

Committee(s): Policy and Resources Committee	Date(s): 08 May 2025
Subject: Year 4 Quarters 3 and 4 update on the Climate Action Strategy (CAS) & Year 5 Action Plan	Public Report: For Decision
This proposal: <ul style="list-style-type: none"> Delivers Corporate Plan 2024-29 outcomes 	Leading Sustainable Environment, Flourishing Public Spaces, Providing Excellent Services
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	Original budget envelope for CAS approved by Court upon adoption. Year 4 portion approved by Policy and Resources on 11 April 2024 and by CBF Board on 10 July 2024.
Has this Funding Source been agreed with the Chamberlain's Department?	Yes
Report of:	Damian Nussbaum, Executive Director of Innovation and Growth and Senior Responsible Officer, Climate Action
Report author:	Kate Neale, Programme Director, Climate Action

Summary

In October 2020, the Court of Common Council approved an ambitious Climate Action Strategy (CAS): a transformative programme for the organisation to reach net zero carbon emissions, build resilience and champion sustainable growth.

This paper provides an update on the Year 4 Quarter 3 and 4 activities (October 2024 – March 2025). It includes a description of progress and programme risks. Most notably, the risk to achieving net zero in our own operations in 2027 remains high, due to slower than expected grid decarbonisation and longer timelines on major projects. Continued urgency is needed to sustain momentum, focusing on delivery before April 2026 to enable a full year of savings before March 2027. The next update on progress against targets will be available in autumn 2025, alongside a proposal on how to take the CAS forwards towards 2040.

Committee Members are asked to approve the drawdown of funds from the original budget envelope for implementation of the Climate Action Strategy in Year 5.

Recommendations

The Policy and Resources Committee are recommended to:

- i. Approve the drawdown of funds from the original budget envelope for

implementation of the Climate Action Strategy in FY25-26. This is split between City's Estate (£8.4m) and City Fund (£17.8m).

- ii. Note the risks to our 2027 net zero target for our own operations, and continued mitigating efforts.

Main Report

Background

1. In November 2019 the City of London Corporation set out on a fast-paced, cross-Corporation journey to develop an ambitious CAS. The Strategy was adopted at Court of Common Council on the 8 October 2020 and became operational in April 2021.
2. The CAS marked the start of a new and transformative programme of action. It sets out three interlinked primary objectives for the City Corporation and the Square Mile:
 - to support the achievement of net zero emissions,
 - to build resilience, and
 - to champion sustainable growth.
3. The Court approved an original funding envelope of £68m to deliver the Strategy through to March 2027. Each year's budget was to be subject to confirmation. It was agreed upon adoption that Service Committees and Policy and Resources Committee receive regular updates on progress and expenditure.
4. The annual programme of work is based on detailed plans for 12 projects across six different departments. These annual plans are approved by Project Boards at operational level, with oversight by relevant Service Committees at Member level. These are reported into Policy and Resources as a summary programme as shown in Appendix 1.
5. Policy and Resources Committee also approves the annual budget drawdown against the original envelope for City Fund and City's Estate. The Year 4 (Y4) programme of work and associated budget was approved by this committee on 11 April 2024 for City Fund and City's Estate. Expenditure related to City Bridge Foundation (CBF) was approved by the CBF Board on 10 July 2024. Across all funds, a total Y4 budget for both capital and revenue of £22.9m was approved under the original budget envelope.
6. CBF funds are approved by the CBF Board but are shown here for illustrative purposes, and for demonstrating combined commitment between CBF and the City Corporation. The decisions relevant to CBF are taken through their independent governance arrangements.

Progress

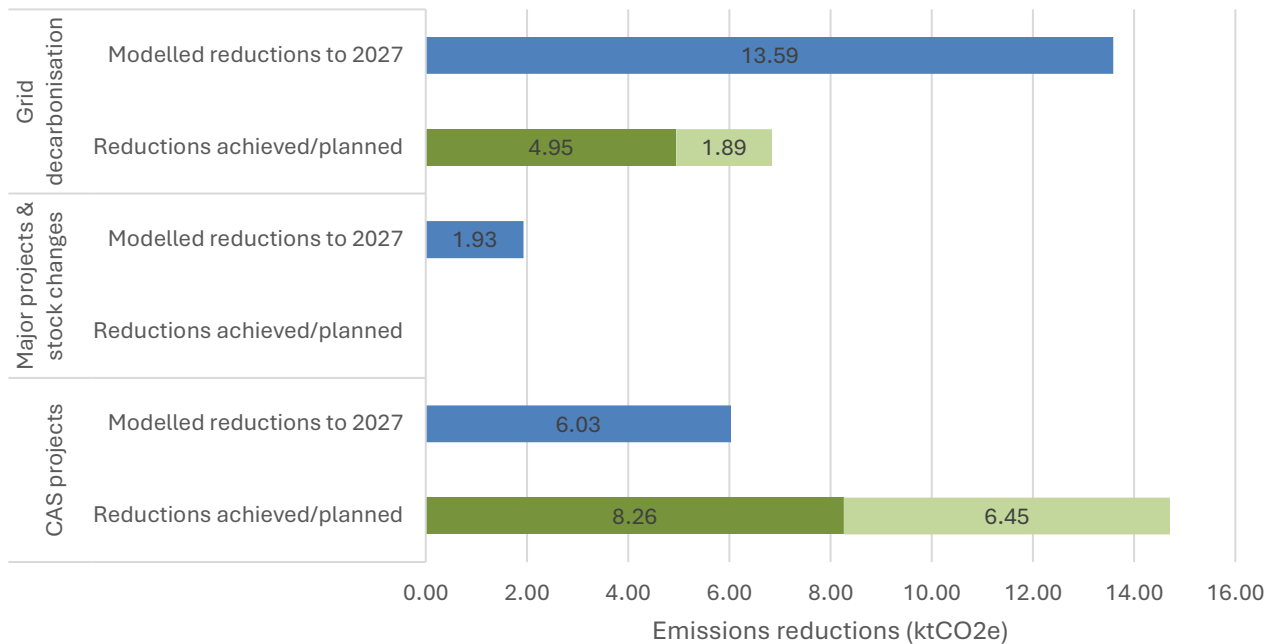
7. The CAS sets out 4 ambitious targets:

- Achieve net zero in own operations (scopes 1 & 2) by 2027
 - Achieve net zero across the City Corporation's full value chain (scopes 1, 2 & 3) by 2040
 - Support net zero in the Square Mile by 2040
 - Build climate resilience in our buildings, public spaces and infrastructure.
8. The public [Climate Action Dashboard](#) provides a comprehensive view of CAS progress, reporting on 69 KPIs detailing progress in all areas of the Strategy. The Dashboard was last updated mid-April 2025 and will next be updated mid-July 2025.
 9. Every year we conduct a thorough emissions assessment, which is independently audited, and assess progress against 2027 and 2040 targets. The latest available data shows performance to the end of Year 3 (2023/24), which was presented to this committee in October 2024. Details of activities to support delivery of targets in Year 4 (2024/25) can be found in Appendix 2.
 10. A comprehensive emissions accounting exercise for Year 4 (2024/25) will soon be completed across all net zero targets. Results will be presented to this committee in autumn 2025, with commentary on progress towards targets.
 11. Year 5 (2025/26) project plans have been approved by Project Boards at the operational level. Appendix 3 sets out key actions planned for Year 5 across the CAS.

Target: Achieve net zero in own operations by 2027

12. In 2023/24, we achieved a 65% reduction in operational emissions from the 2018/19 baseline, falling short of the 84% interim target. In October 2024 interim targets were updated to reflect our current position in the trajectory to net zero by 2027. The 2027 net zero target remained unchanged.
13. The shortfall was due to slower-than-expected decarbonisation of the National Grid, and delays to major projects (such as Guildhall refurbishment and Barbican Renewal) which had been forecast to deliver significant savings. We have already delivered greater savings than anticipated through energy reduction, but have further to go to compensate for poor grid performance. This is demonstrated in Figure 1.

Figure 1: Original modelled pathway to Net Zero in 2027, compared with delivery to date and remaining planned activity



14. In 2024/25, several measures were implemented to sustain momentum and address the shortfall in emissions from grid decarbonisation and major projects:
 - Maximising opportunities for emissions reduction, ensuring the Cyclical Works Programme delivers at pace and prioritises energy-saving works.
 - Creating departmental energy reduction targets, to build in greater buffer and drive accountability.
 - Energy efficiency improvements implemented at sites including Heathrow Animal Reception Centre, Guildhall, Barbican Arts Centre, and Queens Park.
 - Housing Delivery Plan approved, identifying key energy efficiency and retrofit measures across the City's housing estates, including Barbican Estate heating review.
 - 73 hectares of new meadow (wildflower and grass) created at Copped Hall, Epping Forest, delivering additional carbon sequestration.
15. Additionally, we are supporting decarbonisation of the national grid through:
 - Our own Power Purchase Agreement (PPA) and facilitating additional multi-offtake PPAs, bringing new renewable energy generation to market.
 - Advocating for green investment in the UK and lobbying government as part of our wider conversations on transition to a low carbon economy.
16. If the National Grid decarbonises as per revised forecasts up to 2027, and all planned capital works are delivered on time, we should reach net zero. If works are not all delivered as planned, or the grid decarbonisation under-performs, we have no buffer and risk missing net zero in 2027. If this happens, we would be likely to meet the target in 2028.
17. Between 2021 and 2027, CAS is investing £20m in the Operational and Housing portfolios, leveraging in at least an additional £10m from external sources, and

delivering 29.6 ktCO₂e emissions reduction in the period up to 2040. The discounted lifecycle cost savings over that period are calculated at £23m.

Target: Achieve net zero across the City Corporation's full value chain by 2040

18. In 2023/24 we achieved a 23% reduction in value chain emissions from the 2018/19 baseline, keeping us on track to meet our first interim target of a 26% reduction by 2024/25.
19. The year-on-year reduction was hampered due to an increase in emissions from our commissioned building developments and major refurbishments.
20. Financial investments are the largest source of value chain carbon emissions, which decreased 17% from 31 March 2023 to 31 March 2024. This was in part due to divestment in order to meet various priorities across the City's funds. Reinvestment of these funds will likely see emissions increase.
21. In 2024/25 several measures were implemented:
 - Surveys completed on all Directly Managed Investment Properties verifying remote monitoring systems, supporting planning of future emission reduction interventions.
 - Net Zero Design Standards pilot projects successfully completed, including the Barbican Renewal and the Rough Sleepers Centre, strengthening the specification of these sites as well as future iterations of the Standard.
 - New climate scenario analysis provided updated understanding of climate risks in each financial investment portfolio – supporting informed decision making.

Target: Support net zero in the Square Mile by 2040

22. For the Square Mile 2040 net zero goal, our first interim target is a reduction of 60% by 2025 against the 2017 baseline. The latest data (2021) shows a 35% reduction against the baseline, which is a 7% emissions increase from 2020. The main driver of increasing emissions in 2021 is increased activity after the 2020 COVID-19 lockdown. Despite this, we are still on track to reach net zero in 2040.
23. In 2024/25 several significant measures were implemented:
 - a) Planning for Sustainability Supplementary Planning Document (SPD) adopted, guiding developers on integrating the City Corporation's sustainability policies into planning designs and applications.
 - b) Participation in the Government's Heat Network Advanced Zoning Programme (AZP) positions us to effectively comply with upcoming regulations, set to take effect in 2025/26, and accelerate the implementation of heat network solutions critical for the City to reach net zero.
 - c) King William Street construction of pedestrian priority enhancements started.

Target: Build climate resilience

24. The City Corporation is continuing to prepare buildings, infrastructure and open spaces for warmer, wetter winters and hotter, drier summers, responding to six key climate-related risks likely to affect the Square Mile:

- Flooding
- Overheating
- Water stress
- Biodiversity loss
- Pests and diseases
- Trade, food and infrastructure

25. In 2024/25 several measures have been implemented:

- Resilience Asset Tool refreshed with asset Resilience Action Plans creating a holistic and dynamic tool.
- Completed the tree planting season with over 20 new street trees, providing shading which reduces street level temperatures by up to 6°C.
- Six projects completed making the City's streets more resilient to flash flooding and summer overheating, including All Change Bank, Greening Cheapside, and Jubilee Gardens.

Financial Update

26. Figure 2 summarises the financial position of the CAS from inception to March 2025, split by capital and revenue, and by Fund. More detail on Year 4 expenditure can be found in Appendix 4.

Figure 2: Total programme budget, and spend to 31 March 2025, split by capital and revenue and by Fund

		City Bridge Foundation	City's Estate	City Fund	Total
Revenue	Programme Budget	£1,262,617	£6,254,647	£13,104,708	£20,621,972
	Spend to 31/03/25	£772,758	£3,194,790	£7,244,427	£11,211,975
Capital	Programme Budget	£5,020,808	£11,222,456	£36,181,487	£52,424,751
	Spend to 31/03/25	£0	£1,470,933	£7,095,430	£8,566,363

Note this includes capital budget from CBF (subject to approval), which is outside of the original budget envelope of £68m.

27. To the end of FY24/25 (Year 4), 54% of the programme's revenue budget has been spent. Revenue has been re-prioritised to deliver the most impact before 2027, and set up the programme for long term success.

28. To the end of FY24/25 (Year 4), 16% of the capital budget had been spent. The speed of capital delivery is accelerating, as expected:

- a) Grant funding supported early delivery of emissions reduction actions (such as the Public Sector Decarbonisation Scheme);
- b) Early years of the Strategy focused more on surveys and audits, in order to deploy capital works later in the programme; and
- c) Delays in appointing sufficient resource to manage and deliver capital works have been resolved.

29. The programme budget is expected to be fully utilised by March 2027. A significant portion of the remaining budget is expected to be spent in the next 12 months (subject to this Committee's approval) deploying capital works across net zero and resilience targets, prioritising works to support net zero by 2027. More detail on planned expenditure in Year 5 and Year 6 (2025/26 and 2026/27) can be found in Appendix 4. No additional funds are sought at this time.
30. Figure 3 sets out how the Year 5 budget will be spent. This Committee are asked to approve the Year 5 drawdown for City's Estate (£8.4m) and City Fund (£17.8m).

Figure 3: Year 5 budget, split by Fund

Project Name	Year 5 Budget	City Estate	City Fund	CBF
Strategic Implementation Support	£2,277,278	£614,865	£1,525,776	£136,637
Targeting net zero in operations by 2027				
Operational Properties and Housing (Landlord areas)	£10,545,000	£3,163,500	£7,381,500	£0
Carbon Removals and Land Management	£1,256,529	£1,256,529	£0	£0
Targeting net zero in our full value chain by 2040				
Investment Properties	£5,537,100	£2,276,875	£1,855,125	£1,405,100
Financial Investments	£97,300	£32,109	£33,082	£32,109
Capital Projects (Design Standards)	£200,000	£92,000	£72,000	£36,000
Purchased Goods and Services	£262,500	£118,125	£131,250	£13,125
Targeting net zero in the Square Mile by 2040				
Square Mile	£1,425,000	£0	£1,425,000	£0
Transport	£1,310,000	£0	£1,310,000	£0
Targeting climate resilience in our spaces, buildings and infrastructure				
Cool Streets and Greening	£3,352,573	£0	£3,352,573	£0
Mainstreaming Resilience	£2,500	£0	£2,500	£0
Resilient Buildings	£2,793,520	£869,000	£711,000	£1,213,520
Total	£29,059,300	£8,423,003	£17,799,806	£2,836,491

31. In January 2025, this Committee decided to retain our 2040 targets and commence rescoping the climate action strategy to meet these. A paper will be brought to this Committee in summer 2025, setting out options for future financial requirements to support the strategy.

Risk

32. The Corporate Risk Register recognises the risks posed to the Corporation and City from climate change, including both physical risk from more extreme weather events, and the risks associated with a transition to a low-carbon economy. Mitigating actions are primarily addressed by the Climate Action Strategy, and supported by other areas of work in sustainable finance. This risk was recently

updated to move away from programme-level risks (which are separately managed) and better account for the full risk posed by a changing climate. The current risk rating remains the same at Amber 12 (4 major x 3 possible). The target risk score has changed from Green 4 (4 major x 1 rare) to Amber 6 (2 serious x 3 possible) to reflect the fact that climate change is inevitable and impacts cannot be entirely mitigated.

33. A programme level risk log is updated regularly. All risks marked high in Q3 and Q4 this year are summarised in Appendix 5. A summary of the most pressing delivery risks include:

- a) The deadline for completing energy efficiency works impacting the 2027 target measurement is March 2026, to allow for time to see the benefits of works in energy consumption data. This timeframe is quickly narrowing, leaving no room for project slippage. Any delays to planning, procurement or site access will hamper our ability to meet the target.
- b) Additional resource is needed in City Surveyors to support delivery of targets, in a challenging market, which has been slow to progress. Insufficient resource will mean works need prioritising, risking lack of delivery on more complex projects.
- c) Additional budget will be needed to deliver the 2040 targets, beyond the current budget envelope which expires in March 2027. This is currently being scoped, and will return to committee for debate in summer 2025.

Corporate and Strategic Implications

34. Strategic implications – The CAS supports delivery against four outcomes in the Corporate Plan 2024-29:

- Leading Sustainable Environment
- Vibrant Thriving Destination
- Flourishing Public Spaces
- Providing Excellent Services

35. The CAS builds upon existing strategies and policies, including: The Responsible Business Strategy 2018-23, the City Procurement Strategy 2020-24, the Local Plan 2015 (and draft City Plan 2040), the Transport Strategy 2019-44, the Air Quality Strategy 2025-30, the Local Flood Risk Management Strategy 2021-27, the Biodiversity Action Plan 2021-26, the Responsible Investment Policy, the Transition to a Zero Emission Fleet Policy, the Renewable Electricity Policy & Sourcing Strategy and related campaigns, such as Plastic Free City. It is aligned to ongoing reviews of our financial and property investment portfolio.

36. Risk Implications – To manage the Strategy risk effectively, all projects have a risk register and the overall risks are controlled through a corporation level risk CR30 – Climate Action Strategy. The Corporate Risk CR30 has recently been updated as detailed in paragraph 32.

37. Equalities Implications – A Test of Relevance was undertaken on the CAS and

several positive impacts were identified for five protected groups - age, disability, race, pregnancy/maternity and gender. These include a reduction in air pollution, physical public realm improvements, increased indoor comfort levels, and lower fuel poverty. No negative impacts were identified. A mid-year review of the initial Test of Relevance findings was conducted, confirming that the results remain unchanged. Impacts will be investigated and assessed on an ongoing basis in conjunction with the delivery of the CAS programme of work.

38. Climate Implications - The CAS focuses on reducing climate risk through reduction of emissions and preparing for the impacts of climate change. The lack of sufficient progress to the 2027 net zero target however poses an ongoing climate implication and risk, having potential reputational impacts.
39. No new resourcing, legal, or security implications arise from the recommendations in this report.

Conclusion

40. The Climate Action Strategy projects have progressed well in Year 4, but there is still a high risk of missing the net zero target in 2027. Continued urgent mitigation efforts are needed due to compensate for geopolitical conflicts, slow national renewable deployment, and delays in major City Corporation projects. Success depends on timely decarbonisation of the National Grid and completion of our planned capital works. The next progress update will be presented in autumn 2025, alongside a proposal for transitioning the Climate Action Strategy towards 2040.

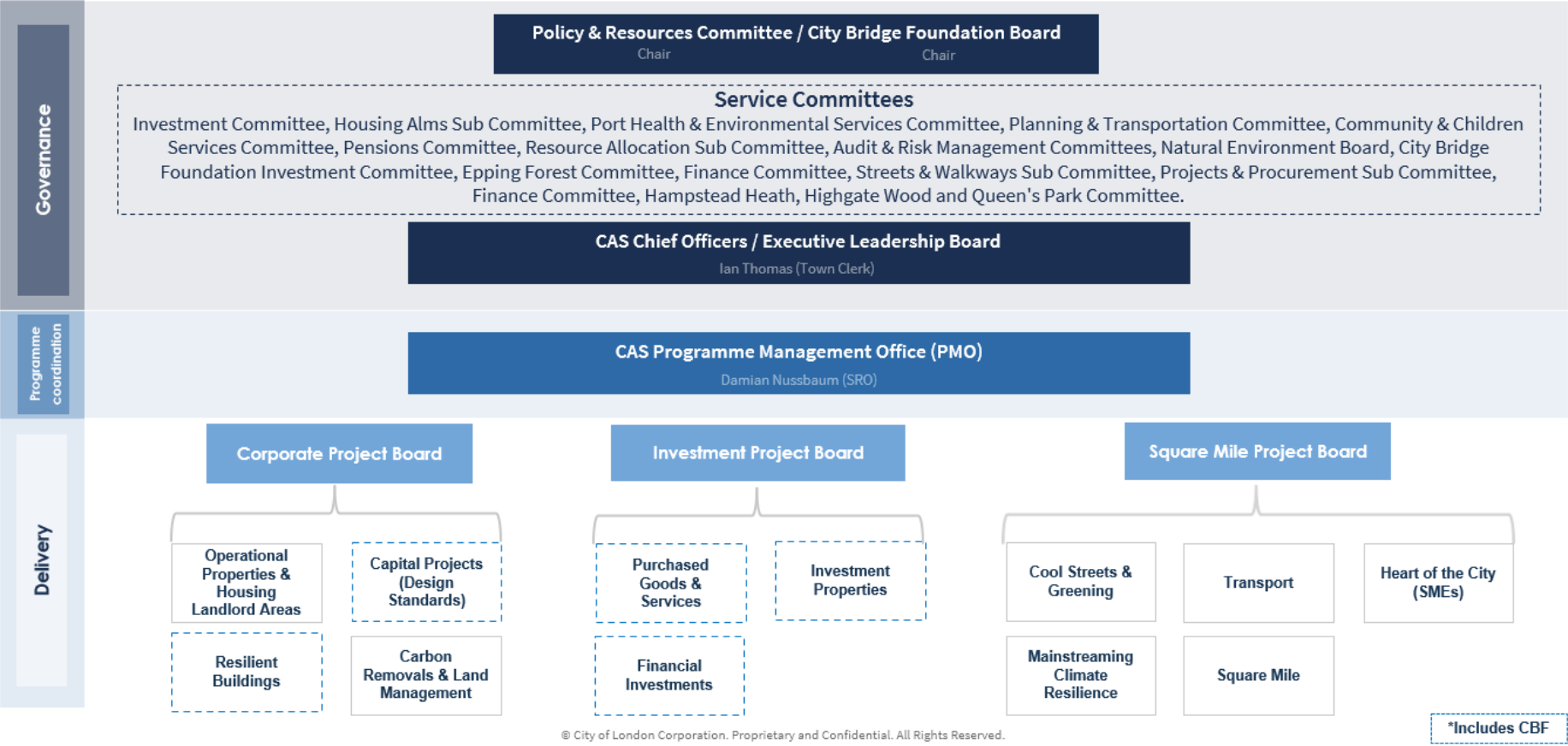
Appendices

Appendix 1 – CAS Governance Structure
Appendix 2 – Year 4 Achievements
Appendix 3 – CAS Year 5 Programme Highlights
Appendix 4 – Financial Analysis
Appendix 5 – CAS Programme Risk Register

Kate Neale

Programme Director, Climate Action
E: kate.neale@cityoflondon.gov.uk

Climate Action Programme Governance



Appendix 2: Year 4 Achievements (FY24/25)

Year 4 (April 2024 – March 2025) Climate Action Strategy project achievements are outlined below.

Target: Achieve net zero in own operations by 2027

Operational Properties and Housing (Landlord areas)

- Energy efficiency improvements completed, projected to save over 100 tCO₂e: Walbrook Wharf ECMs and Energy Management System optimisation; Heathrow Animal Reception Centre BMS; Guildhall LEDs (lobby & porch and clock room); Tower Hill coach & car park LED and ventilation; Barbican Arts Centre HVAC pump; Queens Park staff facilities Air Source Heat Pump upgrade.
- Energy efficiency upgrades underway at four sites, projected to save 130 tCO₂e and £1102k per year: London Archive Solar PV; GSMD LEDs; Mansion House LEDs and energy conservation measures (ECMs); Isleden House communal heating system optimisation.
- Housing Delivery Plan approved by CCS Committee in July 2024, identifying key energy efficiency and retrofit measures across the City's housing estates.
- £500k funding bid submitted to the Warm Homes Social Housing Fund in November 2024, through Retrofit London's Strategic Partnership, with £328,500 CAS match funding to upgrade communal heating systems.
- Barbican Heating study commenced January 2025, running to May 2026. Results will inform future emission reduction initiatives, with immediate opportunities due to be implemented in winter 25/26.

Carbon Removals and Land Management

- Ecological surveys completed at Copped Hall, followed by 73 hectares of new meadow (wildflower and grass) sown in September 2024, creating an additional 116 tCO₂e sequestration per year. Video promoting project benefits to be published April 2025.
- Installation of leaky dams commenced to protect carbon sequestration levels and enhance biodiversity, with the first 2 of 16 installed at Ashted Common in October 2024 and 4 of many at Epping Forest in November 2024.
- EF&CC approved commencement of Squirrel Impact Surveys, contributing to DEFRA's nationally significant research on the effects of squirrels on trees, biodiversity, and carbon.
- £200k grant secured from the Thames Regional Flood and Coastal Committee to scale-up the existing CAS funded leaky dams project in Epping Forest, approved by EF&CC in January 2025. The initiative will protect sequestration rates, mitigate drought risk and urban flooding, and increase biodiversity.

Target: Achieve net zero across the City Corporation's full value chain by 2040

Capital Projects (Design Standards)

- Feedback from Net Zero Design Standards and Technology Guide pilot projects collated and will be integrated into the next versions:
 - Design Standards implemented on 10 projects, including the Barbican Renewal and the Rough Sleepers Centre.
 - The Technology Guide has been implemented on 21 projects, including Mansion House, The Warren, and Walbrook Wharf.
- Commenced Design Standards refresh, expanding to include Whole-Life Carbon measurements. Expected completion in July 2025.
- Design Standards integrating into BAU, achieved through inclusion in the revised Project Procedure and project ownership transitioning from CAS to the Property Projects team from FY25/26.

Investment Properties

- Surveys completed on all Directly Managed sites to verify meters for the remote monitoring system, ensuring data accuracy.
- 15 building-level surveys completed, across all Funds, supporting planning of future emission reduction interventions, with a further nine underway.
- Tenants completed energy efficiency measures, including LEDs and improved controls, at six City's Estate sites.

Purchased Goods and Services

- Published inaugural [Responsible Procurement Impact Report](#) for 2023/24 highlighting progress on six key supply chain commitments, including climate action. Followed by a [mid-year impact report](#) in December 2024.
- Launched Benefits Insight Survey in November 2024 under the Chamberlain's Portfolio Governance Review to improve benefits tracking, with Climate Action included.
- Improved emissions data quality from 27 suppliers, and 9 suppliers provided contract level data.
- Completed a [sustainable clearance project](#) of over 3,000 items from Guildhall in partnership with CBRE.
- Spend-based carbon emissions estimates piloted at select Officer Category Boards, mainstreaming carbon implications.

Financial Investments

- Published the City Corporation's second [Climate-Related Financial Disclosure \(TCFD\) report](#) in July 2024.
- Results received from the City Corporation's United Nations Principles for Responsible Investment submission in November. Scores improved in three categories and remained stable in one, driven by improved engagement and the selection of new fund managers.
- Completed the City Corporation's second climate scenario analysis in January 2025, providing updated climate risks, including stranded assets, in each portfolio.

Target: Achieve net zero in the Square Mile by 2040

Square Mile

- Heat Network development:
 - All Members briefing on upcoming Heat Network developments held on 4 December 2024.
 - Heat Network Zonal Outline Business Case development part of phase 2 of the UK Government's Advanced Zoning Programme.
- Planning for Sustainability Supplementary Planning Document (SPD) formally adopted on 19 February 2025, following extensive consultation. It guides developers on incorporating the City Corporation's sustainability policies in their planning applications, including the design and construction of buildings.
- Local Area Energy Plan (LAEP) report on project prioritisation, delivery models and financing development.
- Embodied Carbon Action Plan drafted, seeking P&T approval in summer 2025.

Transport

- Pedestrian enhancement works commenced at King William Street in July 2024, including wider pavements, 25 new trees, and improved crossings. First phase expected completion in August 2025.
- The experimental traffic order restricting vehicles from travelling northbound on Chancery Lane (above the junction with Carey Street) between 7am and 7pm, Monday to Friday, except taxis and vehicles requiring access to properties, parking or loading facilities, became permanent in August 2024.
- Cheapside (east of Bread Street) Gateway 5 approved by Streets and Walkways Sub Committee in February 2025.

Target: Build climate resilience

Resilient Buildings

- 33% of corporate buildings (by floor area) have a resilience risk assessment completed.
- Member training session delivered in April 2024 – the recording is on the [intranet](#).
- Resilience Asset Tool updated, integrating 100 priority assets Resilience Action Plans to create a holistic and dynamic tool.
- Developed resilience measures catalogue to increase awareness and implementation of measures.

Cool Streets & Greening

- Secured £23,590 from the Thames Regional Flood and Coastal Committee's Natural Flood Management (NFM) fund for development of NFM measures in April 2024.
- Six projects completed: Middlesex Street tree planting for shading; Bank sustainable drainage system (SuDS) for flood prevention; Greening Cheapside climate adaptive planting and pervious paving; Jubilee Gardens climate resilient

greening including 12 new trees; St Mary Staining and Anne and St Agnes climate-resilient greening.

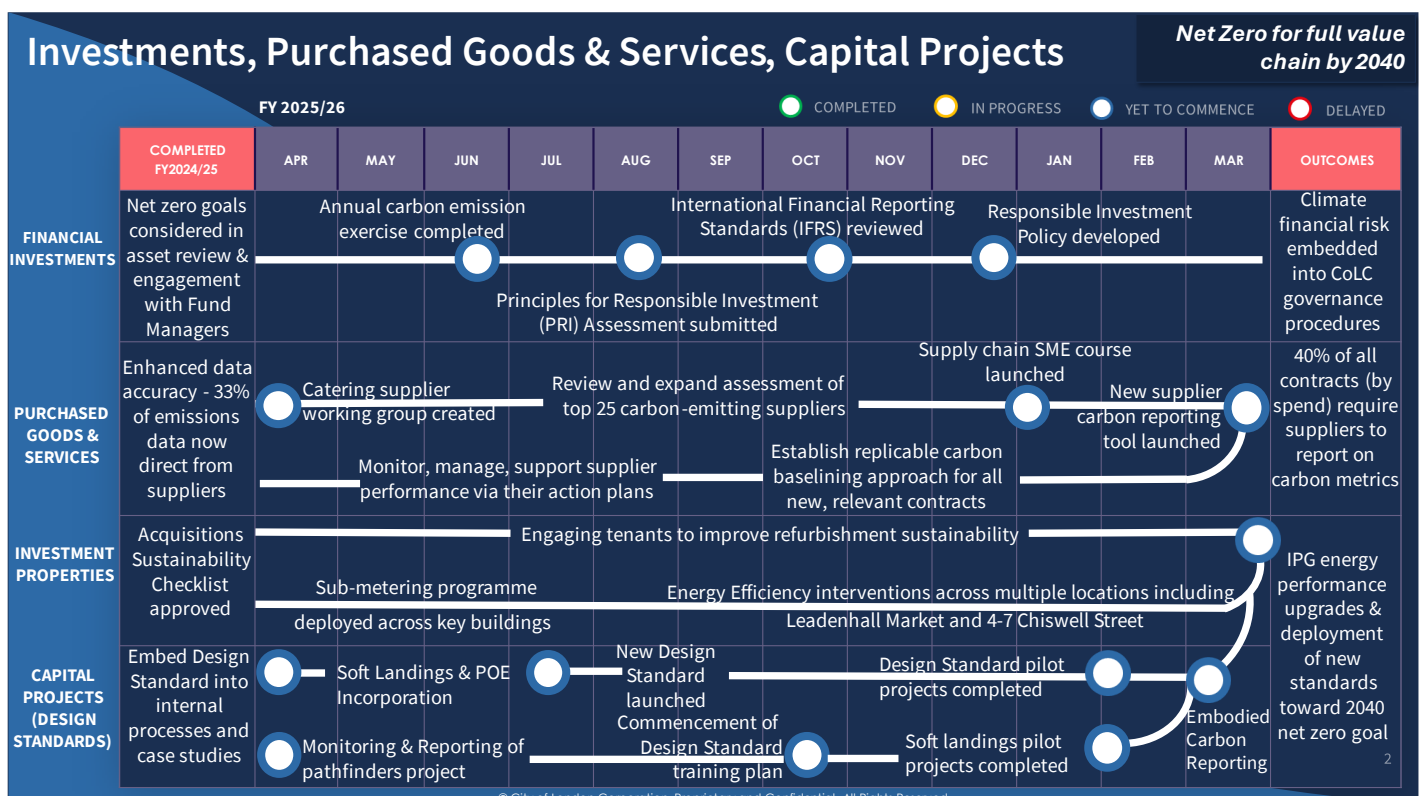
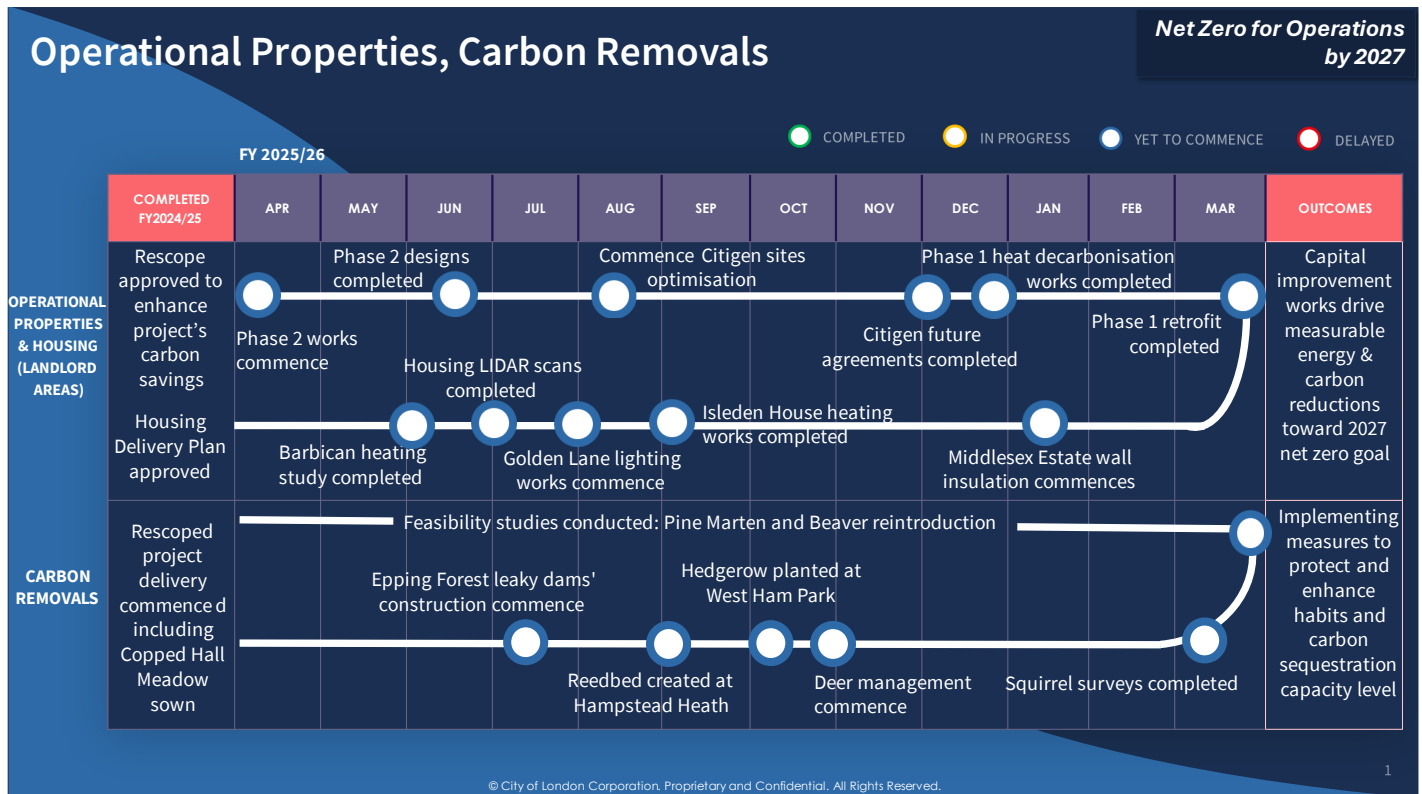
- Completion of Rewild Grant project that delivered enhancements at two sites along the City's prospective green corridors, Roman Wall Noble Street and Whittington Gardens.
- Completed FY24/25 tree planting season with 24 new street trees, when established they'll provide shading which reduces street level temperatures by up to 6 °C.
- Three re-landscaping works on site, due to complete Q1 FY25/26: London Wall Moorgate, Little Trinity Lane, and Finsbury Circus Western Arm. Works include increasing greenery and biodiversity, creating SuDs and enhancing the public realm.
- Traffic orders implemented in February 2025 for Ludgate Broadway, Knightrider Court, and St Andrews Hill as part of SuDs development, greening, and traffic re-design.

Mainstreaming Resilience

- Climate Resilient Procurement Guidance completed in collaboration with Responsible Procurement Team.
- A paper on climate risk impact of overheating on health was presented to the Health and Wellbeing Board in November 2024.
- In January 2025, the Planning and Transport Committee approved the First Considerations of the Enhanced Biodiversity Duty joint paper with Planning, City Operations, Climate Action Strategy, and Natural Environment.
- Pest and Diseases Horizon Scanning Report completed in February 2025, consolidating knowledge and recommendations on expected risks and subsequent actions.
- Climate Resilience Capacity Review expected to complete in March 2025, showcasing best practice and guiding climate resilience post-2027.

Appendix 3: Year 5 key actions (FY25/26)

Year 5 (April 2025 – March 2026) Climate Action Strategy project activities are outlined below.

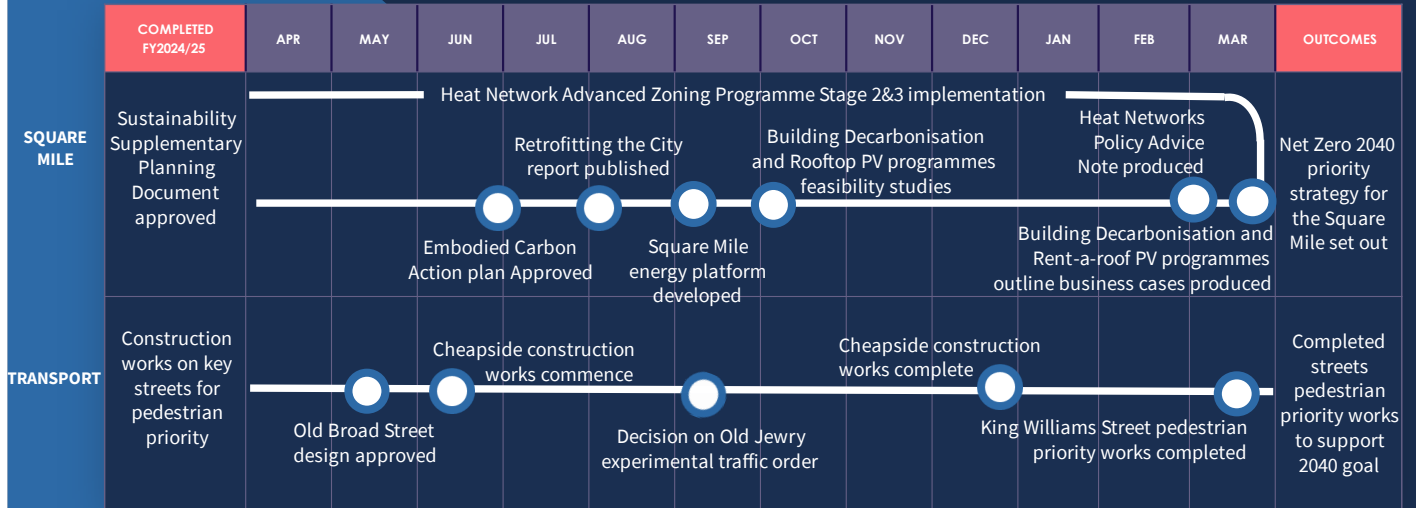


Square Mile, Transport

Net Zero for Square Mile
by 2040

FY 2025/26

COMPLETED IN PROGRESS YET TO COMMENCE DELAYED



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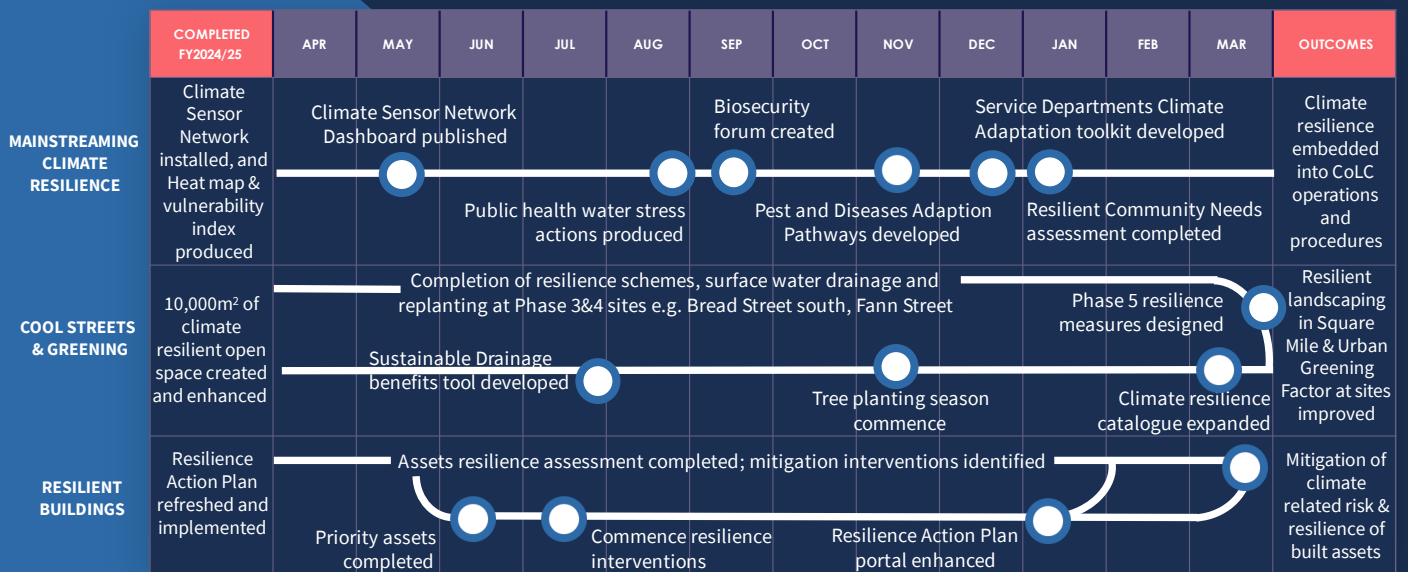
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Mainstreaming Climate Resilience, Cool Streets & Greening, Resilient Buildings

Climate Resilience

FY 2025/26

COMPLETED IN PROGRESS YET TO COMMENCE DELAYED



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Appendix 4: Financial Analysis

Year 4 budget and spend (FY24/25):

Project Name	Year 4 Budget	Year 4 Revenue Spend	Year 4 Capital Spend	Total Year 4 Spend
Strategic Implementation Support	£1,009,500	£629,812	£0	£629,812
Operational Properties and Housing (Landlord areas)	£7,056,995	£551,775	£1,974,200	£2,525,975
Investment Properties	£3,589,908	£79,261	£151,430	£230,690
Capital Projects (Design Standards)	£310,000	£1,750	£105,793	£107,543
Resilient Buildings	£2,614,000	£0	£120,519	£120,519
Carbon Removals and Land Management	£1,147,791	£88,990	£391,634	£480,624
Cool Streets and Greening	£2,380,000	£0	£709,623	£709,623
Financial Investments	£120,900	£97,959	£0	£97,959
Heart of the City (SME Engagement)	£200,000	£200,000	£0	£200,000
Mainstreaming Resilience	£270,000	£263,626	£0	£263,626
Purchased goods and Services	£291,000	£153,773	£0	£153,773
Square Mile	£525,000	£240,886	£0	£240,886
Transport	£3,150,000	£0	£232,528	£232,528
TOTAL	£22,665,094	£2,307,831	£3,685,726	£5,993,557

Underspend from Year 4 is wrapped into Year 5 and 6 Programme Budgets (FY 25/26 – 26/27):

	Year 5 (£k)				Year 6 (£k)			
Fund	CF	CE	CBF	Total	CF	CE	CBF	Total
Capital	14,800	7,310	2,608	24,718	9,596	4,986	2,214	16,796
Revenue	3,000	1,112	229	4,341	2,559	672	159	3,390
Total	17,800	8,423	2,836	29,059	12,155	5,658	2,373	20,186

Appendix 5: CAS Programme Risk Register

Description Category	Risk Rating (Q3)	Risk Rating (Q4)	CAS Target	Risk Response
Insufficient financial resources are allocated to long term delivery of CAS targets	High	High	2040 Corporation 2040 Square Mile Resilience	Mitigation under development: Wherever possible use Government grant funding to support initiatives. In discussion with Chamberlain's about future funding of CAS beyond 2027.
Failure to meet targets due to higher than anticipated emissions from Citigen supplied heat/coolth to CoL sites	New	High	2027 Corporation	Mitigation in place: Citigen upgraded network efficiency in 2024/25, and contract management conversations continue to manage Citigen performance. COL delivering project to improve efficiency of heat/coolth transfer within buildings.
Failure to meet targets due to grid decarbonisation not occurring at rate predicted in CAS models	High	High	2027 Corporation 2040 Corporation	Mitigation under review: Grid decarbonisation tracked by Energy Team and remodelled conservatively.
Failure to meet targets due to lack of internal resource, challenged by competitive market and changing COLC processes.		New	2027 Corporation	Mitigation under development: Working with HR colleagues to restructure teams as needed, to provide resource where required to deploy projects at pace.
Failure to meet targets due to asset allocation constraints (keeping poor performing assets and constructing new)	High	High	2027 Corporation	Mitigation in place: We have modelled worst-case scenario and looked for emissions reductions elsewhere in portfolio. Trying to ensure all new developments comply with Net Zero Design Standards.
Failure to meet targets due to lack of control over corporation fleet vehicles.	New	High	2027 Corporation	Mitigation in place: Departmental Emission Reduction Targets promote importance of fleet decarbonisation. Support provided to look for grants for decarbonisation of fleet. CAS is financially supporting work of fleet telematics project.
Delivery delay due to key stakeholder groups not being sufficiently engaged and/or supportive of climate action measures.	High	High	All	Mitigation under development: An engagement plan for residential communities is in place, but more work is needed on other stakeholder groups (including BIDs)