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# London 2030:

## A series of events exploring the future growth of the Capital

Tom Bolton  
July 2013



**“The Centre for Cities is a research and policy institute, dedicated to improving the economic success of UK cities.**

**We are a charity that works with cities, business and Whitehall to develop and implement policy that supports the performance of urban economies. We do this through impartial research and knowledge exchange.”**

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## Introduction

During Spring 2013, Centre for Cities and Addleshaw Goddard held a series of high-level seminars to debate the priorities for managing and sustaining London's growth. This paper is a think piece, reflecting the discussions that took place at these events.

**London is running out of time to plan for 2030, by which date the city will be bigger than ever before**

Virtually all current policy thinking for London is based on the assumption that the city will continue to grow, but this is by no means guaranteed. Unless policy decisions are taken to address persistent housing, transport and employment issues, future economic success may be threatened by rising costs, growing congestion, and deepening inequality. London is running out of time to plan for 2030, by which date the city will be bigger than ever before. With a population growing faster than expected, the window of opportunity to tackle three urgent challenges is shrinking. Congestion levels anticipated in the 2030s will now be with us in 10 rather than 20 years. The cost of housing continues to rise much faster than predicted, making London a less and less affordable place to live. Unemployment and inequality are a persistent, long-term blot on the Capital's economic record, and show no signs of going away.

London is a global city, bringing wealth to the UK from around the world, but between the Second World War and the early 1990s this was not the case. 'The Honor Chapman Report'<sup>1</sup> traces London's renaissance as a world city back to 1991, and provides a timely reminder that it needs to fight to retain its global standing. This status brings with it greater pressure on housing and transport, to which the city needs to respond. It also brings international competition for jobs, which excludes those who lack the skills to compete. London's global status creates tension within the UK itself, as other cities see the

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1. Clark G & Moonen T ed Feenan R (2012) *The Honor Chapman Report. London 1991-2001: The Building of a World City*



Capital swallowing the lion's share of investment, resources and human capital. London has a fine line to tread in bolstering its global competitiveness by 2030, while defining a mutually beneficial relationship with the rest of the UK.

This report is for London's policymakers and for its private sector. It brings together the ideas that emerged during the debate series to look beyond the timescales of current thinking and bring the challenges of 2030 into sharp focus. London needs a plan for 2030 that tackles questions that are not fully answered in the Mayor of London's '2020 Vision'.<sup>2</sup> It poses a series of urgent challenges for London which, despite recent high profile policy thinking on London's future priorities, have remained unaddressed over decades and are now becoming impossible to ignore.

To be confident about its continued growth to 2030, London needs to tackle the problems created by growth, as well as reaping its rewards. These cannot be solved in isolation by London's government;; cross-sector partnerships are needed to find solutions that have eluded successive national and local leaders. London thrives on staying ahead of its competitors, but it must continue to change and improve to maintain its edge, and its status as a high-functioning, self-sustaining economy.

**London thrives on staying ahead of its competitors, but it must continue to change and improve to maintain its edge**

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2. Mayor of London (2013), *2020 Vision: The Greatest City on Earth*, London: Greater London Authority



## A growing city

It is easy to forget that London's current growth spurt is a recent phenomenon

**Population:** London grew by a million people between 2001 and 2011, nearly twice as fast as the whole of England and Wales.<sup>3</sup>

**Jobs:** 427,000 new jobs were created in London between 2005 and 2013.<sup>4</sup>

**Wages:** average pay in London is 30 per cent higher than in the rest of the UK.<sup>5</sup>

**Output:** despite the recession, Gross Value Added (GVA) per head in London grew by 5.6 per cent from 2007-2011.<sup>6</sup>

London is the UK's only global city, the motor of the national economy with a fast-growing population. In 1939 London's population peaked at its highest ever level, 8.6 million. By 2018 it is expected to reach 9 million, meaning that London will soon become bigger than it has ever been before. By 2030, or probably earlier, it will be a city of 10 million people.<sup>7</sup>

London's success is crucial to the UK economy: 35 per cent of the UK's GVA is generated in London and the South East. However, it is easy to forget that London's current growth spurt is a recent phenomenon. The Capital's population has been climbing only since the 1990s, when it finally began its recovery from the 50-year slump triggered by the Second World War.

The strength of London's economy over the past two decades is widely envied and has brought major social and economic benefits. However, long-term growth has also created persistent, increasingly urgent challenges:

3. Census 2011

4. Data downloaded from <http://www.nomisweb.co.uk>, March 2013

5. Office for National Statistics (2012), *Household Disposable Income Across the UK, 2010* London: Office for National Statistics

6. Wickham M (2011) *Regional, Sub-Regional and Local Gross Value Added Estimates for London 1997-2011*, London: GLA Economics

7. Mayor of London (2013), *2020 Vision: The Greatest City on Earth*, London: Greater London Authority



- London's infrastructure is struggling to cope with pressure from a rapidly increasing population.
- House prices in the Capital have continued to rise despite the state of the wider economy, pushing up the cost of living.
- Unemployment has remained relatively high for two decades, unaffected by growth.

What is more, London is growing faster than anyone expected. The 2011 Census revealed the last thing London policymakers needed: a surprise baby boom. The impact can already be seen in the number of school-age children, now increasing at twice the national average and creating a severe shortage of school places. Primary schools are a canary for the Capital. As larger numbers move through education into work, they will test all aspects of London's capacity.

Despite its economic success, London is approaching a crisis point. It needs more than new investment to help it keep pace with the demand for jobs, skills, transport and housing – it needs fresh thinking about how both the public and private sectors approach these fundamental drivers of growth. Without new approaches, standards of living will inevitably start to fall. The Capital is set to become an even less equal place than is currently the case, with those on lower incomes affected first and most severely by the increasing cost of living. However, everyone living or working in London will be affected, and if the most pressing and fundamental problems are not tackled more effectively than has been the case over more than two decades of successive national and local governments, London's economy will feel the impact.

Growth, a relatively recent phenomenon for the Capital, cannot be taken for granted. New policy solutions are needed to maintain both living standards and global competitiveness.

**London  
needs more  
than new  
investment to  
help it keep  
pace with  
demand**



The London Finance Commission<sup>8</sup> highlighted this, making the case for greater devolved tax powers to allow London to invest in future growth. So too did the Mayor of London's recent '2020 Vision'<sup>9</sup> report, which identified housing, transport and employment as priorities for the city. Yet the scale of the challenges are significant, the need for progress is urgent and it remains unclear whether current or future governments will make these available. London's future success depends on working harder and smarter to meet demand, and finding new ways to spread growth benefits to as many Londoners as possible. While the public sector is crucial to setting the right conditions for the London economy, the London government will not be able to solve these problems on its own. The private sector also has an essential role to play to maintain the investment conditions from which it currently benefits.

**The issues for London between now and 2030 are complex, but sticking with the status quo is not an option**

The issues for London between now and 2030 are complex, but sticking with the status quo is not an option. We have highlighted problems that need urgent attention, and some ideas that could make a difference.

8. The London Finance Commission (2013) *Raising the Capital*, London: The London Finance Commission

9. Mayor of London (2013), *2020 Vision: The Greatest City on Earth*, London: Greater London Authority



## Two issues for London

Many issues could be highlighted as requiring special focus from London's public and private sectors. This report has chosen two – polarisation in the Capital, and the real size of London – because they are neither sufficiently debated, nor acknowledged as barriers to growth. Both are common threads in the debates on future housing, skills and transport needs, and they represent challenges that London needs to get to grips with before 2030. These are not abstract policy issues, to be resolved behind the scenes in City Hall. Both have direct relevance for London's future as a global city, and solutions will require cross-sector partnerships.

**London's growth is leading to polarisation across the Capital**

### Polarisation

Inner London accounts for **69 per cent** of London's total economic output.<sup>10</sup> Yet employment rates in Camden and Westminster are some of the lowest in London, below **65 per cent**.<sup>11</sup>

## Challenges for London

London's growth is leading to polarisation across the Capital: both spatially, with the continuing growth of the Central Activities Zone and the decline of Outer London town centres; and socially, as low skills and unemployment persist in the heart of one of the world's leading cities. Over the next two decades one of the major challenges for London will be considering how to ensure the benefits of growth are spread more evenly throughout the city.

London depends heavily on the jobs in its central boroughs. The Central Activities Zone – the West End, the City and

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10. Wickham M (2011) *Regional, Sub-Regional and Local Gross Value Added Estimates for London 1997-2017*, London: GLA Economics

11. London Councils (2013) *Getting London Working*, London: London Councils



## London's Growth Timeline

**2015:** The Davies Commission Report on London's aviation capacity is published.

**2017:** A referendum on EU membership to be held under current Conservative proposals.

**2020:** Average London house prices reach £500,000, up more than 30 per cent from 2013.\*

The number of London jobs requiring at least a degree will rise by around 400,000.\*\*

London's working age population is projected to have increased by 600,000, with an extra 476,000 London residents in work and 193,000 not in work.\*\*

\*Centre for Economics and Business Research (2013)  
*UK Regional House Prices*, London: CEBR  
\*\* GLA Economics (2013) *London Labour Market Projections*, London: GLA

**2030:** Crossrail 2, if approved and funded, could open during this decade.

London's population reaches 10 million.\*

2.4m extra trips per day predicted on public transport, compared with 2013.

Demand for rail travel into central London up 36 per cent from 2013.

Rush hour crowding on central section of the Victoria Line reaches an unprecedented 5.3 people per m<sup>2</sup>.

\*Mayor of London (2013), *2020 Vision: The Greatest City on Earth*, London: Greater London Authority

**2016:** The shortfall in London school places reaches 118,000, 42 per cent of the national total.\*

\*Mayor of London (2013), *2020 Vision: The Greatest City on Earth*, London: Greater London Authority

**2018:** Central section of Crossrail completed, expanding London's Tube capacity by 10 per cent.

Despite capacity increase, severe rush hour overcrowding in Central London is predicted on the majority of tube and rail lines.\*

One in five high street shops are predicted to have closed.\*\*

\*Transport for London  
\*\* Centre for Retail Research (2013) *Retail in 2018*, London: Centre for Retail Research

**2026:** Phase 1 of the High Speed 2 rail link opens, with the impact of extra passengers on existing public transport unknown.



Canary Wharf - continues to attract investment, with commercial expansion around its fringes in places such as King's Cross, London Bridge, Paddington and Shoreditch. At the same time, the commercial role of Outer London centres is shrinking, with once-popular office locations such as Croydon losing major employers. Coupled with pressure on traditional high street retail, the future of Outer London town centres is uncertain while the centre thrives, potentially creating a 'doughnut effect'.

Social polarisation is linked to the 'doughnut effect' through London's housing market, with all of the most affordable boroughs located in Outer London and increasing house prices pushing people further from the centre. And, while jobs are created in the centre, residents often do not have the skills to compete for them, meaning that London's commercial heart also contains its highest levels of unemployment. If employment patterns and house prices continue on their current trends, London in 2030 will be an even more polarised city.

*The commercial role of Outer London centres is shrinking, with once-popular office locations such as Croydon losing major employers*

### **Before 2030**

- **Jobs for residents:** can the success of Inner London boroughs be translated into jobs for unemployed residents?
- **Changing roles of outer boroughs:** will central London and areas beyond the M25 continue to attract businesses at the expense of Outer London boroughs?
- **Outer London and development:** Will Outer London retail become concentrated in a small number of large shopping centres, at the expense of traditional centres? Can Opportunity Areas designated in areas of lower demand in Outer London expect to see significant development? How will this change decisions about investment in infrastructure and housing?



*Are new  
approaches  
needed  
to draw  
investment  
into Outer  
London?*

- **Outer London and low skilled workers:** will high London house prices force those on lower incomes to live in fewer areas of London, further from the centre?
- Will declining office employment in Outer London mean that most high skilled jobs move to Central London and most **low-skilled jobs to the outer ring?**
- **New policies for Outer London?** Are new approaches needed to draw investment into Outer London, for example varying property taxation in relation to demand, rather than independently by borough, to help areas in less demand from business become more competitive?



## The Greater London City Region

The official population of Greater London is 8.2 million, but 9.5 million people live in its real built-up area – the equivalent of an extra city bigger than Glasgow.<sup>12</sup>

### Challenges for London

**London's boundaries are an illusion.** Its real economy is much larger than the area covered by the Greater London Authority (GLA). When London chose to move Londoners to towns beyond the Green Belt after the Second World War, it exported its growth to surrounding areas. Now the GLA is tasked with devising an economic strategy and making decisions that affect places outside its remit. This governance gap leaves London struggling to plan for an entire city region within an area that represents only part of the whole. This is a challenge that must be acknowledged and addressed so that London can equip itself for 2030.

*London's real economy is much larger than the area covered by the Greater London Authority*

The polycentric economy of the South East presents a real challenge for planning for the whole of London's functioning economy. London's housing needs need to be met in Harlow as much as in Hackney, in Basildon as well as Barking; its transport infrastructure is used by commuters from across the region and far beyond; and the jobs it creates are filled by the global labour market.

London pioneered devolution with the GLA and the London Mayor, but other English cities are catching up. While other UK cities are setting up formal city region partnerships and establishing combined authorities to work with neighbours, the GLA does not cover the area within the M25. In addition, it neither covers London's continuous built-up area which

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12. Census 2011



includes a further 13 local authorities; nor London's 'city region', its real area of influence which includes cities across the entire Greater South East, stretching from Brighton to Cambridge and from Southampton to Southend-on-Sea (although some of those cities may well be reluctant to be part of a London city region). London's fiscal autonomy also fails to reflect its real economic reach, sitting within England's highly centralised system of taxation. As the London Finance Commission has highlighted, only 7 per cent of the taxes raised in London are spent by the city, compared to 50 per cent in New York.<sup>13</sup> If London is to find the funding it needs to support growth in one of the largest city regions in the world, can it carrying on competing for funding with other UK local authorities; or does it need an entirely new financial settlement with government?

**If London is to find the funding it needs to support growth, can it carrying on competing for funding with other UK local authorities?**

#### **Before 2030**

- **Fiscal independence:** can London take its devolution to the next stage by successfully arguing for greater fiscal independence from central government to help pay for its needs, for example by raising local taxation, as recommended by the London Finance Commission?<sup>14</sup>
- **Private sector role:** can the private sector take a more consistent, longer-term role in boosting the funding available for public projects?
- **Public sector role:** can the GLA engage with the developing local economic growth agenda, for example by using the Single Local Growth Fund to address housing, transport and employment challenges via the London Enterprise Panel?

13. The London Finance Commission (2013) *Raising the Capital*, London: The London Finance Commission

14. The London Finance Commission (2013) *Raising the Capital*, London: The London Finance Commission



- **Working across boundaries:** can London plan in co-operation with places outside its boundaries, essential to meeting future housing, transport and employment needs? Should the GLA's boundaries expand to the M25, or beyond?
- Are **new formal partnerships** needed beyond Greater London on specific functions, for example transport?
- **Governance:** is London's borough system fit for purpose in the longer term? Could borough numbers ever be reduced, or is it politically impossible? Is closer collaboration and sharing of functions between boroughs an option for future governance?

*Is London's  
borough  
system fit for  
purpose?*



## Three priorities for London's economy

Housing, transport and employment are priorities for the London economy, but they also present intractable barriers to growth. The cost of housing makes London difficult to afford; congestion threatens to become worse, despite major transport improvements; and London's unemployment has been higher than the national average for a generation.

London's public and private sectors need to make a concerted effort to find the solutions that these problems demand, to prevent them from undermining London's future growth prospects.

**It is clear  
that demand  
for housing  
in London  
outstrips  
supply**

### 1. Housing London

**The average house price is currently 12 times the average income in London.<sup>15</sup>**

## Challenges for London

With an average London house costing £408,000 – an increase of 20 per cent since 2008 during the longest depression of modern times – it is clear that demand for housing in London outstrips supply. Housing in London is becoming less and less affordable, while the number of new houses built by the private sector has not recovered since the recession. London property is also attractive to international investors, introducing a new level of demand. A housing crisis is now in full swing, and no-one has proved able to prevent it. This has to change before 2030.

At the other end of the income scale, the introduction of the benefits cap and the Affordable Rent model has made London less affordable to social housing tenants. Of all the households living in temporary accommodation in England, 75 per cent

15. Centre for Cities (2013) *Cities Outlook 2013*, London: Centre for Cities



are in London.<sup>16</sup> Housing Associations are also under pressure, with disappearing grants and reduced access to finance for development, making housebuilding more difficult for them.

The Mayor of London has identified a need for 400,000 new homes in London over the next 10 years,<sup>17</sup> significantly more than the 32,000 new homes per annum estimated in the 2011 London Plan. Yet the mechanisms needed to build at this scale are beyond the control of London government, depending either on private sector house-builders building more, or on national Government providing new freedoms by raising borrowing caps. As the housing shortfall mounts and the number of housing London needs to build increases, there is little reason to believe that London will improve its record on housebuilding to the extent required. New approaches are clearly needed.

**The Mayor of London has identified a need for 400,000 new homes in London over the next 10 years**

## What does this mean for London?

### **Now**

- **New houses:** can the London government focus on increasing overall housing supply for London, potentially reducing the pressure of demand, rather than on attempting to mitigate demand by building affordable housing?
- **Borrowing:** will the government raise borrowing caps for local authorities and housing associations, to help them take advantage of the low cost of borrowing to build more housing units?

### **Before 2030**

- **Governance:** does London need simpler governance arrangements, so housing can be by the public sector for the whole of London, rather than on a borough-by-borough basis?

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16. <http://www.londonspovertyprofile.org.uk/key-facts/>

17. Mayor of London (2013), *2020 Vision: The Greatest City on Earth*, London: Greater London Authority



**Should  
London try  
innovative  
approaches to  
building more  
houses?**

- **Housing benefit:** will a future government devolve the management of housing benefit to the Mayor of London, so London allocations and caps can reflect the unique housing costs in the Capital?
- **Public sector role:** will the GLA acknowledge that London's housing needs are unlikely to be met through private sector development in designated Opportunity Areas, with low demand to live in these locations?
- **Private sector role:** are new incentives or funding mechanisms needed to change the role of the private sector in building homes, bringing new firms into the market in addition to existing, major house-builders?
- **New incentives to build:** should the GLA press for the freedom to attach new expiry dates or penalties to unbuilt planning permissions?
- Should London try **innovative approaches to building more houses**, for example by providing ready-to-build, prepared sites for self-build, in areas where the market has failed to develop land?

## 2. Transporting London

The population of the City of London and the Boroughs of Camden, Tower Hamlets and Westminster increases by nearly 1.5 million people every weekday.



### Challenges for London by 2030

London is struggling to overcome a decades-long investment backlog in its public transport, which is now under increasing pressure from the needs of a rapidly growing population. The equivalent of an extra Tube train (more than 800 people) arrives in London every week.<sup>18</sup> Despite current major projects to develop new routes and capacity, projections show serious peak congestion increasing on tube and rail as demand absorbs new capacity. For example, although the bus network grew by 40 per cent over the last decade, its usage grew by 60 per cent.<sup>19</sup> Before 2030, London needs to know that it will be able to match future demand, and prevent overcrowding becoming endemic.

*London is struggling to overcome a decades-long investment backlog in its public transport*

A future decision on airport capacity adds a major unknown factor, with any change having a significant extra impact on public transport, as will the High Speed 2 rail link. New capacity is undoubtedly needed, but major projects have taken much longer to deliver than planned, Crossrail and the Thameslink Programme being the two most recent examples. Greater funding certainty beyond the current, short spending cycles is essential for Transport for London (TfL) to plan the investment programme London needs.

However, London needs more than investment in new and existing lines. It is surely already too late to keep pace with demand by building new routes. If London can no longer build

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18. Transport for London

19. Transport for London



its way out of trouble, a different approach is urgently needed to prevent overcrowding having a negative impact on the London economy. TfL should to develop its role in influencing and managing demand, as well reacting to greater passenger numbers in the traditional way, by creating more capacity. This will include finding ways to reduce rail and tube use, and putting more funding into ‘softer’ measures, such as increased pavement capacity in central London.

**Transport for London should to develop its role in influencing and managing demand**

### What does this mean for London?

#### Now

- **Managing demand:** will TfL invest in softer measures to reduce transport demand, for example by actively reducing the number of one-stop journeys made on the Underground?
- **Quicker delivery:** can London deliver essential major projects much faster, such as Crossrail 2 which is needed now but is more than 20 years from delivery?
- **Funding:** will the business community in London commit to helping fund transport improvements such as Crossrail 2 to keep the Capital functioning?
- Will Transport for London produce **a long-term transport investment plan**, demonstrating how it intends to address demand up to at least 2030?

#### Before 2030

- **Funding:** can the Mayor successfully make the case for a separate, self-generated transport funding pot for London to end the situation in which other cities compete with London for central money, and provide certainty for business and investors?
- Will the GLA consider **new ways of funding long-term transport improvement**, such as a Paris-style business levy?



- **Land use:** can the GLA, TfL and London Boroughs link land use and transport planning better by developing strategies to reduce commuting flows into the centre? For example, this could include implementing lessons from transport management during the 2012 Olympics, or even using public property to provide new types of work space, reducing the need to travel.
- **Managing demand:** will future transport management measures include measures already in use internationally, such as next generation road-pricing which varies charges by demand, or measures to preference car-sharing?

*Will future transport management measures include measures already in use internationally?*



### 3. Employing London

**33 per cent of London residents are not qualified beyond GCSE level.**

**London's  
labour market  
is global  
and very  
competitive**

London's labour market is global and very competitive. Future employment growth is projected to continue the trend away from low skilled jobs towards jobs requiring high skills, which is particularly pronounced in London. While 45 per cent of the London workforce is educated to degree level, a significant proportion has lower qualifications and more than 9 per cent have no qualifications at all. This has created a so-called 'cooling tower' distribution of skills: there are large groups at either end of the scale, with high and low qualifications, but fewer people in the middle.

This skills gap among residents contributes to a polarised jobs market, with fewer job opportunities for a substantial section of the population. As a result, London's employment rate has lagged behind the national average throughout the past 20 years. The employment rate in London was 69 per cent in 2012,<sup>20</sup> the same level as cities such as Blackpool. London also has a growing problem with low wages, with 16 per cent of all London jobs paying less than the London Living Wage.<sup>21</sup>

This issue may not seem urgent, on the basis that it has persisted throughout London's recent period of growth, but it would be a mistake to ignore the growing social divisions likely to result from the economic isolation of a substantial minority. While the public sector has a significant role to play in directing skills policy effectively, the private sector makes the choices about who it employs. Firms can mitigate the downsides of growth by helping more Londoners to gain skills and jobs, boosting their competitiveness and tackling the inequality created by persistent unemployment.

20. Centre for Cities (2013) *Cities Outlook 2013*, London: Centre for Cities

21. <http://www.londonpovertyprofile.org.uk/key-facts/>



## What does this mean for London?

### Now

- **Taking a strategic approach:** can the GLA produce a London-wide employment, skills, growth and innovation strategy?
- **Devolving skills:** will the GLA devolve skills responsibility to the local level by giving London Boroughs the funding and remit to link businesses to education and training providers? Boroughs have the local knowledge needed to identify and help meet local skills needs.
- Will the Government **devolve national skills funding, more than a quarter of which is spent in London**,<sup>22</sup> to the city in a ‘City Deal’ arrangement?
- **Working with Further Education Colleges:** can the GLA and Boroughs work with further education colleges to provide escalators into work for local residents, and targeted sectoral programmes to supply specific local needs?
- **Working with the private sector:** what can the private sector do to reduce London’s skills gap and its unemployment levels, for example by using apprenticeships to supplement graduate recruitment in City firms?

*Will the GLA devolve skills funding to the local level?*

### Before 2030

- **Funding:** can the GLA line up future funding sources, such as the next round of European Structural Funding, to invest in delivering skills priorities?
- **Further Education:** can London improve the quality of London’s FE Colleges, for example through the London Challenge approach which was successfully applied in schools?

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22. London Councils (2013) *London’s Skills Gap*, London: London Councils



**Will  
employers  
commit to  
investing in  
continuous  
learning for  
the existing  
workforce?**

- **Private sector:** will employers commit to investing in continuous learning for the existing workforce, not just for school-leavers, as most of those who will be working in 2030 are already in the labour market? How can the GLA and London Boroughs engage with the needs of the small and medium-sized businesses, which provide 50 per cent of London's jobs, more effectively?
- **Wages:** should the London Living Wage be made compulsory for London employers, to counter the increasing numbers in work and in poverty?



## London in 2030

London's growth has created challenges that have become impossible to ignore. Current approaches are failing to meet the needs of an expanding population, and new solutions are urgently needed. The London economy drives the national economy and enables the relative prosperity of the Greater South East, so its continuing success is a national issue. However, despite London's success, there are significant, growing issues that both London's leaders, national politicians and London's private sector have been unable to resolve:

- House prices are making London unaffordable, even for those on average incomes.
- London's transport investment programme is failing to keep up with demand.
- Unemployment has been too high for a generation.

It is essential for London's future prospects that these issues are addressed. Public transport could become so crowded that people give up the battle and move away. Property prices could drive a generation away from London. Can a city remain dynamic and successful with persistent unemployment that shows no sign of going away? The private sector must play a part in ensuring that the growth prospects for businesses are not undermined by a failure to face up to major issues of capacity and inequality.

London has to confront the need for longer-term investment programmes for housing, skills and transport, which will require new financial freedoms and revenue raising powers for the Capital. It also has to acknowledge that its role as the UK's only global city has allowed it to benefit from funding not available to other cities, creating tensions and difficult decisions on future funding at a time when other UK city

*London's growth has created challenges that have become impossible to ignore*



economies lag significantly behind. London needs to face up to its role as part of the national economy and ensure it plays a national role between now and 2030 working in partnership with other large cities to advocate for greater devolution of powers and funding to major city regions. It may be that some of the solutions to London's problems lie in closer working with other cities across the UK.

***London has a chance to stay ahead of the game and build confidence by setting out new ambitions for 2030***

It is certainly clear that investment on its own will not be enough: London need to develop bespoke, innovative solutions to its problems, including:

- Fresh approaches to increasing housing supply.
- Smarter and longer-plans to manage transport demand.
- Skills policies that are much more effective in matching people to jobs.

Solving these problems will require closer working beyond the GLA boundaries, based on improved partnerships with local authorities across London's real economic area to ensure that housing and transport strategies reach the M25 and beyond.

Failure to address these issues would be damaging for the national economy, which needs London to do well and to continue its growth. It could make London a less attractive place, with declining town centres and rising inequality. However, London has a chance to stay ahead of the game and build confidence by setting out new ambitions for 2030, and refusing to rest on its laurels.



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All views expressed are those of the Centre for Cities. All mistakes are the author's own.



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