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| Committee(s): Streets and Walkways Sub – For Decision Operational Property and Projects Sub - For Decision Open Spaces and City Gardens Committee - For information | Date(s): 08 November 2022 23 November 2022 05 December 2022 |
| Subject: City Cluster Area – Programme Update Unique Project Identifier: City Cluster Vision Phase One - 12072 | Public |
| Report of: Director of the Environment Department | For Discussion |
| Report author: Maria Herrera – Policy and Projects | |

Summary

This report provides an update on the delivery of the City Cluster programme, which is structured around three workstreams and focused on the implementation of the City Cluster Vision and Transport Strategy. In addition, the work supports objectives set out in the Climate Action Strategy and the Destination City initiative.

The three City Cluster workstreams are as follows:

- 1) Pedestrian priority and traffic reduction
- 2) Wellbeing and climate change resilience
- 3) Activation and engagement

The programme will deliver an outstanding environment and improve the way that streets and spaces can support the local economy and the City’s recovery post pandemic. These workstreams include projects that will improve the environmental resilience of the public realm, addressing climate impacts in the coming years. These three workstreams have been progressed following engagement with stakeholders, including the EC BID and are aligned with key corporate priorities.

Since the last update report in May 2021, the following progress has been made:

- Completion of a review and prioritisation of projects in the area alongside an assessment of stakeholder priorities which was presented to the Programme Board in July 2022;
- Completion of detailed design for Phase 1 of St Mary Axe access and walking improvements;
- Completion of the concept design for Leadenhall Street transformational project and definition of scope;
- Gateway 3 approval of the City Cluster security project;
- Gateway 5 approval and start on site of Bevis Marks sustainable urban drainage (SuDS) project;

- Completion of detailed design of St Andrew Undershaft churchyard and Jubilee Gardens;
- Completion of detailed design and prototype for Green Streets project;
- Completion of a draft programme for Activation and Engagement workstream and initial planning for events over the next 6 months (in partnership with the EC BID);
- Progression of various S278 projects;
- Completion of a funding strategy and communication strategy for the programme.

To progress the medium to long-term projects in the programme, including key transformational projects such as Leadenhall Street, additional funding is required. Officers have investigated various sources and have compiled a funding strategy which includes both internal and external sources. It had been intended to submit a capital bid for funding next financial year. However, with no capital bidding round considered for next year, the progress of key transformational projects will be delayed, with a risk of missing out on the opportunity to align with the timescales of current and future developments in the area. It is proposed to submit a capital bid for 2024/25 onwards so that these vital projects can proceed.

Recommendation

Members of the Streets and Walkways Sub-Committee and Open Spaces and City Gardens Committee are asked to:

1. Note the progress update.

Members of the Streets and Walkways Sub-Committee and Operational Property and Projects Sub-Committee are asked to:

2. Note that there is a funding gap for the delivery of future projects within the City Cluster programme and that a capital bid would be required as part of the funding strategy.
3. Approve an increase of funding of £27,000 from the S106 contribution of 40 Leadenhall Street for staff costs, for the management of the City Cluster programme including communications, for the next reporting period. As set out in Appendix 1.
4. Regarding the St Mary Axe Improvements - Phase 1 project:
 - i. Note and approve that the scope of the work be amended to include widened footways on the western side of St Mary Axe at the junction with Undershaft to shorten the pedestrian crossing distance and improve accessibility.
 - ii. Increase the project's existing approved delegated authority cost limit (inclusive of CRP) to £329,229 from £270,000 (an increase of £122,229), and.
 - iii. Approve the updated funding strategy as shown in Appendix 1 to accommodate the above increase.

Main report

Background

1. The City Cluster Vision was adopted by Committees in May 2019 and provides a framework for the transformation of the streets and public realm of the area. The City Cluster Area delivery plan was approved by committees in July 2020 and divided the implementation of the Vision into three workstreams: 1) Pedestrian priority and traffic reduction, 2) Wellbeing and Climate Resilience, and 3) Activation and Engagement.
2. Officers have developed the projects within the three workstreams in close collaboration with Ward Members, stakeholders, and the EC BID, through the establishment of a Programme Board. Regular updates have been provided throughout the process to ensure the scope of the workstreams is in line with programme objectives, particularly considering impacts of the pandemic on the local area and key strategic priorities such as Destination City and the Climate Action Strategy.

Progress to date

3. Further to the strategic framework established to deliver the programme, officers developed a methodology to assess the projects within the three workstreams to ensure they are aligned with strategic objectives and stakeholder's views. The projects have been scored against criteria from the City Cluster Vision, Transport Strategy, City's Recovery Taskforce and Climate Action Strategy objectives. A refined list of projects has been put together which has been divided into short, medium, and long-term phases and has been coordinated with development activity. This information was presented to the programme board in July this year. Further information is provided in Appendix 2.

4. Pedestrian priority and traffic reduction workstream

The table below provides a brief update on all the current projects in this workstream. Please also refer to Appendix 2 for information on medium to long term projects.

| Typology of project | Location and brief description | Update |
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| Cycling infrastructure | <u>Bevis Marks Cycle route</u> : Experimental protected cycle lane from St Botolph Street to Camomile Street | Consultation period due to finish Autumn 2022; to be evaluated to consider medium term improvements. |
| Traffic reduction and pedestrian priority | <u>Leadenhall Street</u> Transformation of this key route to include more space for people walking, improved crossings, greening and public realm enhancements. | Concept design has been completed along with engagement with TfL. This has established the scope and feasibility of the project, including widened pavements on both sides, space for tree planting (locations for extensive tree planting have been identified, subject to further investigation of utilities), incorporation of security requirements and public realm improvements. |

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| | <p><u>St Mary Axe</u></p> <p>Phase 1: short-term measures to improve accessibility and experience for people walking.</p> <p>Phase 2: Transformative change to improve the walking experience, introduce greening and public realm enhancements.</p> | <p>This project has been identified as a high priority with significant transformative benefits for the area. However, additional funding is required to develop and implement it. Please refer to the Financial Implications section later in this report.</p> <p>Short term measures have been developed in detail. Refer to section below 4.1 for further information on this project. Construction of Phase 1 is planned for Spring 2023, subject to approvals.</p> |
| Security and accessibility | <p><u>Area wide security project</u></p> <p>A project to incorporate appropriate security measures into the streets and public realm across the area.</p> <p><u>Area wide accessibility improvements,</u></p> | <p>A committee report was approved in September 2022, which outlined the key principles. Data gathering and design development has commenced and consultation with stakeholders is planned to be undertaken in early 2023.</p> <p>Initiation stage, a report on the opportunities identified will be brought to Committee in 2023,</p> |

4.1 St Mary Axe Improvements – Phase 1

- 4.1.1 In February 2022 Members agreed to delegate authority to the Executive Director, Environment to approve construction of a new raised carriageway table at the junction between St Mary Axe and Undershaft. This was to improve accessibility and the experience of people walking, particularly in an east/west direction. The delegated authority was approved on the provision that the total project cost did not exceed the already agreed budget of £270,000.

- 4.1.2 Survey and design work was undertaken which included adapting the design to work with the future transformative project for the whole street. However, the change in term highway contractor delayed the cost estimate and the statutory undertakers have been slow to respond to requests regarding their estimates for altering their apparatus. The design work determined that, in line with the longer-term aspiration for the street, it would be possible to widen the pavement on the eastern side of St Mary Axe at the junction with Undershaft. This would further improve the experience for people walking and the accessibility benefits of the scheme as well as safeguard the design for future work to the area. In addition, the work undertaken to date has indicated that to support the greening of the area there are 23 possible tree locations, which would form part of the wider transformational project that is currently unfunded.
- 4.1.3 The revised design, along with increased highway term contractor's schedule of rates and increased estimates from the statutory undertakers to alter their apparatus, has contributed to an increased project cost. The estimated cost of the revised junction layout and raised table is £264,501. However, after the costed risk is added and incurred costs are also considered, the total estimated project cost increases to £392,229 (refer to Appendix 1 for a detailed cost breakdown table 4 and 5) It is proposed that these additional costs are funded from the S106 contribution of 40 Leadenhall Street which is already allocated to the wider programme. Therefore, to progress the scheme to implementation, it is requested to increase the Executive Director of Environment 's delegated authority for this project by £122,229 from £270,000 to £392,229 and proceed with Gateway 5. Officers are confident that despite the cost increases, the works still represents value for money and a worthwhile benefit for people using the street. The revised design also means that the project will complement the future transformational scheme for St Mary's Axe once it is progressed (subject to funding).

5. Well-being and Climate Resilience workstream

The content of this workstream for the next two years (2022-2024) has been organised into three key areas of work, as summarised below. The projects have been developed in collaboration with the City Gardens division, Climate resilience officers and local stakeholders. Please also refer to Appendix 2 for information on future projects.

| Typology of project | Location and description | Update |
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| Improvements to existing public spaces | 1. St Helens Churchyard: Re-landscaping to include additional greening and seating and step-free access | Design development stage. Discussions are ongoing with the Church, and they plan to submit a bid for CIL neighbourhood funding in 2023. |
| | 2. St Andrews Undershaft Churchyard: proposals include re-configuration of steps, new planting beds (incorporating rainwater harvesting) and additional seating | Detailed design is complete and the submission for Faculty consent to the Diocese of London is due to be submitted this year, followed by Gateway 5 (Chief Officer approval). Works are expected to start on site in mid-2023 |

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| | <p>3. Jubilee Gardens: Relandscaping, including climate resilient planting and seating, new entrance, SuDS and green wall</p> | <p>Detailed design is complete and construction drawings are being prepared alongside legal agreement with UKPN. Gateway 5 to be submitted for Chief Officer approval in November 2022. Works are anticipated to start on site in early 2023.</p> |
| Green Streets | <p>4. EC Green streets: project involves the installation of seating and planters with a flexible, modular design across the area and is part-funded by the EC BID.</p> | <p>A prototype of the seats and planters has been produced and has been signed off by officers and the BID.</p> <p>Updated cost estimates are being put together and a Gateway 5 report will be prepared in November for Chief Officer approval. Installation is expected in early 2023.</p> |
| Climate change resilience measures | <p>5. Bevis Marks and Houndsditch SuDS pilot project: A project to construct Sustainably drained planters with permeable paving, resilient planting, and seating as part of a pilot project for the Cool Streets and Greening programme.</p> <p>6. Tree planting across the area</p> | <p>Construction commenced at the end of October 2022 and will be completed by spring 2023.</p> <p>Sites have been identified and trial holes dug. A Gateway 5 report will be drafted in November 2022 for Chief Officer approval. Planting season is November – March and at least ten trees will be planted in the area this season as part of Queens Green Canopy, with more to follow next season.</p> |

6. Activation and Engagement workstream

This workstream has been aligned with Destination City and supports the aspirations of the EC BID. Following the creation of the CoL Strategic BID Steering group, it has been agreed by both the City BIDs and the Corporation that an engagement and communications strategy is required to set a framework for collaborative delivery across the Square Mile. This piece of work will identify

shared goals and a delivery framework that enhances private-public sector engagement, outputs and outcomes.

An initial set of events having already taken place this year, including:

- July - Nocturnal Creatures, art, performance event, in partnership with Whitechapel Gallery and Sculpture in the City.
- October – Lunchtime streets events delivered over two days, offering opportunities for participation and social engagement.

7. Section 278 funded Projects

There are number of projects in the area funded by S.278 agreements, which have continued to be progressed. These are:

- 22 Bishopsgate public realm scheme - Completed
- 150 Bishopsgate public realm scheme – Completed
- 80 Fenchurch St – Completed.
- 1 Leadenhall Street S278 works – Detailed design stage
- 6-8 Bishopsgate S278 works - Detailed design stage. Works are to be delivered by the developer via a Section 8/ 278 agreement with Transport for London and the City as a single project.
- 40 Leadenhall Street S278 works – Detailed design stage. Works will include completion of the 52-54 Lime Street and 10 Fenchurch Avenue S278 projects which were delayed by the development at 40 Leadenhall Street.

8. Communication Strategy

The programme governance has been established and this includes a Programme Board that meets twice a year and includes representation from Ward Members and key stakeholders.

It has been identified that additional engagement and communication is required to provide regular updates to stakeholders on projects and increase engagement with the EC BID. A communication strategy has been produced and additional staff costs are requested in this report to deliver the outputs and continue working alongside stakeholders and the EC BID.

9. Annual programme reports will continue to be submitted to Committees and individual Gateway reports will be submitted as projects are developed.

Corporate & Strategic Implications

10. The City Cluster is identified as a Key Area of Change in the Local plan. The area will experience the largest increase in working population due to current and projected developments.

11. Transport Strategy – The City Cluster programme delivers against the following outcomes:

- The Square Mile's streets are great places to walk and spend time.
- Street space is used more efficiently and effectively.
- The Square Mile is accessible to all.
- People using our streets and public spaces are safe and feel safe.
- More people choose to cycle
- The Square Mile's air and streets are cleaner and quieter.
- Our street network is resilient to changing circumstances.

12. The Destination City initiative will ensure that the square mile remains a world-leading destination. In relation to the public realm, aspirations include:

- Build on existing strategies to explore opportunities for more pedestrianised areas, particularly at the weekend.
- Bring fun, colour, and lightness to City spaces, with focus on attracting families and more diverse audience groups as well as delivering for workers and residents; and find new opportunities to open and demystify City businesses.

13. The Climate Action strategy was adopted in 2020 and sets out how the City will achieve net zero, build climate resilience and support sustainable growth over the next two decades. A key deliverable is the Cool Streets and Greening programme which focusses on improving climate resilience in the public realm.

Financial implications

The current spent to date in the development and management of the City Cluster programme is £126,773. For further information please refer to Appendix 1.

14. The delivery of the short-term projects for the first two years, 2022-2024, at an estimated total cost of £2.9m is fully funded through a variety of sources, including site specific Section 106 contributions, Section 278 payments, Climate Action Strategy programme and external sources. However, the medium-term transformative projects such as Leadenhall Street and long-term change projects such as St Mary Axe transformative change and Fenchurch Street are not fully funded. Officers have estimated costs for all projects and developed a funding strategy. See appendix 3 for further information, which outlines the requirement for capital bid to be submitted in due course.

15. In view of TfL's financial situation, there is currently no funding available from their Liveable Neighbourhoods programme. Officers will continue to work closely with TfL to investigate future funding.

16. Substantial CIL contributions have been generated in this area as a result of several new developments, and key stakeholders have expressed their support for the submission of a capital bid to enable the delivery of projects. Officers will work closely with the Planning Policy section and Chamberlains Department on a future capital bid which we expect to submit for 2024/25 onwards.

Legal implications

17. The existing S106 contributions which are proposed to be used to fund the programme are specific to this area, in scope and geography. Section 106 payments made and held for specific purposes must be spent on the purposes for which they are held and in accordance with the City's obligations under the agreement unless these agreements are specifically re-negotiated with the relevant parties.
18. Where further consultation is required on individual projects, this will be carried out as the project moves forward, in accordance with either the statutory requirements or the principles which guide general consultation.
19. The City published an Infrastructure funding statement annually which includes a statement of the infrastructure projects or types of infrastructure which the City intends will be, or may be, wholly or partly funded by CIL. Where proposals for works within the City Cluster Vision fall within the scope City of London Infrastructure List, CIL funds may be used towards such works.
20. Furthermore, the removal of regulation 123 that restricted pooling of S106 and CIL contributions now allows local authorities to combine CIL and 106 revenues towards the same infrastructure project or item.

Risk Implications

21. The top three programme risks are as follows:

| Risk | Description | Response |
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| Future funding is not secured for the delivery of medium- and long-term projects | At present, funding has been secured to deliver the short-term projects (2022-2024), Funding for future years (beyond 2024) is uncertain and subject to future capital bids | Additional funding sources are being investigated, officers will work closely with the Chamberlains Dept to submit a bid for funding from 2024/25 onwards. Officers are working with stakeholders including the EC BID to support the funding of for programmes. Liaison with TfL in relation to their future grants is ongoing. |
| Delivery timescales are delayed | Projects will need to be coordinated with the on-going developments in the area. This will impose various programme constraints. | On-going communication with developers and contractors is essential, as is the need for flexibility in the programme. |
| Lack of stakeholder support | The public consultation on the City Cluster Vision and the Transport Strategy highlighted | A communication strategy is in place to ensure stakeholders are |

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| | strong overall support to deliver the proposed initiatives. | kept updated and consulted at various stages of the projects. The EC BID and stakeholders in the Cluster have expressed their support for the programme. Engagement with these groups has been maintained and will be enhanced. |
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Conclusion

22. The City Cluster area delivery plan outlines a framework for the creation of a positive and welcoming street environment to support the City’s recovery. The programme will ensure the streets and spaces are attractive, safe, and inclusive. The ability to place the City Cluster as a destination beyond the working hours, welcoming visitors and workers alike remains a key aim of the programme.

Appendix:

Appendix 1: Detailed cost estimates.

Appendix 2. Programme update

Appendix 3. Funding strategy

Background papers

City Cluster Area– Updated Delivery Plan

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| Streets and Walkways Sub – For Information | Date(s): 29 April 2021 |
| Projects Sub – For Information | 17 May 2021 |
| Open Spaces Committee - For information | 27 April 2021 |

Gateway 4: City Cluster Area – Wellbeing and Climate Change resilience programme implementation (2021-2024)

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| Open Spaces Committee - For decision | Date(s): 27 April 2021 |
| Streets and Walkways Sub Committee – For decision | 29 April 2021 |
| Projects Sub Committee– For decision | 17 May 2021 |

Gateway 3: City Cluster Area – Activation and Engagement programme

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| Open Spaces Committee – For information | Date(s): 27 April 2021 |
| Streets and Walkways Sub Committee – For decision | 29 April 2021 |
| Projects Sub Committee– For decision | 17 May 2021 |

Other relevant documents:

City Cluster Vision (adopted 2019)

<https://www.cityoflondon.gov.uk/assets/Services-Environment/public-realm-city-cluster-vision-area-strategy.pdf>

City of London Transport Strategy (adopted 2019)

<https://www.cityoflondon.gov.uk/assets/Services-Environment/city-of-london-transport-strategy.pdf>