

Committees: Streets and Walkways <i>[for decision]</i> Projects Sub <i>[for decision]</i>	Dates: 25 February 2020 24 February 2020
Subject: Bernard Morgan House Public Realm Unique Project Identifier: 12056	Gateway 3/4: Options Appraisal (Regular) Public For Decision
Report of: Director of the Built Environment Report Author: Sarah Jane Enson	

1. Status update	<p>Project Description: Deliver public realm enhancements in the area surrounding the new development at Bernard Morgan House.</p> <p>RAG Status: Green (unchanged from last Gateway)</p> <p>Risk Status: Low (unchanged from last Gateway)</p> <p>Total Estimated Cost of Project (excluding risk): up to £725,505 (inc. spend to date).</p> <p>Change in Total Estimated Cost of Project (excluding risk): Within range provided in Gateway 2 report (£250,000 - £800,000)</p> <p>Spend to Date: £14,144</p> <p>Costed Risk Provision Utilised: None to date</p> <p>Funding Source: The project is fully funded via a Section 278 agreement and is not impacted by the Fundamental Review.</p> <p>Slippage: Programme slippage of six months - negotiations with the developer regarding scope of works took longer than anticipated to complete; personnel changes within the developer team has led to delays in progressing the project.</p> <p>Additionally, the site is not fully accessible due to the developers hoarding blocking access, preventing the completion of required surveys and therefore limiting the extent of work that can be undertaken on the detailed design. This is likely to delay completion of detailed designs and start of works.</p>
2. Next steps and requested decisions	<p>Next Gateway: Gateway 5: Authority to Start Work</p> <p>Next Steps: Officers will continue to progress the detailed design as far as possible until the site is fully accessible in May 2020. The following steps will be completed:</p> <ul style="list-style-type: none"> • Undertaking radar surveys and completion of the detailed design.

	<ul style="list-style-type: none"> • Liaison with local stakeholders and residents on the final design. • Finalising and approving the construction package with the City's Highway Term Contractor to prepare for a start on site in early Autumn 2020. • Finalising the S278 agreement with the developer to receive the additional funding to proceed with the scheme. • Submitting a Gateway 5 report to obtain authority to start works in Summer 2020. <p>Requested decisions: It is recommended that Members of Streets & Walkways Sub Committee and Projects Sub Committee:</p> <p>i) Authorise officers to invoice the developer for £85,361 to undertake work to progress to Gateway 5 (see section 3 table 1 below), in advance of the full S278 payment to avoid delays to the programme. The amount would be deducted from the full S278 payment.</p> <p>ii) Approve Option 1 at a cost of up to £725,505, fully funded by a Section 278 agreement with Taylor Wimpy, the developer of Bernard Morgan House.</p> <p>iii) Authorise officers to publish proposals in relation to any necessary traffic orders or other consents to implement the project as described in this report.</p>
<p>3. Resource requirements to reach next Gateway</p>	<p>Expenditure to date is £14,144. Activities completed include local stakeholder consultation sessions and communication, development of detailed designs based on stakeholder feedback, negotiations with the developer regarding design options, liaison with officers in Open Spaces, Legal and Transportation regarding details of the design and their wider impact. There has been some underspend due to the inability to progress the detailed designs due to the lack of radar surveys.</p> <p>Table 1 outlines the revised budget to reach the next Gateway (5) and includes the sum requested in this report (£85,361) and the spend to date (£14,144). Implementation of Gateway 3-4 will require staff time from DBE alongside work from colleagues across the Corporation as appropriate. These Highways and P&T staff costs will cover project management, detailed design and construction package completion, local stakeholder liaison, developer negotiation and report writing.</p> <p>Table 1: Revised Budget to reach next Gateway - Bernard Morgan House S278</p>

	<table><tr><th>Description</th><th>Approved Budget (£)</th><th>Resources required to reach next Gateway (£)</th><th>Revised Budget to next Gateway (£)</th></tr><tr><td>Fees</td><td>14,430</td><td>6,500</td><td>20,930</td></tr><tr><td>Highways Staff Costs</td><td>2,570</td><td>32,361</td><td>34,931</td></tr><tr><td>P&T Staff Costs</td><td>18,000</td><td>40,000</td><td>58,000</td></tr><tr><td>Surveys</td><td>0</td><td>6500</td><td>6500</td></tr><tr><td>TOTAL</td><td>35,000</td><td>85,361</td><td>120,361</td></tr></table> <table><tr><th>Table 2: Funding Source</th><th></th></tr><tr><th>Funding Source</th><th>Amount (£)</th></tr><tr><td>S278</td><td>120,361</td></tr><tr><td>TOTAL</td><td>120,361</td></tr></table> <p>Costed Risk Provision requested for this Gateway: £0</p>	Description	Approved Budget (£)	Resources required to reach next Gateway (£)	Revised Budget to next Gateway (£)	Fees	14,430	6,500	20,930	Highways Staff Costs	2,570	32,361	34,931	P&T Staff Costs	18,000	40,000	58,000	Surveys	0	6500	6500	TOTAL	35,000	85,361	120,361	Table 2: Funding Source		Funding Source	Amount (£)	S278	120,361	TOTAL	120,361
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4. Overview of project options	<p>Progress to date: In February 2019, Members approved a Gateway 2 report for the progress of Bernard Morgan House public realm project to progress to detailed options appraisal.</p> <p>The following activities have taken place: i) Stakeholder consultation sessions with local residents, neighbours, schools and businesses. ii) Evaluation of stakeholder consultation and development of two options for concept designs for the area which respond to stakeholder feedback. iii) Negotiations with the developer and agreement on Option 1 as the preferred option for the area. iv) Topographical surveys of the site. v) Drafting of the S278 agreement which will be finalised subject to option approval by this Committee.</p> <p>Project options developed: Following public consultations with local residents, businesses and occupiers, two design options were developed and negotiated with the developer (see appendix 3a and 3b).</p> <p>Option 1 reflects the scope outlined in the S106 agreement. It proposes the installation of new Yorkstone paving around the development, work to the Golden Lane zebra crossing and footway which will need to be realigned, and granite setts to the vehicle access dropped kerb on Brackley Street. It also includes raising the TfL bike rack so that it stands on the pavement rather</p>																																

	<p>than its current position in the highway in accordance with City design standards.</p> <p>Option 2 was wider in scope and reflected many of the comments raised during stakeholder consultation. This design included the changes outlined in option 1, in addition to further repaving and changes to the existing Fann Street vehicle gate which residents raised as an issue in the consultation sessions. The two option designs are detailed in the appraisal matrix.</p> <p>Local Ward Members expressed a desire that measures to improve Fortune Street Park be included as part of the project given the proximity of the development. However, as the park is located in the London Borough of Islington it is therefore outside of the scope of this project.</p> <p>Officers presented the developer with the feedback from the stakeholder consultation in addition to the two options designs and their cost estimates. Following a number of negotiation meetings and consideration of all options, the developer confirmed that they are not in a position to invest in the site beyond the scope outlined in the S106 agreement. The developer agreed the designs for option 1 which is compliant with the S106 agreement.</p> <p><u>Proposed way forward:</u> The developer anticipates completion of the building in May 2020 and plans to open the building in late Summer 2020. The developer considers the public realm improvements as integral to the building completion as all entrances to the building will be impacted.</p> <p>It is proposed that the implementation of works begin as soon as possible in early Autumn 2020 to ensure completion after the opening of the new development.</p>
5. Recommended option	<p>Following public consultation and negotiation with the developer, officers recommend that Members approve option 1, as the developer has been clear that they are not in a position to fund option 2 which has a larger scope of cost.</p> <p>Officers have consulted with local stakeholders, residents and Ward Members, and their concerns and comments have been considered, however this option reflects the scope outlined in the S106 agreement.</p>
6. Risk	<p><i>1. Delays in completing detailed designs and construction package</i> Risk response: Accept Topographical and radar surveys were not completed prior to the developer occupying the site in 2017. Topographical surveys were completed in December 2019 by working with the</p>

developer to move some hoarding on site and allow access to surveyors. However, radar surveys cannot be completed until the site is cleared by the developer in April/May 2020. This will delay the completion of the detailed design, construction package and programme for public realm works commencing. Officers will work to complete the construction package as far as possible so that this delay can be minimised.

2. Sub-surface utilities / structures or other archaeological remains cause issues during constructions

Risk response: Reduce

Surveys have been undertaken to determine the extent of sub-surface elements as far as possible. Detailed designs will be developed to take into account the utility information provided by the surveys. Further investigations will be carried out to determine the extent of underground structures and basements. This risk will be closely monitored during the implementation phase and avoided where possible. Any costs reasonably incurred over and above the estimate due to sub-surface issues will be recoverable from the developer under the S278 agreement.

3. Stakeholder concern that the scope of the scheme does not include Fortune Street Park

Risk response: Accept

This development is situated on the boundary of the City and neighbours Fortune Street Park which lies within the boundary of LB Islington. Local stakeholders have raised concerns about the impact the development will have within the park in terms of higher footfall, however it is not within the City boundary or identified within the scope outlined within the S106 agreement, and therefore is not part of the scope of this project. LB Islington is considering changes to Fann Street (i.e. closing the road to through traffic except resident vehicles and school buses) to create a more attractive pedestrian experience which would in turn reduce pedestrian footfall through the park.

4. The scope of the scheme does not respond to all feedback raised during consultations

Risk response: Accept

The scope of option 1 does not address all of the concerns raised by local residents and stakeholders during public consultation regarding neighbouring pavement quality, air quality or driver behaviour. Officers have negotiated with the developer as far as possible to highlight what could be achieved with further investment and the risk of stakeholder disappointment with option 1. Within the vicinity of this project, air quality is being addressed by officers through the Beech Street project which is predicted to reduce vehicle traffic in the area and streets within the scope of this project. Driver behaviour is similarly being considered by officers in a neighbouring project looking at the corner of Fann Street and

	Aldersgate Street. Officers are working collaboratively to address local stakeholder concerns in nearby projects wherever possible.
7. Procurement approach	It is proposed that the works will be delivered by the City of London's Highways Term Contractor and any nominated sub-contractor or utilities provider as necessary, under the supervision of the Department of the Built Environment.

Appendices

Appendix 1	Project Coversheet
Appendix 2	Risk Register (for recommended option)
Appendix 3	Design options
Appendix 4	Finance tables

Contact

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Options Appraisal Matrix

Option Summary	Option 1	Option 2
1. Brief description of option	<ul style="list-style-type: none"> • Reparations as outlined in S278, including repaving of footways adjacent to the development in Yorkstone paving, kerb realignment on Golden Lane, removal of redundant traffic signs and columns. • Works to Golden Lane zebra crossing to improve accessibility. 	<p>Option 1 plus the following additional works:</p> <ul style="list-style-type: none"> • Repaving additional footways at Golden Lane, Fann Street, Brackley Street, Viscount Street. • Improvements to emergency access gate in Fann Street to improve pedestrian and cycle safety.
2. Scope and exclusions	<ul style="list-style-type: none"> • Improvements to the pedestrian highway in the immediate vicinity of the development and to Golden Lane zebra crossing. • The pedestrian highway opposite the development island is excluded. • The following stakeholder consultation issues would not be directly addressed: poor air quality, lack of greening, issues with the Fann Street vehicle gate, issues with the paving on the opposite side of the highway from the development island. 	<ul style="list-style-type: none"> • Improvements to the pedestrian highway in the immediate vicinity of the development and to Golden Lane zebra crossing. • Improvements to the footways opposite the development and to the Fann Street vehicle gate. • The following stakeholder consultation issues would not be fully addressed: poor air quality, lack of greening.
Project Planning		

3. Programme and key dates	Overall project: Autumn 2020 Key dates: 1. Finalise S278 Agreement – Feb 2020 2. Site surveys – May 2020 3. Draft construction package – May-July 2020 4. Gateway 5 report – Jun 2020 5. Issue Construction package – July 2020 6. Pre-construction planning – July-Sept 2020 7. Project construction – Sept-Dec 2020	
4. Risk implications	Overall project option risk: Low 1. Delays in completing detailed designs and construction package 2. Sub-surface utilities / structures or other archaeological remains cause issues during constructions 3. Stakeholder concern that the scope of the scheme does not include Fortune Street Park 4. The scope of the scheme does not respond to all feedback raised during consultations Further information available within the Risk Register (Appendix 2).	
5. Stakeholders and consultees	1. Developer of Bernard Morgan House 2. Local Ward Members 3. London Borough of Islington 4. Owners/occupiers of adjacent buildings, including local residents	
6. Benefits of option	<ul style="list-style-type: none"> • High quality public realm within the immediate vicinity of the development will be achieved. 	<ul style="list-style-type: none"> • High quality public realm in the wider vicinity of the development will be achieved. • Stakeholder concerns regarding uneven

	<ul style="list-style-type: none"> • Scope of option has been agreed by the developer. 	footway, and driver behaviour at Fann Street Gate will be addressed.
7. Disbenefits of option	<ul style="list-style-type: none"> • Design does not address all of the issues raised during stakeholder consultation 	<ul style="list-style-type: none"> • Design does not address all of the issues raised during stakeholder consultation • Scope of option has not been agreed by developer.
Resource Implications		
8. Total estimated cost	Total estimated cost (excluding risk) up to: £725,505 (inc. spend to date).	Total estimated cost (excluding risk) up to: £966,375 (inc. spend to date).
9. Funding strategy	Fully funded by a Section 278 with the developer. Please see Appendix 4 for finance tables.	
10. Investment appraisal	None – scheme is fully funded by Section 278 with the developer.	
11. Estimated capital value/return	N/A	
12. Ongoing revenue implications	The cost of the scheme includes the commuted sum which accounts for the anticipated replacement of the materials and street furniture for 20 years.	
13. Affordability	This scheme offers good value for money which has been deemed affordable by the developer.	This scheme offers good value for money but has been deemed unaffordable by the developer.
14. Legal implications	A Section 278 agreement will be entered into with the developer to secure payment for the works and comply with an obligation of the Section 106 agreement.	

15. Corporate property implications	None	
16. Traffic implications	None	
17. Sustainability and energy implications	None	
18. IS implications	N/A	
19. Equality Impact Assessment	The impact assessment concluded that there is a no impact on equality criteria as a result of this project. The proposal aims to improve accessibility for pedestrians by improving the footway quality.	
20. Data Protection Impact Assessment	N/A	
21. Recommendation	Recommended	Not recommended