

<b>Committees:</b> Streets and Walkways sub-Committee [for decision] Operational Property & Projects Sub Committee [for decision]	<b>Dates:</b> 08 November 2022 23 November 2022
<b>Subject:</b> 2-6 Cannon Street Public Realm Improvements   Phases 2 and 3 – Issue Report  <b>Core project name:</b> 2-6 Cannon Street Public Realm Improvements  <b>Unique Project Identifier:</b> 11004	<b>Gateway 5</b> Regular <b>Issue Report</b>
<b>Report of:</b> Juliemma McLoughlin, Executive Director, Environment Department  Choose an item.  <b>Report Author:</b> Emmanuel Ojugo – City Operations	<b>For Decision</b>
<h1>PUBLIC</h1>	

<b>1. Status update</b>	<b>Project Description:</b> 1.1. This project proposed public realm improvements in the catchment area related to the redevelopment of 2-6 Cannon Street. Improvements are being delivered in three phases as previously reported to committee in July 2018, and are as follows: <ul style="list-style-type: none"> <li>• <u>Phase 1</u>: Resurfacing footways and carriageway around the new building at Distaff Lane in Yorkstone. (Completed).</li> <li>• <u>Phase 2</u>: Re-landscaping the garden space between Old Change House and Nicholas Cole Abbey Church with new greenery, new seating areas and a new modern water bottle refill point. (Largely complete, awaiting soft landscaping works).</li> <li>• <u>Phase 3</u>: Re-landscaping the small parcel of land with a new planting schedule, to the south of Nicholas Cole Abbey Church on Queen Victoria Street. (Design being finalised and preparatory documentation for possible faculty being collated. The Church and Diocese are currently reviewing a draft agreement).</li> </ul> 1.2. The majority of site works are now complete aside from some Phase 2 green elements to be installed in the winter months and the implementation of Phase 3, that covers a small parcel of land to the south of Nicholas Cole Abbey Church.  1.3. This report summarises delays to delivering some elements of the project and proposes next steps to complete the remaining works, by the revised deadline of March 2023, within the existing approved budgetary resource allocation.
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	<p>1.4. It should be noted that although this project is at an advanced stage with the majority of the scheduled works completed, remaining budget of £372,163 is subject to the Corporations' capital programme review which is due to conclude in October 2022.</p> <p><b>RAG Status:</b> Amber (as at last report to Committee).</p> <p><b>Risk Status:</b> Low (at last report to committee).</p> <p><b>Total Estimated Cost of Project (excluding risk):</b> £1,175,957.</p> <p>Note: This is comprised of £1,091,807 for implementation (capital). There is also an additional revenue sum of £84,150 being the Off-site Public Realm Maintenance sum commitment paid by the developer as part of the Section 106 associated with the redevelopment of 2-6 Cannon Street.</p> <p><b>Change in Total Estimated Cost of Project (excluding risk):</b> N/A</p> <p><b>Spend to Date:</b> £719,644. (Please see Appendix E for a more detailed breakdown).</p> <p><b>Costed Risk Provision Utilised:</b> N/A</p> <p><b>Funding Source:</b> S106 Agreement related to the redevelopment of 2-6 Cannon Street.</p> <p><b>Slippage:</b> Works were initially expected to be completed by April 2021. The latest forecast proposes the programme is extended to March 2023.</p> <p>1.5. In December 2021, the Programme Management Office and the Chairman of Projects Sub of Policy and Resources Committee (no longer constituted) granted an extension to the works programme up to June 2022.</p> <p>1.6. Since the programme extension was granted in December 2021, there have been further delays This was partly due to issues with availability of staff resources and related services leading to a delay in finalising the construction package for implementation. There was also a temporary cessation of works to enable adjacent occupiers to appraise their basement related to historic water ingress.</p> <p>1.7. Following discussions about programme delays with City Gardens and Highways officers it was deemed necessary to extend the programme to March 2023 to align with the planting new season when it was clear the March 2022 planting season threshold would not be met. The effect of programme slippage is reflected in additional P&amp;T and Highway officer time and external specialist support required to manage the project following a reduction in some internal service area support.</p>
<p><b>2. Requested decisions</b></p>	<p><b>Next Gateway:</b> Choose an item. <b>Gateway 6</b></p> <p><b>Requested Decisions:</b></p> <p><u>It is recommended:</u></p>

	<p>I. Agree the extension of the project programme from June 2022 to March 2023 to allow time to complete the project within the upcoming planting season and implement Phase 3 works.</p> <p>II. That the remaining project budget of £372,163 (including any interest accrued) is revised as set out in the finance tables in Appendix E; to complete the project in accordance with the Section 106 Agreement.</p> <p>III. Approval of the budget adjustment summarised in table 2 Appendix E.</p> <p>IV. Agree that the Corporate Programme Management Office, 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), as prescribed in Appendix E of this report, are to be delegated to Chief Officer or escalated to the relevant committee(s);</p> <p>V. 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.</p>
<p><b>3. Budget</b></p>	<p>3.1. Total cost of the project – £1,175,957. No Costed Risk Provision (CRP) is proposed. The tables in Appendix E summarise resource requirements to complete the project.</p> <p>This budget adjustment proposed in the table 2 Appendix E is possible due to savings in the works budget made during Phase 2 works. The central in-ground planters were replaced by free standing planters meaning a significant reduction in the irrigation coverage that has been restricted to the perimeter, allowing a reduction in works costs overall.</p> <p><u>Inflation</u></p> <p>3.2. It should be noted that the inflationary uplift is in terms of Retail Price Index (RPI) is applicable yearly from July to June. The unit price of provision of materials is agreed under the current new City Term Contract (July 2022) schedule of rates and is subject to RPI on yearly basis. However, if materials are bespoke or unforeseen circumstances arise which affect the price of material, the contractor is within their rights to request a re-consideration.</p> <p>3.3. Such impacts are not considered a high project risk as the City due to the use of a standard material palette. Potential material cost rises that may occur within the remaining project programme (up to March 2023) have been factored into the works budget and are reflected in Appendix E.</p>

	<b>Costed Risk Provision requested for this Gateway: X</b> (No CRP is requested).
<b>4. Issue description</b>	<p>4.1. A budget adjustment is required to reconfigure staff budgets as summarised in section 3. The proposed adjustment is to account for delays to the project and the need to reconfiguring City staff roles and responsibilities, supplemented by consultancy services is necessary to ensure the project would be implemented as intended.</p> <p>4.2. A summary of required duties include:</p> <ul style="list-style-type: none"> <li>- Production of the final planting plans for procurement.</li> <li>- Method statements with production material to Transport for London (TfL) and the Church Diocese to obtain Faculty Approval, as some works are adjacent to St Nicholas Cole Abbey Church (Listed).</li> <li>- Procurement of services for a Watching Brief, the City Heritage Management would ordinarily provide oversight, due to the proximity of the Listed Church. P&amp;T officers would now provide intercession with the Church.</li> <li>- Communication of the programme and production material to stakeholders.</li> </ul>
<b>5. Options</b>	<p>5.1. The project scope remains unchanged. There is a solitary approach to the completion of this project, and it is proposed to reconfigure the project budget to meet the expected completion date of March 2023, subject to Committee approval of the requested decisions.</p>

### Appendices

<b>Appendix A</b>	Site Location Plan
<b>Appendix B</b>	Project Phase Plan
<b>Appendix C</b>	General Arrangement Plan
<b>Appendix D</b>	Images
<b>Appendix E</b>	Finance Tables
<b>Appendix F</b>	Risk Register
<b>Appendix G</b>	Project Coversheet

### Contact

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