

Committees: Corporate Projects Board - <i>for information</i> Streets and Walkways Committee - <i>for decision</i> Projects Sub - <i>for decision</i>	Dates: 25/11/20 18/2/21 23/2/21
Subject: 80 Fenchurch Street Unique Project Identifier: 12033	Gateway 6: Outcome Report Regular
Report of: Director of the Built Environment Report Author: Daniel Laybourn, City Transportation	For Decision
PUBLIC	

Summary

1. Status update	Project Description: To undertake the required Section 278 highways works in the vicinity of the development at 80 Fenchurch Street. All project costs were fully funded by the Developer. RAG Status: Green Risk Status: Low - this project is fully reimbursable (deemed low at previous report) Risk Provision Utilised: £14,181 Final Outturn Costs: £298,181 (excluding Commuted Maintenance)
2. Next steps and requested decisions	Requested Decisions: Members of Streets and Walkways and Project Sub- Committees are asked to: <ul style="list-style-type: none"> • Approve the content of this outcome report; • Authorise the Chamberlain's department to return unspent section 278 funds to the Developer as set out in the respective legal agreement (subject to the verification of the final account); and

	<ul style="list-style-type: none"> • Agree to close the 80 Fenchurch Street project.
3. Key conclusions	<p>The improvements, as can be seen in Appendix 1, have been successfully implemented in parallel with the completion of the building as agreed with the Developer. There was an approximate two-month delay to the construction phase starting from April to June 2020 due to the COVID-19 lockdown. There were no substantial impacts on any stakeholder arising from this and work was able to resume in conjunction with the Developer's programme. Work was then completed in early October, rather than August, 2020 but this still aligned with the revised occupation date of the development.</p> <p>Following a request from the Developer to more closely align the S278 works to the completion of the building, an additional payment of £23,938 was required under the S278 agreement to cover associated extra labour costs. These additional costs, plus a £14,181 risk drawdown, covered the move from three areas of work within the agreed scope to six smaller areas, with the economies of scale for materials and labour reducing. Accepting this request resulted in some issues during the construction phase that are explored in this report. However, the project was eventually completed within the original approved budget despite the additional funding request as a number of technical issues were designed out during the construction phase.</p>

Main Report

Design & Delivery Review

4. Design into delivery	The proposed design has successfully accommodated the associated new development. The City's Highways Team and the term contractor (J B Riney) worked together with the developer to re-programme works where necessary.
5. Options appraisal	The project was limited in its opportunities to explore different designs due to both the standardised nature of the work and the tangible restrictions around them, such as building lines and the road network. Therefore, alternative options were not explored.
6. Procurement route	The design was prepared in-house by the City's highways team and the City's term contractor was used to deliver the project.
7. Skills base	The Project Team had the skills, knowledge and experience to manage and deliver the project.

8. Stakeholders	Local stakeholders, such as neighbouring buildings, were engaged throughout the processes and the project was able to deliver the highways changes to the Stakeholder's satisfaction.
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Variation Review

9. Assessment of project against key milestones	As mentioned above, the City's construction period was delayed by the COVID-19 pandemic and resulting lockdown, meaning that work was completed in October, rather than August, 2020. However, the completion of the highways works still aligned with the delayed occupation of the new development and had no impacts on any other stakeholders.
10. Assessment of project against Scope	Whilst a utility chamber issue was eventually designed out during construction, there was no substantial changes in design to that approved at Gateway 5. This was achieved by opening a dialogue with the Developer and the statutory undertakers involved as early as possible to confirm the scope of work required.
11. Risks and issues	By accepting the developer's request to more closely align the construction phases to the completion of various sections of the building resulted in issues for the City's contractor, JB Riney. Mostly this related to the planned release of work areas around the building not being kept to which then entailed constant rejigging of the construction programme to keep pace and avoid downtime or decant from site. Please see section 18 for more details. Accepting the Developer's request was also the reason for a £14,181 risk drawdown as explained in section 3.
12. Transition to BAU	The project is now complete and has been passed over to the Highways Maintenance team to manage. The scheme was designed and built to the City's specifications, and the City will claim the required commuted maintenance sum at the time of the final account verification.

Value Review

13. Budget	<table border="1"> <tr> <td data-bbox="491 1809 778 1921"><i>Estimated Outturn Cost (G2)</i></td> <td data-bbox="778 1809 1369 1921">Estimated cost – £220,000 to £240,000</td> </tr> </table>	<i>Estimated Outturn Cost (G2)</i>	Estimated cost – £220,000 to £240,000
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	<i>G5 Budget</i>	<i>Final Outturn Cost (as of 16/11/2020)</i>
<i>Fees</i>	<i>£13,250</i>	<i>£6,938</i>
<i>Staff Costs</i>	<i>£48,957</i>	<i>£62,860</i>
<i>Works</i>	<i>£163,190</i>	<i>£178,430</i>
<i>Utilities</i>	<i>£66,000</i>	<i>£49,952</i>
<i>Risk</i>	<i>£24,478</i>	<i>-</i>
<i>Maintenance*</i>	<i>£9,650</i>	<i>£9,650</i>
<i>Total</i>	<i>£325,525</i>	<i>£307,831</i>

** Commuted maintenance sum to be charged for at the point of final account verification.*

For more detail, please see **Appendix 2.**

Please confirm whether the Final Account for this project has been verified – They have not been verified as of 16/11/20

14. Investment	Not applicable.
15. Assessment of project against SMART objectives	<p>The project achieved its objectives of:</p> <ul style="list-style-type: none"> • Works to the public realm in the vicinity of the Development which make it acceptable in planning terms and are well received by stakeholders; • Developer reacts favourably to the result of the project; and • Builds upon the Aldgate Square improvements as per the local area strategy.
16. Key benefits realised	<ul style="list-style-type: none"> • The project has implemented measures that both improve the environment for people walking and that enhance the public realm; and • It has also delivered highway changes that accommodates the new development and met the needs of the developer

Lessons Learned and Recommendations

17. Positive reflections	<p>Throughout the project, the project team worked very well with the Developer and their contractors, who were the main stakeholders throughout the project. Despite the effects of the COVID-19 Pandemic, project staff were still able to effectively manage the project both remotely at home and by making limited site visits.</p> <p>In terms of governance, the delegation of authority to the Chief Officer to both approve risk drawdowns and increase project budgets fully funded by the developer worked very well. It not only streamlined both processes but avoided an extra committee report when increasing the project budgets was required.</p>
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<p>18.Improvement reflections</p>	<p>As mentioned earlier, the agreed site handover phasing was not kept to by the Developer’s contractors. This meant the project team were constantly having to reactively reprogramme the S278 works, on a near daily basis at times, to ensure work continued in the most efficient way possible. Its worth noting that this was happening under the effects of the COVID-19 restrictions, so it was more complicated for the project team to visit site and attend meetings as they had been able to do before.</p> <p>In reflection, this issue arose from the project team agreeing to follow the Developer’s construction programme more closely than usual, so the overall site programme was kept as efficient as possible. This agreement was made by the project team on the basis of closer co-operation between the City and Developers, and the Developer involved was made aware of the risks that come with a tighter programme. However, with the issues that occurred, the project team would advise that any future similar projects allow at least a month’s gap between the Developer’s project finished with a given area to when the City’s construction work starts to avoid the issues experienced on this project.</p>
<p>19. Sharing best practice</p>	<p>Dissemination of information through team and project staff briefings has taken place</p>
<p>20. AOB</p>	<p>The project predates the requirement for project coversheets. Therefore, none are included in the appendices of this report.</p>

Appendices

<p>Appendix 1</p>	<p>80 Fenchurch Street – Before & After Photos</p>
<p>Appendix 2</p>	<p>80 Fenchurch Street – Final Project Costs</p>

Contact

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