

Committee(s):	Date(s):	
Streets & Walkways Sub-Committee Projects Sub-Committee	18 November 2013 05 December 2013	
Subject: Authority to Start Work – Phase 1 of 72 Fore Street (Moorgate Exchange)	Public	
Report of: The Director of Built Environment	For Decision	
<u>Summary</u>		
<u>Dashboard</u>		
Project Status – Green		
Total Estimated Cost – £1.07m		
Spend to Date – £10,991		
Overall project risk – Low		
<u>Context</u>		
<p>This is an authority to start work report for Phase 1 of the 72 Fore Street (Moorgate Exchange) project brought forward to coordinate public highway works around the development site with the launch of the new building; which is anticipated for 2nd quarter 2014. The site is bounded by Moor Lane, Fore Street and Fore Street Avenue as shown at Appendix 1.</p> <p>The project will deliver one of the priorities of the Barbican Area Streets and Walkways Enhancement Strategy as approved by Members in 2008 by reviewing and enhancing Fore Street. The area around Fore Street will be subject to significant change with the forthcoming 72 Fore Street development, the Moorgate Crossrail station and the redevelopment of the St Alphage House site (London Wall Place).</p> <p>Gateway 1 and 2 reports were approved on 28th November and 13th December 2012 respectively to establish options for the project and report back to this Committee. Gateway 3 approval was granted on 13th March 2013 to progress with detailed options appraisal with a maximum project cost of £1.07m as funded from the 72 Fore Street S106. An Issues report was approved 16th September 2013 to deliver the project in two phases.</p>		
<u>Brief description of project</u>		
<p>The footways and public realm in the Fore Street area will require improvement to accommodate the future demand and this project evaluates the functional requirements of the Section 106 - Local Community Facilities and Environmental Improvement Works (LCEIW) area (see Appendix 2) and identifies the possible options to improve the local environment.</p> <p>Phase 1 works involve paving the footways adjoining the 72 Fore Street development site and replacing the kerbs/crossovers. The total cost of the whole project is anticipated to be £1.07m, with the cost of Phase 1 works being £207k reflecting the minor nature of the works to be undertaken in the immediate vicinity of the development site.</p>		

The Phase 1 works are largely funded by reparation costs which have been received from the developer (£121k), paid to repair damage caused to the public highway during the construction of the development, with the remaining costs (£86k) utilising the Section 106 - LCEIW contribution from the 72 Fore Street redevelopment.

The project will link with other environmental enhancement projects that have been/will be completed nearby as part of the Barbican Area Streets and Walkways Enhancement Strategy, such as Milton Court, Moor Lane and Silk Street.

All project management, design specification and construction is under control of the City.

Option selected at previous Gateway

Members agreed an issues report on 16th September 2013 approving the phasing of the project into two phases; Phase 1 to deliver enhancements to the footways immediately adjoining the 72 Fore Street development site to coordinate with the building's launch and Phase 2 to evaluate/deliver wider area improvements at a future date, potentially being picked up as part of the revised Barbican Area Enhancement Strategy in future years.

Recommendations

Authority to Start Work recommendation

It is recommended that:

- i) Phase 1 of the project be approved at a maximum cost of £86,000 as funded by the 72 Fore Street S106 agreement; and
- ii) Authority to start work be granted to deliver Phase 1 of the project.

Project Success Criteria

- Delivery of a priority project of the Barbican Area Streets and Walkways Enhancement Strategy (Fore Street).
- Timely completion of Phase 1 works to meet developer's building completion date.
- Improved access and safety through the area.
- Improved appearance/amenity of the S106 area for users of the development and those affected by the development.
- Improvement of pedestrian movement from the Moorgate Underground and Crossrail stations to/from the Barbican/London Wall and the development.

Progress Reporting

Given the anticipated programme of works from January – April 2014, progress reporting will be through monthly Project Vision updates.

Tolerances

The budget tolerance is £8k which is the works contingency item.

Overview

<p>1. Evidence of Need</p>	<p>Phase 1 of the project is being brought forward at this time because the construction of the building at 72 Fore Street (Moorgate Exchange) is nearing completion, with Practical Completion expected in April 2014. As such it is necessary to undertake public highway works to the footways surrounding the site to facilitate improved access into the new building.</p>
<p>2. Project Scope and Exclusions</p>	<p>The scope of the Phase 1 works is limited to the footways immediately adjoining the development site including the Fore Street, Fore Street Avenue and Moor Lane frontages as shown in Appendix 3.</p> <p>Wider public realm enhancements in the vicinity of the site will be evaluated and delivered as Phase 2 of this project and will be reported to Members separately in 2014.</p>
<p>3. Link to Strategic Aims</p>	<p>The project would help to deliver the City's Strategic Aim - <i>To provide modern, efficient and high quality local services within the Square Mile for workers, residents and visitors with a view to delivering sustainable outcomes</i>, through the provision of an improved public realm which would provide safer, more enjoyable and accessible routes between the existing and proposed offices/residences in the Moor Lane/Fore Street area and the public transport interchanges at Moorgate.</p>
<p>4. Within which category does the project fit</p>	<ul style="list-style-type: none"> - Fully reimbursable - Asset enhancement/improvement (capital)
<p>5. What is the priority of the project?</p>	<ul style="list-style-type: none"> - Advisable
<p>6. Governance arrangements</p>	<p>A Project Board was not recommended given the scale and nature of this project. Regular project team meetings are held to progress the project with the Senior Responsible Officer, internal multidisciplinary project team consisting of Highways, Lighting, Open Spaces, Access and Cleansing officers, and the developer.</p> <p>These project team meetings will continue as the implementation of the Phase 1 works are undertaken and the evaluation of possible Phase 2 enhancements progresses.</p>
<p>7. Resources Expended To Date</p>	<p>£10,991.02 has been expended in staff costs to date. This funding has come from the initial staff costs allocation of £15k approved at Gateway 1 - 2 to progress the project through evaluation.</p>
<p>8. Results of stakeholder consultation to date</p>	<p>Consultations have taken place with the relevant City departments, the developer of the site and Crossrail, with the Phase 1 works revised accordingly following the various feedback.</p>

	<p>It was reported at Gateway 3 in March 2013 that formal consultation was to be undertaken with local occupiers, businesses, residents and Ward Members as part of the detailed option appraisal. However because the project has since been separated into two phases with Phase 1 presenting only minor works to existing footways with no design options for consideration, formal consultation with these groups has not been required for this phase of works.</p> <p>Full consultation on potential wider area enhancements under Phase 2 of the project will be undertaken in 2014.</p>
<p>9. Consequences if project not approved</p>	<p>The footways surrounding the development site are currently in very poor condition due to the construction works at 72 Fore Street. If Phase 1 of this project was not approved the footways would remain in poor condition and the developers of the 72 Fore Street site would be concerned if they had to launch their building with an interface to a very poor quality public realm.</p> <p>In addition if Phase 1 of this project is not approved the City would miss an opportunity to begin delivery of a priority of the Barbican Area Streets and Walkways Enhancement Strategy, being Fore Street enhancements.</p> <p>Ultimately if no action were taken to utilise the S106 funding for this project, the City would have to repay the LCEIW contribution within 10 years of the completion of the development if it remained unused.</p>

Authority to Start Work

<p>10. Design summary</p>	<p>The Phase 1 works are limited to the renewal of the footways immediately adjoining the 72 Fore Street development site. The works will include replacing the existing/damaged granite kerbs and repaving the existing/damaged mastic asphalt footways with York stone.</p> <p>The use of York stone for the footway material is in line with the City's Street Scene Manual and Materials Review, and reflects the aspirations for the area as approved under the Barbican Area Streets and Walkways Strategy. The use of these materials will complement those used for the significant enhancement schemes which have been delivered/approved for Milton Court, Moor Lane and Silk Street, all of which utilise York stone paving.</p> <p>The use of York stone also aligns with the developer's aspirations for the area. Following negotiations with City officers, the developer has agreed to use York stone rather than granite on the private footway areas of the site that directly adjoin the public highway. This will unify the appearance of the space and result in a more coordinated street scene.</p> <p>The kerb lines will remain as existing however dropped kerbs will be added at Fore Street/Fore Street Avenue junction to improve</p>
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	<p>accessibility.</p> <p>The two vehicle crossovers into the site will be finished with granite setts. These will deliver pedestrian safety benefits by providing the vehicle crossing areas with a visual and tactile contrast to the York stone pedestrian footways. The granite be sustainably sourced and the cost of which is directly funded by the developer under their reparation payment.</p>
11. Proposals for delivery of the project	<p>The works will be undertaken by the City's term contractor J.B. Riney, who have the required expertise to complete the works and represent value for money as tested through the recently re-tendered term contract. J.B. Riney will be responsible for the procurement of all materials.</p> <p>A Construction Design & Management Coordinator will be appointed to oversee the health and safety aspects of the design and implementation of the project.</p>
12. Benefits and details of how they will be achieved	<ul style="list-style-type: none"> - Delivery of a priority project of the Barbican Area Streets and Walkways Enhancement Strategy (Fore Street). - Improved access and safety through the area. - Improved appearance/amenity of the S106 area for users of the development and those affected by the development. - Improvement of pedestrian movement from the Moorgate Underground and Crossrail stations to/from the Barbican/London Wall and the development.
13. Scope and exclusions	As per Section 2 of this report.
14. Constraints and assumptions	<p>The fitting out of the 72 Fore Street development will continue whilst the highway works set out in this report are implemented. Demolition of the St Alphage House development is also expected to be underway and access to the Crossrail site will be ongoing. This will lead to a complex traffic management arrangement whilst works are undertaken and discussions are underway between the City's Traffic Management Team, the respective developers and Crossrail to ensure that the logistics of all projects are fully understood and considered, and can be implemented with minimal disturbance to local occupiers and nearby residents.</p>
15. Programme	<p>Submit Gateway 5 report for Phase 1 works: November 2013</p> <p>Procurement of materials: December 2013 – January 2014</p> <p>Implementation: late January – April 2014</p>
16. Risk implications	<p>Overall Project - Low Risk</p> <p>Risk breakdown:</p> <ol style="list-style-type: none"> 1. Project exceeds budget. <p>Monitor costs closely and phase expenditure to ensure the budget is</p>

	<p>not exceeded.</p> <p>2. Nearby construction works delay delivery of project. Officers will liaise closely with Crossrail/St Alphage House/72 Fore Street developers throughout the project implementation. If necessary the project can be delivered to accommodate localised access/traffic issues.</p> <p>3. Works not completed to programme. Officers will closely monitor progress against the agreed construction programme and address potential issues if/as they arise.</p>
17. Legal implications	There are no legal implications.
18. HR implications	There are no HR implications.
19. Communications strategy	<p>The project team meetings which include the main stakeholders involved in delivering the project will continue throughout duration of works (January – April 2014).</p> <p>Wider communication will be undertaken with local occupiers, residents and Ward Members to advise of upcoming works. It is proposed to inform these stakeholders via letter and email, particularly as the construction period approaches.</p> <p>During construction works it is proposed to circulate regular bulletins informing local stakeholders of forthcoming works that will impact on them. However it should be noted that given the footways immediately adjoining the site have been closed throughout the construction of the Moorgate Exchange building it is expected that there will be relatively minor, if any direct impact on local stakeholders due to the Phase 1 works.</p>
20. Results of consultation carried out to date	As per Section 8 of this report.
21. Quality control arrangements	The Department of the Built Environment will ensure the quality of the works and materials provided by the City's term contractor. The developer will also be involved in this process.
<u>Financial Implications</u>	
22. Total estimated cost (£)	<p>The funding for the project will come from the developer of the 72 Fore Street building under the provisions of the Section 106 agreement for the development.</p> <p>The total estimated cost of Phase 1 works equates to £207k. The developer has paid £121k to the City as the reparation payment leaving £86k to funded from the Section 106.</p>

<p>23. Breakdown of capital expenditure</p>	<p>Table 1: Breakdown of Phase 1 - S106 Costs</p> <table border="1" data-bbox="518 286 1508 817"> <thead> <tr> <th>Item</th> <th>Cost (£'s)</th> </tr> </thead> <tbody> <tr> <td>Preliminaries/Site Clearance/Earthworks</td> <td>7,000</td> </tr> <tr> <td>Paving/Kerb/Footway works</td> <td>39,000</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Sub-Total (Works)</td> <td>46,000</td> </tr> <tr> <td>Fees (CDM-C, Traffic Orders, Utilities)</td> <td>13,000</td> </tr> <tr> <td>Transportation & Public Realm Staff Costs (Implementation)</td> <td>19,000</td> </tr> <tr> <td>Sub-Total (Fees and Staff costs)</td> <td>32,000</td> </tr> <tr> <td>Works Contingency</td> <td>8,000</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>86,000</td> </tr> </tbody> </table> <p>N.B. Table 1 represents the cost estimate to date and will be refined following completion and approval of the works construction package, there may be some minor alteration between the cost elements.</p>	Item	Cost (£'s)	Preliminaries/Site Clearance/Earthworks	7,000	Paving/Kerb/Footway works	39,000			Sub-Total (Works)	46,000	Fees (CDM-C, Traffic Orders, Utilities)	13,000	Transportation & Public Realm Staff Costs (Implementation)	19,000	Sub-Total (Fees and Staff costs)	32,000	Works Contingency	8,000			Total	86,000
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<p>24. Contingency</p>	<p>A contingency is considered necessary for the project to reduce the level of financial risk that the City is exposed to regarding cost overruns. The contingency of £8k is considered adequate to cover potential eventualities, such as unexpected statutory services, given the relative simplicity of the scheme, low risk nature of the works and the investigative works completed to date.</p> <p>Any unspent contingency would be returned to the Section 106 contribution for the development and utilised at Phase 2 of the project.</p>																						
<p>25. Source of project funding</p>	<p>The funding for Phase 1 of the project will be provided from a combination of the developer's reparation payment and the utilisation of S106 funding as per Table 2.</p> <p>The total cost for Phase 1 works is £207,000. The developer is required under the terms of the Section 106 agreement for the development to pay the City for reparation costs to return the public highway to a state comparable to when construction began, which was mastic asphalt footways/vehicle crossovers and granite kerbs. This reparation cost equates to £95,000 for footways and £26,000 for crossovers, totalling £121,000. The City has received this reparation sum in full from the developer.</p> <p>The total cost of paving the footways in York stone rather than mastic asphalt is £207,000. Therefore the cost difference between what the developer has paid under reparations and the cost of enhanced footway works is £86k, which will be met from the Section 106 - Local</p>																						

Community Facilities and Environmental Improvement Works (LCEIW) contribution for the 72 Fore Street redevelopment. This cost difference can clearly be accommodated with the LCEIW contribution which equates to £1,073,154.60 with indexation and has been received in full from the developer.

Table 2. Funding Breakdown

Item	Cost	Funding Source
Crossover reparation	£26k	Developer reparation payment
Footway Reparation (mastic asphalt)	£95k	Developer reparation payment
Additional cost for Enhanced Footway Works (York stone)	£86k	72 Fore Street S106 – LCEIW contribution
Phase 1 Works total	£207k	Developer reparation payment + 72 Fore St S106 – LCEIW

26. Phasing of project expenditure	- £82k Q4 2013/14 - £125k* Q1 2014/15 * - this figure includes contingency which may not be required
27. Anticipated capital value/return (£)	N/A
28. Fund/budget to be credited with capital return	N/A
29. Estimated revenue implications (£)	It is anticipated that the Phase 1 works would be revenue neutral with the improvements to renew the existing dilapidated footways/kerbs around the development site reducing the maintenance and cleansing burden on the City.
30. Source of revenue funding	N/A.
31. Fund/budget to be credited with income/savings	N/A.
32. Anticipated life	20+ years with regular maintenance.

33. Budgetary control arrangements	The Project Officer will monitor expenditure via the City of London CBIS system and provide adequate reporting via Project Vision on a monthly basis.
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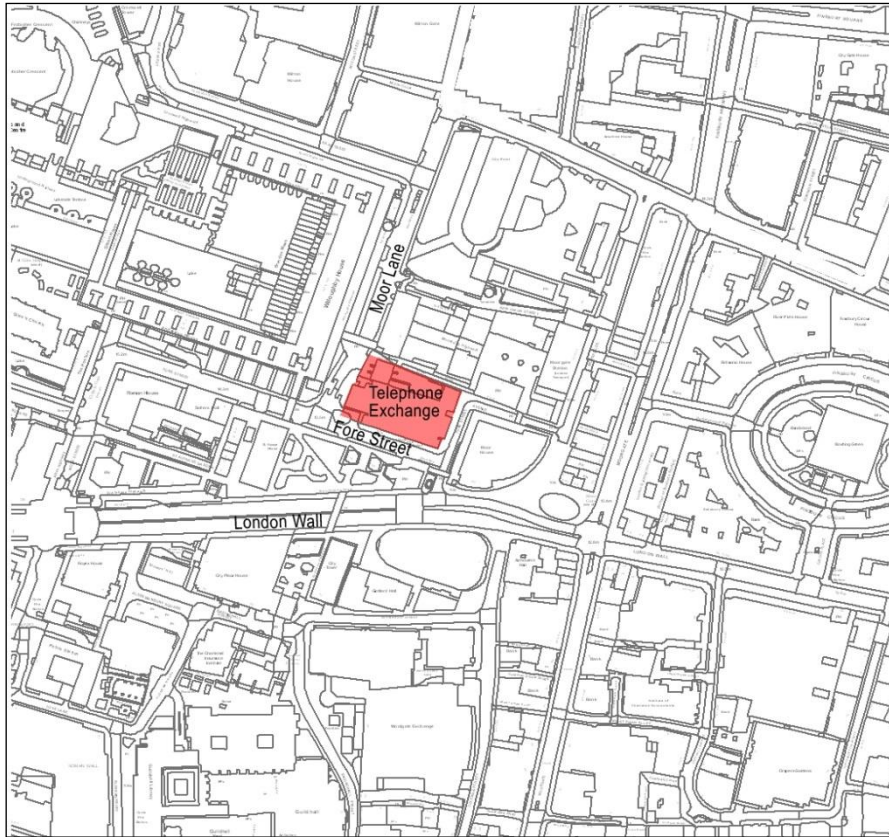
Appendices

Appendix 1	Location Plan
Appendix 2	S106 Area Plan
Appendix 3	Works Plan

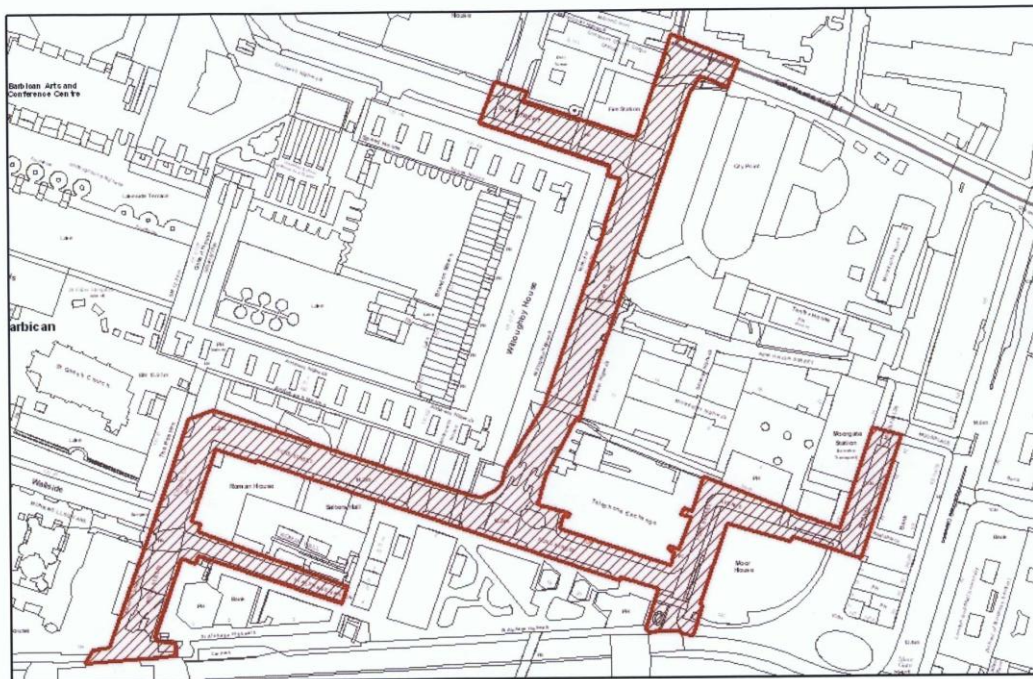
Contact

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Appendix 1 – Location Plan



Appendix 2 – S106 Local Community Facilities and Environmental Improvement Works (LCEIW) area Plan



City of London Local Environmental Improvement Works Area Plan
Telephone Exchange
Fore Street



Appendix 3 – Phase 1 Works Plan

