

Committee(s):	Date(s):
Projects Sub Committee (Urgency) Streets & Walkway Sub-Committee (For Information)	22 September 2014
Subject: Issues Report – Middlesex Street Estate – Removal of Car Park Ramps (EE076)	Public
Report of: Director of the Built Environment	For Decision

Summary

Dashboard

- **Project Status:** Green
- **Timeline:** Implementation – commences August/ September 2014
- **Total Estimated Cost:** £ 646,943 (plus £15,585 from Housing Revenue Account)
- **Budget Approved to Date:** £47,939
- **Spend to Date:** £47,479 for evaluation
- **Overall Project Risk:** Low

Brief description of project

This project involves the removal of two redundant car park ramps to the first floor car park, and the closure of one car park ramp to the basement car park, in the area outside the Artizan Street Library & Petticoat Tower within the Middlesex Street Estate. The ramps will be replaced with a new landscaped space for use by the local community, including the library.

The funding for this project (particularly the landscaping works) was largely dependent on the second tranche of the S106 deposit related to the 100 Bishopsgate development, yet to be received. The first tranche of the deposit was primarily to mitigate the loss of the Camomile Street library facilities, with residual funding being available to progress the ramps and landscaping proposals.

On 22 July 2014 Members approved Gateway 5 – Authority to Start Work - based on a revised strategy for immediate removal of the car park ramps in advance of the new landscaping works at a cost of £220,614, to be funded from the unspent balance of the first tranche of the S106 receipt.

Following this approval it became evident that £110,876 of the approved S106 funding for the ramp demolition was required to fund the remaining library-related costs, which have yet to be finalised pending settlement of final accounts for the Artizan Street Library and other costs of mitigation. A further potential requirement of £12,462 has also been identified, leaving a shortfall of £123,338 in the funding available for ramp demolition.

Detailed discussions with the Chamberlain have identified that the On Street Parking Reserve could be used to replace the S106 funding to allow for the immediate removal of the car park ramps as requested by the Director of Children

& Community Services. It is anticipated that the On Street Parking Reserve fund will be reimbursed by the S106 funding from 100 Bishopsgate when this is received, or from other relevant S106 deposits if any can be identified. Up to £908,057 of additional Section 106 funding is expected to be received from 100 Bishopsgate, although timing is uncertain.

Summary of budget requirement

It was previously anticipated that a sum of £220,614, from the first tranche of S106 funds received in respect of the 100 Bishopsgate development, would be available to meet the costs of ramp demolition. Following clarification, £123,338 of this sum is required to meet library related costs, leaving a shortfall in the funds available for ramp demolition. To allow the revised strategy of early removal of the ramps to be progressed in advance of the landscaping works, this shortfall could be met from the On Street Parking Reserve. The latest reserve forecast indicates that this sum can be accommodated within the balance available. The costs for demolition remain as stated in the approved Gateway 5 report.

Recommendations

To replace £123,338 of the previously anticipated S106 funding with On Street Parking Reserve to allow for the immediate demolition of the car park ramps; and

Agree that the On Street Parking Reserve is reimbursed from relevant future S106 funds once received;

Overview

<p>1. Success Criteria</p>	<ul style="list-style-type: none"> • Removal of car parks ramps outside Petticoat Tower; • Enhanced lighting and a safer, more pleasant environment; • More greenery • Improved pedestrian environment
<p>2. Project Scope and Exclusions</p>	<p>The project scope covers the area outside Petticoat Tower along the length of Artizan Street.</p>
<p>3. Link to Strategic Aims</p>	<p><i>Aim 2: 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</i></p> <p>The scheme will provide a better environment for residents of the Middlesex Street Estate and people using the adjacent public highway in Artizan Street. It will also support usage of the Artizan Street Library by providing a space for community activities</p>

4. Within which category does the project fit	Asset enhancement/ improvement (capital).
5. What is the priority of the project?	Advisable.
6. Governance arrangements	The detailed design process has been led by the Environmental Enhancement team within the Department of the Built Environment. The project team includes representatives from the Housing Department
7. Resources Expended To Date	£47,479.00
8. Last Gateway Approval	Gateway 5 – Authority to Start Works – 22 nd July 2014

Issue

9. Issue Description	Following approval of the Gateway 5 report in July 2014 authorising advance works totalling £220,614, a funding shortfall of £123,338 has been identified. This has arisen due to remaining library mitigation costs to be funded from the first tranche of the S106 deposit from the 100 Bishopsgate development. Mitigation of the loss of the Camomile Street Library facility was the primary purpose of the first tranche receipt and therefore has taken precedence. To enable the advance removal of the ramps, this report proposes to make up this shortfall through interim funding from the on-street parking reserve pending receipt of the next tranche of S106 monies, or from alternative sources of S106 funding if any can be identified.
10. Last Approved Limit	£47,939.00
11. Cause	This funding shortfall became apparent after approval of the last report. It has arisen due to the progression of the secondary ramp scheme in advance of the finalisation of the library mitigation costs. Whilst this double allocation of resources is very rare, the tracking of S106 expenditure is being reviewed and a system of closer co-ordination and communication is being put in place to address such circumstances where there is potential conflict in funding sources.
12. Consequences	Pending the resolution of the funding shortfall, the planned commencement of works on 11 August was deferred and the building regulation approval process

	<p>suspended.</p> <p>Residents were informed that the demolition would not take place on 11th August due to unspecified reasons. This has attracted some negative feedback and the Housing Services Department are concerned that the demolition is not delayed significantly due to prior commitments made.</p> <p>Once the funding issue is resolved the contractors will be remobilised and the process of approval from building regulatory purposes will be restarted.</p> <p>An estimated implementation date as soon as formal approval is received from Members is around 4 to 6 weeks</p>
13. Options	<p>The options available include:</p> <ul style="list-style-type: none"> - allocation of interim funding from the On Street Parking Surplus to cover the shortfall to allow the project to progress, with the expectation this fund will be reimbursed from future S106 receipts; - Identify alternative sources of S106 funding <p>or</p> <ul style="list-style-type: none"> - deferring the ramp removal pending receipt of the second tranche of S106 funding from the 100 Bishopsgate development
14. Recommendation	<p>It is recommended that Members approve the release of £123,338 from the On Street Parking Reserve to allow for the demolition of the car park ramps, with the expectation that this amount will be reimbursed from future S106 in the area.</p>
15. Lessons	<p>A closer co-ordination/communication process is required in circumstances where there is a potential conflict in funding sources.</p>

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