



# Honor Chapman Project: 20 years since London World City

Greg Clark

# 1991: London World City

- 1991 London: World City published by LPAC and HMSO.
- Conservative manifesto of 1992 first with London section.
- Recognises London as a World City with unique development trajectory/path.
- Calls for active international promotion of London: and need to tackle Infrastructure, Skills, Cultural Promotion.
- How has London fared since 1991?
- Where are we today?
- What about the next 10 years?



# Report Structure

1. Honor Chapman
2. London World City 1991
3. London 1991 to 2012
  - Population
  - Economy
  - Governance
  - Urban Development
4. World Cities Today
5. London Today and Tomorrow.
6. Recommendations.



## 2. London World City 1991

### A game-changer

*London: World City* decisively raised expectations and the profile of strategic dilemmas

#### **Vision of London as the world's leading city**

- Three elements; **wealth creation, jobs and incomes**, and **quality of life**.

#### **A coherent and credible voice for metropolitan governance**

- LWC generated consensus around London's critical need for strategic citywide gov't, but not immediately.

#### **Promoting London: a brand new invention**

- LWC the first to propose a coordinated drive to promote London's visitor and investment credentials globally via a public-private one-stop agency

#### **Putting cultural assets on the map**

- Endorsed cultural industries as competitive resource, not mere 'social window-dressing'
- Prefigured the first properly strategic and synchronised approach to the sector

# London World City: what they say

"The London World City report was the beginning of modern history in London"

Tony Travers, LSE

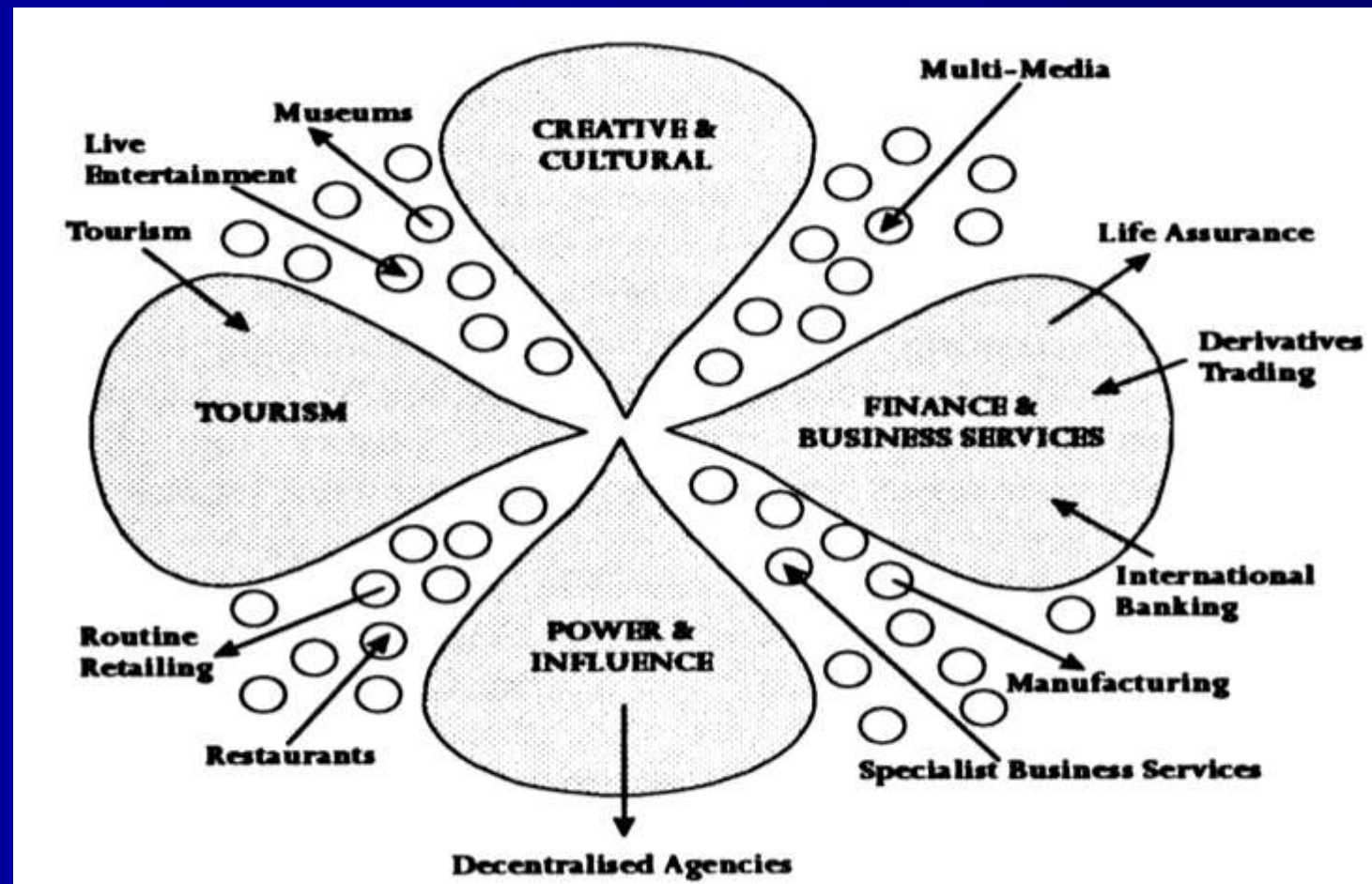
"After the 1991 report a generation of business leaders stood up together to build an agenda for London and make the case for London. A new kind of business leadership was created"

Robert Gordon Clark, London Communications Agency

"Following the London World City report, London started to promote itself actively, with business leadership taking up the challenge. In 2000 the Mayor took up the mantle. This has enabled London to develop its own story, distinct from the UK, in the international arena. London is now a more self confident city."

Howard Dauber, Canary Wharf

# Defining the World City





## 2.

# London World City

## Some challenges solved, others persist

### Old rivals, new rivals

- Major rivals in 1991 = New York, Tokyo, Paris, Frankfurt, then Berlin + Brussels
- Did not factor emergence of HK, Shanghai, Mumbai, Beijing, Istanbul, São Paulo

### Transport visions for London: a mixed record

- Concerns for congestion + public transport - priority for better 'intra-city mobility'
- Institutional inertia overcome, but ongoing upgrades still essential

### Some concerns have never gone away

- LWC 1991: financial and business services "dominate London's economy to an extent not matched in other world cities".
- Warned of "a burgeoning of those sections of the population who exist outside the social and economic life of the community – the so-called 'underclass'"

### New generation, new challenges

- climate change and the sustainability agenda scarcely addressed in 1991.
- The contemporary housing affordability predicament was not envisaged



# London's last 20 years: what they say

"In 2012, the issue is no longer the challenge from EU based cities as it was in 1991; it is all about competition from the other great global cities"

John Dickie, London First

"London has been a great place to live, as well as to work, invest, and be in business. Keeping it a great place to live is key for future success. London symbolises aspiration and opportunity and a way of life. It provides the depth of choices that many people want."

Colin Standbridge, LCCI

"London has developed a much greater sense of self confidence in the past 20 years. It was once drab, gritty, with a sense of decline and lack of aspiration. Now there is a huge contrast, it is vibrant, lively, full of new spirit of possibility."

Bruce Katz, Brookings Institution

### 3. London's economy 1992-2012

#### **London's overall GDP and business growth exceeded all major rivals**

- 1991-2011 rivalled New York as the most globally connected business city
- shock of 2008-9 has not immediately impacted upon overall competitiveness.

#### **Financial/business services driver of population + economic growth**

- unique concentrations in consultancy, financial intermediation, law + accounting
- outstanding record in foreign direct investment - superior capture of business in emerging markets, especially in the BRIC countries

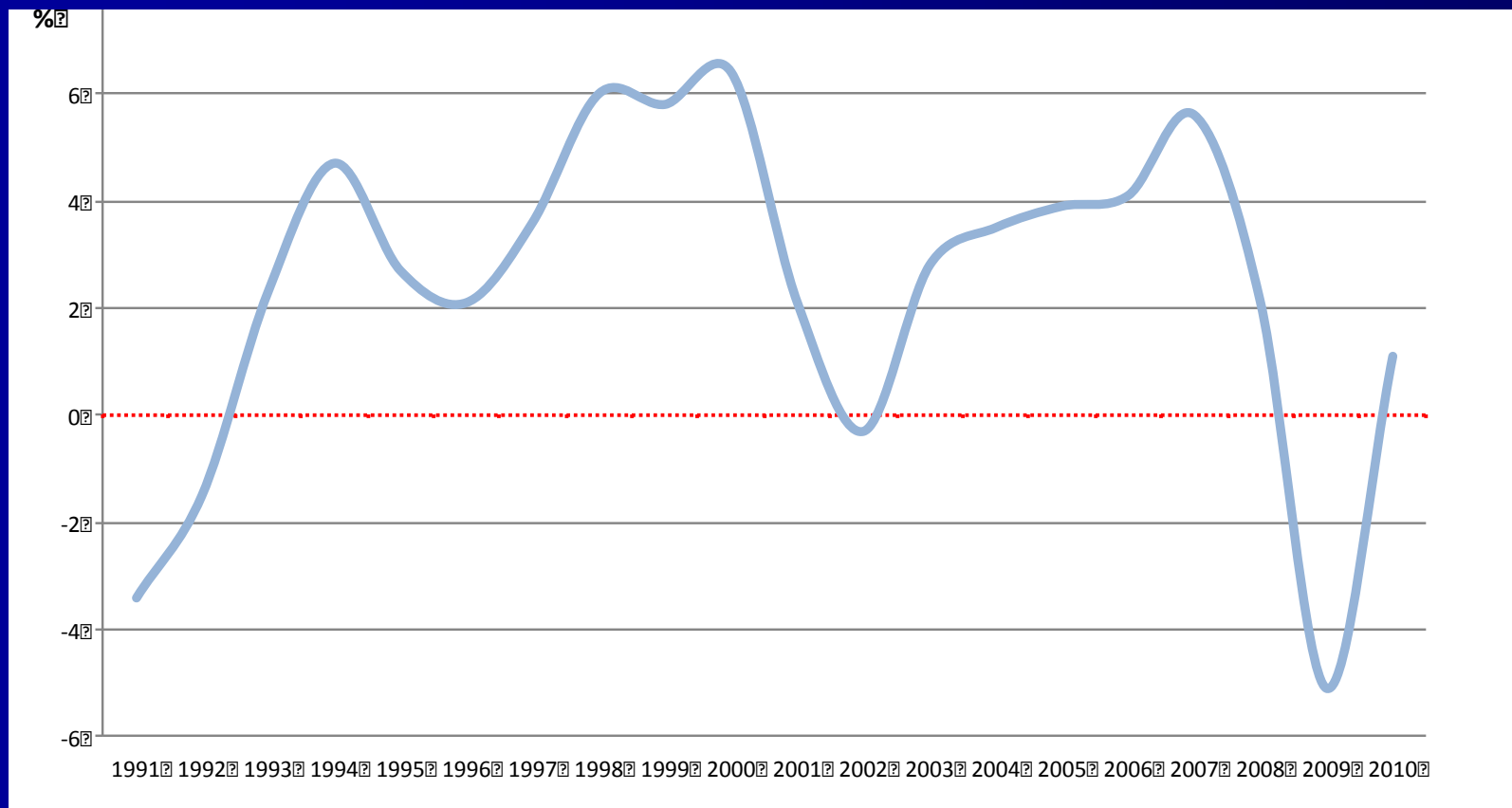
#### **Unique open-ness to national and international populations**

- more flexible labour laws, access to EU labour market, migration from Commonwealth countries which solved critical skills shortages

#### **Paradox of persistence of high unemployment and deprivation**

- Employment structurally down on the wider South East region since 1979.
- Factors: Language difficulties, secondary labour forces, large student population, effect of immigration on wages in entry-level jobs, benefits system,

# London's economic growth, 1991-2010



Source: GLA  
Economics 2011

# London's economy: what they say

"20 years ago there was no vision for London. De-regulation created the space for competition. Cosmopolitanism and the Big Bang meant that London became very attractive for overseas talent, it was a place where you could be yourself."

Gerry Blundell,  
former Director of European Strategy,  
Jones Lang LaSalle

"London's special feature is its leadership in the EU time zones. In the 1990s London opened up to global business and talent. London's success with the second financial centre at Canary Wharf inspires other cities who want to do the same, but few have succeeded."

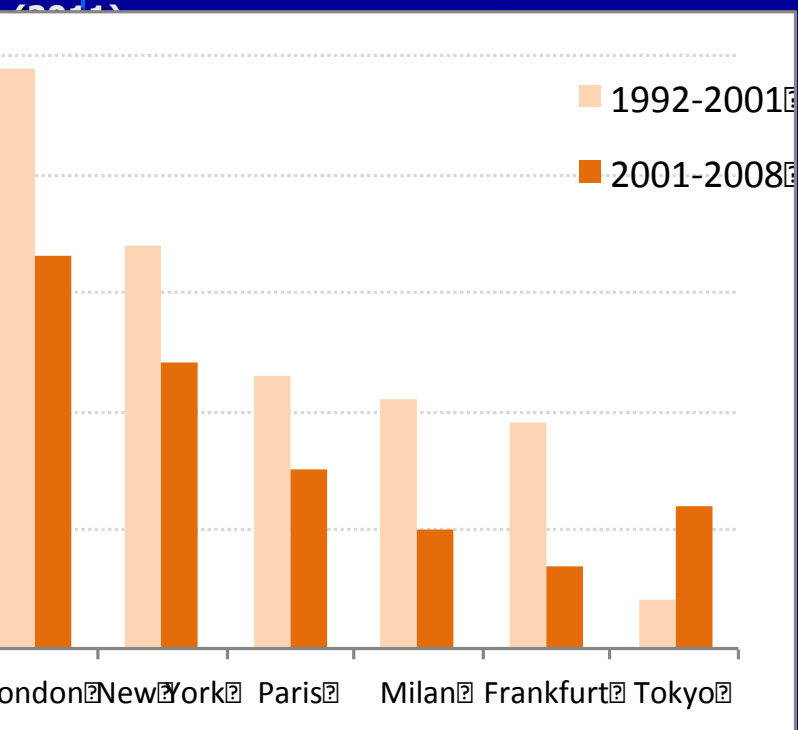
Takayuki Kubo, Mori Urban  
Institute, Tokyo

"Paris is a very cosmopolitan city but the identity is French, with a focus on integration. London is more about pluralism."

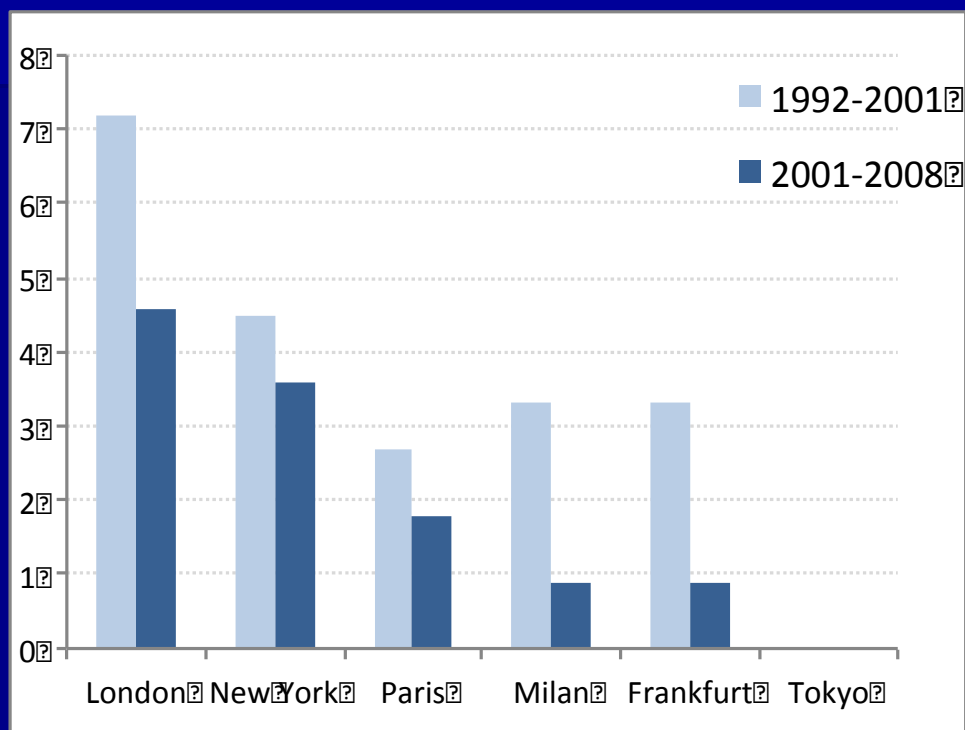
Vincent Fouchier and Vincent Gollain, Paris Region

## Percentage growth in financial/business services, 1992-2008

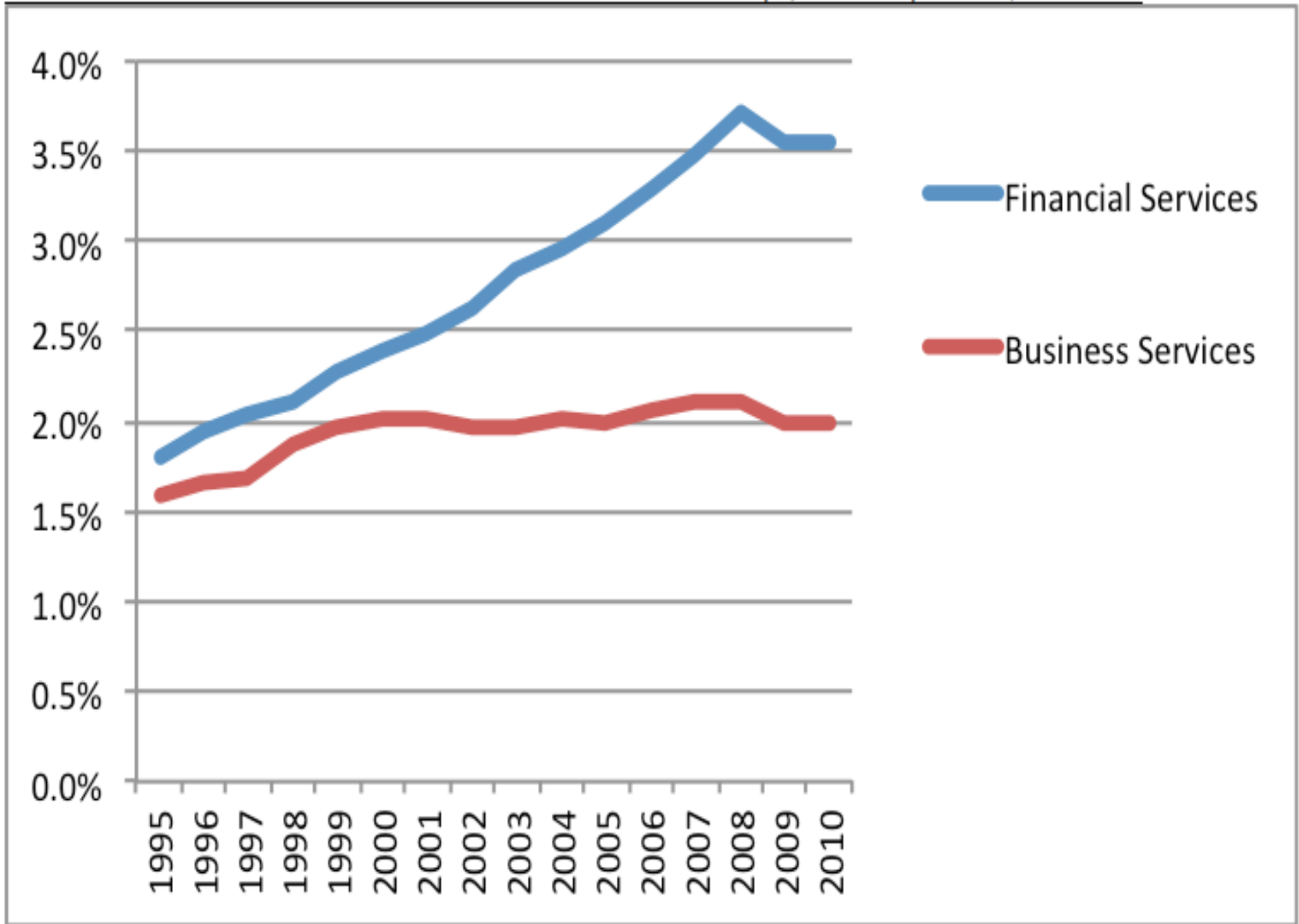
Source: Oxford Economics/City of London



## Percentage growth in financial/business services, 1992-2008

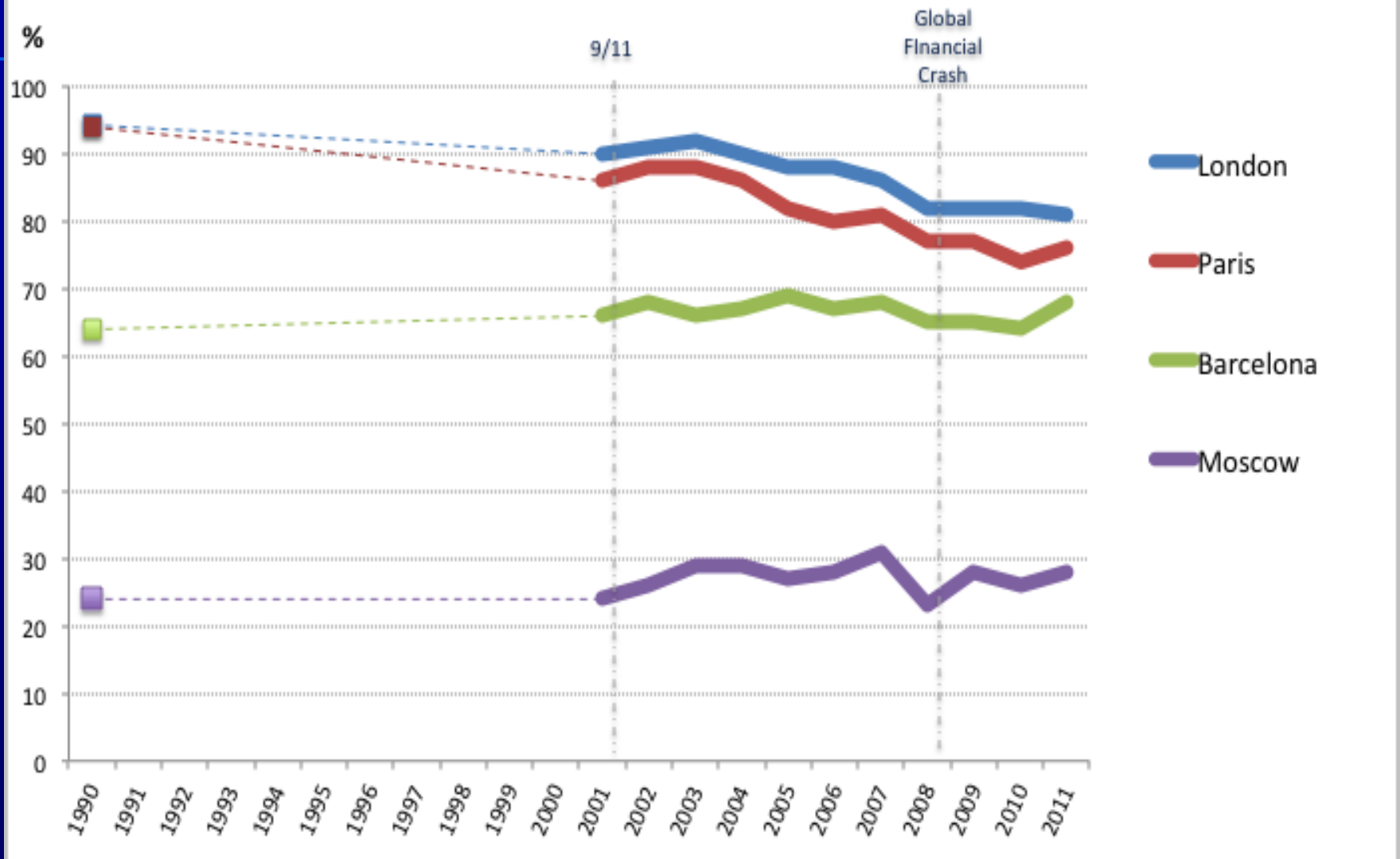


London's GVA share of financial and business services as a % of Europe, US and Japan total, 1995-2010



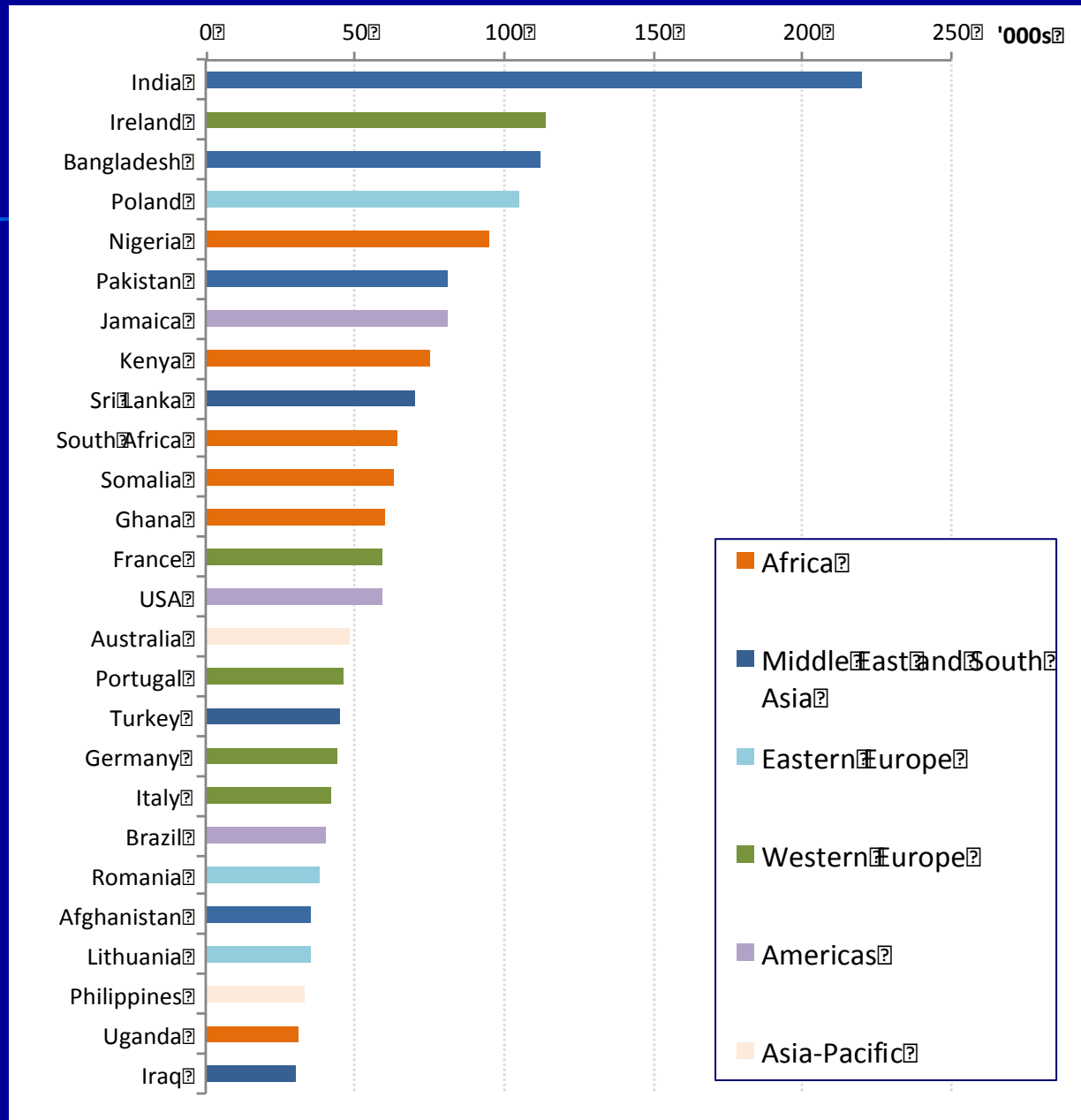
# Familiarity with London as a business location among senior European executives over past two decades, compared with other continental cities

(Source: Cushman & Wakefield, European Cities Monitor 1990-2011)



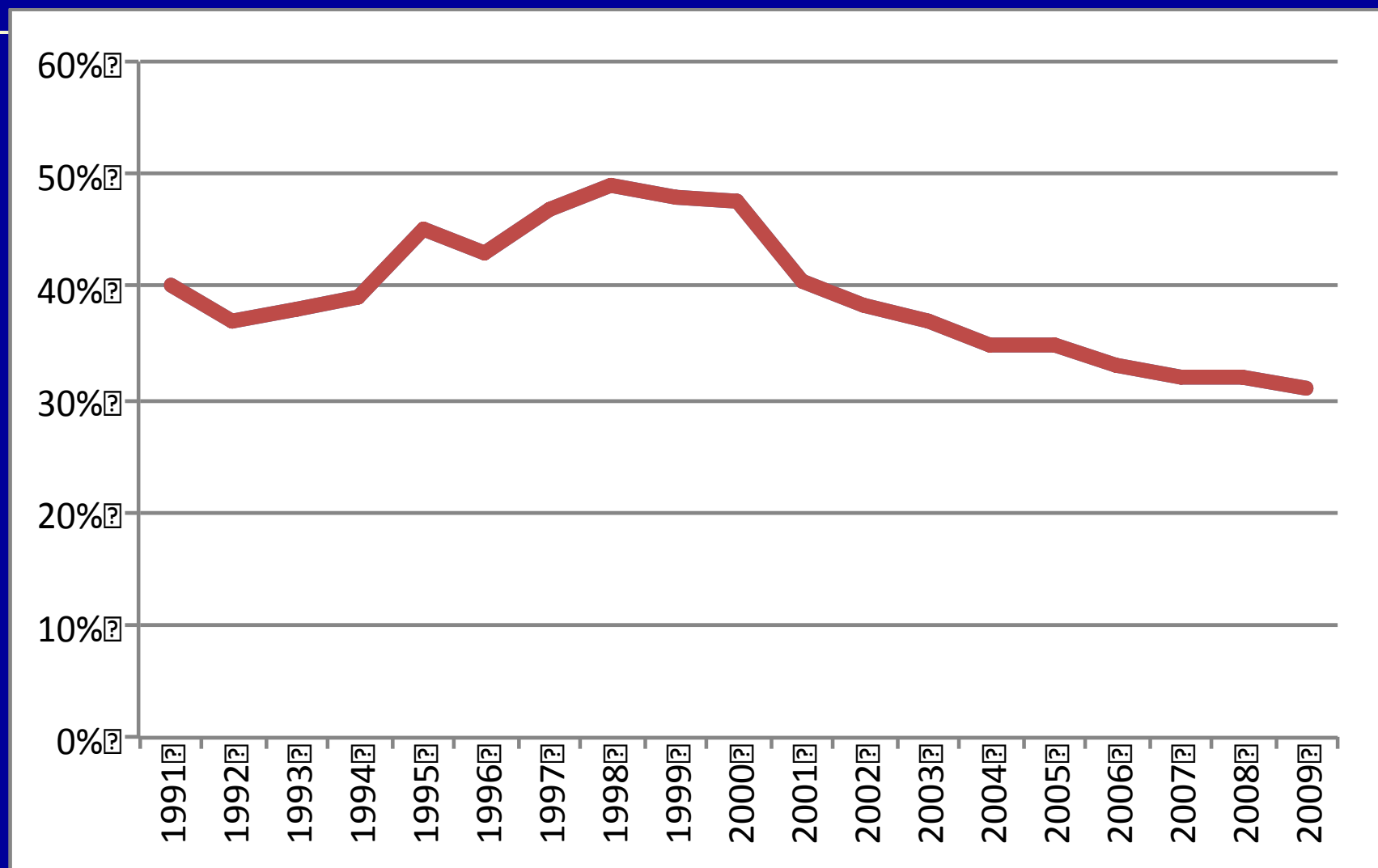


# London's internationalised population



Source: 2009 Annual Population Survey

## Percentage of international migrants to the UK locating in London, 1991-2009



	Cushman & Wakefield – 2011 European Cities Monitor	FDI Top European Cities of the Future 2010/11	Buck Consultant Tech Cities Index	La Salle European Real Estate Growth Index 2010	ULI, Real Estate 'Emerging Trends '2011 – Investment Prospects	ULI, Real Estate 2011 – Dev'mt Prospects	C+W 11, European Cities Monitor, 'Internal Transport'	C+W 11, European Cities Monitor, 'External transport links'	C+W 11, European Cities Monitor, 'Quality of Life'	Saffron European City Brand Barometer	Siemens European Green City Index	Euro-barometer, Support for foreign population s in city, 2009	Euro-barometer, satisfaction with outdoor recreation, 2009	Euro-barometer, satisfaction with public transport, 2009
No of Cities ranked*	34	25	30	104	27	27	34	34	34	72	30	75	75	75
London	1	1	2	1	3	2	1	1	10	2	11	24	34	31
Paris	2	2	1	4	4	7	2	2	8=	1	10	8	56	12
Frankfurt	3	8		20	8=	13	11	3	26	11=				
Berlin	5	16	5	55	7	10	3	11	16	16=	8	36	32	40
Barcelona	6	5	16	51	23	24	6=	12	1	3=		61	59	35
Madrid	7	11	6	46	22	25	5	7	5	9	12	65	54	23
Milan	12		15	34	16	16	24=	16=	22=	7=				
Brussels	8	9		29	20	20	17=	5	14		9	64	50	50
Stockholm	13	4	18	5	5	6	4	23=	2	11=	2	2	7	5
Vienna	23	7	29	12	13	12	20=	21=	8=	7=	4	59	21	2
Munich	9	17	7	3	1	3	6=	8=	6	3=		40	5	8
Moscow	33	3		2	12	9	32	25=	34					
Zurich	10	15	10	9	11	5	9	8=	3		6			
Amsterdam	4	12	11	30	21	19	12=	4	13	5	5	9	18	17
Dublin	20	6	30	21	27	27	26=	25=	21	19	21	20	33	39
Helsinki	26	23	23	14	8=	14	23	31=	24=	43=	7	31	2	1
Copenhagen	24	13	8	8	14	15	14	14	7	26=	1	5	11	13
Manchester	16	24	9	36			9	8	26	47=		47	35	53
Istanbul	22			25	7	1	34	21=	31		25	50	66	55
Warsaw	21	22		22	10	4	29	28	32	56	16	15	53	43

### 3. London's governance 1992-2012

#### 1991-2000 – filling the vacuum of strategic policymaking

- More engagement from national govt and leading business institutions
- **London Forum** and **London First** led more inclusive institutional setup
- Strategic initiatives based on a pragmatic and partnership based platform
  - **London Pride Partnership**
  - Consensual cross-party approach to planning dilemmas fostered.
  - **City of London** re-established as a valued and trusted partner

#### 2000 – present: Mayor as Ambassador

- GLA boosted London's spatial planning powers - **London Plan**
- Mayor derives economic and transport strategies with operational impetus.
- BUT** limited resources, weak powers for housing, education, infrastructure
- Governance remains highly complex. Central govt wields most power

Overall governance platform for economic development has decisively improved. London now possesses viable housing, regeneration, and promotional functions

# Key strategic studies

Year	Name	Author(s)
1991	London: World City	LPAC
1992	City Research Project	City of London Corporation
1993	London - Making the Best Better	Department of the Environment
1995	London Pride Prospectus	London Pride Partnership
1996	Four World Cities - A Comparative Study of London, Paris, New York and Tokyo	Department of the Environment/ Government Office for London
1996	Strategic Guidance for London Authorities	Government Office for London
1996	A Competitive Capital: The Government's Strategy for enhancing London's Competitiveness	Government Office for London
1999	The London Study	Association of London Government and the European Union
1999	London: The Knowledge Capital	London Development Partnership
Creation of the GLA		
2001	Mayor's Transport Strategy	Greater London Authority
2002-present	London's Place in the UK Economy	LSE
2003	London analytical report	Cabinet Office, Prime Minister's Strategy Unit
2004	London Cultural Capital: Realising the potential of a world-class city	Greater London Authority
2004	London Plan	Greater London Authority
2004	London Project Report	Cabinet Office, Prime Minister's Strategy Unit
2005	Sustaining Success: the Mayor's Economic Development Strategy	Mayor of London/ London Development Agency
2006	Transport 2025: Transport vision for a growing world city	Mayor of London/TfL
2007	The Mayor's Climate Change Action Plan	Greater London Authority
2010	Mayor's Economic Development Strategy	Greater London Authority
2010	Mayor's Transport Strategy	Greater London Authority
2010	Mayor's Housing Strategy	Greater London Authority

“London is a magnet to visitors and business from across the world...[we] will convene a new private sector forum to promote London internationally as a business, tourist and cultural centre... [and] we will support the vigorous cultural life of the capital.”

“London will benefit from new trains and reduced overcrowding on its commuter services. We [will] build a new East-West Cross-rail tunnel and extend the East London Line”

“We will abolish the Government Office for London as part of our plan to devolve more power downwards to the London boroughs and the mayor of London.”

1992

1997

2001

2005

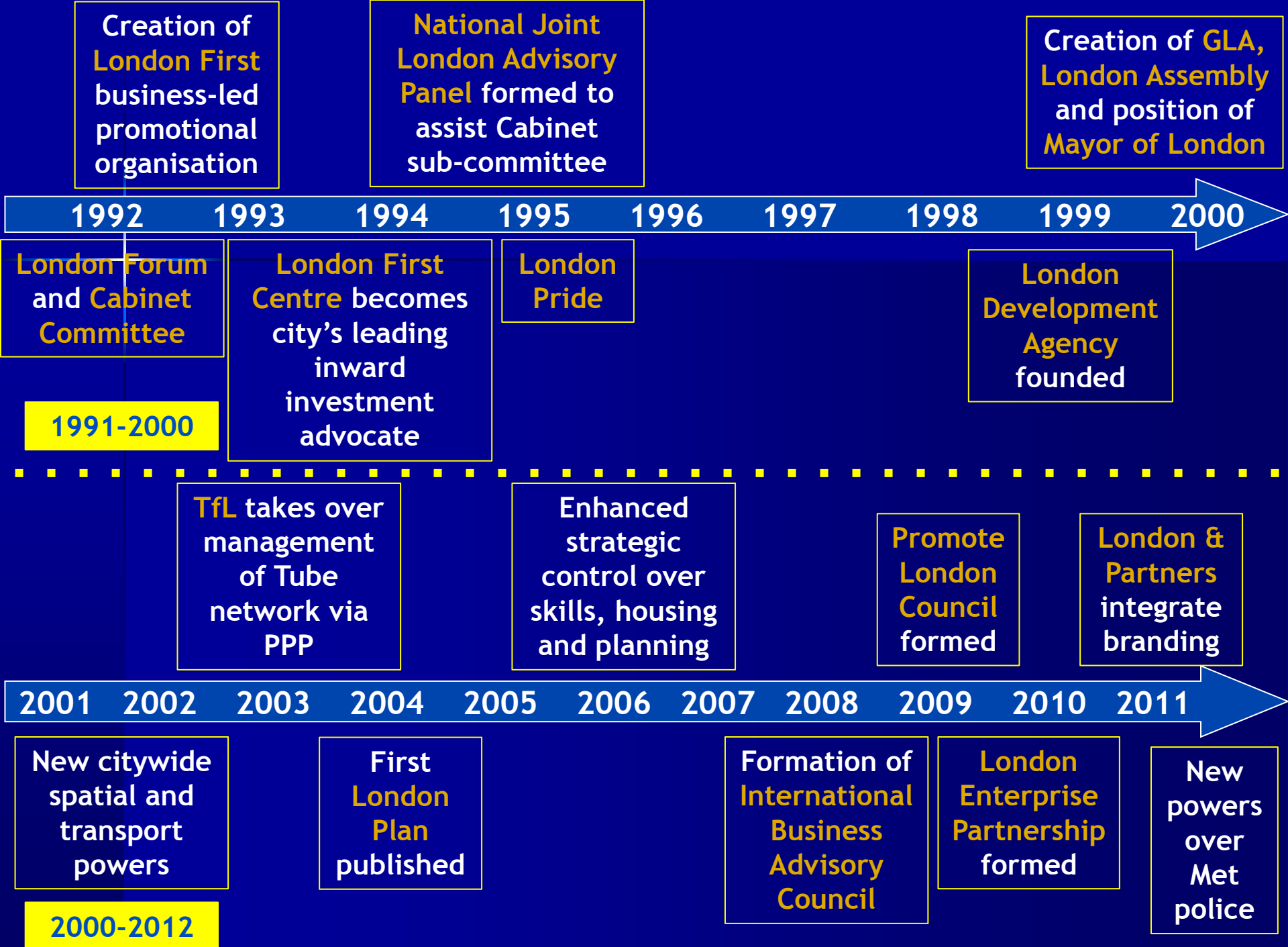
2010

“London is the only Western capital without an elected city government... there will be a new deal for London, with a strategic authority and a mayor, each directly elected.”

“we will invest in extra housing in London and the wider South East, with particular emphasis on the Thames Gateway”

**MANIFESTOS  
FOR  
LONDON**







# London's governance: what they say

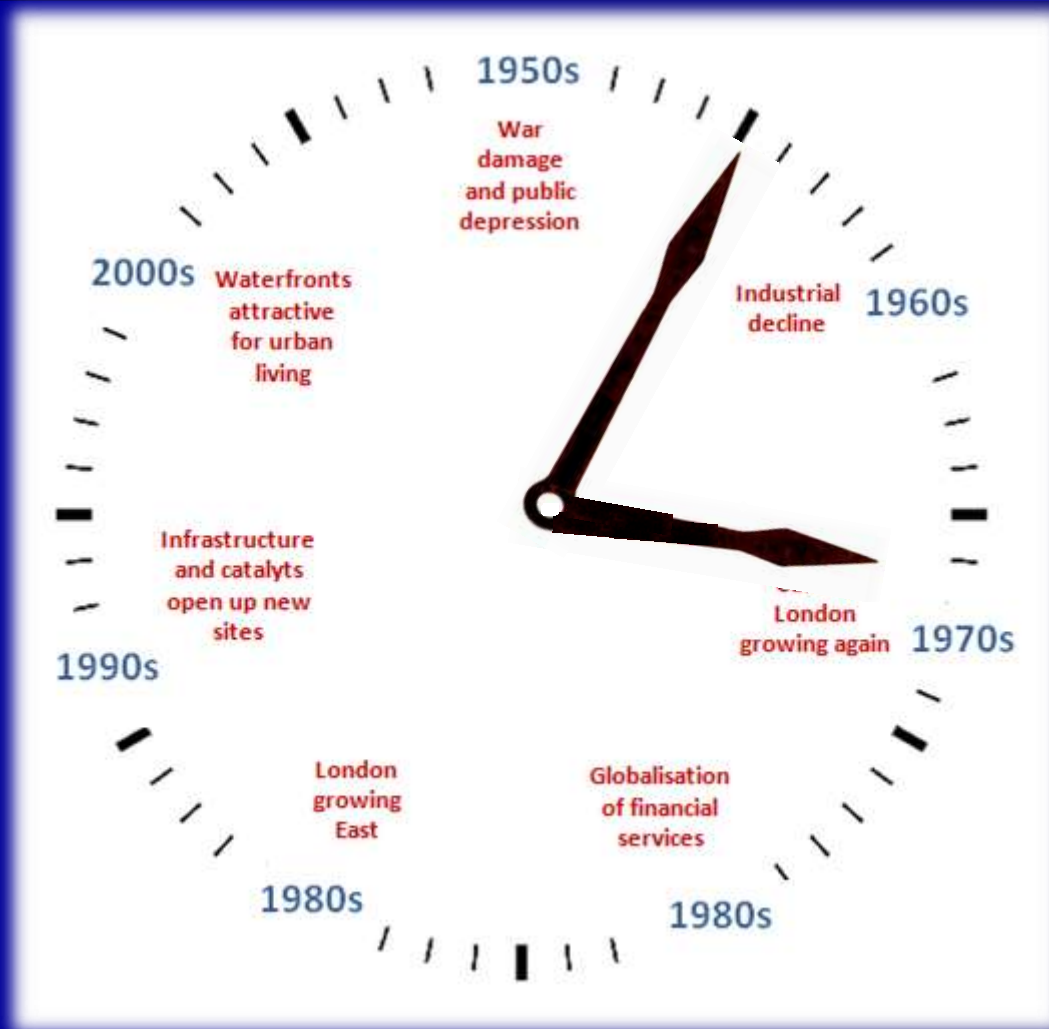
"The London Mayor has proved to be brilliantly effective in 3 ways; promoting London internationally, co-ordination of activities within London, and making the case for London to central government."

Sir Peter Hall

"Compared to New York City, London's major problem is inadequate investment in infrastructure such as trains. New York has also pulled ahead on liveability and city management, and support for entrepreneurs and small businesses."

Professor Susan Fainstein, Harvard University

### 3. The Context Of London's Regeneration



### 3. Urban development and regeneration in London 1992-2012

Ambitions spurred by the need to **compete as a global city**, desire to **assert creative industry leadership**, obligation to **achieve sustainable development**, and pressure to **create genuinely liveable urban spaces**.

- **Docklands** redevelopment's ultimate success restored confidence to the Central London Business Offer, The UK's Urban Regeneration model, Thames Gateway vision, and numerous regeneration schemes.
- **Millennium celebrations** – The Dome, the Bridge and the Wheel
  - New south-of-the-river dimension to tourism, socio-cultural life, and regeneration
- **Success in transport connectivity** and urban regeneration informed ambition to host the **Olympic Games** in East London
  - a once-in-a-century opportunity to transform the Lower Lea Valley
  - the Olympic Park
  - up to 50,000 extra jobs potentially sustained in surrounding boroughs

# The Five Phases Of London's Waterfront Regeneration



Phase 1 (1951 – 1980): The Regeneration Of The South Bank Phase 1



Phase 2 (1980 – 1995): Docklands Phase 1



Phase 3 (1997 – 2001): Millennium And South Bank Phase 2



Phase 4 (2002 – present): The Thames Gateway And The Olympics



Phase 5 (2012 – 2018): Stratford And The Thames Gateway

### 3. Urban development and regeneration in London 1992-2012 (cont.)

Recognition of catalytic regeneration properties of **station infrastructures**

- redevelopment of stations = opportunities for investment, local employment
- e.g. **St. Pancras** International Station

Focus on **sports-led regeneration**

- construction of **Emirates stadium** model of international best practice
- new **Wembley Stadium** catalyst for ambitious district regeneration

Creation of high-quality **shopping and recreation** experiences.

- Mega-retail sites: **Bluewater**, **Westfields**, upgraded **Brent Cross**
- Rejuvenation of local commercial hubs – thriving cluster of **BIDs**

New **transport projects** set to come on-line – led by **Crossrail**

Strategic goals moved towards enabling infrastructures that support whole market, large scale projects, 'opportunity areas'



## 4. World city performance in 2012

### Main Developments

- The 'big four' world cities is now a 'big six' - joined by Singapore and HK
  - Shanghai, Beijing and Seoul now genuinely competitive
  - Other Asian powerhouses are struggling (Mumbai, Jakarta, Bangkok)
- Divergence in Europe (Barcelona, Stockholm, Zurich shine, Rome/Milan decline)
- North American success depends on human capital (Chicago, Toronto)
- Sao Paulo is Latin America's most prominent business hub, ahead of Mexico City

### New areas of competition between world cities

- R&D and innovation – critical to economic vitality and intellectual influence
- Sustainability and climate change mitigation – European cities are pioneers
- Human diversity - cause and effect of strong scientific and cultural amenities
- Emergence of 'smart' cities – citizen-centric technologies

## Top global cities on comprehensive indexes in 2010-12

#	City	GCI (ATK)	GPCI	GUCP	CoO	GCI (KnF)	Total	+/- since 2008
1	New York	1	1	1	1	1	5	+1
2	London	2	2	2	6	2	14	-4
3	Tokyo	3	4	3	14	4	28	-7
4	Paris	4	3	4	8	3	22	-4
5	Singapore	8	5	8	9	7	37	+3
6	Los Angeles	7	13	7	12	6	45	-6
7	Hong Kong	5	8	10	10	17	50	-1
8=	Chicago	6	26	5	7	11	55	-5
9=	Seoul	10	7	9	16	13	55	0
10	San Francisco	12	21	6	3	16	58	+3
11	Toronto	14	25	23	2	9	73	-13
12	Sydney	9	11	46	5	15	86	+13
Big movers further down...								
	Boston	19	16	18	-	29	82*	+13
	Beijing	15	18	59	17	8	117	+15



## 4. World Cities today

A much wider group of cities function as nodes global economy, of environment, information systems, infrastructure and of leisure and culture than in 1991

### New competitive terrain:

- The quest for **quality of life** remains a key overarching goal, uniting all stakeholders
- Most need to address ongoing **substantial infrastructure deficits**
- Pressure to **increase, through innovation, the investment rate** in new cycle
- **Demographic change** shapes revenue potential + service delivery demands
- Enduring **local government constraints** and inflexible political structures
- **Role of sustainability and smartness** – low emissions *and* fiscal efficiency
- Rearticulate **relationships with national and supra-national systems.**

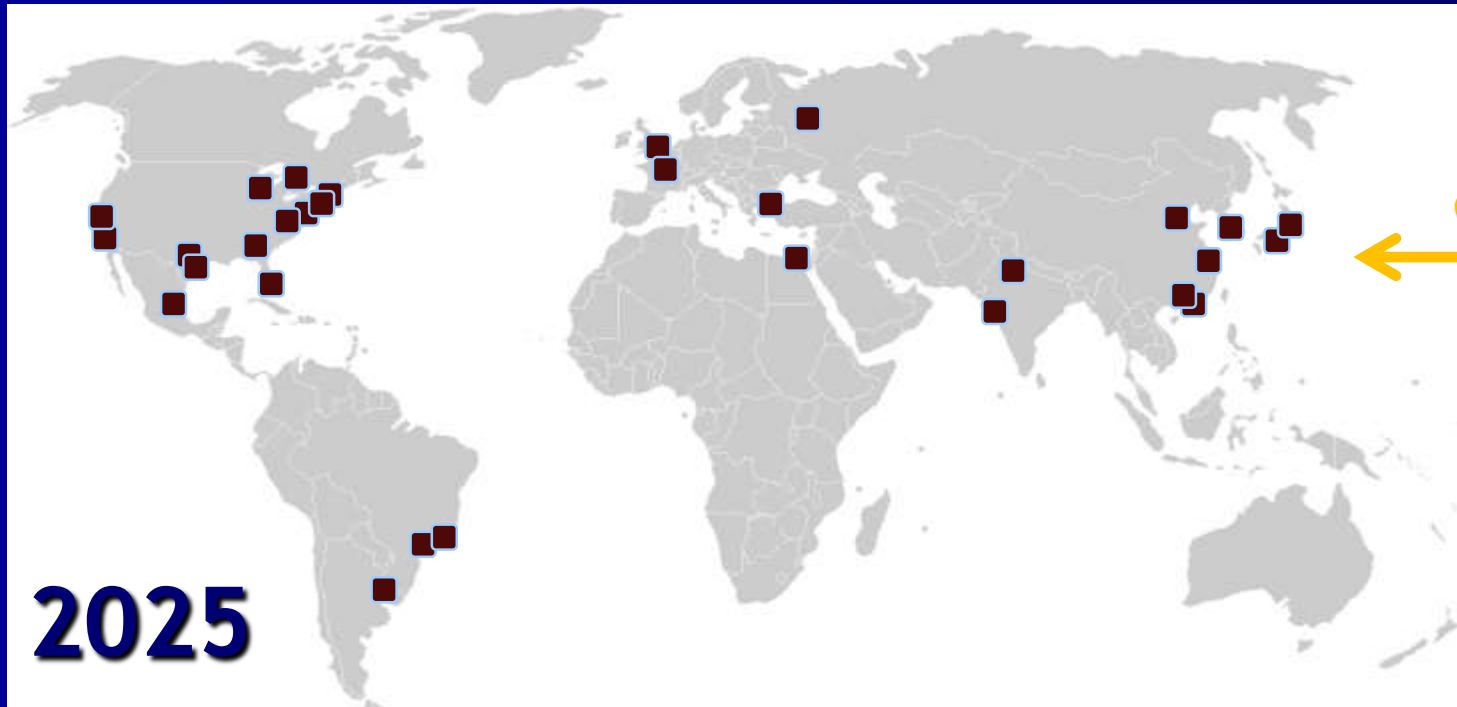
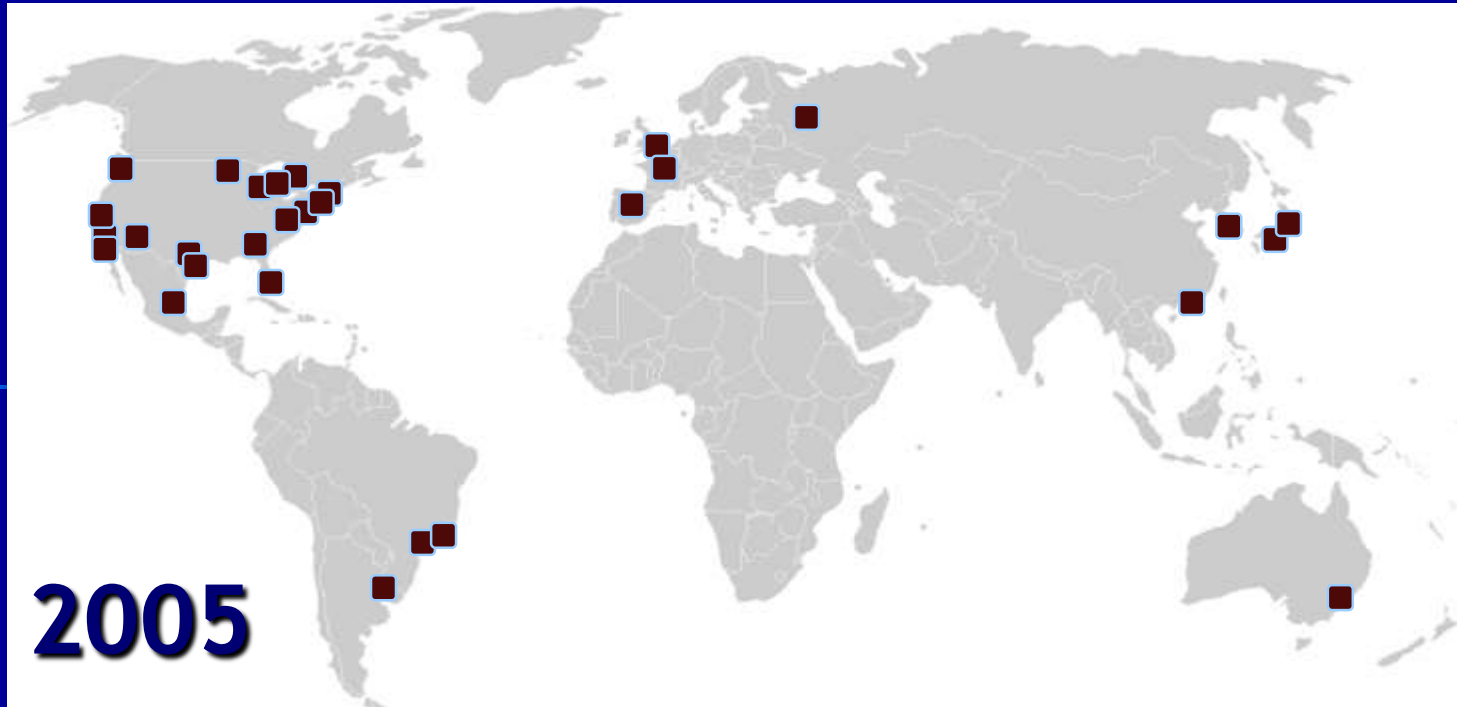
## 5. London outlook: potential for success

- i. **Financial services** position stable due to legal system, language, location, corporate governance, service and infrastructure ecosystem
  - ◆ Plans for Chinese yuan and Islamic finance
- ii. **High export-focused**, flexible economy capable of aligning quickly
- iii. **Enduring strengths** in IT, media, medicine, cultural industries
- iv. **Few** lifestyle/qualification risks for relocating businesses
- v. Proven capacity to achieve **productivity gains** through sound management
- vi. World's best regional **higher education provision**
- vii. **History of open-ness**; one of the most successfully diverse city societies in the world, enables adaptation to challenges of business, trade and expertise.
- viii. **Decades-old business culture** = ideal environment for entrepreneurship
- ix. Exceptional **brand awareness and sense of place**, boosted by 2012

## Metropolitan GDP forecasts of 8 wealthiest cities in 2025 (Source: McKinsey Global Institute 2011)



**30  
richest  
cities in  
the  
world by  
GDP**



**6 new  
cities in  
the  
Eastern  
Hemi-  
sphere**

Source:  
PwC (2009)

## 5. London outlook: challenges and opportunities

### **Matching population to new cycle of growth and investment**

- large low skilled population struggles to participate in knowledge economy
- Many areas lack a clear and communicated economic identity
- Limited ability to leverage investment to meet market demand

### **Limited capacity to nurture innovation on a wide scale**

- moderate higher education enrolment, maths/science attainment, literacy
- limitations in school-age education constrain scalability of innovation base

### **Modest quality and affordability of housing and transport**

- high costs and uncomfortable commuting experiences affect quality of life

### **Sustainability**

- Deficiencies in waste management, carbon efficiency and health services, especially compared to European counterparts, risks in flooding, sewage

# London's outlook: what they say

"The agenda for London is incomplete: housing, airports, infrastructure, young people, all need urgent attention"

Sir Peter Hall

"Asia's leaders and elites see London as a very important city, a bridge into Europe, and also possibly into North America. But London's infrastructure does not support its global roles adequately. Greater investment and speed is required."

Professor Michael Enright, Hong Kong

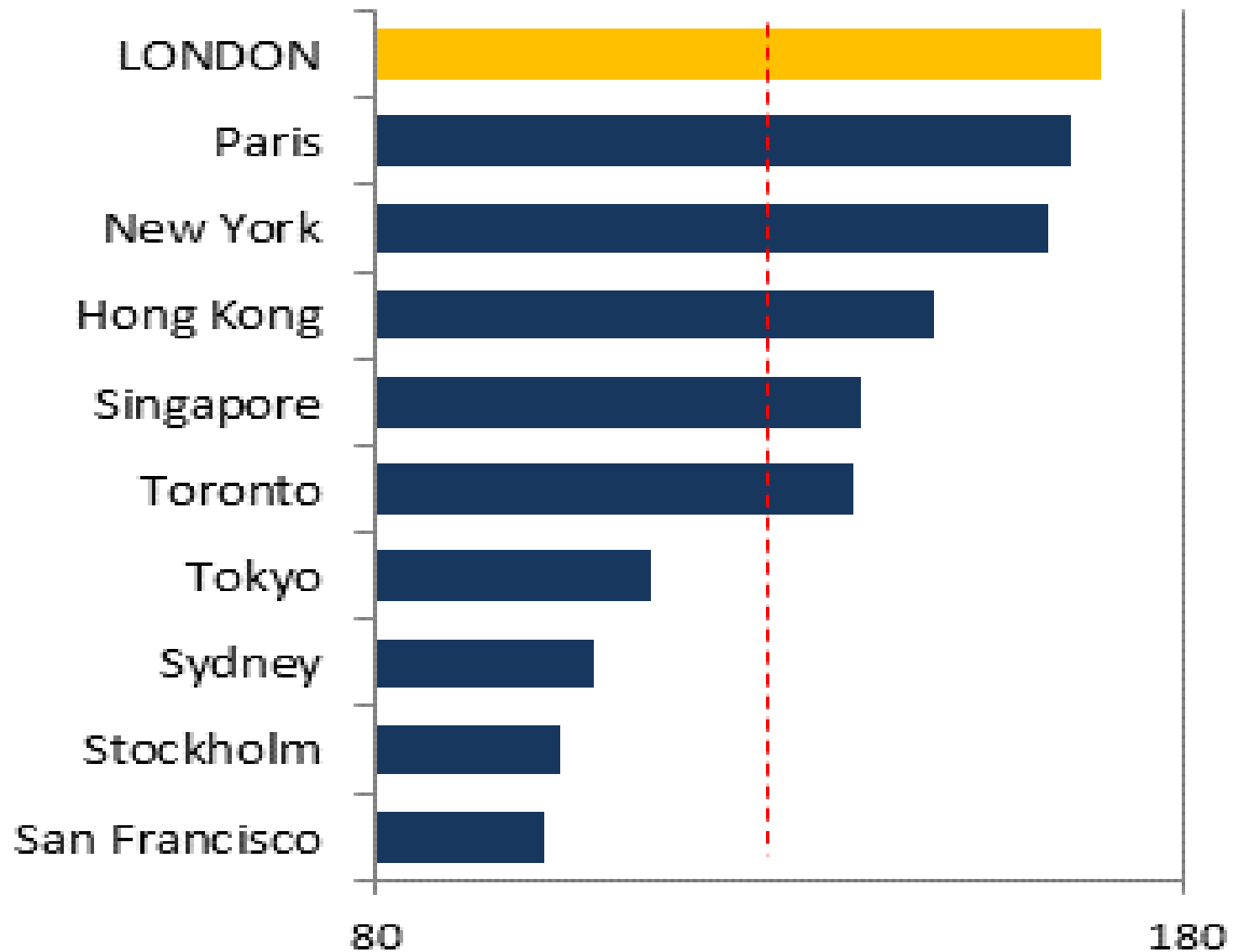
"London's challenge today is one of adjustment and improvement, it must achieve improved liveability and better transport."

Dr Lui Thai Ker, Chairman, Centre for Liveable Cities, Singapore

"Affordability and supply of housing is the key issue. It will need major increases in private rented housing supported by institutional investors, and this could work if the right steps are taken. Using publicly owned land in London must be part of the solution."

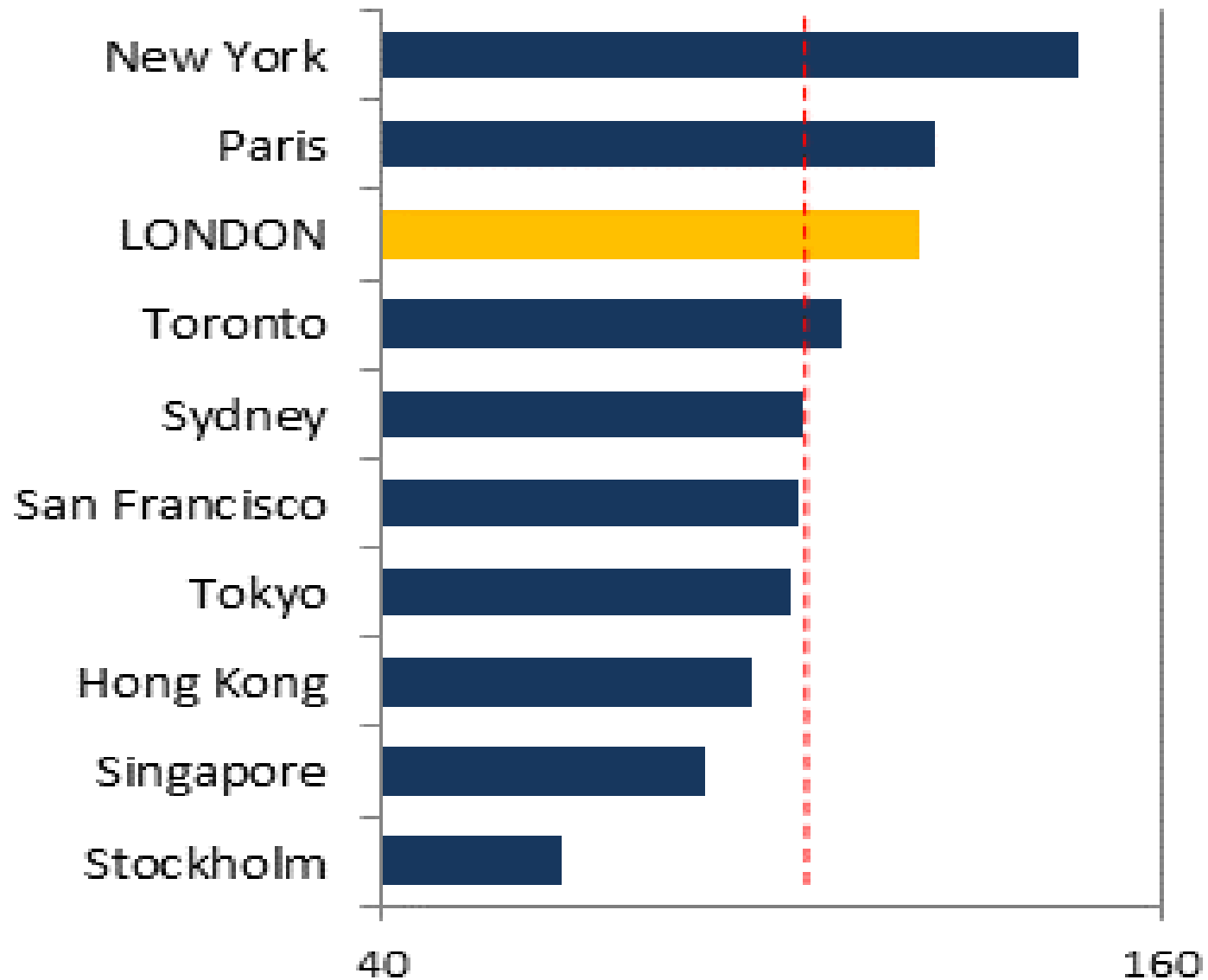
ULI workshop

## Economic Clout

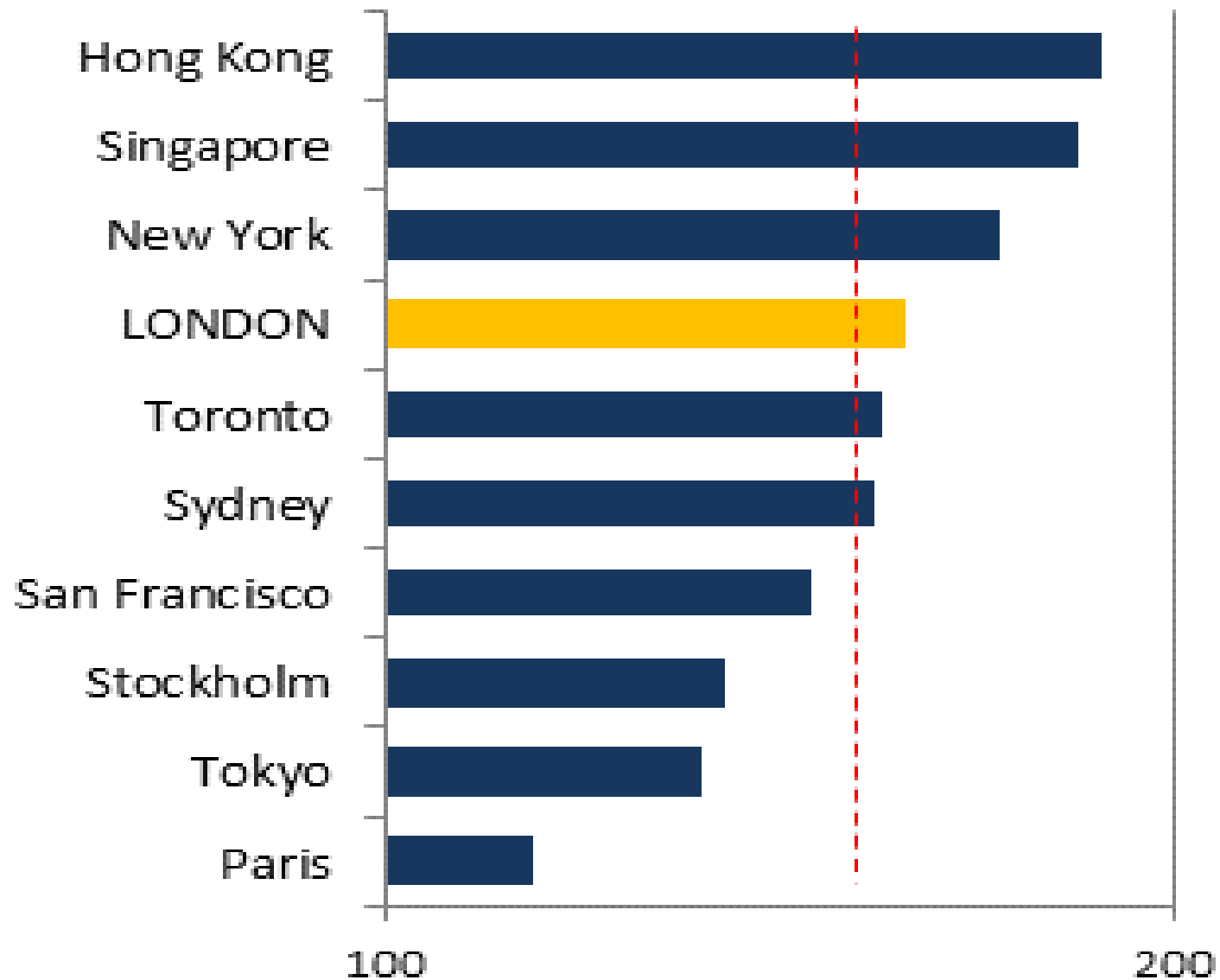




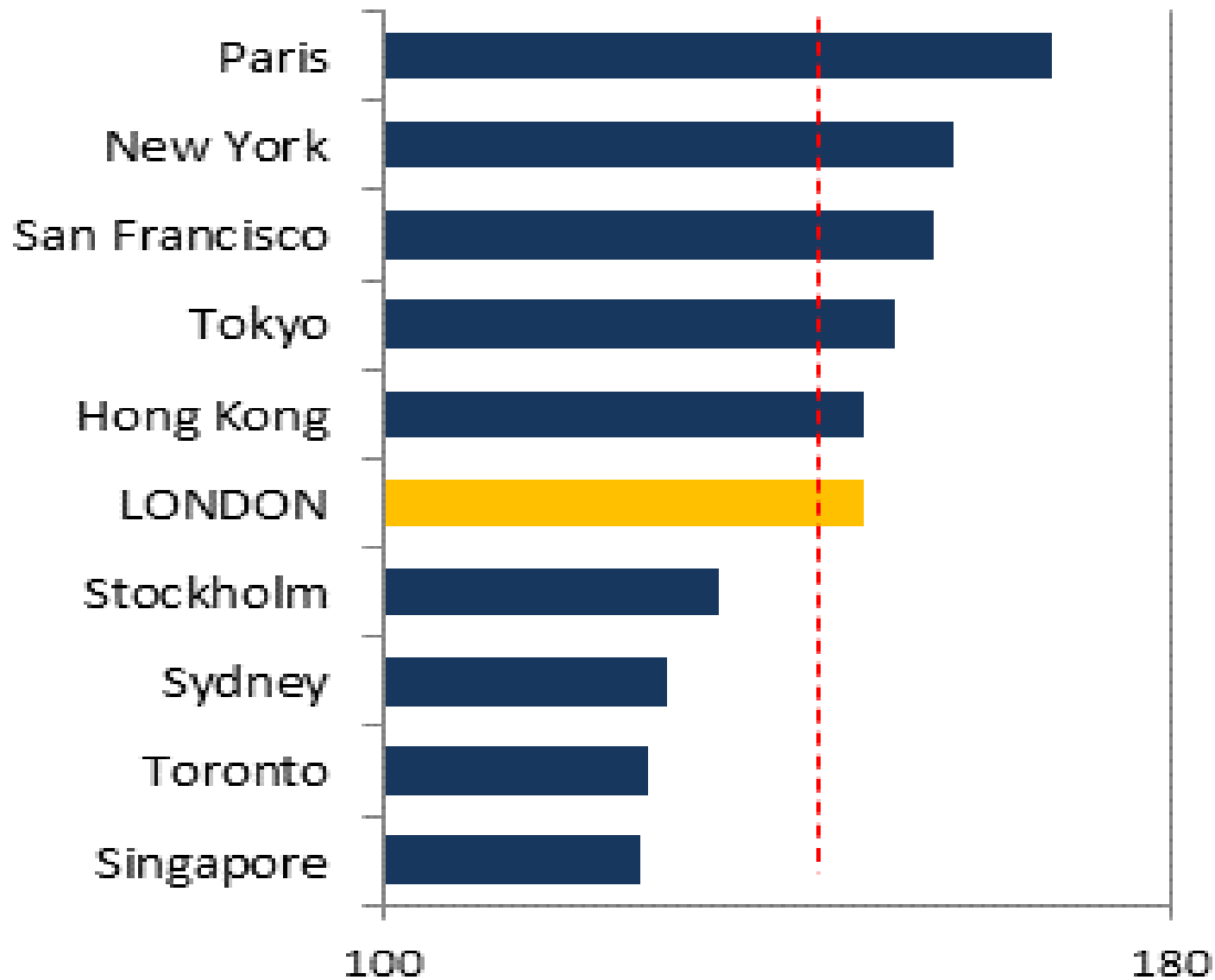
## Lifestyle Assets



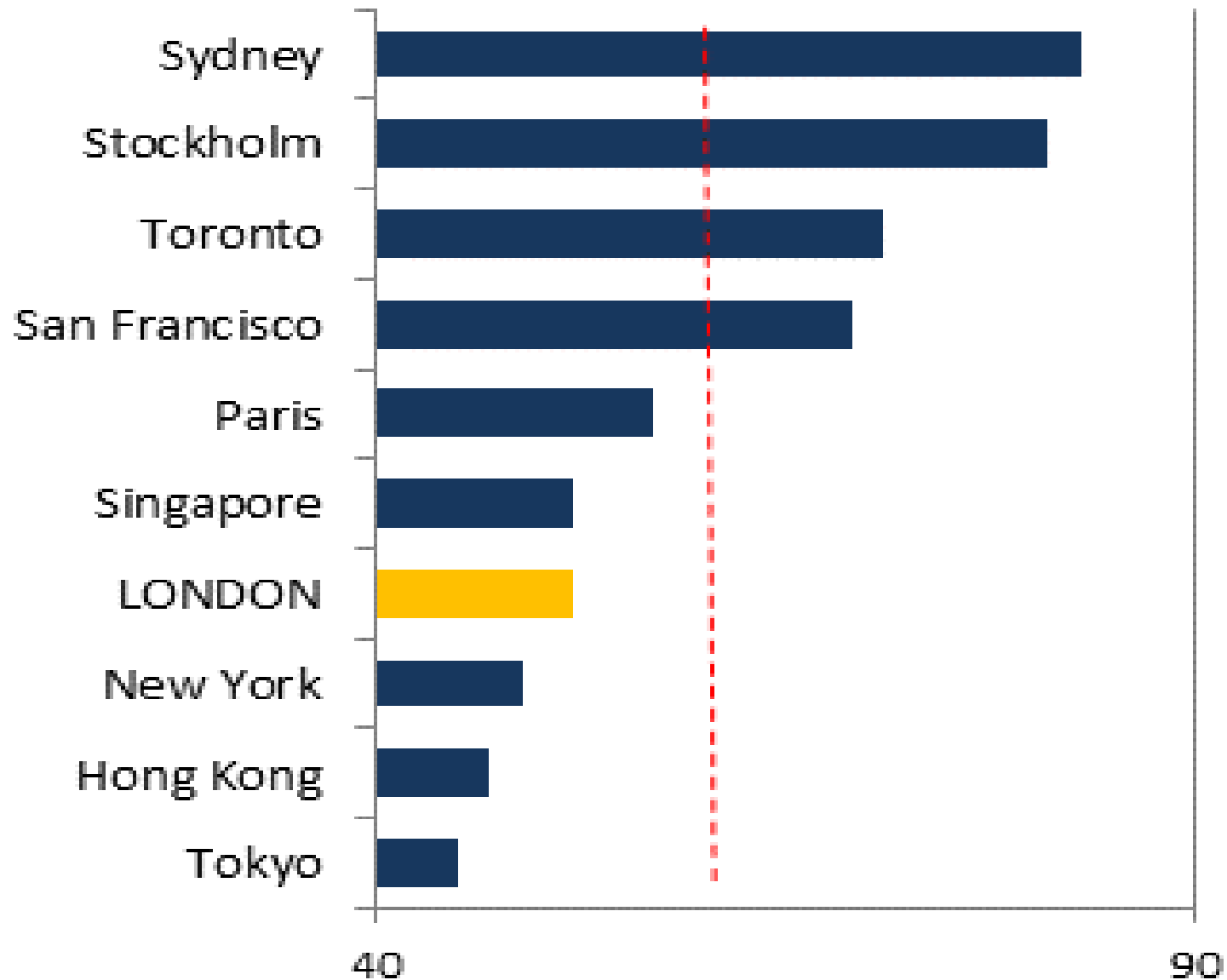
## Ease of Doing Business



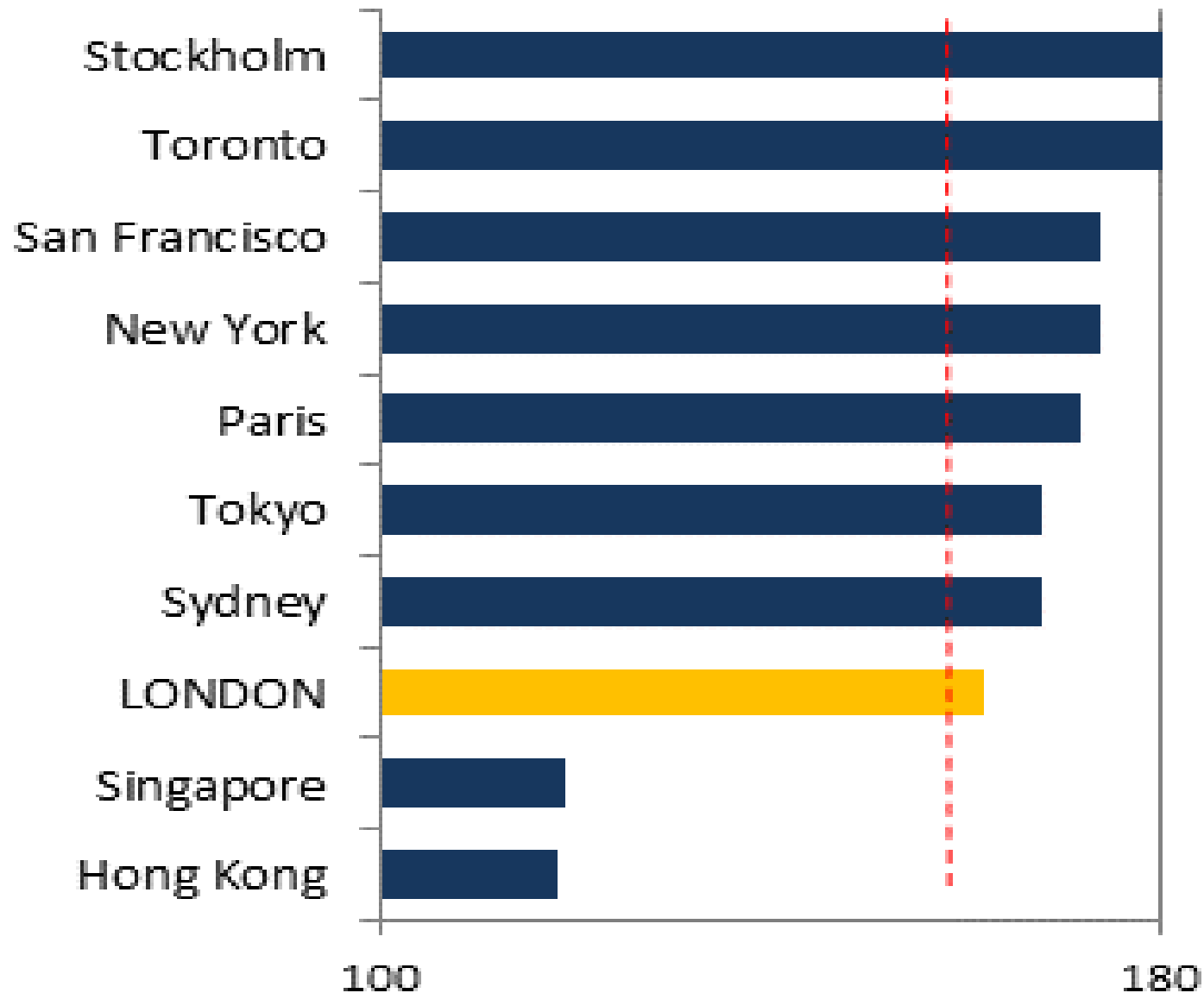
## Transportation and Infrastructure



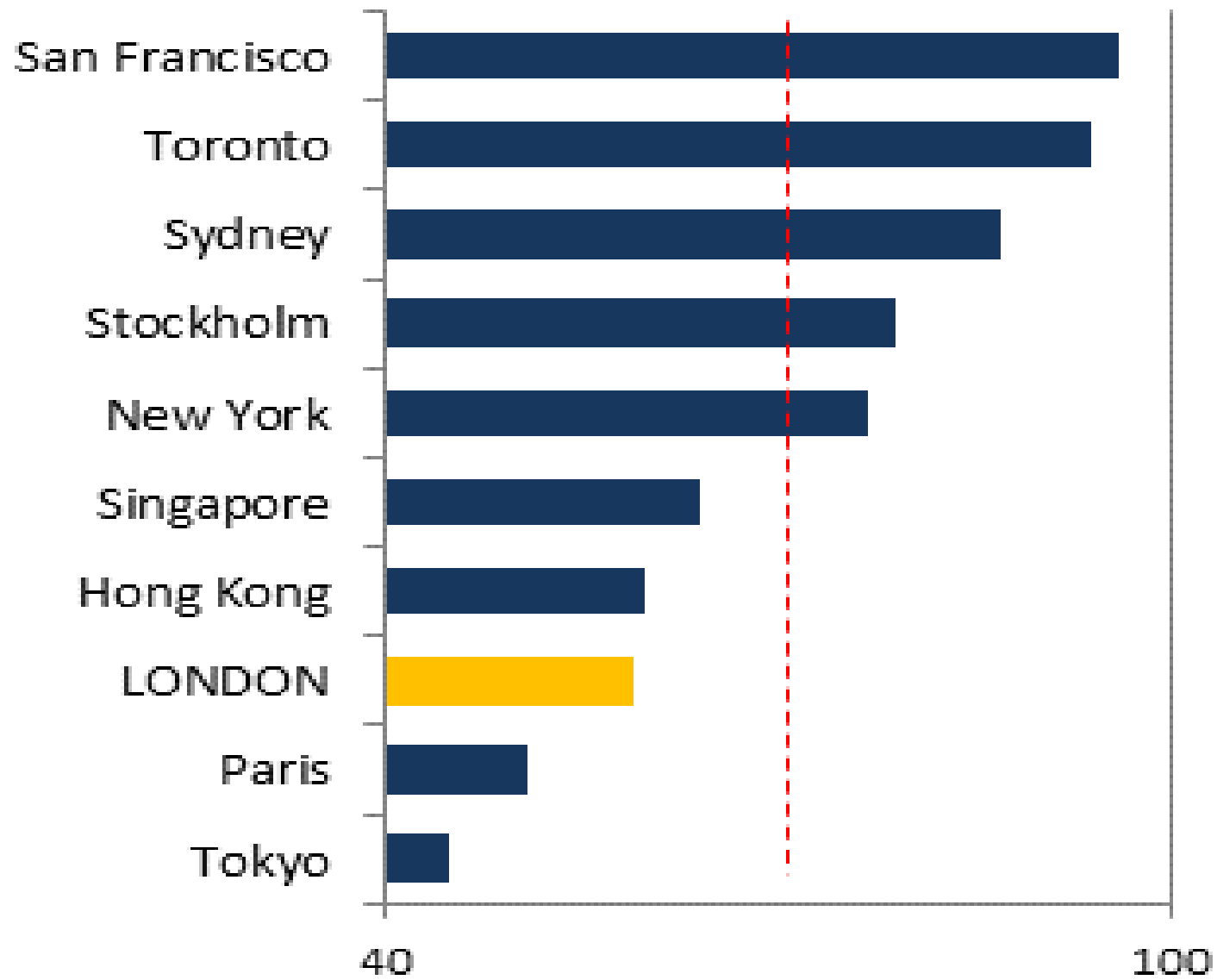
## Sustainability



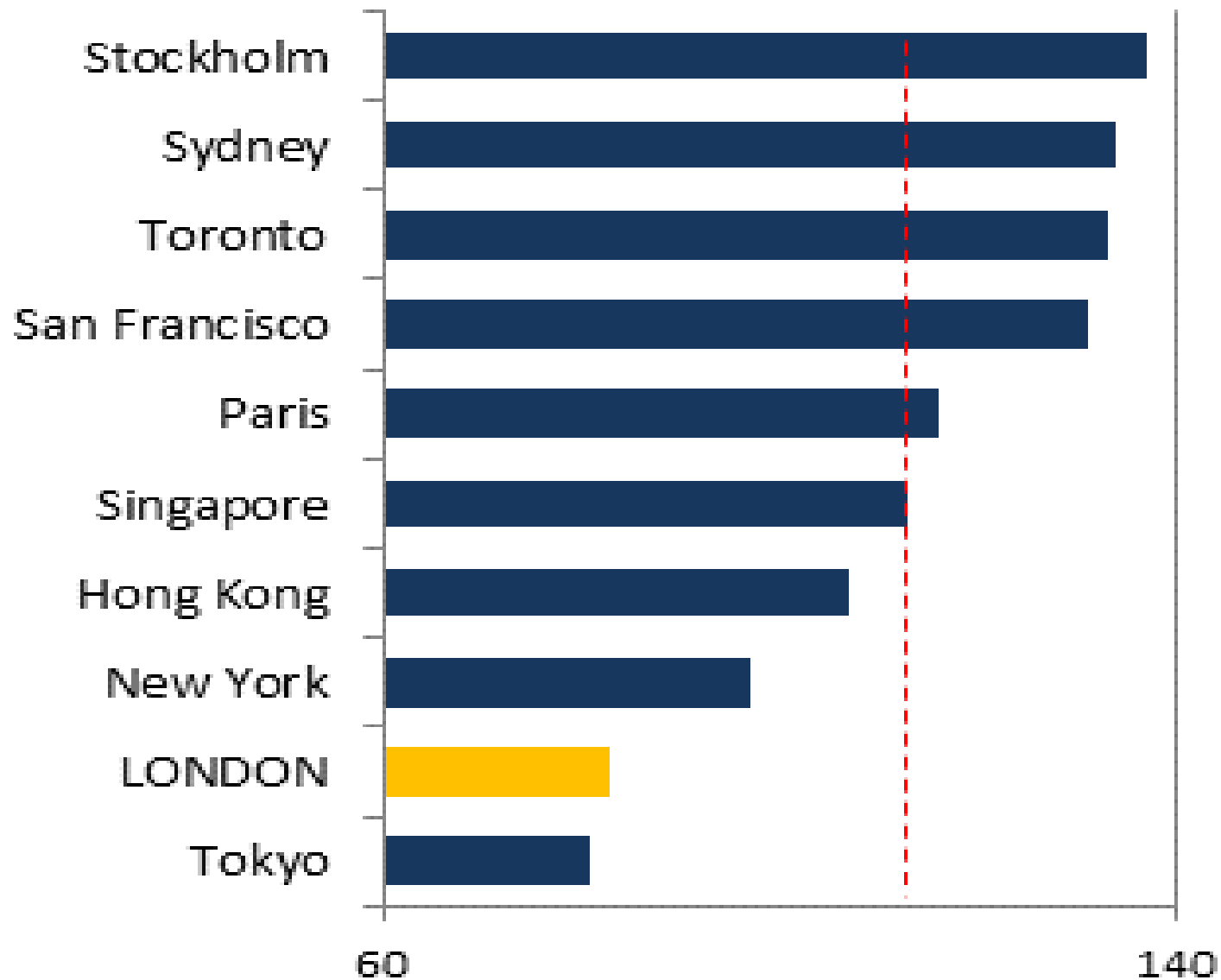
# Intellectual Capital and Innovation



## Costs



## Demographics and liveability





## 6. London's success since 1991 has been based upon:

- i. Historical endowment - time zone, language, law, and standards
- ii. Openness and diversity
- iii. Identity, reputation, brand
- iv. Business base and spirit
- v. Leadership, new governance, and government support
- vi. Universities
- vii. Connectivity
- viii. Culture, place, and street life
- ix. Capacity for reinvention.
- x. Governmental alignment

## 6. Major challenges facing London for the next 10 years

- i. Re-positioning London in the new global scene: updating.
- ii. Infrastructure and Airports. speed and rate.
- iii. Open-ness, tax, and regulation: visas and 50% and Tobin.
- iv. Economic character and balance: perception and reality.
- v. Housing: address the whole market, supply side constraints.
- vi. Skills / Education: productivity challenge
- vii. Security and liveability: crime, costs, housing
- viii. Maintaining UK support for London's global roles
- ix. City Gov powers, and the regional scale and solutions
- x. Making the most of East London; people and place

## 6. What can London draw from other world cities?

- |       |   |                      |
|-------|---|----------------------|
| i.    | Airport solutions                                 | Hong Kong            |
| ii.   | Regional planning and investment funding          | Paris                |
| iii.  | Innovative housing investment                     | Amsterdam, Stockholm |
| iv.   | School system with high immigrant achievement     | Toronto              |
| v.    | Economic diversification and embrace of science   | New York             |
| vi.   | New solutions to crime, green space + liveability | New York             |
| vii.  | Global open-ness and talent attraction.           | Singapore            |
| viii. | Business climate and taxation practices           | Zurich, Hong Kong    |
| ix.   | Global brand and positioning                      | Shanghai             |
| x.    | Empowering metropolitan government                | Tokyo                |