

Committees: Corporate Projects Board <i>[for decision]</i> Projects Sub <i>[for decision]</i> Streets and Walkways Sub Committee <i>[for decision]</i>	Dates: 09 June 2021 23 June 2021 08 July 2021
Subject: Bank Junction Improvements Project: All Change at Bank Unique Project Identifier: 11401	Gateway 4C Complex Issue Report
Report of: Director of the Built Environment Report Author: Gillian Howard	For Decision
<h1>PUBLIC</h1>	

1. Status update	<p>Project Description: To improve the safety, air quality and pedestrian experience of the area around the Bank junction to reflect the historic and iconic surroundings with the appropriate sense of place</p> <p>RAG Status: Amber (Green at last report to Committee)</p> <p>Risk Status: Medium (Medium at last report to committee)</p> <p>Total Estimated Cost of Project (including risk): £5-5.6 million</p> <p>Change in Total Estimated Cost of Project (excluding risk): N/A</p> <p>Spend to Date: £1,699,610</p> <p>Total approved project budget: £1,923,410</p> <p>Funding: Funding for this scheme is to be met from a combination of TfL, S106 and central City Fund resources agreed as part of the 2020/21 annual capital bids. Resource Allocation Sub Committee has agreed the release of central funding from the On Street Parking Reserve. The additional costs identified in this report will mean that extra funding from</p>
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	<p>other sources will most likely be needed to ensure sufficient funding to deliver all of the enhancements for the scheme.</p> <p>Costed Risk Provision Utilised: £0 (£95,000 approved at G4) Slippage: yes</p>																																
<p>2. Requested decisions</p>	<p>Next Gateway: Gateway 5 – Authority to Start Work</p> <p>Requested Decisions:</p> <ol style="list-style-type: none"> 1. That an additional budget of £151,323 is approved to reach the next Gateway as explained in section 3; and that this be funded from the already approved Central funding (total approved budget of £2,074,733) 2. That a revised Costed Risk Provision of £93,000, (previously £95,000) is approved (to be drawn down via delegation to Chief Officer). 3. Agree the approach set out in section 4 to delay the consultation findings report until September 2021 to provide additional time to analyse and consider the responses fully. 4. Note the delay to the programme, which will mean that if approved, construction work for this project would not start until at least January 2022. 																																
<p>3. Budget</p>	<p>Table 1 shows the additional funding request contained within this report. Expenditure to date is shown in Appendix 3</p> <table border="1" data-bbox="528 1218 1401 1966"> <thead> <tr> <th colspan="4" data-bbox="528 1218 1401 1256">Table1: Resources Required to reach the next Gateway</th> </tr> <tr> <th data-bbox="528 1256 791 1532">Description</th> <th data-bbox="791 1256 983 1532">Latest Approved Budget (£)</th> <th data-bbox="983 1256 1174 1532">Additional Resources Required to reach the next Gateway (£)</th> <th data-bbox="1174 1256 1401 1532">Revised Budget (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 1532 791 1610">Open Spaces Staff Cost</td> <td data-bbox="791 1532 983 1610">1,000</td> <td data-bbox="983 1532 1174 1610">1,000</td> <td data-bbox="1174 1532 1401 1610">2,000</td> </tr> <tr> <td data-bbox="528 1610 791 1653">Air quality team</td> <td data-bbox="791 1610 983 1653">-</td> <td data-bbox="983 1610 1174 1653">1,400</td> <td data-bbox="1174 1610 1401 1653">1,400</td> </tr> <tr> <td data-bbox="528 1653 791 1731">DBE Structures Staff Costs</td> <td data-bbox="791 1653 983 1731">4,000</td> <td data-bbox="983 1653 1174 1731">-</td> <td data-bbox="1174 1653 1401 1731">4,000</td> </tr> <tr> <td data-bbox="528 1731 791 1809">Legal Staff Costs</td> <td data-bbox="791 1731 983 1809">5,000</td> <td data-bbox="983 1731 1174 1809">-</td> <td data-bbox="1174 1731 1401 1809">5,000</td> </tr> <tr> <td data-bbox="528 1809 791 1888">Highways Staff Costs</td> <td data-bbox="791 1809 983 1888">135,846</td> <td data-bbox="983 1809 1174 1888">-</td> <td data-bbox="1174 1809 1401 1888">135,846</td> </tr> <tr> <td data-bbox="528 1888 791 1966">P&T Staff Costs</td> <td data-bbox="791 1888 983 1966">690,625</td> <td data-bbox="983 1888 1174 1966">108,923</td> <td data-bbox="1174 1888 1401 1966">799,548</td> </tr> </tbody> </table>	Table1: Resources Required to reach the next Gateway				Description	Latest Approved Budget (£)	Additional Resources Required to reach the next Gateway (£)	Revised Budget (£)	Open Spaces Staff Cost	1,000	1,000	2,000	Air quality team	-	1,400	1,400	DBE Structures Staff Costs	4,000	-	4,000	Legal Staff Costs	5,000	-	5,000	Highways Staff Costs	135,846	-	135,846	P&T Staff Costs	690,625	108,923	799,548
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P&T Fees	1,009,576	40,000	1,049,576
Surveys	67,363	-	67,363
Revenue	10,000	-	10,000
TOTAL	1,923,410	151,323	2,074,733

Costed Risk Provision requested for this Gateway: £93,000
(as detailed in the Risk Register – Appendix 2)

Resource to reach next gateway:

The additional money requested is to cover some items of expenditure which were not previously included in the October 2020 Gateway 4.

- Open Spaces staff cost £1,000
- Utility C4 costs (detailed utility estimates required to cost up the final build cost estimate for Gateway 5) – £40,000

A budget adjustment for Open Spaces was undertaken to cover part of the cost (an initial budget of £1,000) and provide for the work undertaken in 2020/21 to be processed. An additional £1,000 is requested to reach Gateway 5, totalling a £2,000 budget. Utility C4 costs are needed to establish a better construction cost estimate.

In addition, since the G4 report a request to cover the cost of the Air Quality team for undertaking the Bank and Bank area diffusion tube (NO₂) monitoring every month has been requested.

- Air Quality Team staff cost £1,400

It is necessary for the team to now recover their staff costs which has previously been given in kind. The internal arrangement is much more cost effective than the alternative of hiring a third party to undertake the work. This would cover the cost of the Air Quality team to undertake the necessary monitoring to the G5 milestone. To note that this will be an ongoing cost as part of the monitoring strategy for All Change at Bank (should the scheme proceed to implementation).

It is also requested that the Planning and Transportation Staff costs is also increased:

- P&T staff Cost £108,923

An additional resource was required with experience of virtual platforms which had not been budgeted for in October 2020 in the Gateway 4 report. The learnings from the Climate Action Strategy and the Recovery Task Force engagement and

consultation exercises were drawn from and the project hired the same resource for consistency. The learning from other virtual consultations was discussed at committee during the February Gateway 4C report, but the resource was not yet secured.

A higher than anticipated input from the Principal Project Manager to get the consultation materials prepared ready and launched was also necessary. There is also a greater amount of work than previously envisaged to analyse the detail of the consultation responses, which forms part of this issues report.

In addition, the complexity of the gateway 4C report in February with the, then recent, TfL Bishopsgate Judicial review judgement in January also took longer to prepare than previously estimated in the Gateway 4 report.

To the end of March 2021, approximately 613 hours of the previously budgeted 933 hours for P&T staff costs to reach Gateway 5 had been expended, with 7 months still to work through.

Given the complexities of the issues around pandemic recovery and what this might look like, the outcome of the appeal of the TfL Bishopsgate Judicial review findings still not known and considered, additional consultation resources, and a greater level of detailed analysis required, the staff costs have been revisited for reaching Gateway 5 in October with these continuing complexities in mind.

A large part of this cost is the increased time required by the Principal Project Manager to be involved, which had previously been estimated at 25% of their time, which is now more realistically 50% of their time. It is recognised that this is a significant increase in comparison to the Gateway 4 estimate.

This totals an additional request of £151,323 to reach Gateway 5, a 28% increase to the original request of £541,935 in October 2020.

It is recognised that this additional money is likely to mean that, without finding additional funding from other sources, this may result in less enhancement being delivered. As stated in the Gateway 4C report in February, an exercise to identify potential alternative funding streams is underway and will form part of the Gateway 5 report in October 2021.

The project continues to assume that the total of £5.6 million is the maximum available and the Gateway 5 will set out what can be delivered within this maximum. This may mean less enhancement is provided or choice of material for some areas has to be considered to remain within that maximum. However, it is still thought that the functional change proposed can be delivered.

Costed Risk Provision

	<p>The costed risk provision has been reviewed and is contained with the Risk Register in Appendix 2</p> <p>Overall a costed risk Provision of 93,000 is requested to reach the Gateway 5 milestone.</p>
<p>4. Issue description</p>	<ol style="list-style-type: none"> 1. The Gateway 4C was considered in February 2021. This set out the design that was approved to be publicly consulted on. 2. Public consultation opened on Monday 29 March 2021 and ran for six weeks, with the online survey closing on Monday 10 May. 3. There were just over 3,600 responses received overall between the online survey (3,574 individual respondents) and email and letters received. The online survey gave responders the opportunity to provide a series of free text comments at various points in the online survey. This has resulted in more than 18,000 comments being made within the survey. The analysis of the free text comments takes more time than the analysis of the other questions in the survey which were closed questions and had a predetermined choice of answer, such as “strongly support, support, neutral, oppose or strongly oppose.” 4. With there being a small delay in the opening of the consultation survey of approximately two weeks, the programme to analyse the results was condensed in order to meet this sequence of Committees. This sequence of committees and cycles was required to stay on track with the overall project programme to achieve substantial completion by the end of 2022. The programme for analysis and writing of the committee report was condensed to approximately four weeks from the previously estimated six weeks. 5. Between the detail of the online survey 18,000 free text comments that require analysis, and a number of other stakeholder responses which require further discussion, it has not been possible to undertake the comprehensive analysis necessary in the four-week time frame available. Without this it is not possible to provide Members with the level of detail they require to make a decision as to whether to proceed to the next stage of the project. 6. Instead, it is proposed that Officers undertake the necessary due diligence to fully understand the content of the consultation response. This includes discussions with some stakeholders where concerns or queries have been raised that need to be resolved before they can conclude

their overall position on the project. It also includes the full analysis of the free text comments within the online survey.

7. It is proposed that the consultation findings report will instead be considered by Streets and Walkways Sub Committee and Projects Sub Committee in September 2021, after summer recess. This will still allow, if approved, for the Gateway 5 report to be considered in October as planned. However, it would not be possible to continue to construction in mid-November as planned.
8. The delay to the start of construction is because it is not appropriate to request the decision to proceed to advertising the proposed Traffic Orders in this current Issues report. It had been planned that any unresolved objections to the traffic order could be considered within the Gateway 5 report in October. Instead, the approval to advertise the traffic orders would now not be sought until the September committee cycle.
9. The Gateway 5 approvals would be submitted ahead of the traffic order process being completed. If the recommendation is to proceed, then this would be approved subject to the outcome of the consultation of the traffic orders. Assuming that there would be some objections that could not be resolved, an objections report would need to be considered at the December Streets and Walkway's Committee. Consideration would also need to be given to holding a public inquiry. If it was resolved not to hold a public inquiry, and to proceed to make the traffic orders at that December Committee, construction, using the term Highways contractor, would be able to commence from January 2022.
10. Whilst this is an approximate six-week delay to the construction programme, it would mean that substantial completion would no longer be achievable by the end of 2022 due to the need to have cleared the area for the Lord Mayor's Show in November. The original programme would have seen all but Threadneedle Street completed by the November Lord Mayors Show (2022), i.e., approximately 80% of the programme delivered.
11. Officers will review the phasing plans to see if there is another way of phasing the work that would minimise the impact to delivery. However, it should be recognised that it will not be possible to meet the substantial completion mark by the end of 2022 as originally aimed for. Acceleration of work may come at additional cost and this has to be balanced with the limited budget and the demands upon it.

Transport for London are still planning for the Bank Station capacity upgrade to complete in late 2022.

12. In order to stay on track with the Gateway 5 report in October, it will be necessary for some elements of the project to be worked on, essentially at risk, in advance of the consultation findings being considered by Members. This work may have to be abandoned or reversed depending upon the findings of, and subsequent decisions, of the September consultation report. The work to be undertaken at risk includes the completion of the traffic modelling work with TfL so that Traffic Management approvals can be sought in advance of the Gateway 5.
13. Essentially this was the case in the original programme as the decision to either change the Traffic Mix or the timings of the restrictions was to be taken at a later date. This could require a revision of the traffic modelling work and approvals. However, the traffic mix and timings changes would not affect the design of the junction. The risk this time could be that a design change to the junction is proposed based on the consultation findings that would require revision prior to the Gateway 5 being submitted. If this was the case further delay to the start of construction may be incurred.
14. There are some benefits to the proposed delay to September before Members consider the consultation responses. It is most likely that the outcome of the appeal against the TfL Bishopsgate judgement will be known. The appeal is scheduled to be heard by the Court of Appeal in mid-June. It is also likely that there will be greater confidence in the return-to-work situation post the pandemic with the anticipated continued easing of restrictions. Also, the programme for the consideration of the pedestrian priority streets programme which includes some of the temporary COVID -19 interventions that were introduced last year, will be better defined. This will all help provide further clarity of how these schemes are intended to interact before Members are asked to make a decision on whether to progress to the Gateway 5 report and approvals for the All Change at Bank project.
15. Members are asked to note the reasons for delaying the consultation findings report and agree the proposed way forward described above and note the risks associated with this.
16. As outlined in section 2, there has also been an increase in costs, particularly for staff costs, and an additional

£151,323 is requested to be drawn down from the central reserves approved for use for this project, in order to reach the Gateway 5. Members are asked to approve this increase in budget to reach Gateway 5.

Costed Risk Provision

17. The costed risk register has been revised and a reduced request of £93,000 is sought. This reflects changes in likelihood as we have been mitigating risks to date, but also recognition that other risks may be more expensive to mitigate given the continued complexities of external factors to the project.

Consultation Awareness

18. Whilst it is not possible to provide Members with information from the consultation at this stage, below is an outline of what took place to give some comfort that there appears to have been a good awareness of the consultation.

19. There had been concerns that given the consultation period was to be undertaken during a period of national lockdown that it would be difficult to reach the people who otherwise would usually use the Bank area. The online consultation survey page was viewed 39,570 times and resulted in 3,574 completed survey responses.

20. We undertook a geographically targeted social media campaign. This succeeded in bringing 24,134 people to the survey page. The social media adverts were shown to 827,235 individuals at least once with the advert being viewed over 2 million times across the different social media platforms.

21. In addition to the social media campaign, the project team used every avenue available to get information into the various City of London managed newsletters as well as external organisations newsletters such as the local BIDs and Partnerships, City Property Association and City Property Advisory Teams updates to businesses. This helped to raise awareness to both workers, visitors and businesses of the consultation.

22. In addition, a letter was sent to every residential address in the City of London (approx. 8,500 addresses)

23. Three virtual town hall sessions were held on zoom and 48 people registered to attend. In addition to the virtual town hall sessions, three workshop sessions were facilitated by Transport for All with groups representing different disabilities where the proposals were considered in detail.

	<p>This has been very helpful to ensure a broad view from people with differing accessibility requirements.</p> <p>24. Overall, the number of views of the survey page is encouraging indicating a high level of awareness of the consultation. The volume of completed online responses is reasonable and in comparison, only 157 more responses were received in the 2017 Bank on Safety consultation survey.</p>
<p>5. Options</p>	<p>25. The recommended way forward is described above which details a way forward with minimum time delay to the programme. This is to delay the consultation findings report to September which would result in, if approved, a request to advertise the proposed traffic orders. Work would continue at risk between now and September to maintain the programme of the Gateway 5 being considered in October. Any approval to proceed to construction at the Gateway 5 would be subject to the outcome of the traffic order consultation being finalised. Construction would not be able to start until at least January 2022.</p> <p>26. The alternative would be for Members to consider whether they feel it is more appropriate to take a more substantial delay in the programme and pause work unrelated to the analysis of the consultation until Members are able to consider the full results of the consultation. This would mean accepting the subsequent knock-on effect for the start of construction, with the Gateway 5 not being submitted in October. The submission would be dependent upon when it was possible to submit the proposed traffic model for final auditing as it would have missed the previously scheduled 'slot' and identified TfL resource. Essentially, we would need to 're-join' the queue.</p> <p>27. The proposals for Bank Junction under the All Change at Bank project will help deliver the Outstanding Environments dimension of the City Corporations recovery action plan set out in Square Mile: Future City. In particular, the project will help to provide "new and improved public spaces that include opportunities for culture and exercise. Accelerate plans to improve the experience of walking, cycling and spending time on the City's streets."</p> <p>28. The All Change at Bank project also supports the Corporate Plan, Climate Action Strategy, Transport Strategy and Air Quality strategy as set out in appendix 4.</p>

	29. It is therefore recommended at this stage to continue to work at pace towards the Gateway 5 for the All Change at Bank project as outlined in section 4.
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Appendices

Appendix 1	Project Coversheet
Appendix 2	Risk Register
Appendix 3	Finance tables
Appendix 4	Links to strategies and policies

Contact

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