Committees: Streets and Walkways Sub *[for decision]* Projects and Procurement Sub *[for information]*	**Dates:** 14 May 2025 19 May 2025
Subject: 65 Gresham Street S278 **Unique Project Identifier:** *12421*	**Gateway 3: Options Appraisal (Regular)**
Report of: Executive Director Environment **Report Author:** Andrea Moravicova	**For Decision**
PUBLIC	

1. Status update	**Project Description:** Works to improve the public highway associated with the development at 65 Gresham Street, including the potential pedestrianisation of Aldermanbury to create a new public space, and alternative options to increase pedestrian priority. **RAG Status:** Green (Green at last report to Committee) **Risk Status:** Low (Low at last report to committee) **Total Estimated Cost of Project (excluding risk):** up to £4,169,878 **Change in Total Estimated Cost of Project (excluding risk):** N/A **Spend to Date:** £78,731 **Costed Risk Provision Utilised:** N/A **Slippage:** None
2. Next steps and requested decisions	**Next Gateway:** *Gateway 4: Detailed Option Appraisal* **Next Steps:** • Continue developing the recommended design option(s) through further stakeholder engagement. • Complete any additional surveys and assessments as required. • Conclude the Section 278 agreement negotiations with the developer. **Requested Decisions:** 1. Approve additional budget of £135,000 to reach the next Gateway as set out in Section 3 of this report; 2. Authorise officers to invoice the developer a sum of £135,000 as a reasonable cost necessary to progress to the next gateway (Detailed Options Appraisal), in advance of the full S278 payment to avoid delays to the programme. Any underspend from this additional sum will be carried forward and put towards the full S278 works implementation payment, as agreed with the developer;

	3. Authorise officers, subject to receipt of the requested funds, to progress with detailed designs of the recommended options outlined below and fully funded by Section 278 agreement with the developer of 65 Gresham Street and undertake public consultation. 4. Note the revised project budget of £235,000 (excluding risk); 5. Note the total estimated cost of the project up to **£4,169,878 for Option 1** (excluding risk);
3. Resource requirements to reach next Gateway	3.1 Expenditure to date is £78,731. Activities completed include: • negotiations with the developer regarding these proposals and Section 278 agreement, • appointment of landscape architect and development of the design options, • liaison with officers in Legal, Transportation, Highways, Remembrancers and Guildhall Management teams on design proposals and their wider impact, and • commission and completion of a traffic study and Stage 1 road safety audit of all options, Healthy Streets and COLSAT assessments. 3.2 Table 1 below outlines the costs necessary to reach the next Gateway (Detailed Option Appraisal) and includes the spend to date and the sum of £135,000 requested in this report. 3.3 The requested funds will cover: • Approximately 35 hours per month for a period of ten months associated with report writing, completion of Section 278 agreement, stakeholders' liaison and engagement throughout the technical design ensuring their requirements are considered, and that the overall project is progressed to agreed milestones and budget; • A Highways project engineer, and manager oversight, to establish the technical constraints of the scheme and advise on potential technical and other matters to ensure progress of the design process. This equates to approximately 210 hours over the next ten months. 3.4 Table 2 indicates an overall cost estimate of the project, including maintenance, for an implementation of Option 1.

Table 1: Section 278 funds

Item	Received Funds to date (£)	Resources required to reach next Gateway (£)	Revised Budget to next Gateway (£)
Staff costs	50,000	70,000	120,000
Fees	50,000	65,000	115,000
GRAND TOTAL	**100,000**	**135,000**	**235,000**

Table 2: Estimated overall costs for Option 1

Item	Cost (£)	Funds/ Source of Funding
Staff costs	247,000	S.278
Fees	168,780	

Works	2,368,558	
Utilities	1,385,540	
Maintenance	TBC	
Total	4,169,878	

Costed Risk Provision requested for this Gateway: N/A

4. Overview of project options

4.1 The project aims to deliver a well-functioning street environment that improves the usability and safety of the area for people walking, wheeling and cycling. The scope of the project was outlined within the Section 106 Agreement for the 65 Gresham Street development.

4.2 Although unnecessary to make the development acceptable in planning terms, a strong aspiration of the developer is to create a new public space in Aldermanbury. This would require removing vehicle access and relocating vehicle parking and relocating or potentially removing some cycle and dockless parking and TfL cycle provisions from Aldermanbury between Gresham Street and Love Lane, and introducing new seating, planting (where possible) and other features to create a welcoming space.

4.3 When developing the design options contained in this report, officers liaised with the developer and various City departments and divisions and considered the existing street layout together with the changes brought by the new development. The officers are also engaging with local stakeholders, such as the St Lawrence Jewry church and the Lord Mayor's Show representatives, so the design considers and responds to their needs.

4.4 Four options have been outlined for Aldermanbury between Gresham Street and Love Lane. These are outlined below and shown in Appendix 3:

Option 1 (recommended to progress to next stage of design) – full pedestrianisation of Aldermanbury between Love Lane and access road to Guildhall Yard, and the creation of a new public space featuring additional green infrastructure, seating and public amenities.

Option 1 is the developers preferred option.

Option 2 (not recommended) - As Option 1, but with an informal cycle path incorporated, maintaining the existing two-way route for cyclists between Love Lane and Gresham Street. Any informal cycle route needs to consider the location of pedestrian entrances.

Option 3 (not recommended) - Implementation of pedestrian priority measures in Aldermanbury, such as a raised carriageway and timed traffic restrictions, which will improve the pedestrian environment but stop short of full pedestrianisation.

Option 4 (recommended to progress to next stage of design) - Retention of the existing street function with improved pavements and other more modest enhancements.

4.5 All four options include:

- changes to the pavements and on-street and cycle parking, dockless parking and TfL cycle hire provisions around the development site on Love Lane, Wood Street and Gresham

Street, taking into consideration the proposals for the development at 65 Gresham Street and any approved schemes on adjacent sites;

- Interpretation of historic elements, including the location of the Roman Wall;
- Retention of existing established trees on Aldermanbury;

4.6 Minor changes to the junctions around the development are also proposed as part of this project to further improve the walking and wheeling environment in the area. Implementation of Option 1 is likely to require adjustments to the junction of Wood Street and Gresham Street to support the increased number of vehicles accessing this street and people crossing the junction.

Traffic implications

4.7 Traffic surveys were undertaken in November 2024. The collected data were analysed to assess the impact that the proposed changes to Aldermanbury may have on people walking, wheeling, cycling and driving, and on the neighbouring occupiers and their operations. This assessment concluded that none of the options are forecast to adversely impact traffic flows on the wider network.

4.8 The study showed that the closure of Aldermanbury to motor vehicles at any time (Options 1 and 2) or during prescribed hours (Option 3), and additional flows on Wood Street northbound and Love Lane eastbound, would have negligible impact on capacity at the Gresham Street / Wood Street and Wood Street / Love Lane junctions. Impact on loading or servicing of neighbouring premises is also expected to be minimal.

4.9 The study also highlighted the demand for crossing points on Aldermanbury away from the current provisions at its junctions with Love Lane and Gresham Street. With approx. 40% of people crossing Aldermanbury away from the Gresham Street junction, the study concluded that Options 1 and 2 would provide the best levels of pedestrian amenity by removing motor (Option 2) or all (Option 1) vehicles from Aldermanbury.

4.10 The kerbside occupancy survey shows that the pay for parking bays and disabled parking provision are fully utilised for much of the day during weekdays, and therefore it is intended that the existing parking provision in Aldermanbury is relocated in full nearby.

Legal implications

4.11 In making determinations in respect of traffic orders or changes to the highway, regard must be had to the duty to secure the efficient use of the road network, avoiding congestion and disruption, and the duty to secure the expeditious convenient and safe movement of traffic, having regard to effect on amenities, as set out Section 122 of the Road Traffic Regulation Act.

Equalities implications

4.12 Options 1 and 4 have been assessed using the City of London Streets Accessibility Tool (CoLSAT), which enables street designers to identify how street features impact on the different needs of disabled people. The tool recognises that the needs of different groups of disabled people can be contradictory; that improving

accessibility for one group may decrease accessibility for another. CoLSAT identifies trade-offs that may be needed to ensure no one is excluded from using the City's streets and provides the basis for engagement and discussions to maximise the benefits for all.

4.13 The CoLSAT Summary table below shows the severe (0) and significant (1) issues identified through the CoLSAT assessments of the existing conditions, and the design proposals recommended to be taken forward.

- The desired Option 1 design would quarter the severe (0) and materially reduce the significant (1) accessibility issues present in Aldermanbury.
- Option 4 design has also potential to reduce severe (0) and significant (1) accessibility issues in Aldermanbury, although to a lesser degree than Option 1.

CoLSAT Summary Results Table: Aldermanbury proposals						
	Total 0 scores – severe accessibility issue			Total 1 scores - significant accessibility issues		
	Before	**Option 1**	**Option 4**	Before	**Option 1**	**Option 4**
Electric Wheelchair user	0	0	0	3	2	2
Manual Wheelchair user	0	0	0	3	1	1
Mobility Scooter user	0	0	0	3	1	1
Walking Aid user	0	0	0	2	0	0
Person with a walking impairment	0	0	0	4	2	4
Person who uses cycle as their primary mobility aid	1	0	0	4	1	1
Long cane user	2	1	2	2	0	1
Guide Dog user	1	0	0	3	2	4
Residual Sight user	0	0	0	1	0	0
Deaf or Hearing impairment	0	0	0	5	1	1
Acquired neurological impairment	0	0	0	4	1	1
Autism/Sensory-processing diversity	0	0	0	1	0	0
Developmental Impairment	0	0	0	4	1	4
Total	4	1	2	39	12	20

The next stage of design will look at addressing the remaining accessibility issues and look at ways to resolve or minimise these wherever possible.

Healthy Streets assessment

4.14 A Healthy Streets Design Check was undertaken on the current arrangements in Aldermanbury and Options 1 and 4 proposals for Aldermanbury (full assessment can be viewed in Appendix 4).

4.15 The results suggest improvement to the area of Aldermanbury after the implementation of the scheme, although two "zero" scores from the current layout in Aldermanbury remain in all proposed designs. These scores relate to the cycle parking provision, which is unlikely to increase within the project area and space for cycling.. The space for cycling in Aldermanbury will be either removed or will remain unchanged. The tables below provide a summary of the potential results should Option 1 or Option 4 be implemented.

The Options 2 and 3 are likely to score lower than Option 1, but could score higher than Option 4, as the restrictions proposed in Options 2 and 3 are expected to reduce convenience of driving short distances, increase green infrastructure and improve junction crossings.

Healthy Street score comparing the existing situation (faded colour) and Option 1 (bold colour)

	Existing Layout Score	Proposed Layout Score
Healthy Streets Score	52	82
Everyone feels welcome	50	83
Easy to cross	50	92
Shade and shelter	67	67
Places to stop and rest	33	50
Not too noisy	47	93
People choose to walk and cycle	50	83
People feel safe	49	87
Things to see and do	78	89
People feel relaxed	50	83
Clean air	50	92

Healthy Street score comparing the existing situation (faded colour) and Option 4 (bold colour)

	Existing Layout Score	Proposed Layout Score
Healthy Streets Score	52	67
Everyone feels welcome	50	72
Easy to cross	50	71
Shade and shelter	67	67
Places to stop and rest	33	50
Not too noisy	47	60
People choose to walk and cycle	50	72
People feel safe	49	72
Things to see and do	78	89
People feel relaxed	50	72
Clean air	50	50

	Outline Programme Key dates: • Gateway 4 report – January / February 2026 • Finalise S278 Agreement – February 2026 • Detailed design – March – August 2026 • Gateway 5 report – July 2026 • Draft Construction package – July – September 2026 • Issue Construction package – September 2026 • Pre-construction planning – October – December 2026 • Project construction – Q1-Q3 2027* **Project construction will be aligned to the developer's programme*
5. Recommendation	Option 1 supports Vibrant Thriving Destination outcome of the Corporate Plan by Providing more space for walking and wheeling and making the City's streets more accessible. The cost of Option 1 will determine the developer's appetite for proceeding with the voluntary contribution to deliver it. Should the developer decide to forgo Option 1, Option 4 as the standard S278 scheme will be progressed. It is, therefore, recommended that designs are progressed for Options 1 and 4 outlined in this report while negotiations with the developer and further analysis, surveys and stakeholder engagement is undertaken.
6. Risk	*6.1 Developer is not satisfied with the upper cost estimate of the project.* Risk response: accept All options are developed in accordance with the scope defined in Section 106 agreement, and with the developers' ambition communicated at planning stage. All proposed options facilitate the changes necessitated by the re-development at 65 Gresham Street. *6.2 Lack of internal stakeholders buy-in to the project may impact on delivering the full ambition of the developer.* Risk response: accept Early liaison with relevant internal stakeholders to gather their requirements and potential impact of proposed options on their operations has been undertaken. All proposed options reflect the feedback received to date and designs of recommended options will be progressed in further liaison with the relevant City teams and departments. *6.3 Increase in the overall project costs.* Risk response: reduce Any unforeseen circumstances are likely to increase the cost of the project. Although these costs will be covered by the developer under Section 278 agreement, officers are undertaking all reasonable steps, including ground investigations and other necessary surveys and assessment to ensure the cost estimates are as accurate as possible. Further information available in the Risk Register (Appendix 5) and Options Appraisal Matrix below.

7. Procurement approach	7.1 A landscape consultant has been appointed to develop the proposals presented in this report. It is expected the consultant will progress the chosen design options to RIBA Stage 3 equivalent. 7.2 The detailed design is expected to be developed in-house by the Highways team in consultation with the landscape consultant. Specialist consultants may be required to detail any bespoke elements of the scheme. 7.3 All construction is expected to be implemented by the City's term contractor and nominated sub-contractor(s) or statutory undertaker as necessary, under the supervision of the Environment Department, and in line with the developer's programme, considering other major works or events planned within the area.

Appendices

Appendix 1	Project Coversheet
Appendix 2	Finance Table
Appendix 3	Plans of design options
Appendix 4	ColSATs, Healthy Street Design checks & Equality Analysis
Appendix 5	Risk Register (for recommended option)

Contact

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Options Appraisal Matrix

Option Summary	***Option 1***	***Option 2***	***Option 3***	***Option 4***
1. Brief description of option	A full pedestrianisation of Aldermanbury between Love Lane and access road to Guildhall Yard, and the creation of a new public space featuring additional green infrastructure, seating and public amenities.	As Option 1, but with an informal cycle path incorporated, maintaining the existing two-way route for cyclists between Love Lane and Gresham Street. Any informal cycle route needs to consider the location of pedestrian entrances.	Implementation of pedestrian priority measures in Aldermanbury, such as a raised carriageway and timed traffic restrictions, which will improve the pedestrian environment but stop short of full pedestrianisation.	Retention of the existing street function with improved footways and other more modest enhancements.
2. Scope and exclusions	All options proposed are consistent with the scope outlined in the Section 106 agreement, and include: • Integration of the new development at 65 Gresham Street with public realm on Aldermanbury. • Adjustments to junctions, including installation of raised tabletop, around the development to improve walking and wheeling. • Relocation of the parking provision in Aldermanbury between Gresham Street and Love Lane to neighbouring streets. • Introduction of additional greening on Aldermanbury, where appropriate • Introduction of additional seating.			
	• Closing the street to all vehicles, including cycles, north of access road to Guildhall Yard and south of Love Lane. • Creating civic space at the north end of the closure area	• Closing the street to motorised vehicle north of access road to Guildhall Yard and south of Love Lane. • Creating a civic space at the north end of the closure are	• Closing the street to all vehicle, including cycles north of access road to Guildhall Yard and south of Love Lane, during set times.	• Retaining the street open to through vehicular traffic.
Project Planning				

Option Summary	***Option 1***	***Option 2***	***Option 3***	***Option 4***
3. Programme and key dates	Overall project: The implementation phase is aligned with the developer's programme and is currently expected to commence in Q1 2027. Key dates: • Gateway 4 report – January / February 2026 • Finalise S278 Agreement – February 2026 • Detailed design – March – August 2026 • Gateway 5 report – July 2026 • Draft Construction package – July – September 2026 • Issue Construction package – September 2026 • Pre-construction planning – October – December 2026 • Project construction – Q1-Q3 2027* **Project construction will be aligned to the developer's programme*			
4. Risk implications	Overall project option risk*:* Low 1. Developer is not satisfied with the upper cost estimate of the project. 2. Stakeholders objecting to proposals. 3. Delays to signing Section 278 agreement 4. Programme delays Further information available within the risk register (Appendix 5).			
5. Stakeholders and consultees	• City departments and divisions, including Planning & Development, Remembrancer, Chamberlain, Comptroller & City Solicitor, Highways & Special Events team. • Ward Members • Local residents • Local occupiers • Developer team • Lord Mayor's Show organisers			

Option Summary	***Option 1***	***Option 2***	***Option 3***	***Option 4***
	• St Lawrence Jury			
6. Benefits of option	To a varying degree, all proposed options are envisaged to: • Address healthy streets requirements and support active travel by improving the walking and wheeling environment in Aldermanbury. • Improve the public realm for people walking and wheeling by introducing pavement level crossings at four junctions around the development. • Create more welcoming and inclusive space for people to enjoy by maximising the opportunities to enliven the streetscape. • Increase greenery where possible, introducing more variety and colour to the planting palette to add interest. This is envisaged to contribute to developing more resilient blue and green corridors through the City of London. • Provide an appropriate setting for the Grade 1 listed Guildhall and the new development at 65 Gresham Street, acknowledging the existing and proposed urban form through interpretation of distinct architectural / heritage features in the vicinity. • Futureproof the public realm in the vicinity of the Guildhall, potentially improving commercial viability of the corporate asset.			
	• Option 1 is deemed to have the most positive impact on people walking and wheeling in a space without vehicular traffic. • It also has the highest potential to improving greening and biodiversity in the area.	• Option 2 is likely to benefit people walking, wheeling and cycling away from motor vehicles. • It has a potential to moderately improve greening and biodiversity.	• Option 3 is likely to improve experience of people walking and wheeling when road is closed to vehicular traffic.	• Option 4 retains the existing through movement along the street.
7. Disbenefits of option	• Prohibiting access to all vehicles, diverting traffic to neighbouring streets.	• Prohibiting access to motorised vehicles,	• Prohibiting access to vehicular traffic at certain times will divert	• Option 4 is likely to bring the least opportunities

Option Summary	***Option 1***	***Option 2***	***Option 3***	***Option 4***
	• Small potential increase in travel times.	diverting traffic to neighbouring streets. • Small potential increase in travel times. • Potential conflict between people walking and wheeling and people cycling.	traffic to neighbouring streets. • Small potential increase to travel times during the timed closure of Aldermanbury. • Implementing Option 3 is likely to result in only moderate improvements to greening. • Potential conflict between people walking and wheeling and people cycling during the timed closure. • Potential conflict between cycles and other vehicular traffic outside the closure times. • Confusion about the closure times.	for improving greening and biodiversity. • Potential conflict between vehicles and vulnerable road users.
Resource Implications				
8. Total estimated cost	Likely cost range of project implementation (excluding risk): £3,884,193 (Option 4) - £4,169,878 (Option 1) • The cost range includes provisions for drainage, street furniture as well as utilities diversions. • Each option will attract commuted sums which will be calculated at the next stage of design, and will be presented to committees in the next reporting cycle.			

Option Summary	*Option 1*	*Option 2*	*Option 3*	*Option 4*
9. Funding strategy	This project is fully funded through the Section 278 agreement with the developer of 65 Gresham Street. The commuted sums is set to be met by the developer of 65 Gresham Street.			
10. Investment appraisal	None required – scheme is fully funded by the developer through Section 278 agreement.			
11. Estimated capital value/return	N/A			
12. Ongoing revenue implications	Each option will attract commuted sum that accounts for the anticipated replacement of the materials, including street furniture and planting, for 20 years. The commuted sum is set to be met by the developer under Section 278 agreement.			
13. Affordability	Under S106 agreement the developer of 65 Gresham Street has obligation to fund this project in full, provided the costs are reasonable and have the right to commit to a smaller-scale improvements if deemed more cost effective.			
14. Legal implications	A Section 278 agreement will be entered into with the developer to secure payment for the works and comply with an obligation of the Section 106 agreement. Section 122 of the Road Traffic Regulation Act 1984 requires the traffic authority, in exercising its traffic authority functions, to secure the expeditious, convenient, and safe movement of vehicular and other traffic (including pedestrians) and the provision of suitable and adequate parking facilities on and off the highway having regard for: 1. the desirability of securing and maintaining reasonable access to premises. 2. the effect of amenities of any locality and the importance of regulating and restricting the use of roads by heavy commercial vehicles, so as to preserve or improve the amenities of the areas 3. national air quality strategy. 4. public service vehicles.			

Option Summary	***Option 1***	***Option 2***	***Option 3***	***Option 4***
	5. any other relevant matters. Under Section 149 of the Equality Act 2010 the public sector equality duty requires public authorities to have due regard to the need to: • Eliminate unlawful discrimination, harassment and victimisation • Advance equality of opportunity and • Foster good relations between those who share a protected characteristic (i.e., race, sex, disability, age, sexual orientation, religion or belief, pregnancy or maternity, marriage or civil partnership and gender reassignment) and those who do not. As part of the duty to have "due regard" where there is disproportionate impact on a group who share a protected characteristic, the City Corporation should consider what steps might be taken to mitigate the impact, on the basis that it is a proportionate means which has been adopted towards achieving a legitimate aim. To this end, Officers will instruct an independent third party to undertake an Equalities Impact Assessment on the finalised scheme design and make any identified improvements, assuming they are reasonable and possible.			
15. Corporate property implications	The proposed public realm improvements are envisaged to improve the setting of Grade I listed Guildhall complex and are likely to contribute to bettering commercial viability of corporate assets.			
16. Traffic implications	A study was commissioned to determine the impact of proposed changes on the traffic movement in the area. The results suggest that the impact of the proposed changes on traffic flows on the wider network will be minimal. Parking provision will be relocated in full to neighbouring streets.			
	• Vehicular traffic, including cycles, will be prohibited from entering the closure area. It will be diverted to neighbouring streets, potentially resulting in	• Motorised traffic, including cycles, will be prohibited from entering the closure area. It will be diverted to neighbouring streets, potentially resulting in	• Vehicular traffic, including cycles will be prohibited from entering the area whilst timed closure is in place.	• Through traffic will continue to use the street as per current arrangements. Parking provisions will be relocated to the neighbouring streets.

Option Summary	***Option 1***	***Option 2***	***Option 3***	***Option 4***
	slight increase in travel times.	slight increase in travel times.		
17. Sustainability and energy implications	Use of high-quality standard palette materials specified within the City public realm technical manual will contribute to the longevity of the surfaces post construction and better maintenance. The project will endeavour to re-use suitable materials wherever possible.			
18. Equality Impact Assessment	• The proposals aim to improve accessibility for people walking and wheeling. • The relocation of parking provision from Aldermanbury to neighbouring streets will facilitate improvements to pavement widths in all options, however, may negatively impact people with some protected characteristics, who may be more reliant on motor vehicle as a mobility aid. Full Impact assessment will be completed as part of Gateway 5 report.			
	• The proposed closure of Aldermanbury may increase the travel times and costs, and therefore negatively impact some people with these protected characteristics, who may be more reliant on a motor vehicle as a mobility aid.	• The proposed closure of Aldermanbury may increase the travel times and costs, and therefore negatively impact some people with these protected characteristics, who may be more reliant on a motor vehicle as a mobility aid.	During the street being closed to vehicular traffic, the proposed closure of Aldermanbury may increase the travel times and costs, and therefore negatively impact some people with these protected characteristics, who may be more reliant on a motor vehicle as a mobility aid.	• Through access will remain unchanged.
19. Data Protection Impact Assessment	N/A			

Option Summary	***Option 1***	***Option 2***	***Option 3***	***Option 4***
20. Recommendation	Recommended to be progressed to next stage of design.	*Not recommended*	*Not recommended*	Recommended to be progressed to next stage of design.