

Committees: Streets & Walkways Sub - <i>for decision</i> Projects & Procurement Sub - <i>for information</i>	Dates: 19 March 2024 15 April 2024
Subject: 65 Gresham Street s278 Unique Project Identifier: 12421	Gateway 2: Project Proposal Regular
Report of: Interim Executive Director, Environment Report Author: Tom Noble	For Decision
<h1>PUBLIC</h1>	

Recommendations

1. Next steps and requested decisions	<p>Project Description: Works to improve the public highway associated with the development at 65 Gresham Street, including the potential pedestrianisation of Aldermanbury to create a new public space, and alternative options to increase pedestrian priority.</p> <p>Next Gateway: Gateway 3/4 - Options Appraisal (Regular)</p> <p>Next Steps:</p> <ul style="list-style-type: none"> • Establish project design team, including representatives from the developer who are funding the project; • Procure necessary consultants, including a landscape architect to develop design options; • Draft a Section 278 agreement. <p>Requested Decisions:</p> <ol style="list-style-type: none"> 1. That a budget of £100,000 is approved to reach the next Gateway as set out in Section 2; 2. Authorise officers to instruct the Comptroller & City Solicitor's department to negotiate and enter into a Section 278 agreement; 3. Agree that the Corporate Programme Manager, in consultation with the Chairman of the Projects & Procurement Sub Committee and Chief Officer as necessary, is to decide whether any project issues or decisions that fall within the remit of paragraph 45 of the
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	<p>'City of London Project Procedure – November 2023' (Changes to Projects: General) is to be delegated to Chief Officer or escalated to committee(s);</p> <p>4. Delegate authority to the Executive Director Environment to approve budget procedures in consultation with the Chamberlain, between budget lines if this is within the total project budget amounts.</p>																				
<p>2. Resource requirements to reach next Gateway</p>	<table border="1" data-bbox="528 501 1390 1476"> <thead> <tr> <th data-bbox="528 501 762 645">Item</th> <th data-bbox="762 501 1007 645">Reason</th> <th data-bbox="1007 501 1198 645">Funds/ Source of Funding</th> <th data-bbox="1198 501 1390 645">Cost (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 645 762 862">Staff costs (Project Manager)</td> <td data-bbox="762 645 1007 862">Project management, stakeholder liaison, report writing</td> <td data-bbox="1007 645 1198 862">Section 278</td> <td data-bbox="1198 645 1390 862">30,000</td> </tr> <tr> <td data-bbox="528 862 762 1005">Staff costs (Engineer)</td> <td data-bbox="762 862 1007 1005">Design work, commissioning surveys</td> <td data-bbox="1007 862 1198 1005">Section 278</td> <td data-bbox="1198 862 1390 1005">20,000</td> </tr> <tr> <td data-bbox="528 1005 762 1408">Fees</td> <td data-bbox="762 1005 1007 1408">To cover (but not limited to) technical assessments, including any surveys and utility enquiries, landscape architect</td> <td data-bbox="1007 1005 1198 1408">Section 278</td> <td data-bbox="1198 1005 1390 1408">50,000</td> </tr> <tr> <td data-bbox="528 1408 762 1476">Total</td> <td data-bbox="762 1408 1007 1476"></td> <td data-bbox="1007 1408 1198 1476"></td> <td data-bbox="1198 1408 1390 1476">100,000</td> </tr> </tbody> </table> <p data-bbox="528 1514 1445 1585">Costed Risk Provision requested for this Gateway: Not requested at this stage.</p> <p data-bbox="528 1624 1445 1809">Funds have already been received from the developer for the evaluation and design stage of the project. Provision is also made in the related Section 106 agreement for any excess payments during the evaluation and design stage to be recouped from the developer.</p>	Item	Reason	Funds/ Source of Funding	Cost (£)	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing	Section 278	30,000	Staff costs (Engineer)	Design work, commissioning surveys	Section 278	20,000	Fees	To cover (but not limited to) technical assessments, including any surveys and utility enquiries, landscape architect	Section 278	50,000	Total			100,000
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<p>3. Governance arrangements</p>	<ul data-bbox="576 1861 1394 1989" style="list-style-type: none"> • Service committee: Streets & Walkways Sub • Senior Responsible Officer: Bruce McVean (Assistant Director, Policy & Projects) 																				

	<ul style="list-style-type: none"> • A working party will be established to steer the design process. This will be chaired by the City and will include a representative from the developer.
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Project Summary

<p>4. Context</p>	<p>4.1 On 21 December 2023 permission was granted (22/00848/FULMAJ) for the refurbishment and horizontal extension of 65 Gresham Street. The proposals include the removal of a mezzanine level to facilitate the provision of retail units fronting on to Aldermanbury.</p> <p>4.2 On 20 December 2023 a Section 106 agreement was signed which obligates the developer to enter into a Section 278 agreement with the City Corporation. The scope of the Section 278 agreement is set out in Section 5 below.</p>
<p>5. Brief description of project</p>	<p>5.1 The project seeks to deliver improvements to areas of public highway related to the refurbishment of 65 Gresham Street, including Aldermanbury, Love Lane, Wood Street and Gresham Street. The project is to be fully funded by the developer by entering into a Section 278 agreement as stated in the Section 106 agreement.</p> <p>5.2 Under the terms of the Section 106 agreement, the City will also lead a design process, with the developer closely involved, to explore the possibility of creating a new public space in Aldermanbury. This would require removing vehicle access and relocating parking from Aldermanbury between Gresham Street and Love Lane, and introducing new seating, planting and other features to create a welcoming space. This is a developer-requested initiative, and although it is not necessary to make the development acceptable, it is a strong aspiration of the developer.</p> <p>5.3 Should the full pedestrianisation of Aldermanbury prove prohibitively expensive or be unfeasible in another way, the developer is committed to delivering more modest changes to accommodate the refurbished building, namely footway and carriageway resurfacing on the above-mentioned streets.</p> <p>5.4 There may also be additional options that provide some form of pedestrian priority in Aldermanbury but which stop short of full pedestrianisation; these will be explored and presented at the next Gateway but may include a timed closure of the street to vehicles.</p>

6. Consequences if project not approved	6.1 The applicant would be in breach of their planning permission should approval not be granted to progress this project. Opportunities for developer funded improvements identified through the Transport Strategy will be missed.
7. SMART project objectives	<ul style="list-style-type: none"> • Pedestrian priority and public realm improvements on Aldermanbury, between Gresham Street and Love Lane, subject to affordability and deliverability criteria. • Integration of the ground floor uses of the development with the surrounding public highway. • Improved walking and cycling conditions to streets in the vicinity of the development.
8. Key benefits	<ul style="list-style-type: none"> • An enhanced pedestrian environment in the vicinity of the 65 Gresham Street development, potentially including the creation of a new public space in Aldermanbury. • Integration of the new development with the surrounding public realm.
9. Project category	7a. Asset enhancement/improvement (capital)
10. Project priority	A. Essential
11. Notable exclusions	None.

Options Appraisal

12. Overview of options	<p>12.1 The Section 106 agreement obligates the City of London and the developer to work together to assess the feasibility of delivering a pedestrian priority street in Aldermanbury, between Love Lane and Gresham Street.</p> <p>12.2 It is currently anticipated that three options will be taken forward for assessment at the next Gateway:</p> <ul style="list-style-type: none"> • Full pedestrianisation of Aldermanbury, between Love Lane and Gresham Street, and the creation of a new public space featuring additional green infrastructure, seating and public amenities; • Pedestrian priority measures in Aldermanbury, such as a raised carriageway and / or timed traffic restrictions, which will improve the pedestrian environment but stop short of full pedestrianisation; • Retaining the existing street layout with an improved footway on Aldermanbury.
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	12.3 All options will include the repaving of pavements on Love Lane, Wood Street and parts of Gresham Street as a minimum.
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Project Planning

<p>13. Delivery period and key dates</p>	<p>Overall project: The overall project duration is not yet known, but will align with the programme of the development.</p> <p>Other works dates to coordinate: There will be a need to assess the scheme in the context of other projects taking place in the area, to ensure that adverse impacts on vehicle movement are mitigated. This will be coordinated within the Policy & Projects section, and in liaison with relevant Corporation departments where necessary.</p>
<p>14. Risk implications</p>	<p>Overall project risk: Low</p> <p>14.1 The City Operations division has delivered many Section 278 projects and is experienced in managing the risks involved with such works.</p> <p>14.2 Early-stage risks identified include:</p> <ul style="list-style-type: none"> • Gateway 1 to 5 – The development is delayed impacting on project programme and budget. • Gateway 1 to 6 – Inaccurate or incomplete project estimates, including inflationary issues, lead to budget increases. • Gateway 1 to 5 – Utility survey issues lead to increased costs and / or scope of work. • Gateway 1 to 6 – Issues with external engagement and buy-in lead to projects delays and / or increased costs. • Gateway 1 to 6 – Third party delays impact negatively on project delivery (time and / or costs). <p>Further information available within the Risk Register (Appendix 2).</p>
<p>15. Stakeholders and consultees</p>	<ul style="list-style-type: none"> • Developer • Local businesses & organisations • Transport for London (regarding the Cycle Hire station) • City divisions & departments, including Planning & Development, Natural Environment, Chamberlains and Comptroller & City Solicitors • Pageantmaster

Resource Implications

<p>16. Total estimated cost</p>	<p>Likely cost range (excluding risk): £500,000 to £3m</p> <p>Likely cost range (including risk): Not applicable at this stage.</p> <p>The broad cost range is reflective of the current options available and the uncertainties about what can be delivered, and will be refined at future Gateways.</p>									
<p>17. Funding strategy</p>	<p>Choose 1: All funding fully guaranteed</p>	<p>Choose 1: External - Funded wholly by contributions from external third parties</p> <table border="1" data-bbox="528 752 1348 1043"> <thead> <tr> <th data-bbox="528 752 1157 808">Funds/Sources of Funding</th> <th data-bbox="1157 752 1348 808">Cost (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 808 1157 864">Section 106 agreement</td> <td data-bbox="1157 808 1348 864">100,000</td> </tr> <tr> <td data-bbox="528 864 1157 954">Section 278 agreement</td> <td data-bbox="1157 864 1348 954">500,000 – 3,000,000</td> </tr> <tr> <td data-bbox="528 954 1157 1043" style="text-align: right;">Total</td> <td data-bbox="1157 954 1348 1043">600,000 – 3,600,000</td> </tr> </tbody> </table>	Funds/Sources of Funding	Cost (£)	Section 106 agreement	100,000	Section 278 agreement	500,000 – 3,000,000	Total	600,000 – 3,600,000
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<p>18. Investment appraisal</p>	<p>Not applicable.</p>									
<p>19. Procurement strategy/route to market</p>	<p>Specialist input is likely to be required to determine the feasibility and design options for the scheme. All such appointments will be sourced through the Transport & Public Realm Framework or a competitive tender process in line with City Procurement regulations.</p>									
<p>20. Legal implications</p>	<p>Where the City Corporation are satisfied it will be of benefit to the public, Section 278 of the Highways Act 1980 allows the City Corporation as highway authority to enter into an agreement with any person for the execution of works by the authority on terms that that person pays the whole or such part of the costs of the works as may be specified. Planning obligations secure the highway works necessary to make the relevant developments acceptable in planning terms.</p>									
<p>21. Corporate property implications</p>	<p>None.</p>									
<p>22. Traffic implications</p>	<p>22.1 The proposed pedestrianisation of Aldermanbury, between Gresham Street and Love Lane, will require detailed assessment to ensure its viability, including the relocation of existing parking, waiting and loading facilities.</p>									

	22.2 The impact of the closure on the surrounding street network will be assessed as part of the design process and reported in more detail at the next Gateway.
23. Sustainability and energy implications	<p>23.1 The project will have sustainability impacts that will be assessed through the design process. It is anticipated that all materials will be sustainably sourced where possible and be suitably durable for the design life of the asset.</p> <p>23.2 Any greening and planting in the public realm will help to improve the scheme's climate resilience and meet the City's Climate Action Strategy objectives. Further information will be provided at the next Gateway.</p>
24. IS implications	None.
25. Equality Impact Assessment	A Test of Relevance will be undertaken and where indicated, an equality impact assessment will be undertaken. The CoLSAT (City of London Street Accessibility Tool) and Equalities Analysis processes will form a key part of the design process to ensure the deliverables maximise accessibility and inclusivity opportunities and improvements for as many users as possible.
26. Data Protection Impact Assessment	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.

Appendices

Appendix 1	Project Briefing
Appendix 2	Risk Register

Contact

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