

# Report – Planning and Transportation Committee

## City Plan 2040

*To be presented on Friday, 12<sup>th</sup> December 2025*

*To the Right Honourable The Lady Mayor, Aldermen and Commons  
of the City of London in Common Council assembled.*

### SUMMARY

The City Plan 2040 is a new local plan being prepared for the City of London, setting the policies and strategic priorities that will guide the growth of the Square Mile up to 2040. The City Plan has been in production for a number of years, with initial ‘issues and options’ explored and consulted on in 2016, a draft plan consulted on in 2018/19, and an initial proposed submission version of the Plan produced and consulted on in 2021.

The City Plan was last reported to this Honourable Court on 7 March 2024, with this detailing the previous rounds of consultation and engagement, background evidence and the form and content on a new version of the ‘proposed submission’ (Regulation 19) version of the City Plan. Approval was granted to consult on the ‘Proposed Submission’ version of the City Plan 2040 and to then submit the City Plan to the Secretary of State for independent examination. From this point onwards the timetable is driven by the appointed planning Inspectors in line with the regulations and procedures rather than the City Corporation.

Formal examination hearings have now concluded and a list of proposed Main and Additional Modifications to the plan have been prepared. The proposed Main Modifications reflect the changes that the Planning Inspectors deem necessary to make the plan ‘sound’. The Main and Additional Modifications respond to matters raised during consultation and during the examination on the City Plan. These amendments require formal consultation for a period of six weeks, with this Honourable Court’s approval being required to commence with the consultation. The consultation responses and a City Corporation response will then be sent back to the Planning Inspectors to be considered in their Final Report. Once the Inspector’s Report has been received, the City Corporation will be free to commence the governance process for adoption. The City Plan will then form part of the Development Plan for decision making purposes.

### RECOMMENDATIONS

That this Honourable Court –

- **Approve** a six-week consultation period on the Main and Additional Modifications to the City Plan (Appendix 1 and 2), the Sustainability Appraisal Review (Appendix 3) and the changes to the Policies Map (Appendix 4)
- **Authorise** the Director of Planning and Development, in liaison with the Chair and Deputy Chair of the Planning and Transportation Committee to provide a City Corporation response to the consultation responses received.

## MAIN REPORT

### Background

1. The City Plan was last brought to Planning and Transportation Committee on 31 January 2024, Policy and Resources on 22 February and Court of Common Council on 7 March 2024.
2. This report detailed the previous rounds of consultation and engagement, background evidence and the form and content of the Regulation 19 version of the City Plan. The report sought approval to consult on the Regulation 19 'Proposed Submission' version of the City Plan 2040 and to then submit the City Plan to the Secretary of State for independent examination. It also sought authorisation to the Planning and Development Director, in liaison with the Chair and Deputy Chair of the Planning and Transportation Committee, to compile a list of further changes to the City Plan in response to public representations and submit these to the Secretary of State.
3. The Regulation 19 consultation took place between 18 April and 17 June 2024 and was submitted, in line with the proposed timetable on 29 August 2024. Following submission the plan is termed 'at examination' which includes all the process including the formal hearings until the receipt of the Inspectors' Final Report. The formal hearings concluded on 12 June 2025.

### Examination progress

4. The City Corporation submitted the City Plan for examination on 29 August 2024. From this point onwards the timetable is driven by the Inspectors in line with the regulations and procedures rather than the City Corporation. The role of the appointed Planning Inspectors is to determine whether the City Plan is 'sound' and 'legally compliant'.
5. The dedicated examination page at: <https://www.cityoflondon.gov.uk/services/planning/planning-policy/city-plan-2040-examination-in-public> includes all information, submissions and correspondence relating to the City Plan examination. This includes the Inspectors' Main Matters, Issues and Questions (MIQs) which were received in February 2025 and the Matter Statements prepared by the City Corporation and other parties in response. The MIQs formed the basis of the discussions at the hearing sessions.
6. The hearing sessions initially commenced with a focus on matters of legal compliance (Matter 1). As the Inspectors can only seek to address matters of soundness, any substantial issues regarding legal compliance would have arisen at this stage, potentially leading to a pause in the examination. However, no significant matters were raised, allowing the examination to proceed to matters of 'soundness'. Subsequent hearings explored the strategic priorities and spatial strategy before detailed topic-based discussions around housing, office floorspace, retail and culture. The third week focused on heritage and tall buildings matters which attracted the greatest number of comments and participants at the hearings. The recordings of the hearing sessions are available on the examination website.
7. A series of new documents were produced by the City Corporation during the course of the hearings at the Inspectors' requests, most notably further Heritage Impact Assessment of the proposed amendments to the tall building contours at the southern edge and the inclusion of a new Broadgate tall building area (ED-HTB36-40). All

participants were invited to submit addenda to their previous matters statements to reflect this. Other additional submissions included an updated note on housing delivery and the Corporation's opening and closing statements.

8. In September officers received confirmation of the 'Main Modifications' which the Inspectors are recommending to the City Corporation to make the plan 'sound'. These modifications need to be put out to formal consultation on behalf of the Inspectors. For completeness the 'Additional' modifications, which are more minor amendments that do not relate to soundness, will also be consulted upon. Only when this has been concluded and the Inspectors' Final Report received can the City Corporation proceed to adopt its plan to replace the Local Plan 2015 as the local plan for the City, at which point it gains full weight in decision-making on planning applications.

### **Approach to modifications**

9. As highlighted above, the Planning Inspectors only have powers to address matters of soundness through the examination and a failure in relation to legal compliance in plan preparation cannot be rectified. However, a local plan can be amended on the direction of the Inspectors, and there are opportunities to put forward some suggested changes to the Inspectors during the examination process. Each potential change then needs to be agreed by the Inspectors and 'recommended' back to the Corporation by the Inspectors in their report. The agreement of main and additional modifications is a normal part of the examination process.
10. The City Corporation has proposed changes under examination document (LD26), through Statements of Common Ground (SOCG1A, SOCG9-24), but also through the examination hearings. At the formal hearings it was made clear that any proposed changes would be subject to later member confirmation through the main modifications and adoption processes. Throughout the examination hearings members were kept informed of topics discussed through regular briefings and actions, and the sessions were recorded for future review.
11. The Inspectors have now agreed the lists of Main and Additional Modifications. These total 178 changes to the City Plan, of which 68 are considered to relate to soundness. The Main Modifications are proposed by the Inspectors without prejudice, and will remain unconfirmed until the receipt of the Inspectors' Final Report. This report seeks authorisation for the consultation to take place.
12. As the examination hearings were officially closed by the Inspectors on 12 June and the Main Modifications agreed by the Inspectors, there is no further scope to reopen the debates through further amendments to the Main Modifications, or to propose alternative changes. The only alternative to taking forward the modifications to consultation stage would be to withdraw the plan from examination and restart the plan-making process. Given the transition period to a new plan-making system as set out in Annex 1 of the NPPF it would not be possible to commence plan-making again until late 2026. Adoption under the new approach would take approximately 30 months so adoption would not be until mid-2029.

### **Main Modifications**

13. The Main Modifications to the City Plan are included at Appendix 1 to this report. It makes clear, with reference to the tests of soundness (justified, effective or positively prepared) why each modification is required. The Inspectors have approved these modifications (without prejudice) and are recommending these changes back to the City Corporation. The Inspectors consider the Main Modifications to be required to make the plan 'sound', i.e. without these changes the City Plan would be considered 'unsound' and the City Corporation could not proceed to adoption. Therefore, at this stage this list is finite and cannot be amended by the Corporation.
14. Many of the changes relate to changes to the heritage and tall buildings chapter (MM41-56), including:
- clarifications on the need to preserve (and where possible) enhance the Conservation Areas (MM41, 42)
  - use of the St Paul's Setting Study in assessments (MM44)
  - how the Outstanding Universal Value of the Tower of London should be utilised and interpreted
  - changes to the contours at the southeastern corner of the City Cluster and to include a new tall building site at Broadgate (MM2, MM51-53, 56)- see updated Figure 15 in Appendix C.
15. A majority of the changes in Appendix 1 are as proposed post submission, or through discussions at the examination. One exception is a change proposed within Statements of Common Ground with Historic England (examination document SOCG9A) and the Bevis Marks Synagogue (SOCG24A). The Inspectors have considered this change and have informed the City Corporation that this is not required for soundness reasons as the identified heritage assets already have legislative and policy protection. They consider that the apparent elevation of the Bevis Marks Synagogue could have unintended consequences in relation to proposals relating to other designated heritage assets, with ambiguity for the decision maker. Therefore, the whole of the proposed additional text at paragraph 11.2.1a of the City Plan is no longer being taken forward as a modification. This text had been drafted as follows:

*"It should be noted that the contribution that any part of the totality of a setting makes to the significance of a designated heritage asset is afforded protection by relevant legislation, national policy and Policy HE1. This would include consideration of impacts on sky space in views, where this enables aspects of their significance to be appreciated. The identification of the immediate settings of the Monument and Bevis Marks synagogue in policy is therefore intended to further strengthen their protection."*

16. Other notable Main Modifications are:

- the articulation of a 'Vision' for the City Plan (MM1)
- additional information relating to the expected housing completions, including within a new Appendix to the Plan (MM10-14)
- inclusion of the minimum office requirement in GIA (in addition to NIA) (MM17, 18)
- further explanation of the cultural contributions from developments of different scales (MM21)
- infrastructure provider engagement through the development process (MM23)
- exceptional circumstances where lower long-stay on-site cycle provision may be acceptable (MM38-40)

## **Additional Modifications**

17. Other more minor 'Additional Modifications' have also been proposed during the examination (see Appendix 2). These do not go to the heart of soundness and include minor amendments to text or figures, correction of typographical errors or factual update only. The Inspectors have agreed that these amendments do not relate to soundness but will be consulted upon for completeness.

## **Consultation and procedure**

18. As set out above, following submission Main Modifications can only be made on the recommendation of the Inspectors to address soundness matters.
19. Your Planning and Transportation Committee is recommending to this Honourable court the approval of consultation on the Main Modifications to the City Plan as at Appendix 1, the Sustainability Appraisal Review (Appendix 3) and the Habitats Regulation Assessment Matrix (Appendix 5) as part of the formal examination process into soundness and legal compliance. For completeness approval is also being sought to consult on the Additional Amendments as at Appendix 2 and the Policies Map 'Atlas of Change' (see Appendix 4); however, these do not fall within the scope of the examination process. A tracked changes version of the City Plan is included in Appendix 6. The documents will then be put out to public consultation for a period of six weeks. This presents an opportunity for all interested parties, including (but not limited to) those who took part in the examination hearings' to put forward their views on the implications of the changes and whether they consider the modifications to be sound and/or legally compliant.
20. The responses will then be collated and sent back to the Inspectors with a brief City Corporation response. The Inspectors will then consider the consultation responses in drawing together conclusions within their report. If the plan is then found 'sound' and legally compliant the City Corporation is then free to commence with the governance process of adoption. At that stage members will be asked to make the decision to adopt the plan including the final modifications that will be included within the Inspector's Report.

## **Additional appraisals**

21. A Sustainability Appraisal of the Regulation 19 City Plan was undertaken as part of the preparation process. The Main Modifications have also been subject to additional Sustainability Appraisal screening and assessment to determine whether they have any significant or cumulative effects. This assessment is also included in Appendix 3 and will be subject to the six-week consultation. It concludes that the changes to the City Plan are likely to have uncertain or positive impacts. The mitigation measures included within the City Plan policies remain.
22. The City Plan is also accompanied by a Habitats Regulations Assessment (HRA), which assessed the impact of policies in the City Plan on the identified European sites at Epping Forest, Lee Valley, Richmond Park and Wimbledon Common. This concluded that mitigation set out in other Local Plan policies, along with regulatory safeguards, are sufficient to avoid adverse effects on the integrity of European sites.

The main modifications propose only limited changes to the scope of the policies which are identified as having an impact upon the sites, and the mitigation measures contained within the policies as identified remain unchanged. This HRA Review Matrix is included in Appendix 5 and will be subject to the six-week consultation.

23. An Equalities Impact Assessment was also undertaken to support the City Plan. This found the impacts to be broadly positive. This is discussed in more detail below; it is not considered that the Main Modifications amend these positive conclusions.

### **Next steps**

24. Following approval, the Main and Additional Modifications will be consulted upon for 6 weeks, to be concluded by the end of January 2026. The responses will be collated and sent back to the Inspectors in February 2026. The next stages will be the receipt of the Inspectors' Fact Check Report anticipated in April 2026, followed by the Final Report in May 2026.
25. Following receipt of the report the City Plan 2040 will be brought back to Planning and Transportation Committee, Policy and Resources and Court of Common Council to seek approval for adoption. Once adopted it will form part of the Development Plan for the Square Mile and will have full weight in planning decisions.

### **Corporate & Strategic implications**

26. The preparation of the City Plan will contribute to the implementation of the Corporate Plan (2024-2029). It 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 adopted 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**

27. The City Plan is a statutory function that the Corporation are required to deliver. While many of the costs of drafting and consulting on the City Plan are met through existing budgets, additional reserve funds were made available to cover the costs of the examination hearings. As we now progress to the latter stages of plan-preparation these can again be covered through existing budgets, including the costs of the main modifications consultation. There are no immediate unfunded financial barriers to continuing the process toward plan adoption.

## **Resource implications**

28. All work associated with the main modifications consultation 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**

29. The City Plan has been prepared in accordance with the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Planning) (England) Regulations 2012. It has also been supported by additional assessments required or informed by other legislation, including the Habitats Regulations, Environment Assessment of Plans and Programmes, 2004, and the Equality Act 2010.
30. Paragraph 48 of the NPPF states that local planning authorities may give weight to relevant policies in emerging plans according to: a) the stage of preparation of the emerging plan (the more advanced its preparation the greater the weight that may be given); b) the extent to which there are unresolved objections to relevant policies (the less significant the unresolved objections, the greater the weight that may be given); and c) the degree of consistency of the relevant policies in the emerging plan to this Framework (the closer the policies in the emerging plan to the policies in the Framework, the greater the weight that may be given).
31. The City Plan 2040 is a material consideration to be taken into account in determining planning applications within the Square Mile. The weight to be given to the plan will increase as it advances through main modifications consultation, Report and adoption stages. On adoption, the City Plan will have full weight in decision-making in accordance with paragraph 48 of the NPPF.

## **Risk implications**

32. Officers continually review and report on the risk assessment process associated with the preparation of the City Plan 2040. The risks of not adopting the City Plan according to this timetable would be that the City Corporation would need to continue to determine proposals in accordance with the Local Plan 2015 and the 2021 London Plan for the foreseeable future. The amount of weight to be given to these policies would depend on the degree of consistency with the National Planning Policy Framework and would likely diminish over time.

## **Equalities implications**

33. The City Corporation has had due regard to the Public Sector Equality Duty (PSED) in its plan-preparation processes. Several policy amendments were included within the Regulation 19 version of the City Plan to take account of the impacts on protected groups and were assessed as positive within the Equality Impact Assessment (EQIA). This assessment demonstrated that the effects of the plan as a whole will be broadly positive. There are no major negative impacts as a result of the City Plan.
34. The City Corporation has undertaken a review of the Main Modifications to the policies against the conclusions of the appraisal as set out in Part 4 of the Assessment. As set

out in the Sustainability Appraisal review at Appendix 3, the only significant changes to policies relate to AT3 and cycle parking and the amendments to the tall buildings contours. These changes do not result in any change to conclusions within the EQIA.

35. The PSED is a continuing and ongoing duty. The broadly positive outcomes of the policies contained within the City Plan also apply to decision-making points in the processes to adoption.

### **Climate implications**

36. The City Plan is one of the key mechanisms for achieving the targets in the Climate Action Strategy that relate to the Square Mile, in particular the net zero target for the Square Mile by 2040, and tackling climate resilience. Many policies in the Plan seek to address climate issues, particularly policies on sustainable development and the retention of existing buildings, including for offices.

### **Security implications**

37. Policies in the City Plan seek to ensure the Square Mile remains resilient to security requirements, especially as new developments come forward in the City.

### **Conclusion**

38. The report seeks authorisation for formal consultation on the Main Modifications to the City Plan 2040, as agreed with the Planning Inspectorate. It also seeks authorization to consult on the Sustainability Appraisal Review of the Main Modifications, the Additional Modifications, and the changes to the Policies Map. The City Plan will be brought back to all committees in Summer 2026 to seek approval for adoption.

### **Appendices**

Due to their size, all appendices are available [on the City Corporation website](#) and will be made available in hard copy upon request.

- Appendix 1- Main Modifications
- Appendix 2- Additional Modifications
- Appendix 3- Sustainability Appraisal Review
- Appendix 4- Policies Map 'Atlas of Change'
- Appendix 5- HRA Review matrix
- Appendix 6- Tracked Changes version of the City Plan

All of which we submit to the judgement of this Honourable Court.

DATED this 21<sup>st</sup> day of October 2025.

SIGNED on behalf of the Committee.

**Tom Sleigh**  
Chairman, Planning and Transportation Committee