

Committee(s):	Date(s):
Open Spaces and City Gardens (for decision)	7 October '13
Streets & Walkways (for decision)	14 October '13
Finance (for decision)	22 October '13
Projects Sub-Committee (for decision)	29 October '13
Community and Children's Services (for information)	7 November '13
Court of Common Council (for decision)	urgency procedures
Subject: Detailed Options Appraisal – Aldgate Highway Changes and Public Realm Improvement Project	Public
Report of: Director of the Built Environment	For Information

Summary

Dashboard

- Project Status: Green
- Timeline: Gateway 4
- Total Estimated Cost: £16.3m - £17.1(incl. £2.5m contingency)
- Spend to date: £1.5m
- Overall Project Risk: Green

Summary

The Aldgate project is a project of London-wide significance. It is also of a different order to any public realm project the City has undertaken in recent years. At its heart is a major highways scheme, but its key deliverable is transformational public realm improvement.

Significant work has been undertaken to advance the project since Gateway 3, including extensive public consultation. The consultation results are positive, showing a high level of support for the scheme. Many of the technical issues identified at Gateway 3 have now been resolved or mitigated. There remains a considerable amount of work to be done, but a series of work-streams, all coordinated by a high-level project board, are being progressed.

As the scheme design has progressed, the cost has risen. However, TfL has also increased its financial contribution to the scheme.

Context

Aldgate is one of the five Key City Places listed in the City's Core Strategy and

Draft Local Plan. The aim of this project is to achieve transformational change in Aldgate by removing barriers to movement, providing public realm amenity and reducing road danger. This will attract investment to this key opportunity area. In achieving this, the project fully accords with the provisions of Policy C8 of the City's Core Strategy.

The project is to convert the Aldgate gyratory to two-way working on Aldgate High Street, St Botolph Street and a section of Middlesex Street, creating a new public square between the Sir John Cass's Foundation Primary School and the St Botolph Without Aldgate Church.

Since submission of the Gateway 3 report in February 2013, a considerable amount of technical investigation and consultation has been undertaken. Through the technical investigations, it has been possible to further develop our understanding of the feasibility of various options. Through the consultation work, we have further developed our understanding of what local stakeholders want from this project, and what type of transformational change we should deliver.

A key conclusion from the technical investigations is that there is a preferred option for the highways layout that can work for all modes, and which will accommodate future growth, particularly in vulnerable road users. This highways layout is also acceptable to our main funding partner, Transport for London (TfL). Therefore, this is the only overall highway design being recommended. Through the detailed design stage, this layout will be refined further – which will include testing alternative ways to secure separated space for cyclists. This will ensure that the scheme is fully consistent with the Mayor's Vision for Cycling (GLA 2013).

With regards to the landscaping options, the stakeholder consultations have allowed us to discard a number of potential options that have proven to be unpopular. We are now able to present to Members an option which should achieve the transformational change that the area needs, and which will have much local support.

Options

As already set out, there is only one feasible highways option for the area. With regards to the public realm, it is recognised by all stakeholders and supported by TfL that to deliver the regeneration of the area, the new square needs to be a high quality space, which will be supported by extensive planting and the inclusion of a kiosk which would enliven the area.

Consequently, there is only one recommended option. The capital cost of that option is given below, with the revenue implications set out in the main body of this report.

Description	Option 1 £
Pre-Construction Phase	
Forecast Costs to September '13	£1.51m
Forecast Costs, September to G5	£1.54m
Total Pre-Construction Costs	£3.05m

Construction Phase	
Works & Fees	£10.1m - £10.8m
Staff Costs – Project Management	£0.45
Staff Costs – Site Supervision	£0.29
Contingency (mainly utilities)	£2.5m
Total Construction Cost	£13.3m - £14.0m
TOTAL PROJECT COST	£16.3m - £17.1m
Funding Strategy	
TfL	£8m
S106	£8.3m - £9.1m
Total Funding Requirement	£16.3m - £17.1m

NB Full details of all of the options are available in paragraph 10.

Recommendations:

1. Recommendation to Streets & Walkways Sub-Committee, Projects Sub-Committee and Open Spaces and City Gardens Committee

That Option 1 is taken forward to Gateway 5.

2. Recommendation to Court of Common Council

That Option 1, with an estimated cost of £16.3m - £17.1m, is taken forward to Gateway 5, noting that urgency procedures may be required as there is no Court of Common Council in November '13.

Next steps

The forward programme for the project is as follows:

Gateway 4: various dates in October '13
Gateway 4b: Under urgency, late October '13
On-going technical assessments: October '13 – January '14
Detailed design: January '14 – April '14
Gateway 5: April '14
Construction Starts: Summer '14
Construction Ends: Summer '16

Resource requirements to reach next Gateway and source of funding

In order to progress the project, the following funds are required.

Staff: 1,080,986
Fees: 455,000
Total: 1,535,986

The funding sources proposed to be utilised to get to Gateway 5 are set out in

Appendix E.

Scheme funding

Capital

This project is being recommended as it fulfils local and regional policy guidance, in addition to meeting the clearly expressed expectation of local stakeholders for transformational change.

TfL has already indicated provision of a total of £8m to fund this project. This will be formalised in November 2013. It is proposed that the City should match this commitment using available S106 funding.

A list of S106 funds is given in Appendix E. Sufficient funds are already available to progress to Gateway 5. All of the other funds are potentially available for use on this project, although some may require minor amendments to legal agreements to release them. In addition, a number of funds will not become available until the developer commences work on their building. Clearly, the decision to allocate these funds to this project may mean that other projects in the area may have to be deferred.

One element of the scheme which may not be funded from TfL or S106 is the kiosk. Depending upon the operational model for the kiosk (social enterprise or commercially operated), it may be necessary to fund the kiosk via Property Investment Board funds, City Cash or external investment. The possibility of accessing Community Infrastructure Levy (CIL) funding is also being investigated.

Revenue

The project does have revenue implications, resulting from the provision of new planting, lighting and likely requirement for more intensive cleansing. These are detailed in section 38 of this report; an increase budget requirement of £154,352 per year is forecast. Increases in revenue costs would normally have to be met by either compensatory service savings, or by raising additional revenue.

In this instance, it is possible that if a commercial venture model is pursued for the kiosk, revenues for the kiosk could offset any additional revenue costs generated by the scheme. However, this could conflict with the alternative operating model, where the kiosk could be operated as a social enterprise.

Options for following this approach will be developed during the detailed design stage, and clearer proposals as to how far revenue costs can be met from this approach will be set out at Gateway 5.

Plans for consultation prior to the next Gateway report

The proposals will be subject to the normal internal consultations required prior to submission of the Gateway 5 report. However, additional public consultation is likely to be undertaken to further inform the kiosk design.

Procurement strategy

TfL is promoting the use of LoHAC (London Highways Alliance Contract) approved contractors on projects where it is a major funding partner. LoHAC seeks to ensure value, reliability and consistency of scheme delivery across London. Previous benchmarking exercises to compare costs between our term contractor and the LoHAC contractor have demonstrated our term contractor to be cheaper.

The City has engaged with LoHAC with regards to the Aldgate project. TfL has indicated that their contractor will not provide project costings until they have received a detailed design and construction drawings. Given the pace at which this project is progressing, and the imminent requirement to undertake trial pit investigations, it is essential that a contractor is engaged now. Thus, this project will be constructed using our approved term contractor, JB Riney.

In the event that we were required to use the LoHAC contractor, the project would experience considerable delay. As LoHAC works on a claims-based contract (NEC3), we could not appoint the LoHAC contractor until rigorous construction drawings had been produced, and City staff specifically trained to manage NEC3 contracts.

Tolerances

Given the many uncertainties surrounding the costings – in particular the costs associated with utilities diversions – a contingency equivalent to roughly 20% of the estimated cost of the project has been applied.

In addition, overall scheme construction costs have been presented as lower and upper-bound estimates. These reflect uncertainty about the form and design (and therefore cost) of the proposed kiosk.

Overview

1. Evidence of Need	<p>The City of London's Core Strategy Policy CS8 advocates the removal of the gyratory and the creation of a public square to enhance amenity and improve links between the communities north and south of the gyratory.</p> <p>The Mayor's London Plan policy 2.13 identifies that public intervention is required in 'Areas of Opportunity' in order to achieve their growth potential. Aldgate is identified as one of these areas of opportunity.</p> <p>Local consultation has clearly identified that local businesses and residents desire transformational change. Stakeholders clearly aspire to see the gyratory removed and for new public spaces to be created. It has also been recognised that there is a need to</p>
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	encourage activity in the new spaces in order to deter anti-social behaviour.
2. Success Criteria	<ul style="list-style-type: none"> • Creation of the public square and improvement of the appearance/amenity of the area; • Improvement of mobility (for all modes) through the area; • Improved potential for development of disused sites; • Reduced road danger; and • Improved satisfaction rates for all users of the streets and spaces.
3. Project Scope and Exclusions	<p>Replace the Aldgate gyratory with two-way working on Aldgate High Street, St Botolph Street, Minories and a section of Middlesex Street, and create a public space between Sir John Cass's Foundation Primary School and St Botolph Without Aldgate Church. Pedestrian subways will be sealed off with other highway uses being investigated.</p> <p>Specific exclusions since Gateway 3 now include Whitechapel High Street.</p>
4. Link to Strategic Aims	<ul style="list-style-type: none"> • City of London's Core Strategy Policy CS8 is to replace the Aldgate gyratory with two-way streets and create a public open space; • City of London Core Strategy Policy 18 and GLA policies, both promoting use of Sustainable Drainage Systems; and • This project also cuts across all of the five themes in the Community Strategy.
5. Within which category does the project fit	Substantially reimbursable.
6. What is the priority of the project?	Advisable.
7. Governance arrangements	<p>Project Board.</p> <p>A project of this scale has many key stakeholders and so the Aldgate Project Board has been in operation since July 2012. The Board includes officers of the City of London, TfL, an officer from the London Borough of Tower Hamlets (LBTH) and a developer representative from Minerva (with a key interest in the development of the public space).</p> <p>The Project Board agreed the Terms of Reference that are being used to guide the Board in delivering the</p>

	<p>project objective of transformational change in the Aldgate area.</p> <p>In addition to the above, many important roles in the decision making processes directly involve certain Members. For example, the Project Champion is Alderman Bear; Jeremy Simons, as Chair of the City Cycle Forum, has been involved with gathering cyclists' views of the Aldgate proposals; and Alderman Hall has chaired one the Public Realm working party.</p> <p>The Governance arrangements for the project are illustrated in Appendix A.</p>
8. Resources Expended To Date	<p>The total resources expended to the end of 30 August '13 are set out below:</p> <ul style="list-style-type: none"> • Fees: £993,853 • Staff Costs: £453,000 • Experiments: £54,000 • Total: £1,508,485 <p>This report proposes a funding strategy to cover the critical period between the end of August and likely receipt of Gateway 4b approval (January '14) in addition to the funds that will be required to progress from Gateway 4 to Gateway 5.</p>
9. Results of technical investigations and stakeholder consultation to date	<p>A project of this scale will inevitably require many different streams of technical investigation and consultation to be undertaken. The key investigations/consultations are set out below.</p> <p><i>Surveys & Data Collection</i></p> <p>In order to inform design development, a wide range of surveys have been undertaken, some of which are still on-going. These include:</p> <ul style="list-style-type: none"> • Topographic and Ground-Penetrating Radar surveys; • Surveys of parking/loading activity on Minories and Aldgate High Street; • Area-wide sign audit; • Commuter coach activity survey; • Cellar surveys on Minories and Aldgate High Street; • London Underground infrastructure surveys; • Archaeological desktop assessment and evaluation trial pits;

- Trial Pits to inform signal design;
- Infiltration trial pit (for soakaway design); and
- Movement analysis – origin and destination investigations of cyclists, pedestrians, general traffic and bus passengers who board and alight in the area.

Kiosk

A feasibility study has been undertaken. The study analyses existing competition in the area, and assesses probable market catchment. It suggests options for size of kiosk and for the type of food/drink offer, noting likely payback periods for each. The work undertaken to date will inform future decisions on whether the kiosk should operate as a social enterprise, or to run on a purely commercial model.

Utilities

As with any highways scheme, we are consulting with utility companies to identify any apparatus which may need to be relocated during the construction phase.

However, we are also engaging with utility companies to encourage them to bring forward any planned works such that they can be coordinated with our works programme.

We are keen to avoid any unnecessary utilities works in the area following construction of the scheme. As such, it is anticipated that a Section 58 agreement will be signed, which will prohibit any planned utilities works in the park and highways following construction. The Section 58 agreement will apply for a period of 5 years in the park and 3 years on the highways. Note that the Section 58 does not apply to emergency works.

Subway Re-Use

In conjunction with the City Surveyors, an extensive investigation of the various subways around the existing site has been undertaken. The investigations have revolved around understanding the relative benefits/disbenefits of finding alternative uses for the existing structures, as opposed to filling them in completely. Overall, it has been concluded that unless a specific use has been determined, the subways should simply be sealed up. This is an inexpensive option, which would not prevent us from using the subways for an alternative use at some future time.

Consultations

An extensive consultation process has been on-going

since Gateway 3 approval was received.

In Spring 2013, stakeholder workshops were held with:

- Sir John Cass's Foundation Primary School (students, teachers, parents and Board of Governors);
- St Botolph Without Aldgate Church congregation;
- Aldgate Masterplan Implementation Group;
- City Gateway Youth;
- Mansell Street, Creechurch Lane and Middlesex Street residents;
- London Metropolitan University students; and
- Other residents groups.

The early workshops and regular meetings with officers regarding the management and maintenance of the space were used by the first stage consultation to ascertain what local residents and stakeholders wanted to see in the new public realm and how they would use the new public spaces.

A design working party, chaired by Alderman Hall, was also established which involved the Church, Primary School, Minerva, TfL, LBTH, Sir John Cass Foundation and the Whitechapel Art Gallery. This group steered the development of the public realm design to ensure that it met local needs.

In addition, a six week public consultation exercise was undertaken from late June to early August '13. The area consulted deliberately crossed into LBTH to ensure that residents in the borough were made aware of the proposed changes.

Specific events were held with Tower Ward residents/businesses, Brune House Mosque, the City Cycling forum and taxi drivers. Leaflets were handed out to waiting bus passengers at Aldgate.

Businesses, developers and estate agents were consulted via a special event held on 1 March 2013.

269 formal responses to the consultation were received. The most common themes were:

- Further improvements to cycling facilities, particularly in Aldgate High Street. Continuous, segregated and wide cycle lanes were the most commonly mentioned improvements;
- A general positive view for the western space. Keen interest in Sculpture/Art, a water feature and organised events was expressed, as well as

the desire for a safe and secure environment to prevent antisocial behaviour and rough sleeping. The space would mainly be used to sit in, relax, and to eat and drink in; and

- A good response to pedestrian improvements – particularly the closure of the subways which are perceived to be unsafe by many and the infill of the ramp to create a level access between the Aldgate London Underground Station and Aldgate House.

Landscaping Design

Following Gateway 3 approval, significant progress has been made in developing the design of the public realm.

Immediately following Gateway 3 approval, lead designers were appointed to develop the scheme further. The designers produced outputs that have formed the basis of presentation materials that we have used in consultation.

The design working party guides the design of the public realm. Their conclusions are presented to the Project Board at regular intervals. The Masterplan was agreed by both in June 2013.

As mentioned above, we have regularly consulted with other CoL departments to ensure that their requirements are met within the design. As a consequence, we have been able to incorporate the needs of the cleansing department in terms of provision of refuse storage and public toilets, and have been able to incorporate City Police concerns. Consideration of how local archaeology is interpreted in the design will be finalised at Gateway 5.

The design has continued to be developed, with changes made in response to the consultation as required. Key changes have included designing out anti-social behaviour by changing the church boundary, and the balance of hard/soft surfaces in the western space. The amended design was subsequently agreed by the Working Group on 30 July 2013 and Project Board on 11 September 2013.

Experiments

For the City to address safety and antisocial behaviour in the new spaces created and thus achieve transformational change, the spaces need to be enlivened. Provision of a kiosk, extending the churchyard and providing attractive spaces to play will provide activity and a measure of natural surveillance, helping to address concerns regarding antisocial

activity. However, wider transformational change includes breaking down social barriers by attracting the community and visitors into the spaces; this will require events and managed activities.

The Aldgate Experiments initiative first phase has started to address this by providing evidence of how installations can engage with the public and involve the community in their installation. The experiments aim to:

- reveal the potential of the area and celebrate the changes to come;
- test ideas for future enhancements;
- engage with the users of the area; and
- work with the local stakeholders and community, developing a model for future management and involvement in events.

The first phase of three installations were delivered between June and September 2013. These were:

- Brick wall seating and large pots during the public consultation launch, inviting people to comment on the Aldgate proposals. The big red pots were planted by local school children from the Sir John Cass's Foundation Primary School.
- A viewing platform was installed in the planter adjacent to the Primary School in August. It includes project information and a montage showing what the view will be once the Aldgate scheme is implemented. This is to encourage people to see the changing area in a different way.
- Floor and wall graphics by architects Studio Weave shows how the space between the Aldgate London Underground station and Aldgate House will change in a direct, artistic and engaging manner.

The first phase of experiments has been extremely successful. Monitoring shows that more people now sit and spend time in the area. Many workers, residents and visitors are attracted to the installations, stopping to read the information plaques and engage with the experiments. The installations have generated much interest and publicity for the scheme; officers have received a number of appreciative emails.

On the back of this success, a second phase of experiments is now being planned, leading up to the start of the Aldgate works on site in 2014.

The Community and Children's Service's community

	<p>group, One Portsoken Forum, aims to encourage sharing of facilities between the Middlesex and Mansell Street Estates. In parallel with this, the City Property Advisory Team (CPAT) is promoting businesses working together under the banner of the Aldgate Business Initiative, to finance initiatives to ensure the area remains active, enlivened and to create a common identity across the Local Authority borders. The experiments provide the opportunity for the local community and businesses to build relationships, for future collaborative working to ensure the space remains active and enlivened after the project has been completed.</p>
<p>10. Commentary on the options considered</p>	<p>As has been set out above, considerable amounts of detailed technical analysis has been undertaken, alongside an extensive consultation exercise.</p> <p>The technical analysis has led us to conclude that there is a preferred highway layout for this area which will suitably balance the needs of all users of the area. This layout has been subject to detailed traffic modelling and has been demonstrated to provide much improved pedestrian, bus and cyclist amenity, whilst retaining traffic capacity. The design itself has been scrutinised and agreed by a Joint Design Review Group consisting of Officers from CoL, LBTH and TfL.</p> <p>A drawing of the agreed highways layout is given in Appendix B. Its key features include:</p> <ul style="list-style-type: none"> • Aldgate High Street, St Botolph Street and a section of Middlesex Street to be converted to two-way working; • Minories to be converted to two-way working; • Mansell Street to be ahead and right only, with no access to Aldgate High Street; • Closure of a section of Middlesex Street, with access maintained for cyclists and emergency vehicles; and • New pedestrian crossing facilities, in-set loading bays and bus stops. <p>Although not indicated in the drawing, the scheme will also provide separated space for cyclists on Aldgate High Street. The exact form that the separated space will take will be determined through the testing of innovative trial layouts.</p> <p>As can be seen from Appendix B, the implementation of the proposed highways changes will naturally create a new public space in front of Sir John Cass's Foundation</p>

Primary School.

Option 1 includes the highways proposals set out above, with the addition of significant public realm enhancement. The enhancement reflects the results of the stakeholder consultations by addressing many of the main stakeholder aspirations expressed during the consultation process. The level of enhancement proposed is deemed to be sufficient to offer the significant transformational change required by this project. A drawing of the public realm is given in Appendix C, along with a rationale underpinning the approach to the public space.

The proposed public realm improvements include:

- A new kiosk. The kiosk will sell food and soft drinks, and could potentially be operated by members of the local community. It's key objectives are to enliven the space, provide accessible toilets and to minimise anti-social behaviour;
- Feature seating;
- Enhanced quality renovation of the church railings, listed gate and drinking fountain;
- Feature lighting;
- Lighting levels that facilitate facial recognition;
- A high specification water feature;
- Drinking fountains;
- Play equipment;
- Art and interpretation;
- All subways to be sealed off, with the exception of the subway entrance ramps close to Middlesex Street, which will be utilised for planting, allowing creation of a new public space to the north east of the strategy area; and
- Two new Urilifts.

The capital and revenue costs of each of the elements listed above are given in Appendix D of this report.

In addition to the above, Option 1 will allow the purchase of a Green Machine hand-pushed vacuum cleaner, which will allow the public spaces to be cleaned without the need for vehicular access.

At this point in time, the design of the kiosk has yet to be developed to a point where any certainty can be given around costs. A working group has been created to manage the development of the kiosk design. It

	includes representatives of Community and Children's Services, the City Surveyors, Economic Development from the Town Clerk's department and key project team members. The group will be chaired by the Project Director. However, for the purposes of this report, a cost banding is proposed, where it is anticipated that the kiosk is likely to cost between £0.5m to £1.2m.
11. Consequences if project not approved	<p>An opportunity would be lost to deliver a key item in the City's Core Strategy.</p> <p>Transformational change would not occur. The communities and regeneration potential in the area will be severely restricted.</p> <p>The 'ear-marked' TfL major scheme funding (£8 million unconfirmed) will be lost.</p> <p>The various consultations and experiments that have taken place through the development of the project have created a sense of expectation that transformational change will be delivered at Aldgate; if this project is not approved, it would be necessary to find a way to manage these expectations.</p>

Information Common to All Options

12. Key benefits	<p>The option will achieve the level of transformative change that is the ultimate objective of this project. Key benefits include:</p> <ul style="list-style-type: none"> • The removal of a gyratory system. Gyratories are notoriously difficult for both pedestrians and cyclists to use and form a barrier to movement as a result; • New pedestrian crossing points. These will further improve the pedestrian experience in the area, and will serve to limit traffic speeds as they pass through the area; • Two new public spaces, in an area where public realm is generally regarded to be poor; • A new kiosk that will help to enliven the area and reduce the occurrence of anti-social behaviour; and • All of the subways sealed off or re-used. This is beneficial as the subways attract rough sleepers and are generally avoided by the public.
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<p>13. Programme and key dates</p>	<ul style="list-style-type: none"> • Gateway 4: various dates in October '13 • Gateway 4b: Under urgency, late October '13 • On-going technical assessments: October '13 – January '14 • Detailed design: January '14 – April '14 • Gateway 5: April '14 • Construction Starts: Summer '14 • Construction Ends: Summer '16 <p>The estimate of construction dates is to be confirmed following detailed construction phasing and detailed programming for seeking key pre-implementation approvals which would need to be in place including any necessary planning permissions, traffic orders and stopping-up orders.</p>
<p>14. Constraints and assumptions</p>	<p>The following constraints have been identified:</p> <ul style="list-style-type: none"> • A key constraint on the project is that there is a single preferred highways option which is feasible. This largely dictates where public realm can be provided; • The presence of subways and London Underground Structures will impact upon the speed of delivery, as any requirement for hand-digging will considerably delay the programme; • The presence of a scheduled ancient monument and archaeological remains would not impact upon the speed of delivery as the archaeological impact and obtainment of any necessary consents such as scheduled monument consent would be assessed and programmed and the planning of archaeological recording and post excavation work would be an integrated part of the programme of work on-site, to ensure that a proper record of archaeological remains that are disturbed or revealed is made in accordance with current policy, standards and guidelines; • Building lines/property ownership constraining what we can do with the highway network; • The depth of cover above the London Underground structures will restrict the number of trees that can be planted in the area, in addition to restricting the ability of utility companies to relocate sub-surface apparatus; and • A number of regulatory processes would have to

	<p>be successfully concluded before implementation such as any necessary planning permissions, traffic orders and stopping-up orders.</p>
<p>15. Risk implications</p>	<p>As with any major project, there are inherent cost and timescale risks associated with constructing the scheme. However, we have yet to identify any technical or engineering risks that we are unable to mitigate.</p> <p>Probably the key risk associated with this project is the need to satisfy numerous external parties, many of which have competing objectives. To that end, we have involved all key stakeholders through consultation or through involvement in working parties.</p> <p>With regards to funding, sufficient funds exist for us to proceed to Gateway 5, plus a significant proportion of the funds which will be required to construct the scheme. It is considered likely that sufficient S106 funds will become available by April '14, which is the proposed Gateway 5 date. In the event that it does not appear likely that all of the funds will be available by April '14, the Gateway 5 report will set out a phasing strategy to deliver the scheme as funds become available.</p>
<p>16. Stakeholders and consultees</p>	<p>A huge amount of consultation has taken place on this project. Key identified stakeholders include:</p> <ul style="list-style-type: none"> • London Borough of Tower Hamlets; • Transport for London; • Local developers; • Sir John Cass's Foundation Primary School (students, teachers parents and Board of Governors; • St Botolph Without Aldgate Church congregation; • Aldgate Masterplan Implementation Group; • City Gateway Youth; • Mansell Street Estate, Middlesex Street Estate, Tower Ward and Creechurch Lane area residents; • The Mayor's Cycling Commissioner; • London Metropolitan University students; and • Business groups.
<p>17. Legal implications</p>	<ul style="list-style-type: none"> • There are a number of legal requirements which would need to be satisfied before the project could be implemented. None of these can be

	<p>pre-judged as they will need to be subject to separate legal and decision-making processes including statutory consultation. These include the following:</p> <ul style="list-style-type: none"> • A number of Traffic Orders would need to be rescinded and made to enable the highway changes to be implemented; • A Traffic Order would also be required to prohibit access to the subways (which will be sealed off). Legal agreements may also be required if any surrounding land/building owners have subway entrances within their structures; • As the kiosk is to be a permanent structure, it would be necessary to stop-up the highway land on which it sits; • Other than areas specifically stopped-up, it is proposed that the status of the public realm area would remain as public highway and public access must therefore be maintained. This includes the area proposed to be fenced in to read as an extended churchyard. However, if it were proposed to interfere with the public right of access at any time by means of a gate, this could only be installed following the making of a Gating Order. This could only be made if such a measure was required to mitigate anti-social behaviour in the area; • Changes to the churchyard gate and railings would require either a faculty from the Diocese of London or listed building consent; • Planning permission will be required for any element of the project which falls outside permitted development rights applying to the City as local authority and highway authority, including the Kiosk. Planning permission will also be a re-requisite for any structure which requires a highway stopping-up order to enable its development; • Listed building consent will be required to move the Police Telephone Call Box; and • Should any of the works involve land (including subsoil) owned by persons or bodies other than the City, agreement with any such owners will need to be secured in order to carry out the works. Detailed investigations are in hand to determine any such ownership issues.
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<p>18.HR implications</p>	<p>Should the LoHAC contractor implement the scheme, City staff would be required to undertake training to manage the LoHAC NEC 3, claims base, contract. In addition, the City would be required to employ a Quantity Surveyor to support the engineering staff.</p>
<p>19.Benchmarks or comparative data</p>	<p>In assessing the costs of this project, we have compared the forecast build costs of this project with estimates of build costs that we have gathered from other projects, both in the City and elsewhere.</p> <p><i>Recent City Projects:</i></p> <ul style="list-style-type: none"> • Holborn Gyratory (single junction improvement with small public realm element) - estimated £3.1m; • Cheapside (Transformational change, involving highway works, enhanced footways and high quality materials)- £6m; <p><i>Other London Projects:</i></p> <ul style="list-style-type: none"> • Tottenham Court Road (Gyratory removal, extensive highway and footway works) – estimated £11m; • Piccadilly (Gyratory removal, extensive highway and footway works, minimal public realm enhancement) – £12.5m • Leicester Square (Transformational change, involving extensive public realm enhancement) - £15.6m; and • Exhibition Road – (Transformational change involving gyratory removal, other highway works, enhanced footways and high quality materials) - £29m. <p>These costs compare against an estimated build cost for Aldgate of £13.3m - £14.1m.</p> <p>The projects set out above show a wide range of projects, ranging from a single junction improvement through to a major area-wide enhancement. Given the size of this project, and the scale of the change that is envisaged, this comparison illustrates that the projected costing lies well within the range that would be expected for a project of this scale.</p> <p>We have also asked our major funding partner (TfL) for their opinion on comparative costs. TfL is uniquely well placed to comment on comparative costs, as they part-funded all of the schemes listed above. Their view was that they would expect the build cost for Aldgate to be broadly comparable with the Piccadilly scheme. As can be seen from the costings above, the estimated build</p>

	costs for Aldgate are within £1.5m of the build costs for the Piccadilly scheme, suggesting that our costings are robust.
20. Funding strategy	<p>The project has already been in receipt of £899,000 funding from TfL's Major Schemes budget. The remainder of the scheme could be funded via a combination of TfL and S106 funding.</p> <p>TfL have committed to provide a total of £8m to fund the scheme. Therefore, based upon a cost range of £16.3m - £17.1m, (incl. contingency), it would be necessary to allocate between £8.4m to £9.1m from S106 funds. It should be noted that it is TfL's expectation that we will begin construction in Spring/Summer '14; as TfL is our major funding partner, it is considered a priority to do all that we can to achieve this date.</p> <p>In May '13 Members approved a total budget of £1.5m to progress the project to Gateway 4. At that time, it was anticipated that this would take place in September '13. However, owing to the need to engage further with the Mayor's Cycling Commissioner, it was not possible to finalise the design to a point where it could be submitted for Gateway 4 approval in September, hence a one month delay was incurred. However, this delay has been beneficial overall, as the GLA/TfL has now increased the funding available for the project.</p> <p>As the costs of this project would exceed £2m, a Gateway 4b report is required before the project can proceed with detailed design. Unfortunately, the next Court of Common Council meeting is in December '13, which would mean that the detailed design stage could not begin for another two months. Whilst in some circumstances it may be possible to suspend a project for a short period, it is considered that in this instance that would present a considerable risk, because:</p> <ul style="list-style-type: none"> • Much time and effort has been spent on achieving a broad consensus amongst the various stakeholders as to what form the scheme should take. All key stakeholders are now locked into the scheme, and how it should be progressed. If the project is delayed further, some stakeholders may lose their enthusiasm for the project or decide to no longer support the project; • There is no guarantee that when the project re-commences, the original project team and governance structure will still be present. Many will be committed to other projects and may no longer be able to commit time to the Aldgate

project. This could create a critical loss of project-specific capability and knowledge;

- There is also the risk of changeover of staff within outside bodies (such as TfL) on which the progress of the project depends. Currently, key officers in TfL are fully engaged with the project – given a delay, these officers will certainly be diverted onto other areas of work; their replacements will need much support in getting up to speed with the project;
- Much time and effort has been expended on communicating with the public to build their expectations of the project; a hiatus will mean that much of this effort was wasted; and
- Our major funding partner expects that we will commence construction in Summer '13; this may not be possible if the project is delayed further.

Given the risks set out above and the unfortunate timing of this report relative to the Committee cycle, it is proposed that this report should go to the Court of Common Council for Gateway 4b approval under urgency procedures.

A cost and funding breakdown for the scheme is provided in Appendix E.

Tables 1 to 3 set out the costs approved to date, the forecast costs required to progress the project from September '13 to January '14, and the forecast costs from receipt of Gateway 4b approval to Gateway 5. These are also set out below.

Forecast Costs to September '13

Pre-Evaluation	88,622
Fees	996,000
Staff	364,378
Experiments	54,000
Total	1,503,000

Forecast Cost, September '13 - Gateway 5

Fees	1,080,986
Staff (DBE)	411,000
Staff Open Spaces	11,000
Total	1,535,986

Also listed within Appendix E is the funding strategy underpinning each stage of the project.

Within this breakdown (listed as Table 6) is a list of both TfL and S106 funds. Those S106 funds classed as “Received Funds” are agreements from which funds are currently held by the City. As can be seen, these, in combination with TfL funds, have been sufficient to fund all works done so far, plus all works required to complete Gateway 4.

Two funds are identified as having been ‘Triggered Funds’. These are funds which the City has not yet received, but are expected imminently (as the developer has implemented their development and is required by the S106 to hand over these funds). As such, all of the funds required to complete Gateway 5 will be in place very soon.

Three funds are classed as ‘Received – Amendment to S106 Required’. These refer to funds already held by the City, but which may require an amendment to the S106 (or possibly an exchange of letters with the developer) in order for us to access. Specifically, these are:

- The St Botolphs House fund is specifically set aside for Church works, which we believe are satisfied by the works to be undertaken as part of this project. We are confident, therefore, that these funds will be allocated to this project;
- The Pinnacle fund had previously been allocated to a project, but this project does not look likely to be delivered. It is therefore proposed that these funds be transferred onto a ‘live’ project; and
- The 5 Broadgate fund is the projected unspent fund after the Sun Street/Appold Street works have been completed.

A series of ‘Potential Funds, Awaiting Building Commencement’ have also been listed. These are generally S106 agreements associated with developments which have yet to be implemented. Consequently, the S106 funds for these agreements have yet to be received. In order to understand how likely these schemes are to proceed, we have been provided information by CPAT which we have included in Table 4 in Appendix E.

The final category is ‘Potential Funds, Awaiting Building Commencement and Amendment to S106’. These are funds for developments which have yet to be implemented. Also, the wording on these funds would

	<p>require some renegotiation before the funds could be accessed for the Aldgate project.</p> <p>As can be seen, sufficient funds should exist for us to proceed to Gateway 5, plus a significant proportion of the funds which will be required to construct the scheme. Based upon the information provided by CPAT, it is considered likely that sufficient S106 funds will become available by April '14, which is the proposed Gateway 5 date. In the event that it does not appear likely that all of the funds will be available by April '14, the Gateway 5 report will set out a phasing strategy to deliver the scheme as funds become available.</p> <p>Kiosk</p> <p>It is also important to note that there are a number of funding issues specific to the Kiosk.</p> <p>If the kiosk were to be run as a social enterprise, this would allow the kiosk to be funded via S106/TfL funds. However, the additional revenue costs resulting from the project would have to be met from corresponding revenue savings elsewhere.</p> <p>If, instead, it was decided to run the kiosk as a commercial venture, it would be possible to utilise the revenues generated by the kiosk to offset the additional revenue costs generated by the Aldgate project. However, we would not be allowed to utilise S106 or TfL funding to cover the capital costs of a commercially operated kiosk. Thus, an alternative capital funding source would have to be found. It may be possible that CIL funding could be utilised; but, if not, then it may be necessary to draw upon City Funds.</p> <p>A working group has been created to manage the development of the kiosk design. It includes representatives of Community and Children's Services, the City Surveyors, Economic Development from the Town Clerk's department and key project team members. The group will be chaired by the Project Director. In the event that the conclusion of the working group is that it is appropriate to draw upon City Funds to fund the kiosk, this will be reported to the relevant Committees for decision.</p>
21.Affordability	
22.Procurement approach	<p>Transport for London is promoting the use of LoHAC (London Highways Alliance Contract) approved contractors on projects where it is a major funding partner. LoHAC seeks to ensure value, reliability and consistency of scheme delivery across London.</p>

	<p>The City has engaged with LoHAC, but previous benchmarking exercises to compare costs between our term contractor and the LoHAC contractor have demonstrated our term contractor to be cheaper. It should also be noted that TfL's term contract is an NEC3 based contract, which would tend to expose the City to more financial risk than our current term contract.</p> <p>With regards to the Aldgate project, TfL has indicated that their contractor will not provide project costings until they have received a detailed design and construction drawings. Given the pace at which this project is progressing, it is essential that a contractor is engaged now; we cannot delay until the detailed design has been completed. Thus, this project will be constructed using our approved term contractor, JB Riney.</p>
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Detailed Options Appraisal Matrix

Detailed Options Appraisal Matrix

	<i>Option 1</i>		
23. Brief description	Conversion of gyratory to two-way traffic, extensive public realm enhancement, new kiosk in public square.		
24. Scope and Exclusions (where different to section 3)	N/A		
25. Benefits and strategy for achievement (where different to section 10)	N/A		
26. Programme (where different to section 11)	N/A		
27. Constraints and assumptions (where different to section 12)	N/A		
28. Risk implications (where different to section 13)	N/A		
29. Stakeholders and consultees (where different to section 14)	N/A		

	<i>Option 1</i>		
30. Legal implications (where different to section 15)	N/A		
31. HR implications (where different to section 16)	N/A		
32. Benchmarks or comparative data (where different to section 17)	N/A		

<u>Financial Implications</u>	<i>Option 1</i>		
33. Total Estimated Cost (£)	£16.3m - £17.1m		
34. Anticipated source(s) of project funding (where different to section 18)	N/A		
35. Anticipated phasing of capital expenditure	The phasing, in terms of spend required at different project stages, is set out in Appendix E, Table 5. In the event that all of the S106 funds are not available when required, a phasing strategy will be developed.		

36. Estimated capital value/return (£)	None																													
37. Fund/budget to be credited with capital return	N/A																													
38. Estimated ongoing revenue implications (£)	<p>Based upon information provided by various departments, on-going revenue implications have been estimated. These will be reviewed prior to Gateway 5, particularly with regards to benchmarking against other schemes elsewhere. However, it should be noted that the scale of the public space proposed for Aldgate is of such a scale that it is inevitable that revenue costs will be incurred.</p> <p>It is also worth noting that owing to the desire for the square to be operational on a 7 day per week basis, the amount of cleansing resource required is expected to increase significantly.</p> <p>Costs provided so far are set out below.</p> <table><tr><th colspan="3">Cleansing</th></tr><tr><th></th><th>Capital</th><th>Revenue pa</th></tr><tr><td>Urilifts</td><td>£140,000</td><td>£16,000</td></tr><tr><td>Big Belly Bin</td><td>£24,000</td><td>£1,000</td></tr><tr><td>Green Machine Sweeper</td><td>£14,500</td><td>£3,500</td></tr><tr><td>Staff</td><td>-</td><td>£38,000</td></tr><tr><td>Cleansing Subtotal</td><td>£178,500</td><td>£58,500</td></tr><tr><td></td><td>Less Existing</td><td>(£10,000)</td></tr><tr><td>Cleansing Revenue Increase</td><td></td><td>£48,500</td></tr></table>	Cleansing				Capital	Revenue pa	Urilifts	£140,000	£16,000	Big Belly Bin	£24,000	£1,000	Green Machine Sweeper	£14,500	£3,500	Staff	-	£38,000	Cleansing Subtotal	£178,500	£58,500		Less Existing	(£10,000)	Cleansing Revenue Increase		£48,500		
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	Less Existing	(£10,000)																												
Cleansing Revenue Increase		£48,500																												

	Soft Landscaping			
		Capital	Revenue pa	
	Proposed Landscaping Costs	£253,771	£103,347	
	<i>Less Existing</i>		(£34,174)	
	Landscaping Revenue Increase		£69,174	
	Public Realm			
		Capital	Revenue pa	
		£500,000-	unknown	
	Kiosk	£1,200,000		
	Feature Seating	£44,000	-	
	SUDS	£20,000	-	
	Planter Wall and Cladding	£120,000	-	
	Church railings, gate and fountain	£300,000	-	
	Feature Lighting	£45,000		
	Water Feature	£300,000	£22,400	
	Drinking Fountains	£22,500	£200	
	Play Equipment	£50,000		
	Art and Interpretation	£75,000	-	
	Public Realm Revenue Increase		£22,600	
	Civils Works			
		Capital	Revenue pa	
	Highways Works	£5,554,216	£19,690	
	<i>Less Existing</i>	-	(£10,000)	

	Civils Works Revenue Increase	£9,690			
	Street Lighting				
		Capital			Revenue pa
	Highways	£121,310			
	Landscaping & Feature Lighting	£427,840			
	Cost pa				£13,388
		<i>Less Existing</i>			-
	Lighting Revenue Increase	£4,388			
	Grand Total	£154,352			
39. Source of ongoing revenue funding	As the revenue funding strategy will depend upon the how the Kiosk is funded, this has yet to be agreed. Either way, this must be met by either Kiosk revenues or through compensatory revenue savings.				
40. Fund/budget to be credited with income/savings	This will also depend upon the funding/operational model for the kiosk.				
41. Anticipated life					
42. Investment Appraisal					
43. Affordability (where different to section 19)					
44. Proposed procurement	N/A				

approach (where different to section 20)			
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45. <u>Recommendation</u>			
46. Reasons	<p>As presented in the Core Strategy Policy, this area is in need of transformational change to improve the amenity of residents, workers and visitors. Removing barriers to movement and creating a safer environment are key to unlocking further investment in the area.</p> <p>The TfL Major Scheme Bid and joint design work, involving local stakeholders, will be largely wasted if the scheme does not go ahead.</p>		

Appendices

Appendix A	Governance Structure
Appendix B	Highways Layout – Design & Commentary
Appendix C	Proposed Public Realm – Design and Commentary
Appendix D	Capital Costs and Funding
Appendix E	Public Realm Capital and Revenue Costs

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