

Committees: Corporate Projects Board - <i>for information</i> Projects Sub - <i>for decision</i> Streets and Walkways Committee - <i>for decision</i>	Dates: 28 June 2019 19 July 2019 22 July 2019
Subject: City Transportation Gateway 6 Consolidation Report Unique Project Identifier: (11951) Sugar Quay s278 (10716) New Ludgate s278 (11552) 52-54 Lime Street s278 (11553) 10 Fenchurch Avenue s278 (11981) 30-32 Lombard Street s278	Gateway 6: Outcome Report Light
Report of: Director of the Built Environment Report Author: Isaac Taylor, City Transportation	For Decision
<h1 style="margin: 0;">PUBLIC</h1>	

Summary

1. Status update	Project Descriptions: <u>Sugar Quay s278</u> The highway changes implemented under the Section 278 works for the new development at Sugar Quay, can be summarised as: <ul style="list-style-type: none"> • Removal of two redundant vehicular accesses on Water Lane • Renewal of existing footway on Lower Thames Street and Water Lane with high quality yorkstone paving • Creation of a new vehicle crossover on Lower Thames Street <u>New Ludgate s278</u> In conjunction with the New Ludgate development on Old Bailey and Ludgate Hill, this project changed the highway layout in order to accommodate the new buildings into the streets around them. This included:
-------------------------	---

- Removal of the split-level footway on Limeburner Lane
- Introduction of five trees and five extra cycle stands
- Introduction of yorkstone paving on Old Bailey and Limeburner Lane
- New vehicle entrances and communal telecommunications chamber to service the development

52-54 Lime Street s278

Phase one

Designs were developed to accommodate the new building footprint at 52-54 Lime Street (The Scalpel) and improve the pedestrian environment on this section of Leadenhall Street. This included:

- An extended footway area on Leadenhall Street
- New yorkstone paving of parts of Leadenhall Street and Billiter Street
- New granite paving on part of Lime Street to match existing
- A new large signalised pedestrian crossing at the Lime Street, Leadenhall Street and St. Mary Axe junction
- A side road raised entry treatment on Billiter Street

Phase two

Certain works have been deferred due to the neighbouring re-development at 40 Leadenhall Street (see section 3 below and appendix 2). On approval of separating the project into two phases a Progress Report for phase two will be submitted to Committee seeking approval to recommence these works at a later date, expected to be winter 2023.

10 Fenchurch Avenue s278

Phase one

An enhanced design specification was agreed to mitigate the consequences of the City adopting and maintaining sub-standard public highway (see section 8). This included:

- Wider footways around the perimeter of the site on Fenchurch Street, Billiter Street, Fenchurch Avenue and Fen Court
- A new adopted passageway between Fenchurch Street and Fenchurch Avenue
- An improved pedestrian environment on Billiter Street including a new public space at its southern end,

	<ul style="list-style-type: none"> • The introduction of yorkstone paving around the development and in the central passageway • New cycle parking, seating and tree planting <p>Phase two</p> <p>Certain works have been deferred due to the neighbouring re-development at 40 Leadenhall Street (see section 3 below and appendix 2). On approval of separating the project into two phases a progress report will be submitted to Committee seeking to approval to recommence these works. This is currently expected January 2021 for carriageway surfacing on Fenchurch Street and winter 2023 for works on Billiter Street.</p> <p><u>30-32 Lombard Street s278</u></p> <p>The Highway improvements implemented under the section 278 works included:</p> <ul style="list-style-type: none"> • Resurfacing of the carriageway yorkstone paving on Clements Lane • Removing an existing vehicle crossover at Clements Lane • Releveling and resurfacing of the footway fronting Lombard Street in yorkstone • Resurfacing of Plough Court in yorkstone <p>RAG Status: Green (all projects)</p> <p>Risk Status: Low</p> <p>Costed Risk Provision Utilised: N/A</p> <p>Final Outturn Cost:</p> <p>Sugar Quay - £159,616</p> <p>New Ludgate - £611,690</p> <p>54-52 Lime Street - £787,109 (phase one)</p> <p>10 Fenchurch Avenue - £421,960 (phase one)</p> <p>30-32 Lombard Street - £141,066</p>
<p>2. Next steps and requested decisions</p>	<p>Requested Decisions:</p> <p>Members of Streets and Walkways and Project Sub-Committees are asked to:</p> <ul style="list-style-type: none"> • approve the content of this outcome report; • authorise the Chamberlain’s department to return unspent section 278 funds as set out subject to the verification of the final accounts;

	<ul style="list-style-type: none"> • agree to close Sugar Quay, New Ludgate and 30-32 Lombard St projects; • agree to split 52-54 Lime Street and 10 Fenchurch Avenue projects into two phases; • agree to close phase one of 52-54 Lime Street and 10 Fenchurch Avenue projects; • agree to retain current balances (appendix 3) for phase two for 52-54 Lime Street and 10 Fenchurch Avenue to enable completion of deferred works listed in section 3 and shown in appendix 2 • Note Progress Report for phase two will be submitted to Projects Sub Committee and Streets and Walkways committee prior to recommencing their respective works
<p>3. Key conclusions</p>	<p>All of the projects contained within this combined outcome report are small s278 projects where the key objectives were to deliver enhanced public realm around the developments, to be completed in time for building occupations. Despite delays to some works, all projects were delivered within budget and completed to accommodate the opening of the new developments.</p> <p>The key outcomes for each project are:</p> <p><u>Sugar Quay</u></p> <p>The required highway changes have successfully been completed, in line with the developer's timeframe. This project was fully funded by the developer. An improved environment for people walking has been provided.</p> <p><u>New Ludgate</u></p> <p>This project successfully implemented the changes to the public highway on Limeburner Lane and Old Bailey required to enable New Ludgate development.</p> <p>The most visible change is the improvement for people walking with the removal of the split-level footway on Limeburner Lane. This had been in place for decades following the sinking of the Thameslink train line. The project also planted new trees and introduced a contraflow cycle lane. The project was fully funded by the developer.</p> <p><u>52-54 Lime Street</u></p> <p>The proposed highway works have been completed, with the exception of a small amount remaining on Billiter Street. The new signalised crossing is an important additional pedestrian facility in the City Cluster, replacing a single crossing point with</p>

	<p>a four-arm crossing spanning the entire length of the Leadenhall Street/Lime Street/St. Mary Axe junction.</p> <p>The construction of the raised side entry treatment and associated footway renewal at the junction of Billiter St and Leadenhall St has been delayed until the completion of the neighbouring development at 40 Leadenhall Street (December 2023 at the earliest). This is due to the damaging effect construction traffic would have on the works.</p> <p><u>10 Fenchurch Avenue</u></p> <p>The proposed highway works have been successfully completed, with the exception of the proposed public realm improvements on Billiter Street and carriageway re-surfacing on part of Fenchurch Street. The work to deliver the environmental enhancements at junction of Billiter Street and Fenchurch Street is delayed due to development at 40 Leadenhall Street (see above). The work on Fenchurch Street is deferred until proposed gas main replacement work takes place (likely to be within the next 18 months)</p> <p><u>30-32 Lombard Street</u></p> <p>The proposed highway improvements have been successfully completed. The project timeframe was moved due to developer activity, but the highways programme was accelerated to ensure the works were delivered before building occupation. The works were completed in February 2019.</p>
--	---

Main Report

Design & Delivery Review

<p>4. Design into delivery</p>	<p>The proposed designs have successfully accommodated the new building developments.</p>
<p>5. Options appraisal</p>	<p>With the nature of these projects there were generally limited opportunities to explore options.</p> <p><u>Sugar Quay</u> No options were considered.</p> <p><u>New Ludgate</u> The only option considered at gateway 4 was the extent of yorkstone repaving in the project area. Members approved the option to pave all footways in the project area with yorkstone.</p> <p><u>52-54 Lime Street</u></p>

	<p>Three options were considered for the pedestrian crossing facility on Leadenhall Street. Members approved the high specification option to introduce a large signalised crossing at this junction; delivering the highest level of pedestrian improvement. No options were considered for the Section 278 works.</p> <p><u>10 Fenchurch Avenue</u> Three options were outlined at gateway 3/4/5: the developer assumes responsibility for the newly dedicated footway; the developer is instructed to undertake remedial works; the developer funds an enhanced package of highway works to mitigate the impact of the City adopting sub-standard highway. The recommended option, involving the enhanced design specification, was approved by Members and has significantly improved the public realm around the new development.</p> <p><u>30-32 Lombard Street</u> There were limited options for this work as this was voluntary Section 278 agreement to improve the footways and carriageways around the development site.</p>
<p>6. Procurement route</p>	<p>Designs were prepared in-house by the City's highways team. The City's term contractor was used to deliver these projects.</p>
<p>7. Skills base</p>	<p>The Project Team had the skills, knowledge and experience to manage and deliver these projects.</p>
<p>8. Stakeholders</p>	<p><u>Sugar Quay</u> Continuous liaison with the developer during scheme design and implementation ensured successful delivery of this project.</p> <p><u>New Ludgate</u> There was a regular and constructive dialogue with the developer during scheme design and implementation.</p> <p><u>52-54 Lime Street</u> Regular project meetings were held with the developer during design development and construction. The City and the developer have agreed to the delay in constructing the final element of the scheme as detailed in section 3 above.</p> <p><u>10 Fenchurch Avenue</u> During highway design development, it emerged that the developer had commenced construction of the new building before certain approvals had been agreed by the City as Highway Authority. As a result, the developer was expecting the City to adopt areas of sub-standard public highway. A series of challenging meetings took place between the City and the developer. These culminated in an agreement whereby the City would adopt the sub-standard</p>

	<p>highway if the developer funded an enhanced package of highway works. The City and the developer met on a regular basis during the construction phase and have agreed to the delays in constructing the final element of the scheme detailed in section 3 above.</p> <p><u>30-32 Lombard Street</u> Stakeholders were engaged throughout the process and despite delays to their programme we were still able to deliver the highways changes before the building was completed.</p>
--	---

Variation Review

<p>9. Assessment of project against key milestones</p>	<p><u>Sugar Quay</u> The key milestone was to have the highway works complete in time for first occupation of the new building at the end of June 2018. The highway works were largely completed by this time; however, the developer was running behind schedule with the private land/highway tie-in works and a small area of highway (along the eastern footway of Water Lane) was occupied with materials for a period. This last area of footway was completed in October 2018.</p> <p><u>New Ludgate</u> The bulk of the works were completed to the agreed programme in summer 2015. However, welfare facilities for an electricity sub-station on part of the footway on Limeburner Lane prevented the laying of a section of new yorkstone paving. This final section was completed in December 2018 after the welfare facilities were finally removed.</p> <p><u>52-54 Lime Street</u> The key milestone was to construct the highway works in a timely manner to accommodate the occupation of the new building in Autumn 2018. This was achieved through close working with the developer and its principal contractor, Skanska.</p> <p><u>10 Fenchurch Avenue</u> The key milestone was to construct the highway works in a timely manner to accommodate the occupation of the new building in Autumn 2018. This was achieved through regular meetings with the developer and its principal contractor, Sir Robert McAlpine.</p> <p><u>30-32 Lombard Street</u> The key milestone was for the completion of the work in time for the building's practical completion in June 2018. This was not</p>
---	---

	<p>achieved due to the developer not handing over the work areas on time, however the project timeline was moved, and the works were completed before the buildings delayed practical completion as agreed with the developer.</p>
<p>10. Assessment of project against Scope</p>	<p>The scope of these projects remained the same apart from the details summarised below;</p> <p><u>Sugar Quay</u> A raised entry treatment at the Water Lane/Lower Thames Street junction was included in the planning conditions. Water Lane is however a private road and agreement with the land owner couldn't be reached quickly. This proposal was removed from the scope of works at Gateway 5 stage.</p> <p><u>New Ludgate</u> No change from designs agreed at gateway 5.</p> <p><u>52-54 Lime Street</u> No change from designs agreed at gateway 5. However, some works deferred (see section 3/appendix two).</p> <p><u>10 Fenchurch Avenue</u> No change from designs agreed at gateway 5. However, some works deferred (see section 3/appendix two).</p> <p><u>30-32 Lombard Street</u> No change in design agreed at gateway 5.</p>
<p>11. Risks and issues</p>	<p>The key issue/issues for each project which arose are summarised as follows:</p> <p><u>Sugar Quay</u> The raised entry treatment, which was to be located on private land, posed a risk that may have delayed the programme due to the necessary agreements that would have been required. Removing this from the scope of works negated this impact.</p> <p><u>New Ludgate</u> The issue of the welfare facilities on the footway resulted in a delay to final completion of approximately 18 months.</p> <p><u>52-54 Lime Street & 10 Fenchurch Avenue</u> The issue of re-development at 40 Leadenhall Street and its impact on planned works on Billiter Street was identified approximately halfway through the construction programme for each project. The City and the developers assessed the issue and</p>

	<p>mitigating options and agreed to pause some work on Billiter Street until the completion of 40 Leadenhall Street.</p> <p><u>30-32 Lombard Street</u> The developer did not hand over the works area on time. However, a new construction programme was agreed, and works were completed with no negative impacts for either party.</p>
12. Transition to BAU	<p>The projects have now completed and passed over to the highways team to manage. All of the projects were designed and constructed to the City's specifications.</p> <p>Committed sums have been retained for the following projects Sugar Quay £16,598, New Ludgate £193,700 for 25 years maintenance of the yorkstone paving (£147,100) and tree care (£46,600) and 10 Fenchurch Avenue £7,750 for five years tree maintenance.</p>

Value Review

13. Budget	<u>Sugar Quay</u>		
	<i>Estimated Outturn Cost (G2)</i>	Estimated cost: £200k–£250k	
		<i>At Authority to Start work (G5)</i>	<i>Final Outturn Cost</i>
	<i>Fees</i>	£ 3,960	£ 3,504
	<i>Staff Costs</i>	£ 51,931	£ 50,046
	<i>Works</i>	£ 165,247	£ 106,066
	<i>Total</i>	£ 221,138	£ 159,616
	<i>Section 278 funds to be returned to developer: £61,522 plus interest</i>		
	<u>New Ludgate</u>		
	<i>Estimated Outturn Cost (G2)</i>	Estimated cost: £700,000	
	<i>At Authority to Start work (G5)</i>	<i>Final Outturn Cost</i>	
<i>Fees</i>	£ 102,347	£ 95,222	
<i>Staff Costs</i>	£ 162,284	£ 119,186	
<i>Works</i>	£ 423,500	£ 397,282	
<i>Total</i>	£ 688,131	£ 611,690	

Section 278 funds to be returned to the developer: £76,441 plus interest

52-54 Lime Street (Phase one) *

<i>Estimated Outturn Cost (G2)</i>	Estimated cost under £250k; project subsequently combined with Leadenhall Street pedestrian crossing.
------------------------------------	---

	<i>At Authority to Start work (G5)</i>	<i>Final Outturn Cost</i>
<i>Fees</i>	£ 58,222	£ 55,809
<i>Staff Costs</i>	£ 183,820	£ 160,852
<i>Works</i>	£ 577,859	£ 570,448
<i>Total</i>	£ 819,901	£ 787,109

10 Fenchurch Avenue (Phase one) *

<i>Estimated Outturn Cost (G2)</i>	Estimated cost £250k-£600k
------------------------------------	----------------------------

	<i>At Authority to Start work (G5)</i>	<i>Final Outturn Cost</i>
<i>Fees</i>	£ 33,000	£ 8,071
<i>Staff Costs</i>	£ 126,332	£ 127,659
<i>Works</i>	£ 297,712	£ 286,230
<i>Total</i>	£ 457,044	£ 421,960

30-32 Lombard Street

<i>Estimated Outturn Cost (G2)</i>	Estimated cost: Under 250k
------------------------------------	----------------------------

	<i>At Authority to Start work (G5)</i>	<i>Final Outturn Cost</i>
<i>Fees</i>	£ 11,250	£ 4,100
<i>Staff Costs</i>	£ 38,750	£ 36,874
<i>Works</i>	£157,000	£ 100,092
<i>Total</i>	£ 207,000	£ 141,066

Section 278 funds to be returned to the developer: £65,934

* A finance table for the deferred works (phase 2) is provided in Appendix 2

	<p>Please confirm whether or not the Final Account for this project has been verified. * NO</p>
<p>14. Investment</p>	<p>N/A</p>
<p>15. Assessment of project against SMART objectives</p>	<p>These projects pre-date the requirements for SMART objectives. However, the following measures of success outlined at gateway 5 were met:</p> <p><u>Sugar Quay</u></p> <ol style="list-style-type: none"> a. Meeting the needs of the developer by having the surrounding footways complete to a high standard prior to the occupation of their building. b. Meeting the City's requirements for appearance and function of the highway. c. Delivery of the works to a timetable that is set by the occupation date of the tenant. <p><u>New Ludgate</u></p> <ol style="list-style-type: none"> a. Deliver the highway works in time for the occupation of the buildings; b. Deliver the future proofing ducts and communal chambers; c. Deliver a highway that is designed and implemented to a standard that the City is satisfied to adopt and maintain; d. Deliver the above without financial impact on the City. <p><u>52-54 Lime Street</u></p> <ol style="list-style-type: none"> a. Work with the developer to ensure timely delivery of improvements which successfully integrate the development into the local highway network; b. Meet the City's requirements by providing high quality paving funded by the developer; c. Introduce a scheme that benefits the public by providing a more pleasant and safer environment for pedestrians; d. Help contribute to the delivery of a better walking environment in the City's insurance district. <p><u>10 Fenchurch Avenue</u></p> <ol style="list-style-type: none"> a. Work with the developer to ensure timely delivery of high-quality highway improvements which successfully integrate the development into the local highway network; b. Work with the developer to meet their desire for an enhanced public realm; c. Improved facilities for pedestrians and cyclists.

	<p><u>30-32 Lombard Street</u></p> <ol style="list-style-type: none"> a. Design a high-quality public realm in the vicinity of the development b. Deliver a scheme that benefits all users of the public highway
16. Key benefits realised	<ul style="list-style-type: none"> • Measures have been implemented which improve the environment for people walking and enhance the public realm • Highway changes have been delivered which accommodate new developments and meet the needs of developers

Lessons Learned and Recommendations

17. Positive reflections	<p><u>Sugar Quay</u> Despite the developer's delays, the project team worked with the developer in ensuring a smooth launch event at first occupation. In addition, the project team acted as a contact point to facilitate other works (i.e. Riverside Walkway enhancements) which were outside of the scope of the S278 works.</p> <p><u>New Ludgate</u> The project ran well because it was solution focused and had good communication and coordination between the City and the developer, through regular meetings and site visits.</p> <p><u>52-54 Lime Street</u> Regular project management meetings were held between the City, the developer and developer's contractor. This represents a good example of positive collaborative working between internal colleagues and external stakeholders.</p> <p><u>10 Fenchurch Avenue</u> Despite several challenges arising from the building's construction and resultant sub-standard highway, the project team worked closely to ensure the highway works were completed to facilitate the occupation of the building. The City also negotiated an enhanced package of public realm improvements with the developer.</p>
---------------------------------	--

	<p><u>30-32 Lombard Street</u> Despite the developer delays, the project team had good communication between the City and the developer agents.</p>
18. Improvement reflections	<p><u>Sugar Quay</u> Better liaison between the transport and planning teams is needed – the issue of Water Lane not being public highway only came to the fore during the design stage.</p> <p><u>10 Fenchurch Avenue</u> The creation of sub-standard highway was a significant issue for this project. Similar issues could be avoided in the future if it is made clear at an early stage that additional highway approvals may be required <i>after</i> the granting of planning permission. The Corporation’s “Standard Highway and Servicing Requirement in City of London” guidance note outlines some of the specific highway approvals that might be required and should be issued to developers during pre-planning discussions.</p> <p><u>30-32 Lombard Street & Sugar Quay</u> More adequate estimations for the works budgets due to significant sums of money being returned to the developer.</p>
19. Sharing best practice	Dissemination of information through team and project staff briefings.
20. AOB	None.

Appendices

Appendix 1	Project Coversheet
Appendix 2	Deferred works for 52-54 Lime Street and 10 Fenchurch Avenue
Appendix 3	Outstanding Works Cost Estimate
Appendix 4	Photos – before and after

Contact

Report Author	Isaac Taylor
Email Address	Isaac.Taylor@CityofLondon.gov.uk
Telephone Number	07713758858