

<b>Committee(s):</b> Streets and Walkways sub Projects Sub	<b>Date(s):</b> 11 <sup>th</sup> December 2012 13 <sup>th</sup> December 2012	
<b>Subject:</b> Issue Report – Mariner House Section 106 Improvement Works		<b>Public</b>
<b>Report of:</b> The Director of the Built Environment		<b>For Decision</b>
<b><u>Summary</u></b>		
<u>Dashboard</u>		
Project Status	Green	
Timeline indicating the stage at which the project is	The main works have been completed	
Total Approved Budget	£644,120 (Inclusive of £585,303 – Implementation £58,817 – pre-evaluation)	
Spend to Date	£437,578 (Inclusive of £378,885 for Implementatio £58,693 for pre-evaluation)	
Overall project risk	Low	
<u>Brief description of project</u>		
<p>Improvements to the streets surrounding the Mariner House redevelopment at a total cost of £644,120, funded from the Section106 (S106) contribution were approved by Committees in July 2009. The S106 agreement stipulates that the funds can only be spent within a few streets surrounding the site (see map of the S106 Area is in Appendix A). All Phase 1 works set out in the report have now been substantially completed and the remaining contingency elements (Phase 2) that were approved by Committees are currently being implemented. However, a predicted under-spend of approximately £152,800, has been identified.</p> <p>The completed works include the pedestrianisation of the northern section of Savage Gardens to create a linear public space with trees and seating, lighting improvements under the railway bridge and the widening of a narrow section of the Crutched Friars northern footway to improve the pedestrian experience. (See Appendix C showing images of completed works).</p> <p>On 20<sup>th</sup> June 2012 City officers met with Local Ward Members on site to consider the potential for other enhancements in the S106 area. Members identified areas with potential for further improvement and the proposals set out in this report have emerged from their observations and requests. It is proposed to utilise part of the underspend (£135,000) to carry out these additional enhancements as Phase 3.</p>		
<b>Recommendations</b>		
It is recommended that Members:		
<ul style="list-style-type: none"> <li>i) Approve the additional improvement works (Phase 3) at a total estimated cost of £135,000, funded from the Mariner House Section 106, as set out in this report;</li> <li>ii) Agree that the completion of the detailed design be delegated to the Director of the Built Environment and Authority to Start Work be sought from the Town Clerk in accordance with the 'streamlined' procedure;</li> <li>iii) Members approve the revised budget for Phase 2 works as outlined in Appendix B. Table 3C</li> </ul>		

## Overview

<b>1. Success Criteria</b>	<ul style="list-style-type: none"> <li>• The creation of a more pleasant street environment, with more space for pedestrians, enhanced greenery and places to rest</li> <li>• Improved accessibility in the area</li> <li>• Improved way finding and associated signage</li> <li>• Improved safety through better lighting of covered sections of the streets and improved crossings</li> <li>• De-cluttering</li> </ul>
<b>2. Project Scope and Exclusions</b>	A plan of the project area is included in Appendix A
<b>3. 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 scheme will deliver improvements to an area which has seen a substantial increase in the number of hotel and residential developments in recent years.</p>
<b>4. Within which category does the project fit</b>	Fully reimbursable
<b>5. What is the priority of the project?</b>	Desirable
<b>6. Governance arrangements</b>	Regular meetings with Senior Responsible Officer and officers from other departments. Consultation with local stakeholders and Ward Members
<b>7. Resources Expended To Date</b>	£437,578 (inclusive of evaluation, works, fees and staff costs) have been spent on environmental improvement works. See Appendix B:
<b>8. Last Gateway Approval</b>	A project report was approved in July 2009, prior to the introduction of the Gateway Approval process.

## Issue

<b>9. Issue Description</b>	Following the substantial completion of (Phase 1) environmental improvement works related to the redevelopment of Mariner House, an under-spend of approximately £152,800 has been
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identified. See Appendix B.

The under-spend on works is principally due to:

- Reduced drainage costs, as less intensive works were required than originally anticipated;
- Reduced paving costs as a result of materials and works costing less than originally estimated as well as savings from the new term contractor;
- Planting costs being lower than originally estimated;

The Section 106 specifies a restricted number of streets around the development where the funds can be spent (see Appendix A).

Officers have met with local Ward Members to discuss the need for further enhancements in the area. Members have identified several potential improvements and areas of need. Following this meeting, a list of proposed improvement works with estimated costs was drawn up by officers and circulated to Local Ward Members for their consideration.

Of the eleven items identified by Local Ward Members six items were either already part of contingency works (Phase 2) approved as part of the original Committee approval and planned to be implemented, or part of works related to the forthcoming 10 Trinity Square redevelopment (Trees on Pepys Street). These items are summarised below:

**Table 1: Remaining works that are already approved (Phase 2)**

	<b>Item</b>	<b>Description</b>
1	Upgrade Tree Surrounds on -Coopers Row	Replace poor quality and damaged tree surrounds with standard City Specification
2	Seating	Install seats close to hotel (away from residential areas – locations to be confirmed).
3	Removal and Rationalisation of bollards on Coopers Row, remove unnecessary posts and affix signs to buildings where possible	De-clutter streets to enhance street environment
4	Lighting Coopers Row Fenchurch Street Railway Arches	Improved lighting to enhance safety at night.
5	Trees on Pepys Street	Street trees to enhance the street environment – to be undertaken as part obligations associated with the 10 Trinity Square redevelopment
6	Node Sign: Crutched Friars/Coopers Row	Way-finding sign

	The remaining five items identified by Local Ward Members are captured in Table 2 in the Options section below.
<b>10. Last Approved Limit</b>	£585,303 (July 2009 Planning and Transportation Committee)
<b>11. Tolerance Granted</b>	A 20% contingency was approved in 2009 which, if not required as contingency, was to be used for specified works (Phase 2).
<b>12. Cause</b>	The cause of this issue is a predicted underspend on the project.
<b>13. Consequences</b>	If funds are not utilised they will need to be returned to the developer in accordance with the terms of the S106 Agreement.
<b>14. Options</b>	<p>The area where the S106 funds can be spent is limited to a few streets around the development (see plan in Appendix A). These streets were assessed for potential improvements as part of a site visit with Ward Members in June 2012 when a list of proposals was formulated (set out in Table 2 below).</p> <p>Another option would be to seek a variation to the S106 with the Developer to enable the funds to be spent in a wider area. However, the developer is not obliged to vary the agreement and may prefer to see the remaining funds returned to them. This option represents a higher risk and is not recommended to be pursued given that further improvements in the area have been identified with Ward Members. This option is further complicated by the fact that the ownership of the hotel development has changed hands and a variation may not be agreed by the new owners.</p>

**TABLE 2 Cost Estimate: Proposed improvement works as requested by Ward Members (Phase 3)**

Item No.	Items Identified	Estimate (£)	Notes
1	Coopers Row Footway Widening	25,000	Approximately 0.9m wider on western footway to provide more space for pedestrians
2	Pigeons prevention measures – in the local area	3,000	Pigeon droppings are corrosive and cause damage – possible use of a Hawk to force local pigeon population to go
3	Steam Clean Brick Work Fenchurch Street Arches	10,000	To improve the local environment and brighten up the street. May require approval of Network Rail
4	Seething Lane - Resurface a section of mastic asphalt footway outside St Olave's Churchyard	25,000	Currently mastic asphalt outside a Grade I Listed Building. The setting of the building would be enhanced by the introduction of York stone
5	St Olave's Churchyard (Seething Lane)	35,000	Landscaping to enhance the Churchyard which has public access
	<b>Works - subtotal</b>	<b>98,000</b>	
	Fees	10,000	
	Staff Costs Planning	14,000	Including: Communication Programming, Programme Management, Risk Management Design, Monitoring and Construction Management
	Staff Costs Open Spaces	7,000	
	Staff Cost Highways	6,000	
	<b>Fees and Staff Costs – sub total</b>	<b>37,000</b>	
	<b>TOTAL</b>	<b>135,000</b>	

**15. Recommendation**

## Recommendations

It is recommended that Members:

- i) Approve the additional improvement works (Phase 3) at a total estimated cost of £135,000, funded from the Mariner House Section 106, as set out in this report;
- ii) Agree that the completion of the detailed design be delegated to the Director of the Built Environment and Authority to Start Work be sought from the Town Clerk in accordance with the 'streamlined' procedure
- iii) Members approve the proposed revised budget for Phase 2 works as outlined in Appendix B, Table 3C

**16. Lessons**

- Ensure in future that estimates are suitably qualified where there is uncertainty about the likely extent of elements of the works.
- The S106 boundary is very tight and restricts where funds can be spent.

## Appendices

<b>Appendix A:</b>	The S106 map and proposals identified by Ward Members
<b>Appendix B:</b>	Financial Summary tables of Phases 1 and 2
<b>Appendix C:</b>	Images of Completed Environmental Enhancement Works

## Contact

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