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<p>Committees: Streets and Walkways Sub – for decision</p>	<p>Dates: 26 September 2023 Click here to enter a date.</p>
<p>Subject: Combined Section 278 Project Initiation Report</p> <ul style="list-style-type: none"> • St Brides House, 10 Salisbury Square • Morley House, 26-30 Holborn Viaduct • 63-66 Coleman Street • 1-14 Liverpool Street • 14-21 Holborn Viaduct • Snow Hill Police Station, 5 Snow Hill • Seal House, 1 Swan Lane • 115-123 Houndsditch • Cripplegate House, 1 Golden Lane • 100 New Bridge Street • 50 Fenchurch Street • 65 Fleet Street <p>The report refers to light and regular projects and does not include any complex project.</p> <p>Unique Project Identifier: <i>See above .</i></p>	<p>Gateway 2: Project Proposal</p>
<p>Report of: Interim Executive Director Environment</p> <p>Report Author: Stephen Oliver</p>	<p>For Decision</p>
<p>PUBLIC</p>	

Recommendations

<p>1. Next steps and requested decisions</p>	<p>Project Description: A number of planning applications have been approved by the Planning & Transportation Committee in recent months. All of these proposals are subject to planning obligations or conditions that require the developer to enter into a Section 278 agreement with the City of London Corporation.</p>
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	<p>The scope of each Section 278 agreement is broadly established through the associated Section 106 agreement or planning condition.</p> <p>As is standard for the City Corporation, all the Section 278 agreements will include clauses that obligate the relevant developer to meet the full cost of the works. Therefore, all these projects are fully funded at no risk to the City Corporation.</p> <p>Next Gateway: Various (refer to individual Project Briefings at Appendix 1)</p> <p>Next Steps: Specific next steps are set out in individual Project Briefings at Appendix 1), however some apply across all projects:</p> <ul style="list-style-type: none"> • Set up project budgets. • Commence design work. • Negotiate and enter into Section 278 agreements. <p>Requested Decisions:</p> <ol style="list-style-type: none"> 1. That project budgets are approved for each project to reach the next gateways as set out in the tables in Section 2. 2. Authorise officers to instruct the Comptroller and City Solicitor’s department to negotiate and enter into Section 278 agreements for the individual projects. <p>Operational Property and Projects Sub Only</p> <ol style="list-style-type: none"> 1. Agree that the Corporate Programme Manager, in consultation with the Chairman of the Operational Property and Projects Sub Committee and Chief Officer as necessary, is to decide that fall within the remit of paragraph 45 of the ‘City of London Project Procedure – Oct 2018’ (Changes to Projects: General is to be delegated to Chief Officer or escalated to committee(s); 2. Delegate authority to the Executive Director Environment to approve budget procedures in consultation with the Chamberlain, between budget lines if this is within the total project budget amounts; 3. 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 Developer.

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2. Resource requirements to reach next Gateway	St Brides House, 10 Salisbury Square			
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£10,000
	Staff costs (Engineer)	Design work, commissioning surveys.		£10,000
	Fees	To cover (but not limited to technical assessments, including any surveys and utility enquiries.		£5,000
	Total			£25,000
	Morley House, 26-30 Holborn Viaduct			
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£14,000
	Staff costs (Engineer)	Design work, commissioning surveys.		£3,000
	Fees	To cover (but not limited to technical assessments,		£8,000

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		including any surveys and utility enquiries.		
	Total			£25,000
63-66 Coleman Street				
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£7,500
	Staff costs (Engineer)	Design work, commissioning surveys.		£7,500
	Fees	To cover (but not limited to technical assessments, including any surveys and utility enquiries.		£10,000
	Total			£25,000
1-14 Liverpool Street				
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£32,500

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	Staff costs (Engineer)	Design work, commissioning surveys.		£32,500
	Fees	To cover (but not limited to technical assessments, including any surveys and utility enquiries.		£35,000
	Total			£100,000
14-21 Holborn Viaduct				
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£21,500
	Staff costs (Engineer)	Design work, commissioning surveys.		£18,500
	Fees	To cover (but not limited to technical assessments, including any surveys and utility enquiries.		£10,000
	Total			£50,000

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Snow Hill Police Station, 5 Snow Hill			
Item	Reason	Funds/ Source of Funding	Cost (£)
Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£12,000
Staff costs (Engineer)	Design work, commissioning surveys.		£8,000
Fees	To cover (but not limited to technical assessments, including any surveys and utility enquiries.		£5,000
Total			£25,000
Seal House, 1 Swan Lane			
Item	Reason	Funds/ Source of Funding	Cost (£)
Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£23,000
Staff costs (Engineer)	Design work, commissioning surveys.		£10,000
Fees	To cover (but not limited to technical assessments,		£17,000

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		including any surveys and utility enquiries.		
	Total			£50,000
Seal House, 1 Swan Lane				
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 106	£20,000
	Staff costs (Engineer)	Design work, commissioning surveys.		£10,000
	Fees	To cover (but not limited to technical assessments, including any surveys and utility enquiries.		£20,000
	Total			£50,000
115-123 Houndsditch				
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£45,000

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	Staff costs (Engineer)	Design work, commissioning surveys.		£15,000
	Fees	To cover (but not limited to technical assessments, including any surveys and utility enquiries.		£40,000
	Total			£100,000
Cripplegate House, 1 Golden Lane				
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£10,000
	Staff costs (Engineer)	Design work, commissioning surveys.		£5,000
	Fees	To cover (but not limited to technical assessments, including any surveys and utility enquiries.		£10,000
	Total			£25,000

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100 New Bridge Street			
Item	Reason	Funds/ Source of Funding	Cost (£)
Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£25,000
Staff costs (Engineer)	Design work, commissioning surveys.		£15,000
Fees	To cover (but not limited to technical assessments, including any surveys and utility enquiries.		£10,000
Total			£50,000
50 Fenchurch Street			
Item	Reason	Funds/ Source of Funding	Cost (£)
Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£33,000
Staff costs (Engineer)	Design work, commissioning surveys.		£27,000
Fees	To cover (but not limited to		£40,000

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		technical assessments, including any surveys and utility enquiries.		
	Total			£100,000
65 Fleet Street				
	Item	Reason	Funds/ Source of Funding	Cost (£)
	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing.	Section 278	£20,000
	Staff costs (Engineer)	Design work, commissioning surveys.		£20,000
	Fees	To cover (but not limited to technical assessments, including any surveys and utility enquiries.		£10,000
	Total			£40,000
<p>Costed Risk Provision requested for this Gateway: X Not requested at this stage.</p> <p>Funds have already been received or about to be received from the relevant developers for the evaluation and design stage of the projects. Provision is also made in the related Section 106 agreements for any excess payments during the evaluation and design stage to be recouped from the developers.</p>				

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	Any remaining monies at the end of the evaluation and design stage will be rolled into funding the delivery of the project as per the legal agreement.
3. Governance arrangements	<ul style="list-style-type: none"> • Service Committee: Streets & Walkways Sub Committee • Senior Responsible Officer: Bruce McVean (Assistant Director, Policy & Projects). • Project boards are not expected to be required for any of the projects. Working groups involving key stakeholders will be established where appropriate.

Project Summary

4. Context	<p>4.1. A number of planning applications have been approved by the Planning and Transportation Committee in recent months. All these approvals require the applicant to enter into a Section 278 agreement with City of London, to deliver changes to the highway in the vicinity of the site. An Evaluation & Design payment, to progress initial designs options, is required through Section 106 agreement or planning condition; the value of the E&D is determined by the scale and complexity of the relevant application.</p> <p>The projects proposed for initiation in this report relate to the following planning permissions:</p> <ul style="list-style-type: none"> • 21/00783/FULL, St Brides House, 10 Salisbury Square, EC4Y8EH. • 17/00165/ FULMAJ, 63-66 Morley House, 26-30 Holborn Viaduct and City Temple 31 Holborn Viaduct, EC1A 2AT (referred to as Morley House 26-30 Holborn Viaduct in this report). • 21/00694/FULMAJ, 63-66 Coleman Street and 35-39 Moorgate EC2R 5BX (referred to as 63-66 Coleman Street in this report). • 19/00466/FULEIA, 1 - 14 Liverpool Street And 11-12 Blomfield Street EC2M 7AW (referred to as 1 - 14 Liverpool Street in this report). • 21/00755/FULMAJ, 14-21 Holborn Viaduct 32-33 & 34-35 Farringdon Street EC1A 2AT (referred to as 14-21 Holborn Viaduct in this report). • 20/00932/FULMAJ, Snow Hill Police Station, 5 Snow Hill EC1A 2DP.
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	<ul style="list-style-type: none"> • 18/01178/FULLMAJ, Seal House, 1 Swan Lane EC4R 3TN • 21/00622/FULEIA, 115-123 Houndsditch EC3A 7BU • 22/00202/FULMAJ, Cripplegate House, 1 Golden Lane EC1Y 0RR • 22/00748/FULMAJ, 100 New Bridge Street EC4V 6JA. • 19/01307/FULLEIA, Site Bounded by Fenchurch Street, Mark Lane, Dunster Court and Mincing Lane EC3M 3JY (referred to as 50 Fenchurch Street in this report). • 21/00709FULLMAJ 65 Fleet Street London EC4Y 1HT
5. Brief description of project	<p>5.1. Each project involves changes to the public highway in the vicinity of each site. All are funded via Section 278 agreements, as stipulated in the relevant Section 106 agreements, or planning condition. Seal House, 1 Swan Lane has additional funding from a Section 106 agreement for staff costs and fees.</p> <p>5.2. Descriptions of each individual project are contained in the Project Briefs appended to this report.</p>
6. Consequences if project not approved	<p>6.1. The applicants would be in breach of their planning permission should approval not be granted to progress these projects. Opportunities for developer funded improvements identified in the Transport Strategy and the Healthy Streets Plans will be missed.</p>
7. SMART project objectives	<p>Objectives for each project are set out in the Project Briefings at Appendix 1.</p>
8. Key benefits	<p>The anticipated benefits arising from each project are set out in the Project Briefings at Appendix 1.</p>
9. Project category	<p>7a. Asset enhancement/improvement (capital)</p>
10. Project priority	<p>A. Essential</p>
11. Notable exclusions	<p>None.</p>

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Options Appraisal

<p>12. Overview of options</p>	<p>12.1. The scope of each project is broadly outlined in the relevant Section 106 or planning condition and is summarised in the individual Project Briefing appended to this report. Further detail on options development will be reported through separate Gateway reports for each project.</p>
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Project Planning

<p>13. Delivery period and key dates</p>	<p>Overall project: The overall project durations vary and are largely dependent on the respective development programmes.</p> <p>Key dates: Refer to Project Briefings for Gateway approvals.</p> <p>Other works dates to coordinate: Coordination with other works will be assessed and reported in at future Gateways for each individual project.</p>
<p>14. Risk implications</p>	<p>Overall project risk: Low</p> <p>14.1. The City Operations division has delivered many Section 278 projects and is experienced in managing the risks involved with such works. Individual risk registers for each project have not been included as they are similar for each project at this early stage.</p> <p>14.2. Early-stage risks identified are:</p> <ul style="list-style-type: none"> • GATEWAY 1 to 5 - Developments are delayed impacting on project programme and budget. • GATEWAY 1 TO 6 - Inaccurate or incomplete project estimates, including inflationary issues, leads to budget increases. • GATEWAY 1 TO 5 - Utility and utility survey issues lead to increased costs/ scope of work. • GATEWAY 1 TO 6 - issue(s) with external engagement and buy-in lead to project delays/ increased costs. • GATEWAY 1 TO 6 - Third party delays may impact negatively on project delivery (time & costs).
<p>15. Stakeholders and consultees</p>	<ul style="list-style-type: none"> • Developers • Local businesses, including BIDS where relevant. • Local residents • Network Rail (100 New Bridge Street) • City divisions and departments, including Planning & Development, Natural Environment, Chamberlains and Comptroller & City Solicitors.

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Resource Implications

<p>16. Total estimated cost</p>	<p>Likely cost range:</p> <ul style="list-style-type: none"> • St Brides House, 10 Salisbury Square - £ 50k to £150k • Morley House, 26-30 Holborn Viaduct - £300k to £700k • 63-66 Coleman Street - £200k to £500k • 1-14 Liverpool Street - £350k to £650k • 14-21 Holborn Viaduct - £500k to £1,1M • Snow Hill Police Station, 5 Snow Hill - £250k to £550k • Seal House, 1 Swan Lane - £350k to £1m • 115-123 Houndsditch - £900k to £1,75M • Cripplegate House, 1 Golden Lane - £650k to £1,5M • 100 New Bridge Street - £500k to £1m • 50 Fenchurch Street - £1m to £3m • 65 Fleet Street - £250k to £1m 	
<p>17. Funding strategy</p>	<p>Choose 1: All funding fully guaranteed</p>	<p>Choose 1: External - Funded wholly by contributions from external third parties</p> <p>All the projects will be fully funded through Section 278 agreements, as required as part of the Section 106 agreements or planning condition for the developments.</p> <p>Consideration will be given to expanding the scope of some projects where appropriate (such as on streets where there are several developments and there may be a benefit in widening the remit to cover the whole corridor). In these cases, bids will be submitted as part of the quarterly capital bidding process, with approval being sought through the Gateway procedure.</p> <p>Indicative cost ranges are shown in the Project Briefings at Appendix 1.</p>
<p>18. Investment appraisal</p>	<p>Not applicable.</p>	
<p>19. Procurement strategy/route to market</p>	<p>It is anticipated that all works including design and construction will be undertaken in-house. Should specialist input be required this will be sourced through the Transport and Public Realm Framework or a comparative tender process in line with City Procurement regulations.</p>	
<p>20. Legal implications</p>	<p>Where the City Corporation are satisfied it will be of benefit to the public, Section 278 of the Highways Act 1980 allows the City</p>	

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	Corporation as highway authority to enter into an agreement with any person for the execution of works by the authority on terms that that person pays the whole or such part of the costs of the works as may be specified. Planning obligations and conditions secure the highway works necessary to make the relevant developments acceptable in planning terms.
21. Corporate property implications	None
22. Traffic implications	Implications for traffic are expected to be minimal across all of the projects. However, where there are changes required to highway functions, these will be reported through the appropriate Gateway for the relevant project.
23. Sustainability and energy implications	Individual projects will have sustainability impacts, and these will be considered during the design process. It is anticipated that all materials will be sustainably sourced where possible and be suitably durable for the design life of the asset. Any greening and planting in the public realm will help to improve the scheme’s climate resilience and meet the City’s Climate Action Strategy objectives. Further information will be provided at future Gateways.
24. IS implications	None
25. Equality Impact Assessment	A Test of Relevance will be undertaken for each project and where indicated, an equality impact assessment will be undertaken. The CoLSAT (City of London Street Accessibility Tool) and Equalities Analysis processes will form a key part of the design of each project to ensure the deliverables maximise accessibility and inclusivity opportunities and improvements for as many users as possible.
26. Data Protection Impact Assessment	The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken.

Appendices

Appendix 1	Project Briefings

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Contact

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