



Open Spaces and City Gardens

Date: MONDAY, 16 JULY 2018
Time: 11.30 am
Venue: COMMITTEE ROOM - 2ND FLOOR WEST WING, GUILDHALL

17. **GATEWAY 3 REPORT FINSBURY CIRCUS REINSTATEMENT PROJECT**
Report of the Director of Open Spaces

For Decision
(Pages 1 - 16)

Item received too late for circulation in conjunction with the Agenda.

John Barradell
Town Clerk and Chief Executive

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Committees:	Dates:	
Open Spaces and City Gardens Project Sub (Policy & Resources)	16 July 2018 18 July 2018	
Subject: Finsbury Circus Garden - Reinstatement	Gateway 3 Outline Options Appraisal(Complex)	Public
Joint Report of: Director of Open Spaces and the City Surveyor Report Author: Michael Radcliffe, Principal Surveyor (CS.298/18)		For Decision

Summary

Dashboard

- Project Status – Amber
- Overall cost (est) £4.74m

- Progress To-date
 - GW1-2 Project Proposal approved. May 2017
 - Consultant design team appointed. Mar 2018
 - Design developed to RIBA Stage 2 May 2018

- Timeline
 - Finalise design options Aug 2018
 - Submit GW4 Oct 2018
 - Submit detailed planning application Oct 2018
 - Crossrail depart site Oct 2018
 - Seek building tenders Oct 2018
 - Submit GW5 Mar 2019
 - Appoint building contractor Apr 2019
 - Estimated start on-site Mar 2019
 - Practical completion Apr 2020

- Resources (Expended)
 - Funds & staff costs approved (RIBA design Stage 1-2). £191,000
 - Funds expended and committed to-date. £149,823

1. Once Crossrail vacate Finsbury Circus Garden then COL will need to reinstate the landscape. It was also decided to replace the Pavilion. The previous GW1/2 report included public realm works which are now being considered independently and will be presented through a separate report by Department of the Built Environment as appropriate.

2. The garden landscape and layout has seen several changes in its lifetime, thus there is no imperative to retain an historic setting. However, considering wider issues of climate change, sustainability and biodiversity, the reinstatement proposals are seeking hard and soft landscaping which

reflect those objectives and functionality and to accord with the *City of London Open Space Strategy – Supplementary Planning Document*.

3. The former pavilion was a converted sports facility, housing a wine bar and appealing to a niche market. The new pavilion should be sited sympathetically within the landscape and appeal to the broader public requirements, and designed to ensure its commercial viability and sustainability for the long term.
4. Crossrail has occupied well over half of the garden for the last 10 years as a works site and when it vacates, will only be responsible for reinstatement of that part. The garden infrastructure is dated and reinstatement of part only would not enable the implementation of a new landscaping design or reflect the spirit and requirements of the approved planning strategy.

Overview of Options

- Option 1
 - Provide Pavilion at ground & basement levels.
 - Like-for-like area to match the space of the former pavilion.
 - Reinstate the garden landscape.
 - **Not recommended.**
- Option 2
 - Provide Pavilion at ground & basement levels.
 - Enlarge the pavilion space by consolidating it with the gardeners facility and redundant built areas.
 - 300m² gross internal area (GIA) for the pavilion.
 - 240 m² building footprint.
 - Reinstate the garden landscape.
 - **Recommended.**
- Option 3
 - As Option 2 but add a first floor lobby and service bar.
 - Incorporate a roof terrace.
 - Reinstate the garden landscape.
 - **Not recommended.**

Proposed Way Forward and Summary of Recommended Option

5. COL has taken advice from a specialist catering consultant with extensive experience in dealing with park cafes and high street A3 premises, to identify the type, size and specification of a replacement facility, who has had regard to various factors including demographics & demand, market competition, design criteria and trading style. That advice has been input into the options appraisal.
6. A like-for-like replacement, Option 1, has been included to reflect a minimum reinstatement cost COL could expect to replace the structure which Crossrail demolished, although this option is not recommended because there would be insufficient space to provide a flexible catering offer to maximise the building potential and trading competition. It would

also leave existing outmoded structures in-situ that would compromise the garden design and hinder the planning requirements for enhancing the quality and design of the open space (*City of London Open Space Strategy – Supplementary Planning Document*) (January 2015).

7. Option 3 would provide an innovative and unrivalled roof terrace helping to make this the most valuable option in terms of rent income and patronage, but there are attendant planning risks and maybe eventual conflicting tenant requirements when it comes to operate the facility, thus on balance is not recommended.
8. Option 2 is recommended. As with Option 3, it consolidates the garden structures into a single building, has sufficient space to provide daytime refreshments and evening table service, makes the best use of a purpose built structure and incorporates the design requirements that were suggested by the catering consultant.
9. Siting a new build to the east of the entrance on the southern perimeter of the garden avoids the exclusion zone within the garden that is placed around the Metropolitan underground railway line, whose structure lies fairly close to ground surface level.
10. Consolidating the gardeners space allows more rational use and frees up wasted built areas for incorporation into the garden.

Funding Strategy

11. **Compensation** – None of the options can be wholly funded by Crossrail compensation because there will be an unavoidable reduction to reflect ‘betterment’ in terms of the built structures (pavilion and hard landscaping) and further because Crossrail will not pay towards reinstatement of the whole landscape, only that part it has occupied (circa 63% of the garden).
12. The compensation discussions are subject to a deferred Upper Chamber Lands Tribunal reference in November 2018 if the parties have not settled beforehand.
13. **CIL** – a contribution to the funding shortfall can be made up from the Open Spaces Community Infrastructure Levy (CIL) pot; regulations provide that funding can be used for the ‘*provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area*’. Allocation of these funds will be subject to the approval of the Resource Allocation Sub and Policy and Resources Committees.
14. **Other Funding** – Should the preferred Option 2 be progressed there will be a further funding shortfall beyond the compensation receivable from Crossrail and the CIL funding which is restricted to certain aspects of the reinstatement. A request for additional central resources will therefore be required, at the discretion of the Resource Allocation and Policy and Resources Committees. Options will include:

- a. An allocation from the 2018/19 City Fund provision for new schemes, to be considered alongside other competing bids for resources.
- b. A request for an additional drawdown from City Fund reserves, which will also require the approval of the Court of Common Council.

15. Approval to funding is normally sought at Gateway 4(a) following approval at the detailed options appraisal stage.

Procurement Approach

16. Following development of specifications, main contractor appointment for the new Pavilion and hard landscaping to be procured via an open tender on e-sourcing.

17. Soft landscaping / planting to be undertaken using in-house team.

18. All procurement exercises will be carried out in consultation with City Surveyor's Department and City Procurement team.

Financial Implications

Description	Option 1	Option 2	Option 3
Pavilion Works & Preliminaries	£1,352,000	£2,362,000	£2,812,800
Gardeners accommodation	--	£99,000	£99,000
Design risk	£252,000	£459,000	£543,200
Surveys	£33,800	£33,800	£33,800
Sub-total	£1,637,800	£2,953,800	£3,488,800
Landscape reinstatement	£1,299,800	£1,302,000	£1,302,000
Professional fees	£398,000	£444,000	£444,000
Staff costs	£40,000	£40,000	£40,000
Total	£3,375,600	£4,739,800	£5,274,800
Costed risk	£794,500	£794,500	£814,500

notes; The construction costs are inflated to reflect a Q2-2019 works start.
All costs exclude VAT

Recommendations

- Members are asked to approve the recommended Option 2 to construct an enlarged multi-use building to house the replacement pavilion facility and the gardeners accommodation.
- Approve an additional budget of £49,500 (making a total of £240,500) to enable the appointed design team to develop detailed design for Option 2 to GW4, to be funded from Crossrail compensation.
- Note that the potential funding shortfall arising from Option 2 will require the allocation of additional central resources once firmer costs have been confirmed at the next gateway.

Options Appraisal Matrix

See attached.

Appendices

Appendix 1	Risk Register
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Contact

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Telephone Number	020 7332 1023

Options Appraisal Matrix

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
1. Brief description	<ul style="list-style-type: none"> • Provide Pavilion on a like-for-like footprint at ground & basement levels (to match the space of the former pavilion) (190m² GIA) (112m² built footprint). • Restricted internal seating • Reinstate Garden landscape 	<ul style="list-style-type: none"> • As Option 1 but; • Provide enlarged Pavilion with 240m² GIA ground floor plus 60m² basement to accommodate 130 covers. • Incorporate gardeners accommodation. 	<ul style="list-style-type: none"> • As Option 2 but; • Add 1st floor lobby and service bar (50m²) • Provide roof terrace.
2. Scope and exclusions	<ul style="list-style-type: none"> • Pavilion space is reprovided to original size. • Kitchen finished to shell & core standard. • Hard and soft landscaping reinstated. • Drinking fountains reinstated. • Bowling Green is omitted. • Bandstand is removed. • Catering brief is not met because of size constraint. 	<ul style="list-style-type: none"> • As Option 1 but; • Enlarge pavilion space to meet current demand and catering brief. • Rationalise gardeners facilities and incorporate into multi-use pavilion. 	<ul style="list-style-type: none"> • As Option 2 with additional modest 1st floor and roof terrace.
<i>Project Planning</i>			
3. Programme and key dates	<ul style="list-style-type: none"> • May 2017 GW1-2 approved. • Feb 2018 Design Team appointed. • June 2018 Open Spaces & City Gardens Members consultation - outline design options. 		

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
	<ul style="list-style-type: none"> • Jul 2018 GW3 Outline Options. • Jul 2018 Start Stage 3 design. • Aug 2018 Consult Historic England. • Sep 2018 Open Spaces & City Gardens Members consultation – preferred option design. • Sep 2018 Public consultation. • Sep 2018 Start Stage 4 design. • Oct 2018 Present GW4 detail design options. • Oct 2018 Submit planning application and listed property consent. • Oct 2018 Seek works tenders. • Feb 2019 Select works contractor. • Mar 2018 Seek GW5 authority to instruct works. • Apr 2019 Start pavilion and hard landscaping works. • Feb 2020 Practical completion. 		
4. Risk implications	<ul style="list-style-type: none"> • Planning permission / Historic England consent may be refused (listed status). • Increased cost risk arising from basement construction / Crossrail land contamination / avoiding underground railway structures / Crossrail shaft / making good Crossrail works. • Cost associated with siting of the pavilion to provide suitable direct highway access. • Crossrail departure from site is delayed, in turn delaying the construction programme. • Ground settlement following Crossrail site departure which may present unexpected complications. • Historic ground contamination. • Weak demand from potential tenants for Option 1 space jeopardising successful letting. • Option 1 space will only enable a simple café offer, impacting upon patronage and sustainability. • Pavilion building security installations. • Gardeners accommodation configuration (not with Option 1). • Utilities capacity and connections. • Extra Health & Safety issues to be considered with Option 3 roof terrace. 		

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
	<ul style="list-style-type: none"> • Crossrail compensation not yet agreed including a 'betterment' shortfall (replacing old structures with new). 		
5. Benefits and disbenefits	<ul style="list-style-type: none"> • Least costly reinstatement option. • Compromised garden design to accommodate inefficient and visually unappealing and mismatched existing structures. • No loss of open space area (City's Open Space Strategy SPD) but no improvement to overall space utilisation. • Risk of unsustainable long term café operation. 	<ul style="list-style-type: none"> • Most operationally efficient building incorporating rationalised gardeners facility. • Catering facility is likely to appeal to a wide range of established operators. • Easily accessible space. • No loss of open space area (City's Open Space Strategy SPD). • Improved overall space utilisation enhancing the garden. • Sustainable café space captures evening trade. 	<ul style="list-style-type: none"> • A roof terrace will offer the catering facility a great advantage and maximise catering alternatives and would be the most desirable option. • The added first floor structure if permitted may have planning constraints which might reduce some functionality. • Enables maximum rent income. • Accessible 1st floor design would be required including passenger lift / dumb waiter.
6. Stakeholders and consultees	<ul style="list-style-type: none"> • Members. • Public. • Local businesses. • Planning Authority. • Historic England. 		
Resource Implications			
7. Total Estimated	Pavilion £1,352,000 -- --	Pavilion £2,362,000 Gardeners accom £99,000	Pavilion £2,812,800 Gardeners accom £99,000

	Option 1	Option 2	Option 3
cost	Design risk £252,000 Surveys £33,800 sub-total £1,637,800 Landscape £1,299,800 Professional fees £398,000 Staff costs £40,000 total £3,375,600 Costed risk £794,500	Design risk £459,000 Surveys £33,800 sub-total £2,953,800 Landscape £1,302,000 Professional fees £444,000 Staff costs £40,000 total £4,739,800 Costed risk £794,500	Design risk £543,200 Surveys £33,800 sub-total £3,488,800 Landscape £1,302,000 Professional fees £444,000 Staff costs £40,000 total £5,274,800 Costed risk £814,500
8. Estimated capital value/return	<ul style="list-style-type: none"> Capital value £1.02m (pavilion only) based on 7.5% yield. 	<ul style="list-style-type: none"> Capital value £2.4m (pavilion only) based on 7.5% yield. 	<ul style="list-style-type: none"> Capital value £2.8m (pavilion only) based on 7.5% yield.
9. Ongoing revenue implications	<ul style="list-style-type: none"> Rent income (est) £76,500 pa. 	<ul style="list-style-type: none"> Rent income range (est) £155k-£193k pa. 	<ul style="list-style-type: none"> Rent income range (est) £190k-£230k pa.
	<ul style="list-style-type: none"> All pavilion options are proposed with lettings on a fully repairing basis with costs to be met by the tenant. Revenue implications of the new landscape will be provided at next Gateway, once sufficient design detail is available to enable costing 		
10. Investment appraisal	<ul style="list-style-type: none"> n/a 		
11. Affordability	£3,375,600 Project cost £nil Other funding not required	£4,739,800 Project cost £ Other funding required	£5,274,800 Project cost £ Other funding required
	<ul style="list-style-type: none"> The compensation sum is in negotiation with Crossrail and is not yet agreed. CIL regulations provide that funding can be used for the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of the area. 		

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
	<ul style="list-style-type: none"> Other funding might be drawn from the City Fund Annual Provision for New Schemes, subject to the amount involved, otherwise may be needed from City Fund reserves, and in both instances subject to separate approval. 		
12. Legal implications	<ul style="list-style-type: none"> Letting to a catering operator would be upon suitable fully repairing and insuring (FRI) commercial terms including a performance based rent to maximise the income potential. A letting duration between 10-15 years is anticipated with rent review at 5 year intervals as recently enabled by the <i>City of London (Open Spaces) Act 2018</i>. As a public open space, the amount of space that can be developed is limited to 5% of the overall Garden area (<i>City of London [Various Powers] Act 1900</i>). 		
13. Corporate property implications	<ul style="list-style-type: none"> The landscaping reinstatement proposals will apply to all of the pavilion construction options. The space provided in a like-for-like replacement will limit operation to a daytime café style offer, preventing a table service evening offer, thus considerably reducing the income potential, narrowing tenant appeal which could exclude the better and well established operators. This could impact on the long term sustainability. 	<ul style="list-style-type: none"> The enlarged space is proposed to meet the anticipated demand and enable a wider catering offer to suit different demand at different times of the day. A flexible catering facility will help to ensure maximum use, thus achieving the best return from a purpose built facility in a unique central location. This option potentially doubles the rent income which may be anticipated compared to Option 1. 	<ul style="list-style-type: none"> The addition of a roof terrace to the Option 2 design would add greatly to appeal and patronage and help to boost income further. There are attendant planning concerns by adding a first floor structure and its infrastructure in the form of stairs and passenger to assist disabled access, albeit any increased operating and maintenance costs would become a tenant responsibility.

	Option 1	Option 2	Option 3
	<ul style="list-style-type: none"> • The former pavilion wine bar was formed from a converted sports pavilion and its accommodation constrained accordingly, although appealing to a niche operator but having limited general public appeal. • The Crossrail works have presented an opportunity to renew the garden with the provision of some funding thus it makes sense to provide facilities which assure their future and address the wider public demand. • Offering the ability to have an on-licence is regarded as an important feature of a new premises. 		
14. Traffic Implications	<ul style="list-style-type: none"> • A new pavilion will see the return of delivery vehicles to Finsbury Circus, which ceased in favour of all-day HGV construction traffic since Crossrail took over part of the garden in 2008. • Hours of delivery, thus associated vehicular activity, may be defined within the lease and possibly controlled to occur outside of normal business hours. 		
15. Planning Implications	<ul style="list-style-type: none"> • The pavilion is least likely to present difficulty depending upon the choice of appearance and materials. • Landscape reinstatement could be compromised by having to design around existing outmoded facilities. 	<ul style="list-style-type: none"> • Consolidated buildings retaining the same overall footprint to ensure the proposal remains compliant with planning requirements 	<p>The first floor structure, albeit modest, to enable a roof terrace and more innovative use presents a potential planning challenge from the overall appearance and massing.</p>
	<ul style="list-style-type: none"> • Finsbury Circus Garden is a Grade II listed park and garden, requiring approval from Historic England to the reinstatement proposals. • All reinstatement must reflect the <i>City of London Open Space Strategy - Supplementary Planning Document</i> (January 2015); <ul style="list-style-type: none"> • Increase public access and enhance the quality. • Make a positive contribution to biodiversity. 		

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>
	<ul style="list-style-type: none"> • Accord with high standards of sustainable and inclusive design, and take account of the urban heat island effect. • Ensure that high quality open space of equivalent or greater size is established following any temporary loss during construction projects. • Installation of a Sustainable Urban Drainage System (SUDS) might be a planning requirement. 		
16. Sustainability and energy implications	<ul style="list-style-type: none"> • A new pavilion will have to meet Building Regulation energy consumption standards and ideally reflect COL energy efficiency policies and standards. • Option 2 has the potential for a green roof to improve its environmental and sustainability credentials. • The Pavilion will need to comply with MEES Regulations – from 1st April 2023 all let property is required to have an EPC ‘E’ rating or better. • The new landscape will comprise a more sustainable and drought tolerant planting scheme selected for its diversity, aesthetic appeal and resilience to climate change, displacing historic seasonal bedding which is expensive to buy and maintain. • Possible installation of a Sustainable Urban Drainage System (if a planning requirement). 		
17. IS Implication	<ul style="list-style-type: none"> • Provision of suitable cabling and services to enable take-up of wired technology for the respective occupiers. 		
18. Equality Impact Assessment	<ul style="list-style-type: none"> • The pavilion design is intended to be fully accessible. 		
19. Recommendation	Not recommended	Recommended	Not recommended
20. Next Gateway		Gateway 4 – Detailed Option Appraisal	

	<i>Option 1</i>	<i>Option 2</i>	<i>Option 3</i>																																								
21. Resource requirements to reach next Gateway	<table border="1"> <thead> <tr> <th>Item</th> <th>Description</th> <th>Funds Source of Funding</th> <th>Budget Approved at Gateway 2</th> <th>Additional Budget now Requested</th> </tr> </thead> <tbody> <tr> <td>Fees</td> <td>Feasibility study</td> <td>Crossrail Compensation</td> <td>£138,000</td> <td></td> </tr> <tr> <td></td> <td>Specialist consultants</td> <td>Crossrail Compensation</td> <td>£42,000</td> <td></td> </tr> <tr> <td></td> <td>QS / Archaeology / Catering consultant</td> <td>Crossrail Compensation</td> <td></td> <td>£12,000</td> </tr> <tr> <td>Surveys</td> <td>Topographic Finsbury Circus 3D modelling Soil Analysis</td> <td>Crossrail Compensation</td> <td></td> <td>£30,000</td> </tr> <tr> <td>Staff costs</td> <td></td> <td>Crossrail Compensation</td> <td>£11,000</td> <td>£7,500</td> </tr> <tr> <td>total</td> <td></td> <td></td> <td>*£191,000</td> <td>£49,500</td> </tr> <tr> <td></td> <td colspan="2">*Spent / committed to-date</td> <td>£149,823</td> <td></td> </tr> </tbody> </table>			Item	Description	Funds Source of Funding	Budget Approved at Gateway 2	Additional Budget now Requested	Fees	Feasibility study	Crossrail Compensation	£138,000			Specialist consultants	Crossrail Compensation	£42,000			QS / Archaeology / Catering consultant	Crossrail Compensation		£12,000	Surveys	Topographic Finsbury Circus 3D modelling Soil Analysis	Crossrail Compensation		£30,000	Staff costs		Crossrail Compensation	£11,000	£7,500	total			*£191,000	£49,500		*Spent / committed to-date		£149,823	
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PROPERTY PROJECT GROUP - PROJECT RISK REGISTER

Project	Finsbury Circus	1. Overall risk synopsis
Project Number	17800015	Synopsis:
Risk owner	City of London unless otherwise stated	
Date of review	04.07.18	

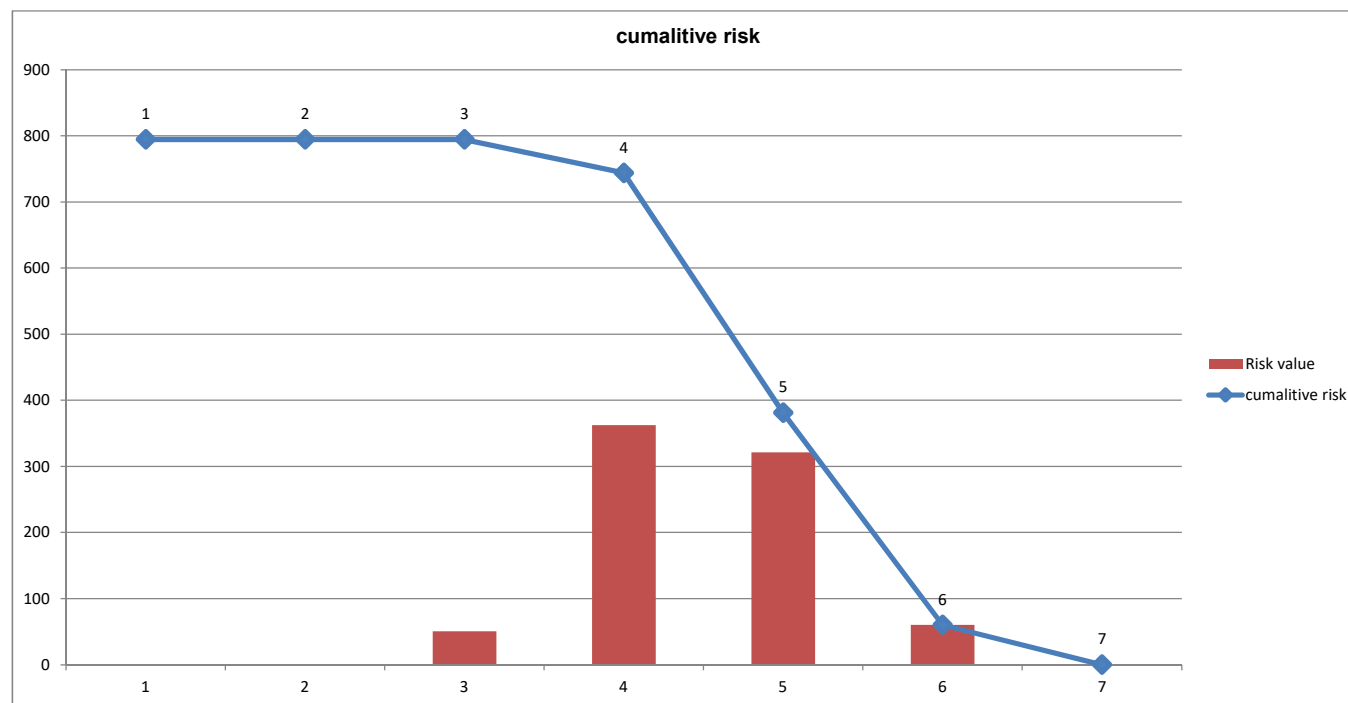
2. Risk profile synopsis by sector

Risk sector	red risk (£'000)	amber risk (£'000)	green risk (£'000)	sector risk (£'000)	No. Unassessed risk	Risk sector synopsis graph	Risk sector synopsis
						0 100 200 300 400 500 600 700 800 900	
Capital Expenditure	0	0	61.4125	61.4125	0		0
Law & policy	0	0	0	0	1		No key risks of law / policy change
Marketplace	0	36.5625	15	51.5625	0		Framework procurement route for consultants dictated by programme.
People	0	0	15.3125	15.3125	0		Allowance for Archeologist to be determined.
Reputation	0	0	9.375	9.375	0		No key risks of law / policy change
Technology	175	148.75	0	323.75	0		Insufficient record documentation to design substructure. Consultation with utilities required.
Consents	0	26.25	13.125	39.375	0		Abortive fees possible given the planning risk in listed setting.
Construction	0	251.25	42.5	293.75	0		Archeology and substructure most significant risks associated with construction, delay and additional preliminaries.
Insurance	0	0	0	0	0		No anticipated general insurance risk
Totals	175	462.8125	156.725	794.5375	1		

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3. Risk Profile synopsis by programme

CoL Gate	RIBA	risk value	cumalitive risk
1	Stage 1	0	794.5375
2	Stage 2	0	794.5375
3	Stage 3	50.75	794.5375
4	Stage 4	362.5	743.7875
5	Stage 5	321.2875	381.2875
	Stage 6	60	60
7	Stage 7	0	0
		794.5	



Notes: This is a summary of the full project risk register consisting of data automatically reported from the full register and commentary based on the last review. Table and graph show total risk ratings (£'s) from each sector (as listed to the left of the graph) from the full register. Red risks are rated >£100,000, amber £25,000 - £100,00 and green <£25,000. Total risk cost for each sector is given in the white column. Please note because of their higher value red risks will tend to dominate the graph, which simply presents the data in the table graphically. Blue column shows number of unassessed risks in each sector (insufficient information etc). This represents the degree of uncertainty - higher the number the higher the uncertainty. The one line synopsis are reported automatically for each sector from the full register.

4. Top 5 Risks

	Key Specific Risk	Loss (£'000)
1	Substation requirement	175
2	Construction adjacent to underground line	75
3	Ground settlement following CRL vacating the site.	62.5
4	Delays designing and installation of utilities	60
5	Unkown below ground obstructions	60

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