

TO: **POLICY AND RESOURCES COMMITTEE**

Thursday, 26 September 2020

FROM: **PROPERTY INVESTMENT BOARD**

Wednesday, 19 August 2020

### **RESOLUTION FROM PROPERTY INVESTMENT BOARD**

The Property Investment Board requested that the Policy and Resources Committee direct Officers to follow up with London City Airport to reiterate the City of London Corporation's support for the redevelopment plans and to encourage them to work with the relevant authorities to restart the project.

#### **Background:**

The agreed support from the City of London Corporation to London City Airport was given in September 2019 after a detailed report was scrutinised at Policy and Resources Committee.

The proposals were a masterplan aimed to manage capacity through to 2035 and wasn't to introduce a new runway or increase airline capacity through a larger geographical footprint.

Proposals included:

- Increased connectivity to the airport specifically using public transport and active transport infrastructure.
- There was an ambition to interchange with Crossrail, to give improved access to the City.

The City Corporation decided to support the proposals with some caveats, as recommended by Officers, around the number of flights during sensitive hours and flightpaths. It was agreed to work with London City Airport to understand these in more detail and lower any negative impact on the City's own air quality, climate and noise policies.

In August 2020 the project has been stopped, based on the COVID situation and the impact on the air travel sector.

#### **Property Investment Board impact:**

From the Property Investment Board's perspective the redevelopment has an impact as the City would benefit through increased attractiveness to international businesses, as a well-connected and accessible part of London. The Property Investment Board is also of the view that tenancy rates and rental income would potentially benefit from the improved infrastructure.

The Government's own 'levelling up' policy for the Nation has identified air travel as a way of connecting parts of the country and an improved London City Airport could be pivotal to realising that national policy.

To date, some of the redevelopment works have already begun and foundations are already laid for parts of the project.

The decision to stop this redevelopment will potentially harm confidence in the City property market and could impact the rate of recovery from the COVID-19 shutdown. A 15 year time-horizon for such a project is reasonable and the City agreed to support it on this basis. In light of the COVID situation, when even conservative indicators suggest that a 1-2 year period should see the economy recover to pre-COVID levels, it doesn't make sense to halt such a redevelopment project.

*Note: For ease of reference, the report considered at the September 2019 meeting of the Policy & Resources Committee has been circulated to all Members and is viewable at Item 12 within the agenda pack online [here](#).*