

<b>Committees:</b> Streets and Walkways Sub-Committee	<b>Dates:</b> 24 February 2026
<b>Subject:</b> 65 Gresham Street S278  <b>Unique Project Identifier:</b> 663	<b>Gateway 2b:</b> (old Gateway 4)
<b>Report of:</b> Executive Director Environment  <b>Report Author:</b> Andrea Moravicova	<b>For Decision</b>
<b>PUBLIC</b>	

<b>1. Status Update</b>	<p><b>Project Description:</b> 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.</p> <p>Designs for the two previously approved options were developed to RIBA Stage 3 alongside ongoing negotiations with the developer and engagement with key stakeholders, such as the St Lawrence Jewry church and the Lord Mayor's Show representatives, so the design considers and responds to their needs. The project is now ready to progress to detailed design, with Option 1 (full pedestrianisation) recommended.</p> <p><b>RAG Status:</b> Green (Green at last report to Committee)</p> <p><b>Risk Status:</b> Low (Low at last report to committee)</p> <p><b>Total Estimated Cost of Project (excluding risk):</b> £4,169,878</p> <p><b>Change in Total Estimated Cost of Project (excluding risk):</b> The total estimate is within the previously provided bracket.</p> <p><b>Spend to Date:</b> £132,587</p> <p><b>Funding Source:</b> Section 278 contribution</p> <p><b>Costed Risk Provision Utilised:</b> None</p> <p><b>Slippage:</b> None</p>
<b>2. Next steps and Requested decisions</b>	<p><b>Next Gateway:</b> <i>Gateway 3: Authority to Start Work</i></p> <p><b>Next Steps:</b></p> <ul style="list-style-type: none"> <li>• Complete the detailed design for the recommended option, draft construction packages, and undertake further stakeholder engagement and consultation.</li> <li>• Finalise the Section 278 agreement with the 2 Aldermanbury Square developer to receive the funding necessary to procure material and works in readiness for implementation.</li> </ul>

	<ul style="list-style-type: none"><li>• Prepare Gateway 3 report requesting authorisation to start works, for decision at the July 2026 committee meeting.</li><li>• Set-up the implementation budget in accordance with the S278 agreement to procure materials and works.</li></ul> <p><b>Requested Decisions:</b></p> <ol style="list-style-type: none"><li>1. Authorise officers, to progress with detailed designs of the recommended Option 1 outlined below and shown in Appendix 1, to be fully funded by Section 278 agreement with the developer of 65 Gresham Street.</li><li>2. Authorise officers to procure required services to progress the detailed designs</li><li>3. Note the total estimated cost of the project at £4,169,878 based on the RIBA Stage 3 cost estimates for progressing with Option 1 (excluding risks),</li><li>4. Authorise a budget setup for implementation as set out below, subject to receipt of funds.</li></ol>																				
<b>3. Resource requirements</b>	<p>3.1 The total cost of the project is estimated at £4,169,878 excluding maintenance</p> <p>3.2 Expenditure to date is £132,587. Activities completed include:</p> <ul style="list-style-type: none"><li>• negotiations with the developer regarding these proposals and Section 278 agreement,</li><li>• appointment of landscape architect and development of the design options,</li><li>• liaison with officers in Legal, Transportation, Highways, Remembrancers and Guildhall Management teams as well as City Police teams on design proposals and their wider impact, and</li><li>• commission and completion of a traffic study and Stage 1 road safety audit of all options, Healthy Streets and COLSAT assessments.</li></ul> <p>3.3 Table 1 below outlines the costs available to reach the next Gateway (Authority to start work) and includes the spend to date.</p> <p>3.4 Table 2 indicates an overall cost estimate of the project for information, excluding estimated maintenance, for the implementation of Option 1.</p> <table><tr><th colspan="4">Table 1: Funding received to date</th></tr><tr><th>Item</th><th>Received Funds to date (£)</th><th>Expenditure to date (£)</th><th>Funds available to reach next Gateway (£)</th></tr><tr><td>Staff costs</td><td>120,000</td><td>54,150</td><td>65,850</td></tr><tr><td>Fees</td><td>115,000</td><td>78,436</td><td>36,564</td></tr><tr><td><b>GRAND TOTAL</b></td><td><b>235,000</b></td><td><b>132,587</b></td><td><b>102,413</b></td></tr></table>	Table 1: Funding received to date				Item	Received Funds to date (£)	Expenditure to date (£)	Funds available to reach next Gateway (£)	Staff costs	120,000	54,150	65,850	Fees	115,000	78,436	36,564	<b>GRAND TOTAL</b>	<b>235,000</b>	<b>132,587</b>	<b>102,413</b>
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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 (hard landscaping)	TBC	
Maintenance (soft landscaping)	TBC	
<b>Total</b>	<b>4,169,878</b>	

Please see Appendix 2 for more information.

Legal fees are secured by undertakings and are therefore excluded from the Section 278 works payment.

**Costed Risk Provision requested for this Gateway:** None requested at this gateway. Costed risk Provision will be requested at G3 for the construction phase

#### 4. Overview of project options

- 4.1 The project aims to create a high-quality street environment that improves usability and safety for people walking and wheeling. The scope was initially defined through the Section 106 Agreement for the 65 Gresham Street development.
- 4.2 The proposals will better integrate the refurbished 65 Gresham Street building with the surrounding streetscape. The preferred option—full pedestrianisation of Aldermanbury with a new public space—supports City of London strategic priorities, including the Transport Strategy, Climate Action Strategy, and Destination City.
- 4.3 Key drivers include meeting Section 106 and 278 requirements, mitigating the development's impact on the public highway, and aligning with wider goals for accessibility, sustainability, and placemaking. Anticipated outcomes include improved walking and wheeling conditions, enhanced biodiversity, improved perception of safety, and increased commercial attractiveness.
- 4.4 Although not necessary to make the development acceptable in planning terms, the developer strongly aspires to create a new public space on Aldermanbury and are willing to make a voluntary contribution via the S278 project to achieve option 1. Achieving this would require removing vehicle access, relocating vehicle parking and adjusting micromobility and TfL cycle hire provisions and cycle parking between Gresham Street and Love Lane. New seating, planting (where possible) and other features would help to create a welcoming space.
- 4.5 When developing the design options contained in this report, officers have worked closely with the developer and relevant City teams and departments, such as Guildhall Security and Guildhall Management teams, Remembrancer's and considering the existing layout and the changes brought by the new development. Engagement has also

taken place with local stakeholders — including St Lawrence Jewry and representatives of the Lord Mayor’s Show — to ensure the designs respond to their operational needs.

4.6 Committees approved officers’ recommendation to progress designs for the following two options to RIBA Stage 3:

- **Option 1** – 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. (developer’s preferred option.)
- **Option 2** - Retention of the existing street function with improved pavements and other more modest enhancements.

4.7 Both options include:

- changes to the pavements, on-street parking, cycle parking provisions, including TfL cycle hire on Love Lane, Wood Street and Gresham Street, taking into consideration the proposals for the development at 65 Gresham Street and adjacent approved schemes;
- Interpretation of historic elements, including the location of the Roman Wall;
- Retention of existing mature trees on Aldermanbury;
- Minor junction improvements to enhance the walking and wheeling environment in the area.

### **Traffic implications**

4.8 With Aldermanbury closed to motor vehicles under Option 1, Wood Street (northbound and Love Lane (eastbound) will serve as the primary route for local access, servicing and deliveries. People cycling will be able to use either Wood Street and Love Lane or Gresham Street and Basinghall Street for their journeys. A map illustrating these revised routes, along with alternative access points, is included in Appendix 3.

4.9 Option 1 also requires 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.

4.10 Traffic surveys were undertaken in November 2024. The collected data was 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.

4.11 The study showed that the full closure of Aldermanbury to motor vehicles (Option 1) 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.

- 4.12 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 Option 1 would provide the best levels of pedestrian amenity by removing all vehicles from Aldermanbury.
- 4.13 The kerbside occupancy survey showed that the pay for parking bays and disabled parking provisions are fully utilised for much of the day during weekdays.
- 4.14 In January 2026, Aldermanbury closed to vehicular traffic to facilitate the development construction. Officers are progressing with the statutory consultation for the relocation of the long-term parking provision from Aldermanbury to nearby locations. The early relocation of these spaces, subject to the statutory consultation will ensure continuity of parking provision is provided. All costs will be fully funded by the developer through the Section 278 agreement, ensuring no additional financial burden on the City. Legal, equality, and risk considerations have been addressed, including a forthcoming Equalities Impact Assessment to ensure accessibility for all users.
- 4.15 This early statutory consultation on the proposed changes to parking provisions will reduce the likelihood of significant revisions at a later stage in the knowledge that the Parking has been provided for.

#### **Legal implications**

- 4.16 In exercising functions as traffic authority, the CoL are required to comply with the duty in Section 122 of the Road Traffic Regulation Act 1984 which requires the traffic authority in exercising its functions, to secure the expeditious, convenient, and safe movement of vehicular and other traffic (including pedestrians), so far as practicable having regard to: (a) the desirability of securing and maintaining reasonable access to premises (b) the effect of amenities of any locality (c) national air quality strategy (d) public service vehicles (e) any other relevant matters

#### **Equalities implications**

- 4.17 An Equalities impact assessment has been undertaken specifically for the parking bay relocations proposal. Impacts are anticipated for older and disabled users, carers and parents, and individuals with both mobility impairments and socio-economic vulnerabilities. These groups may be adversely affected by increased walking distances. Mitigation measures proposed to minimise these impacts include the provision of Blue Badge spaces close to their original location as well as to main entrances alongside clear communications.
- 4.18 Equality impact assessment for the proposed scheme, option 1, will be finalised ahead of the next gateway.
- 4.19 At the previous gateway (options appraisal), the design options were assessed against the City of London Street Accessibility Tool. The Healthy Streets Design Check was also undertaken. The design development has focused on minimising the issues identified through these assessments. The design will be reassessed against these tools

	<p>ahead of the next gateway report. The previous options appraisal gateway can be found in the background documents for information.</p>
<b>5. Risks</b>	<p><i>5.1 Lack of internal stakeholders buy-in to the project may impact on delivering the full ambition of the developer.</i></p> <p>Risk response: reduce Early liaison with relevant internal stakeholders to gather their requirements and potential impact of proposed options on their operations has been undertaken. Ensure the chosen option reflects the feedback received to date and designs of recommended options will be progressed in further liaison with the relevant City teams and departments.</p> <p>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.</p> <p><i>5.2 Increase in the overall project costs.</i></p> <p>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. Append risk register.</p> <p><i>5.3 Programme delays</i></p> <p>Risk response: reduce Delays to the implementation of the Section 278 works may impact the developer's desired date for occupation and presents a reputational risk to the City Corporation. This has been mitigated by introduction of robust scheduling, risk monitoring &amp; continued liaison with the developer and third-party suppliers and utilities.</p> <p>Further information is available in the Risk register (Appendix 4)</p> <p><b>Change in Costed Risk: N/A</b> The costed risk provision has not been requested as part of this gateway.</p>
<b>6. Procurement strategy</b>	<p>6.1 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.</p> <p>6.2 The detailed design is proposed to be developed by the landscape consultant, with construction packages prepared in-house by the Highways team in consultation with the landscape consultant.</p> <p>6.3 A Drainage specialist has also been engaged to assist with the drainage designs. Other specialist consultants may be required to detail any bespoke elements of the scheme. Any procurement of further consultants would be undertaken following standard</p>

	<p>procurement rule practices.</p> <p>6.4 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.</p>
<b>7. Programme</b>	<ul style="list-style-type: none"> <li>• Finalise S278 Agreement – June 2026</li> <li>• Commence with drafting a construction package – June 2026</li> <li>• Gateway 3 report – Authority to start work ( ) – July 2026</li> <li>• Issue Construction package – October 2026</li> <li>• Pre-construction planning – October – December 2026</li> <li>• Project construction starts – Q1 2027*</li> <li>• Construction completion – Q1 2028**</li> <li>• G5 report – Q4 2028</li> </ul> <p>*Construction start and end dates will be aligned to the developer's programme.</p>
<b>8. Recommendations</b>	<p>8.1 It is recommended that detailed designs are progressed for Option 1 outlined in this report and shown in appendix 1.</p> <p>8.2 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 and aligns with the developer's aspiration to create a new public space in Aldermanbury.</p> <p>8.3 This option was also supported by key stakeholders that were engaged during the development of the designs to date.</p>

### **Appendices**

<b>Appendix 1</b>	Concept design for recommended option
<b>Appendix 2</b>	Finance tables
<b>Appendix 3</b>	Revised traffic routes map
<b>Appendix 4</b>	Risk Register (for recommended option)
<b>Appendix 5</b>	Business case summary
<b>Appendix 6</b>	Strategic case for change
<b>Appendix 7</b>	Stakeholder plan
<b>Appendix 8</b>	Benefits plan

### **Background documents**

The S&W Sub-committee paper 14 May 2025

[Item 5. 65 Gresham Street S278 \(G3\)](#)

### **Contact**

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