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# OUR LONDON

THE CAPITAL BEYOND 2015

Fabian Ideas 634

Edited by Sadiq Khan MP  
Foreword by Ed Miliband MP

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Fabian Society  
61 Petty France  
London SW1H 9EU  
[www.fabians.org.uk](http://www.fabians.org.uk)

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Editorial Assistant: Anya Pearson

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# Our London

The capital beyond 2015

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**Edited by Sadiq Khan MP**  
**Foreword by Ed Miliband MP**



## About the Authors

Sadiq Khan is the member of parliament for Tooting, shadow justice secretary, shadow lord chancellor and shadow minister for London.

Lord Andrew Adonis is a Labour peer who was minister for schools and transport secretary.

Dal Babu was chief superintendent in the Metropolitan Police Service and borough commander for the London Borough of Harrow until February 2013.

Mark Boleat is chairman of the Policy and Resources Committee of the City of London Corporation.

Matthew Bolton is deputy director of Citizens UK and lead organiser of the Living Wage Campaign.

Bonnie Greer is an American-British playwright, novelist and critic.

Baroness Jenny Jones is a member of the House of Lords for Moulscroomb, a London Assembly member for the Green Party and served as deputy mayor of London under Ken Livingstone.

Baroness Doreen Lawrence is a member of the House of Lords, founded the Stephen Lawrence Charitable Trust and is an equalities campaigner.

## Our London

Leroy Logan was a superintendent in the Metropolitan Police Service until July 2013. He is now founder and chair of REALLITY, a social enterprise company that works with marginalised young people.

Fiona Millar is a journalist and co-founder of the Local Schools Network.

Ed Miliband is the member of parliament for Doncaster North and leader of the Labour party.

Linda Perks is regional secretary of the UNISON Greater London Region.

Professor Tony Travers is director of the Greater London Group at the London School of Economics and Political Science and chairs the London Finance Committee.

Kitty Ussher is an economist and former Treasury minister.

Sir Robin Wales has been the elected mayor of the London Borough of Newham since 2002. He was leader of Newham Council from 1995 to 2002.

Catherine West was the leader of Islington Council until October 2013. She is Labour's parliamentary candidate in the London constituency of Hornsey and Wood Green.

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While nothing by these independent authors forms Labour party policies, the challenges they identify and solutions they propose will add much to the debate on the future of London.

I would like to thank the following for their time, hard work and contributions:

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I hope this pamphlet proves to be a useful resource in the important debates about the decade ahead in London and I look forward to discussing the ideas presented here with fellow Fabians and others.

As ever, I would like to thank my wife, Saadiya, and my daughters, Anisah and Ammarah, for their patience and understanding.

## FOREWORD

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Ed Miliband MP

London is one of the world's great cities, full of incredible opportunities for all. But like the rest of Britain today, it also faces severe challenges. London's families are living through the worst cost of living crisis in their lifetimes. Hard-working people are seeing their wages fall and the cost of their housing, transport and energy rocket.

We will have to work together to overcome this crisis. In the coming years, we will need more and better homes, schools and infrastructure to make sure all Londoners can have the quality of life they deserve and to strengthen our competitive edge as a truly global city.

Meeting these challenges will require a new type of politics and imaginative solutions. This collection of essays shows that one nation Labour is offering just that: from Labour local authorities delivering free school meals, fighting for the living wage and reducing long-term unemployment, to new ways of thinking about London's housing crisis and school places shortfall.

I would like to thank everyone who has contributed to this collection, for shaping the debate and generating new ideas for our shared future. One nation Labour will reflect on these suggestions as we set out our policies for the general election in the months ahead so that we can rebuild London for the decades to come and tackle the cost of living crisis once and for all.



## INTRODUCTION

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Sadiq Khan MP

One of my earliest memories is sitting at the front of the top deck of the 44 bus with my brother Tariq as it wound its way from Tooting in South London, to Battersea and across the Thames. We'd spend half the time looking down the screen to the driver below, and laughing every time he looked up and caught us. Then when it reached its destination at Victoria, we'd run down the steps and join the driver, my dad, for a quick cup of tea on his break before heading back up the stairs to start again.

We were never off buses when I was a kid – whether to accompany my mum shopping or visiting friends, exploring London or driving around with my dad. While my commute took me onto the tube for university, to many of London's courts and police stations as a young lawyer and from Tooting to Westminster as an MP, there's still nothing better than the feeling of sitting on the top deck of a London bus as it weaves around the city.

London. The city that has been the backdrop to my life and like millions of Londoners, has made me the person I am today. It is a tolerant, diverse and liberal city where anyone from any background can find a home. When my father first moved to London from Pakistan in the 1960's, the capital was a place of real opportunity. My dad had the opportunity to get a steady job and my family to get a warm and safe council home in Wandsworth. By working and saving hard

he was eventually able to put aside the money to buy his own home. My siblings and I benefited from the opportunity of a top class state education and were able to go on to university and onto successful careers ourselves. In turn, we have been lucky enough to be able to buy our own family homes, in the same part of London that we grew up in and send our own children to the same state schools we studied in as children.

To me, my family story sums up what London is all about; countless opportunities to make a better life for you and your family provided you work hard and get on. But I often wonder whether my family would have enjoyed the same opportunities if they moved to London today rather than 40 years ago?

London is a city facing big challenges. Population growth is putting huge strain on our housing, transport and infrastructure. The increasingly globalised economy means that our businesses no longer compete just with those in Birmingham or Manchester, but with firms in Shanghai, New York and Berlin. And most worryingly, rising numbers of Londoners are being left behind by our city's success, as inequality widens and poverty is growing.

With 2.5 million people out of work and almost 1.5 million under-employed, would my dad have been able to find a stable and secure job had he moved to London today? With almost 500,000 on waiting lists for council homes in London, would my family have been able to get a council home? Forced to live in private rented accommodation, where rents are rising by ten per cent a year, would my parents have been able to save for a deposit for a home? Would my siblings and I have had the same opportunities growing up with £6 of every £10 earned spent on rent? Would I have gone to university and studied law with fees of £9000 a year? Would my brother have been able to get an apprenticeship now like he did when he was growing up? Forget waiting until I'm

38, as the average first time buyer in London has to today, would I have ever been able to afford a home for my family in Tooting?

The story of our city is in real danger of becoming 'a tale of two cities'. One London is an international playground for the wealthy, with the best restaurants, theatres and galleries in the world, accessible to a lucky few. The other is an increasingly difficult place to make ends meet for the vast majority of Londoners, with real wages falling, the cost of living rising and opportunities increasingly rare.

And this growing inequality is stopping London's economy from fulfilling its true potential. Last year, for the first time ever, the Confederation of British Industry (CBI) cited the housing crisis as the biggest barrier to growth for London businesses. Multinational companies like Vodafone are struggling to attract the talent they need for stable and secure £70,000 a year jobs – nearly three times the average UK salary – because of the high cost of living and lack of affordable housing.

Our businesses are also paying a high price for our failure to give young Londoners the skills they need to succeed in life. Three out of five London firms are struggling to hire workers with the technical skills they need and more than half say London school leavers just don't have the skills they need from their workforce.

It is true that London needs to do more to compete with the other global cities and emerging economic centres, but our businesses are telling us that the best way we can help them is by fixing our problems closer to home.

But despite the challenges, London isn't broken. Far from it. We have a booming economy that competes with global cities around the world. The Olympic Games showed that Londoners are capable of wonderful achievements when united by common ambitions. We have a unique mixture of



art, culture, sport and food, with the best bits plucked from the many cultures who have settled here over centuries. And despite being truly metropolitan, London retains a strong sense of identity and community – as anyone who has met a proud Londoner will tell you.

I have no time for those who say the problems London faces are insurmountable or refuse to look at radical solutions because they are too difficult. I know from my years in government, years as a MP and years as a London councillor that it is possible to fix any problem if you work in collaboration with all your partners, and match the scale of your ambitions to the challenges you face.

And that is what this pamphlet is all about. While choosing authors to write the chapters, I have deliberately asked experts in their respective fields. In some cases this meant going to Labour politicians like my close friends Lord Andrew Adonis and Baroness Doreen Lawrence, on other occasions it meant asking politicians from other political parties like Baroness Jenny Jones or academics and experts with no political affiliations like Professor Tony Travers. While nothing by these independent authors forms Labour party policies, the challenges they identify and solutions they propose are informative and thought provoking and will add much to the debate on the future of London.

The conditions are right in London for bold action. It is in the common interests of Londoners, businesses, councils, government and the mayor to fix the issues we have highlighted over the decade ahead. We must not waste this opportunity. I want my daughters to have the same opportunities in this city that my parents, siblings and I enjoyed; the opportunity to make a better life for themselves and fulfil their potential.

# 1. TRANSPORT AND INFRASTRUCTURE

## A new chapter for London

---

Lord Andrew Adonis

*With half of working Londoners reliant on public transport and housing supply failing to keep up with the city's exploding population, improving London's transport and infrastructure is vital. Improved tube capacity, better railways, new bridges and expanded airport capacity must all complement a big increase in housing supply. Only by doing this can London be a bigger, better and fairer city.*

London is the world's greatest city. It is the engine of the UK economy, an international hub, a home to millions and the cultural capital of the world. Maintaining this status depends crucially on improving the veins and arteries of this marvellous metropolis: its transport and infrastructure.

As a city, London is hugely reliant upon public transport. Half of working Londoners depend upon it every day, compared with only 9 per cent of workers in the rest of the UK. There are almost as many journeys on the tube each year as on the entire national rail network, and over two thirds of all journeys on the rail network begin or end in London.

Improving transport and infrastructure in London is not optional. Without modern transport links the tired and frustrated Monday morning commuter at Bank is left standing not moving, and so is London. Without new, better and affordable housing the family in Hackney or Croydon or

Brent have their teenage children sleeping two, even three, to a room, and there are no homes for them to move to in their twenties. Without a new bridge east of Tower Bridge it is a nightmare even to traverse the 300 yards from Barking Reach to Thamesmead, impoverishing both. And without new airport hub capacity London will be closed to new markets in Asia, Africa and South America, vital to our future prosperity.

Bridges and tunnels may not be the most exciting of electoral issues, but they are utterly central to London's economy, and to the future prosperity of east London in particular. There are 16 road bridges spanning the 20 miles of the Thames between Tower Bridge and Kew. In stark contrast, those living or working east of Tower Bridge can see the other bank of the river, but getting there is like crossing a chasm. For 20 miles, there is only the Blackwell and Rotherhithe tunnels and the Dartford crossing, which are three of the worst traffic bottlenecks in the country for precisely this reason. The inability to cross the Thames is not just an inconvenience; it divides our city socially and culturally, restrains growth in the economy, and costs us regeneration, jobs and housing.

A further crucial infrastructure challenge is London's airport capacity. Heathrow opened in March 1946, less than a year after the war, and has since grown to the world's third busiest airport. Once the fastest growing airport in the world, Heathrow is now operating at 99 per cent capacity, and it has erected a giant 'closed for business' sign to most new business flights. New air services to emerging markets are going instead to viable European hub airports: Schiphol in Amsterdam with its six runways, Charles de Gaulle in Paris with four, and Frankfurt which has just opened a fourth runway as well as a high speed rail link to other major German cities.

London's competitive disadvantage risks becoming entrenched, with fewer weekly flights than its European rivals to seven of the eight major emerging economies: Brazil, Russia, India, China, Mexico, South Korea and Indonesia. Over 20 emerging market destinations are served by daily flights from other European cities but not from London. Besides Hong Kong, Heathrow offers only three to five flights a day to China's developing cities, compared with 11 from Paris Charles De Gaulle and 10 from Frankfurt. There are no direct flights to Chile, Columbia or Peru, and while you can fly direct to Santiago, Spain, you cannot to Santiago, Chile.

Then there is Dubai, a growing competitive threat. Dubai's existing international airport already serves 260 destinations worldwide. Dubai's new Al Maktoum airport opens in November 2013 with five runways and capacity for 160 million passengers a year, more than twice Heathrow's existing traffic.

These infrastructure challenges are not insurmountable; the solutions are tangible, if grasped effectively. The 2012 Olympics showcased not only London's cultural and sporting glory, but also its capacity to deliver essential infrastructure. Taking these imperatives in turn:

### 1. Tube and rail capacity

To address the capacity crisis on the tube and suburban rail lines from the mid-2020s, we will need a second Crossrail line to go from south-west to north-east London, tunnelled from Wimbledon to Seven Sisters. Crossrail 2 will relieve both the Victoria and Northern lines. It will also relieve a string of major London stations and termini, including Clapham Junction, Waterloo, Victoria, Euston, St Pancras and King's Cross, as well as overcrowded suburban services in south-west London. It will also support huge regenera-

tion around the stations in Hackney, Haringey and the Lee Valley. London has opened only one and a half new underground lines since the Second World War; Crossrail 1 needs to be followed by Crossrail 2.

### 2. Bridges

Boris' first major act as mayor in 2008 was to cancel the Thames Gateway bridge, which would have connected Greenwich and Newham, two of the most deprived yet ambitious boroughs in London, at a point close to City airport and the Royal Albert Dock. The Thames Gateway bridge should be revived and built as soon as possible. Equally urgent is a new Thames crossing to relieve and supplement the M25 Dartford crossing, which opened 22 years ago and is desperately short of capacity.

### 3. Airport capacity

We must sustain London's status as the world's best transport hub. The government's Airports Commission must assess the available options with urgency. David Cameron, Ed Miliband, Nick Clegg and Boris Johnson (as mayor of London) should agree to accelerate the Commission's work, asking it to report next summer, not after the election in 2015 as currently intended. They should all say – as do I – that they are genuinely open-minded on the options and will not pre-judge the Commission's report. They should also agree to hold joint talks over the next summer to seek to forge a consensus. Whether they succeed or fail they will then have to tell the voters in 2015 what they intend to do. It will be hard for them to reconcile inaction on airport capacity with any claim to be pro-growth. Equally, people who live around airports have a right to know what is being proposed before, not after, the 2015 election.

Reforming London's transport and infrastructure may not be easy, but it is essential. Our city's history is a story of adaptation and growth, and it is time for a new chapter. Improved tube capacity, better railways, new bridges and expanded airport capacity must all complement a big increase in housing supply. Only by doing this can London be a bigger, better and fairer city.



## 2. GOVERNANCE

### An effective balance of powers

---

Tony Travers

*The current system of London government is just one model of many in use in big cities around the world. Its key strength is the effective balance of powers between its 'city-wide' and 'local' elements. It offers a many-centred and competitive form of government which allows creative flexibility and innovation. It can look messy and fragmented but it might, just, be a relatively good system.*

London's government has been reformed more often and more radically than the systems in many of the cities with which it is generally compared. New York City, for example, was created in its contemporary form in 1898, while Paris has had a system of 'council and mayor' since 1977. London, by contrast, was substantially reformed in 1855, 1888, 1898, 1965, 1986, 1990 and 2000.

In 2015, it will be 50 years since today's London boroughs first took control. By the standards of British governmental institutions, half a century is a very long time. So long, indeed, that there are occasionally proposals to reform (generally reduce) the number of boroughs. Ken Livingstone famously suggested five 'pizza slice' boroughs running from the centre to the outer boundary. Others have proposed mergers of two or more authorities.



The financial pressures affecting local government since 2010 have produced examples of effective joint-working in London, notably the 'tri-borough' arrangement involving Westminster, Kensington & Chelsea and Hammersmith & Fulham. The relatively small geographical areas covered by London councils probably make such joint provision a more plausible option than in larger and less-densely populated areas. Other boroughs often work together to deliver services.

The post-2000 settlement in London involving the boroughs, the City of London and the Greater London Authority (GLA) has, given the regularity of reform hitherto, proved surprisingly stable. Perhaps because the introduction of the GLA was the subject of a referendum (in which the residents of every borough voted in favour of reform) there are no voices calling for its abolition. The office of directly-elected mayor, which has been strongly supported by Tony Blair and David Cameron, has proved resilient. In much the same way it would be inconceivable that a Westminster government could remove devolved government from Scotland and Wales, it is equally implausible to imagine the removal of London's city-wide government.

Irony of ironies, it was Margaret Thatcher who, by abolishing the Greater London Council, created a vacuum into which the more powerful office of mayor could be placed. Ken Livingstone and Boris Johnson have proved how a combination of a direct mandate and London's epic scale can provide a powerful platform for a politician. Both Livingstone and Johnson have been able to achieve good financial settlements for the capital and also to give London even greater national and international visibility.

The office of mayor of London will remain attractive to Labour and Conservative politicians because it offers greater national importance than all but the major offices of state.

Because London is the capital city, its mayor shares the national political platform with the prime minister, the chancellor and the foreign secretary. As London grows to become a city with nine and then 10 million residents, its leader's importance is likely to grow further.

However, it is important to remember that the 32 boroughs and the City spend, collectively, significantly more than the GLA. The mayor is powerful when it comes to transport, but less so in relation to the police and fire and emergency services. Responsibility for the police is shared with the home secretary and the Metropolitan police commissioner, while the fire authority is overseen by a board of assembly and borough members. For most Londoners, 'the council' is their primary unit of sub-national government.

Having survived for almost 50 years, the boroughs are the only form of local government most people aged 60 and under will ever remember. While 'Borough of St Pancras' street signs remain and town halls still stand in, for example, Stoke Newington and Fulham, we are now a long way on from the London county council, the metropolitan boroughs and Middlesex authorities such as Willesden and Wembley.

The two-tier London government system, which has its origins in the Herbert Commission of 1960 and the Labour government's constitutional reforms of the late-1990s, is now an embedded model of big city government. New York City has a very different arrangement, as does Paris. Greater Manchester has evolved its own distinctive 'combined authority' model, which is different again but which is being evolved in other English core cities.

The London model provides evidence about the strengths and weaknesses of systems of urban government at home and overseas. Partly because of the ad hoc and reactive nature of government reforms since 1855, there are implica-

tions for all cities about what is beneficial and what works less well.

London's 'bottom-heavy' two-tier government arrangements have, accidentally, created a good balance between local and metropolitan interests. Residents and businesses need a powerful voice to represent neighbourhood interests in relation to streets, planning, the environment and care services. In any major city there is a risk that people will feel remote from a single, centralised, government. By having 33 units of local government, most residents and businesses will be within a short walk of a councillor's office or surgery. Local town halls will be within a couple of miles of most homes and offices.

With populations that range from 165,000 to 365,000, the boroughs are large by international standards. Yet their density of population means they cover relatively small geographical areas. The boroughs are often among the best-performing of English local authorities. Audit Commission rankings, published until 2010, showed London councils as delivering good services with decent satisfaction levels. London boroughs are both big and small, which means they offer a strong and effective local voice to people.

There are, of course, downsides to having so many authorities within such a small area. More joint working would allow far greater scope for efficiencies: it would be possible to sustain local democracy while achieving economies of scale. There are also potential problems with boundaries: places on the edge of boroughs appear to receive less attention than the core of the authority and are consequently underdeveloped. Park Royal, Finsbury Park, Harrow Road and Crystal Palace are all neighbourhoods which have been under-developed because of their peripheral locations.

The mayor has a role in planning and regenerating such places. Indeed, there are good arguments for the GLA's

'metropolitan' powers, which allow it to drive through projects that benefit the city as a whole, or to operate where individual boroughs are incapable or unwilling to do so. The mayor's city-wide planning powers are important: it is possible to ensure the delivery of major projects that boroughs might individually find unacceptable because of local opposition. Thus, successive mayors have driven through pro-density and intensification policies required to accommodate London's rapid population growth.

The mayor of London's transport powers are greater than those of city leaderships in New York, Paris, Manchester or many other major urban areas. In New York, a state agency is responsible for transport and in Paris a national one is in charge. Yet Transport for London, the mayor's agency, has control over the underground, some commuter railways, buses, taxi and minicab regulation, river services, major roads, cycling and public transport fares. Few mayors anywhere in the world have so much power over city transit services. City Hall responsibilities for the police, fire and emergencies and housing, though less extensive than over transport and planning, have been increased in the years since the GLA was created in 2000.

The existing balance of power between the mayor/GLA and the boroughs was created by the London Government Act, 1999. It has been slightly modified by further reform in 2007 and 2011, marginally enhancing the roles of the mayor and GLA. But the idea of a 'balance' remains a real one. The mayor and London Councils (the boroughs' representative body) must work together to ensure the two spheres of city government can collectively deliver a functioning system of government. Any risk of a form of constitutional 'gridlock' between the GLA and the boroughs would risk creating public alienation. Different mayors and configurations of borough leadership will work together in different ways.

Occasionally disagreements between the two parts of the government system – for example over service changes or major projects – will end up in court. Generally, politics will sort things out.

One element of the London government arrangements is, by common consent, relatively under-developed. In common with the rest of sub-national government in the UK, London has very limited fiscal and financial autonomy. Cities such as Toronto, Tokyo, Paris, Berlin and New York all have access to more taxation powers and a greater capacity to determine their own capital programmes. The report of the London Finance Commission in May 2013 proposed that all property taxes should be devolved to London government.

The Commission's report recommends that funding arrangements in London should allow London government to make additional self-determined investments in its own infrastructure both to cater for the growth already forecast for its population and economy, and to promote additional economic growth. Relaxing restrictions on borrowing for capital investment while retaining prudential rules and simultaneously devolving the full suite of property tax revenue streams would afford London government greater autonomy to invest in the capital. Such reforms would also increase London government's accountability to residents and businesses. Change would be achieved without affecting the financial settlements of other parts of the country.

The current system of London government is just one model of many in use in big cities around the world. Its key strength is the effective balance of powers between its 'city-wide' and 'local' elements. It offers a many-centred and (to some extent) competitive form of government which allows creative flexibility and innovation. It can, of course, look messy and fragmented; it will always be capable of improvement.

London's model of government offers an insight into the advantages and disadvantages of a particular form of partly-centralised, partly-local way of doing things. Other major cities do things differently, though rarely with quite the degree of self-aware reform and analysis that has accompanied the many changes since the early 1960s. It might, just, be a relatively good system. London's success certainly suggests it does not hamper the city's progress.



### 3. JOBS AND EMPLOYMENT

#### Building resilience

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Sir Robin Wales

*Unemployed people in London can't be taken out of the unique context in which they live. By devolving control over employment support and skills development to local authorities we can help all Londoners access the opportunities the city has to offer and in doing so, improve the economic health of the capital.*

The London economy is very different to that in other parts of the country. Although recent years have been challenging, London has had the highest jobs density of any region in the country, and while there are huge differences between boroughs, there has been more work available than in other regions. But we're also a very cosmopolitan city, with marked pockets of real and entrenched deprivation. We have a difficult combination of the pressures of international competition for jobs, and some Londoners who have struggled for a long time to find any kind of work, let alone stable or well-paid employment.

This calls for quite a different approach to tackling unemployment than an approach that might work elsewhere. In parts of the country where economic activity ground to a halt with deindustrialisation, there's a real need for an active industrial policy to bring in employers, build local competitive advantages and create job opportunities. In London, the more urgent work is to be done in reducing inequality:



## Our London

on giving our long-term, left-behind residents the chance to build their resilience and get into work.

That's not to say, of course, that we shouldn't continue to work to create jobs in the capital. In Newham we're bringing in billions of pounds of investment, and new businesses in our borough will be one of the biggest drivers of increased employment in the coming decade. We've achieved that through strategic lobbying for transport and digital infrastructure, and these are areas where we should continue to push for improvements. The council has also put its money where its mouth is, investing heavily to improve Stratford regional station, a key part of the infrastructure that won London the Olympics, and more recently has become joint owner of the Olympic Stadium to drive the Olympic legacy. Only last month we welcomed the announcement by Associated British Ports (ABP) that they will invest around £1bn in a new business district with the potential to create up to 20,000 jobs in the long term.

However, in London the public sector must be the glue connecting our residents with the needs of businesses and making sure that they benefit from economic growth. From my office window I can see the economic powerhouse that is Canary Wharf, employing over 100,000 people. We have a strong relationship with the Canary Wharf Group and yet I think would many would agree that, particularly in the early years of that development, opportunities were missed by both public and private sectors to ensure that the huge success we have seen there translated into improved life chances for local residents.

In Newham we are putting this into practice through Workplace, our employer-led jobs brokerage. The standard welfare-to-work offer provided by jobcentre plus and many of the providers contracted under the Work Programme looks at the individual as a series of barriers to work,

attempts to 'fix' them, and then encourages them to fire off hundreds of applications to snowed-under employers.

Workplace turns that on its head. We start by using our privileged position as a local authority, already working with employers on a host of issues from planning permission to waste management, to build connections and understand what employers need in terms of recruitment. Often, with larger companies, we'll send in a member of our staff to work with them for a day to really comprehend the skills set needed. Once we've got access to those vacancies, we work with long-term residents who have voluntarily signed up to Workplace, giving them directly relevant training, confidence building, interview preparation – making them as ready for the individual job that's on offer as they can be. We work to break down barriers to work too, from benefit issues to childcare and even clothing costs, all within one hub so there are no problems with 'cold' referrals that don't get followed up. Crucially we don't put residents forward for jobs until we believe they are ready for them.

This model works. We've placed 5,000 residents into work in each of the last two years, and 19,000 since we started in 2007. Half of those residents were long-term unemployed when they came to us. Because we get the match right in the first place, we get remarkable results in terms of sustainability – the independent research we commissioned found that three quarters of the people we place are still in work a year later, much better than the success rates for national schemes. Workplace puts our residents on a more equal footing in the jobs market by working with employers and connecting up support with the opportunities that are actually available.

This model shows that with the right resources, locally-developed employment services can deliver incredible results for Londoners. Even at a time when our budget is being cut by over 40 per cent, we invest around £6 million

each year of our own funding into Workplace because it's a priority for us as a council. However, we should be looking to move the funding for nationally commissioned support down to a local level. This could take the form of a presumption towards localism when services are commissioned: if councils can demonstrate a sound business case for taking over different elements of employment support in their area, they should be enabled to do so.

The combination of long termism, links with employers, and the ability to join up services means that councils are definitely best placed to deliver results. Of course, true localism means that leaders in some places will decide that commissioning out, in some cases I'm sure to the same providers as currently provide services, is the best option. In that case, the kind of detailed scrutiny and contract management they will be able to offer is likely to result in a better service.

Without addressing skills provision, however, this will only be half of the solution. At present, the vast majority of the money that goes through the adult education system is paid out according to the number of courses completed, with no regard to whether they're actually what employers want. Through Workplace we commission some short training courses – for instance, to get our residents security industry licences, or croupier training for our local casino – but we don't have the funding to pay for longer vocational courses.

There needs to be a gradual but wholesale shift from payments for qualifications to payments for sustained job outcomes and long-term pay increases. I'm not alone in calling for this, as the Social Market Foundation thinktank noted this flaw last year. This isn't a call for local dictation of what courses should be run, and where, but rather for providers to be incentivised to put on the courses that will bring better outcomes for their students. We can't expect them to

just guess what those qualifications will be, however. Local authorities will need to work with employers and across sub-regions to understand demand and feed that information through to training providers so they can make changes to their offer.

These are the immediate steps that we need to take to engage with employers and give the most disadvantaged Londoners a better chance in competing for jobs in their city. We also need to tackle a whole host of other barriers to work that our residents face, like housing, language, continued high marginal tax rates for our poorest people; the list is long.

These are difficult problems with complex solutions. But they need to be addressed to get more of our residents out of poverty through work. Unemployed people in London can't be taken out of the unique context that they live in. But by devolving control over employment support and skills development to local authorities we can help all Londoners access the opportunities our great city has to offer and in doing so, improve the economic health of the capital.



## 4. HOUSING

### Solving London's crisis

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Sadiq Khan MP

*Fixing London's housing crisis is undoubtedly the single biggest thing Labour can do to improve the lives of Londoners for the better. To do this, London needs bold and radical solutions: establish secure and affordable rents, build more social housing, make affordable housing genuinely affordable, improve standards in the private rented sector and allow London the right to grow.*

Just as 'education, education, education' was central to Labour's plans to reduce poverty, increase social mobility and lower inequality in the 1990's, so 'housing, housing, housing' must be in London over the decade ahead. The failure of successive governments and mayors to build enough new homes, or the right type, has created the biggest public policy challenge to face the capital in a generation. The crisis is having a dramatic and detrimental effect across almost every economic, health and social indicator.

Just talking about London's housing crisis is simply not good enough any more. My constituents in Tooting and millions of Londoners are demanding action now. Fixing the crisis is undoubtedly the single biggest thing Labour can do to improve the lives of Londoners for the better.

Quite simply, we do not build enough homes in London. Between 2001 and 2011 the population of Greater London increased by just under a million, but at the same time London built an average of just 20,000 new homes a year.

London's population is set to increase by another 1.2 million by 2021 – that's a larger population than Edinburgh, Cardiff and Belfast combined. London Councils estimates that in order to cope with this, London needs to build 809,000 new homes over the same period. We are set to manage just 250,000. The crisis will get worse every year.

As a result, the cost of housing has rocketed. Since 2008, the average London house price has increased by over a fifth to a staggering £331,338, and is set to rise by almost half again by 2018 to well beyond half a million pounds. I see the effects of this in Tooting every week. The average age of a first time buyer has risen to 38 and I see many families who still have children living at home into their 40s. Home ownership is so far out-of-reach for most young people that it is ceasing to be the dream it was for my generation. Only a third of under-35s say they see owning their own homes as their 'ultimate goal'. Our children's homes will likely be someone else's castle.

This has in turn led to soaring rents in the private rented sector. London rents rose by 9 per cent last year to a record high average of £1,200 per month. The average rent now consumes £6 in every £10 of the average wage and this is rising fast. As the squeeze between rent and income continues, families have no choice but to cut their budgets in other areas and live in ever smaller and more overcrowded accommodation.

London housing has become one of few 'gold standard' investments. Foreign investors poured £3bn into the London market in 2012 and a shocking three quarters of all new homes sold in London last year were sold abroad. This has turbo-charged the already unbalanced market and broken the crucial link between housing supply and house prices.

We are also not building enough social homes. Social housing now makes up just a quarter of London's total housing stock. Building new social housing needs direct capital investment from local authorities and, with huge budget

cuts, few can afford it. This decline means that an ever greater percentage of Londoners are living in the private rented sector. Shelter predicts that the private rented sector will overtake owner-occupiers as the biggest housing sector in London by 2025.

The solution to the decline of traditional social housing has long been seen as 'affordable housing'. This puts the responsibility for building affordable housing on developers, who are obliged to either make some units 'affordable' or pay a charge to local authorities to allow them to build affordable units at a later date. There is a delicate balancing act between the numbers of units which are affordable, how 'affordable' is defined and ensuring developments are economically viable. Boris Johnson has changed the definition of 'affordable' to 80 per cent of market rate in London. But a two bedroom flat in Southwark at this rate requires an income of £44,000 – out of the reach of the vast majority of Londoners.

The private rented sector has historically been under-regulated. While there are a many good landlords in London, not all are. Knocking on doors around London I have seen countless examples of homes which are just not fit for people to live in. Overcrowding has exploded, with a shocking 400,000 children in London living in overcrowded housing. There are thousands of people living in sheds with no windows, sanitation or running water in London, one of the richest cities in the world, in 2013.

The economic cost of the housing crisis is staggering. It is severely limiting growth; sucking demand out of the wider economy, increasing pressure on infrastructure, raising costs for businesses, limiting labour mobility, creating skill shortages and preventing people from moving to London. For the first time ever, the CBI cited housing as the biggest barrier to growth in London last year. Four out of five London employers say the lack of affordable housing is stalling growth in



London and multinational firms like Vodafone are struggling to attract middle-managers to London because of the high cost of housing.

The cost to the Treasury is just as high. As rents rise, the government has to pay more each year to landlords in housing benefit to subsidise hard-working Londoners who simply cannot afford their rent. The housing benefit bill in London has risen to £6bn a year. We are paying a high price for failure.

And most importantly, we are paying a high social cost too. As families have less to spend on everything else and Londoners live in ever more overcrowded accommodation, real health and education concerns are arising. Children living in overcrowded accommodation are almost a third more likely to suffer respiratory problems and are more likely to experience disturbed sleep, poor diet, hyperactivity, aggression and higher rates of infectious disease. Children living in bad housing are nearly twice as likely to leave school without any GCSEs. Getting to grips with this crisis is essential to our wider aims of tackling social and economic inequality.

Ed Miliband has announced the most ambitious house building plan for a generation. His target of 200,000 homes a year by the end of the next parliament is a real sign of intent to will tackle the root causes of this crisis. Ed has asked Sir Michael Lyons to ensure we are ready to deliver on this pledge when we enter office in 2015. New ideas include a 'use it or lose it' rule to stop land banking, a fast-tracking of planning decisions and a 'right to grow' to stop authorities vetoing growth in neighbouring towns. These reforms will deliver new housing where demand is highest, so the majority will be in and around London. Hitting this target and increasing it after 2020 is the only way to stabilise the housing market in the long term.

What's more, if we win the general election in 2015, Labour will repeal the bedroom tax, which has compounded the housing crisis and which all experts agree could never have worked in our city. The announcement has solicited huge support from the Londoners I have spoken to. However, we should not kid ourselves, or the electorate, that this alone will solve London's problem. With three quarters of new homes being sold abroad, demand will continue to far outstrip supply. Very few of the new builds will be social homes and the 'affordable' element will remain out of reach for most. We must go further. London needs bold and radical solutions.

### 1. Establish longer-term tenancies

We need to make renting more sustainable and affordable. If we win the general election Labour will incentivise landlords to offer a 'sustainable renting contract'. These are three to five year tenancies with any price rises indexed, potentially to inflation, which will ensure that renters can bank on manageable and predictable rent increases giving them the ability to plan their households budgets, and landlords the certainty they need.

If, however, incentives alone did not work then an alternative could be to explore giving renters and families a right to longer-term tenancies and predictable rents. One option that could be explored is devolving the power to introduce a right to 'sustainable renting contracts' to the local level. If this proved to be necessary, in London we would explore whether this meant the mayor or local authorities.

### 2. Build more social housing

Investment in housing must be a priority and therefore we should consider all options to increase it. One option that

is frequently suggested is reform of the Housing Revenue Account. Opportunities worth exploring include allowing Local Authorities to share services, trade headroom under the borrowing cap or to lift the cap on the amount they can borrow to build new housing – borrowing which is serviced by the income from planned rents. There is broad support for HRA reform in London from Labour and Conservative councils, the Conservative mayor, London Assembly members, developers and businesses.

### 3. Make affordable housing genuinely affordable

There is just no point building ‘affordable homes’ which are out of reach for ordinary people. The mayor’s increase to 80 per cent of market rent will have a devastating effect. It raises the question of who is best placed to decide what is affordable and achievable in a local area. Is it the mayor, or the local council which holds the relationships with developers and partners on their patch and truly understands the needs of their residents? Camden council has said they would set rates at 60 per cent if they had the choice and Southwark have said 45 per cent. Labour will explore allowing each London borough to define the percentage of market rent which they deem to be affordable themselves.

### 4. Improve standards in the private rented sector

Newham council have introduced the first ever borough-wide licensing scheme for private sector landlords. The project imposes basic management obligations on landlords, including the requirement to have a registered manager for rented dwellings. It has been a huge success in driving up standards and driving out bad landlords.

If we win the general election we should build on Sir Robin Wales' groundbreaking work. The next Labour government will introduce a national register of landlords, introduce new minimum standards in the private rented sector, make it easier for other authorities to introduce enforcement schemes and impose tougher sanctions on bad landlords. This is the biggest change to private rented sector regulation ever and will improve the living conditions of millions of Londoners.

### 5. Look outside London

The last Labour government to inherit a housing crisis near the scale we face today was Clement Attlee's. Within a year of taking office, the Labour government opened the first of eight new garden towns in the south east. These new towns provided wonderful environments for London's workforce to live in, with quick and easy commuter links into the city. They eased the pressure on London's housing stock and, crucially, were built far quicker than could have been possible within the city.

Everyone recognises that new cities must play a major role in London's future, yet nothing is happening. If we win the general election, we must urgently get on with the job. We will give new town development corporations the financial backing and additional powers they need to get on and build the next generation of new towns and garden cities.

### Conclusion

London's housing crisis is complicated and the solutions are technical, but we must always remember the very real human cost; families who have to choose between eating and heating because their rent is too high; teenage boys and girls sharing a room because their parents can't afford an extra

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bedroom; adults living with their parents into their thirties because they can't afford to rent a flat of their own; and a generation who are giving up on the chance of ever owning their own home. If there is one problem the next Labour government must fix, it's this.

## 5. DIVERSITY The long road ahead

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Baroness Doreen Lawrence

*London is a city of incredible diversity but all too often black Londoners are left behind. We need education reform to ensure that all children are given the tools to achieve, greater focus on the employment challenges young black Londoners face and a continued zeal for reforming the way the police interact with ethnic minority communities. More ethnic minority representation in politics, business and civil society will be an important way to drive this change.*

I frequently get asked whether life has improved for black Londoners over the 20 years I have been campaigning for reform of our police, criminal justice system and state institutions to better serve my community. The straight answer is no, not really. The lives of young black people in London haven't changed a great deal; they are still more likely to be marginalised from society, to be stopped and searched, to be excluded from education, to earn less or to be unemployed than their white counterparts. We still have a long way to go in the fight for genuine equality in this great city – the city that best embodies the huge benefits diversity brings to this country.

### Education

I spend a lot of my time working with young black Londoners through the Stephen Lawrence Charitable Trust. Day after

day, I see first-hand how our education system is failing black Londoners. We urgently need to reform our schooling system so that it motivates young black children to achieve, builds their confidence and teaches a curriculum designed to reflect all individuals in the classroom.

A big part of the work the trust does is increasing children's motivation by addressing their personal identity and how they relate to their peers. We use different methods to engage young people who have otherwise been marginalised from the education system. We look at who they are, what they're about and what motivates them in order to build their confidence and engage them in the system.

But we can only help so many children. Michael Gove's renewed focus on the medieval kings and queens of England has done nothing to make the curriculum more relevant to the lives of young black children in Hackney or Brixton. There are too few black teachers in our classrooms to act as positive role models and we aren't doing enough to celebrate the success of black children in school. When black children get good GCSE or A-Level results, or make it to Oxford or Cambridge, we need to be shouting about it from the rooftops so that the next generation know what it's possible for people like them to achieve and aspire to do the same.

## Unemployment

Unemployment levels in the black community should be a national disgrace. More than half of black people in the UK aged 16 to 24 are unemployed. That's more than double the rate for young white people. The recession has hit young black people disproportionately hard, with the unemployment rate almost doubling since 2008. This is a tragic waste of both human talent and economic potential.

Each one of those of tens of thousands of young people should be contributing to our economic recovery, but instead are costing the government millions in jobseekers' allowance.

Perhaps most worryingly, this is a silent tragedy. Why aren't the government talking about it? How is it not at the top of the news agenda? It's almost as though the problem doesn't exist. This government changed the way unemployment figures are reported so that the figures no longer include breakdowns on ethnicity. Labour simply must reverse this if we win the next general election. We can never hope to fix the problem unless we know and recognise its growing scale.

## Policing and the criminal justice system

Every week I get dozens of letters from families who have suffered injustice or have been treated badly at the hands of the police or the criminal justice system. My biggest fear is that it will take these families 20 years to finally get justice, as it took me. We must make sure we learn from the lessons of the past and don't let this happen again.

One area in which we have made progress is the work of the Independent Police Complaints Commission (IPCC), which is beginning to look like it has some teeth. Officers are being charged for misconduct and the media are taking interest in their work. As a result, there is more accountability and transparency in the conduct of the police. But it is still early days. We must support the work of the IPCC and continue to strengthen it. They must challenge and take action against officers whenever there is evidence of misconduct. This is essential in rebuilding trust between the police and the communities they serve.

However, on other issues we are moving backwards. Stop and search is still a huge problem for black Londoners, who are too often stopped purely because of the colour of their



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skin. And accountability of police officers when using this power has been reduced. They no longer have to produce forms saying who they stopped, where and on what grounds. It means we simply don't know whether things are getting better or worse. This is a step backwards and must be reversed.

## Representation and role models

In the short period that I have sat in the House of Lords, it has been abundantly clear that black and ethnic minority communities are still not properly represented in either of the Houses of Parliament. More often than not I am the only non-white person in the chamber. And while diversity is slowly improving in the Commons, progress is not quick enough and representation at the highest levels of government has gone backwards since 2010. Baroness Warsi is currently the only non-white minister out of 33 who attend cabinet.

And this is not just an issue in politics. There are still too few black faces in leadership positions in the public sphere – whether government ministers, directors of top companies, police officers or judges. How are young black children supposed to learn to aspire to leadership roles, when there are so few inspirations for them to follow? How are they supposed to aim to be prime minister, mayor of London, head of HSBC or commissioner of the Metropolitan Police if they've never seen anyone who looks like them in any of those roles? There are not enough public figures like Thiam Tidjane, the CEO of Prudential, who has doubled the value of the company in just four years.

## Conclusion

London is a truly multicultural city. Our arts, food and culture are the best in the world precisely because of the

diverse backgrounds of the people who live here. But we have a long way to go in the battle to improve the life chances of young black people in London. If we are to make more progress over decades ahead we need more real engagement by the political class with young black children – their lives, motivations and interests. We need to show them that it is possible for them to change things and make a difference, if they work hard and focus. We need to show them that people from their background can and do go on to do anything they want to. We need to give them hope. Race is still very much a dividing line for life chances in this city, one we must do away with in the decade ahead.



## 6. THE ENVIRONMENT

### The environmental deficit

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Baroness Jenny Jones

*The current mayor and government have wasted time that we just couldn't afford to lose in the rush to tackle climate change before it irrevocably damages our economy and society. To fix London's problems it's crucial to realise that it's not just about recycling bottles and newspapers: there's an ecological aspect to all facets of life.*

When we in London talk of the impact of climate change, we are aware that the UK is not one of the countries likely to be worst hit in terms of land loss and ecological devastation. But we will suffer greatly nonetheless: from an impact on global GDP much larger than the recent financial crisis caused; from an increase in the global prices of food as harvests fail; from conflicts over ever scarcer resources, including water; and from the unrest of millions of environmental refugees.

The landmark Stern Review, undertaken by Nicholas Stern, a former government economic adviser, made it clear that we could spend a lot of money now to mitigate the effects of climate change, or we could spend comparatively far greater amounts later because the situation would have worsened:

“Climate change is a result of the greatest market failure the world has seen. The evidence on the seriousness of the risks from inaction or delayed action is now over-

whelming ... The problem of climate change involves a fundamental failure of markets: those who damage others by emitting greenhouse gases generally do not pay.”

Politics is obsessed with our fiscal deficit. But the ecological deficit being ignored or downplayed is much more severe and is a matter of scientific fact, with clear solutions. We must hit climate change targets or damage our economy irretrievably.

When we look at the problems that London will face in particular, it's clear we need action quickly from our mayor. The first London mayor, Ken Livingstone, understood climate change and took steps such as setting up C20 (now C40), a collection of world cities which are working together for sustainability, drawing up plans for hydrogen vehicles, electric buses and supporting cycling.

His successor, Boris Johnson, has made clear his climate-sceptic views in his newspaper column. When he was first elected, I suspected he didn't have much grasp of sustainability and had a meeting with him where I gave him my own three rules of sustainability. He dutifully read them as I stood over him, but has never enacted them.

1. We all have to do something – we can't leave it to individuals, councils or the Chinese.
2. We must avoid messes downstream. Don't do something now that will create another problem which will need mopping up in a few years' time.
3. There is no silver bullet, only silver buckshot (Al Gore's phrase). Don't be fooled into thinking that one measure will fix it all – the problem is complex so we need thousands of sometimes small solutions.

So, what are the problems for London and how do we fix them? It's crucial to realise that there's an ecological aspect to all facets of life; it's not just about recycling bottles and newspapers.

Here's what a sustainable London looks like:

- i. We currently use far too much energy in London. Our homes and workplaces are hugely inefficient, so we should follow cities like Berlin in pursuing large scale, publicly subsidised refurbishment programmes. We should also think seriously about requiring people to up the standard of their home or workplace efficiency before selling or renting it out, going much further than the energy bill. Sadly the green deal, which was supposed to help people make their homes and businesses energy efficient, is far too complicated and piecemeal to be of any real use.
- ii. We need to hit and then surpass Ken's target of 25 per cent of energy generated in London, getting as much as possible from renewables. This solution needs a mayor willing to de-risk schemes in partnership with the private sector, and with an appetite to back co-operative energy companies.
- iii. Every building should produce its own energy, if it's capable, mainly through solar panels. Buildings are still being built with too little capacity, or even none. For example, the newly refurbished Kings Cross station supplies 10 per cent of its own demand, whereas Blackfriars supplies 80 per cent. Water consumption should be reduced through 'greywater' systems, which recycle wastewater from sinks and showers to put to other domestic uses.
- iv. Waste should be reduced and reused. The Olympics were an example of poor waste planning as almost none

of the construction waste was reused. In London we were getting better at recycling but now it's flatlining as councils go for the easy option of incineration. The London mayor has just signed off another mass-burn incinerator for Sutton and Croydon, when he should be getting lots of smaller plants for recycling, anaerobic digestion of food waste, and more advanced small-scale technologies to deal with the 10 to 30 per cent of waste we can't do anything else with.

- v. We must grow more food, in more urban places and look at our diet. For example, eating less meat means it's possible to grow more vegetable protein on the same acreage. We must protect our green spaces and go even further than New York has in expanding our tree population by at least 2 million to avoid urban overheating. Councils must see the need to keep the green belt for agriculture and horticulture, instead of keeping it for pesticide-soaked fields for ponies, and allow farmers to put up barns and processing plants to make their farms productive. It means we can eat more local food which is fresher and reduce the fuel consumption used in driving food around the country.
- vi. Public transport should be cheap, with as few emissions as possible. We have to address greenhouse gas emissions and other pollutants that are bad for human health. Polluted air is the second biggest cause of premature death in London after smoking and a big drain on the NHS. Cycling and walking must be prioritised – both are low impact in terms of wear and tear on infrastructure, as well as cleaner. Boris Johnson's so-called cycling revolution has been held back by his prioritising cars over bikes and people, which is also leading to a rising number of serious injuries.

- vii. The population of the UK is rising, but the population of London and the south east is increasing faster. The current trends mean we need to build 40,000 or even 60,000 homes a year in London, but unless we find very creative ways to redevelop low density parts of outer London this will put an unbearable pressure on natural habitats – both on greenfield and brownfield sites – as well as increase our carbon footprint unacceptably.
- viii. Finally, it's a tough message but we should try to consume less. Whether it's less frequently replacing goods for slightly more fashionable ones, or throwing away less spoiled food because we shop more often, we have to rein ourselves in. It can save us money and save the planet at the same time. What's not to like?

Under the current mayor, efforts to mitigate the effects of climate change in London have gone backwards, because he hasn't made much effort to meet targets in his own strategies. This has been compounded by the government's failure to live up to its ideal of being 'the greenest government ever'. They have wasted critical time in the rush to tackle climate change before it irrevocably damages our economy and society. The next mayor will have to be truly radical on the environment as a result. I really do worry about what will happen if they aren't. It's playing with our future in a way we can't afford.





## 7. LOCAL GOVERNMENT Thriving local services

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Catherine West

*It will be difficult for a future Labour government to restore with immediate effect every penny which local government has lost since 2010. However with a combination of an improving economy, more efficient use of existing public sector budgets and more devolution of resources to local authorities, the landscape of public services could change for the better.*

Millions of Londoners rely on local services every day, from the buses and tubes that get us to work, the council housing that protects the diverse social mix of our communities, to the popular children's centres, libraries, culture and youth clubs that are the beating heart of our local areas.

But the future of many of our much loved services is threatened by the scale of the cuts local government is facing. The government has chosen to cut council funding in the poorest areas far more than in the leafy shires. That's despite the fact that local and regional government is the most efficient part of the public sector and much better placed to lead on the issues that matter to our communities – from helping people into work to providing affordable housing, childcare and social care.

The government and the mayor of London have also decided to push ahead with policies that are causing real damage to ordinary Londoners' lives: allowing near market

rents that pervert the true meaning of affordable housing; benefit caps that are pushing people out of expensive inner London; and inflation-busting bus and tube fare rises that make our public transport system one of the most expensive in the world.

In the face of this onslaught, how can Labour in London defend local services and make a positive difference for people in tough times? What policies should Labour be pursuing so that people on low incomes can continue to live, work and eat in this great city? The answers will involve working far more closely with partners in the voluntary and business sectors, devolving funding and responsibilities from national to local government and ensuring the next Labour government learns from the successes of the local authorities we control.

### Getting London working

Over 375,000 Londoners are unemployed, with many thousands more under employed or struggling by on poverty pay. Too many young people coming out of school or university are being offered nothing but exploitative, unpaid internships or zero-hours contracts as they try to take their first step on the ladder. Too many people are putting in 40-plus hour weeks, yet not taking enough home in their pay packets to feed their families.

We have a responsibility to change this. Islington and Lewisham became the first accredited living wage authorities last year and it's an idea that makes both emotional and practical sense for London, where living costs are higher than anywhere else in the country. It benefits workers, who can live not just survive; it benefits local businesses, as people on low incomes are more likely to spend their money locally; and it benefits the country, as the Treasury saves £1,000 for

every person on the living wage in extra tax revenue and reduced tax credits.

Since Islington became a living wage employer, we've not just made sure all our own staff receive a fair day's pay for a hard day's work. Over 90 per cent of the council's contracts now pay at least the London living wage, with plans in place to reach 100 per cent over the next two years – including the difficult area of home care. The families of over 500 low-paid workers, including cleaners, security guards and school caterers, have seen their incomes rise thanks to the commitment we made. Ed Miliband has announced that Labour will give employers tax rebates if they choose to pay their employees the living wage. This is a great example of the party learning from its successes in local government and will make it much easier for local authorities to persuade businesses in their area to pay the living wage.

Labour's compulsory jobs guarantee is an important pledge that I fully support, but we also have to redirect the billions of pounds being spent on a work programme that in many cases is less than useless into effective initiatives that get people into real, sustainable employment.

From my experience as a council leader I've seen how chaotic and wasteful the current system is. Government departments, government agencies, private companies and private training providers all have a role in providing training, skills and reducing unemployment. Barely 20 per cent of public spending in this area is under local control, yet local and regional provision is much more effective. London Councils' *Getting London Working* report showed how projects like the 'north London pledge', based across four London boroughs, commissioned and delivered locally, got 26 per cent of referred clients into work for six months or more. Over the same period with a similar group of people,

the work programme only got 3.6 per cent of referred clients into work for six months or more.

Why aren't more resources going to the people who know the local labour market and the skills needed in a particular area to meet future demand? In my area, for example, I know there's a projected shortfall in trained medical technicians to service the cluster of research establishments around the Euston Road. We also need trades people, and we're working in partnership with great local businesses like K&M McLoughlin who have set up an employer-led painting and decorating academy, providing pre-apprenticeship courses for our young people. It's oversubscribed and proving hugely successful at teaching useful skills and getting young people into work – including through the council's own contractors.

Labour could commit to devolving the budgets and responsibilities of big failing national employment programmes to local or regional level, channelling money into effective initiatives and not into the pockets of big, failing private sector contractors.

### Free school meals

One of my proudest moments in local government was the day we passed a budget that introduced universal free school meals for all Islington's primary school children, an issue I'd been campaigning on at the school gates for years. Every child in Islington, a borough with one of the highest levels of child poverty in the country, gets one hot, nutritious meal a day and we are seeing the difference this makes. The Institute for Fiscal Studies found that giving free school meals "significantly increased attainment" at school. In only two years, children in areas with universal free school meals made between four and eight weeks' extra progress

at school compared to similar children in other areas. It's proven to improve children's diets, as the consumption of unhealthy snacks declines as the consumption of healthy food increases, with children from poorer homes seeing the biggest diet improvements. And, at a time when we're seeing more and more desperate families turning to food banks – an increase of 170 per cent nationwide over the last 12 months – it takes pressure off parents. For parents trying to find work, the prospect of paying out £300 a year for each of their children's school meals reinforces the 'poverty trap' and can tip the scale towards staying on benefit.

Labour councils in London like Islington, Southwark and Newham are already doing it, now Labour nationally needs to follow the lead. If even Michael Gove is saying he's been persuaded free school meals for all is a good idea, I am sure we can persuade our own party.

### Rebalancing local funding

Under this government, local government has faced bigger cuts than any other part of the public sector. The impact has been further exacerbated because the ten most deprived local authorities are losing six times per head more than the ten least deprived local authorities. This is simply unsustainable.

The next Labour government must rebalance the complicated funding formulas that decide how much each local authority receives. The most deprived authorities desperately need a better deal if they are to continue providing more than just their statutory services in the coming years.

It will be difficult for a future Labour government to restore with immediate effect every penny which local government has lost since 2010. However with a combination of an improving economy, more efficient use of existing public sector budgets and more devolution of resources (not

just responsibilities!) to local authorities we could see the landscape of public services change for the better.

I don't want to see our public services just 'getting by' or even worse disintegrating. I want to see them thriving. The next Labour government needs to trust local government, free up authorities to do more of the things they're good at and make a real difference to the lives of those suffering from this cost-of-living crisis.

## 8. LIVING WAGE

### Good for society, good for business

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Matthew Bolton

*Twelve years on from its launch, we need the living wage more than ever after an enduring recession. The business case for paying the living wage is growing and there is also a role for government. But most important is the leadership of ordinary people, campaigning for their interests and for the common good.*

When Amin Hussein, cleaner at Queen Mary University in Mile End, had his pay boosted from the national minimum wage to the living wage, he was able to give up the second job he had needed just to get by. This extra time meant that he could pursue his real passion, which was youth work. He set up Jubba Youth with friends and soon was running football tournaments – with a dose of mentoring – for over 100 young people in Finsbury Park. He won an award from Islington council and it was clear that what the living wage had given him, he had more than given back. There are 45,000 people who've benefitted from the living wage, each one of them with their own story of how the extra cash or the extra time has helped them to help their family and community.

Good for society. And good for the employer. Queen Mary University also won an award – the Green Gown – for its leadership in responsible employment and procurement. Others have followed and there are now a dozen universities paying the living wage and Unison are using the living



wage in their national negotiations. This year, we will pass 400 accredited living wage employers and many of them are reporting that staff turnover is down, like the Joseph Rowntree Housing Trust, where it's fallen to 0.5 per cent since they became the first to pay a living wage to all their care workers. A more stable workforce, reduced recruitment and training costs, and a better service are some of the benefits on top of reputation.

To understand why the living wage has worked and what it really is, we need to return to the roots of the campaign: community organising. In 2001, a group of parents from schools, churches and mosques were brought together by London Citizens to share stories on the pressures on family life. It emerged that too many parents were working two jobs just to make ends meet, and so couldn't find time to spend with their children. They left for work before their children woke up and were home when they were already in bed. They worked hard, but couldn't earn enough to afford a decent standard of living. In the living wage, London Citizens reignited a campaign with roots in Catholic social teaching, itself inspired by the East End great dock strike of 1889.

The campaign wasn't about what writing a report about what government should do or should legislate for. It was about how we can, as communities working together, persuade employers that they should take responsibility for their lowest paid staff and pay them enough to live. Can we persuade that hospital, that bank, and can we build a relationship with that employer that benefits all of us? This means that the campaign is not owned by the experts. It is a movement of citizens taking action and employers taking responsibility; ordinary people doing extraordinary things. This has enabled the campaign to develop cross-party support, including Boris Johnson and Iain Duncan Smith,

and to bring in the private sector as champions of the living wage, including KPMG and Barclays. And it has meant that thousands of people have gained skills and confidence to be active citizens, and taken this energy to other Citizens UK campaigns on issues from street safety to affordable housing.

So, great gains have been made. But according to Trust for London's *London Poverty Profile 2012*, 580,000 people in the capital earn less than it costs to live. That's 100,000 more than in 2011. So, the problem is growing, as is the proportion of children growing up in poverty due to low pay rather than unemployment. Twelve years on from its launch, we need the living wage more than ever. After an enduring recession, we need a recovery that works for all.

So, where do we take the campaign now? Firstly, we are not calling for this to be statutory. One of the great strengths of the campaign lies in the fact that the living wage is a voluntary measure. This stretches employers to do more, rather than gathering around a legal minimum. It also means that we can campaign for a living wage, calculated according to cost of living rather than what small business or start-up business can bear in terms of labour cost. We respect the work of the Low Pay Commission, although welcome recent calls to see how it can be strengthened and more attuned to inflation. We believe that the most effective strategy for tackling low pay is with a statutory national minimum wage and then a voluntary living wage that communities can campaign for and employers can choose to adopt where they can afford it.

Voluntary standards can be extremely effective. Learning from Fairtrade, we launched the Living Wage Foundation in 2011 – the accreditation body which grants the Living Wage Employer Mark to employers. The Foundation promotes the living wage as not only the right thing to do, but a decision that makes business sense for employers.

The business case for paying the living wage is growing: 75 per cent of employees reported an increase in the quality of their work after receiving the living wage, and 80 per cent of employers noticed an increase in productivity. Employers also report positive effects on recruitment and retention, on staff wellbeing and on consumer awareness of the corporate social responsibility commitments of their business.

But there is also a role for government. That's why we brought Martha and Sandra Sanchez to meet Ed Miliband in 2010 and explain that like him, they worked in Whitehall, but they didn't earn enough even to take the tube home and had no time to spend with the family. We recognise the commitment and leadership that Ed Miliband showed, not only in getting the living wage in the 2010 Labour manifesto but then making it his signature campaign. Government should pay the living wage, including through its procurement, and then champion it to business so that those who can pay, do. This is already happening in more than ten Labour controlled councils in London and now is the time to work together to see the living wage spread through the sectors of social care, hospitality and retail in this great capital city.

Most important is the leadership of ordinary people. There has not been a significant step forward for the living wage campaign without a brave, hardworking mum or dad telling their story and without the determination and sophisticated action of communities campaigning for their interests and for the common good.

## 9. LOW PAY A London minimum wage?

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Kitty Ussher

*New research suggests that the very different nature of the London economy – combined with the fact that even the low paid in London are paid more than elsewhere – means the London economy could sustain a higher minimum wage without damaging competitiveness and jobs.*

There is no legislative basis for the introduction of a statutory minimum wage for London, yet the very different nature of the London economy – combined with the fact that even the low paid in London are paid more than elsewhere – prompts the question as to whether the London economy could sustain a higher minimum wage without damaging competitiveness and jobs.

It is possible to ask this question without in any way distracting from the important living wage campaign. The living wage is voluntary and calculated with reference to the cost of living in London whereas the national minimum wage is statutory and is set independently by the Low Pay Commission (LPC) to take account of the effect on the wider economy. In practice this has meant that the LPC has recommended a national level that it believes can be accommodated without reducing employment.

Analysis by the Office of National Statistics (ONS) shows that the London economy is structured in a way that is substantially different from the rest of Great Britain. Not

only is London the UK region that differs the most from the average, it is also, in the words of the ONS, “more dissimilar to any other [individual UK] region and country”. Even the south east, which shares more similarities with London than any other region or nation, is actually more similar to non-London regions and nations than it is to London. This raises the question of whether a minimum wage rate that is set for the rest of the UK is the appropriate level for London.

It could be argued theoretically that given unemployment is higher in London, a lower minimum wage rate is needed to ‘clear’ the labour market (increase the supply of jobs to match the demand for them). However, the evidence does not support this view. In particular, an analysis of the lowest paid in London demonstrates that even in the most elementary occupations, London workers are already paid more than their equivalents elsewhere in the country: they are not constrained by the minimum wage from falling to ‘clear’ the market. For example, amongst the lowest paid – waiters and bar staff – wages are still 6.6 per cent and 4 per cent higher in London than nationally. Cleaners and domestics are paid 3 per cent more; care workers 4 per cent more, according to the Annual Survey of Hours and Earnings (2012).

In a research project undertaken this year for the Centre for London and the Trust for London we posed the question as to what level the LPC would set for a minimum wage for London if it was given the legal mandate to do so.

First we estimated the level at which the LPC might have set a London minimum wage by following the methodology that they used for setting the initial rate of a national minimum wage for 1997 (this rate was then uprated for inflation to arrive at the 1999 rate that was introduced). We did this by simply transplanting London data where they had used national data, and arrived at an estimate of £4.20 for a London minimum wage in 1997, which is 20 per cent

higher than the corresponding national minimum wage rate of £3.50.

If this London minimum wage had been introduced at the same time as the national minimum wage then it is reasonable to presume that it would have been uprated by at least as much as the national minimum wage, since the London economy has exhibited similar, or if anything more buoyant, trends to the national economy in the intervening years. This would have meant that by 1 October 2013, the London minimum wage would have reached a level of around £7.57, maintaining the differential of a fifth higher than the current national minimum wage rate of £6.31.

We then considered the rate the LPC might recommend for London if it were to be introduced now. This led to a lower estimate of around £6.75 from 1 October 2013, a mere seven per cent higher than the equivalent national rate. This rate has a similar bite on the low-paying sectors in London as the UK national minimum wage currently has on the low-paying sectors across the UK. It also affects a similar proportion of people when compared to the national data.

One explanation for the difference between the two figures is that the economy outside London has adjusted since the introduction of a minimum wage in 1999 such that it can now support a higher level, whereas London has hardly been affected because the different nature of its economy meant that wage levels were higher in the first place. Therefore low pay levels in London can rise further through the introduction of a higher wage floor without damaging jobs: London firms will adjust in the same way that firms outside London have already adjusted.

Since, in practice, the minimum wage to date has been set with little reference to London, there is no reason to think that it should fall outside London as a result of the introduction of a London minimum wage.

An analysis of the experiences in other cities, notably San Francisco, and the experience of having different business rates across local authority boundaries, indicates that having a different minimum wage in Greater London from the rest of the country is unlikely to cause unwelcome consequences at the boundaries.

If introduced now, a London minimum wage rate of £6.75 in 2013-14 would increase the income from employment for around 175,000 London workers by up to £800 a year. The exchequer would benefit from increased payroll taxes and reductions in in-work benefit payments of around £61million.

Over time, and once the response function of the London economy is better understood, it would be desirable to explore whether the London economy could actually support a differential of 20 per cent over the national minimum wage as our original estimates suggested.

As a result, we recommend that the National Minimum Wage Act 1998 be amended to require the Low Pay Commission to make recommendations for an appropriate rate for a London minimum wage, and that this recommendation be made to the Mayor of London for democratic approval, with the requirement of a two-thirds majority from the assembly if the recommendation be overturned.

Overall, the adoption of our recommendations would increase the income from employment of low paid workers in London without adverse effects on the wider economy including competitiveness.

*This essay is based on the author's report London Rising: The case for a London Minimum Wage published in November 2013 by the Centre for London and Trust for London.*

## 10. POLICING

### Bringing together the police and the public

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Dal Babu and Leroy Logan

*The positive trend in reducing levels of crime does not mean that the Metropolitan Police do not stand to make further improvements. Progress must be driven by reforms to the way the police force integrates with other public services, combined with a renewed commitment to diversity. Only then will London's police properly represent the communities it serves.*

Sir Robert Peel famously said, “the police are the public and the public are the police.” It is one of the most common quotes you will hear from senior police officers. However, the Metropolitan Police Service (MPS) is failing to live up to this fundamental principle of modern day policing. It doesn't have a workforce that reflects London's diverse communities and isn't taking sufficient steps to ensure ethnic minority police officers are retained within the force and progress through the ranks to the most senior levels.

The majority of Londoners are, and should be, proud of its dedicated police officers and police staff. They work exceptionally hard and regularly put their lives on the line to serve our communities. On the whole, the MPS is making good progress in reducing crime and making Londoners feel safer.

Recorded crime is down 5.5 per cent in the last year alone, although certain crimes like robbery and hate crime have increased. This reduction is particularly impressive given



the MPS have seen a 20 per cent reduction in funding and the number of police officers and Police Community Support Officers in London has fallen by almost 4,000 since 2010. The million dollar question in crime and policing policy is whether crime will continue to reduce or whether public sector cuts will begin to have a detrimental impact on community safety. Only time will tell.

However, it is unlikely that we will see an increase in the resources available to the MPS in the years ahead, regardless of who forms the next government or becomes the next mayor of London. In this context, reforms to improve the results the police achieve cannot be based on additional resources. Instead, they must be based on ensuring that the MPS properly reflects the communities it serves and works more effectively with its partner agencies.

Sadly, after countless reports and recommendations, from Scarman to Stephen Lawrence, the MPS remains stubbornly white and the higher you go, the less diverse it becomes. At one time Dal was the only ethnic minority borough commander in London and Leroy was the only deputy borough commander. This is not about political correctness, but about making sure we use all our talents to improve community confidence and reduce crime.

While Dal was borough commander in Harrow, he lifted confidence in the police from 26 per cent to 82 per cent. One of the most effective methods he used was to hold police bravery awards in places of worship where members of the public could attend. The events were held in churches, mosques, synagogues and temples. This not only improved the image of the MPS in communities who do not always feel positively towards the police, but also helped to inspire young African Caribbean and Asian people to want to join the police themselves. The MPS must really value diversity and not just play lip service to it. Diversity within our

police improves community safety by giving the police the language and cultural skills they need to do their work effectively and ensures the public has more confidence in policing so that vital intelligence is shared.

The benefits of a diverse police force were shown when Leroy developed the Cultural Resource Unit (CRU) to assist in the Damilola Taylor murder investigation. African Caribbean officers were deployed to apply their unique skill sets (culture, languages, faith, education and general life experience) in the house-to-house enquiries. This led to an immediate breakthrough and the identification of key witnesses. This success led to the CRU being formally developed in the MPS, which has subsequently helped solve serious incidents including murders, kidnappings, hostage negotiations and counter terrorism in London and across the UK.

In 2012, 37 per cent of all applicants wanting to join the MPS were African Caribbean or Asian, debunking the myth that minorities do not want to join the police. However, the MPS still finds itself with only 10 percent black and ethnic minority officers. There are serious questions over how the retention and progression of ethnic minority officers is managed. They are twice as likely to leave the force or face disciplinary proceedings in their first five years of service as their white counterparts.

The retention and progression of ethnic minority officers has been held back by a lack of central government leadership in holding the commissioner and chief constables to account. A good example is the scrapping of retention and progression key performance indicators (KPI's) for black and minority ethnic officers. These KPI's were a driver for police modernisation until they were rescinded. Unfortunately, since their removal, the spotlight of accountability and transparency has been removed from the supervision, appraisals

and progression of these officers. When these are not measured, they cease to be an organisational priority and nothing changes.

The current reputation of the MPS is generally positive, despite high profile issues such as the Leveson Inquiry, the inquest into the shooting of Mark Duggan and the ongoing Andrew Mitchell investigation. However, the MPS has for a long time had a lack of credibility within certain parts of London's black and minority ethnic communities, particularly amongst young people who believe they are under protected and over policed.

This has been reflected by the hundreds of young people we have spoken to through the educational leadership programme run by the Black Police Association Charitable Trust. The recommendations from these young people are that the MPS works more proactively with them to reduce barriers to reducing youth violence and the police treating them with more respect and dignity. Negative reputations can have major implications at an operational and tactical level, from strategic multi-agency partnership policies to procedures, because of doubts in the minds of those interacting with the police.

Trust and confidence is a corner stone of police legitimacy, especially for black and minority ethnic communities, and this must be at the forefront of police officers minds whenever they interact with the public. They must always remember that one stop and search that goes horribly wrong has the potential to unravel years of hard work in building trust and confidence.

Finally, the MPS needs to dramatically improve the way it works with other public sector organisations. Failure to coordinate or communicate during multi-agency work can have profound implications and we were always surprised at the reluctance of some staff to share information between

agencies. We need to look again at how different agencies are able to access and share appropriate information 24/7 and not just during office hours, which unfortunately, are not the same as policing hours!

A good example of the impact of other parts of the public sector on the MPS is the recent reduction of independent domestic violence advisers. It means that victims of domestic abuse are no longer able to get access to independent advice and support at an early stage. As a result they are more likely to remain in abusive relationships that put themselves and their children in increased danger. It also makes it more expensive in the long run as their cases will take up more time from the police, care services and the justice system.

The positive trend in reducing levels of crime does not mean that the police do not need to change. In fact, we owe it to London to think differently and make the best use of our limited resources to ensure community safety continues to improve in the years ahead. This will mean the police becoming more diverse, working better with their partners and finally realising Sir Robert Peel's vision of a unified police and public.



## 11. BUSINESS AND ENTERPRISE Competing on the global stage

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Mark Boleat

*Government needs to create a platform for business and enterprise to flourish. This means the right infrastructure, the right workforce, and the right tax and regulatory environment. It is crucial that the 32 boroughs, the City of London and the mayor continue to work together across all policy areas for London as a whole can succeed.*

Like any major city, London operates in a global context and must compete with other centres across the world to entice businesses and visitors. This not only brings jobs and prosperity to London and the UK, but also much needed skills and revenue for future investment. A government's role, both at national and local level, is to provide the right environment in which business and enterprise can flourish. No amount of micro initiatives can compensate for the wrong environment, and political and economic uncertainty will not benefit an enterprising city. It is crucial that the 32 boroughs, the City of London and the mayor continue to work together across all policy areas to create the right platform for London as a whole to succeed.

London needs sustained investment in its transport infrastructure, as Andrew Adonis outlines in chapter one – and fast. The Olympics pushed this issue forward, but more is required. Airport capacity in London and the south east is not meeting business or leisure demand: City of London

research has found that, whilst London has good air links to existing business markets such as the US, Japan and Europe, we have direct flights only to 17 out of 22 of the key emerging markets. And according to research by the London Assembly, by 2020 the tube network will reach congestion levels originally forecast to be reached in 2031. Increasing our connectivity with better airport capacity and improving our transport infrastructure through projects like Crossrail 2 are crucial to a successful city.

Energy infrastructure is just as important to London, and our power networks should reflect the growing demands from both the population and businesses, but also be sensitive to environmental needs. Most importantly, due consideration and planning should take place to ensure that this is not a rushed job and that it will meet London's needs long into the future.

Of course, having the right workforce matters to any city – and to achieve this we need to make London a place where people want to be. Skills are integral to attracting new businesses to London and enabling existing businesses to expand. A world class education system will equip school leavers to succeed both in the workplace and at university, but, similarly, a strong apprenticeship offer and a commitment to supporting lifelong skills development should also be a key priority. At the City of London Corporation we strongly believe in the value of schemes such as apprenticeships, mentoring and work placements. We facilitate work experience schemes so students from schools in our neighbouring boroughs can gain first-hand experience of City firms.

Immigration is an important part of this too – policies must allow for skilled workers from overseas to be employed when needed to fill a skills shortage that cannot be met by a domestic workforce. London is lucky enough to have a

thriving small business sector, which attracts skilled workers from all over Europe and the world, and for this to continue to be successful we have to have the right skills at home and have an immigration system that is open to highly skilled workers. Tech City, which supports London's growing tech business community, is an example of how successful small businesses can be, emerging as an enterprising and innovative hub with a strong presence on a global scale. We should endeavour to foster the conditions that have made it so successful.

The regulatory and tax environment will also have a profound effect on where businesses locate and how they operate. In order to entice talent and remain competitive, tax and regulation need to be stable and in-line with provisions for the rest of the European Union and across the world. Regulation should not overburden business but instead should be proportionate in the obligations that it places on businesses. Corporation tax and income tax are the two most important taxes to businesses – in particular, income tax matters to business more than many people think because of the effect it has on their workforce. Stability is paramount and businesses will welcome a predictable regulatory environment.

No commentary on business or the current political environment is complete without a mention of Britain's relationship with the European Union. The political debate on the European Union is a distraction to businesses. We have to be members of the European Union, in order to access the single market and to have a full say in the rules that govern the single market. Countless numbers of businesses locate in London because we are a member of the European Union and to jeopardise our position will do nothing positive for businesses, growth and jobs. Our interests can only be secured if we shape the debate and engage with it, not step



## Our London

away from it – in Westminster, in Brussels and at any other appropriate forums.

We must ensure London remains a leading global city and we must do it together. The City of London Corporation is working with the London boroughs, the mayor, businesses, charitable and other organisations, to press central government and others in decision making positions to pursue this important agenda over the coming years. Successfully implemented, it will ensure London remains the leading world city that it is – a boost not just for London, its people, its economy and its overall success, but for the UK as a whole.

## 12. THE ARTS

### All roads lead to London

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Bonnie Greer

*To maintain its position as the world's cultural capital, London's arts and cultural sphere must break the elitism of the art world, fully integrate with local economies, make the most out of the opportunities presented by the new digital reality and better reflect the city's changing demographics.*

In the mid 1980's I moved to London from New York City's Lower East Side, then a thriving and innovative art scene. I am still often asked why I did it. My reply has always been the same: London is the world's gateway city, the lingua franca of commerce, the media, the internet and the arts. In the ancient world it was said that 'all roads lead to Rome'. In the 21<sup>st</sup> century, all roads lead to London. But to maintain its position as the world's cultural capital, London faces three big challenges.

First, arts and culture must cease to be for the few and their interpretation of the many.

Although an ancient town, London is imbued with the air of fresh possibility and innovation. This is somewhat ironic. From being a member of a women's theatre collective in Brixton when I first arrived, to deputy chair of the British Museum, and working as a creative at the Royal Opera House, RADA, the Tricycle Theatre and the Serpentine, my experience of London's scene is that it is controlled by a privileged oligarchy.

Labour's hands-off policy towards the arts and culture from 1997 to 2010, which I largely support, did not tackle the reign of 'the few'. There is a closed door which on the surface appears to be open, but in reality only is to those in the know. This 'chumocracy', complete with its heirs and heiresses, temporary phases, obsessions and hates is simply not fit for the 21<sup>st</sup> century. Its tired 'upstairs, downstairs' reality, with a veneer of leftism, creates a group think that is aided and abetted by the arts press.

But what can be done to break the elitism of the arts world?

Access to the arts at a young age needs to be democratised. Schemes like Labour-run Newham Council's 'every child a musician', which gives all children in the borough access to musical instruments and lessons, really work. Labour should look to expand this to other art forms and across London.

Similarly, the type of cultural and arts events that receive support from politicians needs to change. If the mayor of London only ever promotes the large commercial festivals and events that already dominate London's cultural calendar the elitism of the arts world will never be challenged. The test for politicians is whether they can find ways to support a wider range of more local and community based art projects and festivals in the future within shrinking arts budgets.

Second, arts and culture must become far more integrated with business and education.

Politicians essentially consider art and culture to be pastimes and recreations, which for them it largely is. But in 21<sup>st</sup> century London, art and culture is and will continue to be much more to most people. As work becomes more flexible and home-based, culture and the arts will play an ever bigger part in the daily lives of Londoners.

At the same time, the old-fashioned, hierarchical, pronouncements and definitions of what art and culture are and where it should be located will become less relevant.

Londoners will decide for themselves what is and isn't art and where and how they would like to consume it. They will turn to their peers through social media to tell them what is worthy of their time and attention.

Most of London's arts and cultural sphere are simply not equipped to understand the new reality presented by this 'digital mind' and are currently incapable of extracting the opportunities and reach it has the potential to provide. This ever-evolving context will challenge iconic British institutions like the British Museum and the Tate to justify their public subsidies, as the UK tax base becomes smaller and the demand for leaner government continues.

Culture and the arts will have to create, understand, and use local economies and growth to increase their levels of public support. Each cultural institution will have to create its own kind of localism, in which the institution becomes an integral part of the job creation and educational opportunities in its area.

Culture and the arts will have to make the digital world part of the conversation it has with visitors, audiences and users. We are in an age as revolutionary as when Gutenberg created the printing press, something few in the arts seem to see or understand. In this new century institutions won't simply have to 'digitalise', they will have to become digital sites themselves, in which there is a deep understanding of the world they inhabit.

Arts and cultural institutions will need to learn how to mine and commercialise their 'big data', the facts and figures all organisations collect through online visitor profiles and audience feedback. This data can be used to not only build new audiences, but to create successful partnerships with the business world.

The greatest challenge for London's arts and culture, indeed for London itself, is its changing demographics.

London must hold on to a robust and fearless internationalism at all costs. By the middle of the century, London will be a 'majority minority' city. In other words, the majority of London's citizens will be of non-indigenous British descent.

These soon-to-be majority Londoners are not only younger than the present demographic, but they are more digital 'native'. They are comfortable with London as the 'gateway city'. Their biggest demand will be for institutions to justify their relevance to their lives; for example, they will demand museums to keep non-British objects in London collections.

London's world citizens – who will no longer be in the near future describable as 'ethnic minorities' – will carry London's culture and art forward, not only throughout the UK, but into emerging nations. As the world turns to the emerging economies, it will be down to them – young, tech-savvy and international – to keep London thriving and relevant. They will drive London's art and culture's ever closer alignment with business and trade.

So the challenges for culture and the arts in London are large and varied over the coming decades: to break the grip of the 'few', to fully integrate with local economies, and make the most out of the opportunities presented by the new digital reality, and to better reflect London's changing demographics. But the answers to these challenges can all be found in London's young people of all backgrounds and ethnicities, who understand and want to engage with art in the 21<sup>st</sup> century, and who will maintain and defend what by definition has to be a living tradition.

## 13. EDUCATION

### Learning lessons from London's success

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Fiona Millar

*London has gone from being the national underdog to outperforming every other region in the country, even though it contains some of England's most disadvantaged communities. But to continue to improve in the fragmented landscape the coalition will leave, London needs a new model of democratically-accountable education, in which excellence coexists with autonomy for heads and teachers, and fairness for parents and pupils.*

I was educated in London state schools, all my children have been educated in London state schools and I have been actively involved in those schools as a parent and governor for over twenty years. I care passionately about the future of London education and am proud of what we have achieved in the last decade.

In spite of the frequent demonisation of London schools by sections of our ruling elite and media commentators who chose to educate their children elsewhere, we have been one of the great success stories of the last ten years. London has gone from being the national underdog to outperforming every other region in the country, even with some of England's most disadvantaged communities. But now we face new challenges. This Government's legacy threatens to undo much of what has been achieved and Labour needs a new plan for the capital.

One of the most important things to remember about London is that in terms of education provision, it is similar to a small nation state. London's population isn't just more than twice the size of the devolved regions of Wales, Scotland and Northern Ireland, it also dwarfs some of the high fliers in the international league tables, countries like Singapore and Finland. And yet in spite of the capital's size it is currently almost impossible to take a strategic view of London education.

The demise of the Inner London Education Authority (ILEA), under which I was educated, pushed power and responsibility down to individual borough level. Many local authorities, though small, have done a good job. But the uncomfortable reality is that a young Londoner could live in one borough, be educated in another and end up training or working in a third. For those experiences to be managed coherently at every level, there needs to be an overview of place planning, school improvement, the collection and dissemination of data, careers, further education, the youth service, as well as teacher recruitment, continuing professional and curriculum development.

The coalition's power grab to the centre means all new schools must be academies or free schools, commissioned by and contracted to the Secretary of State. Free schools are being sprayed like confetti across the capital, often in places they aren't needed while other boroughs wrestle with a crisis in primary provision. Meanwhile the number of academy conversions at secondary level means that in some areas the local authority model is disintegrating as schools join academy chains, create their own small trusts to avoid being swallowed up by larger ones and receive their funding directly from the Department for Education (DFE), which has led to gross disparities in recent years. Where local authorities are battling to hold their families of schools

together, central government funding cuts are rapidly diminishing their capacity for school improvement and other statutory responsibilities.

Meanwhile, all 'independent' state schools have control over their own admissions, which poses an increasing threat to equity and fair access. As local authority influence wanes, London already has one of the most hierarchical, segregated and active schools markets in western Europe. In my ILEA school days, around 90 per cent of parents and pupils got their first choice of school. In some London boroughs today that figure is as low as 60 per cent. The more schools have the freedom to manipulate admissions, and exclusions, the more segregation will increase. And the parents who will be least able to exercise choice fairly will be those on low incomes who can't afford tutors, expensive house moves, rentals or the time to earn points on the admissions ladder by polishing the silver or arranging the flowers in their local churches. This should be anathema to a future Labour government.

But perhaps the most important question is how we continue the improvement of London schools in this fragmented landscape. Who steps in when things start to go wrong? Who stands between the school and Ofsted in this mishmash of chains, local authorities and stand alone academies? The chief inspector of schools, Sir Michael Wilshaw, himself a former head of a London academy, raised this question at the education select committee early on in the life of the coalition government. And the answer still isn't clear.

All this will start to impact on pupils unless a different approach is sought, and the solution almost certainly lies with the creation of a new pan-London authority. The GLA is the obvious candidate to assume strategic responsibility for London education, for planning places, holding schools to account, holding the ring on admissions and fair access, and managing the vitally important but often overlooked



careers service. Since the collapse of Connexions it is hard to see where young people go for expert careers advice. In the long term this will have an impact on post-16 choices and the local economy in London and elsewhere in the country.

But the new body would need teeth so central government would have to relinquish control of the school commissioning process, hand over distribution of the capital and revenue budgets for all schools and re-assign the funding agreements (contracts) that govern academies and free schools. Any new middle tier must have the levers of power to match their responsibility to challenge and support, to ensure high standards, fair access and fair funding.

Then we need to relearn the lessons of how London schools did improve so rapidly in the last decade. The academies programme is often given credit for this. But whether you look at Ofsted grades or the DFE performance data it is clear that both academies and similar maintained schools improved at more or less the same rate in that time. The real success story of London was not school type but the London Challenge programme, introduced by the Labour government in 2003.

The programme saw central government input, via the London Challenge advisers working to the London schools commissioner. They had access to accurate data, which was shared with school leaders who then formed effective partnerships across borough boundaries, fostered collaboration and shared good practice, with the strong helping the weak. Ofsted highlighted other striking features of the London Challenge: the clear sense of moral purpose among teachers and school leaders; their commitment to all London children, not just to those in their own schools; their sense of pride in being part of a city-wide education service, irrespective of whether they were receiving or providing support; their appreciation of effective professional development oppor-

tunities, use of data and well supported interventions for individual children.

By the time the programme ended less than 1 per cent of London secondary schools were below government floor targets and 30 per cent judged 'outstanding'. Some the capital's most deprived boroughs still chalk up results that knock spots off the performance of schools in affluent rural areas like the prime minister's Oxfordshire constituency. And after it was wound down in 2010, both Ofsted and the DFE produced reports explaining why it was so effective and the lessons are clear for the future.

There are many other national problems that will face an incoming Labour government as it wrestles with unpicking the coalition's ideological reforms to the curriculum, qualifications, and performance tables. Young people in London will suffer as much as their peers around the country if we can't strike the right balance between academic and vocational education and start to value the wider moral purpose of education beyond simply test and exam results.

But let us look forward to a time where London could be a trailblazer again, as it has been in the last decade, for a new model of democratically-accountable education, in which excellence coexists with autonomy for heads and teachers, and fairness for parents and pupils.



## 14. HEALTH

### Rebuilding London's NHS

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Linda Perks

*Changes to the NHS under the Coalition government has worsened health inequality in London. The solution lies in re-establishing a strategic planning body for the capital, offering integrated and properly planned healthcare that is still accountable to the secretary of state.*

The government's Health and Social Care Act has caused huge problems for the NHS across the country, but it has been particularly damaging for healthcare in the capital. Labour needs to reinstate an integrated planned system in place of the fragmentation of the market.

#### Capital concerns

The problems that London's NHS faces are partly historic but they have been exacerbated by the confusion and anarchy of the government's market approach to healthcare.

Prior to the passage of the Health and Social Care Act, London already experienced glaring health inequalities. The reduction in life expectancy travelling west to east on the Jubilee line is well-known, and this inequality is mirrored in the number of GPs there are per person. On top of this, the failure of PFI schemes to provide either value for money or financial stability has meant that London hospitals are

particularly likely to fail in their bids to achieve foundation trust status.

What London did have before the Cameron-Lansley-Hunt overhaul, was the facility to plan and manage change. But the abolition of the strategic health authority has robbed the capital of this ability. The London regional outpost of NHS England so far lacks the power or cachet to drive the necessary change and to hold the system together in the way that NHS London was previously able to do.

### Market madness

Structural change is one thing, but above all London is suffering disproportionately from the chaos of the government's healthcare market.

A city of more than eight million people, London needs planned healthcare provision, not patients being placed at the whim of the profit motive, with hospitals forced to compete with one another.

In this type of cutthroat environment, patient care is bound to suffer. These types of competitive impulses create a race to the bottom in which care on the cheap becomes a more attractive option for providers if they are to make ends meet.

Such an approach not only threatens financial stability and the quality of patient care; it also encourages short termism – surviving from one financial year to the next – when what is needed is a thorough assessment of the challenges faced in London and a coordinated plan of how to meet them in the future.

Moreover, it is increasingly clear that the new breed of GP commissioners have neither the desire nor the skills to commission services. London has some of the best examples of general practice in the country, but the vast majority of

GPs want to get on with treating patients, not worrying about financial management.

## Repeal and rebuild

So what should a future Labour administration do for the NHS? At the national level, the party has rightly focused in the first instance on repeal of the act, with the NHS reinserted as the 'preferred provider'.

Repeal is not straightforward though, given that thousands of healthcare staff have just been through the largest restructuring in NHS history and given that there are arguments about the extent to which the competition elements of the act can be reined in once they are established.

The starting point must be to bring responsibility for the health service unequivocally back to central government via the secretary of state. This helps put the 'national' back into the National Health Service and reinstates the government's ability to hold local services to account, while reassuring the public that politicians cannot shirk the big issues.

The whole of the competition section of the act should be abolished, with the emphasis instead placed more clearly on care quality. Foundation trusts (FTs) should not be forced to fight with one another for patients and should remain unambiguously a part of an integrated, national NHS, to minimise the potential for challenges under EU competition law relating to the greater autonomy they enjoy from the central system.

The secretary of state should resume responsibility for pricing NHS services rather than Monitor, England's health services regulator, and 'failing' FTs should be brought back into the NHS.

The small number of potentially positive elements of the legislation, such as health and wellbeing boards and

## Our London

HealthWatch, need their powers and independence enhanced so that there is a stronger democratic voice for councillors and greater powers for health scrutineers to effect change.

## One London

In London, the key lies in re-establishing a strategic planning body to map out future healthcare provision across the capital. Such an entity would require real powers to ensure integration of services across and between providers.

The seminal Darzi report, *Healthcare for London*, was a revolutionary and successful look at the future of healthcare, which required a whole London approach. Abolished by the current government to make way for the market, the broad principles should be revisited and updated. A renewed focus on the Darzi approach of centres of excellence, supported by local hospitals and polyclinics is also needed, alongside a resourcing plan for GPs to promote amalgamation, the building of infrastructure and to even out the provision between east and west.

The previous success of NHS London was based on its ability to take on vested interests and make the hard decisions. Patients have benefited immeasurably from the reconfiguration of stroke services, for example. A new body needs to embrace this challenge, but also to work collaboratively in partnership with patients, providers, staff and unions so that the capital's communities become advocates for change rather than opponents.

The new body would be required to work closely with the mayor of London and the Greater London Authority in the interests of delivering an integrated care system across the capital, but accountability should remain to the secretary of state, to preserve the integrity of the NHS as a national organisation.

There is a need to produce a new – and realistic – scheme to help struggling trusts write off their PFI debt. The terms of some PFI deals can be renegotiated but better still, and as proposed by the trust special administrator for South London Healthcare Trust, would be for Whitehall to take on the PFI burden of London hospitals, so that central government negotiation skills can be used.

## Integration

Labour's current 'whole person care' plans to fully integrate health and social care offer a way forward, but there are a number of important considerations that must be taken into account for this to become a success.

Integration should proceed on the basis of NHS and public sector values, rather than permitting healthcare companies an easier route into provision simply by tacking a promise to work with social care services onto their bids.

For 'whole person care' to raise the quality of social care provision there is a need to break the downward spiral and arrest the alarming decline in quality of care that the current care market has produced.

Crucially, the system would need to be properly funded; tackling the spiralling costs of care for the elderly cannot be done on the cheap. There is no particularly convincing evidence about the amounts of money that full integration is expected to save and in the short term there should be an expectation of increased funding to pay for things such as double-running costs and staff retraining.

There is a need for reassurance that positive intentions cannot be twisted to justify cuts and dragging down to the lowest common denominator. To this end, it is essential that whole person care aims to bring social care terms and condi-



tions up, rather than pushing NHS terms and conditions down.

### Ambition

Whole person care is an ambitious project, but there should be scope for Labour to go further still, particularly in London where the close proximity of major centres of care and the need to work together to tackle health inequalities is incompatible with the artificial division of commissioners from providers.

The House of Commons health select committee found in 2010 that the purchaser-provider split had led to “20 years of costly failure”. Labour’s Lord Hunt suggested at 2013 party conference that it had “reached the end of the road”, and even the outgoing NHS chief executive has questioned whether this is the best way to organise care. The time has come to abolish commissioning through procurement.

Likewise, it may be that the time has come to reassess the use of foundation trust status to change the healthcare landscape. The fallout from the Francis report into Mid Staffordshire has led to many observers questioning the rigidity of the 2014 deadline for all hospitals to achieve the status.

So Labour should get rid of this unnecessarily restrictive timetable, allowing a more measured approach to change rather than an unseemly rush in which other priorities may suffer.

Finally, we should change the status of foundation trusts to focus on their distinctive membership and governance arrangements, enabling them to concentrate on healthcare delivery through collaboration – replacing a system which promotes an ‘us and them’ approach based on finances and competition with one that puts patient care at its core.

Truly integrated, properly planned healthcare for London is possible again, but it will need decisive action if we are to save our NHS from the wreckage of the market.



## Discussion Guide: Our London

### **How to use this Discussion Guide**

The guide can be used in various ways by Fabian Local Societies, local political party meetings and trade union branches, student societies, NGOs and other groups.

- You might hold a discussion among local members or invite a guest speaker – for example, an MP, academic or local practitioner to lead a group discussion.
- Some different key themes are suggested. You might choose to spend 15–20 minutes on each area, or decide to focus the whole discussion on one of the issues for a more detailed discussion.

**A discussion could address some or all of the following questions:**

1. In this pamphlet, Sadiq Khan writes that the story of London is in real danger of becoming 'a tale of two cities'. What can the left do to narrow inequality in the capital?
2. The London housing market is clearly broken. But what can Labour do to make private rents work for both tenants and landlords? How can Labour build more social housing, and what kind is most needed?
3. Do you think introducing a London minimum wage is a realistic idea?
4. London is a truly global city. But how can the left encourage better minority representation in politics, business, civil society and the arts?

**Please let us know what you think**

Whatever view you take of the issues, we would very much like to hear about your discussion. Please send us a summary of your debate (perhaps 300 words) to [debate@fabians.org.uk](mailto:debate@fabians.org.uk).



## 2030 Vision

The final report of the  
Fabian Commission  
on Future Spending  
Choices

This is the final report of the Fabian Society Commission on Future Spending Choices, which was established to explore the public spending choices facing government over the next two decades, including in the next parliament. It asks how these decisions can be made in a way that maximises prosperity, sustainability and social justice.

Over the short term, the Commission proposes an approach to reducing the deficit that returns the public finances to a sustainable position in a timely manner without neglecting the economic and social investment which will lay the foundations of national success in the future. 2030 Vision assesses a number of scenarios for public spending from 2016 onwards and concludes that the next government can afford to spend more, but must spend in line with long-term objectives.

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# Our London

## The capital beyond 2015

London is a city facing big challenges. Unprecedented population growth is putting huge strain on our housing, transport and infrastructure. The increasingly globalised economy means that our businesses have to compete on an international stage. And most worryingly, rising numbers of Londoners are being left behind by our city's success as inequality widens and poverty is growing.

But London doesn't need to be a tale of two cities; one that is an international playground for the wealthy with the best restaurants, theatres and galleries in the world, while the other is an increasingly difficult place to make ends meet for the vast majority of Londoners.

It's in the common interest of Londoners, businesses, councils, government and the mayor to kick-start a serious conversation about our capital city. In 'Our London: The capital beyond 2015' we have brought together policy experts, politicians and social campaigners from across our city to set out radical solutions to London's problems.

**Sadiq Khan** is the Labour MP for Tooting, Shadow Secretary of State for Justice, Shadow Lord Chancellor and Shadow Minister for London.

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