

Committees: Streets & Walkways Sub Committee <i>[for decision]</i> Projects & Procurement Sub Committee <i>[for information]</i>	Dates: 16 September 2025 14 October 2025
Subject: Combined Section 278 Project Initiation Report • 55 Old Broad Street • 1 Appold Street • Thavies Inn House • 60 Queen Victoria Street • 9 Bridewell Place Unique Project Identifiers: <i>To be confirmed</i>	Gateway 2: Project Proposal
Report of: Executive Director Environment Report Author: Tom Noble, Transport & Public Realm Projects	For Decision
PUBLIC	

Recommendations

1. Next steps and requested decisions	Project Description: A number of planning applications have been approved by the Planning & Transportation Committee in recent months. All of these approvals are conditioned to require the developer to enter into a Section 278 agreement with the City of London Corporation. The scope of each Section 278 agreement is broadly established through the associated Section 106 agreements. As is standard for the City Corporation, all of the Section 278 agreements will include clauses that obligate the relevant developer to meet the full cost of the works. Next Gateway: Various (refer to individual Project Briefings at Appendix 1) Next Steps: Specific next steps are set out in individual Project Briefings at Appendix 1, however some apply across all projects: • Set up project budgets • Commence design work • Negotiate and enter into Section 278 agreements. Requested Decisions: 1. That budgets are approved for each project, subject to
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	receipt of funds, as set out in the tables in Section 2; 2. Note the total estimated costs of the projects (excluding risk) as set out in the Project Briefings; 3. That authority is given to negotiate and enter into the individual Section 278 (or equivalent) agreements; 4. That authority is given to advertise Traffic Regulation Orders where required, noting that any objections will be dealt with in the usual way.																																								
2. Resource requirements to reach next Gateway	<table><tr><th colspan="4">Table 2.1: 55 Old Broad Street</th></tr><tr><th>Item</th><th>Reason</th><th>Funds/ Source of Funding</th><th>Cost (£)</th></tr><tr><td>Staff costs (Project Manager)</td><td>Project management, stakeholder liaison, report writing</td><td>Section 278</td><td>40,000</td></tr><tr><td>Staff costs (Engineer)</td><td>Design work, commissioning surveys</td><td>Section 278</td><td>35,000</td></tr><tr><td>Fees</td><td>To cover (but not limited to) Technical assessments, including any surveys and utility enquiries</td><td>Section 278</td><td>25,000</td></tr><tr><td>Total</td><td></td><td></td><td>100,000</td></tr></table> <table><tr><th colspan="4">Table 2.2: 1 Appold Street</th></tr><tr><th>Item</th><th>Reason</th><th>Funds/ Source of Funding</th><th>Cost (£)</th></tr><tr><td>Staff costs (Project Manager)</td><td>Project management, stakeholder liaison, report writing</td><td>Section 278</td><td>20,000</td></tr><tr><td>Staff costs (Engineer)</td><td>Design work, commissioning</td><td>Section 278</td><td>20,000</td></tr></table>	Table 2.1: 55 Old Broad Street				Item	Reason	Funds/ Source of Funding	Cost (£)	Staff costs (Project Manager)	Project management, stakeholder liaison, report writing	Section 278	40,000	Staff costs (Engineer)	Design work, commissioning surveys	Section 278	35,000	Fees	To cover (but not limited to) Technical assessments, including any surveys and utility enquiries	Section 278	25,000	Total			100,000	Table 2.2: 1 Appold 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	Section 278	20,000
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	Fees	To cover (but not limited to) Technical assessments, including any surveys and utility enquiries	Section 278	10,000
	Total			50,000
Table 2.3: Thavies Inn House				
	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	Section 278	20,000
	Fees	To cover (but not limited to) Technical assessments, including any surveys and utility enquiries	Section 278	10,000
	Total			50,000
Table 2.4: 60 Queen Victoria 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	Section 278	20,000
Fees	To cover (but not limited to) Technical assessments, including any surveys and utility enquiries	Section 278	10,000
Total			50,000

Table 2.5: 9 Bridewell Place

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	Section 278	20,000
Fees	To cover (but not limited to) Technical assessments, including any surveys and utility enquiries	Section 278	10,000
Total			50,000

Costed Risk Provision requested for this Gateway: Not requested at this stage.

Funds have already been received, or are expected 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.

	Unless otherwise requested by the developer, any remaining monies at the end of the evaluation and design stage will be put towards the implementation stage. The allocation of resources is subject to advance receipt of all funds.
3. Governance arrangements	• Service Committee: Streets & Walkways Sub • Senior Responsible Officer: Bruce McVean (Assistant Director, Policy & Projects) • Under the existing governance procedures Project boards are not expected to be required for any of the projects. Working groups involving key stakeholders will be established where appropriate. These projects will follow the new Corporate Project Governance procedures once the new approach is implemented. • All of these projects form part of a legal requirement between the City and the individual developers to enter a Section 278 agreement following a planning permission. At the initiation stage of these types of projects, the information available is very similar across all the projects and so a consolidated report has been used for this first stage. This approach has been used previously and works well. • 1 Appold Street is anticipated to be under the value of the formal gateway process and may be undertaken through existing delegated procedures and governance procedures. It is included in this consolidated report to seek the authority to enter a s278 agreement with the developer in due course.

Project Summary

4. Context	4.1 A number of planning applications have been approved by either the Planning & Transportation Committee, the Planning Applications Sub Committee or by Delegated Authority in recent months. All of these agreements require the applicant to enter into a Section 278 agreement with the City of London, to deliver changes to the highway in the vicinity of the site. An Evaluation & Design (E&D) payment, to progress initial design options, is required through the Section 106 agreement; the value of the E&D is determined by the scale and complexity of the relevant application. 4.2 The projects proposed for initiation in this report relate to the following planning permissions:
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	• 23/00469/FULEIA – 55 & 65 Old Broad Street, EC2M 1RX • 22/01200/FULMAJ – 1 Appold Street, EC2A 2UU • 21/00885/FULMAJ – Thavies Inn House, 3-4 Holborn Circus, EC1N 2HA • 23/01422/FULMAJ – 60 Queen Victoria Street, EC4N 4TZ • 22/01070/FULMAJ – 9 Bridewell Place, EC4V 6AW
5. Brief description of project	5.1 Each project involves changes to the public highway in the vicinity of each site. All are fully funded via Section 278 agreements, as stipulated in the relevant Section 106 agreements. 5.2 Descriptions of each individual project are contained in the Project Briefs appended to this report.
6. Consequences if project not approved	6.1 The applicants would be in breach of their obligations under the Section 106 agreements (or equivalents) should approval not be granted to progress these projects.
7. SMART project objectives	Objectives for each project are set out in the Project Briefings at Appendix 1.
8. Key benefits	The anticipated benefits arising from each project are set out in the Project Briefings at Appendix 1.
9. Project category	7a. Asset enhancement/improvement (capital)
10. Project priority	A. Essential
11. Notable exclusions	None.

Options Appraisal

12. Overview of options	12.1 The scope of each project is broadly outlined in the relevant Section 106 agreement and is summarised in the individual Project Briefings appended to this report. Further detail on options development will be reported through separate Gateway reports for each project.
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Project Planning

13. Delivery period and key dates	Overall: The overall project durations vary and are largely dependent on the respective development programmes. Key dates: Refer to Project Briefings. Other works dates to coordinate: Coordination with other
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	works will be assessed and reported in at future Gateways for each individual project.
14. Risk implications	Overall project risk: Low 14.1 The scope of each project is set out in the related Section 106 agreement; these agreements also obligate the developers to pay the full reasonable costs of the Section 278 works. 14.2 The City Operations division has delivered many Section 278 projects and is experienced in managing the risks involved with such works. 14.3 Individual risk registers will be produced and reported at future Gateways. Early-stage risks identified are as follows: • Developments are delayed impacting on project programme and budget. • Inaccurate or incomplete budget estimates, including inflationary issues, lead to budget increases. • Utility and utility survey issues lead to increased costs and / or scope of work. • Issues with external engagement and buy-in lead to project delays and / or increased costs. • Third party delays may impact negatively on project delivery (programme and / or budget).
15. Stakeholders and consultees	• Developers • Local businesses, including BIDS where relevant • Local residents • City of London Police • City divisions and departments, including Planning & Development, City Gardens, Chamberlains and Comptroller & City Solicitors.

Resource Implications

16. Total estimated cost	Likely cost range (excluding risk): £2,570,000 Likely cost range (including risk): £5,700,000 Note that this is the total cost range across the four projects. Cost ranges for each individual project are contained in the Project Briefings.
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17. Funding strategy	Choose 1: All funding fully guaranteed	Choose 1: External - Funded wholly by contributions from external third parties All of the projects will be fully funded through Section 278 agreements, as required as part of the Section 106 agreements for each development. 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 a wider area). In these cases, funding bids will be submitted as part of the capital bidding process for On Street Parking Reserve or Community Infrastructure Levy funding to cover the sections of highway not impacted by the developments. Approval would be sought through the Gateway procedure to expand the scope of the project(s). If funding bids were unsuccessful then the scope would not be expanded and the opportunity to combine works would be lost. Indicative cost ranges are shown in the Project Briefings at Appendix 1.
18. Investment appraisal	Not applicable.	
19. Procurement strategy/route to market	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 a competitive tender process in line with City Procurement regulations.	
20. Legal implications	Section 278 of the Highways Act 1980 allows the City Corporation (as highway authority) to enter into an agreement with any person for the execution of any works which the authority are authorised to execute, on the terms that that person pays the whole or such part of the cost of the works as may be specified in the agreement, if they are satisfied it will be of benefit to the public. All of the Section 106 agreements linked to these developments require the developers to enter into Section 278 agreements with the City Corporation to deliver the highway works which are considered necessary to make the relevant development acceptable in planning terms.	
21. Corporate property implications	None.	
22. Traffic	Implications for traffic are expected to be minimal across all of	

implications	the projects. However, where there are changes required to highway functions affecting traffic, these will be reported through the appropriate Gateway for the relevant project.
23. Sustainability and energy implications	There are relevant sustainability impacts associated with these projects which 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 space will help to improve the scheme's climate resilience. Further information will be provided at future Gateways.
23 IS implications	None.
24 Equality Impact Assessment	A Test of Relevance will be undertaken for each project and where indicated, an equality impact assessment will be undertaken. The City of London Street Accessibility Tool (CoLSAT), Equalities Analysis and the Healthy Streets Design Check 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.
25 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

Report Author	Tom Noble
Email Address	tom.noble@cityoflondon.gov.uk