

Committees:	Dates:	Item no.
Streets and Walkways Sub-Committee Projects Sub	22/09/2014 08/10/2014	
Subject: Mark Lane Environmental Enhancements	Gateway 3/4/5 Outline Options Appraisal & Authority to Start Work (Phase 1)	Public
Report of: Director of the Built Environment		For Decision

Summary

Dashboard

Project Status – Green
Total Estimated Cost – £509,914
Spend to Date – £50,740
Overall project risk – Low

Summary

The development at 64-74 Mark Lane provided a section 106 contribution for local environmental funding of £509,914 (Appendix 1). Burns and Nice landscape architects were appointed in 2012 to produce options for improvements in Mark Lane and the surrounding area. The development at 64-74 Mark Lane is expected to be completed and occupied in the fourth quarter of 2014. Officers have therefore been working to that date for the re-instatement of the Traffic and Environment Zone closure in Mark lane (removed to service the construction of the development) and re-landscaping of the street to provide an enhancement that ties through to the recently completed scheme at the adjacent Fenchurch Place. However, a planning application for a development at 51-54 Fenchurch Street was approved on 30th July 2014, which would also require servicing via Mark Lane, with the continued removal of the Traffic and Environment Zone closure (Appendix 2). Officers are therefore minded to recommend a two phase approach to the works in Mark Lane:

1. Provide footways around the 64-74 Mark Lane development in the first instance that are of suitable quality, and include reparation works paid separately by the developer for highway damage and changes caused by the development process (shown in appendix 2). It is this phase for which authority to commence works is sought through this report.
2. Implement the full scheme on completion of 51-54 Fenchurch Street or, if the development is not likely to be implemented in the foreseeable future to proceed with the reinstatement of the Traffic and Environment Zone closure and wider enhancements. This second phase will be the subject of a further Gateway 3/4 report.

Progress to Date

Following the payment of the initial 10% (£50, 814) of the Local Community Facilities and Environmental Improvements Contribution in accordance with the

Section 106 agreement dated 04 August 2008 for the development at 64-74 Mark Lane, the City initiated a street scene enhancement project to explore options for public realm enhancement works surrounding the development site.

Burns + Nice landscape architects were commissioned to undertake concept designs for the area, which were incorporated into the Fenchurch and Monument Area Enhancement Strategy (2013). Mark Lane is identified as a medium priority project within the strategy as it will contribute to delivering one of the key objectives of the Strategy; to facilitate and enhance north-south pedestrian movement across the area.

Although initial design options have been produced for the area surrounding the 64-74 Mark Lane development, there is a need to progress the design including further analysis of the parking requirements on Mark Lane and consultation with key stakeholders.

Overview of Options

It is considered that there is only one option that will secure the most desirable outcome for all parties and that is to phase the works in order to secure enhanced footways in time for the completion of 64-74 Mark Lane and progress the detailed design, including a parking analysis and consultation as a second phase.

The alternative to this approach would be to delay all public realm improvement works until the nearby development at 51-54 Fenchurch Street has been completed, with footways surrounding 64-74 Mark Lane finished in asphalt. This would not be well received by the developer of the 64-74 Mark Lane and would not reflect the aspirations for improving the area as set out in the Fenchurch & Monument Area Strategy. A further implication of this is that upgrading the footways to York stone at a later date would require the works to be fully funded through Section 106 contributions, rather than using the developers reparations payment to contribute to the works in an earlier phase.

Proposed Way Forward

It is recommended that the works are divided into two phases to allow completion of paving improvements to the footways immediately adjoining the 64-74 Mark Lane development and progress the evaluation and delivery of wider area improvements as a second phase. This would provide the building with the best possible street scene for its launch with the difference in cost between the developer funded reparations and a full upgrade being funded from the Local Community Facilities and Environmental Improvements contribution from the Section 106 agreement.

Authority to commence the phase one works is sought through this report, with the phase two works being the subject of a further Gateway 3/4 report to follow further design development and consultation on the wider public realm works.

Procurement Approach

This project will be managed by officers from the Department of the Built Environment and implemented under the term contract by JB Riney who were

appointed via a competitive tender and who have a track record of delivering work of a high standard. Should any specialist contractors be required, the Department of the Built Environment will consult with the City of London Procurement Service to identify the most appropriate route to market.

Financial Implications

Staff Costs to date

£50,814 was approved in 2009 for Pre-Evaluation works as the initial 10% payment from the Section 106 Agreement of 64-74 Mark Lane. The majority of funding approved for staff costs has now been spent and additional funds will be necessary to cover an estimated cost of £10,000 for staff costs between July-October 2014 as set out in Table 1. The additional staff costs are necessary to ensure that the project progresses, enabling phase 1 enhancements to be delivered in time for the completion of 64-74 Mark Lane. The division of the scheme into two phases is not anticipated to increase the overall cost of the project, but simply to bring one element forward at an earlier stage.

Table 1. Funding required to cover shortfall in approved funds

Total approved P&T Staff costs	£16, 292
Total P&T staff costs spent (to June 2014)	£16,186
Total remaining P&T budget for staff costs	£106
Total estimated P&T staff costs prior to next approval (July – October 2014)	£10,000
Total Additional monies required to cover shortfall in approved funds	£10,000

Phase 1 costs

The total estimated cost of paving the footways in York stone (Appendix 3) rather than mastic asphalt is £112, 251. 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.

The developer is required under the terms of the Section 106 agreement to pay for the cost of reparations to return the public highway to a state comparable to when construction began, which was mastic asphalt footways/vehicle crossovers and granite kerbs. The cost of full reconstruction of the footways to mastic asphalt with new granite kerbs is currently estimated at £80,000. This is however subject to a full site condition survey, which has not yet been undertaken due to difficulty accessing the construction site. The current estimate could be significantly reduced following the site condition survey (and therefore increase the funds required from the Section 106 payment), depending on the extent of the damage

caused to the existing footways.

Because the exact cost of the reparations payment is not yet known, it is recommended that the cost difference between what the developer must pay under reparations and the cost of enhanced footway works will be met from the Section 106 - Local Community and Environmental Improvement Works (LCEIW) contribution for the 64-74 Mark Lane redevelopment. This cost difference can clearly be accommodated with the LCEIW contribution which equates to £509,914.06 and has been received in full from the developer.

The estimated staff costs associated with phase 1 will cover the day-to-day project management of the works, including liaison with the developer, the City Highways Division, designers and site contractors.

Table 2. Estimated Phase 1 Costs

Item	Cost	Funding Source
Enhanced Footway Works (York stone)	£112,251	Developer reparation payment + 64-74 Mark Lane S106 – LCEIW
Topographical Survey	£2,000	64-74 Mark Lane S106 – LCEIW contribution
Estimated P&T Staff Costs	£10,000	64-74 Mark Lane S106 – LCEIW contribution
Phase 1 Works total	£124,251	Developer reparation payment + 64-74 Mark Lane S106 – LCEIW

Phase 2 costs

The funding required for Phase 2 (set out in Table 3) will be utilised to cover the staff costs and professional fees arising from the transport and parking assessment and the subsequent design work necessary to progress phase 2 of the project to Gateway 3/4. The development at 51-54 Fenchurch Street has no material impact on the final outcome of the design, other than the timing of its delivery.

The transport and parking assessment costs will include appointment of the relevant consultants, undertaking the analysis work and drawing key conclusions to inform the public realm design. This study is anticipated to take 3-6 months and will be carried out following the reinstatement of parking spaces following the phase 1 reparations.

Following the transport and parking assessment a design for the space will be progressed and all the necessary internal and external stakeholders will be consulted.

Table 3. Estimated Funding Required for Phase 2

Works	Cost
Transport & Parking Assessment Traffic Orders	£3,500
Transport & Parking Assessment Staff Costs	£2,880
Transport & Parking Assessment Professional Fees	£1,750
Design Development Staff Costs	£11,520
Design Development Professional Fees	£6,000
Total Estimated Funds Required for Phase 2	£25,650

Recommendations

It is recommended that Members:

- Authorise the commencement of phase one enhancement works and the release of funds from the 64-74 Mark Lane Section 106 Agreement subject to the costs of reparations being finalised and received from the developer
- To authorise the release of £12,000 from the 64-74 Mark Lane Section 106 Agreement to cover the staff costs and fees associated with delivering the phase one works.
- To authorise the release of £25,650 from the 64-74 Mark Lane Section 106 Agreement to fund the phase two design development, including transport analysis, detailed design and consultation with key stakeholders.
- Authorise the release of £10,000 from the 64-74 Mark Lane Section 106 Agreement to cover the additional costs incurred on the scheme.

Summary of Preferred Approach

See attached.

Appendices

Appendix 1	Plan of S106 Boundary for Local Community & Environmental Improvement Works
Appendix 2	Plan of key development sites
Appendix 3	Plan of phase one upgrade works

Contact

Report Author	Luke Joyce
Email Address	Luke.joyce@cityoflondon.gov.uk
Telephone Number	020 7332 1928

Summary of Preferred Approach

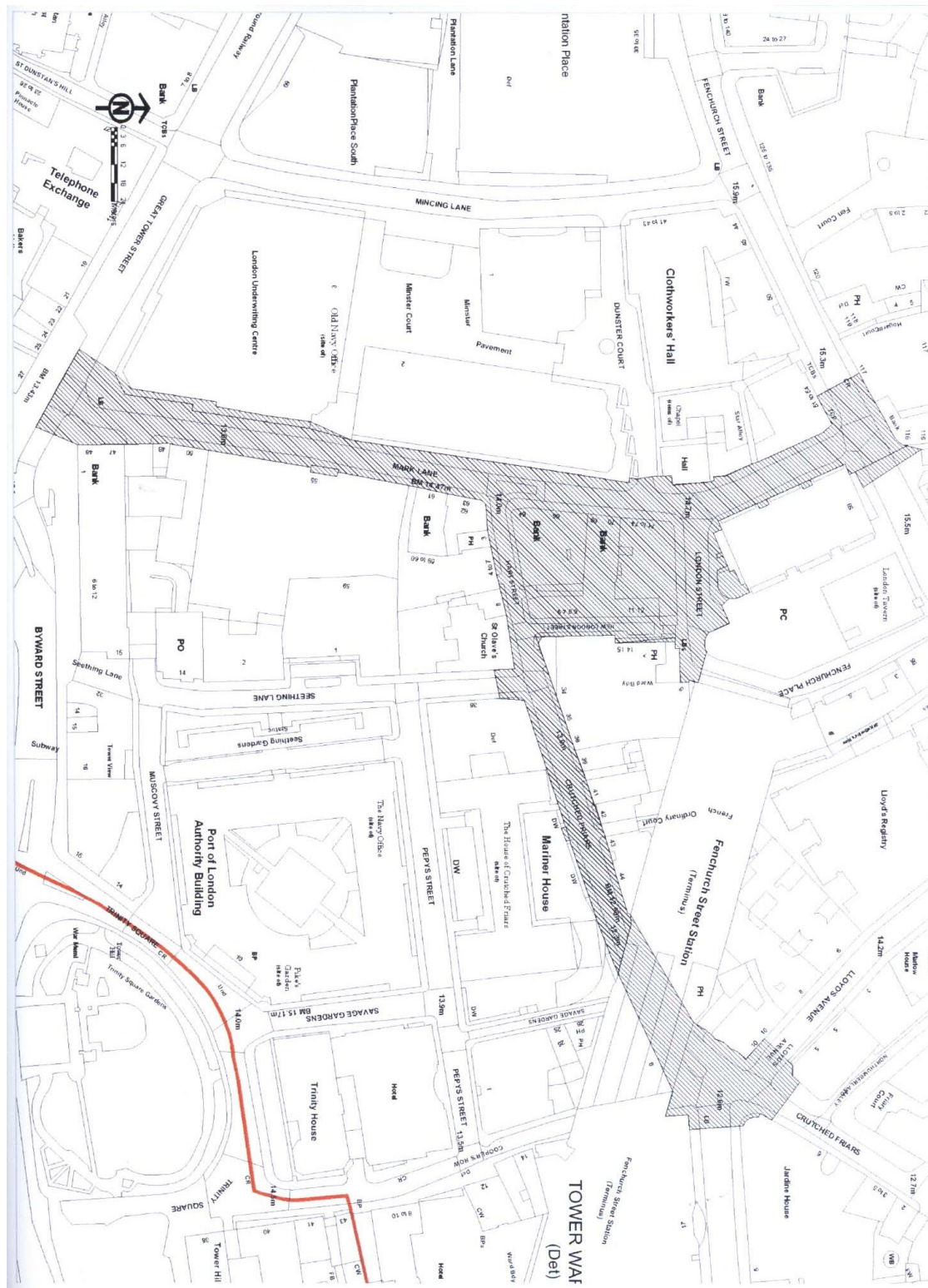
	<i>Preferred Option</i>
1. Brief description	Divide the works into two phases to allow completion of paving improvements to the footways immediately adjoining the 64-74 Mark Lane development and progress the evaluation and delivery of wider area improvements as a second phase
2. Scope and exclusions	<p>Scope:</p> <ul style="list-style-type: none"> • Environmental enhancement works on Mark Lane between Hart Street and London Street • Raising carriageway and repaving works to New London Street. • Enhancement of paving around the perimeter of 64-74 Mark Lane <p>Exclusions:</p> <ul style="list-style-type: none"> • Wider enhancement works within the Section 106 boundary plan for Local Community & Environmental Improvement Works
<i>Project Planning</i>	
3. Programme and key dates	<ul style="list-style-type: none"> • November-January 2014: Completion of 64-74 Mark Lane building works and upgrade of footways around the development to York Stone. • February-April 2015: Analysis of parking behaviour • May-July 2015: Design development of preferred option • August 2015-first quarter 2018: Implementation of wider public realm improvements (dependent on development progress at 51-54 Fenchurch Street)
4. Risk implications	<p>Risk: There is a risk of increased maintenance costs incurred to the City of London due to potential damage caused to upgraded footways surrounding 64-74 Mark Lane.</p> <p>Action: Options to be explored to ensure that the developer of 51-54 Fenchurch Street closely</p>

	<i>Preferred Option</i>
	<p>monitors construction vehicles and pays any necessary reparations.</p> <p>Risk: Progress on the project is delayed due to lack of certainty surrounding 51-54 Fenchurch Street development.</p> <p>Action: The project will be progressed through to Gateway 5 and will be implemented should the development stall indefinitely.</p>
5. Benefits and disbenefits	<p><u>Benefits</u></p> <ul style="list-style-type: none"> • General improvements to the footways will create an enhanced pedestrian environment in the short term. • Progressing enhancements in phase one will develop a greater connection to enhancements at Fenchurch Place and creates a momentum of improvements in the area. • Developer reparations payment will be utilised to contribute to enhancements, thus increasing the scope of what can be achieved with the Section 106 funding. <p><u>Disbenefits</u></p> <ul style="list-style-type: none"> • Potential increased maintenance costs associated with enhanced footways.
6. Stakeholders and consultees	Officers will provide detailed information and briefings to stakeholders throughout the design stages, including wider consultation with local businesses and residents.
<i>Resource Implications</i>	
7. Total Estimated	The total estimated cost of the scheme will be £589,914. This will be made up of £509,914 Section 106

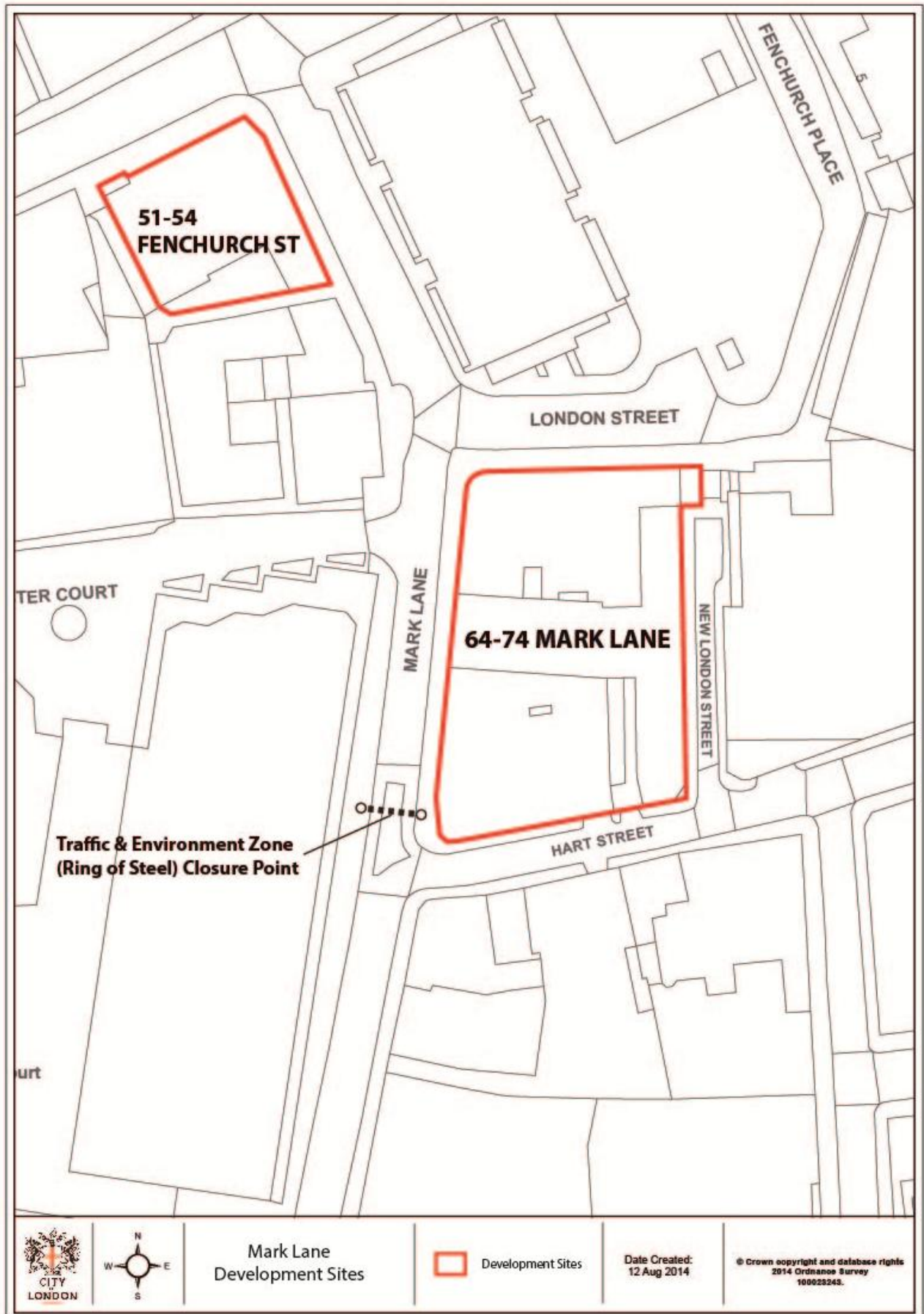
	<i>Preferred Option</i>
cost	Local Community and Environmental Improvement Works payment from the development at 64-74 Mark Lane and an estimated £80,000 paid for by the developer to cover the cost of reparations (subject to the results of a site condition survey).
8. Funding strategy	The funding for phase one of the project will be provided from a combination of the developer's reparation payment and the utilisation of S106 funding. Phase two works will be funded solely through the Section 106 Local Community and Environmental Improvement Works payment from the development at 64-74 Mark Lane.
9. Ongoing revenue implications	Any specific additional revenue costs will be identified and built into the project implementation budget. All efforts will be made to ensure that additional revenue costs are kept to a minimum.
10. Affordability	All costs for this project will be met through the Section 106 Local Community and Environmental Improvement Works payment of 64-74 Mark Lane.
11. Procurement strategy	This project will be managed by officers from the Department of the Built Environment and implemented under the term contract by JB Riney who were appointed via a competitive tender and who have a track record of delivering work of a high standard. Should any specialist contractors be required, the City will appoint these directly to avoid excessive charges and to be assured of the high working standards of these contractors.
12. Legal implications	Traffic Orders may be required for the relocation of parking. Traffic Orders are a separate statutory process which cannot be prejudiced.
13. Traffic implications	An assessment will be undertaken with regards to the retention or potential relocation of parking spaces on Mark Lane.
14. Sustainability	It is anticipated that all materials will be sustainably sourced where possible and be suitably durable for

	<i>Preferred Option</i>
and energy implications	construction purposes. This will be confirmed as design options are refined.
15. Equality Impact Assessment	The proposed improvements are likely to have a positive impact on most user groups, particularly pedestrians.
16. <u>Recommendation</u>	Recommended
17. Next Gateway	Gateway 3/4 Options Appraisal
18. Resource requirements to reach next Gateway	The total funding required from the 64-74 Mark Lane Section 106 Agreement to reach the next Gateway will be £47, 650 plus the difference between the cost of the reparations and the estimated £112,251 required to complete the enhancement works to footways surrounding 64-74 Mark Lane.

Appendix 1: Plan of S106 Boundary for Local Community & Environmental Improvement Works



Appendix 2: Plan of key development sites



Appendix 3: Plan of phase one upgrade works

