

Committees: Streets and Walkways Sub Committee <i>[for decision]</i> Projects Sub <i>[for decision]</i>	Dates: 02 December 2021 15 December 2021
Subject: Bank Junction Improvements: All Change at Bank Unique Project Identifier: 11401	Gateway 5: Complex Authority to start work
Report of: Executive Director Environment Report Author: Gillian Howard – City Transportation	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: Red (Amber at last report to Committee) Increased to Red because of market changes causing anticipated cost increases of between 20-25% for construction.</p> <p>Risk Status: High (Medium at last report to committee)</p> <p>Total Estimated Cost of Project (excluding risk): £5.6m + £1.1m risk (to be utilised for delivery as risk decreases) = £6.7M total (base design + some enhancements)</p> <p>Change in Total Estimated Cost of Project (including risk): possible increase of £0.7m since last report to Committee (due to anticipated cost increases)</p> <p>Spend to Date: £1,945,799.</p> <p>Costed Risk Provision Utilised: £0 has been drawn down since the last report to Committee;</p> <p>Funding Source: TfL/S106/Capital funding</p> <p>Slippage: G5 delayed by a committee cycle to fully consider cost implications around the risk of increased material costs,</p>
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	<p><i>energy, haulage and labour prices as well as extended lead in times for supply of goods and services. Construction would be constrained by these risks and likely that completion would not be until at least summer 2023.</i></p>
<p>2. Requested decisions</p>	<p>Next Gateway: Gateway 6: Outcome Report</p> <p>Next Steps:</p> <ul style="list-style-type: none"> • Review the Statutory Consultation responses to the Traffic Management Orders and report to the Chairman and Deputy Chairman of Streets Walkways of the outcome and next steps. If the outcome of this is to proceed: • Confirm revised costings following anticipated uplift in materials and issue the necessary orders for materials and labour to start the construction phase (anticipated to start in April) • Bring an update report to Members outlining the impact of the new construction costs once the result of the highways construction tender is known, setting out any recommended changes to the delivery of the design on the basis of affordability that falls outside the scope of delivery of Option 1 or Option 2 (described in Section 4) • Finalise a stakeholder engagement plan and start communicating the planned construction phases with the local community. • Construction of first sections between April and November (prior to Lord Mayor’s Show). • Construction of remaining sections between November 2022 and September 2023 (depending on which option is being delivered) • Deliver a selection of public realm enhancements (to be agreed) if funding allows • 12 months after completion, review the traffic and timing mix of the restrictions (on selected arms) as agreed in the September Issues report. • Monitor the scheme impacts • Submit a Gateway 6 report. <p>Requested Decisions:</p> <p>Following the completion of the advertising of the statutory Traffic Management Orders, it is requested that Members of Streets and Walkways:</p> <ol style="list-style-type: none"> 1. Agree that any outstanding traffic order objections be considered by the Executive Director Environment in consultation with the Chairman and Deputy Chairman in January. 2. Agree that depending on the issues raised in any objections that the Executive Director Environment

takes a decision as to whether it would be recommended to hold a public inquiry. (This would be seen as the last resort of resolution)

3. Agree that if following consideration, it is agreed to proceed, that the Traffic Management Orders can continue to be made.

Members of Streets and Walkways and Projects Sub Committees approve (subject to the outcome of the Capital Bid request for 2022/23):

4. The revised project budget of **£6,677,930**.
5. Note the total estimated cost of the project (for the base scheme and some enhancement) is now £6.7 million of which currently **£1,090,000** is in the costed risk provision; and agree that as risk decreases and the risk provision is released, the money will be diverted towards the further delivery of the enhancements of the scheme.
6. The following additional funding is approved to be used to reach the next gateway:
 - **£394,473** of S106 funding (outlined in appendix 3 – table 3)
 - The remaining existing approved Capital funding of **£3,415,724** is released (outlined in appendix 3 table 3); and
 - The sum of up to **£700,000** of Capital funding is also approved to be used (subject to the outcome of the Capital Bid approvals); and
 - That all remaining funding from pre-evaluation and up to gateway 5 will be carried forward to reach the next gateway as set out in table 2 of Appendix 3
7. The risk register in appendix 2 with the requested costed risk provision of £1,090,000, which is to be drawn down via delegation to Executive Director Environment.
8. That Option 1, described in section 4 is taken forward (subject to the outcome of the statutory consultation of the Traffic Management Orders) to construction.
9. If the funding Bid for 2022/23 is not successful that the Project budget and costed risk provision be amended accordingly to (£5,977,930 and £390,000 respectively) and that the descoped scheme option – Option 2, be taken forward to construction (subject to the outcome of the Statutory Consultation of the Traffic orders).

3. Budget

There are several factors which make estimating the construction cost difficult at this stage. This includes the construction programme falling over two highways term contracts alongside the current market conditions. The current term contract concludes at the end of June 2022. The new contract starting in July 2022 is, at the time of writing, being tendered with bids received but in the process of being assessed. The contract is expected to be awarded in February 2022.

The estimates included in this Gateway 5 are based on the existing term contract rates. There is an expectation that these rates will increase in the new contract by a significant percentage, believed to be in the region of approximately 20-25% following other construction market trends. This anticipated increase is proposed to be dealt with through the costed risk provision but would require additional funding or descope of the project.

The capital funding allocated to the project in 2019 was on the basis of functional change with limited enhancement opportunities. There is not an opportunity to reduce areas of high-quality paving materials, for example, to reduce the cost and still provide the same area of footway widening and benefit across the project area. This makes it difficult to descope without essentially not delivering an area of the project, such as an arm.

There is an additional £394,473 of S106 deposits identified which are requested to be added to the project budget. These S106 contributions had been primarily identified in order to deliver the public realm enhancements of this scheme. As set out in previous reports, extra funding from other sources would most likely be needed to ensure sufficient funding to deliver all of the enhancements for the scheme.

In a similar approach, some of the enhancements have been designed to deliver outcomes of the Climate Action Strategy Cool Streets and Greening Programme. Therefore, it is proposed to fund some elements, primarily around Queen Victoria Street from Year 2 of this Cool Streets and Greening programme, subject to the approval of the forthcoming programme report. If the Cool Streets and Greening funding were unsuccessful then it may not be possible to provide these elements as part of this project.

In addition, a supplementary capital bid for 2022/23 central funding has been requested, for £700,000 associated with the anticipated increase in construction costs. This was initially considered at RASC in November and recommended to be included in the Medium Term Financial Plan, a final Court of

Common Council decision will be taken in March 2022. This would enable the proposed design to be delivered with a limited number of enhancements

If the bid was not successful, significant descoping would be required to the proposed design based on the anticipated increase in construction costs. We have designed and proposed a scheme that could be upgraded by use of different materials if desired and if additional funding were made available. The proposed base scheme uses tarmac on the carriageway and yorkstone paving on the pavements. We are reusing existing yorkstone slabs where able (approximately 20% of the existing pavement) and will reuse granite kerbs where possible. The base scheme is the most cost-effective choice of materials within the City's public realm SPD guidance.

Under the current rates, this functional change described above remains within the scope of the existing budget.

However, a 20- 25% increase in construction costs will mean that not all of the functional changes and therefore, wider benefit is able to be delivered (i.e., not as much pavement widening, and there would be little to no greening, seating etc).

It was reported in July 2021 that the original programme of substantial completion of the project by the end of 2022 is unachievable. This was due to a delay in reporting of the public consultation findings which had knock on effects as to when construction work could start. This meant less could be delivered prior to the Lord Mayor's Show in 2022, ensuring that the site could be cleared for the event.

The programme has always been challenging and small delays have big programme impacts. In order to maintain some pace on the project with the intention of completing pavement widening (indicated on the plan 5 in appendix 4) between April and November ahead of the Lord Mayor's Show 2022; we are proposing the following way forward, which is described in more detail in Section 4.

It is proposed that if the Capital Bid for 2022/23 is successful, that the additional £700,000 (or amount agreed) is placed within the Costed Risk provision as shown in Appendix 2. This will allow for further cost estimating to be undertaken once the increased rise in rates is fully understood, but which cannot be undertaken at this time in this report.

The second option is that if that additional funding is not forthcoming, that Members consider a descoped scheme which

remains within the existing budget with the addition of the S106 funding outlined in this report.

As the difference in funding between the two ways forward is the value of the capital bid request for 2022/23, Table 1 remains the requested budget to reach gateway 6. The £700k would be contained within the Costed Risk Provision and it would be the Costed Risk provision that would alter if the bid was not successful.

Table 1: Total project Funding requirements to deliver Option 1 or 2

Item	Reason	Funds/ Source of Funding	Cost (£)
P&T Staff Fees		TfL/S106/ Capital	£ 1,126,638
Highways staff Fees		TfL/S106/ Capital	£ 314,613
Legal Staff fees		TfL/S106/ Capital	£ 5,000
Air Quality Staff Fees		TfL/S106/ Capital	£ 17,240
Open Spaces Staff Fees		TfL/S106/ Capital	£ 3,000
DBE Structures		TfL/S106/ Capital	£ 1,000
Fees		TfL/S106/ Capital	£ 1,221,843
Fees Surveys		TfL/S106/ Capital	£ 67,363
Works		TfL/S106/ Capital	£ 2,821,233
<i>Revenue</i>		TfL/S106/ Capital	£ 10,000
Total			£5,587,930

	<p>Appendix 3 contains further details of funding including expenditure to date and funding sources.</p> <p>In addition, Costed Risk Provision requested for this Gateway: ££1,090,000 (as detailed in the Risk Register – Appendix 2)</p> <p>If Capital funding for 2022/23 was not successful, the costed risk provision for delivering option 2 would be £390,000</p> <p><u>Use of this funding:</u> Air Quality - Staff costs and equipment up to five years of further monitoring of the diffusion tubes for Bank to continue measuring the changes in NO₂ emissions in the area.</p> <p>P&T staff costs will cover project management throughout construction and monitoring of the scheme that is delivered including communication of the construction, internal reporting and commissioning and reporting of monitoring work.</p> <p>The highways staff cost substantially covers the site supervision of the delivery of the scheme and necessary internal reporting and updating of progress.</p> <p>Fees include the final payment to TfL regarding the traffic modelling auditing work that has been undertaken to submit the proposal for Scheme Traffic Management Approval. In addition, funding for post traffic and pedestrian monitoring of the changes and funds to continue to work with Transport for All during construction.</p> <p>Works costs include the cost of all associated work to deliver the scheme (option 1 or 2 depending upon cost increase and whether the bid is successful) which includes (but not exclusively), traffic management, Traffic signals, materials and labour.</p> <p>The significant difference in CRP provision between the two options is simply the inclusion of the capital bid within this, to accommodate any expected increases in construction costs.</p>
<p>4. Design summary</p>	<p><u>Background.</u></p> <p>1. The project objectives are to:</p> <ul style="list-style-type: none"> • To continue to reduce casualties • To reduce pedestrian crowding levels • To improve air quality • To improve the perception of place as a place to spend time in rather than to pass through

2. These link to the Corporate Plan, Transport Strategy, Air Quality Strategy and the Climate Change Action Strategy as shown in Appendix 7.

How does the design meet these objectives?

3. How the proposed design (Option 1) helps to deliver these objectives was set out in the Gateway 4C report in February 2021 (A link to this report can be found in the background papers at the end of this report). The design principles have not changed significantly since this time.
4. In summary the overall tightening of the junction to provide more pavement and circulation space for people walking helps to reduce pedestrian crowding and contributes to reducing casualties. The smaller carriageway space and the reduction in the number of arms available for motor traffic makes it easier to see where vehicles are intending to go with less turning movements available. This will also contribute to reducing casualties and should contribute to air quality improvements at the junction due to the reduction in vehicle volumes.
5. The design has been developed with flexibility and resilience in mind and can be adapted to accommodate, if necessary, traffic (in particular buses) on Threadneedle Street or Queen Victoria Street if required due to other network constraints. It is also adaptable for the processional route for the Lord Mayors Show, for example.
6. The improved perception of place is more subjective and will depend upon how much money there is available for the public realm enhancements, such as seating and greening across the junction, as well as the quality of material finish in certain sections.

Public Consultation outcome

7. At the end of this report there are links to all of the reports since the restarting of this project in January 2019 as Background papers. This includes the most recent report that was submitted for consideration in September 2021 which assessed the responses to the public consultation exercise held in the spring. In this September report it was also agreed that there will be a review of the timing and traffic mix for the Poultry, Cornhill and King William Street arms 12 months from completion of the scheme.
8. Following this review, it may be necessary to change some traffic signs and the associated traffic orders. This would incur associated costs and would need to be accommodated within the budget or further funding sought.

Current situation

Update since the September 2021 report

9. The final design elements of the core scheme have been completed; Traffic Management Scheme Approval has been given in principle by TfL subject to the finalisation of some of the scheme documentation. It is anticipated that the final approval would be granted in December.
10. The overall public realm design, intended to be delivered over time as further funding opportunities arise, has also been completed, finalising the final vision for the Bank area. This vision can be found in Appendix 6. Some further amendment to exact locations of benches, pots etc maybe required in the final design of these items taking on board comments from the accessibility audit and discussions with Transport for All.
11. As set out in previous reports, with the existing funded budget of £5.6m not all of the public realm enhancement could be delivered within the budget and other funding streams would be investigated. The outcome of these investigations is set out in paragraphs 23 to 24.
12. Consultation on three-night bus routes that would require routing changes, and which were not in the City's consultation in the Spring of 2021, has also concluded. TfL have internally recommended that the route changes proceed.
13. The traffic modelling work that indicates the likely impact of the proposals on both the bus route changes and changes to general traffic movement across the wider modelled area has been audited. Results were similar to those in the Gateway 4 report in October 2020. The average journey time increase for all of the bus routes (in the modelled area) across the am and pm peak periods is between 0-1 minute.
14. The general traffic journey time increase is also forecast to be in the time band of 0–1-minute increase on average across the key corridors surrounding Bank (made up of each direction on Cannon Street, Bishopsgate, London Wall and St Martin's Le Grand). The changes to Bishopsgate by TfL will impact these results, but these fall within the remit of TfL to mitigate as part of their Bishopsgate scheme.

Traffic Management Order Consultation

15. What is not contained within this report is the outcome of the statutory consultation of the traffic orders for the proposed scheme. Approval to advertise the orders ahead

of the Gateway 5 was given as part of the September Issues report, but there has been a delay in getting these advertised due to internal resources. This has resulted in the statutory consultation period not closing until 03 December 2021 which is after this report will be submitted. A verbal update on this can be given at Committee.

16. There has also been a delay by TfL in advertising two traffic orders for two junctions on their network which facilitates the bus route changes to and from Bishopsgate. The City is entering a S101 agreement to undertake these orders on their behalf to mitigate the impact to the programme. These are now expected to be advertised in the New Year.
17. The consequences of this are that, whilst we are continuing to seek approval to move towards construction as part of this report, it will still be subject to the statutory outcome of the traffic orders on our network. No purchase orders would be placed before this was determined, and any planning work undertaken during this time could be abortive if it were then decided to not make the traffic orders following the consultation.
18. It is anticipated that there will be objections received which cannot be resolved and require further consideration. Once all of the objections have been received the initial review by officers will establish whether there is any objection so significant that it would warrant the cost and delay of holding a public inquiry into these objections. If this were not to be the case, then it is recommended that these outstanding objections be considered by the Chairman and Deputy Chairman of Streets and Walkways committee in January with the Executive Director Environment.
19. If the conclusion to this consideration is that the objection(s) were so significant that the Traffic Orders should not be made, then a further report to committee would be required to agree the most appropriate way forward. If, following consideration by the Executive Director Environment, with the Chairman and Deputy Chairman, the decision is to proceed, then the traffic orders can be made under the existing delegated authority.
20. Delegation to the Director of Transportation and Public Realm already exists to consider objections and to make the traffic orders. However, it has always been accepted that for significant projects, these decisions are better considered by Committee. It is expected that this decision would need to be taken in January 2022 ahead of the planned Streets and Walkways committee in February.

Delaying would put further pressure on the programme and reduce what construction work could be completed before the end of 2022 when the Bank Station Capacity upgrade is due to complete and the new Station entrance open on Cannon Street.

Issue

Anticipated Funding constraints

21. As mentioned in section 3, there is a significant risk to the project with an anticipated increase of 20-25% in the market rates for materials, labour, energy etc to the current schedule of rates once the new Highways term contract is in place in July 2022.

22. The existing project budget of £5.6m includes the intended costed risk provision. This budget had always been intended to only deliver functional change with limited elements of the public realm enhancement that was consulted on. As the risk decreases during the build programme, the costed risk provision can be released and redirected to enhancement opportunities such as seating and greening.

23. In addition to the £5.6m, we have sought additional funding in the form of S106 deposits substantially to deliver public realm enhancements across the junction, including the upgrading of certain sections of carriageway from the basic black tarmac to granite sets. This is to ensure that the elements that create a sense of place and encourage people to spend time in the area (one of the project objectives) are delivered. These S106 deposits were the underspend on the adjacent Bloomberg project and some smaller deposits as detailed in Appendix 3- Table 3.

24. A further application for funding from the Climate Action Strategy, Cool Streets and Greening Programme for a rain garden and climate resilient planting has been made for Queen Victoria Street for 2022/23.

25. However, if construction costs increase as anticipated there will be a need for some difficult decisions to be taken if the capital bid for £700,000 is not successful.

The base design.

26. The base design consists of the minimum elements that are required for the consulted design to work in traffic and pedestrian movement terms.

27. This functional design delivers towards the objectives of improved safety for people walking and cycling,

improvements to the local air quality and the issue of reducing pedestrian crowding. It forms the canvas on which the other measures to enhance the area with greening, seating, cycle parking etc can be established from to move towards achieving the project objective of 'a place to spend time in'.

28. The four key objectives of this project have not changed since its initiation in 2013. The Bank on Safety Scheme in 2017 delivered towards the first two objectives of safety and latterly pedestrian comfort. At Planning and Transportation Committee in January 2019, when the All Change at Bank project was restarted, there was strong Member support to ensure that the option developed should not preclude a later move towards maximising the space available for place activity, including walking and cycling movement through the area with limited, if any, vehicular movement. There was a strong focus on place making as an aspiration in the discussion but a recognition that the timeline for requiring change meant that it was not appropriate at that time to progress designs in that direction.

29. The design of this proposal has been developed to maximise current opportunity with the focus being on delivering enhancement for the anticipated increase in pedestrian numbers associated with the growth in the local developments and the capacity upgrade of Bank Station. Whilst the pandemic has altered working patterns, there is still a need for this area to have permanent physical changes to better reflect its usage and provide an element of safeguarding for future City growth.

30. The design has a number of layers of enhancement that can be added to suit the budget, but the base design delivers the practical and functional change in the minimum specification of material required. To achieve this base design, it requires:

- a) The closure of Queen Victoria Street between Bucklersbury to and from the junction to motor vehicles. (Vehicles can still enter Bucklersbury and exit Walbrook westbound onto Queen Victoria Street)
- b) The closure of Threadneedle Street to motor vehicles between the junction and Bartholomew Lane; and
- c) Narrowing Princes Street at Bank junction to one lane with two-way buses and cycles controlled by traffic lights.
- d) Vehicles requiring access to Cornhill during restricted hours would be facilitated via Princes Street southbound.

Changes a-c would be operational at all times.

e) The remaining arms of Cornhill, Poultry and King William Street/Lombard Street were proposed to operate with the existing restrictions of Monday to Friday, buses and cycles only, 7am to 7pm. All traffic would be allowed outside of these hours on these three arms only.

31. An illustration of how traffic would operate is shown in plan 1 in Appendix 4.

32. With the current market conditions, delivery of the full base design seems unlikely to be achieved within the existing budget. However, until the new term contract is confirmed, the significance of this is not fully understood. There will also be ongoing risk regarding the price of materials continuing to increase at a rate greater than normally anticipated over the life of the construction that also has to be factored into the costed risk register.

33. To note, that the cost estimates include any required ongoing maintenance sums for the highway changes.

34. It is therefore proposed that the following approach is taken to continuing with the delivery of this project, or at least some of it.

Proposed way forward

Option 1 – Further requested funding is approved.

35. If the top up bid for £700k of capital funding to cover the anticipated uplift in the construction cost of 20-25% is successful and approved in March 2022 by the Court of Common Council, then Option 1 is more aligned with the original proposed way forward.

36. Approximately £500k of the budget would be needed to cover elements such as:

- staff time for the continued project management
- communications during construction,
- post scheme monitoring costs such as traffic surveys,
- continuation of air quality monitoring and its review,
- the review of the timing and traffic mix being completed, and any subsequent changes progressed,
- road safety audit and other documentation
- closure of the project etc.

37. This will enable the functional change to be delivered across the junction utilising the construction budget of approximately £3.0m and the top up bid. The 700k is requested to be placed in the costed risk provision at this

time (if approved in March – funding will be available from April 2022). By then the significance of the expected uplift in cost will be known and the relevant amounts can be drawn down via approval of the Executive Director Environment to cover these costs as required.

38. The additional amount of S106 identified would be retained to deliver the majority of the public realm enhancement works indicated in the public consultation plans, although some of the balance would be needed in the first instance to fund part of the costed risk provision.

39. With the additional £700k and the identified S106 contributions of £390k added to the remaining balance of the project of approximately £3.0m, this would give a construction budget of approximately £4.1m

40. Looking at Table 2, depending upon the uplift cost, if it is nearer 20% then there is likely to be some funding available from the outset to plan to implement some of the public realm enhancements straight away.

Table 2

Estimated costs	With 20%	With 25%
Base Design* construction cost	3.46M	3.63m
Costed risk**	0.475m	0.490m
Total	£3.94m	£4.12m

*base construction cost includes site supervision fees

**This is the costed risk assuming the immediate uplift has become part of the base construction cost from the £700k and the remaining money from this funding is still sat within the risk register and 'topped up' by the S106 funding.

41. As the costed risk provision is released as the risk diminishes, then more funding will be available to deliver more of the enhancements. If the cost is nearer the 25% uplift, it may be required that in a similar vein to Option 2, that Queen Victoria Street is phased last, and modified to deliver the maximum available within the remaining budget available.

42. It should be noted that the capital bid is intended to cover the immediate uplift in the cost of materials, labour, energy etc as well as contribute towards an enhanced level of costed risk. This is to protect from further cost rises over the course of construction and on other elements of the scheme delivery, should costs increase by other suppliers outside of the highways term contract. Elements such as

temporary traffic signals or TfL contracted rates for traffic signal works for example.

What could be delivered?

43. In addition to the base design, there would then be options for enhancing some materials such as areas of granite, making a feature of the raised table on Threadneedle Street between the Bank of England main door and the Royal Exchange as well as adding seating, greening and street trees.
44. There were a number of proposals for enhancing the public realm included in the public consultation in the spring. The consultation explained that it may not be possible to deliver all of these enhancements within the budget that was available, but the views would help to prioritise their delivery. The budget available may now be more constrained than at the time that we went to consultation, depending upon the expected cost increases.
45. If Option 1 is progressed, then given there is already some amenity on the peninsular of the Royal Exchange, the initial priority of enhancement is to deliver street trees on Threadneedle Street and Queen Victoria Street working towards the Climate Action Strategy target.
46. Secondly, ensuring that there are places to stop and rest at appropriate locations, which helps mitigate issues for those people less able to walk longer distances, is also a priority. This will also help encourage people to take a break in the centre of the City, giving opportunity to admire the historic surroundings.
47. Further greening in the form of pots is also proposed, however there are now fewer in the design than indicated in the earlier consulted on design. This follows feedback within the consultation, and also maintenance costs associated with them.
48. It is proposed that once there is greater clarity on the increased costs, that a progress report is submitted that sets out the enhancement interventions proposed and update on the funding from the Cool Streets and Greening programme. This is likely to be before summer recess 2022. It will also set out the other interventions that could be taken forward to prioritise them as and when the risk of construction decreases, and funding can be reallocated to the delivery of these measures. To note that the maintenance of the enhancements is included in the costs

for each item, and this will also be set out in the progress report for consideration.

Option 2 – ‘top up’ Central funding bid of 2022/2023 is unsuccessful

49. In the event that no additional capital funding is approved and the anticipated uplift of 20-25% on the construction cost is realised, it would not be possible to deliver the base functional design as set out above. (This is before choice of materials such as sections of granite and with no greening, seating, features etc. being implemented).

50. This S106 funding had been sourced primarily to fund the public realm enhancements for the project. If option 2 is followed, there would be limited to no opportunity to spend this money on public realm enhancements. It would need to be utilised to deliver the descoped base scheme and cover the immediate costed risk provision required to start construction. The monies can be utilised in this way, but it will mean that the project will not deliver on its objective around place.

51. If Members were happy for us utilising the S106 for this rather than concentrating the funding on the overall enhancement of the public realm, it would give a total of **approximately £3.39m available for construction**

52. Table 2 above shows the estimated cost with the expected percentage rate increase to deliver the full base proposal. As can be seen from Table 2 it is not possible to commit to completing the full base scheme as designed with the current funding available if these uplifts in cost are realised.

53. Officers have therefore looked at a descoped base option what could be delivered in terms of function within the remaining budget and the S106 deposits being utilised.

54. There would need to be a significant change to the layout shown for Queen Victoria Street. Changes to the junction with Mansion House Street/Poultry would need to be made, but the rest of Queen Victoria would be delivered by signs and lines only i.e. no pavement widening and associated changes. This is shown in plan 4 in appendix 4

55. Table 3 shows the estimated cost, with expected percentage increase, to deliver this descoped scheme – Option 2.

Table 3

Estimated costs	With 20%	With 25%
Descoped base construction cost	2.98	3.13
Additional Costed risk	0.39	0.44
Total	3.37	3.57

56. Providing the construction cost increase is not above 20% and the S106 money is utilised to deliver the basic functional changes and provide the Costed Risk provision, officers consider it is possible to deliver this descoped option within the available existing funding of approximately £3.39m.

57. If the construction cost increase was greater than 20% then further descoping would be necessary. Officers should have an indication of whether this would be required in mid-January.

58. If it was not acceptable to utilise the S106 money to help deliver the remaining areas of the junction, then there would be further descoping necessary from these functional changes. This would require further work to identify how this could be best achieved as the remaining areas are more interlinked with each other in their design. It would be best that this was done after there is confirmation of the anticipated uplift.

Option 2 – possible later enhancements.

59. In addition to the descoped base design shown in plan 4 in appendix 4 there may be an opportunity to deliver some public realm enhancement work if the costed risk provision is not required during construction. Any risk funding that is able to be released during the construction process could be reallocated to a number of additional enhancements works (as in Option 1).

60. Depending upon how much money there is available at that time, there could be a choice of either modifying parts of Queen Victoria Street to better reflect the intended base design or using the available funding to deliver some seating and greening in the areas that have already had physical changes delivered.

61. It is proposed that a progress report is submitted recommending the best use of those funds if Option 2 is taken forward once there is clarity on how much money may be available to be returned from the costed risk provision.

62. If the S106 money identified is used to deliver the descoped base design, and much of the costed risk is realised during construction, then there may be little opportunity at this stage to provide any additional public realm enhancement.

What would be delivered with Option 2

63. This is not an ideal situation. Option 2 does not deliver all of the benefits, particular on the delivering a place to spend time in objective. It is also not fully reflective of what was consulted on in the spring of 2021.

64. Officers are however recommending that we proceed with this approach if necessary for the following reasons:

- Option 2 would improve the comfort for those people walking on the areas of pavement that most need the changes, such as on Threadneedle Street where comfort levels have scored significantly below the Transport Strategy objective of B+ based on the 2018 footfall data.
- There would be greater circulating space around the Princes Street underground entrances/exits and improved sight lines.
- The formal pedestrian crossing facilities would be shortened in distance and realigned to better suit desire lines improving the situation for people walking in the area.
- The functional changes to the traffic patterns would contribute to improved air quality at the junction and simplify the traffic movements at all times of days, contributing to improved safety for all.
- A number of the enhancement proposals including trees in planters and seating, could be added at a future date if additional funding becomes available. Depending upon the cost increase, it may be possible to construct the tree pits on Threadneedle Street even if at this time we couldn't immediately afford the Street trees.

65. Progressing this work will ensure that the momentum for the Bank project is maintained, and that three of the four project objectives are being delivered. There is the risk that some people may consider the changes to traffic movement are more restrictive without any delivery of the perceived benefits through seating and greening.

66. The above are all practical reasons as to why delivering Option 2 would be an improvement to not delivering any further improvement in the area. However, the preference would be to deliver the more rounded design outlined as

Option 1 which has greater benefits over a wider area and delivers on all four of the projects core objectives.

Impact of not delivering the Queen Victoria Street section.

67. There are impacts of not delivering the physical change in Queen Victoria Street. Whilst the pavement widening is less critical for pedestrian comfort, it does assist with the change of use of carriageway into the cycle only section. It would have also provided space for the enhanced planting and seating area and contributed to improved safety with a narrower carriageway, by improving sight lines.

68. As part of the Cool Streets and Greening funding, part of the Climate Action Strategy delivery plan, a project to specifically deliver a rain garden and to trial climate resilient planting in Queen Victoria Street (which sits within the extents of the All Change at Bank Project) is under consideration for the Year 2 programme (2022/23). However, if it is essential to follow Option 2 and the planned change in pavement widths in this area are not constructed, it will not be possible to deliver this.

69. A review of how this could work without the current design changes to the footway on Queen Victoria Street would be needed if this element under the Cool Streets and Greening funding is to be progressed. This element could be progressed as an additional G4/5 in the spring while construction starts on Princes Street and Cornhill on the eastern side of the junction, if required.

**Recommendations on the way forward for design:
Programme and timing.**

70. It is recommended that given the uncertainty around the likely market uplift and to not prejudice delivering some benefits in the area before the Bank Station Capacity upgrade completes in late 2022, that the following is approved:

- Agree to deliver Option 1 (shown in plan 3 Appendix 4). This would be subject to the outcome of the statutory consultation on the traffic orders that are advertised at the time of writing. These should be determined in January.
- Following confirmation of the anticipated uplift in the construction cost is not above 20% (also expected to be internally confirmed in January), thereby confirming that Option 2 is affordable; Then
- Allow the procurement of materials to deliver the first section of work on Princes Street anticipated to be

	<p>undertaken by our current term contractor prior to the end of June contract end date; And</p> <ul style="list-style-type: none"> • Allow the issue of orders to secure the services which are on long lead in times in order to deliver elements of the project prior to the Lord Mayor's Show in 2022. This includes (but not exclusively) the TFL traffic signals teams, some utilities diversions, and some materials such as yorkstone paving. <p>71. Then if in March 2022 the Court of Common Council does not approve the additional £700k for the All Change at Bank Project as part of the 2022/23 capital programme, it is recommended to approve the switch to the delivery of Option 2.</p> <p>72. The construction programme for both options start in the same location. With the timeframes for the funding confirmation above, there is no risk of abortive work being undertaken if Members follow the officer's recommendation set out above.</p> <p>73. If funding is not approved in March, then delivery of Option 2 could continue and deliver some of the benefits of the scheme.</p> <p>74. Alternatively, Members may wish to consider another option of deciding now to pause the project if the funding bid is unsuccessful. If the project were paused in March it is most likely that some orders will have been placed which may put at risk recovering these funds (but for materials it is most likely that we can 'sell' them on to another project that is proceeding).</p> <p>75. The sunk cost of this option is likely to be mainly officer time. However, this option would provide opportunity to fully consider alternative delivery options, but it should be recognised that there would be limited ability to provide any improvement in pedestrian comfort prior to the station works completing in late 2022.</p> <p>76. The last option to consider would be to pause now until the funding and the increased cost issues is resolved and then take the appropriate next steps. This would elongate the programme for starting work and most likely mean that it would not be possible to commission any work under the existing highways contract without extending past the contract end date of the end of June; with less being able to complete before the Lord Mayor's Show 2022. There is also a risk that lead in times for some materials and</p>
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services increases further, delaying the ability to start construction until later.

Other factors to consider for Option 1 or 2:

Equalities

77. The final Equality Analysis for consideration for the decision to progress to construction of the overall design can be found in Appendix 5.

78. If option 2 is progressed fully, then officers will need to ensure that the identified mitigation measures for those areas being progressed are still addressed sufficiently in the revised layout. Particularly if the mitigation measure falls within the public realm enhancement element of the design, which may not be funded. For example, measures, such as ensuring seating at appropriate distances, would ensure that the City is making the scheme, in its most basic form, inclusive. These would then become high priority elements for delivery as the costed risk provision is reduced.

79. Overall, the design has been continually developed with the aim of mitigating issues that have been raised through the Equalities Analysis, the work with Transport for All and the use of the new City of London Streets Accessibility Tool. Issues have been designed out or reduced as much as possible during this process. Whilst the City of London's Streets Accessibility Tool was still in its draft form for testing, it has been very helpful in balancing and minimising the impacts across the different characteristics considered. It has helped make improvements to those most impacted regarding each design element, whilst balancing the associated impacts on other characteristic groups giving a more rounded design.

80. The Equality analysis concluded that: (PCG- Protected Characteristic Groups)

“Overall, the number of people who will benefit from the changes is likely to greatly outweigh those under certain PCGs who may be negatively impacted. The improvements to pedestrian safety are expected to benefit all of the PCGs – as all are most likely to make trips as pedestrians in the subject area.”

81. *“The primary cause of negative impact upon PCGs is due to the alteration of bus routes, and inaccessibility to be picked-up or dropped-off by motor vehicles on Threadneedle Street or Queen Victoria Street in the same locations as was previously possible. While taxis will not be able to drop off or collect passengers from Threadneedle, it should be*

noted the entrances into the units of the Royal Exchange on this section are currently not accessible for all users. Stakeholder feedback from the Bank of England didn't highlight an issue with the additional distances to travel to the drop off/ pick up locations for taxis."

82. *"Due to the limited space available at Bank junction, designing a scheme that perfectly satisfies the specific needs of every stakeholder would be an unachievable aim. As such, the All Change at Bank scheme has been designed in a way which finely balances the needs of all, while taking into account the specific needs of each PCG. It is recommended that ongoing collaboration with stakeholders takes place to ensure that the scheme can be implemented in way in which maximises benefits and minimises negative impacts on PCGs"*

83. In addition, it was recommended that an accessibility audit was undertaken. This was undertaken and the recommendations from this audit have been assessed and key components have been incorporated into the design. There were some issues raised regarding the choice of material and concern of contrast. In some circumstances the choice of material is dependent upon the available budget as discussed above, but the issues around contrast etc. will be followed for which ever material is chosen.

84. In addition to these two assessments, work has continued with Transport for All who organised a walkabout. This involved walking around parts of the project area with disabled people and those who support them, identifying barriers and things which enable within the streetspace. Most of the issues picked up within the project area will be addressed as part of the delivery of the project. These included, broken pavement slabs, dropped kerb locations, narrow pavements and currently long crossing distances. Those that are not, will be logged and if not within the City's responsibility, such as concerns over the Underground entrances etc, passed to external partners. Those that might be able to be dealt with outside of the project scope will be passed to internal colleagues for consideration.

85. There has been significant work undertaken in developing the design for the All Change at Bank project and the design team have worked conscientiously with Transport for All to help develop a more inclusive scheme in a difficult location. Due regard has been given to the protected characteristics, and mitigation in the developed design has been included to improve the final base scheme and the designed enhancements.

86. There are still some negative impacts of the proposed changes, but these have been mitigated as far as possible and there are also significant positive impacts on people with protected characteristic.

87. In conclusion, due regard to the City's statutory duties has been given including: maintaining reasonable access to premises, improving amenity, having regard to the national air quality strategy, facilitating bus traffic and securing the safety and convenience of passengers and other road users. Due regard has been paid to the City's public-sector equality duties and the interests of those with protected characteristics.

Legal implications:

88. The City is under a duty in exercising traffic authority functions and any powers affecting the road network, to have regard to the duties to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians) (having regard to effects on amenities) (S.122 Road Traffic Regulation Act 1984), and to secure the efficient use of the road network avoiding congestion and disruption (S.16 Traffic Management Act 2004). Regard has also to be had to the relevant statutory guidance.

89. When making decisions, the City Corporation must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who do not (the public sector equality duty). Equality implications are considered and set out above in this report. The final full Equality Analysis is in Appendix 5 for Members consideration.

90. Statutory consultation on the traffic management orders necessary to implement the project has commenced. Once the consultation has closed officers will need to consider whether a public inquiry should be held and must consider all objections duly made and not withdrawn, before the Executive Director Environment (in consultation with the Chairman and Deputy Chairman of Streets and Walkways Committee) takes a decision whether to make the orders. A decision in this report to proceed with the construction of Option 1 (or Option 2 if further funding is not approved) cannot predetermine the outcome of the statutory consultation.

<p>5. Delivery team</p>	<p>91. It is proposed to continue to be project managed by Major Projects and Programmes in City Transportation.</p> <p>92. Construction Engineering/Design and Construction Supervision to be managed by Highways</p> <p>93. Planting by Open Spaces (if there is any)</p> <p>94. Contractor – proposed to start a discrete piece of the build with JB Riney under the highways term contract.</p> <p>95. From July 1 2022, a new term contract will be in place but at this stage the individual contractor is not yet known. Reports on this will be going through due process in the New Year. It is proposed that substantial construction will be managed by the contractor who will be awarded the new Highways term contract. If this is not JB Riney, a significant level of early contractor involvement will take place to provide as smooth a transition as possible</p>
<p>6. Programme and key dates</p>	<p>96. Dates are subject to the outcome of the statutory consultation of the traffic management orders:</p> <ul style="list-style-type: none"> • January – March 2022-Finalise construction planning and communication strategy • March 2022 – confirmation of whether Option 2 is to be progressed • April -November 2022 site set up and construction starts up to Lord Mayors show 2022 • November 2022 construction restarts to September 2023 to completion (end date should be earlier if Option 2 is taken if progressed depending upon lead in times for materials). • A report would be submitted before summer recess 2022 outlining the public realm enhancements for consideration for prioritising their delivery with the funding available and an update on costs etc of the project following confirmation of the anticipated rise in costs. This assumes that option 1 or option 2 are being followed. • If neither Option 1 or Option 2 could be followed, an update on this would be given as soon as possible. This may need to be under urgency. <p>97. Following construction completion, the project will not have entirely finished. The review into the traffic mix and timing</p>

	<p>review still needs to be undertaken. Monitoring of the changes made also need to be undertaken in order to provide the data for the Gateway 6 to see how the scheme has performed against the objectives.</p> <p>98. It is proposed that as construction nears completion a progress report is submitted to Members to update on the programme of these other items that will need to be undertaken before the project can be formally closed down.</p> <p>99. The Gateway 6 will need to be submitted after the recommended 6 months following completion (of construction) of the project. This will also allow the piece of work around timings and traffic mix etc. to be completed and the monitoring to take place. The update report will set out milestones for this and estimate when the G6 is likely to be submitted.</p>
<p>7. Risks</p>	<p>100. Costed Risk Provision Utilised at Last Gateway: £0</p> <p>101. There is a risk that if the traffic orders that are currently advertised, following consideration of any objections, were determined not to proceed, that the work undertaken to date could be at risk. All expenditure to date and any staff costs expended up to that decision could be abortive.</p> <p>102. The key risk to the project is funding associated with the currently unknown rate increase for material, labour, energy etc and therefore how much of the planned base design and subsequent enhancement will be able to be delivered. This increases the risk to how much of the holistic design can be delivered and that subsequently not all of the project objectives will be met.</p> <p>103. Other risks revolve around continued increase of material costs over the life of construction as well as events that may cause delay and increase staff time costs. The longer lead in times for the purchasing of materials may mean that the programme has to extend further. This could be especially noticeable if option 2 is progressed balancing the use of the costed risk provision in the later stages of delivery of the descoped base design and making decisions on how best to use those funds.</p> <p>104. Significant mitigation has taken place during design that it is unlikely that there are unknown ground conditions to contend with, but the area is still constrained which makes construction in some areas difficult and liable to an elongated programme which will have associated cost</p>

	<p>implications. An enhanced site supervision schedule is planned to help minimise issues as they arise during construction.</p> <p>105. Further information is available in the Risk Register (Appendix 2)</p>
<p>8. Success criteria</p>	<p>106. When the project was first initiated in 2013 the following were the desired outcomes for a design which:</p> <ul style="list-style-type: none"> a) improves road safety for all. b) caters for growth of pedestrian and cycling numbers. c) relieves congestion which impacts on the area's character and appearance as well as reduces pollution. d) maintains the ability for businesses to undertake servicing and deliveries. e) delivers a place which feels safe; and f) retains its ability to provide the processional route for the Lord Mayor's show. <p>107. The design presented in this report has retained these design values and is believed to deliver on all of these criteria if Option B proceeds.</p> <p>108. The original 2013 objectives have been maintained but the baseline and strategy associations have been updated to reflect the new policy aspirations. New baselines have been set to incorporate the impact of the Bank on Safety outcomes vs the addition of the All Change at Bank project:</p> <p>109. The following are the key success criteria:</p> <ul style="list-style-type: none"> a) The delivery of a simplified junction which reduces the amount of conflict to improve safety. This can be measured by a reduction in total casualties at the junction <ul style="list-style-type: none"> • With specific interest in significantly reducing: <ul style="list-style-type: none"> ○ pedestrian casualties at the junction ○ cycling casualties at the junction b) Reduce NO₂ (nitrogen dioxide) levels at this location by reducing the number of motorised vehicles using the area. <ul style="list-style-type: none"> • The Corporate Air Quality strategy 2019-2024: <ul style="list-style-type: none"> ○ A measure of success for the Strategy will be consistent compliance with health-based air quality Limit Values and WHO Guidelines measured using a network of robust air quality monitoring equipment

	<p>110. Air quality monitoring will continue and be compared to the data collected since 2015 to show progress of air quality improvements.</p> <p>c) Improved pedestrian crowding levels at crossing points around the junction</p> <ul style="list-style-type: none"> • The Transport Strategy sets an aim of achieving a B+ Pedestrian comfort level on footways and crossings • The Climate Action Strategy action 6.1 is for pavement widening to comfort level A+ <p>111. Pedestrian Comfort Levels will be assessed again and compared to the previous work.</p> <p>d) Improved public perception of the ‘place function’ as a location to visit and spend time in, rather than to pass through.</p> <p>112. Perception Surveys and a Healthy Streets audit to ascertain the changes in perception are planned. These would show changes in attitudes and changes in amenity for before and after.</p> <p>113. These success criteria and the associated data to date were contained within the Gateway 4C report in February 2021 (a link to this is in the background documents below)</p>
<p>9. Progress reporting</p>	<p>114. Monthly project vision reports will be made.</p> <p>115. A progress report is planned for between May and July 2022 to set out the public realm enhancements and to set out their priority for implementation. Depending upon the outcome of the funding request and the confirmation of the rate increases (and the statutory consultation on the traffic orders), a report may be required to update Members on the financial position of the project and the consequences to its delivery.</p> <p>116. Further progress reports regarding the release of Costed Risk back to the main construction budget will also be submitted at key stages of the construction. Depending on whether Option 1 or Option 2 is delivered, will determine the number of these reports. Verbal updates at committee when there is something to note can be given ahead of any progress reporting to keep Members informed.</p> <p>117. Depending on how the funding application and/or the anticipated cost increases progress, it may be required that further reporting in way of Issues reports, delegations or</p>

	urgency will need to be progressed to keep the programme moving.
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Appendices

Appendix 1	Project Coversheet
Appendix 2	Risk Register
Appendix 3	Funding/finance tables
Appendix 4	Plans for option 1 and Option 2
Appendix 5	Equalities analysis
Appendix 6	Public realm enhancements plan (longer term vision)
Appendix 7	Strategy links
Background papers	
	Issues : Consultation findings report September 2021
	Issues : delay to consultation findings report July 2021
	Gateway 4C : Design for consultation (February 2021)
	Gateway 4B : Court of Common Council funding approval
	Gateway 4 : Detailed Options Appraisal (October 2020)
	Gateway 3 : Outline options appraisal (May 2020)
	Issues : proposed way forward following restarting the project (April 2019)
	Issues : restarting the All Change at Bank project. (January 2019)

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