



## Resource Allocation Sub (Policy and Resources) Committee

**Date:** THURSDAY, 11 JULY 2024

**Time:** 10.00 am

**Venue:** COMMITTEE ROOMS, 2ND FLOOR, WEST WING, GUILDHALL

**Members:**

Deputy Christopher Hayward (Chairman)	Deputy Shравan Joshi MBE
Deputy Henry Colthurst (Deputy Chairman)	Alderman Vincent Keaveny, CBE
Deputy Randall Anderson	Alderman Alastair King DL
Deputy Keith Bottomley	Deputy Andrien Meyers
Tijs Broeke	Deputy Alastair Moss
Helen Fentimen OBE JP	Alderman Sir William Russell
Jason Groves	Deputy Sir Michael Snyder
Alderman Timothy Hailes JP	Deputy James Thomson
Caroline Haines	

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**Ian Thomas CBE**  
**Town Clerk and Chief Executive**

## **AGENDA**

NB: Certain items presented for information have been marked \* and will be taken without discussion, unless the Committee Clerk has been informed that a Member has questions or comments prior to the start of the meeting. These for information items have been collated into a supplementary agenda pack and circulated separately.

### **Part 1 - Public Agenda**

1. **APOLOGIES**

2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

3. **MINUTES**

To agree the public minutes and non-public summary of the Sub-Committee meeting held on 2 May 2024.

**For Decision**  
(Pages 7 - 12)

4. **CAPITAL FUNDING UPDATE**

Report of the Chamberlain.

**For Decision**  
(Pages 13 - 24)

5. **CIL ALLOCATION PROCESS AND POTENTIAL CIL RATES REVIEW**

Joint Report of the Interim Executive Director, Environment, and the Chamberlain.

**For Decision**  
(Pages 25 - 36)

6. **CIL AND OSPR CAPITAL BIDS (QUARTER 1 - 2024/25)**

Joint Report of the Interim Executive Director, Environment, and the Chamberlain.

**For Decision**  
(Pages 37 - 66)

7. **COMMUNITY INFRASTRUCTURE LEVY NEIGHBOURHOOD FUND - APPLICATIONS FOR APPROVAL**

Report of the Managing Director, City Bridge Foundation.

**For Decision**  
(Pages 67 - 96)

8. **CLIMATE ACTION STRATEGY (CAS) – CAPITAL DELIVERY PROGRAMME FOR OPERATIONAL BUILDINGS**

Report of the City Surveyor.

**For Decision**  
(Pages 97 - 114)

9. **CLIMATE ACTION STRATEGY CAPITAL DELIVERY PROGRAMME – HEAT DECARBONISATION**

Report of the City Surveyor.

**For Decision**  
(Pages 115 - 146)

10. **\*CITY SURVEYOR'S BUSINESS PLAN 2023-28 - QUARTER 4 2023/24 UPDATE**

Report of the City Surveyor.

**For Information**

11. **\*THE CITY SURVEYOR'S CORPORATE AND DEPARTMENTAL RISK REGISTER - JUNE 2024 UPDATE**

Report of the City Surveyor.

**For Information**

12. **\*23/24 ENERGY & DECARBONISATION PERFORMANCE Q4 UPDATE FOR THE OPERATIONAL PORTFOLIO**

Report of the City Surveyor.

**For Information**

13. **\*REPORT OF ACTION TAKEN BETWEEN MEETINGS**

Report of the Town Clerk.

**For Information**

14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

16. **EXCLUSION OF THE PUBLIC**

MOTION – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of the Schedule 12A of the Local Government Act.

**Part 2 - Non-Public Agenda**

17. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the Sub-Committee meeting held on 2 May 2024.

**For Decision**  
(Pages 147 - 152)

18. **PROPOSED LEASE TO TFL AND REINSTATEMENT OF ARTHUR STREET SHAFT (BANK STATION UNDERGROUND CAPACITY UPGRADE PROJECT)**

Report of the City Surveyor.

**For Decision**  
(Pages 153 - 172)

19. **CENTRAL CRIMINAL COURT - CELL AREA DUCTING AND EXTRACT SYSTEM BALANCING**

Report of the City Surveyor.

**For Decision**  
(Pages 173 - 190)

20. **LAND AVAILABLE FOR ACQUISITION AT HAMPSTEAD HEATH**

Report of the Executive Director, Environment.

**For Decision**  
(Pages 191 - 204)

21. **SHOE LANE LIBRARY/HILL HOUSE REDEVELOPMENT TERMS**

Report of the Executive Director of Community and Children's Services.

**For Decision**  
(Pages 205 - 218)

22. **SPORT & LEISURE FACILITY INVESTMENT – OPTIONS APPRAISAL**

Joint Report of the Executive Director of Community and Children's Services and the Executive Director of Corporate Communications and External Affairs.

**For Decision**  
(Pages 219 - 256)

23. **\*CITIGEN AND HEAT NETWORK ZONING UPDATE**

Report of the City Surveyor.

**For Information**

24. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

25. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

**Part 3 - Confidential**

26. **CENTRAL CRIMINAL COURT CLEANING SERVICES**

Report of the City Surveyor.

**For Decision**

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# Agenda Item 3

## RESOURCE ALLOCATION SUB (POLICY AND RESOURCES) COMMITTEE

Thursday, 2 May 2024

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources) Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 2 May 2024 at 2.00 pm

### Present

#### Members:

Deputy Henry Colthurst (Deputy Chairman)	Caroline Haines
Deputy Randall Anderson	Deputy Shravan Joshi MBE
Deputy Keith Bottomley	Deputy Andrien Meyers
Tijs Broeke	Alderman Sir William Russell
Jason Groves	Deputy Sir Michael Snyder

#### In Attendance

Alderman Timothy Hailes

#### Officers:

Ian Thomas CBE	- Town Clerk & Chief Executive
Polly Dunn	- Assistant Town Clerk & Executive Director of Governance and Member Services (Interim)
Caroline Al-Beyerty	- Chamberlain
Sonia Virdee	- Chamberlain's Department
Beena Tanna	- Chamberlain's Department
Paul Wilkinson	- City Surveyor
Peter Young	- City Surveyor's Department
Graeme Low	- City Surveyor's Department
John Galvin	- City Surveyor's Department
Paul Friend	- City Surveyor's Department
Peter Collinson	- City Surveyor's Department
Dorian Price	- City Surveyor's Department
Ian Hughes	- Environment Department
Emily Tofield	- Executive Director of Corporate Communications and External Affairs
Dionne Corradine	- Chief Strategy Officer
Johnathan Vaughn	- Principal of Guildhall School of Music and Drama
Robert Bennett	- Guildhall School of Music and Drama

#### 1. APOLOGIES

Apologies were received from Deputy Christopher Hayward and Deputy James Thomson.

The Chairman thanked Tom Sleigh, Catherine McGuinness and Ruby Sayed for their services on the Sub-Committee. These Members were no longer serving on the Resource Allocation Sub-Committee, by virtue of having not been returned to the Policy & Resources Committee following the April Court of Common Council meeting.

2. **MEMBERS DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**

There were no declarations.

3. **MINUTES**

The Town Clerk advised that the year referenced in the title of Item 4b should read "2024/25".

**RESOLVED**, that subject to this correction, the public minutes and the non-public summary of the meeting held on 24 January 2024, be approved as an accurate record.

4. **\*NOTE OF INQUORATE MEETING**

**RESOLVED**, that the note of the inquorate meeting held on 11 March 2024, be received.

5. **CAPITAL FUNDING UPDATE**

Members considered a report of the Chamberlain concerning a regular Capital Funding Update.

The Chairman noted that it was helpful to understand the capital funding commitments in the round, should the need for prioritisation arise. However, he requested that the Chamberlain consider revisiting how the information was presented to best facilitate this overview.

**RESOLVED**, that Members:

- (i) Review the schemes summarised in Table 2 and, particularly in the context of the current financial climate, confirm their continued essential priority for release of funding at this time and accordingly:
- (ii) agree the release of up to £2.6m for the schemes progressing to the next Gateway in Table 2 from City Fund £2.376m (including £2m for OSPR and £0.065m CIL), City Estate 0.208m and note the £0.016m from City Bridge Fund (CBF).

6. **\*CITY SURVEYOR'S BUSINESS PLAN 2023-28 QUARTER 3 2023/24 UPDATE**

Members received a report of the City Surveyor concerning an update on the 2023-28 departmental business plan.

**RESOLVED**, that the report be noted.

7. **\*THE CITY SURVEYOR'S CORPORATE AND DEPARTMENTAL RISK REGISTER - APRIL 2024 UPDATE**



Members received a report of the City Surveyor concerning an update on the departmental risk register.

**RESOLVED**, that the report be noted.

8. **\*REPORT OF ACTION TAKEN BETWEEN MEETINGS**

Members received a report of the Town Clerk, setting out the various action taken under urgency procedures since the last meeting.

**RESOLVED**, that the report be noted.

9. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

10. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was one item of urgent business.

Members were advised about a Gateway Report requesting approval to seek planning permission to install an Air Source Heat Pump and Photovoltaic array onto the roof of Mansion House. The estimated cost to reach the next gateway was £50k, and that the total estimated cost of the project was approximately £1.5m.

Unfortunately, due to an administrative error, the report was left off the agenda. The omission was not realised until shortly before the meeting. As such, officers sought a delegated authority the Sub-Committee, so the matter could be progressed before the next scheduled meeting.

Members asked why the cost associated with planning permission was so high. It was confirmed that this cost was largely due to the complexities of dealing with a Grade I listed building.

Members were content to support the matter being progressed under delegated authority, providing the Chamberlain provided assurance that there was £1.5m available from the Climate Action Strategy funding, to support the substantive project.

**RESOLVED**, that subject to assurances from the Chamberlain's Department, delegated authority be granted to the Town Clerk in consultation with the Chairman and Deputy Chairman, to consider a gateway report relating to the installation of an Air Source Heat Pump and Photovoltaic array onto the roof of Mansion House, including the associated £50k costs to reach the next gateway.

11. **EXCLUSION OF THE PUBLIC**

**RESOLVED**, That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of the Schedule 12A of the Local Government Act.

12. **NON-PUBLIC MINUTES**  
**RESOLVED**, that the non-public minutes of the meeting held on 24 January 2024, be approved as an accurate record.
13. **PROPOSED LEASE TO TFL AND REINSTATEMENT OF ARTHUR STREET SHAFT (BANK STATION CAPACITY UPGRADE PROJECT)**  
Members considered a joint report of the City Surveyor and Interim Executive Director Environment concerning the proposed lease to Transport for London and reinstatement of Arthur Street Shaft (Bank Station).
14. **GUILDHALL SCHOOL OF MUSIC AND DRAMA REQUIREMENT FOR EXTRA WORKSPACE - NORTH WING, GUILDHALL**  
Members received a joint report of the City Surveyor and Principal of the Guildhall School of Music and Drama (GSMD) concerning the requirement for extra workspace at the Guildhall complex.
15. **CENTRAL CRIMINAL COURTS, FIRE ALARM REPLACEMENTS AND ASSOCIATED PUBLIC ADDRESS SYSTEM**  
Members considered a Gateway 6 project report of the City Surveyor, concerning the Central Criminal Courts Fire Alarm Replacements and associated public address system.
16. **\*CYCLICAL WORKS PROGRAMME (CWP) DELIVERY STRATEGY PAPER**  
Members received a report of the City Surveyor concerning the Cyclical Works Programme Delivery Strategy.
17. **\*COMMERCIAL STRATEGY - INCOME GENERATION**  
Members received a report of the Chamberlain regarding a Commercial Strategy and income generation.
18. **\*OPERATIONAL PROPERTY REVIEW**  
Members received a report of the City Surveyor regarding a review into the City Corporation's Operational Property.
19. **\*WALBROOK WHARF UPDATE ON SOFT MARKET TESTING**  
Members received a Gateway 2 progress report of the City Surveyor regarding Walbrook Wharf and soft marking testing.
20. **\*DELEGATED AUTHORITY DECISIONS AND ARREARS UPDATE ASSETS ALLOCATED TO THE CITY SURVEYOR TO DIRECTLY MANAGE ON THE OPERATIONAL ESTATE - 1ST OCTOBER 2023 TO 31ST MARCH 2024**  
Members received a report of the City Surveyor regarding delegated Authority decisions and arrears update assets allocated to the City Surveyor to directly manage on the operational estate - 1st October 2023 to 31st March 2024.
21. **\*REPORT OF ACTION TAKEN BETWEEN MEETINGS**  
Members received a report of the Town Clerk regarding action taken between meetings in line with delegated authority and urgency procedures.

**22. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

There were no questions.

**23. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

There was no other business.

Members did, however, use the opportunity to note a preference for future meetings to start at 1.45pm (if held in the afternoon).

**The meeting ended at 3.16 pm**

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Chairman

**Contact Officer: Polly Dunn**  
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# Agenda Item 4

<b>Committee(s):</b> Resource Allocation Sub Committee Policy & Resources Committee	<b>Date(s):</b> 11 <sup>th</sup> July 2024 11 <sup>th</sup> July 2024
<b>Subject:</b> Capital Funding Update	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	The schemes for which funding is now requested span across a range of corporate outcomes
<b>For City Bridge Foundation (CBF), which outcomes in the BHE Bridging London 2020 – 2045 Strategy does this proposal aim to support?</b>	
<b>Does this proposal require extra revenue and/or capital spending?</b>	Yes
<b>If so, how much?</b>	£3.97m
<b>What is the source of Funding?</b>	£3.490m - City Fund, £0.459m City Estate and £0.021m CBF
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	Yes
<b>Report of:</b> The Chamberlain	<b>For Decision</b>
<b>Report author:</b> Yasin Razaq, Capital and Projects Manager	

## Summary

The purpose of this report is for Members to consider release (following gateway approvals) to allow schemes to progress.

Members are reminded of the two-step funding mechanism via the annual capital bid process:

- Firstly, within available funding, 'in principle' approval to the highest priority bids is sought and appropriate provisions are set aside in the annual capital and revenue budgets within the MTFPs.
- Secondly, following scrutiny via the gateway process to provide assurance of robust option appraisal, project management and value for money, Members are asked to confirm that these schemes remain a priority for which funding should be released at this time.

The purpose of this report is for Members to consider release (following gateway approvals) to allow schemes to progress.

Release of £3.970m to allow progression of three schemes summarised in Table 1 'Project Funding Requests' is now requested.

## Recommendations

Resource Allocation Sub Committee Members and Policy & Resources Committee are requested:

- (i) To review the schemes summarised in Table 1 and, particularly in the context of the current financial climate, to confirm their continued essential priority for release of funding at this time and accordingly:
- (ii) To agree the release of up to £3.970m for the schemes progressing to the next Gateway in Table 1 from City Fund £3.490m (including £0.893m for OSPR and £0.150m from City Fund Contingency), City Estate £0.459m and £0.021m from City Bridge Fund (CBF).
- (iii) Note the CBF element of £0.021m have been approved by delegated authority assigned to the CBF finance director.
- (iv) To agree release of £0.150m of City Fund contingency

## Main Report

### Background

1. Schemes have been approved in principle through the annual capital bids process and the CIL and OSPR quarterly approvals but they are to subject a drawdown approval when the funding is required to progress
2. The scope of schemes subject to this prioritisation relates only to those funded from central sources, which include the On-Street Parking Reserve, Community Infrastructure Levy (CIL), flexible external contributions and allocations from the general reserves of City Fund, City's Cash or CBF<sup>1</sup>. This means that projects funded from most ring-fenced funds, such as the Housing Revenue Account, Designated Sales Pools and Cyclical Works Programmes *are excluded*, as well as schemes wholly funded from external grants, and tenant/developer contributions e.g. under S278 agreements and S106 deposits.
3. Members are reminded of the two-step funding mechanism via the annual capital bid process:
  - Firstly, 'in principle' approval to the highest priority bids within available funding is sought and appropriate provisions are set aside in the annual capital and revenue budgets and the MTFPs.
  - Secondly, following scrutiny via the gateway process to provide assurance of robust option appraisal, project management and value for money, RASC is asked to confirm that these schemes remain a priority for which funding should be released at this time.

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<sup>1</sup> Contributions from City Bridge Foundation are limited to its share of corporate schemes such as works to the Guildhall Complex or corporate IT systems and are subject to the specific approval of the City Bridge Foundation

## Current Position

4. The total amount of funding for approved schemes is shown in Appendix 1.
5. The City Fund Contingency for Future of London Metropolitan was approved by 7<sup>th</sup> May Finance Committee.
6. The current capital programme includes the 24/25 projects approved by Court of Common Council on the 7<sup>th</sup> March.
7. The City Bridge Foundation drawdown amounts have been approved by delegated authority.

## Current Requests for the Release of Funding

8. There are eight schemes with 'in principle' funding approved as part of the capital bids that have progressed through the gateways, for which release of up to £3.97m is requested:

Table 1 Project Funding Requests

<b>Table 2: Project Funding Requests</b>	<b>Next Gateway</b>	<b>CL/OSP R</b>	<b>City Fund £m</b>	<b>City's Estate £m</b>	<b>City Bridge Foundat ion £m</b>	<b>Total £m</b>
<b><u>Funding to progress to the next gateway</u></b>						
London Wall Car Park Joints and Waterproofing GW5 phase 1	GW5	OSPR	0.783			0.783
BEMS Upgrade Project – Phase 1, Stage3:	GW5		0.287	0.220		0.507
Central Criminal Court – Cell Area Ducting and Extract System Balancing	GW5		1.780			1.780
Future of London Metropolitan Archives	GW3		0.150			0.150
St. Paul's Gyrotory Transformation Project – Phase 1	GWC	OSPR	0.110			0.110
PSTN Replacement	GW2		0.158	0.092		0.250
Corporate Device Replacement	GW1-GW5		0.140	0.092	0.018	0.250
Audio Visual Equipment	GW1-GW5		0.082	0.055	0.003	0.140
			3.490	0.459	0.021	3.970

9. Further details of the individual schemes are provided in Appendix 2 attached.
10. In accordance with step two of the capital funding mechanism, Members will wish to confirm that these schemes remain a priority for funding to be released at this time particularly in the context of the current financial climate.
11. Funding for these schemes can be met from the provisions set aside from City Fund £3.490m, £0.459m City Estate and £0.021m City Bridge Foundation.

## Conclusion

12. Members are requested to:

- 1) review the above and consider in the context of the completion of the capital review and the current financial climate their continued support for the schemes requesting internal resources to proceed, and;

2) Approve the associated release of funding in Table 1.

3) Agree release of City Fund Contingency

### **Appendices**

Appendix 1 - Approved Bids

Appendix 2 - Requests for Release of Funding – Scheme Details

### **Background Papers**

**Yasin Razaq**

Capital & Projects Manager

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**Appendix 1**

<b>Project Name</b>	<b>City Fund £'m</b>	<b>City's Cash £'m</b>	<b>CBF £'m</b>	<b>Total Funding Allocation £'m</b>	<b>Release of Funding Previously agreed</b>	<b>Release of Funding now requested</b>
Barbican Replacement of Art Gallery Chiller	0.300	0.000	0.000	0.300	0.018	
Car Park - London Wall Joints and Waterproofing	2.000	0.000	0.000	2.000	-	0.783
Car Park - Hampstead Heath, East Heath Car Park Resurface	0.000	0.415	0.000	0.415	0.387	
Finsbury Circus Garden Re-instatement	2.558	0.000	0.000	2.558	2.542	
Guildhall event spaces - Audio & Visual replacement / upgrade	0.000	0.330	0.000	0.330	0.045	
Guildhall Yard - Refurbishment/ Replacement of Paviments	0.000	3.000	0.000	3.000	-	
I.T - Rationalisation of Financials, HR & Payroll Systems (ERP project)	2.654	2.949	0.295	5.898	0.682	
LMA : Replacement of Fire Alarm, Chillers and Landlords Lighting and Power	1.397	0.000	0.000	1.397	0.145	
Oracle Property Management System Replacement	0.713	0.380	0.058	1.151	1.150	
Structural - Lindsey Street Bridge Strengthening	5.000	0.000	0.000	5.000	0.030	
Structural - West Ham Park Playground Refurbishment	0.000	1.279	0.000	1.279	0.863	
Chingford Golf Course Development Project	0.000	0.075	0.000	0.075	-	
Secure City Programme	15.852	0.000	0.000	15.852	7.174	
Barbican Exhibition Halls	5.000	0.000	0.000	5.000	1.548	
Barbican Podium Waterproofing, Drainage and Landscaping Works (Ben Jonson, Breton & Cromwell Highwalk) Phase 2 – 1st Priority	13.827	0.000	0.000	13.827	2.417	
Guildhall - Great Hall - Internal Stonework Overhaul	0.000	2.000	0.000	2.000	1.740	
Guildhall - Installation of Public Address & Voice Alarm (PAVA) and lockdown system at the Guildhall (Security	0.930	0.495	0.075	1.500	0.118	
I.T - GDPR and Data Protection Compliance in addition saving money in being able to share and find information quickly	0.090	0.100	0.010	0.200	-	
Spitalfields Flats Fire Door Safety	0.146	0.000	0.000	0.146	-	

Project Name	City Fund £'m	City's Cash £'m	CBF £'m	Total Funding Allocation £'m	Release of Funding Previously agreed	Release of Funding now requested
Energy programme of lighting and M&E upgrade works (Phase 1)****	0.440	0.489	0.049	0.978	0.165	
SVY - BEMS Upgrade Project-CPG Estate – Phase 1***	0.707	0.430		1.137	0.626	0.507
SVY - Smithfield Condenser Pipework Replacement		0.564		0.564		
CHB - IT LAN Support to Replace Freedom Contract	0.096	0.043	0.011	0.150		
CHB - Libraries IT Refresh	0.220			0.220		
BBC - Barbican Centre - Catering Block Extraction	0.400			0.400	0.024	
DBE - Secure City Programme Year 2	4.739			4.739	1.700	
DCCS - Fire Doors Barbican Estate*	20.000			20.000	0.275	
SVY - St Lawrence Jewry Church - Essential works (Top-Up Funding)		2.565		2.565	2.136	
SVY - Denton Pier and Pontoon Overhaul Works	1.000			1.000	0.050	
DBE - Public Realm Security Programme	1.238			1.238	0.027	
DBE - Beech Street Transportation and Public Realm project (Top-Up Bid)	0.900			0.900	0.191	
MAN - Central Criminal Courts, Fire Safety and associated public address system (Top-up bid)	0.683			0.683		
MAN - Central Criminal Court Cell Area Ducting and Extract System Balancing	2.000			2.000	0.220	1.780
SVY - Riverbank House, Swan Lane - repairs to foreshore river defence	0.500			0.500	0.438	
GSMD - Guildhall School of Music & Drama Heating, Cooling & Ventilation		2.000		2.000	0.355	
GSMD - Guildhall School - Milton Court Correction of Mechanical Systems		0.600		0.600		
GSMD - Guildhall School - John Hosier Ventilation and Temperature Control		0.700		0.700		
SVY - Energy Reduction Programme – Phase 2	0.194	0.181		0.375		

Project Name	City Fund £'m	City's Cash £'m	CBF £'m	Total Funding Allocation £'m	Release of Funding Previously agreed	Release of Funding now requested
DBE - Public Realm (Pedestrian Priority)	6.050			6.050	6.034	
OSD - Climate Action Strategy		2.120		2.120	0.795	
DBE - Embed climate resilience measures into Public Realm works (Cool Streets and Greening)	6.800			6.800	6.422	
SVY -Energy Efficiency / Net Zero Carbon - Investment Estate - City Fund	4.340			4.340		
SVY - Climate Resilience Measures	4.000	0.000		4.000		
SVY - Climate Action Strategy Projects CPG Operational Properties	11.723	7.138	0.649	19.510	0.109	
Barbican and Golden Lane Healthy Streets	0.250			0.250	0.223	
BEMS Upgrade Phase 2 - Heathrow Animal Reception Centre and various OS sites at Epping	0.150	0.100	-	0.250	0.248	
Mansion House - essential roof repairs	-	0.330	-	0.330		
Guildhall School - Repairs to roof, expansion joint repairs and drainage and water systems	-	1.750	-	1.750		
Fire Safety - Baynard House Car Park Sprinklers Replacement (remaining floors)	0.250	-	-	0.250		
Central Criminal Court: Cells Ventilation - Top-Up bid to meet full scope of statutory requirements	1.000	-	-	1.000		
OS Epping Forest - COVID-19 Path Restoration Project	-	0.250	-	0.250		
Barbican Centre - Replacement of Central Battery Units for Emergency Lighting system	0.280	-	-	0.280		
Guildhall School - Rigging infrastructures in Milton Court Concert Hall	-	0.460	-	0.460		
Guildhall School - Safe technical access and working at height - Silk Street Theatre	-	0.345	-	0.345		

Project Name	City Fund £'m	City's Cash £'m	CBF £'m	Total Funding Allocation £'m	Release of Funding Previously agreed	Release of Funding now requested
Smithfield Market - Glass Canopy Overhaul	-	0.300	-	0.300		
Smithfield Market - East Poultry Avenue Canopy Repairs and Remedial Works	-	0.600	-	0.600		
Smithfield Car Park - Ceiling Coating and Damp Works		1.050		1.050		
Beech Street Transportation and Public Realm project top-up	2.500	-	-	2.500		
DCCS - Social Care Case Management System	0.144	-	-	0.144		
Secure City Programme - Year 3	8.936	-	-	8.936	0.400	
Guildhall Complex Masterplan - Redevelopment of North and West Wing Offices (top-up)		1.150		1.150	0.250	
St Paul's Cathedral External Re-lighting	1.160	-	-	1.160	0.665	
St. Paul's Gyratory Transformation Project	13.900			13.900	2.116	0.11
Corporate Device Stock Replacement	0.140	0.092	0.018	0.250		0.250
Network Contract - Support and Refresh	2.338	1.468	0.400	4.205	0.535	
Audio Visual Equipment	0.082	0.055	0.003	0.140		0.140
Public Switched Telephone Network (PSTN) Replacement	1.375	0.925	0.200	2.500		0.25
Future of London Metropolitan Archives(Finance Contingency)	0.150			0.150		0.150
	174.305	48.439	2.441	249.72	100.35	3.970

## Appendix 2

### Requests for Release of Funding – Scheme Details

The following provides details of the eight schemes for which approval to release funding of £3.97m is now sought, as summarised in Table 1 of the main report.

#### London Wall Car Park Joints and Waterproofing GW5 phase 1 £783k

This project is required to carry out essential waterproofing and repair works to the highway structure for the London Wall Car Park.

The total estimate for the project is £2.62m, as per the MTFP.

The drawdown requested for GW5 is £783k (including provision) taking the overall budget for phase 1 to £949k.

The remaining funding will be used for phase 2 next year, the project is funded by OSPR.

#### BEMS Upgrade Project – Phase 1, Stage3: Guildhall East Wing, £507k

Building Energy Management Systems (BEMS) monitor and control the Heating, Ventilation and Air Conditioning (HVAC) systems, and other building systems across the Corporation. The BEMS is vital for ensuring the continuity and performance of building services, including their energy efficient operation. The stage 3 is the upgrade for the guildhall east wing.

There is an overall allocation of £1.13m, £0.626m has already been requested with the remaining amount of £0.507m being requested, £0.287m from city fund and £0.220m from City Estate

#### Central Criminal Court – Cell Area Ducting and Extract System Balancing, GW3-GW5, £1.78m

To carry out essential refurbishment of ducting and extract systems to custody areas (Lower Ground and Ground floor Mezz, including CAT A suite). The plant replacement project currently allows for only the air handling units but not the delivery systems. Integration of extract and ductwork with the new air handling units (AHUs) will provide a functional cooling and ventilation system.

The total amount required is £1.78m to complete through to GW5, with £0.22m requested previously, taking the total budget including risk to £2m

This is funded through City fund reserves.

### Future of London Metropolitan Archives, GW3,£150K

Project pertaining to exploring the options for the future London Metropolitan Archives (LMA), in terms of a viable long term business model and respective future premises options in order to maintain the City of London's statutory obligation to house public record archives, existing legal contractual commitments and enable archive growth.

This project is a pre-feasibility stage to gather intelligence and data in order to inform the scope of options. £150,000 (including £10k costed risk provision) of funding was secured from Finance Committee's Contingency to progress this work at Finance Committee on 7 May 2024.

### St. Paul's Gyratory Transformation Project – Phase 1, GW4C £110k

The project aims to transform the streets and public realm between the old Museum of London site and St. Paul's Underground station through the partial removal of the 1970's gyratory.

The project is split into two phases. Phase 1 covers the project area to the south of the rotunda roundabout. Phase 2 focuses on highway changes on the roundabout and is linked to the Museum of London/Bastion House redevelopment.

This is funded through, S106, CIL and OSPR.

The estimate for phase 1 of the project is up to £17m, this request is for £110k OSPR funding for soft landscaping works.

### PSTN Replacement, GW2,250K

By 31 January 2027, the Public Switched Telephone Network (PSTN) and the Integrated Services Digital Network (ISDN) will be switched off for good and must be replaced by an IP (Internet Protocol) fibre-based network and infrastructure. The City of London Corporation also relies on MPF technologies (metallic path facilities) for the majority of its business connections. Although the deadline for MPF to IP migrations is 2030, the project will aim to migrate these connections by 2027 to ensure a smooth transition to all IP services.

There was £2.5m approved as part of 24/25 new bids process for this scheme, this request is for drawdown of initial £250k, this is funded with £158k from City Fund, £92k from City Estate.

There will be a contribution from CBF but that figure is still being agreed.

The project will engage a consultant to conduct a thorough audit of analogue connections. This will help us identify necessary actions, provide an estimation of costs related to the transition and plan the next steps accordingly.

### Corporate Device Replacement, GW1-5,250k

The incremental replacement of corporate devices is required as they become faulty, damaged or out of support is deemed to be very low risk as this is a known technology, which has been in operation for several years.

This is a three-year programme for a total £750k, but only the 24/25 element of £250K has been approved through the budget setting process by Court of Common Council in March 24.

Prior to completing the final two years more funding will need to be confirmed, as the project has a rolling contract.

This request is for drawdown of £250k, this is funded with £140k from City Fund, 92k from City Estate and £18k from CBF.

### Audio Visual Equipment GW1-5,140k

The project is for the ongoing replacement of existing Audio-Visual Equipment hardware across Corporate Meeting Rooms and Committee Rooms.

This request is for drawdown of £140k, this is funded with £82k from City Fund, £55k from City Estate and £3k from CBF.

**11/07/2024 P&R Delegated (for RASC)**

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# Agenda Item 5

<b>Committee(s):</b> Priorities Board - for Decision Resource Allocation Sub-Committee Policy and Resources Committee Planning and Transportation Committee	<b>Dated:</b> 11 June 2024 11 July 2024 11 July 2024 23 July 2024
<b>Subject:</b> CIL allocation process and potential CIL rates review	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	This report would address all six outcomes of the Corporate Plan
<b>Does this proposal require extra revenue and/or capital spending?</b>	Yes
<b>If so, how much?</b>	Around £120,000 annual staffing costs for two years
<b>What is the source of Funding?</b>	CIL administration costs
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	Yes
<b>Report of: Joint report</b> Bob Roberts, Executive Director Environment Department and Caroline Al-Beyerty, Chamberlain	<b>For Decision</b>
<b>Report author:</b> Rob McNicol, Assistant Director – planning policy and strategy and Sonia Virdee, Financial Services Director	

## Summary

Community Infrastructure Levy is used to help fund the infrastructure that is necessary to deliver the growth of the Square Mile.

To realise the aims of the City Plan, the City Corporation’s vision for growth, a significant number of infrastructure projects will need to be delivered. While funding will come from a variety of sources, Community Infrastructure Levy (CIL) will continue to play an important role. Funding for future infrastructure projects would significantly outstrip the CIL surplus currently forecast for the next five years.

There is therefore a need to undertake a series of actions that would reduce allocation of CIL in the short term, establish a clearer medium and long term picture of infrastructure needs, and establish the potential for, and – subject to decisions – begin the process of, a review of CIL rates and other planning obligations.

To achieve this, two new roles within the planning division will need to be created, funded by CIL and s106 administration charges, working closely with Chamberlains and other City Corporation teams.

## **Recommendations**

Members of Resource Allocation Sub Committee, Policy and Resources Committee and Planning and Transportation Committee are asked to approve the following recommendations, supported by the Priorities Board:

- Temporarily limit the quarterly allocation of CIL to those projects that are 'critical' for supporting the City's development needs
- Refresh the City Corporation's Infrastructure Delivery Plan
- Bring in more specific assessments to inform prioritising infrastructure projects funded by CIL
- More widely publicise how CIL and other developer contributions are being used for public benefit
- Undertake a review of CIL rates and the Planning Obligations SPD
- Put in place robust mechanisms for collecting and spending developer contributions related to biodiversity net gain and cultural infrastructure

## **Main report**

### **Background**

1. Legislation requires CIL to be spent on infrastructure that is necessary to support the development of the area. The City Corporation's local plan sets out the vision for the future development of the Square Mile. It is supported by an Infrastructure Delivery Plan that sets out the infrastructure needs to make that vision a reality. A new local plan (City Plan 2040) is being developed and will undergo public examination later in 2024. An Infrastructure Delivery Plan has been developed to support the City Plan but requires refreshing to ensure it is fully up to date.
2. At Policy and Resources Committee on 20 April 2023, Members approved a refreshed process for allocating CIL to infrastructure projects. A substantial amount of unspent CIL had been accumulated, and the new process was designed to ensure that CIL was being allocated in a timely manner.

### **Current situation**

3. Financial forecasts show that the CIL that had been accumulated has now been substantially spent or allocated, and new allocations are being assigned against potential future income in future years. If agreed, the new CIL bids recommended to be allocated in this quarter of £14.41m would result in a maximum unallocated balance still available this financial year 2024/25 of £14.397m, rising to £38.357m in 2028/29. While this is expected to replenish in future years as development comes forward, it is significantly less than the potential infrastructure funding requirements for the Square Mile over the coming years of between £110m and £165m (see paragraph 7 and appendix 1).

	Prior Years Actual/ Approved £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000	2027/28 Forecast £'000	2028/29 Forecast £'000	TOTAL £'000
TOTAL INCOME (80% CIL - General Pot)	(78,152)	(12,108)	(10,700)	(11,083)	(11,480)	(11,891)	(135,416)
TOTAL OF CAPITAL, SRP	60,199	15,664	6,246	5,450	4,300	5,200	97,059
DEFICIT/(SURPLUS) Brought Forward @ 1st April		(17,953)	(14,397)	(18,852)	(24,485)	(31,665)	(38,357)
DEFICIT/(SURPLUS) Carried Forward @ 31st March	<b>(17,953)</b>	<b>(14,397)</b>	<b>(18,852)</b>	<b>(24,485)</b>	<b>(31,665)</b>	<b>(38,357)</b>	

4. The On Street Parking Reserve, which has been used to fund a range of projects alongside CIL, is no longer available as a significant source of further funding for infrastructure projects, because of both its tighter ringfencing criteria than CIL, and as it is also now almost fully committed in the medium term.
5. There are a wide range of infrastructure projects that will be required to realise the objectives of the City Plan 2040. While different funding sources will be required, CIL (and other developer contributions, s106, s278, carbon offsetting and on-site delivery) will have an important role to play.
6. Appendix 1 to this report sets out a selection of the significant infrastructure requirements that the City may need over coming years to realise City Plan 2040, which may need to be funded (in part or full) from CIL. The list has been informed by internal discussions and work on the Infrastructure Delivery Plan. It is not exhaustive and neither does it guarantee that any of these projects would get CIL funding. Instead, it is meant simply to make clear that in coming years there is likely to be a significant funding gap for a wide variety of projects, and fully funding these from CIL as things currently stand would not be feasible.
7. Overall, the costs for this infrastructure could range from £110m to upwards of £165m over the next five years – and could be significantly higher depending on whether the full costs of major capital projects are included. Further longer-term projects could also increase this figure significantly.
8. While an upward CIL review (see below) would assist in funding the infrastructure requirements for the City, it is highly unlikely that CIL rates would be able to be raised to a sufficient level that would cover all infrastructure projects without making development in the City unviable.

## **Proposed way forward**

9. Given the likely costs for infrastructure, and the likely shortfall even with a CIL review, there is the need to identify a more comprehensive overview of the potential infrastructure requirements for the Square Mile through a refresh of the Infrastructure Delivery Plan, and to develop clear criteria and processes for the prioritisation of these infrastructure projects. This will enable the Priorities Board and Members to decide funding priorities and the appropriate portfolio of infrastructure projects that should be pursued to best realise the growth vision set out in the City Plan 2040.
10. This process would be undertaken in partnership between the planning division and Chamberlains. For the planning division it would involve discussions with spending departments (including City Police) and key external partners (such as the NHS) as to their medium and longer-term infrastructure plans, to inform a refreshed Infrastructure Delivery Plan. The development of prioritisation criteria would be informed by reviews of the City Plan, Corporate Plan, Transport Strategy, and other City Corporation strategies; through benchmarking and review of other local authority approaches; and through review of established criteria such as those used for capital projects. With the Chamberlain advising on the use of Reserves.
11. It is envisaged that this approach would require agreement by the Planning and Transportation Committee, Resource Allocation Sub-Committee and Policy and Resources Committee. Revised prioritisation would be brought to committees in the autumn and a refreshed IDP produced by the end of 2024.

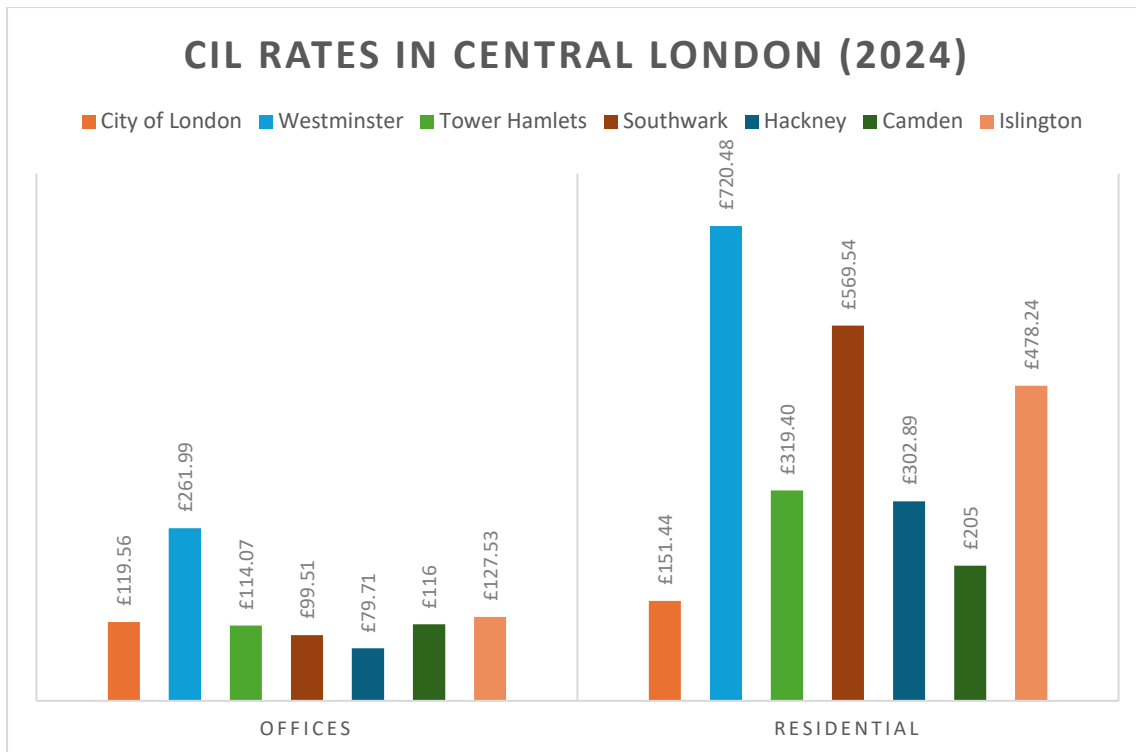
## **CIL and Planning Obligations Review**

12. The City's CIL charging schedule (which sets the rates per square metre) was brought into effect in 2014 and is increased in line with the RICS CIL index<sup>1</sup>. The rates have not been reviewed since they were introduced. The chart below sets out the comparative rates of the City and central London boroughs.<sup>2</sup> These rates reflect adjustments for inflation and are the current rates for 2024.

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<sup>1</sup> This is based on the all-in tender price index, prepared by the Building Costs Information Service (BCIS)

<sup>2</sup> Central London boroughs tend to have different rates in different parts of the borough, broadly reflecting development values. The rates in the chart are for those areas most similar and closest to the Square Mile; rates in other parts of these boroughs tend to be lower, especially for offices.



13. The rate for office development is similar to the majority of central London, except for Westminster, which charges a substantially higher rate for offices in the West End, St James/Westminster and Mayfair areas.
14. The City has the lowest CIL rate for residential development of comparable central London areas – though comparatively little CIL income comes from residential development in the Square Mile given the limited amount of new housing delivered here. As part of a CIL rates review, all uses – including residential, hotel, retail and offices, as well as others – would be in the scope of the exercise.
15. Reviewing CIL rates has positives and negatives. On the positive side, it could generate greater CIL receipts for the City Corporation to fund infrastructure. However, this is not necessarily a given; if CIL rates are set too high this could potentially make development unviable or put off developers and investors, leading to them develop elsewhere.
16. Before any review is formally undertaken, research would need to be carried out to establish likely impacts on viability, investor sentiment, market impact, and potential CIL income.
17. The table below sets out the potential uplift in CIL income in a range of scenarios. These are theoretical and assume that increases in CIL rates would not affect the level of construction in the City, and that the City does not experience the impact of wider economic factors that could lead to reductions in development (such as a major economic downturn). A ten year baseline has been used, based on

forecast income over the next five years 2024/25 to 2028/29. Any increase in CIL rates would of course be likely to continue to generate additional income beyond this timeframe.

City CIL ten year income baseline	Percentage increase	Additional City CIL income	City CIL five year income with uplift
£118m	10%	£11.8m	£129.8m
	20%	£23.6m	£141.6m
	40%	£47.2m	£165.2m
	100%	£118.0m	£236.0m

18. Any review of CIL rates would be likely to take 18 months from commencement, depending on the level of objection, internal resource, and capacity of the Planning Inspectorate to undertake an Examination in Public.

19. Alongside CIL, development also contributes planning obligations that are secured through section 106 agreements. Requirements for these are set out in the City Plan 2040 and detailed in a Planning Obligations Supplementary Planning Document. To ensure a clear and holistic approach, a review of the SPD should be carried out alongside the review of CIL rates. This would take a similar amount of time and once adopted would be a material consideration in the determination of planning applications.

## **Risks and sensitivities**

### CIL reform

20. Through the Levelling Up and Regeneration Act, the Government have legislated for significant reforms to the CIL setting and collection process. If the significant reforms in the LURA are implemented, this could mean that a CIL charging schedule review could get overtaken by the reforms and require the City Corporation to start again with a new charging schedule under the reformed approach.

21. These reforms have not yet come into effect, and the calling of the election for early July means that they may never be brought about. The Labour party have proposed less significant reforms that would be more of an evolution of the current system.

### Investor confidence

22. Development and investment in the built environment have faced turbulent times in recent years, with substantial increases in materials and labour costs and shortages, uncertainty borne of political interference in the planning system, and wider shocks from macroeconomic shifts, international relations and conflict. These headwinds have reduced investment appetite and it will be important that

any CIL review does not send an overtly negative message, suggesting that the City is no longer 'open for business'. Development under construction in the City has fallen from a high of over 1 million sqm (gross) office floorspace in the years 2014/15 to 2017/18, to an under construction figure of around 500,000 sqm (gross) in 2022/23 (the most recent year for which data is available). There is still significant demand for additional office floorspace in the Square Mile, and confidence that wider factors are beginning to ease as inflation stabilises. These factors, and the progress made on the City Plan 2040, suggest that this would be an appropriate time to begin a CIL review.

#### Securing developer buy-in and public endorsement

23. The development industry would prefer to see CIL being used to fund public realm enhancements that would help to improve the environment around their sites and make the City more attractive to office occupiers and workers.
24. More widely, there is a lack of public awareness of the contribution made by development to the local area through CIL.
25. To mitigate these issues the City Corporation should develop and publish a robust prioritisation method for infrastructure projects as part of the Infrastructure Delivery Plan, and regularly publicise the benefits of CIL-funded infrastructure projects.

#### **Alternative options**

##### Alternative 1: status quo

26. Over the past 18 months, substantial sums of CIL have been allocated to infrastructure projects. If this is continued it is highly likely that all forecast CIL income could be fully allocated in the next 6-9 months, leaving none available in the medium term for other infrastructure projects.
27. This 'first come first served' approach is not suitable for long-term infrastructure planning where there is insufficient income to fund all projects. Instead, careful consideration of the trade-offs and priorities of different projects will be required.

##### Alternative 2: undertake CIL rates review only

28. While an upward review of CIL rates to bring in more funding could be taken forward on its own, this is likely to be strongly resisted by the development sector and could be unsuccessful at examination without a clear forward-looking plan that sets out the funding requirements and priorities for spending. The development sector will also be keen to see that CIL could be used to fund the types of infrastructure projects (largely public realm improvements) that in their view would more directly benefit their investments.

## Implementation

29. Coordinating, planning and managing the processes and systems around developer-funded infrastructure projects is increasingly complex and requires sufficient expertise and resources. To facilitate this, the planning division intend to recruit two roles to undertake and oversee this work. They will focus on:

- Managing processes for allocating funding from CIL
- Reviewing CIL rates and the Planning Obligations SPD
- Implementing new processes for collection/distribution/monitoring of new funding streams, including cultural funding and biodiversity offsetting
- Keeping the Infrastructure Delivery Plan up to date and feeding into CIL allocation processes, liaising internally with Chamberlains and spending departments
- Publicising how the City Corporation’s infrastructure spending is supporting the development of the Square Mile.

30. The table below sets out likely timescales for the activities proposed in this report.

	Q1 (Apr- Jun) 2024	Q2 (Jul- Sep) 2024	Q3 (Oct- Dec) 2024	Q4 (Jan- Mar) 2025	Q1 (Apr- Jun) 2025	Q2 (Jul- Sep) 2025	Q3 (Oct- Dec) 2025	Q4 (Jan- Mar) 2026
Recruitment to two infrastructure coordination roles								
Review IDP								
Develop prioritisation schema for CIL funded projects								
Review CIL allocation process								
Scoping CIL/planning obligations reviews								
Develop publicity strategy								
Develop collecting/spending approaches to BNG and culture								
CIL charging schedule review								
Planning obligations SPD review								

## Corporate & Strategic Implications

Strategic implications – The provision of infrastructure is crucial for the delivery the Corporate Plan, City Plan 2040, Transport Strategy, Climate Action Strategy, the Destination



City initiative, the Utilities Infrastructure Strategy, and numerous other City Corporation strategies. Numerous major projects by the City Corporation that are underway will be delivering infrastructure for the Square Mile. The approach outlined in this paper will provide decision-makers with a clear overview of the City's infrastructure requirements, facilitate strategic decision-making and prioritisation of CIL funding, and could lead to greater CIL receipts to assist in the funding of infrastructure.

Financial implications – This paper proposes the creation of two new roles, funded through the CIL administration pot, on a two year fixed term basis. Refreshing the IDP and establishing a new prioritisation process would not require further funding. Reviewing CIL rates would require significant further funding – potentially around £250,000 – for the development of evidence and the conducting of an Examination in Public. A decision whether to undertake a CIL review, and therefore to incur these costs, would only be taken following further scoping work in Q2. These costs would be met from the 5% CIL administration fund.

A review of CIL rates could lead to greater CIL receipts to assist in the funding of infrastructure, though any review would require scoping and clear justification, as well as independent examination.

Resource implications – Two roles would be created to oversee and undertake the work set out in this paper. There would be further requirements for oversight of the process by senior officers in Planning and Chamberlains, and to a lesser extent input from spending departments. These can be resourced from existing staffing.

Legal implications – The expenditure and collection of CIL, and reviews of CIL rates, are governed by legislation and regulations, which will be adhered to throughout.

Risk implications – There are no strategic risks that would be affected by the proposals.

Equalities implications – Reviews of the CIL rates, Infrastructure Delivery Plan and CIL allocation process will be informed by equality impact assessment, helping to ensure that the funding of infrastructure takes account of the Public Sector Equality Duty.

Climate implications – The provision of infrastructure for the City is crucial in ensuring that development is sustainable. The review of the Infrastructure Delivery Plan will be informed by the objectives of the Climate Action Strategy. Climate implications can also inform a refreshed CIL funding prioritisation process and criteria.

Security implications – CIL has been used to fund projects that improve the safety and security of the Square Mile. Ongoing security infrastructure requirements will inform the update of the Infrastructure Delivery Plan.

## **Conclusion**

The use of Community Infrastructure Levy to fund infrastructure for the Square Mile is a vital aspect of delivering the growth envisaged by the City Plan 2040. To ensure CIL continues to be used in the most appropriate way, it is necessary to refresh the City Corporation's Infrastructure Delivery Plan and to establish robust criteria for the allocation of CIL to the infrastructure projects the IDP identifies. Alongside this, the potential to review CIL rates could lead to increases in future CIL income from

development, although this is not a foregone conclusion and will need to be carefully undertaken.

This report recommends a series of steps that could lead to a more proactive and forward-looking approach to the funding of infrastructure in the Square Mile from development, and would help to ensure the City Corporation's stakeholders can better appreciate how the growth of the Square Mile is transforming the City for the benefit of all.

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Financial Services Director

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## Appendix 1

This appendix sets out a selection of the significant infrastructure requirements that the City may need over the next five years or so to realise City Plan 2040, which may need to be funded (in part or full) from CIL. The list has been informed by internal discussions and work on the Infrastructure Delivery Plan. It is not exhaustive and neither does it guarantee that any of these projects would get CIL funding. Instead it is meant simply to make clear that in coming years there is likely to be a significant funding gap for a wide variety of projects, and fully funding these from CIL as things currently stand would not be feasible. Amounts set out are very high level estimates based on initial discussions or – in some cases – more detailed project specific work. They are highly likely to change over time but are presented simply to give ballpark figures for potential overall infrastructure costs.

### Streets and public realm

The City Corporation have plans or work underway on eight Healthy Streets Plans, which will lead to major improvements to the City's streets and public spaces. While funding is identified for some of these, there are others that will require further funding.

- Bunhill, Barbican and Golden Lane
- Bank and Guildhall
- Fleet Street Area (subject to a CIL bid this quarter, covering Fleet Street. Wider parts of the area would require additional funding)
- Riverside
- Fenchurch Street
- City Cluster (CIL funding already allocated)
- Aldgate, Tower and Portsoken
- Liverpool Street

Potential costs: £50 million to £70 million

### Energy, heat and utilities

The City's CAS is funding the development of a Local Area Energy Plan. However, to bring about the creation and expansion of heat/cooling networks and investment into energy generation (eg solar PV on rooftops) will require substantial investment and feasibility funding (as well as major private sector investment). This includes:

- Investment in delivery of heating/cooling networks
- Delivery funding for solar PV
- Energy centres, substations and other energy infrastructure

Potential costs: £5 million to £15 million

## Climate resilience

CAS funding will cover a range of interventions but further work is likely to be required over the medium and longer term, particularly if extreme weather conditions exceed current forecasts.

- Flood defence works for challenging locations
- Biodiversity enhancement (potentially funded through BNG offsetting)
- Enhanced sustainable drainage and planting

Potential costs: £20 million to £30 million

## Social infrastructure

While specific projects haven't yet been identified, a number of social infrastructure deficiencies have been flagged as the City Plan has been developed, which may require additional funding including:

- Public toilets (especially running costs)
- Sports and play space
- Health provision (eg expanded GP or multi-use spaces)
- Faith spaces (eg multi-faith centre)

Potential costs: £15 million to £20 million

## Destination City

Cultural infrastructure will be key to realising the Destination City initiative. Development sites will contribute through on-site provision, in line with new City Plan 2040 policies, and potentially through off-site contributions. However, there are further projects and cultural investment that may be required to fully realise the vision. This includes major City Corporation (and partner) projects as well as potential support for existing and forthcoming City institutions, eg:

- London Museum (CIL has contributed c. £44m already)
- Barbican renewal programme (including exhibition halls, wayfinding and conservatory)
- Bishopsgate Institute
- Migration Museum
- Dr Johnson's House
- Investment in heritage and archaeological sites, to facilitate public access

Enhanced wayfinding is also frequently identified as a priority to realise Destination City and help make the City more welcoming for all.

Potential costs £20 million to £30 million (total costs for major projects such as the London Museum and Barbican renewal would significantly outstrip these amounts.)

# Agenda Item 6

<b>Committee(s):</b> Resource Allocation Sub Committee - For Decision / Recommendations Policy and Resources Committee- For Decision	<b>Dated:</b> 11/07/2024  11/07/2024
<b>Subject:</b> CIL and OSPR Capital Bids (Quarter 1 - 2024/25)	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	These bids span all 6 outcomes of the Corporate Plan
<b>Does this proposal require extra revenue and/or capital spending?</b>	Yes - subject to decisions agreed, ring-fenced monies held will be committed to future approvals
<b>If so, how much?</b>	up to £14.41m CIL and £2.58m OSPR
<b>What is the source of Funding?</b>	City Fund (including CIL and OSPR)
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>Yes</b>
<b>Report of:</b> Bob Roberts, Executive Director Environment Department & Caroline Al-Beyerty, Chamberlain  <b>Report authors:</b> Chhaya Patel – Principal planning Officer, City Development and Investment Unit Yasin Razaaq, Capital and Project Manager, Chamberlains	<b>For Decision</b>

## Summary

The Priorities Board met on 11<sup>th</sup> June 2024 to consider bids for allocation from the City's Community Infrastructure Levy (CIL) and On-Street Parking Reserve (OSPR).

Members are asked to consider the bids detailed in this report for allocation from the City's Community Infrastructure Levy (CIL) and On-Street Parking Reserves (OSPR). For CIL and OSPR funding within City Fund 6 bids were received, one bid did not satisfy the finding criteria. Five bids are summarised below (see paragraph 15, Table 3 for detailed programmes). Details of the bid of £2.4m for the Museum of London fabric improvement works were approval by Policy and Resources (22 Feb 2024); Finance Committee (under urgency) and Court of Common Council (7 March 2024) and are included in this report for information.

- **Transforming Fleet Street: £9,000,000 total form CIL** (£50,000 for financial year Q4 2024/25; £350,000 for financial year 2025/26; £1,400,000 for financial year

2026/27; £2,000,000 for financial year 2027/28; and £5,200,000 for financial year 2028/29).

- **Golden Lane Leisure Centre podium damage and repair: £750,000 from CIL** for financial year 2024/25.
- **Museum of London Highway Strengthening Works to Charterhouse Street: £4,660,000 from CIL** (£2,796,000 for financial year 2024/25; and £1,864,000 for financial year 2025/26).
- **Vision Zero Safer Streets: £2.4m from OSPR** (£115,000 for financial year 2024/25; £1,285,000 for financial year 2025/26; and £1,000,000 for financial year 2026/27).
- **Riverside Lighting Upgrade (Blackfriars Bridge to Tower of London): £180,000 (OSPR)** for financial year 2024/24.

These are put before the committee for consideration for funding in financial years 2024/25 to 2028/29 - The Priorities Board agreed to recommend all the projects listed.

Policy and Resources Committee to review the projects as recommended by priorities board against the CIL and OSPR funding priorities detailed in the body of the report, and to agree the funding recommendations of the Priorities Board.

### **Recommendation(s)**

Members of the Resource Allocation Sub Committee are asked to recommend to Policy and Resources Committee to:

- Agree to allocate £14.41m of CIL to transforming Fleet street, Golden Lane Leisure Centre podium damage repairs and Museum of London Highways Strengthening works on Charterhouse Street projects and £2.58m of OSPR to Vision Zero Safer Streets and Riverside Lighting Upgrade projects.
- Note that a CIL bid for the City of London School was received, which does not meet the criteria for allocating CIL.
- Note that the Museum bid of £2.4m has approval by Policy and Resources (22 Feb 2024); Finance Committee (under urgency) and Court of Common Council (7 March 2024).

## Main Report

### Background

#### CIL funding criteria and prioritisation

1. The Community Infrastructure Levy (CIL) Regulations 2010 require the City Corporation (as a CIL charging authority) to apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. National Planning Practice Guidance provides that “Local authorities must spend the levy on infrastructure needed to support the development of their area and they will decide what infrastructure is needed. The Levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support the development.”
2. “Infrastructure” is defined by Section 216 of the Planning Act 2008 to include:
  - roads and other transport facilities;
  - flood defences;
  - schools and other educational facilities;
  - medical facilities;
  - sporting and recreational facilities; and
  - open spaces.
3. CIL bids will therefore need to fund projects that are (a) a type of infrastructure, and (b) needed to support the wider development of the Square Mile. Projects are categorised into one of three priorities:

#### **Critical:**

Lack of infrastructure is a physical constraint to growth; development cannot come forward if the infrastructure is not provided.

#### **Essential:**

Development cannot come forward in a sustainable and acceptable way if the infrastructure is not provided.

#### **Important:**

Development can come forward if the infrastructure is not delivered, but some sustainability goals will need to be compromised and some adverse impacts accepted.

4. The project works themselves are not assessed in relation to the above criteria but whether the project is critical, essential, or important to support development of the area and development coming forward.
5. For OSPR funding bids will need to demonstrate that they meet one of the following criteria as set out in Section 55(3A) of the Road Traffic Regulation Act

1984 (as amended) and the London Local Authorities and Transport for London Act 2003:

- Revenue funding for highway and cleansing maintenance operations;
  - Investment in off-street car parks;
  - Projects which are aligned to the outcomes of the Transport Strategy, with additional priority given to projects necessary for the delivery of Vision Zero by reducing serious and fatal collisions and improve accessibility.
6. Recommended prioritisation of CIL/OSPR will also take account of the extent to which projects support delivery of other strategies and initiatives, including the Climate Action Strategy and Destination City.
  7. The Indicative costs of agreed schemes will then be incorporated into medium term financial plans (CBF: Financial Forecasts) to assess financial impact in context of each corporation fund.
  8. Any fully approved bids will be required to go through City of London Corporation's gateway process before progressing to the next stage.

### **Current Position**

9. As of 31<sup>st</sup> March 2024, the City held an opening balance of £17.953m in General City CIL (excluding Neighbourhood CIL 15% and Admin CIL 5%). Further CIL income of £57.264m is projected up to 2028/29 as shown in Table 1 below. Currently for 2024/25 onwards a further £22.45m has been committed to several approved schemes (including the Museum of London allocation of £2.4m listed in Table 3, approved by Court of Common Council) leaving an unallocated forecast balance of £52.767m.



**Table 1 - General CIL Financial Summary:**

	Prior Years Actual/Approved £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000	2027/28 Forecast £'000	2028/29 / Later Years Forecast £'000	TOTAL £'000
<b>TOTAL INCOME (80% CIL - General Pot)</b>	(78,152)	(12,108)	(10,700)	(11,083)	(11,480)	(11,891)	(135,416)
<b>TOTAL OF CAPITAL, SRP</b>	60,199	12,068	4,032	4,050	2,300	0	82,649
<b>DEFICIT/(SURPLUS) Brought Forward @1st April</b>		(17,953)	(17,993)	(24,662)	(31,695)	(40,875)	(52,767)
<b>DEFICIT/(SURPLUS) Carried Forward @ 31st March</b>	(17,953)	(17,993)	(24,662)	(31,695)	(40,875)	(52,767)	

10. As at 22<sup>nd</sup> May 2024, the City held an opening balance for 2024/25 of £58.6m in OSPR. Further OSPR surplus monies of £48.2m is projected up to 2028/29 as shown in Table 2 below. Currently for 2024/25 onwards, £94.7m has been committed to approved schemes, therefore unallocated sums of £12.1m (forecast until 2028/29) is available to be allocated to new schemes.

**Table 2 - OSPR Financial Summary:**

	2023/24 Actual £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000	2027/28 Forecast £'000	2028/29 Forecas t £'000	TOTAL £'000
<b>Expenditure</b> - salaries, enforcement contract, other running expenses	2,771	4,022	4,143	4,267	4,395	4,527	24,124
<b>Income</b> - PCN's, parking meters, suspended bays, dispensations	(12,991)	(13,099)	(13,492)	(13,897)	(14,314)	(14,743)	(82,535)
<b>NET REVENUE SURPLUS GENERATED IN YEAR</b>	(10,220)	(9,077)	(9,349)	(9,630)	(9,919)	(10,216)	(58,411)
<b>TOTAL OF CAPITAL, SRP &amp; REVENUE COMMITMENTS</b>	7,085	14,233	13,280	5,440	2,766	2,783	45,588
<b>TOTAL BIDS (AGREED BY PRIORITIES BOARD)</b>	725	14,789	10,467	7,271	3,597	4,216	41,064
<b>TOTAL CAPITAL BIDS &amp; MAJOR SCHEME DEPENDENCIES AND ON-HOLD</b>	0	2,638	5,145	2,300	5,797	0	15,880
<b>DEFICIT/(SURPLUS) Brought Forward @1st April</b>	(56,218)	(58,628)	(36,046)	(16,503)	(11,122)	(8,881)	
<b>DEFICIT/(SURPLUS) Carried Forward @ 31st March</b>	(58,628)	(36,046)	(16,503)	(11,122)	(8,881)	(12,098)	

11. It should be noted that these figures are based on projected future income levels and will need to be reviewed regularly. Additionally, the CIL and OSPR ring-fenced funds cannot move into a deficit position in any one financial year. Phasing of schemes will be crucial to avoid this happening. Officers are of the view that a sufficient contingency is retained unallocated across all years to minimise the risk

of a deficit position. A contingency in CIL funds of approximately £5m would be roughly equivalent to a 25% reduction in forecast CIL income for the next two consecutive years.

12. The Secretary of State for Transport issued a call for evidence on the 11<sup>th</sup> May 2024 to look at whether government should remove any suggestion there is a “profit motive” for local councils issuing penalty charge notices (PCNs) for contraventions of moving traffic restrictions. This would be done by requiring any surpluses that councils might generate from PCNs to be repaid to His Majesty’s Treasury after the costs of enforcement have been repaid. The call for evidence period began on 17 March 2024 and ran until 25 May 2024.
13. The loss of income is estimated to be in the region of £1.9m pa for the City, however, early assessment of offsetting enforcement costs is likely to be £1.76m, resulting in a net reduction in income of £154k if such a motion were to be passed. This net position is a potential drop in net funds available for the OSPR if central government decide to recoup from all London Boroughs.
14. This consultation was initiated by the Department for Transport at the request of HM Government prior to the call for a General Election. Officers will work with the DfT to understand whether this moves forward under a new government, and if it does, what changes to primary legislation will be required. The likely timescales suggest this is likely to be a risk to the OSPR in the medium to long term.

## **Options**

15. The project options for allocation of funding for CIL and OSPR are listed in table 3 below. Further details in relation to each bid is set out in Appendix 2.

**Table 3 – CIL and OSPR Project Bids - Quarter 3 (2023/24):**

Proposed Bid	CIL requested £m	OSPR requested £m	Funding Priority
For information only. Museum of London Fabric and infrastructure improvements (As approved by Policy and Resources Committee; Finance Committee; and the Court of Common Council)	(2.4)		CIL – Important
Transforming Fleet Street	9.0	-	CIL - Essential
Golden Lane Leisure Centre - Podium/drainage repair	0.75	-	CIL – Important
Museum of London/ General Market Highways strengthening works to Charterhouse Street	4.66	-	CIL – Important
Vision Zero Safer Streets	-	2.4	OSPR - highways or road improvement projects.
Riverside Lighting Upgrade (Blackfriars Bridge to Tower of London)	-	0.18	OSPR - highways or road improvement projects
<b>Total</b>	<b>£14.41 (Excluding MoL- £2.4 approval)</b>	<b>£2.58</b>	

## Proposals

### Museum of London – relocation programme (For Information only)

16. A bid for £2.4m of CIL has been submitted, following the approval by Policy and Resources (22 Feb 2024); Finance Committee (under urgency) and Court of Common Council (7 March 2024) of the allocation of CIL to facilitate acceleration of the relocation of the Museum. The bid sets out those aspects of the project relating to physical improvements to the fabric of the existing market buildings, against which the CIL funding could be specifically allocated. This sum is included here for information and has been factored into the allocations and totals of Tables 1 and 4 along with a previous bid of £44.60m approved in 2023.
17. Suitability for CIL funding: The museum of London is identified as a type of infrastructure which can be funded through CIL. The delivery of the new London Museum is part of the strategic vision for the future of the Smithfield area set out

in the City Plan 2040 and will assist in the stimulation of wider regeneration across the northeast of the City.

Funding priority (critical/essential /important): The project is identified as important. Wider development could come forward if the infrastructure were not delivered however, the project would ensure the sustainable development of the market buildings and support further development of the area.

#### Transforming Fleet Street

18. Over the next five years, the Fleet Street area is expected to see an increase in workers and pedestrians of over 25% as a direct result of the current increase in development activity (which will also generate significant CIL receipts). £9m of CIL funding is sought to deliver the transformation of the area with improvements to crowded footways, safe pedestrian crossings, improved cycling experience, public realm enhancements, on street loading facilities and amending the Police checkpoints on Fleet Street. External funding from the Fleet Street Quarter Business Improvement District is confirmed (£500k) subject to the success of this funding bid in addition to S278 agreements and associated funding from three major developments under construction. This is a key project for implementing the Fleet Street Area Healthy Streets Plan, adopted in November 2023. Further details can be found in Appendix 2.
19. Funding is sought to 2029/30 which is when we expect the developments currently being considered and making their way through the planning process to near completion.
20. Suitability for CIL funding: The enhancements proposed to the highway and public realm are a type of infrastructure. This infrastructure is also necessary to support development of the area, given the ongoing and projected increases in the number of workers in the area. The project is aligned with the Climate Action Strategy, improving climate resilience by introducing tree planting and sustainable drainage systems.
21. Funding priority (critical/essential/important): The project is identified as essential (development cannot come forward in a sustainable and acceptable way if the infrastructure proposed is not provided).

#### Golden Lane Leisure Centre (GLLC) – podium damage and drainage repair

22. £750k of CIL funding is sought for works to rectify damage to the podium above the leisure centre in the area indicated on the plan at Appendix 2. The work would involve repairs to the leaking podium and replace/repair of the drainage system. Details of the project and finances can be found in Appendix 2.

23. Members will be aware of the City's Sports Strategy and proposals for the future of GLLC. However, repair of the damaged podium is a necessity for the continued provision of leisure centre functions despite decisions on its future.
24. Suitability for CIL funding: Public leisure centres are a type of infrastructure. The City Corporation's CIL handling notes states that it is unlikely that projects seeking to maintain or repair existing infrastructure would be necessary to support wider development of the Square Mile. However, within the last 12 months planning permission has been granted for two major redevelopments for student accommodation and a further five consents have been granted for smaller scale residential developments. This increase in the residential population will increase the demand for leisure facilities in the City. Therefore, the proposed programme of work would ensure that the GLLC can continue to provide the appropriate level of service for users and supports development of the area.
25. Funding priority (critical/essential/important): The project is identified as important. Wider development could come forward if the infrastructure were not delivered; however, that development could lead to some minor adverse impacts if potential users of the leisure centre have to travel further afield or do not take advantage of the health and leisure opportunities that GLLC offers.

#### Museum of London – Highway Strengthening Works

26. Further to the allocation approved in 2023 for strengthening works (£3.50m) to west Smithfield and Charterhouse Street, a new bid of £4.66m has been received for highways strengthening works to Charterhouse Street (west) above the General market basement/ shared access road to stabilise deterioration of the structure. The project and finances are detailed in Appendix 2.
27. During the design, investigation and construction works to West Smithfield officers discovered that the Victorian brick arched highway lids over the General Market basement were structurally faulty and in far worse condition than previously envisaged. Major intervention is needed to strengthen the structures to take normal highway loads and provide a robust base on which to apply the comprehensive waterproofing solution. The previous CIL allocation provided for works to Charterhouse Street including the central carriageway and both north and south pavements. Additional funding is sought to continue these works to the northern pavement. It will be necessary to divert multiple utility cables, rebuild and strengthen the existing smoke vent which will necessitate strengthening the surrounding pavements.
28. Suitability for CIL funding: The museum of London is identified as a type of infrastructure which can be funded through CIL. However, the allocation is for works to strengthen the existing roads would not be necessary to support wider

development of the Square Mile but are necessary for the Museum development to be delivered.

29. Funding priority (critical/essential /important): The project is identified as important. Wider development could come forward if the infrastructure were not delivered however, the City has ambitious plans for the Museum of London relocation which is listed as an essential project in the City's Infrastructure Delivery Plan and listed in the City's Infrastructure Funding Statement. The Museum of London move to West Smithfield is a key component in the Destination City vision. It will act as the north-western gateway to Destination City, at the heart of the Culture Mile BID and will provide opportunities for investment for a range of uses.

#### City of London School

30. A bid for £3.5 million of CIL funding has been received for the City of London School, to contribute to a major improvement project for the school, which would deliver a new courtyard building, levelling out the courtyard and improvements to Peter's Hill entrance and a potential one storey extension to the fifth floor of the junior school building, including internal remodelling, and roof top terrace, alongside Catering/UKPN Upgrade Works package for the school building.
31. This bid is not recommended for approval for allocation as it does not meet the criteria of being a form of infrastructure that is necessary to support wider development of the Square Mile.
32. Suitability for CIL funding: The funding of the enhancement of the City of London School are not required to support wider development of the Square Mile. While the children of some City workers may attend the school, and the School has ties to the Square Mile and the City Corporation, the provision of school places at the City of London School doesn't facilitate wider development in the City, and there is no clear link between development (whether commercial or residential) in the City and the need for education at this specific school, particularly given its status as an independent fee-paying educational establishment. The City Corporation has a statutory obligation to support the City of London School. However, this does not override the statutory funding requirements for the types of projects to which CIL funding can be applied.

#### Vision Zero Safer Streets Programme

33. The Vision Zero Safer Streets Programme seeks £2.4 million of OSPR funding to investigate and deliver safer streets proposals at the ten priority locations identified in the Vision Zero Plan 2024–2028 (adopted February 2024) One additional site has been identified through recent injury collision data. The project prioritises locations with the highest collision and injury rates. See further detail of the project at Appendix 2.

34. This funding request relates to six locations listed in appendix 2. The principal outcome is to identify and deliver improvements to reduce the risk of fatal and serious collisions at these locations, contributing to the Transport Strategy ambition of zero people killed or seriously injured while travelling in the City by 2040. Secondary outcomes will include wider Healthy Streets improvements in support of the Transport Strategy and relevant Healthy Streets Plans, such as increased pedestrian priority and accessibility improvements. The project is identified as Priority 3 - Projects that support the outcomes of the Transport Strategy, with additional priority given to projects that would support the delivery of Vision Zero by reducing serious and fatal collisions and projects that would improve accessibility.

Riverside Lighting Upgrade (Blackfriars Bridge to Tower of London)

35. Riverside Lighting Upgrade (Blackfriars Bridge to Tower of London) project seeks OSPR funding of £180k to replace some of the light fixtures which are near the end of their serviceable life and install over 70 new lanterns that can accommodate the City's control units. The City of London's Lighting Strategy sought to use innovative lighting control systems and LED lighting units to better control its highway lighting, enabling the right level of light to be delivered in the right place at the right time.
36. As well as benefits to the public realm, there would be significant cost benefit savings in energy usage and maintenance costs over time. The cost of repairing or replacing the existing fixtures are considerable and over time replacement fittings will become more costly and difficult to source. Due to the Illuminated River scheme, Thames Tideway and other works along the river, the riverside lighting was deferred from the main programme of upgrade works. The project is identified as Priority 1 and 3 for Highway Cleansing and maintenance operations and would support the outcomes of the Transport strategy, Climate Action Strategy, the delivery of Vision Zero by reducing serious and fatal collisions and projects Destination City, improve accessibility and safety to an underused part of the Riverside. Further details of the funding criteria can be found in Appendix 1.

### **Financial Implications**

37. CIL general (excluding Neighbourhood CIL 15% and Admi CIL 5%) currently has forecast available funds of £52.767m up to 2028/29 (see Table 1). If all bids were to receive full funding requested of £14.41m, this would reduce the City CIL available balance to £38.357m for the period up to 2028/29. Table 4 provides a summary of the general CIL forecast with the spend profile of proposed bids factored in.

**Table 4 – Projection of Planned CIL Expenditure to be financed to 2028/29**

	Prior Years	2024/25	2025/26	2026/27	2027/28	2028/29 / Later Years	TOTAL
-	Actual/Approved £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	Forecast £'000	£'000
<b>TOTAL INCOME (80% CIL - General Pot)</b>	(78,152)	(12,108)	(10,700)	(11,083)	(11,480)	(11,891)	(135,416)
<b>TOTAL OF CAPITAL, SRP</b>	<b>60,199</b>	<b>15,664</b>	<b>6,246</b>	<b>5,450</b>	<b>4,300</b>	<b>5,200</b>	<b>97,059</b>
<b>DEFICIT/(SURPLUS) Brought Forward @ 1st April</b>		(17,953)	(14,397)	(18,852)	(24,485)	(31,665)	(38,357)
<b>DEFICIT/(SURPLUS) Carried Forward @ 31st March</b>	(17,953)	(14,397)	(18,852)	(24,485)	(31,665)	(38,357)	

( ) = income or in hand  
balance

38. OSPR currently has forecast available unallocated funds of £12.098m up to 2028/29. If all bids were to receive full funding requested (£2.58m), this would reduce the OSPR available balance to £9.518m for the period up to 2028/29.
39. It should be noted that these figures are based on future income levels that are projections and will need to be refined each year. Furthermore, the CIL and OSPR ring-fenced funds cannot move into a deficit position in any one year, so phasing of schemes will be crucial to avoid this happening.
40. Further City CIL (excluding Neighbourhood CIL 15% and Admin CIL 5%) confirmed to be received in this financial year (2024/25) is estimated to be £12.108m from developments that have commenced, and the CIL liability is due to be paid by 31<sup>st</sup> March 2025.

### **Legal implications**

41. The proposed projects have been considered against the criteria for the use of CIL and OSPR and the ranking of each is set out above. The OSPR bids are in accordance with the Road Traffic Regulation Act 1984 and the London Local Authorities and Transport for London Act 2003.
42. The CIL bid would comply with Section 216 of the Planning Act 2008 and Regulation 59 of the Community Infrastructure Levy Regulations 2010 as the CIL would be applied to the provision, improvement, replacement, operation or maintenance of infrastructure (as defined) to support the development of the City.
43. Consideration should also be given to the list published by the City Corporation under Regulation 121A(1)(a) which is the City's statement of the infrastructure



projects or types of infrastructure which the charging authority intends will be, or may be, wholly or partly funded by CIL (other than CIL to which regulation 59E or 59F applies). The City's list which was approved in May 2024 and consists of:

- Public Realm and Streets
  - Eastern Cluster Public Realm
  - Secure City Programme
  - Barbican and Golden Lane Healthy Streets Plan
  - Public Realm Security
  - St Paul's Gyratory
  - Sculpture in the City
  - Transforming Fleet Street
  
- Parks, Open Spaces and Recreation
  - Finsbury Circus Reinstatement
  - Museum of London - buildings and highway Infrastructure project
  
- Community Services
  - Golden Lane Community Centre
  - Barbican Library Refresh
  
- Infrastructure and Utilities
  - Citigen Energy Network Feasibility
  - Walbrook Wharf – Waste transfer station

44. The legislation does not prevent the funding of qualifying infrastructure, which is not on this list, however this list is likely to create an expectation that sufficient CIL will be retained to contribute to the infrastructure set out. The Infrastructure Funding Statement (IFS) is updated annually.

### **Risk Implications**

45. There are no risks associated with development in the City not being brought forward if the Critical and essential infrastructure projects are not progressed.

### **Equalities Impact**

46. There are no direct equalities implications associated with the proposals within this report. Individual projects can have a positive or negative impact on equalities and each project will undertake an Equalities Impact Assessment as part of the project procedure, so that the equalities implications of the decisions to progress the projects are fully understood.

## **Conclusion**

47. The guidance for allocating CIL firstly identifies if the type of project is infrastructure in accordance with Test 1 and Test 2 requires the board to consider if the infrastructure proposed is needed to support the development of the City. For CIL funding priorities projects are identified as Critical, Essential, or Important.
48. The requests for OSPR meet the funding priorities and are in accordance with the applicable legislation.
49. The Policy and Resources Committee are asked to identify to approve the allocation of CIL/OSPR funds as recommended by Priorities Board.

## **Appendices**

Appendix 1 – Funding Criteria

Appendix 2 – Detailed Bid Criteria

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## Appendix 1 - Funding Criteria

1. For all bids irrespective of funding sources, the Priorities Board will take account of the extent to which projects support delivery of the Corporation's strategies and initiatives, including the *'Climate Action Strategy - City of London'* and *'Destination City'*. Bids should set out how the project would support the relevant strategic objectives.

### CIL

2. The Community Infrastructure Levy Regulations 2010 require the City Corporation (as a CIL charging authority) to apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. National Planning Practice Guidance provides that "Local authorities must spend the levy on infrastructure needed to support the development of their area and they will decide what infrastructure is needed. The Levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support the development." "Infrastructure" is defined by Section 216 of the Planning Act 2008 to include (a) roads and other transport facilities; (b) flood defences; (c) schools and other educational facilities; (d) medical facilities; (e) sporting and recreational facilities; and (f) open spaces.
3. Priorities for CIL allocations are set out in the City Corporation's Infrastructure Delivery Plan - March 2024 (IDP) and are to be applied by the Priorities Board when recommending infrastructure projects.

The **CIL** funding priorities are categorised as follows:

- **Critical:**  
Lack of infrastructure is a physical constraint to growth; development cannot come forward if the infrastructure is not provided.
  - **Essential:**  
Development cannot come forward in a sustainable and acceptable way if the infrastructure is not provided.
  - **Important:**  
Development can come forward if the infrastructure is not delivered, but some sustainability goals will need to be compromised and some adverse impacts accepted.
4. There are therefore two main tests that any project needs to meet to be eligible for CIL.

**Test 1:** Is the project a type of infrastructure?

The national Planning Practice Guidance states that:

“The levy can be used to fund a wide range of infrastructure, including transport, flood defences, schools, hospitals, and other health and social care facilities (for further details, see section 216(2) of the Planning Act 2008, and CIL Regulation 59, as amended by the 2012 and 2013 Regulations). This definition allows the levy to be used to fund a very broad range of facilities such as play areas, open spaces, parks and green spaces, cultural and sports facilities, healthcare facilities, academies and free schools, district heating schemes and police stations and other community safety facilities.”

Infrastructure of the sort envisaged by the legislation would normally serve a clear public benefit rather than being a purely private concern. Commercial ventures – such as shopping centres or offices – would not normally be considered infrastructure (for the purposes of CIL). Private housing does not fall within the definition of infrastructure. The CIL legislation also prevents the use of CIL for affordable housing.

**Test 2:** Is the infrastructure needed to support the development of the area?

The national Planning Practice Guidance states that:

“Local authorities must spend the levy on infrastructure needed to support the development of their area.”

CIL-funded projects must therefore be necessary to support development of the area. This is a crucial test; CIL funding cannot be used to fund schemes that would not be necessary to support development. It is unlikely that projects that are seeking to maintain or repair existing infrastructure would meet this test.

This second test is reflected in the CIL funding priorities (see “CIL funding priorities”, above).

Note: both Test 1 and Test 2 must be met for any project that is seeking CIL funding.

## **OSPR**

5. On Street Parking Reserve has a very limited remit for allocation as set out in Section 55(3A) of the Road Traffic Regulation Act 1984 (as amended) and the London Local Authorities and Transport for London Act 2003 set out in the report.

The **OSPR** funding priorities are identified in legislation, which provides that any surplus not applied in the financial year may be carried forward. If it is not to be carried forward, it may be applied by the City for one or more of the following purposes: -

- a. making good to the City Fund any deficit charged to that Fund in the 4 years immediately preceding the financial year in question;
- b. meeting all or any part of the cost of the provision and maintenance by the City of off-street parking accommodation whether in the open or under cover;
- c. the making to other local authorities, or to other persons, of contributions towards the cost of the provision and maintenance by them, in the area of the local authority or elsewhere, of off-street parking accommodation whether in the open or under cover;
- d. if it appears to the City that provision in the City of further off-street parking accommodation is for the time being unnecessary or undesirable, for the following purposes, namely: -
  - meeting costs incurred, whether by the City or by some other person, in the provision or operation of, or of facilities for, public passenger transport services;
  - the purposes of a highway improvement project in the City;
  - meeting the costs incurred by the City in respect of the maintenance of roads at the public expense; and
  - for an “environmental improvement” in the City;
- e. Meeting all or any part of the cost of the doing by the City in its area of anything which facilitates the implementation of the Mayor’s Transport Strategy, being specified in that strategy as a purpose for which a surplus can be applied; and
- f. making contributions to other authorities, i.e. the other London Borough Councils and Transport for London, towards the cost of their doing things upon which the City in its area could incur expenditure upon under (a)-(e) above.

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## **Appendix 2 – Details of Bids**

### **CIL Bids**

#### **1. Transforming Fleet Street**

The Fleet Street area has generated a significant amount of CIL funding in recent years as a result of new developments. The stakeholder community have specifically requested that CIL contributions are used for the purpose of improving this key street.

There are currently three major developments on Fleet Street itself, Salisbury Square development the former Daily Express building and 65 Fleet Street. These developments alone are expected to bring a 25% increase in workers over the next five years. It is essential that Fleet Street is able to accommodate this projected increase in users through wider footways, safer pedestrian crossings, public realm improvements and greening. These improvements will provide a high-quality streetscape that is commensurate with the historic importance and iconic status of Fleet Street. This corridor is a key east - west vehicular and pedestrian route, connecting the City with London Borough of Westminster and nearby cultural destinations. The street is also an important royal and state processional route, and one of the key thoroughfares for the Lord Mayor Show. The street has been identified as a “Principal Shopping Centre” in the City Plan 2040. In initiating the ‘Transforming Fleet Street’ project at this stage, we will help support the regeneration of the street as a retail and leisure destination in line with the City Plan 2040, key area of change “Strategic Policy S22: Fleet Street and Ludgate”, Destination City and stakeholders’ aspirations.

The proposals for Fleet Street will seek to:

- Widen pavements to provide more space for people walking and wheeling on Fleet Street.
- Provide new and enhance existing crossings to improve safety and accessibility, reflect walking desire lines and respond to new developments which will create new destination points and walking routes within the area.
- Deliver wider public realm improvements along the length of the street including seating and planting. This will be evaluated through detailed Healthy Streets assessments of the street and junctions.
- Amending the City of London Police checkpoints on Fleet Street to explore narrowing the carriageway to provide more space for walking.
- Improve safety and feelings of safety for people cycling on Fleet Street.
- Improve and manage of on-street loading facilities.

Project Commencement – October 2024

To ensure the works are coordinated with developments currently under construction the evaluation and detailed design must be undertaken this year. This will ensure

construction works can be coordinated with the developments and their associated S278 highway works to limit costs and manage disruption across the area.

#### Project Completion – June 2030

The project is identified as essential: development cannot come forward in a sustainable and acceptable way if the infrastructure is not provided. These projects will provide essential transport and public realm infrastructure that is necessary to accommodate recent development and support future development of the area.

The project supports the following priorities:

Destination City initiative by providing an improved experience and safety along Fleet Street which will support local economic growth and sustain the high street in the future.

Transport Strategy outcomes – Great places to walk and spend time, efficient and effective use of the street space, improve accessibility, ensure the public space are safe and feel safe, improved cycling requirements, encourage walking to improve air quality.

Climate Action Strategy - improving climate resilience in the public realm, by introducing tree planting and sustainable urban drainage systems where feasible. The project will also reduce pollution and create a more pleasant walking environment through improved pedestrian priority which will deliver on the wider objectives of the Climate Action Strategy.

Corporate Plan (2024 - 2029) - delivering on “Flourishing Public Spaces”, "Dynamic Economic Growth" and “Vibrant Destination” outcomes.

A Gateway 1-2 report will be submitted in autumn 2024 if this funding bid is successful.

£500k external funding from the Fleet Street Quarter BID is confirmed subject to the success of this funding bid. S278 agreements and associated funding from at least 3 adjacent developments is likely to be achieved, subject to the initiation of the project in the autumn. This funding stream would be in addition to this CIL funding bid.

Project budget – £9,500,000 (£9.0m CIL, £500k Fleet Street Quarter BID)

Spend Profile:

2024/25: Q4 £50,000

2025/26 (£350,000): Q1 £50,000, Q2 £100,000, Q3 £100,000, Q4 £100,000

2026/27 (£1,400,000): Q1 £200,000, Q2 £200,000, Q3 £500,000, Q4 £500,000

2027/28 £2,000,000 Over Q1-Q4

2028/29 £2,000,000 Over Q1-Q4

2029/30 £3,200,000 Over Q1-Q4





the GLLC areas are addressed to ensure that the GLLC can continue to function whilst the housing sports strategy is developed.

GLLC is a valued community asset consisting of swimming pool, tennis courts, sports hall, fitness suite, treatment room and office. The service delivers sports opportunities in the community to key groups across the square mile, in addition to healthy lifestyle programmes to support improved health and wellbeing outcomes.

#### Project Deliverables:

The proposed programme of work will ensure that the GLLC can continue to function whilst the housing sports strategy is being finalised in consultation with residents and members to ensure the appropriate level of service is provided. It is anticipated that the cost for the full refurbishment of the GLLC will be in the region of £9.5 million therefore, funding sources will have to be resolved.

The proposed works to the podium, identified above, will include removing the slabs and application of material to prevent water ingress. The existing drains would be replaced.

The cost for this initial repair is £950,000 but DCCS would make a capital contribution of £200,000 reducing the CIL request to £750,000.

#### Service Outcomes Supported by the Development:

This initial repair will be the first stage in the redevelopment of the GLLC and will contribute towards the strategic outcomes of the Corporate Plan, DCCS business plan and Sports Strategy. The City's Sports strategy will inform the future leisure provision and investment in the square mile, and at Golden Lane Leisure Centre. The work to inform the investment options are being finalised and due to be presented to the Town Clerk and RASC subcommittee 5 July.

There are significant investment requirements if the GLLC is to remain open long term and the proposed works to the podium at Golden Lane are a requirement, regardless of the outcome of the investment options.

Project commencement – September 2024

Project completion – March 2025

The project supports the following priorities:

**Destination City:** The repairs would directly support the aspiration to 'Enhance the Square Mile's leisure offer to increase its appeal to existing and new audiences by creating a fun, inclusive, innovative and sustainable ecosystem'.

The project supports residents through the delivery of the DCCS Business Plan, Section 21.

The completion of the project, and subsequent delivery of a service from GLLC will ultimately provide commissioning opportunities for SMEs.

The programme of works will contribute towards the Sports Strategies, DCCS Business Plan aims and objectives, and work stream, as set out below:

Sports Strategy priorities: 1) INVEST in our sport and leisure facilities and 2) SUPPORT local community sport.

DCCS Business Plan aims and objectives: Safe, Potential, Independence and Choice, Health and Wellbeing, and Community.

DCCS Business Plan workstream: Securing an agreed medium-term strategy and associated investment for the delivery and management of the Golden Lane Leisure Centre.

The project is at gateway 1.

Project budget - £950,000 (£750,000 CIL, £200,000 Departmental Capital fund)

Spend Profile:

2024/25: Q3 - project management, fees and preliminary's £150,000

2024/25: Q3-Q4 Works £800,000

### **3. Museum of London / General Market – Fabric**

To facilitate the redevelopment of the General Market building, major improvements to the fabric and infrastructure are necessary to stabilise the existing structure. Improvements to the building and surrounding would provide a sound platform on which to build the new Museum of London building. The bid of £2.4m was approved by Policy and Resources (22 Feb 2024); Finance Committee (under urgency) and Court of Common Council (7 March 2024).

The Smithfield general market and poultry market sites provides an opportunity to locate the new London Museum close to Farringdon railway interchange and the Elizabeth Line station. The overall scheme will make a significant contribution to the regeneration of the Smithfield area which has seen little investment since market traders vacated the Poultry Market and General Market buildings. Recent redevelopment of the hospital and peripheral hospital buildings around Bartholomew Close have begun to increase the attractiveness of the area and with the relocation of the Museum of London to the Market site will provide an anchor for future regeneration of Smithfield.

Project Commencement – May 2024

Project Completion – January 2027

Outside the Gateway Approval Process  
GLA funding, Mol funding and Col funding

Project Budget – £2,400,000

Spend Profile:

2024/25 - £800,000 over Q1-Q4

2025/26 - £800,000 over Q1-Q4

2006/27 - £800,000 over Q1-Q4

#### **4. Museum of London – Highways Strengthening Works**

Infrastructure Improvements and Highways strengthening works to Charterhouse Street (west) above the General market basement / Shared access road to stabilise the major deterioration of the structure and fabric upgrading of the pavement structure on Charterhouse Street (north) to support the introduction of Pavements smoke vents.

Project Commencement – May 2024

Project Completion – May 2025

The CoL budget for the Museum of London programme currently allocated to City Fund is £197.25m. Additional funding is secured from the Greater London Authority (£70M), Museum of London (£70M) and Wider Museum budget (337M). The allocation of CIL would not constitute additional funding for the programme but would instead enable funds from the City Fund major projects reserve to be reallocated to Cyclical Works Programme forward plan under City Fund.

Outside the gateway approval process.

Project Budget - £4,660,000

Spend Profile:

2024/25 (£2,796,000): Q2 £1,176,650, Q3 £1,339,750, Q4 £279,600

2005/26 (£1,864,000): Q1 £1,106,750, Q2 £757,250

The New Museum of London move to West Smithfield is a key component in the Destination City vision and at the heart of the Culture Mile BID. The Museum is viewed as infrastructure and its relocation to this site would support development of the area and attract further investment regenerating the area in a manner consistent with the protection and enhancement of the historic environment. If this infrastructure (museum) is not provided and the works to facilitate the move were not carried out, we would see a further deterioration of the existing market buildings and the general area which could deter development to come forward in this area.

## **5. City of London School for Boys (Masterplan Phase 2, 3 and Catering)**

The school moved into the existing building on its current site in 1986. Facilities have changed little since, while pupil numbers have increased from 750 to 950. Development is essential to allow the school to grow and thrive - to maintain its success, develop its strengths and attract the best pupils and staff as the school looks to increase pupil numbers to 1,040 in the coming years.

### **Project Background**

A site masterplan was completed in Q1 2019 and identified the facilities needed, looking systematically at the options for development. This project relates to Masterplan Phases: 2: (new courtyard building, levelling out the courtyard and improvements to Peter's Hill entrance) and 3: (potential one storey extension to the fifth floor of the junior school building, including internal remodelling, and roof top terrace), and Catering/UKPN upgrade works package. The UKPN upgrade works are necessary for the school not for the wider area.

The current site is a physical constraint to growth. The only available option for the school to expand, to provide the required teaching facilities, is to increase its gross internal area, whilst providing roof-top external play space for pupil wellbeing. If CIL funding is not secured, it is likely that the school will be unable to deliver all areas which provide new teaching space and external roof-top play space for pupil wellbeing. The creation of a dedicated and purpose-built reception on Peter's Hill, alongside the current riverfront reception, makes the management of visitors and facilities use more practical and viable, including during the school day.

The creation of additional changing space would enable more significant out-of-hours usage for sports facilities such as the sports hall, the swimming pool, the gym and the astro-turf. The creation of additional multi-purpose space and more usable and versatile outdoor spaces would enable the site to be used for activities of a creative or cultural nature, placing the School as a central location of Culture Mile.

Project Commencement – Q2 2024

Project Completion – Q1 2026

The project supports the following priorities:

Climate action, Green City, Tech City and SME's - The project shall provide school roof-top play areas and green spaces, cultural and sports facilities. The project shall also engage SMEs through both the design and construction phases of project delivery. The project shall employ energy efficiency strategies using renewable technologies, including Photovoltaic panels and Air Source heat pumps where feasible.

The project is at gateway 5.

Project budget - £19.5m (£3.5m CIL)

Spend Profile:

TBC

## **OSPR Bids**

### **1. Vision Zero Safer Streets**

A programme to investigate and deliver safer streets proposals at the priority locations identified in the Vision Zero Plan 2023 - 2028 and one additional site identified through recent injury collision data. This funding request relates to six locations and are prioritised as follows:

1. Aldgate High Street (between Mansell Street and Fenchurch Street): £885k - Feasibility, Detailed Design & Delivery
2. Newgate Street (between Snow Hill and Warwick Lane): £1.015M - Feasibility, Detailed Design & Delivery
3. Ludgate Hill/Old Bailey: £425k - Feasibility, Detailed Design & Delivery
4. Fenchurch Street/Mincing Lane: £15k - Detailed Design & Delivery
5. Long Lane/Aldersgate Street/Beech Street: £25k – Feasibility
6. Holborn Circus: £35k – Feasibility

S278 and LIP funding is being used to progress the remaining five Vision Zero priority sites. These funding sources are not currently available for the locations above. If other funding sources become available, for example through an increase in the annual LIP allocation, then OSPR drawdown will be reduced accordingly. The two locations that are Feasibility only (priority 5 and 6) at this stage may be delivered as part of future projects under the relevant Healthy Streets Plans.

The principal outcome is to identify and deliver improvements to reduce the risk of fatal and serious collisions at these locations, contributing to the Transport Strategy ambition of zero people killed or seriously injured while travelling in the City by 2040. Secondary outcomes will include wider Healthy Streets improvements in support of the Transport Strategy, such as increased pedestrian priority and accessibility improvements.

All the projects within the programme are highways or road improvement projects. They also facilitate delivery of both the Mayor of London's and the City Corporation's Transport Strategies and will improve the appearance or amenity of roads.

The projects directly contribute to the delivery of Vision Zero by reducing road danger at collision hotspots identified in the Vision Zero Plan 2024-2028 as well as through recent injury collision data. The projects will also improve accessibility, for example be enhancing crossings, and will contribute to the delivery of several Transport Strategy outcomes as detailed below.

The primary Transport Strategy outcome for this programme is People using our streets and public spaces are safe and feel safe. The projects will apply Healthy Streets approach to maximise the potential for collision reduction measures to deliver wider against multiple other Transport Strategy Outcomes and Proposals, including:

Transport Strategy Outcomes:

- The Square Mile's Streets are great places to walk and spend time
- Street space is used more efficiently and effectively
- The Square Mile is accessible to all
- People using our streets and public spaces are safe and feel safe.
- More people choose to cycle.

Transport Strategy Proposals:

1: Embed the Healthy Streets Approach in transport Planning and delivery. This will be embedded in all relevant projects.

2: Put the needs of people walking and first when designing. People walking and wheeling will be considered first in all the projects.

8: Incorporates more greenery into the City's streets. Opportunities to incorporate greenery will be sought in all relevant the projects.

11: Take a proactive approach to reducing motor traffic. To ensure the maximum outcomes, some schemes will take a proactive approach to reduce motor traffic.

12: Design the street network in accordance with street hierarchy. Designs and feasibility studies will consider the street hierarchy, to enable maximum outcomes to be achieved.

14: Make the best and most efficient use of the kerbside. This will be included in all projects, which may include measures to prevent obstructive and dangerous parking.

16: Apply the CoLSAT tool. This will be applied to all projects and proposals developed will ensure the best accessibility outcome.

24: Apply a minimum cycle level of service. This will be applied to relevant projects.

The projects in the programme will support the Destination City initiative by providing a more welcoming and safer public realm that gives greater priority to people walking and wheeling. Some projects are expected to provide opportunities for new greening and street trees, which supports a Green City/Climate Action Strategy

The projects in the programme will support the Destination City initiative by providing a more welcoming and safer public realm that gives greater priority to people walking and wheeling. Some projects are expected to provide opportunities for new greening and street trees, which supports a Green City/Climate Action Strategy

The project is at gateway 1 & 2.

Project budget - £2.4M

The budget envisages risks can be managed at the end of the feasibility work where options vs project outcomes that all the feasibility work will be commissioned at the same time using a single specialised consultant, thereby achieve cost savings/efficiencies. Where projects involve delivery, the costs are based on recent experiences, with many of the costs attributed to major traffic signal and junction alterations.

Spend profile:

2024/25 (£115k): Q2 25k Q3 £50k, Q4 £40k

2025/26 (£1.285M): Q1 £195k, Q2 £300k, Q3 £400k, Q4 £390k

2026/27 (£1m): Q1 £100k, Q2 £300k, Q3 £400k, Q4 £200k

The 2024/25 spend profile of £115k would deliver feasibility options at all 6 locations plus delivery on improvement measures at one location. Spend profiles in 2025/26 - 2026/27 will deliver detailed designs and improvement measures.

We will continue to seek other external funding sources. If found, then the amount requested from the OSPR could be reduced accordingly.

## **2. Riverside Lighting Upgrade (Blackfriars Bridge to Tower of London)**

The City of London's Lighting Strategy sought to use innovative lighting control systems and LED lighting units to better control its highway lighting, enabling the right level of light to be delivered in the right place at the right time. As well as benefits to the public realm, this enabled significant savings in energy usage and maintenance costs.

Due to the Illuminated River scheme, Thames Tideway and other works along the river, the riverside lighting was deferred from the main programme of upgrade works, but it is now possible to upgrade that lighting, convert it to LED and include it within the existing control management system.

This will involve replacing some of the light fixtures which are near the end of their serviceable life and installing over 70 new lanterns that can accommodate our control units.

Undertaking this upgrade as a single workstream (rather than individual replacements as / when they fail) allows us to secure economies of scale and reduce costs with our term contractor (FM Conway) and their supply chain.

Note that the lighting units west of Blackfriars Bridge require more fundamental structural repairs and this will be considered separate to this workstream, alongside the return of those units currently stored offsite by Thames Tideway.

Project Commencement – July 2024

Project Completion – June 2025



OSPR funding can be used for maintaining roads, carrying out highway improvement projects under Part V of the Highways Act 1980 (which includes lighting) & for environmental improvements. Environmental improvements include works which improve or maintain the appearance or amenity of the public realm (being land within the vicinity of a road or open land which the general public has access to). This project will deliver both highway improvements and environmental improvements through more reliable, more effective and more energy efficient lighting of the riverside.

Provides solution to priority 1 and 3

Improve the management & efficiency of lighting the public realm.

Ensure the Riverside remains an attractive and safe place to be for the all the users, promoting walking and enhancing our public realm at night, especially now that we have a connected east to west link for the first time in many years.

The works will ensure the riverside remains an iconic, safe and attractive location for residents, workers & visitors (Destination City, Sports Strategy, Safer City Partnership), whilst enabling energy savings through more efficient lighting controls & units (Climate Action Strategy).

The works would be in alignment the City's Lighting Strategy providing a well maintained, resilient and safe space alongside the riverside.

Project budget - 180k total requested from OSPR.

Spend Profile:

2024/25: Q2 £90k; Q3 £45k; Q4 £45k

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# Agenda Item 7

<b>Committee(s):</b> Resource Allocation Sub (Policy and Resources) Committee – For decision	<b>Dated:</b> 11/07/2024
<b>Subject:</b> Community Infrastructure Levy Neighbourhood Fund – Applications for Approval	<b>Public</b>
<b>Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?</b>	Diverse Engaged Community Vibrant Thriving Destination Flourishing Public Spaces
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>No</b>
<b>If so, how much?</b>	<b>N/A</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain’s Department?</b>	<b>N/A</b>
<b>Report of:</b> Managing Director of the Bridge House Estate	<b>For Decision</b>
<b>Report author:</b> Jack Joslin, Head of the Central Funding and Charity Management Team	

## Summary

The City Corporation adopted a Community Infrastructure Levy (CIL) in 2014. National CIL Regulations require that 15% of CIL receipts be reserved for neighbourhood funding. Local authorities are required to engage with communities on how this neighbourhood funding should be used to support development of the area. Local authorities are required to report annually on the collection and use of CIL funds, identifying separately the amount of funds allocated to neighbourhood funding. The Community Infrastructure Levy Neighbourhood Fund (CILNF) application process is managed by the Central Funding & Charity Management Team (CFCMT), with Officers assessing applications and providing support to Committee in the consideration of larger applications. The administrative cost incurred in operating the CILNF is recoverable from the 5% of City of London CIL funds allowed to cover such costs in the Regulations.

Members are asked to make decisions on the CILNF Officer Panel recommendations from their meetings in May and June 2024, to note the grants approved and rejected under delegated authority and to approve the listing of CILNF grants on 360 Giving’s grant database GrantNav.

## Recommendations

Members are recommended:

1. To note the current position of the CILNF with respect to funds available.

2. To approve the grant recommended to **London Symphony Orchestra** for £454,642 at the meeting of the CILNF Officer Panel in May 2024 (**Appendix 1**).
3. To reject the grant to the **Insurance Museum** for £450,000 as recommended by the CILNF Officer Panel meeting in June 2024 (**Appendix 1**).
4. To note the approved and rejected grants under delegated authority at meetings of the CILNF Officer Panel from February to June 2024 (**Appendix 2**).
5. To approve listing of CILNF grants on 360 Giving's grant database GrantNav.

## Main Report

### Background

1. Management of the City of London's CILNF process is aligned with the City's existing grant allocation process, through the Central Funding & Charity Management Team (CFCMT). The City of London's CILNF Funding Policy is set out at **Appendix 3**.
2. Since the launch of the City of London's CILNF, Members and Officers have worked together to commit £7,563,572 in funding to City communities. The current balance of the General CILNF and Barbican & Golden Lane Neighbourhood Funds is £8,062,791.

Financial year	Funds committed
2020/21	£544,327
2021/22	£1,985,085
2022/23	£3,099,542
2023/24	£1,609,037
2024/25	£325,581

3. The City CILNF has been in operation since September 2020, providing a wide range of funding to support City of London Communities. The Grant programme is open access and available to apply to throughout the year.

### Current Position

4. Applications to the CILNF are assessed by the CFCMT in conjunction with the Charity Finance Team. All eligible applications are then presented to the CILNF Officer Panel. This panel is made up of Officers from across CoLC to ensure that all decisions and recommendations have a wide range of expert input. At the panel consideration is given to the project's outcomes, value for money as well as

equality and equity considerations. The Officer Panel has representatives from the Departments of Environment, Community and Children Services, Libraries, Chamberlain's, City Gardens, EDI, Destination City Team and the Town Clerks. All applications for £100,000 and over are recommended to the Sub-Committee for decision after being assessed and analysed by the Panel. This process has been effective to date in utilising all the assets of the Officer team towards the making of decisions.

5. The Barbican & Golden Lane Neighbourhood Forum (BGLNF) was ratified in Autumn 2023. When a proposed project takes place within the designated Barbican & Golden Lane Neighbourhood Area then the CFCMT share the application with the BGLNF for comment.
6. At its meetings from March to June 2024, the CILNF Officer Panel considered seven applications. A schedule of the five grant decisions that were made under delegated authority for projects working with the City's diversity of communities including support specifically for the City's LGBTQ+ community, the City's care experienced young people and those sleeping rough or homeless in the City is available in **Appendix 2**.
7. The Officers Panel also considered a proposal from the London Symphony Orchestra and are recommending that members approve a grant of £454,642 (£86,129; £368,513) across two years to contribute to a wider £7m capital project to reconfigure LSO St Luke's to upgrade its physical and digital infrastructure enabling it to increase the volume, range and quality of all LSO activity. LSO is a well-regarded organisation, providing significant cultural capital to the City of London through its Barbican residency. It's community outreach work through LSO Discovery is of rich benefit to City communities, providing unique opportunities and advancing music education. This is a 100% capital project and will enable this work to be strengthened, reaching more people, provide an adaptive and inclusive offering and enable community partners further usage of the building. Despite LSO St Luke's being just outside the City of London boundary line, the registered office of LSO is within the City (Barbican Centre). There is also a strong argument of the impact of the work LSO is providing to City communities therefore meeting the CILNF's aims. This application was submitted prior to the revised CILNF policy amendment, and is covered by the previous CILNF policy which states geographical eligibility as – para 16 “...close to the City of London where projects support the development of the City.” A significant proportion of the fundraising for this work has been pledged, with the capital work request supporting the community aspect as well as enhancing the environmental efficiency of the building.
8. The Officers Panel also considered a proposal from the Insurance Museum for £450,000 towards establishing the physical 'Mini Insurance Museum' and are recommending that members reject this request. Despite the Insurance Museum's proposal potentially providing an opportunity to enhance education in relation to the history of insurance, and highlight career paths within the sector, the Panel has concerns about the lack of significant “buy in” from the Insurance sector with only a further £15K raised over the last seven months since the application was first presented to Panel for consideration. CFCMT Officers have

spent a significant amount of time working with the Insurance Museum to ensure there is more buy in from the sector, with subsequent information being presented to Panel in June. Officers do not feel that the project provides good value for money and are also concerned that there is a lack of sector willingness to contribute towards the project. Subject to approval by the Sub-Committee officers will continue to meet with the Insurance Museum and provide feedback, with the aim of a more comprehensive bid being received later down the line. The full assessment report is at Appendix 1.

9. In line with best practice funding and the Institute of Voluntary Action Research's (IVAR) principles for open and trusting grant-making the CFCMT has begun listing Central Grants Programme awards on 360 Giving's GrantNav (Inspiring London Through Culture programme, Stronger Communities programme and Enjoying Green Space and the Natural Environment programme). 360 Giving is a charity that helps organisations to publish open, standardised grants data and supports people to use it to improve charitable giving. 278 funders currently share their data on the GrantNav portal which lists over 1 million individual grants representing £266 billion of investment. GrantNav makes it easy to search, explore and download data about where funding goes and how much is given. 360 Giving add data from the Charity Commission to the charities in its dataset which will help us as a funder understand the size and turnover of the charities we fund. City Bridge Foundation has published its grants on GrantNav for several years and permission to publish CILNF grants alongside Central Grants Programme grants will provide a better picture of the Corporation's grant investment historically across the City of London.

### **Corporate & Strategic Implications**

10. Corporate Plan Implications: the CILNF can resource community-led infrastructure improvements and activity across the City and contribute towards meeting the four aims of the Corporate Plan 2024-29 - Diverse Engaged Communities, Providing Excellent Services, Vibrant Thriving Destination and Flourishing Public Spaces.
11. Security Implications: the CILNF fulfils a statutory requirement for the spending of CIL. There are no direct security implications, though future funded projects may bring security benefits.
12. Financial Implications: the CILNF makes use of that proportion of City CIL monies which are required by statute to be used to assist in the delivery of new infrastructure to meet community needs (15% of CIL funds). The costs of management of the grant application process will be met through the 5% of CIL funds set aside by statute to cover CIL administration.
13. Equalities and resourcing implications: the CIL Neighbourhood Fund and revised policy have been subject to a full Equalities Impact Assessment. The Equalities Impact Assessment has concluded that there are no adverse impacts arising for equality groups and social mobility. The CFCMT has developed an Equalities Action Plan outlining the actions it will take to improve the positive equalities impact of the CILNF.

## **Conclusion**

14. Community Infrastructure Levy legislation requires local authorities to reserve between 15% and 25% of CIL receipts for neighbourhood funding. Where there is no recognised parish or town council or neighbourhood forum, the local authority will retain the neighbourhood fund but must spend it on infrastructure which meets community needs. The local authority must consult the community on how these funds will be used.
15. The Neighbourhood Fund application process is managed by the City Corporation's Central Funding & Charity Management Team, with Officers assessing applications and providing support to Committee in the consideration of larger applications. Members are asked to approve the recommendations and note the delegated decisions of the CILNF Officer Panel. Members are also asked to approve the recommendation to publish CILNF grants on GrantNav.

## **Appendices**

Appendix 1 – Assessment Pack

Appendix 2 – Applications Approved and Rejected under Delegated Authority

Appendix 3 – CIL Neighbourhood Fund Policy

## **Background Papers**

Report to Policy & Resources Committee 02/05/2019: City of London Community Infrastructure Levy – Approval of Neighbourhood Fund

### **Sheena Etches**

Funding Manager – Central Funding and Charity Management Team

### **Jack Joslin**

Head of Central Funding and Charity Management Team

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# **Community Infrastructure Levy Neighbourhood Fund**

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**Assessment Pack – March to June 2024**

**London Symphony Orchestra (22243)  
Insurance Museum (20400)**

## **COMMUNITY INFRASTRUCTURE LEVY NEIGHBOURHOOD FUND**

**London Symphony Orchestra (Charity Reg. 232391) (ref. 22243)**

**Amount requested: £454,642**

**Amount recommended: £454,642**

**Purpose of grant request: LSO St Luke's Future Ready: a world-leading hub for musical creativity, learning, performance and recording, nationally important and locally cherished.**

**Type of cost: Capital**

**Ward(s) benefitting: All wards**

### **The Applicant**

The London Symphony Orchestra (LSO) was established in 1904 and registered as a charity and company limited by shares in 1964. This structure, approved by the Charity Commission, was chosen for historical reasons and to enable the Orchestra's musicians (the 'shareholders') to have a say in the way that the Orchestra is run. However, unlike most companies limited by shares, the members are unable to receive dividends or benefit financially from any surplus within a given year. This is outlined in Clause 5 of the charity's Memorandum of Association. The charity aims to inspire hearts and minds through world-leading music-making, promoting, and advancing musical education, and encouraging participation in the arts. LSO has two wholly owned subsidiaries, each of which has its own Board of Directors which includes representatives from the LSO Board.

It has 78 full-time and eight part-time employees, and 17 trustees. The Board of Directors comprises playing members of the Orchestra (who hold a majority on the board) and non-playing members. LSO performs around 120 concerts annually through its residency at the Barbican (70 concerts), international residencies, and global tours, with world-renowned players, conductors, and soloists. It also reaches over 60,000 people through its award-winning education and community programme – LSO Discovery – established in 1990. Through early years workshops, youth choirs, community music groups, music training for teachers, school sessions and support for young talent, the programme creates opportunities for people of all ages, abilities, and cultural and socio-economic backgrounds to engage in music. Developing their creative and personal skills, enhancing community cohesion, and reducing social isolation within some of London's most disadvantaged areas.

### **Background and detail of proposal**

LSO is requesting £454,642 across two years to contribute to a wider £7million capital project to reconfigure LSO St Luke's to upgrade its physical and digital infrastructure enabling it to increase the volume, range and quality of all LSO activity.

LSO St Luke's is a music education and performance venue. By also providing essential space for rehearsals and recordings, concerts and other performances, LSO St Luke's is an essential enabler of its Barbican residency and wider work in the City. LSO St Luke's is the only permanent venue in the area for classical music-based learning and community activity. The building sits just outside of the Square Mile boundary, residing in Islington. LSO work closely with partners at the City of London Corporation, Barbican Centre and Guildhall School of Music & Drama (GSMD) to ensure programmes do not overlap and provide an offering to local residents, those working or studying in the City and surrounding areas, and those from further afield. Complementary activity includes GSMD students using St Luke's for training in many aspects of professional musical life, and the community voices Gospel project involving those living and working in the City, who are also among the regular audiences at lunchtime concerts.

The capital project will renew the physical and digital infrastructure at LSO St Luke's – a transformational initiative for LSO. It will enable the organisation to capitalise fully on business model changes, providing a more sustainable long-term model. Futureproofing is necessary to sustain the quality, scope and impact of the Barbican residency. With rehearsal time in the Barbican Hall under pressure, LSO need to enable greater use of LSO St Luke's, not least because Barbican concerts provide additional income from broadcasts, recordings and touring, supporting its wider business model. Acoustic improvements delivered through the wider project will enable the Orchestra to make best use of the Jerwood Hall at LSO St Luke's, sustaining the quality of performances and relieving reliance on other commercially hired spaces where diary time is also in short supply. It will enable LSO to switch easily between different performance and audience formats, providing more immersive and intimate experiences, as well as widening the LSO Discovery offering.

Funding requested will support reconfiguring and upgrading spaces including layout changes in the basement. This will create new spaces for early years learning with a separate family room/baby change separate to WCs, and a Changing Places WC facility/shared family room and first aid facility. Spaces will be refurbished with new lighting adaptable to different modes to support a broader range of learners. These spaces will provide important break-out spaces for those with additional needs, including during relaxed performances. Installation of new systems for Building Management, Environmental Management, and new energy-saving LED lighting, will increase efficiency across the building, decrease its carbon footprint and reduce running costs.

The current LSO Discovery programme ranges from early years music storytelling work, to working with older adults experiencing loneliness and isolation. The refurbishment to the basement will enable a broader range of people have an increased range of opportunities for creative learning, through 530 additional days of LSO Discovery sessions, engaging families and children, and supporting people with different learning and perception abilities. LSO will engage with an additional 14,500 people on site per year. This will include Music in the classroom – teacher CPD opportunities, training for young people in digital and technical skills, workshops for schools and a greater offering of space for community partners. Digital recordings and broadcasts will reach a further 11 million people online. Reconfiguration of

internal layouts, together with acoustic enhancements, will allow mixed and concurrent activity across the building, unlocking operational efficiencies and smarter use of the building; being able to switch easily between different performance and audience formats.

LSO St Luke's will be an exemplar of an environmentally sustainable historic building with the total level of carbon emissions either reduced or maintained (compared with 157 tonnes of CO<sub>2</sub>e in 2019/20). Installation of new Building Management and Environmental systems will allow heating, ventilation, and hot water to be programmed around the new expanded weekly schedule and users. This will enable increased environmental efficiency across the building, decrease in carbon footprint and reduced running costs to support a new business model for LSO.

In developing refurbishment plans, LSO undertook a consultative process to ensure stakeholders of the building could contribute towards and help with refinement of proposals.

### **Value for money**

LSO has provided thorough reassurance of its tender process ensuring value for money is a key consideration within the decision-making process. Non-cost elements – e.g. experience and approach to challenges – will be part of the process as these aspects can potentially have a large impact on costs over the life of the project (and beyond). The tender bid best representing value for money (based on a range of factors including cost, programme, experience, management capability, etc.) at the conclusion of this process will be identified as the preferred contractor. A change management process is also in place.

LSO has undergone a period of fundraising for this £7million capital project and have raised over £5million. This funding request is part of the remaining fundraising push, with decisions on outstanding bids imminent.

### **Financial Information**

LSO's income is derived from statutory, charitable and earned. The organisation had a reduction in grant funding (approx. £210,000/year) from Arts Council England which takes effect for 2023/24. Although a large cut in ACE's grant, this is only around 1% of total income due to the LSO utilising a wide range of income streams. The reduction in ACE's support has been absorbed into the wider finances. Since the pandemic, LSO have prioritised sustaining activity and artistic ambition even though this has led to large operating deficits – some £1.5m in current financial year. These deficits have been largely funded through a temporary higher rate (50%) of Orchestra Tax Relief (OTR) which can be claimed from HMRC. In 2023/24, the extra OTR will generate approximately £1.2m leaving a residual deficit of £300,000 which will be funded from the Strategic Fund. The recent budget announcement to permanently set a higher rate of OTR at 45% from April 2025 means that this higher level of tax relief can be utilised to largely offset future expected operating deficits. As at year end 2023, the Strategic Fund sat at £2.7m. £1.5m has been allocated to the LSO St Luke's Future Ready project. The remaining £1.2m will be used to offset the residual operating deficits and to support key strategic initiatives as recovery continues from the pandemic. It is expected these funds to be exhausted by July 2026, at which point LSO aim to be operating back at a break-even model. LSO's initial estimates that it will still have a residual deficit of around £500k in 2025/26

financial year but various initiatives planned to mitigate this. These include additional fundraising plans and new sources of income from digital content. LSO's reserves policy sits between £2.5m and £5m and is currently operating just over this target and will sit within this target.

Year end as at 31 March	2023 Signed Accounts £	2024 Management £	2025 Budget £
<b>Income &amp; expenditure:</b>			
Income	21,518,000	20,488,000	21,355,000
Expenditure	(21,130,000)	(20,922,000)	(21,329,000)
Gains/(losses)	24,000	0	0
<b>Surplus/(deficit)</b>	<b>412,000</b>	<b>(434,000)</b>	<b>26,000</b>
<b>Reserves:</b>			
Total restricted	955,000	955,000	955,000
Total unrestricted	7,772,000	7,338,000	7,312,000
<b>Total reserves</b>	<b>8,727,000</b>	<b>8,293,000</b>	<b>8,267,000</b>
Of which: free unrestricted	5,336,000	4,902,000	4,876,000
Reserves policy target	5,000,000	5,000,000	5,000,000
Free reserves over/(under) target	336,000	(98,000)	(124,000)

## Recommendation

LSO is a well-regarded organisation, providing significant cultural capital to the City of London through its Barbican residency. It's community outreach work through LSO Discovery is of rich benefit to City communities, providing unique opportunities and advancing music education. This is a 100% capital project and will enable this work to be strengthened, reaching more people, provide an adaptive and inclusive offering and enable community partners further usage of the building. Despite LSO St Luke's being just outside the City of London boundary line, the registered office of LSO is within the City (Barbican Centre). There is also a strong argument of the impact of the work LSO is providing to City communities therefore meeting the CILNF's aims. This application was submitted prior to the policy amendment, where the policy stated – para 16 “...close to the City of London where projects support the development of the City.” A significant proportion of the fundraising for this work has been pledged, with the capital work request supporting the community aspect as well as enhancing the environmental efficiency of the building. Funding is recommended as below:

**£454,642 (£86,129; £368,513) for two years to fund LSO St Luke's Future Ready: a world-leading hub for musical creativity, learning, performance and recording, nationally important and locally cherished.**

## **COMMUNITY INFRASTRUCTURE LEVY NEIGHBOURHOOD FUND**

**Insurance Museum registered charity no. 1188138  
(ref. 20400)**

**Amount requested: £450,000**

**Amount recommended: £0**

**Purpose of grant request: Towards establishing the physical 'Mini Insurance Museum' in EC3 and to develop and deliver an education and outreach programme over the first three years.**

**Type of cost: Revenue & Capital**

**Ward(s) benefitting: All wards**

### **The Applicant**

The Insurance Museum (IM) is a registered charitable incorporated organisation (reg no. 1188138). IM is a young organisation, having only been founded in 2020 and its formative years have been heavily impacted by Covid. IM's focus is to become an educational forum for engaging audiences in the story of insurance – past, present, and future. Its goal is to establish a world class visitor and research centre in the City of London, exhibiting collections and engaging visitors interested in the story of insurance. Education and the future insurance work force is at the heart of Insurance Museum's thinking. Due to Covid, the IM first established a virtual museum which hosts online exhibitions and resources but are now looking to open a physical space in the City.

### **Background and detail of proposal**

The IM is seeking £450,000 from the CILNF across three years to contribute to the establishment of an in-person mini-museum within the City to educate audiences on insurance. Funding is sought to contribute towards premise rental costs, exhibition design and fit-out, education programme development, a public outreach programme and to support the salary of a part-time learning and education manager.

Insurance has a long and established history in the City of London, currently there is no museum dedicated to the UK-based insurance industry. The inspiration for this museum has been taken from small, successful specialist museums such as The Bank of England Museum and Postal Museum. The IM has worked with industry partners including the Chartered Insurance Institute (CII) to carry out a detailed feasibility study in 2019. Since then, the IM has established an online presence and launched virtual galleries telling the story of Fire Insurance – its origins in the Great Fire of London and the origin of modern insurance in the UK. The sector has told the IM of the importance of getting a constant and new stream of people entering the ever-expanding workforce. Inspiring young people to enter the profession is a priority for the IM and will play a key role in engaging children and young people with the subject of insurance.

The IM is seeking funding to move from its development Stage 1 - a virtual museum to development Stage 2, a mini physical museum and fit out with a permanent exhibition. The museum will be based in EC3, requiring an accessible space of approximately 2,000 sq ft and will incorporate an exhibition/education space, small shop and office space. This base will provide an opportunity to consult with visitors, local communities, schools and colleges to inform the learning, outreach and career focussed activity programme that will educate the wider public about the insurance profession, support key stage curriculum learning and help to support a more diverse future insurance workforce. The museum will help to transform the public understanding of insurance, its importance to society and its contribution to the world around us. The CII's Education and Training Trust (EATT) has pledged to provide further multi-year support to the Museum, and the IM is developing multi-year commitments from across the insurance market to match CILNF funding.

The IM will engage with local communities and schools through its education and outreach programme, opening the possibility of career opportunities in the insurance industry to young people, particularly from under-represented communities. Funding will support a learning and education position, with the postholder to develop community relationships and create and deliver a museum outreach event and activity programme. IM has had conversations with various City stakeholders, including City of London Academies Trust (CoLAT), City of London Libraries, Guildhall Art Gallery, Age UK, City Family Arts Network Group, Destination City, Chartered Insurance Institute and identified potential opportunities and collaborations. The IM will help establish strong links with the insurance profession providing a hub where industry partners can engage with the public and with schools, colleges, and community groups. The IM has the objective of engaging 14,950 people per year, this will include students involved in the education programme, the careers programme, family programme, professional CPD involvement, community groups and general visitors.

As a new City visitor attraction, the IM plan on working closely with the Corporation, Visit London, and Business Improvement Districts. As a learning resource, the IM will support curriculum learning. Events, workshops and activities will take place in schools or partner venues initially and then, when a physical space is secured, in the Mini Museum. School workshops will consist of; Key Stage (KS) 1/2 History, eg. Great Fire of London, KS1/2 Mathematics – practical applications, KS3 History of Britain 17th – 19th centuries, KS2/3 Careers, KS2/3 Personal finance, KS 2/3 Science – the global future and developing new technologies, with case studies and insurance professional input. The IM has highlighted that further teacher/lecturer consultation will be required to identify the needs and develop strategic long-term partnerships.

Funding requested included a significant portion assigned for rental costs with £105k requested for year one and £55k requested for the respective years. Funding will go towards the development of the mini museum, the long-term aim of the IM is to move towards a permanent museum site and will be the next stage of development, dependent on the outcomes of this stage.

This assessment was undertaken in Autumn 2023, the original recommendation went forward to the Officer Panel in November recommending £235,000 across three years towards establishing the physical 'Mini Insurance Museum' and to develop and deliver an education and outreach programme. The panel had some reservations regarding Insurance sector support and wanted to see some further evidence from the sector, as well as some more refined details regarding community outreach.

### Financial Information

Income for the IM has been derived from donations, legacies and grants. As an organisation in its inception years, the objective has been to start building reserves to move towards the aims of the organisation. The IM's current reserve policy is to hold zero reserves – with expenditure levels low, no assets or investments held. A discussion was had during assessment regarding its reserves policy, the IM has since provided a budget anticipating reserves to be built by 2027, ensuring SORP compliancy. The draft accounts for y/e 2022 show an overspend, this was to build resources and develop the digital exhibition platform.

Year end as at 31 December	2021 Signed Accounts £	2022 Draft Accounts £	2023 Budget £
<b>Income &amp; expenditure:</b>			
Income	112,632	76,664	129,797
Expenditure	(47,160)	(89,935)	(110,408)
<b>Surplus/(deficit)</b>	<b>65,472</b>	<b>(13,271)</b>	<b>19,389</b>
<b>Reserves:</b>			
Total restricted	14,000	0	5,000
Total unrestricted	76,472	77,201	91,590
<b>Total reserves</b>	<b>90,472</b>	<b>77,201</b>	<b>96,590</b>
Of which: free unrestricted	76,472	77,201	91,590
Reserves policy target	0	0	0
Free reserves over/(under) target	76,472	77,201	91,590

### Value for money

Costs for the exhibition fit out have been based on the 2022 Association of Independent Museums and National Lottery Heritage Fund recommended cost allowance per square metre. The costings provided for the premises costs are a significant proportion of the request. The nature of the museum will deliver benefit to the insurance sector, providing network opportunities, future employees, educating the public about the necessities of insurance – with the sector generating substantial profits, it feels more appropriate for rental income be sourced from this avenue as opposed to the neighbourhood fund. Premises costs have been calculated based on average rent costs available in the location and meeting the size of the property required.

This application was first brought to the Officer Panel in November 2023, since then, IM has raised an additional £15k across three years from the sector. This raises concerns, suggesting that there is a lack of sector willingness to contribute towards this project. The view of the Officer Panel is that this application does not clearly demonstrate how the project delivers against the Neighbourhood Fund's priorities in a way that is commensurate with the value of the grant sought.



**Recommendation**

Despite the Insurance Museum's proposal providing an opportunity to enhance the education of the history of insurance, which has the potential of enabling opportunities for social mobility, highlighting career paths within the sector, there is little evidence that City residents will be of significant benefit, with the wider offering being stronger for schools outside of the City. The panel had strong concerns about the lack of significant "buy in" from the Insurance sector and around value for money. The Insurance Museum has provided a more in-depth cashflow, but with reserves not being built in until 2027, it would be cautionary to build these into earlier years. There is a mild case for the education and outreach aspect of delivery meeting the criteria of CILNF and provide some community benefit, but the application has not evidenced clear demonstratable outcomes expected for a grant of this size. It is of significant concern that there has not been a move forward in the fundraising of the full project since this was first brought forward to the Officer Panel in November 2023.

This application is not recommended for funding.

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## Appendix 2

### Grants Approved and Rejected under Delegated Authority March to June 2024

Applicant	Description	Decision
<b>Ozero Arts (22331)</b>	<b>£59,927 towards Classical Pride 2024</b> – a diverse series of artistically outstanding concerts celebrating Pride in classical music, primarily taking place in and around the Barbican. Classical Pride provides an opportunity to celebrate the LGBTQ+ community within classical music, a chance to widen audience demographics and a significant cultural offering to City communities. This is the first year that Ozero Arts is growing Classical Pride, expanding from one evening performance to a programme of events across a week.	Approved
<b>Partnership for Young London (23352)</b>	<b>£53,000 over 5 years (£9,600; £10,100; £10,600; £11,100; £11,600) to contribute to PYL’s costs of the annual celebration event, advisory board remuneration and staff support costs to deliver Shining Stars.</b> The project will look to set up a youth organising panel composed of the City of London care experienced young people to plan and facilitate the annual event and gain experience of work around planning, communications, and facilitation, directly benefiting City Residents.	Approved
<b>Thames Reach (23108)</b>	<b>£80,089 (£18,895; £30,591; £30,603) over 30.5 months to fund breakfast food, hot meals (provided by the Felix Project) and other food supplies to supplement donations from City Harvest at Snow Hill Court Assessment Centre.</b> TR is a leading organisation working on homelessness and has expertise and experience working in the City of London. Running the City’s homelessness outreach service and now commissioned to run Snow Hill Court Assessment Centre, TR is a trusted partner that works closely with the Homelessness and Rough Sleeping team. TR successfully operates three similar Assessment Centres across London and is best placed to replicate the service in the City, which is the first of its kind in the Square Mile.	Approved
<b>Urban Learners (23724)</b>	<b>£56,000 across one year towards Sculpture in the City’s (SITC) Education Outreach and Volunteering Programme 2024,</b> for local state-school pupils, City-worker volunteers, and Family Activities for local communities conditional on evidencing the setup of the CIC and additional directors. This work meets the funding priority of providing activities and services for children, young people and families – making creative and cultural experiences accessible to children, young people, their families, and communities, through which they will increase knowledge and gain new skills. This project opens arts and architecture to children and young people who otherwise wouldn’t have the opportunity.	Approved

<p><b>Hackney Council for Voluntary Services (24288)</b></p>	<p><b>£76,565 over 12 months to fund Phase 1 of a programme to develop a stronger, more connected and thriving voluntary and community sector (VCS) in the City of London to improve local health and wellbeing outcomes.</b> One of the largest second tier VCS support organisations in the country, HCVS is keen to bring its knowledge, expertise and services to support the City of London’s communities. Given HCVS’s close working relationship with CoL’s DCCS and the Shoreditch Park &amp; City Neighbourhood Forum’s emerging CVS network, HCVS is uniquely placed to test, evaluate and build the infrastructure and support services required to create a resilient and connected community and voluntary sector across the City of London.</p>	<p>Approved</p>
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Updated & approved by P&R Committee: 25 January 2024

# City of London

## Community Infrastructure Levy

### Neighbourhood Fund Policy



# City of London Community Infrastructure Levy

## Neighbourhood Fund Policy

### CIL introduction and legislative background

1. The Community Infrastructure Levy is a charge levied on new development, introduced by the Planning Act 2008. It is intended to help local authorities deliver the infrastructure needed to support development. The power to set a charge came into effect from April 2010, through the Community Infrastructure Levy Regulations 2010, which have subsequently been amended.
2. The City of London Corporation implemented a Community Infrastructure Levy (CIL) for the City of London from 1 July 2014.
3. Further information on the City of London's CIL is available on the City Corporation's website at <https://www.cityoflondon.gov.uk/services/planning/planning-policy/community-infrastructure-levy-cil-and-planning-obligations-s106>

### CIL Neighbourhood Fund Requirements

4. Community Infrastructure Levy Regulations require that 15% of CIL receipts should be reserved to enable the delivery of neighbourhood priorities. These receipts should be passed directly to existing parish and town councils where development has taken place. Where a neighbourhood plan or neighbourhood development order has been made 25% of CIL receipts from development in the plan area is reserved for the delivery of neighbourhood priorities as identified in the neighbourhood plan.
5. Where there is no existing parish, town or community council, neighbourhood plan or development order, then the local authority will retain neighbourhood CIL funds, but should engage with communities where development has taken place and agree with them how best to spend the neighbourhood CIL.
6. Within the City of London, there are no existing parish, town or community councils. There is one neighbourhood forum – the Barbican & Golden Lane Neighbourhood Forum. There are no adopted neighbourhood plans or neighbourhood development orders. Given that the City is little over one square mile in area, the City Corporation

considers that it should be regarded as two neighbourhoods for the purposes of collection and spending of CIL Neighbourhood Funds. The City Corporation therefore retains the CIL Neighbourhood Fund and should seek community views on how this Fund should be used.

## **Community Definition**

7. The City of London has a resident population of approximately 8,000 and a daily working population of approximately 513,000 occupying nearly 9 million square metres of office floorspace. For the purposes of the CIL Neighbourhood Fund, 'community' is defined as local residents, City workers and the owners and occupiers of City buildings.

## **What can the City of London's CIL Neighbourhood Fund be used for?**

8. CIL Regulations 59(C) and 59(F) require that the Neighbourhood Fund be used to support the development of the neighbourhood. The scope of projects that can be funded by the Neighbourhood Fund is wider than that for general CIL funds and comprises:
  - a. The provision, improvement, replacement, operation or maintenance of infrastructure; or
  - b. Anything else that is concerned with addressing the demands that development places on an area.
9. This definition is deliberately wide and allows the City Corporation to work collaboratively with local communities to determine priorities and how the Fund should be used.
10. For the purposes of the CIL Neighbourhood Fund the City Corporation considers infrastructure to include the construction, refurbishment, repair, restoration, repurposing, expansion or fit out of new or existing buildings or open space; lighting; public art; street furniture or other physical improvement that enhances the neighbourhood for the benefit of City of London communities.
11. The CIL Neighbourhood Fund can also fund the reasonable on-going maintenance costs of funded infrastructure improvements for up to a maximum of three years from the completion of the infrastructure provided that the maximum grant award of £500,000 is not exceeded and that the maximum five year length of grant award is not exceeded.

12. The CIL Neighbourhood Fund can fund the costs of an Access Audit prior to a subsequent application for infrastructure improvements.
13. CIL Regulations allow greater flexibility in the use of the Neighbourhood Fund compared with other CIL expenditure. Neighbourhood Funds may therefore be used to fund revenue expenditure and activities including events, workshops, celebrations, projects or anything else that addresses the impact of development on the neighbourhood.
14. To avoid creating long term commitments on the Neighbourhood Fund, any requests for revenue funding should be clearly justified, showing demonstrable community benefit, and time limited to a maximum of 5 years.
15. Projects should be delivered within the agreed timescale (maximum 5 years from the date of grant awarded) unless a grant extension is agreed.
16. In recognition of the value in providing continuous and consistent support to City communities through work funded via the CIL Neighbourhood Fund, organisations will be permitted to reapply for funding at the end of a grant to provide funding for up to a maximum of 5 years from the date of the initial grant awarded. Applicants in receipt of 5 years of funding will be not be eligible to reapply for CIL Neighbourhood Funding for a period of 12 months. Any organisation seeking to reapply to the CILNF will have to demonstrate a successful track record of delivering positive outcomes for City communities in their previously funded work. The CIL Neighbourhood Fund will need to balance a portfolio of existing organisations and new applicants to the CIL Neighbourhood Fund to ensure that the funds available are not concentrated in a small number of returning organisations.

## **Community Priorities**

17. The City of London's Statement of Community Involvement May 2023 as approved by the Planning and Transportation Committee sets out how the City Corporation will engage with City communities to ensure that consultations are effective, inclusive and open and accessible for everyone.
18. The Statement of Community Involvement (May 2023) section 3.30 states that public consultation should be carried out on a regular basis a The CIL Neighbourhood Fund and consultation are managed within the City Corporation by the Central Grants Unit. The Central Grants Unit should undertake occasional consultation on community funding priorities to



inform changes to the CIL Neighbourhood Fund structure and funding regime. This consultation will take place over a minimum six-week period, with information published on the City Corporation website and information sent to consultees on the City Plan consultee database, plus other interested parties identified by the Central Grants Unit.

19. The City Corporation community consultation on priorities for the use of the City's CIL Neighbourhood Fund undertaken in 2019 identified support for the Fund to be used primarily to deliver infrastructure and services that meet local community identified needs.

20. Community consultation on priorities for the use of the City's CIL Neighbourhood Fund undertaken in 2023 identified support for the Fund to be use for the following priorities and identified needs:

- a) Preserving existing and creating of more green space in the City including estate gardens and support for gardening clubs.
- b) Addressing the needs of people from disadvantaged backgrounds, minoritised communities, older people, disabled people, LGBTQIA+ people and those living in poverty.
- c) Sporting, exercise and health activities including promoting walking and cycling.
- d) Activities and services for children, young people and families.
- e) Making public spaces and services fully accessible for disabled people and the elderly.
- f) Proposals and activities that have been co-designed by engaging the community in the development of the proposal and/or proposals that demonstrate community support.
- g) Mitigating climate change & enhancing biodiversity & wildlife.
- h) Improving street cleanliness.

**21.** When there are too many strong applications for the Neighbourhood Funds available, determination of applications will consider the extent to which the application meets one or more of the following cross-cutting criteria:

- a. Proposals that enable everyone to flourish and reach their future potential regardless of their socio-economic background.

- b. Proposals that create a greener City by addressing climate change and managing our environment for this generation and generations to come.
  - c. Proposals that ensure community engagement and empowerment in decision making about activities and services offered.
22. A full review of the Neighbourhood Fund, including priorities and governance, will be undertaken at least every 5 years.

## **Governance Process**

23. The City Corporation's CIL Neighbourhood Fund will be allocated following the assessment of eligible applications that meet the assessment criteria for infrastructure projects or activities that take place within the City of London and which benefit City of London communities.
24. The determination of these applications will rest with the City Corporation.
25. The City Corporation will publish details of funded applications on the City Corporation's website at: [CIL Neighbourhood Approved Grants](#).
26. The City Corporation will prepare an annual report for the CIL Neighbourhood Fund as a separate item within the wider annual CIL and s106 monitoring report. The Neighbourhood Fund monitoring will include details of:
- Total CIL Neighbourhood Fund receipts for the reporting year;
  - Total CIL Neighbourhood Fund expenditure for the reporting year;
  - Details of CIL Neighbourhood Fund expenditure for the reporting year, including the amount spent on each individual project;
  - Total CIL Neighbourhood Fund monies remaining.

## **Application Process**

27. The application process will be managed by the City Corporation's Central Grants Unit. Information about the Neighbourhood Fund and how to apply will be posted on the City Corporation's website at: <https://www.cityoflondon.gov.uk/about-us/working-with-community/community-infrastructure-levy-neighbourhood-fund>

28. Applications can be made at any time and should be submitted via an online application form which will be posted on the City Corporation's website at:  
<https://citycorporationgrants.my.site.com/fundingprograms/s/funding-program/a028d00000Bp70V/cil-neighbourhood-fund>

## **Eligibility Criteria**

29. CIL Neighbourhood Fund applications will be accepted from the following types of organisation:
- Constituted voluntary organisations and resident associations
  - Constituted business organisations and associations
  - UK Registered charities
  - Registered community interest companies (CIC)
  - Charitable companies (incorporated as not for profit)
  - Registered charitable incorporated organisations
  - Exempt or excepted charities
  - Registered charitable industrial and provident society (IPS) or charitable community benefit society (BenCom).
30. Applicant organisations should have a clear set of governing rules and governing document appropriate to their legal status.
31. Applicant organisations should have a minimum of three unrelated members on their governing body.
32. Applicant organisations are required to provide at least one year's signed, audited or independently examined accounts for the organisation.
33. Applicants should have robust financial procedures in place to ensure that funds are used appropriately. The applicant must have an ordinary business bank account and all cheques from the bank account must be signed by at least two individual representatives of the organisation who are not related to one another and who do not live at the same address.
34. Applications must be for infrastructure or activities that benefit City of London communities and take place within the City of London. Applications should demonstrate City-based support.

35. Applications cannot be accepted from individuals. Individuals who wish to apply for funding should do so through a City-based constituted organisation or group falling into the above definition.
36. Applications will not be accepted from political parties or organisations involved in political lobbying.
37. Applications from City Corporation service departments will be accepted where they:
  - Have the support of a City-based community group, or
  - Can demonstrate that delivery will meet community priorities, either through consultation with communities, or through an adopted City Corporation strategy which can demonstrate community support.
38. Applicant organisations should have a safeguarding policy that ensures the organisation provides a safe and trusted environment which safeguards anyone who comes into contact with it, including beneficiaries, staff and volunteers. Application organisations seeking funding for activities with or for young people and vulnerable adults must have a robust safeguarding policy in place which outlines procedures, training, incident reporting and safeguarding risks.
39. Applicants in receipt of a rejected application cannot reapply to CIL Neighbourhood Fund for 12 months from the submission date of the rejected application.
40. Applicants may have no more than one active CIL Neighbourhood grant at any time.
41. Applications for infrastructure funding to mitigate the direct impacts of specific development will not be accepted. Such mitigation should be delivered as part of the development process and funded through s106 Planning Obligations.
42. Applications to fund projects which are already in receipt of other City CIL funding, s106, or s278 funding for site specific mitigation will not normally be accepted.
43. Applicant organisations who have received five year's funding will be subject to a fallow period of 12 months before they can reapply for CIL Neighbourhood Funding. The start of funding will be measured from the date of first grant awarded. Continuous funding will be considered as funding in each of the five calendar years from the date of grant awarded irrespective of short gaps between the allocation of

continuation grants. The 12 month fallow period will be measured from the date of approval of the applicant's Year Five Information & Learning End of Project report.

## **Application Advice**

44. The Central Grants Unit provides pre-application advice and support to applicants. The Central Grants Unit will also provide feedback to unsuccessful applicants. Requests for advice should be emailed to [grants@cityoflondon.gov.uk](mailto:grants@cityoflondon.gov.uk)
45. The Central Grants Unit cannot provide assistance with project management or delivery of schemes funded through the Neighbourhood Fund.

## **Assessment Criteria**

46. Applications should demonstrate that funding will be used to meet the Regulatory requirements for CIL funding set out in Community Infrastructure Levy Regulations, namely to support the development of the area by:
  - d. the provision, improvement, replacement, operation or maintenance of infrastructure; or
  - b. anything else that is concerned with addressing the demands that development places on an area.
47. Applications should evidence of the feasibility, deliverability and sustainability of the project.
48. Applications should set out clear timescales for delivery.
49. Applications for infrastructure projects should have obtained all necessary planning and other consents prior to the release of funding.
50. Applications should not include expenditure for any spending commitments made before the date of grant awarded.
51. Applicants should not apply to CLINF for any part of a project that is already funded.
52. Applications that include a request for funding towards a post where the post holder will work more than 17.5 hours per week must submit a job description to outline the key roles and responsibilities of the post, the hours, the pay rate/salary.

53. We are a Living Wage Friendly Funder. Any post paid for in full or part by a grant must be paid the London Living Wage as a minimum.
54. Applications for funding to support infrastructure and projects should specify the activities (outputs) that will be delivered and the differences (outcomes) that will be achieved as a result of delivering the project. Applicants should submit a monitoring framework with measurable targets that sets out how the organisation will track progress against intended outputs and outcomes.
55. Applications for funding in excess of £100,000 should demonstrate how the project will deliver value for money, including through the identification of any contributory or match funding. This can include contributions in time or expertise, for example, where a local community delivers infrastructure improvements themselves, but is not necessary for a successful bid.
56. Applications for infrastructure projects in excess of £100,000 should seek three quotes for all elements of intended work/materials over the value of £10,000. Submission of original quotes may be requested during the assessment process. Applicants should indicate which quote they consider represents best value for money. When assessing value for money the City Corporation will consider environmental value, social value as well as financial value.
57. Applications for the realisation of infrastructure projects of £100,000 or more should usually evidence that an access audit has been undertaken in relation to the proposed project and that its recommendations have informed the submitted proposal.

## **Value of Bids**

58. The minimum value for applications to the CIL Neighbourhood Fund is £10,000, with the exception of applications for the funding of access audits for which there is no minimum. Applicants seeking smaller grants should consider applying to the City Corporation's Stronger Communities Fund: <https://www.cityoflondon.gov.uk/about-us/working-with-community/central-grants-programme/stronger-communities>
59. The maximum grant awarded from the CIL Neighbourhood Fund is £500,000.
60. The total value of any grant/s awarded or consecutive grants awarded to the same applicant organisation cannot exceed £500,000 within any

5 year (60 month) period measured from the date of grant awarded of the initial grant to the applicant organisation.

## **Awards Process**

61. The determination of applications will be made through a combination of officer delegation and Committee approval, depending on the financial value of the application.
62. Funding applications for under £100,000 will be determined by City Corporation officers under delegated authority. Decisions should normally be made within 12 weeks of the receipt of a valid application.
63. Decisions taken under delegated authority will be reported to the Resource Allocations Sub-Committee.
64. Applications for £100,000 and over will be considered by the City Corporation's Resource Allocation Sub-Committee, normally on a quarterly basis. Applications will be considered as items in the public part of the meeting agenda. Decisions should normally be made within 6 months from the receipt of a valid application.
65. Where a grant has been awarded for revenue expenditure, applicants have up to one year from the date of the grant letter in which to begin to draw down funds. Where a grant has been awarded for capital expenditure, applicants have up to two years from the date of the grant offer letter in which to draw down funds. The grant offer may be revoked where the grant is not drawn down as outlined above unless an alternative timescale has been agreed in writing. The City Corporation will monitor delivery of projects, including taking action to ensure that projects are delivered on time, or seek to recover funds if projects do not proceed within agreed parameters.
66. Applicants who withdraw their application during the assessment process may reapply to the CIL Neighbourhood Fund at any time.

## **Complaints Process**

67. Any applicant wishing to complain or express dissatisfaction about the conduct, standard of service, actions or lack of action by the Central Grants Unit during the assessment of their application should follow the City of London's simple three-stage procedure outlined on the Corporation's website at: [Feedback - City of London](#). At Stage 1 complainants should contact [grants@cityoflondon.gov.uk](mailto:grants@cityoflondon.gov.uk) upon which their complaint review will be undertaken by the Head of Central Grants

Unit. A full response should be provided within ten working days. At Stage 2 a complaint review will be undertaken by the Chief Officer of the Department or a nominated Senior Officer (Chair of CILNF Officer Panel). A full response should be provided within ten working days or the complainant will be advised of any delay. At Stage 3 complainants should contact [complaints@cityoflondon.gov.uk](mailto:complaints@cityoflondon.gov.uk) upon which a complaint review will be undertaken by the Town Clerk & Chief Executive or a Senior Officer acting on his/her behalf. A full response should be provided within ten working days or the complainant will be advised of any delay.



# Agenda Item 8

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<b>Committees:</b> Resource Allocation Sub-Committee - for decision Projects and Procurement Sub - for information	<b>Dates:</b> 11 July 2024 15 July 2024
<b>Subject:</b> Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings <b>Unique Project Identifier:</b> 12372	<b>Gateway 2                  Regular                  Issue Report</b>
<b>Report of:</b> City Surveyor <b>Report Author:</b> Graeme Low, Head of Energy & Sustainability (Assistant Director)	<b>For Decision</b>
<h1>PUBLIC</h1>	

<b>1. Status update</b>	<p><b>Project Description:</b> This programme covers a portfolio of capital interventions to be delivered to decarbonise the most carbon intensive City of London operational buildings, in line with the Climate Action Strategy 2027 net zero targets.</p> <p><b>RAG Status:</b> Amber (Amber at last report to Committee)</p> <p><b>Risk Status:</b> Medium (Medium at last report to committee)</p> <p><b>Total Estimated Cost of Project (excluding risk):</b> £5,211,404</p> <p><b>Change in Total Estimated Cost of Project (excluding risk):</b> £127,211 (decrease). Change is due to proposed change in scope to exclude certain projects and include additional projects.</p> <p><b>Spend to Date:</b> £1,227,596. Spend to date is for development and delivery of sub-projects as set out in ‘Progress to date’ – see 4.1.2 below, against the combined approved budgets for the project and all sub-projects to date.</p> <p><b>Costed Risk Provision Utilised: £32,256</b> (of which £32,256 has been drawn down since the last report to Committee). Utilised for Tower Hill Coach &amp; Car Park sub-project due to inflation, whose CRP was approved at GW5 for this particular sub-project.</p> <p><b>Funding Source:</b></p> <table border="1"> <thead> <tr> <th>Item</th> <th>Reason</th> <th>Funds/ Source of Funding</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td rowspan="6">All Projects</td> <td rowspan="6">To support Climate Action Strategy net zero target and access additional funding to support this.</td> <td>CAS Year 3, 4 and 5 Plans</td> <td>£3,902,316</td> </tr> <tr> <td>CAS English Heritage Pathway Project</td> <td>£80,000</td> </tr> <tr> <td>Cyclical Work Programme (approved budget)</td> <td>£611,238</td> </tr> <tr> <td>Local (to be agreed)*</td> <td>£151,490</td> </tr> <tr> <td>Central (approved)</td> <td>£180,940</td> </tr> <tr> <td>Carbon Fund (section 106 grant)</td> <td>£1,695,928</td> </tr> </tbody> </table>	Item	Reason	Funds/ Source of Funding	Cost (£)	All Projects	To support Climate Action Strategy net zero target and access additional funding to support this.	CAS Year 3, 4 and 5 Plans	£3,902,316	CAS English Heritage Pathway Project	£80,000	Cyclical Work Programme (approved budget)	£611,238	Local (to be agreed)*	£151,490	Central (approved)	£180,940	Carbon Fund (section 106 grant)	£1,695,928
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<p data-bbox="81 472 296 539"><b>2. Requested decisions</b></p>	<p data-bbox="352 486 1011 521"><b>Next Gateway: Gateway 3-5 or Gateway 3-4</b></p> <p data-bbox="352 539 691 575"><b>Requested Decisions:</b></p> <ol data-bbox="405 593 1522 1032" style="list-style-type: none"> <li>Approval of Option 2, to change the scope of the Project to achieve significantly improved carbon and costs savings: <ul data-bbox="451 667 1522 1032" style="list-style-type: none"> <li>Limit the scope of the Project to only include energy efficiency works which provide ongoing energy cost and carbon savings.</li> <li>Exclude proposed works which do not provide cost savings, and <i>only</i> provide carbon savings. These works relate to heat decarbonisation, primarily through heat pumps where the transition from gas to electricity for heat generation results in higher ongoing energy costs but achieve good carbon savings. These works are still required to support our net zero target but will be progressed through a separate Project and forthcoming Gateway 2 paper to committee which will further explain the business case, rationale and funding strategy.</li> </ul> </li> </ol> <p data-bbox="448 1052 1366 1088">The following table details the outcome of the proposed change:</p> <table border="1" data-bbox="437 1102 1362 1355"> <thead> <tr> <th data-bbox="437 1102 959 1137"></th> <th data-bbox="959 1102 1163 1137">Original</th> <th data-bbox="1163 1102 1362 1137">Revised</th> </tr> </thead> <tbody> <tr> <td data-bbox="437 1137 959 1196">Est. cost of project (incl. risk)</td> <td data-bbox="959 1137 1163 1196">£6,619,883</td> <td data-bbox="1163 1137 1362 1196">£6,621,912</td> </tr> <tr> <td data-bbox="437 1196 959 1238">Carbon savings (tCO<sub>2e</sub>/yr) at 2027</td> <td data-bbox="959 1196 1163 1238">520</td> <td data-bbox="1163 1196 1362 1238">722</td> </tr> <tr> <td data-bbox="437 1238 959 1281">Average payback (years)</td> <td data-bbox="959 1238 1163 1281">12.0</td> <td data-bbox="1163 1238 1362 1281">7.3</td> </tr> <tr> <td data-bbox="437 1281 959 1319">Cost of carbon savings (£/tCO<sub>2e</sub>)</td> <td data-bbox="959 1281 1163 1319">£12,731</td> <td data-bbox="1163 1281 1362 1319">£9,173</td> </tr> <tr> <td data-bbox="437 1319 959 1355">Energy cost savings per annum</td> <td data-bbox="959 1319 1163 1355">£550,000</td> <td data-bbox="1163 1319 1362 1355">£901,183</td> </tr> </tbody> </table> <ol data-bbox="405 1395 1522 1794" style="list-style-type: none"> <li>That a Costed Risk Provision of £379,535 is approved (to be drawn down via delegation to the City Surveyor) to reach the next gateway stages for all sub-projects to be used for design fees if the procurement route changes from a single stage design and build to a two-stage design then build. This will be wholly funded through the Climate Action Strategy Year 4 Plan approved budget.</li> <li>To approve the proposed works, which will constitute sub-projects, will be reprofiled to account for the above change. This includes additional sites not included in the original Gateway 2. A list of updated sub-projects and sites can be found in Appendix 4.</li> <li>To approve, the funding strategy, as set out in item 3 below.</li> </ol>		Original	Revised	Est. cost of project (incl. risk)	£6,619,883	£6,621,912	Carbon savings (tCO <sub>2e</sub> /yr) at 2027	520	722	Average payback (years)	12.0	7.3	Cost of carbon savings (£/tCO <sub>2e</sub> )	£12,731	£9,173	Energy cost savings per annum	£550,000	£901,183
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<p data-bbox="81 1800 244 1836"><b>3. Budget</b></p>	<p data-bbox="352 1800 1390 1868">The overall estimated cost of the Project was set out in the Gateway 2 at £6,619,883 (incl. costed risk).</p> <p data-bbox="352 1872 1310 1908">The revised estimated Project cost is £6,621,912 (incl. costed risk).</p> <p data-bbox="352 1912 1031 1948">This represents a negligible increase of £2,029.</p> <p data-bbox="352 1953 1390 1989">Note: the estimated costed risk (post-mitigation and open) is: £1,242,273</p>																		

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	<p>Details of the updated list of sub-projects and their estimated costs can be found in Appendix 4.</p> <p>A budget of £250,000 was approved at Gateway 2 for the development of the sub-projects within the original Project scope to reach the next gateway stage. The spend to date for this budget is: £84,770.</p> <p>As set out previously, this Gateway 2 Issue report requests a costed risk provision of £379,535 in the budget to allow for the risk that additional energy efficiency works may not be delivered through the same Design and Build procurement route and therefore these projects may need additional design budget to progress them to the next Gateway. This will be wholly funded through the Climate Action Strategy Year 4 Plan approved budget.</p> <p><b>Costed Risk Provision requested for this Gateway: £379,535</b></p> <p><b><u>Funding strategy</u></b></p> <p>The original Gateway 2 paper set out a funding strategy where the Project was to be 100% funded through the Climate Action Strategy (CAS). This Issue paper presents below a revised funding strategy which takes advantage of a mixture of CAS funding, other local/central funding and external grant funding.</p> <table border="1" data-bbox="354 1039 1418 1355"> <thead> <tr> <th>Item</th> <th>Reason</th> <th>Funds/ Source of Funding</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td rowspan="7">All Projects</td> <td rowspan="7">To support Climate Action Strategy net zero target and access additional funding to support this.</td> <td>CAS Year 3, 4 and 5 Plans</td> <td>£3,902,316</td> </tr> <tr> <td>CAS English Heritage Pathway Project</td> <td>£80,000</td> </tr> <tr> <td>Cyclical Work Programme (approved budget)</td> <td>£611,238</td> </tr> <tr> <td>Local (to be agreed)*</td> <td>£151,490</td> </tr> <tr> <td>Central (approved)</td> <td>£180,940</td> </tr> <tr> <td>Carbon Fund (section 106 grant)</td> <td>£1,695,928</td> </tr> <tr> <td><b>Total (incl. costed risk)</b></td> <td><b>£6,621,912</b></td> </tr> </tbody> </table> <p><b>Note</b>, in the case of the allocated CAS Year 3-5 Plan funding, financial savings that are made will accrue back to the City Corporation as a contribution to the Build Back Better Fund, up to the level of approved CAS funding, held in City Fund or City’s Cash as appropriate. Therefore, departmental local risk budgets will be adjusted accordingly.</p> <p>*This relates to the City of London Freemen’s School and may be subject to change pending ongoing discussions with the school.</p>	Item	Reason	Funds/ Source of Funding	Cost (£)	All Projects	To support Climate Action Strategy net zero target and access additional funding to support this.	CAS Year 3, 4 and 5 Plans	£3,902,316	CAS English Heritage Pathway Project	£80,000	Cyclical Work Programme (approved budget)	£611,238	Local (to be agreed)*	£151,490	Central (approved)	£180,940	Carbon Fund (section 106 grant)	£1,695,928	<b>Total (incl. costed risk)</b>	<b>£6,621,912</b>
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<p><b>4. Issue description</b></p>	<p><b>4.1 Update on progress</b></p> <ul style="list-style-type: none"> <li>• In December 2022 we set out the plans to deliver the Capital Delivery Programme for Operational Buildings, as detailed in the original Gateway 2 report.</li> <li>• The programme set out the list of proposed works which provide carbon and cost savings to be delivered to decarbonise the most carbon intensive City Corporation operational buildings to support our Climate Action Strategy 2027 net zero target.</li> <li>• We currently have 12 sub-projects (each being a combination of works/measures), across 11 sites, in progress. And we are near completion</li> </ul>																				

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	<p>on projects at the following sites - BAC (pumps), Guildhall (lighting), Tower Hill Coach &amp; Car Park (lighting and ventilation).</p> <ul style="list-style-type: none"> <li>• Spend to date is £1,227,596. Details of spend to date by project are provided in Appendix 5.</li> <li>• Further consultation and surveys have identified some proposed works are no longer suitable due to them being progressed through other projects or due to their forecast benefits not being deemed good value. Details of these reasons are provided in Appendix 3.</li> </ul> <p><b>4.2 Issue - change in scope</b></p> <ul style="list-style-type: none"> <li>• In the original Gateway 2, the projects set out consisted of two types of decarbonisations measures: <ul style="list-style-type: none"> <li>○ Energy efficiency works, which provide cost and carbon savings.</li> <li>○ Heat decarbonisation works, which <i>only</i> provide carbon savings.</li> </ul> </li> <li>• We recommend excluding works from this Programme which do not provide cost savings, and <i>only</i> provide carbon savings. These works relate to heat decarbonisation, primarily through heat pumps where the transition from gas to electricity for heat generation results in higher ongoing energy costs but achieve good carbon savings.</li> <li>• These works are still required to support our net zero target and we recommend they are progressed through a separate Project and forthcoming Gateway 2 paper to committee which will further set out their specific need (i.e. business case and rationale) and funding strategy.</li> <li>• We recommend reprofiling the programme scope to include additional sites and works not included in the original Gateway 2, as set out in Appendix 4.</li> </ul>
<p><b>5. Options</b></p>	<ol style="list-style-type: none"> <li><b>1. No change in scope – not recommended.</b> The business case for the two different types of works (those with and those without cost savings) is significantly different and would be best progressed through separate projects and approval routes.</li> <li><b>2. Change scope – recommended.</b> Reprofile the programme using the updated list of sub-projects which includes additional projects and excludes heat decarbonisation projects where there is no cost saving. Heat decarbonisation projects with no cost savings are to be considered through a separate Project to be presented through a separate Gateway 2 paper.</li> </ol>

**Appendices**

<b>Appendix 1</b>	Project Coversheet
<b>Appendix 2</b>	Risk Register
<b>Appendix 3</b>	Projects listed in original Gateway 2
<b>Appendix 4</b>	Updated delivery projects list & budget
<b>Appendix 5</b>	Programme spend to date

**Contact**

<b>Report Author</b>	Graeme Low
<b>Email Address</b>	graeme.low@cityoflondon.gov.uk

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<b>Telephone number</b>	07857 665 662
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# Project Coversheet

## [1] Ownership & Status

**UPI: 12372**

**Core Project Name:** Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings. Note: this is the cover sheet for the overall programme.

**Programme Affiliation** (if applicable): Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings

**Project Manager:** Graeme Low, Head of Energy and Sustainability

**Definition of need:** The ‘Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings’ aims to deliver reductions in the carbon emissions of our operational buildings in support of the City Corporation’s net zero goal as set out in our Climate Action Strategy.

### Key measures of success:

1. Programme completed within budget
2. Programme completed within timeframe
3. Carbon savings made by 2027

The following table details the original success measures and outcome of the proposed change:

	Original	Revised
Est. cost of project (incl. risk)	£6,619,883	£6,621,912
Carbon savings (tCO <sub>2e</sub> /yr) at 2027	520	722
Average payback (years)	12.0	7.3
Cost of carbon savings (£/tCO <sub>2e</sub> )	£12,731	£9,173
Energy cost savings per annum	£550,000	£901,183

**Expected timeframe for the project delivery:** Due to increase in scope, the anticipated completion date of all projects in the programme is now March 2026 from March 2025.

### Key Milestones:

1. Commencement of construction of individual projects March 2023
2. Completion of all projects – March 2026

**Are we on track for completing the project against the expected timeframe for project delivery?** No

The forecast programme completion date has been extended to March 2026 to allow for an increase in the to include new building works/ sub-projects. All works which remain within the original scope of works will be completed by the original timeframe of March 2025.

**Has this project generated public or media impact and response which the City of London has needed to manage or is managing?**

No

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<b>[2] Finance and Costed Risk</b>
<b>Headline Financial, Scope and Design Changes:</b>
<p><b>‘Project Briefing’ G1 report (as approved by P&amp;R 15/12/2022):</b></p> <p>A Gateway 1 paper titled ‘Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings’ was received by Policy and Resources Committee alongside the below GW2 paper. This set out a proposed programme to cover a portfolio of capital interventions to be delivered to decarbonise the most carbon intensive City of London operational buildings, in line with the Climate Action targets. The programme was expected to deliver £550,000 in savings per year. The programme was expected to deliver carbon savings of c. 520 tonnes per year.</p> <p>Delivery cost: Lower Range estimate: £5,585,000 Upper Range estimate: £6,250,000</p> <p>Delivery timeframe:  Lower Range estimate: January 2023 – June 2024 Upper Range estimate: January 2023– April 2025</p>
<p><b>‘Project Proposal’ G2 report (as approved by P&amp;R (15/12/2022):</b></p> <p>A Gateway 2 paper titled ‘Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings’ was approved by P&amp;R for the programme. This paper set out the next steps for specific projects which are part of the programme to be approved through subsequent separate gateway papers. The separate Gateway papers will be mostly 3-5 and will all have a separate cover sheet. The programme level details were as follows:</p> <ul style="list-style-type: none"><li>• Total Estimated Cost (excluding risk): £5,338,615</li><li>• Resources to reach next Gateway (excluding risk): £250,000</li><li>• Spend to date: n/a</li><li>• Costed Risk Against the Project: £1,281,268</li><li>• CRP Requested: £0</li><li>• CRP Drawn Down: £0</li><li>• Estimated Programme Dates: Completion March 2025</li></ul>
<p><b>Gateway 2 Issue (to be approved)</b></p> <p>The current budget position for the programme outlined in this Gateway 2 Issue Report is:</p> <ul style="list-style-type: none"><li>• <b>Total Estimated Cost (excluding risk):</b> £5,211,404</li><li>• <b>Resources to reach next Gateway (excluding risk):</b> At Gateway 2 this was £250,000. The spend to date for this programme budget is: £84,770</li></ul>



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- **Spend to date:** £1,227,596 (for the programme and all related sub-projects, see below those approved), including the above £84,770 for the programme level budget.
- **Costed Risk Against the Project:** £1,242,273
- **CRP Requested:** £379,535 (requested in this Issue Report)
- **CRP Drawn Down:** for the overall programme £0 (has been drawn down since the last report to Committee). Individual sub-projects have their own risk registers/CRP, of these only one sub-project has a CRP drawdown, that being £32,256 utilised for the sub-project for Tower Hill Coach & Car Park, due to inflation, whose CRP was approved at GW5 for this particular sub-project.
- **Estimated Programme Dates:** On approval of the increase in scope, the anticipated completion date of all projects is now March 2026.

**‘Authority to start Work’ G5 report:**

As this is a programme level report, each of the sub-projects will reach GW5 at different times. A number of the projects have reached GW5 and been approved as follows:

<b>Project</b>	<b>Status</b>
Barbican Art Centre Pumps	GW5 approved (near completion)
Barbican Art Centre Pump 40	GW5 approved
Barbican Art Centre Lighting	GW5 approved
Barbican Art Centre and Guildhall School of Music and Drama EC Fans	GW5 approved
Guildhall Lighting	GW5 approved (near completion)
Tower Hill Coach & Car Park	GW5 approved (near completion)
BEMS Building Advisor Phase 2 (CCC&MH)	GW5 approved
LMA Solar PV	GW5 approved
Walbrook Wharf Phase 1	GW5 approved
Lido Solar PV	GW5 approved

**Total anticipated on-going commitment post-delivery [£]:** this will be set out in associated separate sub-project cover sheets where applicable. Currently only the LMA Solar PV has included for this at £1,000/yr.

**Programme Affiliation [£]:** N/A

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**City of London: Projects Procedure Corporate Risks Register**

Project name: Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings

Unique project identifier: 12454

Total est cost (exc risk) £5211404

Corporate Risk Matrix score table

PM's overall risk rating	Medium
Avg risk pre-mitigation	8.5
Avg risk post-mitigation	3.2
Red risks (open)	3
Amber risks (open)	7
Green risks (open)	1

	Minor impact	Serious impact	Major impact	Extreme impact
Likely	4	8	16	32
Possible	3	6	12	24
Unlikely	2	4	8	16
Rare	1	2	4	8

Costed risks identified (All)

£2,955,631.80	57%
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Costed risk as % of total estimated cost of project

Costed risk pre-mitigation (open)

£2,048,067.80	39%
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" "

Costed risk post-mitigation (open)

£1,373,193.04	26%
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" "

Costed Risk Provision requested

£379,535.00	7%
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CRP as % of total estimated cost of project

- (1) Compliance/Regulatory
- (2) Financial
- (3) Reputation
- (4) Contractual/Partnership
- (5) H&S/Wellbeing
- (6) Safeguarding
- (7) Innovation
- (8) Technology
- (9) Environmental
- (10) Physical

Number of Open Risks	Avg Score	Costed impact	Red	Amber	Green
1	16.0	£82,264.64	1	0	0
6	7.2	£967,408.92	1	4	1
0	0.0	£0.00	0	0	0
2	6.0	£629,535.00	0	2	0
1	16.0	£201,644.83	1	0	0
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0
1	6.0	£167,214.41	0	1	0

Issues (open)

0
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Open Issues

Extreme	Major	Serious	Minor
0	0	0	0
0	0	0	0

All Issues

0
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All Issues

Cost to resolve all issues (on completion)

£0.00
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Total CRP used to date

£32,256.00
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GW2 - Ref	Site Details	Intervention details	Total project cost - Excluding risk (£)	Total costed Risk (£)	Total Project cost (inc. risk)	Projected Costs Savings	Projected Payback Period (yrs)	Annual Energy Savings (kWh)	Annual Carbon Savings (100's tCO2)	Scope Status	Change of scope over project development
1	7 Harrow Place	LED lights	£26,750	£6,420	£33,170	£0	8	15,000	0.002	EXCLUDED	Not proceeding through this project as this is a housing property.
2	Barbican Arts Centre	BEMS Optimisation	£32,100	£7,704	£39,804	£41,064	0.7	264,344	0.0255	INCLUDED	
3	Barbican Arts Centre	Heating Improvements	£154,824	£37,158	£191,981	£41,373	4	-	-	INCLUDED	
4	Barbican Arts Centre	BAC - Theatre Fly Tower, sub-stage, Control Room	£38,384	£9,212	£47,596	£19,076	2	78,084	0.0107	INCLUDED	
5	Barbican Arts Centre	EC Fan Replacements	£274,736	£65,937	£340,673	£38,459	7	157,427	0.0215	INCLUDED	
6	Barbican Arts Centre	Lighting Phase 2	£732,954	£175,909	£908,863	£19,800	36	81,050	0.0111	INCLUDED	
7	Barbican Arts Centre	Concert Hall Lighting (Combined with CWP)	£241,543	£57,970	£299,513	£27,158	10	111,168	0.0152	EXCLUDED	Excluded due to high cost and long payback, also scope of works being progressed separately through Barbican Renewal
8	Barbican Arts Centre	Theatre Lighting (Combined with CWP)	£340,056	£81,613	£421,669	£21,299	18	87,185	0.0119	EXCLUDED	Excluded due to high cost and long payback, also scope of works being progressed separately through Barbican Renewal
9	Bishopsgate Police Station	BEMS Optimisation	£10,158	£2,438	£12,595	£13,106	0.7	115,817	0.02	EXCLUDED	To be progressed through separate CAS Project
10	Central Criminal Court	BEMS Optimisation incl. Building Advisor roll out (Phase 2)	£146,713	£35,211	£181,924	£14,109	9.7	108,570	0.0182	EXCLUDED	To be progressed through separate CAS Project
11	City of London Cemetery & Crematorium	BEMS Optimisation	£7,804	£1,873	£9,676	£2,108	3.5	17,890	0.0031	EXCLUDED	To be progressed through separate CAS Project
12	GSMD	LED Lighting	£380,339	£91,281	£471,620	£28,055	13	114,840	0.0157	INCLUDED	
13	GSMD	BEMS Optimisation	£7,195	£1,727	£8,921	£5,594	1	22,897	0.0031	INCLUDED	
14	GSMD	EC Fan Replacements	£189,394	£45,455	£234,849	£5,584	33	22,858	0.0031	INCLUDED	
15	GSMD	Steam Humidification	£26,979	£6,475	£33,454	£1,421	18	5,816	0.0008	EXCLUDED	Recommended not to progress further as assessment has confirmed long payback and low benefit
16	Guildhall Complex	Replacement of North Wing pumps	£106,431	£25,544	£131,975	£25,316	3.9	110,071	0.015	EXCLUDED	Cancelled, as works were delivered under CWP project
17	Guildhall Complex	LED lighting for external Guildhall	£15,527	£3,726	£19,253	£2,488	5.8	10,816	0.0015	INCLUDED	
18	Guildhall Complex	LED lighting for Dance Porch	£15,427	£3,702	£19,129	£1,309	11	5,690	0.0008	INCLUDED	
19	Guildhall Complex	LED lighting for City Centre Exhibition	£50,229	£12,055	£62,284	£3,848	12.2	16,730	0.0023	EXCLUDED	Cancelled as centre was refurbished and lighting works undertaken through that project
20	Guildhall Complex	LED lighting for Amphitheatre	£53,669	£12,881	£66,550	£7,152	7	31,096	0.0042	INCLUDED	
21	Guildhall Complex	LED lighting for East Wing	£110,264	£26,463	£136,727	£8,459	12.2	36,779	0.005	INCLUDED	
22	Guildhall Complex	LED lighting for North Wing	£41,415	£9,939	£51,354	£5,335	7.3	23,194	0.0032	INCLUDED	
23	Guildhall Complex	North Wing AHUs	£65,488	£15,717	£81,206	£3,429	17.8	14,909	0.002	EXCLUDED	Recommended not to progress further as assessment has confirmed long payback and low benefit
24	Guildhall Complex	East Wing AHUs	£80,946	£19,427	£100,373	£13,934	5.4	60,585	0.0083	EXCLUDED	Scope of works now included in major project for the GYE offices
25	Guildhall Complex	PowerTag Sub metering (BEMS) Pilot project	£8,025	£1,926	£9,951	£0	-	-	-	INCLUDED	
26	Heathrow Animal Reception Centre	BEMS Optimisation	£8,521	£2,045	£10,567	£3,457	2.3	27,930	0.0047	INCLUDED	
27	Housing - General	Housing Estates BEMS (Trend) integration with Main CoL BEMS	£10,700	£2,568	£13,268	£0	-	-	-	EXCLUDED	Not proceeding through this project as this is a housing property.
28	London Metropolitan Archives	Insulation of internal heating pipework and fittings	£2,789	£669	£3,458	£797	3.3	7,970	0.0014	EXCLUDED	To be progressed through separate CWP Project
29	London Metropolitan Archives	Installation of solar pv array on roof of main building	£109,337	£26,241	£135,578	£16,849	6.1	49,861	0.0068	INCLUDED	
30	London Metropolitan Archives	BEMS Optimisation	£10,875	£2,610	£13,486	£5,131	2	31,485	0.005	EXCLUDED	To be progressed through separate CAS Project
31	Mansion House	BEMS Optimisation incl. Building Advisor roll out (Phase 2)	£89,099	£21,384	£110,483	£10,584	7.9	82,751	0.0139	INCLUDED	Note, scope changed to exclude roll-out of building advisor.
32	Mansion House	Heat Pump	£481,631	£115,591	£597,223	£26,568	16	681,429	0.1319	EXCLUDED	To be progressed through separate CAS Project
33	Mansion House	Draft Improvements	£26,028	£6,247	£32,274	£3,088	8	30,884	0.0055	INCLUDED	
34	Mansion House	Heating Improvements	£6,459	£1,550	£8,009	£5,797	1	33,632	0.0053	INCLUDED	
35	Mansion House	LED Lighting Replacements	£146,239	£36,097	£181,336	£18,371	8	75,200	0.0103	INCLUDED	
36	Mansion House	Fan Replacements	£31,443	£7,546	£38,989	£11,770	3	48,180	0.0066	INCLUDED	
37	Mansion House	Ventilation Improvements	£55,634	£13,352	£68,986	£11,284	5	46,191	0.0063	INCLUDED	
38	Mansion House	Insulation (Pipework)	£2,307	£554	£2,861	£114	19	1,144	0.0002	INCLUDED	
39	New Street (21)	BEMS Optimisation	£10,864	£2,607	£13,471	£4,786	2.1	29,180	0.0046	EXCLUDED	To be progressed through separate CAS Project
40	Open Spaces - Epping Forest	BEMS Optimisation	£12,041	£2,890	£14,930	£1,463	7.7	12,855	0.0022	INCLUDED	
41	OS Epping Forest - The Warren	Cavity Wall Insulation - the Office	£24,443	£5,866	£30,309	£97	236.2	967	0.0002	EXCLUDED	Cancelled due to poor payback
42	OS Epping Forest - The Warren	Cavity Wall Insulation - the Ancillary Barn	£15,375	£3,690	£19,065	£61	236.3	608	0.0001	EXCLUDED	Cancelled due to poor payback
43	OS Epping Forest - The Warren	Cavity Wall Insulation - the workshop	£16,016	£3,844	£19,859	£171	87.7	1,707	0.0003	EXCLUDED	Cancelled due to poor payback
44	OS Epping Forest - The Warren	Loft insulation - the Office	£12,575	£3,018	£15,593	£128	92	1,278	0.0002	EXCLUDED	Cancelled due to poor payback
45	OS Epping Forest - The Warren	LED Lighting - the Office	£22,730	£5,455	£28,185	£1,113	19.1	4,838	0.0007	INCLUDED	
46	OS Epping Forest - The Warren	LED Lighting - the Ancillary Barn	£5,682	£1,364	£7,046	£1,217	4.4	5,292	0.0007	INCLUDED	
47	OS Epping Forest - The Warren	BEMS upgrade	£48,862	£11,727	£60,589	£686	66.6	6,023	0.001	EXCLUDED	Being delivered through separate project
48	OS Epping Forest - The Warren	Biomass boiler installation	£93,191	£22,366	£115,557	£6,419	13.6	6,010	0.0166	INCLUDED	Scope changed to Air Source Heat Pump, rather than biomass due to planning challenges
49	OS Hampstead Heath - Kenwood House	Kenwood Nursery Solar PV	£56,479	£13,555	£70,034	£5,596	9.4	24,332	0.0033	EXCLUDED	Excluded due to high cost and long payback
50	OS Hampstead Heath: Lido	Lido Hampstead Health Solar PV - Phase 2	£106,740	£25,618	£132,358	£8,958	11.1	38,946	0.0053	INCLUDED	
51	OS: Marlewood Estate	Marlewood Estate Solar PV	£91,018	£21,844	£112,863	£11,237	7.6	48,855	0.0067	EXCLUDED	Excluded due to high cost and long payback
52	Tower Bridge	BEMS Optimisation incl. Building Advisor roll out (Phase 2)	£46,645	£11,195	£57,839	£7,048	6.2	64,462	0.0112	EXCLUDED	To be progressed through separate CAS Project
53	Walbrook Wharf Cleansing Depot	Ventilation EC Fan Replacements	£29,371	£7,049	£36,420	£17,364	1.6	75,495	0.0103	INCLUDED	
54	Walbrook Wharf Cleansing Depot	Replace gas boilers and LTHW pumps with ASHPs and new pumps for Phase 2 (Main office) building	£538,149	£129,156	£667,305	£11,205	40.7	226,872	0.0436	EXCLUDED	To be progressed through separate CAS Project
55	Walbrook Wharf Cleansing Depot	BEMS Optimisation incl. Building Advisor roll out (Phase 2)	£45,232	£10,856	£56,088	£9,210	4.6	65,219	0.0107	INCLUDED	Note, scope changed to exclude roll-out of building advisor.
56	Walbrook Wharf Cleansing Depot	Heating (Pumps & Valves)	£24,792	£5,950	£30,742	£1,284	18	7,890	0.0013	INCLUDED	
		<b>Total</b>	<b>£5,338,617</b>	<b>£1,281,267</b>	<b>£6,619,881</b>	<b>£551,329</b>	<b>12</b>	<b>3,250,302</b>	<b>0.5211</b>		

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Capital Programme						Cost			Outcomes				Funding Strategy				Funding Strategy	
No	Site	Ref	Site	Works	Scope Origin	Total est. cost incl. CRP	Costed Risk Provision (CRP)	Total est. cost excl. CRP	est. Energy cost savings	Savings tCO2e/yr at 2027	Payback (yrs)	Cost for carbon saved £/tCO2e	CAS Year 3-5 Plan	Cyclical Works Programme	Local (to be agreed)	Central (previously approved)	Carbon Fund (section 106 grant)	CAS English Heritage Pathway Project
1	BAC	1	Barbican Arts Centre	Pumps	ORIGINAL	£212,088	£32,403	£179,685	£49,253	45	4.3	£4,702	£212,088					
2	BAC	2	Barbican Arts Centre	Fans, Lighting	ORIGINAL	£510,601	£93,477	£417,124	£60,501	41	8.4	£12,490	£510,602					
3	GHC	3	Guildhall	Lighting	ORIGINAL	£361,393	£41,221	£320,172	£35,936	24	10.1	£14,883	£361,393					
5	BEMS	4	Multiple	Building Advisor, sub metering	ORIGINAL	£99,978	£6,180	£93,798	£17,536	21	5.7	£4,784	£99,978					
6	LMA	5	London Met, Archives	Solar PV	ORIGINAL	£150,206	£21,089	£129,117	£12,224	8	12.3	£18,185	£150,206					
7	GSMD - Milton Ct	6	GSMD - Milton Ct	Lighting	ORIGINAL	£663,910	£59,134	£604,776	£71,389	48	9.3	£13,763	£663,910					
8	Mansion Hse	7	Mansion Hse	Fans, pipework insulation, pump replacement, controls	ORIGINAL	£571,357	£80,483	£490,874	£70,197	73	8.1	£7,792	£481,357	£90,000				
9	Epping Forest, Warren	8	Epping Forest, Warren	Heat pump or alternative electric heating solution, lighting, pipe insulation	ORIGINAL	£472,150	£42,923	£429,227	£5,645	17	83.6	£28,017	£257,537	£214,613				
10	Walbrook Wharf	9	Walbrook Wharf	fans, pipework insulation, pumps, controls	ORIGINAL	£193,772	£24,394	£169,378	£12,235	12	15.8	£15,874	£143,772	£50,000				
11	Parliament Fields Lido	10	Parliament Fields Lido	Solar PV	ORIGINAL	£293,530	£24,121	£269,409	£9,433	5	31.1	£62,453	£117,905	£95,625				£80,000
4	THC&CP	11	Tower Hill Coach & Car Park	THC&CP Lighting and ventilation	REVISED	£299,690	£38,472	£261,218	£63,774	43	4.7	£6,954	£29,000			£180,940	£89,750	
12	HARC	12	Animal Reception Centre	Lighting, Fans, cooling upgrades, pumps and valves	REVISED	£263,005	£39,699	£223,306	£21,687	13	12.1	£20,077	£131,005	£132,000				
13	Guildhall	13	Guildhall	Lighting, draughtproofing, Guildhall Justice Rooms Cooling upgrades	REVISED	£561,073	£177,126	£383,947	£152,883	104	3.7	£5,395	£561,073					
14	Guildhall	14	Open Spaces Parliament Hill Lido	Pump upgrade	REVISED	£60,000	£21,000	£39,000	£14,870	10	4.0	£5,972	£60,000					
15	Guildhall	15	Golden Lane Leisure Centre	lighting, pipework insulation, pool cover, pool AHU replacement, pumps	REVISED	£227,433	£120,182	£107,251	£34,212	37	6.6	£6,229						£227,433
16	OS Hampstead	16	Freemen's School	lighting, fans, pipe insulation, pumps and valves	REVISED	£302,979	£106,043	£196,936	£42,407	35	7.1	£8,767	£151,490		£151,490			
17	Golden Lane LC	17	Boy's school	lighting, fans, pipe insulation, pumps/valves, heating and ventilation	REVISED	£542,467	£189,863	£352,604	£108,953	106	5.0	£5,113						£542,467
18	Golden Lane LC	18	Girls school	lighting, pool cover, pool plant upgrade	REVISED	£836,278	£292,697	£543,581	£118,047	80	7.1	£10,484						£836,278
<b>Total</b>						<b>£6,621,911</b>	<b>£1,410,507</b>	<b>£5,211,404</b>	<b>£901,183</b>	<b>722</b>	<b>7.3</b>	<b>£9,173</b>	<b>£3,902,316</b>	<b>£611,238</b>	<b>£151,490</b>	<b>£180,940</b>	<b>£1,695,928</b>	<b>£80,000</b>

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**SPEND TO DATE**

CBIS Capital code	Core Project	Approved Budget	Actuals - AP + Misc	GRN Actual Unmatched	Commitment	Total	Amount Unspent
55100090	Capital and SRP	£99,978.00	£37,129.35	£21,120.00	£0.00	£58,249.35	£41,728.65
2100163	L5-Barbican Centre Heating Improvements (CAS)	£212,088.00	£163,476.43	£0.00	£1,649.57	£165,126.00	£46,962.00
2100164	L5-Barbican Centre Lighting & Fans (CAS)	£497,602.00	£216,058.01	£0.00	£151,327.99	£367,386.00	£130,216.00
55800092	L5-Climate Action Strategy Suspense Account	£250,000.00	-£1,675.00	£1,675.00	£78,375.00	£78,375.00	£171,625.00
55100091	L5-Guildhall Complex Lighting (Climate Action Strategy)	£367,143.00	£241,463.01	£0.00	£41,647.99	£283,111.00	£84,032.00
16100486	L5-Tower Hill Coach & Car Park Energy Reduction	£293,540.00	£251,395.66	£23,953.34	£0.00	£275,349.00	£18,191.00
		<b>£1,720,351.00</b>	<b>£907,847.46</b>	<b>£46,748.34</b>	<b>£273,000.55</b>	<b>£1,227,596.35</b>	<b>£492,754.65</b>

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<b>Committees:</b> Resource Allocation Sub - for decision Projects and Procurement Sub - for information	<b>Dates:</b> 11 Jul 2024 15 Jul 2024
<b>Subject:</b> Climate Action Strategy Capital Delivery Programme – Heat Decarbonisation  <b>Unique Project Identifier:</b> 12454	<b>Gateway 2:</b> <b>Project Proposal</b> Regular
<b>Report of:</b> City Surveyor <b>Report Author:</b> Mark Donaldson	<b>For Decision</b>
<h2 style="margin: 0;">PUBLIC</h2>	

### Recommendations

<b>1. Next steps and requested decisions</b>	<p><b>Project Description:</b> commencement of the decarbonisation of the heat supplies to our larger corporate buildings in support of the 2027 net zero carbon target within our Climate Action Strategy. This project will prioritise opportunities for supplementing, or replacing, gas boilers primarily with electrically driven heat pumps to generate on-site low carbon space heating and hot water. The project will encompass multiple corporate sites and each will be developed separately as a sub-project progressed through separate subsequent gateway papers.</p> <p><b>Next Gateway:</b> Gateway 3/4 - Options Appraisal (Regular) for each of the three proposed sub-projects.</p> <p><b>Next Steps:</b></p> <ul style="list-style-type: none"> <li>• Undertake project develop works, including building surveys and support for planning permission and listed building consents where required.</li> <li>• Approval of the allocation of Cyclical Works Programme funding towards this project.</li> <li>• Develop Investment Grade Proposals.</li> <li>• Apply for grant funding where site projects are eligible.</li> <li>• Draft Gateway 3/4 papers for each sub-project.</li> </ul> <p><b>Requested Decisions:</b></p> <ol style="list-style-type: none"> <li>1. That a budget of <b>£42,368</b> is approved for further development of the three proposed sub-projects (including building surveys, design and obtaining planning/listed building permissions, and project management) to reach the</li> </ol>
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	<p>next Gateway to be funded through the Climate Action Strategy (CAS) Year 4 Plan approved budget;</p> <p>2. Note the total estimated cost of the project at <b>£3,163,749</b> (excluding risk);</p> <p>3. Note the total estimated cost of the project at <b>£3,638,311</b> (including risk);</p> <p>4. That a Costed Risk Provision of <b>£9,491</b> is approved (to be drawn down via delegation to the City Surveyor) to allow for additional building surveys if required to reach the next Gateway, to be funded wholly through the CAS Year 4 Plan for buildings.</p>																				
<p><b>2. Resource requirements to reach next Gateway</b></p>	<p>The following provides a breakdown of the resources required to reach the next Gateway and a budget of <b>£40,881</b>.</p> <table border="1" data-bbox="504 703 1362 1527"> <thead> <tr> <th>Item</th> <th>Reason</th> <th>Funds/ Source of Funding</th> <th>Cost (£)</th> </tr> </thead> <tbody> <tr> <td>Fees: Asbestos R&amp;D surveys</td> <td>Compliance and risk management</td> <td rowspan="5">CAS Year 4 Plan approved budget</td> <td>£15,000</td> </tr> <tr> <td>Fees: structural surveys</td> <td>Inform on design and viability</td> <td>£5,500</td> </tr> <tr> <td>Fees: acoustic surveys</td> <td>Inform on design</td> <td>£3,500</td> </tr> <tr> <td>Fees: Project Management</td> <td>Management support to progress to next gateway</td> <td>£14,381</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td><b>£40,881</b></td> </tr> </tbody> </table> <p><b>Costed Risk Provision requested for this Gateway: £9,491</b> (as detailed in the Risk Register – Appendix 2), to allow for additional building surveys if required to reach the next Gateway, to be funded wholly through the CAS Year 4 Plan for buildings.</p>	Item	Reason	Funds/ Source of Funding	Cost (£)	Fees: Asbestos R&D surveys	Compliance and risk management	CAS Year 4 Plan approved budget	£15,000	Fees: structural surveys	Inform on design and viability	£5,500	Fees: acoustic surveys	Inform on design	£3,500	Fees: Project Management	Management support to progress to next gateway	£14,381	<b>Total</b>		<b>£40,881</b>
Item	Reason	Funds/ Source of Funding	Cost (£)																		
Fees: Asbestos R&D surveys	Compliance and risk management	CAS Year 4 Plan approved budget	£15,000																		
Fees: structural surveys	Inform on design and viability		£5,500																		
Fees: acoustic surveys	Inform on design		£3,500																		
Fees: Project Management	Management support to progress to next gateway		£14,381																		
<b>Total</b>			<b>£40,881</b>																		
<p><b>3. Governance arrangements</b></p>	<p>3.1 All projects will be reported collectively to the following:</p> <ul style="list-style-type: none"> <li>• Executive Director of Innovation and Growth (SRO)</li> <li>• Climate Action Strategy – Building Chief Officers Group (BCOG)</li> <li>• Corporate Projects Board – for any Issue reports and Gateway 6.</li> <li>• Resource Allocation Sub-Committee</li> <li>• Projects and Procurement Sub-committee</li> </ul>																				

	<p>3.2 Where a subsequent Gateway paper has an estimated cost (including risk) under £1M it is expected that decisions will be requested from the SRO, under the delegated authority from Policy and Resources Committee.</p> <p>3.3 A specific project board is not deemed necessary as this project will be integrated with the existing Climate Action Strategy governance and report to BCOG which includes chief and senior officer representation.</p>
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**Project Summary**

<p><b>4. Context</b></p>	<p>4.1 The City Corporation adopted the Climate Action Strategy (CAS) in 2020 which set a target to achieve net zero carbon emissions within its own estate (scope 1&amp;2) by 2027.</p> <p>4.2 This target was informed by modelling the types of measures required to reduce carbon emissions. This identified that while the majority of the carbon reduction would come through improving the energy efficiency of our buildings, there would be a need to start the transition from gas boilers to lower carbon, electrically driven heating systems typically, but not limited to, heat pumps.</p> <p>4.3 Based on our carbon emissions as at Mar-24 we project a further carbon reduction of c.2,250 tCO<sub>2</sub>e/year is required by Mar-27 from our corporate buildings to support the net zero target.</p> <p>4.4 Gas consumption at our corporate buildings currently accounts for a significant c.25% of our scope 1 and 2 carbon emissions. Unlike the electricity grid, the gas grid is not anticipated to significantly decarbonise in the short-medium term and the UK government’s main policy drive is toward electrification of heat to meet net zero.</p> <p>4.5 The CAS Year 4 plan was approved by Policy and Resources in April 2024. This sets out the programme for delivering different building measures to reduce our carbon emissions and support the net zero target.</p> <p>4.6 The bulk, c.93%, of the reduction we plan to achieve through maximising the efficiency and control of our buildings on-site as well as supporting the decarbonisation of the Citigen heat network.</p> <p>4.7 The remaining c.7% reduction, which equates to c.175 tCO<sub>2</sub>e we plan to achieve through heat pump projects.</p> <p>4.8 The scope of works set out in this project was originally included within a GW2 paper titled ‘Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings’, approved by Policy and Resources Committee (P&amp;R) in January 2023. The heat pump opportunities have since been progressed through site surveys and studies. A GW2 Issue Report received by P&amp;R alongside this GW2 ‘CAS – Capital Delivery Programme – Heat Decarbonisation’ paper recommends</p>
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	<p>these particular heat pump works are delivered through this separate project due to their business case (e.g. costs and benefits) being significantly different to the rest of the original project. These are included as background papers.</p>
<p><b>5. Brief description of project</b></p>	<p>5.1 This project aims to start the transition from gas boilers to low carbon heating for our corporate buildings, primarily through electrically driven heat pumps (and solar photovoltaic panels where viable), to provide targeted support for our net zero 2027 goal.</p> <p>5.2 Under business as usual, our Cyclical Works Programme (CWP) and other asset replacement plans typically only budget for a like-for-like replacement of existing gas boilers when they reach end-of-life. Therefore, existing budgets usually do not allow for higher cost, low-carbon heat generation options.</p> <p>5.3 The project will encompass multiple corporate sites (currently three have been prioritised), and each will be developed separately as a sub-project progressed through separate subsequent gateway papers.</p> <p>5.4 The following priority sub-projects have been provisionally selected, whose works will encompass with full replacement of existing gas-plant or retaining gas plant for back-up and/or top-up heat alongside new low carbon plant:</p> <ul style="list-style-type: none"> <li>• Walbrook Wharf: Phase 2 front office only</li> <li>• Heathrow Animal Reception Centre: main building only</li> <li>• Mansion House</li> </ul> <p>Further details are provided in appendix 4</p> <p>5.5 We recommend these sub-projects are further progressed with individual gateway 3/4 papers. Please note the sub-project for Mansion House has been previously progressed to Gateway 3/4 within the project described in 4.8 above. See background paper.</p> <p>5.6 We will continue to review the options for alternative sites so that if any of these priority sub-projects are unable to be taken forward, we can consider alternative site options to still meet the overall contribution of 175 tCO<sub>2</sub>e/year reduction to support our net zero target.</p>
<p><b>6. Consequences if project not approved</b></p>	<p>6.1 If this project is not approved there is a risk that the corporate properties will not be able to sufficiently decarbonise to support meeting our 2027 net zero target. Our CAS programme has already prioritised the more cost-effective efficiency and control projects, and hence the opportunities for further efficiency are limited and this would present a significant challenge to fill any carbon reduction gap.</p> <p>6.2 Under business as usual it is highly probable that gas boilers which are at/near end-of-life will be replaced on a</p>

	like-for-like basis with new gas boilers which will likely remain in place for c.20 years and present a barrier to future decarbonisation and future City Corporation net zero targets.
<b>7. SMART project objectives</b>	<p>7.1 Achieve a reduction of at least 175 tCO<sub>2</sub>e carbon emissions per year by 2027.</p> <p>7.2 An overall cost of carbon reduction of under £20,000/tCO<sub>2</sub>e by 2027.</p> <p>7.3 Operation of new heating plant by end of March 2026 in order to provide a full year benefit to our 2027 target.</p> <p>7.4 Good continuity and performance of the new heat generation plant.</p>
<b>8. Key benefits</b>	<p>8.1 Supporting the net zero carbon target through lower building carbon emissions.</p> <p>8.2 Improved local air quality, due to reduced/eliminated of on-site gas combustion.</p> <p>8.3 New reliable heating plant with c.20 years life.</p>
<b>9. Project category</b>	5. Other priority developments
<b>10. Project priority</b>	B. Advisable
<b>11. Notable exclusions</b>	<p>11.1 Non-corporate buildings, such as those within the IPG (Investment Property Group) stock or housing stock.</p> <p>11.2 Carbon reduction measures which are not associated with the provision of low carbon heat, such as lighting or ventilation works.</p>

### Options Appraisal

<b>12. Overview of options</b>	<p>The following options, as a minimum, will be explored at the next gateway stage for each sub-project:</p> <p>12.1 Do not proceed with the sub-project for the decarbonisation of the heat generation at this site. Note, consideration will be given to reallocating the proposed budget to heat decarbonisation or efficiency works at alternative sites which may provide greater benefits. Under this option a Gateway 2 Issue report will be prepared to account for the change in scope and requirement for additional budget to progress with options for alternative works.</p> <p>12.2 Extend the delivery timeframe for the proposed heat decarbonisation works at the site to align with site plans, including any programmed boiler replacement or other sites works/closures.</p> <p>12.3 Proceed with the sub-project for heat decarbonisation at this site with the target for completion of on-site works by March 2026. Note, there may be additional options associated with proceeding with the project where there are</p>
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significant differences in the scope of works and associated budget/programme.

### Project Planning

<p><b>13. Delivery period and key dates</b></p>	<p><b>Overall project:</b> on-site works completed and commissioned by March 2026 and final project completion by end of June 2026.</p> <p><b>Key dates:</b></p> <p>Q3 2024/25: GW3/4 for each sub-project (Dec-24)</p> <p>Q4 2024/25: GW5 for each sub-project (Mar-25)</p> <p>Q1 2025/26: Works start on-site (Jun-25)</p> <p>Q4 2025/26: Works complete on-site (Mar-26)</p> <p>Q1 2025/26: Practical completion (Jun-26)</p> <p>Q4 2026/27: GW6 (Mar-27)</p> <p><b>Other works dates to coordinate:</b> This is specific to each sub-project for each site and will be further set out in the subsequent gateway papers.</p>
<p><b>14. Risk implications</b></p>	<p><b>Overall project risk:</b> Medium</p> <p>The estimated Costed Risk Provision for the project is <b>£474,562</b>.</p> <p><b>Costed Risk Provision requested for this Gateway: £9,491</b> (as detailed in the Risk Register – Appendix 2), to allow for additional building surveys if required to reach the next Gateway, to be funded wholly through the CAS Year 4 Plan for buildings.</p> <p>The major risks to the project are:</p> <ul style="list-style-type: none"> <li>• Obtaining planning permission and listed building consent for some sites</li> <li>• Installation health and safety, including asbestos</li> <li>• Minimise site disruption and ensuring continuity of services</li> <li>• Alignment of works with site plans</li> <li>• Enabling works, including electrical capacity and integration with existing building services</li> </ul> <p>Further information available within the Risk Register (Appendix 2)</p>
<p><b>15. Stakeholders and consultees</b></p>	<p>Internal for overall project:</p> <p>15.1 Energy Team: Graeme Low, Mark Donaldson, Adam Fjaerem, Athol Stewart</p> <p>15.2 Wider City Surveyors: Pete Collinson, Paul Wilkinson</p> <p>15.3 CAS Team: Kate Neale, Damian Nussbaum</p> <p>15.4 Minor Projects Team: Grayham Howarth, Chris Sharpe, Jonathan Cooper, Darren Horrigan, Simon Collins</p>



	<p>15.5 Facilities Management: Matt Baker, Andrew Coke, Samantha Williams</p> <p>15.6 Corporate Property Group (CPG): Peter Young, Paul Friend</p> <p>15.7 Chamberlains: Procurement (James Carter, Georgia Lawrence) finance (Andrew Little, Sonia Virdee), Sarah Baker</p> <p>15.8 Planning obligations officer: Carl Bernhardt</p> <p>15.9 Comptroller: Sean Austin</p> <p>Internal specific to provisional selected sub-projects:</p> <p>15.10 Mansion House: Mark Kober, Caroline Jack, David Lamb, Nina Tsindides.</p> <p>15.11 Walbrook Wharf: Alan Dingley, Luca Pagliaroli, Ian Hughes, Fiona McKeith, Dorian Price, tenants/occupants</p> <p>15.12 HARC: Susie Pritchard, Anastasia Batten, Gavin Stedman.</p> <p>External: Vital Energi (proposed main contractor), CBRE (corporate maintenance contractor), Schneider Electric (building controls maintenance contractor), Planning authority, English Heritage, District Network Operator</p>
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### Resource Implications

<b>16. Total estimated cost</b>	<b>Likely cost range (excluding risk): £3,163,749</b>	
	<b>Likely cost range (including risk): £3,638,311</b>	
<b>17. Funding strategy</b>	Choose 1: All funding fully guaranteed	Choose 1: Mixture - some internal and some external funding
	<b>Funds/Sources of Funding</b>	<b>Cost (£)</b>
	Cyclical Works Programme (CWP) – within the approved backlog maintenance budget	£455,250*
	Carbon Fund (S106 Offset fund) (approved, but pending full receipt)	£1,432,749
	Climate Action Strategy (CAS) from approved funding set out in the Year 4 CAS Plan for buildings	£1,275,749 (excl. costed risk provision) to £1,750,312 (incl. costed risk provision)
	Public Sector Decarbonisation Fund (PSDS) (pending a successful application to a future round)	£0
	<b>Total</b>	<b>£3,163,749 (excl. risk) to £3,638,311 (incl. risk)</b>

	<p>17.1 <b>Cyclical Works Programme (CWP)*</b>. Where the CWP has approved funding to support the replacement of existing end-of-life gas boilers and associated heating plant/systems, this funding will be utilised to support a project to deliver an alternative, higher cost, low carbon solution. The current allocation against these projects will need to be increased and will follow the agreed CWP governance for such increases.</p> <p>17.2 <b>Carbon Fund (S106 Offset fund)</b>. We propose the allocation of S106 funding received by the City Corporation to meet up to 50% of the costs of eligible sub-projects. As of May 2024 £1,195k has been received, with a further £2,212k expected to be received during 2024/25.</p> <p>17.3 <b>Climate Action Strategy (CAS)</b>. We propose to top-up the identified CWP and S106 funding with capital funding from the CAS up to a limit of £20,000/tCO<sub>2</sub>e/yr estimated savings to ensure an overall cost-effective approach for the CAS programme to support net zero within its total funding limits.</p> <p>17.4 <b>Public Sector Decarbonisation Scheme (PSDS)</b>. Some of the heat pump works may be eligible for part funding through a government grant called the PSDS. We have identified up to a maximum likely application for £545,000 of grant funding could be made. Where eligible we shall apply for this funding and update the funding strategy and budget accordingly through subsequent gateways.</p>
<p><b>18 Investment appraisal</b></p>	<p>18.1 The project will overall aim to achieve a cost of carbon reduction of under £20,000/tCO<sub>2</sub>e.</p> <p>18.2 The options set out in item 12 above will be appraised against this overall objective and further to this the allocation of CAS funding will be limited to £10,000 for every tonne of carbon estimated to be saved in 2027.</p> <p>18.3 It should be noted the project will increase ongoing energy and maintenance costs for each site in scope and hence the business case for this project is not based on achieving a payback on the capital investment.</p>
<p><b>19 Procurement strategy/route to market</b></p>	<p>19.1 The preferred route is through our existing Call-off Contract with Vital Energi Utilities Limited procured under a Greater London Authority and Local Partnerships LLP framework for the Mayor of London’s building retrofit (RE:FIT) programme. Under this arrangement individual works agreements can be entered into for each sub-project.</p> <p>19.2 Where our existing Call-off Contract is not considered the preferred route for a particular sub-project, the alternative recommendation will be set out in the Gateway 3/4 paper in consultation with Commercial Services.</p>
<p><b>20 Legal implications</b></p>	<p>20.1 Under the above preferred procurement route the works agreement for each sub-project incorporates modified</p>

	conditions from the JCT Design & Build form of contract, prepare by the Comptroller & City Solicitor's Department.
<b>21 Corporate property implications</b>	<p>21.1 Selection of the three priority sub-projects (Mansion House, Walbrook Wharf and Heathrow Animal Reception Centre) and the development of their scope have each been considered in consultation with stakeholders against the following: alignment with site/asset management plans including future disposal, redevelopment, refurbishment or cyclical works; access and minimising disruption to site occupants/services; planning permission, including listed building consent; compatibility and integration with existing heating and building systems; electrical requirements; spatial and structural requirements. The gateway 3/4 papers will set out the specific site considerations in detail, and the following provides key challenges.</p> <p>21.2 Electrically driven heat pump projects will typically have higher energy costs than the gas boilers they replace. This project will aim to reduce this impact through the inclusion of solar photovoltaic panels where viable to supply low carbon electricity to offset a portion of the new demand from the heat pumps. The sites will also be included in the wider CAS programme to improve the efficiency and control of energy with the overall aim to achieve net-neutral site-level energy cost to meet net zero for the site. Energy costs are also mitigated through lower import electricity prices from our Power Purchase Agreement (PPA).</p>
<b>22 Traffic implications</b>	22.1 Implications for individual Sub-projects will be set out in their relevant gateway 3/4 papers.
<b>23 Sustainability and energy implications</b>	<p>23.1 This project is being led by the City Surveyor's Energy and Sustainability Team and has been instigated for the purpose of supporting our Climate Action Strategy (CAS) – the benefits of which are further set out in items 1-4 above.</p> <p>23.2 The project will be informed by the CAS design standards which set best practice standards across the project life-cycle, including consideration of whole-life carbon and embodied carbon.</p>
<b>24 IS implications</b>	24.1 None.
<b>25 Equality Impact Assessment</b>	25.1 An equality impact assessment will not be undertaken.
<b>26 Data Protection Impact Assessment</b>	26.1 The risk to personal data is less than high or non-applicable and a data protection impact assessment will not be undertaken

## Appendices

<b>Appendix 1</b>	Project Briefing
<b>Appendix 2</b>	Risk Register
<b>Appendix 3</b>	Project Coversheet
<b>Appendix 4</b>	Prioritisation of projects for on-site heat decarbonisation

### **Background papers**

GW2 Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings
GW2 Issue Report for Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings
GW3/4 Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings: Mansion House – Planning Permission Application

### **Contact**

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<b>Telephone Number</b>	0780 8844409

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## Project Briefing

Project identifier			
<b>[1a] Unique Project Identifier</b>	12454	<b>[1b] Departmental Reference Number</b>	N/A
<b>[2] Core Project Name</b>	Climate Action Strategy Capital Delivery Programme – Heat Decarbonisation		
<b>[3] Programme Affiliation (if applicable)</b>	Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings		

Ownership	
<b>[4] Chief Officer has signed off on this document</b>	City Surveyor – Paul Wilkinson
<b>[5] Senior Responsible Officer</b>	Executive Director of Innovation and Growth – Damian Nussbaum
<b>[6] Project Manager</b>	Senior Energy Engineer - Mark Donaldson

Description and purpose					
<b>[7] Project Description</b>					
Commencement of the decarbonisation of the heat supplies to our larger corporate buildings in support of the 2027 net zero carbon target within our Climate Action Strategy. This project will prioritise opportunities for supplementing, or replacing, gas boilers primarily with electrically driven heat pumps to generate on-site low carbon space heating and hot water.					
<b>[8] Definition of Need: What is the problem we are trying to solve or opportunity we are trying to realise (i.e. the reasons why we should make a change)?</b>					
This project is part of the 'Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings' which aims to deliver reductions in the carbon emissions of our operational buildings in support of the City Corporation's net zero 2027 goal as set out in our Climate Action Strategy.					
<b>[9] What is the link to the City of London Corporate plan outcomes?</b>					
Leading sustainable environment					
<b>[10] What is the link to the departmental business plan objectives?</b>					
Within the Climate Action Strategy framework, it is City Surveyor's responsibility to implement measures that support the decarbonisation of the corporate buildings.					
<b>[11] Note all which apply:</b>					
<b>Officer:</b> Project developed from Officer initiation	N	<b>Member:</b> Project developed from Member initiation	N	<b>Corporate:</b> Project developed as a large scale Corporate initiative	Y
<b>Mandatory:</b> Compliance with legislation, policy and audit	Y	<b>Sustainability:</b> Essential for business continuity	Y	<b>Improvement:</b> New opportunity/ idea that leads to improvement	Y

Project Benchmarking:
<b>[12] What are the top 3 measures of success which will indicate that the project has achieved its aims?</b>
1) Reduction in carbon emissions from our corporate properties by March 2026.

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2) Good continuity and performance of the new heat generation plant.
3) An overall cost of carbon reduction of under £20,000/tCO <sub>2e</sub> by 2027.
<b>[13] Will this project have any measurable legacy benefits/outcome that we will need to track after the end of the 'delivery' phase? If so, what are they and how will you track them? (E.g. cost savings, quality etc.)</b>
Yes, Each individual project will have to undergo a Monitoring and Verification (M&V) process after implementation, to ensure the carbon savings are met.
<b>[14] What is the expected delivery cost of this project (range values)[£]?</b>
Lower Range estimate: £3,163,749 Upper Range estimate: £3,638,311
<b>[15] Total anticipated on-going revenue commitment post-delivery (lifecycle costs)[£]:</b>
The project is anticipated to result in an increase in the ongoing energy costs for the sites where the works are carried out. This will be minimised through the inclusion of solar photovoltaic panels, which generate electricity for use on-site, where viable. The project will also aim for any increased cost to be negated through energy efficiency measures being carried out through the wider CAS capital programme for each particular site.
<b>[16] What are the expected sources of funding for this project?</b>
Climate Action Strategy Fund, S106 Carbon Fund, Cyclical Works Programme
<b>[17] What is the expected delivery timeframe for this project (range values)? Are there any deadlines which must be met (e.g. statutory obligations)?</b>
Lower Range estimate: June 2024 – December 2025 Upper Range estimate: June 2024– June 2026 Deadline: completion before March 2027 for CAS funding.

<b>Project Impact:</b>	
<b>[18] Will this project generate public or media impact and response which the City of London will need to manage? Will this be a high-profile activity with public and media momentum?</b>	
Possibly some low level public attention could be drawn by the need for planning permission for the building works.	
<b>[19] Who has been actively consulted to develop this project to this stage?</b> <(Add additional internal or external stakeholders where required) >	
Chamberlains: Finance	Officer Name: Andrew Little
Chamberlains: Procurement	Officer Name: James Carter
IT	Officer Name: N/A
HR	Officer Name: N/A
Communications	Officer Name: N/A
Corporate Property	Officer Name: Pete Collinson, Matt Baker, Jonathan Cooper, Paul Friend, Peter Young, Graeme Low
External	N/A
<b>[20] Is this project being delivered internally on behalf of another department? If not ignore this question. If so:</b> <b>Please note the Client supplier departments.</b> <b>Who will be the Officer responsible for the designing of the project?</b> <b>If the supplier department will take over the day-to-day responsibility for the project, when will this occur in its design and delivery?</b>	
Client	Department:
Supplier	Department:
Supplier	Department:
Project Design Manager	Department:

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Design/Delivery handover to Supplier	Gateway stage: <Before Project Proposal>, <Post Project Proposal>, <Post Options Appraisal>, <Post Detailed design>, <Post Authority to start work>
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**City of London: Projects Procedure Corporate Risks Register**

Project name: CAS – Capital Delivery Programme – Heat Decarbonisation

Unique project identifier: 12454

Total est cost (exc risk) £3163749

Corporate Risk Matrix score table

PM's overall risk rating	Medium
Avg risk pre-mitigation	10.3
Avg risk post-mitigation	4.0
Red risks (open)	1
Amber risks (open)	12
Green risks (open)	0

	Minor impact	Serious impact	Major impact	Extreme impact
Likely	4	8	16	32
Possible	3	6	12	24
Unlikely	2	4	8	16
Rare	1	2	4	8

Costed risks identified (All)

£808,812.31	26%
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Costed risk as % of total estimated cost of project

Costed risk pre-mitigation (open)

£808,812.31	26%
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" "

Costed risk post-mitigation (open)

£474,562.28	15%
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" "

Costed Risk Provision requested

£9,491.00	0%
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CRP as % of total estimated cost of project

- (1) Compliance/Regulatory
- (2) Financial
- (3) Reputation
- (4) Contractual/Partnership
- (5) H&S/Wellbeing
- (6) Safeguarding
- (7) Innovation
- (8) Technology
- (9) Environmental
- (10) Physical

Number of Open Risks	Avg Score	Costed impact	Red	Amber	Green
1	8.0	£79,093.71	0	1	0
7	8.6	£568,209.23	0	7	0
0	0.0	£0.00	0	0	0
1	12.0	£0.00	0	1	0
3	16.0	£94,279.71	1	2	0
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0
0	0.0	£0.00	0	0	0
1	6.0	£67,229.66	0	1	0

Issues (open)

0
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Open Issues

Extreme	Major	Serious	Minor
0	0	0	0
0	0	0	0

All Issues

0
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All Issues

Cost to resolve all issues (on completion)

£0.00
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Total CRP used to date

£0.00
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# Project Coversheet

## [1] Ownership & Status

**UPI:** 12454

**Core Project Name:** Climate Action Strategy Capital Delivery Programme – Heat Decarbonisation

**Programme Affiliation** (if applicable): Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings

**Project Manager:** Mark Donaldson

**Definition of need:** this project is part of the ‘Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings’ which aims to deliver reductions in the carbon emissions of our operational buildings in support of the City Corporation’s net zero 2027 goal as set out in our Climate Action Strategy.

**Key measures of success:**

- Achieve a reduction of at least 175 tCO<sub>2</sub>e carbon emissions per year by 2027.
- An overall cost of carbon reduction of under £20,000/tCO<sub>2</sub>e by 2027.
- Operation of new heating plant by end of March 2026 in order to provide a full year benefit to our 2027 target.
- Good continuity and performance of the new heat generation plant.

**Expected timeframe for the project delivery:** Completion by Q2 2026.

**Key Milestones:**

- Q3 2024/25: GW3/4 for each sub-project (Dec-24)
- Q4 2024/25: GW5 for each sub-project (Mar-25)
- Q1 2025/26: Works start on-site (Jun-25)
- Q4 2025/26: Works complete on-site (Mar-26)
- Q1 2025/26: Practical completion (Jun-26)
- Q4 2026/27: GW6 (Mar-27)

**Are we on track for completing the project against the expected timeframe for project delivery?** Y

**Has this project generated public or media impact and response which the City of London has needed to manage or is managing?**

No.

## [2] Finance and Costed Risk

**Headline Financial, Scope and Design Changes:**

**‘Project Briefing’ GW1 report (approved by City Surveyor on 26/06/2024):**

A GW1 paper titled ‘Climate Action Strategy Capital Delivery Programme – Heat Decarbonisation’ set out a project to commence the decarbonisation of the heat supplies to our larger corporate buildings in support of the 2027 net zero carbon target within our Climate Action Strategy. This project will prioritise opportunities

for supplementing, or replacing, gas boilers primarily with electrically driven heat pumps to generate on-site low carbon space heating and hot water.

The project benefits:

Reduction in carbon emissions from our corporate properties by March 2026.

Good continuity and performance of the new heat generation plant.

An overall cost of carbon reduction of under £20,000/tCO<sub>2</sub>e by 2027.

Delivery cost:

Lower Range estimate: £3,163,749

Upper Range estimate: £3,638,311

Delivery timeframe:

Lower Range estimate: June 2024 – December 2025

Upper Range estimate: June 2024– June 2026

**‘Project Proposal’ GW2 report (subject to approval):**

A GW2 paper titled ‘Climate Action Strategy Capital Delivery Programme – Heat Decarbonisation’ is being presented to RASC for decision on 11<sup>th</sup> July 2024.

The paper sets out the commencement of the decarbonisation of the heat supplies to our larger corporate buildings in support of the 2027 net zero carbon target within our Climate Action Strategy. This project will prioritise opportunities for supplementing, or replacing, gas boilers primarily with electrically driven heat pumps to generate on-site low carbon space heating and hot water. The project will encompass multiple corporate sites, and each will be developed separately as a sub-project progressed through separate subsequent gateway papers.

The following summarises the figures presented in the GW2 paper:

- Total Estimated Cost (excluding risk): £3,163,749
- Resources to reach next Gateway (excluding risk): £40,881
- Spend to date: £0
- Costed Risk Against the Project: £26,241
- CRP Requested: £9,491
- CRP Drawn Down: £0
- Estimated Programme Dates:

Q3 2024/25: GW3/4 for each sub-project (Dec-24)

Q4 2024/25: GW5 for each sub-project (Mar-25)

Q1 2025/26: Works start on-site (Jun-25)

Q4 2025/26: Works complete on-site (Mar-26)

Q1 2025/26: Practical completion (Jun-26)

Q4 2026/27: GW6 (Mar-27)

**Total anticipated on-going commitment post-delivery [£]:** £34,378 per year related to higher energy costs is currently estimated based on the proposed sub-projects and current energy prices. There will also be higher maintenance costs associated with the new heating plant and solar panels, whose cost will be confirmed at the next gateway. Note, the GW2 paper states “The sites will also be included in

the wider CAS programme to improve the efficiency and control of energy with the overall aim to achieve net-neutral site-level energy cost to meet net zero for the site”.

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## **Prioritisation of projects for on-site heat decarbonisation**

## **Introduction**

The purpose of this report is to set out the methodology and results of the prioritisation of options for on-site heat decarbonisation within the City Corporation's corporate property estate.

## **Methodology**

Energy metering data for our corporate properties is recorded through our energy management database (currently Team Sigma) and utilised to regularly report on our energy and carbon emissions. Based on this data, we have identified 66 gas supplies at our corporate properties that supply gas to boilers/heaters for the purposes of supplying heating and/or hot water to the property/site. These in total account for 18,522 MWh per year of gas consumption.

We have assessed each of the 66 supplies through a sequence of questions to prioritise and short-list the most promising opportunities for heat supply decarbonisation projects, as set out in table 1 below:

- Heated site: does the site have a gas supply for the purpose of providing heating? Note this would exclude supplies which are purely for catering purposes.
- Live: is the site still live/occupied and within the City Corporation's corporate estate.
- Site certainty: is there any uncertainty over the future of the site, such as plans or potential plans for disposal/sale or redevelopment.
- On-site gas boilers: does the site have gas boilers, or is it supplied by a heat network or electric heating.
- Heat Network Option: is there a short-term opportunity for the site to be supplied by a heat network which should first be explored fully before considering on-site alternatives.
- No project underway: is there currently a project approved for decarbonising the on-site gas boiler plant?
- Gas plant at/near end-of-life: is the gas plant at/or approaching expected life expectancy of 20 years.

Further detail is provided in table 3 below.



Table 1. Summary of project evaluation

	Gas kWh for heating 2023/24	Count of sites/plant
All Corporate sites	18,522,764	70
Heated site?	18,522,764	66
Live?	18,522,764	63
Site certainty?	14,820,027	52
On-site gas boilers?	14,572,688	42
Heat Network Option?	11,383,285	40
No project underway?	9,825,303	35

Of the 35 gas boiler supplies where there is no current project underway to replace them, we prioritised these into high, medium and low considering the following additional criteria which is further described in the commentary included against each in table 3:

- Gas consumption: the higher the consumption of any one supply the more attractive the opportunity for carbon savings and it is likely to be a more cost-effective project.
- Further consideration of site plans
- Consideration of technical viability

Table 2 below summarises the priority projects

High priority:

- Mansion House
- Walbrook Wharf, Phase 2 Office
- Heathrow Animal Reception Centre (HARC): main building

Medium priority:

- City of London Freeman’s School: Philp House, supplying the main campus network
- City of London School (for Boys): main building
- Walbrook Wharf: Phase 3 depot offices
- London Metropolitan Archives

Table 2. Summary of project prioritisation

Priority	Gas kWh for heating 2023/24	Count of sites/plant
High (H)	1,640,603	3
Medium (M)	3,643,771	4
Low (L)	4,540,929	28

Table 3. Project evaluation detail

Site/building: plant	Heat ?	Live ?	Certainty ?	On-site gas boilers?	Heat Network option?	No project underway ?	At/near end-of-life?	Gas kWh for heating 2023/24	Pri.	Reasoning
City of London Freeman's School: Communal Htg Sys	Y	Y	Y	Y	Y	Y	Y	1,038,655	M	High energy consumption and end-of-life plant. Solution needs to align with site redevelopment plans. Due to current uncertainty over plans this option has been deprioritised.
Animal Reception Centre : Main System	Y	Y	Y	Y	Y	Y	Y	289,643	H	Moderate energy consumption and end-of-life plant. Site suitable for Air Source Heat Pump solution, with potential for Solar PV to further support this.
Walbrook Wharf Cleansing Depot : Main Office	Y	Y	Y	Y	Y	Y	Y	188,978	H	Low energy consumption, but end-of-life plant. Site suitable for Air Source Heat Pump solution, with potential for Solar PV to further support this.
City of London Crematorium : Burial church	Y	Y	Y	Y	Y	Y	Y	115,199	L	Low energy consumption but plant is end-of-life. Carbon savings would be low and a low carbon solution is technically challenging for planning permission.

Site/building: plant	Heat ?	Live ?	Certainty ?	On-site gas boilers?	Heat Network option?	No project underway ?	At/ near end-of-life?	Gas kWh for heating 2023/24	Pri.	Reasoning
City of London Crematorium : Old Crematorium	Y	Y	Y	Y	Y	Y	Y	73,230	L	Low energy consumption but plant is nearing end-of-life. Carbon savings would be low and a low carbon solution is technically challenging for planning permission.
City of London Crematorium : Reserve Chapel	Y	Y	Y	Y	Y	Y	Y	25,033	L	Very low energy consumption. Carbon savings would be low
City of London boys School: Single Main System	Y	Y	Y	Y	Y	Y	N	1,441,208	M	High energy consumption, but not end-of-life plant. Solution needs to align with site redevelopment options.
Mansion House: Single Main System	Y	Y	Y	Y	Y	Y	N	1,161,981	H	High energy consumption, but not end-of-life plant. Very high energy consumption with site opportunity for new Air Source Heat Pumps to operate alongside existing gas plant to minimise disruption.
City of London Crematorium: New crematorium	Y	Y	Y	Y	Y	Y	N	1,150,358	L	Low energy consumption and plant not end-of-life. Carbon savings would be low.

Site/building: plant	Heat ?	Live ?	Certainty ?	On-site gas boilers?	Heat Network option?	No project underway ?	At/near end-of-life?	Gas kWh for heating 2023/24	Pri.	Reasoning
Walbrook Wharf Cleansing Depot: Depot	Y	Y	Y	Y	Y	Y	N	593,896	M	High energy consumption, but not end-of-life plant. Solution needs to align with potential site development plans.
Tower Bridge: South Side	Y	Y	Y	Y	Y	Y	N	577,238	L	High energy consumption, but not end-of-life plant. Significant challenges for locating plant.
London Metropolitan Archives: Single Main System	Y	Y	Y	Y	Y	Y	N	570,013	M	High energy consumption and some end-of-life plant (one of three boilers). Lease expires in 2035 and currently no approved medium/long term plan for the site.
City of London Freeman's School: Boarding/Music Block	Y	Y	Y	Y	Y	Y	N	421,955	L	Moderate energy consumption, but not end-of-life plant. Decarbonisation options best considered for the whole school campus via an extension of the Philip House communal system, rather than individual building solutions.
City of London Freeman's School: Main House	Y	Y	Y	Y	Y	Y	N	386,295	L	Moderate energy consumption, but not end-of-life plant. Decarbonisation options best considered for

Site/building: plant	Heat ?	Live ?	Certainty ?	On-site gas boilers?	Heat Network option?	No project underway ?	At/near end-of-life?	Gas kWh for heating 2023/24	Pri.	Reasoning
										the whole school campus via an extension of the Philp House communal system, rather than individual building solutions.
Tower Bridge: North Side	Y	Y	Y	Y	Y	Y	N	360,789	L	Moderate energy consumption, but not end-of-life plant. Significant challenges for locating plant.
City of London Freemen's School: Swimming Pool	Y	Y	Y	Y	Y	Y	N	234,537	L	Low energy consumption and plant not end-of-life. Decarbonisation options best considered for the whole school campus via an extension of the Philp House communal system, rather than individual building solutions.
Open Spaces Hampstead Heath Leisure:The Lido	Y	Y	Y	Y	Y	Y	N	166,560	L	Low energy consumption and plant not end-of-life. Carbon savings would be low,
City of London Crematorium: Office	Y	Y	Y	Y	Y	Y	N	153,453	L	Low energy consumption and plant not end-of-life. Carbon savings would be low,
Open Spaces Parliament Hill: Nassington Rd Rooms &	Y	Y	Y	Y	Y	Y	N	146,072	L	Low energy consumption and plant not believed to be end-of-life. Carbon

Site/building: plant	Heat ?	Live ?	Certainty ?	On-site gas boilers?	Heat Network option?	No project underway ?	At/ near end-of-life?	Gas kWh for heating 2023/24	Pri.	Reasoning
Track Map No 43										savings would be low,
City of London Freeman's School: Sports Hall	Y	Y	Y	Y	Y	Y	N	105,564	L	Low energy consumption and plant not end-of-life. Carbon savings would be low,
Ten Keats Grove: Ten Keats Grove	Y	Y	Y	Y	Y	Y	N	78,515	L	Low energy consumption and plant not believed to be end-of-life. Carbon savings would be low,
City of London boys School: Marvels Lane Sportsground	Y	Y	Y	Y	Y	Y	N	71,672	L	Low energy consumption and plant not believed to be end-of-life. Carbon savings would be low,
Open Spaces Highgate Wood:	Y	Y	Y	Y	Y	Y	N	64,526	L	Low energy consumption and plant not believed to be end-of-life. Carbon savings would be low,
Open Spaces Epping Forest: The View	Y	Y	Y	Y	Y	Y	N	63,354	L	Low energy consumption and plant not end-of-life. Carbon savings would be low,
Open Spaces Golders Hill & Extension: West Heath Avenue (Box inside gate) Map No 27	Y	Y	Y	Y	Y	Y	N	55,331	L	Low energy consumption and plant not believed to be end-of-life. Carbon savings would be low,
Open Spaces Parliament Hill: Staffyard Map No 44	Y	Y	Y	Y	Y	Y	N	49,576	L	Very low energy consumption. Carbon savings would be low,
Open Spaces Golders Hill & Extension: Hampstead	Y	Y	Y	Y	Y	Y	N	47,477	L	Very low energy consumption. Carbon

Site/building: plant	Heat ?	Live ?	Certainty ?	On-site gas boilers?	Heat Network option?	No project underway ?	At/ near end-of-life?	Gas kWh for heating 2023/24	Pri.	Reasoning
Heath Extension (boiler room)Map No 28										savings would be low,
Open Spaces Heathfield House: Heathfield House (432)	Y	Y	Y	Y	Y	Y	N	34,634	L	Very low energy consumption. Carbon savings would be low,
Open Spaces West Ham Park: Main Office	Y	Y	Y	Y	Y	Y	N	33,880	L	Very low energy consumption. Carbon savings would be low,
Open Spaces Epping Forest: The Warren House	Y	Y	Y	Y	Y	Y	N	33,663	L	Very low energy consumption. Carbon savings would be low,
Keats House: Keats Grove	Y	Y	Y	Y	Y	Y	N	33,397	L	Very low energy consumption. Carbon savings would be low,
City of London Crematorium: Haywood Centre	Y	Y	Y	Y	Y	Y	N	28,542	L	Very low energy consumption. Carbon savings would be low,
Open Spaces East Heath & Kenwood: Kenwood Bothy/Office Map No 52	Y	Y	Y	Y	Y	Y	N	18,779	L	Very low energy consumption. Carbon savings would be low,
Open Spaces Epping Forest : Harrow Road Pavilion	Y	Y	Y	Y	Y	Y	N	11,300	L	Very low energy consumption. Carbon savings would be low,
City of London boys School : Tech Block	Y	Y	Y	Y	Y	N		1,441,208		
Animal Reception Centre : Fish Borders Building	Y	Y	Y	Y	Y	N		13,180		

Site/building: plant	Heat ?	Live ?	Certainty ?	On-site gas boilers?	Heat Network option?	No project underway ?	At/ near end-of-life?	Gas kWh for heating 2023/24	Pri.	Reasoning
Open Spaces Epping Forest : The Warren	Y	Y	Y	Y	Y	N		103,594		
Golden Lane Leisure Centre : Single Main System	Y	Y	Y	Y	N			629,859		
Tower Bridge : Bridgmasters House	Y	Y	Y	Y	N			577,238		
Central Criminal Court: New System	Y	Y	Y	Y	N			1,982,307		
City of London School For Girls:	Y	Y	Y	Y	N					
Barbican Arts Centre:	Y	Y	Y	N				0		
Barbican Ex. Halls:	Y	Y	Y	N				0		
GSMD - Silk St.:	Y	Y	Y	N				0		
GSMD - Milton Court:	Y	Y	Y	N				0		
GSMD - Sundial Court:	Y	Y	Y	N				0		
Guildhall Complex - Main Supply:	Y	Y	Y	N				0		
Guildhall Complex - GYE:	Y	Y	Y	N				0		
Grays Inn (4):	Y	Y	Y	N				247,339		
Rough Sleepers Assessment Centre:	Y	Y	Y	N				0		
Salisbury Square:	Y	Y	Y	N				0		
Guildhall Complex: Mayor's Court	Y	Y	N					185,497		
New Spitalfields Market (Landlords): Main Building	Y	Y	N					171,511		
Billingsgate Market:	Y	Y	N					1,174,303		



Site/building: plant	Heat ?	Live ?	Certainty ?	On-site gas boilers?	Heat Networ k option?	No project underway ?	At/ near end- of- life?	Gas kWh for heating 2023/24	Pri.	Reasoning
London Central Market (Smithfield): 232 Office	Y	Y	N					15,184		
London Central Market (Smithfield): 230 Office	Y	Y	N					15,140		
London Central Market (Smithfield): 229 Office	Y	Y	N					61,706		
London Central Market (Smithfield): East Mkt NE HWS	Y	Y	N					65,872		
London Central Market (Smithfield): East Mkt SE HWS	Y	Y	N					45,037		
London Central Market (Smithfield): 230 & 202 on Grnd Fl	Y	Y	N					49,066		
Bishopsgate Police Station: Main Building	Y	Y	N					981,842		
21 New Street: Main Building	Y	Y	N					937,579		
Guildhall - Steam Generators:	Y	N						0		
Snowhill Police Station: Main Building	Y	N						0		
Wood Street Police Station:	Y	N						0		
Upper Thames Street Tunnel Lighting:	N							0		
London Wall Car Park:	N							0		

Site/building: plant	Heat ?	Live ?	Certainty ?	On-site gas boilers?	Heat Network option?	No project underway ?	At/near end-of-life?	Gas kWh for heating 2023/24	Pri.	Reasoning
Minorities Car Park:	N							0		
Tower Hill Coach & Car Park:	N							0		

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