

Committees:	Dates:
Streets and Walkway Sub-Committee	21 September 2015
Projects Sub-Committee	08 October 2015
Subject: Gateway 3 / 4 Options Appraisal: Bloomberg Development – s278 Highway Changes	Public
Report of: Director of the Built Environment	For Decision

Summary

Dashboard

- Project Status: Green
- Timeline: Gateway 3 / 4
- Project estimated cost: Circa £5 million
- Spent to date: £224,305 of approved budget of £250,000 (as at 31 July 2015)
- Overall project risk: Green

1.0 Progress to date including resources expended and any changes since previous gateway

1.1 Planning permission for the Bloomberg development at the former Bucklersbury House site was granted in March 2012. This project largely relates to the section 278 highway changes that are necessary to integrate the development into the public highway and must be delivered in time for the building's practical completion in late 2017. The s278 Agreement was signed in October 2013.

1.2 The Gateway 2 report was approved in February 2012 prior to the outcome of the planning application (instigated at the request and expense of the developer). The report was phrased in such a way so as not to pre-empt the decision of the planning process.

1.3 An "Issues Report" was subsequently approved in June 2013, after planning approval, to extend the scope of the project from highway evaluation and design (as approved at Gateway 2) to include implementation of highway changes in addition to substantial environmental enhancements at the request of the developer.

1.4 In order to achieve the best possible project outcome, the proposed highway changes have been developed in conjunction with local key stakeholders by way of the project governance group, the Bloomberg Working Party (see Appendix 1 for background information including membership details). The group first convened in December 2012 and has since met eight times (as at July 2015).

- 1.5 A “Schedule of Highway Needs” was developed with the Bloomberg Working Party to identify and capture the highway needs of each key stakeholder. These included: (a) pedestrian, cycle and vehicular access requirements, (b) loading / servicing needs, (c) provisions for special events and unique operational needs and (d) emergency evacuation requirements.
- 1.6 The “Schedule of Highway Needs” resulted in the identification of 43 essential requirements (needs), four desirable requirements (wants) and one item outside of the scope of this project. This last item relates to a strip of land adjacent to Mansion House known as “The Grid” which is private land (and therefore not subject to improvements by s278 public funds). The location of “The Grid” can be viewed in Appendices 2a and 2b.
- 1.7 The recommended highway changes successfully meet **all** the identified essential requirements (needs) of local key stakeholders and fulfil as many of the desirable requirements (wants) as is possible. The recommended option, as developed with the Bloomberg Working Party, is shown in Appendices 2a and 2b.
- 1.8 In advance of formal Committee consideration, two briefing sessions were offered to Ward Members of Cordwainer, Dowgate, Vintry and Walbrook in addition to the Chairman and Deputy Chairman of relevant Committees on 21 and 24 July 2015. In addition, the main session on 21 July 2015 provided an opportunity for elected Members to meet the members of the Bloomberg Working Party.
- 1.9 The briefings were a joint-presentation between the City of London and Bloomberg. They provided an opportunity for Members to learn more about the public highway and private realm proposals associated with the Bloomberg development and how these will integrate seamlessly. Both briefing sessions were well attended and positively received.
- 1.10 Since the project commencement in February 2012, a total of £224,304.59 of an approved budget of £250,000 has been expended as shown in Appendix 3.

2.0 Overview of options

- 2.1 The proposed highway changes, as developed with the Bloomberg Working Party, are shown in Appendices 2a and 2b. These proposed highway changes form the recommended option and consists of three elements:
- (i) Highway changes to accommodate the development (s106 and s278 obligation of the developer);
 - (ii) Substantial environmental enhancement to meet the needs of the developer (voluntary contribution from the developer); and
 - (iii) Highway improvements to address road safety issues at Cannon Street as summarised in Appendix 4.

2.2 The recommended option has been: (a) Informed and shaped by the highway needs of local key stakeholders represented on the Bloomberg Working Party and (b) Influenced by the form of the development which already has planning permission. It is therefore unlikely that there will be alternative options to consider.

2.3 Hence the Options Appraisal Matrix attached reflects the single option which is recommended to Committee for approval.

2.4 Overall, the highway changes propose the use of high quality material such as Yorkstone and granite setts to match and compliment the high standard of the development.

2.5 At present, all elements of the proposal are currently funded from s106 and s278 contributions with the exception of (a) the southern side of Cannon Street, and (b) Bucklersbury and northern end of Walbrook.

Road Safety Issue at Cannon Street

2.6 There is a significant cluster of accidents involving vulnerable road users (pedestrians and cyclists) along Cannon Street as shown in Appendix 4. This would result in the City eventually instigating a road danger reduction scheme to independently address the road safety issue at this location. However, the opportunity has arisen for the northern side of Cannon Street to be improved as part of the s278 highway changes for the Bloomberg development.

2.7 The proposal at Cannon Street intends to introduce improvements similar to that delivered at Cheapside to address the road safety issue and enhance the street environment concurrently. This includes the rationalisation of kerb lines on both sides of Cannon Street to provide wider footways and a more consistent carriageway width similar to that achieved as part of the award-winning Cheapside scheme.

2.8 The funding for the southern side of Cannon Street is currently unconfirmed as this does not form part of the s278 obligation of the developer. Funding will therefore be sought from the Community Infrastructure Levy (CIL) and / or Parking Reserve Fund so consideration can be given to improving the southern side of Cannon Street at the same time as other highway changes are delivered around the Bloomberg development.

Cobblestones at Bucklersbury and northern end of Walbrook

2.9 The current cobblestones at Bucklersbury is considered of low historical value having been installed circa 25-years ago. As it is, the uneven cobble surface is no longer considered fit for purpose. It is very uncomfortable to walk on for able-bodied pedestrians and difficult for those with mobility issues such as wheelchair users.

2.10 In addition, its presence in front of the main entrance to Mansion House where many high profile events are held – normally requiring women to be in long gowns and heels – further adds calls for the renewal of the existing surface. The proposal is therefore for the existing surface to be replaced with granite setts which will provide a more even and comfortable walking surface for pedestrians.

2.11 Funding for this element of the proposal is currently unconfirmed as it does not form part of the s278 obligation of the developer. Possible funding sources include a voluntary contribution from the developer (subject to on-going negotiation), CIL and / or Parking Reserve Fund.

2.12 Where funding is not able to be confirmed for these two elements of the proposal, the implementation will be held in abeyance until such time as funding is available. The remaining highway proposals can be delivered independently of these two elements if required.

3.0 Proposed way forward and summary of recommended option

3.1 It is proposed the project now progresses to detail design including further investigation on the details of underground structures and utilities.

3.2 As part of the detail design process, a new project group called the Bloomberg Design Team will be established. Membership of this group will be limited to representatives of the City of London, Bloomberg and their respective agents. The group will be responsible for all aspects of detail design and liaise with the Bloomberg Working Party as appropriate.

4.0 Procurement approach

4.1 The detail design will be undertaken by the Bloomberg Design Team, a collaborative working group between the City of London and Bloomberg (and their respective agents).

4.2 This approach is in acknowledgement of the highly consistent design principles that have been adopted by both parties for the public and private areas, and the shared aspiration for the seamless integration of both spaces. It is therefore considered of mutual benefit for the existing partnership to continue to progress the proposal.

4.3 The design drawings and construction package will be produced in-house by the Highways Team as part of the Bloomberg Design Team. Other external suppliers will be used for technical surveys and investigations such as utility searches and radar surveys. These will be procured in compliance with the City Procurement Regulations.

4.4 The works are proposed to be implemented by the City of London's Term Highway Contractor. These will be delivered in phases and coordinated with the

developer's programme and the operational needs of the local key stakeholders.

5.0 Financial implications

5.1 The table below shows the total estimated costs of the recommended option in Appendices 2a and 2b.

Total Estimated Costs

Description	Estimated Cost
Works Costs*	£4,356,500
Fees	£292,000
Staff Costs	£450,000
Hospitality	£5,000
Total Estimated Costs	£5,103,500
Tolerance + / -	10 percent

* Excludes utility works but this cost is anticipated to be within the tolerance shown above.

5.2 The table below summarises the current funding strategy for the recommended option shown in Appendices 2a and 2b.

Funding Strategy

Funding Source	Amount*
Bloomberg - s278	£ 3,312,500
Bloomberg - s106	£ 542,000
Walbrook St Swithin's - s106	£ 398,000
To be confirmed**	£ 851,000
Total	£ 5,103,500

* Including indexation and interest to 31 March 2014.

** Community Infrastructure Levy (CIL) or Parking Reserve Fund or voluntary contribution from developer to be confirmed at Gateway 5.

6.0 Recommendations

6.1 It is recommended that Members:

- Approve the proposed highway changes shown in Appendices 2a and 2b to be progressed to detail design;
- Agree an increase in budget of £452,000 to complete detail design as shown in Appendix 5 including a risk allowance to manage the impact of utilities on the project programme;
- Delegate authority for any adjustments between elements of the £452,000 required budget to the Director of the Built Environment in conjunction with the

Chamberlain's Head of Finance provided the total approved budget of £452,000 is not exceeded;

- Note that the next Gateway is dependent on funding sources sought and / or secured as follows:

If "Parking Reserve Fund" and / or "CIL – Neighbourhood / Unallocated" funding is sought, then the project will progress to Gateway 4a as approval from the Corporate Priorities Board and the Resource Allocation Sub Committee would be required;

If "CIL - Department of Built Environment" and / or "voluntary contribution from developer" funding is secured then the project can progress to Gateway 4b as approval of the Court of Common Council is required for projects over £5 million in value.

- Note that implementation of elements of the proposal currently awaiting funding - being (a) the southern side of Cannon Street, and (b) Bucklersbury and the northern end of Walbrook - will be confirmed at Gateway 5 and can be held in abeyance until such time as funding is available.
- Authorise Officers to enter into any legal agreements required to progress the proposed highway changes including to secure any voluntary contributions from the developer.
- Agree for construction material with critical lead-in times to be pre-ordered before Gateway 5 approval provided funding is received from the developer. (This to ensure construction can commence in a timely fashion to meet the developer's programme.) Such agreement to be delegated to the Director of the Built Environment in consultation with the Chairman and Deputy Chairman of the Streets & Walkways Sub Committee.

Options Appraisal Matrix

See attached.

Appendices

Appendix 1	The Project Governance Group (Bloomberg Working Party)
Appendix 2a	Recommended Highway Changes
Appendix 2b	Proposed Material (Indicative only and subject to detail design)
Appendix 3	Expenditure Incurred to Date
Appendix 4	Collision Location Plan (5-Years to May 2012)
Appendix 5	Estimated Cost to Complete Detail Design

Contact

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Options Appraisal Matrix

	<i>Recommended Option</i>
1. Brief description	<p>The recommended option is shown in Appendices 2a and 2b and consists of three elements:</p> <ul style="list-style-type: none">(a) Highway changes to accommodate the development (s278 obligation of the developer);(b) Substantial environmental enhancement to meet the needs of the developer (voluntary contribution from the developer); and(c) Highway improvements to address the road safety issues at Cannon Street as shown in Appendix 4 (which is the responsibility of the City of London in its capacity as Highway and Traffic Authorities, and not an obligation on the developer). <p>The City of London's obligation specifically pertains to the southern side of Cannon Street, with the northern side of Cannon Street forming part of the s278 obligation of the developer.</p> <p>The new Bloomberg development is of a very high quality, hence the streets and spaces surrounding the development need to match this high standard. The use of high quality material such as Yorkstone and granite setts is therefore proposed.</p>
2. Scope and exclusions	<p>The project involves the evaluation, design and implementation of the recommended option if approved by Members.</p> <p>A notable exclusion is any works on the strip of private land owned by Mansion House (known as "The Grid") which is not subject to improvements by s278 public funds.</p> <p>Discussions will be held with the City Surveyors as to whether any works on private land can be funded privately to enable a consistent surface treatment to be introduced at this location.</p>

Project Planning																			
3. Programme and key dates	<table border="1"> <thead> <tr> <th>Date</th> <th>Task</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td>September 2015</td> <td>Gateway 3 / 4 (as submitted)</td> <td>City of London</td> </tr> <tr> <td>September 2015</td> <td>Submission of private realm proposals for planning condition approval</td> <td>Developer</td> </tr> <tr> <td>May 2016</td> <td>Gateway 5</td> <td>City of London</td> </tr> <tr> <td>Mid-2016 onwards</td> <td>Construction begins for about 18-months</td> <td>City of London</td> </tr> <tr> <td>Mid-2018</td> <td>Gateway 7</td> <td>City of London</td> </tr> </tbody> </table>	Date	Task	Action	September 2015	Gateway 3 / 4 (as submitted)	City of London	September 2015	Submission of private realm proposals for planning condition approval	Developer	May 2016	Gateway 5	City of London	Mid-2016 onwards	Construction begins for about 18-months	City of London	Mid-2018	Gateway 7	City of London
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<p>4. Risk implications</p> <p>Overall project risk: Low</p> <p>Risk breakdown:</p> <ul style="list-style-type: none"> • Damage to reputation of the City of London from non-delivery or delayed delivery. • Securing statutory approvals from external parties such as Transport for London. • Securing necessary funding for all elements of the recommended option. • Risk to project programme from current uncertainties surrounding extent of utility works. • Risk to project programme from possible archaeological finds. 																			
<p>5. Benefits and disbenefits</p> <p>Not applicable as no other real options exists for the purposes of comparison.</p>																			
<p>6. Stakeholders and consultees</p> <p>Anticipated external stakeholders are already engaged as part of the Bloomberg Working Party including Transport for London.</p> <p>Internal stakeholders are also well represented on the Bloomberg Working Party. Other internal</p>																			

	<i>Recommended Option</i>												
	<p>stakeholders such as the Access Team, Planning and Chamberlains will be consulted as necessary.</p> <p>Given the area is of significant archaeological potential, the proposal firmly commits to ensuring archaeological watching briefs are in place for any highway works below the surface (including investigatory works such as trial holes / trenches).</p>												
<i>Resource Implications</i>													
7. Total Estimated cost	<p>The total estimated cost of the recommended option will be in the order of £5,103,500 inclusive of staff costs, professional fees and construction costs as shown below.</p> <p>This cost does not currently include any utility works which will be confirmed at Gateway 5 once the extent of utility works is established, detail design is completed and construction phasing can be considered in greater detail. However, this cost is anticipated to be within the tolerance shown below.</p> <table border="1" data-bbox="562 871 1742 1238"> <thead> <tr> <th data-bbox="562 871 1476 932">Description</th> <th data-bbox="1476 871 1742 932">Estimated Cost</th> </tr> </thead> <tbody> <tr> <td data-bbox="562 932 1476 983">Works Costs*</td> <td data-bbox="1476 932 1742 983">£4,356,500</td> </tr> <tr> <td data-bbox="562 983 1476 1038">Fees including investigations and surveys</td> <td data-bbox="1476 983 1742 1038">£292,000</td> </tr> <tr> <td data-bbox="562 1038 1476 1131">Staff Costs including initial design, detail design, stakeholder engagement, project management, communications</td> <td data-bbox="1476 1038 1742 1131">£450,000</td> </tr> <tr> <td data-bbox="562 1131 1476 1182">Hospitality</td> <td data-bbox="1476 1131 1742 1182">£5,000</td> </tr> <tr> <td data-bbox="562 1182 1476 1238">Total Estimated Costs</td> <td data-bbox="1476 1182 1742 1238">£5,103,500</td> </tr> </tbody> </table> <p>* Excludes utility works but this cost is anticipated to be within the tolerance shown above</p>	Description	Estimated Cost	Works Costs*	£4,356,500	Fees including investigations and surveys	£292,000	Staff Costs including initial design, detail design, stakeholder engagement, project management, communications	£450,000	Hospitality	£5,000	Total Estimated Costs	£5,103,500
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9. Estimated capital value/return	Not applicable as no other real options exists for the purposes of comparison.												
10. Ongoing revenue implications	There is a revenue implication to maintain the improved footways for the initial five years. This will be funded in full by the developer as part of their s278 obligations where applicable. The associated costs will be confirmed at Gateway 5.												
11. Investment appraisal	Not applicable as no other real options exists for the purposes of comparison.												
12. Affordability	The extent of the recommended option that will be implemented is subject to funding and will be confirmed at Gateway 5.												

	<i>Recommended Option</i>
13. Procurement strategy	<p>The detail design will be undertaken by the Bloomberg Design Team with design drawings and the construction package produced in-house by the Highways Team. Other external suppliers will be used for technical surveys and investigations such as utility searches and radar surveys. These will be procured in compliance with the City Procurement Regulations.</p> <p>Construction will be undertaken by the City of London's Term Highway Contractor. This will be delivered in phases and coordinated with the developer's programme and the operational needs of local key stakeholders.</p>
14. Legal implications	<p>There are no known legal implications resulting from this proposal aside from the need for a legal agreement should any voluntary contribution be forthcoming from the developer.</p> <p>The s106 Agreement pertaining to the Bloomberg development was concluded on 30th March 2012, followed by the s278 Agreement on 30th October 2013.</p>
15. Corporate property implications	<p>There are no known corporate property implications at this time although it is acknowledged that the City of London is also the asset owner of both Mansion House and the City of London Magistrates' Court.</p> <p>Basements surveys are proposed for all affected buildings prior to works commencing. This will include an initial inspection for a condition survey (report / photos / results of relevant tests e.g. moisture) and an inspection post-construction.</p>
16. Traffic implications	<p>Cannon Street is part of the Strategic Road Network (SRN) hence approval will need to be sought from Transport for London for any proposed highway changes. In addition, Transport for London is also the Traffic Signal Authority for the Greater London area. The recommended option takes into consideration the needs of all road users including pedestrians and cyclists.</p> <p>Many streets in the area are busy with pedestrians especially at peak times. The scheme will create more space and ease movement for pedestrians by widening footways, raising the carriageway at Walbrook and improving pedestrian crossings.</p>

	<i>Recommended Option</i>
	<p>Traffic analysis and modelling has demonstrated that the current proposals can be achieved with minimal impact to the movement of motorised vehicles on the local traffic network. The most significant junction change is the proposed introduction of the pedestrian diagonal crossing at the junction of Queen Victoria Street / Queen Street. The traffic modelling results at this junction demonstrates:</p> <ul style="list-style-type: none"> • That whilst degree of saturations will increase in general on approaches at the Queen Victoria Street / Queen Street junction, the junction will continue to operate within capacity and less than the practical maximum operating capacity of 90 percent. • The proposal will also cause the queue lengths to increase slightly. However, these increases will only vary between one and four passenger car units (PCUs) from existing and is not expected to affect the operation of the surrounding junctions.
17. Sustainability and energy implications	It is anticipated that all materials will be sustainably sourced where possible and be suitably durable for the design life of the asset.
18. IS implications	There are no known IS implications at this time.
19. Equality Impact Assessment	The Access Team will be consulted as part of the design process to ensure the final design is inclusive. It is however worth noting that the recommended option largely retains a large portion of how the highway currently functions.

	<i>Recommended Option</i>																																
20. Recommendation	Recommended																																
21. Next Gateway	<p>The next Gateway is dependent on funding sources sought and / or secured as follows:</p> <p>If “Parking Reserve Fund” and / or “CIL – Neighbourhood / Unallocated” funding is sought, then the project will progress to Gateway 4a as approval from the Corporate Priorities Board and the Resource Allocation Sub Committee would be required;</p> <p>If “CIL - Department of Built Environment” and / or “voluntary contribution from developer” funding is secured then the project can progress to Gateway 4b as approval of the court of Common Council is required for projects over £5 million in value.</p>																																
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