

<b>Committees:</b>		<b>Dates:</b>
Streets and Walkways Sub-Committee		16 May 2017
Projects Sub-Committee		06 June 2017
<b>Subject:</b> City Transportation Major Projects consolidated report	<b>Gateway 7 Outcome Report Regular</b>	<b>Public</b>
<b>Report of:</b> Director of the Built Environment		<b>For Decision</b>

### Summary

This report consolidates the Gateway 7 outcome reports for three City Transportation Major Projects:

- Winchester House Security S278 (Old Broad Street) (dated 28 July 2011)
- Monument Subway S106 (dated 21 March 2005)
- New Street Square S106 (dated 1 March 2005)

The projects have delivered enhancements across the City. Key benefits include:

- An improved pedestrian environment
- Improved public spaces
- Tree planting and soft landscaping
- New cycle parking facilities
- Changes to waiting and loading restrictions to mitigate local traffic problems

The projects have been funded from external sources including Section 106 receipts and Section 278 Agreements. There is a budget underspend on the Monument Subway project and a recommendation is made regarding these funds.

The Winchester House Security Project was not completed at the request of Deutsche Bank. A balance of £424,513.95\* is currently held by the City of London and a recommendation is made regarding these funds.

A financial summary for each project is set out in table 1. Individual reports on each project are provided in Annexes 1-3.

### Recommendations

It is recommended that the outcome information is received and recommendations on individual project reports are approved.

**Table 1: Summary of project finances**

<b>Project</b>	<b>Funding source</b>	<b>Approved budget (£)</b>	<b>Spent (£)</b>	<b>Unspent (£)</b>
Winchester House Security	Section 278	484,970.00	191,439.25	293,530.75
	Mitigation payment	120,000.00	0	120,000.00
	Accrued interest*			10,983.20
Monument Subway	Section 106	1,128,785.00	1,070,450.96	58,334.04
New Street Square	Section 106	1,070,667.00	1,066,576.52	4,090.48
<b>Total</b>		<b>2,804,422.00</b>	<b>2,328,466.73</b>	<b>475,955.27</b>

\*including interest earned on the S278 and mitigation contributions.

## Annex 1

**Project name:** Winchester House Security S278 (Old Broad Street)

### Summary

#### Dashboard

- 1) Project status: Green.
- 2) Timeline: The project was suspended in December 2012.
- 3) Original budget: £484,970 plus a £120,000 payment for mitigation measures.
- 4) Total spend: £191,439.25.

#### Summary of completed project

On 28 July 2011, the City entered into a Section 278 Agreement with Deutsche Bank relating to the installation of improved security measures outside DB's premises at Winchester House on Old Broad Street. A total of £484,970 of S278 funding was received for design and implementation ("the S278 Payment"), plus a £120,000 Mitigation Payment "to be used by the City for such works (including associated fees and staff costs) the City considers necessary to improve pedestrian movement and enhance the public realm".

A total of £191,439.25, out of the Section 278 Payment, was spent on developing detailed designs up until December 2012 when Deutsche Bank requested the suspension of the project for 12 months to allow for a review. In June 2016, Deutsche Bank confirmed in writing that the review had concluded and they no longer wanted the security works to proceed.

As a result, £293,530.75 of the Section 278 Payment and all of the £120,000 Mitigation Payment plus interest remain unspent.

#### **Recommendations**

It is recommended that:

- 1) The final cost of the project be noted (Appendix 1);
- 2) The Chamberlain be authorised to return unspent Section 278 Payment of £293,530.75 to Deutsche Bank (plus interest);
- 3) The unspent Mitigation Payment of £120,000 (plus interest) be used to fund the Aldgate Highway Changes and Public Realm Improvement Project, subject to the agreement of the Resource Allocation Sub-Committee;
- 4) The project is closed.

### Main Report

<b>1. Brief description of project</b>	The project was established to complete the security infrastructure around Winchester House. This included proposals to install bollards and/or planters, changes to the highway layout, traffic signal modifications and diversion of
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	statutory utilities. Proposals were developed to detailed design before the suspension, and subsequent cancellation, of the project.
<b>2. Assessment of project against SMART Objectives</b>	SMART objectives achieved only to detailed design stage.
<b>3. Assessment of project against success criteria</b>	Security measures were designed in collaboration with Deutsche Bank but the project was not progressed following the Deutsche Bank internal review and subsequent formal request to suspend the project.
<b>4. Key Benefits</b>	None
<b>5. Was the project specification fully delivered (as agreed at Gateway 5 or any subsequent Issue report)</b>	No
<b>6. Programme</b>	The project was not completed within the agreed programme This was due to Deutsche Bank's formal request to suspend the project in December 2012 and close it in June 2016.
<b>7. Budget</b>  <b>Final Account Verification</b>	The project was completed within the agreed budget  Not Verified  <u>Further action</u> As set out in the Section 278 agreement, the Chamberlain to return the unspent Section 278 Payment to Deutsche Bank. Subject to Committee approval, the Chamberlain allocates the Mitigation Payment of £120,000 plus interest to the Aldgate Highway Changes and Public Realm Improvement Project.

**\*Please note that the Chamberlain's department Financial Services division will need to verify Final Accounts relating to medium and high risk projects valued between £250k and £5m and all projects valued in excess of £5m.**

## Review of Team Performance

<b>8. Key strengths</b>	1. A close and positive working relationship was established with Deutsche Bank.
<b>9. Areas for improvement</b>	1. Original project manager left CoL and this contributed to delays in the project being closed down.
<b>10. Special recognition</b>	None to report.

## Lessons Learnt

<b>11. Key lessons</b>	1. Ensure business continuity when a project manager leaves CoL.
<b>12. Implementation plan for lessons learnt</b>	1. This emphasises importance of allocating a resource to live projects when a project manager leaves but this was frustrated on this occasion through recruitment difficulties at that time.

## Annex 2

<b>Project name:</b> Monument subway S106
<b><u>Summary</u></b>
<b><u>Dashboard</u></b> <ol style="list-style-type: none"><li>1) Project status: Green</li><li>2) The project is 100% completed</li><li>3) Total estimated cost: £1,128,785</li><li>4) Total spend: £1,070,450.96</li></ol>
<b><u>Summary of project completed</u></b> The refurbishment of Monument pedestrian subway.
<b>Recommendations</b> It is recommended that: <ol style="list-style-type: none"><li>1) The final cost of the project be noted and the project is closed;</li><li>2) The developer be asked if the unspent funds of £58,334 can be put towards the Aldgate Highway Changes and Public Realm Improvement project. Members should note that authority was delegated to the Director of the Department of the Built Environment to seek additional sources of funding, provided there are no negative impacts on the City Corporation's resources (Aldgate Gateway Five report, June '14).</li></ol>

## Main Report

<p><b>1. Brief description of project</b></p>	<p>The Planning &amp; Transportation Committee (15 March 2011) and Finance Committee (14 April 2011) approved the payment of the balance of the 51 Lime Street S106 transport contribution (£1,128,785 including interest) to Transport for London (TfL) for the purpose of upgrading the subway to Monument underground station.</p> <p>The Committees considered that the distinctive 1930s style of the subway was of sufficient architectural and historic interest to merit a refurbishment that retained or replicated the original design and finishes as far as possible.</p> <p>The project was delivered within budget by TfL at a final cost of £1,070,450.96; TfL has subsequently returned £58,334.04 of unspent funds to the City Corporation.</p>
<p><b>2. Assessment of project against SMART Objectives</b></p>	<p>The project was delivered to the agreed specification and within budget. There was a need to re-programme the project due to delays in the delivery of the specialist products.</p>
<p><b>3. Assessment of project against success criteria</b></p>	<ol style="list-style-type: none"> <li>1. The project has significantly improved the ambiance of the subway and reinstated many original style heritage features.</li> <li>2. Pedestrians are benefitting from the improved subway environment.</li> <li>3. The refurbished subway was reopened in time for the Olympic Games.</li> </ol>
<p><b>4. Key Benefits</b></p>	<ol style="list-style-type: none"> <li>1. The involvement of heritage specialists from the City and London Underground ensured that the refurbishment was carried out in accordance with the original 1930s style of the subway.</li> <li>2. The project received the National Railway Heritage Award 2013 for craft skills in recognition of the quality of workmanship.</li> </ol>
<p><b>3. Was the project specification fully delivered (as agreed at Gateway 5 or any subsequent Issue report)</b></p>	<p>Yes</p>
<p><b>4. Programme</b></p>	<p>The project was completed within the agreed programme</p>



## Lessons Learnt

<b>9. Key lessons</b>	1. Make early contact with TfL and specialist suppliers to clarify responsibilities and ensure capability to deliver required quality on programme.
<b>10. Implementation plan for lessons learnt</b>	1. Engage formally with TfL at an early stage in project formulation to ensure appropriate project officers brought in at the outset.



## Annex 3

**Project name:** New Street Square

### Summary

#### Dashboard

Project Status: Green

Timeline: The project commenced in 2010 and was completed in 2013.

Original estimated costs: £1,070,677

Projected Final Cost: £1,066,577

#### Summary of completed project

This project successfully implemented the changes to the public highway around the development of New Street Square and was fully funded by the developer. The works consisted of installing granite setts in the carriageway, new courtesy crossings, footway paving, street lighting, public realm enhancements and the widening of Pemberton Row and West Harding Street. Following completion of the development, further traffic management works were implemented in 2015 to mitigate localised traffic and loading issues.

#### **Recommendations**

It is recommended that:

1. The final cost of the project is noted; and
2. The lessons learnt be noted and the project is closed.

### Main Report

<p><b>1. Brief description of project</b></p>	<p>The Section 106 funded highway improvement works were implemented to accommodate the New Street Square development into the surrounding streets. The works included:</p> <ul style="list-style-type: none"> <li>• the widening of Pemberton Row and West Harding Street;</li> <li>• introducing York stone paving on West Harding Street, Pemberton Row, East Harding Street, Printer Street, New Street Square and Bartlett Court;</li> <li>• introducing granite setts to West Harding Street, Pemberton Row, East Harding Street and Printer Street;</li> <li>• Street lighting.</li> </ul>
<p><b>2. Assessment of project against SMART Objectives</b></p>	<p>The project was delivered to the agreed specification, within budget and to programme.</p>
<p><b>3. Assessment of project against</b></p>	<p>All items of the project success criteria were achieved. The original project objectives were to:</p> <ol style="list-style-type: none"> <li>1. Deliver the highway works in time for the occupation of the</li> </ol>



### Review of Team Performance

<b>8. Key strengths</b>	1. The City was able to work closely with the developer and UKPN in resolving the technical issues of shallow utilities in the carriageway.
<b>9. Areas for improvement</b>	1. An improved system of monitoring large developments as it was found that ~20% of deliveries to the development were being made from the street and not the dedicated servicing bays. Today these issues are mitigated by developers having to provide a delivery and servicing management plan as part of their planning conditions, this was not the case back in 2005 for this development.
<b>10. Special recognition</b>	None to report.

### Lessons Learnt

<b>11. Key lessons</b>	1. Ensure business continuity when a project manager leaves CoL.
<b>12. Implementation plan for lessons learnt</b>	1. Ensure a project management resource is allocated to a “live” project when a member of staff leaves CoL.

## Appendices

<b>Appendix 1</b>	Winchester House Security S278 (Old Broad Street)
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## Project Budget

	<b>Original Budget</b>	<b>Approved Budget</b>	<b>Spent</b>	<b>Unspent</b>
<b>Evaluation, Design, Implementation: S278</b>	<b>£484,970.00</b>	<b>£484,970.00</b>	<b>£191,439.25</b>	<b>£293,530.75</b>
<b>Mitigation payment</b>	<b>£120,000.00</b>	<b>£120,000.00</b>	<b>0</b>	<b>£120,000.00</b>
<b>Accrued interest</b>				<b>£10,983.20</b>
<b>Total</b>	<b>£604,970.00</b>	<b>£604,970.00</b>	<b>£191,439.25</b>	<b>£424,513.95</b>

<b>Appendix 2</b>	Monument Subway S106
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**Before and After Images**



<b>Appendix 3</b>	<b>New Street Square S106</b>
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**Pemberton Row Before and After images**

