



## Policy and Resources Committee

**Date:** THURSDAY, 13 NOVEMBER 2025

**Time:** 1.45 pm

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

**Members:**

Deputy Christopher Hayward (Chairman)	Deputy Ann Holmes
Deputy James Thomson CBE (Deputy Chair)	Shravan Joshi MBE
Tijs Broeke (Vice-Chair)	Alderman Vincent Keaveny CBE
Deputy Caroline Haines (Vice-Chair)	Florence Keelson-Anfu (Ex-Officio Member)
Munsur Ali	The Rt. Hon. The Lord Mayor Ald. Alastair King DL (Ex-Officio Member)
Shahnan Bakth (Ex-Officio Member)	Deputy Paul Martinelli
Brendan Barns (Ex-Officio Member)	Alderman Bronek Masojada
Deputy Emily Benn	Deputy Andrien Meyers
Sheriff & Deputy Keith Bottomley	Deputy Alastair Moss
Deputy Henry Colthurst (Ex-Officio Member)	Deputy Benjamin Murphy
Deputy Peter Dunphy (Ex-Officio Member)	Deputy Henry Pollard (Ex-Officio Member)
Deputy Helen Fentimen OBE JP	Alderman Sir William Russell
Steve Goodman OBE	Deputy Tom Sleigh (Ex-Officio Member)
Jason Groves	James Tumbridge
Alderman Timothy Hailes JP	Philip Woodhouse
Deputy Jaspreet Hodgson	Irem Yerdelen

**Enquiries:** Ben Dunleavy  
[ben.dunleavy@cityoflondon.gov.uk](mailto:ben.dunleavy@cityoflondon.gov.uk)

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<https://www.youtube.com/@CityofLondonCorporation/streams>

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Whilst we endeavour to livestream all of our public meetings, this is not always possible due to technical difficulties. In these instances, if possible, a recording will be uploaded following the end of the meeting.

**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 consider minutes as follows:-

- a) To agree the public minutes and non-public summary of the meeting held on 16 October 2025 (Pages 7 - 16)
- b) \*To note the public minutes and non-public summary of the Capital Buildings Board meeting held on 24 September 2025

### **4. CITY CIL AND OSPR (QUARTER 2 2025/26) AND CAPITAL BIDS 2026/27**

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

**For Decision**  
(Pages 17 - 40)

### **5. CITY PLAN MAIN AND ADDITIONAL MODIFICATIONS**

Report of the Executive Director, Environment.

**For Decision**  
(Pages 41 - 50)

### **6. \*CORPORATE STRATEGY AND PERFORMANCE BUSINESS PLAN 2025-2026: MID-YEAR PROGRESS REPORT**

Report of the Chief Strategy Officer.

**For Information**

### **7. \*POLICY AND RESOURCES CONTINGENCY/DISCRETIONARY FUNDS**

Report of the Chamberlain.

**For Information**

8. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
9. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
10. **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 I of the Schedule 12A of the Local Government Act.

## **Part 2 - Non-Public Agenda**

### **11. NON-PUBLIC MINUTES**

To consider non-public minutes of meetings as follows:-

- a) To agree the non-public minutes of the meeting held on 16 October 2025 (Pages 51 - 54)
- b) \*To note the non-public minutes of the Capital Buildings Board meeting held on 24 September 2025
- c) \*To note the summary of the Competitiveness Advisory Board meeting held on 13 October 2025

### **12. INVESTING IN SOCIAL HOUSING STOCK**

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

**For Decision**  
(Pages 55 - 96)

### **13. HEAT NETWORK ZONING (PHASE 1) PROCUREMENT STAGE 1**

Report of the City Surveyor.

**For Decision**  
(Pages 97 - 142)

14. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**
15. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED.**

### **Part 3 - Confidential Agenda**

#### **16. CONFIDENTIAL MINUTES**

- a) To agree the confidential minutes of the meeting held on 16 October 2025
- b) \*To note the confidential minutes of the Freedom Applications Sub-Committee meeting held on 1 October 2025

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## **POLICY AND RESOURCES COMMITTEE** **Thursday, 16 October 2025**

Minutes of the meeting of the Policy and Resources Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Thursday, 16 October 2025 at 1.45 pm

### **Present**

#### **Members:**

Deputy James Thomson CBE (Deputy Chair)  
Tijs Broeke (Vice-Chair)  
Deputy Caroline Haines (Vice-Chair)  
Munsur Ali  
Shahnan Bakth (Ex-Officio Member)  
Brendan Barns (Ex-Officio Member)  
Sheriff & Deputy Keith Bottomley  
Deputy Henry Colthurst (Ex-Officio Member)  
Deputy Peter Dunphy (Ex-Officio Member)  
Deputy Helen Fentimen OBE JP  
Steve Goodman OBE  
Jason Groves  
Alderman Timothy Hailes JP  
Deputy Jaspreet Hodgson  
Deputy Ann Holmes  
Shravan Joshi MBE  
Alderman Vincent Keaveny CBE  
Florence Keelson-Anfu (Ex-Officio Member)  
Deputy Paul Martinelli  
Alderman Bronek Masojada  
Deputy Andrien Meyers  
Deputy Benjamin Murphy  
Alderman Sir William Russell  
James Tumbridge  
Philip Woodhouse  
Irem Yerdelen

#### **Officers:**

Ian Thomas, CBE	- Town Clerk and Chief Executive
Gregory Moore	- Deputy Town Clerk
Caroline Al-Beyerty	- The Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Paul Wilkinson	- City Surveyor
Paul Wright	- Remembrancer
Katie Stewart	- Executive Director, Environment Department
Damian Nussbaum	- Executive Director, Innovation & Growth
Judith Finlay	- Executive Director, Community and

Dionne Corradine  
Kristy Sandino

Polly Dunn  
Ben Dunleavy  
Deborah Bell

Jack Joslin  
Sonia Virdee  
Jen Beckermann  
Ben Dixon  
Mark Gettleston  
Siobhan Harley  
Peter Wilson  
Robert Murphy  
Kate Orwin

- Children's Services Department
- Chief Strategy Officer
  - Interim Director of Strategic Communications and External Affairs
  - Town Clerk's Department
  - Town Clerk's Department
  - Community and Children's Services Department
  - City Bridge Foundation
  - Chamberlain's Department
  - Town Clerk's Department
  - Town Clerk's Department
  - Corporate Strategy and Performance
  - Corporate Strategy and Performance
  - City Surveyor's Department
  - City Surveyor's Department
  - City Surveyor's Department

**Also in attendance**

Leyla Boulton  
Alderman Alison Gowman  
Deputy Madush Gupta  
C. E. Lord

**1. APOLOGIES**

The Chairman, Deputy Chris Hayward, having sent apologies, the Deputy Chair took the Chair.

The Deputy Chair informed the Committee that the Chairman was in Washington D.C. supporting a major government announcement, alongside the Chancellor of the Exchequer.

He also congratulated Kristy Sandino on her appointment as interim Executive Director of Strategic Communications and External Affairs.

Apologies for absence were also received from the Lord Mayor and the Chief Commoner.

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

Steve Goodman declared, in respect of the supplementary report circulated under item 25, that he was the Chair of the City of London Academies Trust's Board of Trustees (COLAT). The Town Clerk noted that several other Members of the Committee were COLAT Members, and that these were published on their register of interests.



3. **MINUTES**

a) **To agree the public minutes and non-public summary of the meeting held on 18 September 2025.**

The public minutes and non-public summary of the meeting held on 18 September 2025 were approved as a correct record.

b) **To note the public minutes and non-public summary of the Member Development and Standards Sub-Committee meeting held on 8 July 2025.**

The public minutes and non-public summary of the Member Development and Standards Sub-Committee meeting held on 8 July 2025 were received.

c) **To note the draft public minutes and non-public summary of the Civic Affairs Sub-Committee meeting held on 21 July 2025**

The draft public minutes and non-public summary of the Civic Affairs Sub-Committee meeting held on 21 July 2025 were received.

d) **To note the draft public minutes and non-public summary of the Resource Allocation Sub-Committee meeting held on 9 September 2025.**

The draft public minutes and non-public summary of the Resource Allocation Sub-Committee meeting held on 9 September 2025 were received.

4. **INCOME GENERATION WORKING PARTY - TERMS OF REFERENCE REVISION**

The Committee considered a joint report of the Chamberlain and the Deputy Town Clerk concerning the Income Generation Working Party.

Members discussed the language on blockers included in the proposed new terms of reference; the Chamberlain advised that the terminology had been used to reflect views expressed by Members on several occasions on instances in which they felt that income generation opportunities were not being realised.

*RESOLVED:* That Members approve the revised terms of reference for the Income Generation Working Party.

5. **BENEFITS-IN-KIND 2024/25 REPORTING AND PROPOSALS FOR FUTURE MANAGEMENT**

The Committee considered a joint report of the Acting Managing Director of City Bridge Foundation and the Deputy Town Clerk concerning Benefits-In-Kind (BIK).

Members welcomed the report and the visibility it provided on the City Corporation's contributions to its various partners, and what was received in return. During discussion, Members emphasised the importance of monitoring grants provided by the City Corporation, and that there were mechanisms for addressing any areas where grants were not being utilised in line with the initial objectives. It was noted that both BIKs and grants originated from a variety of different funds, and that these were not necessarily within the Committee's

control; Members requested further information on the governance context, and that an update paper be brought back to the Committee in a year's time.

In reply, officers noted that the [Central Grants Unit] within City Bridge Foundation was responsible for overseeing and managing grants; the future reporting to the Resource Allocation Sub-Committee would allow Member scrutiny of both grants and BIKs.

*RESOLVED:* That Members note the report setting out the level of grant and Benefit in Kind support provided to external organisations during 2024/25 and:

- Approve the allocation of £45,000, over 2 years from April 2026, from the Policy Initiative Fund for the proposed extension of the system used for funding management. This system will improve the annual collection, management, reporting and analysis of BIK data. The funding will cover the implementation, running costs and departmental training until March 2028.
- Approve the introduction of twice annual reporting to Resource Allocation Sub-Committee on approved BIK to provide additional scrutiny and oversight to BIK approvals.
- Authorise the Head of the Central Funding and Charity Management Team in consultation with the Comptroller to implement new BIK Terms and Conditions with the aim of ensuring proper acknowledgement of City Corporation support by BIK recipients.
- Approve the commissioning of a further piece of work to assess the status of organisations currently in receipt of accommodation BIK with a view to standardising the process for agreement and renewal of such arrangements.

#### 6. **POLICY AND RESOURCES CONTINGENCY/DISCRETIONARY FUNDS**

The Committee considered a report of the Chamberlain concerning the Committee's funds.

A Member asked that any unused contingency should not be carried over at the end of the financial year.

*RESOLVED:* That Members, noting the report and contents of the schedules, agree to increase the 2025/26 multiyear PIF cap by £31,000 from the 2025/26 Committee Contingency's uncommitted balance of £390,592.

#### 7. **DESTINATION CITY PROGRAMME - DELIVERY UPDATE REPORT**

The Committee considered a report of the Deputy Town Clerk concerning the Destination City Programme.

Members welcomed the report, and congratulated officers on their work. During discussion, the following points were made:

A Member asked officers to consider how to make the Destination City Partnership Fund ('the Fund') accessible to BAME-led partners; they also suggested that officers should consider the perception of which organisations had their applications approved. In reply, officers undertook to take a critical look at the groups being served. They encouraged Members to promote the Destination City Partnership Fund and support organisations in applying.

In response to a question about the future of the Fund, officers said that the current allocation was £200,000 for each fiscal year 2025-26 and 2026-27. They hoped to explore its longevity beyond the two-year mandate, but noted that it was designed to support launch initiatives rather than provide long-term funding.

A Member asked if officers felt there were any data sources which they felt required additional audit or assurance. In reply, officers confirmed their confidence in the data, which was largely sourced from the Greater London Authority. It was used as indicative rather than exact data.

The Chairman noted that several points raised by Members on transportation and road usage issues should be directed to the Planning and Transportation Committee.

Officers confirmed that while City Corporation institutions could apply to the Fund, City Corporation departments could not.

It was noted that the minor amendments included at Appendix 2 included a £10,000 increase in the maximum grant.

*RESOLVED:* That Members:

- Note progress in implementing agreed Destination City outcomes, including the development of the Destination City Dashboard at Appendix 1.
- Note initial research identifies 'meaning', 'wellbeing', and 'upskilling' as the core areas of focus under the Destination City outcome 'an inclusive and welcoming destination which attracts the next generation of talent'.
- Approve the Destination City Hub – in consultation with Corporation colleagues – to consult the Office for National Statistics on their estimates of City-wide worker demographics and assess the quality and coverage of this data, with the aim of developing a shared dataset and common understanding of its application across the Corporation.
- Approve the Destination City Hub to act as the corporate lead to scope and commission a repeatable survey of City workers to measure sentiment.
- Approve minor amendments to the Destination City Partnership Fund Policy at Appendix 2.

## 8. **WARD COMMUNICATIONS**

The Committee considered a report of the Chief Strategy Officer concerning Ward Communications.

Several Members asked for further information on how the proposed Report would reach workers who weren't connected to employer email networks. In reply, officers said they had engaged with employers to address this issue and would also work with projects such as that run out of St Katherine Cree that served these communities. They would also follow a multi-channel strategy

Officers provided clarity on the meaning of 'election year'; the proposed Ward Annual Report would not be sent out immediately prior to an election in an all-election year. If an Aldermanic election occurred alongside the Report being distributed, it would be sent by post subsequent to the election.

A Member asked if officers could look at improving the condition of Ward Noticeboards and consider any potential opportunities to increase the content on these. Officers undertook to follow this up with the relevant departments.

*RESOLVED:* that Members approve the reintroduction of the Ward Newsletters as a Ward Annual Report.

9. **2025 ELECTION ENGAGEMENT CAMPAIGN REVIEW**

The Committee considered a report of the Chief Strategy Officer concerning the 2025 *Speak for the City* election engagement campaign.

The Chairman noted that the Communications and Corporate Affairs Sub-Committee had discussed the report at its meeting on 8 October 2025 and had endorsed all suggested engagement activity listed at paragraph 23 of the report, with the exception of a candidate recruitment working group.

Members agreed that talented people should be encouraged to stand, but several Members also felt that it could be inappropriate for officers to become too heavily involved in the latter. Members agreed that it was important to have candidates who wanted to serve the community, rather than encouraging candidates to boost numbers.

Members also discussed areas where they felt candidates could become discouraged from standing, including slates and the timing of committee meetings. While slates were an arrangement for candidates to put out joint leaflets and manage spending limits, some Members said that potential candidates were sometimes put off when confronted with the historic success of existing Members standing on a slate. However, other Members said that there were examples of candidates winning when standing against slates. It was suggested that one method of encouraging candidates would be to emphasise the experiential benefit of standing, even if unsuccessfully.

Members asked officers to provide further advice on what existing Members could and could not do in the build-up to elections.

A Member said they would be interested in considering term limits

A Member requested that officers return with a report providing firmer recommendations.

*RESOLVED:* That Members note the report and support the

10. **UPDATE ON BUSINESS IMPROVEMENT DISTRICTS (BIDS)**

The Committee received a report of the Deputy Town Clerk concerning activities undertaken on Business Improvement Districts.

*RESOLVED:* That Members note the progress made with implementing the proposals set out in the October 2024 report to the Policy and Resource Committee, and the progress being made with the possible establishment of a sixth BID by the City River Partnership.

11. **MEMBERSHIPS AND SUBSCRIPTIONS**

The Committee received a joint report of the Executive Director of Innovation & Growth, the Chief Strategy Officer, the Remembrancer and the Executive

Director, Environment concerning the various Memberships and Subscriptions held by the City Corporation.

*RESOLVED:* That Members note the current memberships and subscriptions.

**12. SUPPORT FOR UK-BASED FINANCIAL AND PROFESSIONAL SERVICE - INNOVATION AND GROWTH QUARTERLY REPORT**

The Committee received a report of the Executive Director of Innovation & Growth proving an update on the impact of the City of London Corporation's work in support of UK-based Financial and Professional Services.

*RESOLVED:* That Members note the update on key pieces of work that have taken place between July 2025 and September 2025, and their outputs.

**13. ANNUAL PROGRESS UPDATE ON YEAR 4 OF CLIMATE ACTION STRATEGY, AND UPDATE ON YEAR 5 QUARTERS 1 AND 2**

The Committee received a report of the Executive Director of Innovation & Growth concerning the Climate Action Strategy.

A Member noted that operational issues last year had caused Citigen's emissions factor to increase by 5% and that the ground source heat pumps, installed during lockdown, had not come online as anticipated. Further noting the importance of the City's district heat network to the LEAP and overall decarbonisation plans, they asked officers to work with Citigen to cut the increase in emissions and show their business plan for reducing the carbon impact, which they are obliged to do by 2027.

In reply, officers acknowledged historic network and operational issues with Citigen. They believed that most of these had now been resolved, and would continue to work with them to reduce emissions.

*RESOLVED:* That Members note the progress and risks in the Climate Action Strategy Year 4 (2024/25) annual progress update.

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

There were no questions in the public session.

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

There was no other business.

**16. 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 I of the Schedule 12A of the Local Government Act.

**17. NON-PUBLIC MINUTES**

**a) To agree the non-public minutes of the meeting held on 18 September 2025.**

The non-public minutes of the meeting held on 18 September 2025 were approved as a correct record.

- b) **To note the non-public minutes of the Member Development and Standards Sub-Committee meeting held on 8 July 2025.**

The non-public minutes of the Member Development and Standards Sub-Committee meeting held on 8 July 2025 were received.

- c) **To note the non-public minutes of the Civic Affairs Sub-Committee meeting held on 21 July 2025.**

The non-public minutes of the Civic Affairs Sub-Committee meeting held on 21 July 2025 were received.

- d) **To note the non-public minutes of the Resource Allocation Sub-Committee meeting held on 9 September 2025.**

The non-public minutes of the Resource Allocation Sub-Committee meeting held on 9 September 2025 were received.

18. **LEADENHALL MARKET: STRATEGIC VISION AND ASSET OPTIMISATION**  
The Committee considered a report of the City Surveyor concerning Leadenhall Market.
19. **PERMISSION TO LET FORMER LOUGHTON GOLF COURSE, CLAYS LANE, EPPING**  
The Committee considered a joint report of the City Surveyor and the Executive Director, Environment concerning a letting at the former Loughton Golf Course.
20. **RISK APPETITE FOR CR30**  
The Committee considered a report of the Executive Director of Innovation & Growth concerning Corporate Risk 30: Impact of Climate Change.
21. **MPO DASHBOARD**  
The Committee received a report of the Chamberlain concerning major projects.
22. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE COMMITTEE**  
There were no questions.
23. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED.**  
There was no other business aside from the report on the City of London Academy Trust.
24. **CITY OF LONDON ACADEMY TRUST GROWTH - RECONSIDERATION OF EXISTING STRATEGY**  
The Committee considered a report of the Executive Director of Community and Children's Services concerning the City of London Academy Trust's growth strategy.

25. **MINUTES**

- a) **To agree the confidential minutes of the meeting held on 18 September 2025.**

The confidential minutes of the meeting held on 18 September 2025 were approved as a correct record.

- b) **To note the draft confidential minutes of the Civic Affairs Sub-Committee meeting held on 21 July 2025.**

The confidential minutes of the Civic Affairs Sub-Committee meeting held on 21 July 2025 were received.

- c) **To note the draft confidential minutes of the Resource Allocation Sub-Committee meeting held on 9 September 2025.**

The confidential minutes of the Resource Allocation Sub-Committee meeting held on 9 September 2025 were received.

26. **\*GENDER IDENTITY & THE FOR WOMEN (SCOTLAND) JUDGMENT**

The Committee received a report of the Comptroller and City Solicitor concerning the City Corporation's response to the Supreme Court's judgment in the For Women (Scotland) Ltd. V the Scottish Ministers.

27. **\*REPORT OF ACTION TAKEN**

The Committee received a report of the Deputy Town Clerk concerning a decision taken under urgency procedures.

**The meeting ended at 3.58 pm**

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Chairman

**Contact Officer: Ben Dunleavy**  
**ben.dunleavy@cityoflondon.gov.uk**

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<b>Committee(s):</b> Resource Allocation Sub Committee - For Decision Policy and Resources Committee - For Decision	<b>Dated:</b> 03/11/2025 13/11/2025
<b>Subject:</b> City CIL and OSPR (Quarter 2 2025/26) and capital bids 2026/27	<b>Public</b>
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• <b>delivers Corporate Plan 2024-2029 outcomes</b></li> <li>• <b>provides statutory duties</b></li> <li>• <b>provides business enabling functions</b></li> </ul>	
<b>Does this proposal require extra revenue and/or capital spending?</b>	Yes
<b>If so, how much?</b>	£24,604,825
<b>What is the source of Funding?</b>	City Fund (£22,024,825 of which £12,024,825 is from CIL) City Estate (£2,490,000) City Bridge Foundation (£90,000)
<b>Report of:</b> Katie Stewart, Executive Director, Environment, and Caroline Al-Beyerty, Chamberlain <b>Report authors:</b> Rob McNicol, Assistant Director – planning policy & strategy Bruce McVean, Assistant Director – Policy & Projects Yasin Razaaq, Capital and Project Manager	<b>For Decision</b>

## Summary

The Priorities Board met on 25<sup>th</sup> September 2025 to consider three bids for funding from the City Corporation's Community Infrastructure Levy (CIL). The Priorities Board recommend to the Resource Allocation Sub-Committee and the Policy and Resources Committee that CIL funding should be allocated for the Heat Networks Project, Lombard Street Highway Improvements, and Barbican Podium Phase Two.

Priorities Board recommend to Members that funding is reallocated from the Smithfield public realm improvements to fund the shortfall in the London Museum's budget for

Section 278 works for the development. No wider bids were sought in relation to On Street Parking Reserve this quarter, given existing commitments against OSPR.

Priorities Board also considered capital bids for 2026/27. Priorities Board recommend that capital bid allocations are made to fund corporate device replacement; the Superintendents House redevelopment; and lighting upgrades for the Guildhall School of Music and Drama. It is also recommended that Members apply the remaining allocation from 2026/27 City Fund to the Barbican Podium Phase Two project (subject to approval of the CIL bid for the same project).

### **Recommendation(s)**

Members of Resource Allocation Sub-Committee are asked to recommend the following allocations to the Policy and Resources Committee. Members of Policy and Resources Committee are asked to approve the allocations.

- Community Infrastructure Levy allocations:
  - £1,500,000 for the Heat Network Strategy
  - £500,000 for the Lombard Street Highway Improvements
  - £10,024,825 for Barbican Podium Phase Two
- Capital bid allocations:
  - £1,610,000 for Corporate Device Replacement
  - £1,400,000 for Superintendents House Redevelopment
  - £1,910,000 for GSMD Lighting Upgrades
  - £7,660,000 for Barbican Podium Phase Two (subject to approval of CIL bid)
- Reallocation of £1.75m of OSPR from the West Smithfield Area Public Realm and Transport project to the Museum of London s278 project to fund the shortfall in the London Museum's budget for Section 278 works (of which £875,000 would in due course be returned to the Smithfield public realm project); and to delegate to the Executive Director Environment authority to agree the final sum required to meet the Museum's funding gap.

## Main Report

1. The City Corporation's Priorities Board (made up primarily of members of the Senior Leadership Team) meet quarterly to consider the allocation of funds from the Community Infrastructure Levy and On Street Parking Reserve, and to consider capital bids as required. This report sets out their recommendations to the Resource Allocations Sub Committee and Policy and Resources Committee.

## Current Position – CIL

2. Up to the end of 2024/25, £96.0m has been received in CIL income, with £70.1m of this spent on infrastructure projects, leaving an opening balance for 2025/26 of £25.9m.
3. Further CIL income of £63.1m is projected up to 2029/30 (based on a five-year historic average, adjusted for inflation). Against this, and the opening balance, £42.6m has been allocated to future years of CIL income, alongside a contingency of £5m over two years. This leaves a projected surplus of £58.2m up to 2029/30.

**Table 1 – City CIL Financial Summary:**

	Prior Years	2025/26	2026/27	2027/28	2028/29	2029/30 – Later Years	TOTAL
-	Actual/ Approved	Forecast	Forecast	Forecast	Forecast	Forecast	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>TOTAL INCOME (80% CIL – General Pot)</b>	(96,016)	(15,108)	(15,543)	(15,991)	(16,451)	(16,925)	(159,109)
<b>TOTAL OF CAPITAL, SRP</b>	<b>70,163</b>	<b>12,304</b>	<b>13,301</b>	<b>9,839</b>	<b>2,000</b>	<b>5,200</b>	<b>112,807</b>
Contingency	<b>0</b>	<b>2,500</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,000</b>
<b>DEFICIT/(SURPLUS) Brought Forward @1<sup>st</sup> April</b>		<b>(25,852)</b>	<b>(26,156)</b>	<b>(25,899)</b>	<b>(32,050)</b>	<b>(46,501)</b>	<b>(58,227)</b>
<b>DEFICIT/(SURPLUS) Carried Forward @ 31<sup>st</sup> March</b>	<b>(25,852)</b>	<b>(26,156)</b>	<b>(25,899)</b>	<b>(32,050)</b>	<b>(46,501)</b>	<b>(58,227)</b>	

4. 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.

## City CIL bids

5. Bids for the City CIL were invited from departments in August 2025, with three bids received. Members are asked to review the bids against the City CIL funding priorities in this report (detailed in Appendix 1). The indicative costs of agreed schemes will then be incorporated into medium term financial forecasts to assess financial impact in the context of each City Corporation fund. Any approved bids will be required to go through City of London Corporation's gateway process before progressing to the next stage.
6. Table 2 summarises the bids received against the criteria set out in Appendix 1 for City CIL funding.

**Table 2 – City CIL bids received this quarter**

<b>Proposed Bid</b>	<b>CIL allocation recommended</b>	<b>Funding Priority</b>
Heat Networks Project	£1,500,000	2: Essential. If not funded, development in the City would not come forward in a sustainable way without the delivery of heat networks.
Lombard Street Enhancements	£500,000	2: Essential. If not funded, development in the City would lead to unacceptable crowding of a key City route.
Barbican Podium	£10,024,825	3: Important. If not funded, development in the City would come forward but some adverse impacts – in terms of more pressure on other open spaces – would need to be accepted.
<b>Total</b>	<b>£12,024,825</b>	

### Heat Network Projects

7. Heat networks are essential energy infrastructure for delivering the Climate Action Strategy's goal of a net zero Square Mile by 2040 and provide a solution to the most significant challenge - the decarbonisation of non-domestic buildings. This project is to i) fund the design and commercialisation phase of a strategic heat network in the Square Mile (£1m) and ii) to undertake governance and development actions during the construction of the network (£500k).

8. The project will produce a full business case for the delivery of the first phase of heat network expansion and ensure effective City Corporation support for the construction phase.
9. In June 2025, the City Corporation's Policy and Resources committee agreed to a phased delivery of heat networks across the Square Mile, where it is projected to be the lowest cost solution to decarbonise heat for buildings. The CIL funding would be used to fund work undertaken by a Heat Network Delivery Partner (selected following an open procurement competition in the first half of 2026) to undertake the following design and commercialisation actions:
  - Development of the Full Business Case for heat network delivery in the Square Mile (main output)
  - Network design, including pipe routing approvals (£125k)
  - Engagement and contract negotiation for Energy Supply Agreements with building owners (£175k)
  - Explore opportunities and conclude agreements to utilise City Corporation land/property, most notably Walbrook Wharf, to support the development of heat network infrastructure (£50k)
  - Terms to access low carbon heat approved and bulk heat sale agreements to heat network (£75k)
  - Legal, technical, commercial and financial advice (£225k)
  - Planning requirements and approvals, including Environmental Impact Assessments and other assessments as necessary for planning and/or licencing (£200k)
  - Agreeing utility connections (£50k)
  - Geological surveys and exploratory investigations (£100k)
10. The funding will act as a development fee to the Delivery Partner to undertake these actions between mid-2026 and mid-2027. Arup has undertaken an assessment of development fee options, drawing on experience of design and commercialisation costs in large capital projects as well as fees provided by Westminster and others in their heat network programmes. It recommends a development fee of £1m would align with recent procurement benchmarks and amount to approximately 15% of the total design and commercialisation costs to be incurred by the Delivery Partner. Upon completion of this work, the City Corporation will decide whether to approve the full business case for the heat network and proceed to construction or not. Should construction proceed, there is a likelihood that the £1m CIL funding development fee would be reimbursed with the costs absorbed by the Delivery Partner.
11. The funding will also be used to support the governance and delivery aspects of the construction phase of the heat network, due to commence in the second half of 2027. These actions would include contract management, stakeholder

engagement and heat supply planning. These functions would form part of the Zone Coordinator role which the City Corporation would take on under the forthcoming Heat Network Zoning regulations. This is anticipated to amount to £500k over five years (Sept 2027 - Sept 2032).

12. Up to 340 buildings will be connected within the initial phase of construction, representing around 30% of large building heat demands in the Square Mile. The construction phase will involve around £273m of private sector investment in the heat network infrastructure and is expected to deliver heat that is 75% lower carbon than gas boilers.
13. The project is a key part of delivering the City's emerging Heat Network Strategy and would leverage significant private sector investment in critical low carbon energy infrastructure in the City (close to 300:1 leverage effect), realising the aims of the City Corporation's ongoing participation in the UK Government's Advanced Zoning Programme (AZP).
14. Technical analysis has suggested that heat network expansion across the Square Mile could:
  - Enable c. 1,200 buildings in the Square Mile to decarbonise
  - Attract £1bn+ of investment
15. While the Climate Action Strategy has funded the Heat Network Programme to date, it is not feasible for it to cover these design and commercialisation costs given the amount of funding involved, the restrictions on CAS funding and timelines. The CAS budget has been allocated up to the end of March 2027 and any changes would require a significant re-programming of activities across several workstreams. Also, currently there is no confirmation of CAS funding beyond March 2027. The design and commercialisation work to be undertaken in this project requires certainty and continuity of funding beyond this point.
16. Funding for the project would be required as follows:
  - 2026/27: £550,000**
  - 2027/28: £550,000**
  - 2028/29: £100,000**
  - 2029/30: £100,000**
  - 2030/31: £100,000**
  - 2031/32: £100,000**
17. Members are recommended to approve the City CIL bid for the heat networks project.

### Lombard Street Enhancements

18. Lombard Street is a key walking and wheeling route between Bank, Fenchurch Street and the City Cluster. This project will deliver critical accessibility, pedestrian priority and public realm improvements to Lombard Street that will accommodate increased footfall arising from recent and permitted developments and enable the future growth of the City Cluster. The project will be match funded by the Eastern City Business Improvement District (EC BID).
19. The improvements include pavement widening, raised carriageway, changes to traffic movement, waiting and loading, and public realm enhancements.
20. The enhancements to Lombard Street will tie in with and extend recently completed improvements to Bank junction and King William Street, and compliment future planned pavement widening and public realm improvements on Fenchurch Street. The delivery of enhancements to Lombard Street is not dependent on or impacted by the current experiment to allow taxis through Bank or any subsequent decision on whether to make the experiment permanent or not.
21. Scoping and early design work is already complete (funded by the EC BID), and the project is nearly ready to move into detailed design and construction planning. The EC BID would like to match fund a comprehensive scheme for the entire length of the street. If the City is unable to commit CIL funds, the EC BID contribution would be reduced and only smaller scale scheme (central raised table with no pavement widening) would be possible. This reduced scope would not deliver sufficient improvements to address current and future pavement crowding.
22. Funding for the project would be required as follows:  
  
**2025/2026 – Q4 - £10k**  
**2026/2027 – Q1-Q4 - £490k**
23. Given the poor nature of the existing environment, and the key role that Lombard Street plays as a route from a key transport gateway to the City Cluster, the proposal is considered to meet the 'essential' criteria for CIL funding.
24. Members are recommended to approve the City CIL bid for the Lombard Street project.

### Barbican Podium Phase Two

25. The Barbican podium is an integral part of the Barbican Estate, providing both a publicly accessible walkway and open spaces that weaves through the estate and

links the residential towers and terraces with the Barbican Centre. As set out in the Barbican Podium Phase Two business case the existing waterproofing has reached the end of its serviceable life, and the surface drainage system is currently ineffective due to blockages and calcification. Without immediate intervention, water ingress will continue to compromise the integrity of the building fabric, leading to escalating damage and costly remediation.

26. The project will provide long-term protection against water penetration, as well as presenting an opportunity to transform and reimagine the design, layout and function of the Podium, with substantial new planting, seating, improvements to the tiling surface, lighting, and making the space more accessible.
27. Costs for the project have escalated significantly and (following a value engineering exercise and a review of the public art requirement) now stand at £37.42m, of which £2.8m has been spent to date.
28. The project has an approved budget of £11.5m, comprising:
  - £8.6m from the On Street Parking Reserve
  - £2.9m from the City Fund
29. This leaves a projected funding shortfall of £25.92m.
30. OSPR and CIL are restricted funds and can only be used to fund works that meet their respective criteria, and not all elements of the project would be eligible for CIL (or OSPR) funding.
31. The relevant eligibility criteria for OSPR relates to environmental improvements that provide outdoor recreation facilities to which the general public has access. For CIL, it is those elements of the project that are a type of infrastructure that supports wider development. CIL cannot be used to fund repairs that would be required regardless of whether wider development was to happen. While aspects of this scheme clearly meet these tests, other parts of the project – the waterproofing of the structure, for example – do not provide recreation facilities and would have to happen whether wider development were to go ahead or not.
32. An analysis of the project elements has been undertaken to establish which aspects would be eligible for CIL or OSPR, which are set out in Appendix 2. Elements that clearly meet the CIL and OSPR criteria include aspects such as play areas, planting, seating, drainage, steps and ramps, and the replacement improved tiling work. Some elements of the project relating to the surface build-up are necessary for repairs to the structure but also contribute to the works to the public realm. For these elements, it is recommended to fund 50% of the costs from CIL/OSPR.



33. In addition, the total project cost includes 15% of the costs as 'optimism bias' (OB). Aspects of this OB would be expected to relate to the costs that are eligible for CIL and OSPR, and therefore a commensurate share of the OB total is included in the amount of the total project that would be eligible for CIL funding.

34. The amount eligible for CIL or OSPR funding is £16,195,500. The amount of OB that could be eligible for CIL or OSPR funding is £2,429,325, giving a total CIL/OSPR envelope of £18,624,825. As the OSPR funding of £8.6m has already been allocated to the project, this has been subtracted from the total CIL/OSPR envelope, which gives the funding landscape set out in Table 3.

**Table 3 – CIL funding allocation to BPP2**

<b>Funding source</b>	<b>Amount (£)</b>
Total cost	(37,420,000)
OSPR (allocated)	8,600,000
City Fund (allocated)	2,900,000
<b>CIL</b>	<b>£10,024,825</b>
Funding shortfall	(£15,895,175)

35. As well as eligibility for CIL, the allocation of CIL has to consider the prioritisation of CIL against the prioritisation criteria. While this project is clearly a high priority in relation to the need to maintain and repair the Barbican podium as a structural asset, it is considered to meet priority level 3 (important) for the purposes of CIL allocation; wider development would still come forward but some adverse impacts would likely occur, primarily in relation to increased pressure on other open spaces and gardens in the City.

36. It is recommended that Members allocate £10,024,825 from CIL to the BPP2 project.

37. Given the detailed level of analysis required to identify CIL-eligible aspects of the scheme, and the estimated nature of costs currently available, it has not been possible to determine a detailed cash flow across multiple years for the CIL allocation elements of the project at this stage. It is therefore proposed to split the CIL allocation evenly across the three years where the project is expecting to undertake the significant aspects of development, as follows, with reallocation within the total funding element to be undertaken as more detailed project cost breakdowns become available:

- **2026/2027:** £3,341,608
- **2027/2028:** £3,341,608
- **2028/2029:** £3,341,609

38. While the CIL contribution would assist significantly with funding gap for the project, there would remain a funding shortfall for the project of £15.9m. This is addressed later in this report in paragraphs 61 and 62.

### **City CIL fund implications**

39. The projects recommended for approval would result in the following expenditure from City CIL:
- **2025/26:** £10,000
  - **2026/27:** £4,381,608
  - **2027/28:** £3,891,608
  - **2028/29:** £3,441,609
  - **2029/30:** £100,000
  - **2030/31:** £100,000
  - **2031/32:** £100,000
40. City CIL currently has forecast available unallocated funds of £58.2m up to 2029/30 and therefore these bids would be affordable from the CIL fund, provided forecast income is realised. 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.

### **OSPR Bids and Allocations**

41. As of 22<sup>nd</sup> August 2025, the City Corporation held an opening balance for 2025/26 of £60.6m in OSPR. Further OSPR surplus monies of £55.8m are projected up to 2029/30, as shown in Table 4 below. Currently for 2025/26 onwards, £106.5m has been committed to approved schemes and a contingency sum allocated of £2m, therefore there is unallocated funding of £9.9m (forecast until 2029/30). Given this position and the small headroom for OSPR, bids were not requested this quarter.

**Table 4 – OSPR Financial Summary:**

		2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
-	-	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Expenditure</b> – salaries, enforcement contract, other running expenses	191	4,097	4,220	4,347	4,477	4,611	21,943
<b>Income</b> – PCN's, parking meters, suspended bays, dispensations	(10,614)	(14,617)	(15,056)	(15,507)	(15,972)	(16,452)	(88,218)
<b>NET REVENUE SURPLUS GENERATED IN YEAR</b>	<b>(10,423)</b>	<b>(10,520)</b>	<b>(10,836)</b>	<b>(11,161)</b>	<b>(11,495)</b>	<b>(11,840)</b>	<b>(66,275)</b>
<b>TOTAL OF CAPITAL, SRP &amp; REVENUE COMMITMENTS</b>	<b>5,790</b>	<b>24,097</b>	<b>14,773</b>	<b>11,045</b>	<b>5,324</b>	<b>5,683</b>	<b>66,711</b>
<b>TOTAL BIDS (Agreed by Priorities Board)</b>	<b>2,698</b>	<b>18,205</b>	<b>10,207</b>	<b>7,770</b>	<b>3,831</b>	<b>3,576</b>	<b>46,288</b>
<b>CONTINGENCY (Agreed by Priorities Board)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>2,000</b>
<b>DEFICIT/(SURPLUS) Brought Forward @1<sup>st</sup> April</b>	<b>(58,628)</b>	<b>(60,563)</b>	<b>(28,781)</b>	<b>(14,637)</b>	<b>(4,982)</b>	<b>(7,323)</b>	<b>(9,904)</b>
<b>DEFICIT/(SURPLUS) Carried Forward @ 31<sup>st</sup> March</b>	<b>(60,563)</b>	<b>(28,781)</b>	<b>(14,637)</b>	<b>(4,982)</b>	<b>(7,323)</b>	<b>(9,904)</b>	
( ) = income or in hand balance							

**Re-allocation of OSPR for London Museum**

42. The London Museum is obligated to fund Section 278 (S278) works to deliver on-street improvements necessary to enable the museum development. These works include security measures and pavement widening to safely accommodate visitors.
43. The Museum has a fixed budget for the Museum Site S278 Works of £1.8m, against a total estimated cost of £3.55m (of which £3.05m is for the S278 with the City Corporation, and the remainder for the S278 with TfL).
44. This budget shortfall means that the Museum are unable to sign the S278 and are looking to the City Corporation and GLA to fill the funding gap. Work to deliver the necessary improvements cannot begin until the London Museum have signed the S278 agreement and funds paid to the City Corporation. The ongoing delay in signing the S278 means that it is now unlikely that works will be completed in time for the Museum opening next year.
45. To address the funding gap, enable the Museum to sign the S278 and allow the project to proceed it is proposed that the Museum signs the S278 with the City

Corporation for the full amount and formally records the estimated funding gap of £1.75m (subject to confirmation of costs for Farringdon Street works) as a recognised cost expenditure under the scope of the wider project.

46. Upon practical completion of the Museum development, if the overall project is over budget, the established position is that the sponsors (the City Corporation and the GLA) will underwrite such overruns jointly and equally (50/50). However, as the spend associated with the S278 works is triggered ahead of the conclusion of the overall project, it is proposed that the City Corporation covenants to cashflow any sums due in respect of the Museum Site S278 works on City of London highway above the £1.3m the Museum will have available from their budgeted funds after they have paid the separate S278 with TfL (£0.5m, which they have already signed). This will be funded from the already agreed budget for the project that is delivering wider public realm improvements in the Smithfield area (OSPR funding). Upon practical completion and receipt of funds from the GLA, the Museum will return 50% of the City Corporation contribution.
47. The phasing and areas covered by the works for the S278 and wider Smithfield public realm improvement works are shown in appendix 3.
48. In summary, this arrangement will require the City Corporation to contribute at least £1.75m in the short term, of which £875,000 will in due course be returned to the Smithfield public realm project budget. There is sufficient funding within the wider public realm project budget to meet these costs. Note that the final sum required may vary if final costs differ from current estimates (S278 agreements usually include a requirement for any cost increases to be borne by the developer).
49. Members are asked to agree the above arrangement and delegate to the Executive Director Environment authority to agree the final sum required to meet the Museum's funding gap.

### **Capital Funding Bids – 2026/27 Budget Setting**

50. As part of the medium-term financial plan (MTFP), RASC & P&R have provisionally approved £10m in new bids for City fund and £5m from City Estate for capital projects in the 2026/27 financial year. Over August and September, Chief Officers were invited to submit any bids for new capital funding for consideration. Each bid was supported by a business case, using the new business case template. Table 5 below summarises the approved bids by Priorities Board for Q2.

**Table 5 – summary of capital bids**

<b>Project Proposal</b>	<b>Amount Requested £'m</b>	<b>City Fund £'m</b>	<b>City Estate £'m</b>	<b>CBF £'m</b>
Corporate Device Replacement	1.61	0.94	0.58	0.09
Superintendents House Redevelopment	1.40	1.40		
GSMD – Lighting Upgrades	1.91		1.91	
<b>New bids Total</b>	<b>4.92</b>	<b>2.34</b>	<b>2.49</b>	<b>0.09</b>
<i>Budget available</i>		<i>10.00</i>	<i>5.00</i>	
<b><i>Budget remaining</i></b>		<b><i>7.66</i></b>	<b><i>2.51</i></b>	

51. A summary of each of the bids recommended for approval is provided below.

#### Corporate Device Replacement

52. A proposal of £1.61m for replacing the remaining City of London Corporation Microsoft Surface end-user devices (approx. 58% and 1,815 devices) that are now end-of-life, having been rolled out in 2020. It will cost approximately £1.54m for the devices, build and warranties and £0.07m for resources to deliver the project.
53. Beyond this bid, there is no ongoing planned funding in place for the replacement of corporate devices. The update of devices requires capital funding bid to be made every 4-5 years to replace devices wholesale. Therefore, it was proposed that an amount should be included within the Capital programme on a rolling basis to reflect this need and will be modelled as part of the next iteration of the MTFP.

#### Superintendents House Redevelopment

54. There is £1.64m required for demolition of the Superintendents House and the creation of a prestige burial space that would provide at least 10 years of additional space and consequently income. The bid is for £1.40m with a further £0.24m of existing CWP funding to be reallocated (subject to be approval).
55. The City of London Cemetery and Crematorium is a 200-acre site in the juncture between Manor Park and Wanstead. The current site consists of 10 grade II listed structures, provides a parkland atmosphere for thousands of visitors 365 days of the year, and offers beautiful formal gardens, well-maintained roadways, tree-lined avenues and local heritage.
56. The strategic plan is to extend the operational life of the Cemetery past its current position of 6 years of virgin lawn graves and 8 years of virgin traditional graves.
57. The loss of new grave sales would result in an annual loss of circa £1.95m at current prices in direct income and £120k from indirect income (memorialisation).

It is recognised that grave reuse would in some way cover part of this loss, but current market trends only attribute 20% of sales to grave reuse, therefore expected loss would be around £1.75m (c. 30% of all income).

58. Whilst it is expected that the development would bring in new business and therefore increase new grave revenue in the short term, this project is very much aimed at protecting the current financial model for years to come, the current maintenance budget (excl payroll) is c.£834k pa, which would need to be maintained for the duration of the leases on graves (current longest is 99 years). As at present, any surpluses generated by the service will continue to be transferred to the Maintenance of Graves Reserve to meet future costs.

#### GSMD Lighting Upgrade in Venues

59. The full replacement of end-of-life tungsten lighting infrastructure in Milton Court Concert Hall (MCCH) and Silk Street Music Hall (SSMH) with modern, energy-efficient LED fixtures, control infrastructure, and power distribution systems.
60. The proposed upgrade offers long-term operational savings of over £100,000 per annum in electricity costs alone, alongside significant reductions in maintenance and consumables. The total capital investment required is £1.91 million, with an estimated life cycle of 14–25 years across components. The transition to LED will also eliminate the £9,000 annual cost of consumables such as bulbs, many of which now have increasingly limited availability and extremely short life spans.

#### Barbican podium

61. In addition to these new bids, as set out in paragraphs 25 to 38 there is also a financial pressure within the Barbican podium programme. After taking account of other available funding, and the recommendation in this paper, there is a need for £15.9m of additional City Fund resources. Table 6 below sets out the anticipated annual cashflow for the podium project.

**Table 6 – Barbican podium phase 2 annual profile**

	<b>Spend to date</b>	<b>25/26 £'m</b>	<b>26/27 £'m</b>	<b>27/28 £'m</b>	<b>28/29 £'m</b>	<b>29/30 £'m</b>	<b>30/31 £'m</b>	<b>Total £'m</b>
Project costs	2.8	0.3	11.7	13.9	7.8	0.1	0.8	37.4
Cumulative spend	2.8	3.1	14.8	28.7	36.5	36.6	37.4	

62. Table 6 shows that the current funding approved within City Fund, OSPR or CIL will be sufficient to cover expenditure up to the start of 2027/28. However, the remaining £15.9m would need to be added to the capital programme for 27/28 to 30/31. Table 5 indicates it may be possible to carry forward £7.6m from the 26/27 budget setting process leaving £8.3m remaining to identify. This could be profiled

over funding held for new bids in 27/28, 28/29, 29/30 and 30/31, but would impinge on the allocations available for future schemes.

### **Legal implications**

63. The proposed projects have been considered against the criteria for the use of OSPR and CIL and are in accordance with the Road Traffic Regulation Act 1984 and the London Local Authorities and Transport for London Act 2003, as well as the Community Infrastructure Levy Regulations 2010. For the London Museum bid Comptrollers have confirmed that although it is highly unusual for the City to use its OSPR funding to pay for public realm works where a s278 makes it clear this is the developer's responsibility, there is no legal impediment should it choose to do so.
64. Comptrollers also feel that given the Museum has the status of a statutory body under the Museum of London Act 1965 which establishes the City and the GLA as funding partners, this should help rebut any argument by developers citing this contribution by the City as Highway Authority as an example to be followed elsewhere.

### **Risk Implications**

65. Funding of CIL-funded projects relies on CIL income maintaining previous trends. This is considered to be likely given the pipeline of approved planning applications and the provision of a contingency within the CIL fund. However, significant economic shifts could result in CIL income failing to meet future allocations.

### **Equalities Impact**

66. 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**

67. The Heat Networks Project, Barbican Podium Phase Two and Lombard Street Highway Improvements and London Museum projects are considered to be (in some cases partially) eligible for CIL and to meet the 'essential' or 'important' priorities for CIL funding. The approach to reallocating OSPR will assist in enabling the delivery of public realm improvements around Smithfield market. Capital allocations are recommended towards corporate device replacement; the GSMD lighting upgrade; and the Superintendents House redevelopment.

68. Members of RASC and P&R are recommended to approve the funding allocations as set out in this report.

**Rob McNicol**

Assistant Director – planning policy & strategy

Email: [Rob.McNicol@cityoflondon.gov.uk](mailto:Rob.McNicol@cityoflondon.gov.uk)

**Yasin Razaaq**

Capital and Project Manager

Email: [Yasin.Razaaq@cityoflondon.gov.uk](mailto:Yasin.Razaaq@cityoflondon.gov.uk)

**Bruce McVean**

Assistant Director – Policy & Projects

Email: [Bruce.McVean@cityoflondon.gov.uk](mailto:Bruce.McVean@cityoflondon.gov.uk)

**Appendices**

Appendix 1 – Funding Criteria

Appendix 2 – Barbican Podium CIL eligibility analysis

Appendix 3 – Smithfield area public realm works phasing plans



## 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; specifically:
    - reducing pollution
    - improving or maintaining the appearance or amenity of roads, land in the vicinity of roads or open land or water to which the general public has access.
    - the provision of outdoor recreation facilities to which the general public has access without charge.
- 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.

## Appendix 2 – Barbican Podium Phase Two CIL eligibility analysis

**Table A: elements eligible for CIL or OSPR**

Reference	Item	Eligible for CIL/OSPR	Cost (£)	Notes
<b>Build Up Elements</b>				
1	Waterproofing system (membranes, vapour layers and associated fixings/detailing)	Partial	4,135,000	Improved drainage and removal of ponding issues. Also includes related to required works to the structure
2	Deck preparation layer	Partial	Incl in 1 & 3	Creates level surface for rest of build up to be laid upon.
3	Screed	Partial	972,000	Improvement to access and drainage crossfalls.
4	flexible filler Movement joints in tiling	Partial	1,894,000	Better/neater aesthetics for movement joints between tiling at surface level. Reduces risk of tiles cracking therefore improved longevity.
5	Replaced structural movement joint systems	Partial	Incl in 4	Improved aesthetics removes trip hazard of existing covers. Visible at surface level in tiling and planting areas.
6	New or replaced <b>concealed</b> electrical, MEP and drainage infrastructure	Yes	119,000	Improvement, replacement and re-routing of existing electrical network to public space.
7	New <b>visible</b> Electrical, MEP and drainage features	Yes	682,000	Replacement of vent covers to improve aesthetics and conserve heritage. Removal of some vents to allow for better green space. New/better aesthetic drainage channel and gully covers. New/better aesthetic in-ground inspection covers.
8	Drainage levels and infrastructure	Yes	2,647,000	Replacement and repairs of existing drainage, with new drainage added.
9	Mortar layer to tiles	Partial	70,000	New mortar under tiles.
10	Tiles + Grouting	Yes	4,977,000	Improved accessibility, replacement of damaged areas, increased slip resistance. Conserves heritage.
11	New safety surfacing to play and exercise areas and associated build-up	Yes	Incl in 9	Introduced safety surfacing, provides safer use of play/exercise equipment and introduces a new surface finish for aesthetics.

12	Green Roof Growing medium	Yes	560,000	Lightweight growing medium made of recycled crushed brick used for new planting.
13	Mulch layer to planning areas	Yes	N/A	Prevents weed growth and slowly adds nutrients to the soil.
14	Public realm lighting: New Installations	Yes	1,073,000	Improved safety and accessibility with more frequent lighting with increased lux levels and removal of dark areas.
15	Public Realm Lighting: Existing Heritage Installations Refurbished	Yes	Incl in 14	Refurbishment of existing lighting to be retained, such as the historic globe lighting columns, protecting heritage, improving lighting provision.
16	New, larger planting areas for increased greening	Yes	753,000	Over 40,000 new plants and 39 trees with a broad mix of species for biodiversity and an interesting connection to nature.
<b>Wider public realm elements</b>				
17	Reconfigured public realm layout	Yes	Incl in 16	The general layout of the public realm has been adapted from the existing to improve legibility of walking/wheeling routes, allow for increased greening and introduce a greater variety of public amenity elements.
18	Play Equipment, natural play features and surfacing and associated seating	Yes	31,000	New amenity facilities, better play provision to visitors and residents.
19	Outdoor Gym Equipment, surfacing and associated seating	Yes	26,000	New amenity facilities, better sports provision to visitors and residents.
20	New Seating	Yes	95,000	Improved accessibility, a range seating types provision of amenity recreation facilities.
21	Steps, ramps at shallower gradients and handrails	Yes	637,000	Improved accessibility.
22	Removal of link building	Yes	42,000	Improved accessibility, legibility and safety.
23	Irrigation	Yes	575,000	Improvement to maintenance of planting.
24	SuDS: Water attenuation layer within planters	Yes	109,000	Environmental benefit - Newly introduced element. Slows the flow of water captured within the planters,

				and in many cases captures the run-off from adjacent paving too.
25	Water features	Yes	334,000	Amenity/tranquillity/sensory provision.
26	Community Growing Planter boxes	Yes	Incl in 21	new and improved community planters to replace and increase number of existing community planters.

**Table B: Summary of costs and OB:**

	<b>Cost (£)</b>	<b>Optimism bias allowance (15%; £)</b>	<b>Total (£)</b>
Fully eligible for CIL/OSPR	£12,660,000	£1,899,000	14,559,000
Partially eligible (50% of costs)	£3,535,500 (50% of £7,071,000)	£530,325	£4,065,825
<b>Total eligible for CIL/OSPR</b>	<b>£16,195,500</b>	<b>£2,429,325</b>	<b>£18,624,825</b>

**Table C: summary of CIL and OSPR eligible amounts and overall project shortfall**

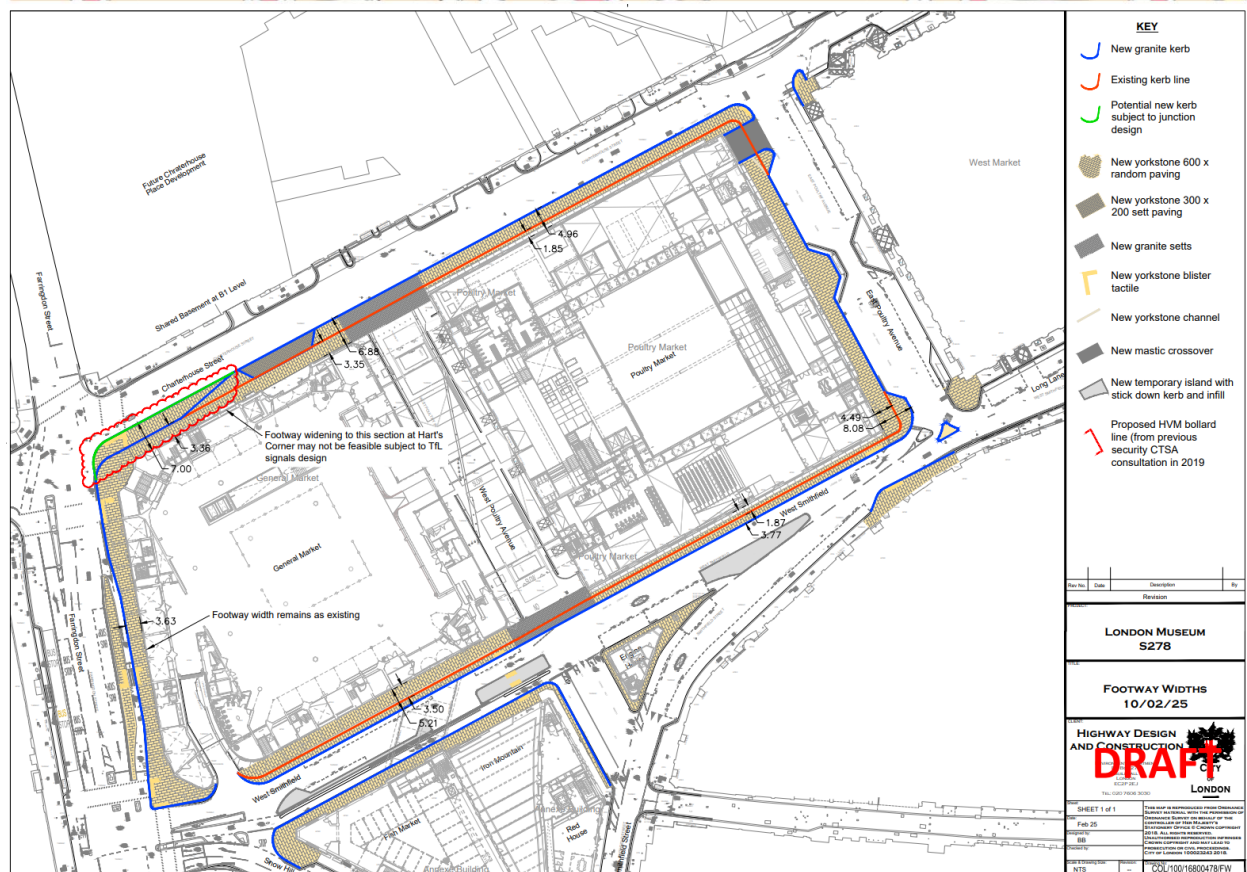
	<b>Amount (£)</b>
A: Total eligible for CIL/OSPR	18,624,825
B: OSPR (already allocated)	8,600,000
<b>C: CIL eligible (A – B)</b>	<b>10,024,825</b>
Total costs	(37,420,000)
Shortfall	(15,895,175)

This is based on the total funded by CIL and OSPR being those elements categories as 'yes' for CIL/OSPR eligibility in table A above, as well as 50 per cent of those elements categorised as 'partial'. An optimism bias allowance of 15 per cent has been added to these costs.

**Phase 1a – S278 (extent outlined in dashed red):**  
Museum of London : S278 works around the Museum site - General Market opening 2026, Poultry Market 2028. To note Annexe buildings will also have a S278 (Date TBC).

**Phase 2: 2030s - Meat market buildings and the Rotunda** would be part of Phase 2 once the traders have left and plans for the new Meat markets are clear. This will encompass traffic and junction changes in the area highlighted as well as public realm enhancements.

**Phase 1b – S106/Public Realm work:** Post 2028 – The extent in light blue will be the first tranche of Public Realm works (including Long Lane). This will encompass traffic and junction changes in the area highlighted as well as the public realm enhancements.



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<b>Committee(s)</b>	<b>Dated:</b>
Local Plans Sub Committee Planning and Transportation Committee Policy and Resources Court of Common Council	9/10/2025 21/10/2025 13/11/2025 4/12/2025
<b>Subject:</b> City Plan Main and Additional Modifications	<b>Public report:</b>  For decision
<b>This proposal:</b> <ul style="list-style-type: none"> <li>• <b>delivers Corporate Plan 2024-29 outcomes</b></li> <li>• <b>Provides statutory duties</b></li> </ul>	This report relates to the statutory planning function
<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>	Katie Stewart, Executive Director of Environment
<b>Report author:</b>	Gudrun Andrews, Head of Planning Policy

## Summary

The City Plan was submitted for Independent Examination in August 2024. The formal examination hearings have now concluded and a list of Main and Additional Modifications to the plan has been prepared in collaboration with the Planning Inspectors. These amendments require formal consultation for a period of six weeks. This report seeks member approval to commence this consultation and provide a City Corporation response to the matters raised within the consultation. This will then be sent back to the Planning Inspectors to be considered in their Final Report. Once the Inspector's Report has been received the City Corporation will be free to commence the governance process for adoption. The City Plan will then form part of the Development Plan for decision making purposes.

## Recommendation

Members of the Local Plans Sub-committee are asked to:

- RECOMMEND approval of a six-week consultation period on the Main and Additional Modifications to the City Plan (Appendix 1 and 2), the Sustainability Appraisal Review (Appendix 3) and the changes to the Policies Map (Appendix 4)

Members of Planning and Transportation Committee are asked to:

- APPROVE a six-week consultation period on the Main and Additional Modifications to the City Plan (Appendix 1 and 2), the Sustainability Appraisal Review (Appendix 3) and the changes to the Policies Map (Appendix 4)
- DELEGATE authority to the Director of Planning and Development, in liaison with the Chair and Deputy Chair of the Planning and Transportation Committee to provide a City Corporation response to the consultation responses received

Members of Policy and Resources Committee are asked to:

- RECOMMEND to the Court of Common Council the Main and Additional Modifications to the City Plan 2040 within Appendix 1 and 2 as amendments to City Corporation corporate strategy

## **Main Report**

### **Background**

1. The City Plan was last brought to Planning and Transportation Committee on 31 January 2024. This report detailed the previous rounds of consultation and engagement, background evidence and the form and content of the Regulation 19 version of the City Plan. The report sought approval to consult on the Regulation 19 'Proposed Submission' version of the City Plan 2040 and to then submit the City Plan to the Secretary of State for independent examination. It also sought authorisation of the Planning and Development Director, in liaison with the Chair and Deputy Chair of the Planning and Transportation Committee, to compile a list of further changes to the City Plan in response to public representations and submit these to the Secretary of State. This report was also taken to Policy and Resources on 22 February and Court of Common Council on 7 March 2024.
2. The Regulation 19 consultation took place between 18 April and 17 June 2024 and was submitted, in line with the proposed timetable on 29 August 2024. Following submission the plan is termed 'at examination' which includes all the process including the formal hearings until the receipt of the Inspectors' Final Report. The formal hearings concluded on 12 June 2025.

### **Examination progress**

3. The City Corporation submitted the City Plan for examination on 29 August 2024. From this point onwards the timetable is driven by the Inspectors in line with the regulations and procedures rather than the City Corporation. The role of the appointed Planning Inspectors is to determine whether the City Plan is 'sound' and 'legally compliant'.
4. The dedicated examination page at <https://www.cityoflondon.gov.uk/services/planning/planning-policy/city-plan->

[2040-examination-in-public](#) includes all the information, submissions and correspondence relating to the City Plan examination. This includes the Inspectors' Main Matters, Issues and Questions (MIQs) which were received in February 2025 and the Matter Statements prepared by the City Corporation and other parties in response. The MIQs formed the basis of the discussions at the hearing sessions.

5. The hearing sessions initially commenced with a focus on matters of legal compliance (Matter 1). As the Inspectors can only seek to address matters of soundness, any substantial issues regarding legal compliance would have arisen at this stage, potentially leading to a pause in the examination. However, no significant matters were raised, allowing the examination to proceed to matters of 'soundness'. Subsequent hearings explored the strategic priorities and spatial strategy before detailed topic-based discussions around housing, office floorspace, retail and culture. The third week focussed on heritage and tall buildings matters which attracted the greatest number of comments and participants at the hearings. The recordings of the hearing sessions are available on the examination website.
6. A series of new documents were produced by the City Corporation during the course of the hearings at the Inspectors' requests. Most notably further Heritage Impact Assessment of the proposed amendments to the tall building contours at the southern edge and the inclusion of a new Broadgate tall building area (ED-HTB36-40). All participants were invited to submit addenda to their previous matter statements to reflect this. Other additional submissions included an updated note on housing delivery and the Corporation's opening and closing statements.
7. In September officers received confirmation of the 'Main Modifications' which the Inspectors are recommending to the City Corporation to make the plan 'sound'. These modifications need to be put out to formal consultation on behalf of the Inspectors. For completeness the 'Additional' modifications which are more minor amendments, which do not relate to soundness will also be consulted upon. Only when this has been concluded and the Inspectors' Final Report received can the City Corporation proceed to adopt its plan to replace the Local Plan 2015 as the local plan for the City, at which point it gains full weight in decision-making on planning applications.

## **Approach to modifications**

8. As highlighted above, the Planning Inspectors only have powers to address matters of soundness through the examination and a failure in relation to legal compliance in plan preparation cannot be rectified. However, a local plan can be amended on the direction of the Inspectors, and there are opportunities to put forward some suggested changes to the Inspectors during the examination

process. Each potential change then needs to be agreed by the Inspectors and 'recommended' back to the Corporation by the Inspectors in their report. The agreement of main and additional modifications is a normal part of the examination process.

9. The City Corporation has proposed changes under examination document (LD26), through Statements of Common Ground (SOCG1A, SOCG9-24), but also through the examination hearings. At the formal hearings it was made clear that any proposed changes would be subject to later member confirmation through the main modifications and adoption processes. Throughout the examination hearings members were kept informed of topics discussed through regular briefings and actions, and the sessions were recorded for future review.
10. The Inspectors have now agreed the lists of Main and Additional Modifications. These total 178 changes to the City Plan, of which 68 are considered to relate to soundness. The Main Modifications are proposed by the Inspectors without prejudice, and will remain unconfirmed until the receipt of the Inspectors' Final Report. This report seeks authorisation for the consultation to take place.
11. As the examination hearings were officially closed by the Inspectors on 12 June and the Main Modifications agreed by the Inspectors, there is no further scope to reopen the debates through further amendments to the MMs, or to propose alternative changes. The only alternative to taking forward the modifications to consultation stage would be to withdraw the plan from examination and restart the plan-making process. Given the transition period to a new plan-making system as set out in Annex 1 of the NPPF it would not be possible to commence plan-making again until late 2026. Adoption under the new approach would take approximately 30 months so adoption would not be until mid-2029.

## **Main Modifications**

12. The Main Modifications to the City Plan are included at Appendix 1 to this report. It makes clear, with reference to the tests of soundness (justified, effective or positively prepared) why each modification is required. The Inspectors have approved these modifications (without prejudice) and are recommending these changes back to the City Corporation. The Inspectors consider the Main Modifications to be required to make the plan 'sound', ie without these changes the City Plan would be considered 'unsound' and the City Corporation could not proceed to adoption. Therefore, at this stage this list is finite and cannot be amended by the Corporation.
13. Many of the changes relate to changes to the heritage and tall buildings chapter (MM41-56), including:
  - clarifications on the need to preserve (and where possible) enhance the Conservation Areas (MM41, 42)
  - use of the St Paul's Setting Study in assessments (MM44)
  - how the Outstanding Universal Value of the Tower of London should be utilised and interpreted

- changes to the contours at the southeastern corner of the City Cluster and to include a new tall building site at Broadgate (MM2, MM51-53, 56)- see updated Figure 15 in Appendix C.
14. A majority of the changes in Appendix 1 are as proposed post submission, or through discussions at the examination. One exception is a change proposed within Statements of Common Ground with Historic England (examination document SOCG9A) and the Bevis Marks Synagogue (SOCG24A). The Inspectors have considered this change and have informed the City Corporation that this is not required for soundness reasons as the identified heritage assets already have legislative and policy protection. They consider that the apparent elevation of the Bevis Marks Synagogue could have unintended consequences in relation to proposals relating to other designated heritage assets, with ambiguity for the decision maker. Therefore, the whole of the proposed additional text at paragraph 11.2.1a of the City Plan is no longer being taken forward as a modification. This text had been drafted as follows:

*“It should be noted that the contribution that any part of the totality of a setting makes to the significance of a designated heritage asset is afforded protection by relevant legislation, national policy and Policy HE1. This would include consideration of impacts on sky space in views, where this enables aspects of their significance to be appreciated. The identification of the immediate settings of the Monument and Bevis Marks synagogue in policy is therefore intended to further strengthen their protection.”*

15. Other notable Main Modifications are:

- the articulation of a ‘Vision’ for the City Plan (MM1)
- additional information relating to the expected housing completions, including within a new Appendix to the Plan (MM10-14)
- inclusion of the minimum office requirement in GIA (in addition to NIA) (MM17, 18)
- further explanation of the cultural contributions from developments of different scales (MM21)
- infrastructure provider engagement through the development process (MM23)
- exceptional circumstances where lower long-stay on-site cycle provision may be acceptable (MM38-40)

### **Additional Modifications**

16. Other more minor ‘Additional Modifications’ have also been proposed during the examination (see Appendix 2). These do not go to the heart of soundness and include minor amendments to text or figures, correction of typographical errors or factual update only. The Inspectors have agreed that these amendments do not relate to soundness but will be consulted upon for completeness.

### **Consultation and procedure**

17. As set out above, following submission Main Modifications can only be made on the recommendation of the Inspectors to address soundness matters.
18. Members are asked to recommend to Court of Common Council the approval of consultation on the Main Modifications to the City Plan as at Appendix 1, the Sustainability Appraisal Review (Appendix 3) and the Habitats Regulation Assessment Matrix (Appendix 5) as part of the formal examination process into soundness and legal compliance. For completeness members are also asked to approve consultation on the Additional Amendments as at Appendix 2 and the Policies Map 'Atlas of Change' (see Appendix 4) however these do not fall within the scope of the examination process. A tracked changes version of the City Plan is included in Appendix 6. The documents will then be put out to public consultation for a period of six weeks. This presents an opportunity for all interested parties, including (but not limited to) those who took part in the examination hearings to put forward their views on the implications of the changes and whether they consider the modifications to be sound and/or legally compliant.
19. The responses will then be collated and sent back to the Inspectors with a brief City Corporation response. The Inspectors will then consider the consultation responses in drawing together conclusions within their report. If the plan is then found 'sound' and legally compliant the City Corporation is then free to commence with the governance process of adoption. At that stage members will be asked to make the decision to adopt the plan including the final modifications that will be included within the Inspector's Report.

### **Additional appraisals**

20. A Sustainability Appraisal of the Regulation 19 City Plan was undertaken as part of the preparation process. The Main Modifications have also been subject to additional Sustainability Appraisal screening and assessment to determine whether they have any significant or cumulative effects. This assessment is also included in Appendix 3 and will be subject to the six-week consultation. It concludes that the changes to the City Plan are likely to have uncertain or positive impacts. The mitigation measures included within the City Plan policies remain.
21. The City Plan is also accompanied by Habitats Regulations Assessment (HRA), which assessed the impact of policies in the City Plan on the identified European sites at Epping Forest, Lee Valley, Richmond Park and Wimbledon Common. This concluded that mitigation set out in other Local Plan policies, along with regulatory safeguards, are sufficient to avoid adverse effects on the integrity of European sites. The main modifications propose only limited changes to the scope of the policies which are identified as having an impact upon the sites, and the mitigation measures contained within the policies as identified remain unchanged. This HRA Review Matrix is included in Appendix 5 and will be subject to the six-week consultation.

22. An Equalities Impact Assessment was also undertaken to support the City Plan. This found the impacts to be broadly positive. This is discussed in more detail below, however, it is not considered that the Main Modifications amend these positive conclusions.

### **Next steps**

23. Following approval, the Main and Additional Modifications will be consulted upon for 6 weeks, to be concluded by the end of January 2026. The responses will be collated and sent back to the Inspectors in February 2026. The next stages will be the receipt of the Inspectors' Fact Check Report anticipated in April 2026, followed by the Final Report in May 2026.
24. Following receipt of the report the City Plan 2040 will be brought back to Planning and Transportation Committee, Policy and Resources and Court of Common Council to seek approval for adoption. Once adopted it will form part of the Development Plan for the Square Mile and will have full weight in planning decisions.

### **Corporate & Strategic implications**

25. The preparation of the City Plan will contribute to the implementation of the Corporate Plan (2024-2029). It will support the delivery of key Corporate priorities, along with proposals to ensure a sufficient supply of business space and complementary uses to meet future needs. Preparation of the revised City Plan is being undertaken alongside the adopted Transport Strategy and the revised end date of the City Plan (2040) will align with the key net zero target in the Climate Action Strategy.

### **Financial implications**

26. The City Plan is a statutory function that the Corporation are required to deliver. While the many of the costs of drafting and consulting on the City Plan are met through existing budgets, additional reserve funds were made available to cover the costs of the examination hearings. As we now progress to the latter stages of plan-preparation these can again be covered through existing budgets, including the costs of the main modifications consultation. There are no immediate unfunded financial barriers to continuing the process toward plan adoption.

### **Resource implications**

27. All work associated with the main modifications consultation is being carried out in-house by the Development Plans Team, working alongside and supported by Development and Design colleagues in the planning service and by other services as appropriate.

### **Legal implications**

28. The City Plan has been prepared in accordance with the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012. It has also been supported by additional assessments required or informed by other legislation, including the Habitats Regulations, Environment Assessment of Plans and Programmes, 2004, and the Equality Act 2010.
29. Paragraph 48 of the NPPF states that local planning authorities may give weight to relevant policies in emerging plans according to: a) the stage of preparation of the emerging plan (the more advanced its preparation the greater the weight that may be given); b) the extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and c) the degree of consistency of the relevant policies in the emerging plan to this Framework (the closer the policies in the emerging plan to the policies in the Framework, the greater the weight that may be given).
30. The City Plan 2040 is a material consideration to be taken into account in determining planning applications within the Square Mile. The weight to be given to the plan will increase as it advances through main modifications consultation, Report and adoption stages. On adoption the City Plan will have full weight in decision-making in accordance with paragraph 48 of the NPPF.

### **Risk implications**

31. Officers continually review and report on the risk assessment process associated with the preparation of the City Plan 2040. The risks of not adopting the City Plan according to this timetable would be that the City Corporation would need to continue to determine proposals in accordance with the Local Plan 2015 and the 2021 London Plan for the foreseeable future. The amount of weight to be given to these policies would depend on the degree of consistency with the National Planning Policy Framework and would likely diminish over time.

### **Equalities implications**

32. The City Corporation has had due regard to the Public Sector Equality Duty (PSED) in its plan-preparation processes. Several policy amendments were included within the Regulation 19 version of the City Plan to take account of the impacts on protected groups and were assessed as positive within the Equality Impact Assessment (EQIA). This assessment demonstrated that the effects of the plan as a whole will be broadly positive. There are no major negative impacts as a result of the City Plan.
33. The City Corporation has undertaken a review of the Main Modifications to the policies against the conclusions of the appraisal as set out in Part 4 of the Assessment. As set out in the Sustainability Appraisal review at Appendix 3, the only significant changes to policies relate to AT3 and cycle parking and the amendments to the tall buildings contours. These changes do not result in any change to conclusions within the EQIA.



34. The PSED is a continuing and ongoing duty. The broadly positive outcomes of the policies contained within the City Plan also apply to decision-making points in the processes to adoption.

### **Climate implications**

35. The City Plan is one of the key mechanisms for achieving the targets in the Climate Action Strategy that relate to the Square Mile, in particular the net zero target for the Square Mile by 2040, and tackling climate resilience. Many policies in the Plan seek to address climate issues, particularly policies on sustainable development and the retention of existing buildings, including for offices.

### **Security implications**

36. Policies in the City Plan seek to ensure the Square Mile remains resilient to security requirements, especially as new developments come forward in the City.

### **Conclusion**

37. The report seeks authorisation for formal consultation on the Main Modifications to the City Plan 2040, as agreed with the Planning Inspectorate. It also seeks consultation on the Sustainability Appraisal Review of the Main Modifications, the Additional Modifications, and the changes to the Policies Map. The City Plan will be brought back to all committees in Summer 2026 to seek approval for adoption.

### **Appendices (in separate pack)**

- Appendix 1- Main Modifications
- Appendix 2- Additional Modifications
- Appendix 3- Sustainability Appraisal Review
- Appendix 4- Policies Map 'Atlas of Change'
- Appendix 5- HRA Review matrix
- Appendix 6- Tracked Changes version of the City Plan

### **Report author**

Gudrun Andrews  
Head of Planning Policy

E: [gudrun.andrews@cityoflondon.gov.uk](mailto:gudrun.andrews@cityoflondon.gov.uk)

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