



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

Main Matter 5: Retail

Does the Plan’s strategy and policies relating to Retail make adequate provision to meet the City’s needs for the whole plan period (15 Years)?

The CP’s retail strategy and policies make adequate provision to meet the City of London’s needs for the whole period of 15 years up to 2040. The Retail Needs Assessment Study (ED-RET1) identified a need for approximately 192,200sq.m of additional retail and leisure floorspace over this period.

As the City of London is located entirely within the Central Activities Zone (CAZ) in accordance with SD4 and paragraph 2.4.4 ((h, i)) of the LP, retail and leisure uses are part of the ‘strategic functions’ of the CAZ and are appropriate throughout the Square Mile. Building on the direction of the LP, the retail strategy is set out within Strategic Policy S5 and policies RE1 to 4 which seek to provide for the identified needs for retail uses while diversifying the City’s retail and leisure offer to provide a greater mix of uses.

Policy S5 seeks to meet the identified need for retail and leisure (as identified in paragraph 6.1.2) through focussing new retail and leisure floorspace towards the Principal Shopping Centres (PSCs) as LP ‘CAZ retail clusters’ while seeking active frontage from retail and other ‘main town centres uses’ as set out in the NPPF across the whole of the City. This will be achieved by “*Requiring major retail developments over 2,500sq.m gross floorspace to be located within or near PSCs*” (3) and the expansion of the four PSC (as shown on changes to the Policies Map at LD11). The CP also focusses comparison and convenience goods in the PSCs (5), while encouraging additional provision (2) and active frontages (6) across the whole of the Square Mile. In doing so it sets out the retail (and leisure) impacts assessment threshold (4) to ensure that retail development over the threshold does not have any negative impacts on the form and function of the PSCs.

Large-scale retail development of over 2,500sqm would be significant in the context of the Square Mile, and the location of this scale of retail outside the PSCs could have the potential to detract from the vitality and vibrancy of the PSCs. Therefore the 2,500sq.m retail impacts threshold from paragraph 94 of the NPPF is considered appropriate.

The non-strategic retail policies below contribute towards these strategic aims. Policy RE1 (Principal Shopping Centres) designates the four PSCs (Cheapside, Fleet Street, Leadenhall Market and Moorgate-Liverpool Street) (1) and seeks to protect retail floorspace within the PSCs (2). Policy RE2 (Active frontages) (1) will seek active frontage uses at ground floor level across the City while resisting the loss of existing active frontage uses (2) and convenience retail units close to residential (3). Policies RE3 and RE4 seek to ensure the retention of specialist retail uses and encourage diversification of the offer through markets and temporary retail pop-ups.

Are the policies relating to Retail justified by appropriate available evidence, having regard to national guidance and local context; and are they in ‘general conformity’ with the LP?

The policies relating to retail set out in Chapter 6 of the CP are justified by appropriate available evidence and having regard to national guidance, local context and are in ‘general conformity’ with the LP.

The policies have regard to paragraph 20(a) of the NPPF by making provision for retail, leisure and other commercial development. Paragraph 90(a-f) of the NPPF sets out the planning policy for town centres and that planning policies should “define a network and hierarchy of town centres and promote their long-term vitality and viability” (90a); “define the extent of town centres and primary shopping areas...” (90b); and should ensure “Meeting anticipated needs for retail...uses...” (90d). The Principal Shopping Centres (PSCs) as the LP ‘CAZ Retail Clusters’ form the centres listed within the town centre hierarchy and are defined on the Policies Map (LD2), and the needs are identified through the Retail Needs Assessment (ED-RET1). Paragraph 92 of the NPPF sets out the sequential assessment of sites which is firmly embedded in Policy S5 (3, 4 and 5) and Policy RE1 carries through the retail and leisure impacts threshold within paragraph 94 of the NPPF.

The CP retail policies are in general conformity with the LP. Policy SD4 (F) of the LP states that “The vitality, viability, adaptation and diversification of the international shopping and leisure destinations...together with other CAZ retail clusters including locally-oriented retail and related uses should be supported”. The City of London’s Principal Shopping Centres (PSCs) are recognised in Figure 2.16 and Table A1.1 of the LP as ‘CAZ retail clusters’ and are clearly defined within CP Policy RE1. In relation to leisure uses, Policy SD4 (E) of the LP states that “The unique concentration and diversity of cultural, arts, entertainment, night-time economy and tourism functions should be promoted and enhanced”. CP Policy S5 responds to this by promoting a “greater mix of retail, leisure, entertainment, experience, culture, and other appropriate uses across the City” (see first sentence of policy). Additionally, the criteria-based policies have also been drafted to be in general conformity, setting the same thresholds as the LP, for example, the 12-month marketing requirement relating to a loss of active frontage within Policy RE2(2) is consistent with the approach of OF2 (1)(c) and reflects LP paragraph 6.1.7.

The CP is underpinned by robust and appropriate evidence. The Retail Needs Assessment provided a qualitative and quantitative assessment of forecast need for new retail and leisure floorspace over the plan period. Due to the low resident population the methodology adopted was unique to the City, underpinned by an assessment of current and future expenditure. As set out in paragraph 1.3 of the Retail Needs Assessment “Due to the unique nature of the City of London a ‘typical’ capacity study methodology underpinned by an assessment of current and future expenditure would not be effective”. The report examined existing facilities and expenditure; impact of changing working patterns and retail trends; and reviewed the network and hierarchy to identify future need (see section 1.3). This drew on a combination of quantitative and qualitative data, such as surveys and employment growth projections to inform the report based on ‘Supply’ and ‘Demand’ approach of the study. The study concluded at paragraph 2.2 that: “Modelling out to 2040 indicates a need to grow floorspace across all categories, with a requirement for total additional [retail and leisure] floorspace of 192,202sqm in addition to the space currently vacant”. This strong growth forecast

across the CP period is not only driven by the high numbers of workers but also growth in domestic and international visitors (see paragraph 2.2 of Retail Needs Assessment).

In qualitative terms, paragraph 90(a) of the NPPF recognises the need for retail centres to diversify in order to respond to rapid changes in the retail and leisure industries. Paragraph 2.2 of the Retail Needs Assessment recognises that retail demand is evolving and there is the “*opportunity to transform the area to cater for the broader range of visitors expected to visit by 2040...*” through the growth of leisure activities (e.g. competitive socialising) (page 6, bullet 7); broadening the offer of ‘other retail’ (e.g. household and leisure goods) (page 6, bullet 8); expansion of the existing PSCs to retain the ‘core’ retail and leisure offer (page 6, bullet 10); and repurposing the areas outside the PSCs to focus on serving the everyday needs of workers, visitors and residential populations (page 7, bullet 1). This formed the basis of the retail strategy as described in relation to the question above.

Are the policies relating to retail positively prepared ‘in a way that is aspirational but deliverable’?

The policies are positively prepared, seeking to meet the objectively assessed needs and, through the LP is informed by strategic policy. The retail policies seek to enable a more vibrant and broader mix of uses to improve the retail environment of the City. The retail policies are positive and provide flexibility to allow the PSCs and retail across the City to respond to changing retail and hybrid working trends now and in the future. This will assist in achieving the economic objective in Policy 1.2 of the CP ‘*creating a more vibrant and diverse retail economy*’.

The retail policies of the CP are aspirational but deliverable. Retail demand in London is evolving as recognised in paragraph 4.3 of the Retail Needs Assessment (ED-RET1) through “*A combination of evolving consumers and technology is impacting the traditional retail landscape; however stores remain an important part of the customer journey and deliver value across all channels (in-store & online)*”. The CP’s retail policies have been positively prepared, recognising the significant short-term vacancy challenges resulting from the pandemic and changing working patterns on the City (see paragraph 2.1 of the Retail Needs Assessment), while seeking out opportunities for the long term through provision to meet the growing tourism sector and the forecast growth in office workers “*...so facilitating greater flexibility in floorspace use as this growth and transition occurs (.e.g. through pop-ups/meanwhile uses) would support both the short and longer term needs...*” (see paragraph 5.4.3 of the Retail Needs Assessment). This evidence informed the approach to meanwhile uses as promoted through Policy RE4, and RE3 specialist clusters.

The retail and leisure requirements as identified within the Study are deliverable through the retail strategy and the designation of expanded PSCs (see page 28 of LD11: Policies Map changes). In accordance with existing protocols the City Corporation will continue to actively monitor the distribution and characteristics of retail and leisure in the Square Mile, and how it meets the requirements of the CP policies and against the needs identified in the Retail Needs Assessment.

Are the policies clearly defined and unambiguous so that it is evident how a decision maker should react to development proposals?

In accordance with paragraph 16(d) of the NPPF the policies *“are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals;”*. Policies set out in Chapter 6 are positively worded in relation to supporting retail provision and clear in terms of retail clusters and active frontages.

Policy S5 as the overarching strategic policy sets out the direction for the other policies within the chapter. It seeks to ensure that the retail areas (PSCs) are more vibrant, improve the quantity and quality of retail in the Square Mile while directing other leisure uses to the periphery of the PSCs.

The non-strategic CP policies (RE1-RE4) cover the main town centre frontages (Principal Shopping Centres), active frontages, specialist retail uses and clusters and markets. The policy wording is clearly set out in the policy box and the supporting text is divided into the *‘Reason for the policy’* and *‘How the policy works’* sections which clearly distinguish between setting the context and why the policy is required, and the policy application. For example, Policy RE1 states in paragraph 6.2.0 (Reason for the Policy) that *“Concentrating major new retail development in or near PSCs will ensure that their vitality and viability is maintained...”*. Paragraph 6.2.3 (How the policy works) states *“Proposals for additional retail development in the PSCs should incorporate a range of unit sizes and frontage lengths to help provide a more diverse retail offer...”*.

The policies also include clear thresholds, for example Policy S5(3) sets a 2,500sqm threshold. Paragraph 6.2.0 of Policy RE1 also adds further detail on the application of this by setting out that *“In accordance with the definition of PSCs set out in this policy, a sequential or retail impact assessment will not be required for retail development on any site or building that contains a designated frontage in a PSC”*.

Policy S5 also sets out approaches to active frontage uses, and expands on this in paragraph 6.1.6, to assist decision makers in identifying the types of uses that would be suitable.

Policy RE2 (2) of the CP seeks protection of active frontages by requiring premises to have been actively marked for a period of no less than 12 months. This is to ensure the protection against the loss of retail but also the loss of active frontages in the Square Mile, while allowing flexibility where marketing demonstrates a lack of demand.