

Committees:		Dates:
Corporate Projects Board Projects Sub Committee Streets and Walkway Sub Committee		28 June 2017 18 July 2017 24 July 2017
Subject: Crown Place S278	Gateway 1&2 Project Proposal Light	Public
Report of: Director of the Built Environment Report Author: Roland Jordaan		For Decision

Recommendations

It is recommended that Members of the Corporate Projects Board and Projects Sub Committee:

- approve the initiation of a project as detailed in the main body of the report;

It is recommended that Members of the Streets and Walkways Sub Committee:

- authorise the City's entry into a Section 8 Agreement with the London Borough of Hackney as detailed in section 25 of this report; and
- authorise the City and the Developer to enter into a Section 278 Agreement as detailed in section 25 of this report.

1. Approval track and next Gateway	Approval track: 3. Light Next Gateway: Gateway 5 - Authority to Start Work (Light)			
2. Resource requirements to reach next Gateway	The project cost is estimated to be in the region of £350,000.			
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff time and Fees	Project Management, detail design of current proposal and completing all necessary legal agreements	Developer	£40,000
Budgetary requirement – £40,000 This represents approximately 11% of the possible project costs. Transportation & Public Realm staff allocation - £10,000 (This				

	<p>allocation seeks to recoup about 110 hours' worth of officer staff costs associated with initial project planning, negotiating the terms of the legal agreements, facilitating the detail design discussions, securing the necessary approvals key stakeholders and project management.</p> <p>Highways staff allocation - £20,000 (This allocation seeks to recoup about 220 hours' worth of officer staff costs associated with evaluation and detail design, including street lighting and drainage, securing the necessary design approvals from TfL, London Borough of Hackney and the Developer, works costing and preparation of a construction package.</p> <p>Professional fees allocation - £10,000 (This will cover the procurement of technical assessment, including any surveys and utility enquiries)</p> <p>These figures are based on similar past projects and are fully externally funded through the Crown Place Section 278 agreement. Any increase in the above £40,000 allocation will be fully met by the developer as per the terms of the Section 278 agreement. Any remaining monies will be put towards the Implementation stage. The allocation of resources is subject to advance receipt of all funds.</p>
<p>3. Next steps</p>	<ul style="list-style-type: none"> • Secure developer funds to detail the current design. • Sign a Section 8 Agreement with London Borough of Hackney to enable the City to carry out works on their highway. • Sign Section 278 Agreement with the Developer

Project Summary

<p>4. Context</p>	<p>Crown Place is a development that sits within the London Borough of Hackney.</p> <p>In 2015 the London Borough of Hackney granted conditional planning permission for the demolition of 17-19 Sun Street, 1-17 Crown Place and 8-16 Earl Street (excluding front facade) and construction within the eastern part of the site of a part 6, part 10 storey podium building with two towers of 29 and 33 storeys (the Development). The new building provides a flexible mixture of hotel, office, retail and residential floorspace and includes the refurbishment of 5-15 Sun Street and refurbishment and extension of 54 Wilson Street. See Appendix 1</p> <p>Part of the Development fronts onto Sun Street, with the City/Hackney borough boundary running along its centreline. The London Borough of Hackney is the local highway authority for the northern half of Sun Street and the City is the local highway authority for the southern half. However, the City exercises various highway functions in respect of the full width</p>
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	<p>of Sun Street, pursuant to a borough boundary agreement between the City and the London Borough of Hackney, dated 28 May 2008. See Appendix 2.</p> <p>In 2013 the City and the London Borough of Hackney agreed an 'in-principle' design for the Section 278 highway improvements associated with the 5 Broadgate development (located within the City), which included Sun Street. With the knowledge that the Crown Place Development was coming forward for planning approval, a section of the proposed highway improvement work fronting the development was not implemented as part of the Broadgate works. See Appendix 3.</p> <p>The Developer is under obligation to the London Borough of Hackney via a Section 106 agreement dated 2 December 2015, to enter into a Section 278 agreement with the City for the delivery of the highway improvement works along Sun Street.</p>
<p>5. Brief description of project</p>	<p>The project will involve enabling works to accommodate the building on the public highway network.</p> <p>It is currently envisaged that the works are likely to involve level changes to areas of public highway including widening of footways, street lighting, drainage, relocation of street furniture, upgrades to footway materials, inset loading bays, formalise existing TfL cycle hire site into the raised footway and soft landscaping. However, the current design proposal will need to be reviewed with a view to accommodating the development. Early engagement with the developer's design team suggests little will change from that proposed at Streets and Walkway Sub Committee, dated 18 November 2013.</p> <p>The City will detail the final design proposal which will require agreement from the London Borough of Hackney.</p>
<p>6. Consequences if project not approved</p>	<ul style="list-style-type: none"> • There will be no mechanism through which the highway changes required to accommodate the new building can be delivered. • The City may need to fund some of the highway works made necessary by the development. • The City may need to fund any increases in maintenance liability costs made necessary by the development.
<p>7. SMART Objectives</p>	<ul style="list-style-type: none"> • deliver a high quality public realm in the vicinity of the development • deliver a scheme that benefits all users of the public highway
<p>8. Success criteria</p>	<ul style="list-style-type: none"> • Meeting the needs of the developer. • Meeting the City's and the London Borough of Hackney's requirements: appearance, function and cost (funded by the developer). • Implementing a scheme which benefits the public by

	<p>providing a more pleasant environment for people through widened footways and an enhanced street scape.</p> <ul style="list-style-type: none"> • Delivery of the works to a timetable that is set by the occupation date of the tenant.
9. Key Benefits	Providing an enhanced environment for all street users.
10. Notable exclusions	None
11. Governance arrangements	<p>Spending Committee: Streets and Walkways Sub-Committee</p> <p>Senior Responsible Officer: Leah Coburn</p> <p>Project Board: No</p>

Prioritisation

12. Link to Strategic Aims	1. To support and promote The City as the world leader in international finance and business services
13. Links to existing strategies, programmes and projects	The building is located on Sun Street and any highway improvement proposals need to take account of the recently implemented S278 highways improvements associated with the 5 Broadgate development.
14. Project category	4a. Fully reimbursable
15. Project priority	B. Advisable

Options Appraisal

16. Overview of options	<p>The only viable option is the one being presented at Appendix 3, as approved by Streets and Walkway Sub Committee on 18 November 2013, as part of the 5 Broadgate Section 278 and Section 106 project proposals. This option forms part of a wider package of measures and is the result of extensive traffic and pedestrian surveys and analysis which included Sun Street. This option is also the preferred option approved by the London Borough of Hackney.</p> <p>The proposed option includes enhancement of footways including level changes where required to accommodate the development into the public highway network, provision of inset loading bays, raising the existing TfL Cycle hire site to footway level and soft landscaping proposals along the Sun Street frontage. The choice of kerbs and paving will follow the City's material palette, whilst aiming to compliment the recently implemented highway improvement works along Sun Street.</p>
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Project Planning

17. Programme and key dates	<p>Overall programme: completion in time for the building's occupation, practical completion, in 2019.</p> <p>Key dates:</p> <p>1) The City and the London Borough of Hackney enter into a S8 Agreement (by Q3 2017)</p> <p>2) The Developer is required to enter into a S278 agreement with the City before commencing above ground works, currently scheduled for Q2, 2018.</p> <p>Other works dates to coordinate: none</p>
18. Risk implications	<p>Overall project risk: Green</p> <p>The most notable risks are of low impact and are:</p> <ol style="list-style-type: none"> 1. A project is to be initiated during Summer 2017 in order to meet key programmed dates.
19. Stakeholders and consultees	<p>Key stakeholders are:</p> <ul style="list-style-type: none"> - Developer of Crown Place (and their agents) - London Borough of Hackney - Owners / occupiers of adjacent buildings - Transport for London - Ward Members

Resource Implications

20. Total estimated cost	<p>Likely cost range: £250k to £500k</p>			
21.	Item	Reason	Cost (£)	Funding Source
	Staff time	Manage project, evaluation and design	£30,000	Developer
	Fees	Topographical and radar surveys, site investigations, NRSWA enquiries, Other surveys.	£10,000	Developer
22. On-going revenue implications	None anticipated at this time. In the event that there are any other revenue implications, these will be included in the S278 agreement with the developer.			

23. Investment appraisal	N/A
24. Procurement strategy/Route to Market	Any works to public highway will be undertaken by the City's highways term contractor. JB Riney was chosen as the term contractor through a competitive tender process and represent good value for money. The City's procurement strategy will be adhered to.
25. Legal implications	<p>1) The London Borough of Hackney will enter into an agreement with the City under Section 8 of the Highways Act 1980 in order that the City, in addition to those powers and functions already delegated to it in the Boundary Agreement referred to above, is able to enter into a Section 278 Agreement direct with the Developer and carry out the improvements on the section of Sun Street within the vicinity of the Development.</p> <p>2) The City will enter into an agreement with the Developer under Section 278 of the Highways Act 1980.</p>
26. Corporate property implications	None
27. Traffic implications	<p>1) Any requirement to change existing traffic regulation orders on Sun Street will be subject to agreement with the London Borough of Hackney and subject to the necessary statutory consultations.</p> <p>2) It is likely that some footway and lane closures will be needed whilst various elements of the works are underway. The project will aim to limit the duration of these closures and where possible, facilitate cyclist and pedestrian movement at all times.</p>
28. Sustainability and energy implications	<p>Environment sustainability: It is anticipated that all materials will be sustainably sourced where possible and be suitably durable for the design life of the asset.</p> <p>Financial sustainability: As the developer is paying for the scheme it is financially sustainable for the City.</p>
29. IS implications	None
30. Equality Impact Assessment	An equality impact assessment will be undertaken

Appendices

Appendix 1	Site location and Elevation
Appendix 2	Borough Boundary Plan
Appendix 3	Proposed S278 Works

Contact

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