

| <b>Committees:</b>  | <b>Dates:</b>                    | <b>Item no.</b>        |
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| Streets and Walkways Sub-Committee                                      | 17 Oct 2017                      |                        |
| Projects Sub-Committee  | 8 Nov 2017                       |                        |
| <b>Subject:</b><br>Aldgate Highway Changes and Public Realm Enhancement | <b>Gateway 6 Progress Report</b> | <b>Public</b>          |
| <b>Report of:</b><br>Director of the Built Environment                  |                                  | <b>For Information</b> |

### Summary

#### Dashboard

- Project status: Green.
- Timeline: Construction Phase – current completion date is end of March 2018.
- Original approved spend: £21.3M, including £2.0M for the pavilion
- Current approved Spend: £23.3M, including £4.3M for the pavilion
- Spend to Date: £21M includes commitments of £2.4M
- This project is forecast to come within budget.
- Overall Project Risk: Green.

In the Gateway 5 report for this project, Officers committed to produce regular update reports in order to update Members of progress on the project. Additional issues reports have also been brought to Members during construction. This report is the eighth update report on the project.

This G6 report:

- Provides a detailed update on progress in re-negotiating S106 funding contributions; and
- Updates progress on developing the Arts, Events and Play work stream.

***It is recommended that:***

- ***Members note the contents of the report;***
- ***That a further £2.8M of the original £10M On Street Parking Reserve (OSPR) fund allocation can be returned leaving £3.7M of OSPR underwriting the project; and***
- ***The potential funding gap that may need to be met from the existing underwriting allocation, from the OSPR fund.***

### **Main Report**

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| <b>1. Reporting period</b> | 1.1 July 2017 to September 2017 inclusive. |
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## 2. Progress to date

2.1 Since the last update report in July, the pavilion foundations, basement walls and ground floor slab have been constructed. The churchyard accommodation work is substantially completed, awaiting planting in November. Work continues with underground infrastructure in the Aldgate Square in preparation for taking over the site following completion of the pavilion elements.

2.2 The pavilion is forecast to complete mid-December.

2.3 In the last update report (July 2017) the forecast project completion was updated to March 2018. The project is currently forecast to be delivered within the approved budget.

### Funding

2.4 The project is funded through LIP, S106 and S278 funding. On Street Parking Reserve (OSPR) funds have been allocated to the project, enabling the cash flow on the project, whilst awaiting various S106 funds to trigger (and in some cases be re-negotiated). Out of the original £10M, £6.5M of OSPR fund remains in the project. Appendix One (non-public) details the status of the various LIP, S278 and S106 funds allocated to the project at Gateway Five.

2.5 Total funding received to date is £19.5M, leaving a gap of £3.7M. This is currently filled from the OSPR fund allocation. Thus a further £2.8M of the £6.5M OSPR fund can be returned.

2.6 It is expected that a further £2.4M will be brought into the project on completion of negotiations with developers.

2.7 In addition to the expected income referred to above, a substantial S106 allocation of £2M, from one development site, that at Gateway five had been expected to be available during the project, now looks unlikely. Intelligence at the City reports that the developers are not in a position to trigger during the implementation of the project. Without this allocation the expected total shortfall will be £1.3M.

2.8 Once outstanding negotiations are finalised a further report will be brought back to appropriate committees setting out the extent of any shortfall with recommendations as to how this might be funded.

### Arts, Events and Play (AEP) work stream update

2.9 At Gateway five it was agreed to develop an Arts, Events and Play (AEP) work stream, building on the Aldgate Experiments that featured during public consultation and the detailed design phase of the project. The AEP work stream is conceived as a rolling programme of events, installations and activities throughout the calendar year with a focus on, or support for, the arts and play, engaging the local community in the new public spaces.

2.10 On approval of the Gateway Five and a target budget, a budget of £95,762k was allocated to develop the AEP work stream.

2.11 The programme was conceived to reduce anti-social behaviour and improve perceptions of safety through the creation of

vibrant and active spaces. It will enhance the City's cultural offer and provides opportunities to improve health and well-being for residents and workers. Its aim is to attract visitors and grow the local economy. In so doing the programme supports several of the Corporation's policies and aims. It is also expected to reduce maintenance costs associated with anti-social behaviour.

2.12 In the early days of the project two groups were established: an officer working group and an external advisory group, which is made up of key stakeholders from the Aldgate area. Stakeholders developed objectives and desirable outcomes for the Arts, Events and Play (AEP) programme, outlined in the approved Gateway five report, as follows;

#### Objectives set at Gateway 5

- To create and enhance community structures in the Aldgate Area;
- To promote usage of the new public spaces by local residents stakeholders and businesses;
- To develop a clear branding of Aldgate to support promotion of the area;
- To identify, commission and manage the delivery of a range of public art and play features in the Aldgate area;
- To deliver a range of events in the new public spaces and surrounding area;
- To deliver joined up initiatives around the Aldgate area;
- To identify and secure third party monies to achieve arts, events and play initiatives in Aldgate; and
- To support use of the new pavilion in Aldgate.

The officer working group took these objectives and developed them into a set of measurable outcomes set out below;

#### Measurable Outcomes

- A vibrant and active public realm within Aldgate;
- Strong relationships and partnerships between the City and local stakeholders;
- Increased visitor numbers, attraction for employers to relocate and workers to visit Aldgate;
- An enhanced local economy (e.g. retail spend, private sector investment into Aldgate) and wider economic benefits for the City of London;
- A rolling calendar of events funded primarily through private sector investment;
- Greater local participation in arts, events and play through volunteering and learning; and

- An improved perception of Aldgate.

2.13 In February 2016 Members noted that the programme would be developed during 2016 and initiated fully in 2017, and if successful, would continue as a 3-5 year programme.

2.14 The report noted the following three areas of work to be developed:

- A. A Programme of Arts, Events and Play
- B. An Operational Framework, and
- C. A Funding Strategy

2.15 To align with the construction programme of the Aldgate project, progress on the programme content was paused for 12 months.

2.16 To date the **Operational framework** document which establishes the regulatory requirements, highlights the constraints and limitations of what events and activities can take place and the practical requirements for AEP, is the most developed output. The draft document has been developed in conjunction with the relevant departments including Department of Children and Community Services, Opens Spaces, Department of the Built Environment, Town Clerks and City Comptrollers to ensure all legal and operational matters have been satisfactorily addressed. The draft document confirms:

- The legality of hosting events on the public highway in Aldgate Square;
- The range of options available for shorter and longer term licensing of events;
- The planning process required in order to host events or art at Aldgate Square;
- The existing guidelines and policy for events on public highway including the existing guidelines on Health and Safety;
- The funding options available through 3<sup>rd</sup> party sponsorship and hire fees (tiered to reflect the type of event).

A final version of this document will be completed in November 2017.

2.17 Following the conclusion of the Operational Framework, an Aldgate Square event guidelines brochure for external circulation will be developed.

2.18 As a continued taster of AEP in the local community, Community and Children's Services team are carrying out various community activities work for events in the 2017/ 2018 calendar period. A number of activities already underway include Aldgate in Camera; a historic photography exhibition and Aldgate in Conversation; interviews, films and conversations about the people that make up the community. A key activity is the community theatre play which will be the first major event in the new Aldgate Square and is being planned for Spring 2018. The emerging AEP programme will follow the conclusion of the theatre play.

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|                             | <p><b>Issues</b></p> <p>2.19 The contractor delivering the pavilion has had issues complying with Building Control. The sewer venting is currently being revised and agreed with Building Control. It is currently unknown whether this will have a time impact. This is not expected to add to cost of the pavilion. The City Surveyor will keep Members updated through a separate Issue report if the issue impacts the overall project.</p> <p><b>Risk</b></p> <p>2.20 The risk to overspend is being managed by close monitoring of spend and varying the delivery specification, communications and marketing costs as necessary. The project is currently expected to be within approved budget.</p> <p><b>Communications update</b></p> <p>2.21 During October the project team have hosted a visit by the Town Clerk, a ‘topping out ceremony’ to celebrate the installation of the pavilion roof structure and will host Members of Streets and Walkways Sub, Community and Children’s Services Committee, Portsoken, Aldgate and Tower Ward with a tour of the completed elements of the project</p> |
| <p><b>3. Next steps</b></p> | <p>The next Gateway Six report is expected in early 2017. It will report on completion and the outcome of the S106 negotiations, setting out the expected outturn figures and final funding position.</p>   |

**Appendices**

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| <p><b>Appendix 1</b></p> | <p>Updated Gateway Five funding table.</p> |
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