

Committees: Corporate Projects Board - for information Streets and Walkways Committee - for decision Projects Sub Committee - for decision	Dates: 31 March 2021 29 April 2021 17 May 2021
Subject: Bloomberg Development Highway Works Unique Project Identifier: 10744	Gateway 6: Outcome Report Regular
Report of: Director of the Built Environment Report Author: Leah Coburn – City Transportation	For Decision
PUBLIC	

Summary

1. Status update	Project Description: Changes to the highways layout around the Bloomberg development including changes to Cannon Street, Walbrook, Bucklersbury, Queen Victoria Street and Queen Street. RAG Status: Green (Green at last report) Risk Status: Low (Low at last report) Final Outturn Cost: £3,443,964 The project was delivered on time and under budget.
2. Next steps and requested decisions	Requested Decisions: Members of Streets and Walkways and Projects Sub Committees are asked to: <ul style="list-style-type: none"> • Note the content of this report • Agree to close the Bloomberg Development Highways project • Authorise the Chamberlain’s department to return unspent S278 funds to the developer, subject to verification of the final accounts

	<ul style="list-style-type: none"> • Authorise the Chamberlain's department to return the Section 106, CIL and City's Cash balances to their respective accounts/codes
<p>3. Key conclusions</p>	<p>The works have been completed to a high quality and provide an appropriate setting for the European headquarters of Bloomberg L.P. The highways works around the building entrances were completed on time for the building's occupation.</p> <p>Due to the gas main replacement works and associated closures of Cannon St since the project has finished, and then the impact of the COVID pandemic on traffic movement it has not been possible to analyse whether improvements in road safety have been realised through this project. Continued monitoring of road safety issues will be managed through the Road Danger Reduction and Active Travel Plan 2018-2023.</p> <p>There is a reasonable level of underspend on the development split across the multiple funding streams due to lower than estimated construction and utilities costs.</p> <p>The wording in the S256 agreement does not require the underspend of the Highways Works Payment (made under the second s278 agreement) to be returned but prohibits its expenditure on anything other than the specified works unless agreed with the developer. However further discussions with the Developer have indicated their strong preference for this funding to be returned to them rather than for their agreement to its expenditure on alternative measures. Officers advise that without the Developer's agreement to alternative expenditure the sum cannot be spent and its retention is of no benefit to the City. Its return is recommended.</p>

Main Report

Design & Delivery Review

<p>4. Design into delivery</p>	<p>The following items are of particular note for this project's review:</p> <p>Engagement</p>
---------------------------------------	-------------------------------------------------------------------------------------------------------

Working group meetings were held with neighbouring businesses. These were attended by the highways design team. This combined approach ensured design and construction programming took into consideration the requirements and access needs of all working group members.

Programme

During construction there were a number of emergency utility repairs needed on Cannon Street and works on Queen Victoria Street associated with the Bank Station Capacity Upgrade which required close coordination and a flexible approach to the street works programme. Part of the works needed to be accelerated to meet the deadline for the official opening of the Bloomberg buildings in October 2017.

Timetabling of works also needed to take into consideration two Lord Mayor's shows and the resurfacing work at Tower Bridge. Despite these challenges the work at Cannon Street was completed in time for the Bank on Safety scheme being implemented at Bank Junction. Street work was able to continue to on Queen Victoria Street after the Bank on Safety Scheme has settled in.

Additional funding for work on Bucklersbury

Additional funding became available for the works at Bucklersbury through the boundary adjustment negotiation with the developer (s256 agreement). The resurfacing work on Bucklersbury was already included in the original scope which meant there was no delay to commencing this work.

Retained elements

Once the cobbles were removed on Bucklersbury and Walbrook it was apparent that the existing basecourse could be retained for the new granite setts. This reduced the construction time and the cost significantly of this element of the project.

Drainage redesign

The discussions around building drainage were not advanced enough when the design was finalised so resulted in a late design change. These were also tied into a boundary adjustment agreement (S256) to rationalise the boundary between the private and public highway. Once the S256 boundary adjustment agreement between Bloomberg and the City Corporation had been completed a part of the drainage design needed to be redesigned during construction.

<p>5. Options appraisal</p>	<p>The Gateway 3 / 4 presented to members in late 2015 only provided one option. This was to narrow Cannon St carriageway and widen footways, raise the carriageways on Walbrook and Bucklersbury and repave in granite setts to provide a level walking surface. The signalised junction of Queen Victoria St and Queen St was upgraded to provide a diagonal crossing on the pedestrian desire line between the new walkway created through the Bloomberg building and Watling. Further footway and carriageway resurfacing was undertaken around the development site.</p> <p>The recommended option was informed and shaped by the highway needs of local stakeholders represented on the Bloomberg Working Party. It also reflected the form of the development which already had planning permission and met the pedestrian desire line around the building. Footway widening on Cannon Street was added in to address the road safety issue previously experienced here.</p> <p>City's cash funding was obtained to resurface the section of highway outside Mansion House which is not highway maintained at public expense.</p> <p>This option met the project's objectives and there have been no significant changes made to the design through to construction.</p>
<p>6. Procurement route</p>	<p>Construction of the highways works was undertaken by the City Corporation's term contractor JB Riney. The work was finished to a very high quality. The team were very flexible in their approach to delivery which was necessary to work around the release of areas of highway by the Developer and the numerous disruptions from the emergency utility works.</p>
<p>7. Skills base</p>	<p>Detailed design work and construction supervision was provided by the Highways team. As noted below, the successful delivery of this project was in part due to the design engineer being co-located with the developer's design team for the duration of the construction works.</p>
<p>8. Stakeholders</p>	<p>The site is bounded by a number of neighbouring stakeholders. A working group ('The Bloomberg Working Party') was convened once the project was initiated to ensure the various stakeholders' needs were catered for. This group included nine local stakeholders including Bloomberg, Mansion House, the City of London Magistrates' Court and Transport for London. Through a series of meetings, a schedule of highways needs was developed. This included servicing, special events and emergency evacuation</p>

	<p>requirements. These needs were fed into the highway design, which was then agreed by the parties.</p> <p>Throughout the 18-month construction period regular contact was maintained with these stakeholders both through the project engineer, project manager and the stakeholder engagement officer. Traffic management plans were provided in advance of any changes to road arrangements along with regular correspondence.</p> <p>In particular the Magistrates' Court had particular access needs, Mansion House and St Stephen Walbrook Church held regular and special events which required planning to minimise noise disruption (and provide highways space for state banquets etc), the restaurants on Queen Street required different working hours to facilitate lunchtime trade and deliveries to the Rothschild's building, the Walbrook Building and all local businesses needed to be maintained.</p>
--	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Variation Review

<p>9. Assessment of project against key milestones</p>	<p>The necessary highways works around the development site were completed in time for the buildings' occupation in late 2017. This was the milestone set out in the Gateway 5 report. Additional works around Queen Victoria Street were completed in September 2018 which was delayed due to the emergency gas work on Cannon Street. Queen Victoria Street needed to remain open for diverted traffic.</p> <p>Overall the programme of construction work took two years.</p>
<p>10. Assessment of project against Scope</p>	<p>There was no change to scope during the course of the project delivery.</p> <p>Works to Bucklersbury were included in the scope of the project but identified as unfunded. Once work started on site further funding was provided by Bloomberg as part of the boundary adjustment agreement to advance this construction work at the same time.</p>
<p>11. Risks and issues</p>	<p>None of the identified key risks became issues. There was a large amount of reprogramming required around the emergency utility works but this was able to be done without impact on project costs.</p> <p>Having the City's Design Engineer closely supervising the construction of the highways works and working alongside the developer's engineering consultants meant that the risks were proactively managed. Relevant GPR surveys were also undertaken prior to concluding the detailed design.</p>

12. Transition to BAU	<p>A commuted sum was included for ongoing maintenance of the street trees along Queen Victoria Street.</p> <p>As part of the Section 256 boundary adjustment agreement the City Corporation is taking some private surface water from the development site into the City's highway drainage system. The developer has provided a commuted maintenance sum to allow for enhanced street cleaning and surface water drainage maintenance in the area.</p>

Value Review

13. Budget	<table border="1"> <thead> <tr> <th>Budget History</th> <th>Estimated cost (including risk):</th> </tr> </thead> <tbody> <tr> <td><i>Estimated Outturn Cost 2</i></td> <td>£4,899,000</td> </tr> <tr> <td><i>Estimate Cost at G5</i></td> <td>£4,692,143</td> </tr> <tr> <td><i>Overall cost of project</i></td> <td>£3,443,964</td> </tr> </tbody> </table>		Budget History	Estimated cost (including risk):	<i>Estimated Outturn Cost 2</i>	£4,899,000	<i>Estimate Cost at G5</i>	£4,692,143	<i>Overall cost of project</i>	£3,443,964																					
	Budget History	Estimated cost (including risk):																													
<i>Estimated Outturn Cost 2</i>	£4,899,000																														
<i>Estimate Cost at G5</i>	£4,692,143																														
<i>Overall cost of project</i>	£3,443,964																														
	<table border="1"> <thead> <tr> <th>Funding source</th> <th>Approved budget (£)</th> <th>Expenditure (£)</th> <th>Balance (£)</th> </tr> </thead> <tbody> <tr> <td><i>S278 Funding</i></td> <td><i>2,789,143</i></td> <td><i>2,426,281</i></td> <td><i>362,862</i></td> </tr> <tr> <td><i>S106 Funding</i></td> <td><i>734,200</i></td> <td><i>402,916</i></td> <td><i>331,284</i></td> </tr> <tr> <td><i>CIL</i></td> <td><i>425,000</i></td> <td><i>182,324</i></td> <td><i>242,676</i></td> </tr> <tr> <td><i>S256 Funding</i></td> <td><i>673,800</i></td> <td><i>390,166</i></td> <td><i>283,634</i></td> </tr> <tr> <td><i>City's Cash</i></td> <td><i>70,000</i></td> <td><i>42,277</i></td> <td><i>27,723</i></td> </tr> <tr> <td>Totals</td> <td>4,692,143</td> <td>3,443,964</td> <td>1,248,180</td> </tr> </tbody> </table>			Funding source	Approved budget (£)	Expenditure (£)	Balance (£)	<i>S278 Funding</i>	<i>2,789,143</i>	<i>2,426,281</i>	<i>362,862</i>	<i>S106 Funding</i>	<i>734,200</i>	<i>402,916</i>	<i>331,284</i>	<i>CIL</i>	<i>425,000</i>	<i>182,324</i>	<i>242,676</i>	<i>S256 Funding</i>	<i>673,800</i>	<i>390,166</i>	<i>283,634</i>	<i>City's Cash</i>	<i>70,000</i>	<i>42,277</i>	<i>27,723</i>	Totals	4,692,143	3,443,964	1,248,180
Funding source	Approved budget (£)	Expenditure (£)	Balance (£)																												
<i>S278 Funding</i>	<i>2,789,143</i>	<i>2,426,281</i>	<i>362,862</i>																												
<i>S106 Funding</i>	<i>734,200</i>	<i>402,916</i>	<i>331,284</i>																												
<i>CIL</i>	<i>425,000</i>	<i>182,324</i>	<i>242,676</i>																												
<i>S256 Funding</i>	<i>673,800</i>	<i>390,166</i>	<i>283,634</i>																												
<i>City's Cash</i>	<i>70,000</i>	<i>42,277</i>	<i>27,723</i>																												
Totals	4,692,143	3,443,964	1,248,180																												
	<p>Please confirm whether or not the Final Account for this project has been verified. No</p> <p>There is an underspend of approximately 20% of the value of the project. This was in part due to the age of the project before Costed Risk Provision was utilised and so a risk 'buffer' is likely to have been included in highways cost estimate.</p> <p>The largest element of the underspend was due to allowing for full replacement of basecourse within the carriageway which upon excavation was found not to be required.</p>																														
14. Investment	N/A																														
15. Assessment of project against SMART objectives	The Gateway 5 for this report was written prior to Smart Objectives being set. The project however was successfully delivered on time to the satisfaction of the developer.																														
16. Key benefits realised	Because of the significant lengths of time Cannon Street has been closed since the highways works were completed we are unable to determine if the road safety improvements have been realised. This location will continue to be monitored as part of the Road Danger Reduction and Active Travel Plan 2018-2023.																														

Lessons Learned and Recommendations

17. Positive reflections	<p>The delivery of the project was successful due to the close working relationship between the Highways team and the Developer's design team, and with the ongoing stakeholder management. The site was located in a challenging area with a number of very different stakeholders surrounding the site and a high volume of pedestrian movements which had to be maintained during the construction works. Constant engagement with stakeholders ensured that we minimised the impact on surrounding premises.</p> <p>The close working relationship with the term contractor and their willingness to be flexible meant that delays due to emergency gas works did not impact on programme or cost.</p> <p>The quality of the work is very high and reflects the quality of the Bloomberg development, the surrounding listed buildings and the conservation area. The replacement of the cobbles with cropped granite setts provides a much-improved surface for people walking.</p> <p>This project is also a good example of combining various funding sources to deliver a more comprehensive highway project. We were able to incorporate a diagonal crossing at the crossing of Queen Street, Queen Victoria Street and Watling Street. This is the first diagonal crossing in the City and provides a crossing route on a strong pedestrian desire line between the Bloomberg Arcade and Watling Street.</p> <p>Early engagement with Bloomberg enabled a unique approach to street lighting where the building sensitively lights the public highway. This is an early exemplar of how we can work with the developer to implement the City Lighting Strategy and design out overlapping fixtures and fittings that would otherwise clutter the street and/or provide lighting levels that are too high.</p>
18. Improvement reflections	<p>The discussions around building drainage were not advanced enough when the design was finalised which resulted in a late design change. These were also tied into a boundary adjustment agreement (Section 256) to rationalise the boundary between the private and public highway. This was the first time that this form of</p>

	agreement has been entered into and it took some time to agree the terms of reference. The land ownership boundaries were complex and tying together the numerous land titles was time consuming and delayed the signing of the agreement. In future situations we may consider the use of a specialist land charges person to do this.
19. Sharing best practice	Lessons learnt have been shared through team meetings and will be entered onto project vision.
20. AOB	N/A

Appendices

Appendix 1	Finance tables
Appendix 2	Photos of completed project

Contact

Report Author	Leah Coburn
Email Address	Leah.coburn@cityoflondon.gov.uk
Telephone Number	020 7332 1567