London

bigger and better?

Edited by Ben Kochan

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Preface

This book was prepared from material that came out of the London Development Workshops, a Higher Education Innovation Fund (HEIF) funded project of the LSE London Research Centre. The project consisted of a series of conferences, workshops and seminars which brought together stakeholders in key debates on London's economic, political and social development. Drawing on LSE's research strengths, networks and reputation for contributing to robust public policy, the London development workshops helped to transfer knowledge and expertise from universities across the UK at the point where policy formation, economic development and business activity converge around particular issues. Workshops were held at LSE on London's housing, governance, demography, transport, education, media and economy.

We would like to thank HEIF, the contributors to this publication, and all those who participated in the programme and particularly those who chaired or spoke at a session who included: Kate Barker, Keith Berryman, Andrew Campbell, Michael Cassidy, Merrick Cockell, Neale Coleman, Kate Davies, Howard Davies, Len Duvall, Michael Edwards, Jim Fitzpatrick MP, Jonathan Freedland, Sally Hamwee, Christopher J Holmes, Rob Huggins, Simon Jenkins, Jacqui Lait, Dave Lawrence, Edward Lister, Ken Livingstone, Hugh Malyan, Helen Margetts, Hugh Muir, Bob Neil, David Orr, Trevor Phillips, Anne Power, Nick Raynsford MP, Bridget Rosewell, Michael Snyder, Eric Sorensen, Dhananjayan Sriskandarajah, Jay Walder, and Mike Youkee.

Finally, we would like to thank Torunn Kielland who played a central part in organising all the events.

The papers and presentations associated with these events are on LSE London's website: http://www.lse.ac.uk/collections/londonDevelopmentWorkshops/

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Introduction: London - bigger and better?

Ben Kochan

The LSE's 2005-6 series of London development workshops funded by HEIF covered a wide range of topics related to the management of change in the capital, but a pervasive issue was that of its widely anticipated growth, with discussion of: how far this could be taken for granted; the conditions required to secure and accommodate it; its potential effects on the welfare of Londoners; and the kind of governance arrangements needed both to manage these issues and to relate developments inside London to those in the Greater South East as a whole. These are questions both about whether London can be expected to get 'bigger' in numerical terms, and how getting 'bigger' relates to making it 'better'.

The idea that expansion is natural to London and the key to its future has become widely accepted in recent years, and is central to the vision of its first elected Mayor. It is important to recall however, that, until the 1990s, the reverse view prevailed. At best, Greater London was thinning out in terms of population and jobs; or, alternatively, it was undergoing structural decline. Since then much has changed, both in realities and in perceptions even more strikingly. London's population and its economy have been growing at a rapid rate for the last 15 years or so, and current plans all envisage this continuing. Continuing growth should not be taken for granted, however. To sustain growth requires, as the contributions to the workshops emphasised, at the very least the provision of additional infrastructure, both social and physical, within a framework that ensures social/economic equity and integrated communities.

Governance

Central to managing growth is having an effective Londonwide government to address strategic issues for the benefit of the capital city as a whole and its multitudinous stakeholders. The establishment of a London-wide government in 2000 should contribute to London's future success. Six years on, the Government is to expand the role and functions of the Mayor, with both additional responsibilities and more powers over the Boroughs. In particular, it is proposing to give the Mayor greater control over strategic planning issues and housing funding. This would include new proactive planning powers to approve as well as reject strategic schemes, overriding any parochial tendencies in local authorities. These reforms may well facilitate larger strategic schemes to physically accommodate
the workshops and is highlighted in th
seem to be required to underwrite the
also be required.

However, as Tony Travers points out in
make the Mayor more powerful in rel
London-wide authority. How he will b
Londoners with him are key questions
call the Mayor to account, but up to n
pursuing this, and the current propos
additional powers there are likely to b
These councils have existed for over
weakening their powers risks both alie
local democracy.

Housing

The number of households in London
an even faster rate than in the rest of
tional immigration, increasing longevit
in her paper, says that London feels
UK regions, because of its dispropo
crowding. The affordability of private
highest house price to income ratio of

A growing population makes an impor
buoyant economy, and housing make
But, if sufficient affordable housing is
have major problems recruiting staff,
demands. Rising house prices make it
vide for those in major housing need.

If London's economy continues to gro
of the affordability of both market and
increased, but it is still failing to keep
housing need and escalating house
housebuilding raises questions about
An area of expansion is in the privat

housing more mobile and younger households, but they will need affordable larger houses to move on to.

The 2004 report for the Treasury by Kate Barker on Housing Supply and her presentation to one of the workshops, brought into sharp focus the general need to increase housebuilding in order to stabilise house prices. It also raised issues about how that increase should be achieved, particularly in terms of meeting the infrastructure requirements. The government accepts that the new housing development can only go ahead if associated infrastructure is provided and proposes a planning gain supplement to help fund it. But the amount which can be raised is unclear, and how infrastructure provision will be coordinated with development has to be resolved. In particular, Thames Gateway, an area identified for major house-building, cannot work effectively without the provision of major new infrastructure.

The debate between increasing the density of housing to accommodate the growing number of households, and alternative strategies involving building out into the green belt and on to other greenfield sites outside London is crucial to future development.

The London Plan seeks to concentrate development within the greenbelt and maximise both the use of sites in the centre and established residential areas. As many people argued at the 'density debate' in the workshop series, the advantages of compact urban areas lie principally in limiting the cost and improving the viability of infrastructure while also reducing the need to travel. The difficulties relate to over-congestion of neighbourhoods, in a context where economic growth can be expected to increase people's demand for space. Peter Hall argues in his paper that to meet London's housing demands, building outside London's existing boundaries is unavoidable. He challenges the emerging taboo on greenfield development, and the sanctity of the greenbelt, given both the under-use of farmland and the environmental value of many urban sites which are counted as 'brownfield'. Within London, he argues that sufficient sites are not available to meet house-building targets on a realistic and decent basis. Medium density housing development in 'intown suburbs', with higher densities around transport nodes, could provide acceptable residential environments and an adequate base for local services. To meet housing needs and market expectations, this approach should also be applied to compact urban extensions along railway lines in the wider metropolitan region.

Issues of political acceptability and the infrastructure costs make this strategy hard to deliver unless some considerable sweeteners were offered. But without it, he argues, there will be a continuing failure to meet housing demands in the region.

London's Economy

After 25 years of decline, London's ec
The London Plan expects continuati
growth. Ian Gordon, in his paper, says
gest that this assumption may not be
raised about the inevitability and desir
in central London, together with puzz
the apparent strength of the city's ecc

London's recent growth reflects the fa
based economy, concentrating on act
major advantages for their operations
their success. But, with the high oper
ly reorganising to move more routine
turn from phases of strong growth in
some combination of mechanisation a
uing growth of London's economy dep
particular offer, and Ian Gordon argue
in income than in employment growth

London's recent economic growth has
trict. The London Mayor's Plan and its
sibly accelerate this concentration of
this objective is the logic of agglomera
es to cluster in inner London. Transp
sites available to the east of the centr

The challenge in outer London is to
base, and to upgrade the profile of its
from a relative lack of economic conne
and with areas outside London, both

The combination of employment stagn
London could result in problematic in
of non-local functions in outer London
without considering alternative option
those centres. Discussion in the semi
term, Outer London could take on an

opportunities get exhausted, provided key assets are in place and there are some reasonably strong concentrations on which to build.

Transport

A pre-condition for sustaining economic growth in central London is adequate transport connection to the areas of population and housing growth on the periphery. The round table on funding transport projects in London in the workshop series discussed whether the implications of this growth in terms of expanding transport provision have been fully assessed and funding mechanisms identified. In fact, Stephen Glaister suggests, in his paper, that housing plans are being developed without realistic consideration of how their transport implications can be addressed.

The capacity of road, rail and underground is virtually used up. The latest government funding settlement for transport provision in London has been quite generous, but it is mainly being used for maintenance and renewal rather than expanding capacity. The PPP scheme for the Underground will increase capacity by about a third, but the benefits will not be realised within the next ten years and will not be sufficient to meet demand. Several schemes would make a different, but funds or funding mechanisms have not yet been identified to take them forward. The long-awaited Crossrail scheme, which is going through Parliament, has yet to be fully funded, and a large number of other light rail schemes are proposed across London which are effective competitors for funding.

With the lack of public funds, there are a number of potential mechanisms to raise the funds. The Government has allowed Transport for London to issue debts and further could be issued, but they would have to be serviced over a long period from an identifiable income stream.

Fares have been increased already for this purpose, but there is not much further potential in this because, as they go up, people will turn to other forms of transport and increased use of car is likely. There are several other possible funding mechanisms which involve unlocking the economic value in London, through new forms of local taxation. Other cities round the world have introduced a range of such taxes. A levy by the local authority on the business rate that was ringfenced for infrastructure is one option that could be considered. Another is to introduce road charging across London, which would both reduce congestion and raise revenue to fund some of the necessary transport projects.

A package of funding streams is clear
al local taxes; new regional governme
them and somehow public support will
is proposing to expand the GLA's pow
cal powers, which would be needed t

Social Cohesion

London has traditionally been the port
The workshop on race and communit
in recent years the rate of immigratio
increasingly more cosmopolitan and r
in-migration has introduced many new
increasingly diverse range of countrie
communities of over 10,000 living in L
low incomes carrying out the difficult,
significant proportion are highly-skille
financial services or as doctors in the
qualified.

This diverse range of communities, a
for London to market itself to inward in
London has long been internationalise
the London economy will follow suit.

The management of areas containing
ticularly insofar as they need access
key issue for London local governmen
address tensions between entitlemen
Londoners with a stake in the city, an
people first arrive in London.

In this context there is increasingly
migrant populations in east London t
consider voting for extremist parties
mainstream of London politics in contr
on the fringe of British politics.

Trevor Phillips argues strongly in his
which he distinguishes from multicul

range of ethnic identities learn to live with each another, rather than just alongside. A pre-condition for integration is however, equality, participation and effective interaction.

One aspect of social cohesion, currently under strain, involves the linking of security threats to specific minority groups. Janet Stockdale, in her paper, stresses the difficult task that the police face in preventing major terrorist attacks on the lines of 7/7, both generally in working with London's large and diverse population, and particularly with its 600,000 Muslim residents. The rise of global terrorism has helped to create a climate in which this group seems to be facing increasing public suspicion, verging on Islamophobia in some cases, as well as closer attention from the police and security services. Young Muslims are also acutely aware of the disadvantages many of them face in the labour market, which serves to make them more vulnerable to extremist and radicalising messages.

Mutual distrust and suspicion can only be addressed, Janet Stockdale argues, with increased contact, understanding and integration among all the diverse groups of Muslims and non-Muslims in London. Before that can start, we need to recognise how their various fears and anxieties lead to separation, alienation and vulnerability. Furthermore, a debate is needed about what integration means and how it can be ensured that central and local government rhetoric is translated into action. Community engagement will only be successful if there is political engagement with people as individuals rather than as members of a particular community.

Preventing future terrorist attacks will require credible and reliable intelligence, which is likely to come from those in the Muslim community who have no sympathy for terrorism. It will only be forthcoming if there is a climate of mutual confidence and trust between Muslims and the police. Creating such a climate will not be easy, especially when engagement with Muslims in London demands recognition that they are not a homogeneous group, together with sensitivity and transparency on the part of the police. But it will also demand commitment and leadership from Muslims themselves.

Many of the key questions about London's growth which were core themes from the workshops are set out in the papers in this book.

Tony Travers in his piece on governance asks whether the government and regional arrangements will reliably deliver economic growth and increased well-being;

Ian Gordon questions whether the recent levels of growth will be sustained and, if they are, whether they will lead to higher levels of employment across the city;

Trevor Phillips questions how far the d
grated in terms of equality, interaction

Janet Stockdale addresses the quest
equitably with the different commun
achieve fairness, tolerance and secur

Christine Whitehead asks whether su
growth, maintain competitiveness ar
population;

Peter Hall questions whether 'bigger'
overcrowded environment for London

Stephen Glaister asks whether centra
the necessary infrastructure to make

2. The Government of London: reforming the Greater London Authority

Tony Travers

1. Introduction

London's system of government has often been characterised as 'fragmented', 'complex' and ' polycentric' (eg, Hebbert, 1998). It is certainly true that throughout the city's evolution from its original 'square mile' to its modern, vast, scale the arrangements put in place to govern it have rarely been simple or consistent. But there were generally understandable reasons why rationality was so often overcome by the consequences of rapid growth, vested interests and the need to balance neighbourhood interests with metropolitan ones.

London's government was reformed in 1855, 1888, 1899, 1965, 1986 and 2000. The 2000 arrangements left the city with three levels of government, each of which is elected. Central departments and their agencies are responsible for services such as social security, health, university and college education, national and commuter rail, civil aviation, heritage, sport and culture. The Greater London Authority is responsible for (most) transport, (some) economic development, police (non-operational), fire & emergencies and citywide planning. The 32 boroughs and the City of London run schools, personal social services, social housing, refuse collection, local street management and lighting, local planning and libraries.

The Mayor of London is a relatively ‘strong’ office within a relatively weak upper tier. The Mayor sets the budgets for Transport for London, the London Development Agency, the Metropolitan Police Authority and the London Fire and Emergency Planning Authority. The Mayor appoints the chairs and chief officers of some, but not all, of these functional bodies. Finally, the Mayor appoints a small number of advisors. The Assembly currently appoints all other GLA staff.

There are different 'borders' between the tiers of London government. Whitehall departments and their appointed bodies must interact with the GLA and the boroughs. Equally, there are numerous exchanges between the boroughs and the GLA. In addition, there are funding streams for the Government to GLA functional bodies and to the boroughs. There are also small flows of resources from the GLA to the boroughs.

Commentators on the new system broadly welcomed it. Inevitably, the about what might be done differently. Ben Pimlott and Nirmala Rao conclud cial resources and legal weakness, is did not previously exist". They went tensions between Westminster and and the boroughs, will simply disappe

Writing two years later, it was stated Authority suggest that London's gover history…and the first administration o direction: the largest city in Europe sin consistent system of government" (Tra operation, another academic analyst c nesses in the system of London gove and control over delivery, complex go ence and accountability, as well as th

Much of the impetus for a review of himself, although it is important not London Governance, which report Governance, 2006). Following his re- the 2004 mayoral election, links betwe ously cordial. Ministers believed their successful and wished to build upon evidence to other cities in England tha ment, they too would be rewarded wit

The Office of the Deputy Prime Minist and Local Government in 2006) acce London, 2006), if not every element in ers, the government would (as it saw i Greater London Authority and, in part

Thus, after five years of operation, the ers and responsibilities. Although this consideration of the balance of servic was inevitable that, once started, a re

Thus, the relationship between the GLA and the boroughs as well as the internal operation of the Mayor's Office and Assembly were likely to be examined. The key proposals are outlined below.

2. The government's review of the GLA and its powers

Housing

It was proposed to transfer to the Mayor the responsibilities of the London Housing Board to produce the London Housing Strategy and to make proposals on the distribution of housing capital allocations. A second possibility (though this was simply put forward for consideration) was that the Mayor would in future allocate 'affordable' housing resources in the capital.

There were good arguments to support the transfer of the responsibilities of the London Housing Board to the Mayor of London. Previously such powers were vested in the Government Office for London and thus with Whitehall. The equivalent strategic planning powers in London lie with the Mayor, though in other regions it is the government's intention to join these two boards for (housing and planning) by September 2006.

Similar arguments could be said to apply to the allocation of affordable housing resources. However, the boroughs were likely to be cautious about the transfer of resource-distribution powers to the Mayor. Local authorities are often more comfortable with allocations made by Whitehall agencies than by regional or upper tier elected bodies. However, the precedent of GLA functional body allocations to boroughs had already been set by Transport for London.

Learning & Skills

Several possible options for reform were put forward for consideration. Each option would have given the Mayor a stronger role in relation to skills and training in London. The Mayor proposed that the five Learning & Skills Councils in London should be merged and become, in effect, a single mayoral functional body. The government accepted this option as a possibility, but also suggested a number of more limited ones. A less radical proposal was to give the GLA a seat on the new LSC Regional Board or, alternatively, some kind of partnership between the London Development Agency and the Regional Skills Partnership. Even less radical was the proposal that the Mayor should be 'consulted' on proposals for post-19 training and skills, or that new Regional Skills Partnership arrangements be retained with no further change.

At the time of the consultative docu
Department for Education & Skills and
public provision by further education
marily concerned with improving the
London economy. This economy and
Mayor argued that it was hard to see
with their nation-wide responsibilities,
tivity required to meet the needs of th

Planning

Under the original GLA legislation, t
within which the boroughs draw up
Frameworks. While the Mayor had bee
ning applications, if they did not conf
power to direct approval. It was possib
that the Mayor might wish to approve
the Secretary of State might 'call in' th

The Government's options for reformin
controversial of all those put forward i
gested the Mayor might be given mor
preparation. Second, as far as devel
were outlined:

- **o** to make the Mayor the developm
  gic planning in London. The May
- **o** development control powers sh
  Mayor would be able to direct ref
  application;
- **o** minimal change.

The first of these three possible chang
the boroughs to the Mayor. Potential
ning decisions - as compared with th
Mayor's policy proved to be significan
proposal for potential reform, this ide

between metropolitan and local interests. At a time of rapid population growth and intensification of the capital, it is of significant importance.

In a city enjoying relatively rapid economic growth, it is inevitable there will be conflicts between neighbourhood/local interests and those of the city as a whole. People and jobs must be located somewhere. Yet there is often a desire to ensure that someone else's area copes with the difficulties associated with construction work, economic interventions and social change. Moreover, British public policy is poor at underpinning major developments with either the 'hard' or 'soft' infrastructure needed to allow them to work well.

There would be a risk that a radical reform to development control powers, perhaps either by making the Mayor development control authority for larger schemes, or even giving him the power to direct approval, would provoke the boroughs into negative and oppositional tactics. On the other hand, there was no doubt that London needed to be able to deliver major strategic developments in such a way that localised, pockets of opposition could not halt them. National planning and economic competitiveness issues were tied up with what, otherwise, looked like a London political question.

Waste Management and Waste Planning

Waste management and planning have become increasingly politically salient issues, given the growth in political concerns about the environment. At the time of the government's consultation on the future of the GLA's powers, arrangements for dealing with waste were still heavily influenced by the fall-out from the abolition of the Greater London Council and the boroughs' relative autonomy in the period from 1986 to 2000.

For waste management, the Mayor proposed the setting up of a waste authority for London, accountable to him as a functional body, similar to Transport for London. As a possible alternative, the government suggested a city-wide waste authority made up of borough members plus a representative of the Mayor. As a third possibility, the government envisaged the extension of joint arrangements for parts of London. Finally, there was a 'do nothing' option.

There was a similar range of options for waste planning. The Mayor could become responsible for waste control and use of sites; or there could be a borough-led waste authority; or there could be sub-regional waste planning authorities; or the Mayor's existing planning powers could be strengthened. The possible combinations of solutions were relatively large in number.

Given the important role of the borou
was no proposal for reform), it was ha
ties did not have a continuing role in
impossibility of managing or planning
suggests there was a need for a city-

Police

The Greater London Authority Act,
(MPA), which for the first time provid
Metropolitan Police Service. The MP
appoints 12 members of the London
members are either 'independents' o
Mayor determines the MPA's budget
the MPA's 'elected' representatives a
by the Mayor, creates tangled pol
Commissioner, who is appointed by t
as are all other chief constables, resp
November 2005 consultation paper, th
become chair of the Metropolitan Poli

Fire and Emergency Planning

Under the post-2000 arrangements, th
(LFEPA) is a functional body of the G
Mayor appoints nine LFEPA members
of nominees provided by the boroughs
posed to re-configure the membershi
Authority to enable the Mayor to appo
groups and one to champion 'resilien
give the Mayor powers to give LFEPA

Giving the Mayor the power to give g
up the GLA. As the Mayor appoints t
case for ensuring policy-making is al
mayoral board appointments, budget
sake of transparency and comprehens
functional bodies, current or proposed

To reinforce the Mayor-as-executive system, there is also sense in giving the Mayor as much freedom as possible to make board appointments. Such a position need not rule out a legislative requirement that the boroughs, business and other interests be given statutory rights to be appointed. However, there is a strong argument for ensuring that the public perception that the Mayor is 'in charge' of a particular service should be matched by the relevant powers to deliver.

Culture, media & sport

This section of the consultation document pointed to London's success in winning the contest to host the 2012 Olympic Games. It then went on to state that the cultural institutions located in the capital were so important that 'they cannot be looked at in isolation from the other regions and nations'. It was proposed to retain the existing arrangements whereby resources flow through the DCMS, the Lottery and non-departmental public bodies to institutions based in London. The GLA, however, should continue to work 'in partnership' with the array of organisations currently responsible for provision of culture and sport.

The government did not address the argument for giving the Mayor responsibility for those programmes and facilities that were wholly or largely of city-wide or regional (ie not national) importance. A proportion of Arts Council funding, in particular, fell in this category, as would much heritage expenditure. It is worth noting that many of English Heritage's London responsibilities had been transferred to it from the Greater London Council in 1986. On the other hand, national institutions that happened to be located in London including the National Theatre, the Royal Opera House, the British Museum and other 'national' bodies were, logically, more properly funded from the centre.

GLA Internal operations

After six years of operation, a number of potential reforms to the operations of the GLA have emerged as possibilities. Generally these proposals have been made in response to perceived weaknesses in the arrangements set up in 2000. Again, possible changes were listed as a menu in the government's consultative paper: it would not be necessary to undertake any or all of them for the service transfers discussed in the earlier sections to be enacted.

First, the government considered the possibility of giving the Assembly a more formal role in policy-making. The idea that the Assembly could have the right to veto a Mayoral strategy or policy with a two-thirds majority, as with the budget, was put forward for debate. Alternatively, the Mayor could be required by law to 'have regard' to

the Assembly's responses to consulta
sibility that the Assembly could be giv
London public services, including thos

Finally, the government stated it had
the Mayor and Assembly should eacl
required the Assembly to appoint virtu
sors. In creating the GLA the governm
to appoint almost all the Assembly's
to operate in a consensual and constr
senior officers and advisors has be
because of the need for unobserved
fact the Mayor did not appoint senior
relationship between the Mayor's Offi
forced by the GLA senior staff's need

The government consulted on its vario
till February 2006. Then, after five m
was published in July 2006. These re

3. Service transfers not discussed

Transport was, albeit briefly, consider
was proposed to remove the prohibiti
ed representatives to the Transport f
bring TfL into line with the other functi
to transport were suggested.

Transport was the largest of the pow
2006-07, TfL had a gross annual budg
of the four existing functional bodies
2006-07 was about £3 billion. The M
Livingstone has done so since TfL's c
members and sets its budget.

Separately from the government's co
als had been made by the governme
extend the Mayor's responsibilities t
commuter railway operators. In F
announced that the Mayor and TfL

Silverlink rail services in North London from 2007. This change would bring the North London line and the Barking-Gospel Oak line within the oversight and planning control of TfL, though train operations would continue to be contracted out to private companies. The Railways Act, 2005 created the possibility that other commuter rail lines could be transferred to the Mayor and that TfL's board could, accordingly, be extended to include two members to represent the interests of those living and working beyond the GLA boundary. In early summer 2006, the government announced that the paperless 'Oystercard' ticketing system would be extended to cover all the national rail system in London.

TfL, which was created as an agency of the Mayor, has been viewed as a major success within Whitehall (ODPM, 2005, p12). Because of its powers and resources, it has become the envy of other major British cities. Although the November 2005 consultative paper did not propose any further or radical extensions to TfL's powers, the broader tone of the document was enthusiastic about the operation of the institution.

Beyond transport, it would have been possible to consider a number of other possible reforms or functional transfers between tiers of London government that would, potentially, have improved the effectiveness of the city's government. The GLA could assume additional functions by the extension of its existing 'core-and-functional body' structure. The boroughs could add or remove services in the same way as they have in the past.

Thus, for example, ex-Greater London Council heritage functions could have been proposed for transfer from English Heritage, a government-appointed board, to the Mayor. The administration of magistrates' courts could, similarly, have passed to the GLA. It would also have been a good opportunity to consider the rationalisation of British Transport Police and Metropolitan Police functions within the capital. More radically, it would have been possible to propose the transfer of strategic health authority functions to the GLA. After all, the NHS had continued to operate in Wales and Scotland after control of the NHS had shifted to Cardiff and Edinburgh at the time of devolution. Other parts of Whitehall could also have been devolved to the Mayor.

It would also have been possible to propose service-transfers between the boroughs and the Mayor - or vice versa. Inevitably, a new system of city government would need to be fine-tuned in the years after its creation. For example, there would have been an argument for shifting oversight of borough performance and/or control of central government's grant support to the GLA. Such moves would have brought London into line with Wales. However, they would have been very unpopular with the boroughs, which, without doubt, would pr
central government than from the Ma

Rather less controversially, there mig
service transfers from the boroughs to
waste regulation; funding for volu
London-wide scheme; major roads tha
ber of open spaces such as Hampste
might also, with some logic, have bee

But even modest 'upwards' transfers
planning system considered earlier, w
country as centralised as England, pro
London borough to the Mayor, will be
Mayor became a more powerful figure
most unlikely to be comfortable with a

Alternatively, in the spirit of devolution
from the Mayor to the boroughs. Fo
greater power over TfL roads. There
control over policing, especially as the
local policing within the Metropolitan
referred briefly to the possibility of a s
Ken Livingstone had publicly propose
over the Assembly's role within the GL

In the end, the government's consulta
als beyond the ones described earlie
future, proposals will be made to unde
London government more generally.
more radical options briefly outlined a

4. The final proposed reforms and

The Mayor

The government's proposals, publish
represented a significant enhanceme
number of important new responsibil
strengthened. The key new proposed

o responsibilities of the London Housing Board transferred to the Mayor, who will produce a Housing Strategy for London and determine the broad distribution of affordable housing resources for the capital;

o the Mayor to be able to direct changes to boroughs' programmes for the local development plans they produce, and to have a stronger say as to whether local development plans conform to the London Plan. Also, the Mayor will have the discretion to determine planning applications of strategic importance;

o a new London Skills and Employment Board to be created. The Mayor to prepare an Adult Skills Strategy for London. A single Learning & Skills Council for London will be required to spend its adult skills budget according to priorities set out in the new strategy;

o a new London-wide Waste and Recycling Forum to be created, with resources from a new London Waste and Recycling Fund. Mayor to have new powers regarding waste planning;

o in future, the Mayor would be able to appoint the chair of the Metropolitan Police Authority, and could appoint him/her self to the role, and would also be given powers to direct and issue guidance to the London Fire & Emergency Planning Authority (LFEPA).

o the Mayor to appoint chairs and some board members of arts, sports and museums bodies;

o other new powers given to the Mayor included a requirement to produce strategies to tackle health inequalities and to address climate change.

The government's proposals to change Assembly powers were relatively modest. In future, the Assembly would be able to set its own budget and would be required to publish an annual report setting out its work and achievements. It would be empowered to hold confirmation hearings with candidates for key appointments proposed by the Mayor proposes. The Mayor would, in future, 'be required to have specific regard' to the views of the Assembly in preparing or revising his strategies and to provide reasoned justifications where he does not accept the Assembly's advice. Finally, the Mayor and Assembly would jointly appoint the GLA's three senior statutory posts, such as the Chief Executive.Senior officers would make other staff appointments.

If the proposals are compared with the options summarised in the previous section, it is clear that Mayor was successful in gaining control over key strategic elements of

housing and planning. Reforms to th
were no proposals to make radical a
Assembly, senior officers and the func
als were limited in scope and likely ef

The new duties to allocate 'affordable
in borough planning processes (in par
ning decisions) represented a significa
in future, have a significantly enhance
ing and also to over-ride the boroughs

Other elements of the transferred pow
bied for the London Learning & Skills
of the GLA. The Department for Educ
this far, and evolved a compromise wh
chair a board empowered to deliver a
over waste regulation was met by oppo
ers fell well short of what City Hall wa

Additional responsibilities to appoint t
and give directions to LFEPA will hav
ence over police and fire. But the ne
kinds of power enjoyed by American m

Nevertheless, the government's 2006
they entrench the GLA's powers and
might be willing, in future, to consider
Mayor. Secondly, they were likely to
between the Mayor and the boroughs.
ough elections, when the Conservat
could provide the basis for such comb

The Assembly

The government has decided to make
ties and position. First, the Assembly
Second, the Mayor must 'have regard'
ernment has opened up the possibility
on key mayoral appointments. Such
Assembly's effectiveness, but other p

The 25-member Assembly exists to oversee and scrutinise the Mayor. Its single most powerful intervention is an annual opportunity to vote down the Mayor's budget. The Assembly also appoints a number of members who sit on the police and fire authorities, and a smaller number on the development agency. However, even after the government's proposed reforms, the Assembly currently has no binding vote on mayoral policies, strategies or appointments.

It has been suggested that the Assembly's role in providing a significant proportion of members for the police and fire authorities has created a conflict of interest (Travers, 2004). Put simply, it has proved difficult for the Assembly to scrutinise either the police or fire services. Many Assembly members believe that by being members of these authorities they can provide accountability. This potential confusion was not addressed by the 2006 review.

Another difficulty is that the Assembly has, because of its limited powers and small number of members, found it hard to develop an effective role for itself. Party groups are so small that there is little need for organisation or formality. Because the Assembly is not providing members for an 'administration' there is little need for conventional internal structures for business management. As a result, many members have felt the Assembly has performed less effectively than it might. The government's decision to require the Assembly to publish an annual account of its work and achievements is intended to sharpen its performance.

5. Governance issues beyond the scope of the GLA review

The future of the London boroughs

The 2005 review was, according to the government, about the powers and responsibilities of the GLA. However several proposals had been put forward in recent years about both the number and the powers of the boroughs. It is inevitable that a number of borough-related issues will arise during any examination of London government.

The 32 boroughs have operated since 1965 and are among the oldest of all British political institutions particularly compared to endlessly-reformed local NHS bodies.. The City of London, of course, has enjoyed separateness and autonomy since before William the Conqueror arrived in 1066.

Some reforms that would affect the boroughs have been considered in the earlier sections of this paper. The most important of these will affect planning, where it is intended to give the Mayor greater power to determine the largest planning proposals. The

transfer of responsibility for the alloca
have effects on many boroughs. T
London Government, which represent

The highly-charged question of wheth
has also been considered in recent y
officially within the review of the GLA.
ers, notably Ken Livingstone, as few
shown enthusiasm for a reduction in t
review did not suggest any reforms to

Urban Parishes

In its 2005 election manifesto, the Lab
be introduced in London. Such bodies
presumably, require their own resourc
have yet been put forward about Lond
ment appears to remain committed to

A City Charter

A further possible reform of London's
tion of whether London's system of g
'city charter' that could provide a lon
between central government and the
oughs. Arrangements of this kind ex
be created in Britain. However, the la
make the possibility of enforcing a c
countries that have them.

6. Conclusions

London government has rarely remain
half-century since the Herbert Comm
reviews and a number of reforms. It
has been the subject of so much anal
were radical. They introduced into the
utive, directly elected mayor.

The service responsibilities given to th
the Greater London Council had enjo

and 1984. The reforms now proposed to extend the Mayor's powers, coupled with the growing responsibilities for railways, will make the GLA more powerful than any earlier London-wide authority with admittedly the large exception of the London County Council (LCC). However, the LCC operated only over the inner quarter of today's administrative 'London'.

Young has argued that Ken Livingstone's commentary on the government's 2005 proposals amounted "to a powerful case for transforming his office into that of a strong metropolitan decision-maker" (Young, 2006). The Mayor's proposals suggest a drift, according to Young, from "metropolitan management as a negotiation process, to one of the exercise of executive authority". Strong executive models of metropolitan management "tend to produce deep conflicts that, in time, erode their support and lead to their dissolution". Thus, according to Young, Livingstone is inevitably taking a "route back to past conflicts".

The long sweep of London history suggests Young's pessimism could be well placed. The Metropolitan Board of Works and the Greater London Council, in particular, faced bitter opposition and threats of abolition from lower-tier authorities. The relatively powerful LCC was more popular among its metropolitan boroughs, particularly when proposals were put forward for their joint abolition in the 1960s (Rhodes, 1970).

On the other hand, the world has changed from that of even the 1970s or 1980s. International pressures for economic and social change, commonly referred to as 'globalisation', have turned London into a very different city from that of the LCC or GLC. Much global trade moves through London. International immigration has turned the city into one of the most cosmopolitan in the world. Influences ranging from terrorism to tourism have meant that London's metropolitan government and its boroughs have become the place where the global meets the local.

Perhaps the capital has a greater need than in the past to make relatively rapid changes in its economy and housing - and therefore in its land-use and the training of its workforce. The changes put forward by the government during the summer of 2006 would certainly have the effect of tilting the balance of power in London from the boroughs to the metropolitan level.

There is no doubt that local and neighbourhood interests remain strong in the city. Conflicts over major planning decisions can spark fierce disagreements between the Mayor and particular boroughs. Even more trivial issues, such as bus lanes or traffic calming can produce aggressive disagreement between the two spheres of government. The complexity of the wider '
public comprehension of who is respo

If a more powerful Mayor is to be ac
have to understand the need for the
ough' and 'metropolitan' interests. A
global pressures is certainly different
mid-1980s. If the population does not
indeed be possible for reform (or
Livingstone and his successors will
accumulate power and change the cit

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3. London's Economy and Employment

Ian Gordon

London has, quite reasonably, been seen as one of the success stories of the British economy over the last 20 years or so, with strong growth in employment, population and earnings. This is linked particularly to the strong performance of business service activities across an extended central area which now stretches from White City in the west to Canary Wharf in the east, north into Islington and across to the South Bank of the Thames. This pattern of growth was particularly striking after the previous 25 years or so, when the frontier of expansion seemed to have moved out to the edge of a much wider metropolitan region, covering much of South East England. During that time, population and employment levels inside Greater London were almost continuously declining, and most rapidly across the inner areas. The exception was a small island of modest growth within the central business district. This turnaround in performance of the capital's own economy has been seen both as a harbinger of a wider resurgence of core cities in a more competitive post-industrial economy and as a specific reflection of the dynamism of its 'global city' functions. The Mayor's London Plan tended to take the latter view, and more significantly it is remarkable for its thoroughgoing acceptance of growth, in almost all its forms, as a continuing reality The major plank of the spatial strategy aims to accommodate this growth within Greater London - through densification of development and redirection of growth to the east.

Four years down the line from preparation of that Plan, and with its first review just underway, there are three major questions about this strong growth scenario that particularly deserve attention in relation to the economy and employment:

o Growth: how firmly founded do the growth assumptions now look, in relation to further evidence and experience?

o Centralisation: is continued or increased concentration of economic employment growth within inner areas inevitable or desirable? And

o Worklessness: why is this so high in London relative to other regions, given the apparent strength of its economy - and what should be done about it ?

1. Growth

The expectations, both of planners ar
London hinge very largely on the evic
terms of employment. These are o
these and uncertainties about data q
Judgements about how they should be
look, depend a lot on the kinds of
prospects. For London, some of the m
simple 'stories' or perspectives about
tively on: sectoral change; cost facto
urban agglomeration as a source of c

1.1 Three Perspectives on London'

Sectoral transition and the post-indus

Since the early 1960s a major restruc
has seen a great reduction in jobs w
freight transportation. Its place as the
most regional economies is being ta
Underlying these changes at a nation
tage that affect sectors' share in outpu
related sectors - as well as of compe
activities. In London, the decline of
much more rapidly than elsewhere for
straints/congestion. There was also a
which to build.

London's employment declined both
whole, up to the point at which busines
ment terms in the mid-1980s. After thi
in the sector came to overwhelm that
ed sectors - with a tendency for net gr
ment effectively vanished from the sc
where the cross-over point arrived five
This account implies that London's (o
essentially depends on the post-indus
is at least consistent with the fact th

London has tended to grow less rapidly, or decline faster, than in the country as a whole (LSEL, 2004).

Cost factors and specialisation

Because of the space constraints and congestion mentioned above, London has been an expensive location from which to operate in terms of input costs - and will remain so as long as other advantages suffice to keep demand up, and rents high. Many of the compensating advantages may be thought of as agglomeration economies, with the scale and variety of activity, markets, information sources and labour pools serving to raise productivity levels for London businesses. But they do not do this in a consistent way, and for many routine activities producing fairly standard and readily transportable products/outputs there may be little or no productivity benefits available to off-set London's higher costs. Hence, London is unlikely to be a viable location for 'real' manufacturing, as distinct from publishing (which is nominally counted in this sector) or the strategic sales, design and co-ordination functions of manufacturing businesses. The natural/expected pattern of specialisation is one with a strong tilt towards sophisticated, fashion/market sensitive products and activities demanding face-to-face contact with people outside the organisation.

These selection pressures have implications for the growth or decline in employment because the boundaries between the routine, novel and one-off are not fixed. There are continuing incentives and pressures to reorganise activities and production processes in order to allow all or part of these to be shifted to lower-cost sites. This happens particularly in the wake of boom periods that heighten the cost disadvantage or when product market competition is growing. An example is the City financial services' recent interest in off-shoring business process work to India (Gordon et al., 2005). But opportunities to pursue these, and the balance of locational advantage can be expected to shift, as between the earlier, more innovative phases of a sector's development and its maturity. Hence the story of change in the post-war London economy is not simply one of a transition from goods-related activities to 'pure' services, or even the 'knowledge industries'. Rather it is one of a series of activities which have passed in turn from phases of strong growth in London, associated with new product development and quality-based competition, to standardisation, price-based competition and some combination of mechanisation and decentralisation of employment - as, for example, with the clearing banks, insurance and various public services. These processes of change naturally tend to be uneven, so contributing to the volatility of employment swings. Their net effect is rather unpredictable, since sustaining or expanding job numbers in London depends upon the emergence of new product and activity types that require the
that London offers. Even assuming th
antee, from this perspective, that the
es will be translated into employment
rising earnings, rents and qualificatio
are uncertainties, discussed below, a
there can be little doubt about the qu
levels in London over the past 25 yea

A revaluation of urban assets

As well as these continuing life cycle p
term shift from a factory - to an offi
changes in the intensity and form of e
tury have generally enhanced the com
metropolitan environments, for a wide
from: the more sophisticated strategi
internationalisation of economic relati
various kinds of flexibility, as needed
and less predictable competitive pres
tion. Both developments imply a m
labour, and services outside the orga
nalisation that took place through muc
on the value of face-to-face interaction
significance of this perspective is that
extensive growth in the London econo
started. In practice this is not easy to
ally-oriented businesses have tended
be true in the London case (Buck et
competition) will still operate, the long
in terms of higher London incomes tha
ment within the city.

These three perspectives do not exh
could be offered for recent and prospe
ple, it would seem obvious that the la
from poor countries and from the A8
push factors as well as an attraction
employment growth here, particularly

labour supply is inelastic. This would be consistent with recent evidence showing that from the 1990s, though not before, London displayed faster employment growth in the worst paid job types, as well as in the best (Kaplanis, 2006). This seemed to be true in 1980s New York, with its much larger immigrant influx at the time (Gordon and Sassen, 1992). But, the three broader stories between them illustrate the real uncertainties involved in attempting to infer the scale and direction of future employment change from the experience of a period of growth. In any case, a key question is how strong and sustained is the actual evidence of job growth in London, to which we now briefly turn.

Trends and Trend Projections

Identifying the underlying trend rate of growth in London employment is far from simple. The most basic reason is that the available data series provide quite contradictory evidence, for those time intervals when they can be compared, while the sources which appear least subject to bias (the Census and Labour Force Survey) are available for fewer time periods and/or subject to a degree of sampling error that makes change estimates imprecise. The other is that there have been some very large cyclical swings in employment, with two booms and a bust between 1983 and 2000, in each of which London employment went up or down by more than 250,000 jobs within a 5 year period.

The existence of a very large discrepancy of around 15% between the employer-based Annual Business Inquiry's (ABI) estimates of London jobs and those from the worker-based Labour Force Survey (LFS) and Population Census has been known of for at least 5 years. It was clearly documented by Urwin (2003), though no practical steps seem to have been taken to resolve it. If the gap was more or less constant from year to year this would not be too worrisome, but unfortunately the two sources provide very different estimates of the scale of London employment growth during the 1998-2000 boom, when the ABI suggests a net increase of about 315,000 jobs[i], and the LFS of just 108,000. This difference is much too large to be explicable in terms of sampling or respondent errors in the LFS. With its basis in very large numbers of individual responses from individuals about the location of their workplace, it is very hard to see that there could be systematic sources of bias in this either at a pan-London scale (still less ones which shifted so much over a couple of years). On the other hand, the ABI's more complex procedure of sampling establishments from the IDBR register and securing responses from firms which correctly relate to single sites seems much more vulnerable to both systematic and shifting biases.

It is therefore much safer to rely on t
mates of medium-long term change
available. Between 1992 and 2000, w
well above its trend rate of growth, as
LFS records an addition of 381,000
about 48,000 jobs per year. Between
UK economy grew pretty much on tre
was down to 45,000 jobs, or about 8
years on the same growth path, since
to 2.5% a year, - to 1981, 1986 and 1
employment up to the start of this ye
per year. These suggest that the mo
line with trends over the last couple o

GLA projections have taken a much m
the 2002 version of the London Plan i
and 2016. This was revised down in
run up to the current Plan review, to
(GLAE, 2005). Since employment wa
2001 and 2002, this actually implied
142,000 less than in the Plan. A furthe
following decade, to 2026 (the end-ye

This scale of growth is not inconceival
past trends - which after due allowar
scale of the last boom actually point t
sion. It also seemingly ignores the
respond to high cost factors in the city
not absolutely require the distinctive a
ities that are London's essential comp

Centralisation of Economic Activity

A second key issue is about where
would or should be located. As with
London Plan tends to treat this issue
structure and role. A strong concent
implied an inexorable requirement fo
lished central business district. From

'capital city', and to some extent also the 'global city' economy, now operates on a distributed polycentric basis, with central London as much the largest, but by no means the only, focus for activity, within a networked regional economy encompassing Cambridge, Oxford, and much of the South Coast (Hall, 2004). Each of these centres clearly offers distinctive kinds of competitive advantage as locations for particular sets of highly competitive and dynamic businesses, each with their own mix of locational requirements. Within the much narrower territory considered by London planners, there is an issue now as to whether there cannot also be viable secondary centres in outer London for outward-looking businesses - rather than simply for servicing a residential population that draws its basic living from jobs in either central London or one of the outer metropolitan centres beyond the GLA's boundaries.

This is not an issue which received any direct attention in the 2004 London plan, where the explicit focus was much more on tackling the east-west balance - seeking to reverse the market's past preference for the west - than on the division of activity between inner and outer centres. In practice, its priorities actually seemed more sharply articulated on this dimension, with employment growth forecasts, shading into targets, allocating the great bulk of growth to parts of inner London in or abutting the established central area and its Canary Wharf outpost, and with a largely radial bias to its major transport projects. These are presented as basically a reflection of inevitable market trends/preferences and were not the subject of substantial argument in relation to alternative patterns of development.

The perceived neglect of outer London potential and issues was the subject of some criticism at the time of the Plan's Examination in Public, and perhaps in reaction to this, the Statement of Intent for the current Plan review gave substantial weight to the role of the suburbs. There is rather little of substance to reflect this in the subsequent 'Draft Further Alterations to the London Plan', where these outer areas are treated as 'primarily residential'. And the Mayor's proposed restructuring of the Plan's sub-regional framework, which already included the financial centre within East London, would now obscure the inner/outer distinction further by dissolving the Central London sub-region completely. Moreover, the new set of GLA Economics borough employment forecasts prepared for the Plan review (Melville, 2006) again - rightly or wrongly - allocate the expected net employment growth overwhelmingly to Inner London. This is despite the fact that much of the population and labour supply growth is expected to occur in the outer boroughs.

In this context, the time is right for a more substantial debate about the inner-outer dimension of change within London, focused on four questions:

o Is it realistic to assume that fu
scale this may occur, will inexorab
and extending the established cen

o How does it matter, if at all, if e
while population growth is more w

o What kinds of strategic intervent
ulate faster growth in a number of

o What is the practical significan
expectations of slow growth at be

It is a fact, which needs to be recogn
resurgence since the early 1980s, em
concentrated in Inner London. It has r
growth rates around 3 times those en
unevenness for the years between th
always the pattern, however, and dur
which clearly appeared as the 'basket

Table 1. Employment Change By Wor

	Employment by Workplace		
	1991	1991-2001 change	% cha
Inner London	1809	359	19
Outer London	1540	97	6
London Fringe	801	120	15
Rest of Outer Metro Area	1544	224	14
London Metro Region (total)	5694	800	14

Note: Numbers are in thousands
Source: Census of Population

the first of the 'rings' of the region to be affected by rapid deindustrialisation and by congestion problems impacting particularly on the good-related sectors of the economy (Buck et al., 1986). Those sectors of the inner economy effectively vanished and ceased to generate further job losses, while these processes came to have a greater impact in Outer London. Slower employment growth rates in outer London since the 1980s owe quite a bit to continuing manufacturing job losses, though the potential for these is now almost exhausted there too, and to a weaker representation than in the centre, both of the business services which have been responsible for most new job creation, and of the cultural sectors which have also contributed recently.

It is true in addition that, within particular sectors, employment growth rates have tended to be less favourable in the outer areas - relative not only to those in Inner London but also to the two neighbouring regions, including the immediately adjacent zones around the M25. A general kind of explanation is that most of Outer London 'falls between two stools' economically. It cannot match the distinct kinds of competitive advantage available in central areas, with their very strong local concentrations of specialist services, excellent access to rail services (both to access the UK market and the wider region's skilled labour pools), and infrastructure support for regenerated ex-transport sites. Nor can they match the advantages in the Outer Metropolitan Area - with the abundant space, locally resident skill concentrations, superior motorway/port (and even airport) access, and second-best rail access both nationally and to central London. This interpretation was strongly supported by the mid-1990s TeCSEM survey of location factors and judgements among businesses in London and in the Thames Valley (Cheshire and Gordon, 1994; Gordon, 1997). Such arguments have a general bearing on, for example, the kinds of employment density and rent levels, which can be expected in the outer ring. But they do not necessarily imply that growth will be much slower. Nor are relative disadvantages in terms of accessibility, constrained space supply or lack of local agglomeration economies necessarily fixed: the scale of growth in inner London since the mid-1980s at least partly reflects the impact of planned interventions on space supply and local transport accessibility.

Borough level employment forecasts, both in 2002 for the London Plan and recently for its review (Melville, 2006), involve a continuation of this pattern of uneven growth. In fact the later set envisage a growth of 503,000 jobs in Inner London and 54,000 in Outer London between 2003 and 2016, with further growth of 291,000 and 118,000 envisaged for the following decade. In both periods the projected rate of growth is substantially faster for Inner London, though less so after 2016. Whereas 56% of the base year employment is estimated to be in Inner London, 90% of the 2003-2016

growth is projected to occur there, and
the imbalance is even more marked
regain only 5,000 of the 26,000 jobs l
tern is thus one with growth very he
City, Westminster and Tower Hamlet
rather more, until in the last 5 years co
nearly equal.

The earlier (2002) projections were a
ily on judgements about where new
able, which were arguably biased ag
be smaller and less well known to g
account of the disparity in actual gr
based on a more sophisticated metho
expected space availability, and the
accessibility (Melville, 2005). Howev
impossible to understand why the pa
skewed against outer London than rec
is some element of circularity betwe
spatial/transport policy interventions,
in turn underwrite growth expectation
jections are realistic that assume the
transport strategy - notably Cross-Ra
resource availability. The forecast me
of alternative scenarios to be develop
implications of any alternative to such

There are some questions to be ask
basis of local employment growth fore
ther centralisation of economic activit
issues about, whether and how it ac
uneven growth persists, since the ec
grated across the city. Overall, it sho
Outer London involve just stability or
the early years. Potential crises are lin
in the wider region proceeds as expe
job losses. And commuting links be
region are such that relative employm

to groups of less skilled/less mobile workers, have rather little significance for local employment rates. These are, in any case, still significantly better in Outer London than in most inner areas, largely as a result of who lives where, and the personal strengths/limitations they are seen as possessing.

On the supply-side, putting these new workplace growth forecasts alongside residence-based estimates from the (Cambridge Econometrics et al, 2005) London/South East Commuting Study, undertaken for the Regional Assemblies and RDAs, points to some much increased imbalances with apparently strong implications for commuting (see Table 2). Employment among residents of Outer London is projected to grow by very much more than workplace employment in the area, indeed by as much absolutely as in Inner London, though at a slower percentage rate. As in the 1990s (see Table 1), this implies increased out-commuting from Outer London both to Inner

Table 2 Projected Employment Change By Workplace and Residence 2001-2016

	Employment by Workplace			Employment by Residence			Net Commuting	
	1991	2001-2016 change	% change	1991	2001-2016 change	% change	2001	2016
Inner London	2168	565	0.22	1249	189	15.1	919	1295
Outer London	1637	28	0.014	2056	186	9	-419	-577
London Fringe	921	119	12.9	990	57	5.8	-69	-7
Rest of Outer Metro Area	1768	243	13.7	1900	123	6.5	-132	-12
London Metro Region (total)	6494	955	14.7	6195	555	6.2	299	699

Sources: GLA Economics May 2006 for London employment by workplace; other figures from Cambridge Econometrics, 2005.
Notes: Numbers are in thousands
The GLA Economics workplace forecasts are actually 2003-based; changes are presented here against a 2001 base, for comparability both with the 2002 London Plan projections and the Cambridge Econometrics projections for employment by residence (in all zones) and by workplace (in the OMA), which take Census workplace and residence data as their base.

London, mostly by public transport, a
by car. Though a continuation of pa
about capacity constraints and about s
car traffic.

A second potential reason for conce
trends relates to the potential for fu
Outer London centres as, and where,
economic strength and appropriate inf
of the extended east-west Central Bus
for a more polycentric form of develop
region) would seem liable to be fore
taken up within the revised Spatial De

The economic performance of Outer L
since both problems and potential are
tions, which need to be addressed inc

- **o** how the relative disadvantages
- **o** what distinct niche positions the
ties in various Outer London centr
- **o** what critical inherited constraint
- **o** how far is the long-run reinforc
growth envisaged after 2016, com
when attention as well as growth i

In the specific context of the London P
to more actively confront and debate
for the development of the city. As with
discussed in the last section, the matte
in too deterministic a fashion within t
market trends can be expected to evo
gies - notably for strategic transport s
els of growth that need to be accomm
questions to be considered, firstly ab
given the issues discussed in the last
desirability of coping with the comm

broadly, there needs to be a much fuller debate about the potential for less monocentric patterns of economic development within London, including ways of securing the viability of secondary centres and of linking these more effectively into a pan-London public transport network.

3. Worklessness in London

A striking fact, recently picked up on by the Treasury (HMT, 2006), as well as within London government (Meadows, 2005), is that Greater London as a whole has lower employment rates among its working age population than any other of the official regions in Britain. In part at least, this reflects the fact that Greater London is much less of a functional economic unit than any of the other government office regions. The functional London region includes at least the outer metropolitan ring stretching from Reading to Southend and Stevenage to Crawley, and the half of this region's population living inside Greater London - or more especially the quarter living in inner London - are far from typical. It would be fairer to compare their characteristics with those of other core cities such as Manchester or Birmingham: and employment rates there are clearly lower, except among 16-19 year olds where there seems to be a particular issue in London. Another reasonable comparison to make is between a version of the Greater South East (including the London, East of England and South East governmental regions) and regions elsewhere in the country. For this unit employment rates are generally at or above the national average, but consistently and significantly below those for the South West (the other southern region), especially for the 16-19 year olds. Even on this basis then, the London region's performance looks much less positive than would be expected for what otherwise appears as the UK's strongest economy - with very high earnings levels for its workers, alongside larger numbers than elsewhere earning nothing.

This observation raises two sets of issues: about how we should understand the high rate of non-employment among working-age Londoners; and about whether it is a problem requiring some sort of attention - and if so what. In relation to the first of these, there are two obvious starting points for investigation: the possibility that it reflects some underlying weakness in the London economy, in terms of its ability to generate adequate employment of appropriate kinds; and/or that the region as a whole simply houses more of the kinds of people who either don't want paid work or are generally constrained in their ability to access it.

In relation to the regional economy, a key question is whether the rate at which it is generating jobs has been keeping pace with the growth of its working age population.

Between the 2001 Census and the S
seem to have been less true in the Lo
well as Greater London) than in the c
place in the region went up by about
employment among residents went u
younger immigrant population wants
working age population matched that
across England and Wales was much
evidence (from the ABI) that employm
whole have recently been falling beh
the regions of the north and west. Th
the story behind lower employment ra
the pressure of demand for labour ac
in regional employment rates, it is cle
degree of 'catching up' since 1999 on

But low employment rates in London
in the early 1990s, London had clos
regions, while it was even closer then
unemployment rate, behind only the N
the GLA area has long had lower e
Metropolitan Area - and Inner London
ated substantially in ways that cannot
different parts of the metropolitan regi

The longstanding explanation for the
residential concentration within inner a
for various reasons to unemployment
those: lacking formal qualifications, liv
gle male, still being in education, be
female) and/or of non-white ethnic o
great bulk of the difference in employ
the metropolitan region, but employme
to a less extent Outer) London even
trolled for (HMT, 2006). This unexpl
youngest working age groups (under
and applies to those who are seeking

group, as numerous as the job seekers, who reportedly do not want work, including among them, many of the long term disabled and family carers (as well as students).

The balance between these different workless groups within London has been shifting. In particular, both the total number of unemployed and the gap between unemployment rates in Inner London and outside the GLA area have been falling markedly over the past decade of strong labour market demand in the region (see Table 3). This reflects a reversal of the process underway during much of the 1980s and early 1990s, when a slack labour market in the region brought increasing marginalisation of part of the labour force, with a consequent concentration of unemployment in those areas housing more of the most disadvantaged groups, notably in inner east London. The numbers not actively seeking work, but stating they would like it, including those who may have been discouraged from search by low chances of success have also been significantly reduced in Inner London, since 1995. This is apparently also as a response to sustained strong demand in the region (Table 3). On the other hand, in Inner London, there seems to have been a substantial growth over the last decade in those of working age who say they are not seeking work because they don't want it.

Table 3: Change in Economic Activity of 18-59 population by area of residence within the Greater South East 1995-2005

Status	Inner London	Outer London	Rest of Greater South East
In work	+ 3.9%	+ 1.2%	+2.8%
ILO unemployed	-7.8%	-2.9%	-2.8%
Not currently available for work	+0.1%	+0.3%	-0.1%
Not seeking, but would like work	-2.6%	-0.5%	+0.1%
Not seeking, would not like	+6.5%	+1.8%	+0.0%
Of which Student	+3.5%	+1.3%	+0.5%
Family care	+0.2%	-0.3%	-0.8%
LT Sick or disabled	+1.1%	+0.5%	+0.0%
No coded reason	+1.8%	+1.0%	+0.6%

Note: the Rest of the Greater South East in this table comprises the East of England and South Eastern government office regions.

Source: unpublished tabulations from the ONS' Quarterly Labour Force Survey.

Prominent among these are a much-
with long-term health problems, and a
significant contributory factor to the g
who are neither seeking nor wanting w
during this period, since about a qu
abroad over this decade, particularly w

How far specific policy interventions a
London and some of the outer borou
sure seems to have eased a bit acros
is clearly not one of a shortage of jobs
regions. Targeting job creation to area
High rates of worklessness in Inner Lo
population mix, including more both o
work (including some ethnic minorities
(including very many students and w
first case, a strong regional labour ma
problem, but both work-readiness and
to play. In the latter case, low employ
erences within atypical population gro
ing a dependency culture and inadeq

Employment rates among young peop
can be accounted for simply in terms
status, ethnicity, education, health etc
and for those who don't want work, th
one is growing. There is no real ev
reflects other, less obvious, characteri
living in this area, or represents some
ple policy prescription can be offered

Notes

[i] This figure actually comes from the
Volterra for the 2005 GLA Economics

[ii] From 1999 the LFS' growth estimate
6 years.

[iii] In the Experian version of the ABI-bas

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4. Immigration and Community Relations in 2006 London

Trevor Phillips

Globalisation, technological advances, and demographic changes are three of the most pressing challenges currently facing progressive policy development in the UK. London is at the centre of these challenges. Above all, London is the top destination for international immigration to this country, and the most ethnically diverse city in Europe. This 'super-diversity' reminds us that, as Bill Clinton said, globalisation is a fact not a policy. Faced with that fact, we progressives have to find new responses.

The CRE's response has been to develop a coherent and sustainable concept of integration. This concept must not be equated to assimilation or conformity; but it also rejects those aspects of multiculturalism that pull different communities away from one another. In this crowded and competitive city, it is essential that people with a range of ethnic identities learn to live with, not just alongside, each another.

London's experience of integration will be the litmus test for the rest of the nation (and beyond). The 2001 census showed that there were 1.94 million migrants (i.e. foreign-born people) living in London. The largest numbers are from Asia (635,000) with India topping the table with 172,000 migrants. This migrant population, compared to other regions, is younger than average, with nearly 60% between the ages of 25 and 44. In London there are 300 languages spoken, migrants from 160 countries, and 42 communities of over 10,000 people born in countries outside Britain.

These statistics, however, do not reveal the dynamics of relationships between communities, relationships of communities with the state and the individual experience of community relations in modern London.

What, then, does 'integration' mean to the CRE?

Our vision of integration is achieving equality, encouraging participation and increasing interaction.

We need equality because no-one will integrate into a society where they are expected to be a second class citizen - a society in which most ethnic minority Britons are poorer, less well educated, less healthy and less politically engaged is not integrated. At the core of our equality work lies our enforcement of the Race Relations Act.

Participation is important, because rea
given more of a voice. We want to see
to public bodies, health boards, schoo
will require active community engager

Interaction will possibly be the bigges
between people from different backgr
or gardening. We want to ensure that
that, where possible, their intake bring

Our task is to assess how far we are f
and how we can make progress.

Equality

Equality is an absolute precondition fo
the outcomes for any individual by th
teristic is one that is not equal and una
rhetorical concept. It has to be real a
ly just should be one in which each p
that our life chances are not adversel

In some areas, such as the education
Muslim groups, ethnic minority repres
are moving backwards not forwards.
selves disproportionately amongst tho
who are more prone to be victims of c
tality and lower life expectancy. We
race is an obstacle all by itself. For e
three times more likely to be unemplo
centage point pay gap between ethni
private sector and 11 percentage poi
than half of Bangladeshi and Black A
People from ethnic minorities in Lond
mugging than white people[1].

That is why the CRE is supportive of th
Community Cohesion[2]. We welcome
across Government at what needed t

It is vital that the work contained within this strategy is put at the heart of any initiative around integration. It is also vital that all Government Departments are committed to implementing this strategy. The Treasury's decision to include specific race equality targets in the last round of Public Service Agreements was also a welcome development in ensuring that achieving equality is central to policy development. The CRE is now working with Departments to look at their delivery plans and, while progress is good in some places, several Departments are not making as rapid progress as we would like.

The CRE is working with the public sector Inspectorates to ensure that equality targets are seen as a vital tool in assessing the performance of any public authority. We believe that any authority, which is not delivering on equality, should not be able to achieve a high rating. While things are getting better, the fact that the CRE concluded nearly 300 enforcement actions against public authorities in the past 18 months shows there is still a long way to go. One area of great concern to the CRE is the lack of thorough Race Equality Impact Assessments being undertaken by all public authorities. This is a key part of the legislation that seeks to produce better policy by ensuring that the impact of that policy or decision upon race equality is properly considered and factored into its development. This is currently happening only sporadically and we believe that remedying this should be central to any work around integration.

It is also important to realise that the causes of inequality have changed over the past 20 years. The number of reported racial incidents is falling slightly. An ICM survey for the CRE last year indicated that, although blatant discrimination or harassment is not found as frequently as in the past, other forms of racism are prevalent. By this, we mean something that could be described as "stealth racism" which in practice means a series of small, apparently insignificant decisions, incidents, or encounters, none of which by themselves could be the subject of court proceedings, but all of which are to the disadvantage of ethnic minority employees or clients.

For example, it defies belief that British teachers are not only so racist, but so subtle in the exercise of their prejudice, that they can ensure that on average Chinese and Indian students perform 50% and 25% better than the average at GCSE, whilst African-Caribbean, Pakistani and Gypsy children do 30%, 40% and 50% less well[3]. A pattern of racial bias may have very little to do with individuals and their intent, but is ingrained in the system with which we work.

If we are to achieve greater equality and address the systemic discrimination that contributes to disadvantage, then the public sector needs to raise its game. The CRE found that 40% of public sector middle
tle' about the statutory duty to promot

Participation

Real commitment to equality in gover
place will not happen until all commu
to participate in decision-making, serv
equally as citizens and customers. U
tics undermines the legitimacy of our
pass and implement socially just laws

While we welcomed the election of 15
of Commons were to be truly reflecti
troubling that in terms of representati
sentative than the Commons. If we n
minority MPs were elected since the w
bers every five years. At this rate,
Commons until the year 2080. Repre
tics as well. Only 2 of the 25 Londo
minorities. The picture is little better a
of the ladder of political representatio

The CRE is particularly concerned th
does not enable full participation of al
confidence and competence within G
Strategic Partnerships are patchy whe
a serious issue of lack of capacity and
to ensure the national debate is imple

At the CRE we are trying to address
machinery that deters rather than en
CRE will be working through its 'regio
ing race equality through local and reg
that Race Equality Councils and the v
itating better dialogue between comm
the CRE is also working to identify ho
a more robust role in building leadersh

ple to participate in the local decision making process, as members on Local Strategic Partnerships, School Governor Boards and local Health Trust Boards.

Finally, the Electoral Commission and ONS estimated in 2000 that nearly 10% of the population in England and Wales eligible to be on the electoral register had failed to register. The level of non-registration is as high as 18 per cent in inner London and disproportionately high for some ethnic minority communities and young people5. Ahead of the May 2006 local elections, some 230,000 ethnic minority Londoners were not registered to vote[6]. The messages for them are clear: if you want to influence local decisions that affect you, then you should vote; and voting is the most important kind of participation - participation in power.

Interaction

Increasingly, communities in Britain live with their 'own' kind. Residential isolation is increasing for many minority groups, especially South Asians. Some minorities are moving into middle class, less ethnically concentrated areas, but what is left behind is hardening in its separateness. The number of people of Pakistani heritage in ethnic enclaves trebled during 1991-2001; 13% in Leicester live in such communities compared to10.8% in 1991; 13.3% in Bradford compared to 4.3% in 1991. This is as much on religious as racial lines.[7]

We are greatly concerned by the research produced by Professor Simon Burgess and his colleagues at Bristol University, which shows that children are slightly more segregated in the playground than they are in their neighbourhoods[8]. Even in London there is evidence of communities leading separate lives. The Young Foundation's publication, 'The New East End', shows that the choices made by parents in Tower Hamlets are entrenching segregation. In Tower Hamlets primary schools in 2002, 17 schools had more than 90% Bangladeshi pupils; 9 schools had fewer than 10%[9].

Alongside this type of hard, spatial segregation, communities increasingly inhabit separate social, religious and cultural worlds. In 2004, the CRE commissioned research[10], which showed that most Britons could not name a single good friend from a different race while fewer than one in ten could name two. When we repeated the exercise a year on, the overall situation had not changed. In 2004, 94% of white Britons said that all or most of their friends are white, while this was 95% in 2005 and once again a majority, 55%, could not name a single non-white friend. This was true of white Britons of all ages, classes and regions.

However, the research in 2005 showe
ethnic minority communities. In 2004,
all of their friends were from ethnic m
The 47% of ethnic minority Britons wh
in 2004 fell to 37%. It also remained tr
older Britons. It must surely be the
appear to be integrating less well than

Many white and ethnic minority comm
racial or faith groups, find it increasing
leaving them culturally and sometime
these segregated neighbourhoods, et
and under siege, and neighbouring m
the two simply never interact. These c
of us, evolving their own lifestyles, pla
ing the codes of behaviour, loyalty an
outdated and no longer applicable to
and chronic cultural conflict.

Conclusions

The CRE's agenda for integration invo
ipation and interaction. This is a three
ered without the other two, rather the
tion does not have to come at the pric
Our vision of integration is not the sa
expected to discard their own heritage
for a cringing abandonment of the cor
cratic, liberal, modern, Britain from oth

Integration is a two-way street. The ma
the minority brings to the party; the m
adapting its ways to be compatible wi

There is a long way to go to accompli
to personal, community and national i
islation the evidence is still stacked ag
the other hand, never before has integ
never again can the issue be ignored

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5. Social Order in a C

Janet Stockdale with Tony Trav

The Metropolitan Police Service (MPS hand, there is the day-to-day experien iour at a local level, activities that are social problems. On the other, there including drugs and people trafficking the ever-present threat of global terro and all the other myriad of functions 'service of first and last resort', are c structural, organisational and legisla faceted needs of the diverse commun

London's police operate within a com involving (among others) the MPS itse Home Secretary and the Mayor of Lo 2000 between the MPS, MPA, Home of the way Britain's ad hoc and unw London government in 2000 were unc ment into the city's policing. The key left unchanged. The commissioner, lik for 'operational' policing. Moreover, continue to be appointed by the Home ically, the Mayor.

The aim was to make the MPA similar ed members were derived from a sim members are appointed by the Mayor and his significant executive powers p policing in London. The fact that the and thus the MPS's funding, only ad accountability system. This complexit by the government (DCLG, 2006), th impossible to know the public's view o accountability of the police in London

This complex scenario generates several sources of concerns, not least of which is how the police engage with minority populations in London, especially those who espouse the Muslim faith. This issue has risen up the policing agenda since the events of 9/11 in 2001 and 7/7 in 2005 and, during the early summer of 2006, with the high profile arrests of Muslims and searches of their properties, for example in Forest Gate in east London. As an example of the contemporary pressures being brought to bear on the police in London, this article considers the issues faced by the Metropolitan Police Service in dealing with a significant and growing Muslim population. It relies upon recent research into Muslims and policing in the capital.

London's Muslim population, which is estimated at over 600,000, comprises an almost even split between Muslims from the Indian Sub-continent (Pakistan, Bangladesh and India) and those from elsewhere. This is different from the national picture where seven out of ten Muslims are from the Indian Sub-continent according to the 2001 Census. They constitute a disadvantaged minority (Modood, 2002) with many living in the most deprived boroughs with high crime levels in London (FitzGerald, 2003). Although Muslims in London faced prejudice and discrimination prior to 9/11, the 'War on Terror' appears to have generated more hostility since then. New legislation has been accompanied by heightened police activity in the capital, one feature of which has been an increase in the number of searches of Asians and in the 'disproportionality' experienced by Asians - that is, the over-representation of Asians in police searches, relative to their presence in the population.

One critical issue is how both Muslims and non-Muslims in London feel about global terrorism. How do people construe the threat? What do they see as the causes - what are the lay theories people hold about the origins of global terrorism? Is there a perceived link between global terrorism and Islam? What, if any, are the commonalities and differences in the representations held by Muslims and non-Muslims? And, what are the implications for relations between the police and the public both now and in the future?

Although there has been considerable media reporting of the 'enemy' status of Muslim fundamentalism, we felt it was important to try to gain some insights into how Muslims and non-Muslims viewed the issue[i]. Our exploratory study involved individual semi-structured interviews (35-70 minutes) with samples of Muslims and non-Muslims living in London. The interviews were conducted between April and early July 2005 but were curtailed by the 7/7 terrorist attacks in London. The consequent difficulty in obtaining more interviews with Muslim respondents meant that we got a large enough sample of non-Muslims but this is debatable in the case of the Muslim sample. The interviews were analysed to identify h
causes of terrorism and assessed the

The meaning and threat of global t

The majority of both groups regard g
seen as neither legitimate nor justifiab
spective reflects the cynic's view that
er' and reflects the fact that there is n
are over one hundred definitions of te
and there is no internationally accepte
to the West was seen as real but exa
was judged to be magnified by both W
whom were trusted to provide accurat
London and the rest of the UK.

For non-Muslim respondents, global t
or extremism and was objectified in th
specifically in relation to Palestine and
the public domain, and most especial
fanatical believers - and terrorism wer

*'Small units of people with extrem
tional, people not from Western
Muslim)*

'Obviously 9/11, al-Qaeda and Os

*'First thing that comes to my mind
not right, because other groups d
rorism.' (Muslim)*

A 'new' form of threat

Global terrorism is seen as different fr
having an indiscriminate impact with
ened. The non-Muslims contrasted t
the IRA. Whereas IRA terrorist activit
al terrorism was seen as coming fr
enemy and as generating feelings of i
poses challenges both for London re

police and intelligence activity had for many years become experienced at dealing with IRA terrorism. The British authorities were un-prepared for the changes that have occurred internationally. Muslims were barely understood either by the rest of the population or by many organs of the British state (and probably vice versa).

'It is obviously threatening to see these people don't have respect for Muslim life. You would think because we are Muslims they would see us as "one of them" but they don't. So, I feel threatened by them as well.' (Muslim)

'They are nowhere and everywhere. You can't target them. So, in a way I'm powerless…….....before, the enemy [IRA] used to be obvious. The IRA had an office, a pattern, you knew where they were, where they were going to strike, they even left a warning message. But now they are supposedly everywhere.' (non-Muslim)

The linking of global terrorism with Islam and the increasingly pervasive feeling that Islam is a potential source of danger and apprehension has led to Islam replacing communism as the new 'enemy' of the West. In consequence, many - and some would argue all - Muslims are perceived as terrorists. Some Muslim respondents appreciated how this might have come about but regretted it happening, and both sets of respondents recognised that violence, and hence terrorism, is not in the nature of Islam.

'If I didn't know anything about a religion and I saw people doing terrible things in the name of that religion, I would think it is because of the religion, that it promotes them to kill innocent lives. So, I don't blame those who feel threatened by Islam, although it makes me sad.' (Muslim)

Attributions of Islamic terrorism

The non-Muslim group saw Islamic terrorism as a reaction to intervention by the West, for example in Iraq, Afghanistan, or to US support for Israel in the Israeli-Palestinian conflict. Some non-Muslim respondents went further arguing that it is not just the West's foreign policy that creates grievances among Muslims but also Western cultural imperialism.

'America has a very interventionist role in the Middle East, because of oil interests; they support countries selectively and have done wars like Iraq…and they continually back Israel. When you invade these countries like Iraq, you often create these jihadist or terrorist activities which would not exist if you hadn't been there in the first place.' (non-Muslim)

'They may also see some kind o entertainment and materialistic go be a reason to upset people.' (non

While religion is not considered to be non-Muslims' conceptions of Islamic from fundamentalists to perceived opp washed' by radical Imams. Religion t Western sentiments and as the vehicl tices and inequalities that were create

Muslims have a different perspective see the West as an oppressor, they de to Western political intervention. Rat feeling they are being treated inequi land, other resources or education - c

'The thing about Islam now is tha Afghanistan or Iraq or wherever.'

'Palestine is oppressed by the Isra Palestinians don't have any othe (Muslim)

In common with the non-Muslims, a s that Islamic terrorists are fanatics who their religion, or surmised that they m

'They are Muslim extremists but I says that you should never kill no (Muslim)

'Obviously a lot are criminals. If t acting in such an immoral way.' '

But, some Muslim respondents argue or the assumption that al-Qaeda was

'Their thinking I think was US bor in Algeria and in Bosnia and in a everyday, so we are getting back

'There was no substantial evidence to pinpoint Muslims. They were probably forced to admit they were terrorists.' (Muslim)

War on Terror

All of the Muslim sample and more than half the non-Muslim sample considered that the Iraq and Afghanistan invasions, and the subsequent conflicts, were not justified. These respondents saw economic interests, especially oil, and control of the Middle East as the primary motivations for war, especially in Iraq.

'There is too much oil there. I mean the West has such a vested interest in the output of that country. We want to have some sort of control over it. I don't think it has anything to do with terrorism. It is portrayed as the war on terror.' (non-Muslim)

The majority of both groups disagree with the anti-terrorism measures introduced post-9/11 and other terrorist attacks in Europe and elsewhere. The non-Muslims were most concerned about the reduction in civil liberties, especially arising from detention without trial, while the Muslim group was equally concerned about being targeted by the police and other security services or authorities.

'I think it is your fundamental right to have a trial, to know what you've been accused of ….to be kept in solitary confinement in places like Belmarsh, with no idea whether they are to be released, what they're charged with, no defending themselves, no access to anybody. Also Guantanamo Bay, that is awful.' (non-Muslim)

'The fact they see me as a terrorist does not mean I am a terrorist. But, of course it's very annoying to have trouble getting a visa. Having to take your shoes off and go through all these security checks, because your passport says you're a Muslim. It makes you feel like a second-class citizen.' (Muslim).

Muslim respondents also emphasised the need to devote efforts to fight the causes of terrorism and to further mutual understanding between Islam and the West.

Muslims in Britain

All our respondents - both Muslims and non-Muslims - recognized the existence of racism toward Muslims in London and elsewhere in the UK and considered that the media reinforce prejudice and discrimination by portraying Islam and Muslims negatively. Many Muslim respondents re
racism or police targeting.

'I think it's because they are a diffe
pened it just gives an extra excuse
able to be borderline racist." (non-

'I've been called a "Paki" - it's all p
Asian people, targeting colour, tar

Although the majority of non-Musl
be fellow citizens, they did not reg

'From my own experience - I've c
not Muslim.' (non-Muslim)

Non-Muslim respondents saw Western
Muslim respondents were divided on t
is a central aspect of their identity.

'Someone brought up a strict Mu
terms of sex before marriage, we
have social responsibility and peop
children. With Islam that wouldn't

'Islam is for me a way of life. It is
that we have, for example, equalit
from Islam.' (Muslim)

Islam as the 'other'

The perceived incompatibility of West
tion between the two communities in
for non-Muslims, Islam embodies c
between 'us and them' is not a new i
West has used the East to define its
today but with a newly configured Ea
Islam has replaced communism as th
Quershi and Sells, 2003). The domin
nity, in which Islamic countries are re
democracy and freedom - that is, as

been reinforced post 9/11. Whilst acknowledging the prejudices embodied in this representation, this is a powerful notion for non-Muslims.

The Metropolitan Police have found themselves, amongst many other things, as unofficial arbiters of complex inter-community relations. The views quoted above suggest many misunderstandings and potential opportunities for strife. The police find themselves as street-level interpreters of the new, partly religious, politics of London. Terrorism and perceptions of the involvement of people from different backgrounds then makes this job even more difficult.

Coping with global terrorism

Muslims and non-Muslims are both threatened by global terrorism and many Muslims as well as non-Muslims have been killed or injured in terrorist attacks. However, the fact that global terrorism is so clearly linked in people's minds with Islam means that the two groups cope with the phenomenon in different ways. In our study, Muslim respondents, most of whom see global terrorism as a response to a cumulative set of grievances or as an act of desperation, attempt to remove religion from the terrorism discourse. They dissociate Islam and terrorism by identifying terrorists as 'fake' Muslims and by contesting dominant media images of Muslims so resisting a negative identity. Non-Muslims, whilst, in some cases recognizing the responsibility of the West in triggering a terrorist response, attribute a key role to religion, which they see as mediating the response and providing a unifying ideology. By suggesting that religious fanaticism is at least partly to blame for global terrorism, non-Muslims are removing terror from the political sphere and making it personal. This process - which is an example of 'psychologisation' - serves to de-legitimise the activity thereby protecting democratic values. The construction of Islam as the 'other' serves to sustain the negative out-group image and maintain the superiority of the majority in-group.

Overview and implications

Key discourses and debates

Global terrorism is a newly articulated concept, which has developed meaning through media coverage and personal discussion and now has gained wide currency. The exploratory study outlined above highlights the fact that, although there are some shared core features, there are also inconsistencies, contradictions and differences - many of which reflect group membership. Global terrorism is seen as different from

and more threatening than 'traditional
or fundamentalism, potential perpetrat
impact, and, at the time of our study, t
is recognition that violence is not part
ple to make sense of this new form o
familiar. However, there are differenc
Muslim respondents and they find
Muslims attribute global terrorism to in
sise the impact of negative media po
rorist action as a direct response to W
porary negative representations of Isl
tity, while non-Muslims use 'otherness
'otherness' of Islam is exemplified
Muslims and other communities in Bri
'new enemy' - an idea which is reinfor

Post 7/7

The coordinated and indiscriminate a
Londoners even more familiar with th
of our study. Did those attacks chang
specific data, a recent survey[ii] condu
majority of British Muslims want tough
icant minority believe, that, while the 7
survey indicated that the majority o
believe the Muslim community in Bri
stream British culture. It also suggest
not just as 'separate' but as not contri
and the status quo. While nine out o
makes a valuable contribution to Brita
agreed with this view, and one in four
Islam threatened the British way of lif

However, it is important to recognise t
Muslim community - as in any commu
there are commonalities. For examp
that they are offended by public dr
clothes. Moreover, one in three of the
close friends who are Muslims, which

Muslims constitute less than 4 per cent of the population, and nearly nine out of ten Muslims reported having close friends who are not Muslims. In addition, the general public questioned showed some understanding of the position in which Muslims find themselves since 7/7, with more than half understanding why Muslims might feel offended by people becoming anxious about Muslims carrying large bags on the Tube or buses.

The survey did provide evidence of denial on the part of some British Muslims. Eight out of ten (81%) of the Muslim sample considered it was unacceptable for the police to view Muslims with greater suspicion because the 7/7 bombers were Muslims. Moreover, nearly half the Muslims sampled believed further suicide bombings were highly unlikely or unlikely, compared with just 16 per cent of the general population.

Equally, however, it is important to appreciate that telling Muslims that 'You are wrong in your view about the West, you are wrong in your sense of grievance, the whole ideology is profoundly wrong.'[iii] may be equally naïve. Such comments fail to recognize the deep-seated sense of communal mistreatment and cumulative injustices, which Muslims perceive to be perpetrated by the West. These perceptions were highlighted by our London respondents and can only be heightened by the fact that many British Muslims live in areas of disadvantage and multiple deprivation.

There is also evidence of a rise in racist hate crime in London, which reached a record high in July 2005 and there is general agreement that much of the observed increase is attributable to incidents directed toward British Muslims.[iv] This heightened Islamophobia contributes to the alienation and frustration felt by many, especially young, Muslims, which has been exacerbated by a rise in the number of stop and searches they experience and by raids, such as that in Forest Gate.

Future challenges

It must be emphasized that our research was exploratory and there is a clear need both to differentiate the views of different groups of Muslims and non-Muslims and to examine further the extent to which views have polarized or otherwise changed since 7/7. However, our findings do highlight some current concerns, some of which have been underlined by recent survey research, and also point to some future challenges.

London, by all accounts, remains a high priority target for terrorist activity. Preventing future attacks will require credible and reliable intelligence, which is likely to come from those in the Muslim community who have no sympathy for terrorism, even when committed in the name of Islam. However, it will only be forthcoming if there is a climate of mutual confidence and trust b
a climate will not be easy, especially
and heightened Islamophobia in som
police and security services. At the s
the disadvantages many of them face
nerable to extremist and radicalizing n

Engagement with Muslims in Londo
homogeneous group, plus sensitivity a
it will also demand commitment and l
pronged strategy needs to develop a
standing and integration among all the
London. Before that can get underwa
and anxieties lead to separation, ali
needs to be a debate about what inte
central and local government to ensu
engagement will be successful, only
individuals rather than as uniform me

These are sensitive and high profile
unless they are addressed, there is
greater alienation among London's Mu
public support for the police. In norm
handle many of these challenges. Ho
bility makes it difficult to be certain ex
will work to negotiate and mediate be
and between the police and other pub

The Prime Minister, the Home Office a
in initiatives seeking to normalise the
cities. On individual occasions, the C
ual Assembly members have made st
London boroughs have a front-line rol
gion and identity. The Metropolitan Po
the capital's policing, but with much re
them. In a complex global city, the p
common sense. The challenge ahe
strengthening the links between politi

Notes

[i] This study was conducted jointly with Eleni Andreouli.

[ii] Populus survey conducted for the Times and ITV news, reported 4 July 2006,

[iii] The Prime Minister, speaking to an all-party committee of MPs, 4 July 2006

[iv] The Islamic Human Rights Commission reports that the current level of hate crimes they receive is more than double that before 7/7

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6. Can London's hou

Christine Whitehead

The availability of adequate and affor
damental issue for the health of the lo
central to issues of cohesion and sus
rapidly than the rest of the country, as
is becoming increasingly multi-cultura
uing to grow. The rapid rise in house
larly difficult for households to achie
they do, they obtain far less housing
chased now having two or fewer bedr

The social rented sector plays a large
except the North East, housing a h
access is limited for anyone who is no
as the size of the sector falls and the

The private rented sector therefore pla
than in the rest of the country, with
London. Even so, it is not large, flex
those in need of accommodation in L
temporary accommodation continue t
homeless located in London. Concea
household, are also heavily concentra
tion are far more likely to be overcrowd
holds living in London (DCLG, 2006b;

So employed households, who can af
housing. This affects directly the capa
tal and the competitive position of L
attract and retain employees compar
major cities in the world. Equally, tho
arate accommodation, often have to g
authorities and other social housing pr
aging housing for London's poorer h
which is brownfield, has many alternat

of contamination and lack of appropriate infrastructure (GLA, 2006 b and c; LSE London, 2004).

Three major housing issues framed the agenda during the year:

- **o** The new population and household projections suggest that London will grow faster than was previously projected;
- **o** The implications of Kate Barker's report for the Treasury on housing supply and affordability and the government's response with respect to affordability and the expansion of housing supply; and
- **o** The most appropriate ways to deliver more affordable housing and increasing densities in a growing economy.

1. How many households will live in London over the next twenty years?

Projected growth

The new population and household projections suggest that population growth is becoming slightly more concentrated in London, even though increases are now projected for all regions in England (DCLG, 2006a). Over the twenty years from 2001 to 2021 England's population is projected to grow by just over 9% to almost 54 million. London is expected to grow by over 12%, implying that it will take over 20% of national growth, with a further 15% in the South East.

The growth in households is expected to be considerably more rapid, as can be seen in table 1. The new projections published this year at last take account of the evidence on household formation in the 2001 census as well as 2003 based population forecasts, which reflect the continued expansion in inmigration. The growth in households is projected to be more than twice as fast as the population increase across the country, including in London. As a result, the number of households in London is projected to increase by over 25% up to 2026, which is an average rate of 36,200 per annum. The more detailed projections suggest that this growth will be slightly more rapid in inner than outer London - with the number of households in inner London increasing by almost 30%.

The four main reasons for these increases are:

- **o** changing age and consequent household representative rates which, as the population gets older, accounts for almost 30% of the increase - although a far lower proportion is in London;
- **o** international migration, which ma
  is concentrated in London;
- **o** increased longevity accounts fo
- **o** a greater tendency to form sep
  20% plus at the national level, b
  London partly because of high ho
  an update of Holmans and Whiteh

In many ways, household growth in L
a whole, particularly because of the
which is associated with international
certain figures in the projection, becau
we do on outmigration. The pressures

Impact of migration

Inmigration has two main elements. Th
to require assistance with their housi
the government is expecting to reduc
expected to enter the UK only if there
both of these stories are rather too si
many refugees and asylum seekers a
ed in other parts of the country, altho
to London as they become more settl
as the government moves more towa

London's employment market over the
come as something of a surprise that
that there might have been a structura
expansion of the European Union, but
ment. If this is the case even a signi
the inflow as much as past trends wo

Inmigrants tend initially to have smalle
er accommodation. The private rented
However, if migrants remain in Londo
become far more like those who have

Table 1: Official Household Projections

	Households				Average annual change	
London	2001	2003	2021	2026	2001-2021	2003-2026
Number of Households (millions)	3.04	3.09	3.76	3.93	36,000	36,200
Average household size	2.38	2.36	2.17	2.13		
South East						
Number of Households (millions)	3.29	3.35	4.01	4.18	36,000	36,300
Average household size	2.38	2.36	2.17	2.13		
England						
Number of Households (millions)	20.52	20.90	24.78	25.71	213,000	209,000
Average household size	2.37	2.34	2.14	2.10		

Source: DCLG New Projections of Households for England and the Regions, March 2006

demands depend as much on income as on household size, and they often move into the outer areas of London or further afield as they become more settled.

In the main, inmigration adds to the buoyancy of London's economy and increases its competitiveness. If the existing rate of net inmigration were to decline, the results would not be straightforward to predict, as a decline in inward pressure would also reduce the outflow to the rest of England, which has acted as a strong counterbalance. Over much of the last decade, movement out, mainly into the South East, East and South West of England, has consistently offset much of the impact of additional net international migration. This is fuelled by relative house prices and the housing available. It is easier to obtain a house and a garden rather than a flat, local service levels, notably schools, and a different lifestyle. Many will commute back into central London but, over time, a significant proportion, especially second earners, will find employment nearer home.

If international inmigration into London ed in London would change, resultin slightly larger average household size able to provide additional housing a growth of some 36,200 households p incapacity to respond, house prices c increases in household formation wou the rest of the country over the last d average household size in London is h more slowly to 2.17 by 2021 and 2.13 es would further slow this downward t

Implications of projected growth

Many commentators have taken thes particularly London and the South E should be working towards lower popu that constraint would be desirable fro as the main pressures are now projec than over the last decade. The main and thus the number of households, These both enable more households tion, and improvements in the afforda Barker housebuilding agenda proves

The main factors, which might reduc households, are the obverse of the ab straints on housing supply would incre their housing, for instance as a result can be regarded as desirable.

It should also be stressed that Britain's average by European standards. In household size and on the proportion is still significant potential for expansi ber of households that require additio

Even at a national level, these new expansion in house-building than is en

Pre Budget Report, the government promised to raise net output levels to some 200,000 homes a year by 2016 (HM Treasury, 2005a). This figure was based in part on earlier, and considerably lower, household projections as well as on the capacity of the housing system to adjust. On the basis of current household projections, this level of output would fall short of requirements by a significant margin. This shortfall could be as high as 10%, taking account of additional needs over and above those coming from the expansion in the number of households.

In London, the draft alterations to housing provision targets in the London Plan, that were subject to the public enquiry in June, suggest that there is capacity in London to build some 31,000 dwellings per annum, although this includes replacement as well as net additions (GLA, 2006a). This falls short of projected requirements by far more than the projected outputs for the country as a whole, even though they imply an expansion as compared to the earlier plan of nearly one third.

This raises two important issues; whether this level of output can be achieved, and what the likely effect would be of further pressure on the housing market on London's households and the economy. The government's response to the Barker report is key to addressing these issues.

2. London and the Barker Agenda

The government's detailed response to the Review was published as part of the Pre-Budget Report in December 2005 (Barker, 2004, HM Treasury, 2005a). It accepted that the problem should be seen as one of affordability and access. It argued that, if current trends continued, within twenty years, fewer than a third of all couples over thirty with two incomes would be able to afford to purchase their first home without assistance. In the light of this crisis, the government made a commitment to increase house-building from the current levels of around 150,000 net additions to the stock to 200,000 per annum by 2016. This would be achieved through among other policies:

- **o** providing shallow subsidies to expand owner-occupation to 75%;
- **o** reforming the land use planning system to make it more responsive to evidence of local housing market demand;
- **o** merging the regional planning and housing functions into single entities by September 2006;
- **o** the provision of sufficient local and regional infrastructure necessary to support the additional housing required;
- **o** concentrating Section 106 contri
porting the provision of affordable
- **o** increasing the supply of social h
assets and increasing grant allo
Review; and
- **o** consulting on the introduction of
vide at least as much to local au
more broadly defined S106 arrang

London faces particularly difficulties in
ment's now clearly stated objectives.
worse than in the country as a whol
households expected to form over the
er. Moreover, the Mayor has stated th
within London's administrative borders
decades. On the supply side, almost
that land has other potentially high va
there are major environmental issues
The construction industry is under pre
resources. It is costly to provide sus
Thames Gateway.

The numbers

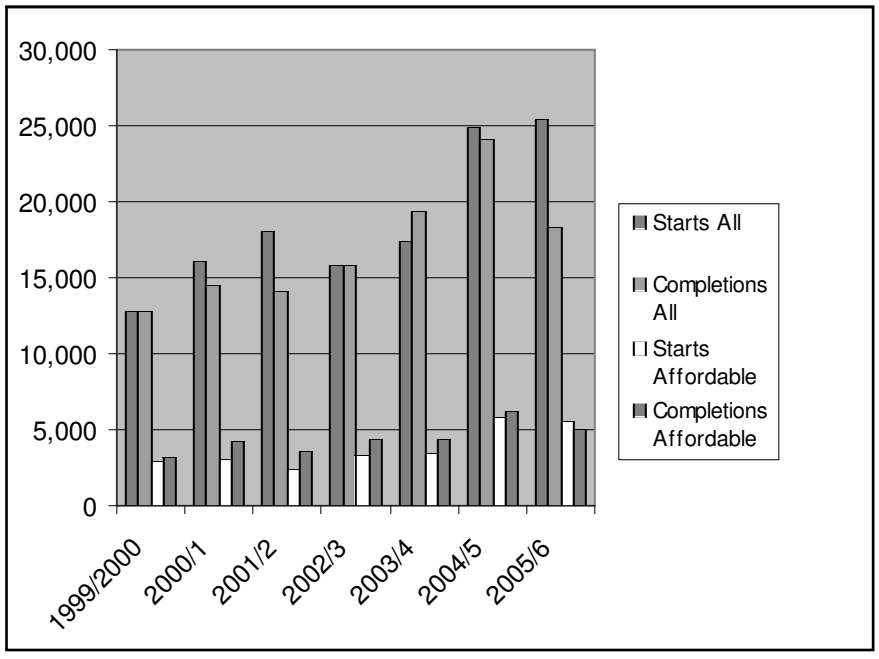
London has expanded its housing
Moreover, in part due to the nature o
tend to be higher than new build level
and the extent to which regeneration is
suggest that, nationally, housing co
2001/02, from around 130,000 to 163,
26%. Starts have been relatively healt
six-year period, so that they are now

London's pattern of additional housing
1b. The rise in both starts and com
increase has been much steeper. In
majority of the increase in the last tw
consistent. Between 1999/2000 and

much more than the rest of the country. But in 2005/06 the numbers fell significantly to only 18,300 as against 24,100 in 2004/05, which implies an increase still well above that for the country as a whole, but in part because it started at such a low level.

The figures for 2005/06 may simply be an aberration, but it does suggest that the expansion may not be as strongly grounded, as the rhetoric suggests, taken together with the slowdown in starts as compared to England as a whole, and the fact that starts are hardly greater than completions unlike the rest of the country. At the very least, the step change in provision required to meet the new targets of 31,000 is likely to prove extremely challenging. At worst, it might be taken as evidence that a downturn in output levels from rates, which were anyway well below what the government is aiming to achieve, could be as likely an outcome as continued expansion. This concern is exacerbated by the evidence of worldwide uncertainties about asset pricing, which is related to the possibility of downward adjustment in those prices arising from increasing inflation, lower expectations of economic growth and greater emphasis on

Figure 1a: Trends in starts and completions: London

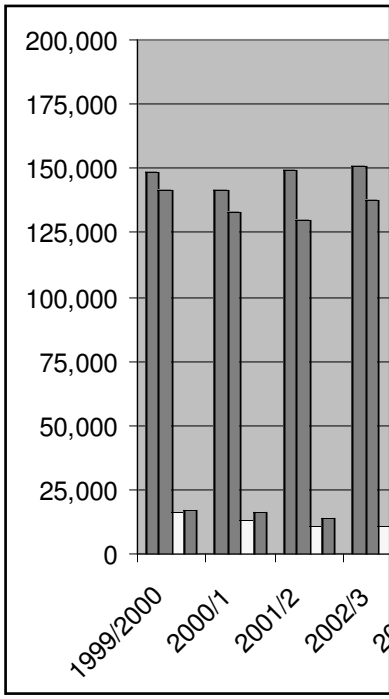


Source: ODPM

income generated from these asset
increased uncertainty in the housing

An important aspect of these figures
London, in relation to the proportion
there. At its worst, at the turn of the c
national completions. In 2004/5, Lo
15.5%, which is roughly in line with
below its proportion of household grov
parator, the proportion of national ou
starts it is around 13.5%. So London
be impossible for London to do so, gi
ties of many of the potential sites. Th

Figure 1b: Trends in starts and compl



Source: ODPM

population within its borders, as promised by the Mayor, may depend more on recession than on positive action to expand housing investment.

Affordable housing

A second important issue is the extent to which it has proved possible to increase the supply of affordable housing (HM Treasury, 2005a; House of Commons ODPM Select Committee, 2006; Meen et al, 2005). Despite the target levels for affordable housing set by the Mayor in the original London Plan at 50% of total output, the actual proportion has hardly increased and run at around 25%. This proportion is far higher than the national average, which has actually fallen from 12% to 11% over the same period, but clearly goes very little distance towards meeting London's increasing requirements. Moreover, the proportion of starts that are affordable is actually falling, even though the mechanisms for assessing s106 requirements have been carefully put in place, and there appears to be consensus on the need for expansion (GLA, 2004; Monk et al, 2006).

A further issue relates to the kind of housing being built. Over 80% of completions in London are one or two bedroom homes, and a very large and growing proportion are flats (GLA, 2006c). Arguably, this is quite reasonable, bearing in mind the increasing issues of affordability, the large number of younger more mobile households in the market and given the preponderance of houses and larger units in the overall dwelling stock, especially in outer London. However it raises more fundamental issues. Firstly, measured in square metres, London may not be expanding provision significantly faster than at the turn of the century, because of the decreasing average size of new homes, especially in the market sector. Secondly, in an environment where incomes are growing at more than 2% per annum, economic analysis would suggest that overall demand should be increasing at a similar rate, unless house prices rise to control demand. It would therefore be reasonable to expect house prices to continue to rise, unless the fundamentals supporting economic growth worsen. Thirdly, London has a very high proportion of single person households, but it also accommodates a higher proportion of large households, which are often in need of affordable housing. Their needs are not being directly met by new house-building.

Within the affordable housing sector, there has also been an important shift towards the provision of shared ownership and other forms of intermediate market housing rather than social rented housing, much of which tends to be larger and aims to address the problems of overcrowding that are concentrated in London's social sector. Table 2 shows that the proportion of intermediate housing has grown from 20% of affordable housing in 2001/02 to almo
further as part of the attempt to increa
ment's emphasis on increasing home

Table 2: Affordable Housing Completi

London	2000/01
Completions	9,130
S106 Completions (%)	21
Shared Ownership (%)	--
England	
Completions	44,971
S106 Completions (%)	21

Source: ODPM, HIP/HISSA

A major issue for London lies in the p
of Thames Gateway in achieving hous
ing infrastructure have yet to be put i
(HM Treasury, 2005b). Equally, the e
Olympic Games in East London mea
increasingly concentrated on ensuri
adverse effects on other London sub-
are already struggling to meet their ta
was always expected to be slow and
depends on the successful implement
Thames Gateway and the Planning Ga
may be adversely affected by econ
issues are also of increasing importan
one hand and flooding on the other. A
ued expansion of supply.

Changing Mayoral Powers

One potentially positive development
take over housing powers and get incr

the capacity to intervene to say yes as well as no to big projects (DCLG, 2006c). The current London governance structure with respect to housing involves

- **o** London-wide strategic planning by the Greater London Authority through the London Plan;
- **o** local development plans, soon to be frameworks, drawn up by local authorities including the responsibility to identify land and housing requirements in general and affordable housing needs in particular;
- **o** local authority housing responsibilities with respect to standards and ensuring accommodation is made available for the homeless;
- **o** a wide range of Housing Associations and other agencies meeting front line needs; and
- **o** grants for affordable housing allocated by the Housing Corporation on the basis of sub-regional needs.

The transfer of powers to the Mayor should enable a better regional framework which links housing to planning as well as ensure a closer relationship between planning and the allocation of government subsidy. However, this is only one element in the complex governance structure. The step change in output required will depend far more on the overall economic environment and the development of financial instruments, that allow investment to tap into future land value gains more effectively, than on the transfer of one level of powers.

The Implications

If the economy continues to grow in line with past trends, then the most likely scenario is that access and affordability will continue to worsen across the London housing system with. The mechanism by which price increases might be contained are far more likely to be those associated with worsening economic condition than with expanding supply. This is hardly the most desirable way to maintain London's world city status.

Perhaps the most positive change in London's housing position over the last decade has been the expansion of the private rented sector, which was fuelled in part by Buy to Let initiatives, that are heavily concentrated in London (Scanlon & Whitehead, 2005). This depends on investor confidence in continued house price rises. Any significant structural change in interest rates and inflation would impact on that confi-

dence, although physical assets migh
narios.

The benefits to London of a buoyant p
wide range of more mobile and usua
more effectively, which is just what
However, if there is no 'move-on' ac
attractive to more stable households.
the sustainability agenda and to ensu
What is currently being built tends to m
small modern accommodation. The
met increasingly from the existing sto
that London needs to find better way
growing affluence, if it is to remain a f

3. Location and Density

An important government and Mayora
provision, at the same time as the de
aim is to use infrastructure and public
for commuting and the use of the car.
ability in the longer term. Achieving thi
city centres, increasing the attractiver
both central and suburban areas. It a
tudes, which have tended to regard ci

At the same time as increasing dens
the concentrations of poverty especia
mixed communities, which meet the
2005). The mechanisms to achieve th
ning system which is prioritising ne
urban areas, controlling the size, type
and implementing s106 agreements t
erated developments.

The implications of a higher density a

Attempting to pursue such a wide-ran
ment is extremely difficult, made mor

are generally far better at stopping rather than encouraging development. There are three main issues:

- **o** whether planned densities will translate into actual densities;
- **o** what are the implications for the effective use of the existing stock, prices and affordability; and
- **o** what other approaches are there to improve outcomes.

Firstly, the estimates of income elasticities of demand suggest that, in a buoyant economy, people will want more space, roughly in proportion to the rate of real income growth. The demand is both for inside space, although not necessarily more rooms, and for outside space in the form of gardens and balconies. There is also a growing demand for pleasant environments and open space (Cheshire & Sheppard, 2002).

In market housing, this means that actual use densities are likely to be lower than planned and that there may be incentives for those living in small units to find additional accommodation elsewhere in the form of second homes. In the affordable sector, allocations will ensure high-density usage at the start, but for many households that density will fall over time and people will not move out, so actual densities decline. Other households will expand to the point of overcrowding adding to London's particular problems of a lack of larger affordable homes.

So overall densities are much more likely to follow the market and demographic dynamics than those sought by planned outcomes. Moreover, relative prices across the capital are likely to change further favouring areas where densities are relatively low, accessibility is good and open space and other amenities are in place. This is likely to worsen further the relative position of the East of the capital, especially if transport infrastructure cannot improve rapidly to meet the needs of the new housing being concentrated in this sub region.

There are a number of important implications for the utilisation of the housing stock. Firstly, although output is rising in dwelling terms, the average size of new and converted units continues to fall. This is against international trends, which have seen increasing average sizes over the last thirty years, while they have consistently fallen in England. This puts pressure on house prices overall and particularly on prices of existing houses, because they include larger more flexible units can be found.

Secondly, flats tend to have higher vacancy rates than houses, not only because they may be kept off the market by investors interested in capital gains and flexibility, but also because of the higher turnover
increasing demand for 'second homes

Thirdly, the relative prices between ho
attractive areas are changing rapidly, v
existing stock, even where new dev
communities.

Finally, flats, especially the high-rise fl
ice charges and running costs than low
ter maintenance and management. A
ic' developments, prices will rise less f
in some sense more affordable but t
community.

What could be done instead? If the re
social costs associated with low dens
housing, where, arguably, it is more
than positive objectives of sustainabil
implies increasing the cost of space t
more sophisticated pricing systems to
space at the margin of the urban area
could imply modifying property taxes

The problem with this approach is po
marginal voters and older households
relocating development on to poorer
transport nodes is seen as politically
sites and the green belt appear to be
valuable to the local community, can l

An alternative agenda?

There are debates both, on the resear
er densities and more compact urban
bility and acceptability of raising resid
ulation growth within London, versus

The research debate involves questio
claims that higher densities will promo

tion/exclusion, and significantly reduce environmental costs notably carbon emissions from car usage, and the relative values attached by residents to urban development versus urban open space. In the first case, recent LSE studies (Rice & Venables, 2004; Lupton, 2006; Gordon & Monastiriotis, 2006) indicate that:

o agglomeration has a strong positive effect on productivity levels, though the relevant geographic scale seems to be that of the metropolitan region rather than Greater London;

o residential segregation has some effects on social inequality, notably in schooling, but operates more strongly within London than in smaller towns outside;

o higher planning densities, notably in employment centres, tend to reduce transport emissions by encouraging residents to make shorter trips and more of them by public transport, but the likely effects are very small relative to the scale of reductions required, not least because only occupiers of new developments would be affected; and

o while the recycling of brownfield sites in London would reduce the impact on greenfield sites outside the city, which are a potential recreational asset for Londoners, it would inevitably restrict their access to more local areas of undeveloped land, which studies of influences on dwelling prices indicate to be much more highly valued.

The policy debate must necessarily go beyond these considerations to consider the strategic alternatives, and the practicalities of implementing different approaches. The basic choices are between:

o the London Plan strategy aims to accommodate the projected population, household and employment growth entirely within Greater London's existing urban area, through the more intensive use of space in central areas, currently vacant sites and established residential areas. This is clearly an ambitious target in terms of managing development proposals, securing the necessary large scale infrastructure to support them, exerting effective control over local planning policies/decisions, and influencing the residential preferences of residents who might choose to move out - as well as addressing the resultant affordability problems for key workers and other low income households that must live in London;

o a reverse strategy would be to relax planning constraints on green land within the South East and East, allowing many more people to achieve the traditional ambition of living in homes with g
environmental and financial costs
cal obstacles in terms of local resi

o A more positive/planned alterna
tively compact development on g
would complement a more mode
2006; Hall & Pain, 2005). This mig
Communities programme, at least
centrated patterns of development
ing the planning controls would pro
be achieved in locations with effic
would clearly involve major infras
London, and would probably provo
areas, unless appropriate sweete
and costs.

Any of these policies could, in principl
tion and pricing policies, which reinfo
units and more space per household, a

4. Reality?

At the present time, the objective is ve
tre and housing in the Thames Gatew
above target in both East and West Lo
Overall output is around the current ta
identified demand and need. Jobs are
west. These trends are likely to put fur
employment costs and could further
agenda and sustainable growth.

Secondly, the Mayor's density objecti
nificantly increased densities in subur
be achieved in ways, which will chan
densities, the emphasis will be even
which take longer to provide and ar
already proving unacceptable to local
make achieving a step change in prov

Thirdly, any of the alternative policies, set out above, require large scale additional funding, as well as a larger, more efficient construction industry. Instead, there is likely to be growing pressure on existing local infrastructure, both physical and social, while the construction industry concentrates on higher cost larger scale developments.

There is therefore more than a distinct possibility of a continuing, messy, compromise in planning terms, presumably not as an explicitly chosen strategy, but because, either the London Plan strategy proves unrealistic in practice, or the government is unable to formulate and implement a workable alternative.

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7. The Land Fetish: Densities and London Planning

Peter Hall

In a recent pamphlet (Hall, 2006), I argued that for 75 years or so the English had pursued a quite irrational obsession with the land, seeing it as some kind of psychological defence against threatening aspects of the modern world. Admittedly, in the 1930s there was a real threat to large areas of southern England from uncontrolled commercial speculative development. But that was effectively stopped with the passing of the 1947 Town and Country Planning Act, which has allowed local authorities to contain the growth of urban England, not merely by green belts, but also more generally by not specifying urban development save in a few select places. At the start of the 21st century there is no comparable threat but rural land is still fetishised, with increasingly damaging consequences - for the properly sustainable development of London and the reasonable housing aspirations of very many in the region.

From a major review of outcomes from the first quarter century under the post-war planning system (Hall et al., 1973), we found that it had been very successful in the containment of the larger towns and cities, but at the cost of two perverse effects. Displacement of development to small towns and villages, especially in the least attractive parts of each county, increased travel distances both to work and to higher level services. And the restriction of land supply brought inflated house prices, with both less choice and reduced quality at the lower end of the market. In this respect, British planning policies had proved far less successful than American ones in accommodating the demands of a more affluent, more space-using lifestyle. Generally rural dwellers and the more affluent new suburbanites had gained from the process; but the less affluent ones suffered cramped space and relatively high costs, and the least affluent, left in the cities, were the biggest losers. Thus the overall effect, in income terms, had been perversely regressive: those with the most had gained the most, and vice/versa.

In the 30 years since then, nothing fundamental has changed, but the effects have intensified, as the blanket of containment has been extended further and further. The area of Green Belt has more than doubled, to far exceed that of urban areas, and overall limits have been imposed on the use of greenfield sites, as density targets have been ratcheted up to try to 'co
London, as well as their physical deve
percentage terms at least, the brownfi
cost in terms of restricting overall h
house prices, as greenfield sites have
question now, as in the 1970s, is whet
taboo to justify the sacrifices that it r
there are other solutions which could
all, if we could approach land use in a

**The challenge for London and
households**

In the Greater South East, in particula
and how we are going to house a co
holds. The latest 2004 ODPM projecti
and another million in the adjacent So
a misguided view that, if we do not bu
form. The fact is that the new housel
trends; more young people leaving ho
old people surviving their partners for
stopped. If you fail to provide, the resu
the original Urban Task Force report)
whose needs are not met. Everyone w

So the critical question becomes one
official orthodoxy, laid down originally
marily in terms of the percentage of n
field' sites. It is important to understar
but to all means of intensifying housin
ing the fetishisation of 'greenfield' lar
Task Force (Urban Task Force 1999) s
Labour government in 1997 adopted a
well-funded lobby has, however, incre
development. These include not only
England, but also a motley group of
Rogers, interested in new high-density
lowers; together with many of the cha

the countryside. They have even suggested a five-year moratorium on all greenfield development in order to force development back into the cities.

The terms of this 'debate', and its crude dichotomy between greenfield development (all bad) and brownfield development (all good), obscures the real questions about the existing and alternative use values of the actual sites involved, and about the effects of different physical patterns of development, economically, environmentally and for the quality of life.

Greenfields and Brownfields

On one side of the picture, a simple fact, which is conveniently ignored, is that the economic case for preserving countryside in this region as farmland is very weak. This has been true for a very long time, but EU set-aside policy, that rewards the owners of 9% of farmland in the South East for growing nothing, highlights how much of the land is unproductive, while tight planning controls have progressively widened the disparity between agricultural and development use values for any site (a hundredfold higher in urban use). The area of land now sterilised, from any productive use whatsoever, is far in excess of the most generous estimates of greenfield land needed for housing, let alone the modest estimates suggested by the government's 60% target. Greenfields may, of course, provide value in other terms, but this cannot be taken for granted, nor can it be assumed that so-called brownfield sites all lack such value.

On the brownfield side, Llewelyn Davies (1997) provided an exhaustive guide to the different types of site and their potential for meeting London's housing targets. There are basically three elements: urban greenfield, i.e. land that has not so far been built on; land formerly used for productive purposes; and existing residential areas where development can be intensified.

The first of these divides into two: land that is pure wasteland, that never got developed because it was too difficult and/or unattractive; and land that has been reserved as parks and playing fields and golf courses or just as landscape areas. Of the wastelands, the largest are the huge tracts of desolate marshland in Thames Gateway (notably at Barking Reach and Havering Riverside) in the London part of which, Llewelyn Davies concluded that the housing yield might be 30,600 units - out of a total of about 100,000 for the whole corridor down to the Isle of Sheppey. This would represent just 7% of the London Plan's target of 458,000 additional homes in Greater London between 1997 and 2016 (Mayor of London 2004, 56). Other undeveloped sites are not on this scale, though there is a collectively important set of 'railway

wildernesses', areas so cut up by Lo
development that they have proved ir
various odd examples where railways
nection. These are notably at Chisw
Scrubs, in West London. Properly de
changes, strategically supporting new
idential development. Taken together
units, at a guess.

The other part of the urban greenfield
ago, Michael Breheny pointed out that
ally on urban greenfield land, much o
wrong and ought to stop. If there is a
place there ought to be total doubt is
kinds of healthy recreation. It is also v
cities, including photosynthesis which
carbon dioxide mount. The need is e
also fulfil this function. The one argua
green areas in London used almost
Wormwood Scrubs or the Lee Valley,
might be defensible to enable really h
ably in association with new transport

The second source of housing in Lond
industry or warehousing - of which Doc
arrive as windfalls and can't easily be
The problem is, however, that every l
The rule should surely be that: if there
to be viable for its original use, then i
should take priority over other alterna
same goes for older offices that can b
mated that 60,000 units might be obt
again, but worth happening.

Finally, and crucially, there is the p
notably through what Llewelyn Davies
building on people's back gardens. In
looking to concentrate additional hou
train stations, in the form of what they

- people will not be car-dependent. Within such zones there are clearly places, especially in the run-down 'shatter zones' at the edge of the commercial centres, where one can get useful housing gains in this way. But, on the other hand, as Llewelyn Davies points out, "the potential for backland development is significantly constrained by practical issues of land ownership and assembly". Crudely, how are you going to persuade all those villa owners to surrender their big gardens in areas where anything between 10 and 150 separate ownerships may be involved? Compulsory purchase is not a defensible option except where the quality of the dwelling stock has seriously declined, and the idea, which Llewelyn Davies entertains, of redevelopment schemes being initiated by a simple majority of owners conjures up terrible visions of a new suburban Rachmanism.

The likelihood must also be that local residents will pressure their local councils not to modify the stringent policies evident in current outer London UDPs, since NIMBYS are alive and well in the suburbs as well as in the shire counties. (Ken Livingstone could of course use the extra powers the government intend to give him to overrule the borough, but in that case his chances of re-election could be severely slimmed). In these circumstances, I would be even more sceptical than Llewelyn Davies that any more than a small proportion of such sites will actually be re-developed in a comprehensive way on one of the denser models that they identify. Even on that basis, however, the result of Llewelyn Davies' careful appraisal was that across London the total yield from sites within ten minutes of town centres in London, would be 52,000 dwellings on the basis of existing standards, rising to 77,000 with a site-based design approach and one off-street parking space per dwelling, or 106,000 with no off-street parking. There are other possibilities other than the pedsheds, but the Llewelyn Davies report doesn't think they amount to much. So, the bottom line is that densification of existing residential areas might yield a further 11-23 per cent of the city's projected housing need.

Where does this long exercise in bean-counting get us? To the conclusion: that there is no realistic possibility that we will ever shoehorn more than about 300,000 extra dwellings into London. That is 158,000 (34%) less than the target set by the Mayor's London Plan for achievement by 2016. Even with 300,000, we would be shoehorning with a vengeance: building houses on all sorts of inappropriate sites, which are bad for the people who live in them, bad above all for their children if they have them - for example in terms of the levels of noise and pollution implied by densified designs with housing directly abutting busy roads.

Density: Myths and Realities

The countryside-architectural lobby w
the projected new households will co
a compact high-density urban pattern
the projected one-person households
those will be the kind of young people

fancy living at high density next to th
parents whose children will be coming
mortgage on their semi, and neither o
idea of being uprooted to high-densit
realistic to build for families with two c
20 years are likely to be for one or t
changes in lifestyle, involving provisio
possessions, and frequently the need
amount of space is going to be neede

More fundamentally, space norms can
on a subservient public. The issue now
to establish what people are going to
and how many will actually choose to
thing about this, but it is clear that
imposed, either locally or across Lond

There are some technical difficulties in
density standards in different contexts
net requirements for land, and partly
basic points need to be made: the fir
land are mostly to be made by moving
ty bonus dropping rapidly thereafter; t
nity and social facilities, which remain
a more or less fixed overhead, meani
tionately less (DETR 1998). Notwiths
potential land savings can be seen to
ment below about 20 dwellings per he
dwellings per hectare. The message
appropriate urban norm. Going high

places that are very accessible to shops and services and transport would allow lower values in areas that are a little more peripheral.

These conclusions about local densities are consistent with Owens' (1984) work on sustainable urban forms in relation to thresholds for provision of pedestrian accessible local services and viability of district heating systems. And, crucially, they are also consistent with key studies of contemporary British housing and area preferences In relation to housing, CABE (2002) showed that the two most desired housing types nationally were still the bungalow (30%) and the village house (29%), followed by the Victorian terrace (16%) and the modern semi (14%). Even among those one-person households which were expected to make up 80 per cent of the growth in household numbers, Hooper et al. (1998) found that most wanted two or three bedrooms, preferably in a house with car-parking, a small garden or patio, and better space standards than the average 'starter home". In relation to areas, Champion et al. (1998) found that environmental preferences continue to drive a pattern of movement in which more affluent people move from high-quality suburbs to the country, and are followed by people moving from the low-quality parts of cities into the high-quality suburbs. This is scarcely surprising, but nevertheless profoundly true. Similarly Hedges and Clemens (1994) reported findings from residential satisfaction studies indicating that, while those who have the choice aspire to a rural lifestyle, they will mostly be satisfied in the suburbs. Many, however, remain quite averse to city living - just as Hall et al (1973) had concluded.

To put it simply, the evidence is that British people still predominantly choose suburban house types and a suburban lifestyle. Across London, as elsewhere, virtually all of us live there. Whatever their precise form - terraces, semi-detached, detached villas, rows or crescents - they share an essential feature as somewhat arcadian retreats from the cares of work and the nuisances of city life. As in the 1950s, however, these preferences are still vociferously opposed by a combination of fashionable architects, Nimbys and big city barons.

England: The Unique Country?

Of course there is no single answer to the question of what kind of urban/rural living do people want, since different people, different kinds of households, want different qualities and face different constraints on what they can afford. But, while the recurring debate over containment and densities has involved protagonists with conflicting interests, it has also been one about preferences and ideals, where the English (sub)urban tradition has been confronted with continental architectural models. This

was a central theme of Rasmussen' which argued against mixing the tw smaller dwellings - on the basis of re absolute necessity for health and hur that every place in London, beyond th embodied suburban features, but als London, was (and is) in its suburbs. ing our 21st century urban renaissanc late our depopulated cities would be to like Ealing (or Edgbaston or Jesmond) than seeking to impose an unfamiliar

But this still leaves open questions bo ban model can work satisfactorily at va per acre in some of Rasmussen's pre both on the accessibility and other ass erences of different groups who might market demand for urban space, as in ties up to Bloomsbury, Islington or Ch and still more so in weaker midland a retain people by giving them the kinds

Typically this means designing urban hectare range, going rather higher, v strong local accessibility to shops and This is consistent with the governme dwellings per hectare. But it is much l accommodate all London's projected

Quality

In relation to the issue of quality, the s be achieved well or badly, and that, achieved in the golden age between t 1930s, to the kind of debased pseudo ty years or more. Typically this involv town somewhere in southern England utor road that all too easily gets gridlo service.

This shift is linked with the great spread of car ownership, since in the older suburb form had been set by the train station, and by the maximum radius that people were prepared to walk on a regular daily basis. The newer suburbs, from the 1950s on, may have been planned on the basis of a nominal public transport system, but high car use has eroded that system to a point of ineffectiveness. In the suburbs built over the last twenty years, it isn't even clear that there was a very positive attempt to guarantee public transport, if it had been possible. And that's particularly the case, because these newest suburbs have very often been attached to quite small towns or even villages, where, even in their heyday, the bus may have called only once or twice a week. This is the key point: it's this very large-scale deconcentration and diffusion, out of the cities into the small towns, out of the small towns into the villages, that has created our present crisis of complete car-dependence. And this extreme form of dispersal is not simply a reflection of residential preferences, but also of the negative planning associated with a crude containment policy, driven by the land fetish.

The answer is not, however, to seek to reverse the 200-year-old trend to deconcentration in this region - especially given our earlier conclusion that London cannot decently and realistically house the population growth projected for it. The issue is one of actively promoting different forms of decentralisation. Two basic principles would be to extend existing settlements where this enables the viability of public transport and basic local services to be ensured, and to cluster such town expansions along strong lines of public transport, especially rail routes. Some of these ideas do figure in the government's new Sustainable Communities policy, but they need to be pursued more wholeheartedly.

The challenge now is to realise, in these great growth corridors, the qualities of the classic suburbs - sustainable transport provision and effective insulation of households from pollution and noisy traffic or neighbours - within a programme of housing development matching that of the great new town building era from 1946 to 1980. This time, however, delivery will depend not on monolithic public corporations, but on private builders working to design briefs that will help sell their houses faster to satisfied customers. Realism about what households want, and will choose, plus rational examination of how this can be combined with greater sustainability, will be crucial to avoiding the kind of unintended consequences which marred earlier containment programmes. This won't happen - and houses won't get built - if a taboo on (rural) greenfield development (or an obsession with London growth) leads to an unrealistic focus on densification. Densities can be powerful servants for planners but are dangerous masters.

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8. Funding for new London transport infrastructure is vital to meet the demands from growth

Stephen Glaister

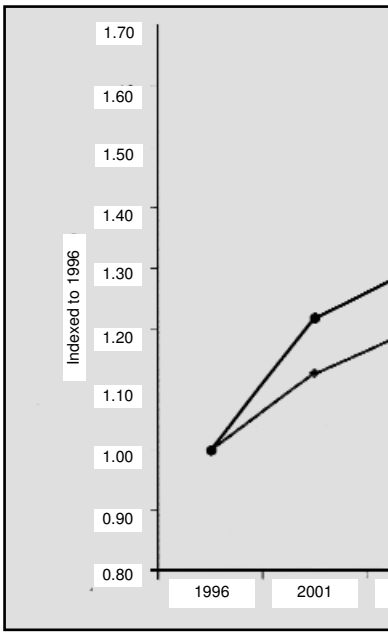
London and its hinterland face a major but as yet unquantified transport problem over the next two or three decades. In June 2006, Transport for London published a discussion document, Transport 2025: transport challenges for a growing city. This demonstrates how the shortages of capacity will develop over the next 20 years. But it does not discuss the implied cost of funding the necessary infrastructure and how that funding might be found.

Policies on housing densities and locations, land use planning and regeneration are all being developed without a coherent overall account of the transport requirements implied or of how they might be paid for. Population and employment are both expected to grow, but not in the same places. That will inevitably lead to increased demand for personal transport. But at peak times there is already a general shortage of capacity with its consequent crowding and unreliability. This is apparent on bus, Underground and the commuter railway alike, but it is also likely to become a relentlessly worsening problem on the roads in the outer suburbs and beyond, where public transport has a minority share of the trips.

Transport for London (2006) projected population growth from 7.5 million in 2006 to 8.3 million in 2025. It also projects employment growth from 4.6 million in 2006 to 5.5 million in 2025. Further, it shows (on page 22) how the population growth is expected in the outer London and beyond, whereas employment growth is expected largely in central London. The obvious implication is that there will be further increases in commuter demand on bus, Underground and the commuter railway. This is illustrated in Figure 1.

Current TfL and Network Rail budgets contain little money for enhancement of capacities. Increased expenditures are mainly for maintenance and renewals. An exception is the Public Private Partnership for the Underground, which will eventually provide between 20 and 35 percent more capacity depending on the line but not much of this will be available within ten years.

Figure 1. The gap between public tran

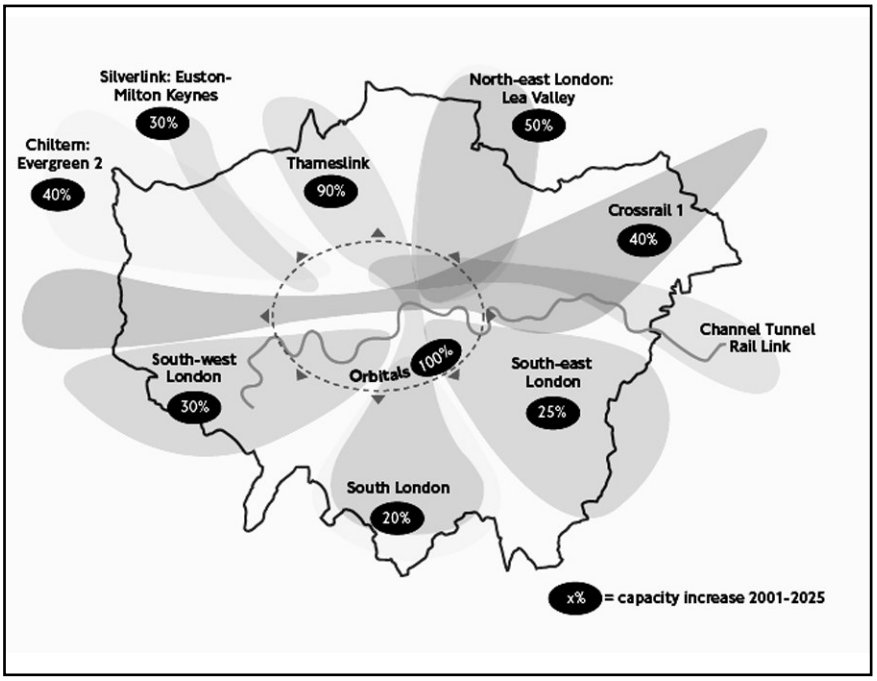


Source:TfL (2006, p36)

There are proposals that would help. T
currently seeking its powers in Parliam
something like £10 billion. Unfortuna
whether to provide the funding neces
of the day first gave it a 'go ahead' in 1
pending consideration of the forthcom
ment finance, and in July the Secretar
Prime Minister, made the vague and r
2007 Spending Review "The Departm
tifying an equitable funding solution"
expenditure of a further £7 billion or so
ity of the commuter rail by 40 percent

Bus services could be further expand
seems to be proposing major increase
to be some, at least to serve the prop

Figure 2. Potential for overground rail network to meet demand 2001-2025



Source: TfL (2006), p72

But the need for additional road capacity-through new building or better enforcement or more sophisticated traffic control systems-are considerable and increasing. So, the 'shopping list' is long and, by adding a second new Underground line and clutch of proposals for trams, which are all currently unfunded, an alarming capital sum can build up.

How many of these schemes would be good value for public money is an open question but TfL is beginning to do those calculations in a systematic way. It seems obvious that there will be pressure to find substantial new money to meet the demands imposed by the growing population and growing, high value employment. How might the money be found for at least some of them?

For the five years 2005/6 to 2009/10 central government has.made a remarkable commitment for five years and it has approved the use of the settlement as a foundation for TfL's Prudential Borrowing programme totalling £3.3 billion of a thirty year debt. It is a generous settlement and is, perhaps, an indication of the government's confidence in the operation of the
Borrowing is certainly a more sensible
of implicit borrowing under the Londo
is the alternative that many of us adv
PPP. Now it has been allowed, TfL h
markets at an interest cost of well un
the Prudential Borrowing are on the
inherent low risk to lenders to secure

The current five-year borrowing plan is
over 30 years meet the necessary tes
markets and the rating agencies. But
ing could be funded after the first five

This problem emerges from an analys
Plan (TfL, 2005) shown at Figures
income, which will have been achieve
to offset the granting of free travel to
although there is an increase in transp
pre-empted by the non-discretionary
payments. Thirdly, the spending prog
each year from the borrowing. Finally,
lion in the final year-and will continue
year term of the borrowings.

Note that £239 million per year will be
at that rate £1 billion per year would h
the cost of borrowing is 10 per cent
annum will service nearly £10 billion
billion per annum will service about £
only be repeated for the five years fo
even more, or there is some new cash
ther increase in annual grant from cen

Additionally, extra debt would have to
ty enhancements mentioned above.
as-yet undiscovered costs of providin
Games. If any of this were to be achie
long term capacity to sustain such de

Figure 3: TfL Summary Business Plan 2005/6 to 2009/10: Income and Expenditure

£m	2005-2006 P6 forecast	2006-2007	2007-2008	2008-2009	2009-2010	Total
Operating income	2,751	2871	3,186	3,354	3,497	15,660
Interest income	55	53	47	44	38	237
Income	2,807	2,923	3,234	3,398	3,535	15,897
Precept	20	21	22	23	25	112
Transport Grant	2,161	2,383	2,544	2,528	2,651	12,267
Total Income	4,988	5,327	5,800	5,949	6,211	28,276
Operating Expenses	3,487	3,628	3,788	3,864	4,021	18,788
LU PPP/PFI costs	1,420	1,558	1,590	1.668	1,840	8,078
Debt Service	24	85	132	187	239	667
Total Operating Expenditure	4,932	5,271	5,510	5,719	6,101	27,533
Surplus/Deficit	56	56	290	230	111	743

Source:TfL (2005)

What new sources of income are there to deal with the funding problems?

First, the prospects for increasing fares.

Although the Mayor does not control commuter rail fares or fare revenues, bus and Underground fares represent a strong base at £2,300 million pa. As fares go up in real terms, demand will go down. So the net effect on revenues is a balance between higher revenues per user and fewer users. The outcome is determined by the percentage reduction in demand in response to a one percent increase in fare. Broadly speaking,

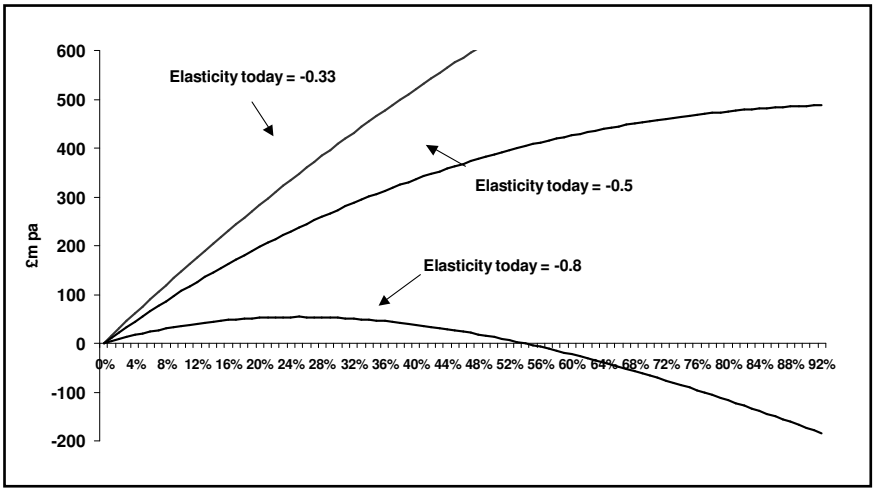
Figure 4: TfL Summary Business Plan

£m	2005-2006 P6 forecast
Capital Expenditure	849
Contingency	0
Less 3rd Party funding	(195)
Total Capital	654
Funded by	
Operating surplus	56
Borrowings	550
Reserves	130
Non-recurring grant	0
Working Capital Movement	(82)
Total Funding	654

Source: TfL (2005)

in London conditions and in the long t
per cent. As fares continue to rise, t
expensive relative to alternatives ar
actively to yet further fares rises. The e
gests that it would be imprudent to as
lion per annum, even with fares increa
ficult'. Fares increases of such a mag
icy objectives, such as encouraging tra
road congestion. It would also run cou
increasing the underlying volume of
population will themselves generate
summary, fares increases above infla
billion and a maximum of, say, £6 billio

Figure 5: Real fares increases and extra revenues from bus and tube



Note: the base is £961m + £1,339m = £2,300m)

ticities, the cost of capital and public opinion. So fares increases could, in principle, make a useful contribution. But that would not be sufficient.

It is a mystery as to why a city as prosperous as London has such difficulty funding its own infrastructure. The reason is not that it cannot afford it but there are institutional barriers that prevent it.

TfL (2006) reports that London's Gross Domestic Product is valued at £160 billion a year. If some means could be found to access just one percent of this amount, the yield would be sufficient to service between £16 billion and £24 billion of capital over 30 years. This would be equivalent to raising Value Added Tax in London from 17.5 percent to about 20 percent.

Commercial property taxes are dissipated in a national fund and, as shown in Figure 3, the yield from domestic property taxes is minimal and small by international standards. Unlike other world cities, London government has no other access to the local tax base as all tax funding is channelled through and determined by central government. If some new way were created to allow the city to access a small part of the economic value created in London, then the infrastructure funding problems would be greatly reduced.

In most other major cities of the world, ation (see Glaister, Travers, 2004). Fo and taxes. The borrowing on behalf against a mixture of sources, includin Authority, city and suburban sales ta telecoms and mortgage recording tax road fuel taxes. French cities have a transport. In London the only local so because the area charged is small, th

As TfL and several other authors have transport improvements will be capital rent system, this will bring a windfall g capture some or all of this windfall gai ture. In Hong Kong, gains are interna to commercial rentals from propert between a transport promoter and a l lem with this in London is that in m although something similar has been such as those in Docklands. Busines es club together and are able to enfo be effective on a small-scale.

Some mechanisms, such as Section ment value tax (the Planning Gain Sup would have inadequate yield, not to m

Revenue from the national uniform b and redistributed to local authorities in to properties are adjusted every five y to those values is adjusted to keep London's economy has been relatively values have risen faster, so the Capita rate has increased relatively and abso transport infrastructure needs have in either the tax take or on how the mo would be possible without dismantlin national take could be allowed to incre could be ring fenced for a national inf

TfL and others have proposed a scheme called Tax Increment Financing. Increased yields in a defined neighbourhood of new transport investment would be notionally ring fenced and used to service capital debt. This would be invisible to business taxpayers. Transport for London estimates that this could fund between £2 billion and £3 billion in capital in the neighbourhood of Crossrail.

As proposed by Travers and Glaister (1994), a simple way to achieve a similar result would be to allow local authorities, at their own discretion, to impose an additional levy on the standard uniform business rate. This could be ring fenced to service a capital fund for new infrastructure. On the 2002-03 valuations, the London business rate yield was £3.7 billion. So an additional ten percent levy could service between £4 billion and £6 billion of capital. This could be placed in a generic infrastructure fund to serve various needs across London, so avoiding the problem that any one infrastructure investment would benefit a relatively small number of businesses whilst all businesses would be contributing. It would be cheap to administer, hard to evade, and any distortionary effects might be acceptable. It would probably be necessary, to create a business vote and Travers and Glaister illustrated how that would be possible.

These ideas are receiving attention as part of Sir Michael Lyons' review. They may prove useful. However, a politically acceptable levy on the national non domestic rate may well not produce sufficient yield for London's problems.

Road pricing at the scale of the Greater London Area could provide a practical solution. Central London accounts for a minority of daily trips. 46 percent are contained entirely within Outer London, and public transport accounts for a small proportion of these. The private car is by far the most important mode in London. Congestion is a serious problem in Outer London and it is likely to get worse unless there is a major change in policy. Public transport can only make a limited contribution. A direct and productive new way to address the problem would be to introduce road pricing. Arguably, it is the only policy available with sufficient power to deal with this problem. Unlike many taxes on commodities, road pricing has the double virtue of dealing with congestion and raising new revenues. Glaister and Graham (2006) estimate that a London scheme, without any discounts or concessions, might yield up to £5 billion per annum in 2010. After accounting for capital and operating costs, discounts etc, a practical scheme could yield £2 billion per annum that could be capitalised into £20 billion to £30 billion.

This magnitude of capital funds would clearly enable the Greater London Authority to take forward much that it is currently prevented from achieving through a shortage of funds. Properly presented as a comp
alternatives, such a policy might ma
electorate.

Road pricing at a national level is nov
work out in sufficient detail to introduc
and the greatest revenues would be in
in the concept of a national scheme.
fuel duty or other national taxes as pa
road pricing acceptable, London coul
other parts of the country. This cons
ing a pan-London scheme at the earl
statutory powers, and suitable techno

Central government has treated Lo
However the needs are so great and t
so severe, that London's infrastructu
much of the funding is in the gift of ce
nomic capacity to solve many of these
ture of new local taxes, reform to the
extension of road pricing far beyon
Road pricing on this scale would be ne
outside the UK. The reforms to Londo
ed as working well, but it is doubtful w
further reform. Proper devolution of
much bigger one than any address
announced in July 2006.

The first step towards solving London'
it. That means a realistic and authori
over the next several decades and th
met. TfL's (2006) Transport Challeng
issues, but it does not attempt any fin
documents as the Mayor's Transport
the moment we simply have no way o
by public funds. Simultaneously, centr
what, if anything, it intends to do abou
million spent on planning the PPP for
so far and at least another £400 mill

Thameslink 2000, together with a plethora of policy reviews (several of them - Lyons, Eddington, Barker - outside the traditional civil service process) all point to the difficulties the government is finding in coming to decisions on these issues. Perfectly good solutions are available but a firm decision on action today cannot make any difference on the ground for a number of years; so if the population and employment growth forecasts are thought likely to materialise, the matter is urgent.

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9. Conclusions - Will

Ian Gordon, Ben Kochan, Tony

Large scale growth in London's popu
nomic activity is being projected by o
GLA, as the basis for long term policy
ume make clear, these projections beg
cations, and in some cases the credib
granted in relation to developments w
how these could or should relate to th

There is little coherence between the
uncertainties about the scale of the e
of the population and household figu
mental trends of longevity and ageing
seas immigration seems to be structu
crucial issues, however, are where the
up being located, and where the grow
or not. These issues will be determin
by the residential preferences of Lond
similarly will be determined not only
London-based businesses, but also b
locations, and by where employers c
undertaken within London - whether i

A key factor is the provision of infrastr
tial distribution of the house-building.
and social, is under strain and will be f
port infrastructure is a prerequisite, if
while both transport and local service
the major development opportunities

There are some apparently simple bu
to the location of housing and employ
East, while most of the new jobs are e
improved transport links, a mismatch
activity, which would put overwhelming

rent high job growth assumptions are proved right. This argument underlines the extent to which the current strategy relies on the combination of Cross Rail with the Thames Gateway development. Whilst there is a far broader shortage of transport capacity across the capital, the problem is rather worse in the east, which makes the currently envisaged scale and pattern of employment growth seem particularly unsustainable. From this perspective, as well as from that of the high space costs in London, an obvious possibility is that more of the current or prospective jobs will be shifted to locations right outside London.

Either more and better managed infrastructure has to be provided, or people and jobs will have to move elsewhere, particularly in the case of the expected central area employment. An alternative strategy could be envisaged, that promoted more suburban employment. Bus services and other public transport in outer London are underused. The densification of housing and the provision of new jobs around transport modes in London's suburbs might be easier to achieve, at least in the longer term, if existing centres are not allowed to run down, as may well happen if immediate growth is as heavily concentrated in the centre as currently envisaged by the GLA. In the suburbs, planning for local social infrastructure relies too heavily on small scale upgrading, which is inadequate to address expanding needs. This in turn leads to local pressure against growth and increasing concerns about social cohesion.

The London Plan relies heavily on extrapolations of past trends over the last 15 years, or so, that suggest the economy in central London will continue to grow and that outer London's employment centres will continue to stagnate or decline. A more holistic view of how different projections and policies fit together is required, particularly since interactions between these elements are inevitably complex. Trends rarely turn out as expected, and a major issue for a London Plan is its robustness to such uncertainties. The London Plan's objectives cannot be grounded simply on a political commitment to a vision, but require a clearer understanding of how both markets and policy would adjust to unplanned outcomes in terms of population, employment or housing growth, or delays to strategic items of infrastructure. Total reliance on a single 'Plan A' to guide planning, land use, infrastructure and financial allocations for London is dangerously simplistic.It is necessary at least to envisage an alternative strategy, 'Plan B' and to monitor and manage change in response to the evidence.

Until recently, infrastructure has normally been 100% funded by the taxpayer. This is unlikely to be the case in future. Current projects, such as the east London line extension, have been exclusively funded by fare revenue from passengers. Expanding revenue in this way to fund further capital investment is not an option. Other sources of

funding need to be developed which
growth, to pay for itself. A dependen
London looks to central government f
21st century - and fundamentally re
Comprehensive Spending Review 200
ernment is itself seeking new streams

As far as local or regional authorities
Supplement looks to be over-complica
at least within the next few years. A '
tively operated S106 system. Captur
port more rapid growth through well o
progress is immensely slow. In the m
cific supplementary taxes such as tha
levied on business and/or residential p
the Mayor and a central government

The bond approach to financing infr
Transport for London and has the gre
choice of priorities within an available
provision should also be applied, for
Cross-Rail vis-a-vis a combination o
schemes within TfL's current wish-list
impacts on the balance of developmen
promote compact urban development
in the suburbs will not meet the growin
New planning strategies will be requir
additional residents would actually ch

The need for affordable housing in L
house-building, especially of affordabl
icy and financing initiatives. There is s
the provision of affordable housing
social housing assets. But the mecha
reduced by more marginal programme
ically a London issue - but both the n

The growth in London's economy an
most expensive areas of the country

ageing population and the growth in single person households, with little family support, the demand for services is set to increase. In addition, increasing immigration, not least from the new EU member countries, will have major implications for the demand for services. This will also inevitably change people's perceptions of their areas and raises questions about how London's new residents, wherever they originated, are integrated.

Future economic growth within London may not be associated with much increased demand for labour. The major change is likely to be in the skills required, as London increasingly focuses on those jobs which really need to be there. The challenge in the future is to ensure that the benefits of growth are distributed more equitably so that the extremes of poverty and wealth living side-by-side are not so stark. National and regional growth have helped to reduce the concentrations of worklessness in inner London, but great disparities remain between groups, and inequalities in earnings have been widening further in recent years. The speed at which recent immigrants can be integrated into the labour market appears critical to both the projected expansion of the city's workforce entailed by the London Plan and for equal opportunities.

The new powers which the government plans to give the Mayor of London would enable him to be proactive, streamline strategic developments and ensure the timely allocation of some funding. On the other hand, there is no more money available, unless developers can be forced to increase their contributions. There is a strong argument that without much greater local responsibility for raising and allocating resources to fund infrastructure, the likely outcome is a set of patches to enable specific projects to be supported (as with the Olympics) rather than a coherent set of policies appropriate to a large and dynamic metropolitan economy. However, giving additional powers to implement planning policy and infrastructure provision to a strategic body will also cause tensions with other agencies.

New tensions between different parts and levels of government are inevitable with the expansion of the Mayor's powers over traditional Borough responsibilities. These tensions will initially play themselves out in the grey areas where there are overlapping responsibilities, for example between the Mayor, the Housing Corporation, local authorities and the Secretary of State who inevitably retains the right of veto. The wider thrust towards a system of metropolitan governance led by strong (albeit democratically elected) leaders, such as mayors, cutting across the responsibilities of local authorities, adds to the likely tensions. This is particularly likely to be the case with contentious policies such as those to increase housing density in the suburbs. This will be especially so if the driving force appears either to be the delivery of

national /regional economic goals, or
the quality of life of local residents.

This is a very exciting time for Londo
the city, with decisions being taken wh
Mayor's economic, spatial and trans
address these issues, centred on a vi
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gy, which emerges from the papers in
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This series of HEIF seminars has rais

- **o** whether it is possible to achieve
- **o** whether a bigger London is nec
- **o** who actually benefits from this
  demographic, employment and ec

The debates stressed both the structu
achieving expansion; they also highlig
rent plans especially between employ
these problems, assuming reasonable
is likely that continuing economic grov
as well as more productive.

Whether London also becomes bette
ies of healthy growth in London, as wa
as a whole and central governmen
Londoners will become more prosperc
costs from this expansion - higher pri
cult housing conditions, increasing co
tionships - without effective democra
coherent approach to ensuring that b
important as ensuring that the growth

9. The Contributors

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Ian Gordon is Professor of Human Geography in the Department of Geography and Environment at LSE. His main research interests are in urban development and policies, spatial labour markets, migration and spatial interaction, particularly in the context of major metropolitan regions. His publications include Divided Cities: New York and London in the Contemporary World (edited with Fainstein and Harloe) (1992), Working Capital: life and labour in contemporary London (with Buck, Hall, Harloe and Kleinman) (2002) and Changing Cities: Rethinking urban competitiveness, cohesion and governance (edited with Buck, Harding and Turok, 2005).

Trevor Phillips is Chair of the Commission for Racial Equality. He was previously a member and Chair of the London Assembly, and before that was Head of Current Affairs at London Weekend Television. He was presenter of LWT's London Programme for several years. He is a director of Pepper Productions and was the executive producer of Windrush, Britain's Slave Trade, Second Chance and When Black Became Beautiful. He was chair of the Runnymede Trust from 1993 to 1998. His publications include Windrush: The Irresistible Rise of Multiracial Britain (with Mike Phillips) (1998), and Britain's Slave Trade (with S.I. Martin) (1999).

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Appendix: LSE London Development Workshop Events

The following events took place during the year which promoted debate between academics, policymakers and practitioners as part of the HEIF-funded LSE London Workshop programme.

The London Conference

26 October 2005

Roundtable on Funding Transport Projects in London

20 December 2005

The Barker Review and London

14 February 2006

Race and Community Relations in Contemporary London

21 April 2006

LSE London Density Debate

19 June 2006

How far must, or should, economic growth in London be centralised?

30 June 2006

London and the Media

29 June 2006

The GLA Review and London Government - the government's proposals for reform

27 July 2006

The papers and presentations associated with these events are on LSE London's website: http://www.lse.ac.uk/collections/londonDevelopmentWorkshops/