



Local Plans Sub (Planning and Transportation) Committee

Date: TUESDAY, 20 JUNE 2023

Time: 9.00 am

Venue: COMMITTEE ROOM 2 - 2ND FLOOR WEST WING, GUILDHALL

Members:

Deputy Shравan Joshi (Chairman)	Deputy Alastair Moss
Deputy Graham Packham (Deputy Chairman)	Alderwoman Susan Pearson
Deputy Randall Anderson	Deputy Christopher Hayward, (Appointed by P&R)
John Edwards	Elizabeth Anne King, (Appointed by PHES)
Deputy Edward Lord	

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Ian Thomas CBE
Town Clerk and Chief Executive

AGENDA

1. **APOLOGIES**

2. **MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT**

3. **MINUTES**

To agree the draft public minutes of the meeting held on 23 May 2023.

For Decision
(Pages 5 - 14)

4. **CITY PLAN 2040 - OFFICES**

Report of the Planning and Development Director.

For Discussion
(Pages 15 - 36)

5. **CITY PLAN 2040 - TALL BUILDINGS AND HERITAGE**

Report of the Planning and Development Director.

For Discussion
(Pages 37 - 46)

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

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

8. **EXCLUSION OF THE PUBLIC**

RESOLVED – That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of the Schedule 12A of the Local Government Act.

For Decision

9. **CITY PLAN 2040 - TALL BUILDINGS AND HERITAGE - NON-PUBLIC REPORT**

Non-public report of the Planning and Development Director.

For Discussion
(Pages 47 - 50)

10. **NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

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

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LOCAL PLANS SUB (PLANNING AND TRANSPORTATION) COMMITTEE Tuesday, 23 May 2023

Minutes of the meeting of the Local Plans Sub (Planning and Transportation) Committee held at Committee Room 2 - 2nd Floor West Wing, Guildhall on Tuesday, 23 May 2023 at 9.00 am

Present

Members:

Deputy Shravan Joshi (Chairman)
Deputy Graham Packham (Deputy Chairman)
Deputy Randall Anderson
John Edwards
Deputy Edward Lord
Deputy Alastair Moss
Alderwoman Susan Pearson
Elizabeth Anne King (Ex-Officio Member)

Officers:

Zoe Lewis – Town Clerk's Department
Rob McNicol – Environment Department
Gwyn Richards – Environment Department
Peter Shadbolt – Environment Department

1. APOLOGIES

There were no apologies.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT

There were no declarations.

3. MINUTES

RESOLVED – That the public minutes of the last meeting held on 27 April 2023 be approved as a correct record.

4. CITY PLAN 2040 - HOUSING

The Sub-Committee considered a report of the Planning and Development Director, which set out options for updating policies to ensure that sufficient housing supply was identified to meet statutory requirements.

An Officer advised that national guidance set out in the NPPF and guidance in the London Plan had to be taken into account. Outside of London, the calculation of housing need was undertaken using a standard method set out by the government. This was based on household projections, population projections and affordability. Although this method was not used in the City, the figure had been calculated and was 101 units per annum.

Members were informed that within London, the housing target for each of the London Boroughs and the City was set within the London Plan, which set out a 10-year target rather than an annual target. From 2019-2028/29 the City had a target of 1,460 dwellings. This target was capacity-based and was calculated in 2017 on the likely availability and deliverability of housing in the City over that period. The Sub-Committee were informed that beyond 2028-2029, the London Plan stated that this target should continue to be considered, and account should also be taken of any additional issues identified locally.

The Officer stated that the London Plan therefore set a target of approximately 146 dwellings per year compared with the national figure of approximately 101 dwellings per year if the national calculation was used.

The Officer advised that both nationally and in London, Local Plans were required to identify a sufficient supply of housing to meet the housing need for at least five years with a buffer of 5% to allow for sites not coming forward. Within the first five-year period, the sites had to be specific and deliverable housing sites, either allocated in plans or with planning permission or under construction. For Years 6-10 and 11-15 of the Plan, sites or broad locations had to be identified or evidence provided that sufficient sites would come forward to meet the target over the longer period.

The Officer stated that the report set out the most recent monitoring data. It was based on meeting the London Plan target and showed the number of dwellings identified as well as those that were projected to come forward through windfall development over the next five-year period. The Officer stated that when calculating these figures, traditional flats and houses were considered. Non-self-contained units could also be taken into account, with every 1.8 of these units counting as one residential unit. Student housing could also be taken into account, with every 2.5 student bedrooms counting as one residential unit. Therefore, planning permissions that had been given for student housing had been included in the figures. The Officer stated that although, a five-year supply had not been identified without the inclusion of the recently approved Friary Court student housing scheme, once this was included, the five-year land supply figure had been reached. As the Plan rolled forward, the date rolled forward and therefore the figures would be recalculated again at the end of each financial year.

The Officer advised that beyond five years, there were no identified sites. However, there was sufficient evidence that sites came forward on a regular basis to demonstrate that the target could be met.

Members were informed that separately from the five-year land supply, there was a requirement to meet the London Plan housing target and demonstrate to the Mayor for London that sufficient housing was being delivered to meet the 10-year target. The Officer stated that this target was currently being exceeded and the target was expected to be comfortably exceeded.

The Officer stated that approximately a year ago, there were concerns that enough housing land would not be identified and therefore a Call for Sites was

undertaken. Developers, landowners and the general public were asked to identify potential sites that could be brought forward for housing and identified in the Local Plan. Only four sites came forward. There had been no response from the Home Builders Federation and there had only been one response from a house builder. This indicated that there was less pressure from the industry for housing development in the City than elsewhere. In addition to the four sites that came forward, another seven potentially suitable sites were identified by Officers. Out of the 11 sites identified, three were considered to have short-term potential for housing. Further work would be undertaken to look at the detail and ensure owners were content with the sites being made public as they were not currently housing sites.

The Officer outlined two options. The first approach was to continue to rely on sites coming forward and not identify specific sites. There was a sufficient supply for 5 years to meet the NPPF requirement and in the last 10 years, approximately 1,900 dwellings came forward so on average the London Plan target of 146 was being exceeded. There was sufficient evidence to carry on with this approach. Members were informed that in previous local plans, inspectors had taken the view that the City was not a housing location and had not requested that sites be identified. The London Plan also identified the City as being primarily a commercial area and specifically stated that residential use was not appropriate in much of the City.

Officers considered that it would be beneficial to have a more supportive approach to housing in the Local Plan, particularly within the residential areas that had been identified. It could also be beneficial to be more supportive of alternative forms of residential use such as build-to-rent and co-living and have a more supportive approach to education provision including student housing where this was required to support higher education. The Officer stated that an additional residential area could be identified, and Officers suggested east of Bishopsgate between New Street and Artillery Lane as in the preparation of the 2015 Local Plan, this area had been suggested as a potential residential area.

The second approach was to identify specific sites in the Local Plan. The City has not done this before in previous local plans so this would be a fundamental change in the approach to delivering housing. The sites that had been identified could be specified in the Local Plan but on their own would not be sufficient to meet the targets set out in the London Plan. Officers did not suggest this as an appropriate way forward and this approach would reduce the flexibility on some sites as once a site was allocated, the site would effectively be sterilised for housing, making it difficult to have an alternative use on the site. There was also an option to identify a small number of sites given that some sites might come forward but Officers did not suggest that this option be taken forward.

The Officer stated that whichever option was chosen, Officers would continue to liaise with neighbouring boroughs. There was provision for local authorities, unable to identify enough housing land to ask neighbours to take some of the shortfall, but in informal discussions, it did not appear that neighbours would do this. There was a process that had to be followed to show inspectors that this had been explored.

The Officer stated that as a local authority and a housing provider, the City provided housing across a wide number of other London boroughs and was looking at this potential as part of the Market's Co-location Programme. If housing was delivered through these methods, it would not count towards the City's housing targets but it was relevant to identify this in the Local Plan and within evidence to an inspector that the Corporation was actively delivering housing for Londoners and delivering housing across London. Section 106 funding was being used to provide housing outside of the City to meet the needs of people on the City's waiting list and although the numbers could not be counted, the number of affordable housing units being provided could be quantified. There would be a pack of information provided to support the Local Plan and this would set out how the City was actively working to deliver housing.

The Officer confirmed that the option being suggested by Officers was a continuation of the current approach, with some greater emphasis on encouraging housing in and around the residential areas and looking at alternative forms of housing where appropriate.

The Chairman stated that he was comfortable with the figures proposed and that he had concerns about identifying specific sites within the Local Plan. He added that since parts of Bishopsgate had been suggested in 2015, it had become a very different environment, a large number of licensed premises had opened and there was a different demographic occupying the area. He raised concern that if the Plan pre-identified sites, this could potentially limit other sites coming forward which might be more suitable in five-years' time. He also stated that it should be clear in the Local Plan that the pepper-potting of residential sites around the square mile was not necessarily supported and although this was stated in the London Plan, this could also be reiterated in the Local Plan. He suggested that the Sub-Committee consider whether new economic drivers such as build-to-rent should specifically be encouraged.

In response to a Member's questions about the student housing and non-self-contained units, an Officer stated that the 1.8 and 2.5 measures outlined, were standard measures set out in the national guidance. Officers were not suggesting a reliance on these type of units but if appropriate sites came forward, they could be used in the figures. The Officer stated that in the last few years, the number of traditional residential housing sites coming forward had fallen. However, the market fluctuated over time. As the City recovered from the pandemic, demand for housing could increase and more sites could come forward. There was evidence to demonstrate a sufficient supply of housing going forward.

A Member suggested having a stronger tilt towards housing being built in identified residential areas could be viewed as positive by the inspector. He also stated that build-to-rent would not sterilise the land in the way traditional housing would. A build-to-rent unit could theoretically be redeveloped to another use so including this in the Local Plan would be appropriate. The Officer stated that the freehold structure meant once obtained, residential use

could not be changed easily. National policies were strongly against the loss of established residential units so effectively this sterilised the land and it became a housing site preventing other uses. Build-to-rent was potentially on shorter leases and an owner could potentially change use to an alternative use.

A Member commented that if the sites identified were existing buildings which required conversions, likely building code changes should be considered as these would increase EPC ratings, which could mean insulation was required. This could make it unaffordable to convert and could create derelict buildings.

A Member commented that an increase in residential units could help enliven the City, however, this might not be the case if they were second homes like many of the existing flats in the City. He raised concern about designating areas and stated that he was confident more sites would come forward especially Grade B office stock which could be difficult to repurpose for office use but could be suitable for residential conversion. He stated the importance of the Agent of Change principle and stated that he considered the Bishopsgate area to be unsuitable as an identified site.

A Member queried whether student accommodation was designated separately in planning to residential, as if it was, this would mean housing stock would not decrease if there was a change of use. The Officer stated that most student housing that had been permitted was sui generis use rather than C3 use. However, as student housing could count towards housing targets, a change of use could be a loss of housing. Any loss of housing units would be taken off the figures and any additional ones would be added to the figures.

A Member commented on the importance of not being reliant on student housing to reach housing targets. She considered that build-to-rent was a positive solution to encourage people to live in the City, which would help enliven it and she stated that the language used in the Local Plan in relation to this should be positive in a similar way to the language used in relation to hotels.

A Member commented that they were content with the numbers proposed and shared concerns about the suitability of the proposed residential area around Bishopsgate. They suggested that as the Smithfield area changed, there could be scope for more residential sites and Officers could look at other potential areas in the City which could be more suitable than Bishopsgate. The Member raised concern about identifying individual sites as if they were designated for residential use, they could become economically unfeasible. They also suggested that if existing residential areas were being considered for growth, these areas should be closely defined. The Officer stated that there were 10 residential areas in the city set out in the current Local Plan and no boundaries were drawn. The Officer stated that having boundaries would make it harder to adapt whereas having general indicative areas gave the ability to respond on a case-by-case basis.

A Member suggested that a clearer economic test could be applied to the effects of a development by segmenting it into co-living, student, permanent

residential and build-to-rent uses within that. He raised concern about sterilisation, the lack of ability to respond and the denial of space for other development. He stated that currently, student use was one of the most profitable classes for a developer, but economics and policies changed over time. Therefore, it could be beneficial to have a principle for assessing these residential uses more formally to allow a more fluid approach over time. The Member stated that he was content with the figures outlined and confident that there would continue to be demand for residential space in the City.

A Member queried that affordable housing was not mentioned in the report. The Officer stated that there was an aim to meet the London Plan target of a minimum of 35% affordable housing. The national and London Plan required there to be an emphasis on affordable housing on site. However, as the City was an owner of housing across sites in London, where affordable housing could not be delivered on site in the City, it was delivered elsewhere across the City's housing estates. Build-to-rent and co-living would give opportunities to people at the early stage of their career.

A number of Members raised concern about unlicensed short term lets as they were reducing the vitality of the community. An Officer stated that this concern could be highlighted in explanatory text to planning policy. An Officer stated that there was increasing demand for hotels in the City, and this could help mitigate demand for these types of short term lets.

The Officer commented that overall Members had expressed support for continuing with the existing approach, not identifying sites, not identifying an additional area in the east of the City, looking at how housing could be more positively promoted within the appropriate areas already identified in the plan and putting more emphasis on housing as housing rather than as second homes etc.

The Officer stated that at examination, the inspector would consider the figures and would need to be satisfied that if sufficient land or sites had not been identified within the process to meet identified targets, all necessary steps had been taken e.g. discussions with neighbours and the consideration of various sites. Evidence had to be provided that every option had been explored to deliver housing in a way which would support the City as a commercial centre, otherwise the plan could be found unsound and could not be taken forward.

An Officer stated that there was evidence to show the inspector that the current approach had not only achieved housing targets but overdelivered in terms of the housing requirement set out in the London Plan. Therefore, it was considered that a similar approach, with the amendments discussed in the meeting, would be the best approach for delivering in the City, given the unique nature of the square mile and the way in which housing provision affected its functions.

RESOLVED - That Officers continue to progress work on the City Plan based on Members' views on the proposed policy direction in relation to the policies on housing supply.

5. CITY PLAN 2040 - HOTELS

The Sub-Committee considered a report of the Planning and Development Director which set out options for updating policies to ensure there was sufficient accommodation to meet the growing visitor numbers.

Members were informed that the approach in the current Local Plan had encouraged hotels in appropriate locations and the clustering of hotels particularly near the Tower of London and around the St Paul's area had been encouraged. This followed on from work undertaken in 2009 which looked at hotel need and demand. Since then, the policy had delivered hotels in appropriate locations and enabled many older buildings, particularly listed buildings to continue to be used as these buildings were often more suitable for hotel use and could be more easily divided into bedroom sized spaces rather than open spaces for office use.

An Officer stated that it had been expected as a result of the covid pandemic, that demand would decrease. However, there had been significant demand for new hotel development in the City. This demand had been largely driven by hotel chains in Europe. Hoteliers and developers had seen post-covid demand was returning. This fitted in with the Destination City approach. The potential demand would be considered in more detail to plan the approach rather than allow pepper-potting. People visiting the City increased footfall and enlivened it and they should be provided with opportunities to stay in the City. It was also recognised that business travel was returning.

A hotel study had been commissioned from Avison Young. They had looked at the significant growth of hotels in the City over the last 10-15 years. There had been a 41% growth in hotels and 51% growth in hotel bedrooms. This was largely in 4* hotels or limited service hotels (hotels which provided clean and comfortable ensuite facilities, 24 hour reservations and a consistent level of facilities). There had also been growth in hotel chains for those with smaller budgets.

The hotel study had suggested that the increase in office space and increased demand from businesses was driving future hotel demand, as was Destination City and the increased footfall in the City, the impact of the Elizabeth Line and demand from a range of hotel brands, operators and developers for new facilities. The hotel study had estimated demand of an additional 350 hotel bedrooms per year up to 2037. This would equate to one large or two smaller hotels per year. The study also looked at whether there was any need to cluster as hoteliers favoured clustering. The areas looked at were the east of the City, around Tower and Smithfields, with the growth in that area including the museum and the future reuse of the market. These were both considered good locations for hotels.

The Officer informed Members that the first policy option was to continue with the existing approach to allow hotels as they came forward on an ad hoc basis and leaving it up to the market to decide rather than encouraging a range of hotel types. Whilst the market was generally supportive of this approach, this

approach did not give the emphasis the Destination City programme was looking to provide and would not provide emphasis that the City was an area where businesses were encouraged to bring staff for work purposes and an area where visitors could come and stay.

The Officer informed Members that the second policy option was a more positive, forward-looking approach which more specifically encouraged hotel development. Hotels were less constrained than other uses e.g. in terms of daylight and sunlight expectations, as guests were not in their rooms for as long. The presence of hotels had minimal impact on the office and commercial market. Hotels were not constrained by the same noise and amenity considerations as they would be if there were residential buildings nearby. This meant they could be delivered across wider areas of the City, particularly in older buildings including Grade B buildings which had difficulties in meeting EPC standards. This approach would include a target which would probably be an indicative target over a 10-year period rather than an annual target. It was also suggested that the approach could require a range of hotels with a range of facilities and the hotels should be open and out-facing, welcoming visitors and not just hotel guests. Where appropriate rooftops should be opened, with public access to the rooftop views and facilities. The Officer stated that in schemes approved in recent years, cultural and community space had been negotiated within hotels to encourage these types of space and these complemented the Destination City work.

Members were informed that Officers recommended the second, more positive approach.

The Chairman commented that hotel room demand was increasing year on year and whereas this demand used to be overspill from the West End, people were now actively searching for City sites. The Chairman also stated that a major hotelier was seeing the City as a destination and looking to increase rooms in the City. The Chairman also advised that the Destination City team were working on schemes to encourage business travellers to extend their business trips for leisure purposes. This would increase footfall and spending on local amenities.

The Chairman suggested having hotels around terminal and major sites such as the Tower of London could be beneficial. He and other Members raised some concerns about clustering within the City. He suggested that a steer be given in the Local Plan without this being too defined.

A Member commented on the potential to convert offices that were no longer suitable for use as offices. He also commented that it was important that hotels enlivened the City where possible and raised concern that where hotels provided a range of internal amenities, hotel guests would not use the local restaurants and shops. A Member commented that in some cases, there had been a need to restrict public access to internal hotel amenities.

A Member requested that public toilets should be provided in any hotels with public access.

A Member outlined a number of old buildings which had been returned to hotel use. An Officer commented that the number of listed buildings which lent themselves to hotels with the City, and were unsuitable for offices, was an untapped potential and there were heritage benefits.

The Chairman stated that one the challenges of heritage assets was reaching net zero. In response to questions, an Officer stated that the nature of a building dictated its performance in terms of carbon. Hotels had different profiles from offices in relation to demand for heating and cooling and more water was used in hotels. In relation to floor plans, hotels could have smaller rooms, designed in a flexible way, whereas for offices, there was generally a demand for larger floor plates. The report recommended allowing an increase in change of use from office to hotels in certain circumstances. This would help with the retention of some existing buildings as they could be converted to hotel buildings on a economically viable basis. Both heritage buildings and some newer buildings could be suitable for the change of use.

RESOLVED - That Officers continue to progress work on the City Plan based on Members' views on the proposed policy direction in relation to the policies on hotels and visitor accommodation.

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

There were no questions.

7. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT
Technical Briefing for Members of the Planning and Transportation Committee

The Chairman requested that Officers arrange a technical briefing on the Local Plan for Members of the Planning and Transportation Committee in September 2023, before it was submitted to the Planning and Transportation Committee in October 2023.

The meeting ended at 10.15 am

Chairman

Contact Officer: Zoe Lewis
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Agenda Item 4

Committee(s)	Dated:
Local Plans Sub (Planning and Transportation) Committee	20/06/2023
Subject: City Plan 2040 - Offices	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	1,2,3,5,6,7,8,9,11,12
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Gwyn Richards, Planning & Development Director, Environment Department	For Discussion
Report author: Michelle Rowland, Environment Department	

Summary

The City Plan supports how the office market is growing and changing to 2040. The City is continuing to experience an increase in demand for high quality sustainable office space, including office space to meet the current needs such as co-working, flexible, and serviced.

Employment in the City of London is projected to continue growing, with the Greater London Authority forecasting jobs in the City to grow to 733,000 in 2041.

After the pandemic, office workers have adopted new patterns, with in person attendance levels highest on Tuesdays to Thursdays, and some Mondays. Office needs are changing with occupiers valuing different typologies, including agile working environments with meeting spaces for collaboration, quiet spaces for calls, and within amenity rich areas.

An evidence base report "Future of Office Use" was commissioned from ARUP to support the office policies review.

This report sets out how policies in the City Plan could be updated to ensure that there will be sufficient supply of offices to meet the future demand.

Recommendation(s)

Members are asked to:

- Advise on the proposed policy directions in relation to policies on offices.

Main Report

Background

1. In the NPPF, the purpose of planning is set out as contributing to the achievement of sustainable development. Local plans must demonstrate how the plans address economic, social, and environmental objectives. The NPPF emphasises the importance of planning for economic growth and productivity. Planning policies should set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth.
2. The London Plan supports creating and improving the quality, flexibility and adaptability of office space of different sizes. Policy SD5 states that residential development is considered inappropriate in defined parts of the City of London and should be given lower weight than CAZ strategic land uses in other parts of the City, reflecting the City of London's prominent role in providing capacity for world city business functions. This policy ensures that the current and future potential to assemble and deliver office development in these locations will not be compromised by residential development. Policy E1 of the London Plan identifies the unique agglomerations and dynamic clusters of world city businesses and other specialist functions of the central London office market, including the Central Activities Zone. The London Plan supports local authorities in protecting strategic office locations, such as the CAZ, including through the use of Article 4 directions to ensure that the areas are not undermined by office to residential permitted development rights. London Plan policy requires viability testing to support proposals for change of use from office space.
3. In October 2022, GLA Economics published interim employment projections for the whole of London and for individual boroughs, providing projections for the period up to 2051. The projections are based on historic productivity trends and assumptions about long term economic output. The methodology makes allowance for short term Covid-19 effects, but the longer term methodology remains the same as in previous projections. For the period 2020-2025, growth is assumed to align with the GLA's central projection of the impacts of Covid, with employment and output returning to pre-Covid levels by 2023-24. Beyond 2025, the GLA has taken a neutral position on any ongoing Covid impacts and has continued to use its long term trend-based methodology for the period 2025-2051.
4. The Business Register and Employment Survey (BRES) employment count for the City of London shows a consistent annual increase in employment through this period. BRES data reflects the number of workers employed in City registered businesses and not necessarily the numbers working in the City on a daily basis. It does, however, provide a good estimate of the overall scale of City employment.
5. BRES data suggests there were 591,000 workers registered with businesses in the City of London in 2021. Data provided by Arup suggests that 213,000 (36%) of jobs in the City of London are in the Financial Services sector. Traditional-

office based jobs are the dominant sector in the Square Mile, representing 59% (346,000) of all jobs in 2021, but emerging office-based firms (information and communication and professional, scientific and technical activities) are faster-growing consisting of 41,600 new jobs (+62% between 2015 and 2021). In 2023, 29% of take-up of office floorspace in the City of London was from “Media and Tech” firms, compared to 19% from “Financial” companies, indicating an increasing shift away from the dominance of financial services, and an increasing demand from new types of occupiers.

6. The City is experiencing a gradual return of its office-based workforce, with London Underground ridership into the City showing average levels around 68% of pre-pandemic levels and up to 75% in the middle of the week. This trend has been stable since January 2023. Tuesday, Wednesday and Thursday are the busiest days with growing attendance levels on Mondays.

Changing nature of the office

7. In the post-Covid world, offices are increasingly seen as a place for socialising and collaboration. Tenants are seeking a new quality of space and quality of offer outside the ‘office door’ to encourage a return to the office, to differentiate themselves in a competitive labour market, and to increase utilisation. Employers are placing greater value on high-quality sustainable credentials, quiet spaces for phone calls or working, abundance of meeting spaces, good access to transport and food and beverage amenities as well as design which communicates the company’s brand and values. This is referred to as the ‘flight to quality’, with demand for new office space now largely concentrated around these qualities, expressed as ‘Best in Class’ space. The British Council of Offices published an update in 2022 to their densification, study and industry standards for office development which considers the impacts of the Covid-19 pandemic and changing working patterns. This study found that 10m² (Net Internal Area) per desk is suitable per worker. A higher density of 8m² should only be used when required by specific occupier groups. 16.7 m² per worker is suggested for core design elements—toilet provision and lift populations. Space utilisation in the BCO guidance is recommended to be reduced from 80% to 60% to reflect typical office usage rather than extreme usage.
8. Approximately one in five (22%) medium to large firms (50+ employees) in the City belong to the emerging office-based sector, increasing from 15% in 2015. Between 2015 and 2022, the total number of emerging office-based firms grew by 62% compared to a 35% growth for all firms. As emerging office-based firms tend to value different typologies of office spaces compared to traditional office-based firms, their growing number and size might imply a new shift in the market in terms of demand for best-in-class office spaces, with the fastest growing firms over-representing in the micro and small categories.
9. Grade B office take-up is predominantly by creative and emerging-office based firms who are interested in enhanced amenities. The protection of existing office space is important to ensure that there is a range of office stock to provide choice in terms of location and cost to potential occupiers. However, there are challenges facing Grade B office space. In 2022, take-up of second-hand Grade

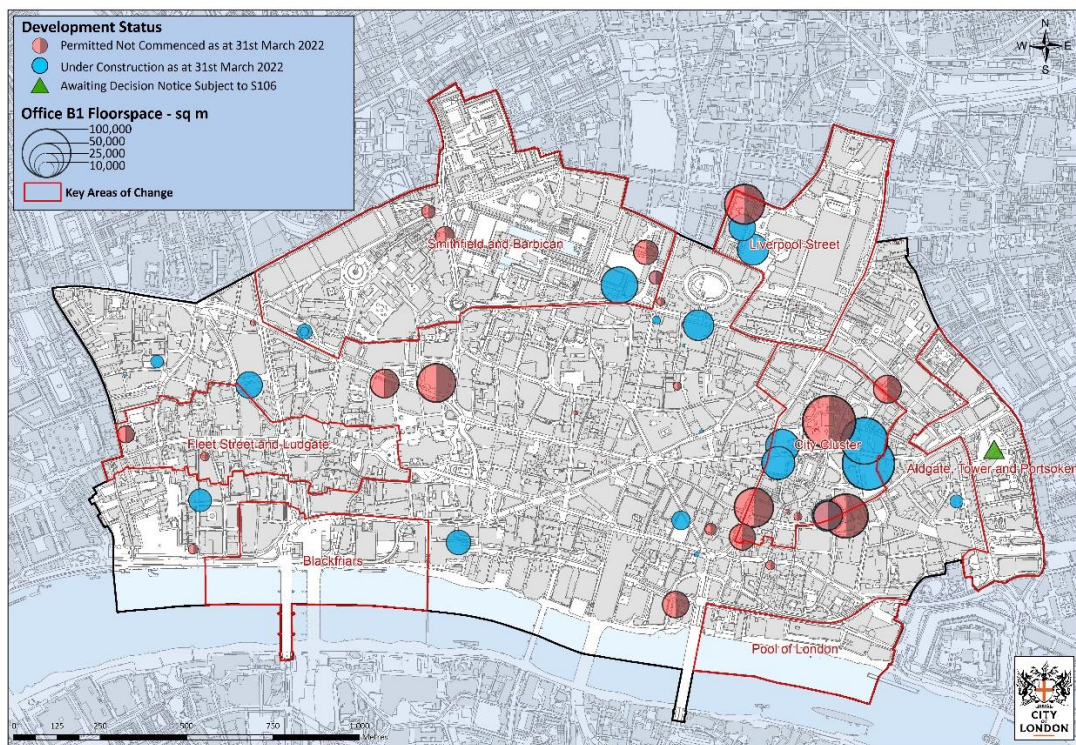
B space in the City was 10,000m², accounting for only 2.2% of all leasing market transactions in the City. Pre-pandemic, Grade B office stock provided an affordable workspace option for small businesses but this market area has not recovered after the pandemic. There are challenges for retrofitting Grade B space but there are successful examples in the City, including Millennium Bridge House, 81 Newgate Street and Ibex House.

10. As part of its strategy to improve the energy efficiency of the building stock, the Government has set targets for minimum levels, as measured by EPCs (Energy Performance Certificates). From 2026, restrictions will come into effect preventing the letting of commercial buildings that fall below EPC Grade C. This accounts for approximately 1 million sq m of office space in the City. Minimum EPC standards will continue to be updated. As a result, a number of City buildings will need to be refurbished or retro-fitted to ensure that they continue to meet required energy performance standards for letting, alongside new development to meet growing employment needs. Without improvement, there is potential for some existing buildings to become 'stranded assets' requiring either redevelopment or change of use to alternative uses. It should be noted, however, that these alternative uses will also be required to meet minimum EPC levels. In taking forward the City Plan, office floorspace targets are expressed as net gain, meaning that any loss of office floorspace through stranded assets will effectively increase the overall quantum of new floorspace required.
11. At previous Sub-Committee meetings in April and May, Members discussed the principle of a 'fast-track' approach to the consideration of certain planning applications, including those where the proposed use would retain much of the existing fabric and embodied carbon of a building and/or where the proposed use would meet other key City Plan or Corporate priorities, such as Destination City. Current Local Plan and draft City Plan policy protects suitably located and viable office floorspace, with marketing and viability evidence required to support proposals which result in a loss of office floorspace. This approach, supported by policy in the London Plan, has successfully protected the critical mass of office floorspace in the City, helping to maintain its primary office function. However, it is increasingly clear that occupiers are looking for greater variety in terms of land use, including the provision of a range of complementary facilities to provide attractive workspaces for employees. Developers and building owners are also looking for greater diversity in terms of rental income. There is an opportunity to develop policy in the City Plan which provides greater support for proposals which deliver a range of uses and facilities for City workers, residents and visitors and which makes City buildings much more open and welcoming to all.
12. A 'fast track' approach could help deliver this diversity and inclusivity of space by reducing the evidential requirements to support the loss of office floorspace and/or the change of use of all or part of an office scheme to other uses. Such uses should be those that are complementary to the City's primary business role and could include, on appropriate sites, hotel and visitor accommodation or cultural space, educational space, particularly for business related uses, new publicly accessible open space and space within buildings, including rooftop space and viewing galleries.

13. This approach would not remove the policy approach which protects suitably located office space, but would allow for more variety of uses. There are two main mechanisms through which this could be achieved –by removing the requirement for either viability evidence (which is currently used to assess whether ongoing office use would provide a reasonable return for an investor) or the requirement for marketing (which is currently used to establish whether there is interest from potential occupiers for the space). Officers consider that the marketing requirement should remain, in order to ensure that offices for which there is an occupier interest would not be excessively eroded through the new fast track. Members are asked for their views on such an approach.
14. An engagement event is being held on June 15 to discuss the Arup report. Officers will provide a verbal update on key points raised at the Sub-Committee meeting.

Scenarios for office growth

15. The City Corporation publishes annual City Plan monitoring reports setting out progress towards meeting office floorspace targets. The Local Plan 2015 office delivery targets up to 2026 are being met. The total office stock is currently 9.44 million m² (as measured by Gross Internal Area) as of 31st March 2022. The total amount of office stock is expected to increase to 9,968,000m² by 2025/26. The map below shows the location and development status of office development schemes either in the planning pipeline or awaiting s106, as at March 2022, showing that there is a healthy pipeline of future office development, principally located in the City Cluster.



16. The methodology used to establish targets in the adopted Local Plan was used to produce office floorspace targets for the City Plan 2036 which was subject to

consultation in 2021. This established a target of 2 million m² net increase in office floorspace to meet projected employment growth over the period 2016 to 2036. Using this same methodology for the period up to 2040 and re-basing to a start date of 2021, a minimum of 1 million m² net additional floorspace would be required, phased as follows:

- 2021 – 2026 500,000m²
- 2026 – 2031 250,000m²
- 2031 - 2036 125,000m²
- 2036 – 2040 125,000m²

17. The apparent significant reduction compared with the previous target is largely due to significant office floorspace completions in the 2016-2021 period, totalling 835,000m². However, as Members will be aware, there is a significant development pipeline at present and significant development interest in new office floorspace, with 370,000m² of flexible office floorspace including affordable workspace approved in 2022. Employment based targets should therefore be seen very much as a minimum, with flexibility required to allow for market fluctuations. This approach is in line with the NPPF, which requires planning policies to help create the conditions in which businesses can invest, expand and adapt. This approach also recognises the connectivity of the Square Mile, in particular the extent of the labour market to which the area is easily and quickly accessible by sustainable transport.
18. Additional technical work is underway to better understand not just the potential demand for office floorspace, but the capacity to accommodate additional floorspace, having regard to other policy constraints including strategic and local views protection and heritage assets. Officers will provide a verbal update at the Sub-Committee meeting.
19. The projection of a minimum of 1 million m² of office floorspace is based purely on GLA employment projections for the City of London which, in turn assume a return to long term trend data in the mid 2020s, following Covid. The Arup study has considered whether the impacts of the Pandemic result in different and longer term impacts on working patterns and the likely need and demand for office floorspace.
20. The “Future of Office Use” evidence base produced by ARUP outlines three plausible scenarios for the demand of office floorspace in the City. The scenarios consider different hybrid working patterns and the changing office characteristics such as the focus on quality of space and amenities.

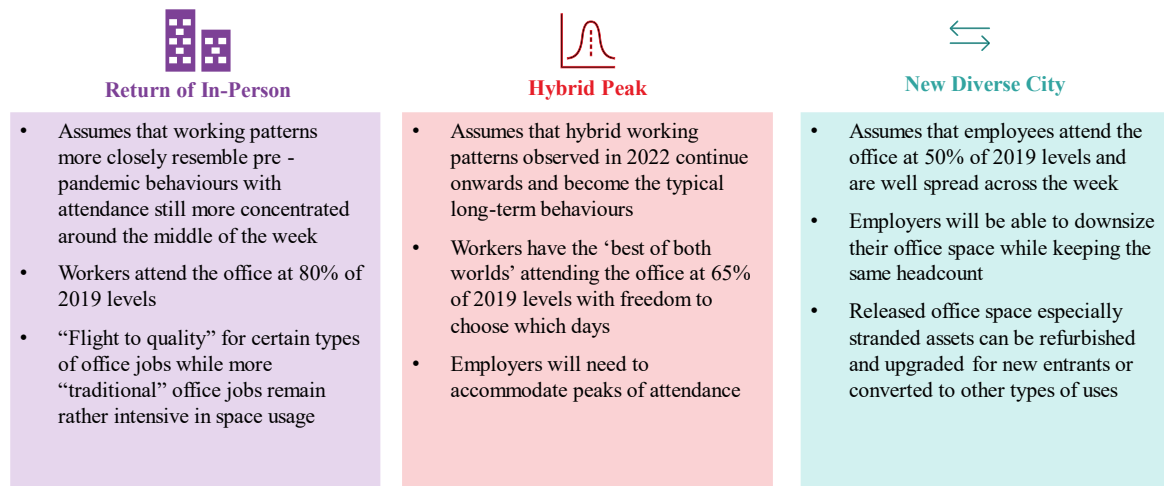


Figure 1 Scenarios for the economic model

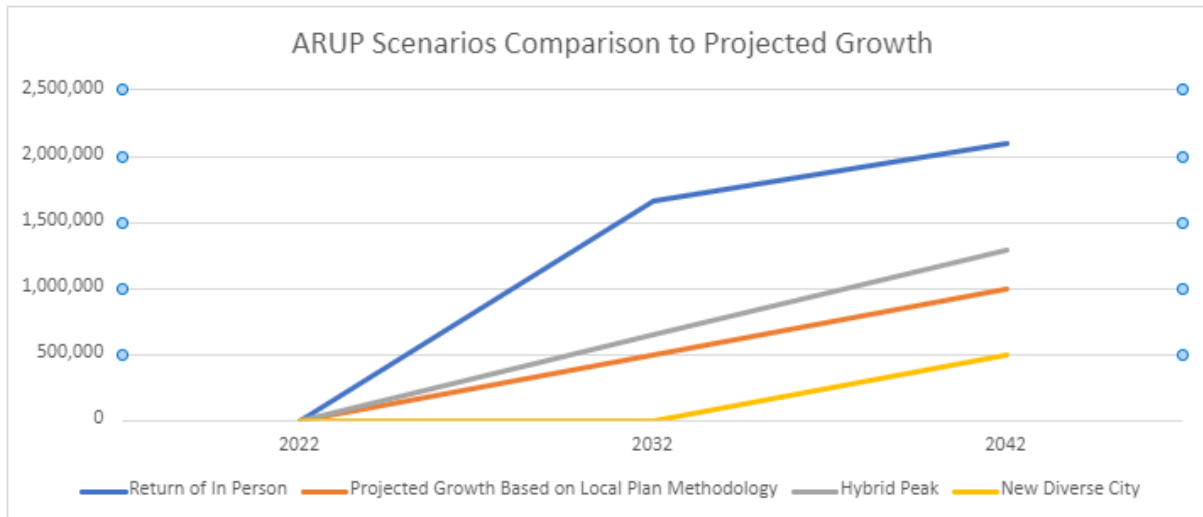
21. The three scenarios are:

- Return of In-Person assumes that pre-pandemic working habits resume, with most of workers coming back to the office (at 80% of 2019 levels), with a slight preference for mid-week days. Projected employment from this scenario aligns with GLA projections.
- Hybrid Peak sees office workers coming around 2.5 days a week (65% of 2019 levels) with a high concentration between Tuesday and Thursday and rather empty offices the rest of the week. Again, projected employment growth aligns with GLA projections.
- The New Diverse City scenario projects lower attendance (50% of 2019 levels) but with a more even dispersion of workers throughout the week, allowing for optimization of office space and space in excess being taken over by new entrant firms. This greater utilisation of the office stock would allow for a growth in employment of 147,000 jobs by 2042. This diverges significantly from GLA projections and would have significant implications for transport and ways of working.

22. In terms of office floorspace requirements, the three scenarios require different amounts of office space by 2042:

- Return of In-Person requires 1.8 million m² (20 million ft²)
- Hybrid Peak requires 1.2 million m² (13 million ft²)
- New Diverse City requires 550,000 m² (6 million ft²)

23. The graph below compares potential floorspace requirements for the three scenarios, with the projected floorspace using the previously adopted methodology for office floorspace calculation in the City Plan.



24. The NPPF requires Local Planning Authorities to plan positively for economic growth, whilst the London Plan highlights the importance of office growth in the City of London. Economic development in the City of London is a driver both nationally and internationally. The City Corporation needs to be planning positively for future economic growth so as not to limit any potential economic opportunities.
25. Current office occupancy and movement trends are showing a middle ground between the Return of In-Person and Hybrid Peak, with a central pattern of in-person on Tuesday, Wednesday, Thursday. Current trends have been influenced by industrial action (rail and education strikes) and bank holidays, which have tended to reduce time in the office in person. Occupancy and movement trends have begun to show a move towards a 4 day in person work week.
26. These two scenarios are broadly aligned with the draft City Plan 2040 targets in regard to net office space required. This indicates that future office floorspace requirements in the City are likely to be significant, with little evidence of long term adverse impacts on growth as a result of the pandemic.
27. Members are asked to provide guidance on an appropriate strategy for meeting longer term office growth in the City Plan. On the basis of the Arup report and its assessment of current working patterns and current City planning pipeline trends, officers advise that City Plan should establish floorspace targets aligned with the Return of In-Person scenario, in order to ensure that the City Corporation are planning positively in accordance with the NPPF. Alternatively, an approach based on the Hybrid Peak, or a combination of the two, could be taken forward, with a clear indication that this is a minimum level to be planned for and that additional capacity would normally be supported.

Monitoring and implementation

28. Irrespective of which option is taken forward, the City Plan will continue to:

- a. Support investment and improvements in amenity within the City, for example public transport and active travel accessibility, public realm, parks and open spaces, cultural spaces and attractions, and office-supporting sectors – including food and beverage.
 - b. Monitor the take up of office space, identifying any emerging trends and/or risk around the use of Grade B space and potential stranded assets. A flexible approach to Grade B and alternative uses, including a ‘fast track’ approach to change of use from office to appropriate uses (subject to Member approval) will be used to manage the future of Grade B stock.
29. These policy directions will continue to enhance the City as a location to do business and as an attractive location for people to work and socialise. Alongside other City initiatives, particularly Destination City, the Plan will provide the framework for workers to return to the City.

Corporate & Strategic implications

30. The preparation of the City Plan is informed by and will contribute to the implementation of the Corporate Plan (2018-23). The City Plan will support the delivery of key Corporate priorities, along with proposals to ensure a sufficient supply of business space and complementary uses to meet future needs. Preparation of the revised City Plan is being undertaken alongside the review of the Transport Strategy and the revised end date of the City Plan (2040) will align with the key net zero target in the Climate Action Strategy.

Financial implications

31. None.

Staff Resource implications

32. Preparation of the revised pre-submission Regulation 19 City Plan is being carried out in-house by the Development Plans Team, working alongside and supported by Development and Design colleagues in the planning service and by other services as appropriate.

Legal implications

33. There are no specific legal requirements, other than the ongoing requirement to ensure that all relevant statutory processes are complied with during production of the City Plan.

Equalities implications

34. Preparation of the City Plan has been informed by an Integrated Impact Assessment. A separate Equality Assessment is also being undertaken. Any material changes to the Plan will be subject to further Equality Assessment.

Risk implications

35. The December 2021 report to the Grand Committee identified the risks associating with preparing a revised pre-submission Regulation 19 City Plan as compared to submitting the current version for examination. The Grand

Committee agreed to revise the City Plan and officers will continue to monitor and report back on any changes to the risk assessment as the project progresses.

Climate implications

36. The City Plan is one of the key mechanisms for achieving those targets in the Climate Action Strategy which relate to the Square Mile rather than the City Corporation's own operations, in particular the net zero target for the Square Mile by 2040. The inclusion of policies that seek to prioritise and incentivise the retention of existing buildings, including for offices, will further strengthen alignment with the Climate Action Strategy.

Security implications

37. There are no direct security implications.

Conclusion

38. There is an increase of 85,000 jobs projected for the City of London up to 2040. After the Covid-19 pandemic, the de-densification of office space has meant a shift in typologies of office spaces to include spaces that foster collaboration and socialisation. Occupiers are seeking high quality sustainable office space with a focus on amenities to attract the best talent and employees back to the office.

39. Standard office floorspace projections for the draft City Plan 2040 project that a minimum 1 million m² of office floorspace will be required to 2040 to support the demand.

40. More detailed and comprehensive research by Arup suggests an increase in workers returning to the City as a place of work, with potential for up to 1.8 million m² of new office floorspace required.

Background Papers

- None

Appendices

- Executive Summary of the Future of Office report by ARUP, 2023

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City of London Corporation

Future of Office Use

Summary Report

June 2023



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This report takes into account the particular instructions and requirements of our client. It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 294482-00

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Executive summary

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This report has been prepared specifically for and under the instructions and requirements of the City of London Corporation, under an appointment dated 7 February 2023.

This report is prepared for use and reliance by our client only. No third party is entitled to rely on this report unless and until they and we sign a reliance letter in the form attached to our appointment. We do not in any circumstances accept any duty, responsibility or liability to any third party whatsoever (including property investors whether by bond issue or otherwise) who has relied on this report in circumstances where they and we have not signed a reliance letter in the form attached to our appointment. Accordingly, we disclaim all liability of whatever nature (including in negligence) to any third party other than to our client, or to any third party with whom we have agreed a reliance letter (and such liability is subject always to the terms of our agreement with the client and the reliance letter with the third party). In preparing this report we have relied on information provided by others and we do not accept responsibility for the content, including the accuracy and completeness, of such information. In no circumstances do we accept liability in relation to information used by us which has been provided by others. We emphasise that the forward-looking projections, forecasts, or estimates are illustrative only and scenario based. They are based upon interpretations or assessments of available information at the time of writing. The realisation of the prospective financial information is dependent upon the continued validity of the assumptions on which it is based. Actual events frequently do not occur as expected, and the differences may be material. For this reason, we accept no responsibility for the realisation of any projection, forecast, opinion or estimate. Findings are time-sensitive and relevant only to current conditions at the time of writing.

We will not be under any obligation to update the report to address changes in facts or circumstances that occur after the date of our report that might materially affect the contents of the report or any of the conclusions set forth therein. No person other than our client and any party to whom reliance has been expressly permitted by us pursuant to a reliance letter may copy (in whole or in part), use or rely on the contents in this report without prior written permission. Any copying or use of this report (in whole or in part) by any party whatsoever shall be accompanied by or incorporate this notice at all times. We accept no responsibility for, and have not authorised, the contents of any report, prospectus, supplementary prospectus, listing particulars, supplementary listing particulars, presentation or other document or communication in respect of the sale, acquisition, offering or transfer of any shares or securities or interest in them, whether on the primary or secondary market or otherwise, which uses, includes or incorporates any report, deliverable or information, or any element thereof, prepared by us under or in connection with this agreement.

Glossary

Term	Definition
Best in Class (Grade A+)	New or refurbished space that is Grade A+ in the BCO Office Specification. Additional services added to enhance the tenant offering. Typical building ratings including BREAAAM Outstanding, EPC A, Well Platinum, Cycling Score Platinum, NABER 5*+.
City of London office sub-markets	Office sub-markets located in the central area of London, defined by Knight Frank. Composed of: City Core, Aldgate/Whitechapel, Midtown and Clerkenwell/Farringdon.
Grade A	New or refurbished space that meets the criteria of the British Council for Offices (BCO) Office Specification. Typical building ratings include EPC B, Wired Scored Platinum, and BREEAM Excellent.
Grade B or Second-Hand	Previously occupied office space, that either does not meet the Grade A specification, or it does, but wear and tear has triggered a need for substantial refurbishment.
Institutional grade	A building with over c. 5,000 sq ft (NIA) which accommodates blue chip (nationally recognised, well-established and highly capitalised) occupiers and can be traded by institutions such as pension funds, banks, hedge funds or insurance companies.
Net Internal Area (NIA)	Net Internal Area (NIA) is the usable area within a building measured to the internal face of the perimeter walls at each floor level. NIA covers all areas which are used for a specific purpose.
Office attendance	The proportion of employees in the office as a share of the total workforce based there.
Office-based jobs	Emerging and traditional office-based jobs as defined by the SIC 2 code categories in the Appendix.
Office-based jobs - traditional	Office jobs that belong to more traditionally office-based sectors such as financial services, insurance, legal and accounting activities.
Office-based jobs - emerging	Office jobs that belong to emerging or growing business markets such as digital activities, information and communication and professional, scientific and technical activities.
Office occupancy	The proportion of desks occupied for any given time of the day, relative to the total number of desks in an office.
Prime	Best in Class and Grade A buildings greater than 10,000 sq ft (NIA) and in the best quality locations.
Prime rents	The rent for 10,000 sq ft (NIA) office floor in an extensively refurbished or new building, with a lease term of 10 years.

Executive summary

Arup and Knight Frank were commissioned to undertake an assessment of the City of London's office market, covering the current and anticipated office-use behaviours, the qualitative and quantitative demand for net additional office floor space and an assessment of the extent of risk of stranded assets.

The research suggests that:

- City-based office jobs, and office attendance, are expected to grow in the future.
- Long term growth prospects appear good in our scenarios, with the City requiring 6 – 20 million sq ft of additional office space by 2042. Much of this will be high quality office space for smaller employers.
- Demand for best in class is higher now than pre-pandemic, but growth may soften in the next few years as existing occupiers look to right-size their real estate footprint for hybrid working as leases expire.
- Greater home working could allow for more office jobs to be sustained from the same City real estate footprint.
- But, a proportion of the City's existing office stock, may require investment to meet new energy regulation and market demands.
- As such, our projections for higher overall demand for office space do not account for the challenges faced by some existing lower grade stock in the City. We suggest that intervention is needed to allow for fewer obstacles for older stock to be updated to meet office market needs, or to convert to other uses.

City-based office jobs, and office attendance, are expected to grow in the future.

Traditional-office jobs are the dominant sector in the Square Mile, representing 59% (346,000) of all jobs in 2021. However, emerging office-based firms are faster-growing with 41,600 new jobs (+80% from 51,700 to 93,300) between 2015 and 2021 compared to a 25% increase over the same period for traditional office-based jobs. Emerging office-based firms (information and communication and professional, scientific and technical activities) are tending to value different typologies of office spaces including more agile working environments with lower workplace densities and higher-amenity offices¹, implying a forthcoming shift for the market in terms of demand for best in class office spaces.



Emerging office-based jobs grew by **80%** between 2015 and 2021



Concentration of attendance between **Tuesday to Thursday**

Tube ridership in the City shows levels returned to 69% of pre-pandemic levels by the last week of April 2023, and were busiest in the middle of the week (Tuesday-Thursday) at around 75% of 2019 levels². An increased focus on corporate culture and business performance pressure indicates that office attendance may move upwards in the future.

¹ British Council for Offices, 2022. Guide to Specification – 2022 Update.

² TfL, 2023. Demand by Station Type (City stations).

Moving forward, office jobs in the City are projected to continue growing, with the GLA forecasting an additional 85,000 jobs (or +13%) in the City by 2042³.



Additional +85,000 jobs
in the City by 2042

Demand for best in class is higher now than pre-pandemic, but growth may soften in the next few years as existing occupiers look to right-size their real estate footprint for hybrid working as leases expire. Long term growth prospects appear good, in our scenarios.



Increased focus on
“Flight to Quality”

Employers are placing greater value on high-quality sustainability credentials, quiet spaces for phone calls or working, abundance of meeting spaces and places for collaboration, good access to public transport and food and beverage amenities as well as design which communicates the company’s brand and values⁴. Tenants are seeking a step-change in the quality of space, and the quality of offer outside the ‘office door’ to entice people back to in-person work, to differentiate themselves in a competitive labour market, and to drive up utilisation. This is often referred to as the ‘flight to quality’.

A new standard of office space has emerged that exceeds the standards of those previously classified as Grade A, termed ‘best in class’. Since 2017, rental price growth for best in class buildings has been twice the rate of secondary/average quality buildings⁵.



Rental price growth for best
in class buildings are 2
times higher than average
quality buildings

Demand for best-in-class (i.e. new and refurbished buildings) is higher now than pre-pandemic, with these buildings representing the majority (70%) of all lettings in the City in Q1 2023 (see **Figure 1** below), which is over 20% above the average of the five years before the pandemic. Demand for Grade B space has slowed post-pandemic. However, demand for the highest grade stock may soften in the next few years as existing occupiers look to right-size their real estate footprint for hybrid working as leases expire.

³ GLA, 2023. London Long Term Labour Market Productivity Trend-based Projections by Borough.

⁴ Arup, 2022. The future of the office in Central London.

⁵ Knight Frank, 2023. Knight Frank Research and MSCI.

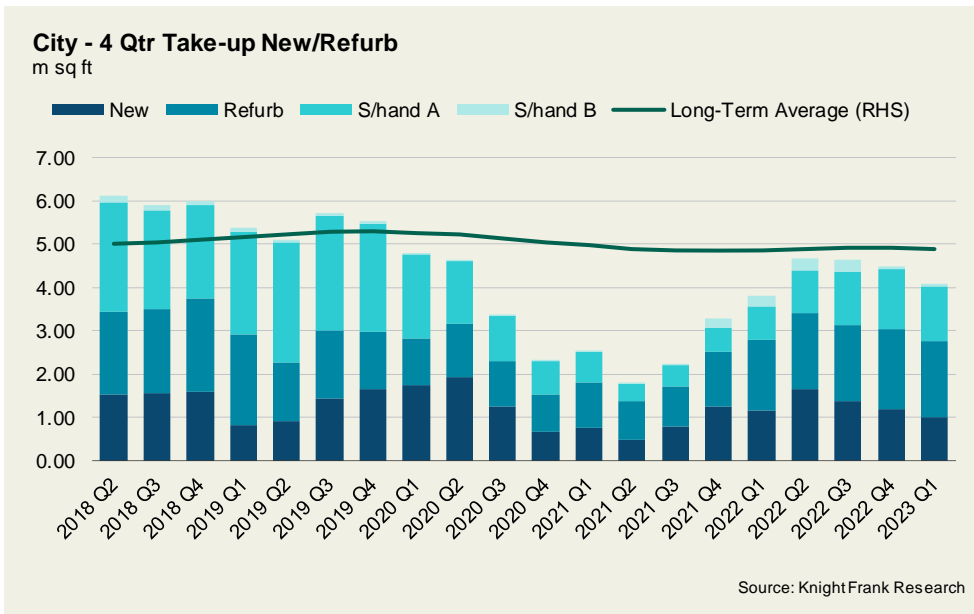


Figure 1: Take up by Quality - Knight Frank Research, 2023

Employment is projected to grow

The employment trends by sector are highlighted in **Figure 2** based on GLA Economics London Long Term Labour Market Projections⁶. Results show that the number of traditional office-based jobs and public sector office-based jobs across London are projected to decline, mainly due to job losses in Finance and Public Administration. On the other hand, information and communication jobs (+67,600) as well as professional, real estate, scientific and technical activities (+335,000) - all part of emerging office-based jobs - are projected to drive growth in London. The GLA projects employment in the City to grow by an additional 85,000 jobs (+13%) by 2041⁷ with consistent growth until 2035 which then stabilises until 2041.

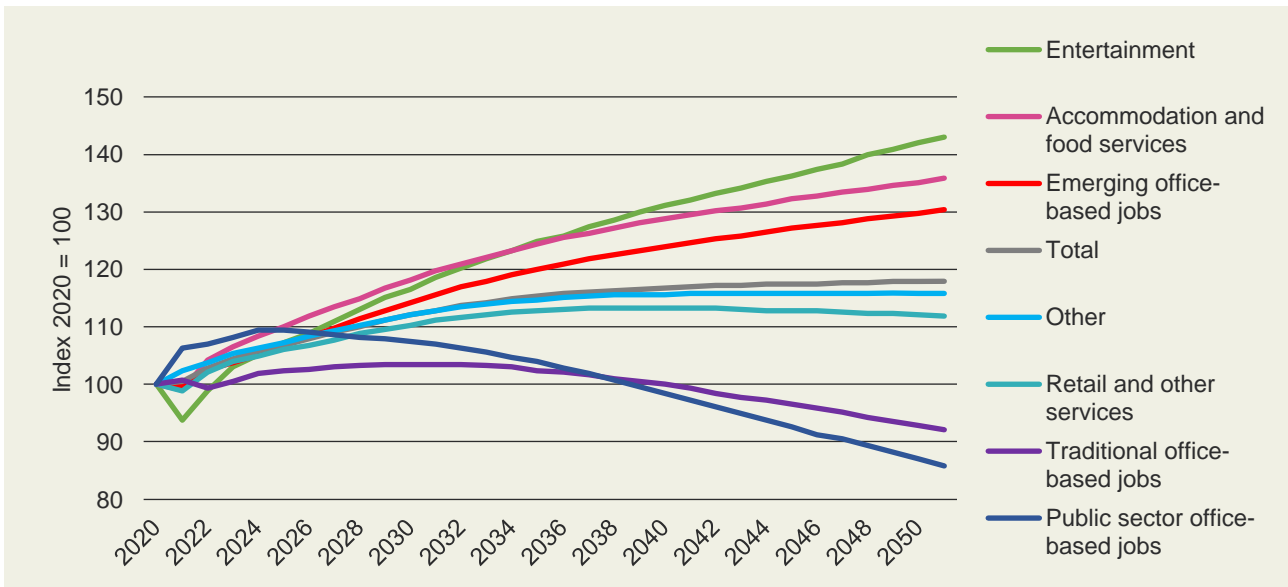


Figure 2: London-wide Long Term Labour Market Projections – Sector projections - GLA Economics, 2022

⁶ GLA, 2022. London Long Term Labour Market Sector Projections; Arup analysis 2023

⁷ GLA, 2023. London Long Term Labour Market Productivity Trend-Based Borough Projections; Arup analysis.

Long term growth prospects appear good in our scenarios, with the City requiring 6 – 20 million sq ft of additional office space by 2042. Much of this will be high quality office space for smaller employers.

We modelled future demand for *overall* office floor space in the City using three scenarios (*Return of In-Person*, *Hybrid Peak* and *New Diverse City*). All three scenarios suggest a slowdown (i.e. if employers *immediately* right-size for their needs) overall in office floor space demand during the next few years, with *Hybrid Peak* and *New Diverse City* suggesting lower implied overall demand for much of the rest of the 2020s (**Figure 3**). The inertia caused by long leases means that, in reality, this is likely to manifest as a soft landing. Within the overall picture of demand, there is a more upbeat market for best in class space, and a weaker one for lower grade space.

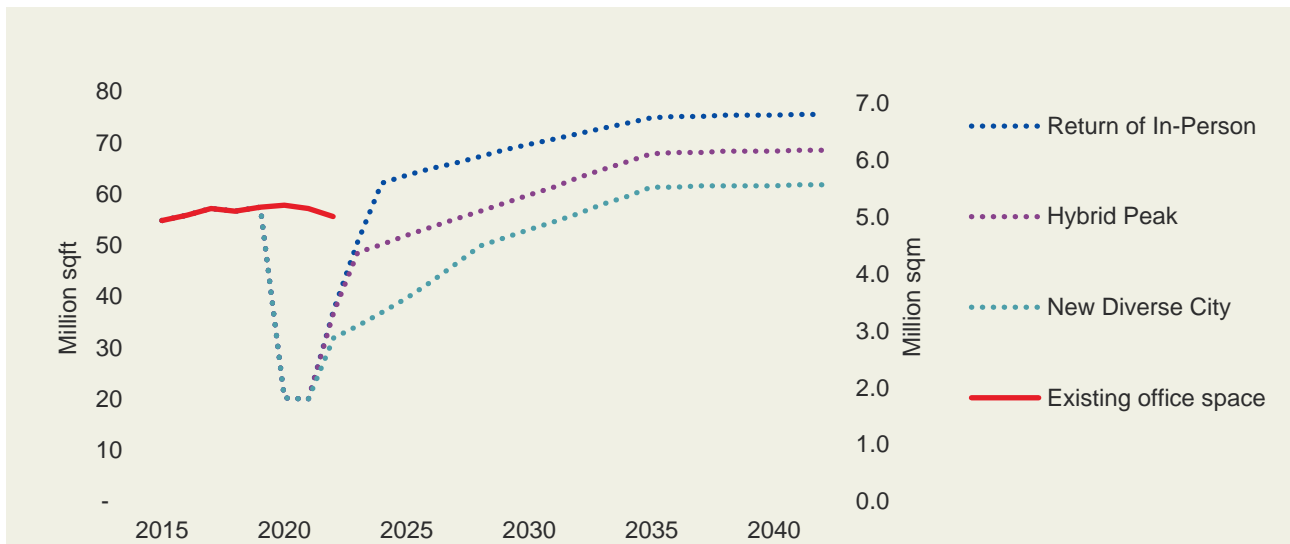


Figure 3: Underlying demand for office space in the City of London by scenario – Arup analysis, 2023

All three scenarios return to higher levels of implied overall demand for office space in the City in the long term. The key findings from the model compared to 2022 levels⁸ include:



+ 20 million square feet of net office-space needed by 2042

Return of In-Person + **60,000 office-based FTE jobs** accommodated in the City by 2042*

* using GLA forecasts



+ 13 million square feet of net office-space needed by 2042

Hybrid Peak + **60,000 office-based FTE jobs** accommodated in the City by 2042*

* using GLA forecasts



+ 6 million square feet of net office-space needed by 2042

New Diverse City + **147,000 office-based FTE jobs** accommodated in the City by 2042*

* using Arup’s forecast based on historic BRES employment figures (2015-2020) to account for more efficient use of office space in a new hybrid era. This figure is compared to Return of In-Person and Hybrid Peak scenarios.

2 out of 3 scenarios (Return of In-Person and Hybrid peak) are broadly aligned with the draft City Plan 2036 target in terms of net office space development needed.

The *Return of In-Person* scenario projects additional need for 20 million sq ft of net office space by 2042 (in addition to the net 8.7 million sq ft delivered between 2016-2023) which is higher than the draft City Plan 2036 target. This scenario implies that the supply of high-quality office stock may

⁸ Based on 2022 Valuation Office Agency data (NIA) for office floorspace in the City of London.

struggle to meet demand in the short term if the flight to quality continues, due to sustained high demand and low turnover in office spaces not allowing for the refurbishment and upgrade that may be required for existing office space in the City.

The *Hybrid Peak* scenario projects a more progressive increase in demand for additional office space in the City while still being aligned with longer term targets of delivery of around 21 million sq ft of office space from the draft City Plan (based on the net 8.7 million sq ft delivered between 2016-2023 and the additional net 13 million sq ft required in the scenario). In addition to new developed space, this scenario also implies that potential stranded assets are being quickly refurbished for supply to keep up with demand for more qualitative spaces. However, a window of opportunity to take action exists in the short term, with levels of underlying demand being lower than pre-pandemic levels until 2029, mainly due to medium attendance of workers and progressive employment growth allowing for higher churn and opportunity to refurb space in the short term.

Greater home working could allow for more office jobs to be sustained from the same City real estate footprint.

The *New Diverse City* scenario, which includes the highest rates of home working, has the ability to service a greater number of jobs through the same real estate footprint through less frequent office attendance. The results suggest that the Square Mile could service around an additional 147,000 office jobs by 2042 (compared with the other scenarios, and an increase of 48% on today). This scenario does imply a deeper trough of office demand in the 2020s, but in the medium to long term, as the economy grows, new organisations would be expected to take the place of those that were there previously, provided that suitable office space were (still) available. The organisations filling the space would be more likely to be smaller, emerging office-based firms. A holistic approach to curating sustainable business districts attracts a diverse occupier base particularly from innovation-led growth sectors such as life sciences and education.

Implicit in the *New Diverse City* scenario is that whilst future footfall may be slightly lower than in other scenarios, a higher number of individuals would access the Square Mile for work. This may result in higher net levels of local spend, given that hybrid workers are likely to ‘splurge’ on their days in the office⁹.

But, a proportion of the City’s existing office stock, may require investment to meet new energy regulation and market demands.

Based on EPC data, refurbishment and investment may be required by owners and occupiers to bring buildings in line with standards for businesses in the City. A proportion of institutional grade leases (approximately 32m sq ft¹⁰) may not currently comply with EPC regulation, with a rating below C (as illustrated by **Figure 4**). It is anticipated many businesses will implement changes required to adhere to EPC changes. Conversion of Grade B stock to Grade A, or to best in class is possible in some cases, however this can be challenging. Many assets in the City are historic, including over 600 listed buildings and 26 conservation areas. Heritage assets can impose additional constraints on development, and the financial case for retrofit can be difficult to make, particularly in terms of additional costs and limitations on the potential to deliver modern office requirements, whilst at the same time conserving or enhancing the significance of the heritage asset¹¹. In some limited circumstances, where Grade B offices are obsolete, cannot be viably refurbished and there are wider sustainability and planning benefits, there may be a case for demolition.

We note that lower EPC-rated offices may face a ‘perfect storm’ from the market’s aversion to lower quality, less sustainable, less accessible amenity-rich spaces. Although we note that in the wider London and UK context, these locations perform well in terms of amenities, they are perhaps at greatest risk of becoming stranded assets. It should be noted that whilst EPC ratings provide a measure for understanding potential stranded assets, it should also be complemented on a site-by-site basis with specific NABER rating data for individual premises, to accurately understand a building’s real energy performance across energy, water, waste and indoor environment.

⁹ Arup, 2022. [The future of the office in Central London](#).

¹⁰ Estimated as the share of premises below EPC C office floorspace (GIA) on total office floorspace (GIA) from the Department for Levelling Up, Housing and Communities EPC rating data, applied to 2022 total office floorspace stock (NIA) from the Valuation Office Agency.

¹¹ City of London, 2015. [Office Use – Supplementary Planning Document](#).

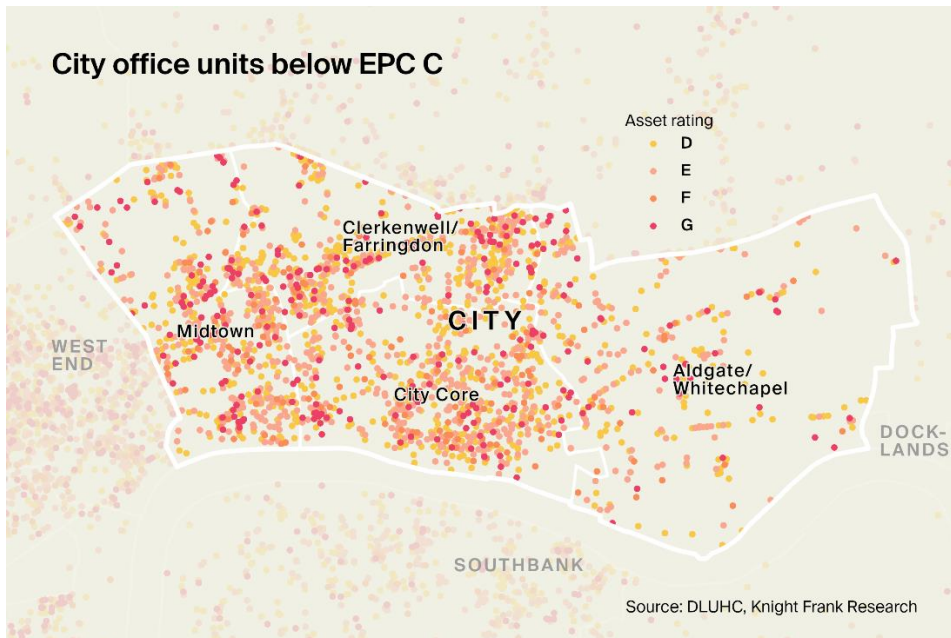


Figure 4: City Office units below EPC Rating C in the City – Knight Frank Research, 2023

As such, our projections for higher overall demand for office space do not account for the challenges faced by some existing lower grade stock in the City. We suggest that intervention is needed to allow for fewer obstacles for older stock to be updated to meet office market needs, or to convert to other uses:

Planning Policy Recommendations – for consideration when updating the City Plan:

1. *Increase the supply of the best-in-class spaces*

- **Review the existing portfolio of office assets in the City:** review the portfolio of office assets in the City and identify potential sites that can be developed to increase the total supply of high quality, sustainable spaces. Consider providing direct support in the form of supporting advice for individual sites.
- **Consider area additions under certain circumstances:** consider area additions more positively when linked to broader outcomes, such as sustainable upgrades.

2. *Encourage conversion of existing Grade B stock to high quality office spaces*

- **Promote good practice refurbishment:** alongside existing SPDs, the City should consider building on the retrofit case studies work, to promote and share good practice of refurbishment that has led to upgraded office stock. The City could share these case studies with the broader construction industry.
- **Support policies that encourage retrofit:** City planning policy should encourage and promote retrofit and refurbishment to improve EPC ratings.

3. *Encourage alternative uses for Grade B stock for which conversion is not feasible*

- **Take a flexible approach to planning consents for heritage and stranded assets:** the City contains a large number of historic assets. For some of these specific, protected historic sites and conservation areas in the City, there may be cases where it may not be financially viable to refurbish existing office space to meet regulation. The City could explore the implications of amending policy that requires ‘viability assessment’ when considering change of use, where this would incentivise the retention and improved environmental performance of existing buildings.

General recommendations – for broader City consideration:

1. *Increase the supply of the high quality, sustainable office spaces*

- **Identify opportunities within the market:** the City should continue to work in partnership with occupiers, developers, landowners to help promote and facilitate opportunities for investment and development opportunities.
- **Continue to promote and invest in amenity, urban and workplace experience in the City to attract employers, office workers and tourists:** continue to invest and improve amenity within the City, for example public transport and active travel accessibility and office-supporting sectors – including food and beverage. Together with a focus on the workplace experience, consider ways to encourage employees back to offices and support high attendance rates. The workplace experience for employees needs to focus not only on the office building, but also wider amenity including improvements in public realm, retail as well as programmatic interventions such as an arts, culture and entertainment programme for example.

2. *Encourage conversion of existing Grade B stock to high quality office spaces*

- **Continue to monitor closely assets at risk of becoming stranded:** following changes in regulation and market demand, relevant refurbishments are anticipated by owners and occupiers to bring buildings in line with standards for businesses in the City. Based on EPC data, a proportion of stock (approximately 32m sq ft) may not currently comply with EPC regulation. Work closely in partnership with developers and land owners to understand future plans and uses for these assets, identifying any potential blockers to convert these (primarily Grade B stock) to best-in-class or Grade A spaces.
- **Form a City Advisory hub to provide expert advice:** the City should form a City Advisory hub to actively connect developers, business owners and other stakeholders with potentially challenging stock to experts, both within the City and externally to support them with upgrading their existing stock. For example, the City could join together with English Heritage to share skills and cost effective methods of retrofit for historic and listed buildings to upskill the broader construction sector.
- **Protect office space during a potential period of softening of demand in the short-term through enabling meanwhile uses:** the ‘flight to quality’ trend, coupled with EPC regulation is driving demand for higher quality best-in-class and Grade A space. Engage with investors and landowners to understand how low grade stock could become more attractive or could be repurposed for meanwhile uses, with a focus on population-serving sectors such as cafes, bars and restaurants.
- **Support broader construction industry campaign for low cost, carbon retrofit:** the City could work with other stakeholders to address the costs of low carbon retrofit, including matters such as campaigning for VAT relief - particularly for buildings deemed stranded assets.

3. *Encourage alternative uses for Grade B stock for which conversion is not feasible*

- **Support a more efficient use of office stock for long-term vacant sites:** there may be some cases where a change of use may be the best option to optimise the use of space due to other constraints (i.e. a site having compounding factors such that it may be a historic asset and a current grade B space), in which case – the City should work with landowners and developers to ensure that transition is done in a way which is planned. The City should also monitor the amount of properties that are left long-term vacant. If this increases significantly over time, the City should look to identify potential alternative uses, or tax incentives (i.e. business rate relief to businesses that benefit the local community or economy) to bring buildings back into use, increasing provision of affordable spaces for example.

4. *Strengthen the City’s role as a premium office market location*

- **Encourage growth in emerging sectors:** the City could consider providing support to encourage emerging sectors. This includes providing marketing, space, skills and incentives to encourage growth, and ensure the City remains a premium office market location that can accommodate emerging-office sectors in particular.

- **Develop targeted marketing campaigns:** develop targeted marketing campaigns to reemphasise the City as a leading global financial hub and office market and attract office market investment. This could include:
 - A) Local marketing campaign – a localised marketing campaign focussed on the City set to become the first zero carbon office market in London. This campaign would aim to differentiate the City from other neighbouring office markets, highlighting the abundance of low carbon, best-in-class offices available.
 - B) Foreign marketing campaign – a targeted campaign focussed on foreign investors to capitalise on the significant investor appetite for high-quality, best-in class space. This campaign would focus on influencing the investment pipeline in the City.
- **Leverage Business Improvement Districts (BIDs):** leverage BIDs including including Fleet Street Quarter, Cheapside, Eastern City Partnership and Aldgate BID in the City as the convenor for neighbourhoods to develop a programme of activity to strengthen the City’s role and function as a premium office market.

Committee(s)	Dated:
Local Plans Sub (Planning and Transportation) Committee	20/06/2023
Subject: City Plan 2040 – Tall Buildings & Heritage	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	1,2,4,7,9,11,12
Does this proposal require extra revenue and/or capital spending?	No
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Gwyn Richards, Planning & Development Director, Environment Department	For discussion
Report author: Rob McNicol, Environment Department	

Summary

As part of the previous formal (regulation 19) consultation stage on the draft City Plan, respondents raised issues regarding tall buildings and their impacts. An extensive exercise has been undertaken to establish and analyse character areas across the Square Mile, identifying those that could be appropriate for tall buildings and establishing appropriate heights for tall buildings in these areas.

This paper sets out proposed amendments to City Plan policy on tall buildings, including where they may be appropriate and inappropriate; permissible heights within areas appropriate for tall buildings; and approaches to ensure development would conserve the special historic and architectural interest of Bevis Marks Synagogue.

Due to the commercial sensitivity of identifying specific sites as appropriate or inappropriate for tall buildings, this report does not include specific maps or images of proposed tall building areas and heights. These will be presented to the Sub-Committee under non-public item 9.

Recommendation

Members are asked to:

- Advise on the proposed direction for City Plan policies related to tall buildings in the City.

Main Report

Background

Consultation responses to the regulation 19 pre-submission Local Plan consultation

1. The Proposed Submission of the draft Local Plan, called the 'City Plan 2036', was published for Regulation 19 consultation in March 2021. In response to the draft Local Plan consultation, a total of 1,327 formal representations were received from 171 respondents which covered a wide range of topics, though a main theme related to the impact of growth and intensification on heritage assets and the City's character. The following key points raised in relation to the draft Strategic Policy S12 (Tall Buildings).
 2. The Mayor of London considered that the policy approach in the City Plan, which defines inappropriate areas for tall buildings, leaves uncertainty regarding the status of other parts of the City. The London Plan Policy D9 states that tall buildings should only be developed in locations identified as suitable in development plans and requires boroughs to identify any such locations along with appropriate tall building heights. As a result, the Mayor considered that the draft City Plan 2036 was not in general conformity with Policy D9 of the adopted London Plan 2021. To address the conformity issue, changes were requested to two key areas:
 - Tall Buildings – the City Plan should identify which areas of the City that are appropriate for tall buildings and, within these areas, indicate appropriate building heights to provide necessary guidance on tall building development and accord with the London Plan.
 - The Tower of London World Heritage Site (WHS) – the City Plan should consider potential negative impacts on The Tower of London WHS from the development of tall buildings and provide clear guidance to manage down building heights in proximity to the Tower and its setting.
 3. Observations were made by Historic England stating that the City Plan does not adequately reflect national or strategic policy and the tall buildings proposals were likely to continue to come forward in locations and at heights that would cause serious harm to the significance of key heritage assets. The Plan should offer mechanisms to adequately protect the City's historic environment.
 4. The London Sephardi Trust and the Spanish and Portuguese Sephardi Community expressed concerns that the policy gives greater weight to the need for additional tall buildings over other important planning objectives, notably conserving and enhancing heritage assets and their settings. Bevis Marks Synagogue as a Grade I Listed Building warrants similar protection as that provided for St Paul's, the Tower of London and the Monument (around 80 similar representations were received on this point).

5. Historic Royal Palaces advocated that areas identified as inappropriate for tall buildings should take account of London View Management Framework (LVMF) views 10A.1 from Tower Bridge and 25A.2 and 3 from the South Bank.
6. The Surveyor to the Fabric of St Paul's noted that the digital model for tall buildings was not included in the evidence base for the City Plan, arguing that it should be added so that decision-making is transparent with reference to an agreed model on which harms and benefits can be judged.
7. The London Borough of Tower Hamlets advocated amending the definition of tall buildings to ensure that all buildings that are tall relative to their context are assessed as such, and suggested that the City Plan should acknowledge that buildings below 75m could also have significant impacts on protected views.
8. A few respondents requested that the area around the Barbican and Golden Lane and the Smithfield and Barbican Key Area of Change be identified as inappropriate for new tall buildings.

Tall buildings analysis

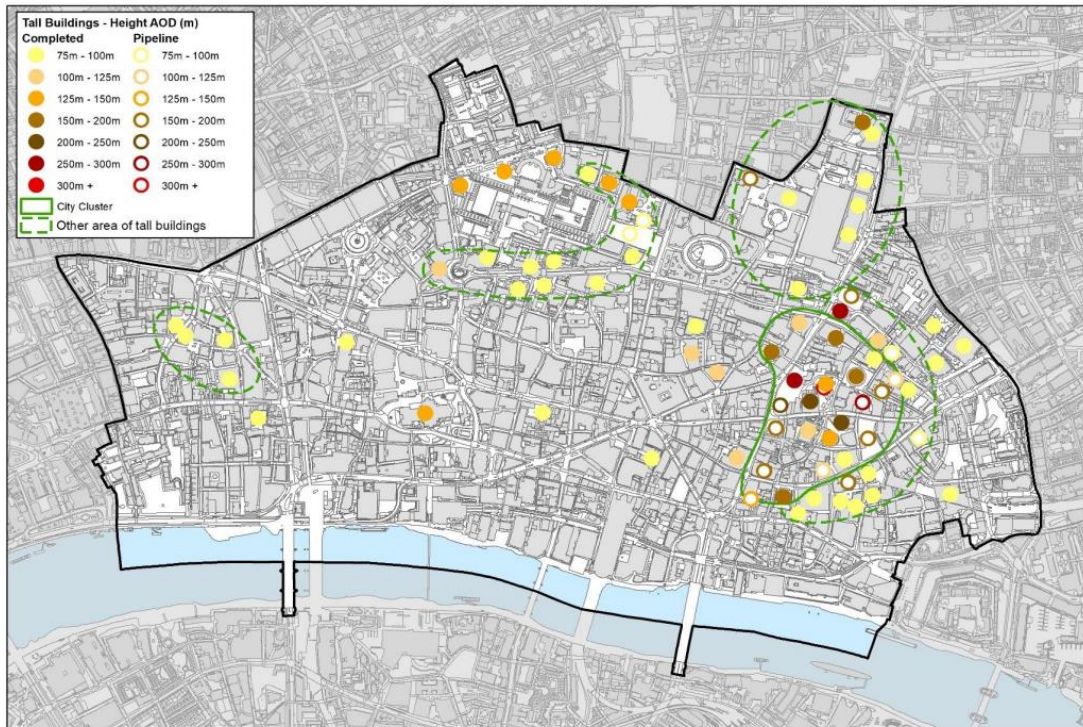
9. To address the issues raised by stakeholders in relation to tall buildings, and to ensure that the City Plan is in general conformity with the London Plan 2021, officers have undertaken extensive research and evidence work related to tall buildings. The objectives of this exercise have been:
 - To identify appropriate locations, in principle, for tall buildings within the City of London;
 - To determine suitable building heights within these tall building areas;
 - To evaluate potential development impacts of new tall buildings using 3D modelling and visualisations.

Establishing a tall building definition for the Square Mile

10. London Plan policy D9 (Tall Buildings) advises that boroughs should define what a tall building is for specific localities, and that this should not be less than 6 storeys or 18m high. The City Corporation's GIS portal contains data on building heights from the Ordnance Survey. This data indicates that only small pockets of the City have building heights at or around 6 storeys or 18m high. These areas include relatively small parts of Smithfield, Fleet Street and the Temples or along the lanes and alleys off Bank junction, which mostly comprise conservation areas.
11. It is apparent from the building height mapping that much of the City is between 50-75m above Ordnance Datum (AOD), or between 15-21 storeys. The City has a varied character with a striking spatial contrast. Given its small geographical area, it is not considered appropriate to prescribe a granular approach to a

definition of tall buildings on an area-by-area basis, but instead to have a single definition for tall buildings across the area.

12. The City Corporation also publishes annual monitoring reports on tall buildings in the City of London and these define tall buildings as those that are greater than 75m AOD. For the purposes of addressing the London Plan requirements, it was considered that a 75m definition would be appropriate. It ensures consistency with the longer-term monitoring and – given prevailing heights across much of the City – is a level where buildings may have significant visual implications and could result in a significant change to the skyline.

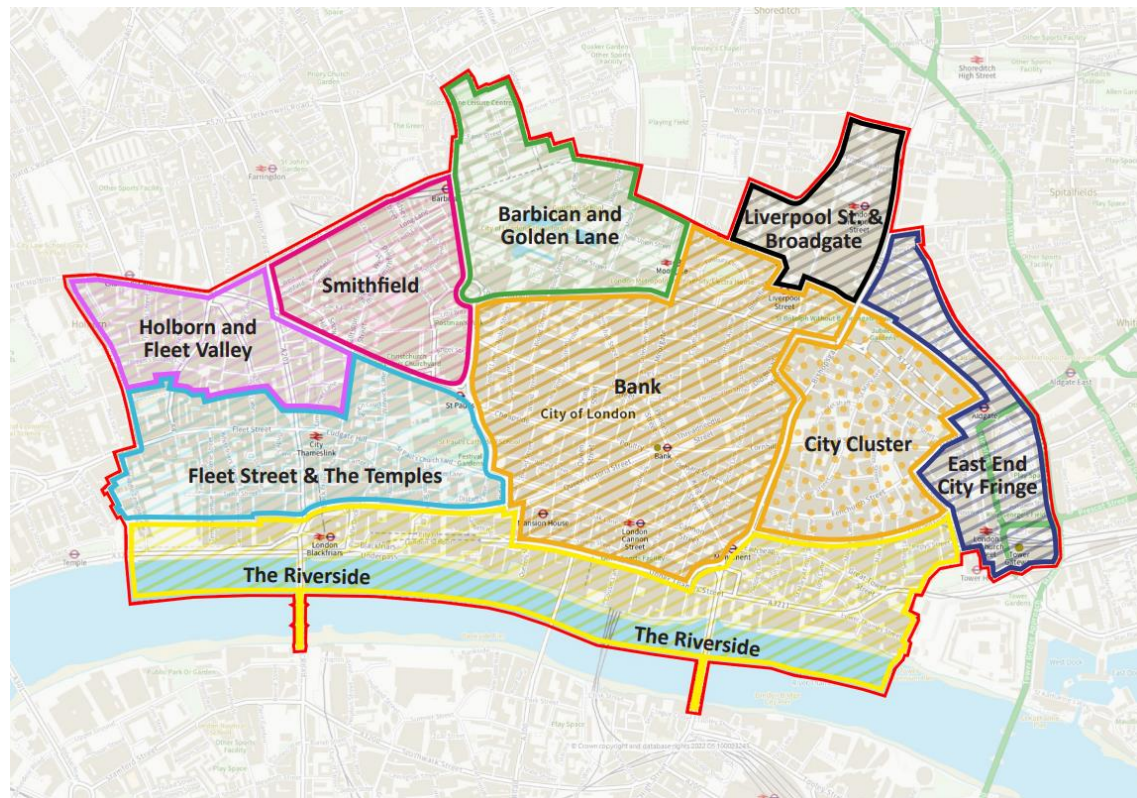


Character areas sieving exercise

13. London Plan policy D9 (Tall Buildings) requires boroughs to determine if there are locations where tall buildings may be an appropriate form of development and to identify these areas on maps. Supporting text advises that a 'sieving exercise' should be undertaken to identify these locations, by assessing potential visual and cumulative impacts; and that maximum heights for tall buildings in these locations should be determined.

14. To meet these requirements, a comprehensive 'sieving exercise' has been undertaken for the Square Mile. This involved carrying out a detailed character and heritage significance assessment for the Square Mile as a whole, and then at a more granular level further sensitivity analysis for identified distinct Character Areas of the City. The study confirmed the City's long-term approach that, given its historic nature, and the area's prominence in local and wider views, all parts of the Square Mile are sensitive to tall building development. However, through the sieving exercise it has been possible to assess varying levels of sensitivity

across the City and identify those areas which have the greatest sensitivity to the potential impact of tall buildings.



15. For the purpose of this analysis, the City was divided into nine character areas that have characteristics which make them distinct from each other.

The following criteria were applied to assess each area's sensitivity to tall building development:

- **Character and appearance** – an assessment of the look and feel of the character areas; including its core characteristics such as building height; morphology, topography and urban structure; built form and mix of land uses; landmarks; local views. Based on the above character analysis, a conclusion was drawn on the level of sensitivity of the area's existing urban form, in principle, to tall buildings.
- **Strategic Townscape, Heritage & Views** – a general assessment in relation to the potential implications of tall buildings on the wider City and pan-London skyline. Each area was assessed in relation to the setting of St Paul's Cathedral (LVMF views, St Paul's Heights and associated views); the City Landmarks and Skyline Features; Monument Views; the settings of the Monument and the Tower of London World Heritage Site; and the locally designated views of other neighbouring boroughs. A conclusion was drawn regarding the area's sensitivity to tall buildings, in principle, on this basis.

- **Heritage Significance** – a broad assessment of the heritage significance of the Character Areas and their constituent heritage assets was made, including how they contribute to the City’s overarching heritage significance. A conclusion was drawn regarding the area’s sensitivity to tall buildings, in principle, on this basis.
16. An overall conclusion was formed regarding the sensitivity of each of the areas to tall buildings. If found to be very sensitive, it was sieved out of the exercise; if found to be sensitive, it was taken forward, or ‘sieved in’, for more detailed sensitivity assessment.
 17. Of the nine character areas, seven areas were identified as being ‘very sensitive’ to tall buildings, and were therefore ‘sieved out’. Two areas – specifically the City Cluster and Holborn and Fleet Valley areas – were found to be ‘sensitive’. These two areas were subjected to detailed 3D modelling sensitivity analysis to refine the extent of their perimeter boundaries and determine acceptable building heights within these areas.
 18. The characterisation work has been undertaken in-house, with expert input from planning policy and design officers. To add robustness, the sections establishing a baseline characterisation and heritage significance of the City, and the constituent Character Areas, has been expert peer-reviewed by Dr Nigel Barker Mills, a former Director of Historic England’s London Office and heritage conservation expert.

Detailed assessment of the tall building areas

19. To assess the potential impact of future development on strategic view and heritage constraints, detailed 3D modelling was carried out for the two identified tall building areas. This work has been undertaken with leading experts in the field, VU City and Miller Hare, working closely with officers.
20. This process involved geometric three-dimensional mapping of the relevant criteria, reflecting those strategic constraints. It is worth noting that this comprehensive process didn’t seek to address more localised character and heritage constraints, or other material considerations when assessing tall buildings. Those constraints would be appropriately dealt with on a case-by-case basis. The relevant criteria comprised:
 1. Those strategic pan-London views of the London View Management Framework (LVMF), including further modelling of hard constraints which are integral to their management;
 2. St Paul’s Heights Viewing Points contained in the Protected Views SPD (2012);
 3. Monument Views contained in the Protected Views SPD (2012);
 4. Tower of London World Heritage Site (WHS) approaches and representative views, as identified in the Tower of London Local Setting Study;
 5. Relevant neighbouring borough’s strategic local views;
 6. Achieving an overall coherent cluster form on the skyline.

21. The 3D model and relevant criteria were used to test the potential heights of tall buildings within each area. Two options were tested for each area, an Option A and Option B, taking into account the criteria and assessing the potential impact of the massing and overall form. For the City Cluster area, particular attention has been given to the proximity of potential tall buildings to the Tower of London WHS, and this has informed the preferred option for the tall building area. This exercise has involved comprehensive and exhaustive work, applying expert judgement and analysis of tall building impacts on many views.

Refresh Strategic Policy S12 (Tall Buildings)

22. As a result of the tall buildings analysis work, there is a requirement to revise the City Plan draft policy on tall buildings.

23. The updated policy will designate areas within the City where tall building development (over 75m AOD) is considered appropriate, based on the evidence base analysis. These areas will be clearly marked on the policies map. This is a shift in policy, with the current draft policy only identifying areas where tall buildings would be inappropriate. The new policy will provide further clarification that new tall buildings will only be appropriate in suitable locations within the designated tall building areas and will be subject to detail site assessments to ensure that they are in compliance with the tall buildings and other relevant local plan policies.

24. Outside the designated areas, policy will be amended to specify that these areas have been identified as being 'very sensitive' to tall buildings and that new tall buildings would be inappropriate in these areas.

25. The revised policy will indicate building heights on contour maps, and any tall building proposal will have to consider the maximum permissible building heights (in metres AOD) specified on the 2D contour map. A 3D digital model of the tall building areas and potential heights within them will also be made available to guide development proposals for tall buildings.

26. The policy will be clear that, while the heights identified are potentially appropriate, buildings should not be designed purely to maximise height up to this limit; instead, tall buildings should be carefully designed with building forms that contribute positively to the skyline, the local character and have architectural integrity.

27. In addition, proposals for tall building development will be subject to detailed scrutiny, and will be required to take into account all relevant policies in the City Plan and the London Plan. Impacts on conservation areas, heritage assets, and their settings will be addressed through a more detailed assessment conducted at a local level on a case-by-case basis. Other potential impacts of proposed tall buildings would also be assessed, in line with relevant policy.

Impacts on Bevis Marks Synagogue and its Immediate Setting

28. Bevis Marks synagogue is the oldest synagogue in continuous use in the United Kingdom, opened in 1701, and it is understood to be the only synagogue in Europe that has held regular services continuously for over 300 years. It is a Grade I listed building, of outstanding architectural and historic interest, and is notably very little altered. Representatives of the synagogue community have raised concerns that further development in the surrounding area could worsen the internal light levels experienced by the building and affect the historic setting of the building.
29. The synagogue sits within a gated courtyard, immediately surrounded by buildings on all sides, most of which date from the 20th Century. There are a number of taller buildings that are visible from within the courtyard space and a number of additional consented buildings will be visible once completed.
30. Officers consider that there are a range of steps that could be taken to ensure that new development in the area has an acceptable impact on the setting and therefore the significance of Bevis Marks synagogue. These include:
- Identifying an 'Immediate Setting' area for the synagogue, which recognises the relationship between the synagogue building, its courtyard and those buildings immediately surrounding it, and which will require the height of any development to respect and respond to the immediate setting of the Synagogue, avoid having an overbearing impact and conserve the special interest of the synagogue.
 - Including in City Plan policy a requirement that development within the City Cluster would not have an unacceptable impact (in line with BRE guidance) on daylight levels in historic places of worship including the Synagogue, including cumulatively, and that developments should seek to improve daylight levels where possible.
 - Members are advised that, as a separate issue, an assessment is being carried out for establishing a conservation area covering the wider Creechurch area, recognising the significance of the many heritage assets in the area, including Bevis Marks synagogue. This process sits alongside the Local Plan, as a result of the City Corporation's duties set out in section 69(2) of the Planning (Listed Buildings and Conservation Areas) Act 1990, which requires local planning authorities to determine whether any areas should be designated as conservation areas, and will be a matter for consideration by the Planning and Transportation Committee in July 2023.
31. Officers believe that taking these steps would help to ensure that development in the area would not have a detrimental impact on the significance of Bevis Marks synagogue, while not unduly constraining appropriate development in a part of the City where tall buildings are considered suitable, in principle.

Corporate & Strategic Implications

32. The proposed refresh of draft Local Plan policy will be in conformity with strategic policy and complementary to Destination City.

Financial implications

33. None.

Staff Resource implications

34. Preparation of the revised pre-submission Regulation 19 City Plan will be carried out in-house by the Development Plans Team, working alongside and supported by Development and Design colleagues in the Planning Service and by other services as appropriate.

Legal implications

35. There are no specific legal requirements, other than the ongoing requirement to ensure that all relevant statutory processes are complied with during production of the City Plan.

Equalities implications

36. Preparation of the City Plan has been informed by an Integrated Impact Assessment which incorporates an Equality Assessment. Any material changes to the Plan will be subject to further Equality Assessment. This will include assessment of the impacts of the relevant policies on people who share the protected characteristic of religion, in particular the Sephardic Jewish community who worship at the Bevis Marks Synagogue. The requirements of the Public Sector Equality Duty – to eliminate unlawful discrimination, and to advance equality of opportunity and foster good relations between people who share a protected characteristic and those who do not – have informed the proposed policy approaches set out in this paper.

Risk implications

37. The December 2021 report to the Grand Committee identified the risks associating with preparing a revised pre-submission Regulation 19 City Plan as compared to submitting the current version for examination. The Grand Committee agreed to revise the City Plan and officers will continue to monitor and report back on any changes to the risk assessment as the project progresses.

Climate implications

38. The City Plan is one of the key mechanisms for achieving those targets in the Climate Action Strategy which relate to the Square Mile rather than the City Corporation's own operations, in particular the net zero target for the Square Mile by 2040. It is intended that the revised City Plan will further strengthen alignment with the Climate Action Strategy.

Security implications

39. There are no direct security implications.

Conclusion

40. This paper sets out proposed policy changes to the City Plan 2040 in relation to tall buildings, as a result of issues raised by respondents during previous public consultation. The proposed changes result from an extensive project to undertake character assessments of all parts of the Square Mile; carry out a 'sieving exercise' to identify those areas that could be appropriate for tall buildings; undertake detailed analysis of these two areas – the City Cluster and Holborn and Fleet Valley – to establish appropriate heights for tall buildings in these areas.
41. As a result of this work, it is recommended that the City Plan policy on tall buildings be modified to identify those areas where tall buildings may be appropriate (and where they would be inappropriate); and to set out heights for the two tall buildings clusters in a contour map and published 3D shape file. Within the areas deemed appropriate for tall buildings, the policy will recognise that tall buildings may not be suitable on all sites and that further analysis would need to be undertaken to consider local and strategic impacts of any proposed tall buildings. Policy would also be amended to ensure proposed development within the City Cluster would not have an unacceptable impact (in line with BRE guidance) on daylight levels in historic places of worship including Bevis Marks Synagogue, as well as recognising the proposed Immediate Setting of the Synagogue, alongside work to establish a wider Creechurch Conservation Area.
42. Given the complex nature of the Square Mile, and in particular the strategic views that cross the area, this work is one of the most complicated tall building modelling exercises carried out to date in London. The use of a 3D shape file for guiding development proposals (alongside the policies and 2D mapping in the development plan) would be a highly innovative approach to implementing the City Plan, providing increased certainty and transparency to stakeholders.

Background Papers

- None

Appendices

- None

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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