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| Committee(s) | Dated: |
| <i>Corporate Priorities Board</i> <i>Corporate Projects Board</i> | <i>19th June 2019</i> <i>28th June 2019</i> |
| Resource Allocation Sub Committee for decision Project Sub Committee for decision Streets and Walkways Sub for information Planning and Transportation Committee for decision | 4 th July 2019 19 th July 2019 22 nd July 2019 30 th July 2019 |
| Subject: Review of projects within the Built Environment Directorate | Public |
| Report of: Carolyn Dwyer, Director of the Built Environment | For Decision |
| Report author: Simon Glynn, Assistant Director City Public Realm | |

Summary

This report provides the results of a review and proposed prioritisation of transportation and public realm projects within the Department of the Built Environment (DBE).

In December 2018, Members approved the outline methodology and approach for the DBE project prioritisation process, which would help to best deliver corporate priorities and support economic growth. The results were to include proposals to continue or stop those DBE projects under review and produce a complete funding strategy for those remaining projects.

Instead, so as not to impact on the outcome of the fundamental review, an updated approach has been taken. This makes use of the results of the DBE prioritisation exercise that has been completed along with consideration of criteria consistent with the agreed terms of the fundamental review. It is therefore proposed through this report to allocate S106 funds to priority projects that mitigate the impact of developments from which these funds were generated.

At the conclusion of the fundamental review, a further report on the DBE project portfolio including allocation of any remaining local funds will be produced, in support of the priorities and conclusions of the fundamental review.

Recommendations

It is recommended that Members:

- a. Note the methodology and ranking of DBE projects set out in paragraphs 7-12

- b. Note those DBE projects funded centrally during the period of the fundamental review as set out in Appendix 2.
- c. Agree the allocation of £3,917,518 S106 funding to 4 projects to mitigate the specific developments from which the funds were generated, including the interest accrued.
- d. Authorise officers seek an extension of time to S106s with the relevant developer/building owner where applicable as set out in Appendix 4.
- e. Authorise officers to re-negotiate the use of any S106 deposits, not allocated in this report, that require a variation of scope, to seek their use in mitigating the impacts of the developments generating the deposits, consistent with corporate priorities.

Main Report

Background

1. A review of Department of the Built Environment (DBE) projects was initiated in September 2018 with the aim of prioritising available funds. In the report 'Review of DBE Projects' to Members in December 2018, all Transportation and Public Realm (including Highways Structures) projects listed on the Project Vision system were identified.
2. Members approved that the following project categories should fall outside the scope of the proposed review:
 - Projects fully funded by S278 agreement monies (17 projects)
 - Projects previously approved at Gateway 5 and fully funded (31 projects)
 - Highways Structures fully funded by the Bridge House Estate (4 projects)
 - Projects fully funded by S106 agreement monies (11 projects)
 - Pre-project proposals to be archived in the *Project Vision* system (43 proposals)
3. This left 40 projects to review and prioritise, together with the anticipated future projects (including those contained within the Transport Strategy and City Cluster Vision).
4. As part of the December 2018 report Members also agreed that £3.6M of S106 funds be allocated to fully fund 11 projects to completion that mitigate the specific developments from which these funds were generated. A further £7.3M across multiple S106 deposits remains unallocated.
5. The following next steps were set out in the report:
 - Review the current projects against the Local Plan, Corporate Plan, relevant policies and against corporate ambitions to deliver major capital projects over the next ten years.
 - Review emerging projects (such as those contained in the City Cluster Vision and Transport Strategy) against the Local Plan, Corporate Plan, relevant

policies and against corporate ambitions to deliver major capital projects over the next ten years.

- Identify those current projects (out of the 40) that are proposed to continue to completion (together with a complete funding strategy) and those which are proposed to be stopped (together with proposals for the reallocation of any unspent funds).
- Prepare a draft ten year plan of future Transportation and Public Realm Division projects (including Highways Structures), which will include those current projects which are proposed to continue. The proposed allocation of CIL, OSPR and remaining S106 funding will be identified against each project to produce a complete funding strategy for each project. This plan will be reviewed annually to ensure that it keeps pace with changing priorities.

Results of DBE Project Prioritisation

Methodology

6. The detailed methodology to prioritise DBE projects was developed between officers in DBE and in the Corporate Strategy and Performance Team within the Town Clerks Department. This was to ensure a correct and consistent assessment against the Corporate Plan outcomes would be undertaken. The additional benefit of this approach was that the agreed methodology could be readily transferable in similar assessments of other Department's projects in the future.
7. Firstly, those Corporate Plan outcomes that are supported by each individual project were identified, producing a list of typically four to five Corporate Plan outcomes per project (with the most relevant Corporate Plan outcome identified).
8. Secondly, each project was assessed on a five-point scale from 'very low' to 'very high' based on the strength of the individual project's support for each of the Corporate Plan outcomes. This assessment was based on the outcomes and benefits of each project and the relative impact of these benefits. The scores were agreed by an officer group and projects were given an initial ranking. However, this approach did not result in a sufficient disaggregation of scores between individual projects in order to produce meaningful results.
9. Following feedback from the Corporate Strategy and Performance team on this first set of results, a second set of criteria were added. This included the estimated cost of a project, the transformational impact of a project and its complexity, all using the same five-point scale. The intention was to undertake a more detailed cost/benefit analysis of each project by the officers working group and produce a more disaggregated set of results. The results were somewhat clearer but not conclusive. DBE officers presented the results to the Deputy Chamberlain for further advice.

10. Following feedback from the Deputy Chamberlain on this second set of results, an additional criterion was included, which was the extent to which each project mitigated a Corporate Risk on the current Corporate Risk Register. These final results produced a clearer disaggregation of projects. A summary of this methodology is provided in Appendix 1.
11. The results of the DBE prioritisation exercise are presented in Appendix 2. This includes Table 1 which summarises the ranking of each project assessed.

Interim and Fundamental Review

12. In March 2019, Members approved a report on 'Fundamental Review: Design Principles and Governance'. The scope of the interim review relates only to schemes funded from central sources, which include the provisions for new schemes, On Street Parking Reserve, Community Infrastructure Levy (CIL), flexible external contributions and additional allocations from the general reserves of City Fund or City's Cash. Those DBE projects that are to be progressed using central funds during the period of the fundamental review are identified in Appendix 2.
13. Projects wholly funded from external grants, tenant /developer contributions e.g. under S278 agreements and most S106 deposits are excluded from the fundamental and interim review. On that basis, this report makes recommendations on the allocation of these local funds during the period of the fundamental review to allow priority projects which have been identified, to progress to completion.

S106 Spend Plan

Approach to Funding Allocation

14. The proposed principles of allocating these restricted S106 funds in this report are as follows:
 - i. Projects must mitigate the specific impacts of developments from which the funds were generated (noting the results of the DBE prioritisation exercise, which produced a ranking of DBE projects, will be used to prioritise the use of S106 funds).
 - ii. Projects in receipt of S106 funding shall be delivered (and therefore be fully funded) using a combination of S106 and other local funding sources, without future reliance on central funding.
 - iii. Projects can utilise local funding sources (s106 and/or S278 or specific TFL grant) as and when these funds become available, consistent with the budget profile for each project and these funding sources can be used in any combination
 - iv. The S106 funds to be allocated shall include any accrued interest, which is required to be treated as if it were part of the principal sum paid by the Developer.

- v. The projects that are recommended to be taken forward using the S106 funding include projects, pre-project proposals or complete phases of a larger programme or strategy that can be delivered in full with the allocated funding.

Results of the prioritisation of S106 funds

- 15. Recommendations regarding the prioritisation of S106 funds are set out in Appendix 4. In summary:
 - i. Four projects and pre-project proposals are proposed to receive S106 funds. Individual project gateway reports will be submitted for Member consideration that detail the overall project budget and combination of local funding sources to be used.
 - ii. These are:
 - a. City Cluster Vision Phase 1 Implementation (incorporating City Cluster and Fenchurch Street Healthy Streets Plan).
 - b. Crossrail Urban Integration – Liverpool Street
 - c. Crossrail Urban Integration – Moorgate
 - d. Temple and Fleet Street Healthy Street Plan
 - iii. Of these four projects, one project, Temple and Fleet Street Healthy Street Plan is proposed to receive S106 funds that do require a further extension of time to that stipulated in the specific S106 agreements. It is recommended that officers be given authority to seek time extensions to the relevant agreements for the use of these funds.
 - iv. Note the projects and pre-project proposals (included in Appendix 3) that have been approved to continue using central funds during the period of the fundamental review by Resource Allocation Sub Committee, those that have been recommended for S106 funding in this report and those separately (and fully) funded by local or external funds. All other projects will remain on hold until the conclusion of the fundamental review and will be the subject of a future report on the overall DBE project portfolio.

Corporate & Strategic Implications

16. The Corporate Plan, 2018-23 has been used as the strategic framework for this work.

Financial Implications

17. The allocation of S106 funds as described in this report is in accordance with the agreed terms of the corporation-wide fundamental review and in support of the outcomes of the Corporate Plan. The use of funds is in accordance with the terms of the respective legal agreements to which the relevant S106 deposits relate.

Legal Implications

18. Any S106 payments made and held for specific purposes will be spent on the purposes for which they are held or to address the impacts of specific developments, in accordance with the City's obligations under the relevant S106 Agreements unless these agreements are specifically re-negotiated with the relevant parties.

Public Sector Equality Duty

19. Full analysis of the proposed allocation of S106 funds has been undertaken by officers to ensure due diligence in this regard.

Conclusion

20. This report provides the results of both a review and proposed prioritisation of transportation and public realm projects within the Department of the Built Environment (DBE), which was initiated in 2018 in order to best utilise available funds, to deliver corporate priorities and support economic growth. The report describes how the DBE prioritisation exercise has been re-evaluated as a result of the corporation-wide fundamental review.

21. Following Member approval of a first S106 allocation plan in December 2018, this latest report seeks Member approval for a further allocation of S106 funds.

22. At the conclusion of the fundamental review, a further report on the DBE project portfolio and the allocation of any remaining local funds will be produced in support of the priorities and conclusions of the fundamental review.

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Appendices

Appendix 1 – Methodology of DBE prioritisation exercise

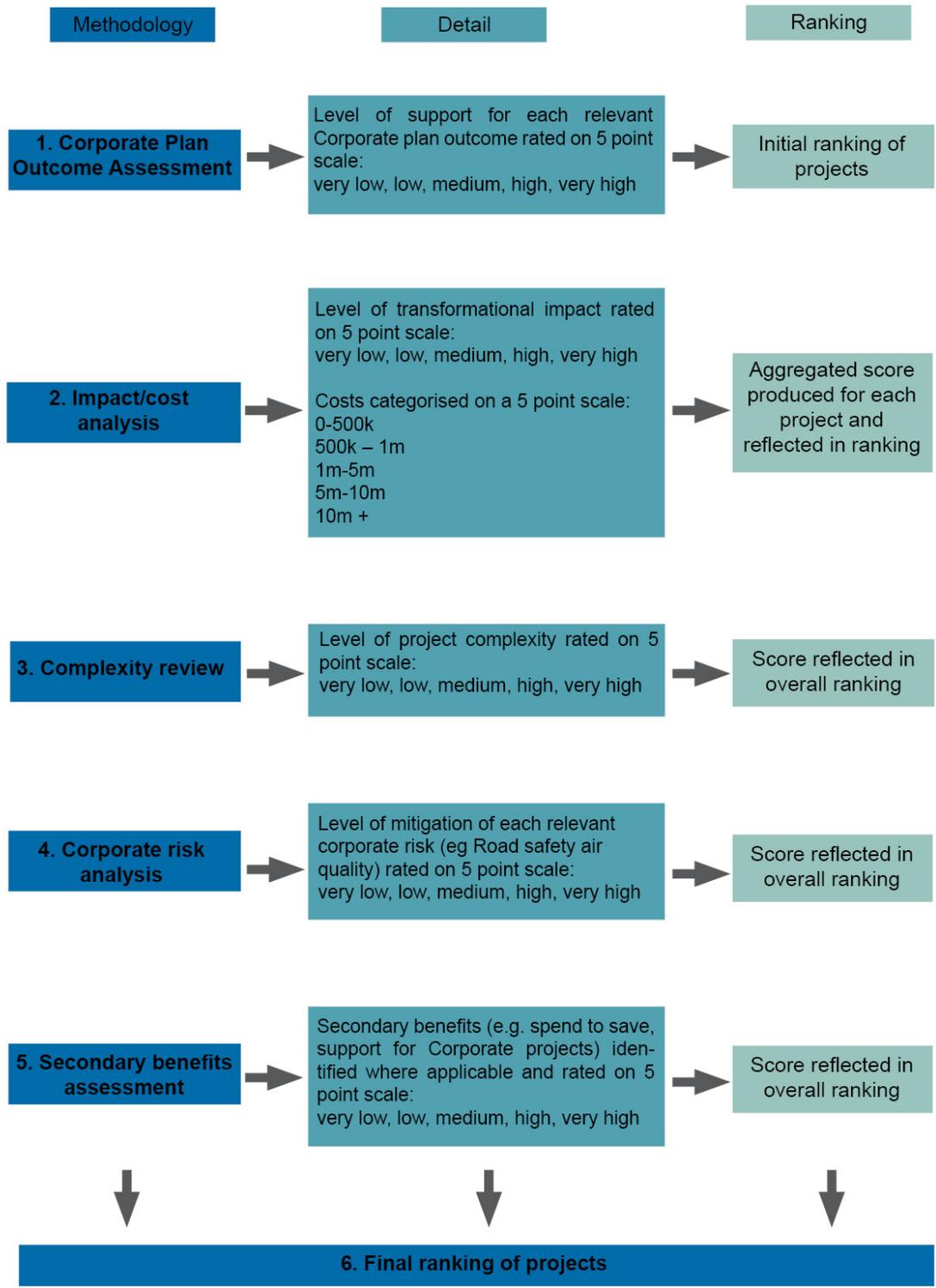
Appendix 2 – Results of DBE prioritisation exercise

Appendix 3 – Results of Project Eligibility for allocation of S106 funds

Appendix 4 – Details of S106 deposits to be allocated

Appendix 1 – Methodology of DBE prioritisation exercise

PROJECT PRIORITISATION METHODOLOGY



Appendix 2 – Results of DBE prioritisation exercise

Table 1

| Actual Score | Rank | Project |
|--------------|------|--|
| 8.54 | 1 | St Pauls Gyrotory (inc. Centre for Music) (11377) |
| 9.12 | 2 | Liverpool Street (Crossrail Urban Integration) (11375) |
| 9.43 | 3 | Bank Junction (All Change at Bank) (11401) |
| 10.00 | 4 | Healthy Street Plans – City Cluster and Fenchurch Street |
| 10.00 | 4 | Healthy Street Plans – Fleet Street and Temple |
| 10.06 | 6 | Moorgate (Crossrail Urban Integration) (11381) |
| 10.60 | 7 | City Cluster - Implementation of Vision Phase 2 |
| 10.781 | 8 | London Wall Car Park - Joints and Waterproofing (12002) |
| 10.787 | 9 | Healthy Street Plans – Barbican & Smithfield |
| 11.57 | 10 | Healthy Street Plans – Bank and Guildhall |
| 11.65 | 11 | Culture Mile Implementation (Phase 1 - Culture Mile Spine / North South link) (11955) |
| 11.79 | 12 | Healthy Streets Project - Barbican and Smithfield |
| 11.79 | 12 | Healthy Streets Project - City Cluster and Fenchurch Street |
| 11.79 | 12 | Healthy Streets Project - Fleet Street and Temple |
| 12.38 | 15 | City Cluster Vision Phase 1 Implementation (Temporary closures/installations & trials) |
| 12.38 | 15 | St Paul's External Lighting (9672) |
| 13.22 | 17 | Fleet Street (10846) |
| 13.25 | 18 | Puddle Dock Improvements (11733) |
| 13.25 | 18 | Moorgate Area Strategy (11697) |
| 13.27 | 20 | Bank by Pass Walk Route (10990) |
| 13.27 | 20 | Dominant House Footbridge (11788) |
| 13.32 | 22 | City Cluster Implementation of Vision Phase 3 |
| 13.41 | 23 | Cycling Network |
| 13.54 | 24 | St Paul's Area Strategy - Culture Mile (10845) |

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| 13.54 | 24 | Pool of London KAOC plan |
| 13.56 | 26 | Culture Mile Pop ups future years (11825) |
| 13.84 | 27 | Fleet Street Area Strategy (10846) |
| 13.91 | 28 | Culture Mile Implementation (Phase 2 - Wider Area) |
| 14.83 | 29 | Eastcheap and Philpot Lane (11378) |
| 14.93 | 30 | Vine Street North |
| 14.95 | 31 | Tudor St / New Bridge St |
| 15.00 | 32 | Temple Area Traffic Review (11959) |
| 15.03 | 33 | Guildhall Area Strategy Green Spaces (10681) |
| 15.04 | 34 | Guildhall Ponds (10681) |

Table 2. DBE Projects previously approved to continue using central funding during the period of the fundamental review

| Project | Project Description |
|---|---|
| HVM Security (11954) | Measures to mitigate the Square Mile against hostile vehicles |
| Bank on Safety (11599) | Measures to improve safety at Bank Junction |
| Pipe Subways - Holborn Viaduct / Snow Hill (9845) | Works to Pipe Subway adjacent to Annexe Building of Smithfield Market and above the Thameslink line. |
| West Smithfield Area (inc. Museum of London Public Realm) (11956) | Transportation and public realm improvements to accommodate anticipated changes in the area including the new Museum of London development |
| Fleet Street Area (inc. Central Criminal Courts Public Realm) | Transportation and public realm improvements to accommodate anticipated changes in the area including the new Central Criminal Courts development |
| Beech St Transportation and Public Realm (10847) | Transportation and public realm improvements in Beech Street |

Table 3. DBE Projects originally part of the prioritisation exercise but not ranked

| Project | Project Description | Reason that the project was not ranked |
|---|--|---|
| Thames Court Footbridge (11962) | Strengthening work to Thames Court Footbridge. | Project completed and bridge re-opened |
| West Smithfield Charterhouse Street bridge | Strengthening works to Charterhouse Street Bridge above Thameslink link and adjacent to West Smithfield Market buildings. | Project is separately funded by Cyclical Works Programme and therefore falls outside the DBE prioritisation review. |
| Street Lighting Strategy and Delivery Plan (9685) | Upgrade of City's street lighting network and Control Management System following adoption of the City's Street Lighting Strategy. | Project authorised to commence works at Gateway 5. |

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| City Cluster Vision (10594) | Public Realm Vision document for the City Cluster Area. | Project completed and Vision adopted |
| City-Way-Finding Signage (11735) | Installation of Legible London way-finding signage across the Square Mile. | Project authorised to commence works at Gateway 5. |
| Sculpture in the City (9517) | Contemporary public art exhibition in the heart of the insurance and financial district around EC3. | Project authorised to commence works at Gateway 5 for 2019. |
| Drinking Fountains (12015) | Installation of 10 water refill points in support of the Plastic Free City Initiative. | Project authorised to commence works at Gateway 5. |
| Culture Mile Look and Feel Strategy (11780) | Public Realm Strategy document for the Culture Mile Area. | Project completed and Strategy adopted. |
| West Smithfield Strategy (10974) | Public Realm Strategy document for the West Smithfield Area. | Project superseded by Culture Mile Look and Feel Strategy |
| Eastern City Cluster Phase 2 (10719) | Implementation phase of Eastern City Cluster Strategy (2006) | Project superseded by City Cluster Vision Implementation phases. |
| 51 Lime Street (9561) | Highway works in the vicinity of 51 Lime Street | Final phase superseded by 10 Fenchurch Avenue S278 works. |
| 6 Bevis Marks (10680) | Highway works in the vicinity of 6 Bevis Marks | Funding re-directed to complete Aldgate project |
| S106 Bucklersbury House (9466) | Highway works in the vicinity of Bucklersbury House | Project superseded by Bloomberg S278 works. |
| Fenchurch Street (10986) | Transportation and Public realm improvements to Fenchurch Street | Project superseded by City Cluster Vision Implementation Phases and Healthy Streets Plan for City Cluster and Fenchurch Street. |
| RWE -Blackfriars Bridge Walkway (11493) | Public art installation on the riverside walk at Blackfriars Bridge. | Project superseded by Thames Tideway Tunnel public realm works. |
| Eastern City Cluster Security (9521) | Measures to mitigate the City Cluster against hostile vehicles | Project superseded by city-wide HVM security programme |

Table 4. DBE superseded and ‘on hold’ projects identified as part of the ranking exercise.

(These projects will need to be formally closed via a separate Gateway 6 outcome report)

| Project | Project Description | Reason for superseded status. |
|----------------------|--|--|
| Fleet Street (10846) | Transportation and public realm improvements to Fleet Street | Superseded by the Fleet Street/Central Criminal Courts transportation and public realm project |

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|--|--|---|
| Moorgate Area Strategy (11697) | A strategy to identify transportation and public realm improvements in the Moorgate area. | Superseded by Crossrail Moorgate project and Bank and Guildhall Healthy Streets Plan |
| St Paul's Area Strategy - Culture Mile (10845) | A strategy to identify transportation and public realm improvements in the St Paul's Cathedral area. | Superseded by Culture Mile Phase 1 and Museum of London/St Paul's Gyratory project |
| Fleet Street Area Strategy (10846) | A strategy to identify transportation and public realm improvements in the Fleet Street area. | Superseded by the Fleet Street and Temple Healthy Streets Plan |
| Eastcheap and Philpot Lane (11378) | A new pedestrian crossing over Eastcheap adjacent to Philpot Lane | Pedestrian movement including crossing points will be reassessed via the City Cluster and Fenchurch Street Healthy Streets Plan |
| Guildhall Area Strategy Green Spaces (10681) | A strategy to deliver urban realm improvements in the Guildhall area | On hold |
| Guildhall Ponds (10681) | The re-design of urban realm around and including the Guildhall Pond. | On hold |