



City of London Corporation
City Plan 2040 — Examination in Public
Matters Statement

Main Matter 2: Spatial Strategy

- **Is the Spatial Strategy for the City of London justified by appropriate available evidence, having regard to national guidance and local context, including the London Plan?**

Yes, the Spatial Strategy is underpinned by the evidence of objectively assessed needs for homes, employment, retail, leisure and other commercial development (see NPPF paragraph 20 (a)) (see ED-HOU1, ED-OFF1, ED-RET1). It has been prepared in the context of the NPPF generally, but also the topic-based sections of the NPPF which direct different uses to different locations (see Matters 3 to 6).

The London Plan, as the overarching Spatial Development Strategy, sets out clear spatial direction which has been carried through into the CP. The LP sets out key ‘good growth’ policies (GG1 to GG6) that focus on building strong and inclusive communities; making the best use of land; creating a healthy city; delivering the homes that Londoners needs; growing the economy; and increasing efficiency and resilience. It also sets out the spatial development patterns with particular policies for the Central Activities Zone (CAZ). As the City of London sits entirely within the CAZ the Spatial Strategy is directed by Policy SD4 and SD5 of the LP. LP paragraph 2.4.4 sets out the strategic functions of the CAZ which include offices (c); legal establishments (g); arts, culture, leisure and entertainment (h); retail (i) and hotels (j). This means that generally (bar some exceptions identified within SD5 (C)), all these uses are appropriate within the Square Mile. Policy SD4 (B) is also clear that the international office function of the CAZ (towards which the City plays a vital role) should be supported and enhanced, and that other uses in and characteristics of the Square Mile that support the strategic functions of the CAZ should be promoted and enhanced as appropriate. The Spatial Strategy uses evidence, the balance of strategic and residential uses within Policy SD5 of the LP, and local context to refine the uses which are given greater weight in particular city locations.

The CP Spatial Strategy reflects the City Corporation’s aspirations within its Corporate Plan (2024-2029) (ED-COL1). The Corporate Plan was developed in parallel with the CP and includes the following outcomes: Diverse Engaged Communities; Leading Sustainable Environment; Providing Excellent Services; Dynamic Economic Growth; Vibrant Thriving Destination; and Flourishing Public Spaces.

The Spatial Strategy is clearly set out in Chapter 2 of the CP. This includes at paragraph 2.1 and Figure 1, the Key Diagram (as required by paragraph 23 of the NPPF). Paragraph 2.1 of the CP sets the context for the spatial elements, and how *“Different approaches to development and growth need to be taken in different parts of the City to ensure a sustainable pattern of development is delivered”*. The spatial policy direction from paragraph 2.1 (1 to 11) are set out below with reference to each particular use, how this is

justified by the evidence, having regard to national guidance and local context, including the London Plan.

With reference to the location of housing to meet the target of 146 p.a., LP Policy SD5 sets out that *“B Residential development is not appropriate in defined parts of the City of London....”* and *“C Offices and other CAZ strategic functions are to be given greater weight relative to new residential development in all other areas of the CAZ”* (with some limited exceptions). The residential areas are clearly defined within the Spatial Strategy/Key Diagram, and paragraph 2.1 (3) makes clear that *“Additional housing will be focussed in and around the identified residential areas, with consideration given to student housing in other suitable areas”*. This will be determined by the criteria-based approach within Policy HS6.

The Spatial Strategy outlines a clear economic vision and strategy (NPPF paragraph 86 (a)) and is in line with the City Corporation’s Corporate Plan (2024-2029) (ED-COL1) ‘Dynamic Economic Growth’ outcomes. Although office uses are generally appropriate in all locations across the Square Mile, achieving the minimum requirement of 1.2m sqm (NIA) of office floorspace (see Future of Office Use Study (ED-OFF1)), requires substantial development capacity. Due to the city’s historic character, development potential is unevenly distributed, and delivery needs to be focussed towards the most sustainable locations. To identify the most appropriate locations the evidence has considered historic character and heritage constraints (ED-HTB1, ED-HTB2-14; ED-HTB15-27) as well as development capacity (see pages 13 and 14 of ED-OFF2). Consequently, the spatial strategy aims to focus new office floorspace in the City Cluster Tall Buildings Area with significant contributions from the Fleet Street and Ludgate and Liverpool Street KAOCs ((paragraph 2.1 (2)). The other KAOCs will also contribute towards the office floorspace requirements (albeit to a lesser extent) and office growth will be encouraged across the whole of the Square Mile, reflecting the role of the City in supporting the international office function of the CAZ.

The strategy means that the identified need for office floorspace can be met within the City and there is no need for other CAZ boroughs to contribute to meeting the City’s needs (see NPPF Paragraph 11 (b)). As identified within paragraph 2.4.7 of the London Plan the City of London is a *“nationally important locations for globally-oriented financial and business services”*, therefore the need should be provided within the City, rather than the whole of the CAZ. To assist in meeting these requirements the Tall Buildings Areas will be the locations for tall buildings within the City at the City Cluster and the Fleet Valley (paragraph 2.1 (10)).

As above, retail is generally appropriate across the whole of the city. The Spatial Strategy seeks active frontages from retail and other ‘main town centre uses’ (see NPPF) across the whole of the city, subject to local context determined through the criteria-based approach within Policy RE2. In accordance with SD4 of the LP the CP ‘Principal Shopping Centres’ are considered ‘CAZ Retail Clusters’ and are shown on the CP Key Diagram and Figure 2.16 of the LP. The CAZ retail clusters are ‘broadly comparable to Major or District centres’ (see

para 2.4.12 (C) of the LP), but Policies SD6 and SD7 do not apply. The spatial strategy therefore focusses new large-scale retail floorspace requirements to the four Principal Shopping Centres (PSCs) (paragraph 2.1 (4)), and other provision outside these clusters will meet the needs identified within the Retail Needs Study (ED-RET1). See Matter 5 Statement.

The Spatial Strategy seeks to enhance the Square Mile as a ‘Vibrant Thriving Destination’ (see Corporate Plan ED-COL1). The CP references focal areas for culture (paragraph 2.1 (5)), informed by existing provision. The northern part of the city focussed around the Barbican is identified in the LP as a CAZ specialist cluster for arts, culture and entertainment. In accordance with SD4 (N) this area is identified within the CP as the Smithfield and Barbican Key Area of Change. This cultural provision will be enhanced through the CP, and S23: Smithfield and the Barbican (1) encourages *“culture-led mixed-use development on major sites in the area as well as cultural infrastructure and complementary uses, and delivering art and cultural attractions and public realm improvements”*. Policy S6 also allows for an enhanced diversity of uses to position the city as a *“key cultural and leisure destination”*. The Cultural Planning Framework (ED-CAV2 and ED-CAV3) identifies the focal areas which will be enhanced. See Matter 6.

Hotels are a ‘strategic function’ of the CAZ (LP paragraph 2.4.4 (J)) and in accordance with LP Policy SD5 (C) hotels have greater weight to residential across the city (except in predominantly residential neighbourhoods). The Spatial Strategy reflects the need to provide for new hotels rooms identified within the Visitor Accommodation Needs Study (ED-CAV1) in the most appropriate locations. The Spatial Strategy therefore identifies that hotels are appropriate in suitable locations across the whole of the city (paragraph 2.1 (6)), subject to the criteria-based approach within Policy CV4 which assesses suitability in the local context and against the strategic need for office floorspace (CV4 (1)).

The Key Areas of Change are shown on the Key Diagram which *“will see either a greater proportion of net additional floorspace than other parts of the City, or will undergo more significant change to their built form”* (paragraph 2.1 (1)). Each KAO policy (S18- 25) sets out the relative mix of uses which contribute towards meeting the office, retail and other strategic functions of the CAZ, setting out a clear strategy for these areas.

The Thames Riverside will provide *“more opportunities for leisure, culture and recreation, with improved greening, biodiversity and connectivity”* (paragraph 2.1 (9)). The LP identifies the Thames Policy Area at Figure 9.7, which is taken forward into the CP, and the Blackfriars (S18) and (S19) Pool of London KAO also set what uses will be appropriate in these locations.

The Square Mile’s streets will provide world-class connections that are accessible for all (paragraph 2.1 (7)). Alongside the protection of existing, the CP makes provision for new public realm and open space. The Spatial Strategy identifies the Sites of Importance for Nature Conservation (also included on the Key Diagram) highlighting how these will be

linked with new development by green corridors (paragraph 2.1 (8)). This is underpinned by evidence within the BNG and UGF studies (EDOGI1, EDOGI2) and is consistent with the NPPF (Chapter 15) and the LP (Chapter 8 Green Infrastructure).

The city's unique heritage is also referenced within the Spatial Strategy highlighting how the heritage assets will be "*celebrated, protected and enhanced*" (paragraph 2.1 (10, 11)). This is underpinned by evidence within the Strategic Views Assessment (ED-HTB16-27; Heritage Impact Assessments (ED-HTB28, 3031; and Bevis Marks Immediate Setting Study (ED-HTB29) and is consistent with the NPPF (Chapter 16) and the LP (Chapter 7). See further information within Matter 7 Statement relating to the potential for further re-assessment.

- **Is the plan period sufficiently defined i.e. clearly written and unambiguous?**

Yes, the plan period is sufficiently defined and the CP is clearly written using plain English. Paragraph 22 of the NPPF states that strategic policies should look ahead over a minimum 15-year period from adoption, to anticipate and respond to long-term requirements and opportunities, such as those arising from major improvements in infrastructure. The City Plan period looks forward from anticipated adoption in 2025 to 2040, and this is made clear throughout the document, and the CP is titled the 'City Plan 2040'. For clarity, the City Corporation works on a financial year basis, and therefore 2040 relates to the financial year of 2039/40. The City Corporation also monitors on a financial year basis and will monitor progress against these requirements (see Matter 19).

Paragraph 72 of the NPPF (paragraph 69, 2023 version) also sets out that planning policies should identify a supply of sites for the five years post-adoption (and then in five-year periods). Paragraph 4.1.10 makes clear that the first year of the plan period is the financial year 2025/26.

The Vision, including PC2 (LD26) sets out the vision for the Square Mile as at 2040. All the evidence base studies project need to 2040 or beyond:

- the Future of Office Use (ED-OFF1) identified needs over the period to 2042. For further detail see Matter 4.
- the Retail Needs Assessment (ED-RET1) forecasts demand for retail and other leisure floorspace to 2040. Further detail see Matter 5.
- the Visitor Accommodation Needs Study (VANS) (ED-CAV1) from 2022 to 2040. Although the need projected in the VANS is projected to 2037 it sets out a demand for on average 350 rooms per annum post 2037. For further detail please see Matter 6.
- The Strategic Housing Market Assessment (ED-HOU1, ED-HOU2) identifies the need for housing up to 2040. The Housing Topic Paper (ED-HOU2) and Explanatory Note (LD22) set out further detail on the targets and trajectory, and how the requirements in the latter part of the plan period will be met. Also see Matter 3.

In accordance with paragraph 34 of the NPPF (paragraph 33, 2023 version) it is anticipated that the policies of the CP will be reviewed within five years from adoption i.e. by 2030/31. At this point the new housing requirements within the new London Plan will be incorporated. The City Corporation is also aware of the Government’s anticipated plan-making reforms, and it is likely that a new system will be in place before this date. The City Corporation is already working towards this through its digital planning workstreams.

- **Is the Spatial Strategy for the City of London effective and will it ensure the delivery of the identified economic, social, and environmental objectives within the Plan period?**

Yes, the Spatial Strategy is effective and will ensure delivery of the objectives over the plan-period. A clear ‘golden thread’ runs through the plan from the Vision and Objectives to the Spatial Strategy, strategic and non-strategic policies. See PC4 (LD26) which seeks to introduce a diagram to demonstrate this, however for ease, Table 1 below shows the relationships between the objectives and the spatial strategy.

Table 1

Spatial Strategy (Paragraph 2.1 part)	Economic	Social	Environmental
1) Growth	✓		
2) Office floorspace	✓		
3) Housing	✓	✓	
4) Retail	✓		
5) Culture	✓	✓	
6) Hotels	✓		
7) Streets		✓	✓
8) Green Corridors			✓
9) Riverside		✓	✓
10) Views			✓
11) Heritage		✓	✓

The economic, social, and environmental objectives are set out Chapter 1 of the CP. The success of the policies underpinning the Spatial Strategy will be measured through appropriate monitoring processes. There are clear relationships between the objectives and the policies of the CP. The CP strikes the appropriate balance between these three objectives.

The Spatial Strategy of the CP is also deliverable over the plan period. Policies within the CP have all been separately and cumulatively tested for viability within the Viability Assessment (ED-IMP1). The topic based Matters Statements (Matters 3 to 7) provide more information relating to how the policies of the plan are deliverable, setting out progress against the objectively assessed needs highlighted within the evidence base.