

Committees:	Dates:	
Streets and Walkways Sub-Committee Projects Sub	23 January 2018 17 January 2018	
Subject: 100 Bishopsgate S278	Gateway 3/4/5 Authority to Start Work	Public
Report of: Director of the Built Environment Report Author: Roland Jordaan		For Decision

Summary

Dashboard

- Project Status: Green
- Timeline: Gateway 5 – Construction expected to commence in July 2018
- Total estimated project cost: £839,797
- Spend to date: £99,421 of approved evaluation & design budget of £100,000
- Overall project risk: Green

The new buildings have been constructed in a way that necessitates the adjustment of existing footway levels along the Camomile Street frontage. Amending the constructed building is not an option, so officers have negotiated a position of mutual benefit to the City and the developer.

Progress to date

On 23 November 2011 planning permission was granted for an office and retail development (officially known as 100 Bishopsgate) on the land bounded by Camomile Street, Bishopsgate and St Mary Axe and a related S106 agreement was entered into. The location of the development is illustrated in **Appendix 1**.

On 6 September 2011 Members of the Planning and Transportation Committee granted approval for the City to negotiate and execute obligations in respect of those matters set out in the 'Planning obligations', including any necessary agreements under Section 278 of the Highways Act 1980.

The development creates a new building footprint. The S106 agreement included a covenant to secure city walkway through the site, replacing former highway across the site which was stopped up to enable the development to proceed. Officers will seek Member resolution for the declaration of City Walkway at the Planning and Transportation Committee on 9 January 2018. The City Walkway Plan is attached at **Appendix 2**.

A Gateway 1 & 2 project proposal was approved at Projects Sub-Committee (25 February 2016). The Projects Sub-Committee resolved that the project proceed to Gateway 3/4 via the Regular process.

The development was built to a level that necessitated significant changes to the existing back of footway levels along the Camomile Street frontage, which is considered to be a departure from standard City practice. This frustrated the developer's ability to discharge planning condition 14 (of planning permission 12/00129/FULL) which states, that the land between the existing building lines and the face of the proposed new buildings shall be brought up to street level, paved and drained in accordance with details to be submitted to and approved in writing by the City.

At the outset of the evaluation and design stage, it was anticipated that there may be more than one option when considering variations in the impact, scope and cost. The City and the developer have now met on several occasions to work towards a resolution to this matter. The outcome of these discussions is the one single option being presented in this report. The developer has asked that the Section 278 works take place between July and December 2018, which is deliverable if the proposal is approved early in 2018.

Background information

The development threshold levels along Camomile Street were constructed too high and resulted in unacceptable surface gradients for the proposed reinstatement of the land between the existing building lines and the face of the proposed new buildings. A solution would be to significantly alter the existing back of public footway levels along Camomile Street, which is considered to be a departure from standard City practice.

The developer requested the City's assistance in resolving this matter. This resulted in the City's Highways Team undertaking a redesign of the surface levels along the private/public interface along Camomile Street as part of the section 278 evaluation and design process. This led to the footways and carriageway levels being redesigned to provide suitable crossfalls.

If agreed, the City will sign a Section 8 agreement with Transport for London (TfL), permitting the City to implement the works on Bishopsgate, which forms part of the Transport for London Road Network.

Overview of Options

Officers have negotiated a position of mutual benefit to the City and the developer. The result is only one viable design option being presented in this report, as illustrated in Appendix 1.

Proposed way forward

The City and developer have been working towards a resolution that mitigates the consequences of the development's high threshold levels. The developer has

therefore agreed to fund the resulting additional Section 278 highway works. This includes extensive re-adjustment of kerb and footway levels and installation of additional drainage along Camomile Street (between Bishopsgate and St Mary Axe).

Recommendations

It is recommended that Members:

- Approve the adjustment of the evaluation budgets to reflect the expenditure incurred.
- Approve the implementation of the Section 278 highway works with an estimated cost of £674,060 as listed in the design summary in the main report and shown in the General Arrangement drawing (Appendix 1);
- Delegate authority for any adjustments between elements of the approved budget to the Chief Officer in consultation with the Chamberlain’s Head of Finance;
- Delegate authority for any budget increases to the Chief Officer in consultation with the Chamberlain and Town Clerk, provided there is no change to the approved scope of works and the City receives upfront funding from the developer;
- Authorise the City to sign a Section 8 agreement (S.8) with Transport for London (TfL) permitting the City to implement the works on Bishopsgate, part of the Transport for London Road Network.
- Authorise Officers to seek relevant regulatory and statutory consents, orders and approvals (e.g Traffic Regulation Orders) as may be required to progress and implement the scheme; and
- Agree that the commencement of the Section 278 works be dependent upon full funding being first received from the developer.

Main Report

1. Design summary	<p>The design for the Section 278 works has been developed in close partnership with the developer. The new development requires extensive level changes to the front and back of existing footway; principally because the development threshold levels were constructed unacceptably high, compared to the existing back of footway levels. By way of mitigation and to meet the obligations set out in the planning permission, the developer has agreed to fund an enhanced package of Section 278 works. The scope of the highway work is shown in the General Arrangement drawing in Appendix 1 and includes:</p> <ul style="list-style-type: none"> • Resurfacing of the carriageway on St Mary Axe (between Exchequer Court and Camomile Street) and Camomile Street (between eastern side of St Mary Axe and Bishopsgate, excluding the northern side between Bishopsgate and Outwich);
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	<ul style="list-style-type: none"> • Resurfacing of the footways (including level changes where appropriate) on St Mary Axe (west side between Exchequer Court and Camomile Street), Camomile Street (south side between St Mary Axe and Bishopsgate) and Bishopsgate (eastern footway between Camomile Street and St Ethelburga's Church); • Construction of a footway crossover in granite setts at the new service entrance on St Mary Axe; • Construction of a 'side entry' raised table in granite setts on St Mary Axe (near its junction with Camomile St/Bevis Marks) to aid pedestrian movement • Removal and reinstatement of existing street furniture; • Installation of highway drainage; • Works which may as a consequence of any of the above be reasonably necessary to Statutory Undertakers' apparatus and all other equipment or structures under in or over the site; and • Installation of new road marking and traffic signs. <p>The S278 agreement also makes provision for the following street lighting works as indicated in Appendix 3:</p> <ul style="list-style-type: none"> • The installation of two street lights to the facade on Camomile Street, one street light on the facade on St Mary's Axe, three street lights to the facade of 99 Bishopsgate and two street lights fixed to the elevation of the podium part of the building.
<p>2. Delivery team</p>	<p>Project management and stakeholder engagement will be provided by the project team within City Transportation.</p> <p>Highway construction works on both City and Transport for London road networks will be delivered by the City's Highway Term Contractor (J.B.Riney & Co. Limited) with construction supervision undertaken in-house by City Highway Engineers. The City will enter into a Section 8 agreement with Transport for London, permitting the City to deliver the highways works on Bishopsgate.</p>
<p>3. Programme and key dates</p>	<p>Authority to Start Work: January 2018</p> <p>Section 278 Construction works: July 2018 - December 2018.</p>
<p>4. Outstanding risks</p>	<p>Overall project risk: Green</p> <ul style="list-style-type: none"> a) Possible delays to commencing the highway works if signing of the second Section 278 Agreement is delayed; b) Possible delays to commencing the highway works if signing of the Section 8 Agreement with TfL is delayed; c) Possible delays to the highway works construction programme as a result of neighbouring highway works programmed to take place around the same time; d) Reputational risk if occupation of the development is delayed due to the highway works not being completed on time;

5. Budget

The Section 278 and S8 works will be fully funded by the developer through a Section 278 Agreement. The below tables set out the expenditure to date, evaluation and design budget adjustment and total estimated project costs.

Table 1: Expenditure to date - 16800341 - 100 Bishopsgate S278

Description	Approved Budget (£)	Expenditure (£)	Balance (£)
PreEv Env Servs Staff Costs	56,000	57,128	(1,128)
PreEv P&T Staff Costs	34,000	41,293	(7,293)
PreEv P&T Fees	10,000	1,000	9,000
TOTAL	100,000	99,421	579

(1) Expenditure figure includes unprocessed Q3 Staff costs up to 03/12/2017 of £8,124.39 and forecast spend of £2,500 from 04/12/2017 to committee report date.

(2) Expenditure figure includes unprocessed Q3 Staff costs up to 03/12/2017 of £8,492.27 and forecast spend of £3,000 from 04/12/2017 to committee report date.

Table 2: Budget Adjustment Required - 16800341 - 100 Bishopsgate S278

Description	Approved Budget (£)	Adjustment Required (£)	Revised Budget (£)
PreEv Env Servs Staff Costs	56,000	1,128	57,128
PreEv P&T Staff Costs	34,000	7,293	41,293
PreEv P&T Fees	10,000	(9,000)	1,000
TOTAL	100,000	(579)	99,421

(3) Underspend to be rolled forward to the next stage

Table 3: Total Estimated Cost of Project

Description	Evaluation Budget (£)	Implementation Budget (£)	Total Estimated Cost (£)
Env Servs Staff Costs	57,128	92,612	149,740
P&T Staff Costs	41,293	20,000	61,293
Fees	1,000	31,979	32,979
Utilities	-	140,000	140,000
Works	-	389,469	389,469
Maintenance	-	66,316	66,316
TOTAL	99,421	740,376	839,797

(4) Evaluation budget subject to Members approval

(5) Maintenance sum will be invoiced upon completion of works

In addition, the City will seek to secure the following via the second S278 Agreement;

- a commuted maintenance sum of £56,200 to offset the City's additional costs associated with maintaining the proposed new areas of granite setts and new utility inset covers over its expected lifetime of 20 years.

	<ul style="list-style-type: none"> a commuted maintenance sum of £10,116.25 to offset the City's additional costs associated with maintaining the proposed new street lighting over its expected lifetime of 20 years. <p>The two sums above are included in the table above.</p> <ul style="list-style-type: none"> a maintenance bond of £104,708, which is the City's estimated cost of installing replacement lighting to the areas of public footway to be lit by the developers colonnade lighting along Camomile Street; TfL's commuted maintenance sum of £80,103, to offset the additional costs associated with maintaining the highway works on the Transport for London Road Network (Bishopsgate). TfL's commuted maintenance sum of £2,000, to offset the additional costs associated with maintaining the proposed new street lighting on Bishopsgate. a lighting works payment of £142,583.40, which is the estimated cost of installing new street lighting in the vicinity of the development.
6. Success criteria	<ol style="list-style-type: none"> Work with the developer to ensure timely delivery of high quality highway improvements which successfully integrate the development into the local highway network; Work with the developer to meet their desire for an enhanced public realm; Improved facilities for pedestrians and cyclists.
7. Progress reporting	Monthly updates to be provided via Project Vision and any project changes will be sought by exception via Issue Report to Spending and Projects Sub Committees

Appendices

Appendix 1	Section 278 Highway Works General Arrangement Drawing
Appendix 2	City Walkway Plan
Appendix 3	Lighting Works Plan

Contact

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