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Comments on
'The City of London
Draft Local Plan'
of
November 1984

'Most schemes of political improvement are laughable' Samuel Johnson

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INTRODUCTION

1. The Local Government Working Party of the Centre for Policy Studies is currently undertaking a review of the planning system, and to that end is examining several plans of which the City of London Draft Local Plan is one. The members of the Working Party are:-

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Penny Birdseye MA, DPhil, MSc
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Robert Martin BA, FRIBA
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Each is on the Working Party in an individual capacity. Two were former Chief Local Government Officers, one of whom was involved in preparing the plan for an inner borough and both of whom are involved in commercial property development; one was a senior planning officer; two are practising private planning consultants; one is a local government councillor; and one is the head of an academic department of estate management. Part of this report is based on previous studies by the Chairman of the Working Party on the future of the Financial Services Industries in the City which were commissioned by Architect-Planners, DEGW (1). While parts of these studies have been reproduced with DEGW's permission, DEGW has not had any influence on the opinions and conclusions expressed in the rest of this report, and are not associated with it.

2. In reviewing the Draft Plan the Group became concerned that with little basis it proposes many policies that intervene in the land market to restrict its use. Some of the policies may impair the economic functioning of the City, and could interfere quite

unnecessarily and to little or no useful purpose with property rights that landowners should in our view enjoy. We believe in general - and above all in the City, the nation's financial market place - that development should respond to market forces, and that planning intervention should be limited to where it can be shown to be both necessary and effective to offset manifestly undesirable consequences of market forces. We have taken the unusual step of submitting this paper because we think that the Draft Plan for the City is probably the most important town plan in the country, but that the current proposals are so flawed that major sections of the Draft Plan should be withdrawn. We will in due course be preparing an Alternative City of London Draft Local Plan. Meanwhile we invite observations in this document and suggestions that will help us to develop the Alternative Plan.

THE CITY'S FINANCIAL ECONOMY

3. The City of London is first and foremost a financial centre - with a few notable exceptions (e.g. BP, British Telecom, the CEEB, the newspapers) the great majority of the 220,000 (2)* people who work in offices in the City are involved in various aspects of finance, either working for financial institutions or for support professional and business services (accountants, lawyers). In addition, most of the trade that supports the employment of the

* Figures in parentheses mean as follows: integers are the references to the report; figures with a decimal point refer to paragraphs in the Draft Plan; "para" followed by a figure refers to a paragraph in this paper; "paragraph" followed by a figure refers to a paragraph in the last document cited in the text.

11,000 who work in shops, restaurants, snackbars and pubs, is directly dependent upon employees in the City's financial industries (3). Perhaps 220-225,000 of the 285,000 people who work in the City work directly and indirectly for the financial service industries, as do many thousands more on its immediate fringes (e.g. Hoare Govett in Holborn, Citicorp in The Strand, Sedgwick Forbes and Leslie and Godwin in Aldgate, and in 1987 the London Commodity Exchange at St. Katherine's Dock).

4. The City is not only the national financial centre, it is currently the leading international financial centre in the world, with 27% of all international banking loans outstanding, and while there are no figures for the Eurobond market, it is generally agreed that London is pre-eminent. The City is one of the few export growth areas of the UK economy, contributing the major part of the £4.5 bn. net overseas earnings of UK financial institutions (4). There is, however, no reason for complacency about its success. According to a press report, Mr Trevor Robinson, (then Chairman of the American Bankers in London) doubts whether more than a quarter of the foreign banks in London can justify their presence in term of the profits they earn (5). Furthermore, in order to make US financial centres - particularly New York - more competitive, the Reagan Administration has encouraged regulatory agencies to relax the regulatory framework in the US, is considering further deregulation measures, and has eliminated with-holding tax on the interest paid to foreign owners of US Treasury Bonds. The US's share of international bank lending has increased markedly since 1980, as has Japan's - the Japanese Government is also relaxing restrictions:

Share of international bank loans outstanding			
	(%)	(%)	% increase
	1980	1983	in market share
US	9.3	15.4	66
Japan	6.0	8.6	43
UK	25.8	26.6	3

Source (4)

5. In formulating a Plan it is important to keep the size of the City in perspective. The turnover of equities on the London Stock Exchange is only 5% of the turnover on the New York Stock Exchange (6). According to the Department of the Environment there is 37 million sf net, of commercial (as opposed to government occupied) office space in the City out of 118 million sf net in Central London as a whole and 189 million sf net in the GLC area (7). In downtown Manhattan there is 100 million sf net, a further 182 million sf net in midtown Manhattan, and substantial space in other parts of New York (8). The two World Trade Centre towers alone have 10 million sf net, a quarter of the office space in the City. Merrill Lynch, which employs twice as many people (38,000) as all the UK stockbrokers together, is just completing a new headquarters building of 3.8 million sf in Manhattan and a $\frac{1}{2}$ million sf building in Princeton, New Jersey (9), while Goldman Sachs has just moved into a new 1 million sf office building in Manhattan (10). The City's financial position cannot be taken for granted; to remain a major force in international finance - to keep what is has, and to become the corporate financial capital for Europe - the City and the Corporation must think big. The Corporation should take no steps that might damage the City's competitiveness - rather it should do all it can to help the City compete.
6. Despite the predominance of the financial industries, the Draft Plan demonstrates little evidence of understanding the City's financial economy, nor of the requirements that financial companies have for space. The section in the Draft Plan on the City's economy is 17 pages long, of which at most 5 pages (pp 36-40) are concerned with the City's role as a financial centre. The two supporting documents, The Background Study "Economic Activity" (11) and the Information Report "Offices" (1) both have serious limitations.

* The definition of net area in New York is more generous than in the UK, but the difference does not significantly affect the comparisons.

"Economic Activity" was published in 1976, is out of date, and has very little on the financial industries. Of the main text of 57 pages (including figures, tables and maps), 3 pages are devoted to the financial economy, and the very limited analysis draws mainly on figures from 1966 and 1971. They are often not close to today's figures - for example, the 1976 report stated that in 1971 10,800 people were employed in foreign banks; by 1984 that number had tripled (12). A further 22 pages of "Economic Activity" are devoted to analysing aspects of office floor-space, but by way of comparison, almost half as many pages in the report are devoted to the commodity and product markets, manufacturing and warehousing, which employ far fewer people (perhaps 30-40,000*). Shopping and catering (which together employ about 11,000 people), each have their own separate reports of 53 and 36 pages respectively (3,13). Parkinsons law clearly applies.

7. The Offices report categorised the space used and number of employees in different activities by "Minimum List Headings", segregating office employment into 22 headings. Unfortunately the major financial services employing almost 60% of the office workers in the City (some 125,000 people), were only divided into three, viz "insurance", "banking" and "other finance". But in reality each heading covers several financial sectors such as insurance broking, insurance underwriting/Lloyds, and UK composite insurance companies; the clearing banks, foreign banks and merchant banks. Each of these sectors is changing in different ways, and each has different requirements for premises.

* There are unfortunately no clear and up to date figures for employment in these sectors.

8. There is no reference in the Draft Plan or supporting documents of the rapid changes, in some cases amounting to upheaval, that are taking place in the City. Since 1968 the number of foreign banks in London (most of whom are in the City) has increased from 135 to 403, and employment by them has increased from 9,901 to 39,175 (12). Many of the large insurance brokers have been merging, and some have recently been taken over by large US brokers. They are moving to the fringe (but within 10 minutes walking time of Lloyds) in order to obtain larger premises and to reduce occupancy costs (one cites a reduction of £20 psf net).

9. There is an upheaval in the merchant banking and securities industry, which accounts for some 40,000 jobs in the City (nearly a fifth of the office employment), due to:-

- the growth of foreign banks and of internationalisation and "globalisation" of trade, of finance, and of securities trading;
- competition from large foreign (especially American and Japanese) integrated merchant bank/securities companies;
- changes proposed in the Stock Exchange rules to allow broker-dealers, who require substantial capital backing, and the introduction of the Stock Exchange Automated Quotation System, which will shift much of the trading from the Exchange floor to a computer and screen based system (14,15).

The changes are resulting in the merger and conglomeration of companies. All of the 5 large UK jobbers, and all but one of the largest 16 stock brokers, have linked with a UK or foreign bank, or other type of financial institution (1). These changes are putting increasing pressure on the City's stock of office space.

10. In a survey of 12 leading UK and foreign merchant banks/securities companies* (1):

- 2 had acquired additional premises recently;
- 5 were in the process of moving into new or additional premises;
- 1 had put surplus space in its head office onto the market to let, and then withdrew it a few weeks later so that the space could be used by a company in which it had taken an interest;
- 5 expect to be seeking new accommodation within the next few years.

All of the companies wanted more space in larger units; some needed it because they were merging, others because they were growing organically. For instance, of three foreign merchant banks/securities companies:

- one is moving for the fourth time since it came to London in 1970 to a new 60,000 sf building;
- another is moving to a 60,000 sf building three and a half years after moving into a 30,000 sf building;
- following a succession of moves, another occupies 120,000 sf in three buildings, the last of which was leased in 1983; it is beginning to think of seeking a new and larger building.

11. The companies in the survey wanted dealing floorspace of 8-50,000 sf in total, which is ideally provided by one or more large, open, "column-free" rectangular floors with no central core, and the majority also wanted large open plan floors for most of their non dealing staff. The ideal premises for all of the firms in the

* The totals of the categories do not total to 12 because some firms are in two categories.

survey consists of a prestigious quality building, with 15-20,000 sf rectangular, minimum column, floors, serviced by lifts at the ends rather than in the centre. Floors wider than the conventional 45ft are appreciated. There should be raised floors, and generous clear floor slab to ceiling height. There is very little such office space in the City, and three of the companies had spent considerable sums of money on making new, or newly renovated premises meet their requirements as best as possible.

12. The proposed transfer of the majority of dealing from the Stock Exchange floor to screens has accelerated the realisation that close proximity to the Stock Exchange and Bank of England is no longer functionally important for these companies. For self-confident companies who do not need central locations for prestige "the location game is out of the window". The top priority is to find office space which meets operational and marketing needs. Of the 12 firms in the survey:

- one is in Finsbury Square, LB of Islington
- two are in the City of Westminster
- four have taken offices in fringe locations in the City.

Only five are in traditional "core" locations, and two of those five are thinking of moving to the fringe.

13. The take up of space in peripheral developments such as St. Katherine's Dock, Cutlers Gardens and Finsbury Avenue shows that the survey companies are not alone in this view. A committee report dated 9.1.85 by the Director of Development of L.B. Tower Hamlets titled "Conclusions of Recent Studies on Office Development in Tower Hamlets" quoted evidence prepared for a public inquiry on a site at Prescott Street by Chartered Surveyors Richard Main & Co, that "Demand for new buildings capable of supporting information technology uses is likely to increase, but is becoming more difficult to supply in the City of London". The report also cited a

study by surveyors St. Quintin on the Aldgate office market. It concludes that there has been a noticeable movement towards fringe areas by firms looking for high quality accommodation and large floor areas because of a scarcity of accommodation in the financial core - firms are willing to sacrifice location for quality.

14. We are concerned that the Draft Plan gives no evidence of understanding the scale of the business changes that are going on in the City, nor their implications for the City's office building stock. Two views expressed in the Draft Plan are not consistent with our experience of the forces at work in the City:

- i) The Draft Plan states (3.27(b)) that "as new technology develops, it is expected that the overall space required by firms will be rationalised and, in general, the average size of unit may decline". The average number of employees in foreign banks has increased from 73 to 97 per bank since 1968. Furthermore financial companies are merging and "conglomerating" to combine similar functions to benefit from the strength and economies of scale in the international finance markets, and/or to extend the range of financial services offered, and the combined companies now require larger units. The City Corporation's own figures on size of units show a steady increase from 1961 to 1981 (2), and Savills "City Offices Demand Survey" (16) shows a marked increase in the average size of lettings in 1984 as compared with earlier years.

- ii) The Draft Plan states (4.20) that "proximity (to the Bank of England) is of paramount importance in the operation of the City's financial activities". This was true in the past for many banks and for stockbrokers (because of the proximity of the Stock Exchange to the Bank) and is, of course, the reason for the density of development in the traditional core area. But:

- it is no longer functionally true of merchant banking/securities for the reasons described above;
- it never has been true of insurance underwriting and reinsurance and insurance broking, which are based around Lloyds;
- it is not true for large UK insurance companies, nor for large firms of accountants and solicitors;
- it is only functionally true for parts of clearing banks until i) the Bank of England and the Discount Houses stop using paper bills, which must happen within a few years, and ii) the daily physical cheque clearing between City Banks is superseded by the "Clearing Houses Automated Payments System", which has been in operation for a year or so. And even then the functional requirement to be close to the Bank applies only to certain parts of clearing banks - William & Glyn's is moving many of its central services (e.g. personnel, property, marketing, tax, trustee) to Islington.
- it is not true functionally for foreign banks, as shown by the number of American banks which have moved westwards (e.g. Citicorp, Security Pacific, Chemical Bank, First Chicago) and Merrill Lynch & Co which has moved (and Toronto Dominion, which is rumoured to be moving) to Finsbury Square L.B. Islington. There is benefit from many of the banks being clustered together, and some wish to be seen to occupy prime location premises; but there is no functional necessity in their being near the Bank of England.

We believe that such an important proposition as the City Plan makes should be tested by empirical evidence - we have no doubt of the answer the Corporation will find.

15. A critical issue on which the Draft Plan should be more forthcoming is the effects of information technology on buildings. It correctly states (3.27) that "the internal space requirements within a building for the use of new technology are different from traditional layout design", and observes that "building form, therefore, is likely to accommodate such equipment". The Draft Plan then proposes to "monitor the progress of the adoption of new technology in the City and may review its policies to take account of any such progress". In our opinion the consequences are now becoming fairly clear, at least for the current generation of equipment. Large building structures need certain features to cope with IT, notably high floor to ceiling heights, structures permeable by services, minimum columns, and a flexible energy system. Above all, with the rapidly changing business environment and changing technology, occupiers need maximum flexibility to adapt their buildings. The Corporation's proposal merely to monitor the effects is flaccid. The Corporation should state that its policies are as far as possible going to help organisations to adapt their accommodation to the introduction of information technology.
16. Between 1961 and 1981 office employment in the City declined from 261,000 to 220,000 while floorspace increased from 4.2 to 5.2 million square metres (2). The occupation standards improved, the space required for office machinery increased, productivity increased and certain types of work were decentralised to increase efficiency and usually to provide a better working environment. The Draft Plan expresses concern about the reduction in the number of people employed in the City, and an alleged (but not proven) reduction in the variety of job opportunities (4.14, 4.15) as though particular varieties (or lack of) employment in the square mile were an end in itself. While such concern is relevant for a town which is a relatively self-contained economy and employment area,

(e.g. Norwich, Kingston Upon Hull) it is not relevant to the City where many of the activities are but the focus for employment which spills over into adjoining boroughs (see para 3) and into back offices in the suburbs and outside London, and which provides employment for many people who live across London and in a large area of the South East. City floorspace is merely a "factor of production" in the provision of financial services. The Corporation's concern should be to increase the efficiency, added value and export earnings of the City centred financial services. Thus it should be primarily concerned that those who need (or want) to work in the City can do so in premises that are suitable for their needs.

THE PLAN'S CONCERN WITH ECONOMIC ACTIVITIES THAT ARE NOT CENTRAL TO THE CITY'S ECONOMY

17. Six of the 16 pages in the Draft Plan's chapter "Economic Activity and Employment" are about protecting local services (4.28 et seq), resisting the loss of small business units (4.33), resisting the loss of industry and wholesaling (4.40 et seq), and a desire to resist any reduction in the diversity of uses affecting employment opportunities (4.57 et seq). These wishes are to be implemented by resisting change of use from industrial and wholesaling to office; by requiring replacement of small units and of industrial and wholesale space in redevelopment schemes; and by designating four areas (the Eastern City Fringe, the Fleet Street Area, St. Paul's South West Area and the Fur Trade Area) as "Special Business Areas". In these areas, and in the Smithfield Market area, policies are to be pursued to resist changes in use, and to restrict the loss of small units. In the Eastern Area this involves "discouraging development which entails the unification of several sites to permit the construction of large developments" (14.8), and in the St. Paul's South West Area" requiring redevelopment to be in the form of small buildings, thus providing small units of accommodation" (14.40). In the Smithfield Area, which is the subject of a separate

District Plan prepared in 1981, the Corporation aimed to support the continued operation of the meat market (which is declining rapidly), to protect all industrial floorspace, to encourage housing, and to restrict office development. Various reasons are advanced for these policies, but little evidence or analysis (as opposed to assertion) is produced to support either why the objectives are desirable, or to show that current trends are causing a problem that requires solution by intervention in the land market by the Planning Authority.

18. Local Services

The Corporation wishes "to protect those local services that support the City's main business activities and preserve the variety of economic activity" (4.29) because it claims that local services provide an essential support to the City's main business activities. By local services, the Corporation means in the context of this chapter "services generally required by businesses to be close at hand e.g. office supplies and cleaning, printing, photographic services, typewriter repairs, etc" (4.30a). Yet no evidence has been provided to show:

- that the land market is not functioning to ensure a "market clearing" price for supply of these services that takes account of locational costs, and that the failure of the market mechanism would justify Corporation intervention indirectly to subsidise them through the planning system - why should the Corporation be concerned about typewriter repairs?
- why these functions need premises in the City rather than on the fringes in Islington, Hackney, Tower Hamlets, Holborn or the LDDC area (where there are several firms of office cleaners).
- whether shortages (if any) of space could be readily resolved by allowing change of use of industrial and warehousing space to office use.

19. Small business units/small businesses:

The Corporation wishes "To resist the loss of small business units, especially in those areas where such units are particularly appropriate, and to seek the maximum possible replacement in terms of units and floor space in any development in those areas" (4.33), and "To require, in appropriate locations, the inclusion of small business units within schemes for new office developments*" (4.34). The reason given for this policy is that "The City's economic activities have evolved from, and still rely on, the existence of small businesses ... thus it is foreseen that the protection and maintenance of a good supply of units suitable for small businesses is important to the future of the City's economy". The expression of concern for small businesses and small premises is a current planning fashion, and indeed in the context of the general economy of the nation is an important concept. There is, however, no evidence in the planning documents that the Corporation understands the nature of small businesses in the City, and in particular that there are several fundamentally different types including:-

- small subsidiaries of substantial foreign concerns (e.g. of banks);
- prosperous companies that will remain small either by the nature of their business (e.g. Lloyds underwriting agencies), or by the inclination of their principals (e.g. small professional partnerships);
- small "mainline" financial companies that may grow to substantial concerns (e.g. Exco);

* The Corporation's proposal to use planning conditions to enforce this policy is counter to the Governments' advice in its recent circular "The use of conditions in planning permissions", DOE Circular 1/85.

- small, and often economically frail, companies that provide support services to the City (e.g. cleaning and maintenance);
- small companies that have been left behind by the sea of economic change (e.g. specialist printers, engravers).

20. The validity of the Corporation's reason for its policies depends upon:-

- i) The extent to which small businesses nowadays drive the City. The Corporation has produced no evidence on this issue. It is of course true that once upon a time Lloyds and the banks and stockbrokers and insurance brokers were small businesses, and there will be some small and frail businesses today that become large financial businesses tomorrow; but they are a minority. The City is being driven by the entry of large new foreign financial companies and by the conglomeration, break up and takeover of existing companies.
- ii) The extent to which the small businesses in the City "need" to be there. No evidence is presented in any of the documents to show what type and how many small businesses "need" (and by what criteria "need") to be in the City, rather than in adjoining boroughs. Perhaps a report written a few years ago would have claimed that major insurance and shipping companies required large head offices in the City, (the Commercial Union and P & O had their prestigious new buildings near to each other) - and that the Corporation should therefore protect these activities. Time, and the market, would have exposed those fallacies as mere fashions of the moment.
- iii) The extent to which small businesses have difficulty in finding suitable accommodation, and the extent to which the land market is not functioning. The Corporation has produced no evidence on this point. Officials have commented that in

the course of preparing the Plan there have been a significant number of complaints from small businesses about the availability of small premises. This is not surprising; 70% of the office units by number in the City are of less than 499 square metres, while only 3½% are over 5,000 square metres. Hence, in simplistic terms, there are potentially twenty times as many "small" voices to complain as there are "large" voices. But the 70% small voices employ only 12% of the workforce, while the 3½% large voices employ 43% (2).

Finally, if it were possible to show that there is a shortage of small cheap premises, this would in part result from the Corporation's policy of restricting change of use from industrial and warehousing to office.

21. Industry, wholesaling, and the Special Business Areas

The policy "to support the continued presence of industry and wholesale within defined areas of the City" (4.40) refers particularly to the Fur Trade Area, the Eastern City Area, the Fleet Street Area and the St. Paul's South West Area. The policy is based on the assertion that "those industrial and wholesale activities which remain in the City either need a central location and/or provide essential infrastructure services to both certain specialist activities and City businesses as a whole" (4.40). Now that the Fur Market has relocated to Bull Wharf in the City the proposition holds for the activities related to it (but as discussed in para 26 it does not imply that the area should be as constrained as it is). But factual evidence is surely required to demonstrate that the foregoing proposition, and also the claim that "several of the Markets still require ... some wholesaling floor space" (4.50) is true of the other areas. Prima facie these propositions are not correct.

22. The Eastern City Area comprises the Outlers Gardens office complex, some other substantial office buildings, a miscellany of small rag trade businesses including warehousing, and a very few "industrial" uses. The basis for the contention that the latter businesses need to be in the Eastern City Area appears to be the data and arguments in the 1981 "Eastern City Area Review" (17). This report documented a "marked shift in economic activity in Eastern City", which included the replacement of commerce by office based activities, and a decline in industry (paragraph 5.2). The Review claimed that the area "provides a useful reservoir of accommodation for those activities which are being displaced from other parts of the City. However, if the rate of decline continues unabated, a point will soon be reached when this is no longer the case" (paragraph 5.3). The Review cites a 1979 survey of local businesses which found that most of them want to be there because of proximity to markets or other firms and activities, convenience of location and transport facilities. The Review "assumed therefore that most of firms (many of them small) ... are there for sound commercial reasons, rather than by chance", and they were now threatened by redevelopment pressures (paragraph 6.5). It concluded that "operations of the property market are not entirely consistent with the "needs" of the firms active in the area ... [but are] intended, quite legitimately, to maximise the value of land owners' holdings. On the other hand, the functioning of the City as a vitally important financial centre depends (in the widest sense) upon a complex linkage of business activities, large and small, local services as well as multinational concerns, and if any of these are adversely affected the whole suffers ... their elimination would be detrimental to the economic life of the City" (paragraphs 6.6, 8.6). The data and arguments presented showed there might historically have been a reason for the firms being where they are, but:

- did not demonstrate that there are currently important economic reasons for the businesses to be there rather than in Tower Hamlets or Hackney;

- there is no evidence presented to support the proposition that the elimination of the businesses would be "detrimental to the economic life of the City";
 - the comments about the operation of the property market misunderstand how it works. The operation of the market may not indeed be consistent with the "needs" of the firms presently in the area; it may, however, reflect the "needs" of other firms who are presently in other locations, but find advantage from moving to a new location. And if they can afford higher rents, then unless the Corporation has clear evidence to the contrary, it is reasonable to assume that there will overall be economic benefit from their being in the area rather than the existing firms being in the area.
23. The Fleet Street Area is undergoing rapid change. The area accommodates several traditional activities: the Press Centre and newspapers; the Patent Office and patent agents; the Temple and solicitors; and Unilever. On the one hand the press is moving out. The Daily Telegraph is moving to the Isle of Dogs; News International will move to the London Docks; Associated News is rumoured to be considering a move to Coin Street; and the British Printing Corporation intends to rationalise its facilities. With impending technological changes the medium term future of national newspaper production is uncertain. On the other hand, three of the "big" eight firms of accountants and the largest firm of stockbrokers are in the Fleet Street area, while Arthur Anderson, Citicorp, Security Pacific, Chemical Bank and (until it took over another bank) American Express have offices in WC2. Increasingly the area is becoming an extension of the financial services industry. It is an area of change, and could be a major area of opportunity if it is not constrained by planning policies.

24. The St. Paul's South West Area consists of a few large office buildings, many small buildings accommodating predominantly a miscellany of small professional and other office users, and a few small printers. There is little industry and wholesaling. With the move of Deloitte Haskins & Sells and of Goldman Sachs to the Old Bailey on its fringe, the potential of the area to become an extension of the main financial services industry of the City is clear.
25. The purpose of the policy that "The Corporation will encourage new light industry stemming from the advent of new technology" (4.47) is not clear unless it refers to printing, which (apart from the national press) is rapidly being computerised, and to the repair of IT equipment. Given the location of electronics and computer firms in outer London and the home counties, and the lack of such firms in inner London, the policy appears to be vacuous planning fashion.
26. Policies derive from the 1981 Interim Policies paper, for The Fur Trade Area (18), which has led directly to the proposals in the Draft Plan, and the way the policies were prepared are worrying. The original Draft Policies 1980 paper was prepared in close collaboration with the British Fur Trade Association. The Corporation made little or no apparent attempt to subject the business prospects of the fur traders, nor the space they claimed they required, to independent and searching public scrutiny. Rather the Corporation appeared to accept at face value the Fur Trade Association's assertions about their need for space. The Corporation then proposed policies restricting the use of the buildings in the area to fur traders by "resisting development in the Fur Trade Area which would involve the loss or reduction of accommodation for the Fur Trade" (14.20), and "requiring the continuity of suitable accommodation for the Fur Trade" (14.21) during redevelopment. These policies are a highly beneficial transfer of property rights from building owners to the fur traders:

- on redevelopment it provides fur traders with a "ransom strip" to exact gain from developers;
- for some fur traders, it no doubt offers the opportunity of acquiring a building for a lower price than they would have to pay if the use of the building were not restricted by planning, and offers the prospect of their being able to subsequently obtain a change of use to offices - and hence a capital gain - when they cease trading;
- the amount of space protected is probably greater than the fur traders require, and so the policy may well blight the area.

27. Smithfield Area

We are aware that the Draft Plan excludes Smithfield area, which is subject to the separate Smithfield District Plan prepared in 1981 (19). That Plan aims (i) "to support the continued location and operation of the meat market at Smithfield into the foreseeable future" (paragraph 20); (ii) to "protect all existing industrial floorspace in the area" (paragraph 52); (iii) "To encourage further provision of residential accommodation" (paragraph 98); and (iv) to grant planning permission for office use "only ... in certain circumstances" (paragraph 72). These policies imply freezing the land use pattern of the market area, yet the market is declining rapidly:

	Annual throughput (000 tons)
1965	339
1975	223
1980	197
1983	163

Source: Smithfield Market Office.

28. The Corporation appears to have had considerable difficulty facing up to the future of the Market, and when it prepared the Smithfield District Plan it did not undertake any objective and independent studies of the market's prospects to identify:

- the changing pattern of meat distribution, and reasons for the changes
- the Market's competitive strengths and weaknesses
- the volume prospects for the Market
- the economic benefits and costs of continuing to run all or part of the Market for meat distribution (it appears to generate a surplus for the City Corporation of only £1¼m annually, which is a trivial return for such a large land area)
- the desirability, or otherwise, of encouraging large lorries into the area.

In short it prepared no business plan as a basis for considering the land uses, yet the viability of business is the foundation of land use in such an area.

29. There is no more justification for industrial space in Smithfield, than anywhere else in the City (see above), nor is there a proven justification for housing (see below). The current policies, and the uncertainty of future use of many of the buildings, blights an area that could be an area of opportunity based on the unique Market building, and many other attractive smaller buildings. We hope that the feasibility study which the Corporation has embarked on will be based on a thorough business plan. If the Corporation does not have the skills to undertake such a study, then we recommend it employ suitable professional advisers.

30. The policies described for the four "Special Business Areas" and Smithfield Market aim to restrain changes in land use over about a fifth of the surface area of the City to favour - and de facto subsidise - small businesses, fur traders, meat traders, industry and wholesaling, while restricting mainline office development upon which the City's prosperity depends. It also proposes to circumscribe land owners' property rights. Such interventionist policies have to justify themselves both as to their social and economic rationale, and also to their feasibility (for if policies, however desirable in intent, are not feasible, they may retard beneficial development and also blight areas). The policies are neither justified nor are most of them feasible. The policies to favour fur and meat traders are based on purblind conservatism, lack of imagination, and a willingness to accede uncritically to sectional vested interests. The policies on industry, wholesaling, and housing are mere planning fashion. The City is an office location, pure and simple; policies that zone space for industrial, warehousing, and housing are both irrelevant and undesirable.

POLICIES TO SUPPORT SHOPPING AND CATERING

31. The characteristics of shopping in the City are unique. The workforce provide nearly all of the trade for shops during five days of the week with a peak daily demand between 12 noon and 2 pm. The bulk of demand is for limited and particular kinds of convenience shopping. There are five main shopping areas in the City (figures for 1973):-

	No. of <u>units</u>	<u>m²</u>
Bishopsgate	147	24,160
Cheapside	102	22,860
Moorgate	86	25,000
Leadenhall	78	16,360
Fleet Street	99	18,870
Source (3)		

Virtually all parts of the City are within easy reach of at least one of these centres.

32. The Draft Plan aims "To resist the loss of retail uses" (8.10), and "To seek the maximum possible replacement, in terms of both number and floorspace, of retail uses in development schemes" (8.11). The Corporation's reason for these policies is that "whilst retail uses are desired by those who work in, live in, and visit the City, the presence of these uses is continually threatened by others which are able to outbid them for valuable floorspace. A strong planning policy is necessary to protect retail uses, otherwise they will be forced out of the City" (8.14). The Draft Plan specifically aims "To encourage the provision of private catering space within new developments but to resist such provision if it involves the replacement of, or change of use from, a public catering use" (8.36), and "To resist the loss of private catering clubs and to require their replacement on redevelopment" (8.39).
33. The foundations for the policies are the Background Studies on Shopping published in 1976 (3), and on Catering Facilities published in 1978 (12). The Shopping study and later figures show that there has been a continuous decline in the number of retail units, and a decline in floorspace until the mid 1970s, since when it has established, if not increased. But the decline in floorspace since 1961 seems to have been less than the decline of the workforce in the City:

	<u>1961</u>	<u>1971</u>	<u>1981/3</u>
Workforce in the City (000)	387	341	285
Retailing Space (000 square metres)	381	310	321
Square metres of retailing space/ City worker	0.98	0.91	1.13

Sources: (2, 3, 20)

34. Although the Shopping Study presents many statistics, it does not include any firm evidence that there is a shortage of shopping facilities. The document reported (paragraph 4.18) that a 1967 Social Survey found that 61% of City workers were satisfied with shopping provision, while a Pedestrian Movement Survey in 1969 showed that 6% wanted more food and clothes shops, and 13% wanted more large multiple stores. With such modest levels of dissatisfaction the study (rightly) drew no firm conclusion as to whether there was a shortage of supply, and cautioned that "care must be taken in using these results in making projections of actual requirements" (paragraph 4.20).
35. The major sector of shopping in the City is the catering trade (including pubs and wine bars), which occupies about two-fifths of the retail floorspace and employs almost 60% of the people working in the sector. In the 1969 survey cited above 31% of respondents wanted more catering facilities. There is no doubt that there is less choice in the City than in the West End, but provision has improved since 1969 with the opening of a significant number of wine bars. The Catering Facilities study calculated that after allowing for in-house catering facilities, the City was short of seating for a fifth of the workforce at lunchtime. The calculation was based on assuming that everyone wanted to sit down for their lunch. Given

the considerable number of people who buy takeaway sandwiches and stand in pubs, this assumption is clearly untenable, and thus also the implication underlying the policies that there is a shortage. In fact the decline in floorspace, seats, and employment in catering has been in line with the decline in the City workforce:

	<u>1966</u>	<u>1977</u>
Workforce in the City (000)	361	307
Catering floorspace (000 square metres)	204	172
Number of seats in catering establishments (0000)	36	30
Floorspace/worker (square metres)	0.56	0.56
Workers/seat	10.00	10.2

Sources: (2, 13)

36. A policy of rigidly requiring replacement space can lead to a distortion and lack of flexibility in development schemes (e.g. one financial company moving into a new building was not allowed to use the back half of a shop scheme at street level to house its standby generator, and had to go to considerable expense to put it on the roof; another one bought a new building with a restaurant in the basement, and this remained empty until the Corporation allowed it to use it exclusively for its own staff. The policy also results in various planning games as building owners attempt to circumvent it, and unnecessary refusals of consent leading often to reversal on appeal. None of the evidence presented in the Corporation's documents proves that there is a shortage of either general retailing or of catering in the City, nor that the land and labour markets are not operating to balance supply and demand for these services. Thus the Corporation has made no case for intervening to use its planning powers to subsidise these services. Given the

economics of retailing as compared with offices, and the general preference of developers and funding institutions for single use buildings, we suspect a case for a discriminating policy of retention of retail space in the main centres could be made, and it may be possible to construct a discriminating case for catering. But we believe that the case should be demonstrated in a factual manner by comparing current shopping and catering demand with current supply and by examining the economics of supply, rather than being based on the whim of the Corporation and the reflex and the vociferous opposition that the City Retail Traders Association has to any loss of retail space. The Corporation in fact planned to produce an updated policy paper on shopping by May 1984. It is still not available and is unlikely to appear before the autumn. We hope that it will take account of the shortcomings which we believe we have identified.

POLICIES TO RETAIN HOUSING

37. Some 6,000 people live in the City, with the Corporation providing almost three quarters of the dwellings in the Barbican (2014 flats) and the Middlesex Street estate (181 flats). The Draft Plan aims "To maintain the residential population and to encourage a small increase in appropriate locations" (5.14), which is to be achieved by policies "To encourage the provision of residential accommodation in suitable locations" (5.16), and "To resist the loss of existing residential accommodation and, where buildings containing such accommodation are redeveloped or refurbished, to require the replacement of residential floorspace" (5.20). The wish to increase housing has been a strand of the Corporation's policy throughout the 1970s. In 1973 the Court of the Common Council expressed the view that the Inquiry Panel into the GLDP had underestimated the importance of maintaining the supply of housing in central London "especially in view of stated Government policies which seek to increase the stock of residential accommodation wherever possible" (paragraph 2.17 of 21). The 1977 Background Study "Population and Housing" (21) presented issues and options, drawing heavily on ideas

current in the early 1970's that favoured an increase in the housing stock in central London. The Study did not, however, critically examine the ideas, but presented them in a way that made clear the line that policy might take. For example:

- i) the Study asserted that "The continued loss of population raises a number of serious issues for planning. It is arguable that there is some minimum population below which Central London would be so socially and economically enfeebled that it would not have the strength to cure its own ills" (paragraph 4.5). The Inquiry Panel into the GLDP (22) examined the economic argument at length and rejected the similar arguments that the GLC advanced, calling them "hypothetical arguments relating to the future. We have no clear evidence that the alleged effects are happening now, nor any clear evidence that they are likely to do so" (paragraph 4.12). The Panel observed that "we do not accept that building houses in order to keep up the population or slow the rate of decline in population within London, is justified" (paragraph 4.9).
- ii) the Study suggested that "The continued decentralisation of population may have economic repercussions on the functioning of the City. As the average journey-to-work lengthens and thus becomes more costly employees need to be paid more for this expense. Eventually these costs must be met by the consumer (viz overseas customers) and may result in an overpricing of City Services" (paragraph 4.23). No evidence was presented to support the proposition, which ignores:
 - the trade off between travel costs and house prices
 - the decentralisation of back office work which supports City operations

- that the cost of salaries and wages in the City are low in comparison to other international centres. Furthermore, its international cost competitiveness is determined more by the exchange rate than by commuting costs.

iii) The study claims that "there is a marked shortage of certain types of workers in particular manual employees ... and lower paid white collar workers, who find living in the City prohibitively expensive" (paragraph 4.24). The majority of such workers probably live in the adjoining boroughs, and they are short of such work.

38. The view that an increase in housing was desirable became a policy objective in the Report of the Planning and Communications Committee on the City Development Plan on 18/9/80, and (with a modest reduction in emphasis) has been adopted in the Draft Plan. No reference appears to have been made to policy analysis within the DOE in 1976 (22), which argued that there was no compelling need to add to the housing stock of Inner London, or by the GLC in 1978 (23), which argued that "the emphasis in housing policy must now shift away from new building and towards improving the existing stock" (page 20).

39. The reasons the Draft Plan gives for increasing housing are as follows:

- i) An appeal to the 1976 Greater London Development Plan (5.3) which advocated that the housing stock in central and inner London should be increased. The policy in the GLDP was a political view by a Labour Government that ignored the analysis by the GLDP Inquiry Panel "did not accept that building houses in order to keep up the population is justified", (paragraph 4.9) and that "the need for larger programmes in the inner areas cannot be justified in planning terms" (paragraph 6.63). It is reasonable to infer that that

Government wished to support the aims of the Labour Inner London Boroughs (the constituency of both the Secretary of State and the Minister for Housing at the time were in two of them) in maintaining large house building programmes to support their population and political base.*

ii) The Draft Plan alleges that "A residential population is of benefit to the City. It helps to support a range of services, such as shops and catering ... and which are also of vital importance to the needs of the workforce" (5.11). A residential population of 6000 people clearly has a minimal effect when compared with working population of nearly 300,000.

iii) The Draft Plan's claim that "The residential population contributes to the local labour supply, in particular assisting the service sector" (5.12) is contradicted by the later observation that "Private housing in the City, and the Corporation's Barbican estate, are mainly available only to higher income groups" (5.43).

iv) The Draft Plan's claim that a residential population "helps, in some small measure, to reduce commuting" (5.12) should be put within the context of:

- the magnitude of the number of commuters
- the decline in commuting - and the possibility that there is surplus commuting capacity

* The Chairman of the Group worked in the Department of the Environment as a special adviser to the Review of Housing Policy (Cmd. 6851, 1977), and played a major role in shifting the emphasis of London housing policy away from new building.

- the availability of land for nearly 2,000 people on the London Dock, which is near to the City Boundary, and more land further east in the LDDC area.

- v) The Draft Plan claims that "The City's residential population is of great importance to the area's general character ... Housing contributes to the diversity of land uses and helps to promote a balance of activities in the City" (5.13). These are generalities that are difficult to understand. For fifty years the City has been dead at night and weekends, and it is hard to see how the small residential population - of whom more than half live in the forbidding Barbican Estate - make it come alive.
- vi) The Draft Plan's statement that "the present number of residents is about the minimum necessary for the population to continue to make a beneficial contribution to the life of the City" (5.14) is an assertion that has not been supported by any evidence in the Draft Plan or in the Background Study.
- vii) The meaning of the Corporation's "wish to achieve a population which is socially balanced as far as possible in the context of the City" (5.34) is not clear. Does this mean "balance" by SEG grouping, or by age, or by household composition? If the latter why should the Corporation be concerned about whether families live in the City? (5.35)
40. While there may not be a justification for a conscious policy against housing, given the nature of the City as a workplace the proposals to resist loss of housing space and require replacement of redevelopment are not necessary. They can lead to planning blight as land owners argue over use and can, in some circumstances, retard efficient development. For instance, one firm that wishes to expand owns a building next to a piece of vacant land, which is part of a larger office site. That piece of land

cannot be used for the firm to expand because it has been allocated for replacement housing.

PRESERVATION OF THE ENVIRONMENT

41. The Draft Plan is rightly concerned in Chapter 12 about the quality of the environment. There are many fine buildings and vistas in the City, and the views of St. Paul's, of the Monument, of many of the churches and of the Temples, should obviously be preserved. Equally it is true that much of the post war development of the City has been at best undistinguished and too often ugly, and for this the City Corporation itself must bear a major responsibility. For instance the Barbican scheme is not universally acclaimed as a visual asset, nor is London Wall, which was designed to the Corporation's brief. Holborn Viaduct is not an attractive townscape, and is a reflection of the Corporation's development control aesthetics.
42. The Draft Plan proposes that 28% of the surface area of the City (and a higher proportion of the Central Core as defined by the Corporation in Map 3 of the Draft Plan) remain as conservation areas. Although conservation areas provide the Corporation with additional powers (e.g. Listed Building Consent is required to demolish any building in a conservation area), the Corporation does not regard them as sufficient (12.30), and envisages further action. Meanwhile it proposes:
- (i) "To resist the demolition of unlisted buildings which contribute to the special character or appearance of a conservation area and to encourage sympathetic refurbishment of such buildings" (12.85) and has prepared a list of some 450 unlisted buildings that are covered by this policy (Appendix II).

(ii) "To refuse listed building consent for the demolition of a building in a conservation area until a) detailed plans of any replacement building have been approved, and b) a contract for the construction of that replacement building has been signed (12.87).

43. We consider the conservation policies are indiscriminate. For instance the part of Moorgate that is immediately to the South of London Wall is included in a conservation area, but it is very undistinguished, while 113 Middlesex Street, which is included in the list of unlisted buildings that allegedly contribute to "special character" is of negligible visual or historic merit. In many instances the functional requirements for office space demanded by financial users cannot be met by refurbishing or even by reconstructing existing buildings, and preservation can impede site assembly for the larger buildings that are increasingly in demand. As Mr McAndrews, Managing Director of Rothschild Merchant Bank has observed, "new organisations are not going to put up with refurbished buildings lurking behind Victorian facades" (24), a view to which the new Lloyds building is testament. The Corporation's policies run the risk of ossifying large tracts of the City.

44. We believe that the Corporation should first focus on preserving the national heritage, and second aim to allow the fabric to change to adapt to suit the requirements of the City's economy while retaining the best visual aspects. Given its past record we do not accept that the Corporation is a reliable arbiter of aesthetic taste. Furthermore, we are concerned that there is a widely held view that to gain planning consent some buildings are being designed to meet the aesthetic preferences of the Planning Department, rather than the requirements of users.

CONCLUSIONS

45. The Draft City Plan:

- (i) is based on the uncritical acceptance of out-dated policies of the 1976 GLDP, and the (negative) planning fashions of the time. It is not based on considering from first principles the unique characteristics of the City, and does not focus on the fact that the City is a financial centre pure and simple, and non-office uses such as industry, wholesaling and housing, are of no relevance to the City. Rather it is a "copy book" plan which has 'just grown' like Topsy over the years with a policy for this and a policy for that, where this and that are of little relevance to the main activities of the City. Some of it is similar to the effusions that emanate from the Town Halls at Camden and Islington and from County Hall. Indeed, apart from criticising the Draft Plan for not having policies for ecology and nature conservation, cycle routes and Community Area policies, the GLC are generally supportive of the Draft Plan (26). Such support shows there must be something fundamentally wrong with it!
- (ii) demonstrates little apparent understanding of the economy of the City, nor of how changes in the economy and technology are affecting occupiers' locational preferences and the types of buildings they require;
- (iii) generalities apart, does not indicate that the Corporation wishes to promote the financial economy of the City. The tenor of the plan is dominated on the one hand by its concern to preserve and various activities and resist others, while on the other hand it merely "may review its policies" to take account of changes caused by information technology. The past is firmly enshrined in the plan; the present is not understood; the future may merely be considered.

(iv) proposes a range of restrictive policies that will cause land owners a great deal of bother and will generate a great deal of aggravation, yet does not justify them rigorously:

- most statistics in the plan and supporting documents are out of date
- analyses of economic activities are incomplete,
- there are many assertions about the need for activities in the City - small businesses, industry, wholesaling, the meat market, housing - that are not proven;
- implies that the land and labour markets are not working in providing sufficient of these facilities and shopping and catering, and that therefore the Corporation should intervene with planning powers to subsidise these activities, and to displace others that can outbid them (i.e. have a higher added value). No evidence is presented of the failure of the markets, nor that the Corporation understands how the land and labour markets function, nor that the Corporation knows any better than the market;
- some policies (notably for the Fur Trade Area and for shopping) appear to be based on sectional interests, and were conceived without a rigorous, independent and public scrutiny* of the issues;
- includes many "nanny" policies on issues that really should be of no concern to the Corporation (e.g. social balance of households).

* By scrutiny we do not mean issuing documents for consultation - we mean auditing and the cut and thrust of a public inquiry.

- (v) does not base area policies upon "business plans" where such an approach is relevant (e.g Smithfield market area, the Fur Trade Area).
- (vi) proposes to constrain the development of about 2/5 of the land area of the City with policies that either conserve buildings, and/or attempt to restrict the economic uses of the areas to current uses. These policies conflict with the current requirements of many City financial organisations, and with the need for change. If the international financial market continues to prosper then these policies will contribute to:-
 - increasing the price of City accommodation
 - reducing accommodation choice
 - leading to companies locating outside the City
 - losing business to foreign financial centres
 - ossifying the City.
- (vii) takes no cognisance of the resources of premises and people in the adjacent boroughs (e.g. industry, warehousing, housing), and of the scope for development in the London Docklands Development Corporation area.

The proposals illustrate the shortcomings of the planning system. A range of detailed interventionist policies have been laboriously prepared over nearly a decade using outdated data, superficial analysis and outdated ideas by a body that does not understand the nature of what is it purporting to plan. The philosophy behind much of the plan unfortunately illustrates the national malaise of looking to the past not to the future, which

is at the root of Britain's economic decline. The outcome demonstrates conclusively the failure of the cumbersome planning system when faced with a fast changing environment.

RECOMMENDATIONS

46. We do not wish at this stage to criticise the specific policies one by one - in many instances we would recommend their deletion - nor to comment on the policies on Tourism, Recreation & Leisure, Social and Community Services, Public Utilities and Services, Movement, and Archeology. Although they are important, we wish to focus on the economic aspects of the Draft Plan. Our criticisms of those aspects are of such a basic nature that we recommend that the Corporation withdraw the sections on Economic Activity and Employment, Housing and Population, Shopping, Environmental Quality, and Special Policy Areas, and prepare another Draft Plan based upon the following principles:-

Principle 1 Within the context of preserving the national heritage, the paramount objective in The Corporation's use of its planning powers should be to facilitate development and redevelopment of premises that will meet the requirements of its financial industries, allowing firms to expand easily and new firms to enter. To this end we recommend the City should:

- i) aim to maximise the supply of land for office use by allowing change of use from industry and wholesaling (see Principle 2).
- ii) reduce restrictions on uses of buildings to a minimum.

iii) while the Corporation is better than many of the boroughs, it should try further to speed up processing of planning applications. To this end, the Corporation should not involve itself in the aesthetics of schemes except in Conservation Areas, and for major strategic sites. Elsewhere it should prepare broad guidance on critical aspects of design (plot ratio, massing, parking etc), and leave landowners and their architects free to work within those parameters.

Reasons

- i) The City is one of the few international economic winners in the UK but, as we noted in para 4 there is no room for complacency.
- ii) The Corporation's restrictive policies have been a contributory factor in pushing a number of firms out of its boundaries to the Eastern Fringe and into Westminster.
- iii) Buildings should be designed to meet the requirements of occupiers, rather than the aesthetic preferences of the Planning Department.
- iv) The Corporation's development briefs and the exercise of its development control powers since the 1947 Act have not demonstrated a consistent record of good aesthetic judgement.
- v) The time it can take to obtain planning consent, and the subsequent reluctance of landowners and developers once consent is obtained to apply to alter a permission, can result in the construction of unsuitable and even obsolete buildings.

- vi) Foreigners - particularly North Americans - do not understand the mickey mouse nature of the planning games we play.
- vii) As Dame Evelyn Sharp was reported as saying 20 years ago, good quality could only be obtained by giving the maximum freedom to designers - "Planners try to interfere and control too much". They should resist the temptation "to deaden initiative, to prevent change, to preserve things as they are and to take no risks and should let designers have the fullest scope... it was the thought of having to go through the whole planning process which tended to make architects take the easy way out and conform" (27).

Principle 2

The City should be recognised first and foremost as an office location, and there should be a presumption that most sites and premises - including all warehousing and industrial sites - can be used for offices, and that only clearly justified reasons will restrict site assembly and redevelopment. The indiscriminate policies aiming to restrain loss of small businesses, of industry, of wholesaling, of shopping and catering, and of housing should be removed from the plan - any restrictive policies should be discriminating. If the Corporation wishes to have policies on shopping, catering and small businesses, it should commission suitably qualified professional advisers to investigate the issues. Furthermore, if the Corporation then determines there is a case for providing premises, then as the owner of a substantial proportion of the land in the City it should follow the precedent it set in building Fur

Trade House for fur traders, put its money where its mouth is, and provide suitable units (e.g. a City village) on its own sites.

Reasons

- i) restrictive policies on land use may hinder the expansion of the City's financial industries.
- ii) requirements to retain or replace certain uses can impede redevelopment, and distort development schemes.
- iii) there is prima facie ample provision for industry, wholesaling and housing in adjoining boroughs, while shopping and catering will look after themselves.
- iv) restrictive policies can cause blight.
- v) there may however be sustainable cases for discriminating policies.

Principle 3

There should be a presumption that the land market reflects the economic interests of the financial industries of the City, and any restrictive planning policies should be thoroughly justified by demonstrating that the land and labour markets are not functioning properly, and in consequence the City's financial industries are suffering. All planning policies should be based on clear principles, and on firm empirical evidence including a quantified understanding of the social and economic costs and benefits. To that end:

- the Corporation should commission a detailed study of the City's economy, and its premises requirements.

- when proposing policies, the Corporation should hold a formal public inquiry so that all parties can have their say and the issues can be rigorously examined by subjecting them to public scrutiny by cross examination.
- area policies where appropriate should be based on business plans

Reasons

- (i) "A little learning is a dangerous thing;
Drink deep or taste not the Pierian Spring:
There shallow drafts intoxicate the brain,
And drinking largely sobers us again".

Alexander Pope

- (ii) A public body exercising powers that affect the interests of private persons (often to their detriment) should exercise those powers responsibly and in public. In particular, when proposing to "plan" for others planners should possess - and show that they possess - superior wisdom over the planned, and demonstrate clear public benefits from the planning.

Principle 4 The Corporation should not aim to freeze the land uses of any parts of the City, and to that end should dispense with the concept of Special Business Areas, and review all parts of the Draft Plan that imply such freezing.

Reasons

- i) "We cannot plan the future by the past".
Edmund Burke.
- ii) "The only certainty about the future is that it is uncertain".

Anon.

- iii) "History is bunk".

Henry Ford

Principle 5 The Corporation is currently undertaking a feasibility study of the Smithfield Market. We recommend the study should encompass a full business evaluation of the Market, should draw on suitably qualified and independent advice; and should be subject to proper public scrutiny.

Reasons

- i) there are significant changes in meat distribution, and trade through the market has been declining rapidly
- ii) the value generated from the area (including the income to the Corporation) is low for such a large area.
- iii) the area is partially blighted.
- iv) the Market buildings in particular, and the area as a whole, offer considerably opportunity.

Principle 6 The Corporation should reconsider its conservation areas, reduce the list of protected buildings, and prepare clear guidelines about development in conservation areas that will on the one hand protect the attractive parts of the environment, while on the other facilitating development to meet the changing requirements of the City's financial industries. To provide a sound basis for the policies the City should commission a study by suitably qualified advisers of how to match the stock in conservation areas with the requirements of users.

Reasons

- i) while the most attractive parts of the City should be retained, there should not be an indiscriminate policy of protection.
- ii) too restrictive policies will impede the adaptation of the stock to meet changing requirements.
- iii) there should be clear, reasonable and reasoned guidelines within which landowners and occupiers can plan adaptation and redevelopment of the stock to meet deterioration and economic obsolescence of buildings.

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