

<b>Committee(s)</b>	<b>Dated:</b>
Local Plan Sub-Committee	04/11/2020
<b>Subject:</b> City Plan 2036: Revisions to pre-Submission Draft Plan	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	<b>2,4,7,11,12</b>
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>If so, how much?</b>	<b>£0</b>
<b>What is the source of Funding?</b>	<b>N/A</b>
<b>Has this Funding Source been agreed with the Chamberlain's Department?</b>	<b>N/A</b>
<b>Report of:</b> Carolyn Dwyer, Director of the Built Environment	<b>For Decision</b>
<b>Report author:</b> Peter Shadbolt, Department of the Built Environment	

### **Summary**

At the meeting of the Local Plan Sub-Committee on 20<sup>th</sup> October 2020, Members considered a schedule of proposed changes to the draft Local Plan, asked for clarification on some of the proposed changes and asked for further changes to be considered. This report responds to the questions and further clarification sought by the Sub-Committee and a revised schedule of changes is attached.

### **Recommendation(s)**

Members are asked to:

- Agree the suggested approach outlined in this report and the schedule of proposed changes, for onward consideration by Planning & Transportation Committee.

### **Main Report**

#### **Background**

1. This paper sets out the key issues raised at the Local Plan Sub-Committee meeting on 20<sup>th</sup> October and suggests an approach to further changes in the draft Local Plan to address these issues. The further changes are not detailed in this paper but if Members are content with the suggested approach then the detailed changes will be included in the papers being prepared for consideration on 17<sup>th</sup> November Planning and Transportation Committee. The detailed changes are being prepared and a schedule of changes will be laid around the table on the day to inform the Sub-Committee discussion.

### **Local Plan Timetable**

2. Members asked whether the timetable to progress the Local Plan through to consultation could be speeded up by targeting Court of Common Council in December 2020 rather than January 2021. Legal advice is that material changes to the Plan at this stage need to be considered at Planning & Transportation and Policy & Resources Committees and Court of Common Council. To meet the 3<sup>rd</sup> December Court of Common Council date, the changes to the Local Plan would need to be considered by Planning & Transportation Committee on 17<sup>th</sup> November (as currently planned) and by Policy & Resources Committee on 19<sup>th</sup> November.
3. In the past, Committee approval has sometimes been obtained in the same committee cycle but that was when substantive debate and further changes were not expected at Planning & Transportation Committee. This approach is not advised on this occasion as there is already some disquiet among some Planning & Transportation Committee Members regarding approval of the draft Plan in March which was by Chairman's action following consideration at an informal virtual meeting. Given all that has happened since Planning & Transportation Committee in March when the Grand Committee last considered the Plan, it is considered appropriate to allow time for proper consideration by Committee Members at a formal meeting in November with time then allowed for suggested changes to be included in the draft Plan before consideration by Policy & Resources Committee in December.
4. Officers would also advise against starting formal public consultation on the Plan changes immediately prior to the Christmas holiday period, so seeking Court approval in December would not speed up the process in a substantive way. Officers, therefore, advise that the current approval timetable be retained.

### **Financial Impacts of Covid**

5. Members raised concerns about the financial impacts of Covid on the City Corporation and TfL, in particular, and whether these shorter-term financial impacts could have longer term consequences that should be reflected in the Local Plan.
6. As set out at the previous meeting of the Sub-Committee, officers consider that the draft Plan is flexible and adaptable to rapidly changing circumstances, including potential financial impacts. This could be better expressed in the Plan, with further brief references added to the Plan's Introduction and Monitoring sections addressing the need for flexibility, including a recognition that Covid is having short term financial and other implications which may impact on, or delay, implementation of some policy aspirations. This could also address the short term financial impacts on TfL, highlighting the importance of good regional, local and global transport links to the City's future.

## London Recharged Report

7. The London Recharged Report, produced by the City Corporation in partnership with Oliver Wyman and Arup, was published on 20<sup>th</sup> October 2020. Press reports portrayed this as a 5 year plan for the City of London to recover from Covid. The report is intended, not as a plan, but as a series of recommendations to assist London as a whole in its recovery from the pandemic. The report makes recommendations for the ways that businesses operate in London, the role of local and central government and the need to deliver a more diverse and representative workforce that makes the best use of London's talents. Amongst the key recommendations are a number that specifically relate to the work of the Planning & Transportation Committee, including:
  - Create spaces to innovate, akin to start-up incubators. The incubators should provide work spaces with experts from government, academia and business to coalesce and innovate on specific priority themes.
  - Pilot transformation of London's office stock to support new uses, including the development of 'hyper flexible spaces'.
  - Motivate SMEs and artists to re-enter the city centre by providing 'hives' of affordable work space and access to basic infrastructure.
  - Explore ways to innovate London's transport network considering new consumer/ commuter behaviours and the network's financial difficulties. Options could include the creation of 'flexible working' season tickets.
8. The Local Plan aligns closely with a number of these recommendations and officers participated in the steering groups informing its production. A more detailed analysis of the relationship between the Local Plan and London Recharged will be reported verbally at the Sub-Committee meeting on 4<sup>th</sup> November 2020, but in summary the Local Plan does:
  - Encourage flexible and adaptable workspaces, including the need for incubator space and space for innovation and start-ups.
  - Encourage active and vibrant uses at ground floor, to animate City spaces and provide an environment which is attractive to investors and workers.
  - Highlight the importance of culture and cultural enterprises in the City's attractiveness, including a new requirement for major developments to provide cultural plans and to consider the provision of creative spaces.
  - Place greater emphasis on transport within and to the City of London, increasing opportunities for active travel and emphasising the importance of the City as a sustainable business hub.
9. It is significant that the London Recharged Report has been prepared during the Covid pandemic and was informed by interviews with many senior figures to gauge their latest views on the short term and long term implications of the pandemic for London. The close alignment between the Local Plan and the recommendations in the London Recharged Report provide some reassurance that the Plan is sufficiently flexible to still be relevant in current circumstances.

## **15 Minute City**

10. Members asked about the concept of the 15 Minute City and its relevance to the City of London. As was explained at the meeting, this concept is more relevant to cities with a high local residential population and the opportunity to minimise travel to work, providing all necessary facilities within a 15 minute walk of residential homes. This concept is of less relevance to the City where the local residential population is much lower, but officers have suggested changes in the schedule to address the concept and explain its relevance to the City. More emphasis is put on the role of the City as being at the centre of a sustainable transport hub, which enables talented businesses and workers to come together in a central location to deliver sustainable economic growth.

## **Development Pipeline**

11. Members sought reassurance that the pipeline of commercial development in the City was robust in the face of Covid.
12. The Plan's employment growth projections and the related office space growth target pre-date Covid and its health, behavioural and economic effects. Employment growth may be slower in the short to medium term than previously projected due to economic disruption and behavioural changes such as more remote and occasional working. However, lower levels of employment growth do not translate directly into lower demand, and need, for office floorspace overall. Covid restrictions have significantly reduced current office occupancy capacity and as we come out of the pandemic, it is likely that we will see a renewed emphasis on providing more social and collaborative space in buildings, with lower office occupation densities overall. In the short to medium term, reductions in employees commuting daily into the City may be offset by this trend for lower occupation density and more social space. Some firms may reduce their total space requirements but that may provide opportunities for other firms who previously did not have much presence in the City to take up the newly available space in what is an excellent, accessible business location. The net result of these emerging trends will be monitored carefully to ensure that the Plan policy implementation remains appropriate to the evolving picture.
13. The draft Plan provides for an uplift in office floorspace of 2 million square metres over the period 2016 to 2036. As at March 2020, there had already been a net gain in office stock of 0.58 million square metres (29% of the target) with a further 0.76 million square metres (38% of target) under construction. Therefore 67% of the target is likely to have been completed by the end of 2021. Additional information on the planning pipeline will be tabled at the meeting, highlighting the continued developer and investor interest in the City as a business location. The Covid pandemic may alter the character of the office floorspace provided in the City to address changing occupier needs but that does not mean that the overall target is unrealistic or inappropriate this stage. The overall office floorspace target is therefore considered to be achievable and is consistent with our wider aspirations for the City as a commercial centre of innovation and creativity.

## **Mix of Uses**

14. Members asked officers to look at the balance of office and residential development to see whether the Plan had the balance right between encouraging office development and housing in appropriate locations. This was related to the current significant reduction in workers coming into the City and the growth in remote working.
15. Local Plan Policy S3: Housing encourages additional housing on appropriate sites within or near to the identified residential areas, except where such development would prejudice the City's primary business function. The wording of the policy has been changed from the current adopted Plan, and earlier draft Plans, which referred to 'providing' new housing and 'guiding' new housing, to provide a more positive encouragement, particularly of new and innovative forms of housing such as co-living or build to rent.
16. Local Plan Policy OF2: Protection of Existing Office Accommodation, resists the loss of suitable and viable office accommodation, but does allow for the loss of office accommodation within and near residential areas where the proposed development would not compromise the potential for office development in the vicinity and would have demonstrable wider benefits for other Plan objectives.
17. The draft Plan is already considered to be more positive towards residential development than the adopted Local Plan, with a specific focus on new and innovative forms of housing. Further change is not considered necessary at present, but the flexible and adaptable nature of the Plan does allow changing circumstances to be reflected.

## **Retail Development**

18. Members sought reassurance on the approach to retail development in the draft Plan in light of the significant retail downturn as a result of Covid and the growth of online shopping, exacerbated in the City of London by the substantial reduction in the footfall of City workers as companies switched to remote working.
19. Officers previously explained that the overall retail trends and the areas for retail growth in the City continued to be relevant in a long term 15-year plan, but that specific targets should either be deleted or used as aspirational monitoring targets. A particular concern was the reliance on a 2017 study to justify retail growth and the need to update it.
20. Since the meeting on 20<sup>th</sup> October, officers have liaised with the City's retail consultant on a potential update or supplementary commentary to the 2017 retail report to take account of current circumstances and provide a robust basis for the retail policies in the version of the Plan that will be submitted for examination. A verbal update will be provided at the Sub-Committee meeting.

### **Fleet Street**

21. Members raised concerns about the mix of retail provision on Fleet Street and the specific difficulties that this area faced. Officers reported on a meeting with the Fleet Street Quarter Partnership and the potential for a Business Improvement District (BID) going forward and have suggested wording in the schedule of changes to highlight this joint working in the Fleet Street area.
22. The draft Plan already reflects the joint working taking place through the Aldgate Partnership and the emerging proposals for a BID in the City Cluster area in the relevant Key Areas of Change policies. Since Cheapside is not within a proposed Key Area of Change, there are only passing references to the Cheapside BID in the Plan and an additional reference will be added to the retail section of the Plan to highlight the work being undertaken by the Cheapside BID to promote this area as the City's 'High Street'.

### **Detailed Comments**

23. Officers agreed to look further at a number of detailed comments, which are addressed in the revised schedule of changes:
  - Smithfield and Barbican – ensuring that the policy and textual wording reflects the current position on the Markets Consolidation Programme, and the potential for re-use of the whole or part of Smithfield Market.
  - Air Quality – wording is amended to 'strongly' resist in part 2 of Policy HL2.
  - Housing outside the City – the Housing Strategy 2019-23 target dates are removed so that the target of 700 new social homes better reflects the Corporation's current housing programme.
  - Temporary retail pop-ups – wording is adjusted to recognise the potential for adverse impacts arising from 'permanent' pop-ups which compete with established retail.

### **Corporate & Strategic Implications**

24. Strategic implications – The review of the Local Plan is informed by the Corporate Plan (2018-23) and the new Plan, when adopted, will help to implement a number of Corporate Plan outcomes. The Proposed Submission draft Plan provides a spatial planning framework to support the Climate Action Strategy and key corporate capital projects, along with proposals to ensure a sufficient supply of business space to meet future needs. It also aligns with the adopted Transport Strategy.
25. There are no financial, resource, legal, risk or security implications arising from this report.
26. Equalities implications – the Local Plan has been informed by an Integrated Impact Assessment which incorporates an Equalities Impact Assessment.

## **Conclusion**

27. This report responds to the questions and further clarification on changes to the draft Local Plan sought by the Sub-Committee at its meeting on 20<sup>th</sup> October 2020. A revised schedule of changes is attached.

## **Appendices**

Appendix 1: Schedule of further proposed amendments to the Proposed Submission version of the City of London Local Plan

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