

Committee(s):	Date(s):
Summit Group Audit and Risk Management Committee	9th December 2013 28 th January 2014
Subject: Strategic Risk 4: Planning Policy	Public
Report of: City Planning Officer	For information

Summary

This report explains the risk assessment for strategic risk SR4: Planning Policy. There is a need to maintain a suitable planning policy context for development in the City in order to achieve an appropriate mix of land uses, commercial buildings, public transport and other infrastructure to enable the City to continue to operate as an international financial and business centre.

There is a risk that external planning policy factors from national, strategic and local sources could upset the beneficial planning policy context. The main mitigating control used to reduce this risk is to have a proactive and well informed Planning Policy Section that can liaise with other planning authorities and the development industry, especially during the early stages of policy formulation, quickly prepare and promote evidence which supports the City's business role, and maintain an updated, supportive local development plan. Such work is supported by officers from the Town Clerk's Dept, Remembrancer's Office, CPAT, EDO and by Member-level liaison as needed.

Mitigating controls have reduced the risk likelihood from gross risk 3 (possible) to net risk 2 (unlikely). The resultant entry on the Risk Register for Strategic Risk 4 is a net risk of 2 (unlikely) for likelihood and 3 (moderate) for impact.

The risk has not changed materially since last year due to effective mitigation measures including:-

- Government granted the City in May 2013 a local exemption from the national changes to the planning rules over change of use from commercial to housing.
- Mayoral support received for the City's Local Plan and the City's Community Infrastructure Levy.
- Inappropriately low size thresholds for the potential consideration of planning applications by the Planning Inspectorate were raised before the Growth & Infrastructure Act 2013 was finalised.

Recommendations

Members are recommended to note this report.

Main Report

Background

1. The City Corporation is the local planning authority for the Square Mile responsible for preparing the local development plan and deciding on planning applications. The City Corporation's plans and decisions take full account of the City's economic role as an international financial and business centre. However the City Corporation cannot plan in isolation as it must operate in general conformity with national planning policies set by the Government and with strategic policies in the London Plan set by the Mayor of London. It also needs to work in partnership with neighbouring boroughs and with bodies such as Transport for London regarding transport provision.

The Nature of the Risk

2. The City Corporation can play its part in ensuring a beneficial planning policy context for development in the City but also needs others to appreciate the wider national, strategic and local benefits of strong economic and employment growth in the City. There is a need for complementary national, strategic and local planning policies to enable the City to fulfil its growth potential. Therefore there is always the risk that the failure to provide and maintain a suitable national or strategic planning policy context could jeopardise the City's future growth.
3. The national planning policy context set by the Government can form a risk to the City if it does not take account of the City's needs. The City is a very unusual local authority area and therefore there is a risk that national planning and transport policies designed to suit typical local authorities might not suit the City's local circumstances. For example, the national emphasis currently being given to boosting housing delivery is not appropriate to the City where its strategic role as a sustainable employment centre accessible by excellent public transport is far more relevant.
4. The strategic planning context for London is provided by the Mayor of London in his London Plan. The City's local planning policies must be in general conformity with the Mayor's London Plan. The current London Plan takes full account of the strategic role of the City and the Mayor has supported the City's Local Plan and the City's draft Community Infrastructure Levy. However there is an on-going task to ensure that future London Plans and Mayors have a similar appreciation of the City's strategic role.

5. The economic cluster known as 'the City' now extends beyond the local authority boundary and therefore there is an economic and social need for the City Corporation to work in partnership with its neighbouring boroughs. Such collaboration spreads the benefits of the City to inner London and reduces the risk that adjoining local authorities will have conflicting planning policies that might jeopardise the future of 'the City' as an employment hub.

Mitigating Controls

6. Various mitigation controls can be used to reduce the likelihood and impact of a planning and transport policy context evolving that is unfavourable to the economic growth of the City. They can also lead to the strengthening of a favourable existing context.

Liaison during policy preparation

7. Officer and member-level liaison with policy makers, professional bodies, other planning authorities and the development industry is essential to understanding and influencing the evolving economic and planning policy context. Liaison during the early stages of policy formulation is an effective way of ensuring the City's strategic role is understood, appreciated and taken into account when planning and transport policies are being reviewed. Refinements can be made more easily during the early stages before public positions become crystallised. If proposals need further refinement then the City Corporation will take the opportunity provided by public consultation exercises, public inquiries and parliamentary committees to restate publicly the case for further change. Such work is supported by a range of officers from the Built Environment Dept, Town Clerk's Dept, Remembrancer's Office, City Surveyor's City Property Advisory Team, and the Economic Development Office as needed.

Preparation and promotion of supportive evidence

8. Planning and transport policies need to be based on sound evidence to ensure they would achieve sustainable outcomes. The City Corporation advances its case by preparing or commissioning a wide range of economic research which shows the national, strategic and local benefits resulting from the City's role as a leading international financial and business centre. The breadth of the City Corporation's background research means that it can provide relevant material at short notice to make a convincing case just when politicians need it. Such evidence helps make the case that the City is an unusual place which needs supportive policies at several levels of government.

Preparation of local development plan for the City

9. The City Corporation needs to convert the favourable planning and transport policy context provided by national and strategic government into a local development plan for implementation by the City Corporation as a local planning authority. The City Corporation adopted its Core Strategy in 2011 and has updated it in a Local Plan to be agreed by Court on 5th December 2013. The Local Plan recognises the City's primary business function, protects employment space where it is still needed, and provides a spatial framework for sustainable growth in the City up to 2026.

Further Action

10. The City Corporation will continue to liaise with politicians and other policy makers to ensure that the constantly evolving planning and transport policy context continues to take account of the City's strategic role as an international financial and business services centre.
11. A particular concern in recent times has been the Government's wish to simplify national planning guidance and procedures in order to boost economic growth through increased housing delivery. The proposed national relaxation of planning controls over change of use from commercial uses to housing was considered inappropriate to a strategic employment centre such as the City.
12. The City Corporation has argued against such a simplified national approach being applicable in the City. It has had some success in that the finalised National Planning Policy Framework (2011) allowed for local policy protection of employment space where there are strong economic reasons for it. It also worked closely with the Mayor to seek and gain in May 2013 a local exemption for the City and the rest of Central London from national policy relaxation measures intended to boost housing delivery at the expense of employment space. Preparatory work undertaken by officers, in the form of proactive liaison with relevant parties and the production of position papers and research evidence, enabled the City and the Mayor to present a strong case for a local exemption.
13. A further issue addressed during the year was the Government proposal to change the rules to allow a wider range of 'nationally significant' planning applications to be considered by the Planning Inspectorate and not the local authority. The size thresholds proposed would have affected many typical commercial redevelopments in the City leading to a potential loss of local control over such schemes. The City Corporation's response, facilitated by the Remembrancer, led to the indicative size thresholds applicable in London incorporating special allowance for the scale of commercial development in the City when the national changes were implemented as part of the Growth and Infrastructure Act 2013.
14. The policy context continues to evolve and the City Corporation will need to remain vigilant during a period of further change in national planning policy. Government proposals to relax controls over change of use from retail to housing would benefit from further refinement. In addition the forthcoming review of the London Plan is likely to focus on the balance of commercial and housing uses in central London in response to the rapidly growing population and resultant housing pressures.

Conclusion

15. There is a risk that external planning policy factors from national, strategic and local sources could upset the beneficial local planning policy context which enables the City to continue growing as a commercial centre. The main mitigating controls used to reduce this risk are proactive liaison with policy makers and relevant organisations especially during the early stages of policy formulation, the preparation and promotion of evidence which supports the City's

business role, and the maintenance of an updated, supportive local development plan. These measures collectively have reduced the net risk to likelihood 2 (unlikely) and impact 3 (moderate). Continued work is needed to monitor and influence the evolving policy context so that the City Corporation is able to encourage further sustainable economic growth in the City.

Appendices

- Strategic Risk Register – Risk 4 Planning Policy

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Appendix: Risk Supporting Statement SR4: Planning Policy

Risk Owner: City Planning Officer

Risk	City Corporation not seen to, or unable to, significantly influence general planning policy or transport plan decision makers in London, leading to lack of capacity of system to service the City.		Gross Risk	A
	Links to: Strategic Aim SA1 and Key Policy Priority KPP3		Likelihood	Impact
			3	3
Detail	This risk links closely with SR2, supporting the business city and SR8 reputation risk. A key objective of the City of London's planning function is to provide a planning strategy that is sympathetic to the needs/wishes of developers, balanced with the requirements of legislation, wider planning strategy for London and the interests of existing City businesses and residents. Maintaining an environment where large companies may develop office accommodation suitable to be used as global headquarters and lobbying to improve transport infrastructure is critical to the City maintaining its status as the leading financial and business centre. A number of different issues may lead to this risk being realised, and as part of the on-going review of this risk, these specific threats will be identified and assessed.			
Issues	<p>Relaxation of national rules relating to change of use from offices, hotels or retail to residential and relating to temporary change of use without the need for specific planning permission.</p> <p>Listed building status - further designations could restrict the ability to redevelop key areas of the city.</p>			
Controls	<p>Early engagement with policy makers before formal consultation and as part of the consultation process. (Policy & Performance Director)</p> <p>Representation at London Councils' member and officer meetings. (Deputy Chairman Policy & Resources; Policy & Performance Director)</p> <p>Responding to new proposals from Ministers or the Mayor and seeking changes or local exemptions where needed. (Policy & Performance Director)</p> <p>Publication of research evidence to make the City's case that it is strategically important and locally distinctive. (Policy & Performance Director)</p> <p>Revision of City's development plan policies as needed to mitigate the local effects of national policy changes. (Policy & Performance Director)</p> <p>Development management practices which encourage early engagement with developers and other interested parties so that proposed new buildings are of high quality and sensitive to the City context. Engagement with English Heritage regarding possible listing proposals and the general approach to the listing of post-war buildings (Planning Services & Development Director)</p>			
Summary	The effect of any one of the above issues as an isolated occurrence is likely to be moderate, although the cumulative effect of multiple instances relating to one or more of the above would be more significant. The controls in place are robust and ongoing as the policy context is constantly evolving. Engagement with English Heritage is relevant regarding the possible listing of further post war buildings.		Net Risk	A
			Likelihood	Impact
			2	3
			Control Evaluation	
		G		