

Committees:	Dates:	
Projects Sub Streets and Walkways Sub-Committee	04/10/2017 17/10/2017	
Subject: 2-6 Cannon Street Public Realm (Offsite Works) – EE106	Issue Report: Regular	Public
Report of: Director of the Built Environment Report Author: Maxime Tomas	For Decision	

Summary

Dashboard

- **Project Status:** Green
- **Timeline:**
Issue report – October 2017
Authority to start works (Gateway 5) January 2018
Implementation programmed for March 2018
- **Total Estimated Cost:** £1,133,048 - £1,287,998
- **Total Estimated Cost at the last gateway:** £1,133,048 - £1,287,998
- **Spend to Date:** £74,283 (as of 16 August 2017)
- **Overall Project Risk:** Low

Background

In accordance with the planning permission for the site, City of London officers have worked closely with the developer of 2-6 Cannon Street to produce a set of integrated, high quality, landscape design proposals for off-site works (please see appendix 1 for more details). These off-site proposals are intended to integrate with the proposed development and highway remediation works on Distaff Lane. The project is currently progressing towards Gateway 5.

Progress to date including resources expended

A Gateway 4 report was approved in May 2015, for the design of the proposed Off-site landscape works and authority to progress towards Gateway 5, with an approved budget of £102,402 fully funded by the S106 agreement linked to the development, and which is limited in geographical area and purpose.

Shortly after receiving Gateway 4 approval, the developer's programme for the construction of development at 2-6 Cannon Street was placed on hold for more than a year. This delay resulted in a similar delay to the Off-site works programme. Now that the development programme has restarted, officers have re-engaged with the developer and the local stakeholders to review timescales and restart the design process. To accommodate the developer's revised programme it is proposed to complete the final construction package drawings prior to Gateway 5. In addition, structural investigations have been carried out to assess the feasibility of the current detailed design, resulting in several changes to the design presented to

Members in 2015, primarily relating to the orientation of the staircase and the location of planters.

Summary of issue

There are a number of proposed project changes which require an increase to the existing project evaluation budget, to enable the project to be progressed to Gateway 5. These are outlined in more detail in section 1 of the main report, but in summary include:

- Additional design work to address required changes arising from the findings of the structural investigation and from recent engagement with local stakeholders;
- The early completion of a construction package of drawings to support developer's programme and reduce overall risk. This requires the appointment of a landscape architecture practice;
- Extra cost incurred as part of the complex negotiations with local stakeholders regarding agreements to carry out works on their land. Similarly, the project programme needs to harmonise with refurbishment programmes of other occupiers.

All costs will be fully met by the developer, through the Section 106 contribution

Proposed way forward

It is proposed that the currently approved budget be increased by a total of £95,000, making a new total budget of £197,402, to be fully met through the Section 106 contribution, which is specific in purpose and location to the development. A summary of the project finances are shown in Section 3 of the main report. The additional project funding sought will not result in the upper limit of the overall project cost range at the last Gateway (£1,287,998) being exceeded; this is due to a rephasing of the design fees as outlined above.

Recommendations

It is recommended that Members:

- Authorise an increase to the current project budget of £95,000, to be fully funded from the Section S106 agreement.

Main Report

1. Issue description	<p>A number of issues have arisen relating to the project which require an increase to the existing project budget. These are summarised below:</p> <ul style="list-style-type: none">• The findings from the structural investigation and a request arising from the consultation with the local occupiers and landowners require changes of the design presented to Members in 2015. The proposed re-orientation of the staircase in 2015 has since proven to be challenging and will not meet the aspirations of St Nicholas Cole Abbey. This will require additional staff time and an increase in fees to develop the revised design;• Production of the construction package prior to Gateway 5 is proposed to reduce programme and scope risk, by giving clarity about what is to be delivered and any
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	<p>logistical challenges prior to obtaining authority to start work. This will require the appointment of a landscape architect to deliver this stage of work.</p> <ul style="list-style-type: none"> • Negotiations with the local occupiers regarding the agreement to carry out works on their land were more complicated and time-consuming than anticipated, meaning that additional staff resource was directed towards this task in order to conclude the agreement; <p>There is therefore a requirement to increase the project budget at this stage, in order to progress the design and reach the next Gateway. However, although there will be an increased spend at this stage of the project, the upper limit of the overall project cost range has not increased; this is due to a rephrasing of the spend, namely bringing forward design packages prior to Gateway 5 approval.</p>																									
<p>2. Last approved limit</p>	<p>The Gateway 4 report approved a project budget of £102,402 to reach the next Gateway, funded through the Section 106 agreement. The total project cost remains estimated at £1,287,998.</p>																									
<p>3. Finance</p>	<p>In order to keep the project to the current programme, which ties into the programmes of other local projects including the development itself and the refurbishment of the nearby Bracken House, it is necessary to increase the budgets and accelerate the design process. This will allow Officers to reach Gateway 5 in January 2018. However, although there will be an increased spend at this stage of the project, the upper limit of the overall project cost range has not increased, as described above.</p> <p>It is therefore proposed that the current project budget is increased by £95,000, as set out in table 1.</p> <p>Table 1 – summary of project finances</p> <table border="1" data-bbox="539 1391 1466 1854"> <thead> <tr> <th></th> <th>Estimated project total</th> <th>Spend to date</th> <th>Proposed increase</th> <th>Estimated cost to Gateway 5</th> </tr> </thead> <tbody> <tr> <td>Staff Costs</td> <td>179,381</td> <td>47,459</td> <td>50,000</td> <td>112,402</td> </tr> <tr> <td>Fees</td> <td>85,000</td> <td>26,824</td> <td>45,000</td> <td>85,000</td> </tr> <tr> <td>Works</td> <td>1,023,617</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>Total</td> <td>1,287,998*</td> <td>74,283</td> <td>95,000</td> <td>197,402</td> </tr> </tbody> </table> <p>* Figure is the higher end of the estimated cost range *please see appendix 2 for more details</p>		Estimated project total	Spend to date	Proposed increase	Estimated cost to Gateway 5	Staff Costs	179,381	47,459	50,000	112,402	Fees	85,000	26,824	45,000	85,000	Works	1,023,617	0.00	0.00	0.00	Total	1,287,998*	74,283	95,000	197,402
	Estimated project total	Spend to date	Proposed increase	Estimated cost to Gateway 5																						
Staff Costs	179,381	47,459	50,000	112,402																						
Fees	85,000	26,824	45,000	85,000																						
Works	1,023,617	0.00	0.00	0.00																						
Total	1,287,998*	74,283	95,000	197,402																						

Appendices

Appendix 1	Site location plan
Appendix 2	Financial tables

Contact

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Benefits:

- a)** High quality public realm enhancement is delivered around St Nicholas Cole Abbey and to Distaff Lane, at no cost to the City.
- c)** St Nicholas Cole Abbey benefits from new steps, re-orientated to better cater for north-south pedestrian access.
- e)** St Nicholas Cole Abbey has access to an outside space for additional activities or meetings during summer months.
- f)** St Nicholas Cole Abbey will be provided with an enhanced front apron along Queen Victoria façade.
- g)** Increased opportunities for seating both in the furniture provided and on the walls of planters.
- h)** LED up lighting and strip lighting enhances ambience at night and makes passive surveillance easier.
- b)** Raised and reduced carriageway width between on and offsite works increases available pedestrian space and reduces the visual dominance of the road surface.
- d)** The materials and specification of footways along Distaff Lane are upgraded, from asphalt to York stone, to ensure consistency with Street Scene Manual.

Appendix 2: Summary financial tables

Table 1 - Cannon Street Public Realm Spend To-date			
Description	Approved	Spend	Balance
Staff Costs	62,402	47,459	14,943
Fees	40,000	26,824	13,176
Total	102,402	74,283	28,119

Table 2 - Cannon Street Public Realm total Estimated Cost To Gateway 5 (evaluation stage)			
Description	Approved	Budgeted	Increase
Staff Costs	62,402	112,402	50,000
Fees	40,000	85,000	45,000
Total	102,402	197,402	95,000

Table 3 - Cannon Street Public Realm Total Estimated Cost for complete project			
Description	Evaluation	Implementation	Total *
Staff Costs	112,402	66,979	179,381
Fees	85,000	0	85,000
Works	0	1,023,617	1,023,617
Total	197,402	1,090,596	1,287,998

*Funded wholly from the 2-6 cannon Street Section 106 site mitigation payment