

Committees:	Dates:	
Corporate Projects Board Streets and Walkways sub-committee Projects sub-committee	2 February 2022 15 February 2022 17 February 2022	
Subject: St. Paul's gyratory project (UPI 11377)	Issue Report: Gateway 2 Complex	Public
Report of: Executive Director Environment Report Author: George Wright		For Decision

PUBLIC

1. Status update	<p>Project Description: Transformation of the streets and public realm on the gyratory system between the Museum of London Rotunda and St. Paul's Underground station to deliver key elements of the City's Transport Strategy and the Cheapside & Guildhall Area Strategy. Working to coordinate and steer the opportunities for the highway changes around a new development at 81 Newgate Street (former BT site) and potential new development at London Wall West (Bastion House). The two developments requiring highway changes offer a major opportunity to add value and funding to the project and help address road safety and public realm issues in the project area.</p> <p>RAG Status: Amber (Amber at last report)</p> <p>Risk Status: Medium (Medium at last report)</p> <p>Total Estimated Cost of Project (excluding risk): £13-£17 million.</p> <p>Change in Total Estimated Cost of Project (excluding risk): No change.</p> <p>Spend to Date: £415,318 of an approved budget of £680,442.</p> <p>Costed Risk Provision Utilised: N/A</p> <p>Funding sources: Section 106. Section 278 contributions from 81 Newgate Street and London Wall West (subject to the granting of planning permission). Central capital funding subject to approval.</p> <p>Slippage: None since last report to Members (Gateway 2 Issue report in April/May 2021).</p>
2. Requested decisions	<p>Next Gateway: Gateway 3 - Outline Options Appraisal (Complex)</p> <p>Requested Decisions:</p> <p>Members of the Streets and Walkways sub-committee and the Projects sub-committee are requested to:</p> <ol style="list-style-type: none"> 1. Approve the release of the £100,000 Section 278 design and evaluation payment from the Section 106 for 81 Newgate Street into this project.

	<ol style="list-style-type: none"> 2. Approve a revised budget of £780,442 to reach the next Gateway (see Appendix 2). 3. Approve the signing of a Section 278 agreement with the developer of 81 Newgate Street. 4. Note Resource Allocation sub-committee approval of a capital bid for £555,500 to be allocated to the project for 2022/23 which will be considered in turn by Finance Committee in February and the Court of Common Council in March, 5. Subject to the approval of the Finance Committee and Court of Common Council of that capital bid, approve delegated authority to the Executive Director Environment, in consultation with the Chamberlain and the respective Chairmen & Deputy Chairmen, to incorporate this funding into the project budget. 6. Note that there may be the need to phase the project over several years to accommodate the varying timelines of the two development sites contained within the project scope. <p>Next steps:</p> <ol style="list-style-type: none"> 1. Further assess and develop concept design options for the gyratory that include the highway changes required for the proposed London Wall West development and the aspirations of the development at 81 Newgate Street. 2. Develop a phased programme of delivery of the gyratory project. 3. Update the cost estimates for the Section 278 highways options and the whole St. Paul's gyratory project area. 4. Sign a Section 278 agreement with the developers of 81 Newgate Street before the end of July 2022. 5. Return with a Gateway 3 in Summer 2022 presenting options for the gyratory
<p>3. Budget</p>	<p>Total Estimated Project Cost</p> <p>Following the re-start of the project in May 2021, officers have been working with the development teams of 81 Newgate Street and London Wall West. Concept highway layouts to facilitate the needs and ambitions of the building developments have been drafted for each development and coordinated for the whole gyratory. These concept options now need to be costed and tested with further traffic modelling to assess their impacts on the highway network before they are presented as feasible options at Gateway 3.</p> <p>The project will be part-funded by the Section 278 project in the south and, were planning permission to be granted, the associated project to the north. The extent of developer contributions will determine what additional central funding is required and any central funding requirement will be subject to the annual capital bidding process.</p> <p>The current funding for the project derives from and local Section 106 payments. Expenditure to date is £415,319 from an approved budget of £680,442, leaving an available balance of £265,1243.</p>

	<p>A proposed revised budget is detailed in Appendix 2 and includes the £100,000 funding from the 81 Newgate Street Section 278. It is estimated that these additional Section 278 funds will be spent on staff costs (£40,000) and fees (£60,000). Key tasks will be pedestrian and traffic modelling and a Healthy Streets assessment.</p> <p>In addition, the capital bid of £555,500 for 2022/23 has been approved by Resource Allocation Sub Committee and is included in the Medium-Term Financial Plan to be considered by Court of Common Council in March 2022. If approved at Court, this funding will be incorporated into the project as per recommendation 6 above and will include work to firm up cost estimates, apportionment of costs between different elements of the projects, traffic modelling, survey work and programming. The proposed budget for this is shown in Appendix 2A.</p> <p>Costed Risk Provision requested for this Gateway: No Cost Risk Provision is requested before Gateway 3.</p>
4. Issue description	<p>The key issue for Members to consider in this report is the recommendation to incorporate the 81 Newgate Street Section 278 into the St. Paul's gyratory project and approve the commencement of the Section 278 evaluation and design work for 81 Newgate Street. A payment of £100,000 has been received from the developer.</p> <p>Other issues (not requiring a decision) but to be noted are:</p> <ol style="list-style-type: none"> 1. It has become clear that the St Paul's gyratory project will need to be delivered in phases and there is a need to progress the Section 278 for 81 Newgate Street as a priority. 2. The 81 Newgate Street development is currently expected to start in February 2022 and complete in March 2025. The developer has an obligation to have a s278 agreement signed within six months of commencement on site. It is anticipated that this agreement will cover the essential highway changes needed to make their development acceptable. 3. In addition, the developer has ambitious proposals to create a substantial, new public space, "King Edward Square", by closing King Edward Street to motor vehicles between Newgate Street and Angel Street. This proposal would require significant changes to the highway including the re-introduction of two-way traffic on Newgate Street and St. Martin Le Grand and would deliver elements of the Transport Strategy and the Cheapside & Guildhall Area Strategy. These changes require much greater consideration and if agreed at Gateway 3 would form part of a second S278 with the developer. 4. The new highway contract rates also need to be factored into the cost estimates and these will become available during the next phase of work.
5. Options	<p>The 81 Newgate Street Section 278 could be progressed as a stand-alone project but its incorporation into the St Paul's gyratory project ensures a more coordinated approach.</p>

Appendices

Appendix 1	Cover sheet
Appendix 2	Finance table
Appendix 2A	Capital bid expenditure breakdown (2022/23)
Appendix 3	General arrangement plans for options 1 and 1A.
Appendix 4	Risk register

Contact

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