



# **THE CITY OF LONDON**

## Adapting to a New Local Plan



## INTRODUCTION

The City of London, also known as the Square Mile, has long been associated with finance and banking. It has been the centre of London since the Roman period which is shown in the borough's historic environment and architecture.

A vibrant city which supports a diverse and sustainable London, the Square Mile is named for its total size of **1.12 square miles**. Despite this, the City provides unique opportunities for people to live, work and visit<sup>1</sup>.

The City of London Corporation is the local authority, headed by the Lord Mayor and the Court of Common Council, which was originally founded in 1189<sup>2</sup> and based in the Guildhall. As such, the City of London is unique in having its own government, Lord Mayor, and an independent police force.

The area is known as the leading driver of not only the London economy, but the national economy by contributing approximately **14%** of London's GDP and **3.1%** of the UK's GDP. In addition to its primary business function, the city is home to approximately **9,000 residents**, a centre of learning for over **29,000 students**, and hosts approximately **8.8 million** visitors per year.

This briefing note provides an overview of the City of London, a review of the existing Local Plan, challenges faced, and what the future holds, including a review of the Revised Proposed Submission Draft of the City Plan 2040.

## A CHANGING CITY

While most recently the City has been regarded as the financial centre of London, it has a long and interesting history which has been able to adapt to changing social and economic climates.

The City of London was originally founded in the late Roman period with the building of the City Wall, of which a cross section can still be seen in Tower Hill Gardens. The original St Paul's Cathedral was built during the first century and the London Stock Exchange was first established in 1773.

More recently, the City has shown its adaptability to change with the responses to financial upheaval such as financial deregulation (coined the Big Bang) and the 2008 financial crash. However, since the global pandemic, the City is experiencing a diversification. While it will remain a financial centre, there is now need for a wider range of opportunities<sup>3</sup>.

The City is already working towards this diversification, investing more into cultural and heritage schemes such as the Museum of London which will be set in the historic Smithfield General Market<sup>4</sup>. Additionally, the historic Guildhall Museum draws in visitors already, showcasing the City's value beyond just a business district.

As tourism grows, as does the residential population, enriching the neighbourhood's diversity. However, the City is still currently working from many policies which were outlined prior to the pandemic, raising the question: Will the proposed City Plan 2040 incorporate the adaptation and change required to enable the City to thrive?

## THE LOCAL PLAN 2015

### Vision

The current Local Plan, adopted in 2015, sets out the vision for the area up to 2026 and beyond. The overarching strategy is named "*The City Together Strategy: The Heart of a World Class City*", which has been implemented by the City's Local Strategic Partnership – The City Together.

### The Vision for The City Together Strategy is:

*"The City Together will work to support the City of London as a leading international financial and business centre in a way that meets the needs of its diverse communities and neighbours."*

The City's strategies recognise the projected changes within the area in relation to:

- Housing, transport and economic needs
- The impact of climate change
- The need to protect and enhance the City's historic legacy
- Improving the quality of life for those working and living within the community



# STRATEGIC OBJECTIVES

The main strategies in the Local Plan are divided into five main themes and identify the anticipated challenges the City will face over the next 20 years.

## A world financial and business centre

- To maintain the City’s position as the world’s leading international financial and business centre.
- Challenge: Ensuring the office and business infrastructure is enabling a sustainable future for the City.

## Key City Places

- To ensure that the challenges facing the five Key City Places (The North of the City, Cheapside and St Pauls, Eastern Cluster, Aldgate, and Thames and the Riverside) are met, complementing the core business function of the City, contributing to its unique character, and distinguishing it from other global financial districts.
- Challenge: Tackling key constraints within the North of the City, Cheapside and St Pauls, the Eastern Cluster, Aldgate and Thames and Riverside.

## City culture and heritage

- To promote a high quality of architecture and street scene appropriate to the City’s position at the historic core of London, complementing and integrating the City’s heritage assets and supporting the continued development of the City as a cultural destination for its own communities and visitors.

- Challenge: Continue to ensure new developments are combined positively with modern architecture.

## Environmental sustainability

- To ensure that the City of London remains at the forefront of action in response to climate change and other sustainability challenges that face high density urban environments, aiming to achieve national and international recognition for its sustainability initiatives.

- Challenge: Required to become more adaptable and sustainable.

## City communities

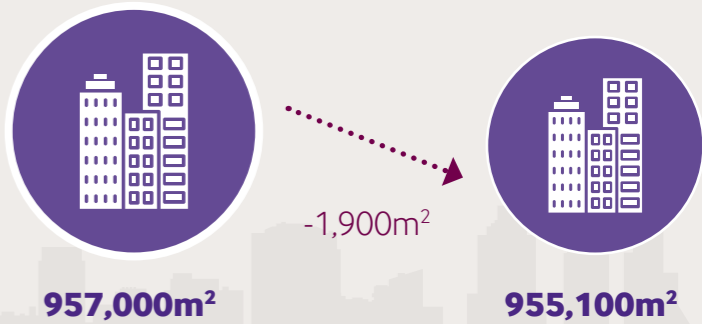
- To ensure the provision of inclusive facilities and services that meet the high expectations of the City’s business, resident, student and visitor communities, aiming for continuous improvement in the City’s rating in satisfaction and quality of life surveys.
- Challenge: Expensive housing due to limited land availability.

# LOCAL PLAN PROGRESS

The progress the City of London has made regarding the core strategic policies set within the 2015 Local Plan have been summarised – but do they highlight a shift following the pandemic in 2021?

## Offices

The Local Plan set out a target of a net increase in office space of **1,150,000m<sup>2</sup>** between 2011 and 2026 over three phases. Between 2016-2021 there was a significant net increase in office space with the net total of **957,000m<sup>2</sup>** delivered, however this led to a net loss during 2022 completing – **1,900m<sup>2</sup>**.



The projected delivery indicates that the borough will deliver significant office floor space to maintain the City’s strategic aims and vision.

The continued production of office floor space is in line with the future predictions made in 2015. Following a change in habits and office working, it is key to ensure that the new office spaces are adaptable.



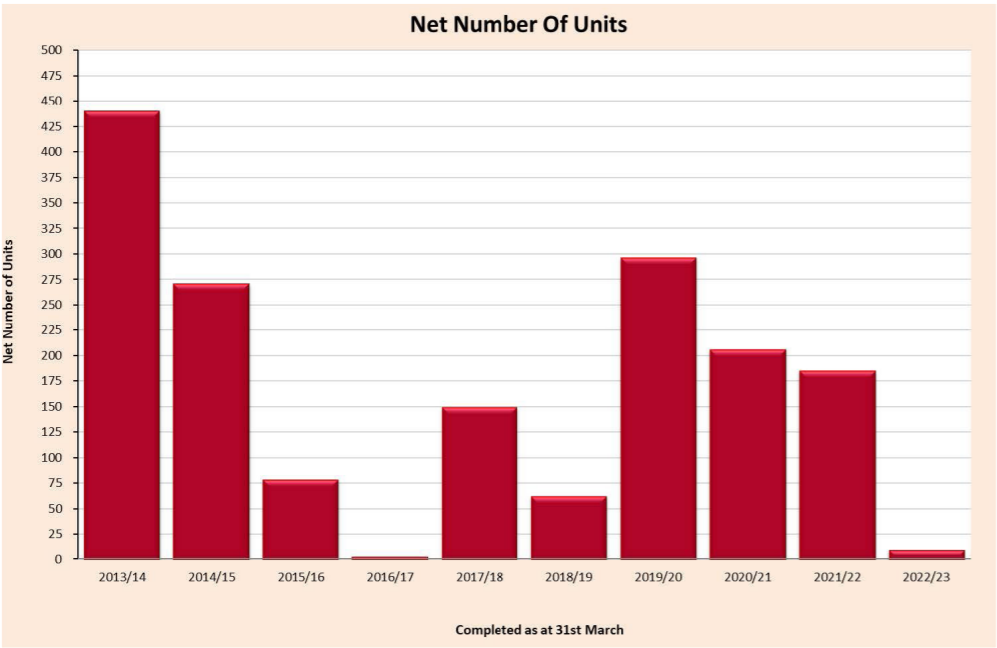
**Housing**

The existing Local Plan aspired to provide 146 dwellings per year over a 5-year period, totalling **730 dwellings** between 2021 and 2026.

The Local Plan Monitoring Report – Housing, published in 2022<sup>5</sup>, provides an overview of the Housing Delivery Test (HDT) for 2021 which states a target of 288 and the City delivered a total of 854 dwellings which represents a provision of **296%** of the target.

However, as shown in the graph extracted from the Development Monitoring report 2023/2024<sup>6</sup>, this indicates that the net housing supply within the City is highly variable year on year, with an overall trend of a decrease in supply.

As of 31<sup>st</sup> March 2023, only a total of 8 units were permitted which had not commenced work within the City, while a further 17 units were under construction. These schemes were based in residential areas, namely Barbican and Minories.



*The City has also permitted a rough sleeper housing scheme (planning application: 22/00191/FULL) which will provide 14 units towards the City Corporation’s affordable housing targets.*

**Hotels**

There has been an overall positive trend with the provision of hotel stock between 2012 to 2023 with an increase in **7,559 bedrooms** over the 11-year period.

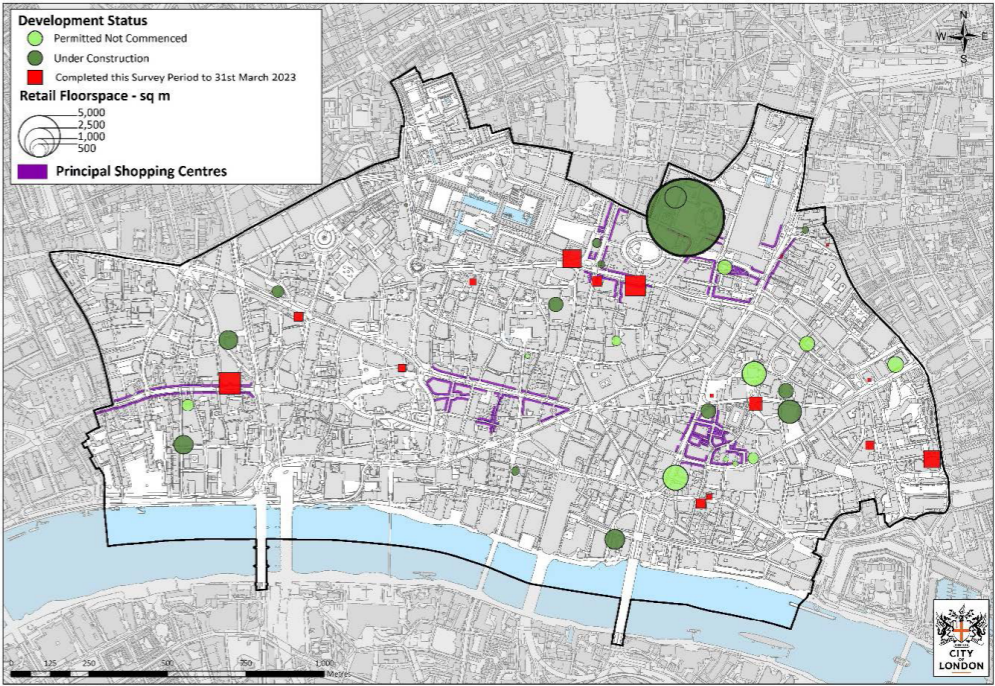
The number of permitted schemes totals **686 bedrooms** which will be completed in the coming years.

The supply of hotel rooms within central London, including the City of London, will need to match the increasing number of visitors to London which is anticipated<sup>7</sup>. The London Plan states that London will have to provide an additional **58,000** hotel bedrooms by 2041 to keep up with the predicted demand as more people visit the City with its investment and expansion on historic and cultural heritage.

**Retail development**

The retail development within the City has fluctuated over recent years with a decrease in floor space delivered during 2021/2022 in comparison to 2019/2020. However, this was followed by a large increase in floorspace with **9,856m²** delivered in 2022/2023.

The City of London Local Plan set out five principal shopping centres within Policy CS20. As shown in the map below, there are further areas where retail development has been delivered, which often aligns with office development.



*A key scheme being delivered at 1 – 2 Broadgate under Planning Permission 20/00462/FULL which promotes 50,000 square feet of retail space (4645m²)<sup>8</sup>.*



# THE CITY PLAN 2040

The City Plan 2040 will be the new Local Plan for the Square Mile and provides a vision for the City up to 2040 and beyond. The document produced by City Corporation has developed policies presented within the existing Local Plan to further guide the future planning decisions within the borough<sup>10</sup>.

The plan is still within its Regulation 19 Consultation period until 17<sup>th</sup> June 2024. The plan will then undertake an independent review prior to being adopted and replacing the 2015 Local Plan.

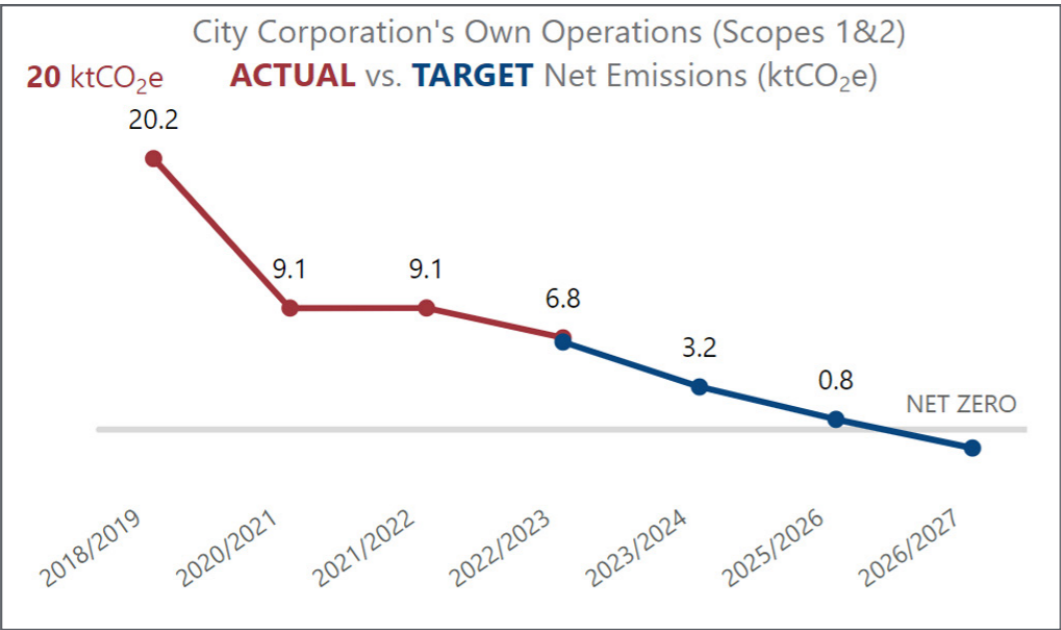
A successful example of retail development has been shown with the One New Change development located in Cheapside, near St Paul's Cathedral. The scheme was completed in 2010 and accommodates approximately 60 stores as well as restaurants and a roof top bar. The aim of the development was to expand perceptions of the City beyond just a place to work. This appears to be a continuing trend with the continual investment in retail developments.

### Climate change and the environment

The City of London adopted the Climate Action Strategy in October 2020 which has set out how the City will achieve net zero, as well as build climate resilience and champion sustainable growth<sup>9</sup>.

The City has a fully funded plan up to 2027 and the strategy sets out that the City is committed to reach net zero carbon emissions by 2027, as well as net zero carbon emissions across investments and supply chains by 2040.

The data is collected annually to assess the net emissions produced by the City. The City has ensured that they are on target with an overall decrease in carbon dioxide production between 2017 and 2023, with **1009.9 kilo tonnes** of carbon dioxide recorded in 2017 and only **610.5 kilo tonnes** of carbon dioxide recorded in 2023.



Data is collected annually. Last updated: November 2023.

### Strategic priorities

The strategic priorities within the City Plan are focused on sustainable development, which has been informed by stakeholders, national and London wide Policy, and the strategies of the City Corporation and other partners.

The new strategic priorities have been developed in line with the National Planning Policy Framework's (NPPF) way to achieve sustainable development within a planning system by having three overarching objectives – an economic, a social and an environmental objective.

#### Economic Objective

The objective aims to deliver sustainable growth which includes office space, leisure space and accommodation space for future visitors, with the ambition to make the City a place to be during the weekend as well as the weekdays.

#### Social Objective

This aims to ensure the City has inclusive open spaces which can engage the community or workers and residents. A further aspect within the social objective is to continue to provide additional homes to the area, enhancing the social infrastructure.

#### Environmental Objective

In line with the Climate Action Strategy, the Plan presents the aim to reach net zero by 2040 which will include delivering urban greenery to increase biodiversity. Furthermore, the City aims to continue to preserve the existing extraordinary heritage, while incorporating an accessible City with regards to active travel and public transport.

### Housing supply

The London Plan 2021 sets out the housing requirements for each London borough within Policy SD5. However, the plan does caveat that due to its unique size and economic prowess, housing development is somewhat inappropriate for the City.

The City Plan 2040 sets out the proposed housing targets in line with the London Plan which are based off the Strategic Housing Land Availability Assessment (SHLAA) for London.

The London Plan requires the City of London to deliver **1,460 new homes** during the period 2019/20 – 2028/29. This includes the **740 units** that the London Plan sets as a target to be provided on small sites of less than **0.25 hectares** in size over the 2019/20 – 2028/29 period.

Furthermore, from 2028 based on trends and the current market, it is estimated that a total housing requirement of **1,706 dwellings** can be accommodated within the borough up to 2040, and can be expressed over three periods of five years:

- 2025/26 to 2029/30: **686 dwellings**
- 2030/31 to 2034/35: **510 dwellings**
- 2035/36 to 2039/40: **510 dwellings**

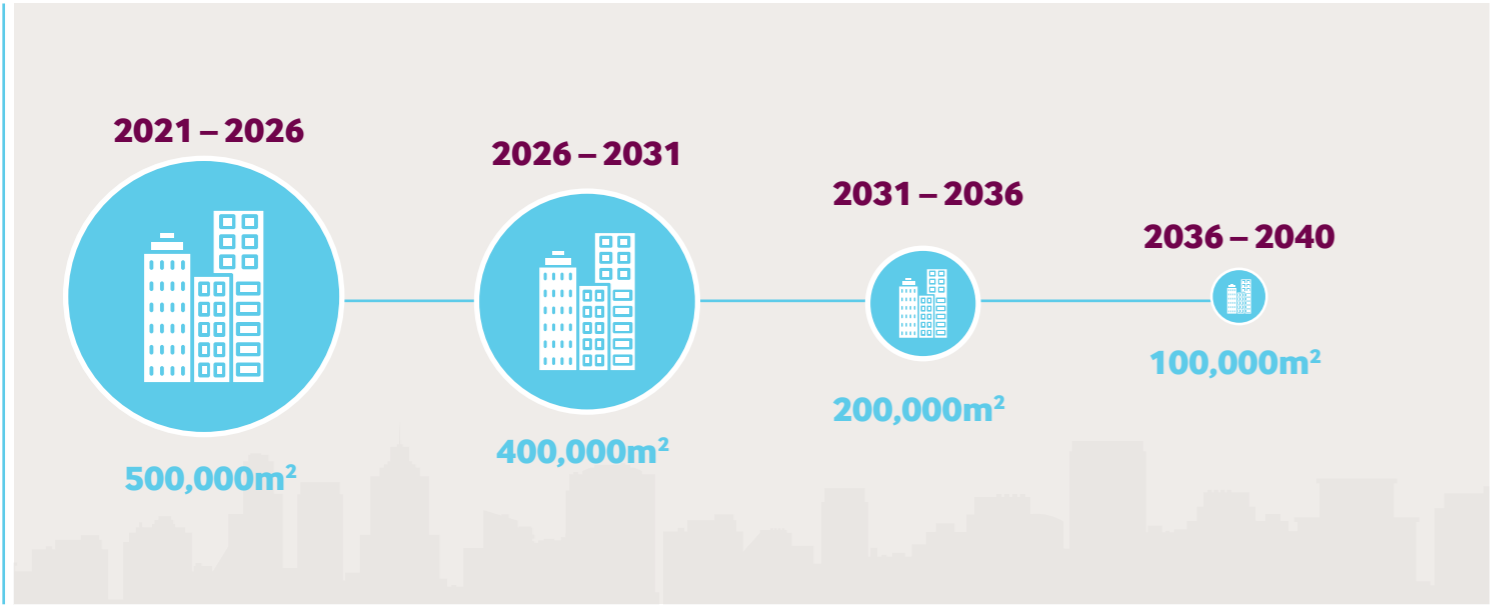
The City has an aim to provide affordable housing, as well as a mix of tenures, to ensure that it's aiding London's greater housing need. This will include a minimum of **50% affordable housing** on public sector land.

Two proposed redevelopment schemes will promote social rent housing, in line with the government's targets on affordable housing. These schemes are the Sydenham Hill Estate redevelopment which will provide 110 homes in total, and the York Way Estate development which is to provide 91 new net zero carbon homes<sup>11</sup>.

Office supply

The City lies within the Central Activity Zone (CAZ) as outlined within the London Plan Policy SD4 and is one of the world’s most attractive and competitive business locations.

As such, the City aims to support vast growth in office development to enable the forecasted economic growth and employment levels. The City Corporation want to facilitate this by increasing the City’s office floorspace stock by a minimum of **1,200,000 m² net** during the period 2021 to 2040, phased as follows:



The continued demand for office space shows that the City will continue as London’s financial and business district, however, the new Local Plan acknowledges that up to **80% of companies** which require office space have fewer than 10 employees and **99%** have fewer than 250 employees. Therefore, adaptable office space is required, while retrofitting of historic buildings is also something which is encouraged.

Climate change commitments

The City Corporation recently set out the Local Area Energy Plan in 2023 which sets several main priorities in securing net zero by 2040:

- Maximising the energy efficiency of buildings
  - Maximising rooftop PV (Solar Panels)
  - Decarbonising transport
  - Decarbonising heat
- Implementing waste capture and exchange
  - Reinforcing the electricity distribution network
  - Rolling out energy system flexibility

In line with the Climate Action Strategy, it has been deemed that retrofitting is considered a carbon friendly alternative to demolishing old buildings and instead refurbishing them with new technology and more environmentally friendly materials. The City Corporation is already encouraging developers to seriously consider retrofitting as opposed to demolition and redeveloping sites as a matter of policy through its Carbon Options Guidance. Many retrofit projects have already been completed, with some being recently shortlisted at the New London Architecture Awards<sup>12</sup>.

CONCLUSION

The City of London has developed and changed over many years as the centre of London. As shown, the City continues to thrive as the financial and business centre it is so well known for with a continued increase in office buildings. However, the City has now developed a new Local Plan which will enable the Square Mile to grow sustainably along with the ever-changing economic climate. The City of London aims to continue as a great place to work, but also strives to become a place to live and play, by introducing more leisure and housing developments.

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<sup>2</sup>The City of London – Our Story. Available at: <https://www.thecityofldn.com/our-story/>

<sup>3</sup>Imagining the City of London’s future: Speculative scenarios and adaptive strategies. Building Design. Available at: <https://www.bdonline.co.uk/opinion/imagining-the-city-of-londons-future-speculative-scenarios-and-adaptive-strategies/5127945.article>

<sup>4</sup>Museum of London – A New Museum for London, 2024. Available at: <https://museum.london/>

<sup>5</sup>City of London local-plan-monitoring-report-housing-2022. Available at: <https://www.cityoflondon.gov.uk/assets/Services-Environment/local-plan-monitoring-report-housing-2022.pdf>

<sup>6</sup>City of London Development Monitoring Report 2023. Available at: <https://www.cityoflondon.gov.uk/assets/Services-Environment/planning-development-monitoring-report-2023-march.pdf>

<sup>7</sup>Projections of demand and supply for visitor accommodation in London to 2050, Greater London Authority, 2017. Available at: [www.london.gov.uk/sites/default/files/visitor\\_accommodation\\_-\\_working\\_paper\\_88.pdf](https://www.london.gov.uk/sites/default/files/visitor_accommodation_-_working_paper_88.pdf)

<sup>8</sup>Allford Hall Monaghan Morris Projects. Available at: <https://www.ahmm.co.uk/projects/office/1-broadgate/>

<sup>9</sup>City of London Climate Action Strategy. Available at: [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.cityoflondon.gov.uk/assets/Services-Environment/climate-action-strategy-2020-2027-overview.pdf](https://www.cityoflondon.gov.uk/assets/Services-Environment/climate-action-strategy-2020-2027-overview.pdf)

<sup>10</sup>City of London Local Plan Revised Proposed Submission Draft April 2024. Available at: [chrome-extension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.cityoflondon.gov.uk/assets/Services-Environment/City-Plan-2040.pdf](https://www.cityoflondon.gov.uk/assets/Services-Environment/City-Plan-2040.pdf)

<sup>11</sup>City of London Corporation 2024 – Housing New Developments and Special Projects. Available at: <https://www.cityoflondon.gov.uk/services/housing/housing-new-developments-and-special-projects>

<sup>12</sup>City of London – City of London Corporation Approves Local Area Energy Plan to Deliver A Net Zero Square Mile by 2040.September 2023.



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