

London's growth:
how to pay for new infrastructure

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London's growth switchback

- Long-term decline in Greater London population from 1939 to 1985
 - down from 8.3 million to 6.7 million
 - public policy; individuals' choice
 - sharpest falls in inner London; growth in OLBs
- Sharp (unexpected) growth since 1985
 - up from 6.7 million to 7.5 million
 - has grown 'by a city the size of Leeds'
 - fastest growth in ILBs, but changes in OL also

Current projections

- Population to rise
 - from 7.5 million to 8.1 million (2016), then 8.3m
- Employment to rise
 - from 4.5 million (2006) to 5.4 million (2025)
- Most of employment in centre/City/east fringe
- Most of population in east London
 - north and south of river

Service and infrastructure needs

- Numbers
 - an additional 600,000 by 2016, more to follow
 - 2 or 3 ‘new’ boroughs
 - on top of 800,000 since 1985
 - ‘illegals’ could add to these figures
- Types of people
 - younger
 - disproportionate numbers of children
 - net addition of 100,000 non-British born per year
 - mixture of self-reliant singles and potentially-dependent families

Infrastructure needs

- 100+ schools
 - pressures already in several boroughs
- Several new major hospitals
 - also GPs, surgeries, medical centres
- Transport/road network
 - East London line, Thames Gateway bridge, tramways (?), national rail extensions, Crossrail (?)
- gas, electricity, water, sewers demand

Patterns of settlement

- *London Plan* projects growth in new homes in east and central London
 - but, unlikely to keep pace with population
- Likelihood people will change traditional settlement patterns
 - new migrants increasingly going to outer London
 - growing, younger, population lives at higher densities per property
 - difficult to be certain where they will go?

Growth of employment

- *London Plan* projects this towards existing centre, City, City Fringe, Thames Gateway
 - central London ‘peak’ travel is constrained
 - no growth for 30+ years
- Serious likelihood fast employment growth will spread into outer London
 - pattern of recent years
 - major growth: Docklands (N and S), Croydon, Hammersmith,
 - Brentford/Chiswick/Hounslow, Wembley/Cricklewood etc

The UK planning model

- UK economy now relies on population growth via migration
 - similar to United States
- But, need to protect Green Belt, green land
- Also, government and Mayor accept ‘southward tilt’ to UK economy/growth
- Moreover, new developments must pay for some of own infrastructure etc (S106)

Implications for London

- Sharply rising population
 - 9 million.....10 million.....?
- Need to use up all ‘brownfield’ land
- Also, need to increase densities of buildings and people
- Also, must make new developments yield resources for ‘affordable’ housing etc
- Also, Mayor wants new housing ‘carbon neutral’

What this implies

- Far more ‘urban’ scale of developments on major sites
 - Paddington, Kings Cross, Stratford, Barking Reach etc etc...
- All ‘infill’ sites to take bigger, bulkier, buildings
- Using suburban sites for ‘city centre’ scale buildings
 - eg, Hendon, Hounslow, parts of virtually all outer boroughs

Paying for local infrastructure

- Whitehall will need to give resources for many key developments
 - Tube lines, hospitals, schools etc
- Boroughs, GLA/TfL could do more for themselves
 - Prudential Borrowing
 - but, need for revenue streams
 - importance of Lyons Inquiry

London's difficulty

- The existing local government finance system does not allow boroughs or the GLA to use higher tax (resulting from growth) take to re-invest in the expanding city's services
 - virtually full 'equalisation'
- Lyons should be lobbied to allow LBs and GLA to re-invest 'yield from growth'

The risks for London....

- Services, infrastructure fail to keep up with population growth
- This outcome would damage ‘quality of life’ for many people
- Risks of a polarised and politically-difficult population
- Money, as always, is the key to delivery

On a brighter note

- London is growing and popular
- Big cities need good public and private services
- Demand for these services will continue to grow
- Opportunities to change the city for the better, for new and existing populations

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