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15 April 2026

Dear Sir/Madam,

**Re: City Property Association representations to the draft Supplementary Planning Documents**

I am writing on behalf of the City Property Association (CPA) in response to the consultation on the draft Supplementary Planning Documents (SPDs) covering Offices, Planning Obligations, Air Quality and Celebrating Heritage. We welcome the opportunity to provide a single, consolidated submission, reflecting the way these documents intersect. Detailed comments on each SPD are set out in the appended representations starting from page 3.

The CPA represents the owners, investors, developers and professional advisors shaping real estate across the Square Mile. We strongly support the City Corporation's City Plan 2040 and its ambition for a thriving, future-ready Square Mile, with this suite of SPDs forming a key part of that framework. We valued the constructive engagement with officers during their preparation and look forward to continued dialogue as they are finalised.

Delivering modern, high-quality office floorspace is fundamental to achieving the City Plan 2040's vision, particularly given the ambition to deliver at least 1.2 million sqm of additional office space by 2040. Evidence shows that **demand is overwhelmingly focused on best-in-class workspace in core locations**: our report with Knight Frank [\*Space for Change: City of London Deep Dive\*](#) found that nearly 70% of lettings are in prime or Grade A buildings. Yet this demand is **emerging against a backdrop of shrinking supply, with more than 3 million sq ft of office space lost between 2018 and 2023**.

At the same time, rising construction and financing costs and a more complex policy landscape are placing increasing pressure on development viability. **Ensuring that planning contributions do not exacerbate these pressures is critical if the City is to maintain the commercial pipeline needed to meet its long-term growth ambitions**. Whilst we welcome the City Corporation's efforts to respond to inflationary pressures and support viability, continued cumulative cost increases risk constraining delivery in practice.

We therefore recognise the need to update the Planning Obligations SPD and accept that revised or new financial obligations may be justified, particularly where rates have remained unchanged for almost a decade. Our appended representations set out **specific comments on cultural payments in lieu, supporting the City's cultural ambitions whilst emphasising the need for flexibility to ensure schemes remain viable**.

We also support the overall direction of the draft Offices SPD and its clear recognition of the strategic importance of office floorspace. However, it will be **essential that the SPD is applied with appropriate flexibility. Overly rigid change-of-use policies risk preventing justified alternative uses in secondary**

**locations, delaying development and creating stranded assets.** A balanced approach is needed to maintain the City's mix of uses, including hotels and serviced accommodation, which play an important role in its wider ecosystem.

Similarly, we welcome the progress made in the Celebrating Heritage SPD and its ambition to integrate the City's historic environment positively within new development, provided this is applied proportionately and with regard to viability.

Taken together, the draft SPDs form an important framework for shaping future development across the Square Mile. We would welcome continued engagement with officers as these documents are refined and implemented.



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## **APPENDIX – CPA DETAILED REPRESENTATIONS**

- 1. Offices SPD (page 3)**
- 2. Planning Obligations SPD (page 7)**
- 3. Air Quality SPD (page 13)**
- 4. Celebrating Heritage (page 14)**

## **CPA REPRESENTATIONS TO THE OFFICES SPD**

### **1. Office stock and market trends**

The CPA welcomes the updated commentary on ‘**Office Stock and Market Trends**’ (Theme 1) within the draft Offices SPD and this underpins the strategic policy as set out within the Draft City Plan (Policy S4 Offices). The commentary confirms continued demand for high-quality Grade A floorspace and is consistent with CPA’s analysis in its [Space for Change: City of London Deep Dive](#) (January 2026) report by Knight Frank, which reveals prime and Grade A office space account for nearly 70% of lettings in the Square Mile. In both this analysis and London Property Alliance’s [Space for Change: Office space dynamics in central London](#) (December 2025), it is clear that occupiers across the Square Mile increasingly prioritise sustainable, flexible, high-specification offices to attract and retain talent. These reports also show that availability of floorspace, of all types, in the City of London is at record lows, although this is exacerbated amongst the very best space the Square Mile has to offer. For businesses looking to grow or locate their headquarters, the City of London has only two large floorplates currently available.

Alongside this, London Property Alliance and CPA data reveal that the Square Mile has lost over 3 million sq ft of office floor space between 2018 and 2023, whilst the City of London is home to a large pool of secondary office stock: older, second-hand buildings typically with weaker energy performance, falling in EPC bands C–G. Over 54 million sq ft (56.8%) of City floorspace sits in this category, underpinning roughly £96.8 billion of capital value. Therefore, CPA strongly supports targeted measures to protect and upgrade office stock where it is structurally sound and commercially viable to retain. Intervening in these buildings is essential to meet the demand for high-quality, sustainable workspace and to ensure the Square Mile remains competitive for leading global businesses seeking to move, invest, and grow.

### **2. Definitions of strategically important location, type and scale**

Policy OF2 ‘Protection of Existing Office Floorspace’ of the draft City Plan seeks to protect existing office floorspace and outlines circumstances in which offices may be considered for change of use. The subsequent part of the policy (1a) provides a criteria-based approach to the assessment of schemes involving loss of office floorspace. This sets out that a loss of floorspace or sites suitable for office development will be resisted unless it can be demonstrated that it is not of ‘**strategic important scale, type and/or location for the City**’. ‘**Definitions of Strategically Important Location, Type and Scale**’ (Theme 2) provides additional guidance on these terms and introduces Table 1.

The CPA strongly supports the draft City Plan 2040 and draft Offices SPD’s emphasis on the strategic importance of office floorspace for the Square Mile. Given the demand for office space and pace of its loss,

CPA welcomes steps to address these imbalances. However, the City's economic success also depends on the vibrancy of its wider complementary uses such as hotels, serviced apartments, cultural and higher education institutions and accommodation which support the business function of the Square Mile. The CPA's [Delivering Destination City: The Growth Strategy for the Square Mile](#) (July 2025) highlights the importance of creating 'a magnetic destination for business, workers and visitors', reinforcing that these complementary uses are essential to sustaining office demand and drawing footfall. These complementary uses help to ensure the Square Mile remains highly competitive in attracting investment. Getting this balance right is essential.

Whilst CPA supports the principles of this approach and setting a high bar to mitigate office space loss, we would welcome the following:

- The SPD to more clearly set out which activities are considered complementary to the City's business function, so those that may need to consider change of use are clear which are most appropriate and required to support the delivery of Destination City.
- The SPD to include an acknowledgement within the policy that some sites within the Square Mile may no longer be suited to office use. Policy should recognise that not all buildings can or should be retained as offices. Some assets, particularly those in secondary locations or with significant structural constraints, will not be suitable for retention as an office.
- The SPD to acknowledge the constraints presented by designated and non-designated heritage assets, particularly in terms of the constraints these buildings present. Heritage assets often limit the ability to meet requisite office standards through conversion and as a result impact on viability in the longer term. CPA would welcome some flexibility to be introduced for these buildings, which can be more constrained by heritage policies.

The CPA welcomes a locational approach to the designation of 'strategic offices'. As our [City of London Deep Dive](#) analysis showed, demand for office space is highly concentrated in areas approximately 500m from a transport node, and particularly around the Elizabeth line. Indeed, Liverpool Street has become the eastern anchor of the Elizabeth line core, with the station and its surrounding streets forming one of the City's strongest concentrations of lettings, over 600 since 2020. Its combination of four London Underground lines, National Rail services and the Elizabeth line creates one of London's most connected interchanges, attracting both traditional financial and legal firms, as well as growing tech and fintech occupiers.

On this approach, CPA would welcome the following consideration:

- The introduction of Table 1 '**Guidance on consideration of strategic office by location**' combined with the accompanying definitions of 'strategic' may not be sufficiently precise to inform applicants, developers, advisors and decision makers and greater clarity would be welcome.
- Applying Table 1 in practice would mean that many sites regardless of their age, condition and suitability would be unable to progress through the policy pathway beyond OF2 (1a), even where there are specific site circumstances that would support an alternative and complimentary use.
- Whilst CPA agrees with the approach, the application of Table 1 could limit the ability of owners and investors to acquire, reposition or repurpose buildings that are capable of meeting modern occupier expectations.

CPA proposes the following amendments to Table 1 to ensure it is effective in application by providing a clear hierarchy on location and size to supplement Draft City Plan Policy OF2 (1a):

1. Introduce grouping of locations and rank these by category and priority which reflects the relative strategic importance of different parts of the City.
2. The criteria column guides users in determining whether a site is considered strategically important based on its location and additional conditions in terms of distance (500m) from a station entrance on the Elizabeth line, mainline rail or Bank London Underground station. Or alternatively excludes designated residential areas. This ensures the table is location specific and adaptable to accommodate different spatial contexts. The CPA considers the use of a walking time (5 mins) to be subjective and difficult to measure.
3. The scale column identifies the minimum floorspace of a site to qualify as strategically important (>5,000 sqm GIA). This floorspace then increases proportionately as the user moves through the location categories, recognising that large sites outside of higher priority areas can still play a strategic role. In addition, acknowledgement is also given to the redevelopment potential, noting that sites capable of intensification or renewal may be strategically important regardless of size.
4. The comments column provides contextual considerations that assist and guide the assessment of whether a site is considered strategic. It includes the age of the building which is relevant when considering the feasibility of refurbishment and retrofit. This column acts as a supporting layer of qualitative judgement to ensure that nuances that are not captured by fixed thresholds can be considered by a decision maker.

Category	Location (ranked by priority area)	Criteria	Scale	Comment
1	Areas near key transport nodes City Cluster KAOC Blackfriars KAOC Liverpool Street KAOC	500m walk from a station entrance on the Elizabeth line, mainline rail or Bank London Underground station	All sites >5,000 sqm considered strategic All sites and buildings with redevelopment potential considered strategic	Age of building is considered a relevant material consideration to extent of refurbishment and retrofitting
2	Fleet Street and Ludgate KAOC Pool of London KAOC	Within designated area excluding Residential Area	All sites of >5,000 sqm considered strategic All sites and buildings with redevelopment potential considered strategic	Age of building is considered a relevant material consideration to extent of refurbishment and retrofitting

3	Aldgate, Tower and Portsoken KAO Barbican and Smithfield KAO		All sites of >7,500 sqm considered strategic	Building completed from 2000 onwards likely to be strategic
4	Remaining areas outside of the designated areas noted above		All sites of >10,000 sqm considered strategic	Building completed from 2000 onwards likely to be strategic
5	Residential Areas	Offices remain the priority use, but all sites and buildings considered on a case-by-case basis		

### 3. Potential for office development

The CPA consider that amendments proposed to Table 1 allow the decision maker to take account of the potential for office development without introducing a fixed threshold of 2,500 sqm. The CPA has concerns regarding the expectation that applications should be required to demonstrate the potential for future office development amalgamation. Introducing this requirement risks creating an additional workstream for applicants which could be considered disproportionate and which is beyond the control of the applicant or developer. The CPA would welcome further engagement to seek clarification that the City Corporation does not intend to place an obligation on applicants to undertake further assessments/speculative assessments to satisfy this additional guidance. Overall, the CPA would recommend **‘Potential for Office Development’ (Theme 3)** is removed as it is addressed within Table 1 and is a factor considered in viability assessments (Theme 5).

### 4. Office demand

Policy OF2 (1c) requires applicants to demonstrate that there is no demand for the floorspace or site in the office market, supported by at least 12 months of marketing evidence **(Theme 4)**. Whilst this requirement appears in the Draft City Plan’s supporting text, in practice it can be arbitrary and may delay progress in cases where the position for a specific site is already clear. To better reflect the City’s responsiveness to market conditions and its commitment to facilitating development, the SPD should instead refer to the need for **appropriate evidence of lack of demand**, rather than a fixed marketing period.

Requiring applicants to wait 12 months before entering pre-application discussions or submitting an application could introduce uncertainty for investors, particularly where a site is no longer suitable or viable for office use. Decision-makers should also consider the reasonableness of the marketing approach, including pricing, the condition and location of the building, the length of time the property has been on the market, and the level and nature of enquiries received, especially where these indicate limited suitability for continued office use.

The CPA considers that the existing guidance on marketing is sufficiently clear and precise to allow these factors to be assessed without imposing a mandatory 12-month period prior to pre-application engagement or planning submission.

## **5. Viability**

Policy OF2 (2a) outlines the viability tested route (**Theme 5**), which can be followed once part 1 of the policy has been satisfied. It requires applicants to demonstrate, through a viability assessment, that the retention, refurbishment or re-provision of office floorspace would not be viable in the longer term. The SPD usefully provides guidance on the information that should be included within the viability assessment which is welcomed by the CPA. However, the CPA considers that it should not become a prescriptive or tick-box exercise as each proposal will have its own unique characteristics and constraints that need to be considered on a case-by-case basis.

## **6. Non-compliance with the policy and application in practice**

Section 7 of the SPD acknowledges that some proposals will come forward that seek a change of use for offices that could be considered strategic. It sets out that such cases will be considered on their own merits, having regard to the development plan and other relevant material considerations. In these circumstances, it is likely that a decision maker would require an application for such development to provide strong reasons and convincing justification for allowing the change of use should, including robust evidence demonstrating that the benefits of the proposal would clearly and demonstrably outweigh the loss of strategically important office floorspace. The CPA welcomes this discretion to consider non-compliant proposals on their merits, which reflects the City's adaptability and commitment to respond to rapidly evolving market and occupier demands. However, there are concerns on how this non-compliance could likely trigger referral to the Mayor under the Mayor of London Order 2008 'development which does not accord with one or more provisions of the development plan'. In practice this creates uncertainty for applicants. The CPA considers that the SPD should provide clearer context and guidance on 'non-compliant proposals', to ensure decision-makers can properly assess change of use proposals in the round, having regard to the overall benefits of a scheme. Where marketing and financial viability evidence demonstrates that offices are not viable in the long term, such proposals should not be subject to referral to the Mayor's office.

Once adopted, the CPA would welcome the introduction of a six-month grace period before implementation to allow for schemes that are delayed to be determined (i.e. adopted by end June but implemented by December).

## **CPA REPRESENTATIONS TO THE OPLANNING OBLIGATIONS SPD**

The CPA acknowledges the need to update the Planning Obligations SPD and the approach to securing obligations under Section 106 of the Town and Country Planning Act 1990. We recognise that the SPD provides important guidance on the scope of obligations, contribution levels, triggers and mechanisms in line with Draft Strategic Policy 26 *Planning Contributions* of the City Plan.

We also recognise the importance of reviewing financial obligations to ensure contributions remain aligned with inflation and continue to mitigate development impacts within the Square Mile. Whilst we accept that new financial obligations may be justified in line with government guidance, the CPA's [Supporting the City's](#)

[economic growth and development pipeline](#) (December 2024) white paper highlights the significant viability pressures already facing development. In this context, it is essential that planning contributions do not place further constraints on delivering much-needed projects. The compounding effect of indexation across all levies, plus further new levies, increases the risk of not meeting the target of providing 1.2 million sqm of office floorspace by 2040.

The viability of delivering tall buildings in the City of London is becoming increasingly constrained at the very moment the City Corporation is seeking to unlock **a minimum of 1.2 million sqm of additional office floorspace by 2040** to meet rising demand for best-in-class office space. Turner & Townsend's latest cost benchmarking shows that high-rise construction costs have risen sharply in recent years, with London now among the most expensive global markets for tower delivery, driven by sustained inflation, and supply chain pressures. This cost escalation is compounded by the high cost of finance and a **limited pool of Tier One contractors** willing to take on complex City tower projects, reflecting a notably low risk appetite in a market characterised by tight sites, logistical constraints, and long construction programmes. These extended build timelines delay returns for developers and investors alike, further weakening scheme viability in a high interest rate environment. At the same time, Knight Frank's [Space for Change](#) and [City of London Deep Dive](#) research highlights record demand for high-quality, sustainable space remains strong, with Knight Frank identifying a structural supply crunch: vacancy for prime space in core markets sits below 1%, and major corporates are increasingly expanding rather than contracting their footprints. Yet despite this demand, the development pipeline is weakening, with central London facing an **11 million sq ft shortfall** over the next five years and viability cited as one of the biggest barriers to delivery.

The CPA therefore **welcomes the steps the City Corporation has taken to support development viability** whilst responding to rising inflationary pressures. We note in particular that several financial contributions have been updated to reflect indexation, resulting in relatively modest increases. As these revised rates are already being applied to current developments, the CPA does not raise any specific concerns regarding the following changes:

- Affordable Housing contribution to £57.21/ sqm (currently £50/ sqm) (section 6 of the SPD);
- Area Security contribution to £12.41 (currently 10/ sqm) (section 9 of the SPD); and
- Local training, skills and job brokerage contribution to £35 (currently £30/ sqm) (section 10 of the SPD).

The CPA also notes the proposed increase in the carbon-offset contribution, rising from £95 to £114 per tonne of carbon. This update aligns with the Greater London Authority's approach and reflects the fact that the City Corporation has not revised this rate for almost a decade. In this context, the CPA acknowledges and supports the proposed uplift, as well as the intention to apply indexation going forward.

However, ensuring that planning contributions remain proportionate, flexible and viable is essential to supporting the delivery of high-quality development across the Square Mile and sustaining the City's wider economic role. On this basis, the CPA sets out the following comments and recommendations on the draft Planning Obligations SPD.

### **1. Community Infrastructure Levy**

The CPA welcomes the City Corporation's decision to review its Community Infrastructure Levy (CIL) Instalment Policy and understands that this work will come forward separately. We consider this review

essential to supporting the delivery of development within the Square Mile, recognising that a typical tower could take five years or more to deliver which a phased instalment policy should align with. The CPA has consistently highlighted the importance of introducing a more flexible, phased CIL payment structure, bringing the City in line with other central London boroughs, to help manage the significant upfront costs associated with complex commercial development. As set out in our [Supporting the City's economic growth and development pipeline](#) paper, the cumulative impact of rising construction costs, tighter financing conditions and extended delivery timelines means that early-stage cashflow pressures are now one of the most significant barriers to bringing forward new schemes. A modernised, phased CIL approach would provide developers with greater certainty and liquidity at the point of construction, helping to maintain momentum in the development pipeline and ensuring the City can continue to deliver the high-quality, sustainable workspace needed to meet future demand.

## **2. Transport – cycle parking**

Section 7 of the draft SPD explains that Strategic Policy S26 *Planning Contributions* requires the delivery of infrastructure identified in the Transport Strategy and Healthy Streets Plans. The CPA recognises that strategic transport infrastructure is primarily funded through CIL, with Section 106 obligations used to mitigate the specific transport impacts of individual developments.

Paragraph 7.3 notes that additional Section 106 contributions may be sought where short-stay cycle parking falls below required levels. However, where robust evidence supports a reduced level of cycle parking, the CPA does not consider a financial contribution to be justified or consistent with the PPG tests. Our [Cycling & the City](#) (December 2024) report, alongside further evidence gathered by the CPA, demonstrates that demand for short-stay cycle parking in the Square Mile is limited. Most office workers and visitors continue to walk or use public transport, and retail activity is largely passing trade, further reducing the need for additional short-stay provision. On this basis, the CPA do not consider a financial contribution can be sought where evidence has been provided to demonstrate a reduced level of cycle parking is appropriate.

Paragraph 7.9 and the accompanying table set out updated monitoring costs for Travel Plans, Delivery and Servicing Management Plans (DSMPs), and Construction and Logistics Plans (CLPs), which enable the City Corporation to track progress against agreed targets. The CPA supports the principle of monitoring these plans to ensure commitments are met and performance is effectively managed. However, we are concerned that the cumulative impact of increased monitoring costs may place additional pressure on development viability at a time when schemes are already facing significant delivery challenges.

Given the rapid advancement of digital tools for data collection, monitoring, and reporting, the CPA encourages the City Corporation to explore opportunities to streamline these processes to improve efficiency and reduce associated costs. We therefore recommend that the guidance, and the application of the monitoring costs set out in the table, allows for flexibility or exceptions where appropriate, recognising that cumulative monitoring requirements may adversely affect the viability of development in the Square Mile.

## **3. Culture**

The CPA is strongly supportive of the City Corporation's ambition to promote culture and vibrancy across the Square Mile as a core part of its wider growth strategy, Destination City. We recognise the vital role that cultural activity, public realm enhancements and heritage-led placemaking play in strengthening the City's global appeal and creating places where people want to work, visit and spend time. However, in this

challenging environment, where viability is difficult and provision for cultural amenity is not always commercially viable or practical i.e. located in areas of low demand), we welcome the principle of introducing a cultural contribution in lieu, which represents a positive step toward securing consistent, high-quality cultural and office outcomes across the Square Mile.

The CPA maintains the representation made to the draft City Plan Main Modifications Consultation (February 2026) regarding the requirement for developments over 10,000 sqm gross floorspace to deliver cultural floorspace on site. This approach fails to consider uplift and places unnecessary burdens on refurbishment and retrofit schemes where the scale of change is limited. As previously set out, cultural requirements should relate to uplift only, consistent with the approach taken for all other planning obligations. In addition, the matrix at paragraph 7.3.4 of the Draft City Plan should be amended to avoid an overly prescriptive approach and enable greater flexibility, allowing proportionate financial contributions both below and above the 10,000 sqm threshold to support the effective delivery of cultural infrastructure in the City.

### *Background*

The Cultural Planning Framework (CPF), which underpins this element of the draft Planning Obligations SPD, provides a rich evidence base for the City Plan 2040. In reviewing the SPD, the CPA has revisited the CPF, which highlights the wide range of ways in which development can contribute to the City's cultural success, from new retail and leisure floorspace to transformative public realm, elevated public spaces and opportunities to reveal and celebrate the City's heritage above and below ground.

Importantly, the CPF acknowledges that there is **no single formula** for delivering meaningful cultural value. Its quantitative review of 20 major developments found *"no discernible patterns in the data"* and no correlation between the amount of cultural floorspace and the quality of cultural outcomes. As the CPF notes, *"scoring higher on the calculations doesn't mean the provision is better."* (CPF, Part 2, p.67)

This demonstrates that the most impactful cultural contributions are often those rooted in the unique characteristics of a site where this is possible, particularly where development can unlock public access to heritage assets, archaeology or historic fabric. It is with this in mind that CPA expresses reservations with the proposed introduction of a Target Value Cultural Contribution that is derived as a percentage of total development floorspace and crudely categorised as 'minimum' (2%), 'good' (5%) and 'outstanding' (13%).

Whilst this classification is derived from the CPF, we would suggest those terms are taken out of context when read against the CPF's acknowledgement that higher floorspace calculations cannot be equated with better provision.

ACTUAL CULTURAL CONTRIBUTIONS OF THESE PROJECTS						
Development	sqm of cultural contribution (infra + contribs)	sqm of cultural contribution (infra)	sqm of cultural contribution (infra less public realm)	Value based on rental income	% of total est. rent income	
Custom House	13,890.00	3,257.00	457.00	£ 424,818.06	2.43%	
5 Snow Hill	5,798.00	-	-	£ -	-	
Salisbury Square	3,204.00	1,786.00	-	£ -	-	
City Tower and City Place House	4,759.00	2,070.00	-	£ -	-	
120 Fleet Street	2,887.00	2,887.00	1,331.00	£ 1,237,270.98	2.22%	→ 'minimum' contribution
115-123 Houndsditch	1,099.00	1,014.00	236.00	£ 219,380.88	0.44%	
7 Devonshire Square	2,460.00	2,460.00	-	£ -	-	
14-21 Holborn Viaduct, 32-33 & 34-35 Farringdon Street	345.00	345.00	-	£ -	-	
61- 65 Holborn Viaduct	1,984.00	1,984.00	973.00	£ 904,481.34	5.25%	→ 'good' contribution
Boundary House	11,428.00	2,454.00	410.00	£ 381,127.80	4.33%	
Thavies Inn House	1,021.00	846.00	-	£ -	-	
1 Golden Lane	1,093.00	1,093.00	71.00	£ 66,000.18	0.56%	
100 New Bridge Street	2,725.00	2,380.00	-	£ -	-	
6 Devonshire Square	515.00	515.00	-	£ -	-	
9-11 Angel Court	5,421.00	115.00	-	£ -	-	
20 Giltspur Street	1,580.00	1,229.00	195.00	£ 181,268.10	2.15%	
65 Crutched Friars	3,345.00	3,345.00	3,101.00	£ 2,882,627.58	13.05%	→ 'outstanding' contribution
85 Gracechurch Street	1,275.00	864.00	429.00	£ 398,789.82	1.42%	
55 Bishopsgate	5,957.00	3,827.00	-	£ -	-	
47-50 Mark Lane	2,544.00	1,516.00	330.00	£ 306,761.40	1.37%	

It is also worth noting that the CPF derived the benchmark figures (2%, 5% and 13%) from only three schemes within a wider sample of 20, and without a clear rationale for why these particular examples should form the basis for City-wide benchmarks. Of the three, one (120 Fleet Street) is currently stalled, while the other two (61–65 Holborn Viaduct and 65 Crutched Friars) are Purpose-Built Student Accommodation (PBSA) schemes. The CPA feels that relying on such a limited and unrepresentative sample does not provide a robust foundation for setting benchmarks for major commercial office development in the Square Mile. In particular, 65 Crutched Friars is a clear outlier, and we are not aware of any other City scheme dedicating 13% of total floorspace to non-commercial cultural use.

More broadly, the CPA is keen to ensure that the introduction of 'cultural floorspace' targets does not unintentionally prioritise quantum over the quality or distinctiveness of cultural contributions. Many of the most meaningful opportunities, such as revealing archaeology, restoring heritage assets or enabling public access to listed buildings, are inherently site-specific and may not translate neatly into a floorspace percentage. These interventions often involve significantly higher costs than delivering an equivalent 'white box' cultural unit, yet under a rigid floorspace-based approach could be deemed to fall short of a 'minimum' contribution simply because they do not reach 2% of total floorspace. It would be unfortunate if such high-value, heritage-led contributions were undervalued in this way.

### CPA recommendations

Having reviewed a number of worked examples, the CPA is reassured that the commuted payments generated at the 'minimum' Target Value appear broadly reasonable across different scales of development. However, **where a payment in lieu is the agreed form of cultural contribution, CPA believes it would be preferable to adopt a single, transparent formula that produces a clear and proportionate payment**, fully aligned with the statutory tests in Regulation 122. Where the provision of a payment in lieu is agreed, there should be no delivery of cultural floorspace on site.

CPA is less convinced by the proposal to increase the cultural contribution in cases where a development is considered to have impacts or deficiencies in unrelated areas. As drafted, the SPD suggests that the overall

planning balance should be assessed first, with the cultural payment then adjusted to make the development acceptable in planning terms. In practice, this risks generating disproportionately large cultural contributions that are unlikely to be fairly and reasonably related in scale and kind to the development. We **recommend encouraging a simpler and more practical method for calculating payments in lieu**. The current formula relies on NIA floorspace figures and anticipated rental values, both of which are likely to change during the design and viability process, and the latter of which may require specialist appraisal to reflect market conditions. This introduces unnecessary complexity and uncertainty for applicants and officers alike.

The worked examples indicate that, when applied to typical development scenarios, the formula effectively equates to a contribution of around **£12 per sqm GIA**. In the interests of clarity and consistency with other formula-based obligations in the SPD, the CPA would therefore recommend **expressing the cultural contribution as a straightforward rate per sqm GIA, indexed to RICS CIL**. This approach would have minimal impact on the overall scale of contributions but would significantly streamline the process, reduce administrative burden, and provide far greater certainty throughout the development lifecycle. As stated, where the provision of a payment in lieu is agreed, there would be no delivery of cultural floorspace on site.

In summary, the CPA supports the City Corporation's ambition to secure high-quality cultural outcomes and welcomes the principle of a cultural contribution in lieu as a positive and constructive step forward. Our recommendations are designed to help ensure that the mechanism is proportionate, transparent and easy to apply, whilst retaining the flexibility needed to recognise the rich variety of site-specific cultural opportunities that developments across the Square Mile can deliver. With a clear and workable approach in place, we believe the City can continue to foster cultural vibrancy in a way that complements development viability and supports the wider ambitions of City Plan 2040.

#### **4. Local skills, training and employment**

Section 10 sets out the local skills, training and employment requirements for a range of uses (Class E, Class C1, Class C3 and relevant Sui Generis uses such as PBSA and co-living schemes). This includes a requirement for 15% of goods and services to be procured from SMEs based in a Central London Forward borough. The CPA fully supports the principle of encouraging local procurement and recognises the important role that SMEs play in sustaining the City's wider economy.

However, proposals to require developments to secure a fixed percentage of local procurement introduces an unnecessary level of market intervention. Section 106 obligations are intended to mitigate the specific impacts of a development; they are not designed to regulate commercial procurement practices or supply chains. A rigid percentage requirement may therefore be difficult to apply in practice and may not always reflect the commercial realities of complex development projects.

The CPA would welcome further engagement on a more flexible and facilitative approach, one that encourages positive outcomes for SMEs without imposing a prescriptive quantitative target. Such an approach would better support both the City's economic ambitions and the practical needs of developers delivering projects in the Square Mile.

#### **4. Glossary definitions**

The CPA strongly recommends that the glossary is amended to clarify that ‘major development’ should apply only where a proposal results in a net increase of more than 10,000 sqm of floorspace, consistent with the general thresholds used elsewhere in the Planning Obligations SPD.

As currently drafted, the definition refers to the overall size of a building, rather than the scale of development proposed. This would mean that even a minor addition, for example a 100 sqm extension to an existing 15,000 sqm building could be treated as a major development, which would be disproportionate.

This approach risks conflicting with Regulation 122 of the CIL Regulations, which requires planning obligations to be necessary, directly related to the development, and fairly and reasonably related in scale and kind. It also cuts across the SPD’s broader emphasis on net increases in floorspace as the appropriate trigger for obligations.

The CPA therefore considers it essential that the glossary makes clear that ‘major development’ is determined by the quantum of additional development, not the existing baseline, to avoid minor schemes being subject to major development obligations.

#### **5. Viability Evidence underpinning the SPD**

The assessment concludes that, in most cases, the cumulative impact of the proposed policy requirements does not render schemes unviable when measured against benchmark land values. However, the analysis also makes clear that caution is required. In particular, it would not be prudent at this stage to increase the CIL rate for office development. By contrast, there may be scope to introduce a higher rate for PBSA and co-living schemes, which currently fall under the ‘all other uses’ category at £128.82 per sq m. These uses could potentially sustain a rate more closely aligned with the higher residential charge.

Whilst these headline conclusions appear positive, a closer review of the inputs raises several concerns, particularly in relation to office development. The appraisal relies on a single spot rental value of £92.50 per sq ft, informed by 13 leasing transactions ranging from £87.50 to £183 per sq ft. Many of these comparables are from superior City stock and sit at the upper end of what would typically be achieved across the wider assessment area. Similarly, the adopted office yield of 5.5% reflects more prime transactions than the broader market, with the evidence base ranging from 4.90% to 7.20%.

There is also no allowance for demolition or exceptional costs, which are often substantial in the City and not captured by standard BCIS rates. Quintic themselves acknowledge that their adopted construction cost sits at the lower end of the range provided in CPA examples. All typologies assume a 24-month build period, which is unrealistic for larger office schemes. Benchmark Land Values are based on broad judgements of existing use values, with an EUV of around £150 per sq ft GIA and a flat 20% premium applied across all scenarios. Whilst not unreasonable, this approach lacks the nuance typically required for complex central London sites.

Methodologically, the absence of detailed appraisals means the results cannot be interrogated or verified. The use of single spot figures for all key inputs, without any sensitivity testing, represents a significant limitation and fails to reflect the volatility of current market conditions.

Taken together, these issues suggest that viability may be overstated, particularly for larger and more complex developments. Without transparency on the underlying appraisals and without sensitivity testing to stress-test conclusions, there remains considerable doubt about the robustness of the finding that the cumulative proposed contributions can be viably absorbed by future schemes.

## **CPA REPRESENTATIONS TO THE AIR QUALITY SPD**

### **1. New Air Quality Damage Costs**

The proposed Air Quality Damage Cost set out in the draft Air Quality SPD would apply to the replacement of a combustion plant, which the CPA understands includes standby generators, with contributions in the region of £20,000–£80,000 based on emission rates. However, emergency standby generators serve a fundamentally different purpose from operational combustion equipment, they are legally mandated to provide life-safety and business-critical resilience for systems such as emergency lighting, fire pumps and essential medical infrastructure. Their operation is limited to infrequent testing and genuine power-failure events, meaning they do not contribute to routine emissions.

As such, applying the full Air Quality Damage Cost to equipment that cannot be removed, substituted or avoided would be disproportionate and would not achieve the policy objective of influencing design choices. An explicit exemption for emergency-only standby generators is therefore necessary to ensure the SPD remains reasonable, justified and aligned with statutory safety requirements. In addition, the CPA would welcome further clarification on whether the damage cost contributions will be ring fenced to provide additional air quality mitigation measures in the City.

## **CPA REPRESENTATIONS TO THE CELEBRATING HERITAGE SPD**

The CPA welcomes the opportunity to respond to the formal consultation on the draft Celebrating Heritage SPD and believes that the document has evolved positively through the consultation process. We provided our initial observations on the scope and structure of this SPD in January, and we are pleased to note that many of the issues we previously raised have been carefully considered and addressed, resulting in a clearer and more focused document that is effective in describing the City's rich and layered history, and the role that contrast and juxtaposition play in the distinctly commercial and cosmopolitan character of the Square Mile.

Subject to the limited refinements outlined below, we believe the SPD will provide a helpful and accessible source of guidance, supporting the effective management of heritage significance whilst aligning clearly with the City Plan 2040 and the City's wider growth ambitions.

### **1. Relationship to the policy framework**

In our initial observations, we noted that all development proposals affecting the City's rich heritage must navigate a complex statutory and policy landscape, framed by the UK's international obligations under the World Heritage Convention and primary legislation protecting a range of designated heritage

assets. The National Planning Policy Framework (NPPF), the London Plan and City Plan 2040 provide a number of detailed policies for the management of the historic environment, above and below ground.

Against that background, we noted the potential for this SPD to avoid repeating and modifying approaches that are already adequately addressed in existing national, regional and local policy. We therefore welcome the way in which the consultation draft now positions the SPD as guidance that supports the application of the existing policy framework. The clearer emphasis on how positive heritage outcomes can be achieved through the existing framework and support the other important economic, social and environmental dimensions of sustainable development is particularly helpful.

## **2. Characterisation of the City**

We strongly endorse the SPD's emphasis on the commercial character of the City, and the recognition (at para. 1.1) that the historic and the modern are experienced in continuous juxtaposition. The relevance of this quality to the Square Mile is helpfully reinforced in the Glossary definition of the picturesque.

We also welcome clarification of the traits which form the City's character, and their close relationship to 'significance' in planning terminology (para. 1.5). This addresses our previous comments and would allow practitioners who may be less familiar with the language of the SPD to interpret the document successfully in the context of national policy and practice guidance.

## **3. Case studies**

The introduction of the selected case studies is welcome, with their range and diversity helping to illustrate how heritage policies can be interpreted and applied successfully across a variety of development contexts. This will assist both applicants and decisionmakers in understanding how heritage can be positively integrated into new development in the City.

## **4. Intangible heritage**

Whilst we remain supportive in principle of including 'intangible heritage' within the draft SPD, we would welcome further clarification on how this indefinite and often elusive concept can be handled through the development management process with pragmatism and proportionality.

## **5. Skyline**

As we noted in our initial observations, the City's skyline has been subject to extensive analysis and modelling over recent years, leading to the position reflected in City Plan 2040. We therefore welcome the decision to omit the fourth 'S' from the consultation draft. We continue to believe this topic is properly addressed with reference to strategic and local planning policy, and the London View Management Framework (LVMF).

## **6. Glossary**

We are pleased to see that the glossary now provides a definition for heritage assets that is consistent with the NPPF. This is a welcome change that should help to promote greater clarity and consistency.

In our initial observations, we noted the potential for the SPD to create unnecessary confusion by slightly reframing terms which already benefit from existing statutory and policy definitions. Whilst the consultation draft represents a clear improvement in this regard, we have some outstanding concerns with the glossary definitions of ‘conservation’ and ‘public benefit’, which are key concepts in good decision-making.

Conservation is defined in the draft document as follows:

**Conservation:** *Defined by Historic England in their Good Practice in Planning Advice Notes as ‘Managing Change’*

This definition differs from that provided in the glossary to the NPPF, which describes ‘conservation’ in relation to heritage policy as:

*The process of maintaining and managing change to a heritage asset in a way that sustains and, where appropriate, enhances its significance.*

The Government’s Planning Practice Guidance (PPG) elaborates further and states:

*Conservation is an active process of maintenance and managing change. It requires a flexible and thoughtful approach to get the best out of assets as diverse as listed buildings in every day use and as yet undiscovered, undesignated buried remains of archaeological interest.*

In the interests of clarity, we would suggest the Government’s definition is referenced directly within the SPD, to avoid any perception of divergence from national policy and guidance.

We have a similar concern in relation to the glossary’s definition of ‘public benefit’, which could be interpreted as narrower than intended. As drafted, the glossary states:

**Public Benefit:** *Benefits that deliver positive outcomes for the public at large, or for a significant section of the public, rather than just for private individuals. Public benefits are typically:*

- *Social, economic, or environmental gains,*
- *Flowing from the proposed development.*

*Heritage benefits can be public benefits, and these are given particular weight in decision making.*

In the PPG, the Government provides a more expansive definition with reference to all objectives of the NPPF, whilst also making it explicit that public benefits do not need to be visible or accessible to the public in order to be public benefits. The PPG states:

*Public benefits may follow from many developments and could be anything that delivers economic, social or environmental objectives as described in the National Planning Policy Framework (paragraph 8). Public benefits should flow from the proposed development. They should be of a nature or scale to be of benefit to the public at large and not just be a private benefit. However, benefits do not always have to be visible or accessible to the public in order to be genuine public benefits, for example, works to a listed private dwelling which secure its future as a designated heritage asset could be a public benefit.*

For clarity and consistency, we suggest that the Government’s definition carried through into the SPD, reducing the scope for differing interpretations of the same concept.