



## Resource Allocation Sub (Policy and Resources) Committee

**Date:** MONDAY, 3 NOVEMBER 2025

**Time:** 1.45 pm

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

**Members:**

Deputy Christopher Hayward (Chairman)	Shravan Joshi MBE
Deputy Henry Colthurst (Deputy Chairman)	Alderman Vincent Keaveny CBE
Sheriff & Deputy Keith Bottomley	Florence Keelson-Anfu
Tijs Broeke	Lady Mayor-Elect Alderwoman
Deputy Helen Fentimen OBE JP	Dame Susan Langley, DBE
Jason Groves	Deputy Andrien Meyers
Alderman Timothy Hailes JP	Deputy Alastair Moss
Deputy Caroline Haines	Alderman Sir William Russell
	Deputy James Thomson CBE

**Enquiries:** Ben Dunleavy  
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<https://www.youtube.com/@CityofLondonCorporation/streams>

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

# **AGENDA**

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

## **Part 1 - Public Agenda**

**1. APOLOGIES**

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

**3. MINUTES**

To agree the public minutes and non-public summary of the Sub-Committee meeting held on 9 September 2025.

**For Decision**  
(Pages 7 - 10)

**4. AIR SOURCE HEAT PUMP AND PHOTOVOLTAIC INSTALLATION AT THE MANSION HOUSE**

Report of the City Surveyor.

**For Decision**  
(Pages 11 - 16)

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

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

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

**6. \* UPDATE FOR ENERGY COST AND SAVINGS**

Report of the City Surveyor.

**For Information**

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

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

9. **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 or relate to functions which are not subject to the provisions of Part VA and Schedule 12A of the Local Government Act 1972.

**Part 2 - Non-Public Agenda**

10. **NON-PUBLIC MINUTES**

To agree the non-public minutes of the Sub-Committee meeting held on 9 September 2025.

**For Decision**  
(Pages 41 - 46)

11. **CYCLICAL WORKS PROGRAMME 2024/25 UPDATE REPORT**

Report of the City Surveyor.

**For Decision**  
(Pages 47 - 76)

12. **SEIZING THE OPPORTUNITY TO SECURE THE FINANCIAL VIABILITY OF CITY OF LONDON SCHOOL FOR GIRLS AHEAD**

Report of the Headmistress, City of London School for Girls.

**For Decision**  
(Pages 77 - 126)

13. **GUILDHALL COOLING PLANT REPLACEMENT**

Report of the City Surveyor.

**For Decision**  
(Pages 127 - 140)

14. **\*UPDATE REPORT ON THE OPERATIONAL PROPERTY REVIEW (NON-HOUSING) – UTILISATION ACTION PLAN**

Report of the City Surveyor.

**For Information**

15. **\*ENVIRONMENT DEPT OPERATIONAL PROPERTY UPDATE**

Report of the Executive Director, Environment.

**For Information**

16. **\*ANNUAL REPORT ON OPERATIONAL PROPERTY PORTFOLIO**

Report of the City Surveyor.

**For Information**

17. **\*SUPERINTENDENT'S HOUSE, CEMETERY & CREMATORIUM**

Joint Report of the Executive Director, Environment and the City Surveyor.

**For Information**

18. **\*FPEP: SECURING POLICE ACCOMMODATION TO 2030 (CITY FUND: BISHOPSGATE POLICE STATION, 182-184 BISHOPSGATE, EC2. SALE OF THE FREEHOLD)**

Report of the City Surveyor.

**For Information**

19. **\*DELEGATED AUTHORITY DECISIONS AND ARREARS UPDATE ON ASSETS ALLOCATED TO THE CITY SURVEYOR TO DIRECTLY MANAGE ON THE OPERATIONAL ESTATE - 1ST APRIL 2025 TO 30TH SEPTEMBER 2025**

Report of the City Surveyor.

**For Information**

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

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

**Part 3 - Confidential Agenda**

22. **CONFIDENTIAL MINUTES**

To agree the confidential minutes of the Sub-Committee meeting held on 9 September 2025.

**For Decision**

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## RESOURCE ALLOCATION SUB (POLICY AND RESOURCES) COMMITTEE

**Tuesday, 9 September 2025**

Minutes of the meeting of the Resource Allocation Sub (Policy and Resources)  
Committee held at Committee Rooms, 2nd Floor, West Wing, Guildhall on Tuesday,  
9 September 2025 at 1.45 pm

### **Present**

#### **Members:**

Deputy Henry Colthurst (Deputy Chairman)	Alderman Timothy Hailes JP
Deputy Keith Bottomley	Shravan Joshi MBE
Deputy Helen Fentimen OBE JP	Alderman Vincent Keaveny, CBE
Jason Groves	Deputy James Thomson CBE

### **In Attendance**

#### **Officers:**

Caroline Al-Beyerty	- Chamberlain
Michael Cogher	- Comptroller and City Solicitor
Katie Stewart	- Executive Director, Environment
Gregory Moore	- Deputy Town Clerk's Department
Dionne Corradine	- Chief Strategy Officer
Sonia Virdee	- Chamberlain's Department
Genine Whitehorne	- Chamberlain's Department
John Galvin	- City Surveyor's Department
Dorian Price	- City Surveyor's Department
Peter Young	- City Surveyor's Department
Ian Hughes	- Environment Department
Gavin Stedman	- Environment Department
Ben Dunleavy	- Town Clerk's Department

#### **1. APOLOGIES**

Apologies for absence were received from the Chairman Deputy Christopher Hayward, Tijs Broeke, (who may observe the meeting virtually), Florence Keelson-Anfu and Sir William Russell.

In the absence of the Chairman, the Deputy Chairman Deputy Henry Colthurst took the Chair.

Deputy Caroline Haines observed the meeting virtually.

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

There were no declarations.

3. **MINUTES**

The public minutes and non-public summary of the Sub-Committee meeting held on 25 June 2025 were approved as a correct record.

4. **CLIMATE ACTION STRATEGY (CAS) - OPTIMISATION FOR SITES CONNECTED TO CITIGEN**

Members considered a report of the City Surveyor concerning heating and cooling circuits connected the Citigen district heating/cooling network.

*RESOLVED:* That Members approve use of Section 106 Carbon Offset funds as a replacement of the HNES funding which had been outlined in Gateway 2.

5. **CITY SURVEYOR'S BUSINESS PLAN 2025-30 - QUARTER 1 OF 2025/26 UPDATE**

Members received a report of the City Surveyor concerning the departmental business plan.

*RESOLVED:* That the report be received and its contents noted.

6. **THE CITY SURVEYOR'S CORPORATE AND DEPARTMENTAL RISK REGISTER SEPTEMBER 2025 UPDATE**

Members received a report of the City Surveyor concerning the corporate and departmental risk registers.

*RESOLVED:* That Members note the report, and the actions taken and being taken to effectively monitor and manage risks arising from our operations.

7. **\*WALBROOK WHARF - MAJOR AND MINOR PROJECTS SUMMARY REPORT**

Members received a report of the City Surveyor concerning projects at Walbrook Wharf.

*RESOLVED:* That the report be received and its contents noted.

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

There were no questions.

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

There was no other business.

10. **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 or relate to functions which are not subject to the provisions of Part VA and Schedule 12A of the Local Government Act 1972.



11. **NON-PUBLIC MINUTES**  
The non-public minutes of the Sub-Committee meeting held on 25 June 2025 were approved as a correct record.
12. **UPDATE REPORT ON THE OPERATIONAL PROPERTY REVIEW (NON-HOUSING) - UTILISATION ACTION PLAN**  
Members received a report of the City Surveyor concerning the review into the operational property portfolio.
13. **ENVIRONMENT DEPT OPERATIONAL PROPERTY UPDATE**  
Members considered a report of the Executive Director, Environment providing an update on utilisation and disposal opportunities across operational properties controlled by the Environment Department.
14. **DISPOSAL OF FORMER PORT HEALTH DOCK OFFICES AT TILBURY DOCKS**  
Members considered a report of the Executive Director, Environment concerning an asset declared surplus to operational requirements.
15. **REVIEW OF PUBLIC PARKING PROVISION AT MINORIES CAR PARK**  
Members considered a joint report of the City Surveyor and the Executive Director, Environment concerning the Minories car park.
16. **THE CITY SURVEYOR'S CORPORATE AND DEPARTMENTAL RISK REGISTER SEPTEMBER 2025 - NON-PUBLIC UPDATE**  
Members considered a report of the City Surveyor concerning risk appetite.
17. **CYCLICAL WORKS PROGRAMME 2024/25 UPDATE REPORT**  
Members considered a report of the City Surveyor providing an update on the Cyclical Works Programme.
18. **GUILDHALL COMPLEX - MAJOR AND MINOR PROJECTS SUMMARY REPORT**  
Members considered a report of the City Surveyor concerning the Guildhall Complex.
19. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**  
There was one question in the non-public session.
20. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**  
There was no other business.
21. **CITY SURVEYOR'S DEPARTMENT - UPDATE**  
Members considered a report of the City Surveyor concerning his department.

**The meeting ended at 2.46 pm**

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Chairman

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

# Agenda Item 4

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<b>Committees:</b> Resource Allocation Sub-Committee Projects and Procurement Sub-Committee (for information)	<b>Dates:</b> 3 November 2025 18 November 2025
<b>Subject:</b> Air Source Heat Pump and Photovoltaic installation at the Mansion House  <b>Unique Project Identifier:</b> 64800019	<b>Regular Issue Report</b>
<b>Report of:</b> City Surveyor <b>Report Author:</b> Adam Fjaerem	<b>For Decision</b>
<b>PUBLIC</b>	

<b>1. Status update</b>	<p><b>Project Description:</b> To install Air Source Heat Pumps (ASHP) and Photovoltaic (PV) panels onto the roof of the Mansion House to provide low carbon heating and hot water and to generate green electricity for the building's consumption.</p> <p><b>RAG Status:</b> Green</p> <p><b>Risk Status:</b> Medium</p> <p><b>Total Estimated Cost of Project (excluding risk):</b> £2.3M</p> <p><b>Change in Total Estimated Cost of Project (excluding risk):</b> Decrease from an estimated £3M from the Gateway 3-4, 25/06/2025</p> <p><b>Spend to Date:</b> £44,097</p> <p><b>Costed Risk Provision Utilised:</b> £206,000</p> <p><b>Slippage:</b> Planning permission and Listed Building Consent has taken longer than anticipated due to the complexities of the Pre-Planning process.</p> <p>This application is now live and comes with the support of Historic England and City of London Corporation planning officers.</p>
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	Based on the 'going-live' date of 2 <sup>nd</sup> September a planning decision should be made by 28 <sup>th</sup> October. However, it is likely that a request for an extension will be requested.													
2. Requested decisions	<b>Next Gateway:</b> Gateway 5 - Authority to Start Work (Light) <b>Requested Decisions:</b> <div>1. That additional budget of £0 is approved to reach the next Gateway;</div> <div>2. Note the revised project budget of £2,058,750 (excluding risk);</div> <div>3. Note the total estimated cost of the project at £2,264,630 (including risk);</div> <div>4. That a Costed Risk Provision of £205,880 is approved (to be drawn down via delegation to Chief Officer).</div> <div>5. That Option 5.1 is approved</div>													
3. Budget	<table><tr><th>Item</th><th>Reason</th><th>Funds/ Source of Funding</th><th>Cost (£)</th></tr><tr><td rowspan="2">Installation of required roof level steel work, replacement of roof area beneath the ASHP installation (not required for the PV installation), installation of ASHP on the building roof, installation of new flow and return pipes from roof to the basement plant room via the back stair case and</td><td rowspan="2">To enable the installation and operation of ASHP whilst respecting the buildings fabric and to avoid vibrations or noise ingress into the building.</td><td>CAS</td><td>£1,774,630</td></tr><tr><td>Contribution from CWP to pay for the roof replacement.  CWP project numbers: 64100018 &amp; C0125CW051</td><td>£490,000</td></tr></table>	Item	Reason	Funds/ Source of Funding	Cost (£)	Installation of required roof level steel work, replacement of roof area beneath the ASHP installation (not required for the PV installation), installation of ASHP on the building roof, installation of new flow and return pipes from roof to the basement plant room via the back stair case and	To enable the installation and operation of ASHP whilst respecting the buildings fabric and to avoid vibrations or noise ingress into the building.	CAS	£1,774,630	Contribution from CWP to pay for the roof replacement.  CWP project numbers: 64100018 & C0125CW051	£490,000			
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	installation of associated thermal plant in basement plant room.			
	<b>Total</b>			2,264,630
<p><b>Costed Risk Provision requested for this Issue report: £0</b> (as detailed in the Risk Register – Appendix 2)</p> <p><i>List the resource requirements to reach the next Gateway in the table above. Please keep the requested CRP separate.</i></p>				
<b>4. Issue description</b>	<p>4.1 The original Gateway 2 paper outlined a project where the ASHP would sit on the mansard roof of the staff bedrooms and would supply heated water to the basement plant room via the flow and return pipes in the riser.</p> <p>4.2 The mansard roof and staff bedrooms were added to the building in the 1930s and the roofs were refurbished in the 1991 to 1993 renewal project.</p> <p>4.3 The detailed design has shown that new steel work will be required to straddle the mansard roof which will require penetrations through the existing roof and anchoring to the walls.</p> <p>4.4 In addition, the design works have shown the mansard roof is in far worse condition than originally anticipated and will need replacing beneath the ASHP.</p> <p>4.5 This roof will be replaced during the planned renewal project, but this will occur after the Climate Action Strategy (CAS) target of Net Zero in our own operations by 2027. The Mansion House ASHP project is a significant contributor to achieving this target.</p> <p>4.6 Following extensive engagement with key City Corporation stakeholders it was decided that partial roof replacement as part of this project was the preferred option as compared to a future temporary removal of the ASHP to enable roof replacement under the planned renewal project.</p> <p>4.7 Conversations are ongoing with the planned renewal project team about how this project will fit in with their master plans for the Mansion House. The replacement roof design will</p>			

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	<p>allow for integration with the remaining mansard roof replacement during the future renewal project.</p> <p>4.8 As such, the <b>project scope has increased</b> to include replacing the section of the roof underneath the ASHP to ensure continuity of heating and hot water provision for the building for the next twenty plus years.</p> <p>4.9 It is important to note that these limited roof replacement works are now ancillary works to the installation of the ASHP. These works will be delivered by Vital Energi using the existing Design and Build call off contract from the Re:Fit 4 framework.</p> <p>4.10 This <b>increase in scope</b> has <b>increased the overall cost</b> of the project against the originally estimates and triggered this Issue Report.</p> <p>4.11 Should planning permission be approved the ASHP and the PV installation works will need to start promptly to complete before the CAS 2027 deadline.</p> <p>4.12 A Gateway 3-5 will be issued for decision to RASC once the outcome of planning application is known. The cost values in this Issue Report are based on robust estimates and there should be limited change between this report and the Gateway 3-5 report unless the Planning Application is refused. In this situation a decision will be made as to whether to drop the project, appeal the decision or redesign the scheme based on the decision criteria.</p>
<b>5. Options</b>	<p>5.1 RASC approve the uplift in scope and costs.</p> <p>5.2 RASC decline the uplift in scope and cost resulting in the project cessation irrespective of the Planning Permission decision.</p>

## Appendices

<b>Appendix 1</b>	Project Coversheet
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## Contact

<b>Report Author</b>	Adam Fjaerem
<b>Email Address</b>	<a href="mailto:Adam.fjaerem@cityoflondon.gov.uk">Adam.fjaerem@cityoflondon.gov.uk</a>
<b>Telephone Number</b>	07871 107 902

# Project Coversheet

## [1] Ownership & Status

**UPI: 12442**

**Core Project Name:** Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings: Mansion House – Issue Report.

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

**Project Manager:** Adam Fjaerem

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

### Key measures of success:

1. Installation of Air Source Heat Pump (ASHP) and Photovoltaic (PV) array following planning permission approval.

**Expected timeframe for the project delivery:** September 2026.

### Key Milestones:

Nov 25:	<ul style="list-style-type: none"> <li>• Issue report for installation approved at Resource Allocation Sub (Policy and Resources) Committee.</li> </ul>
w/c Oct 27 <sup>th</sup> 25	<ul style="list-style-type: none"> <li>• Decisions on the planning permission application, and listed building consent, deadline. However, it is likely that a request for an extension will be requested. The Gateway 5 paper will follow this decision.</li> </ul>

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

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

Potential media interest following Planning Permission Application. Luke Major, Communications Officer, CoL Communications & External Affairs is aware and will be involved with any required responses to questions raised.

## [2] Finance and Costed Risk

### Headline Financial, Scope and Design Changes:

**'Project Proposal' GW2 report (as approved by P&R 15/12/2022):**

A GW2 paper titled 'Climate Action Strategy (CAS) – Capital Delivery Programme for Operational Buildings' was approved by P&R. This paper set out the specific projects that formed the programme and would be put forward for approval through a series of subsequent separate gateway papers.

Two (ASHP and PV array) Energy Conservations Measures (ECM) identified at The Mansion House require planning permission before proceeding. This planning permission is now live, should it be approved the increased costs outlined in the Issue Report will need committee approval via a Gateway 3-5 paper.

Overall programme:

- Sept 2021: Surveys commenced,
- July 2022: Surveys completed,
- Dec 2022: GW2 approval for overall project programme,
- Jan 2023: First GW3-5 Paper for individual projects, with other GW3-5 papers submitted on an ongoing basis. Preparation of Investment Grade Proposals to support GW3-5 papers,
- Sep 2025: Planning permission for ASHP and PV array live,
- Oct 2025: Planning permission decision date,
- Sep 2026: Completion of construction.

**Issue Report GW3-4 report (subject to approval):**

- Total Estimated Cost (excluding risk): £2,058,750
- Resources to reach next Gateway (excluding risk): £0
- Spend to date: £44,097
- CRP Requested: £205,880
- CRP Drawn Down: £5,000
- Estimated Programme Dates:
  - Oct 25: Planning permission decision date,
  - Nov 25: Issue report approved.
  - Sep 26: Construction completed.
  - Sep 27: Gateway 6.

**Total anticipated on-going commitment post-delivery [£]: 0**



<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.

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**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**

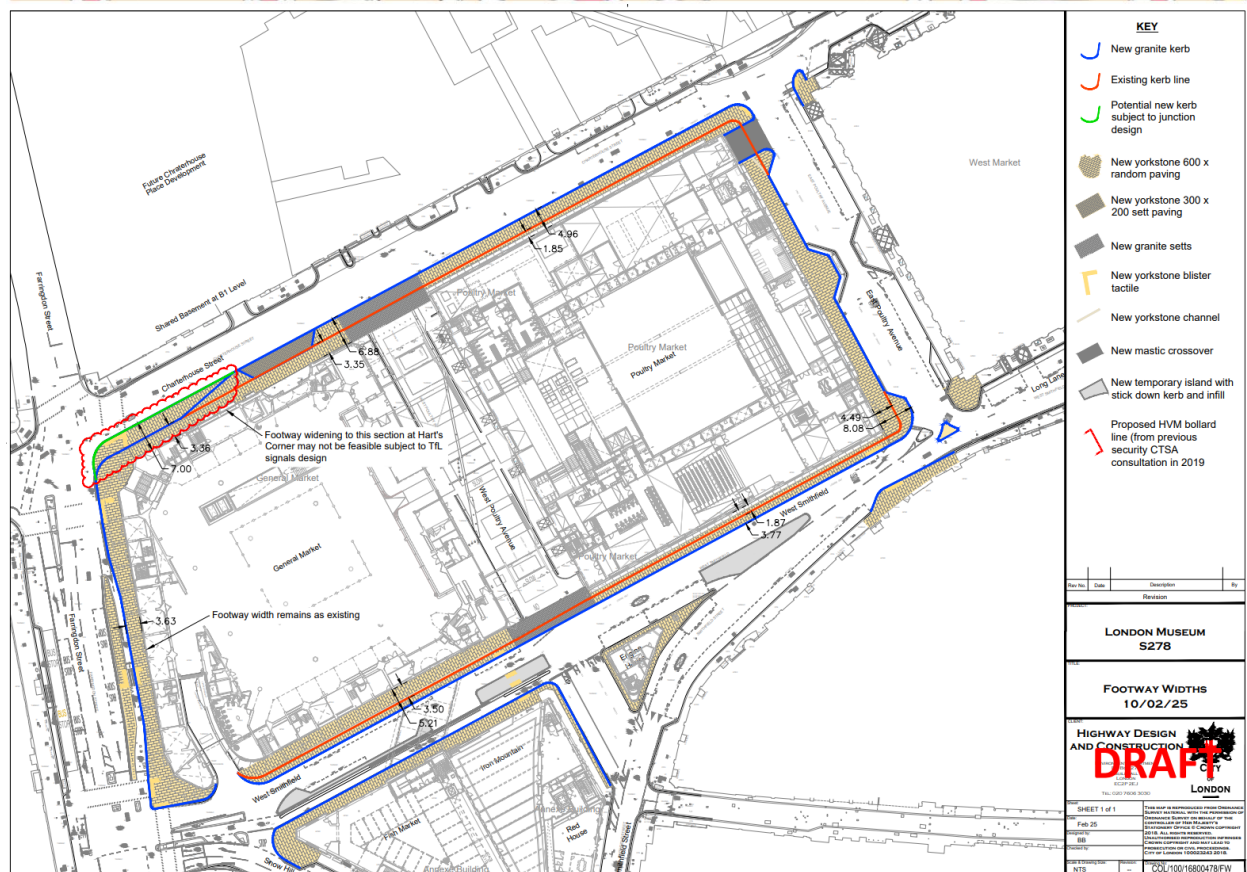
	<b>Amount (£)</b>
A: Total eligible for CIL/OSPR	18,624,825
B: OSPR (already allocated)	8,600,000
<b>C: CIL eligible (A – B)</b>	<b>10,024,825</b>
Total costs	(37,420,000)
Shortfall	(15,895,175)

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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