

BUSINESS LONDON



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PLACE COMMISSION

How should London's urban environment evolve
to help people thrive and business to succeed?

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Deloitte.

The Commission used research and analysis provided by Deloitte Real Assets Advisory to inform its deliberations, which the recommendations in this report are based upon.

1. CHAIR'S FOREWORD

Britain is fortunate to have an acknowledged 'world city' as its capital. But international cities operate in a highly competitive environment, and London's place in the hierarchy of world cities cannot be taken for granted. Some of London's success is down to intangibles, such as time zone, language and a widely respected legal system. Tangible assets also play their part through heritage buildings, modern business space and an effective transport network. But it is the mix that makes London special – culture, higher education, business, medical science, homes – overlapping uses in overlapping villages, creating places to make connections. A melting pot.

Much of this was threatened by the pandemic: the population of London dipped for the first time in decades; retail sales from shops fell dramatically; and offices emptied out as people worked from home. London temporarily became a hollowed-out husk of a city.

These changes are in the process of being reversed, but it is unlikely that all of them will be fully reversed. So, there will be change in London's urban environment, which prompted BusinessLDN to set up a Place Commission with a remit to address the question "How should London's urban environment evolve to help people thrive and businesses to succeed?"

During my career in property, I have seen how London has become more skilful about achieving a diverse mix of uses

in its new developments with more homes in central areas. London is not a zoned city, but it is a planned city – and getting the balance right around this is one of London's strengths.

The work of the Place Commission has shifted over time. At our first meeting in May 2022, we were particularly concerned about maintaining vibrancy as people worked from home and leisure trips to the city centre were significantly reduced. Fast forward to the last Commission meeting in February 2023, and creating vibrancy in the short term was less of a priority as footfall had improved, and so our recommendations are now directed more to the long term.

I should add that the changes we have experienced post-pandemic are by no means all negative. They support living and working in a more dispersed manner; they have led to the strengthening of many of London's suburban centres, which has long been a policy objective; and they create an opportunity to deliver additional homes as less floorspace is likely to be taken up by retail and offices.

Turning to the Commission's vision and recommendations (which are summarised below), the Commissioners consider that the pandemic has not altered one of London's greatest challenges, which is the need to deliver more homes, and homes that are more affordable. Making this a priority may seem to be an overly property focused

approach, but it is central to London's story, both now and in the future, and is critical to people issues – how you retain people who deliver London's services and how you attract new people to work for globally competitive businesses and universities and, how you promote equality.

In terms of other recommendations, the Commission had a strong focus on the public realm. London has seen improvements to its public realm, but there is an enormous difference between public realm designed with a purpose and spaces which are merely gaps between buildings, and we believe there is potential to push more of London's spaces into the first category.

The format of the development of cities in the 20th century was dominated by how they managed cars and streets. The hold of the car in urban planning is reducing and the Commission believes it has the potential to reduce further.

Two big topics the Commission saw as being integral to the future of London's urban environment are digitalisation and decarbonisation: together, they will create massive opportunity. Young people will gravitate to cities that are digitally enabled and ahead of the curve on decarbonisation. London must be both.

The pandemic has accelerated the rate of change, and the governance of the city must be capable of supporting change quickly whilst protecting the quality of the urban environment. It is essential that London has the right systems in place to enable the city to flourish, supporting organic change and not being overly prescriptive about how things are done. London has demonstrated its ability to evolve its urban environment in the past and must do so again – at pace.

A final reflection is that not only were the members of the Commission aligned in their view of London's continued attractiveness as a place to live, work and visit but also remarkably aligned in their views on the recommendations. These recommendations are, by and large, in turn aligned with the strategic policies of the Mayor of London. The challenge comes in converting policy into implementation.

This report has benefited from numerous discussions between BusinessLDN and its members and wider stakeholders in the capital. It has been ably supported by the excellent research and analysis undertaken by Deloitte, and by the time and insight offered by the Commissioners – my thanks to them all.



Francis Salway
Chair, Place Commission

The Commission's vision

Our vision is for an internationally competitive, twenty-four-seven city rooted in diverse communities where places have a clear purpose and identity, and where people, businesses, cultural and educational institutions want to be, and where they feel safe. A truly world city that thrives because of the agglomeration of human, financial and social capital, and which strikes the right balance between global and local.

We want to see a city that houses those that want to live here – so Londoners don't have to move out because it is unaffordable. This requires a step change in housebuilding, delivering a mix of homes across tenures and price points so that housing becomes more affordable to all Londoners, helping to retain the people already in the capital and attracting people from around the world.

London has to remain a place where public transport is found everywhere, with new modes of mobility part of this. Where new places of scale are delivered or where existing places are refreshed, they must be ever more pedestrian friendly. To travel well is to have multiple options, which are easy to access and affordable. As part of a wider net zero plan, London must also have better and more affordable connectivity between the capital and the

rest of the country and improve its international transport links to support growth across the whole UK.

The capital must become one technological ecosystem where its infrastructure and places are digitally enabled and accessible, providing real time information to enhance Londoners' experience of a place and open up new business and public service opportunities.

To thrive, London must be a net zero city, seizing decarbonisation as an opportunity to stimulate green growth and investment. New development must support biodiversity and hit the highest sustainability criteria, while existing buildings undergo a retrofit revolution. To tackle the effects of climate change, we must deliver resilient and adaptable places and a cleaner and greener environment.

Crucially, new development and changes to the urban environment must be a bridge to a more equal and inclusive city. One where London's ingrained social challenges are being addressed through the evolution of its built form: more and better housing to support improved health and educational outcomes; higher-quality and innovative places to work to support more jobs, increase productivity and economic growth; and welcoming and inclusive places to foster a greater sense of cohesion. A London that works for business, for Londoners and for the whole of the UK.

The Commission's recommendations

- A London-wide, programmatic and sustained approach to increasing housing supply must be pursued to make housing more affordable to all Londoners.
- Placemaking requires a focus on purpose, identity and accessible public realm.
- London must use its urban environment policies to become a world-leading net-zero carbon city. Regulations and policies must determine carbon performance on a whole-life cycle basis alongside rising standards and financial incentives to drive innovation and investment.
- The enhancement and expansion of Transport for London's (TfL) network must be placed at the heart of London's physical and economic growth and used to drive forward the sustainability of the capital.
- London needs an accelerated roll-out of its digital infrastructure, services and data management architecture to support modern placemaking.
- London should review its structures and processes in relation to the urban environment to ensure its limited resources are maximised and are well placed to secure more investment and effectively manage change.

Chapter 6 outlines the recommendations in more detail including supporting actions.





2. INTRODUCTION TO THE PLACE COMMISSION

Why the Place Commission was established

The starting point for the creation of the Place Commission was: how could London best manage the change generated and accelerated by the pandemic in relation to its urban environment? For many Londoners, their routines and expectations in relation to places and buildings have changed. And for businesses, disruption, flexibility and innovation have become the norm.

The focus on London's urban environment – its streets, public realm and public spaces, buildings and supporting infrastructure – is deliberate; it is the backbone of the capital and vital to London's economic success and global competitiveness. Throughout the pandemic, how people live, work, enjoy and visit the city altered; in some instances, these have already reverted to type, others have seemingly changed, and for many it is still not clear. While the Commission has not sought to address in granular detail what constitutes a fad and what is a trend in post-pandemic behaviour, it has looked at key issues in the round (see Chapter 3) and taken the opportunity to reflect on the role and function of London's urban environment, and to set a fresh vision for it.

The Commission held its first meeting in May 2022 and last in February 2023. The principal question it has sought to address is: how should London's built environment evolve to help people thrive and business to succeed?

The change and challenge facing London's urban environment

There were and still are multiple impacts on the capital's urban environment due to the pandemic. At the start of the pandemic, the most immediate and visible impact was the hollowing out of the Central Activities Zone (CAZ) – the heart of the city – as workers and visitors stayed away. The rise of hybrid working saw a change in demand for housing, shifting away from urban centres to the suburbs and other regions of the UK. Demand for traditional commercial space also readjusted away from megacities such as London. Conversely, logistics, warehousing and online retail were three major beneficiaries of the pandemic – demand for last mile delivery and logistics space, in particular, continues to increase in urban areas while the amount of traditional retail space declines. All these factors meant a significant readjustment in demand for consumer-facing services and a squeeze on the supply of labour to the built environment sector, which has been a significant driver of activity in London.

Yet, despite the unprecedented nature of the impacts of the pandemic on London's urban environment, change in it is not new. The capital's built form has evolved over its long history, dealt with substantial shocks, such as the Great Fire or the Blitz, and, in more recent times, been profoundly shaped by wider economic and social events, whether that be the suburban expansion of the early 20th century, or post-war reconstruction in the mid-20th century.

What is, however, perhaps different now, compared to previous eras of change, is the sheer complexity and mix of London: a city heading, in the short-term, towards 9 million people and over 10 million in the long-term (Figure 1, Chapter 3); multiple layers of decision-taking and policy-making across central, regional and local government; the socio-economic diversity of the city, which adds huge value to economy¹, while also having some of the most deprived communities within the country (Figure 6, Chapter 4); and the diversity of London's population (Table 1 below). And, of course, added to this complexity are the challenges climate change is already presenting.

¹ London's Real GVA was £110,408m in Q4 2020 having been £116,362m in Q4 2019 just before the pandemic – see www.data.london.gov.uk/gla-economics/gla-economics-dashboard/

Table 1: Diversity of London’s population versus England and Wales in 2021

Region	% ethnic minority	% not UK-born
London	46.2%	40.6%
England and Wales	18.3%	16.8%

Source: ONS, census 2021

All these factors make change in London’s urban environment a challenge. But they are also positive, albeit complex, contributing factors to what makes London unique.

Scope and structure

As noted above, the Commission’s remit was confined to London’s urban environment and so while many of the issues examined relate to wider socio-economic factors, this report is not an economic development strategy for London. The recommendations have therefore largely and deliberately stayed away from commenting in detail on broader public policy issues, such as tax and spending. And while the world class clusters of financial and professional services, educational establishments,

medical research and treatment, and creative and cultural industries, to name but a few, are a vital part of London and what makes it a global world-leading city, the Commission has consciously avoided a sectoral analysis of London’s economy. They are of course important to London as a place – the Commission has therefore taken this as fact and sought to explore how the urban environment supports the agglomeration benefits of these clusters and businesses in the round.

Given the breadth of the topic, the Commission also agreed that its output would be a high-level overview of the key issues it anticipates over the next decade. The Commission has not aspired to cover every blade of grass and provide answers to every question. Based on a set of assumptions agreed at the start, the Commission has formed a vision, with supporting recommendations, for the future of London’s urban environment. Inevitably, emphasis has been placed on issues others may not see as key while omitting topics some see as vital. These gaps are freely acknowledged: the Commission’s work is intended to start a debate, to provoke a discussion about the difficulties of managing change and how this process can create a better place in London and beyond. While the focus of the report is London, and in particular the set

of Mayoral strategies and policies that relate to the urban environment and borough plans and policies which flow from that, many of the issues addressed are relevant to other UK cities.

This report also sets a direction of travel for BusinessLDN’s future work on the urban environment, acting as a starting point for further research and advocacy where needed.

The report is structured as follows: the Commission’s assumptions about key issues relating to London’s urban environment are set out in Chapter 3; a summary of the analysis underpinning the Commission’s work is provided in Chapter 4; the Commission’s vision for London’s urban environment is in Chapter 5; and the recommendations outlined in Chapter 6.





3. ASSUMPTIONS ABOUT THE FUTURE OF LONDON'S URBAN ENVIRONMENT

At the start of the Commission's work in mid-2022, it agreed a set of assumptions to help establish parameters for its thinking, taking stock of the pandemic-induced or accelerated changes, with a view to identifying what might remain relevant over the long-term. The Commission's assumptions are set out below, along with supporting data and evidence².

² The assumptions were set over a year ago and the data presented to the Commission at the time they were first established does, in some instances, differ to that presented in the report due to more up-to-date data now being available.

I POPULATION AND HOUSING

In the long term, London's population will continue to grow and demand for housing will remain strong, though the homes that are built will need to take account of the changing demographics of the capital.

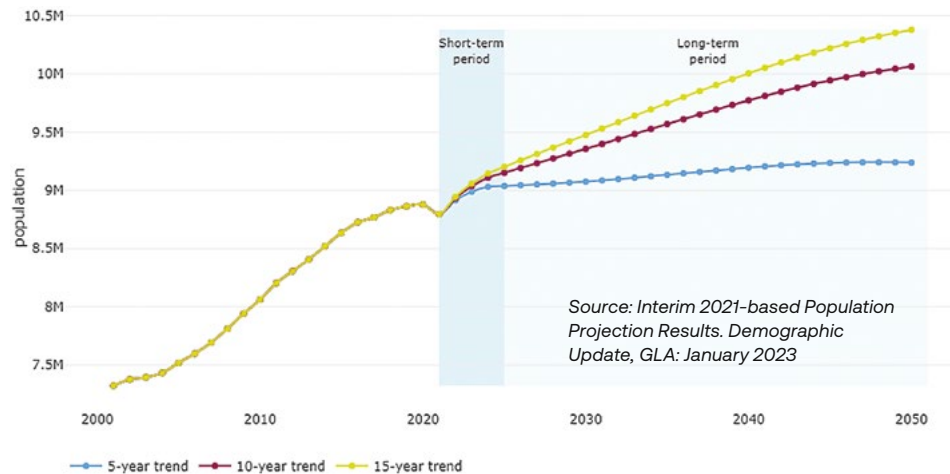
- London's population in 2020: 8.88 million
- London's population in 2023: 8.80 million
- London's population in 2050: projected to be over 10 million

Source: Mid-2021 estimate, ONS and GLA revised estimates of ONS 2020 mid-year estimate³

- "Following an initial fall over the first year of the pandemic, London's population has likely resumed growing, albeit at a slower rate than it had been before the pandemic."

Source: Population change in London during the COVID-19 pandemic. Annex - assessment of updated evidence, GLA: February 2022

Figure 1: London's projected population



³ See City Intelligence, Interim 2021-based Population Projection Results, GLA for a more detailed explanation.

II HYBRID WORKING

Hybrid working (a split week between the office, home and other places) will remain for the foreseeable future, though how it's applied will differ according to sector. London has a higher percentage of the workforce that can work from home compared to other regions. This has provided resilience to London's overall economic output, but has also profoundly affected central London as a place, and parts of the economy heavily reliant on passing trade.

- "London residents reported the highest levels of hybrid working across Great Britain, with 4 in 10 workers both working from home and travelling to work."

Source: Characteristics of homeworkers, Great Britain: September 2022 to January 2023, ONS: February 2023

- "66% of those with a place of work in London now split their working hours between home and their workplace."

Source: Embracing the "new normal"? How London is living with hybrid working, Kings College London: November 2022 (poll conducted during June-July 2022 with hybrid working defined as at least 1 day working from home and less than 5 days in London based place of work)

- "65% of London workers in organisations of two or more people say they would look for a new job if their employer made them follow a work pattern they didn't like, while 9% say they wouldn't."

Source: Embracing the "new normal"? Kings College

III A LEADING DESTINATION FOR HEADQUARTERS

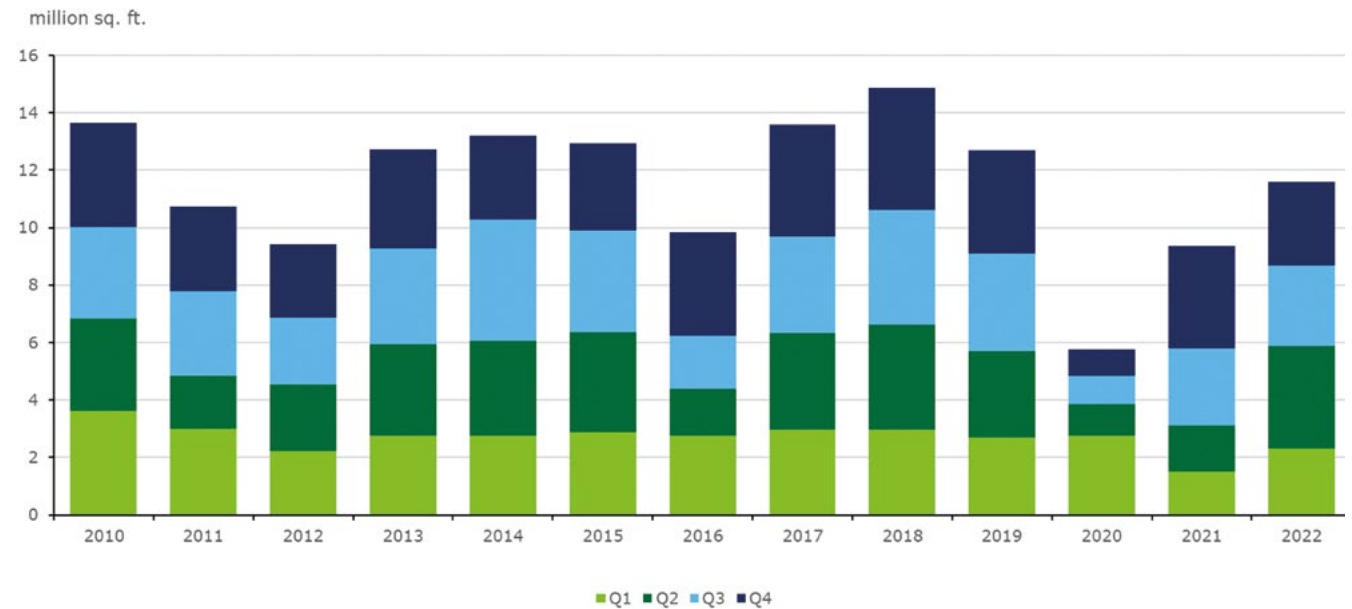
Businesses of all sizes will continue to value having a headquarter presence in London, though the capital’s continuing desirability to businesses is closely linked to both its affordability (assumption I) and its connectivity (assumption VI).

- “Central, better quality offices are likely to be in much higher demand going forward than peripheral, lower quality spaces. Central London’s attractiveness, both as a global centre and as a place to visit and to live, and the offer outside the office door is fundamental to keeping offices attractive.”

Source: The future of the office in central London, Central London Forward, LSE, Gerald Eve, Arup: November 2022

- Having dipped during the pandemic, central London office take up has picked up hitting 11.6 m sq ft in 2022, though still below its pre-pandemic level in 2019 of 12.7m sq ft (Figure 2).

Figure 2: Central London office take up by quarter, 2010-2022



Source: EGi, CoStar and Deloitte

IV ONLINE RETAIL

In general, there will continue to be growth in online retail versus bricks and mortar, though this will vary between sectors across the UK, and in turn between London and other areas of the UK.

- The share of online sales as a proportion of total retail sales rocketed to over 30% during the pandemic and has since dropped to c.25%, but remains higher than its pre-pandemic level. Recently, the cost of living crisis has driven many shoppers back to stores to reduce the cost of deliveries and retain better control of spending (Figure 3).
- On average, 35% of consumers made their last purchase online across all non-food categories in Q1 2022. This is a 5% fall compared with Q4 2021 but remains higher than Q1 2020 at 31% (Figure 4).

Figure 3: UK internet sales as a % of retail sales (exc. fuel), 2009-2022

Source: Refinitiv Datastream and Deloitte, 2022

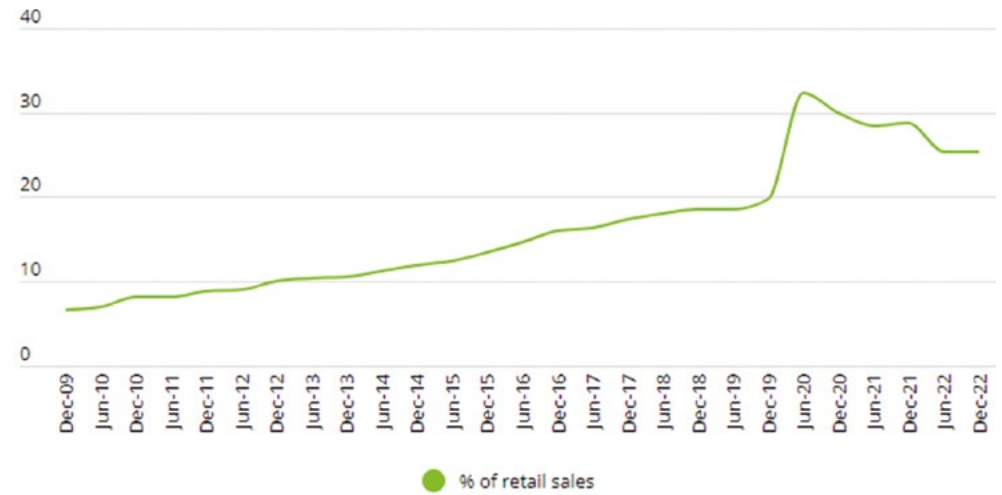
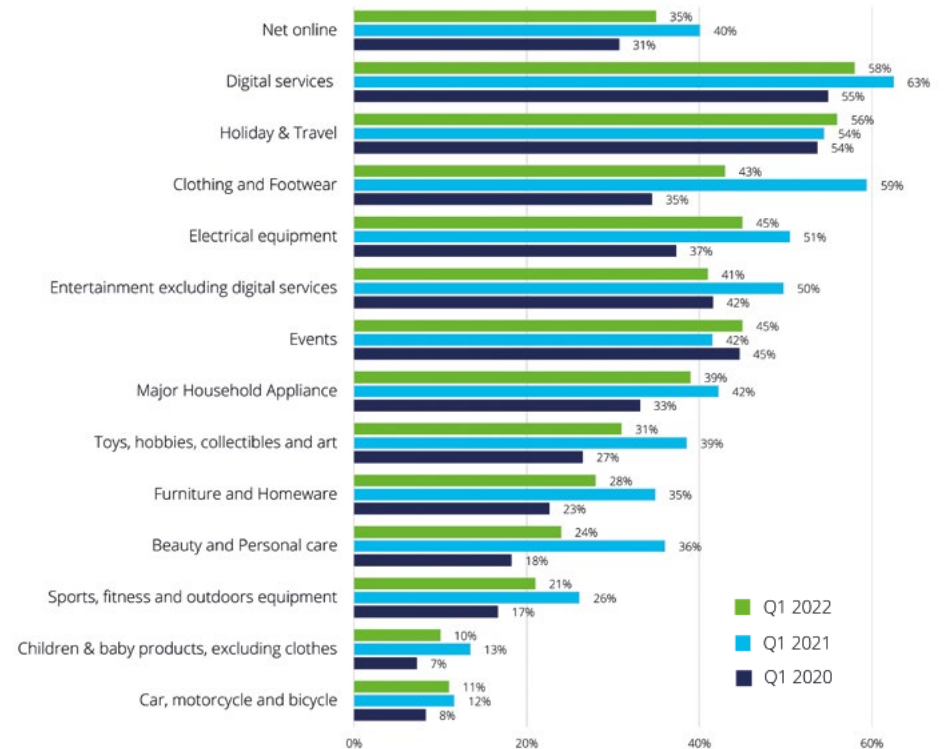


Figure 4: % of consumers who last bought online by category in the UK in Q1, 2000-2022

Source: The Deloitte Consumer Tracker, 2022

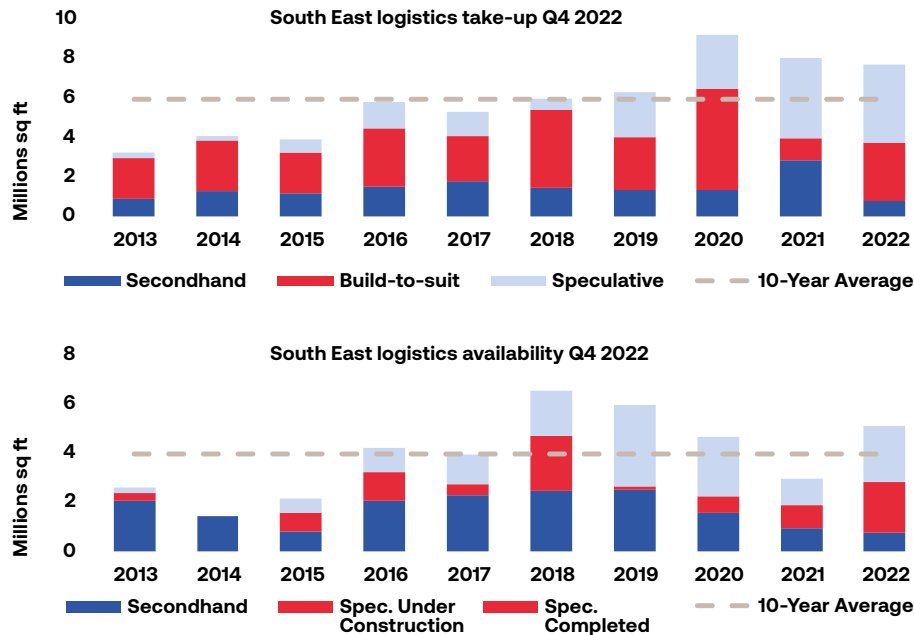


V INDUSTRIAL AND LOGISTICAL SPACE

As a result of changing consumer behaviour, though not the only reason, there will continue to be strong demand for industrial and logistics space.

- The take up of logistics space in the South East in 2022 continues to outperform the 10-year average, as it has done since the pandemic. There was a 116% year-on-year increase in speculative development (both speculative under construction and newly completed) (Figure 5).

Figure 5: South East logistics take up and availability Q4 2022



Source: United Kingdom Logistics Q4 2022 Market Summary, CBRE

VI CONNECTIVITY

While it is hard to forecast medium term demand for public transport in London, it is equally hard to foresee any benefit from London being less well-connected. Cutting public transport services could catalyse a spiral of decline, leading to more congestion, poorer air quality and higher carbon emissions. Furthermore, new or upgraded transport infrastructure will continue to be central to unlocking new development in the capital. In the future, London's reliance on an independent, integrated transport authority running frequent services will remain critical to its success, though how this is funded and precisely what those services will be requires careful thought.

- More than 6 in 10 Londoners use a bus every week and more than 4 in 10 use the tube (excluding the Overground, DLR and Tram) every week. Meanwhile more than half of all Londoners say they never drive a car.

Source: London Travel Demand Survey, TfL: 2019/2020⁴

The extension of the Northern Line to Battersea Power Station and Nine Elms is supporting the wider development of the Opportunity Area, delivering 20,000 new homes and 25,000 new jobs. Projects such as the DLR extension to Thamesmead could unlock over 15,000 new homes and 8,000 new jobs and the Bakerloo Line Extension would help to support over 25,000 new homes and 5,000 jobs.

Source: 2023 Business Plan, TfL: December 2022; Thamesmead and Abbey Wood Opportunity Area Planning Framework, GLA: December 2020; and London Plan 2021.

⁴ The data is taken from a randomly selected sample of 8,000 households in London and is the most recent available in the series at the time of publication.

VII SUSTAINABILITY

The move to a more sustainable, zero-carbon city will be fundamental to the future evolution of London as a place. Standards and regulations about net zero will continue to increase and drive change in buildings, places and behaviour.

- The Minimum Energy Efficiency Standard (MEES) applies to private rented residential and commercial property, requiring minimum energy standards⁵ to be met for properties to be leased. The MEES requirements progressively increase over time:
 - **1 April 2018:** landlords must ensure that any rented commercial or domestic property has an Energy Performance Certificate (EPC) rating of “E” or better (applies to all new leases, lease renewals sub-leases).
 - **1 April 2023:** regardless of whether new tenancies are contracted, all rented accommodation must have an EPC Rating of “E” or better.
 - **1 April 2027:** guidance will be updated so that the minimum EPC rating is “C”.
 - **1 April 2030:** guidance will be updated so that the minimum EPC rating is “B”.
 - **2050:** UK government net zero target.

Source: Heat and Buildings Strategy: HM Government: October 2021

- There is a greater prevalence towards office refurbishments over new builds. Refurbishments in central London accounted for 68% of new start volume in Deloitte's Office Crane Survey Winter 2022, compared to just 44% in the Summer 2018 Survey.

Source: London Office Crane Survey Winter 2022, Deloitte UK

- The London office market is increasingly attaching higher prices to more sustainable assets in anticipation of higher returns and lower risks. This is driving improvements to the environmental performance of London's office stock. An analysis of c.600 transactions between 2017-2021 found that capital values were on average 20.6% higher as a result of Building Research Establishment Environmental Assessment Method (BREEAM) certification, with a single step improvement in EPC ratings producing a premium of 3.7%. Similarly, the average increase in rents associated with BREEAM certificates and a single step improvement in EPC rating were 11.6% and 4.2% respectively.

Source: Sustainability and Value: Capital Markets: Central London Offices, JLL: January 2023

The assumptions and data set out above ultimately helped shape the Commission's vision (Chapter 5) but also shaped the areas of further analysis undertaken for the Commission, which is the focus of the next Chapter.

⁵ The energy performance of buildings, in the content of MEES, is measured by an Energy Performance Certificate (EPC). An EPC sets out the energy efficiency rating of a property with recommendations on improving its energy efficiency. The most efficient rating is A and the least efficient G.

4. ANALYSIS

Building on the Commission’s starting assumptions, and to help narrow its focus, three key lenses – set out below – were developed through which further analysis was undertaken.



People and spaces: considering the needs of a changing population with different relationships to the capital’s places of work, shops, homes and local areas



Sustainability: creating safe environments that help London thrive as a greener, healthier, more sustainable city



Innovation: enabling new ways of using our buildings and spaces to reinvent and revive places

The Commission held separate meetings on the three lenses and this Chapter provides a sample of the evidence (and some updated evidence) the Commission considered and a sense of the debates that were had. The conclusions that the Commission reached from this analysis are represented by the vision and recommendations later in the report.

I PEOPLE AND SPACES

The first topic considered by the Commission was people and spaces. Discussions focussed on the extent to which the pandemic had changed long-standing behaviours and the impact these changes would have both on London’s urban environment and some of the city’s ingrained social challenges.

Levelling up in London

There has been much discussion about where the capital sits within the Government’s levelling up agenda and how this has changed, even over the short life of the Commission. The Commission was unequivocal in its support for spreading economic growth and wider opportunity across the country, while ensuring London is not levelled down. There is clear evidence that, despite its strong economic output, London has its own levelling up challenges and some of these are on a par, if not greater than, other parts of the UK.

London is increasingly becoming a more unequal city in economic terms; studies show that “since 1980 there has been an increase in the number of poor households, an increase in wealthy households and a squeeze on middle households”⁶.

For the last two decades, London has consistently had the highest number of people in poverty and currently sits just below the North East as having the highest poverty rate (Table 2).

Table 2: average number of people in poverty and poverty rates by UK nation/region, 2018-21

Nation/Region	Poverty rate (%)	Number in poverty
North East	26	680,000
North West	21	1,540,000
Yorkshire and The Humber	24	1,300,000
East Midlands	20	930,000
West Midlands	23	1,350,000
East	19	1,170,000
London	25	2,260,000
South East	20	1,760,000
South West	19	1,060,000
Wales	24	750,000
Scotland	18	950,000
Northern Ireland	17	320,000

Source: UK Poverty 2023 The essential guide to understanding poverty in the UK, Joseph Rowntree Foundation: January 2023

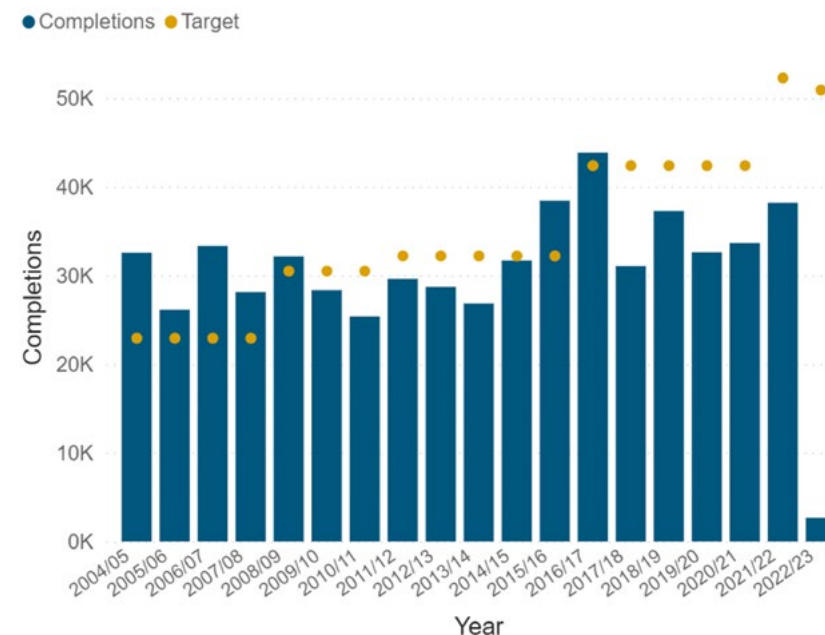
⁶ www.londoncouncils.gov.uk/node/28514

Housing supply

A significant factor in London’s high poverty rate, and source of considerable concern to the Commission, is the high cost of housing in the capital. This is a systemic problem fuelled by a lack of housebuilding; since the introduction of a housebuilding target in the first London Plan in 2004, it has only been achieved 7 times (Figure 6). Furthermore, the Plan’s target is an annual planning policy target, modified by a range of factors such as land supply, and does not therefore represent ‘pure’ housing need, which is substantially higher⁷. In whatever way the issue is analysed, London has a housing crisis which is felt acutely by many who live or would like to live in the city, and which could have a profound impact on the city’s long-term economic prospects.

Figure 6: London Plan housing target vs net additional dwellings 2004-2023

Year	Completions	Target	% of target
2022/23	2,668	50,920	5%
2021/22	38,206	52,287	73%
2020/21	33,663	42,388	79%
2019/20	32,620	42,388	77%
2018/19	37,277	42,388	88%
2017/18	31,072	42,388	73%
2016/17	43,858	42,388	103%
2015/16	38,444	32,210	119%
2014/15	31,685	32,210	98%
2013/14	26,837	32,210	83%
2012/13	28,712	32,210	89%
2011/12	29,620	32,210	92%
2010/11	25,387	30,500	83%
2009/10	28,354	30,500	93%
2008/09	32,145	30,500	105%
2007/08	28,136	22,930	123%
2006/07	33,326	22,930	145%
2005/06	26,139	22,930	114%
2004/05	32,562	22,930	142%
Total	580,710	659,417	88%



Source: Planning London Datahub, Residential Completions Dashboard, GLA. The dashboard was accessed for this report in March 2023 and as it is dynamic the data, in particular for 2022/23, will change over time.

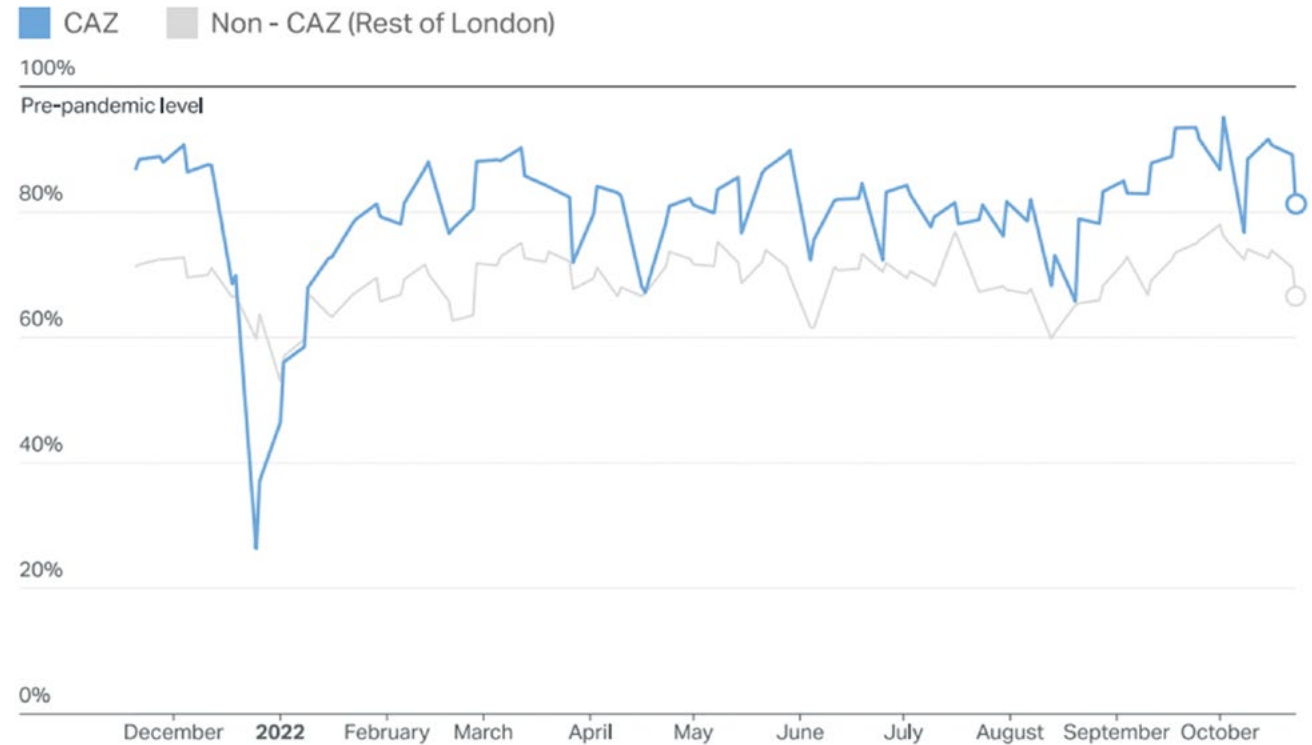
⁷ The London Plan 2021 put housing need in the capital as 66,000 homes a year as evidenced by the GLA’s Strategic Housing Market Assessment and Strategic Housing Land Availability Assessment.

The changing nature of consumer and workplace behaviour and its impact on place

Some of the most notable changes accelerated by the pandemic were an increase in people working from home (see assumption II above) and the movement to online retail (see assumption IV above). Across London, this created a decline in footfall and public transport use leading to a lack of vibrancy in many areas (Figures 7 and 8). While footfall and public transport use have picked up since the depths of the pandemic, numbers are not yet back to pre-pandemic levels. The Commission spent much time considering the extent of this challenge and how London’s urban environment should respond.

The growth in online shopping has forced retailers to assess the value and role of their physical stores. This, coupled with a shift in consumer preference to experiential retail, suggests destination stores/areas and ‘hyper local shopping’ could prosper in the context of a general contraction in retail space. Similarly, the bifurcation in the office sector between prime space and secondary/tertiary space is likely to see the overall quantum of office space drop, or at least not substantially increase. This should support a growth in housing as redundant commercial space makes way for new homes (or other uses such as logistics space). However, a simple swap in asset types – more homes for less commercial space – is not straightforward. Improvements made to the Permitted Development Prior Approval process are welcome, ensuring more stringent tests are satisfied and longer term such schemes will contribute to affordable housing provision. But, in some instances, technical and quality issues remain a concern and there is need to ensure

Figure 7: Footfall in local high streets in the CAZ and outside of the CAZ during 2022 as a proportion of a pre-Covid benchmark (1-14 July 2019), using weekend visitors at 12pm (%)



Source: Anonymised and Aggregated data by O2 in *The State of London, Summary statistics about London’s economy and society*, GLA: January 2023

existing commercial uses are not compromised by new neighbouring residents. More generally, such approach only helps deliver some new homes – not the step change in delivery that is required.

Looking towards outer London and beyond, there are implications here as well. For years, policy makers have been seeking to strengthen suburban London and in one

fell swoop, the pandemic generated an increase in the vibrancy and vitality of some suburban town centres. For London’s surrounds, hybrid working has extended the distance of the capital’s labour and housing market, but in the Commission’s view, this will not significantly improve the fundamental supply/demand imbalance in London’s housing market.

Figure 8: Number of journeys by bus and tube on the TfL network, April 2021-October 2022 compared to pre-pandemic levels



Source: TfL network demand dashboard in *The State of London, Summary statistics about London's economy and society*, GLA: January 2023

Placemaking

Before the pandemic, good placemaking looked at broader issues beyond delivering high-quality buildings, such as creating inclusive spaces that improve quality of life, providing positive experiences, environmental improvements and enhancing the social fabric of neighbourhoods. The pandemic lockdowns enhanced our appreciation of public spaces, not least as a safe place to meet. The Commission noted that placemaking, particularly public realm improvements, play a vital role in weaving together the physical and social fabric of an area. London has many good examples dating back over a long period of time, with the pandemic helping to draw attention once again to the benefits of well-planned and interesting public realm. Three placemaking case studies, amongst many considered by the Commission, linked to public realm improvements are included below.

The Commission's interest in placemaking reflects the intersection of a few key issues for London: the transition to a net zero carbon city; the promotion of different modes of transport, including walking; and the need to create interesting and vibrant places to attract businesses, consumers, residents and in some instances, enhance cultural institutions. Good placemaking is therefore far more than a new place that is pleasing to look at: it can support wider policy ambitions and play an important role in the evolution of London's urban environment.



Paris: new green public realm

The strategy to improve the quality of urban life in Paris, a visually much less green city than London, is multi-pronged. Many existing greenspaces are having additional trees planted to create cooler spots to shelter in summer, including an urban forest planned for outside the Hôtel de Ville. There are also more ambitious projects, with plans for the Champs-Élysées to be part pedestrianised with more tree planting, additional green spaces and urban lounges by the end of the 2020s.

Source: Paris Unlocked and The World Economic Forum



Northcote Road, Wandsworth: pedestrianisation to increase customer footfall and help protect local businesses

The pedestrianisation of Northcote Road started in the summer of 2020 when lockdown rules had been eased. It supported hospitality business capacity by using the extra street space to maintain social distancing, with the council further helping through waiving table and chair licence fees. The pedestrianisation proved to be so popular that it was repeated in 2021 and again throughout the summer in 2022. The increase in footfall has encouraged new businesses to take up vacant space on Northcote Road with retail vacancies reduced in the area since the scheme was first put in place.

Source: Wandsworth Council and CoStar



Strand Aldwych, Westminster: transformation of one of the capital's most congested and polluted streets into a world-class destination

The Strand Aldwych Scheme has transformed this location from a polluted, traffic dominated gyratory into a pedestrian focused destination with strong links to the surrounding districts, celebrating the wealth of cultural and educational offer in the area. Busy roadways have been turned into a major new public space at the Strand and an enhanced pedestrian experience across the Aldwych, including new crossings, wider footways and a new green space. The environmental benefits include supporting pollinators and biodiversity, cooling the urban heat in summer and improved air quality due to a reduction in vehicle congestion.

Westminster City Council invested £22m in the project which has been developed with local stakeholders including the Northbank BID, King's College London, London School of Economics, Somerset House Trust, St Mary Le Strand and The Courtauld Institute.

The scheme was reviewed in response to the pandemic, and it was agreed that the permanent Aldwych scheme would be taken forward, alongside a meanwhile design for the Strand to provide opportunities to test how Londoners would like to use the space including revolving new artist commissions throughout the year.

Source: www.strandaldwych.org and www.thenorthbank.london

photo credit Northbank and Mickey Lee

II SUSTAINABILITY

The second topic discussed by the Commission was sustainability and how the creation of a sustainable urban environment requires the climate, economy and society to work in harmony. The Commission could not analyse and discuss the entirety of this broad issue, so focussed on some key aspects of the regulatory and policy framework (as per assumption VII) that are particularly important to London's urban environment.

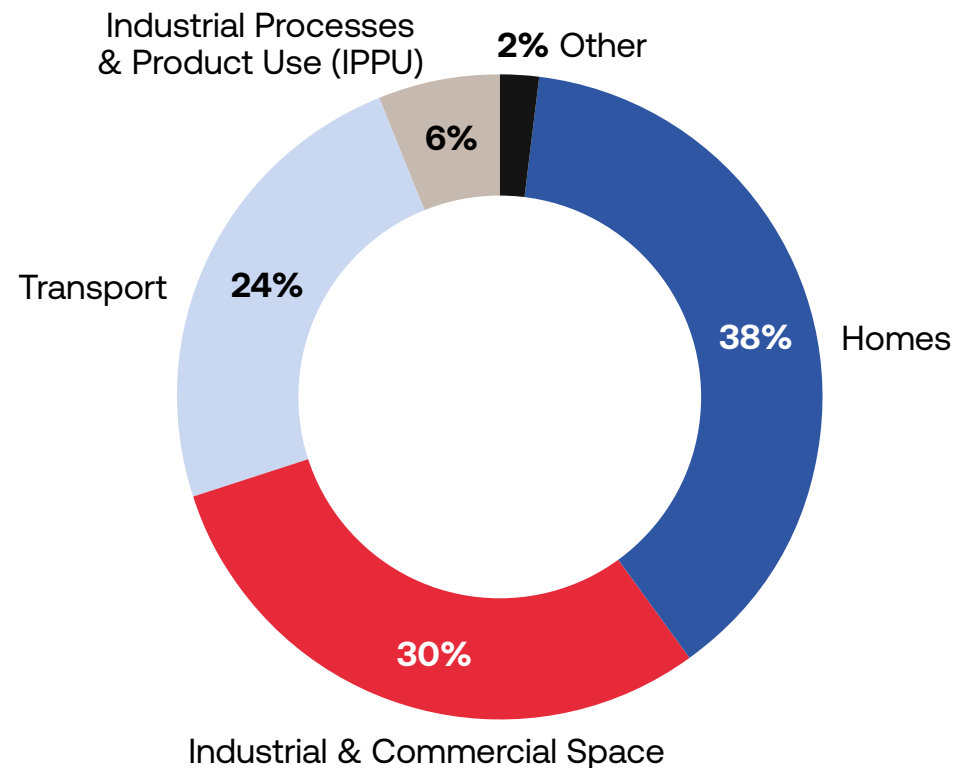
Net zero by 2030

The Mayor has committed London to be net zero by 2030, setting out an accelerated green pathway as to how London can hit this target. By 2030, the pathway requires, amongst other things: over 210,000 homes and 26,500 non-domestic buildings to be retrofitted each year from 2022; 2.2 million heat pumps in operation; and a 27% reduction in petrol/diesel car travel relative to 2018⁸. There is some way to go if both individual targets and the overall net zero target are to be met. However, in the Commission's view, there is no turning back, and a huge opportunity exists to improve London's environment while supporting green growth.

The two largest sources of carbon emissions in the capital are from buildings and transport (Figure 9) and it is on these two sectors which the Commission spent most of its time deliberating. Of particular significance to London's urban environment is the fact that its buildings

– commercial and residential – account for 68% of emissions, a far higher proportion of emissions from buildings in the UK as whole which sits at 25%⁹.

Figure 9: London's carbon emissions by sector, 2020



Source: BusinessLDN analysis; The London Energy and Greenhouse Gas Inventory, GLA: 2020

⁸ London Net Zero 2030: An Updated Pathway, Greater London Authority: January 2022 and Analysis of a Net Zero 2030 Target for Greater London, Element Energy: January 2022.

⁹ For the UK figure see Building to net zero: costing carbon in construction, House of Commons Environmental Audit Committee: May 2022.

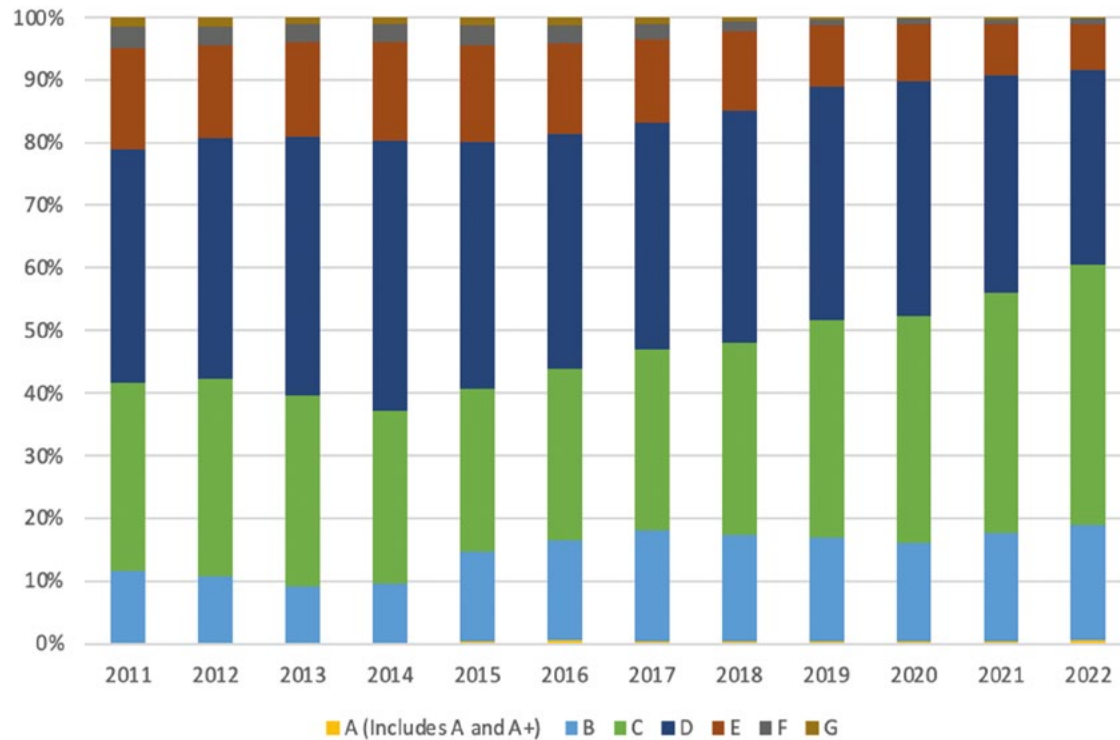
Buildings

In 2018, when the Minimum Energy Efficiency Standards (MEES) came into force it began a process for the ratcheting of energy standards in buildings (see assumption VII). There has been a small change in the energy performance of buildings in London since 2018, with the proportion of properties rated “E” or above increasing from 97% at the end of 2017 to 99% at the

end of 2022, though the extent to which this can be attributed to the introduction of MEES is debatable. The next significant MEES milestone – a minimum EPC rating of “C” by April 2027 – is fast approaching. With only 60% of properties currently achieving a rating of “C” or above, meeting this deadline will be challenging (Figure 10).

This is particularly the case in London, due to the historic nature of its residential buildings (Figure 11) and the more than 19,000 listed buildings¹⁰ in the capital which cannot easily be adapted to improve their EPC rating.

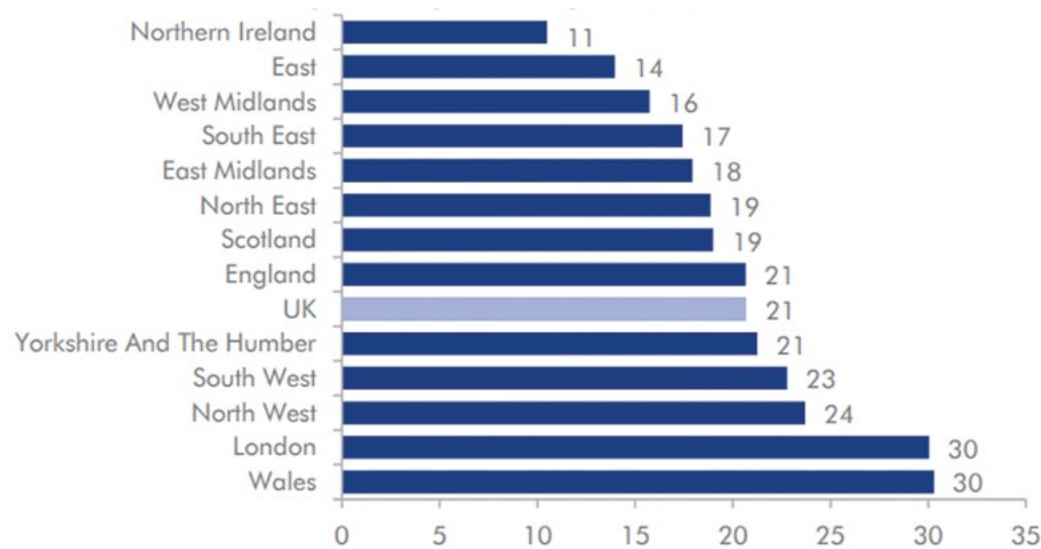
Figure 10: EPC rating of buildings in London (year by year), 2011 to 2022



Source: BusinessLDN analysis; Live tables on Energy Performance of Buildings Certificates, DLUHC

¹⁰ www.savills.co.uk/blog/article/296015/residential-property/how-london-s-heritage-buildings-contribute-to-house-price-premiums.aspx

Figure 11: Share of residential buildings built pre-1919 as a share of total residential buildings in a given region (%)

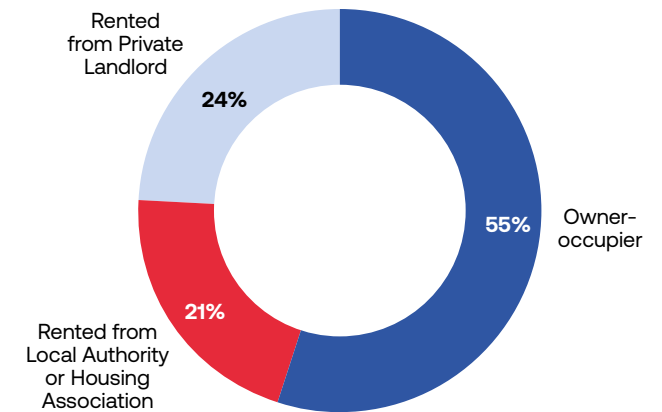


Source: Retrofitting traditional buildings – helping progress to net zero, A report for Grosvenor, the National Trust, Historic England, Peabody and The Crown Estate, Capital Economics: September 2022

From a residential perspective, energy efficiency improvements are most likely to be seen where homes are owned by a business, such as a housing association or a professional private sector landlord. These homes come under the scope of MEES, so there is a commercial driver for their owners to undertake action and they are also often acting at scale. The same cannot be said about the residential owner-occupied market, which is the largest share of tenure in London's housing stock (Figure 12), has the lowest average energy efficiency rating compared to other tenures¹¹ and is not subject to MEES.

While there is a wider environmental imperative to retrofit owner-occupied homes, at the individual homeowner level the benefits are, for many, not yet worth the cost and complexity of undertaking the work. Given the high proportion of carbon emissions that come from buildings in London, and the share of owner-occupied homes within the residential component of that, unlocking a way to systematically retrofit these properties is of vital importance.

Figure 12: Percentage breakdown of housing tenures in London (2020)



Source: BusinessLDN analysis; Office of National Statistics, Tenure of Households by Borough (2020)

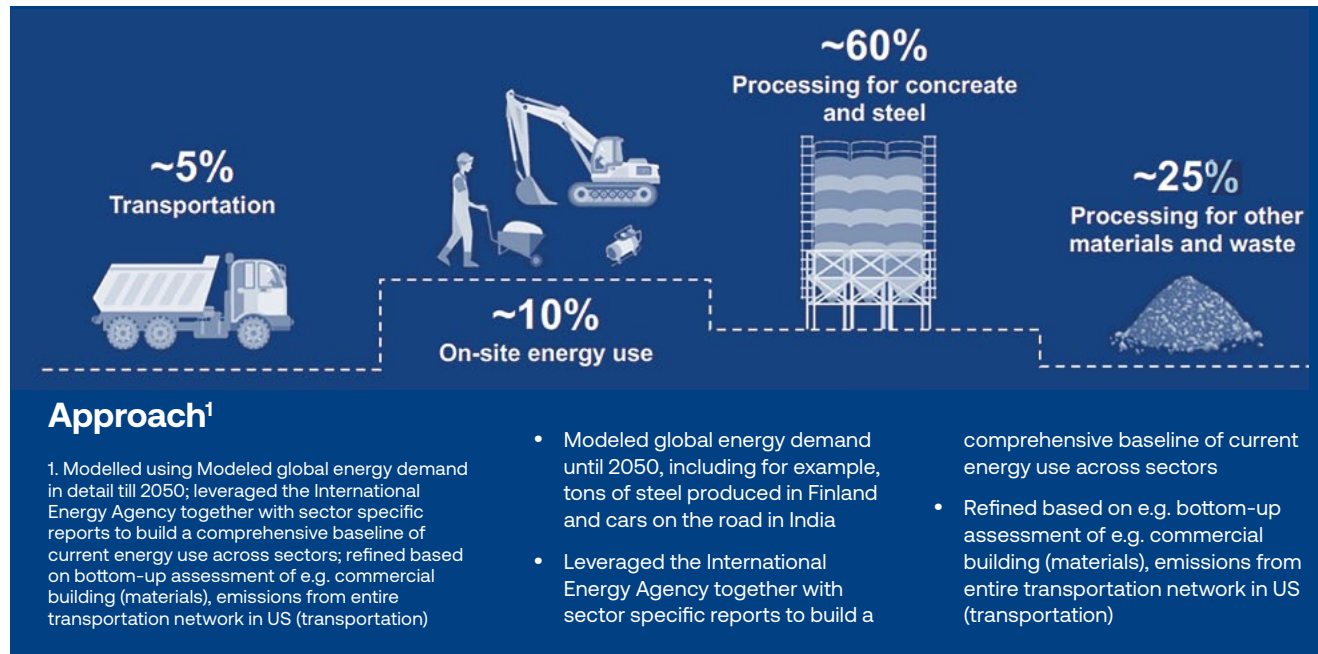
For commercial space, there is reason to believe that the market could make some progress in improving the energy efficiency of existing buildings through either change of use or retrofit and or redevelopment of secondary and tertiary space. This will require an adjustment in pricing and a strengthening of confidence – at a time of some uncertainty in the market – given changes to working patterns and the cost of upgrading a building versus the higher rents and capital value that could be achieved. However, a risk remains that the market may not be able to deliver, and the rising tide of energy efficiency regulation may create a glut of stranded assets.

¹¹ Housing in London 2022, The evidence base for the London Housing Strategy, Greater London Authority: October 2022.

Embodied carbon

The Commission discussed the need to look beyond the operational efficiency of a building and the need to consider the whole-life cycle of carbon associated with it. Embodied emissions, those associated with the materials used to construct a building, from their extraction to construction and all the way through to the end of a building’s life, represent on average about 22% of a building’s lifetime emissions, with most of these coming from the production process to create building materials such as steel and concrete (Figure 13).

Figure 13: Proportions of embodied carbon in a building



Source: Green, Growing and Global, A decarbonising capital for a competitive UK, London First: June 2022

The Commission was firmly of the view that public policy, such as planning policy and other regulatory regimes, must start to explicitly incorporate a broader understanding of carbon emissions. And in doing so, business and policy makers must think ahead about how

such policy will drive market behaviour and outcomes in the urban environment. For example, how should the occupiers of commercial space think about embodied carbon emissions versus operational emissions? The increasing demand to occupy energy efficient commercial

space prioritises operational efficiency over embodied carbon (accepting that there are several other reasons why businesses also value modern prime space). This is sending a strong signal to developers/asset owners about their existing assets and pipeline of development, but it could also, as highlighted above, leave London with swathes of redundant office space if the market can’t quickly adjust to demand.

Adaptation and resilience

The Commission also considered London’s wider resilience to climate change and the importance of implementing adaptation measures with the same rigour as mitigation measures. Climate adaptation work has so far not attracted as much finance and action as emission reduction projects. However, climate change is already affecting and will continue to affect London.

For instance, the National Infrastructure Commission noted the widespread flooding that took place in 24 of London’s boroughs in July 2021, affecting homes, businesses, health infrastructure and transport networks, with over 1,500 properties flooded¹². Furthermore, London’s future rainfall is expected to become more seasonal, with more winter rain (up to 26% more by 2080s) and less in the summer (up to 29% less by 2080s) leading to increased flooding and droughts¹³.

¹² Reducing the risk of surface water flooding, National Infrastructure Commission: November 2022.

¹³ www.climatelondon.org/climate-change/drought/

Transport

Through the London Plan, the capital does have policies in place to promote adaptation. These policies seek to reduce the urban heat island effect and minimise the overheating of new homes, address flood risks and support the implementation of sustainable drainage solutions in new developments¹⁴. Clear tracking and reporting about these policies and other green infrastructure improvements will be required to demonstrate the value of adaptation measures and to help unlock more investment into them.

For the Commission, London's public transport network is integral to the future of London's urban environment. It is an enabler of economic and physical growth, social mobility and a key factor in supporting London's transition to net zero. The move away from combustion engine vehicles to electric vehicles (EV) and an expansion of other low or zero carbon modes of transport such as bikes and e-mobility, and the network of infrastructure to support it, should play an increasingly prominent part in London's places. The Commission therefore fully supports TfL's

emphasis on sustainable modes of transport, though London has some way to go to meet its target metrics (Table 3).

Table 3: Current and target transport metrics

2021 metrics

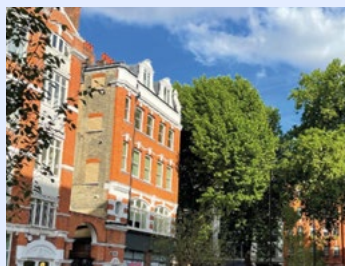
- 34.7% of trips per day by walking or cycling (3.7% by cycle)
- 23% of trips per day by public transport
- 42% of trips per day by private transport
- 7,865 public EV charge points (rapid and slow-to-fast)
- Plug-in electric cars and vans make up 2.9% of vehicles

Target metrics

- By 2041, the Mayor's target is for 80% of all trips in London to be made by cycle, foot, or public transport
- To meet the Mayor's Accelerated Green Pathway, a 27% reduction in car vehicle km travelled by 2030 is required along with the ending of fossil fuel car and van sales by 2030 (in line with Government's existing commitments)
- By 2030, it is estimated that London will need 40,000-60,000 EV charging points, including 4,000 rapid chargers

Source: *Travel in London – Report & Data 15*, TfL: 2022; *London Plan 2021*, GLA; *London Net Zero 2030: An Updated Pathway*, GLA: January 2022; and *London's 2030 electric vehicle infrastructure strategy*, TfL: December 2021.

Tottenham Court Road, Camden: public realm improvements and pocket parks



The transformation of Alfred Place from road space to green space is part of the £35 million West End Project, Camden Council's largest ever transport and public space scheme around Tottenham Court Road. The project, championed by BusinessLDN's West End Streets group, addressed traffic congestion, road safety concerns, poor air quality and the limited local access to nature. There was a core investment in new and improved green spaces plus over 59 new trees (and counting) planted across the area. Alongside Alfred Place Gardens sits a series of pocket parks on Tottenham Court Road with side road junctions

closed and replaced by people and nature friendly seating and planting. Pocket parks at Windmill Square and outside the new UCLH Cancer Centre provide places of calm. Whitfield Gardens has been rejuvenated while Princes Circus, once completed, will be a new green connection between Covent Garden and the heart of Bloomsbury. New planting works hard to increase the local biodiversity and, alongside the traffic improvement measures, help to improve air quality.

Source: *London Borough of Camden, Pavements to picnics: green spaces making you happier and healthier in the heart of London*, www.businessldn.co.uk

¹⁴ See *London Plan 2021 policies SI 4, SI 12 and SI 13* and also ongoing actions associated with the *London Sustainable Drainage Action Plan* www.london.gov.uk/programmes-and-strategies/environment-and-climate-change/climate-change/surface-water/london-sustainable-drainage-action-plan

TfL's business model has been more heavily reliant on farebox revenue than other world cities (pre-pandemic, 72% in London, 47% in Madrid and 38% in New York and Paris¹⁵). This created pressures before the pandemic, as fares rose above inflation to pay for the network. And the pandemic-induced collapse in ridership created intense funding pressures, which affects current revenues in two ways. First, ridership remains down compared to 2019 (Figure 8 above), largely due to hybrid working; and second, rising fares provide a disincentive to people coming into the city centre.

As outlined later in the report, a bold approach to fares is needed to help attract people back into the capital, and this in turn requires an overhaul of how TfL is funded. TfL has short term certainty about its funding until April 2024, and the Commission believes it is important that the process to agree a new long-term settlement starts sooner rather than later. London should continue to fund its fair share of new transport infrastructure, as it has done with projects such as Crossrail, but this must be supported by new sources of funding controlled by London government along with continued central government investment.

III INNOVATION

The third and final topic looked at by the Commission was innovation. This was split into two principal areas: the digital innovation which can underpin improvements to places and innovative thinking about how places are curated and vibrancy created.

Digital innovation

New technology is transforming many traditional industries and while the urban environment is part of this transformation, to date innovation has largely focused on single solutions to a challenge in a specific sector rather than wider-ranging, data-driven solutions that apply across a place. Experience to date has shown that real value is created at the points of intersection between multiple challenges. If London were to enable a technology ecosystem – a system of systems – there could be many benefits for individuals, businesses, and the city as a whole.

Such a system could:



1. Connect the digital citizen
(Re)connecting people in physical and digital worlds, improving well-being and safety.



2. Integrate infrastructure
Enabling public services that are seamlessly aligned, minimising drop-out and duplication.



3. Merge insights + automation
Increasing productivity by releasing time and resources, attracting investment.

Underpinning this approach is the need to continue to upgrade London's digital infrastructure. Whilst progress is being made on the roll out of full fibre to premises in London, still just over 54% of total London premises are covered¹⁶. Mobile coverage is also patchy with areas of 'not-spots' in dense urban areas and varying bandwidth capacity where coverage does exist.

There are examples both within the UK and globally of cities using digital innovation to evolve their urban environment and create better places. Two of these are considered below.

¹⁵ Financial Sustainability Plan, TfL: January 2021.

¹⁶ Think Broadband, local broadband information; www.labs.thinkbroadband.com



Tokyo: smart city transformation through improved collaboration between the public and private sectors

Japan's Super City Law 2020 aims to improve collaboration between the public and private sectors for the digital transformation of cities. Tokyo will deploy artificial intelligence, big data and 5G technology in medical care, education, energy, crime prevention and transportation, including the development and use of autonomous vehicles to realise a 'Connected Tokyo'. The sharing of data will also be used to resolve social problems, such as depopulation and the aging of society. The law allows local governments to be selected to launch forums with central government and private companies to draw up city development plans. A "Super City Open Lab" kick-off event was held in Tokyo in 2021, which attracted 90 companies across a range of industries.

Source: World Economic Forum

Sunderland Council and BAI Communications: partnering to use smart city technology

In 2021, Sunderland City Council and BAI Communications formed a 20-year partnership to bring smart city technologies to the city to enhance public services and boost the local economy. The first of these is a 5G private network in the city centre, to provide high speed wireless connectivity needed for new innovations, which will be combined with an ultra-fast public WiFi network to ensure residents and visitors can stay connected in the city.

The council and BAI are working closely with the University of Sunderland to deploy advanced wireless technologies to support and enhance research, teaching and the student experience. Better connectivity will also eventually be provided in primary and secondary schools to support online and remote learning and ensure students develop vital digital skills.

The council is currently piloting solar-powered, smart compactor bins which compact the waste inside, increasing their capacity and communicate how much waste is inside so they can be emptied in a timely and efficient manner. The partnership will also explore scaling assistive technology and installing sensors to support vulnerable people to live independently in their own homes, as well as looking at opportunities to improve supply chain agility in local manufacturing, potentially through developing self-driving vehicles, including autonomous heavy goods vehicles, to transfer parts amongst the North East's car manufacturing supply chain cluster.

Source: www.baicomunications.com

Innovation through use

In addition to digital innovation, the Commission discussed innovative thinking about how places can better curate vibrant areas to draw people and businesses in. Picking up on some of the themes considered in the 'People and Spaces' section above, the Commission felt London has plenty of scope to pursue more fresh approaches to how streets and areas are utilised, whether that be a short-term pop-up initiative, a medium-term temporary basis, or permanently. The pandemic demonstrated the value of well thought through outdoor space, though this has long been a feature of many cities. It also saw the Government temporarily loosen the rules for pavement licensing, the need to obtain planning permission to put up marquees and the same for councils to hold an outdoor market, with the latter two changes subsequently made permanent¹⁷. Two case studies are given below: one an international example in response to the pandemic and another in London prior to the pandemic.

¹⁷ See www.gov.uk/government/news/boost-for-high-streets-and-businesses-as-markets-and-outdoor-marquees-allowed-permanently



New York: Open Streets and Open Restaurants programmes

In New York City, new initiatives were created to help revive the city’s dynamism by activating public spaces for multipurpose use with outdoor dining, small business deliveries, cultural performances, bike lanes and digital kiosks. The Open Streets programme by the Department of Small Business Services operates and maintains Open Street locations on commercial corridors, encouraging visitors to return and strengthening the tourism and hospitality industries. Authorities continue to support the initiative, particularly in low-income communities. The programme has helped save c.12,000 restaurants and 100,000 jobs by allowing establishments to continue serving on the roadway and sidewalk.

The City has launched a long-term investment strategy to incentivise the creation of Business Improvements Districts (BIDs) in new neighbourhoods and provide match funding to small BIDs and merchant associations in low income communities, promoting a more robust network of business and neighbourhood services.

Source: New York City Department of Transportation



Mercato Metropolitano: use class amendments introduce more flexibility to accommodate meanwhile uses on vacant sites

Mercato is London’s first sustainable community market – partnering with local and social entrepreneurs and focussing on community values. The site, pictured above, in Elephant & Castle, Southwark was formerly a disused paper factory and was turned into a ‘pop up’ food market, which brings together multiple vendors – many from incubator projects. Produce is typically locally and sustainably sourced. Ultimately, the site is slated for residential development.

Due to its popularity Mercato has expanded, opening more sites across the capital and has plans for expansion across Europe and the USA. It is not the first pop up market in London but has enjoyed success both before and during the pandemic – the underlying theme between locations such as Boxpark, Vinegar Yard, Pop Brixton and Mercato Metropolitano is choice and flexibility of space.

Source: Meanwhile, in London: Making use of London’s empty spaces, Centre for London: October 2018; Evening Standard, The ingenious plan for London’s empty spaces, 27 February 2019.

5. A VISION FOR LONDON'S URBAN ENVIRONMENT

The pandemic saw substantial shifts in how people live, work and spend their leisure time in the capital. While patterns are still evolving, and today's norms may not be the future's, London must seize the opportunity now to shape its post-pandemic urban environment.

Londoners have a strong sense of pride in their capital, as a place which inspires, innovates, creates and connects. It is a magnet – for businesses to find people, and for people to find opportunity – and a global city whose diversity and international nature are sources of strength.

To help maintain this pride in London as a place, where people can thrive and businesses can succeed, the Commission has set a fresh vision for London's urban environment over the next decade. It is a vision which London should aspire to meet and, in the Commission's view, can be achieved through genuine partnership between the public and private sectors.

The Commission's vision

Our vision is for an **internationally competitive, twenty-four-seven city** rooted in diverse communities where **places have a clear purpose and identity**, and where people, businesses, cultural and educational institutions want to be, and where they feel safe. A truly world city that

thrives because of the agglomeration of human, financial and social capital, and which strikes the right balance between global and local.

We want to see a city that **houses those that want to live here** – so Londoners don't have to move out because it is unaffordable. This requires a **step change in housebuilding**, delivering a mix of homes across tenures and price points so that housing becomes more affordable to all Londoners, helping to retain the people already in the capital and attracting people from around the world.

London has to remain **a place where public transport is found everywhere, with new modes of mobility part of this**. Where new places of scale are delivered or where existing places are refreshed, they must be ever more **pedestrian friendly**. To travel well is to have multiple options, which are easy to access and affordable. As part of a wider net zero plan, London must also have **better and more affordable connectivity between the capital and the rest of the country and improve its international transport links** to support growth across the whole UK.

The capital must become **one technological ecosystem where its infrastructure and places are digitally enabled and accessible**, providing real time information to enhance Londoners' experience of a place and open up

new business and public service opportunities.

To thrive, London must be a net zero city, seizing decarbonisation as an opportunity to stimulate green growth and investment. New development must support biodiversity and hit the highest sustainability criteria, while existing buildings undergo a retrofit revolution. To tackle the effects of climate change, we must deliver resilient and adaptable places and a cleaner and greener environment.

Crucially, **new development and changes to the urban environment must be a bridge to a more equal and inclusive city.** One where London's ingrained social challenges are being addressed through the evolution of its built form: more and better housing to support improved health and educational outcomes; higher-quality and innovative places to work to support more jobs, increase productivity and economic growth; and welcoming and inclusive places to foster a greater sense of cohesion. A London that works for business, for Londoners and for the whole of the UK.

6. RECOMMENDATIONS

The Commission’s recommendations are the key issues that must be addressed to meet its vision. The recommendations, like the report in general, are pitched at a high-level with more detailed supporting actions set out beneath each recommendation. At the end of the recommendations, further detail is provided about the next steps BusinessLDN will take to support or develop each recommendation; this report is the start, not the end of the process.

The recommendations should be read as a whole and are interlinked. As highlighted earlier in the report, the Commission established parameters for its thinking and freely acknowledges others may have chosen differently. It is the Commission’s view that these recommendations are vital to the evolution of London’s urban environment, though it is hoped they will also spark a debate – if there are alternative, better solutions, in what is still a fluid environment, then it is hoped this report contributes to their articulation and implementation.

1 Living in London

A London-wide, programmatic and sustained approach to increasing housing supply must be pursued to make housing more affordable to all Londoners.

London’s acute housing shortage both blights Londoners’ lives and constrains the capital’s international competitiveness. The housing crisis is not just about bricks and mortar, it’s about equality of opportunity and the capital’s ability to attract and retain people, so it is about jobs too.

The Commission supports the aims of the Government’s levelling up agenda but, as ministers have acknowledged, this is not about levelling down London. Care must be taken where levelling up seeks to “relieve pressures on public services, housing and green fields in London”¹⁸ that policy and investment decisions do not push those that want to live in London and the wider South-East away, particularly lower and middle-income earners who are vital to the ecosystem of the city.

At a London level, a political consensus exists about the need to build more homes but has not translated into the actions needed to deliver a step-change in supply. The objective must be to make housing more affordable to all Londoners by ensuring that it is treated as a vital part of London’s infrastructure needs, with cross-party support to steadily ramp up supply over time to levels not seen in generations.

Actions to support this recommendation include:

- **The next Mayoral housing strategy must be a clear, long-term plan that comes with the commensurate powers and resources to deliver a step-change in housebuilding in London:** there is no silver bullet to increasing supply, rather a set of interventions are required. Likewise, there is no single actor who can deliver all the interventions, however, the Mayor is better positioned than others to drive this agenda. In keeping with the Commission’s remit, it has not sought to outline all the details that should form a refreshed housing strategy, instead some key aspects are outlined below:

- **Funding for affordable housing:** there is currently at least a £4.4bn annual gap between government grant provided to the capital and the amount needed to deliver the number of affordable homes London needs¹⁹.

London must continue to argue its case for more and more long-term public funding (see recommendation 6), including greater flexibility about how this can be spent such as on estate regeneration schemes that both improve the quality of existing homes

¹⁹ The Government has provided the GLA with £4bn for its Affordable Homes Programme 2021-2026 but to meet demand London requires an additional £4.4bn a year (£22.2bn over the five years), though this figure will have risen since its calculation due to inflation. See London’s Affordable Housing Funding Requirement, Research undertaken for the Greater London Authority, Savills: August 2022.

¹⁸ Levelling Up the United Kingdom, HM Government: February 2022.

and deliver high-quality new homes. This must be accompanied by a strategy and specific policies to attract greater levels of private investment into affordable housing²⁰.

- **London must better utilise the city's limited land supply:** the Commission expects London's population to increase, and considering the existing shortage of homes, the capital must think creatively about how land is allocated and optimised for housing, and particularly how more surplus public land can be released. The two most credible approaches are:
 - **Housing densification through placemaking:** this applies across the city, but there is a particular opportunity to refresh suburban London. Key to this is good planning, design, placemaking and delivery: done well, densification can bring benefits to local areas by creating the critical mass of people to support more shops, better local services and improved infrastructure. Intensifying land use does not automatically mean building high-rise buildings, though such buildings have a place in the urban landscape. A mix of mid-rise buildings, mansion blocks and terraced housing along traditional street patterns can be a

very efficient use of land²¹. The design of high-quality homes must become a source of local pride rather than a reason to object to planning applications.

- **Review London's green belt:** while priority must continue to be given to redeveloping and densifying brownfield land, this alone will not meet the scale of London's housing need. London's green belt was created to stop the city's physical growth when its population was falling. It mixes public open land which should be preserved and enhanced with poor quality and inaccessible sites which serve no civic or environmental purpose. London's green belt should be reviewed and the poor-quality parts which are close to existing or future transport nodes redesignated for sustainable, high-quality, well-designed residential development that incorporates truly accessible green space.
- **Embrace a choice of housing tenures:** London needs a variety of housing tenures, such as purpose-built student accommodation, later living, build to rent and co-living to be proactively welcomed and built across the capital. A variety of models will not only provide the tailored housing solutions

Londoners need, but will also speed-up build out rates on large developments – where the majority of London's residential pipeline is held – by reducing the reliance on for-sale housing and the rate at which such housing is absorbed into the market²².

2 Placemaking in London

Placemaking requires a focus on purpose, identity and accessible public realm.

The changing pattern of how people live, work and enjoy London has, in turn, changed individual places: lower footfall has led to shop closures, empty offices and a general lack of vitality in some places, while others have seen an increase in local spend and vibrancy.

There is not a one-size-fits-all approach to breathing life into areas that need support, nor to delivering successful new places. However, the Commission has observed that in both instances, focussing on a place's strengths and having a clear sense of its role can support good placemaking, providing people, businesses and cultural institutions – the latter a vital part of London as a place – with a reason why they should locate there or visit. This focus is further enhanced through long-term stewardship and active management which delivers coordination and

²⁰ For some initial thinking about this see *The Case For Private Investment Into Affordable Housing In London*, CBRE and BusinessLDN: October 2022.

²¹ See *Redefining Density, Making the best use of London's land to build more and better homes*, London First and Savills: September 2015. Due to the course of time, some of the data in the report is now out of date, however, the broader arguments remain relevant. It should be noted the Government is currently seeking to promote the concept of 'gentle density' through reforms to the National Planning Policy Framework. Time will tell if this approach delivers the scale of development required.

²² *The Letwin Review, largely ignored by successive governments, provides an authoritative analysis on this issue. See Independent Review of Build Out*, Rt Hon Sir Oliver Letwin MP: October 2018.

curation of a place. These attributes are often found in places that have unified ownership, though other effective mechanisms exist such as Business Improvement Districts and local authority led partnerships.

Equally important is the role that planning policy plays. There is reason to think the market will make some progress in converting old office and redundant retail space, though it will require a swift planning process – which ensures buildings are of a high quality – otherwise capital will be deterred from investing (see also recommendation 6 in relation to planning resource). And planning policy must also continue to focus on ensuring London is leading the way in the provision of sustainable and adaptable workspace; such buildings are important to London’s global competitiveness and are central to the success of many places, particularly in the CAZ. Where change on a larger scale is required, this must be an endeavour undertaken with not to the local community. Good community engagement will not only help smooth the transition process but add value to the end result.

Underpinning the Commission’s approach to placemaking is a firm belief in the value of high-quality public realm, including small green spaces or ‘pocket parks’. In recent years, new approaches²³ have delivered excellent examples of public realm improvements in the capital, but with so much focus on buildings and broader places, streets often get overlooked, not least because their value in monetary terms is hard to quantify (unlike

²³ *The GLA and TfL ‘Healthy Streets’ is a good example of an inclusive approach to how streets can be used* www.london.gov.uk/programmes-strategies/health-and-wellbeing/transport-and-health/healthy-streets

that of a building). Robust strategies demonstrate the economic benefits of investing in street and public realm improvements, resulting in return on investment for the surrounding area in addition to the environmental and social benefits.

Vehicles have dominated our approach to streets, but this is starting to change. The Commission believes there is greater scope to prioritise pedestrian use of some streets, either permanently, or at agreed times of the day, and deliver environmental benefits through incorporating small green spaces.

Actions to support this recommendation include:

- **The path to successful placemaking:** when delivering new, or reinvigorating existing places, those involved in the urban environment, from policy makers through to developers and landowners, should ask the local community and themselves the following questions:
 1. What is the purpose of this place?
 2. How can this place be for everyone and deliver social value for the community?
 3. What is the identity of this place, and what should it be known for locally or more widely?
 4. What is the long-term strategy for managing and maintaining the place?
- **Planning policy must be an enabler of change:** places previously dominated by commercial uses are now

considering how housing can be used to revitalise them. Likewise, excess retail space is being repurposed for a variety of uses including logistics, cultural, work and healthcare space. On the residential side, some of this will happen through permitted development rights, but where planning permission is required, a flexible approach to policy requirements may be needed, such as how long the period of marketing to demonstrate lack of demand for a use should last. This is not about undermining commercial areas of London, rather reimagining how they can thrive alongside a wider range of uses.

- **Communities are at the heart of what makes a place and must be engaged on the journey of change:** local authorities and developers must work with communities to explain the need for, and the benefits of, change. This particularly applies to building more homes – see recommendation 1, specifically better utilisation of land – where the need is accepted in the abstract, but often opposed in practice locally. A wider civic campaign is required to articulate the benefits of a denser London. And where large, phased development is taking place over several years, meanwhile uses should be the norm to support the vitality of an area and used to engage local people in the future opportunities created by development.
- **Promote accessible public realm and pocket parks across the capital:** more places should revisit how their streets are used and adopt a more inclusive and flexible approach to the public realm – for leisure, for active travel, for nature; the combination of which can support London’s transition to a net zero carbon city

(see recommendation 3). There is also a good economic rationale for investing in the public realm to help drive footfall into local businesses. While implementation must be place-specific, a bolder approach to make streets more pedestrian friendly and liveable should be taken across the capital.

3 Decarbonisation in London

London must use its urban environment policies to become a world-leading net-zero carbon city. Regulations and policies must determine carbon performance on a whole-life cycle basis alongside rising standards and financial incentives to drive innovation and investment.

There is widespread agreement that London must become a more environmentally sustainable and ultimately net zero carbon city. This comes with a set of considerable funding, financing and delivery challenges, but it also has great opportunity. London should be a leader for green growth, finance and jobs.

This ambition will only be met if the capital moves quickly to address the most difficult challenges confronting the creation of net zero places and particularly buildings. Buildings account for roughly 39% of global energy-

related carbon emissions²⁴ and have an even more prominent place in London's carbon footprint, accounting for 68% of London's carbon emissions (Figure 10, Chapter 4). As shown in the analysis chapter of this report, London will need a retrofit revolution if the capital is to successfully transition to become a net zero carbon city, and this will be easier to achieve with some types of buildings compared to others.

There is a need to move at speed to address climate change and ensure that innovative solutions and associated steps (i.e., regulations, funding, market awareness etc.) can be developed quickly to enable decarbonisation. This encompasses everything from the materials needed to build, such as low carbon steel and concrete, through to the mass production of heat pumps and renewable energy needed to green the city's energy supply. And while this strong focus on mitigation is essential, it must also be accompanied by measures to increase resilience to the impacts of climate change. For London to be a sustainable place, investment in both mitigation and resilience solutions is required.

Actions to support this recommendation include:

- **A building's net zero performance should be assessed on a whole-life cycle carbon basis, not only through operational energy use:** current regulations measure whether a building has achieved net zero solely on the basis of its operational efficiency. This

²⁴ *Bringing embodied carbon upfront, Coordinated action for the building and construction sector to tackle embodied carbon, World Green Building Council: 2019.*

methodology overlooks various stages of a building's life which could create high emissions. A building's carbon performance against a net-zero target must therefore be determined by a joined-up metric²⁵ that assesses the whole-life cycle carbon emissions of a development from construction to demolition, including operational, embodied and all other associated emissions through the lifetime of the building²⁶. Retrofit will often be the answer but such an approach must not preclude redevelopment, particularly in the context of the range of planning considerations that must be considered²⁷.

- **London government should devise and oversee a plan for retrofitting homes in the capital and within that plan prioritise the development of a carrot and stick approach to retrofitting owner occupied homes:** a new approach is required that devolves responsibility and funding to London government to design and implement, in partnership with the business community, a regional programme for retrofit which addresses, amongst other things, financial mechanisms, regulations and processes, and supply

²⁵ *There is already cross-industry collaboration looking into developing the UK's first net zero carbon buildings standard which will hopefully establish a holistic approach to assessing a building's performance.*

²⁶ *London Plan Policy S12 requires the submission of a whole-life cycle carbon assessment for new referable developments alongside operational data. However, although the whole-life cycle assessment is taken into consideration during the determination of the application, it does not count towards meeting the net zero target in policy S12. Nonetheless, it has been an encouraging first step towards understanding a building's total carbon performance.*

²⁷ *See Retrofit First, Not Retrofit Only A focus on the retrofit and redevelopment of 20th century buildings, JLL, London Property Alliance: December 2022.*

chain and workforce immaturity. Included within this programme must be owner-occupied homes, as national retrofit programmes aimed at homeowners have failed to meet the share of their – top-down set – targets²⁸. Regarding the retrofitting of commercial buildings, London government should adopt a watching brief on secondary and tertiary assets. If environmental regulations and wider market factors create extensive obsolescence, blighting parts of the capital, an action plan must be swiftly developed to tackle the issue.

- **Urban environment policy must also address adaptation to the impacts of climate change:**

up until now, efforts to address climate change have been skewed towards mitigation strategies i.e., reducing the carbon emissions coming from burning fossil fuels. However, it is becoming increasingly evident that extreme weather events (e.g., heat waves, droughts, floods) are here to stay and will only get more extreme and common. These climate risks must be integrated into public policy, design and investment decisions through the use of resilience measures such as water management systems, including flood defences and sustainable drainage systems, and nature-based solutions, such as green roofs and urban ecological corridors, that enhance biodiversity while providing cooling and improving air quality.

²⁸ For one example see *Green Homes Grant Voucher Scheme, House of Commons Committee of Public Accounts: November 2021.*

4 Transport in London

The enhancement and expansion of TfL's network must be placed at the heart of London's physical and economic growth and used to drive forward the sustainability of the capital.

TfL has been one of the great success stories of devolution – public transport services have improved; ridership has risen; and modes of travel have shifted as the population has grown. The objective within the Mayor's Transport Strategy that 80% of all trips in London should be made on foot, by cycle or using public transport by 2041 is the right one and it must continue, as should the emphasis placed on having a safe and accessible network for all users.

The Government has provided TfL with over £5 billion of revenue funding during the pandemic through to the end of its current settlement in April 2024. TfL is working to achieve breakeven in revenues by this point, a difficult target to sustain given that there are very limited levers that London government can use to raise revenues compared to other world cities (see recommendation 6 on resource and governance). Such levers, coupled with a long-term settlement from government, are also needed to deliver the enhancement and expansion of the transport network.

No metro system can fund its modernisation and expansion through the farebox alone – and enhancing transport is vital to the successful creation of sustainable and vibrant places in the capital, particularly as an enabler to unlocking more land for development. Given the Commission's focus, it has confined its thinking to these points rather than offer detailed thoughts on the broader topic of how TfL should be funded in the future.

Actions to support this recommendation include:

- **A new approach to transport fares:** one of the biggest barriers to workers coming back to the office on a more regular basis is the cost of commuting²⁹. The current rail fares system must be reformed to remove complexity and reduce cost. Rail is an enabler to economic growth and crucial to reducing carbon emissions; as a country we should be investing in it and not seeking to recover its full cost through ticket prices. An added benefit of such an approach is it will make it easier for international visitors to London to visit the rest of the country. Similarly innovative thinking should also be applied to TfL fares to help support footfall and vibrancy across the capital.
- **Establish now the financial mechanisms needed to expand London's transport network and unlock new development, as part of a wider devolution**

²⁹ *80% of London workers who report working from home at least one day a week say it has had a positive impact for them with the most common benefit cited being avoiding commuting. Only a small percentage of London workers find it difficult to work from their workplace, but 65% of these London workers cite the cost of commuting as a reason. See *The WFH revolution: how new ways of working are changing London, Kings College London: June 2022.**

agreement: as outlined below (recommendation 6), London needs a new devolution settlement for housing and transport. London government should prioritise the capital projects it is seeking to bring forward and agree a devolutionary agreement with central government about the grants from central government and local mechanisms that can be used to fund and finance them. Precedents exist to this approach through previous grant settlements (including the retention of business rates), the mixture of funding streams used to fund Crossrail and the use of Tax Increment Financing for the Northern Line extension and investments made in the Royal Docks Enterprise Zone. Such a new devolution agreement should also seek to put in place generic mechanisms that don't require detailed negotiation with central government every time a new transport project is brought forward.

- **Maximising development opportunities:** For all Crossrail's benefits, arguably the development opportunities related to it could have been even better than those delivered. The Commission supports the creation of TfL's commercial property company, TTL Properties Limited (TTLP) and the recent announcement of strategic collaboration between TTLP and Network Rail to deliver new homes. Through land assembly, value capture mechanisms and streamlined governance arrangements (such as a Mayoral Development Corporation) future additions to the network must truly maximise the associated development potential.

5 Digitalisation in London

London needs an accelerated roll-out of its digital infrastructure, services and data management architecture to support modern placemaking.

In the 2020s and beyond, placemaking in London will evolve; how Londoners enjoy and interact with a place will see the digital and the physical worlds become more integrated. For places, and buildings within them, to work successfully they will need to access data which relies on full fibre and mobile coverage across the whole city – and beyond.

Harnessing data will enable a range of benefits such as: better understanding how people use places; the ability to monitor and respond to infrastructure and climate related challenges; and, subject to appropriate data protection policies, supporting innovation in services and new business opportunities. Good progress has been made by the GLA to create a data for London strategy and revamp the London data store, but there is still more to do. Better collaboration between the public and private sectors to remove barriers to data sharing will encourage growth in accessible data which can drive innovation. While it is not for policy makers to decide which innovations to pursue, they must lay the digital infrastructure foundations to allow advancements to be made.

Technological innovation could also help increase the capital's vibrancy. Soon, a journey on the underground will come with continuous high-speed 4 and 5G mobile coverage, supporting a more productive commute, and the underground's tunnels will also be used to provide a full fibre backbone of connectivity across the city, which can then be connected to buildings and street assets to deliver city-wide improvements, serving homes and businesses with gigabit-capable speeds and driving digital inclusion.

Though beyond the scope of the Commission's purview, there is huge potential to create a technological ecosystem that delivers benefits for all Londoners by improving public services and laying the foundations for the innovations to power London's productivity.

Actions to support this recommendation include:

- **Institute a London-wide approach to rolling out and utilising digital technology:** this approach must be coordinated by the GLA and should encompass, amongst other things:
 - **Creating seamless mobile connectivity:** the GLA should convene network operators to get them to work together to pool resources for 'open roaming' – where a mobile device automatically finds and connects to trusted Wi-Fi networks. This would create a better digital user experience across the capital, delivering a range of benefits to businesses and people. For example, upon arriving to London, whether by plane or train, then travelling into central London to shop in the West End, visitors should have constant uninterrupted connectivity.

- **Introduce Digital Champions in all boroughs:** some boroughs have a Digital Champion, responsible for the development and delivery of a local digital strategy and for advocating for digital infrastructure investment. The GLA should encourage all boroughs to have Digital Champions, and for their work to support a coordinated London-wide plan to the way digital infrastructure in London is delivered.

6 Managing change in London

London should review its structures and processes in relation to the urban environment to ensure its limited resources are maximised and are well placed to secure more investment and effectively manage change.

Over the next ten years, London's urban environment, and particularly its buildings, will experience significant transformation. There will be changes of use to adapt to customer demand, whether that be from retail to logistics or office to residential. Retrofitting to improve the energy efficiency of buildings. Work undertaken to address fire and building safety requirements. And, the Commission hopes, there will be a step change in housing delivery. What unites all of this is a reliance on the planning system as an enabler of change and a conduit to economic growth and better places. However, London's planning

system is lumbering under the weight of continual and often confusing national planning reform and struggling with a chronic lack of resource and, in some areas, a skills deficit. Unless this is addressed, the transformation that London's urban environment needs will not be delivered.

London's vibrancy is partly linked to decisions taken by individual businesses about how they operate most effectively, which, of course, they are best placed to assess. However, as working and consumer habits evolve, so should London's approach, as a place, to drawing people in, both during the day and at night, and spreading out the flow. The aim must be to ensure that the right structures are put in place to enhance London's vibrancy.

And looking more broadly about how London is structured, now is the right time to consider if the capital's governance arrangements for the urban environment, both in relation to central government and within London itself, can be enhanced. Does it still make sense to have 33 housing allocation policies, more than 33 different planning authorities and varying approaches across boroughs to dockless bikes and e-scooters, for example? There may be scope to achieve better outcomes through reforming structures³⁰; what is best done once at a pan-London level and what is best done multiple times at a borough level?

Finally, along with devolution and/or the restructuring of decision-making to and within London, there must also be

³⁰ *There are already several interesting examples of collaboration and innovation through various borough-led sub-regional partnerships and cooperation between boroughs such as Wandsworth and Richmond Councils which share a workforce and some services across the two Councils.*

the devolution of resources. Local government in London – and in other UK city-regions – has extremely limited local tax powers, and similarly limited powers to determine local priorities from central government grants, compared to other countries. The Commission agrees with the London Finance Commission that a broader tax base with stronger fiscal controls at the local level will support the delivery of more integrated and efficient services and increased infrastructure investment, while allowing for the reform of individual taxes³¹.

Actions to support this recommendation include:

- **Private sector funding for planning resource:** notwithstanding the Government's proposed increase in planning fees³², a new transparent mechanism should be developed, ideally within the existing legal framework, to allow applicants to provide additional funding to support Local Planning Authorities efficiently determining planning applications. In some instances, the private sector already provides additional funding through Planning Performance Agreements (PPAs) and other fast-track processes relating to statutory consultees. However, PPAs do not legally guarantee a level of service and, for a variety of reasons, the length

³¹ *See the two main reports of the London Finance Commission and associated papers at www.london.gov.uk/programmes-strategies/business-and-economy/promoting-london/london-finance-commission*

³² *The consultation proposes an 35% increase in planning application fees for major applications, 25% increase for all other applications and for fees to be adjusted annually in-line with inflation. It also proposes support for building planning capacity and capability within local planning authorities and a new approach to how the performance of local planning authorities is measured across a broader set of measures.*

of time (and ease of which) it takes to determine major planning applications in London is far longer that it should be³³. Many applicants would be willing to provide additional resource if it is ringfenced for a guaranteed level of service, though, of course, this would have no bearing on the outcome of the application.

- **Supporting vibrancy:** all parts of London, but particularly central London, will need to adjust to new patterns of demand in a range of ways: from innovative local promotions to attract people back through to different uses for ground floor space. As highlighted above (recommendation 2), planning policy must be an enabler of change: in this context that means, among other examples, facilitating a proportionate approach to increasing housing in areas such as the CAZ to help support its vibrancy³⁴. A further step to support vibrancy is exploring the extent to which some marketing efforts to increase footfall in London can be coordinated and maximised through partnership working between local authorities, Business Improvement Districts and businesses in general³⁵. A vibrant place needs to be a safe place, and so continued joint efforts are also required to support London being a safe place to enjoy an evening out.

³³ *Reliable data on the length of time it takes for applications in London to be determined is hard to find, though data provided in this blog www.wickhams.co.uk/2023/01/16/times-winged-chariot/ provides a good indication that timescales for determination are not meeting the target.*

³⁴ *A point acknowledged in The CAZ Futures Action Plan, Mayor of London and Central London Forward: November 2022.*

³⁵ *Thought is already being given to understanding the benefits of coordinated visitor marketing campaigns with the GLA, Central London Forward and central London BIDs considering this issue. See The CAZ Futures Action Plan, Mayor of London and Central London Forward.*

- **A new devolution deal for London focussed on housing and transport investment:** as addressed in recommendations 1 and 4, both housing (new build and retrofit) and transport investment are integral to the Commission's vision for London. A coordinated approach to both, particularly in terms of capital spending, is essential to maximise the wider benefit to London and the UK. The Commission supports the recommendations of the London Finance Commission, referenced above. As the Government continues to enhance existing and create new devolution deals across the country, it must deliver a new deal with London that has housing and transport investment at the heart of it.
- **Review London governance arrangements relating to the urban environment:** to effectively manage a significant period of evolution, the GLA, London Councils and other stakeholders should review if London's structures and approach to pan-London issues relating to London's urban environment are fit for purpose. While this would be a complex and politically sensitive undertaking, which may have wider implications, it is necessary to consider if current governance arrangements are the best way to manage limited resources, while also enabling London to leverage in new investment. A guiding principle for considering this issue should be maintaining clear and transparent democratic oversight, accompanied by appropriate checks and balances, in whatever change may be brought forward.

Next steps

The recommendations outlined above will form the basis of BusinessLDN's advocacy and research on the urban environment over the coming years. In some areas work has already started to further develop ideas, while in other areas plans will be put in place following discussions with members and stakeholders.

On **housing** (recommendation 1), BusinessLDN has previously undertaken extensive research on the issues addressed in the recommendations, the most recent of which, in partnership with CBRE, sets out the case for private investment into affordable housing. On the latter, we have already engaged with the GLA on this subject and will be seeking to convene boroughs to discuss this issue in the summer. In the autumn, we will publish a report, in partnership with PwC, setting out a private sector view on the merits of the Mayor establishing a City Hall development vehicle. This is relevant to the Commission's recommendations on delivering more affordable housing and better utilising land in London, particularly surplus public land. More generally, we will advocate for London government to take bolder decisions to increase housing supply and central government to refresh its devolution settlement for London relating to housing and transport.

The recommendations on **placemaking** (recommendation 2) are about seeking to accelerate the positive direction of travel that policy and practice is taking. Regarding London's public realm, BusinessLDN has a long standing and successful initiative in this space – the West End Streets Group, which brings together business leaders

to promote the delivery of public realm improvements in one of capital's most important business, retail and tourist locations. The Group champions a small number of priority public realm projects at a time, helping to galvanise private-public partnerships to finance and deliver better public spaces. The current priority projects are Marble Arch, promoted by The Portman Estate and the Charing Cross Road District, promoted by the Heart of London Business Alliance. In addition, to support and promote wider placemaking initiatives we run a quarterly central London BIDs forum and will be running a BID Summit in the summer which will consider, amongst other issues, London's vibrancy.

BusinessLDN has an extensive programme of research and advocacy underway about **decarbonisation** (recommendation 3). The review of the London Plan, which has recently started its long process, provides an opportunity to take forward the action on the determination of carbon performance on a whole-life cycle basis. With regard to retrofitting, we are working with McKinsey & Company to create an action plan for the retrofitting of owner-occupied homes in the capital. And in relation to adaption, though it has the potential for numerous uses, we will be starting work later in the year to scope the feasibility of establishing a London business carbon offset fund. More broadly, in partnership with WSP, we will be publishing a report in the autumn outlining steps that both businesses and the GLA can take to help hit the Mayor's 2030 net zero target.

The recommendations on **transport** (recommendation 4) are at the heart of BusinessLDN's advocacy. On the general funding of TfL, during the pandemic, in partnership with Arup, we set out what London needs from its transport network in the future and possible funding models once the Government's short-term support runs out. Much of this remains relevant and will inform our future advocacy over the coming months as TfL's current settlement comes to an end in April 2024. In addition, we are seeking to canvass views from members and stakeholders about different approaches to how fares might be reformed, setting out a range of views on this subject towards the end of the year.

On **digitalisation** (recommendation 5), two existing BusinessLDN groups will be used to support advocacy in this area: our Gigabit Connectivity Network which brings together London's leading fibre and mobile operators with the GLA, London Councils and boroughs to accelerate the rollout of full fibre and 5G technologies; and our Data Working Group which shares best practice on data strategy, unlocking data sharing issues by identifying new pilots to help seed more public-private collaboration and feeds directly into the GLA's Data for London Board. We have also begun a research project, in partnership with Arcadis, which seeks to understand the policy levers at a local and national level needed to harness the potential of smart technologies to create 21st century places to live, work and do business.

And finally, in relation to **managing change** (recommendation 6), we will continue to make the case for further devolution to London, with this forming a key component of our advocacy in the run-up to a General Election and engagement with a new government. We have also formed an alliance of regional business groups on a shared agenda around devolution. We will be reviewing how best to take forward the action about the structure of London government in relation to the urban environment, which, as outlined above, is a complex and sensitive subject. A specific initiative within that is the willingness of the private sector to fund additional planning resource. We will be convening members and public sectors stakeholders to consider options to see if it is possible to create a new way to facilitate such investment.

7. THE COMMISSIONERS



Alan Holland
*Managing Director,
Greater London
SEGRO*

Alan is the Managing Director for SEGRO's Greater London business which has a market value of £7bn the Greater London business and over 400 customers. Historically concentrated in Park Royal and Heathrow, the portfolio has expanded its urban logistics and light industrial footprint in North and East London, with the London unit now spanning over 47 locations.



Annelie Kvick Thompson
Partner, Grimshaw

Annelie is a Partner of Grimshaw with over 20 years experience within the practice. She brings a UK and international perspective through her work and leadership of a broad range of projects from strategic master plan scale, as well as a fine-grain design detail. She enjoys working at the scale of the city and has a proficiency in complex and multi-faceted projects which aim to reveal and improve

site usage, capacity and the experiential qualities of place within inner urban sites which is characteristic of her work on masterplans such as Euston Station and Hammersmith Town Centre.



Debbie Akehurst
*Chief Executive, Central
District Alliance*

Debbie Akehurst is the Chief Executive for Central District Alliance and Hatton Garden BIDs, working across the public, private and third sectors. Debbie has years of experience of working in property, regeneration and economic development. Developing partnerships and bringing people and sectors together to deliver better outcomes is invaluable to the businesses and stakeholders of both BIDs.



Francis Salway
*Chair of the Place
Commission*

Francis Salway was Chief Executive of Land Securities plc for 8 years and a non-

executive director for Next plc, the retailer, for 11 years, latterly as Senior Independent Director. Other previous roles include being Chair of The London Community Foundation, which supports local charities and community groups across London; Chair of a Kent based housing association; a Trustee of Peabody, the London based housing association; Chair of Transport for London's Commercial Development Advisory Group; and a Visiting Professor in Practise at the London School of Economics. He is currently a non-executive director of the Cadogan Estate and of Watkin Jones plc, a developer of student accommodation and build to rent residential accommodation.



Geeta Nanda
*Chief Executive,
Metropolitan Thames
Valley Housing (MTVH)*

Geeta is Chief Executive of MTVH a leading national provider of affordable homes to rent and buy. Across a career of nearly 30 years, she has held a variety of leadership roles in the housing sector. Geeta was Chief Executive of Thames Valley Housing for

nine years, and then Chief Executive of Metropolitan from October 2017, before the two organisations merged. Geeta is a Board member of the National Housing Federation, a non-Executive member of PRS REIT plc and was awarded an OBE in 2013 for achievements in social housing.



Harry Badham
*Chief Development and
Asset Repositioning
Officer, Hammerson*

Harry has over 20 years' experience in the property sector, joining Hammerson from AXA Real Estate, where he was UK Head of Development. Prior to this, Harry was Investment Director at Allied London. Harry has extensive experience in urban mixed-use development and asset management, and has led on a number of major projects from start to completion, including the delivery of 22 Bishopsgate, 6 Pancras Square, Kings Cross, Spinningfields in Manchester and The Brunswick Centre.



Jeremy Spencer

Director, Marketing and Communications, BAI Communications

Having started his career in engineering designing data networks for large business customers, Jeremy transitioned to a more commercial track and has held a variety of UK and global sales, marketing and product roles. Jeremy has worked extensively across the global technology and telecoms sector for a variety of service providers. Jeremy helped launch the UK's first 4G and 5G public networks, at EE and BT respectively.



John Anderson

Chief Investment Officer, Imperial College London

John has played a key role in the evolution of the College's Financial Strategy since 2000 including the establishment of the College's Endowment Fund which now stands at just over half a billion pounds including the development of the Non-Core property portfolio (£8m in 2005 to £130m+ in 2022). John initiated the Imperial White City Campus, leading the College's acquisition of the various land assets and supporting consents for over 4 million sq ft of mixed-use development to date.



John Dickie

Chief Executive, BusinessLDN

John Dickie is the Chief Executive at BusinessLDN and was formerly the organisation's Director of Strategy and Policy. He was previously the Head of Corporate Affairs at the BBC, Regulatory Affairs Director at the European Competitive Telecommunications Association and Managing Director of consultancy Prima Europe, later GPC London. John is a former Deputy Leader of Camden Council.



John Mulryan

Group Managing Director, Ballymore

John Mulryan joined Ballymore in 2005 and has been a leading figure within the business since 2010 as UK Managing Director and 2016 as Group Managing Director. He has played a central role in creating thousands of much needed new homes across London with some of the city's most admired developments including London City Island, Wardian, Royal Wharf, The Brentford Project and Embassy Gardens in Nine Elms.



Kathryn Firth

Director, Arup

Kathryn Firth is a Director in Cities, Planning and Design at Arup. She is an architect and urban designer whose passion for creating thriving urban places spans some 30 years, working in cities around the world with diverse spatial, social and economic contexts. Kathryn is committed to a productive exchange between the practice of urban design and academic research and is a proponent of a multi-disciplinary approach that ensures collaboration across design, development and socio-economic disciplines.



Nick Brindley

Partner, Gerald Eve

Nick has over 25 years post qualification experience in promoting major development projects across London. This has included a focus upon commercial-led regeneration projects within the Central Activities Zone such as Landsec's strategic developments in Victoria, St James Market Phase 2 for The Crown Estate, Oxford Properties, Soho Place, Brunel Building and 19-35 Baker Street for Derwent London.

Nick has significant expertise in relation to major transport infrastructure delivery and the interface with development proposals, and is currently the retained planning advisor to HS2 at Old Oak Common.



Paul Hewlett

Director of Strategy and Corporate Development, Workspace

Paul Hewlett joined Workspace as Director of Strategy & Corporate Development in 2021. He was previously Executive Director of the UK investment Banking Real Estate team at J.P. Morgan Cazenove. Paul has extensive Corporate Finance advisory and Corporate Broking experience, advising companies across the sector on a wide variety of transactions, notably focused on merger & acquisitions and equity capital markets.



Pete Gladwell

Group Social Impact & Investment Director, Legal & General Capital

After an erstwhile life as a youth worker, Pete joined Legal & General in 2007, launching a new generation of property funds focussed on liability matching and defined contributions pension schemes, and L&G's joint venture with PGGM, which total over £5bn. In 2015, Pete moved to lead L&G's investments with the public sector – including the Cabinet Office, Local Authorities, the NHS, housing associations and universities – which now total over £4.5bn.



Peter Hogg

London City Executive, Arcadis

Peter is Arcadis' London City Executive, accountable for key activity in the UK's capital. He also leads for Arcadis on place-making. A Fellow of the Royal Institution of Chartered Surveyors with 24 years' industry experience he has a keen understanding of how to align built and natural assets to the vision, strategy and key priorities of clients. He has a particular interest in creating successful cities. Peter has been involved in some of London' biggest infrastructure

programmes of recent years including the Jubilee Line Extension, St Pancras International Station and Heathrow's Terminal 5.



Reena Patel

Partner, Gowling WLG

Reena Patel is a real estate partner in the London office of international law firm Gowling WLG. Reena has a strong track record acting on office, retail, shopping centre and mixed-use assets and investment in the alternatives such as student accommodation, co-living, build to rent, senior living, social housing and hotels. Some of Reena's key client relationships are with LaSalle Investment Management, BAE Systems Pension Funds, Columbia Threadneedle, Hyde Housing Association, Westminster Council, Romulus, Orion Capital Managers, Urban & Civic and Empiric Student Property.



Simon Harding-Roots

Managing Director for London, The Crown Estate

Simon Harding-Roots is The Crown Estate's Managing Director for London.

In this role he oversees a 10 million sq ft portfolio, including the Regent Street and St James's Districts, valued at circa £8billion. Simon is leading on a strategic new vision for the London Estate that will enable it to evolve and support exciting and relevant neighbourhoods. Simon has previously worked at Grosvenor Britain and Ireland, Imperial College London and held senior roles within the international property market, including with Treasury Holdings Group in China, Arcapita Bank in Bahrain and Majid Al Futtaim in Dubai, UAE.



Tor Burrows

Executive Director of Sustainability & Innovation, Grosvenor

Tor Burrows is the Executive Director of Sustainability & Innovation for Grosvenor Property UK. She is responsible for the delivery of its 2030 environmental goals including its net zero carbon and offsetting commitments, as well as its social impact strategy and innovation programme. In 2021, Tor has held the post of COP26 UK Built Environment Climate Ambassador leveraging this pivotal conference to galvanise stronger commitment and action from both industry and government towards net zero carbon ahead of 2050.



Virginia Blackman

Principal and National Head of Site Assembly & Compulsory Purchase, Avison Young

Virginia is a Principal and National Head of Site Assembly & Compulsory Purchase at Avison Young. She has over 20 years of experience advising on development, regeneration and infrastructure projects across the UK, focusing on projects with public and private partnership, particularly those requiring site assembly and compulsory purchase. Clients include local planning authorities, developers, infrastructure providers and regeneration agencies, Virginia chairs the RICS Expert Working Group on Compulsory Purchase.



William Touche

UK Vice Chair, Deloitte UK

William is a senior audit partner in the London audit practice and a Vice Chair of the UK firm. He leads Deloitte's Boardroom development programme hosted in the Deloitte Academy and is responsible for the development and delivery of Deloitte's points of view and services on governance matters within the UK regulatory environment.

Research and analysis provided by Deloitte Real Assets Advisory



Simon Burnett

Partner, Head of London Development, Real Assets Advisory
siburnett@deloitte.co.uk



Jeremy Castle

Director, London Planning, Real Assets Advisory
jcastle@deloitte.co.uk



Hayley Parkinson-Roberts

Assistant Director, London Development, Real Assets Advisory
hparkinsonroberts@deloitte.co.uk



Hattie Vessey

Assistant Manager, London Development, Real Assets Advisory
hvessey@deloitte.co.uk

Deloitte.

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The Commission used research and analysis provided by Deloitte Real Assets Advisory to inform its deliberations, which the recommendations in this report are based upon.



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CONTACT US

Jonathan Seager, *Policy Delivery Director, Research and Impact*
jonathan.seager@businessldn.co.uk
020 7665 1500

One Oliver's Yard, 55-71 City Road, London EC1Y 1HQ

businessldn.co.uk