

<b>Committee(s):</b> Resource Allocation Sub Committee - For Decision / Recommendations Policy and Resources Committee- For Decision	<b>Dated:</b> 30/10/2024  07/12/2024
<b>Subject:</b> Community Infrastructure Levy and On-Street Parking Reserves Capital Bids (Quarter 2 - 2024/25)	<b>Public</b>
<b>This proposal:</b> <b>Delivers Corporate Plan 2024/29 outcomes</b> <b>Provides statutory duties</b>	<b>Providing Excellent Services  Flourishing Public Spaces</b>  The City Corporation has a statutory duty to administer Community Infrastructure Levy and On Street Parking Reserve in line with relevant legislation
<b>Does this proposal require extra revenue and/or capital spending?</b>	Yes - subject to decisions agreed, ring-fenced monies held will be committed to future approvals
<b>If so, how much?</b>	OSPR: £90,500 CIL: £10,466,000
<b>What is the source of Funding?</b>	City Fund (OSPR and CIL)
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>Yes</b>
<b>Report of:</b> Katie Stewart, Executive Director, Environment Caroline Al-Beyerty, Chamberlain	<b>For Decision</b>
<b>Report authors:</b> Rob McNicol, Assistant Director – planning policy & Strategy Yasin Razaaq, Capital and Projects Manager	

### Summary

The Priorities Board met on 19<sup>th</sup> September 2024 to consider four bids for allocation from the City's Community Infrastructure Levy (CIL) and On-Street Parking Reserves (OSPR). The Priorities Board recommend to the Resource Allocation Sub-Committee and the Policy and Resources Committee that CIL funding is allocated to the Golden Lane Leisure Centre and Sculpture in the City projects, and that OSPR funding is allocated to the installation of outdoor fitness equipment at Old Watermen's Walk. The Priorities Board do not recommend CIL funding is allocated to works to the London Underground below Brandon Mews, as it is not considered to be eligible for CIL funding.

The Committee's attention is also drawn to the future funding profile for CIL. Given likely income from development, if the Committee agree to allocate funding as recommended in this report it is unlikely that there would be any surplus CIL funding for further projects until the 2026/27 financial year. An assessment of the projects that could otherwise have sought CIL funding is set out in this report.

### **Recommendation(s)**

Members are asked to:

- To recommend (RASC) and approve (Policy & Resources Committee) the following allocations:
  - Golden Lane Leisure Centre: £10.35m from Community Infrastructure Levy
  - Sculpture in the City: £116,000 from Community Infrastructure Levy, pending exploration of options for external funding by officers
  - Outdoor fitness equipment at Old Watermen's Walk: £90,500 from On Street Parking Reserve
- Note the financial position for CIL funding in future years resulting from the above allocations and the implications for other potential infrastructure projects.
- Note the capital review on existing projects being undertaken as part of the 25/26 budget and medium-term-financial plan.

### **Main Report**

#### **Background**

##### CIL funding criteria and prioritisation

1. The Community Infrastructure Levy (CIL) Regulations 2010 require the City Corporation (as a CIL charging authority) to apply CIL to funding the provision, improvement, replacement, operation or maintenance of infrastructure to support the development of its area. National Planning Practice Guidance provides that "Local authorities must spend the levy on infrastructure needed to support the development of their area and they will decide what infrastructure is needed. The Levy can be used to increase the capacity of existing infrastructure or to repair failing existing infrastructure, if that is necessary to support the development."
2. "Infrastructure" is defined by Section 216 of the Planning Act 2008 to include:
  - roads and other transport facilities;
  - flood defences;
  - schools and other educational facilities;
  - medical facilities;

- sporting and recreational facilities; and
  - open spaces.
3. To be allocated funding, CIL bids will therefore need to fund projects that are (a) a type of infrastructure, and (b) needed to support the wider development of the Square Mile. Projects are categorised into one of three priorities:
- **Critical:**  
Lack of infrastructure is a physical constraint to growth; development cannot come forward if the infrastructure is not provided.
  - **Essential:**  
Development cannot come forward in a sustainable and acceptable way if the infrastructure is not provided.
  - **Important:**  
Development can come forward if the infrastructure is not delivered, but some sustainability goals will need to be compromised and some adverse impacts accepted.
4. These criteria do not relate to the necessity for funding of a particular project, but rather the degree to which that project is necessary to support the wider development of the area and development coming forward.
5. For OSPR funding, bids will need to demonstrate that they meet one of the following criteria as set out in Section 55(3A) of the Road Traffic Regulation Act 1984 (as amended) and the London Local Authorities and Transport for London Act 2003:
- Revenue funding for highway and cleansing maintenance operations;
  - Investment in off-street car parks;
  - Projects which are aligned to the outcomes of the Transport Strategy, with additional priority given to projects necessary for the delivery of Vision Zero by reducing serious and fatal collisions and improve accessibility.
6. Recommended prioritisation of CIL/OSPR will also take account of the extent to which projects support delivery of other strategies and initiatives, including the Climate Action Strategy and Destination City.

#### Quarterly bids received

7. Bids for the City CIL and OSPR were invited from departments in August 2024. Four bids were received which are detailed in this report and summarised in Table 3 below.
8. In July 2024, the Policy and Resources Committee agreed to temporarily limit the quarterly allocation of CIL to those projects that are critical for supporting the City's

development needs whilst the City's Infrastructure Delivery Plan (IDP) is refreshed. This work is ongoing; however, the bid received for the Golden Lane Leisure Centre has a pressing timeline and it is therefore considered important to give consideration to this prior to the completion of the IDP review.

### **Current Position – CIL**

9. As of September 2024, the City Corporation held an opening balance of £17.9m in General City CIL (excluding Neighbourhood CIL 15% and Admin CIL 5%).
10. So far this financial year, the City Corporation has received around £9m in relation to General City CIL, compared to a forecast income of £11.67m. This demonstrates that CIL income this year is likely to meet the projected income and could potentially exceed it. CIL income is dependent on development starts, and there is only around £1m of CIL income expected to become due from development that is known to be commencing in the next two months (there is a 60 day notice period). It is possible that development starts will pick up later in the calendar year, meaning that CIL income could outstrip the forecast, but this is as yet unknown.
11. Given that CIL income is likely to meet the forecast for this financial year, it is not considered necessary to include a contingency in the current year. A contingency has been included, spread between the two years following the current financial year, of £2.5m in each year. This reflects the potential for CIL income to fall as well as increase, depending on development activity and the need to maintain a positive balance at all times in the CIL fund.
12. Further CIL income of £57m is projected up to 2028/29 as shown in Table 1 below. Currently for 2024/25 onwards a further £42m has been committed to several approved schemes leaving an unallocated balance of £27.9m (excluding contingency). These allocations mean that available funding is at its lowest in 2024/25 and 2025/26, with up to £11.9m and £13.2m available in these years respectively, with the latter reducing to £10.7m once the contingency has been factored in.
13. 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 should be 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.

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

	Prior Years Actual/A pproved £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000	2027/28 Forecast £'000	2028/29 / Later Years Forecast £'000	TOTAL £'000
-							
<b>TOTAL INCOME (80% CIL - General Pot)</b>	(78,121)	(11,670)	(10,738)	(11,123)	(11,521)	(11,934)	(135,108)
<b>TOTAL OF CAPITAL, SRP</b>	<b>60,199</b>	<b>17,708</b>	<b>9,377</b>	<b>5,450</b>	<b>4,300</b>	<b>5,200</b>	<b>102,234</b>
<b>Contingency</b>	<b>0</b>	<b>0</b>	<b>2,500</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>5,000</b>
<b>DEFICIT/(SURPLUS) Brought Forward @ 1st April</b>		(17,922)	(11,884)	(10,746)	(13,918)	(21,140)	(27,874)
<b>DEFICIT/(SURPLUS) Carried Forward @ 31st March</b>	(17,922)	(11,884)	(10,746)	(13,918)	(21,140)	(27,874)	

( ) = income or in hand balance

### Current Position – OSPR

14. As of September 2024, the City held an opening balance for 2024/25 of £58.6m in OSPR. Further OSPR surplus monies of £48.2m is projected up to 2028/29 as shown in Table 2 below. Currently for 2024/25 onwards, £97.3m has been committed to approved schemes, therefore unallocated sums of £9.5m (forecast until 2028/29) is available to be allocated to new schemes.

**Table 2 - OSPR Financial Summary:**

	2023/24 Actual £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000	2027/28 Forecast £'000	2028/29 Forecast £'000	TOTAL £'000
<b>Expenditure</b> - salaries, enforcement contract, other running expenses	2,771	4,022	4,143	4,267	4,395	4,527	24,124
<b>Income</b> - PCN's, parking meters, suspended bays, dispensations	(12,991)	(13,099)	(13,492)	(13,897)	(14,314)	(14,743)	(82,535)
<b>NET REVENUE SURPLUS GENERATED IN YEAR</b>	<b>(10,220)</b>	<b>(9,077)</b>	<b>(9,349)</b>	<b>(9,630)</b>	<b>(9,919)</b>	<b>(10,216)</b>	<b>(58,411)</b>
<b>TOTAL OF CAPITAL, SRP &amp; REVENUE COMMITMENTS</b>	<b>7,085</b>	<b>14,233</b>	<b>13,280</b>	<b>5,440</b>	<b>2,766</b>	<b>2,783</b>	<b>45,588</b>
<b>TOTAL BIDS (AGREED BY PRIORITIES BOARD)</b>	<b>725</b>	<b>15,084</b>	<b>11,752</b>	<b>8,271</b>	<b>3,597</b>	<b>4,216</b>	<b>43,644</b>
<b>TOTAL CAPITAL BIDS &amp; MAJOR SCHEME DEPENDENCIES AND ON-HOLD</b>	<b>0</b>	<b>2,638</b>	<b>5,145</b>	<b>2,300</b>	<b>5,797</b>	<b>0</b>	<b>15,880</b>
<b>DEFICIT/(SURPLUS) Brought Forward @ 1st April</b>	(56,218)	(58,628)	(35,751)	(14,923)	(8,542)	(6,301)	

<b>DEFICIT/(SURPLUS) Carried Forward @ 31st March</b>	<b>(58,628)</b>	<b>(35,751)</b>	<b>(14,923)</b>	<b>(8,542)</b>	<b>(6,301)</b>	<b>(9,518)</b>	
---	-----------------	-----------------	-----------------	----------------	----------------	----------------	--

## OSPR and CIL Bids received

15. The following bids were received for CIL and OSPR funding. The bids are summarised below, with further details set out in Appendix 2:

Table 3 – CIL and OSPR Project Bids - Quarter 2 (2024/25):

<b>Proposed Bid</b>	<b>CIL requested £m</b>	<b>OSPR requested £m</b>	<b>Funding Priority</b>
Outdoor fitness equipment at Old Watermen's Walk	-	0.0905	OSPR – environmental improvements projects
Development of Golden Lane Leisure Centre	10.35	-	CIL – Essential
LUL Track Works – below Brandon Mews	6.50	-	CIL - Important
Sculpture in the City – Deinstallation	0.116	-	CIL – Important
<b>Total</b>	<b>£16.966m</b>	<b>£0.0905</b>	

### Outdoor Fitness Equipment (Old Watermen's Walk)

16. The project seeks OSPR funding of £90,500 for the installation of outdoor fitness equipment. There are currently no free outdoor gym sites on offer within the Square Mile. Outdoor gyms contribute to several benefits such as improvements in public health, breaking down barriers to physical activity, boosting mental health and wellbeing and regenerating community spaces.

17. The riverside location will offer a bespoke outdoor gym design, which transforms an underused space into a community-friendly hub for exercise. Overall, this project will help achieve the following outcomes:

- Promotes health and wellbeing for our stakeholders and addresses the lack of free-to-use outdoor fitness equipment within the Square Mile.
- Removes old wooden fitness equipment that is not fit-for-purpose, and update with new high-quality equipment.
- Responds to priorities set out in our Sports Strategy that commit to activating our streets and public spaces to encourage physical activity.
- Collect data to better understand and evidence the project's success.

- Technology installed in the PowerSmart pieces allows us to track usage and gather insight in to how often and when the equipment is being used.
18. The project would provide outdoor recreation facilities to which the public have access, in accordance with S55 of the Road Traffic Regulations Act 1984, and therefore is eligible to be funded by OSPR.
  19. Recommendation: It is recommended that OSPR is allocated to the fund the outdoor fitness equipment.

#### Refurbishment of Golden Lane Leisure Centre (GLLC)

20. The bid of £10.35m for CIL has been received for a series of upgrades and repairs to GLLC which would ensure the service at the centre can be sustained. The recommendation to refurbish GLLC to secure the future of the service and the Centre for a further 20 years, was supported in principle by Resource Allocation Sub Committee in July 2024. Funding for the project would broadly be required as follows, although further work to establish precise timescales and funding requirements is continuing, with details expected in the coming weeks.

- Immediate funding: £100k – feasibility and scoping works
- Q4 2024/25: £250k
- Q1 & Q2 2025/26: £800k
- Q3 2025/26 onwards: £9.2m (potentially falling into 2026/27, depending on timescales)

21. Suitability for CIL funding: The leisure centre is identified as infrastructure which can be funded through CIL and a refurbished leisure centre would support wider development of the square mile, particularly new residential development.
22. Funding priority (critical/essential/important): The project is identified as essential (development cannot come forward in a sustainable and acceptable way if the infrastructure proposed is not provided).
23. Recommendation: It is recommended that funding from CIL is allocated to the Golden Lane Leisure Centre project.

#### LUL Track works – Brandon Mews

24. A bid for £6.5m of CIL has been submitted for works to the London Underground track beneath Brandon Mews to reduce disturbing levels of train noise causing a public health issue.
25. Surveys and investigations have identified a solution. The investigation has shown that moving the points & crossings (P&C's) west onto the floating slab track (under the Barbican gardens) by 20 or 30 metres would provide a huge attenuation to

Brandon Mews properties. There would be no disbenefit to other properties if this solution were to be implemented.

26. Suitability for CIL funding: The project is not considered appropriate for CIL funding as the works are not required to support wider development of the area. The existing infrastructure is currently owned and maintained by TfL and LUL. Discussions with TfL are ongoing to explore funding potential.
27. Recommendation: It is not recommended that CIL funding is allocated to this project.

#### Sculpture in the City – Deinstallation

28. £116,000 of CIL funding is sought for the deinstallation costs of the project. In January 2024 this committee approved a one-off CIL allocation of £80,000 towards the delivery of the Sculpture in the City programme in 2024/25, while stipulating that future funding for the project should be sought from alternative funding sources.
29. In March and April 2024, the Destination City team conducted extensive due diligence and scoping to determine all costs associated with the installation, management and deinstallation of all artworks to enable the 13th edition to go ahead. This work has revealed previously unknown risk implications. Officers identified that full deinstallation costs for the project were not previously considered or factored into budget allocations, and established the estimated cost of £116k to fully deinstall the 13th edition.
30. While future funding of the project is to come from alternative sources, the City of London Corporation will be obliged to deinstall the exhibition, and would be liable for deinstallation costs if other sources of funding are not forthcoming. It is therefore recommended that CIL is allocated for de-installation costs of the current exhibition, and drawn down if necessary.
31. Suitability for CIL funding: The artwork provides improvements to the public realm, and therefore may encourage development in the area.
32. Funding priority (critical/essential/important): The project is identified as important. Wider development could come forward if the infrastructure were not delivered but would not enhance the attractiveness of the area as much as it would with the delivery of the Sculpture in the City project.
33. Recommendation: It is recommended that funding from CIL is allocated to the deinstallation of the current edition of the Sculpture in the City project, subject to the exploration of options for external funding by officers.



## **CIL Funding – future pipeline**

34. The City Corporation is currently undertaking a review of the Infrastructure Delivery Plan to ascertain likely infrastructure funding requirements for the Square Mile to support the delivery of the City Plan 2040. This project is ongoing, and expected to conclude in early 2025.
35. The amount of CIL available to be allocated up to the end of 2025/26 is £10.75m (excluding a £2.5m contingency). Should Members agree funding of the Golden Lane Leisure Centre (£10.35m) and the deinstallation of Sculpture in the City (£116,000), the available amount of CIL to be allocated up to the end of 2025/26 would fall to just £280,000.
36. This reduction in future funding would have implications for other projects, meaning that they would either need to find funding from elsewhere or be delayed. An initial assessment of the major projects this could affect is set out below. These are not likely to be a comprehensive survey of potential projects but is intended to give a picture of the likely implications for known infrastructure projects that are currently planned or under development:
37. Major projects that could seek CIL funding in coming years broadly fall within two categories: public realm improvements to the City's streets, which will enhance the Square Mile as a leading destination and attract and enable substantial new development, and major works to the City's infrastructure, particularly to Walbrook Wharf, the Barbican Centre and works to the Barbican podium.

### Transport and public realm projects

38. An exercise to identify and prioritise future CIL and OSPR bids for transport and public realm projects and programmes is due to complete in November 2024, with oversight from the Planning and Transportation Committee.
39. Pending this process, initial scoping indicates potential funding requirements of around £21m from CIL up to 2027/28 and upwards of £25m from 2028/29 onwards. It is recognised that this exceeds likely available funds; projects to be deferred or not proceed will be identified through the prioritisation process.
40. Funding for public realm improvements directly contributes to meeting the demands placed on the City from new development. With over 60,000 additional office workers forecast to be coming to the City over the next 15 years, there is a need for the City's public realm to work harder, with more space for people walking and spending time, climate resilience measures, improved accessibility and space for cycling. Several projects have the potential to be delivered alongside or be partially funded by s278 agreements or TfL funding; these funding opportunities

could be missed if projects are deferred, and this will inform the prioritisation process. Substantial sums of OSPR would also be used to fund these projects.

### Major infrastructure schemes

41. Works to the Barbican podium, the Barbican Centre renewal project and investment in Walbrook Wharf are major forthcoming or ongoing projects to key City infrastructure. Walbrook Wharf plays a vital role in managing the City's waste; without continued operation of the Wharf for waste transfer, additional development in the City could lead to unacceptable impacts on the City's streets due to the vehicle movements required for moving waste out of the City.
42. Improvements to the Barbican Centre and the podium have a less direct connection with facilitating development in the Square Mile; however, the Barbican Centre is an important piece of cultural infrastructure, the future success of which will help to maintain the City's position as a cultural destination. The podium is also an important piece of public realm, with potential to make a greater contribution to the climate resilience of the area.
43. The potential CIL funding requests from these projects is less certain at the current time than for the transport and public realm projects, due to their complex nature and the need for feasibility and scoping work. Each of the projects could seek substantial sums of CIL funding – upwards of £10m each over the coming five years, and potentially substantially more depending on the options progressed. For the below exercise of assessing the scope of the impacts on the CIL surplus, it has been assumed that all three projects would seek £10m over the coming few years from CIL; the actual amounts sought are very likely to be different to this, depending on how these projects progress and informed by available funds.

### Impacts on CIL surplus

44. Table 4 below illustrates the potential impacts on surplus CIL funds from the public realm and major infrastructure projects as well as the two CIL bids received this quarter. From this, it is clear that CIL could move into a deficit position next financial year (2025/26) if all the projects set out below were funded from CIL, and that CIL could be overallocated by over £40m by the end of 2027/28.

Table 4 – potential CIL funding requests up to 2027/28

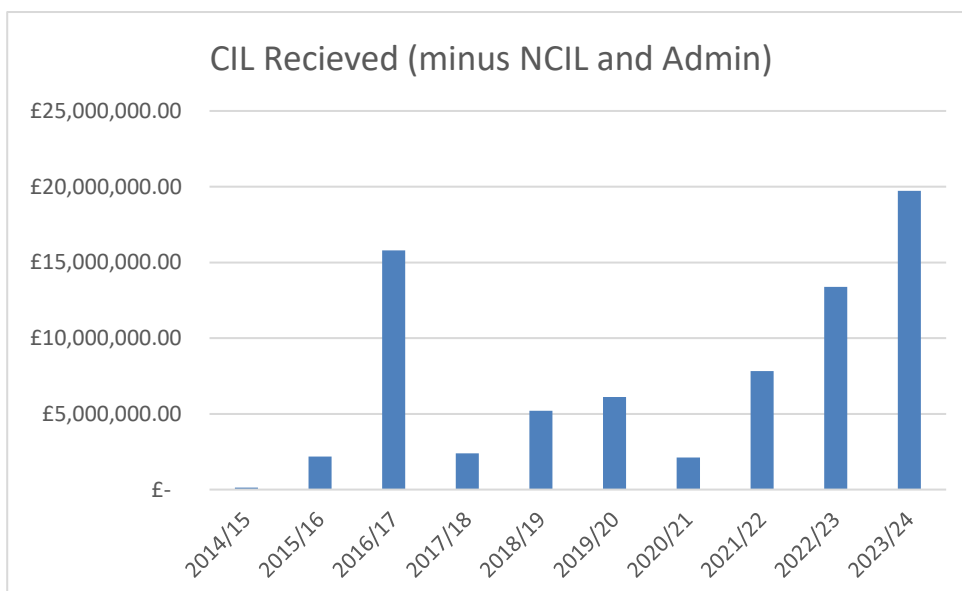
Project	Previous years	2024/25 (£000)	2025/26 (£000)	2026/27 (£000)	2027/28 (£000)	Total (£000)
CIL income (80% CIL - General Pot)	78,121	11,670	10,738	11,123	11,521	<b>123,173</b>
Existing commitments	-60,199	-17,708	-9,377	-5,450	-4,300	<b>-97,034</b>

Golden Leisure Centre refurbishment	0	-350	-10,000	0	0	<b>-10,350</b>
Sculpture in the City (de-installation)	0	0	-116	0	0	<b>-116</b>
Public realm and transport schemes	0	-100	-2,650	-8,200	-10,300	<b>-21,250</b>
Walbrook Wharf	0	0	-5,000	-5,000	0	<b>-10,000</b>
Barbican podium	0	0	-5,000	-5,000	0	<b>-10,000</b>
Barbican Centre Renewal	0	0	0	-5,000	-5,000	<b>-10,000</b>
Contingency			-2,500	-2,500		<b>-5,000</b>
<b>Income less potential CIL allocations and contingency</b>		<b>-6,488</b>	<b>-23,905</b>	<b>-20,027</b>	<b>-8,079</b>	<b>-40,577</b>
<b>Deficit/surplus</b>	<b>17,922</b>	<b>11,434</b>	<b>-12,471</b>	<b>-32,498</b>	<b>-40,577</b>	

45. While the two bids (Golden Lane Leisure Centre and Sculpture in the City) recommended for approval in this report can be funded from the CIL surplus and income, doing so will mean that funding for the other projects listed in Table 4 would need to be delayed until later years, when CIL income should replenish funds available, or be funded from other sources.

### Future CIL income

46. While CIL income has been increasing in recent years (except for a drop during 2021/22, when construction starts were delayed as a result of the Covid-19 pandemic), large amounts are often dependent on large developments commencing, as was seen in 2016/17 with 22 Bishopsgate.



47. Further City CIL (excluding Neighbourhood CIL 15% and Admin CIL 5%) in this financial year (2024/25) is projected to be £11.67m from developments that have or will commence, where the CIL liability is due to be paid by 31<sup>st</sup> March 2025. This is a calculated figure based on past income.

48. To help corroborate the CIL projections, the planning team have undertaken an exercise to look at potential starts on approved development and schemes that may be coming down the pipeline. This exercise assumes that the vast majority of major schemes will be built out; while this is broadly likely, there is the possibility that some schemes are not developed or take longer to start; these figures should not therefore be relied upon to allocate CIL. This exercise has shown that CIL income in 2025/26 may be below that assumed in CIL forecasts, before potentially picking up in later years. This will be closely monitored but is broadly within the allowed contingency.

	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>
CIL income projection (£000)	10,738	11,123	11,521
CIL income forecast (from development) (£000)	7,500	15,600	14,100

### **Financial Implications**

49. OSPR currently has forecast available unallocated funds of £9.5m up to 2028/29. If the bid were to receive full funding requested (£90,500), this would reduce the OSPR available balance to £9.43m for the period up to 2028/29.
50. 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.
51. Further City CIL (excluding Neighbourhood CIL 15% and Admin CIL 5%) confirmed to be received in this financial year (2024/25) is projected to be £11.67m from developments that have or will commence, where the CIL liability is due to be paid by 31<sup>st</sup> March 2025.
52. Further information is expected on the potential timing of the draw down of requested CIL for Golden Lane Leisure Centre. Should the total, £10.35m be drawn upon in 2024/25 and 2025/26, this would reduce the remaining projected balance to £396,000 by the end of 2025/26, excluding contingency. CIL funds cannot move into a negative position. By the end of 2028/29, unallocated CIL would rise to £27.9m, taking into account projects already allocated. However, this does not factor in the other projects that could be eligible for CIL funding over this timeframe.

### Capital review

53. There will be a review of the BAU capital programme as part of the budget setting process for 25/26 to establish if funds could be repurposed from projects that are

no longer a priority or have completed with residual budget remaining. The results of this review will be presented back to the relevant committees in due course.

### **Legal implications**

54. The proposed projects have been considered against the criteria for the use of CIL and OSPR and the ranking of each is set out above. The OSPR bids are in accordance with the Road Traffic Regulation Act 1984 and the London Local Authorities and Transport for London Act 2003.

### **Risk Implications**

55. The current contract for the operation of Golden Lane Leisure Centre ends on 31 March 2024 and is under discussion. The outcome of funding refurbishment of the centre from CIL (or other funding) could have implications for these discussions, as well as for local risk budgets.

### **Equalities Impact**

56. 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**

57. The request to fund the exercise equipment at Old Watermen's Walk from OSPR meets the funding priorities and is in accordance with the applicable legislation, and is recommended for approval.
58. Members are recommended to approve the CIL funding for the Golden Lane Leisure Centre refurbishment and the deinstallation of the current Sculpture in the City exhibition, while noting that funding these projects would largely deplete the CIL funds available to be allocated to other projects up to the end of 2025/26, and would require other potentially CIL-funded projects to be delayed or funded from other sources.

### **Rob McNicol**

Assistant Director – planning policy and strategy

Email: [rob.mcnicol@cityoflondon.gov.uk](mailto:rob.mcnicol@cityoflondon.gov.uk)

**Yasin Razaq**

Capital & Project Manager

Email: [yasin.razaq@cityoflondon.gov.uk](mailto:yasin.razaq@cityoflondon.gov.uk)

## **Appendices**

Appendix 1 – Funding Criteria

Appendix 2 – Detailed Bid Criteria

## Appendix 1 - Funding Criteria

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

### CIL

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

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

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

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

The national Planning Practice Guidance states that:

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

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

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

The national Planning Practice Guidance states that:

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

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

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

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



## **OSPR**

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

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

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

## **Appendix 2 – Details of Bids**

### **OSPR Bids**

#### **1. Outdoor Fitness Equipment - Old Watermen's Walk**

We are proposing the installation of outdoor fitness equipment at Old Waterman's Walk in the City of London. Outdoor gyms contribute to a number of benefits such as improvements in public health, breaking down barriers to physical activity, boosting mental health and wellbeing and regenerating community spaces. There are currently no free outdoor gym sites on offer within the Square Mile.

The riverside location will offer a bespoke outdoor gym design, which transforms an underused grey space into a community-friendly hub for exercise. Overall, this project will help achieve the following outcomes:

- a. Promotes health and wellbeing for our stakeholders and addresses the lack of free-to-use outdoor fitness equipment within the Square Mile.
- b. Removes old wooden fitness equipment that is not fit-for-purpose, and update with new high-quality equipment.
- c. Responds to priorities set out in our Sports Strategy that commit to activating our streets and public spaces to encourage physical activity.
- d. Collect data to better understand and evidence the project's success. Technology installed in the PowerSmart pieces allows us to track usage and gather insight in to how often and when the equipment is being used.

Project Commencement – January 2025

Project Completion – April 2027

This project would fall under “environmental improvements: provision of outdoor recreation facilities to which the general public has access”.

Projects that support the outcomes of the Transport strategy - City of London, with additional priority given to projects that would support the delivery of Vision Zero by reducing serious and fatal collisions and projects that would improve accessibility.

The Transport Strategy plays an important role in our ambitions for the Sports Strategy and many of the outcomes of this project are aligned with its aims. We recognise that active travel is integral in getting people more active, and collectively we want to make the “Square Mile a healthy, attractive and easy place to live, work, learn and visit”. Please see section below for specific details on how we feel this project will help progress the Transport Strategy outcomes.

The designs of the project have also considered key areas referenced in the Transport Strategy including “Pedestrian Comfort Levels”. We recognise that maintaining the

walkways around the site are paramount. The designs utilise the 'pockets' of the walkway to host the equipment stations, ensuring that the designs have adequate space and don't extend beyond the current blueprint or interfere with the existing walkways.

This project best supports several of the proposals outlined in the Transport Strategy outcome to "create a future where the Square Mile's streets are great places to walk and spend time".

- a. Proposal 3: Complete the riverside walkway and improve walking connections between the riverside and the rest of the City.
  - i. This project is an opportunity to help to activate the riverfront and encourage more people to its banks to spend time.
  - ii. We have ambitions for this to be one site in a wider network of outdoor gym sites, which would improve connections across the City.
- b. Proposal 7: Provide more public space and deliver world-class public realm.
  - i. The addition of an outdoor fitness space directly addresses the reference to "making the experience of walking and spending time on streets and public spaces more interesting and engaging".
- c. Proposal 6: Promote and celebrate walking.
  - i. The location of this project is just off a popular running and walking route alongside the Thameside Path and can only be accessed by foot. The introduction of an outdoor gym site here would encourage more people to walk, cycle or run to use it.

This project contributes to objectives outlined in a number of wider City Corporation strategies, including:

- a. Climate Action Strategy: We have ensured that our preferred supplier shares our commitment to sustainability, thus contributing to priorities set out in our Climate Action Strategy. We are engaging with leading suppliers The Great Outdoor Gym Company, whose "healthy people, healthy planet" vision sets out their standards that include using recycled materials, carbon offsetting and using British manufacturing to produce their equipment. The mocked up designs include pieces of a PowerSmart range that generate useable green energy and can be used to track activity or charge devices.
- b. Destination City: The proposed location at Old Waterman's Walk is adjacent to a popular running and walking route, via the Thames Path, and boasts views of iconic London landmarks such as The Shard and Tower Bridge. The introduction of a state-of-the-art, free outdoor fitness area within this location provides a unique offering that aligns to key features of the Destination City programme, namely "offering attractive and relevant amenities", "enlivening City streets" and "creating new inclusive public spaces".
- c. Supporting residents: As part of the Sport Strategy consultation, our stakeholders have told us that they would like to see free-to-use outdoor fitness equipment across the

Square Mile. The scope of this project also addresses wider local need (identified through focus groups and surveys with residents), including:

- i. Supporting opportunities to maximise small grey areas of outdoor space.
- ii. Ensuring that pricing does not limit low-income families' access to sport facilities.
- iii. Dedicated traffic-free exercise spaces.
- iv. Communal spaces to exercise and socialise.

d. Supporting SME's: The addition of free fitness provision within the City could support small businesses who may not be able to offer their employees access to gym/fitness packages.

The City of London Corporation has made a commitment to sport through our newly launched 'Global City of Sport; A Sport Strategy for the Square Mile'. This project is key to delivering on our ambitions set out for the next 7 years and directly addresses objectives underpinning our "activate", "invest" and "support" priorities.

a. Activate: "use our green and grey spaces for exercise and sport" and "expanding free-to-use outdoor sport and fitness facilities on our streets and public spaces"

i. This project would meet these aims by transforming an underutilised grey space into a publicly accessible outdoor gym.

b. Invest: "we want state-of-the-art facilities, which take advantage of the urban landscape".

i. We have engaged with the leading manufacturers in outdoor fitness equipment to create designs that include top spec equipment and bespoke colouring, that consider the surrounding landscape and best reflect the standards expected from City of London.

c. Support: "ensure our sport facilities and play areas are fully accessible and open to all".

i. Our project brief, and subsequent designs were focussed around creating a welcoming and inclusive space, that caters for a variety of fitness and ability levels including those with disabilities.

The project is at Gateway 1

Project Budget - £ 90,500

#### Spend Profile

- Q1 2025: £33,000 (staff costs & fees for surveys/trial holes)
- Q2 2025: £42,500 (equipment & Installation costs)
- Q2 2026: £5,000 (maintenance costs)
- Q2 2027: £5,000 (maintenance costs)
- Q2 2028: £5,000 (maintenance costs)

A budget of £5,000 (maintenance costs) is sought annually from completion of the project up to 2028. Ongoing maintenance will be revisited towards the end of this period. The success/usage of the site would determine whether removal or ongoing maintenance is the preferred option and how this would be funded.

## **CIL Bids**

### **1. Golden Lane Leisure Centre Development**

GLLC, the CoLC's only leisure centre in the Square Mile, has deteriorated beyond the lifespan of previous refurbishments. There are underlying external issues which need attention, to ensure the long term future of the Centre. The recommendation to refurbish GLLC to secure the future of the service and the Centre for a further 20 years, was supported in principle by RASC in July 2024. The associated £10,348,701 refurbishment costs are contingent on CIL funding.

GLLC is a valued community asset consisting of swimming pool, tennis courts, sports hall, fitness suite, treatment room and office. It provides a range of accessible opportunities for the public on a low cost, pay as you go basis, and without the need for a membership. GLLC's unique proposition is different to the private market providers, whose high costs are prohibitive to many of our residents, particularly those from concessionary groups such as students, people with disabilities, young people and those living on City housing estates. The service delivers sports opportunities in the community to key groups across the square mile, in addition to healthy lifestyle programmes to support improved health and wellbeing outcomes.

#### **Project Deliverables:**

The proposed programme of work, informed by the completion of a range of surveys, includes a series of upgrades and repairs to GLLC which would ensure the service can be sustained. The works identified consist of replacing the roof, repairing walkways and the external podium, replacing mechanical and electrical equipment, resurfacing tennis courts and redecoration of the interior of the building. The works will replace the existing boilers and replace them with alternatives to deliver a more sustainable and energy efficient operation. This will have a positive contribution to delivering Climate Action Strategy aims.

#### **Service Outcomes Supported by the Development:**

The redevelopment will contribute towards the strategic outcomes and aims of the Corporate Plan, Sport Strategy, DCCS business plan, and Joint Health and Wellbeing Strategy, as set out in section 21.

Project commencement – April 2025

Project completion – 2027

The project supports the following priorities:

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

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

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

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

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

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

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

The project is at Gateway 1.

Project budget - £10,348,701

Spend Profile  
TBC

Seek to recoup any funds payable by the leaseholder under the schedule of dilapidations, but this may be limited by the recognition the centre is in need of full refurbishment.

Climate Action Strategy: The Department is exploring internal funding including Climate Action Strategy Funding and possibly to be met by ambitions (of EON) to extend the CityGen heat network by creating an energy centre on Golden Lane.

These opportunities will be explored through the design stage.

## **2. LUL Track works – Brendan Mews (CIL Priorities Review)**

Brandon Mews is a row of terraced properties at the lowest level of the Barbican development. The properties are close to the western end of the platforms at Moorgate, which are approximately 5.5m below street level. It is estimated that the lowest level of the

Brandon Mews properties is only marginally above the roof of the tunnels below.

The residents report an increasingly disturbing level of train noise which is a public health issue. The noise is described as “a loud bang and deep, continuous rumble as trains pass beneath the property” and is audible from the first to the last trains of the day 0508 to 0051.

Noise measurements have been taken over many years with detailed acoustic reports available. The higher noise levels were found to be due to trains on the outer / eastbound road. The impulsiveness is due to trains passing discontinuities in the rails associated with the points and crossings (P&C) crossover 35A /35B between the eastbound and westbound roads. (see Appendix 4 - Figures 1 and 2 on page 2).

LUL following a long and detailed investigation have now identified a solution.

The works:

- The investigation has shown that moving the P&Cs west onto the floating slab track (under gardens) by 20 or 30 meters will provide a huge attenuation to Brandon Mews properties.
- There would remain an audible rumble, but the impulsive sound would be no longer be audible.
- No disbenefit to other properties would be caused.

Cost:

- The total cost would be around £4m - £1.5m track and £2.5m signalling.
- TFL have significant financial constraints.
- LUL priorities for funding is for life expired assets e.g. Aldgate Junction.
- TFL have been approached to explore a part funding arrangement, these discussions are underway.

Timescale:

- If it were LUL would need to wait for the Four Lines Modernisation Programme (4LM programme) to complete, currently delayed, so in 2 – 3 years i.e. financial year 2026/27.

Project Commencement – 2026

Project Completion – 2026

The project is identified as important: The LUL track noise affects few residents however the noise is a public health issue.

The project supports the following priorities:

The project are works to infrastructure meeting the requirements of Test 1. The works would improve the attractiveness to residents in the area by reducing the noise levels of the underground below the Barbican a therefore would support development of the area.

Development can come forward if the LUL trackwork's were not delivered however some pollution and amenity goals would be compromised.

Project budget – £6,500,000 (CIL)

Spend Profile

TBC

### **3.Sculpture in the City (CIL Priorities Review)**

Sculpture in the City (SITC) is: a rotating, outdoor, urban sculpture park in the EC area. It is a public-private partnership between the City of London Corporation and 15 organisations from the development, insurance, finance sectors and City BIDs.

From 2011 to 2023, the Environment Department both contributed to SITC and provided resources to run it. However, both funding and resources ended in 2023, due to resource constraints. Given short timescales, it was recognised that delivering the project in 2024 would be unachievable without support from the City Corporation. To enable the project to continue, the Destination City team agreed to take on the organisation of SITC for one year on the agreement that IG would only be providing resources and that there was no additional IG budget for delivery.

At the end of February 2024, a one-off CIL fund bid for £80k for the SITC project was approved and the Destination City team appointed to deliver the project for one year.

In March and April 2024, the Destination City team conducted extensive due diligence and scoping to determine all costs associated with the installation, management and deinstallation of all artworks to enable the 13th Edition to go ahead. This work has revealed risk implications that were previously unknown.

Officers identified that from inception, full deinstallation costs for the project were not previously considered or factored into budget allocations. Establishing the estimated cost of £116k to fully deinstall the 13th Edition. To ensure the long-term sustainability of SITC, Officers proposed that the cost of deinstalling the entire exhibition from the public realm is separately provisioned and ringfenced until COL exits its liability. Committee approved the Destination City team to work with Chamberlain's Department to identify the source for a one-off provision of funds to be dedicated for a complete SITC deinstallation.

It was determined an application to CIL for £116k to fully deinstall artworks from the public realm at the time that COL exits its liability from the project. Ensuring that COL's legal obligations are met returning all artworks to artists/galleries.



The 13th Edition of SITC is due to launch on 24 July and be installed until May 2025. The earliest the £116k would be drawn down is from January 2025 for the deinstallation of the 13th Edition if Member's decide to terminate the project. If Member's decide that COL should continue to deliver and fund SITC the £116k deinstallation costs will be ringfenced until a future time when COL exists its liability from the project and artworks need to be returned.

#### Project Commencement –

Funds to be ring fenced for a future time when SITC artworks are fully removed from the public realm therefore dates are TBC. The earliest date for the funding to be used is from January 2025 for the deinstallation of the 13th Edition of SITC in May 2025, subject to Member decision regarding the future of the project.

#### Project Completion –

Funds to be ring fenced for a future time when SITC artworks are fully removed from the public realm therefore dates are TBC. Funding to be ringfenced for the point when the City Corporation exits its liability for the project and ensure the SITC objections of returning artworks to artists/galleries is met. The earliest date of completion would be May 2025 for the deinstallation of the 13th Edition of SITC, subject to Member decision regarding the future of the project.

#### Outside the Gateway Approval Process

Project Budget – £116,000

Spend Profile - TBC