

City of London Corporation Committee Report

Committee(s): Streets & Walkways Sub Committee	Dated: 14 October 2025
Subject: Arthur Street – Section 278 Agreement for Highway Reinstatement	Public report: For Decision
This proposal: <ul style="list-style-type: none"> delivers Corporate Plan 2024-29 outcomes 	<ul style="list-style-type: none"> Vibrant Thriving Destination
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	External TfL funding
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of: Executive Director Environment	
Report author: Albert Cheung – Street Space Planning	

Summary

Arthur Street at its junction with King William Street has been closed since 2015 to facilitate the Bank Station Capacity Upgrade (BSCU). The BSCU has delivered new Northern line platforms and a new station entrance on Cannon Street, which opened in spring 2023. Transport for London (TfL) is required under the Transport and Works Act Order to agree a reinstatement proposal and then to reinstate the highway on Arthur Street following completion of the station works.

The reinstatement proposal will permanently close Arthur Street at its junction with King William Street to motorised vehicles, as agreed by this Sub-Committee in July 2023. A new public space will be introduced, incorporating greenery, seating and cycle parking.

Following negotiations, The City Corporation has agreed to undertake the reinstatement works on behalf of TfL, with all costs fully funded by TfL through a Section 278 agreement. This approach ensures the works are delivered to the City Corporation's standards. Members are therefore asked to authorise officers to

negotiate and enter into a Section 278 agreement with TfL to secure the funding required to deliver the reinstatement works.

Recommendation(s)

Members are asked to:

- Authorise officers to negotiate and enter into a S278 agreement with TfL, to reinstate Arthur Street as detailed in this report.

Main Report

Background

1. Arthur Street at its junction with King William Street has been closed since 2015 to facilitate the Bank Station Capacity Upgrade (BSCU). The BSCU has provided new Northern line platforms and a new London Underground station entrance on Cannon Street which opened in spring 2023. However, due to extended negotiations between the City Corporation and Transport for London (TfL), the commencement of the backfill of the large underground shaft was delayed until June 2025 and is expected to be completed by January 2026.
2. Under the Transport and Works Act Order, TfL has an obligation to agree the reinstatement proposal and then to reinstate the highway on Arthur Street following the completion of the BSCU development. However, it has now been agreed that the City Corporation will deliver the reinstatement works on behalf of TfL, with all costs fully funded by TfL. This arrangement will ensure the works are delivered to the City Corporation's standards.
3. In February 2023, TfL carried out a public consultation on the proposal to permanently close Arthur Street at its junction with King William Street (except for cycle access). As part of this process, local Ward Members were briefed. Following the consultation, TfL's reinstatement proposal was presented to the Streets and Walkways Sub-Committee in July 2023. The Sub-committee agreed to the permanent closure (except for cycle access), subject to the condition that the new public space incorporates greenery and seating. The approved proposed layout of Arthur Street is included in Appendix 1.

Current Position

4. Officers are working in close coordination with TfL to facilitate a handover of the Arthur Street site, enabling the delivery of the highway reinstatement, which will be fully funded by TfL. Given that the approved reinstatement proposals is significant both in terms of costs and changes to the highway layout, it is necessary to secure the funding to deliver the works through a Section 278 agreement. Member approval is therefore sought for officers to negotiate and enter into a Section 278 agreement with TfL.
5. Project approvals will be sought through delegation, as the estimated cost of the highway reinstatement falls within the threshold delegated to Chief Officers. This reporting process will ensure approvals are obtained efficiently, with a delegated report seeking authority to start work planned for later this year.
6. TfL is expected to hand over the Arthur Street site in January 2026. Following the handover, prioritised temporary improvements will be delivered to enhance accessibility for adjacent frontages and for people walking, wheeling, and cycling. In parallel, surveys will be undertaken, detailed design of the approved layout will be completed, materials will be procured, and site mobilisation will begin. The construction is scheduled to start in June 2026, with completion expected in September 2026.

Strategic implications

7. The delivery of the approved layout supports the delivery of Corporate Plan Outcome: Vibrant thriving destination by improving the experience of people walking and wheeling and making the City's streets more accessible.
8. The scheme also supports the delivery of the Transport Strategy which sets out our approach to improving people's experience on the City's streets (Outcome 1: The Square Mile's streets are great places to walk, wheel and spend time). Utilising developer funds to improve our streets is included in Proposal 5: Ensure new developments contribute to improving the experience of walking, wheeling and spending time on the City's streets

Financial implications

9. The estimated cost of the highway reinstatement is £510,000 and will be fully funded by TfL. Should the actual delivery cost exceed this estimate, TfL will incur the additional expense. Conversely, if the final cost is lower, the extra funds will be returned to TfL.
10. The City Corporation's legal staff cost is £5,000, this has been agreed by TfL and will be charged to TfL directly as normal.

Resource implications

11. The City Corporation's legal team will assist officers to negotiate the S278 agreement.

Legal implications

12. TfL has an obligation to reinstate the highway on Arthur Street through the Transport Works Act Order (TWAO) which authorised TfL to undertake the BSCU.
13. A Section 278 agreement under the Highways Act 1980 is considered necessary for the City Corporation to secure funding from TfL to deliver the Arthur Street highway reinstatement proposals.

Risk implications

14. There is a reputational risk to the City Corporation if approval to enter into a Section 278 agreement is not granted. The highway reinstatement would then be required to be delivered by TfL, which poses a risk to the quality of delivery and is likely to result in delays to the Arthur Street reinstatement, with adverse impacts on residents, businesses, workers, and visitors.

Equalities implications

15. Not applicable

Climate implications

16. Not Applicable

Security implications

17. Not Applicable

Conclusion

18. The reinstatement proposals and associated public realm improvements for Arthur Street will complete the Bank Station Capacity Upgrade project.
19. The City Corporation will secure full external funding for the works through a Section 278 agreement with TfL which safeguards delivery standards. Authorising this agreement will allow the reinstatement to proceed as efficiently as possible, ensuring that residents, businesses, workers, and visitors benefit from the scheme at the earliest opportunity.
20. The project approval for the scheme will be sought through a separate report to the Chief Officer.

Appendices

Appendix 1: Arthur Street Reinstatement – Approved Proposed Layout

Albert Cheung

Street Space Engineer, Environment Department

E: albert.cheung@cityoflondon.gov.uk