

Appendix 5

Business Case Summary Sheet (to be submitted alongside Gateway Reporting)

Name of project or programme	65 Gresham Street S278
Cora ID	663
Tier	Tier 2
Name of Senior Responsible Owner	Bruce McVean
Project Manager/person who prepared this document	Andrea Moravicova
Which Gateway is this business case summary for?	<i>GW2b (previously G4)</i>

1. Strategic Dimension

1. 1 Summarise the case for change for the project and how it aligns with the City of London Corporation's strategic aims and any wider ambitions. Summarise the strategic case for investment in line with the overall project vision and desired outcomes.

The redevelopment of **65 Gresham Street** requires associated improvements to the surrounding public highway under a **Section 106 planning obligation**, delivered through a **Section 278 agreement**. These works are essential to comply with planning legislation, mitigate development impacts, and align with the City of London Corporation's strategic objectives for sustainable urban growth.

Reasons for change:

- **Compliance and Obligation:** Legal requirements under the Town and Country Planning Act and Highways Act mandate developer-funded highway improvements.
- **Public Realm Enhancement:** Current street conditions do not meet the City's aspirations for accessibility, climate resilience, and placemaking. Without intervention, the area will miss the opportunity to secure developer funding to create a high-quality, inclusive environment.
- **Strategic Alignment:** The project supports key corporate strategies:
 - **Transport Strategy** – Prioritising walking and wheeling and delivering world-class public spaces.
 - **Climate Action Strategy** – Enhancing biodiversity and building climate resilience.
 - **Destination City Growth Strategy** – Creating an attractive, sustainable environment that promotes active travel and supports business vitality.

Vision and desired outcomes:

Both approved options, the full pedestrianisation of Aldermanbury and the option to widen the western footway — while retaining the current one-way operation with contraflow cycling — will improve the street for people walking and wheeling. However, full pedestrianisation is the preferred option as it delivers significantly greater benefits, enabling the creation of a new public space with enhanced greening, seating, and public amenities, helping to:

- Improve walking and wheeling conditions.
- Deliver a safer, more inclusive streetscape.
- Enhance biodiversity and climate resilience.
- Provide an appropriate setting for the Grade I listed Guildhall and the new development.

Benefits

- **Environmental:** Increased greenery, improved air quality, and reduced urban heat island effect.
- **Social:** Safer, more accessible streets that enhance wellbeing and public safety.
- **Economic:** Uplift in property values, increased footfall, and improved commercial viability for local businesses.

Funding and Risk

The project is fully funded by the developer, including commuted sums for maintenance over 10–20 years, ensuring minimal financial risk to the City Corporation. This funding model guarantees affordability while

delivering long-term value.

Support for Corporate Plan Outcomes:

The project directly contributes to the **Corporate Plan 2024–2029** outcomes, including:

- **Vibrant Thriving Destination** – By creating a welcoming, vehicle-free space that prioritises walking and wheeling.
- **Climate Resilience and Sustainability** – Through enhanced greening and biodiversity measures.
- **Inclusive and Accessible City** – By improving accessibility and safety for all users.
- **Economic Growth and Prosperity** – By supporting local businesses and increasing commercial attractiveness.

2. Economic Dimension

2. 1 Complete the below Appraisal Table, outlining the shortlist of options to fulfil the outcomes.

	Option description	Whole Life Cost £m	Timeframe	Benefits
Option 1 (Preferred)	A full pedestrianisation of Aldermanbury between Love Lane and access road to Guildhall Yard, and the creation of a new public space featuring additional green infrastructure, seating and public amenities.	£4,169,878	Project construction is expected to be undertaken between Q1 and Q4 2027	<ul style="list-style-type: none">• Creates a vehicle-free environment, maximising pedestrian safety and comfort.• Significant improvement in accessibility for walking and wheeling.• Highest potential for greening and biodiversity, contributing to climate resilience.• Enhanced placemaking with seating and social spaces, improving dwell time.• Strong alignment with Healthy Streets principles and City strategies.• Likely to generate economic uplift through increased footfall and commercial viability.
Option 2	Retention of the existing street function with improved footways and other more modest enhancements.	£3,884,193	Project construction is expected to be undertaken between Q1 and Q4 2027	<ul style="list-style-type: none">• Marginally improves footway conditions and accessibility.• Provides limited greening and aesthetic improvements.• Maintains existing traffic flow while offering minor pedestrian benefits.• Least disruption to current operations and logistics.

2. 2 Outline the reasons for choosing the preferred option

Option 1 delivers the greatest alignment with strategic objectives, creating a vehicle-free, inclusive, and climate-resilient space. It maximises social, environmental, and economic benefits, including improved accessibility, biodiversity, and commercial viability.

3. Commercial Dimension

3. 1 **Summarise the procurement strategy and route to market for this proposal. Include the reasons for choosing this route and any considerations around Responsible Procurement.**

Procurement will use the City's Highways Term Contract for construction, ensuring efficiency and compliance with Responsible Procurement principles. Design consultants (landscape, transport, ecology) were appointed via quotation exercises. All suppliers demonstrated alignment with sustainability and social value objectives.

4. Financial Dimension

4. 1 **Set out the delivery (capital and revenue) cost profile of your preferred option proposal. 'Lifecycle' costs must be included as part of the whole life costs set out here.**

The costs outlined in the table below are based on the RIBA stage 3 design estimates and may change as detailed design progresses.

Financial Year	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	After 2029/30 £m	Whole Life Cost £m
Capital							
Staff	0.073	0.087	0.087	0.015	0	0	0.247
Fees	0.065	0.092	0.013	0	0	0	0.170
Works	0	1.118	1.00	0.250	0	0	2.368
Utilities	0	1.385	0	0			1.385
Land	0	0	0	0	0	0	
Purchases	0	0	0	0	0	0	
Contingency	0	0	0	0	0	0	
Total	0.138	2.682	1.1	0.265			4.17
Revenue							
One-off Costs	0	0	0	0	0	0	0
Recurring Costs	0	0	0	TBC	TBC	TBC	
Total	0	0	0				

4. 2 **What financial benefits are associated with the project?**

Minimal financial risks to the City Corporation. Developer funds all capital and maintenance costs.

Long-term benefits include economic uplift through increased footfall and improved commercial viability, improved well-being for office workers and visitors with increased outdoor space to rest, improved biodiversity and significant benefit to the Guildhall complex.

Minimal financial risk to the City Corporation. Developer funds all capital and maintenance costs through the Section 278 Agreement.

The maintenance costs of the new scheme are expected to be covered by the developer's contribution, which includes a 10-year (for hard landscaping) and 20-year (for soft landscaping) commuted sums for ongoing maintenance. This will be secured through the Section 278 agreement, in line with standard practice. The scheme is revenue neutral for on-street parking revenue.

Financial Year	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	After 2029/30 £m
Income Generation	0	0	0	0	0	0
Revenue Savings	TBC	TBC	TBC	TBC	TBC	TBC
Total						

4. 3 Summarise the critical financial assumptions that underpin the above cost and benefits profiles. Please include a level of confidence in the above estimates.

Costs based on RIBA Stage 3 design estimates; commuted sums for hard landscaping calculated for 10 year period, with 20-year period being negotiated for soft landscaping; inflation and contingency included.

4. 4 State the funding sources to cover the whole-life costing and state whether funds have yet been secured. Summarise the funding profile in the table below.

100% developer-funded via Section 278 agreement; funds secured under Section 106 obligation.

Financial Year	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	After 2029/30 £m	Whole Life Income £m
One-off funding							
Ongoing funding							

5. Management Dimension

5. 1 Summarise the plan for successful delivery of this project/programme, including major milestones, governance and assurance arrangements, key roles and responsibilities and application of lessons learnt.

Governance: Tier 2 Project. Streets & Walkways Sub Committee oversight; Working Group chaired by City Corporation with developer and internal services.

Assurance: Regular reporting, design scrutiny, risk management, and compliance checks.

Roles:

- Project Manager:** Coordination, stakeholder engagement, legal negotiations.
- Legal Advisor:** Statutory compliance.
- Landscape architect:** Technical design – hard and soft landscaping.
- Drainage Engineer:** Technical design.
- Highway Engineers:** Technical design guidance & assistance.
- City Gardens Team:** Landscaping input.

Lessons Learned: Early stakeholder engagement, robust risk management, sustainability integration, and transparent communication.

Major Milestones:

- Options appraisal report: May 2025 (approved)
- Gateway 2 report (Strategic Options appraisal): Feb 2026 (this report)
- Gateway 3 report (authority to start to work): July 2026
- Detailed Design: Mar–Aug 2026
- Construction: Q1–Q4 2027

5.2 Set out the top three delivery risks for the project/programme, as per Cora risk register.

Risk title and description	Overall Risk Score	Mitigation actions
Lack of internal stakeholders buy-in to the project may impact on delivering the full ambition of the developer.	Low	<p>Early liaison with relevant internal stakeholders to gather their requirements and potential impact of proposed options on their operations has been undertaken.</p> <p>All proposed options reflect the feedback received to date and designs of recommended options will be progressed in further liaison with the relevant City teams and departments.</p>
Increase in the overall project costs	Medium	<p>Any unforeseen circumstances are likely to increase the cost of the project. Although these costs will be covered by the developer under Section 278 agreement, officers are undertaking all reasonable steps, including ground investigations and other necessary surveys and assessment to ensure the cost estimates are as accurate as possible.</p>
Developer disputes responsibility for funding the full project cost.	Medium	<p>Cost estimates for all design options have been shared with the developer, who has confirmed that these fall within their expected cost range. Although the Section 278 agreement has not yet been signed, the developer has indicated that the current estimates are acceptable. Ongoing liaison and early sharing of any cost updates will help maintain transparency and reduce the likelihood of disagreement as the design is refined.</p>
Programme delays	Medium	<p>Robust scheduling, risk monitoring & continued liaison with the developer and third party suppliers and utilities.</p>