

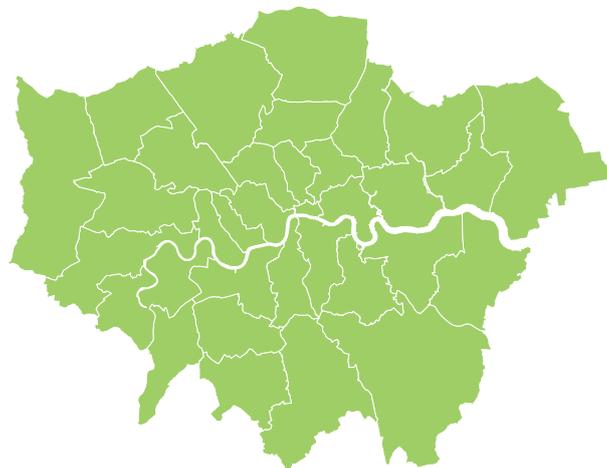


London Metro Mayor

Three Policy Priorities for 2021

In May, voters in London will elect their mayor. The winner will lead on transport, skills, housing and planning, and policing within the capital, and will be elected for a three-year term after the delayed election last year. In recent polling conducted by Savanta ComRes for Centre for Cities, 81 per cent of Londoners were aware that London had a mayor, and 60 per cent could correctly name the incumbent Sadiq Khan.

Figure 1: Greater London



Although the economic boundaries of London stretch beyond Greater London's boundaries, the mayor will be elected by and govern the Greater London area. More data on London's economy can be found in the [factsheet](#), [City Monitor](#), [High Street Tracker](#), and the [UK Unemployment Tracker](#).

The mayor will face the immediate challenge of ensuring local recovery from the Covid-19 pandemic, which saw unemployment-related benefit claims rise by 324,000 across Greater London from March 2020 to February 2021.

But the mayor should prepare for economic expansion and prosperity rather than expecting long-term decline induced by reduced population, working from home or an aversion to city centres. The longer-term challenges for London of managing the costs of growth that predated Covid-19 will persist beyond it.

This briefing sets out three policy priorities the mayor should focus on over the next term. These are **repairing London’s city centre, writing a new London Plan for growth to improve housing affordability**, and **tackling congestion and air pollution**.

Policy priority 1: Repairing London’s city centre and preparing it for future growth

- **Campaign to encourage people back to the city centre once it is safe.** The mayor should work with London employers and the Urban Centre Recovery Taskforce to encourage offices to reopen and ensure the capital’s transport infrastructure is able to cope
- **Continue to support high-quality office space in the city centre.** Offices will continue to play a key role in London’s economy even if working from home permanently increases.

Research from Centre for Cities has demonstrated that Covid-19’s economic damage has been particularly profound in city centres, and especially within London.¹ Along with the Core Cities outside the capital, London has experienced particularly sharp falls in city centre commuting, with the public currently having strong aversions to urban centres and public transport. Centre for Cities expects these to be temporary, but supporting London’s city centre will need to be a priority for any mayor seeking to ensure the entire city benefits from wider economic recovery.

While the ability of much of London’s workforce to work from home reflects in part the strength of London’s labour market, the local services jobs in shops, restaurants, pubs and others that depend on commuters’ city centre spending have been hard hit. Securing the recovery of London’s city centre is of crucial local and national economic performance, and a significant and permanent increase in working from home would be particularly damaging to those on lower incomes whose work cannot be done remotely.

London should launch a campaign in partnership with the government’s Urban Centre Recovery Taskforce to encourage a return to city centre working once it is safe to do so. This would be similar to the London is Open and One London campaigns of earlier years. The objective would be to counteract the extremely successful campaign last spring that encouraged people to work from home due to the danger from Covid-19. This would help not just office workers, but also the workers in hospitality and retail and similar local service sectors who depend on office workers’ spend in London’s city centre. Ensuring that public transport will be able to cope with increased commuting as restrictions ease will need to be part of this effort, and will require co-operation with central government and central London employers.

¹ See: Breach, A (2021), Core Cities: the impact of the first wave of Covid-19, Centre for Cities and Centre for Cities, (2021) High Street Recovery Tracker <https://www.centreforcities.org/data/high-streets-recovery-tracker/>

London will need more city centre office space to prepare for future growth.

Once central London has recovered, demand for office space over the next decade is likely to continue to rise. This is because, even if there is a rise in working from home, it does not necessarily follow that this will reduce the need for office space in London's city centre. If offices are required to compete more fiercely for workers as working from home becomes more common, the quality of office working and the amenities on offer will have to improve. More space per worker may mean that more city centre office space is required in aggregate to make those who commute more likely to do so, even if the share of London's office workers who are commuting falls.

The mayor should avoid the self-fulfilling prophecy of supporting reductions to office space in central London before significant recovery can happen. The mayor will need to ensure that London's city centre office market remains healthy for the benefit of the entire city's economy, and avoid decisions in the Central Activities Zone that make taller, denser, and new office space more difficult for developers to deliver.

Policy priority 2: Start the next London Plan

- **Strategic review of green belt land.** The mayor should launch a strategic review of the green belt and release less-than-green land around railway stations for new homes, and consider the need for more industrial land.
- **Abolish minimum space standards.** London's new flats are too big for single people to rent or buy by themselves because of space standards, which should be removed to help young Londoners stuck in house-shares.
- **Co-operate with the new planning reforms.** The mayor should begin the next London Plan, aiming to use the new Renewal Zones to solve the 'small sites' problem.

While the updated and now-current London Plan was finally published on 2 March 2021 after continuous development since 2016, the Government has made clear that the work for the next London Plan should begin immediately, especially in light of the Government's 'urban uplift' to the standard method for calculating housing need, which has increased the capital's annual figure from 69,000 to 94,000 new homes.

The next London Plan, which will be introduced amidst the Government's wider planning reforms set out in the Planning White Paper last year, will need to respond to the criticism that the now-current London Plan is, at 542 pages, too long and too complex.

Tough choices will be required for the next London Plan, but the key for the mayor will be ensuring those decisions do the most to improve affordability for Londoners, reducing inequality, and creating construction jobs.

London's existing housing situation means that the green belt reform is needed now more than ever. While the current London Plan's unusually restrictive green belt policies have been diluted, they still state that development in the green belt should be refused except in '[very special circumstances](#)'. If this definition of green belt policy is to remain and 'nibbling' is off-limits, then the only way to handle a 35 per cent higher housing target will be through a strategic review that looks at London's green belt (and its cousin, Metropolitan Open Land) in its entirety to decide where it should and should no longer apply.

Much of the green belt is not green and is not used for public amenity. Rail and tube stations in the green belt are especially appropriate for walkable ‘button development’ due to their fantastic infrastructure and quick, climate-friendly links into London. The mayor should back such development in London in the next London Plan – and urge government to follow suit – alongside colleagues in the Home Counties. Centre for Cities has calculated that altogether such button development could provide 891,000-1,115,000 new homes at suburban densities with quick connections into London and leave the vast majority of the Green Belt untouched.²

The current London Plan’s relaxations on redeveloping existing industrial land for housing may mean that some of London’s green belt land will also need to be released for industrial uses in this strategic review. Logistical sites are already in high demand around London, and a further squeeze will reduce jobs for Londoners and cause difficulties for consumers and firms in the rest of London.³

In addition, the next London Plan should abolish minimum space standards. Currently, these sit at 37m² for one-person, one-bed flats and 50m² for two-person, one-bed flats. However, the [GLA’s own research shows that the average amount of space a Londoner in the private rented sector is able to buy on their income is 24.6m²](#), which means the new one-bed flats that are built are too big and too expensive for single private renters to afford.

Minimum space standards force renting Londoners into house-shares, which have been especially tough during the pandemic. The mayor should secure a progressive reform for young people by allowing them live affordably and by themselves, by scrapping space standards and letting people choose to live in smaller and cheaper flats if they wish. A boost in the supply of small flats would also release family homes currently used for house-sharing back onto the market for families.

The mayor should make use of planning reforms to secure the new homes that the capital needs. The Planning White Paper proposals (to divide land into ‘Growth’, ‘Renewal’, or ‘Protected’ areas) would remove much of the planning system’s discretionary decision-making that creates bottlenecks in London’s housing pipeline. Reform would increase the overall supply of housing within the capital and help make the city more affordable by turning London’s housing market from a seller’s market into a buyer’s market.

The current system faces particular difficulties with small sites – 43 per cent of neighbourhoods in London’s urban area have built less than one home a year since 2011 and 14 per cent have built none. The new Renewal areas are especially promising for their potential to improve this.⁴ The ‘infrastructure levy’ will also be particularly beneficial for London, and could greatly simplify the land value capture process from development for local government.

² Cheshire, P and Buyuklieva, B (2019), *Homes on the Right Track*, London: Centre for Cities

³ CAG Consultants (2017), *London Industrial Land Demand*, GLA

⁴ Breach, A. and Magrini, E. (2020), *Sleepy Suburbs*, London: Centre for Cities; Breach, A. (2021), ‘A new planning algorithm requires a new planning system’, London: Centre for Cities

Policy priority 3: Tackle congestion and air quality

- **Expand road user charging in the capital.** The mayor should cut congestion and air pollution by charging road traffic at each of the three layers of existing charging infrastructure that sit within London.
- **Roll out Low Traffic Neighbourhoods if road charging is expanded.** Reducing the supply of road space for car travel must be accompanied by measures to reduce the demand for car travel.

Congestion is a major bottleneck on London’s prosperity, growth and health. As a result of the city’s reliance on private car transport, air pollution is linked to 6.4 per cent of all deaths in the capital.⁵ Yet even despite the restrictions on movement, air pollution in the city returned to pre-pandemic levels in 2020. A sustained rise in car travel would see London go backwards on clean air and threaten the health of Londoners even as we emerge from the pandemic.

To do so, the Mayor of London should expand charging in London to cut congestion and air pollution. This can be done by charging all private car traffic in each of the three existing charging zones in Greater London – the Congestion Charge, the Ultra Low Emission Zone (ULEZ), and the distinct Low Emission Zone (LEZ) for heavy vehicles at the Greater London boundary.

More charging makes further expansion of Low Traffic Neighbourhoods possible. Reducing demand for road travel through charging then means that the mayor can reduce the supply of road space for cars in London with a reduced risk of congestion, displacement of traffic to poorer areas, and political backlash. Attempting to forcibly reduce car journeys by making car travel slower and less convenient without changing the original incentives for people to drive within London will not lead to stable transport outcomes and could result in unintended and inequitable results.

5 Centre for Cities (2020) Cities Outlook 2020, London: Centre for Cities

Contact

Anthony Breach, Senior Analyst

a.breach@centreforcities.org

About Centre for Cities

Centre for Cities is a research and policy institute dedicated to improving the economic success of the UK's largest cities and towns.

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.

For more information, please visit www.centreforcities.org/about

Partnerships

Centre for Cities is always keen to work in partnership with like-minded organisations who share our commitment to helping cities to thrive, and supporting policy makers to achieve that aim.

As a registered charity (No 1119841) we rely on external support to deliver our programme of quality research and events.

To find out more please visit: www.centreforcities.org/about/partnerships

© Centre for Cities 2021

Centre for Cities Second Floor, 9 Holyrood Street, London SE1 2EL

www.centreforcities.org

Centre for Cities is a registered charity (No 1119841) and a company limited by guarantee registered in England (No 6215397)