

Committees: Corporate Projects Board <i>[for decision]</i> Open Spaces Committee <i>[for decision]</i> Projects Sub Committee <i>[for decision]</i>	Dates: 29 March 2016 08 April 2019 24/04/2019
Subject: Finsbury Circus Garden Reinstatement Unique Project Identifier: 11797	Gateway 3 Complex Issue Report GW3
Report of: City Surveyor Report Author: Ruby Raw	For Decision
<h1>PUBLIC</h1>	

1. Status update	<p>Project Description: Finsbury Circus Garden and Pavilion Reinstatement</p> <p>RAG Status: Red</p> <p>Risk Status: Medium (Reported as 'Amber' at GW3)</p> <p>Previous estimated cost (excl. risk): £5.27m</p> <p>Total Estimated Cost (excl. risk): £6.17m</p> <p>Change in Total Estimated Cost (excl risk): Increase of £896,707.</p> <p>Total approved to date: £240,500</p> <p>Spend to Date: £133,746</p> <p>Cost requested in this report: £136,450</p> <p>Costed Risk Provision Utilised: £0k</p> <p>Slippage: Project on hold.</p> <p>If approved to recommence anticipated delay 1 year.</p> <p>Progress to date</p> <ul style="list-style-type: none"> There are significant risks in continuing further with the project without access to the site in order to undertake necessary surveys which are critical for informing advanced design development. Site access can only be achieved once Crossrail (CRL) has handed back the
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	<p>site, originally scheduled for September 2018. CRL have extended the duration of site occupation and have not yet confirmed an off-site date for Finsbury Circus. Progress on site suggests that it is likely their site will be decommissioned their construction site by the end of Summer 2019 and finally vacated by Autumn 2019.</p> <ul style="list-style-type: none"> • The consultant team were procured as a multi-disciplinary team via the HCA framework which achieved a compliant appointment via the quickest route available. • The team produced an acceptable concept design which was presented to Members and approved in a GW3 Options Appraisal in July 2018. • During the RIBA Stage 2 design process officers raised concerns they were unhappy with the developing designs and improvements were required. Improvements were made but were not substantial enough for officers to remain confident that the concept designs were buildable within the budget and a manageable maintenance regime. • On 15 November 2018 an Open Spaces Members Working Group agreed to terminate the appointment of the existing design team and procure a new professional team based on the disappointing results. • The Project Sub Chairman and Deputy Chairman were briefed on the decisions to terminate the appointment but asked officers to approach the incumbent design team to see if they were prepared to address the shortfalls in their current design without incurring additional fees. Officers engaged with the design team who have made it clear they are unwilling to undertake design revisions without additional fees. Their appointment is consequently being terminated. • In addition to the agreement to terminate the design team's appointment the Open Spaces Members Working Group also agreed to pause the project until certainty of CRL's departure date is obtained. • The City is currently engaged in negotiations with CRL on settlement of the compensation claim for their occupation of the garden and some heads of claim in this respect are outstanding. This matter is reported to Members under separate cover; the reinstatement project will be partially funded by the total sum receivable from this claim. • Separately, the City has a claim for settlement damage to the garden (and wider highway areas at Finsbury
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	Circus) which is currently with the loss adjuster. This will include the cost of remedial works for damage to the perimeter walls and railings, estimated at £650K.																					
2. Requested decisions	<p>Requested Decisions:</p> <ol style="list-style-type: none">1. Approve the recommencement of work on the project and2. Approve Fees for procuring a new consultant team in the total sum of £136,450,3. Note the changes below; <ul style="list-style-type: none">• The estimated increase in the project value from £5,274,800 at GW3 to £6,171,500 at this GW.• These increases are as a result of change requests included into the scope, totalling £728,800 as detailed in appendix 4.• abortive fee costs incurred of £65,246• The provision of a sum for paying the remainder of consultant Stage 3 fees (£35,137) for Stage 3 into the Risk Register to cover costs if consultants demonstrate they are entitled for further payment.• Uplift in fees in total project cost by £167,907• Note change in project timeline key dates in Appendix 3• Note that Crossrail are obliged to provide an interim landscape as part of their works to exit the site. Therefore, Finsbury Circus Gardens will be re-opened to the public as soon as possible, in accordance with the City Of London (Various Powers) Act 1900 until a contractor is appointed to build the garden and pavilion.																					
3. Budget	<p>Estimated Total cost of the project:</p> <ul style="list-style-type: none">• £6,171,500 (excluding priced risk) <p>Previous estimated total cost of the project:</p> <ul style="list-style-type: none">• £5,274,800 (excluding priced risk-GW3 July 2018) <table><tr><th>Item</th><th>GW3</th><th>GW3 Issues</th></tr><tr><td>Pavilion and Landscape construction cost</td><td>£4,757,000</td><td>£4,757,000</td></tr><tr><td>Surveys</td><td>£33,800</td><td>£33,800</td></tr><tr><td>Staff Costs</td><td>£40,000</td><td>£40,000</td></tr><tr><td>GW3 Issues scope change requests included in this report</td><td>-</td><td>£728,800</td></tr><tr><td>Consultant Fees (inc. abortive and additional requested in this report)</td><td>£444,000</td><td>£611,900</td></tr><tr><td>Total</td><td>£5,274,800</td><td>£6,171,500</td></tr></table>	Item	GW3	GW3 Issues	Pavilion and Landscape construction cost	£4,757,000	£4,757,000	Surveys	£33,800	£33,800	Staff Costs	£40,000	£40,000	GW3 Issues scope change requests included in this report	-	£728,800	Consultant Fees (inc. abortive and additional requested in this report)	£444,000	£611,900	Total	£5,274,800	£6,171,500
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	Risk		£814,000	£807,000
	<ul style="list-style-type: none"> No Costed Risk is requested for draw down at this point Funding source for works will be reviewed at Gateway 4 Additional costs to the project set out below 			
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Fees up to the next Gateway <i>(Estimated)</i>	For appointing new consultant team up to next Gateway	Crossrail Compensation	£136,450
	Total up to the next Gateway			136,450
	Additional Project Fees <i>(Estimated)</i> *This is includes the item above	Additional fees for consultant services: Planning/ Heritage, CDM Advisor, Project Manager and Contract Administrator.	Will be reviewed at Gateway 4	£167,907*
	Additional Project Scope changes <i>(Estimated)</i>	Accommodate client user requirements, tenant user requirements, remedial works caused by damage from Crossrail construction, include Member Working Group feedback	Will be reviewed at Gateway 4	£728,800
	Total Project increase			£896,707
	Costed Risk Provision requested for this Gateway: £50,750 (as detailed in the Risk Register – Appendix 2)			
4. Issue description	1.Recommence the Project: Crossrail has still not confirmed a date for vacating site but from observation, they have begun the process of decommissioning. The timeline for the project, should it recommence now, will allow time for the procurement of a			

	<p>new consultant team, continuing design development and the undertaking of site surveys to coincide with Crossrail's departure. The projected timeline is detailed in Appendix 3.</p> <p>2. Change in Project Timeline:</p> <p>The key project dates have been deferred as a result of the project being paused. A completion date of April 2020 was reported in the Gateway 3 report in July 2018. The completion date is now projected for April 2021 assuming the request to recommence the Project is approved, and dependent on CRL vacating site this autumn.</p> <p>3. Fees for appointing a Professional consultant Team:</p> <p>Fees are requested to appoint a new design team consisting of Architect, Landscape Architect, QS, Structural and Mechanical and Electrical Engineering services, Acoustic, Catering, Fire and Archaeology consultants to take forward the initial RIBA Stage 2 proposals. In addition to these appointments, other consultant disciplines have been identified for the development of the project including Planning / heritage advisor, CDM Advisor and Project Manager/Contract Administrator. These fees are estimated at: £198K up to the next Gateway, Gateway 4.</p> <p>As only a portion of the budget was expended, the amount needed to cover these additional costs totals to £136,450.</p> <p>Please note that fee estimates are now based on 'Option 3' which increased the scope of the project to include a first floor and roof terrace into the Pavilion. This was approved by Members in the Gateway 3 report.</p> <p>4. Project scope changes:</p> <p>During design development, changes to the brief have been requested and logged in the change register appended to this report. These have been costed to the value of £728,800 and are recommended for approval.</p> <p>The largest change request is the inclusion of remedial works to the perimeter wall and railings caused by settlement damage from Crossrail's construction works. This has been estimated at £650K. Compensation for this is included as an item in the City's claim for settlement damage of assets caused by Crossrail which is currently under negotiation. It is anticipated that the funding from this will be ringfenced for this project and will not require internal funding sources.</p>
<p>5. Options</p>	<p>1. Recommence Project now – Recommended</p> <p>The projected timeline anticipates that Crossrail will have had enough time to decommission before it is necessary to undertake surveys for developing the new proposal. Therefore, the risks of developing abortive design and consequential</p>

	<p>additional costs, reputational damage and programme delays are considered have reduced sufficiently to enable work on the project to recommence.</p> <p>It is expected that this will minimise the interim period between Crossrail vacating and construction of the pavilion and garden reinstatement. However, although reduced, there is still a risk that Crossrail will not meet this timeline which will have a negative impact on the project.</p> <p>2. Recommence Project when Crossrail is off site.</p> <p>Crossrail are obliged to install an interim landscape prior to their departure to allow for Finsbury Circus to be reopened to the public, thereby complying with the City of London (Various Powers) Act. However, the scheme will not be comprise a quality design and a new refreshment facility to replace the former Pavilion will not be in place.</p> <p>The projected timeline estimates that the interim landscape will be in place for 6-8 months before construction of the refreshment facility and Landscape begins.</p> <p>If the project is halted until Crossrail are off site, the risks outlined above would be mitigated but the reinstatement project would be delayed further, including the letting of the new Pavilion building, and consequently delaying future income generation.</p>
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Appendices

Appendix 1	Project Coversheet
Appendix 2	Risk Register
Appendix 3	Project Dates
Appendix 4	Change register

Contact

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