

Committees: Streets and Walkways Sub <i>[for decision]</i> Operational Property & Projects Sub <i>[for decision]</i>	Dates: 5 July 2022 20 July 2022
Subject: 150 Bishopsgate Unique Project Identifier: 10717	Gateway 6: Outcome Report Regular
Report of: Executive Director Environment Report Author: Andrea Moravicova – City Operations	For Decision
<h1>PUBLIC</h1>	

Summary

1. Status update	Project Description: Constructing new footways and carriageway around the development including a raised carriageway along Houndsditch (between Outwich Street and Bishopsgate), to cater for expected increase in people walking and cycling in this area. RAG Status: Green (Green at last report to Committee) Risk Status: Low (Low at last report to committee) Costed Risk Provision Utilised: Not applicable Final Outturn Cost: £1,086,508
2. Next steps and requested decisions	Requested Decisions: <ul style="list-style-type: none"> • Approve the content of this report and agree to close this project once the outstanding actions referred to in section 12 are complete. • Approve the budget adjustment related to staff costs to be actioned as outlined in Appendix 4. • Authorise the transfer of any underspend to the Jubilee Gardens project budget, part of the City Cluster Vision Wellbeing and Climate Change Resilience programme, subject to the developer’s agreement (and any necessary agreements), OR; • If the developer does not agree the transfer of underspend, authorise return of unused funds to the

	<p>developer, including any accrued interest as per the S278 agreement.</p>
<p>3. Key conclusions</p>	<p>The project was completed within the budget and delivered its main objective: to enhance public realm in Houndsditch and support increased pedestrian movement through the area, whilst maintaining the function of the street and sufficient space for drop-offs and pick-ups at the entrance to One Bishopsgate Plaza.</p> <p>The programme was adjusted in agreement with the developer to coincide with their timelines and so the works were completed approximately six months later than originally planned.</p> <p>The main deliverables included:</p> <ul style="list-style-type: none"> • Raising the carriageway in Houndsditch to footway level, paved in granite setts, and paving footways in Yorkstone; • Replacing trees on the south side of Houndsditch and providing a root barrier and waterproofing to protect the pipe subway; • Upgrading lighting in Devonshire Square and Houndsditch between Outwich Street and Bishopsgate. • Installing seating and cycle stands in Houndsditch. <p>Key learning and recommendations for future projects:</p> <ul style="list-style-type: none"> • Close liaison with the developer and their contractor ensures alignment of the works programme to the development's completion timelines. • Constraints of pipe subway on tree planting were overcome through close working with structural engineers and the City Gardens team.

Main Report

Design & Delivery Review

<p>4. Design into delivery</p>	<p>The original design approved in 2012 was revised to reflect a presence of pipe subway beneath Houndsditch. The underground conditions, which seemed to have contributed to the decline of existing trees in the south footway, were carefully considered and design was revised through the introduction of root barriers to protect the pipe subway whilst allowing sufficient space for tree roots to establish.</p> <p>The revised design, approved by Committees in February 2020, was implemented to tie in with the privately owned space around the development.</p>
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<p>5. Options appraisal</p>	<p>Three design options were presented as part of the original Gateway 3-4-5 report in 2012. These options had differences in proposed carriageway surfaces (asphalt only, granite and asphalt mix, and granite only) and levels (raised to the footway level between Outwich and Bishopsgate or raised to footway level immediately outside the hotel only).</p> <p>The chosen option with a raised carriageway to footway level and granite sett finish strongly supported by the developer, met the objectives of the project, and delivered a high-quality public realm.</p>
<p>6. Procurement route</p>	<ul style="list-style-type: none"> • The construction package was prepared inhouse by the Highway Engineer and work on site undertaken by the City's term contractor. • All soft landscaping was designed and delivered by the City Gardens team.
<p>7. Skills base</p>	<ul style="list-style-type: none"> • The project team has the skills, knowledge and experience to manage delivery of this and similar future projects. • Transport for London delivered required traffic signal changes, with works supervised by City Transportation team. • Required surveys, including trial holes to assess the depth and movement of the pipe subway structure, topographical and radar surveys, were commissioned. • The City's structural engineers were engaged in the process to address construction above and around the pipe subway.
<p>8. Stakeholders</p>	<p>The project was delivered in close liaison with the developer and relevant stakeholders to ensure the proposals meet their needs.</p>

Variation Review

<p>9. Assessment of project against key milestones</p>	<p>The construction programme was affected by the materialisation of the risk of a delay to developer's programme.</p> <p>At Gateway 5 (February 2020), the programme proposed main construction to start end of May 2020 and complete end of September 2020.</p> <p>However, the main construction started in January 2021 and was substantially completed at the beginning of July 2021. This was a slippage of approximately seven months due to delays in developer's handover of works areas. Final resurfacing works were due to take place between 11 and 14 March but were deferred owing to emergency services dealing with an emergency.</p> <p>Inspections and snagging were undertaken throughout to November 2021.</p>
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10. Assessment of project against Scope	<p>The project was implemented as per the scope defined in Gateway 5 report and is summarised below:</p> <ul style="list-style-type: none"> • Construction of a Yorkstone footway and a raised carriageway in granite setts in Houndsditch between Outwich Street and Bishopsgate; • Relay of Yorkstone along the eastern footway on Bishopsgate; • Replacement of existing paving with Yorkstone in Cavendish Court and Devonshire Square; • Upgrade of existing street lighting in Houndsditch and Devonshire Row; • Replacement of existing trees and irrigation along south side of Houndsditch; • Provision of new cycle stands and seating in Houndsditch.
11. Risks and issues	<p>Delay in the handover of the works' areas from the developer deferred the public realm implementation start date.</p>

Value Review

12. Budget	<table border="1"> <tr> <td data-bbox="462 1010 766 1131"><i>Estimated Outturn Cost (G2)</i></td> <td data-bbox="766 1010 1468 1131">Estimated cost (excluding risk): £250k - £2m</td> </tr> </table>		<i>Estimated Outturn Cost (G2)</i>	Estimated cost (excluding risk): £250k - £2m																		
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<table border="1"> <thead> <tr> <th data-bbox="462 1131 766 1243"></th> <th data-bbox="766 1131 1053 1243"><i>At Authority to Start work (G5)</i></th> <th data-bbox="1053 1131 1468 1243"><i>Final Outturn Cost</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="462 1243 766 1288">Pre-evaluation</td> <td data-bbox="766 1243 1053 1288">£66,314</td> <td data-bbox="1053 1243 1468 1288">£66,313</td> </tr> <tr> <td data-bbox="462 1288 766 1332">Fees</td> <td data-bbox="766 1288 1053 1332">£47,795</td> <td data-bbox="1053 1288 1468 1332">£42,972</td> </tr> <tr> <td data-bbox="462 1332 766 1377">Staff Costs</td> <td data-bbox="766 1332 1053 1377">£293,797</td> <td data-bbox="1053 1332 1468 1377">£304,784</td> </tr> <tr> <td data-bbox="462 1377 766 1422">Highway works</td> <td data-bbox="766 1377 1053 1422">£785,418</td> <td data-bbox="1053 1377 1468 1422">£770,418</td> </tr> <tr> <td data-bbox="462 1422 766 1467">Maintenance</td> <td data-bbox="766 1422 1053 1467">£80,204</td> <td data-bbox="1053 1422 1468 1467">£0</td> </tr> <tr> <td data-bbox="462 1467 766 1512">Total</td> <td data-bbox="766 1467 1053 1512">£1,273,528</td> <td data-bbox="1053 1467 1468 1512">£1,086,508</td> </tr> </tbody> </table> <p>The project is practically completed with resurfacing of Houndsditch between Camomile Street and Goring Street deferred due to emergency services dealing with incident. A total of £56,000 will be required for resurfacing works and their supervision, which has been included in the final outturn cost in the table above.</p> <p>The final account for this project is yet to be verified. An existing works commitment for JB Riney, accounted for in the overall project outturn costs, is yet to be receipted.</p> <p>Project accounts will be closed once invoices from the works are received, in line with the Chamberlain project's account processes.</p> <p>It is recommended that, subject to the developer's / landowner's agreement and waiver of the City's repayment obligation, the underspend is used to fund the improvements proposed for Jubilee Gardens, a part of the City Cluster Vision Wellbeing and Climate</p>			<i>At Authority to Start work (G5)</i>	<i>Final Outturn Cost</i>	Pre-evaluation	£66,314	£66,313	Fees	£47,795	£42,972	Staff Costs	£293,797	£304,784	Highway works	£785,418	£770,418	Maintenance	£80,204	£0	Total	£1,273,528	£1,086,508
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	Change Resilience programme. If the developer does not agree the transfer of underspend, unused funds, including any accrued interest as per the S278 agreement, will be returned to the developer.
13. Assessment of project against SMART objectives	Through introduction of high-quality materials, trees and seating in Houndsditch and improved footway surfaces in Bishopsgate and Cavendish Court, the project delivered on its aims to enhance the experience of walking and spending time in the area, whilst accommodating the needs of the new development.
14. Key benefits realised	The improvements facilitate convenient pedestrian movement in the area, whilst providing sufficient space for vehicles to pass those dropping off and picking up passengers at the entrance to the hotel. The design created additional capacity to support the expected increase in people walking in the area and added to the attractiveness of the City of London as a place to work, live and visit.

Lessons Learned and Recommendations

15. Positive reflections	<ul style="list-style-type: none"> • The delivery of the scheme was possible due to a Section 278 contribution from the developer, who recognised the importance and added value of an attractive urban realm to match the quality of the development. • Ongoing coordination with the developer's representative ensured clear communication channels were maintained and any changes or updates were efficiently conveyed. • Working closely with structural engineers and the City Gardens team helped with revision of the original design from 2011, without compromising the project's main objectives.
16. Improvement reflections	<ul style="list-style-type: none"> • Undertaking detailed underground surveys at earlier stages of the project would have benefited the design process and minimised the needs for revisions, particularly in relation to the pipe subway.
17. Sharing best practice	Information will be disseminated through team and project staff briefings.

Appendices

Appendix 1	Project Coversheet
Appendix 2	Finance table
Appendix 3	Before and after images

Contact

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Appendix 1

Project Coversheet

[1] Ownership & Status

UPI: 10717

Core Project Name: 150 Bishopsgate

Programme Affiliation: City Cluster Vision

Project Manager: Andrea Moravicova

Definition of need: Constructing new footways and carriageway around the development including a raised carriageway along Houndsditch (between Outwich Street and Bishopsgate), to cater for the expected increase in people walking and cycling in this area.

Key measures of success:

1. Deliver an enhanced public realm in Houndsditch
2. Deliver a highway that is designed and implemented to the City's standards, ensuring that the required functions of the street are maintained.
3. Improve accessibility for all throughout the area.

Expected timeframe for the project delivery:

Gateway 3-4-5 (December 2012) range: summer 2015 – late 2016

Gateway 5 (February 2020) range: April – October 2020

Key Milestones:

Gateway 5

- Replacing the trees in south part of Houndsditch: End April 2020 to end May 2020
- Repair works to pipe subway: March-May 2020
- Implementation: May – October 2020
- Gateway 6 report: January 2021

Current:

Implementation: January 2021 – April 2021

Gateway 6 report: July 2022

Are we on track for completing the project against the expected timeframe for project delivery? No; The works were rescheduled to align with revised developer's programme owing the Covid pandemic and were substantially completed in April 2021.

Has this project generated public or media impact and response which the City of London has needed to manage or is managing? No

[2] Finance and Costed Risk

Headline Financial, Scope and Design Changes:

'Project Briefing' G1 report (as approved by Chief Officer April 2012):

- Total Estimated Cost (excluding risk): £250,000 to £2m

- Costed Risk Against the Project: £0
- Estimated Programme Dates: September 2012

‘Project Proposal’ G2 report (as approved by PSC April 2012):

- Total Estimated Cost (excluding risk): £250,000 to £2m
- Resources to reach next Gateway (excluding risk):
- Spend to date:
- Costed Risk Against the Project: N/A
- Estimated Programme Dates:

‘Options Appraisal, Design and Authority to start Work’ G3-4-5 report (as approved by PSC 13/12/2012):

- Total Estimated Cost (excluding risk): £810,103
- Resources to reach next Gateway (excluding risk): £242,004
- Spend to date: £19,800
- Costed Risk Against the Project: N/A
- Estimated Programme Dates: summer 2015 – 2017/18 financial year

Scope/Design Change and Impact: The design aligns with the brief described at Gateway 2, which focuses on designing a public realm to a standard the City is happy to adopt and maintain, in time for the opening of the development.

The development was paused shortly after the approval of the Gateway 3-4-5 report.

‘Options Appraisal and Design’ Issues report (as approved by PSC April 2019):

- Total Estimated Cost (excluding risk): TBC in the revised Gateway 5 report following a design review.
- Resources to reach next Gateway (excluding risk): £76,668
- Spend to date: £225,672
- Costed Risk Against the Project: N/A
- Estimated Programme Dates: Implementation start date - June/July 2020

Scope/Design Change and Impact: Changes to the design were required considering new information that became available since the Gateway 5 report was approved.

‘Authority to start Work’ G5 report (as approved by PSC 24 February 2020):

- Total Estimated Cost (excluding risk): £1,273,528
- Resources to reach next Gateway (excluding risk): £954,856
- Spend to date: £304,883
- Costed Risk Against the Project: N/A
- Estimated Programme Dates:
 - Implementation: April / May 2020 – October 2020
 - Gateway 6 close-down report: January 2021

Scope/Design Change and Impact: The design is a revised version of the one agreed in 2015 under the Heron Tower S.278(2) agreement and subsequently the Heron Tower S.278(2) variation agreement. These designs mitigated the impact of the Heron Tower development.

Total anticipated on-going commitment post-delivery [£]: N/A

Programme Affiliation [£]: City Cluster Vision.

This project has been funded separately to the City Cluster Vision programme through Section 278 contribution from the developer of 150 Bishopsgate. The officers are seeking an agreement from the developer to use the project's underspend to fund the City Cluster Vision's Jubilee Gardens project, which abuts the development.

Appendix 2

Description	Approved Budget (£)	Expenditure (£)	Balance (£)
150 Bishopsgate S278 (SRP) - 16800066			
PreEv P&T Fees	9,240	9,240	-
PreEv P&T Staff Costs	47,220	47,219	1
PreEval Highways Staff Costs	9,375	9,375	0
PreEval Open Spaces Staff Costs	479	479	0
Total - 16800066	66,314	66,313	1
150 Bishopsgate S278 (CAP) - 16100325			
Env Servs Staff Costs	177,875	171,257	6,618
Open Spaces Staff Costs	7,922	3,007	4,915
P&T Staff Costs	123,000	124,521	(1,521)
P&T Fees	47,795	42,972	4,823
Utilities	60,700	55,568	5,132
Works - Highways	608,810	510,244	98,566
Works - Landscape	14,108	3,152	10,956
Works - Lighting	57,200	23,875	33,325
Works - TFL	29,600	29,600	-
Total - 16100325	1,127,010	964,195	162,815
TOTAL	1,193,324	1,030,508	162,816

Table 2: Budget Adjustment Required			
Description	Approved Budget (£)	Adjustment Required (£)	Revised Budget (£)
150 Bishopsgate S278 (SRP) - 16800066			
PreEv P&T Fees	9,240	-	9,240
PreEv P&T Staff Costs	47,220	-	47,220
PreEval Highways Staff Costs	9,375	-	9,375
PreEval Open Spaces Staff Costs	479	-	479
Total - 16800066	66,314	-	66,314
150 Bishopsgate S278 (CAP) - 16100325			
Env Servs Staff Costs	177,875	-	177,875
Open Spaces Staff Costs	7,922	-	7,922
P&T Staff Costs	123,000	1,521	124,521
P&T Fees	47,795	-	47,795
Utilities	60,700	-	60,700
Works - Highways	608,810	(1,521)	607,289
Works - Landscape	14,108	-	14,108
Works - Lighting	57,200	-	57,200
Works - TFL	29,600	-	29,600
Total - 16100325	1,127,010	-	1,127,010
TOTAL	1,193,324	-	1,193,324

Appendix 3



Before: Construction site at 150 Bishopsgate looking south-north from Bishopsgate



After: Trees were replaced and cycle parking provisions were introduced in newly paved area of Houndsditch.



Before: Junction of Outwitch Street and Houndsditch



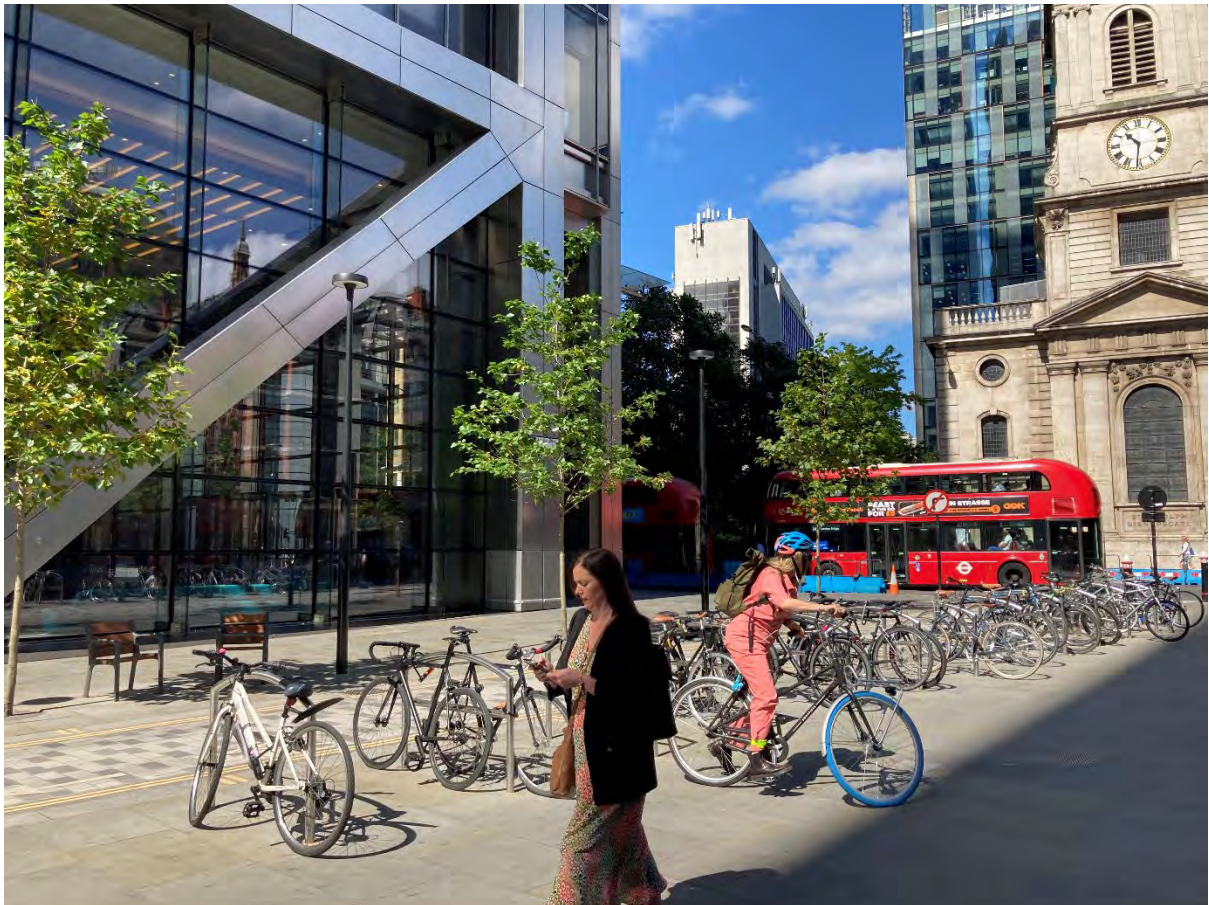
After: The pedestrian crossing on Outwitch Street was realigned.



Before: Houndsditch looking north towards Bishopgate



After: The raised carriageway in granite sets on Houndsditch.



After: The new layout with raised carriageway caters for expected increase in people walking and cycling in the area.



After: Cavendish Court repaved in Yorkstone