

Committees: Corporate Projects Board - for decision Projects Sub - for decision Streets & Walkways - for decision	Dates: 14 July 2021 23 July 2021 Delegated
Subject: 40 Leadenhall Street section 278 highway works Unique Project Identifier: PV ID: 12293	Gateway 2: Project Proposal Regular
Report of: Director of the Built Environment Report Author: Tom Noble	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 3/4 - Options Appraisal (Regular)</p> <p>Next Steps:</p> <ul style="list-style-type: none"> • Develop detailed design with developer, 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 a budget of £100,000 is approved for detailed design, engagement with stakeholders and survey work to reach the next Gateway, subject to receipt of funds; 2. Authorise officers to enter into a Section 278 agreement with the developer of 40 Leadenhall Street; 3. Note the total estimated cost of the project at £800,000 - £2m (excluding risk). 4. That delegated authority be granted to the Town Clerk, in consultation with the Chair and Deputy Chair of Streets & Walkways Sub Committee, to approve a Gateway 2 report on this basis, with the next Gateway
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3-4 report considered by the full meeting of the Streets & Walkways Sub Committee.

2. Resource requirements to reach next Gateway

Item	Reason	Funds/ Source of Funding	Cost (£)
Staff costs	Project management and detailed design	S278	£49,000 (P&T) £19,000 (Highways) £2,000 (Open Spaces)
Fees	Topographical and radar surveys, site investigations and utilities.	S278	£30,000
Total			£100,000

P&T staff costs allocation – £49,000

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

Highways staff costs allocation – £19,000

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

Open Spaces staff costs allocation - £2,000

Provisional allocation should any proposals for greenery be progressed.

Professional fees allocation - £30,000

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

Project Summary

4. Context	<p>1. The planning permission for 40 Leadenhall Street (13/01004/FULEIA) was granted on 29 May 2014. A non-material amendment for the same site was granted on 18 December 2020.</p> <p>2. The site is bounded by Leadenhall Street, Billiter Street, Fenchurch Street and Fenchurch Buildings. The application includes the demolition of the existing buildings and redevelopment to provide a part 10, 14 and 34 storey building. The retained building on Billiter Street is listed (Grade II).</p> <p>3. Under the Section 106 Agreement the developer is obligated to fund the required works on the public highway which are required as a direct consequence of and to facilitate the development.</p>
5. Brief description of project	<p>The scope of the Section 278 works includes the following elements:</p> <ul style="list-style-type: none"> - Leadenhall Street: Paving the footways surrounding the development in high quality Yorkstone, realignment of kerbs, carriageway resurfacing and consideration for a new pedestrian crossing. 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. - Fenchurch Street: Paving the footways surrounding the development in high quality Yorkstone, realignment of kerbs, carriageway resurfacing and improvements to pedestrian crossings. Opportunities to widen the footway on Fenchurch Street will be explored at the next stage, in line with the objectives of the Transport

	<p>Strategy and the City Cluster Vision. Security requirements will also be considered.</p> <ul style="list-style-type: none"> - Billiter Street: A contribution for repaving the southern end of the street has already been secured through the Section 278 agreement for the development at 120 Fenchurch Street; as part of the design process officers will consider the potential for introducing additional greening, seating and public art, the uplift of which would be funded through the 40 Leadenhall Street project. - Fenchurch Buildings: Repaving of the pedestrian alleyway and implementation of a raised carriageway at the southern end of the street. - Contribution to Leadenhall Street project: A financial contribution will be sought from the developer to be put towards a transformational enhancement project on Leadenhall Street, delivering a key element of the City Cluster Vision. This project is subject to a separate report.
<p>6. Consequences if project not approved</p>	<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>
<p>7. SMART project objectives</p>	<ul style="list-style-type: none"> - To create additional space for people to walk safely (amount of additional space to be calculated as part of design stage). - To increase the extent of pedestrian-priority streets, in line with the aims of the Transport Strategy (amount of additional space to be calculated as part of design stage). - To increase the amount of greenery in the area (to be determined as part of design stage).
<p>8. Key benefits</p>	<ul style="list-style-type: none"> - Improved public realm surrounding the development to create an attractive and safe street environment. - Deliver additional greenery, seating and public art where possible. - Increased proportion of pedestrian priority streets in the area.

9. Project category	4a. Fully reimbursable
10. Project priority	B. Advisable
11. Notable exclusions	None.

Options Appraisal

12. Overview of options	<p>An indicative scope of works has been discussed and agreed with the developer. 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

13. Delivery period and key dates	<p>Overall project:</p> <ul style="list-style-type: none"> - August 2021 – July 2022: Progress with detailed design stage, engagement and commission surveys. - August – September 2021: Draft and agree Section 278 Agreement. - September 2021: Sign Section 278 Agreement 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. - Q2 2022: Gateway 3-4 report – Options appraisal, subject to negotiation with the developer. - Q4 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: Q2 - 2023 (To be confirmed, subject to developer's programme and access to site). <p>Key dates: Gateway 5 report: Late 2022</p> <p>Other works dates to coordinate: Delivery of paving, seating, greening and wind mitigation measures on publicly-accessible</p>
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	private land around the development, to be integrated with the public realm works in a seamless manner.
14. Risk implications	Overall project risk: Low There is one amber risk identified at this time; no red risks are currently listed. Further information available within the Risk Register (Appendix 2).
15. Stakeholders and consultees	<ol style="list-style-type: none"> 1. Nuveen – Developer 2. Transport for London – potential minor adjustments to location of signalised pedestrian crossing 3. Local retail units and occupiers nearby the development 4. Nearby construction sites on Bishopsgate and Leadenhall Street. 5. City of London officers: Transport and Public Realm Division, Planning Division, Open Spaces and Highways.

Resource Implications

16. Total estimated cost	Likely cost range (excluding risk): £800,000 - £2m (subject to final scope being agreed) Likely cost range (including risk): N/A							
17. 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>Section 278 Agreement payment</td> <td>£800,000 - £2m*</td> </tr> <tr> <td style="text-align: right;">Total (* estimated cost)</td> <td>£800,000 - £2m*</td> </tr> </tbody> </table>		Funds/Sources of Funding	Cost (£)	Section 278 Agreement payment	£800,000 - £2m*	Total (* estimated cost)	£800,000 - £2m*
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Section 278 Agreement payment	£800,000 - £2m*							
Total (* estimated cost)	£800,000 - £2m*							
	The funding is subject to the Section 278 agreement being concluded. Ongoing revenue implications will be set out in future Gateway reports.							
18. Investment appraisal	None.							
19. 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.							

20. 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.
21. Corporate property implications	None.
22. 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. Some minor adjustments to pedestrian crossings may be required.
23. Sustainability and energy implications	All materials will be in line with the City's approved palette of materials to ensure a high quality and durable finish, therefore reducing maintenance.
24. IS implications	None.
25. Equality Impact Assessment	An EQIA will be undertaken at the next stage and prior to submitting the Gateway 5 report.
26. 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	Site plan

Contact

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