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<p>Committees: Corporate Projects Board - for decision Streets and Walkways Sub - for decision Projects Sub - for decision</p>	<p>Dates: Urgency 02 December 2021 15 December 2021</p>
<p>Subject: Stonecutter Court S278 Unique Project Identifier: TBC</p>	<p>Gateway 2: Project Proposal Regular</p>
<p>Report: Executive Director Environment Report Author: Kieran Mackay</p>	<p>For Decision</p>
<p>PUBLIC</p>	

Recommendations

<p>1. Next steps and requested decisions</p>	<p>Project Description: Highways and public realm changes required to integrate the new building at 1 Stonecutter Street into the surrounding public highway.</p> <p>Next Gateway: Gateway 5 - Authority to Start Work (Light)</p> <p>Next Steps:</p> <ul style="list-style-type: none"> • Negotiate and enter into a section 278 agreement (Highways Act 1980) with the developer • Undertake detailed design including liaising with the developer and utility companies • Investigate kerbside changes and undertake the necessary Traffic Order consultation. <p>Funding Source: Fully funded by the developer</p> <p>Requested Decisions:</p> <ol style="list-style-type: none"> 1. That budget of £65,000 is approved to reach the next Gateway;
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	<p>2. Authorise officers enter in a section 278 agreement with the Developer</p> <p>3. Note the total estimated cost of the project is £400,000 - £550,000 (excluding risk);</p>																
<p>2. Resource requirements to reach next Gateway</p>	<table border="1" data-bbox="528 490 1390 1135"> <thead> <tr> <th data-bbox="528 490 762 633">Item</th> <th data-bbox="762 490 1007 633">Reason</th> <th data-bbox="1007 490 1198 633">Funds/ Source of Funding</th> <th data-bbox="1198 490 1390 633">Cost (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="528 633 762 884"> <i>Staff Costs (P&T)</i> <i>Staff Costs (Highways)</i> </td> <td data-bbox="762 633 1007 884"> <i>Project management and design (internal)</i> </td> <td data-bbox="1007 633 1198 884"> S278 (evaluation and design fee) </td> <td data-bbox="1198 633 1390 884"> 15,000 28,000 </td> </tr> <tr> <td data-bbox="528 884 762 1066"> <i>Fees</i> </td> <td data-bbox="762 884 1007 1066"> <i>Topographical and radar surveys: site investigations</i> </td> <td data-bbox="1007 884 1198 1066"> S278 (evaluation and design fee) </td> <td data-bbox="1198 884 1390 1066"> 22,000 </td> </tr> <tr> <td data-bbox="528 1066 762 1135"> Total </td> <td data-bbox="762 1066 1007 1135"></td> <td data-bbox="1007 1066 1198 1135"></td> <td data-bbox="1198 1066 1390 1135"> £65,000 </td> </tr> </tbody> </table> <p data-bbox="528 1205 1445 1429"> P&T staff cost allocation – £15,000 Approximately 175 hours of Transport and Public Realm officer staff costs associated with initial project planning, negotiating the terms of the legal agreements, facilitating the detail design discussions, securing the necessary approvals from key stakeholders and project management. </p> <p data-bbox="528 1462 1445 1615"> Highways staff cost allocation – £28,000 Approximately 280 hours of Highways officer staff costs associated with detail design, including street lighting, drainage, liaison with utility companies and securing permits. </p> <p data-bbox="528 1648 1445 1890"> Professional fees allocation - £22,000 This will cover the procurement of technical assessments, including any surveys and utility enquiries. Any underspend (£35K) from the design and evaluation paid under the S106 agreement will be taken forward into the next gateway. </p>	Item	Reason	Funds/ Source of Funding	Cost (£)	<i>Staff Costs (P&T)</i> <i>Staff Costs (Highways)</i>	<i>Project management and design (internal)</i>	S278 (evaluation and design fee)	15,000 28,000	<i>Fees</i>	<i>Topographical and radar surveys: site investigations</i>	S278 (evaluation and design fee)	22,000	Total			£65,000
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<p>3. Governance arrangements</p>	<p>a. Service Committee: Streets and Walkways</p>																

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	<p>b. Name of Senior Responsible Officer: Leah Coburn, Major Projects Group Manager</p> <p>Due to the limited scope of this project, a project board is not required.</p>
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Project Summary

<p>4. Context</p>	<ol style="list-style-type: none"> 1. A Planning permission (18/00878/FULMAJ) to demolish the existing office building and replacement with a 14-story office building was granted on 28 March 2019. 2. The building is bounded by Stonecutter Street to the north, Farringdon Street to the east, Harp Alley to the south and St Bride Street to the west. 3. A S106 agreement has been executed and this obligates the developer to enter into a section 278 agreement with the City to fund any works on the highways to make the development acceptable in planning terms. 4. A payment to the value of £100,000 for the ‘Design and Evaluation Payment’ was received in April 2021. 5. The developer wishes to proceed with the design and evaluation stage of the development in order to ensure that the s278 agreement can be entered into with the City Corporation prior to their implementation of the planning permission, as required by the section 106 agreement.
<p>6. Brief description of project</p>	<ol style="list-style-type: none"> 1. Highways and public realm changes required to integrate the new building at 1 Stonecutter Street into the surrounding public highway. The scope includes: 2. The new office entrance for the development would be located on Stonecutter Street. The section 278 works will include some reprofiling of the highway to provide level access into the Stonecutter Street entrance. Reprofiting the highway to enable development is not normally acceptable however in this case providing level access at the main entrance is not possible without the reprofiling due to the significant slope across the building line along Stonecutter Street.

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	<ol style="list-style-type: none"> 3. The new vehicle servicing entrance for the development would be located on St Bride Street. The section 278 works will include the removal/relocation of some motorcycle parking on St Bride Street to facilitate the introduction of a crossover to serve the new servicing entrance. 4. The project will include the repaving of St Bride Street and Harp Alley and parts of Stonecutter Street. The existing paving pattern on Stonecutter Street will be extended across the existing crossover.
7. Consequences if project not approved	<ol style="list-style-type: none"> 1. The development would not be delivered in line with the planning permission. Level access to the main office entrance and vehicular access to the new servicing area would not be possible. 2. The City's obligations as set out in the section 106 Agreement would not be fulfilled.
8. SMART project objectives	<ol style="list-style-type: none"> 1. Improve pedestrian environment on the streets surrounding the building by delivering a high quality and accessible public realm 2. The design and works are programmed are co-ordinated with the development
9. Key benefits	<ol style="list-style-type: none"> 1. Improved and more accessible public realm 2. Accommodate the delivery of a new consented development.
10. Project category	4a. Fully reimbursable
11. Project priority	B. Advisable
12. Notable exclusions	None

Options Appraisal

13. Overview of options	<ol style="list-style-type: none"> 1. The scope of works is limited and was defined at planning stage as the package of works required to make the development acceptable in planning terms and those required to integrate the development into the highway.
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	<ol style="list-style-type: none"> 2. As part of initial discussions officers requested the developer to explore options to include tree planting in the section 278 scope. The developer has ruled out including these in the scope as they were not required as an obligation at planning stage and because subterranean constraints would require utilities diverting at significant cost. 3. The introduction of a crossover on St Bride Street would require the removal of a length of motorcycle parking. As part of the design work options to relocate this displaced parking will be explored. This will require the collection of survey data to better understand the demand for kerbside use in the locality. 4. As there are limited options for the design of these highways works, officers propose to bring a Gateway 5 forward in 2022
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Project Planning

<p>14. Delivery period and key dates</p>	<p>Overall project: February 2021 – September 2024</p> <p>Key dates:</p> <p>February 2021 – S278 agreement signed</p> <p>Mid 2022 – G5 authority to start work</p> <p>Late 2023/Early 2024 – start work subject to developer programme and site access being made available</p> <p>September 2024 – Complete works/ Practical Completion of development</p> <p>Early 2025 – G6 report</p> <p>Other works dates to coordinate: Planning and Transportation Committee resolved to grant consent for the redevelopment of 120 Fleet Street on 26 October 2021. The development is located opposite Stonecutter Court on St Bride Street and there may be some overlap on the section 278 works to St Bride Street which will require coordination.</p> <p>The developer will also need to enter into a S278 agreement with Transport for London for the works to be undertaken on their highway. TfL design and construction works will need to be coordinated at the interface with the City works.</p> <p>There could also be some overlap with the Pedestrian Priority programme for Fleet Street which may require further coordination.</p>
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<p>15. Risk implications</p>	<p>Overall project risk: Low</p> <ul style="list-style-type: none"> • Full costs of works unknown As the design develops the likely cost of the scheme will be established. The scope of the project may need to be tailored to ensure the developer is able to cover the costs. The City's term contractor will change in June 2022 which will likely result in an increase in costs. However, it should be noted that under the agreement, the developer is required to pay for any excess costs. <p>There are also risks around costs increasing due to material and labour shortages and inflation.</p> <ul style="list-style-type: none"> • Programme delays The programme could be impacted by any delays in the developer's programme. <p>Further information is available within the Risk Register (Appendix 2)</p>
<p>16. Stakeholders and consultees</p>	<ol style="list-style-type: none"> 1. Developer of Stonecutter Court 2. Local Ward Members 3. Owners/Occupiers of adjacent buildings including residents of Sovereign House, Poppin's Court. 4. Transport for London 5. Motorcycle bay users

Resource Implications

<p>17. Total estimated cost</p>	<p>Likely cost range (excluding risk): Estimated cost is between £400,000 - £550,000</p>							
<p>18. Funding strategy</p>	<p>Choose 1: All funding fully guaranteed</p>	<p>Choose 1: External - Funded wholly by contributions from external third parties</p> <table border="1" data-bbox="533 1738 1353 1935"> <thead> <tr> <th data-bbox="533 1738 1161 1794">Funds/Sources of Funding</th> <th data-bbox="1161 1738 1353 1794">Cost (£)</th> </tr> </thead> <tbody> <tr> <td data-bbox="533 1794 1161 1850">S278</td> <td data-bbox="1161 1794 1353 1850">400 – 550K</td> </tr> <tr> <td data-bbox="533 1850 1161 1935" style="text-align: right;">Total</td> <td data-bbox="1161 1850 1353 1935">400 – 550K</td> </tr> </tbody> </table> <p>The funding is subject to a section 278 agreement being concluded.</p>	Funds/Sources of Funding	Cost (£)	S278	400 – 550K	Total	400 – 550K
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19. Investment appraisal	N/A
20. Procurement strategy/route to market	<ol style="list-style-type: none"> 1. Design works will be carried out internally by Highways project engineers in the Environment Department or through the Transportation and Public Realm Framework contract. 2. All works will be undertaken by the City's Highways term contractor and utility providers and/or specialist contractors where necessary. This will be confirmed at Gateway 5.
21. Legal implications	<ol style="list-style-type: none"> 1. The section 106 agreement requires the developer to enter into a section 278 agreement with the City. 2. Negotiations on the section 278 are being progressed.
22. Corporate property implications	<ol style="list-style-type: none"> 1. None
23. Traffic implications	<ol style="list-style-type: none"> 1. It will be necessary to relocate or remove the motorcycle parking bay in order to accommodate the new vehicle service entrance 2. Temporary road closures may be required during the construction period but there will be no changes to current traffic arrangements.
24. Sustainability and energy implications	<ol style="list-style-type: none"> 1. It is anticipated that all materials will be sustainably sourced where possible and be suitably durable for construction purposes
25. IS implications	<ol style="list-style-type: none"> 1. None
26. Equality Impact Assessment	<ol style="list-style-type: none"> 1. An equality impact test of relevance will be undertaken and if an assessment is required, it will be undertaken prior to Gateway 5
27. Data Protection Impact Assessment	<ol style="list-style-type: none"> 1. The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken

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Appendices

Appendix 1	Project Briefing
Appendix 2	Risk Register
Appendix 3	Works Plan

Contact

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