The new trees, plants and lawn area are particularly valued as they help to soften the environment, improve bio-diversity and create a more pleasant area to rest. The planting reduces dust and airborne pollution which is particularly beneficial given the close proximity of Upper Thames Street which is one of the most polluted streets in London.</p> <p>The scheme was also shortlisted for an award at the London Transport Awards 2012, but lost out to Exhibition Road.</p>
<b>Programme</b>	<p>It was originally planned to commence the Angel Lane works in April 2010 and complete the works within 4 months. However, several factors, detailed below, mainly related to the neighbouring developments and TfL restrictions, led to the</p>

	<p>programme being extended and the works being divided into phases. The main Angel Lane works were substantially completed in April 2011 and the Riverbank House works were completed in July 2011. Additional benches were installed in spring 2012.</p> <p>A significant delay was caused by discrepancies in the levels on site as a result of the neighbouring developments. The developments adopted different strategies to deal with flood issues, creating new levels that did not match with the previous levels or each other. The levels and drainage design needed to be changed to take this into account which led to delays in the programme.</p> <p>The paving works around Riverbank House were delayed due to the need to wait for the development at Riverbank House to be completed and the site cleared before the works could commence (Riverbank House was completed around 6-9 months later than Watermark Place). Transport for London (the highway authority of Upper Thames Street) also delayed the permits for these works to take account of the street closure for the London Marathon.</p>
<p><b>Budget</b></p>	<p>The scheme has been completed significantly under budget (see Resources expended above and further details in the tables in Appendix A). This was primarily due to:</p> <ul style="list-style-type: none"> <li>• The contingency on the project (£289,870) was not required;</li> <li>• Restricted access to the site before the works commenced meant that estimates were increased to cover the risk of unknown site conditions, particularly in view of the neighbouring development sites;</li> <li>• Estimates were set high due to unknowns about prices for non-standard items such as the planters. It was originally anticipated that the planters would be procured from a specialist stone supplier. However, it transpired that the highways term contractor could procure them directly from China which provided substantial savings;</li> <li>• Drainage costs came in lower than estimated due to drop shafts not being required, as originally anticipated;</li> <li>• The estimates made provision for TfL's contractor to carry out the works to Upper Thames Street (as TfL are the highway authority for this street). However, TfL later agreed to the City's term contractor carrying out these works instead at a reduced cost;</li> <li>• Soil and planting costs were lower than anticipated due</li> </ul>

the soil quantities being lower than anticipated. This resulted in savings in delivery costs and machinery hire for the purpose of moving the soil with in the site;

- There was an allowance in the estimate for statutory utilities costs that was not required

In accordance with the terms of the Section 106 Agreements, remaining Section 106 funds are to be allocated towards other Riverside Walk enhancement strategy schemes and this will be reported separately. The time limit for the expenditure of the Watermark Place funds is 10 years from the competition of the development, which is approximately 2020.

The remaining Section 278 funds (plus any interest) will be returned to Nomura. There is also a provision for 5 years of maintenance costs for the vehicle turning area to be funded by the Section 278. It is proposed that £17,000 be set aside to cover these costs and if they are not required, they be returned to Nomura also.

**Risk**

The main project risks were as follows:

**Table 2 : Main Project risks**

Risk	Mitigating Action
Restricted access to the site due to neighbouring development sites	The two neighbouring sites at Watermark Place and Riverbank House were being redeveloped before and during the implementation of the works. Close communication was required between the project team and the developers to ensure that access to the site was not restricted during the works. Cost estimates were also increased to take account of restricted access.

	Discrepancy in levels across the site	Following the construction of Watermark Place, it transpired that the levels were not in accordance with the agreed plans. The City's engineers therefore needed to amend the design to adapt the scheme to the new levels. This has resulted in some non-standard levels and falls in the space and also delayed the construction of the scheme.	
	Programme shifts as a result of neighbouring redevelopments	The programme was extended to take account of the neighbouring redevelopments. The use of the City's term contractor was beneficial in this respect as they could be pulled off the site without incurring any cost penalties.	
	Bespoke granite from China not delivered on time.	There was a delay in receiving the bespoke granite planters from China. However, they were considerably cheaper than European alternatives and as a result this element came in under budget	
	Utility companies carrying out works for neighbouring developments delays project	There were delays and disruptions to the works as a result of utility companies carrying out works to provide supplies to the neighbouring developments	
<b>Communications</b>	<p>Officers from the then Department Planning and Transportation worked closely with colleagues from the then Department of Environmental Services and the Open Spaces Department to deliver the project, particularly to ensure that maintenance costs were kept to a minimum.</p> <p>Officers also needed to work closely with representatives from Nomura and the neighbouring redevelopments to deliver the scheme, as well as liaising with TfL over necessary permits to carry out works on Upper Thames Street. For, instance, Nomura had several deadlines and requirements surrounding their redevelopment and grand opening that officers needed to accommodate and plan around.</p>		
<b>Benefits achieved</b>	The scheme has been successfully completed and has been		

<b>to date</b>	well-received by Nomura and the Man Group (occupants of Riverbank House). The space is well-used, particularly by occupants of the buildings in the warmer months and provides a variety of resting opportunities, including a quiet place to sit which is greatly needed in the City.
<b>Strategy for continued achievement of benefits</b>	<p>The space is maintained to the same high standards as other areas of highway and open spaces in the City.</p> <p>A problem did occur with one of the granite planters whereby skateboarders removed the metal studs with tools and began regularly skating on the bench. This had to be resolved by replacing the studs and using a strong epoxy resin to keep them in place.</p>

### **Review of Team Performance**

<b>Key strengths</b>	<ul style="list-style-type: none"> <li>• The successful design was developed through officer's working closely with the clients, each other and the consultants to achieve an integrated scheme. Design team meetings were held regularly.</li> <li>• The use of the City's highway maintenance term contractor enabled a more flexible approach to the timing of the works which was necessary given the numerous external factors that influenced the programme.</li> </ul>
<b>Areas for improvement</b>	<ul style="list-style-type: none"> <li>• It would have been beneficial to have more accurate cost estimates at the beginning of the project in order to avoid the large cost under-spend.</li> <li>• The designers (Consultants) needed a lot of guidance from officers particularly in relation to the levels and drainage design. In future, design briefs will clearly set out the requirements for consultants so that expectations are clear.</li> <li>• In future, it would be beneficial if the levels to which buildings are constructed are defined at the planning and pre-construction stages, and are monitored during construction.</li> </ul>
<b>Special recognition</b>	N/A

## Lessons Learnt

<b>Key lessons and how they will be used and applied</b>	<ul style="list-style-type: none"><li>• Officers have learnt from the cost estimating of this project and have more knowledge in terms of estimating non-standard items such as the planters. Delivering numerous similar schemes over recent years has also provided valuable experience which means that future estimates will be more accurate.</li><li>• The new project reporting system will also assist with cost estimating, as cost estimates are continually refined through the new gateway process as risks reduce.</li></ul>
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## Appendix A

**Table 1: Final Out-turn Costs**

	Approved Budget (£)	Expenditure (£)	Variance (£)	Comments
<b>Section 278 works</b>				
<b>Pre-Evaluation Sub-Total</b>	<b>50,000</b>	<b>46,422</b>	<b>-3,578</b>	
Works: Site clearance, preparation, paving and street furniture	286,725	220,618	-66,107	These works came in under budget due to the original estimate being set higher to account for unknown site conditions
Statutory utility costs	50,000	0	-50,000	The statutory utilities works were not required
Drainage	50,000	17,552	-32,448	Drainage costs were much lower than originally anticipated as drop shafts were not required
<b>Works Sub-Total</b>	<b>386,725</b>	<b>238,170</b>	<b>-148,555</b>	
Fees	0	0	0	
Planning Staff Costs	33,673	35,901	2,228	
Highways Staff Costs	33,673	25,833	-7,840	
<b>Fees &amp; Staff Costs Sub-Total</b>	<b>67,346</b>	<b>61,734</b>	<b>-5,612</b>	
Other costs	5,000	2,708	-2,292	
5 Years Maintenance	0	17,000	17,000	5 years maintenance of the vehicle turning area
Contingency	91,810	0	-91810	The contingency was not required
<b>Section 278 Works Total</b>	<b>600,881</b>	<b>366,033</b>	<b>-234,848</b>	

<b>Angel Lane Section 106 works</b>				
Site clearance, preparation, provide and lay paving	251,360	231,104	-20,256	
Planters, Tree Surrounds & Street Furniture	185,000	56,152	-128,848	The granite planters were under budget as they were procured through the term contractor rather than the specialist stone supplier that was estimated for
Drainage	50,000	38,271	-11,729	
Lighting, Irrigation & Ducting	62,000	41,897	-20,103	
Soil & Planting	98,000	55,633	-42,367	The soil quantities were lower than anticipated. This resulted in savings in delivery costs and machinery hire for the purpose of moving the soil within the site
<b>Works Sub-Total</b>	<b>646,360</b>	<b>423,057</b>	<b>-223,303</b>	
Fees	27,000	20,708	-6,292	
Planning Staff Costs	38,780	38,000	-780	
Highways Staff costs	38,780	17,658	-21,122	
Open Spaces Staff Costs	19,390	17,830	-1,560	
<b>Fees &amp; Staff Costs Sub-Total</b>	<b>123,950</b>	<b>94,196</b>	<b>-29,754</b>	
Other costs	5,000	0	-5,000	
Contingency	155,060	0	-155,060	The contingency was not required
Maintenance (revenue)	84,000	84000	0	
<b>Angel Lane S106 Works Total</b>	<b>1,014,370</b>	<b>601,253</b>	<b>-413,117</b>	

<b>Upper Thames St &amp; Swan Lane Repaving Works (Section 106)</b>				
Works: Site clearance, preparation, provide and lay paving, street furniture and drainage	174,000	104,747	-69,253	These works came in substantially under budget primarily due to the original estimate being set higher to account for works that were anticipated to be carried out by TfL on Upper Thames Street. It transpired that TfL were happy for the City's term contractor to carry out these works instead and therefore the cost was lower.
Fees	7,500	5,801	-1,699	
Staff Costs	38,000	36,659	-1,341	
Contingency	43,000	0	-43,000	The contingency was not required
<b>Upper Thames St / Swan Lane S106 Works Total</b>	<b>262,500</b>	<b>147,207</b>	<b>-115,293</b>	
<b>Sub Total S106 Funded Works</b>				
	1,276,870	748,459	-528,411	
<b>Grand Total</b>				
	<b>1,877,751</b>	<b>1,114,493</b>	<b>-763,258</b>	

**Table 2: Revised S106 funding split**

<b>Section 106</b>	<b>Approved funding for Angel Lane Scheme</b>	<b>Approved funding for Upper Thames St &amp; Swan Lane</b>	<b>Total Approved Funding</b>	<b>Final Out-turn costs (Angel Lane)</b>	<b>Final Out-turn costs (Upper Thames St &amp; Swan Lane)</b>	<b>Total Implementation Costs</b>	<b>S106 Balance Remaining</b>
Watermark Place	632,995	0	<b>632,995</b>	375,198		<b>375,198</b>	<b>257,797</b>
Riverbank House	381,375	262,500	<b>643,875</b>	226,054	147,207	<b>373,261</b>	<b>270,614</b>
<b>Section 106 Total:</b>	<b>1,014,370</b>	<b>262,500</b>	<b>1,276,870</b>	<b>601,253</b>	<b>147,207</b>	<b>748,459</b>	<b>528,411</b>