

Committees: Operational Property & Projects Sub <i>[for decision]</i> Streets & Walkways <i>[for decision]</i>	Dates: 26 January 2023 17 January 2023
Subject: 40 Leadenhall Street Section 278 highway works <i>(including deferred works from the 52-54 Lime Street S278 and 10 Fenchurch Avenue S278 projects)</i> Unique Project Identifier: 40 Leadenhall Street: 12293 52-54 Lime Street: 11551 10 Fenchurch Avenue: 11552	Gateway 3/4/5: Options Appraisal and Authority to Start Work (Regular)
Report of: Executive Director Environment Report Author: Daniel Laybourn	For Decision
<h1>PUBLIC</h1>	

1. Status updates	<p>Project Description: Undertake the required Section 278 highways works in the vicinity of the development at 40 Leadenhall Street and complete the deferred works from 52-54 Lime Street S278 and 10 Fenchurch Avenue S278.</p> <p><i>Deferred works from the 51 Lime Street Section 106 project will be undertaken at the same time and in the same area as the above projects. These are detailed in a separate report on the same agenda.</i></p> <p><u>40 Leadenhall Street S278</u></p> <p>RAG Status: Green (no status at last report)</p> <p>Risk Status: Low – project is fully reimbursable (deemed low at previous report)</p> <p>Total Estimated Cost (excluding risk and maintenance): £995,111</p> <p>Change in Total Estimated Cost (excluding risk and maintenance): None, as the total estimated project cost falls within the previous range (£0.8m - £2m)</p>
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Spend to Date (as of 7th November 2022): £43,276

Costed Risk Provision utilised: None. CRP has not previously been requested.

Funding Source: Section 278 contributions

Slippage: None.

52-54 Lime Street S278

Gateway Stage: Post Gateway 6 (previous report - Post G6 Progress Report)

RAG Status: Green (no status at last report)

Risk Status: Low – project is fully reimbursable (deemed low at previous report)

Total Estimated Cost (excluding risk and maintenance): £344,743 excluding Leadenhall Street pedestrian crossing works (£746,005 when the crossing works are included). £40,000 of which was for deferred works and is encompassed in this report.

Change in Total Estimated Cost (excluding risk and maintenance): A overall reduction of £41,104 due to savings made earlier in the project.

Spend to Date (as of 7th November 2022): £314,743 excluding Leadenhall Street pedestrian crossing expenditure. £706,005 when this is included.

Costed Risk Provision utilised: N/A. Project predates the requirement for a CRP.

Funding Source: Section 278 contributions

Slippage: None.

10 Fenchurch Avenue S278

Gateway Stage: Post Gateway 6 (previous report - Post G6 Progress Report)

RAG Status: Green (no status at last report)

Risk Status: Low – project is fully reimbursable (deemed low at previous report)

Total Estimated Cost (excluding risk and maintenance): £621,267. £184,405 of which was for deferred works and is encompassed in this report.

Change in Total Estimated Cost (excluding risk and maintenance): none.

Spend to Date (as of 7th November 2022): £436,862

Costed Risk Provision utilised: N/A. Project predates the

	<p>requirement for a CRP.</p> <p>Funding Source: Section 278 contributions</p> <p>Slippage: None.</p>
<p>2. Next steps and requested decisions</p>	<p>Next Gateway: <i>Gateway 6: Outcome Report</i></p> <p>Next Steps: Complete the detailed design package and finalise the construction planning in advance of work commencing on site. All four projects would be delivered as a single construction scheme.</p> <p>Requested Decisions:</p> <p>It is recommended that Members of the Streets and Walkways Sub-Committee and Operation Property and Projects Sub Committee:</p> <p><u>40 Leadenhall Street S278</u></p> <ol style="list-style-type: none"> 1. Note and approve the associated contents of this report; 2. Approve an increase in the approved budget of £995,111 (an increase of £895,111, excluding costed risk and commuted maintenance) to reach Gateway 6; 3. Approve the Risk Register in Appendix 2 and the requested Costed Risk Provision of £190,000, and that the Executive Director Environment is delegated to authorise the drawdown of funds from this register; 4. Note the Commuted Maintenance sum of £47,135; 5. Note the revised total project cost of £1,232,246 inclusive of costed risk and commuted maintenance; <p><u>52-54 Lime Street and 10 Fenchurch Avenue S278 projects</u></p> <ol style="list-style-type: none"> 6. Note and approve the associated contents of this report; 7. Approve that the previously approved works from 52-54 Lime Street and 10 Fenchurch Avenue projects which were deferred (as shown in Appendix 4 and 5 respectively) will be delivered using their existing funding alongside the improvements around 40 Leadenhall Street; 8. Approve the budget adjustment for the 10 Fenchurch Avenue S278 project as shown in Appendix 6; and 9. Note that the associated remaining budget is sufficient to complete the 52-54 Lime Street S278 work. <p><u>All projects covered by this report</u></p> <ol style="list-style-type: none"> 10. Note and approve that project closure for all projects is to occur no later than Spring 2024.

Regarding 40 Leadenhall Street S278 project, it is recommended that Members of the **Streets and Walkways Sub-Committee**:

11. Approve the design option shown in **Appendix 3** for construction.

Regarding all three projects covered by this report, it is recommended that Members of the **Operation Property and Projects Sub Committee**:

12. Delegate to the Executive Director Environment authority to approve budget adjustments, above the existing authority within the project procedures and in consultation with Chamberlains, between budget lines if this is within the approved total project budget amount;
13. 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 associated Developer; and
14. Agree that the Corporate Programme Management Office, in consultation with the Chairman of the Project Sub Committee and Chief Officer as necessary, is to decide whether any project issues or decisions that falls within the remit of paragraph 45 of the 'City of London Project Procedure – Oct 2018' (Changes to Projects: General), as prescribed in **Appendix 7** of this report, is to be delegated to Chief Officer or escalated to committee(s).

3. Budget

40 Leadenhall Street S278 Project: Resources required to reach Gateway 6

Item	Reason	Funds/ Source of Funding	Cost (£)
Environmental Services (Highways) Staff costs	To enable Highways staff to undertake design and supervision work to reach Gateway 6	S278 Developer funding	£96,000
Planning and Transportation (P&T) Staff costs	To enable City P&T staff to project manage the scheme to reach Gateway 6	S278 Developer funding	£32,000
Fees	To fund work by external parties required to reach Gateway 6 such as but not limited to surveys and temporary traffic orders.	S278 Developer funding	£20,000
Works	Funding for construction costs.	S278 Developer funding	£732,898
Utilities	Funding for provisional and confirmed utility alterations	S278 Developer funding	£114,213
Sub-total			£995,111
Risk	S278 Developer funded. Further details can be found in Appendix 2 – Risk Register		£190,000
Commuted Maintenance	S278 Developer funded. A chargeable amount to account for the future maintenance implications of the scheme.		£47,135
40 Leadenhall Street S278 Project Total			£1,232,246

Detailed financial information is shown in **Appendix 8**.

Environmental Services (Highways) Staff Costs

Approximately 800 hours of additional staff time has been estimated for the team to plan, manage and supervise the construction of the work.

Planning and Transportation Staff Costs

It has been estimated that an additional 250 hours, on top of that already approved, will be required to account for the work to be undertaken by a Project Manager, Principal Project Manager and Project Director to reach the next Gateway. Tasks within their remit are oversight of the construction process, stakeholder engagement and general project management tasks.

Fees

An additional £20,000 is requested to fund work by parties external to the project such as, but not limited to, highway surveys and temporary traffic orders.

Works

City Engineers have estimated that the proposed works will cost £732,898. The works themselves are shown in **Appendix 3** and detailed in section 4 of this report.

Utilities

£114,213 is requested to fund for provisional and confirmed alterations to apparatus affected by the S278 work proposals which is owned by statutory undertakers.

Commuted Maintenance

£47,135 is requested to account for the future maintenance implications of the scheme, fully funded by the developer and chargeable at the end of the project. Specifically, these are to cover maintenance uplifts for street furniture, highway areas constructed in setts and where areas which were previously paved in Mastic now being paved in Yorkstone.

Costed Risk Provision requested for this Gateway: £190,000 (as detailed in the Risk Register – **Appendix 2**)

52-54 Lime Street S278 and 10 Fenchurch Avenue S278

Whilst the overall existing budgets for these projects remain sufficient to complete the deferred works shown in **Appendix 4 and 5**, a budget adjustment is required for the 10 Fenchurch Avenue S278 project to accommodate increased construction costs. The requested amendment can be seen in **Appendix 6**. The cost increases are the result of the change in highways term contractor in 2022 and general inflationary pressures.

All the aforementioned projects are fully reimbursable as per their related S278 legal agreements. Therefore, any increases

	in project costs will be fully met by their associated developer.
4. Overview of project options	<p><u>40 Leadenhall Street S278 project</u></p> <p>The Section 278 proposals shown in Appendix 3 have been developed in conjunction with the Developer to both accommodate and complement the new building, and to comply with the City's Public Realm Supplementary Planning Document, Transport Strategy and Climate Action Plan. It also further promotes points 1 and 9 of the City's Corporate Plan. Broadly the scheme consists of, but is not limited to:</p> <ul style="list-style-type: none"> • Reconstructed footways and any widening on Fenchurch Street, Billiter Street and Fenchurch Buildings; • A reconstructed and widened footway on Leadenhall Street including works to allow for a potential future pedestrian crossing which delivers part of the City Cluster Vision to make the street a more pedestrian-focused environment; • Carriageway resurfacing and reprofiling on all affected streets where required; • Relocation of traffic signal equipment on Fenchurch Street (to be undertaken by Transport for London); • Alterations to utilities and drainage in the locality of the Development as required to meet the scope of the section 278 work; • Any security infrastructure that may be deemed necessary; and • Amended and additional street furniture and/or greening provisions around the Development. <p>Street lighting is not included with the scope of this project and is instead dealt with separately by the City Highways team in accordance with the City's Lighting Strategy.</p> <p>In terms of other design options, 'Do nothing' would be the single substantial alternative to these proposals, where the footways and carriageways are reinstated as they were previously, but this would result in drainage and levels issues around the development and would leave these areas sub-standard. Therefore, this option is not recommended.</p> <p>As part of the development's original planning permission, the Planning & Transportation Committee approved the adoption of a section of private land to become public highway at the corner of Fenchurch Street and Fenchurch Buildings under a Section 38 agreement. However, during the development of the S278 scheme, this area was amended to be more rational and intuitive for those maintaining it. This was all to rationalise the highway boundary on the new receding building line so it's</p>

	<p>more relevant to the new street layout. It will also help support the City in its Highway Authority duties as it will mean that this new piece of highway is maintained to the appropriate standards. There are no upfront costs associated with this and additional public highway maintenance costs arising from this adoption have been factored into the commuted maintenance sum chargeable to the developer.</p> <p><u>52-54 Lime Street and 10 Fenchurch Avenue S278 projects</u></p> <p>The final construction elements of these approved projects were previously deferred in December 2020 due to the construction activities at 40 Leadenhall Street making it impossible for them to be completed. These works were primarily on Billiter Street and both scheme designs can be seen in Appendices 4 and 5 respectively. Recently Officers reassessed both scheme designs and found that they comply with current regulations, standards and policies. Therefore, no further options have been explored for either project.</p> <p><u>51 Lime Street S106 project</u></p> <p>The outstanding greening and seating works related to this S106 project, shown in Appendix 3, have been on hold because of the other developments in the area. This project is requested to be reactivated by a separate report on the same agenda. Regarding the greening, initial survey work has shown that approximately 15 trees around the development are possible, but planting of any trees will be confirmed by trial hole surveys during the construction phase.</p>
<p>5. Recommended option</p>	<p>It is recommended by Officers that the design proposals shown in Appendices 3, 4 and 5 and outlined in this report are progressed into construction as a single scheme.</p> <p>Whilst detailed construction planning is on-going, it's currently planned that construction would start in Spring 2023 on Fenchurch Street, following on from when the Developer has completed their works and vacated the area. Construction would then continue into Billiter Street and Fenchurch Buildings after the Developer has vacated these areas. The last phase of substantive work would be on Leadenhall Street which will include footway widening into the carriageway. In total, construction is expected to last approximately 6 months. Project closure for all projects would then occur approximately six months after this in Spring 2024.</p> <p>Regarding the 52-54 Lime Street and 10 Fenchurch Avenue projects, it is now intended to complete both projects alongside the work around the 40 Leadenhall Street development. As the designs for both schemes were determined to still be relevant by Officers, no further design approvals are being requested in</p>

this report.

The work funded by 51 Lime Street project would take place towards the end of the project. The proposed seating would be installed once all the footway works are complete, and the proposed greening would be planted in the next available planting period. At the time of writing, this would be from November 2023 onwards.

To support these recommendations, Officers have undertaken City of London Streets Accessibility Tool (CoLSAT) and Healthy Streets assessments on the overall proposed design that covers all four projects. The Developer's Pedestrian Comfort Levels work has also been reviewed and were found to still be applicable.

The Healthy Streets assessments, shown in **Appendix 9**, showed an approximately 12 percentage points score increase above the existing street scores. This was driven by the proposed installation of trees, the improvements to the southern end of Billiter Street and the raised entry treatments on Billiter Street and Fenchurch Buildings.

The CoLSAT assessments, summarised overpage and detailed in **Appendix 11**, showed similar improvements. The main issue identified by the analysis relates to the footway widths in Fenchurch Buildings. However, it's impossible to rectify this due to existing building lines.

CoLSAT Summary Results Table				
	Total 0 scores* – severe accessibility issue		Total 1 scores**- significant accessibility issues	
	Before	After	Before	After
Electric Wheelchair user	2		1	1
Manual Wheelchair user	2		1	1
Mobility Scooter user	2		2	1
Walking Aid user				1
Person with a walking impairment			11	12
Long cane user	4	2		
Guide Dog user	2	2	4	
Residual Sight user			7	3
Deaf or Hearing impairment			5	5
Acquired neurological impairment			1	1
Autism/Sensory-processing diversity			5	4
Developmental Impairment	5	1	9	9
Total	17	5	46	38

** This score means most people in this segment would be excluded by the street characteristic in the selected configuration.*

	<p><i>** This score means some people in this segment may be able to negotiate the street characteristic in the selected configuration, but it would significantly deplete their levels of confidence and energy, and they would be likely to give up on the journey if they had to negotiate it more than once or twice.</i></p> <p>The Developer's Pedestrian Comfort Levels work, submitted as part of their planning application, also identified the footway width issue at Fenchurch Buildings. It also identified a couple of issues in Billiter Street which will be rectified by the proposed scheme.</p>
6. Risk	<p>The overall risk level of the 40 Leadenhall Street S278 project is estimated to be low due to the standard nature of the construction activities involved. The project is fully funded by the Developer and any reasonable costs will be met by them under the terms of the S278 agreement. Further information is available in the Appendix 2.</p> <p>However, there is a risk that the project cannot meet the 40 Leadenhall Street Developer's aspirations of a late-Summer 2023 construction completion. This is due to the relative lack of time to confirm the scheme estimate, procure resources & third-party services, where needed, and then deliver the scheme itself. To mitigate this risk and proceed at pace, provisional sums have been used in the estimate where needed in agreement with the Developer. The aforementioned provisional sums in the scheme estimate are informed by previous similar projects and are primarily for utilities. These provisional sums are reflected with a corresponding costed risk provision request. If costs exceed the estimate and risk provision, an excess payment(s) can be sought from the Developer under the Section 278 to cover any reasonable increase in costs and if recommendation 14 is approved, included in the project budget.</p> <p>The other three projects included in this report predate the requirement for a costed risk provision. Their risk levels have been assessed and are deemed to be low regardless.</p> <p><u>Traffic Implications</u></p> <p>The City is under a duty to "<i>secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians)</i>" so far as practicable (S.122 Road Traffic Regulation Act 1984). The scheme proposals have no impact on the current access arrangements for vehicles and will deliver improvements for people walking.</p> <p><u>Legal Implications</u></p> <p>As stated in the G1/2 report, officers are to enter into a Section 278 agreement with the developer at 40 Leadenhall Street and will ensure payment is provided prior to the work detailed in</p>

	<p>this report being carried out. As of 21st December 2022, the S278 agreement has been finalised and the invoice for the works issued to the developer.</p> <p><u>Equalities</u></p> <p>As a Public Authority, the City must have due regard to equality considerations when exercising its functions (section 149 Equality Act 2010). Therefore, an independent Equalities Impact Assessment (EqIA) has been undertaken by WSP on the proposed overall design. This and responses to it can be seen in Appendix 10. It determined that some minor changes could be made to the design such as the addition of tactile paving and level access in certain locations and ensuring proposed street furniture and greening doesn't hinder access. Some recommendations were made such as ensuring suitable and effective street lighting is installed, minimising the impact of construction throughout the work area where possible. These issues are already dealt with during the City's existing processes.</p>
7. Procurement approach	Highway construction works will be delivered by the City's Highway Term Contractor, FM Conway. Relocation of the traffic signal infrastructure on Fenchurch Street is to be undertaken by its owner, Transport for London.
8. Design summary	<ol style="list-style-type: none"> 1. Reconstructed footways on Fenchurch Street, Billiter Street and Fenchurch Buildings; 2. A reconstructed and widened footway on Leadenhall Street; 3. Carriageway resurfacing and reprofiling where required; 4. Proposed tree planting and other planting on Fenchurch Street, Billiter Street and Leadenhall Street subject to trial hole surveys during the construction phase; 5. Seating in Billiter Street; 6. Alterations to utilities and drainage in the locality of the Development; and 7. Amended street furniture provisions around the Development including relocated traffic signal infrastructure on Fenchurch Street.
9. Delivery team	Project management will be provided by the project team within Projects & Programmes Team. Highway construction works will be delivered by the City's Highway Term Contractor, FM Conway, with construction supervision undertaken in-house by City Highway Engineers. Tree planting is to be undertaken by the City's City Gardens team.
10. Success criteria	<ol style="list-style-type: none"> 1. To create additional space for people to walk safely. 2. To increase the extent of pedestrian-priority streets, in line with the aims of the Transport Strategy. 3. To increase the amount of greenery in the area.

11. Progress reporting	Officers will report via monthly Project Vision updates. Should it be required, issues requiring further decisions by Members will be brought back as an Issue Report. Any delegated decisions taken will be reported back to Committee.
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Appendices

Appendix 1	Project Coversheets
Appendix 2	40 Leadenhall Street S278 Risk Register
Appendix 3	40 Leadenhall Street S278 Scheme Design
Appendix 4	52-54 Lime Street S278 Design
Appendix 5	10 Fenchurch Avenue S278 Design
Appendix 6	52-54 Lime Street S278 and 10 Fenchurch Avenue S278 scheme finances
Appendix 7	Paragraph 45 text
Appendix 8	40 Leadenhall Street S278 scheme finances
Appendix 9	Healthy Streets Assessments
Appendix 10	Equalities Impact Assessment
Appendix 11	CoLSAT assessments

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