

Committees: Streets and Walkways Committee - <i>for decision</i> Operational Property & Projects Sub - <i>for decision</i>	Dates: 23 rd May 2023 5 th June 2023
Subject: Bank Station Upgrade – Cannon Street Entrance S278 Unique Project Identifier: 12253	Gateway 6: Outcome Report Regular
Report of: Executive Director Environment Report Author: Daniel Laybourn	For Decision
PUBLIC	

Summary

1. Status update	Project Description: Section 278 scheme around the new Bank underground station entrance on Cannon Street to reconstruct the public highway and accommodate the requirements of the new development. The substantive development forms part of Transport for London’s Bank Station Capacity Upgrade programme which, amongst other things, provides more space for users at this key transport interchange in the City and step-free access to and from the Northern line at this station for the first time. RAG Status: Green Risk Status: Low - this project was fully reimbursable (deemed low at previous report) Risk Provision Utilised: £117,000 Final Outturn Costs: £1,099,089 (excluding Commuted Maintenance)
2. Next steps and requested decisions	Requested Decisions: Members of Streets & Walkways and Operational Property & Projects Sub are asked to: <ul style="list-style-type: none"> • Approve the content of this outcome report; • Approve that the final account be undertaken;

	<ul style="list-style-type: none"> • Authorise the Chamberlain's department to return unspent funds to Transport for London (the Developer) as set out in the respective legal agreement (subject to the verification of the final account) including any further subsequent refunds returned to the City by third parties; and • Agree to close the project.
<p>3. Key conclusions</p>	<p>The improvements, as can be seen in Appendices 2 and 3, have been successfully implemented within budget in parallel with the opening of the new station entrance. This marked the substantial completion of the Transport for London's Bank Station Capacity Upgrade programme.</p> <p>Towards the end of the programme there was an approximate four-month delay due to delays relating to the development itself (primarily due to the complex, constrained and subterranean nature of their project). There were no substantial impacts on any stakeholder arising from this. Work was substantially completed in late February 2023 alongside the station entrance, rather than October 2022 as originally planned.</p> <p>Following a request from the Developer, it was agreed that the programme could be accelerated, early procurement activities would take place at no risk to the City and the S278 construction work would closely follow the sectional completion of the new station building. Accepting this request resulted in some issues during the construction phase that are explored in this report.</p>

Main Report

Design & Delivery Review

<p>4. Design into delivery</p>	<p>The design has successfully accommodated the new station entrance and its requirements. The City's Highways Team and the term contractor (FM Conway) worked together with the Developer to re-programme works where necessary. The works consisted of:</p> <ul style="list-style-type: none"> • Reconstructed and widened footway on Cannon Street adjacent to the development, along with a new advisory eastbound cycle lane running to the junction with Monument; • Partial closure of the southern section of Nicholas Lane between Cannon Street and King William Street to motor vehicle traffic whilst maintaining restricted vehicle access from King William Street;
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	<ul style="list-style-type: none"> • An amendment of Nicholas Lane’s TMO to prohibit motor vehicle access from King William Street between 7am-7pm Monday to Friday; • Security measures on Cannon Street and Nicholas Lane that met the Development’s requirements; • Reconstruction of the Nicholas Lane to be a flush footway & carriageway space resurfaced in high quality paving; • Reconstruction of the other affected footways and carriageways on King William Street and Abchurch Lane; • Installation of Legible London signage to the City’s design specification; • Carriageway resurfacing, drainage works and alterations and renewal of street furniture where required; and • Alterations to utilities in the locality of the development.
<p>5. Options appraisal</p>	<p>As the Bank Station Capacity Upgrade had been granted a Transport & Works Act Order (TWAO), it gave TfL the ability to deliver these highway works themselves. However, in very early discussions with them, the City was asked if they could deliver the highway works given their knowledge and experience of delivering similar schemes, and under what legal mechanism they could take place. It was subsequently confirmed that work could be undertaken via a Section 278 agreement with the City delivering the work using their term contractor. Under the Highways Act 1980, Section 278 of this act relates to permanent alterations or improvements to the public highway to satisfactorily accommodate the related development in transport and highway terms.</p> <p>In regard to highway design, there were limited options that would have met with the Developer’s security requirements around the new entrance. Also, the existing streetscape and building lines further limited what was possible. Whilst these were briefly developed as back-up options with the Developer’s assistance, these were discounted once the preferred option was confirmed to be viable.</p>
<p>6. Procurement route</p>	<p>The design was prepared in-house by the City’s highways team and the City’s term contractor was used to deliver the project.</p>
<p>7. Skills base</p>	<p>The Project Team had the skills, knowledge and experience to manage and deliver the project.</p>
<p>8. Stakeholders</p>	<p>As the station development preceded this project’s work by several years, engagement was undertaken in partnership with the Developer using their existing stakeholder network. Local stakeholders, such as neighbouring occupiers, were engaged</p>

	throughout the processes and the project was able to deliver the highways changes without unnecessary disruption.
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Variation Review

<p>9. Assessment of project against key milestones</p>	<p>The key milestone that needed to be achieved was to have the S278 work complete by the time the new entrance opened. Whilst the works were delayed from their original October 2022 completion date, the S278 work was substantially complete for when the new entrance opened on 27 February 2023.</p>
<p>10. Assessment of project against Scope</p>	<p>There were no substantial changes in design to that approved at Gateway 5. This was achieved by opening a dialogue as early as possible with the Developer, local stakeholders and the statutory undertakers involved to confirm the scope of work required.</p>
<p>11. Risks and issues</p>	<p>In agreement with the Developer, the G5 estimate included conservative cost estimates for Utilities and the early procurement of the required security measures. This was due to there not being enough time to receive detailed estimates back from third parties and needing to obtain the necessary approvals in time for work to align with the planned opening of the new entrance. This worked well in terms of mitigating the associated risks and allowing the project to proceed at pace. It is this approach which has mostly led to the large sum of funds which is to be returned.</p> <p>The project team accepted the developer's request to align the construction phases of the S278 work more closely to the completion of various sections of the building. However, this resulted in issues for the project team and their contractor. Mostly this related to the planned release of work areas around the building not being kept to which then entailed constant rejigging of the construction programme to keep pace and avoid downtime or decant from site. Please see section 18 for more details.</p> <p>A risk drawdown for an increase in construction costs occurred shortly after the project obtained G5 approval. This was expected and had been accounted for in the project's costed risk register as</p>

	the City's highways term contract had been retendered around the same time.
12. Transition to BAU	The project is now complete and has been passed over to the Highways Maintenance team to manage. The scheme was designed and built to the City's specifications, and the City will claim the required commuted maintenance sum at the time of the final account verification.

Value Review

13. Budget	<table border="1"> <tr> <td>Estimated Outturn Cost (G2)</td> <td>£470,000 +/- 20%</td> </tr> </table>		Estimated Outturn Cost (G2)	£470,000 +/- 20%																						
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<p><i>* Commuted maintenance sum to be charged for at the point of final account verification.</i></p> <p>For more detail, please see Appendix 4. As stated above, the G1/2 estimate was '£470,000 +/- 20%'. This was calculated using a 'per Sq/M' figure based on previous all-inclusive scheme costs as a proxy. This was before any detailed information regarding the scope and complexity of this project had been determined. The main reasons for the large increase in overall cost included:</p> <ul style="list-style-type: none"> • A more-involved scope of work to better accommodate the development such as the footway extension on Cannon Street and a higher quality of paving in Nicholas Lane; • Much denser utility apparatus than is usual in the highways around the development which needed amending; • Unanticipated increased officer time accommodating, amongst other things, an unacceptable difference in levels between the public highway and the development and 																										

	<p>accommodating the Developer’s everchanging works programme; and</p> <ul style="list-style-type: none"> • Increased materials & labour costs due to recent general market increases and the new highways term contract. <p>Please confirm whether the Final Account for this project has been verified – They have not been verified as of 03/04/23. As some invoices are still outstanding, it is requested that the final account be undertaken once these have been received.</p>
14. Investment	Not applicable.
15. Assessment of project against SMART objectives	<p>The project achieved its objectives of:</p> <ul style="list-style-type: none"> • Deliver a high-quality public realm near the development; • Deliver a scheme that benefits all users of the public highway; • Deliver a proportionate scheme that meets with the needs of the Developer.
16. Key benefits realised	<ul style="list-style-type: none"> • The project has implemented measures that both improve the environment for people walking and that enhance the public realm; and • It has also delivered highway changes that accommodates the new development and met the needs of the Developer.

Lessons Learned and Recommendations

17. Positive reflections	<p>Throughout the project, the project team worked very well with the Developer and their contractors, who were the main stakeholders throughout the project. Despite the initiation and design development commencing during COVID-19 restrictions, project staff were still able to complete the project within a condensed timeframe.</p> <p>It should be noted that this project was more complex than usual with all its competing requirements, such as security, utilities, levels and the working interface with the Developer’s contractors. The City’s highways team should be commended for not only meeting all these challenges but constantly altering their construction programme without any significant impacts to facilitate the Developer’s activities.</p> <p>In terms of governance, the delegation of authority to the Chief Officer to both approve risk drawdowns and approve construction subject to satisfactory statutory consultations worked well. It not only streamlined both processes but avoided additional reports to</p>
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	committee. Early procurement of certain elements of the project were also very helpful in mitigating against potential supply chain delays, which were a concern early on.
18. Improvement reflections	<p>As mentioned earlier, the agreed site handover phasing was not kept to by the Developer's contractors due to their understandably difficult programme and construction activities. This meant the project team were constantly having to reactively reprogramme the S278 works, on a near daily basis at times, to ensure work continued in the most efficient way possible.</p> <p>On reflection, this issue arose from the project team agreeing to follow the Developer's construction programme more closely than usual, at the Developer's request. This agreement was made by the project team based on closer co-operation between the City and Developer (and their contractors), and the Developer involved was made aware of the risks that come with a tighter programme. However, with the issues that occurred, the project team would advise that any future projects similar to this should allow at least a month's gap between the Developer vacating areas around their site and S278 work proceeding, assuming this is agreeable between the parties involved.</p>
19. Sharing best practice	Lessons learnt on this project have been shared through team and project staff briefings.
20. AOB	<p>On Cannon Street, a TfL-funded pedestrian crossing is to be installed outside the station entrance by February 2024 (one year after the station opened). This is to accommodate the increase in people expected to cross outside the station and improve accessibility around Monument junction. Officers are pushing to have this installed earlier and by Autumn 2023.</p> <p>Furthermore, an over site development above and around the new station entrance is expected within the next few years. This is likely to involve a S278 project encompassing Abchurch Lane.</p>

Appendices

Appendix 1	Project Coversheet
Appendix 2	Before & After Photos
Appendix 3	Before & After Site Plan
Appendix 4	Financial Information

Contact

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