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Committees: Streets & Walkways Sub - for decision Operational Property & Projects Sub - for decision	Dates: 6 September 2022 26 September 2022
Subject: Combined Section 278 Project Initiation Report <ul style="list-style-type: none"> • 2 Aldermanbury Square (Regular) – 12359 • 60 Aldgate High Street (Light) – 12360 • 120 Fleet Street (Regular) – 12361 • 150 Aldersgate Street (Light) – 12362 • 2-3 Finsbury Avenue (Light) – 12363 Unique Project Identifiers: <i>See above</i>	Gateway 2: Project Proposal
Report of: Director of Built Environment Report Author: Tom Noble	For Decision
<h1 style="text-align: center;">PUBLIC</h1>	

Recommendations

1. Next steps and requested decisions	<p>Project Description: A number of planning applications have been approved by the Planning & Transportation Committee in recent months. All of these approvals are conditioned to require the developer to enter into a Section 278 agreement with the City of London Corporation. The scope of each Section 278 agreement is broadly established through the associated Section 106 agreements.</p> <p>As is standard for the City Corporation, all of the Section 278 agreements will include clauses that obligate the relevant developer to meet the full cost of the works. Therefore all of these projects fall outside the scope of the capital programme review.</p> <p>Next Gateway: Various (refer to individual Project Briefings at Appendix 1)</p> <p>Next Steps: Specific next steps are set out in individual Project Briefings at Appendix 1, however some apply across all</p>
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	<p>projects:</p> <ul style="list-style-type: none">• Set up project budgets• Commence design work• Negotiate and enter into Section 278 agreements <p>Requested Decisions:</p> <ol style="list-style-type: none">1. That project budgets are approved for each project as set out in the tables in Section 2;2. Note the total estimated costs of the projects (excluding risk) as set out in the Project Briefings. <p>Operational Property and Projects Sub Only</p> <ol style="list-style-type: none">1. Agree that the Corporate Programme Manager, in consultation with the Chairman of the Operational Property and Projects Sub Committee and Chief Officer as necessary, is to decide whether any project issues or decisions that fall within the remit of paragraph 45 of the ‘City of London Project Procedure – Oct 2018’ (Changes to Projects: General is to be delegated to Chief Officer or escalated to committee(s);2. Delegate authority to the Executive Director Environment to approve budget adjustments, above the existing authority within the project procedures and in consultation with the Chamberlain, between budget lines if this is within the approved total project budget amounts;3. Delegate to the Executive Director Environment, in consultation with the Chamberlain, authority to further increase or amend the project budgets in the future (above the level of the existing delegated authority) should any increase be fully funded by the Developer.																
<p>2. Resource requirements to reach next Gateway</p>	<table><tr><th colspan="4">2 Aldermanbury Square</th></tr><tr><th>Item</th><th>Reason</th><th>Funds/ Source of Funding</th><th>Cost (£)</th></tr><tr><td>Staff costs (Project Manager)</td><td>Project management, stakeholder liaison, report writing</td><td>Section 278</td><td>£35,000</td></tr><tr><td>Staff costs</td><td>Design work, commissioning</td><td>Section</td><td>£25,000</td></tr></table>	2 Aldermanbury Square				Item	Reason	Funds/ Source of Funding	Cost (£)	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing	Section 278	£35,000	Staff costs	Design work, commissioning	Section	£25,000
2 Aldermanbury Square																	
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	(Engineer)	surveys	278	
	Fees	To cover (but not limited to) Technical assessments, including any surveys and utility enquiries	Section 278	£40,000
	Total			£100,000
	60 Aldgate High Street			
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing	Section 278	£20,000
	Staff costs (Engineer)	Design work, commissioning surveys	Section 278	£15,000
	Fees	To cover (but not limited to) Technical assessments, including any surveys and utility enquiries	Section 278	£15,000
	Total			£50,000
	120 Fleet Street			
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder	Section 278	£35,000

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		liaison, report writing		
	Staff costs (Engineer)	Design work, commissioning surveys	Section 278	£25,000
	Fees	To cover (but not limited to) Technical assessments, including any surveys and utility enquiries	Section 278	£40,000
	Total			£100,000
	150 Aldersgate Street			
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing	Section 278	£20,000
	Staff costs (Engineer)	Design work, commissioning surveys	Section 278	£15,000
	Fees	To cover (but not limited to) Technical assessments, including any surveys and utility enquiries	Section 278	£15,000
	Total			£50,000
	2-3 Finsbury Avenue			
	Item	Reason	Funds/ Source of	Cost (£)

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			Funding	
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing	Section 278	£20,000
	Staff costs (Engineer)	Design work, commissioning surveys	Section 278	£15,000
	Fees	To cover (but not limited to) Technical assessments, including any surveys and utility enquiries	Section 278	£15,000
	Total			£50,000
	<p>Costed Risk Provision requested for this Gateway: Not requested at this stage.</p> <p>Funds have already been received from the relevant developers for the evaluation and design stage of the projects. Provision is also made in the related Section 106 agreements for any excess payments during the evaluation and design stage to be recouped from the developers.</p> <p>Any remaining monies at the end of the evaluation and design stage will be put towards the implementation stage. The allocation of resources is subject to advance receipt of all funds.</p>			
3. Governance arrangements	<ul style="list-style-type: none"> • Service Committee: Streets & Walkways Sub • Senior Responsible Officer: Bruce McVean (Assistant Director, Policy & Projects) • Project boards are not expected to be required for any of the projects. Working groups involving key stakeholders will be established where appropriate. 			

Project Summary

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<p>4. Context</p>	<p>4.1 A number of planning applications have been approved by the Planning & Transportation Committee in recent months. All of these agreements require the applicant to enter into a Section 278 agreement with the City of London, to deliver changes to the highway in the vicinity of the site. An Evaluation & Design payment, to progress initial design options, is required through the Section 106 agreement; the value of the E&D is determined by the scale and complexity of the relevant application.</p> <p>4.2 The projects proposed for initiation in this report relate to the following planning permissions:</p> <ul style="list-style-type: none"> • 21/00116/FULMAJ - City Tower & City Place House, 40-55 Basinghall Street, London, EC2V (referred to as 2 Aldermanbury Square in this report) • 16/00406/FULMAJ - 15 Minories, 57-60 & 62 Aldgate High Street & 1 Little Somerset Street, London, EC3 (referred to as 60 Aldgate High Street in this report) • 21/00538/FULEIA - 120 Fleet Street, London, EC4A 2BE • 20/00371/FULMAJ - 150 Aldersgate Street & 3-4 Bartholomew Place, London, EC1A • 20/00869/FULEIA - 2-3 Finsbury Avenue London EC2M 2PF
<p>5. Brief description of project</p>	<p>5.1 Each project involves changes to the public highway in the vicinity of each site. All are fully funded via Section 278 agreements, as stipulated in the relevant Section 106 agreements.</p> <p>5.2 Descriptions of each individual project are contained in the Project Briefs appended to this report.</p>
<p>6. Consequences if project not approved</p>	<p>6.1 The applicants would be in breach of their planning permission should approval not be granted to progress these projects.</p>
<p>7. SMART project objectives</p>	<p>Objectives for each project are set out in the Project Briefings at Appendix 1.</p>
<p>8. Key benefits</p>	<p>The anticipated benefits arising from each project are set out in the Project Briefings at Appendix 1.</p>
<p>9. Project category</p>	<p>7a. Asset enhancement/improvement (capital)</p>

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10. Project priority	A. Essential
11. Notable exclusions	None.

Options Appraisal

12. Overview of options	12.1 The scope of each project is broadly outlined in the relevant Section 106 agreement and is summarised in the individual Project Briefings appended to this report. Further detail on options development will be reported through separate Gateway reports for each project.
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Project Planning

13. Delivery period and key dates	<p>Overall: The overall project durations vary and are largely dependent on the respective development programmes.</p> <p>Key dates: Refer to Project Briefings.</p> <p>Other works dates to coordinate: Coordination with other works will be assessed and reported in at future Gateways for each individual project.</p>
14. Risk implications	<p>Overall project risk: Low</p> <p>14.1 The scope of each project is set out in the related Section 106 agreement; these agreements also obligate the developers to pay the full costs of the Section 278 works.</p> <p>14.2 The City Operations division has delivered many Section 278 projects and is experienced in managing the risks involved with such works.</p> <p>14.3 Risk registers for each project are appended to this report.</p>
15. Stakeholders and consultees	<ul style="list-style-type: none"> • Developers • Local businesses, including BIDS where relevant • Local residents • City divisions and departments, including Planning & Development, Natural Environment, Chamberlains and Comptroller & City Solicitors

Resource Implications

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16. Total estimated cost	Likely cost range (excluding risk): £2,150,000 Likely cost range (including risk): £6,150,000 Note that this is the total cost range across the five projects. Cost ranges for each individual project are contained in the Project Briefings.	
17. Funding strategy	<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Choose 1:</p> <p>All funding fully guaranteed</p> </div> <div style="width: 45%;"> <p>Choose 1:</p> <p>External - Funded wholly by contributions from external third parties</p> </div> </div> <p>All of the projects will be fully funded through Section 278 agreements, as required as part of the Section 106 agreements for each development.</p> <p>As these projects are wholly funded through Section 278 agreements they are not included in the capital programme review.</p> <p>Consideration will be given to expanding the scope of some projects where appropriate. In these cases, bids will be submitted as part of the annual capital bidding process, with approval being sought through the Gateway procedure.</p> <p>Indicative cost ranges are shown in the Project Briefings at Appendix 1.</p>	
18. Investment appraisal	Not applicable.	
19. Procurement strategy/route to market	It is anticipated that all works including design and construction will be undertaken in-house. Should specialist input be required this will be sourced through the Transport & Public Realm Framework or a competitive tender process in line with City Procurement regulations.	
20. Legal implications	Section 278 of the Highways Act 1980 allows the City Corporation (as highway authority) to enter into an agreement with any person for the execution of any works which the authority are authorised to execute, on the terms that that person pays the whole or such part of the cost of the works as	

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	<p>may be specified in the agreement, if they are satisfied it will be of benefit to the public.</p> <p>All of the Section 106 agreements linked to these developments require the developers to enter into Section 278 agreements with the City Corporation to deliver the highway works which are considered necessary to make the relevant development acceptable in planning terms.</p>
21. Corporate property implications	None.
22. Traffic implications	Implications for traffic are expected to be minimal across all of the projects. However, where there are changes required to highway functions, these will be reported through the appropriate Gateway for the relevant project.
23. Sustainability and energy implications	<p>There are relevant sustainability impacts associated with these projects but they have not been considered to date.</p> <p>It is anticipated that all materials will be sustainably sourced where possible and be suitably durable for the design life of the asset.</p> <p>Any greening and planting in the public space will help to improve the scheme's climate resilience. Further information will be provided at future Gateways.</p>
23 IS implications	None.
24 Equality Impact Assessment	An equality impact assessment will be undertaken for each project. The CoLSAT (City of London Street Accessibility Tool) and Equalities Analysis processes will form a key part of the design of each project to ensure the deliverables maximise accessibility opportunities and improvements for as many users as possible.
25 Data Protection Impact Assessment	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.

Appendices

Appendix 1	Project Briefings
Appendix 2	Risk Registers
Appendix 3	Site plans

Contact

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