Committees: Operational Property and Projects Sub - *for decision* Streets and Walkways Committee - *for decision*	**Dates:** 3rd July 2023 4th July 2023
Subject: Aldgate Highway Changes and Public Realm Improvements **Unique Project Identifier:** 9423	**Gateway 6: Outcome Report** Complex
Report of: Executive Director Environment **Report Author:** Daniel Laybourn, City Operations	**For Decision**
PUBLIC	

Summary

1. Status update	**Project Description:** The objective of this project was to remove the 1960's era Aldgate four lane gyratory system and create a new high quality public square. In addition to transport and air quality improvements, this project also supported regeneration of the area and created a new destination in the City. To help reduce vandalism and anti-social behaviour, as well as enlivening the new space, it was agreed that a new pavilion with catering facilities and publicly accessible toilets would also be introduced within the new Aldgate Square *(the associated Aldgate Pavilion project was formally closed in December 2020)*. **RAG Status:** N/A (project complete) **Risk Status:** N/A (project complete) **Risk Provision Utilised:** N/A (project pre-dates the requirement for a formalised costed risk provision) **Final Outturn Costs:** £17,924,253

2. Next steps and requested decisions	**Requested Decisions:** Members of Streets and Walkways and Operational Property and Projects Sub-Committees are asked to: 1. Note and approve the content of this outcome report*;* 2. Authorise Officers to complete the final account for the project; 3. Note that the unspent Section 106 funds are to be reallocated to other projects in accordance with the requirements of their related legal agreements and a separate report will be brought to Members that sets out details of the proposed reallocations; and 4. Agree to close the project.
3. Key conclusions	The Aldgate Highways and Public Realm project, that began in 2012, was substantially completed in 2018 when it opened for public use alongside the nearby Pavilion. Whilst the scheme was substantially completed on time and within the agreed budget, small issues with snagging, resurfacing and the marking out of the London Wall meant work was fully completed by March 2022. This was the largest project ever undertaken by the City's Environmental Department and it successfully delivered its project outcomes. Also, Aldgate Square was shortlisted for nine awards, winning five of them: • National Urban Design Awards 2018 - Public Sector • National Air Quality Awards 2018 - Local Authority & Public Sector Air Quality Initiative of the Year • Highways Award 2018 - Most Innovative Highway Authority Scheme of the Year • Civic Trust Awards 2019 - Commendation for Civic Trust Award and Commendation for Universal Design. • Local Authority Building Control 2019 Awards - Winner of the Best Public Service Building Regional Award 2019 for the Portsoken Pavilion. The key to the project's success was due to early, thorough and well-planned engagement with stakeholders such as The Aldgate School (previously Sir John Cass Primary), St Botolph Without Aldgate Church and Transport for London (TfL), amongst many others. This enabled officers to establish the needs and aspirations that helped to shape the overall vision of the project. The successful delivery of what was a very complex highways construction project would not have been possible without the on-going support and collaboration of all the stakeholders involved, both externally and internally through Members.

	The project also highlighted the benefit of creating a dedicated project team from a range of teams to focus on a single project. The core project staff also operated in a wider internal resourcing matrix that allowed them access to the relevant experience and knowledge from colleagues when needed. This was a very collaborative approach that involved all impacted departments. As would be expected with the scale and scope of the changes to be delivered, issues did arise. These are explored in this report, but each of these were able to be overcome by close partnership working with the clients, contractors and internal and external stakeholders. With high-quality materials and a complex design, the finished scheme has already and will continue to act as the prime example of what can be achieved in delivering public realm change in the City of London, along with the lessons learned and new ways of working established by the project. The successful elements of this project's delivery have been embedded into the All Change at Bank and St Pauls Gyratory projects amongst others.

Main Report

Design & Delivery Review

4. Design into delivery	The Highways and Public realm design has achieved all the desired outcomes and benefits set for the project. The good working relationship between the City's Project Management and Highways teams and the previous term contractor (JB Riney) was especially important when design and construction activities were taking place simultaneously. There was also a substantial number of stakeholders associated with the project, and their expectations were successfully accommodated to meet their needs. However, there were some significant issues. The separation of the Pavilion and Highways/ Public Realm projects at the design phases led to issues in the construction stages of both projects and some elements of the project could now be seen to be over-specified. The project made use of a Project Board which pulled together internal and external stakeholders. Transport for London were a key member of this board, not only in terms of the funding they were able to provide through their Major Projects finance stream but also in terms of coordinating inter-related projects and assisting in their approval process.

	Up to Gateway 3 there were 12 working groups to manage specialist areas of the project including movement analysis, structures, environmental factors, public realm, assessment of subway reuse, liaison with development sites, consideration of the traffic and environmental zone, project management and production of a detailed business case. A high level of data collection and analysis was also undertaken prior to Gateway 3. This was used to validation the traffic model and used to inform decision making on key elements of the project. This also formed a baseline to test options against and used to determine the schemes success post completion. There was a push to get the project on site due to need to get started ahead of the TfL Cycle Superhighways project being constructed nearby. This meant that when the project was started on site there was no confirmed design for the entire extent of the project, and design packages for areas were being constantly reworked alongside the construction of earlier phases. This put a lot of pressure on the project team, particularly the design engineers and introduced a lot of risk relating to costs. Several late design changes were required, this was accepted as a less than ideal approach to take but the project would have been substantially delayed otherwise. This risk was accepted through the relevant Committee reports.
5. Options appraisal	The main aim of the project was to deliver transformational change, remove barriers to movement and provision of public realm amenity to attract investment to the key opportunity area and encourage regeneration. At Gateway 2, the project was estimated at £6.5-7m. At Gateway 3 the initial highways design work resulted in an extension in scope presented across three different options being put to Members on the basis that the additional investment was essential (and affordable) to deliver such a high-quality public space alongside the desired changes to the road network. This increased the estimated cost range to £7-£12m. Subsequently, the core project approved by Members at this stage involved: • Conversion of Aldgate High Street and St Botolph Street to accommodate two-way traffic; • The creation of a new public square between the Aldgate Primary School and St Botolph Without Aldgate Church; and • Replacement of the subway access points with controlled crossings at surface level.

	• Re-landscaping the adjacent churchyard at St Botolph Aldgate to ensure step-free access and integration with the wider design. A more detailed concept design was then presented to Members for approval in October 2013 which increased the project range to £16.3-£17.1m. This followed the undertaking of more technical work and public consultation which focussed work on one feasible option. With the report being approved, work then focussed on developing this design. By the Gateway 4/5 in June 2014, the total estimated construction cost had increased to £17.1 - £19.5m. The medium specification was the recommended option which was subsequently approved. This then set the budget cap for construction at £18.67m.
6. Procurement route	Early concept designs and movement strategies were completed by external consultants following the standard procurement route. Subsequent detailed design work was undertaken 'in-house' by the City's various teams. The City's previous term contractor, JB Riney, was then used to deliver most of the project, with the City's Open Spaces team undertaking the greening elements. At times, specialist external expertise was contracted to undertake design and construction work, such as Rupert Harris, who undertook historic restoration work, and Fountaineers, who installed and commissioned the two water fountains and their pump system.
7. Skills base	The Project Team had the skills, knowledge, and experience to manage and deliver the project. As mentioned in section 6, external specialists were contracted by the project team to provide specific expertise when and where needed. The team was pulled from a range of internal teams in the City including Transport, Highways and Open Spaces. With their focus being on one project, it allowed them to work effectively and efficiently as a team, and deal with any issues promptly. However, the size of the team given the scale of the project could have, at times, been deemed to be too small. This manifested itself when team members had to take on some responsibilities that would have been better allocated to staff who had more experience in those areas or as specific external secondments (Highways engineers undertaking structures work being one example). This was further compounded by the scheme going into construction without a fully completed design. Also, in hindsight, there was an overreliance on a small number of officers. This could have been a problem should any of the key

	staff left during the project. The project was fortunate enough to have not suffered these issues, but as far as possible, efforts should be made to limit the impact of this risk for similar future projects.
8. Stakeholders	**Project Board** The Aldgate Project Board was established at Gateway 2. This included representatives internally from the City of London, an officer from London Borough of Tower Hamlets, a local developer (Minerva) and Transport for London. This was a useful forum to establish support both in terms of design assistance and funding from Transport for London. Alderman Bear was the Ward representative on this group. **Public Consultation** With the project scope over a large and diverse neighbourhood area, it was vital that all Aldgate stakeholders felt heard and engaged with fairly. The length of the scheme meant a project identity/brand was important to bring familiarity and consistency. This ensured project communications were distinguishable from the various other mailers and signage in the area. To this end, a colour template, font, and logo, as well as a standard for displaying high quality and detailed montages of the project's vision, was specifically developed. These were all utilised for the entirety of the project and were especially helpful at tying together the planned utility and road diversion booklet, e-bulletins, mailed items, consultations, and events. Officers also commissioned a video to highlight the area prior to the scheme starting construction capturing stakeholder's perception through interviews and a survey. Furthermore, identifying several City Corporation Members as local 'champions' for high profile engagements including project milestones, provided further consistency for community involvement. Road user and disability groups were convened to provide detailed feedback at various workshops prior to public consultation. These groups along with local stakeholders were regularly engaged with in person and invited to project events to ensure they directly felt a part of the transformation that the project delivered. In addition to traditional methods of promoting the statutory consultation, the project held several on-street engagement events to keep the community informed. The Aldgate School was involved with regular road safety days, art projects as well as having the honour of being the first visitors to Aldgate Square pre- and post-construction. London Metropolitan University also held a

	competition to design a piece of street furniture to be featured in Aldgate. Another popular element of stakeholder engagement was highlighting the vibrant and long history of the area at the start and end of the project. Large panels around the site highlighted historical artefacts found at the initial stages of the project, and this was followed at the end of the project with a book containing a compilation of history articles which were in the weekly project newsletters, attracting over 1000 readers every week. When the enhancements and construction was completed, several events were held for various stakeholders within the community to come together to see the positive and direct impact their feedback and comments made to the final project. Several display towers were placed around the project area to further highlight the before and after impacts of various areas to the public.

Variation Review

9. Assessment of project against key milestones	At Gateway 3 the following milestones were set: • G4 report by Autumn 2013 • G5 end of 2013 • Implementation to start 2014 for period of 12-18 months. The G5 report was subsequently submitted approximately 6 months later than planned as the G3 estimate was overly optimistic. However, work did start as planned in 2014. During construction, the progress of the interlinked Pavilion project had a fundamental impact on the progress of the public realm work in the later stages of construction. The more-recent delays in delivering some carriageway resurfacing work (due to required availability of the City road network) and confirming the demarcation of the Roman London Wall that would satisfy the scheduled monument consent, resulted in the project technically overrunning by approximately 18 months. However, it's important to note that all the benefits of the project were achieved when Aldgate Square opened in Summer 2018.
10. Assessment of project against Scope	At Gateway 2 it was expected that the scheme would be focussed on the gyratory removal and public square, and the project budget at this stage was £7m. The subsequent scope change is detailed in section 11 but in short, through the outline design process, it was realised changes further away on the highway network would

	be needed. These were added to the scope in the Gateway 3 report. Additional elements were added in because of the public consultation exercise which resulted in demand for water features and improvements to the Churchyards and gardens. The inclusion of what was initially envisaged to be a kiosk, which then became an architecturally designed centrally located café, was the single biggest element of scope change. Although separate to the highways project this report relates to, it had significant ramifications on it which needed to be accounted for. Arts, Events and Play, a funded activation programme intended to activate the new public space, was eventually removed from the project scope when the Aldgate Bid started to form. Officers felt that this offered better on-going continuity for the space's utilisation, especially when the project ended.
11. Risks and issues	The project commenced prior to the costed risk process being in place. However, a robust risk management process was in place throughout the course of the project and it's this that has led to the eventual approx. £750,000 saving. Due to this and despite the scale of the highways and public realm project, the number of issues incurred was relatively small and generally related to the project adapting to external influencing factors such the Pavilion and procurement factors/ issues. The risks identified early in the project related to third party approvals (London Borough of Tower Hamlets and Transport for London primarily). This project was developed before the recent changes to funding requirements which now requires this to be confirmed at Gateway 2. The provision of full funding for the project was therefore an ongoing high risk up to Gateway 4c. The project also had a high level of technical requirements – including London Underground structures under Aldgate High Street, reuse of the subways, foundation requirements for the Pavilion and elements of the public realm such as the fountains which were all highlighted as risks as the design progressed through the gateways. Furthermore, the Section 278 project around the Dorsett Hotel was a major risk that required additional engineering work. Coordination with other projects including Transport for London's cycle superhighways project was also a key risk. This drove the programme into needing to be on site by Summer 2014 and therefore having to be constructing some works packages whilst still designing others. Despite best efforts with all statutory undertakers early in the project, further reprogramming

	was required when nearby National Grid upgrade works incurred some issues which impacted to time and cost.
12. Transition to BAU	BAU maintenance responsibilities have now been successfully passed over to the City's Highways Maintenance, Street Cleansing and Open Spaces teams. Funding for the on-going maintenance commitments formed part of the project in the form of a commuted sum.

Value Review

13. Budget

Estimated Outturn Cost (G2 - 2012)	Estimated cost – £6.5-7m (excluding Pavilion)

	Description	Approved	Spend	Balance
Highways & Public Realm	Pre-evaluation costs	2,773,653	2,773,653	0
	Work*	12,455,404	12,114,969	340,435
	Staff Costs	2,392,704	2,234,366	158,339
	Fees	967,593	778,110	189,483
	Purchases	25,640	23,155	2,485
	Contingency	59,378	0	59,378
	Totals	**18,674,373**	**17,924,253**	**750,120**
Pavilion (separate project)	*(All costs)*	4,621,139	4,548,676	72,463
Grand Total		**23,295,512**	**22,472,930**	**822,582**

** Includes approx. £80k of Pavilion construction facilitation costs*

For more detail, please see **Appendix 1.** It should be noted that Transport for London provided approx. £8m of funding to the project which was detailed in the Gateway 3 report.

Please confirm whether the Final Account for this project has been verified – They have not been verified as of 16/05/2023. It is requested to undertake the final account following approval of this G6 report which will include the reallocation of unutilised Section 106 funds to other projects in accordance with the requirements of their related legal agreements, and a separate report will be brought to Members that sets out details of the proposed reallocations.

14. Investment	Not applicable.

15. Assessment of project against SMART objectives	The project met its success criteria which was set before measurable objectives were part of the project processes. These were listed as the following: • Creation of the public square and the improvement of the appearance/amenity of the area • Improvement of mobility (for all modes) through the area • Improved rental values and development of disused sites • Improved satisfaction rates for all users of streets and spaces All options presented at Gateway 3 accommodated the following objectives: • Barriers to movement reduced for all vulnerable road users • Generate interest for development in the area • Improve road safety and the perception of road safety • Improvements to Air Quality – particularly at the school • Improved public safety and a possible decrease in anti-social behaviour by the removal of the subways from public use
16. Key Benefits realised	Whilst it's not generally possible to quantify the project's benefits (due to it predating the requirement for measurable objectives), the project did achieve its success criteria as explained in Section 15. However, it was possible to quantify the air quality improvements at the Aldgate Primary School. As can be seen in Appendix 3, the air quality substantially improved around the school where it had previously been noted to be very poor.

Lessons Learned and Recommendations

17. Positive reflections	Overall, the project has achieved all its aims and objectives, winning five awards in the process. It has also made a budgetary saving of £822,582, and pedestrian safety and air quality in the area have improved substantially following the highways alterations becoming operational in 2015. As a result of the project's success, external organisations have been in contact with the project team so that they could learn of the best practice & methods and lessons learnt. Recently the Aldgate BID undertook their own survey work which received very complimentary and positive feedback on the Square. The project was an example of successfully embedding support for significant change through Aldgate and Tower Area Strategy in 2011/2012 which then fed into the project's planning. This bought in support from developers in the area alongside more established stakeholders.

	The highways design taken forward into construction was later found, by Road Safety Audit, to contain very few issues that needed resolving once it had become operational. Given the scale of change involved, this has highlighted the City's Environment department's ability to successfully design and deliver such a project. Furthermore, the public realm's design including the water features and greening were highly praised by all stakeholders, with the attractive green space and seating in the Square often being full of people having their lunch and the 'jumping jets' fountain constantly being photographed by passers-by, especially during the Spring and Summer. The flexibility of the Square has also been proven, with various events having taken place there such as the Christmas Markets and pop-up events amongst others. The dedicated Project staff and Engineers, the principal and other external contractors all worked well together throughout the project, ensuring the work was completed in less-than-ideal conditions at times. This is especially noteworthy given the small size of the team and the size of the project. Also, the small size of the team enabled quick and effective communication as generally each person acted as single point of contact for the topic being discussed. Weekly team meetings, chaired by the Project Manager, were also found to be particularly useful in keeping all those involved at the time updated on what was happening across the project. As mentioned previously, the well-executed engagement, co-design process with stakeholders and the use of an overarching project board throughout the project ensured they were fully consulted, kept up to date on progress and provided a forum for all to discuss their requirements. This therefore helped to inform the highways design to ensure it successfully met with all their expectations. Further funding was granted to the project by TfL because of the good working partnership that was established, which also enabled there to be some rescheduling of work to let TfL progress with its nearby Cycle Superhighway projects without delaying the Aldgate project. Significant surveys were undertaken at Gateway 3 stage including topographical and GPR surveys, data collection around parking, loading, coach activities, movement analysis, cellar surveys, trial pits for signal design. This allowed design decisions around options to be clearly appraised. Because of the significant changes to the highway layout, there was early engagement by the Project Engineers with impacted utilities companies to see if they could bring any planned works forward to mitigate potential issues in future. This was an effective precursor to the formalised process then being undertaken by the City's Streetworks team.

	Regarding day-to-day operations, forward planning for Aldgate Square's transition into BAU started very early on in the project, successfully resulting in a revenue budget being set aside at the project's early stages to account for future BAU cost uplifts. This work allowed for the full financial impact of proposals for the Square's design to be assessed at an early stage, and would have allowed for the project's scope to be altered should it have been required.
18. Improvement reflections	Several lessons learnt sessions were held following the substantial completion of the public space in Summer 2018, and the comments from these have been consolidated into the list below. It should be noted that some of these items, outside of the control of the project team, have already been addressed since the list was compiled: <u>Governance</u> • Lack of delegation to Officer level in the governance structure of the project restricted the ability to deliver at pace. • Roles/responsibilities should be outlined clearly at the start of projects, so all stakeholders are clear of their remit within the project; • Terms of reference are essential for major projects to ensure there is clarity on who is responsible for final decisions; • Offline briefings are not the preferred option for decision making as it becomes difficult to track what was agreed formally and where; ○ The above can causes issues as not all stakeholders are always aware of decisions made; • Alternative governance specifically for larger projects could be considered such as having its own governance board or committee (with Member representation for quicker decision making); • Organograms should be produced for sharing with partners to clarify roles and responsibilities; • Implement a fixed change control sheet to capture changes to scope/budget throughout the process, and use this to provide an overview of state of play/key issues to be aware of; • Standardised/ uniform formats of reporting should be used to ensure everybody is reporting in the same way to Members and Committees;

	• Departmental SLA's for clear remits and responsibilities; and • Closer scrutiny on the agreed specification to ensure everybody agrees what is being delivered. <u>Project Assurance/ Risk</u> • Project Assurance is an important element in major projects and should be part of the project set-up; • There should be a cross-departmental view of organisational capability to ensure the Corporation is equipped to deliver what is required before embarking on major projects; • Guidance on how much risk the Members are willing to tolerate/what they are comfortable delegating to Officer level is needed. (*pre-dates costed risk provision*) <u>Procurement</u> • The City needs to empower projects and BAU operations to more easily say that contractors are not capable of fulfilling their obligations and terminate if appropriate; • Procurement method chosen did not offer the best value or competition (chosen via SCAPE framework due to urgency), and competitive tendering may have been more a better option; and • External contractors and third parties should be liaising with a single point of contact. <u>Design & Construction</u> • Design and construction activities overlapped somewhat which led to difficulties in managing processes that were in constant flux. • More detailed design work should have been undertaken at Gateway 3 to understand the feasibility and likely design costs of the project. We now understand better the process needed to deliver these types of projects and more recent projects such as Bank Junction have had a lot more detailed worked undertaken before presenting options to members. • All detailed design work should have been given more time to be fully explored and resolved. Due to time constraints, this didn't always happen. However, at the same time, due consideration was not given early enough to parts of the public realm which meant their delivery was needlessly prolonged (i.e. the demarcation of the Roman London Wall through the space).

	• Planning consent was still being sought for some elements of the project while the highway construction work was being undertaken. Although this reduced the programme overall it did introduce a risk that the design would need to be amended. • Elements of the design could be considered to be over-specified, such as the Christmas tree base, water fountains, and coloured lighting systems which were specified with third-party events in mind but interest has never reached levels that justify the capital expenditure on such items. • On the other hand, some elements were found to be underspecified such as the electricity supply to the Pavilion. • Use of the disused pedestrian subways under Aldgate to contain various apparatus for the Pavilion and water fountains was not the most cost-effective or efficient method of housing this equipment. • The separation of the complicated Pavilion project from the main public realm & highways project did not work and led to many issues that could have been overcome more easily if both projects were managed by the same team. • Furthermore, having two principal contractors working on two different projects in the same space did not work well during the construction phase and became especially difficult to manage, requiring constant programme revisions on both sides to not impede progress. In conclusion, many of the above have already been embedded into the projects teams ways of working. Those points that have a wider reach than the project team or the Environment Department such as in the project assurance and risk section have improved since the implementation of this project and continue to be reviewed within the Corporate Project Governance review that is currently taking place.
19. Sharing best practice	Dissemination of information through team and project staff briefings has taken place.
20. AOB	The project predates the requirement for project coversheets. Therefore, none are included in the appendices of this report.

Appendices

Appendix 1	Finance Information
Appendix 2	Long term reduction in nitrogen dioxide at Sir John Cass Foundation Primary School, 2003 to early 2018
Appendix 3	Photo Compilation

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