

Committees: Streets and Walkways Sub Committee <i>[for decision]</i> Operational Property and Projects Sub <i>[for decision]</i>	Dates: 06 September 2022 26 September 2022
Subject: Bank Junction Improvements: All Change at Bank Unique Project Identifier: 11401	Gateway 5 Complex Issue Report
Report of: Executive Director Environment Choose an item. Report Author: Gillian Howard – Policy and Projects	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: Amber (Red at last report to Committee)</p> <p>Decreased to Amber now that inflation rates and new highways contract rates are better understood and with confirmation of additional capital funding that covers this increase.</p> <p>Risk Status: Medium (High at last report to committee)</p> <p>Total Estimated Cost of Project: £6.17M (Excluding Risk) - £6.8m (max figure includes utilisation of unspent costed risk to deliver public realm enhancements if available, and inclusion of the Cool Streets funding)</p> <p>Change in Total Estimated Cost of Project (excluding risk): Lower end of the cost of the project increased by £588,502 to £6.17m but remains within upper limit previously reported.</p> <p>Spend to Date: £ £2.324M Costed Risk Provision Utilised: £0 has been drawn down since the last report to Committee;</p>
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	<p>Requesting £423,502 to be drawn down in this report</p> <p>Funding Source: TfL/S106/Capital funding (OSPR)</p> <p>Slippage: <i>There has been a delay since the G5 in December 2021 which has affected the programme. Construction completion is now unlikely to be before Spring 2024 whereas this was previously reported as Autumn 2023. There was an issue that arose regarding the review of the objections to the Traffic Management Orders that required further investigation before the report could be finalised and recommendations made. The report was approved on 31 May 2022.</i></p>
<p>2. Requested decisions</p>	<p>Next Gateway: Gateway 6</p> <p>Requested Decisions:</p> <p>Streets and Walkways Sub Committee</p> <ol style="list-style-type: none"> 1. <i>Note that funding is subject to the capital programme review and the final decision on whether to proceed will be dependent on the outcome of that review and approval by the Operational Property and Projects Sub Committee.</i> <p>Both Sub Committees</p> <ol style="list-style-type: none"> 2. That the additional allocation from the Climate Action Strategy ‘Cool Streets and Greening’ programme of £165,000 (approved in February 2022) is added to the project budget to deliver (and maintain) the street trees and SUDS gardens in Queen Victoria Street and Threadneedle Street; 3. Note the revised Project Budget of £6,842,930 including risk (subject to recommendation 2 being approved) <ol style="list-style-type: none"> a. This is made up of £6,176,432 excluding risk, and the current risk provision of £666,498, 4. Note the minimum total estimated cost of the project to deliver the base scheme has increased to £6.17m (excluding risk); 5. That the Costed Risk provision is drawn down by £423,502 from risk 16 to cover the estimated uplift in the costed base project. <ol style="list-style-type: none"> a. The remaining risk provision of £276,498 against risk 16 will remain in the register to protect from any further increase in material or labour cost during the construction that is currently unknown (including for security aspects within the design). 6. That a revised total for the Costed Risk Provision of £666,498 is approved and to be drawn down via delegation to Chief Officer, (of which £562,598 is currently funded (see section 3)

	<ol style="list-style-type: none"> 7. Agree to delegate authority to the Executive Director Environment to accept additional funding into the project (that is outside of the capital funding remit) to deal with the currently unfunded S106 shortfall of £103,900 as it is within the existing agreed overall project total. 8. Agree that in principle (subject to the Chamberlain's agreement of the future staff overhead calculation methodology), that the funding released from this revised calculation should in this instance be retained within the project budget to cover items detailed in paragraph 26. <ol style="list-style-type: none"> a) And that the budget adjustment be delegated to the Executive Director Environment and the Chamberlain, if agreed, to action once the details of the split of funding against the various tasks has been fully identified. 9. That the public realm priorities in Table 2 are approved. 10. Note the change in the estimated construction programme to completion in Spring 2024, with Gateway 6 likely to be Autumn 2025
<p>3. Budget</p>	<p>Costs have been re-calculated with the most up to date information from the new Highways Term Contract and includes a moderate inflationary rise for 2023. Risks remain that some costs may still increase over the length of the programme, and this is, as best it can be, identified in the risk register. The remaining value on risk 16 in the CRP is specifically for further inflationary related increases.</p> <p>The base cost has increased by approximately 15% since the December 2021 calculations. This is below what was anticipated in the Gateway 5 report when a 20-25% increase was anticipated. The Gateway 5 set out a proposed way forward to cover rising costs and deliver the project subject to confirmation of an additional £700k of capital funding that has since been confirmed.</p> <p>The approach to delivery was agreed in the December 2021 report. This set out that the base functional scheme would be delivered first, focused on the first three objectives of the scheme – improved safety, reduction in pedestrian crowding levels and improved air quality in the local area.</p> <p>Any residual funding, including unspent Costed Risk, will then be focused on delivering the prioritised public realm enhancements. This report sets out those priorities for approval in section 5</p> <p>Table 1: Revised total budget allocation</p>

Item	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	3,244,735
Works (Cool Streets)	Capital	83,000
Maintenance (Cool Streets)	Capital	82,000
Revenue	TfL/S106/Capital	10,000
Total		£6,176,432

Costed Risk Provision requested for this Gateway: £666,498 (funded 562,598 at the moment) (as detailed in the Risk Register – Appendix 2)

In the previous gateway 5 report a request for the underspend of £331,284 of the Bloomberg S106 was approved. In actioning this request it was discovered that £103,900 was not available due to a maintenance sum not previously reconciled.

	<p>Therefore, at this time, the costed risk register is not fully funded. Interest payments on the principal sums are being calculated and will be added to the budget, but it is unlikely to cover the full £103,900.</p> <p>Whilst the funding gap is not ideal, the project is delivered in phases and for the first elements of work, prior to the Lord Mayor's show, the risk of not having all of the Risk register funding is minimal. It would be expected to have the full £103,900 shortfall addressed by the November committee through interest payments and the potential allocation of a separate S106 deposit. Alternatively, as some of the earlier risks are closed, this would reduce the funding gap of the remaining costed risk, but this would result in less public realm being delivered. A verbal update can be given at committee as to how this is being resolved.</p> <p>The current available budget for the project is greater than that approved at Gateway 5 with the inclusion of the additional £165K of Cool Streets and Greening funding. This funding cannot be used to address the shortfall in costed risk.</p>
<p>4. Issue description</p>	<p><u>Summary</u></p> <ol style="list-style-type: none"> 1. The Gateway 5 approvals in December 2021 were subject to two elements being completed before construction could commence. The first was the confirmation of the additional £700k as part of the annual capital bid process, which concluded in March 2022. The funding was to cover an anticipated cost increase due to market rates and inflation. 2. The second element was the completion of the Statutory Traffic Management Order consultation process by considering the objections received. This was originally proposed to be undertaken using delegated powers but due to the nature of the objections received it was agreed that committee approval would be more appropriate. This approval was granted in May by the Streets and Walkways Committee. 3. The revised construction programme is detailed below. With the delay in finalising the statutory consultation objections report, the programmed construction did not start in April as previously indicated in the Gateway 5. There is a programme slippage of five months to the start date. 4. It is intended to undertake some minor work from mid-September to the end of October. Substantial work will not start until after the Lord Mayor's Show in November. This means construction completion is unlikely to finish before Spring 2024. The delay is likely to be greater than the five-month slippage in starting because of the way the programme of works has to work around the Lord Mayor's shows, ensuring that the area for the show is free of works.

5. The Gateway 5 report also set out that a prioritisation exercise of the public realm enhancements, in terms of seating, greening and use of higher quality materials in some of the new spaces, would be prepared. This exercise was to set out what could be delivered as funding was either, additionally found from other sources, or as unspent costed risk provision was released as the risk diminished towards the end of the programme.
6. This report sets out these priorities for Members to endorse in section 5.
7. In addition, an update on the traffic mix and timing review is provided for information.

Cost increases

8. Since the Gateway 5 report, which was received in December 2021, funding was approved at the Court of Common Council to provide an additional £700k to cover an anticipated uplift of between 20-25% due to inflation and anticipated new contract rates. These were not available at the time of writing the Gateway 5. This money was put into the costed risk register (Risk 16).
9. Once the new rates and phasing of the works had been determined, revised cost estimates for implementation have been established. The base scheme cost outlined in the Gateway 5, which is essentially the key functional elements needed to create the approved design (e.g., kerbs, pavement materials, traffic signals, resurfacing etc) has increased by £423,502.
10. It is requested that the £423,502 is drawn from the Costed Risk Provision from risk 16. The remaining risk provision of £276,498 against risk 16 will remain in the register to protect from any further increase in material or labour cost during the construction that is currently unknown (including for security aspects within the design).

Funding shortfall

11. As explained in section 3, there is currently a funding shortfall of £103,900. This is being investigated and is aimed to be resolved by November. A delegation is requested to receive funding into the project to cover this shortfall. Interest payments on the existing principal sums of the S106 is being investigated, as are any further principal sums that could be included.

Programme

12. As has been noted since the project was reinitiated in January 2019, the indicative timeline of substantial completion by the end of 2022 was always challenging. The last two years have been unprecedented with the challenges of the pandemic, but the programme had kept

relatively on track until the public consultation findings report in the summer of 2021 when more time was needed to analyse the volume of 'free text' comments. This small delay had an impact on the forward-looking construction programme pushing the earliest start date to January 2022, from the previously aimed for November 2021. It was noted in the July 2021 Issues report that this would mean that substantial completion by the end of 2022 was no longer achievable.

13. A delay in the advertising of the traffic management orders for the statutory consultation, due to a staff resource issue, meant that this task could not be concluded in time for the Gateway 5 report as originally planned. It was therefore anticipated that the earliest construction start date would be April 2022 subject to the outcome of that consultation with an anticipated end date of Autumn 2023.
14. The need for a report to address objections to the traffic management orders led to a further delay that means it is now only possible to undertake fairly minor work before the Lord Mayor's Show of 2022. There will then be an intense construction programme at the junction for the next 12 months before the Lord Mayor's Show of 2023. This will leave, as currently phased, the Threadneedle Street improvements which, depending upon the money available and the agreement of Members on the priorities for the public realm enhancements, have an estimated completion date of spring 2024.
15. The delay to the construction means works will not be completed in time for the completion of the Bank Station capacity upgrade which is still planned to be open by the end of 2022. However, with the passenger traffic currently below pre-pandemic levels, conditions for passengers entering and exiting the station are unlikely to be any worse than they would have been if the pandemic had not happened, and we had kept to the original indicative programme.
16. Members are asked to note the subsequent change in the construction programme anticipated end date from Autumn 2023 to Spring 2024. This will push the Gateway 6 to the autumn of 2025 at the earliest. This is to ensure that there is enough time to gather casualty information for the completion of the Road Safety Audit stage 4 assessment, before the project can be closed out.

Public Realm Enhancements

17. The capped budget that was set when the project was re-initiated in 2019 was acknowledged as potentially limiting the extent of high-quality public realm that could be delivered. At the time, the project team outlined that the focus would need to be on the functional elements of the

scheme with some public realm improvements. It was proposed that a public realm framework would be developed with elements delivered as money became available over time. The functional design has been designed around the many constraints of the area, reducing the cost of the build while maximising benefits.

18. As explained in the Gateway 5 report, there is currently not enough funding to deliver everything that had been proposed to enhance the new spaces that will be created. The Gateway 5 approved that the focus would be on delivering the key functional change, referred to as the base option (shown in appendix 4)
19. It was agreed at Gateway 5 to utilise any remaining funding from the Costed Risk Provision if it is no longer required to deliver the base option, to funding additional public realm enhancements.
20. The enhancements have been prioritised based on the feedback from the public consultation, the level of benefit that they provide and their contribution to the place objective of the scheme 'a place to spend time in rather than pass through.'
21. Funding from the Cool Streets and Greening programme has been secured to deliver and maintain the 10 street trees across Queen Victoria Street and Threadneedle Street and the SUDS rain garden on Queen Victoria Street. This is funding a higher standard of climate resilient measures than that previously anticipated. The inclusion of this funding has resulted in a higher overall budget than that reported at Gateway 5.
22. The proposed prioritisation list of public realm enhancements is explained in detail below (section 5).

Traffic and Timing mix

23. A report was received by Streets and Walkways in May and Planning and Transportation Committee in June setting out an approach to undertake the review. Some questions at Court of Common Council were raised in the July session and a briefing note to all Members was issued setting out the approach and the indicative time frame.
24. Conversations with TfL continue regarding the traffic modelling approach that should be undertaken, but in the meantime the commissioning of the substantial data collection exercise has been progressed. There is an appropriate slot on the network with minimal disruption in Mid-October when the traffic data will be collected. Due to a closure on Cannon Street to facilitate the new Bank station entrance works, this is the earliest that the data could be collected.
25. It is anticipated that a report on progress of the review will be submitted in the new year. Cost implications of the

	<p>approach outlined are still not fully understood, but as noted in the previous report to Streets and Walkways, if the review is going to cost more than had originally been budgeted to undertake after the construction, that an issues report will be undertaken to explain how this can be balanced within the existing project budget. This is likely to mean a reduction in delivery.</p> <p>26. However, due to a change in the way staff overheads are to be calculated for internally resourced projects, it is requested that the balance previously calculated for staff costs under the old method, be retained within the project. This sum, believed to be in the region of £220k can then be used to cover the increase in cost of the traffic and timing review should it be required and or its implementation. Any remaining funds can contribute to either the delivery of the Public Realm, or to ease future Inflationary cost pressures as appropriate.</p>
<p>5. Options</p>	<p><u>Public Realm Enhancements</u></p> <p>27. As mentioned above, several of the public realm enhancements are funded from specific sources and so are planned to proceed as part of the delivery of the base project. The base design can be found in Appendix 4, and the prioritised public realm elements can be found in Appendix 6.</p> <p>28. There are a number of additional elements described below that were included in the public realm framework to enhance the sense of place at Bank and contribute to making it a destination and place to spend time. These elements were also included the public consultation but noted that they would be subject to funding</p> <p>29. Public realm elements have been prioritised as there is not enough funding within the budget to commit to all of these enhancements at the current time.</p> <p>30. It is proposed than any project underspend, and /or unspent Costed Risk Provision will be used to deliver additional public realm elements (as prioritised) towards the end of the construction programme.</p> <p>Threadneedle Street and the Royal Exchange forecourt:</p> <p>31. The design intention is to create a more pedestrian-focussed place with more space for people to walk and also to spend time, rest and enjoy. The Cool Streets funding will allow for 5 street trees to be planted and maintained on Threadneedle Street. There is also potential for this street to be used for events and activities in the future. The main public realm proposals here include:</p> <ul style="list-style-type: none"> • The yorkstone paving in front of the Bank of England entrance has been designed to include a simple yet elegant paving pattern (400mm square paviors laid in a

diamond pattern). The existing historic kerbstones will be reused to define the space. This design reflects the grandeur of the building and also creates a wide raised crossing across the cycle lane which signifies pedestrian priority.

- Granite setts are proposed to be laid on the cycle lane (instead of black asphalt). The design intent here is to lift the quality of the place to reflect its iconic location. The setts proposed are part of the City standard palette of materials. They are smooth with a good grip and so suitable for cyclists. They will also have the added benefit of signifying that this is a special route (different to a standard carriageway) giving a cue to encourage cyclists to slow down.
- The raised platform where the Wellington Statue sits on the Royal Exchange forecourt is proposed to be 'opened up' to enable step-free access from the east side via a shallow ramp, as well as the removal of planter walls on the west side. Renewed seating and large clay pots will add extra greenery and space to rest, making it a more inclusive and inviting space.
- Seating and planting are also proposed on the widened sections of footway on Threadneedle Street, including space for moveable tables and chairs to support the retail units. This would be subject to review of how the spaces are used following construction, to ensure that there is no conflict with people walking.

Mansion House

32. The expanded footway space outside Mansion House is proposed to be left largely empty due to the requirement for the stand for the Lord Mayors Show. There is space here to position two large clay planters that will frame the building. It is planned to provide Granite benches as part of the base design, linked with the delivery of some other street furniture.

Queen Victoria Street

33. The trees and planting beds proposed are funded from the separate Climate Action Strategy budget. In addition to these improvements, it is proposed to introduce seating to provide space to rest in what will become a much quieter area with the absence of traffic. It is also proposed, if funds allow, to use granite setts to pave the raised crossing to coordinate with the existing granite next to Mansion House and Bloomberg.

34. Set out below is the priority order of the public realm measures. This is based on the impact of the elements on the project objectives as well as wider corporate policy objectives taking into consideration the feedback from the

public consultation and the work regarding the equalities analysis and the positive and negative impacts some of these interventions may have for different characteristics.

Table 2

Rank	Public Realm priorities
1	Yorkstone crossing outside BoE on Threadneedle St
2	Accessible ramp outside the Royal Exchange
3	Seating on Threadneedle Street
4	Seating on Queen Victoria Street
5	Two pots near to Wellington Statue (Royal Exchange)
6	Two pots outside Mansion House
7	Granite setts on the remainder of Threadneedle St cycle lane
8	Removal of planter wall outside the Royal Exchange to open up space
9	Two pots outside BoE
10	Three further pots outside Royal Exchange
11	Granite setts on Queen Victoria Street

35. Members are asked to agree the order of the priority list above. This list will then be used to prioritise delivery as and when funding becomes available. If none of the costed risk provision was utilised (outside of risk 16 which is solely for uplift in cost due to inflation/material cost/labour etc), it would be feasible for costs to be covered to deliver items one to nine (including the required maintenance commitment). However, this would be the very best that could be anticipated, and with a complex build, it is unlikely that this would be the case.

36. Regular reviews of costings will be undertaken as the phased work progresses. Other than the upgrade of material for items 1, 7 and 11 the other interventions can be, or need to be implemented after the main construction work has completed in those areas.

37. We will provide a progress report on the work in May 2023, and a review of costs and the risk register to keep Members updated.

38. Detail on the reasoning for the priority order and the costing of the elements can be found in appendix 5. This considers the equalities analysis undertaken for the whole scheme. A link to the equalities analysis previously presented to Members, is in the background papers for reference.

	<p><u>Legal implications</u></p> <p>39. The City Corporation as local traffic authority is under a duty to manage the City's road network with a view to achieving, so far as may be reasonably practicable having regard to our other obligations, policies and objectives, the following objectives: (a) securing the expeditious movement of traffic on the authority's road network; and (b) facilitating the expeditious movement of traffic on road networks for which another authority is the traffic authority (Section 16 of the Traffic Management Act 2004). The action which the City Corporation may take in performing that duty includes any action which the City Corporation consider will contribute to securing the more efficient use of our road network. Traffic is defined by the Act so as to include pedestrians.</p>
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Background papers

- Gateway 5 – [December 2021](#)
- [Equality Analysis](#)

Appendices

Appendix 1	Project Coversheet
Appendix 2	Risk Register
Appendix 3	Finance tables
Appendix 4	Base design
Appendix 5	Public Realm Priority list
Appendix 6	Public realm plan

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