

Committee:	Date:
Projects Sub Committee – For information Resource Allocation Sub Committee – For Information	17 February 2017 16 March 2017
Subject: Project Governance Arrangements for Transportation and Public Realm Projects	Public
Report of: The Chamberlain and Director of the Built Environment	For Information
Report author: Julie Smith, Chamberlain’s Department	

Summary

The purpose of the report is to clarify how Members are given oversight and make funding allocation decisions from the various sources of external funding used to deliver infrastructure projects by the Transportation and Public Realm Division of the Department for the Built Environment (DBE). Members of Resource Allocation Sub (RASC) Committee requested the Chamberlain to submit a report clarifying the process for considering and utilising resources provided by developers via Section 278, Section 106 and Community Infrastructure Levy (CIL) agreements.

The Member approval route for agreement of the proposed funding strategy and allocation of funding sources is dependent on the extent to which there is a choice in how the funds can be used. A Briefing Note is attached to this report including a table providing details of the funding type, source, and definition of use and approval route to spend.

Where the funding type has a restricted purpose i.e. Section 278 or the Section 106 agreement terms restrict the use of the funds by purpose and location, the approval of Members of RASC is not required.

The governance arrangements and broad spending priorities for the CIL were agreed by Policy and Resources Committee on 21st November 2013. Also agreed were a number of spending pots and the establishment of an Officer Priorities Board chaired by the Town Clerk. Where a ‘pot’ has been allocated for a specific purpose i.e. 40% of receipts for Public Realm and local transportation improvements, 10% for Social and Community Enhancements and 5% for Open Spaces, approval of RASC is not required. Two further pots were also agreed; 25% unallocated and 15% Neighbourhood (where the City is a single neighbourhood). The approval of RASC is required for these two pots on the recommendation of Priorities Board.

Recommendation

Members are asked to note the report and governance arrangements outlined in the Briefing Note.

Main Report

Background

1. The Chairman of Project Sub Committee requested clarification of DBE's Transportation and Public Realm Division's process in relation to prioritisation of infrastructure projects and how Members are given oversight and make funding allocation decisions from the various sources of external funding.

Further to this request Members of RASC requested the Chamberlain submit a report clarifying the process for considering and utilising resources provided by developers via a Section 278, Section 106 and CIL agreements.

Current Position

2. A Briefing Note is attached to this report including a table providing details of the governance arrangements and approval route to spend for the variety of external funding sources. The Member approval route is dependent on the extent to which there is a choice in how the funds can be used.

Proposals

3. Members are asked to note the report and governance arrangements outlined in the Briefing Note and table for the various funding types and sources.

Corporate & Strategic Implications

4. The governance arrangements enable the City to prioritise and deliver high quality and value for money transportation and public realm infrastructure projects that meet the requirements of Developers and support the City's strategic aims to provide a world class City of choice where people choose to live, visit, do business and work, as demonstrated in the examples below:-

London Wall Place ~ £5M

A development focussed project; highways works are Section 278 funded and St. Alphage Gardens Section 106 funded. A Working Party of key stakeholders including Brookfield (the developer), Schroder's, Salters, Barbican Association, St. Giles Church, Roman House and Members defined the project objectives for highway and public realm improvements to integrate the development into the local street network. Further objectives were agreed to create a safe, legible and enhanced public realm for residents, workers and visitors. A design forum between the developer and CoL enabled CoL to lead on traffic and highway design which included traffic and pedestrian modelling. Traffic modelling determined London Wall eastbound could be reduced to one lane with no detrimental traffic impacts. Pedestrian modelling determined that the footway outside the development needed to be widened to accommodate increased pedestrian activity and that a new pedestrian crossing was required at London Wall / Wood Street junction. The developer also made a voluntary contribution to upgrade paving from mastic to york stone around the whole development.

Members have been part of the project governance and approvals process, both in their capacity as members of the Streets and Walkways, Open Spaces and Projects sub committees or as part of the project Working Party:

- The project began with a Gateway 1/2 Report in December 2013
- Due to the highway implications the City's project approvals procedures deemed this a "Complex" project
- In December 2014 the Alderman for Bassishaw chaired the Working Party for London Wall Place
- In March 2015 - Gateway 3 Option Appraisal Report approved
- Ward Members briefing sessions were held at the Barbican and Guildhall in December 2015
- In January 2016 - Gateway 4 Detailed Option Report approved with 3 options for London Wall to be investigated further
- In October 2016 – Gateway 5 Authority to Start work Report approved with Members of the Streets and Walkways Sub committee approving changing London Wall eastbound to one general traffic lane.

Shoe Lane Quarter ~ £8M

This is another example of a developer project which will result in highway, public realm and security enhancements in the Shoe Lane area focussed around 1 New Street Square (Land Securities/Deloitte) and the London Development Project. A Working Party defined in the Legal Agreement with the developer was formed of key developers and occupiers in the area. The key objective of the project being to deliver a transformation of local streets around the developments, for a very high quality public realm that meets the needs of the businesses and is of immense benefit to the public. A design forum between the developers and CoL was formed to integrate the security needs of the developers into the public realm. A voluntary S106 contribution from the London Development project is funding highway improvements around development. Public realm and security enhancements are funded via S278. A work shop took place to discuss several options with stakeholders for highway and public realm improvements to arrive at consensus on the preferred option which was presented to Ward Members before Committee approval.

Members have been part of the project governance and approvals process, at the Planning stage, through Streets and Walkways and Project Sub Committees and in their capacity as Ward Members:

- The project began with a Gateway 1/2 Report in February 2013
- In September 2013 Members approved the public realm and security enhancements proposals in a Gateway 3 Report, and in July 2014 approved the highway improvement options proposed by the Working Party
- Ward Members briefing sessions were held in January 2017
- Gateway 4 Detailed Option Report presented to Committee in February 2017

For all projects Members agreement is sought on what the success criteria should be, for example improved movement for pedestrians, increased green space, places to dwell/work agilely, reduced casualties, improved security etc. and at Gateway 7 report back on the success of meeting those criteria.

Members are also asked to note that given the increase in building value an enhanced public realm delivers, it is not unusual for developers/business to make voluntary contributions to see additional public realm enhancement, as in the examples above.

Conclusion

5. DBE consult with their Spending Committee(s) and Projects Sub on their proposed programme of projects on an annual basis. Detailed project reports are then put forward for approval in accordance with the Corporate Project procedures. Where there is a choice in how the City spends external funds the approval of RASC is also sought on the recommendation of Priorities Board. Projects funded by developers through S278, S106 and CIL agreements are still subject to the same rigorous value for money challenges as those funded by the City Corporation.

Appendices

- Appendix 1 – Briefing Note: Governance arrangements for project funding in relation to the Department of the Built Environment 18 Jan 2016

Background Papers

- City's Community Infrastructure Levy (CIL): Governance Arrangements and Broad Spending Priorities – Policy & Resources Committee 21 Nov 2013.
- Cousin Lane – Street Enhancements – Gateway 2 Project Proposal – Projects Sub Committee 25 Feb 2016
- Cousins Lane Street Enhancements – Section 278 Funding – Resource Allocation Sub Committee 17 Mar 2016

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