

Committees: Corporate Projects Board - for decision Projects Sub - for decision Streets & Walkways - for decision	Dates: 09 February 2021 23 February 2021 18 February 2021
Subject: 1 Leadenhall Street Section 278 Highway Works Unique Project Identifier: PV ID: 12256	Gateway 2: Project Proposal Light
Report of: Director of the Built Environment Report Author: Maria Herrera – City Public Realm	For Decision
<h1>PUBLIC</h1>	

Recommendations

1. Next steps and requested decisions	<p>Project Description: Section 278 (S278) highway works to facilitate the new development.</p> <p>Next Gateway: Gateway 5 - Authority to Start Work (Light)</p> <p>Next Steps:</p> <ul style="list-style-type: none"> • Develop detailed design with developer and Transport for London, undertake preparatory survey work and liaise with utility companies. • A Section 278 agreement will be negotiated and entered into with the developer, to release funding for the scheme. <p>Funding source: Section 278 contribution</p> <p>Requested Decisions:</p> <ol style="list-style-type: none"> 1. That budget of £100,000 is approved for detail design, engagement with stakeholders and survey work to reach the next Gateway; 2. Note the total estimated cost of the project at £550,000 - £800,000 (excluding risk).
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2. Resource requirements to reach next Gateway

Item	Reason	Funds/ Source of Funding	Cost (£)
Staff costs	Project management and detailed design	S278	£50,000 (P&T) £30,000 (Highways)
Fees	Topographical and radar surveys, site investigations and utilities.	S278	£20,000
Total			£100,000

P&T staff costs allocation – £50,000

Officers' time associated with project management, internal reporting procedure and negotiating the terms of the legal agreement, facilitating the detail design and technical discussions with working group, securing the necessary approvals from key stakeholders and engagement with Transport for London.

Highways staff costs allocation – £30,000

Staff costs associated with evaluation and detail design stage, production of construction package, drainage, liaison with utility companies and securing permits.

Professional fees allocation - £20,000

This will cover the procurement of technical assessments, including any surveys and utility enquiries.

Timescales for the design and delivery of the project are considered to be 2 -3 years, subject to confirmation of developers' construction timescales. Any underspend on staff costs allocation is proposed to be carried forward to the next Gateway approval to oversee the implementation of the scheme, engagement with stakeholder and post-implementation monitoring.

<p>3. Governance arrangements</p>	<ul style="list-style-type: none"> • Service Committee: Streets & Walkways. • Senior Responsible Officer: Tom Noble, Group Manager Business Development & Development Management. • Project Board not required due to modest size and limited scope of project.
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Project Summary

<p>4. Context</p>	<p>1. The planning application for 1 Leadenhall Street (18/00740/FULEIA) was submitted on 16th July 2018 and planning permission granted on 28 March 2019.</p> <p>The application includes the demolition of the existing buildings and redevelopment to provide a 36-storey building, providing retail, and 28 floors for office use, and a publicly accessible terrace at the fourth floor.</p> <p>2. Under the Section 106 Agreement the developer is obligated to fund the required works on the public highway considered necessary to make the development acceptable in planning terms.</p> <p>3. As required by the S106 Agreement (Section 3, Para 7: Section 278 Agreement works), the City received in November 2020 the initial S278 Agreement works payment of £100,000, for the purpose of undertaking the detailed design, evaluation, surveys and consultation required for the successful delivery of the highway works.</p> <p>4. A separate Section 278 Agreement between the Developer and Transport for London is also being progressed for the highway works on Bishopsgate. City officers are working in collaboration with TfL and the developer to ensure a coherent design is achieved.</p>
<p>3. Brief description of project</p>	<p>The scope of the Section 278 works will include the following elements:</p> <ul style="list-style-type: none"> - Leadenhall Street: Paving the footways surrounding the development in high quality Yorkstone. Opportunities to widen the footway on Leadenhall Street will be explored at the next stage, in line with the objectives of the Transport Strategy and the City Cluster Vision. Security requirements will also be considered.

	<ul style="list-style-type: none"> - Whittington Avenue: Raising the carriageway to footway level, paved in granite setts, to improve accessibility and pedestrian comfort levels in the area. This will enhance the approach to Leadenhall Market and nearby retail units. Officers have also discussed the opportunity of introducing a vehicle restriction on Whittington Avenue to improve pedestrian safety. This will be evaluated at the next stage in consultation with the developer and local stakeholders. - Bishopsgate: Improvements to the footways and realignment of the junction of Leadenhall Street and Bishopsgate is subject to a separate Section 278 agreement between the developer and Transport for London, currently underway.
4. Consequences if project not approved	<p>The City's obligations as set out in the Section 106 Agreement would not be fulfilled.</p> <p>There will be no mechanism through which the required highway changes to accommodate the new development, along with the projected increase in footfall can be delivered. Therefore, resulting in an unsafe and unpleasant environment for pedestrians.</p>
5. SMART project objectives	<ul style="list-style-type: none"> - To create additional space for people to walk safely - To increase the extent of pedestrian-priority streets, in line with the aims of the Transport Strategy. - To ensure the street environment can accommodate the predicted increase in footfall as a result of the new development.
6. Key benefits	<ul style="list-style-type: none"> - To improve the public realm surrounding the development to create an attractive and safe street environment. - To provide public spaces which are flexible in use and enable other activities to take place. - Provide a fully accessible thoroughfare in the approach to Leadenhall Market and support the area as a local destination.
7. Project category	4a. Fully reimbursable

8. Project priority	B. Advisable
9. Notable exclusions	None.

Options Appraisal

10. Overview of options	<p>An indicative scope of works has been discussed and agreed with the developer and Transport for London. Officers will explore opportunities to potentially expand the scope of works if appropriate, in line with the S106 Agreement.</p> <p>Refer to Appendix 3 for plan of the site and scope of project.</p>
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Project Planning

11. Delivery period and key dates	<p>Overall project:</p> <ul style="list-style-type: none"> - Feb-April 2021: Progress with detailed design stage, consultation and commission surveys. - May-June: Draft and agree Section 278 Agreement - June 2021: Sign Section 278 Agreement (18 June - target date for development to commence and related to a planning condition. However, mechanisms have been discussed to extend the deadline if needed without impacting the developers' programme) <p>July – December 2021: Completion of design work and construction information. Engagement with stakeholders.</p> <ul style="list-style-type: none"> - Q1 - 2022: Gateway 5 report – Authority to Start work Sign-off construction package and obtain highway permits. Liaison with local stakeholders ahead of implementation. - Construction of works: Q3 - 2022 (To be confirmed, subject to developer's programme and access to site) <p>Key dates: Next Gateway 5 report March-April 2022</p> <p>Other works dates to coordinate: Transport for London highway works on Bishopsgate to be coordinated with the delivery of the City's S278 works. Regular meetings are being held to ensure the full scope of works is delivered in a timely</p>
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	manner to minimise the impact on the street network and pedestrian routes.
12. Risk implications	Overall project risk: Low There are no red or amber risks which have been identified at this time. Further information available within the Risk Register (Appendix 2).
13. Stakeholders and consultees	<ol style="list-style-type: none"> 1. Brookfield – Developer 2. Transport for London – Highway works on Bishopsgate an up to boundary line on Leadenhall Street. 3. Leadenhall Market 4. Local retail units and occupiers nearby the development 5. Nearby construction sites on Bishopsgate and Leadenhall Street. 6. City of London officers: Transport and Public Realm Division, Planning Division and Highways.

Resource Implications

14. Total estimated cost	Likely cost range (excluding risk): £550,000 - £800,000 <i>(subject to final scope agreed)</i> Likely cost range (including risk): N/A									
15. Funding strategy	Choose 1: All funding fully guaranteed	Choose 1: External - Funded wholly by contributions from external third parties								
	<table border="1"> <thead> <tr> <th>Funds/Sources of Funding</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td>Initial Section 278 Agreement contribution</td> <td>£100,000</td> </tr> <tr> <td>Section 278 Agreement payment</td> <td>£700,000*</td> </tr> <tr> <td style="text-align: right;">Total (* estimated cost)</td> <td>£800,000*</td> </tr> </tbody> </table>		Funds/Sources of Funding	Cost (£)	Initial Section 278 Agreement contribution	£100,000	Section 278 Agreement payment	£700,000*	Total (* estimated cost)	£800,000*
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16. Investment appraisal	None.									
17. Procurement strategy/route to market	N/A. The project will be implemented by the City's term contractor. Design and project management work will be undertaken in-house by the Transport & Public Realm Division, and Highways.									

18. Legal implications	None foreseen at this time. A S106 Agreement has already been executed which includes the obligation to enter into a separate S278 for the design and implementation of the Highway Works. The s278 agreement will be progressed shortly and will be finalised by Gateway 5.
19. Corporate property implications	None.
20. Traffic implications	Minimal implications are foreseen at this stage. Works on Leadenhall Street will be coordinated with TfL to ensure minimal disruption to bus routes is caused. Works on Whittington Avenue will be undertaken via a road closure, whilst allowing for pedestrian access to the market and nearby retail units. Works on Bishopsgate will be coordinated by TfL in close liaison with the City's Highways Division.
21. Sustainability and energy implications	1. All materials are in line with the City's approved palette of materials to ensure a high quality and durable finish, therefore reducing maintenance.
22. IS implications	None.
23. Equality Impact Assessment	An EQIA will be undertaken at the next stage and prior to submitting the Gateway 5 report.
24. Data Protection Impact Assessment	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.

Appendices

Appendix 1	Project Briefing
Appendix 2	Risk Register
Appendix 3	1 Leadenhall Street – site plan

Contact

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