

Committees: Streets and Walkways Sub Committee [for decision]	Dates: 26 September 2023
Subject: Creed Court S.278 Unique Project Identifier: 12032	Gateway 6: Outcome Report Regular
Report of: Interim Executive Director Environment Report Author: Andrea Moravicova	For Decision
PUBLIC	

Summary

1. Status update	<p>Project Description: Deliver public realm enhancements to the area surrounding the new development at Creed Court as outlined in the Sections 106 and 278 agreements, to accommodate the projected increase in pedestrian traffic and servicing needs of the hotel.</p> <p>RAG Status: Green (Green at last report to Committee)</p> <p>Risk Status: Low (Low at last report to committee)</p> <p>Costed Risk Provision Utilised: None</p> <p>Final Outturn Cost: £583,167</p>
2. Next steps and requested decisions	<p>Requested Decisions:</p> <ul style="list-style-type: none"> • Approve the contents of this report and agree to close this project. • Approve the budget adjustment related to staff costs to be actioned as outlined in Appendix 3. • Authorise return of unused funds to the developer, including any accrued interest as per the Section 278 agreement.
3. Key conclusions	<p>The project was completed within the budget and delivered its main objective to enhance the public realm in Creed Lane and Ludgate Square to support people walking whilst maintaining the function of the streets. The design was implemented fully, without a need for variations during the construction phase.</p> <p>The programme was adjusted in agreement with the developer to coincide with their timelines affected mainly by the Covid pandemic. This delayed the works start by a further six months from the timelines presented in the Gateway 5 report (12 months overall). Further delays were caused by several risks that materialised and are described in Section 11 below.</p> <p>Key learning and recommendations for future projects:</p>

	<ul style="list-style-type: none"> • Early face-to-face engagement with local stakeholders, starting at the pre-construction phase, can help prevent some of the issues arising during construction (particularly noisy working affecting local businesses). • Changes to the term-contractor mid implementation phase can affect the works progress and programme, and the impression to external stakeholders that the site is inactive.
--	--

Main Report

Design & Delivery Review

4. Design into delivery	<p>The design was developed in-house in liaison with the developer and was consulted on with the local stakeholders and internally.</p> <p>Considering the constraints and needs of the area, such as narrow streets and access to premises, ensured the works were phased accordingly to help smooth the implementation.</p>
5. Options appraisal	<p>The chosen option met the project's objectives to improve the environment for people walking and cycling in the area, whilst maintaining the function of the street and supporting the servicing needs of the new hotel.</p> <p>The materials used adhere to the City's standards, with the works delivering the scope of the project without any changes.</p>
6. Procurement route	<p>The works were delivered through the City's term contractor, however, due to the site becoming available later than expected from the developer, the construction phase was affected by the change of the City's term contractor. The work's progress on site was slowed by demobilisation, handover procedures and mobilisation of contractors.</p>
7. Skills base	<p>The project team has the necessary skills, knowledge and experience to manage delivery of this and similar future projects.</p>
8. Stakeholders	<ul style="list-style-type: none"> • The project was delivered in close liaison with the developer and stakeholders to ensure the proposals met their needs. • A three week public engagement was organised, and comments were considered and informed the development and delivery of the project. • Regular updates were provided to all interested parties via a newsletter. • Information on the project was shared via letters distributed to all premises and via emails. Face-to-face engagement with local businesses should have been undertaken during the pre-construction phase. Explaining the phasing plan, devised to enable safe undertaking of works, and prescribed noisy working hours in person may have prevented complaints from local businesses.

Variation Review

9. Assessment of project against key milestones	<p>The construction programme was affected by several risks that have materialised, including delayed site release from the developer and changes to term contractor during the implementation phase.</p> <ul style="list-style-type: none">• At Gateway 5, construction was initially planned to start in October 2021 and works completed in March 2022• Construction started in April 2022; slippage of approximately six months due to late handover of the site from the developer. The completion was expected in September 2022.• Construction work was completed in December 2022; further slippage of approximately three months was due to change in the term contractor and other materialised risks detailed in Section 11 below.
10. Assessment of project against Scope	<p>The project's scope remained unchanged and is summarised below:</p> <ul style="list-style-type: none">• Street surfaces were upgraded to the City's standard pallet, providing a more pleasant environment to walk in.• Carriageway in Ludgate Square (a pedestrian priority street) was raised to footway level to benefit people walking.• Servicing requirements for Creed Court development were accommodated within the design.• The improvements were sympathetic to the conservation area setting.
11. Risks and issues	<p>Several factors affected the overall programme of this project:</p> <ul style="list-style-type: none">• Delay in the handover of the site at the start of the programme, causing overall slippage of approximately 12 months. At Gateway 5 report advised of six months delay due to a global pandemic, with the works programmed to start in October 2021. The developer's programme was delayed by another six months since the Gateway 5 report was approved, moving the start of implementation of the public realm works to April 2022.• Change in the term contractor during the construction resulted in delays to the works' schedule, with longer than expected demobilisation and mobilisation period. This delay had no impact on the overall cost of the project.• The site is in the vicinity of both residential and business properties, which all have different requirements for quiet hours. This resulted in several complaints from the local business owners. The City's standard noisy working hours prescribed by the environmental guidance for demolition, construction and street works proved disruptive to some local occupiers. Additional door-to-door visits might have been more useful in gathering evidence to support noisy hour variation requests.

	<ul style="list-style-type: none"> • Unforeseen emergency works to utility apparatus in the area caused part of the repaved carriageway in Ludgate Square being open and needing relaying once the emergency was attended to, which resulted in approximately two-week delay to the completion of works in this area. • Unforeseen shortage of supplies, particularly bollards, also contributed to the project's delays.
--	---

Value Review

12. Budget	<table border="1"> <tr> <td><i>Estimated Outturn Cost (G2)</i></td> <td>Estimated cost: 300,000 - 800,000</td> </tr> </table>		<i>Estimated Outturn Cost (G2)</i>	Estimated cost: 300,000 - 800,000															
	<i>Estimated Outturn Cost (G2)</i>	Estimated cost: 300,000 - 800,000																	
<table border="1"> <thead> <tr> <th></th> <th><i>At Authority to Start work (G5)</i></th> <th><i>Final Outturn Cost</i></th> </tr> </thead> <tbody> <tr> <td><i>Fees</i></td> <td>£38,529</td> <td>£35,465</td> </tr> <tr> <td><i>Staff Costs</i></td> <td>£194,938</td> <td>197,606</td> </tr> <tr> <td><i>Works</i></td> <td>£419,693</td> <td>£345,096</td> </tr> <tr> <td><i>Maintenance</i></td> <td>£5,000</td> <td>£5,000</td> </tr> <tr> <td><i>Total</i></td> <td>£658,160</td> <td>£583,167</td> </tr> </tbody> </table> <p>The final accounts for this project have been verified.</p> <p>It is requested that the underspend, together with all accrued interest is refunded to the developer as per provision in the Section 278 agreement.</p>			<i>At Authority to Start work (G5)</i>	<i>Final Outturn Cost</i>	<i>Fees</i>	£38,529	£35,465	<i>Staff Costs</i>	£194,938	197,606	<i>Works</i>	£419,693	£345,096	<i>Maintenance</i>	£5,000	£5,000	<i>Total</i>	£658,160	£583,167
	<i>At Authority to Start work (G5)</i>	<i>Final Outturn Cost</i>																	
<i>Fees</i>	£38,529	£35,465																	
<i>Staff Costs</i>	£194,938	197,606																	
<i>Works</i>	£419,693	£345,096																	
<i>Maintenance</i>	£5,000	£5,000																	
<i>Total</i>	£658,160	£583,167																	
13. Assessment of project against SMART objectives	<p>This project delivered against its main objectives to:</p> <ul style="list-style-type: none"> • provide a high-quality public realm, sympathetic to the character of the conservation area, using the City's standard palette of materials to ensure consistency and ease of maintenance. • Accommodate projected increase in pedestrian traffic and servicing needs of the hotel. 																		
14. Key benefits realised	<p>Key benefits outlined in the Gateway 2 report were realised, with improvements to the highway arrangements and surfaces around the development benefiting people walking, including residents, commuters and visitors to the hotel, restaurant and local businesses.</p> <p>Accessibility was improved by creating a smooth levelled surface on lightly trafficked streets with narrow pavements.</p>																		

Lessons Learned and Recommendations

15. Positive reflections	<ul style="list-style-type: none"> • Use of high quality, standard palette of materials improved the environment around the development for people walking. • A good rapport and communication with the term contractors helped with prompt resolution of issues that occurred,
---------------------------------	---

	<p>including the area of completed work that needed re-laying after the emergency works were carried out by a statutory undertaker.</p> <ul style="list-style-type: none"> • Upon completion of the main works, several positive comments on the workmanship and the look and feel of the area were received from local stakeholders.
16. Improvement reflections	<ul style="list-style-type: none"> • In person communication with local businesses from the start of the project might have improved the overall relationship and supported better understanding of the works. It may have allowed all businesses to raise concerns about potential impact of the noisy working on their operations. This information would support officers' request for noisy working variations. • Formal guarantees should have been sought from the developer's contractor about site release, to avoid numerous re-programming of the works. • Commitment of the outgoing term contractor to complete agreed portion of works before their contract comes to an end should have been sought to avoid unnecessary delays at handover to the new term contractor.
17. Sharing best practice	Information will be disseminated through team and project staff briefings.

Appendices

Appendix 1	Project Coversheet
Appendix 2	Before and after photos
Appendix 3	Finance tables

Contact

Report Author	Andrea Moravicova
Email Address	andrea.moravicova@cityoflondon.gov.uk
Telephone Number	020 7332 3925

Project Coversheet

[1] Ownership & Status

UPI: 12032

Core Project Name: Creed Court S.278

Programme Affiliation (if applicable): N/A

Project Manager: Andrea Moravicova

Definition of need:

A planning permission to redevelop an office building at Creed Court (14/00300/FULMAJ) to a hotel with ground floor retail, was granted on 6 October 2017, with S.73 application (17/01207/FULMAJ), proposing predominantly internal reconfiguration / amendments to the scheme, approved in September 2018.

The change of use of the Creed Court necessitates changes to the highways adjacent to the development to deliver a well-functioning street environment that improves pedestrian permeability and accommodates projected increase in pedestrian traffic and servicing needs of the hotel.

The proposed site lies within the St Paul's Conservation area and the setting of grade II listed 1-3 Ludgate Square.

Key measures of success:

- 1) Improve the pedestrian environment by ensuring that the public realm in the vicinity of the development aligns with the CPR Supplementary Planning document.
- 2) Accommodate the servicing requirements of the new development by making necessary adjustments to the highway.

Expected timeframe for the project delivery: construction to start in Q4 2021 and to complete in March 2022

Key Milestones:

- Finalise S278 Agreement – January 2021
- Draft construction package – January – March 2021
- Gateway 5 report – Spring 2021
- Issue Construction package – April 2021
- Pre-construction planning – May - July 2021
- Project construction – Q4 2021

Are we on track for completing the project against the expected timeframe for project delivery? Six months slippage attributed to revised developer's plan due to Covid-19 pandemic and associated restrictions.

Has this project generated public or media impact and response which the City of London has needed to manage or is managing? No, neither is expected to raise any public or media attention. The project team engages local stakeholders.

[2] Finance and Costed Risk

Headline Financial, Scope and Design Changes:

'Project Briefing' G1 report (as approved by Chief Officer):

- Total Estimated Cost (excluding risk): £300,000 – £800,000
- Costed Risk Against the Project: N/A
- Estimated Programme Dates: May – November 2021

'Project Proposal' G2 report (as approved by PSC 12/12/2018):

- Total Estimated Cost (excluding risk): £300,000 - £800,000
- Resources to reach next Gateway (excluding risk): £50,000
- Spend to date: £0
- Costed Risk Against the Project: N/A
- CRP Requested: N/A
- CRP Drawn Down: N/A
- Estimated Programme Dates: May – November 2021

'Options Appraisal' G3/4 report (as approved by PSC and S&WSC October 2020)

- Total Estimated Cost (excluding risk): £800,000
- Resources to reach next Gateway (excluding risk): £100,000
- Spend to date: £40,105
- Costed Risk Against the Project: N/A
- CRP Requested: N/A
- CRP Drawn Down: N/A
- Estimated Programme Dates: October 2021 – April 2022

'Authority to start Work' G5 report (as approved by PSC 07/07/2021):

- Total Estimated Cost (excluding risk): £658,160
- Resource to reach next Gateway (excluding risk): £508,160
- Spend to date: £91,146
- Costed Risk Against the Project: N/A
- CRP Requested: N/A
- CRP Drawn Down: N/A
- Estimated Programme Dates: October 2021* – March 2022
**Subject to changes to the Developer's programme and site release.*

Scope/Design Change and Impact: N/A

Total anticipated on-going commitment post-delivery [£]: None

Appendix 2



Ludgate Square (view from Ludgate Hill)



Ludgate Square (view from Creed Lane)

Appendix 3

Table 1: Expenditure to Date			
Description	Approved Budget (£)	Expenditure (£)	Balance (£)
16800406: Creed Court S278 (SRP)			
Env Servs Staff Costs	12,645	12,644	1
Legal Staff Costs	700	679	21
P&T Staff Costs	20,985	20,984	1
P&T Fees	12,829	10,655	2,174
Total 16800406	47,159	44,962	2,197
16100406: Creed Court S278 (CAP)			
Env Servs Staff Costs	75,164	75,349	(185)
P&T Staff Costs	85,444	87,949	(2,505)
P&T Fees	25,700	24,810	890
Env Servs Works	305,193	259,802	45,391
Lighting Works	14,500	13,657	843
Utilities	100,000	71,636	28,364
Total 16100406	606,001	533,205	72,796
GRAND TOTAL	653,160	578,167	74,993

Table 2: Budget Adjustment Required			
Description	Approved Budget (£)	Adjustment Required (£)	Revised Budget (£)
16800406: Creed Court S278 (SRP)			
Env Servs Staff Costs	12,645	-	12,645
Legal Staff Costs	700	-	700
P&T Staff Costs	20,985	-	20,985
P&T Fees	12,829	-	12,829
Total 16800406	47,159	-	47,159
16100406: Creed Court S278 (CAP)			
Env Servs Staff Costs	75,164	186	75,350
P&T Staff Costs	85,444	2,506	87,950
P&T Fees	25,700	-	25,700
Env Servs Works	305,193	(2,692)	302,501
Lighting Works	14,500	-	14,500
Utilities	100,000	-	100,000
Total 16100406	606,001	-	606,001
GRAND TOTAL	653,160	-	653,160