LONDON TOMORROW

TOWARDS THE MEGACITY

IS LONDON RESILIENT ENOUGH TO CATER FOR FUTURE GROWTH?

An initiative by:

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Supported by:

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London has consistently epitomised what it means to be a resilient city. Despite a range of challenges, including those involving floods, world wars and terrorism, London has continued to be a beacon of urban stability and economic success.

Like other major cities, London is now having to consider how to deal with new and unprecedented risks. At the same time, the population of the capital is moving towards ten million citizens and 'megacity' status – and that will bring additional burdens to address.

London Tomorrow dinner participants noted that greater numbers of the capital's essential 'blue light' workers living outside London may pose challenges for future resilience management, particularly in relation to any incidents that had an extended duration, such as power failures, industrial action or adverse weather, as each would have the potential to quickly disrupt daily life and curtail economic activity.

City Hall acknowledges resilience as a core issue, with the creation of the post of Deputy Mayor for Resilience in April 2018 an important step in the right direction. Dinner participants were unanimous in their support for a designated City Hall team whose chief responsibility is to improve the capital's resiliency. However, ComRes polling has found that London businesses and the public are much less likely to feel prepared for crisis scenarios than the capital's Councillors.

As potential new threats emerge, resilience may still be seen mainly as about a response to an incident rather than a mainstream state-of-mind. Thinking about and integrating resilience into every aspect of strategic planning would deliver a truly resilient capital. City Hall could also look to integrate the private sector into the wider London resilience planning framework much more. There could be substantial benefits of such an arrangement where businesses, used to stringent resilience requirements in their own strategic planning, cooperate with City Hall to improve London's strategic and operational resilience.

Sean McKee, Director of Policy and Public Affairs, LCCI

ABOUT 'LONDON TOMORROW: TOWARDS THE MEGACITY'

London Tomorrow: *Towards the Megacity* is an initiative by London Chamber of Commerce and Industry (LCCI) in association with PwC and supported by London City Airport. With a focus on the challenges and opportunities arising from London's growing population, as well as Brexit on the horizon, the London Tomorrow project encompasses four discussion events (two private dinners, two public debates) over 2018-19 with a panel of invited guests. The private dinner on Resilience was the third discussion event.

The focus on London's future population comes as the number of people living within the capital has reached its highest level since 1939 (8.9 million), while the city is expected to reach 'megacity' status with over ten million inhabitants within a decade. Meanwhile, the Brexit process continues. Important decisions need to be taken to prepare London to accommodate further growth and to compete in a post-Brexit setting. Such decisions need to be underpinned by dynamic and bold thinking, which this initiative aims to encourage.

Note: the views expressed in this report do not necessarily represent the views of LCCI, PwC or London City Airport.

SURVEY

Ahead of the January 2019 discussion, LCCI commissioned leading polling agency ComRes to survey London adults, businesses and Councillors on London's resilience. During October and November 2018 ComRes interviewed a total of 1,648 London adults online:

- 1,003 members of the London public
- 507 London business decision makers
- 138 London Councillors

Comes is a member of the British Polling Council and abides by its rules. Full data tables can be found at www.comresglobal.co.uk

Any data reproduced from the polling should be fully referenced.

PRIVATE DINNER

London Tomorrow panel members gathered for a private dinner on 16 January 2019 to discuss the ComRes polling results and how London can become more resilient and cater for future growth. Attendees were:

- Andrew Carter, Centre for Cities (chair)
- Alexander Jan, Arup
- Kulveer Ranger, Atos
- Liam McKay, London City Airport
- Rob Walker, PwC
- Don Randall, CSSC
- Claire Kober, Pinnacle Group
- Colin Stanbridge, LCCI
- Sean McKee, LCCI
- Vicky Pryce, Cebr
- James Rentoul, ComRes
- Lord Harris of Haringey
- Steve Thackery, PwC
- Professor Tony Travers, LSE

Further details on London Tomorrow can be located at www.londonchamber.co.uk/londontomorrow

HOW RESILIENT IS LONDON?

TRANSPORT DISRUPTION PREPAREDNESS

46% Councillors
25% Businesses
31% The public

Say their organisation/they are prepared for extensive transport network disruption

Throughout its recent history, London has consistently epitomised what it means to be a resilient city. Through the flu pandemic of 1918, the floods of 1928 and 1953, two world wars and various incidents of terrorism, London has continued to be a beacon of urban stability, cultural attractiveness and economic success. That said, as London continues its trajectory of urban and economic growth, it is essential that its ability to deal with a crisis grows with it. Like other major cities, London is dealing with increased natural and man-made pressures, largely due to the sustained economic, technological and demographic growth the city has experienced over the years. Consequently, increased modernisation has brought about its own challenges, including those relating to a major data breach, disruption in the city's transport network or a prolonged power failure.

Findings from the ComRes poll indicate that Londoners recognise the legitimacy of the aforementioned threats, albeit with businesses being less likely to admit they might be impacted by them than the other two cohorts. For example, while 63% of Councillors and 66% of the public **feel it is likely their borough/they will experience extensive transport disruption over the next five years,** just 40% of businesses feel the same. Analogous trends can be observed in other areas; with 43% of Councillors and 60% of the public **saying it is likely their borough/they will experience a major data or privacy breach over the next five years,** compared to just 31% of businesses. Similarly, the majority of both Councillors (54%) and the public (52%) **feel it is likely their borough/they will experience a terror incident occurring close by in the next five years;** while just under a third of businesses (31%) consider this a probability.

Despite the relative insouciance of the business community, it is clear that Londoners on the whole consider a resilience crisis to be a real risk. Dinner panellists felt that a series of spending cuts to the police, fire brigade and ambulance service over the past decade may have helped to drive this perception. In their view, reductions in emergency services expenditure could well inhibit the capital's ability to respond to an incident or crisis effectively, whether that is extensive transport disruption or a health pandemic.

> *"London has seen a rundown, worse than other global cities in terms of hard infrastructure. No country in the developed world has reduced its budget deficit by concentrating reductions on police, fire, local government and defence. That does risk wear and tear on the classic infrastructure services. Looking forward, the issue is will there be enough investment to ensure London can compete with not just the old cities, but also new cities where all sorts of money is being spent on new infrastructure at scale? The answer is definitely not."*
>
> **Professor Tony Travers, LSE**
> *Dinner participant*

The Metropolitan Police Service, London Fire Brigade and London Ambulance Service are designated as 'Category One' Responders under the 2004 Civil Contingencies Act and their frontline staff will be first at the scene during major incidents to provide an operational response. However, LCCI research found that some emergency responder staff felt specific financial pressures were having an impact on them. LCCI's *'Living on the Edge'* report, found that the majority of metropolitan police officers (56%) and London fire fighters (53%) lived outside the capital, while the same was true for around a third of paramedics (30%).[1] Consequently, there is the potential that, given this situation, having adequate staffing levels during a crisis could be challenging. Notably, many of the staff interviewed by LCCI cited the increased cost of living in London and the parallel shrinking in financial reimbursement they received as the main reasons they chose to relocate and live outside the capital they serve.

The dinner panellists noted that greater numbers of the capital's essential 'blue light' workers living outside London may pose challenges for future resilience management, particularly in relation to any incidents that had an extended duration, such as power failures, industrial action, health pandemics or adverse weather, as each would have the potential to quickly disrupt daily life and curtail economic activity. For example, a prolonged major power supply failure would place the London economy in a crisis situation with added burden being placed on the capital's police, fire and ambulance services. London's 'blue light' workers perform their duties on shift-based employment patterns and, in a major power failure scenario, renewing and refreshing shift cover may be particularly challenging if large numbers of 'blue light' services workers are living outside the capital, unable to use public transport to travel into London.

Reflection: While London has historically been a resilient city, a significantly increasing population will bring new pressures and create additional burdens.

The capacity and capability of the emergency services to respond effectively to an immediate incident or a prolonged crisis should be kept under continual review by the Mayor of London.

With the majority of 'blue light' emergency services workers no longer living in the city they serve, the Mayor should consider what steps could be taken to support frontline, operational staff.

[1] LCCI: *Living on the Edge, June 2016*

RESILIENCE AS A CORE ISSUE

LONDON MAYOR AND GLA RESPONSIBILITY

63% Councillors
48% Businesses
47% The public

Say the London Mayor and the Greater London Authority are responsible for ensuring London's ability to deal with a crisis to a large extent

It is evident that City Hall now acknowledges resilience as a core issue - as shown by the creation of the Deputy Mayor for Resilience post taken up by Fiona Twycross in April 2018. One dinner panel member felt *"there has definitely been a noticeable change on matters related to 'enhancing resilience' since the 2012 Olympics – the games moved the dial on that"*.

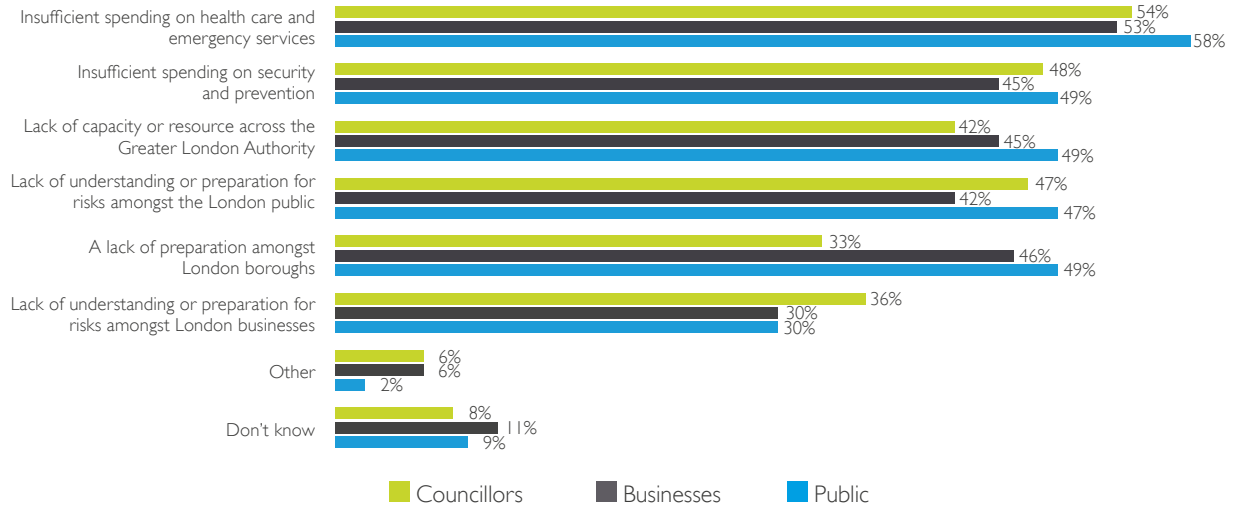
However, the level of 'preparedness' reported in the ComRes poll suggests that more still needs to be done to prepare London for future crises. A crucial finding to emerge from the survey is that businesses and the public are much less likely to feel prepared for crisis scenarios than Councillors. For instance, 55% of Councillors say **their borough is prepared for a major data or privacy breach,** while just 36% of businesses and 20% of the public **feel the same. Correspondingly, 46% of Councillors feel their borough is prepared for extensive transport disruption,** compared to just 25% of businesses and 31% of the public. It is notable that Councillors were significantly more likely to feel prepared than the other two polling cohorts in each area tested, with even larger gulfs between them, businesses and the public in other crisis scenarios such as a **terror incident occurring close by** (75%, 19% and 13% respectively) and **a flood or major storm** (60%, 23% and 15% respectively).

Dinner panellists reasoned that Councillors are much more likely than businesses and the public to have a codified 'playbook' for crisis situations, hence them being more likely to feel prepared. Nevertheless, the panel were cautious in their appraisal of this, voicing concerns that having an enshrined set of procedures for an emergency scenario may breed complacency among boroughs. In their view, a potentially critical risk is that Councils may fall back on the mere presence of their own playbook, as opposed to consistently reviewing and improving their crisis response policies. Dinner panellists also highlighted scenarios where a previously unprecedented risk can wreak havoc and render the crisis response formula redundant, such as the 2011 riots and the 2018 Grenfell Tower Fire. They also recognised that with boroughs facing significant fiscal pressure, allocating precious resources to crisis management procedures may be a challenge. As one dinner panellist put it, *"spending money on an unknown risk is difficult to justify, even more so than with a known risk. A crucial problem is that a major crisis is usually needed to trigger public spending"*.

> *"We need to understand that resilience challenges will be different in the world of London Tomorrow. We must look at the changing environments that a city will be in – where families will live, the education required and the rise of AI and autonomous vehicles. These are the factors we need to consider because that world is approaching in the next decade and beyond, and Londoners' sense of safety will depend on having political leaders that understand this".*
>
> **Kulveer Ranger, Atos**
> *Dinner participant*

The 72-hour shut down of Gatwick over the 2018 Christmas period due to a drone sighting shows how quickly an unprecedented risk can become a well-known one with major consequences. After the incident, Transport Secretary Chris Grayling MP commented that the situation appeared to be "a new kind of attack that we have to be prepared for". That would appear to vindicate the panellists' conclusion that a major crisis is usually needed before we begin to properly prepare for it. It was concluded that rather than seeing resilience as a response to a particular problem, resilience should become integrated into every development plan that London makes. As one panellist argued, *"when we talk about resilience, it feels like a backward looking conversation. Actually, what we're looking at is the future of London. And if the future of London is to be as successful as it can be, we need to start thinking about resilience at the strategic level."*

Barriers to London's ability to deal with, and recover from, a crisis



Reflection: As a range of potential new threats emerge, resilience may still widely be seen mainly as about a *response* to a particular incident rather than a mainstream state-of-mind. The draft new London Plan, which is the capital's strategic development blueprint, is going through an Examination in Public in 2019. The Mayor should consult the London boroughs on an alteration to the London Plan to formally identify the need for specialist emergency services worker housing as an important planning issue for London.

RESILIENCE GOING FORWARD

LONDON MAYOR AND GLA RESPONSIBILITY

63% Councillors
48% Businesses
47% The public

Say the London Mayor and the Greater London Authority are responsible for ensuring London's ability to deal with a crisis to a large extent

While some dinner panellists expressed disquiet with aspects of London's resilience planning, they also looked to offer practical suggestions on how to improve London's ability to respond to future incidents. There was wide agreement that granting City Hall further devolved powers would be crucial to this effort; *"if you'd allow the Mayoral office a greater degree of operational discretion, it may well have found a way of dealing with these problems more effectively."* That said, dinner panellists were keen to assert that whatever other administrative capacities were devolved to the London Mayor, they can only be fully adopted into a wider resilience strategy if the Mayor also has access to additional financial resource.

The ComRes poll provided a useful overview in terms of which bodies Londoners consider to be responsible for crisis management and how confident they are in their ability to do so. The survey found that 63% of Councillors, 48% of businesses and 47% of **the public feel the London Mayor and GLA are responsible for ensuring London's ability to deal with a crisis to a large extent.** On the whole, the polled audiences were much more likely to say the emergency services are responsible for ensuring London's ability to deal with crisis to a large extent (78%, 66% and 54% respectively) and slightly more likely – with the exception of Councillors - to say the same about the UK National Government (59%, 56% and 63% respectively). Similarly, polling also found comparatively higher confidence levels, particularly among businesses and the public, in **National Government's ability to ensure that London is able to deal with a crisis** (67%, 52% and 52% respectively), than the London Mayor and GLA (66%, 46% and 49% respectively).

In the view of dinner participants, this was primarily about an issue of resources, as opposed to being about City Hall's ability. As one panellist stated, *"any one place will have a better sense of the risks to itself, London is a political community with over nine million people, with an understanding of all the risks that people are faced with, if London's governance bodies had the money and empowerment it would spend it differently, but national government spends it instead."* There was broad support for the view that City Hall should have greater financial clout in the designing and implementing of London's resilience planning going forward.

> *"In recent years, it has almost become a dirty word to say 'investment in London' because of the idea that London already gets its fair share. First of all, that is a dubious proposition. But there is a key issue for the nation – the extent to which London drives the rest of the UK economy. If London starts to fail as a city and fail as a driver, there are much bigger consequences for the rest of the UK economy. There is another issue of making the case as to why London's resilience and London's infrastructure matters not just for people of London but for wider interests of the nation in terms of driving the economy."*
>
> **Lord Harris of Haringey**
> *Dinner participant*

However, one dinner panellist pondered where the money for this would come from; *"enhancing resilience costs and with a commmon view that London has enough from Whitehall, government is pushing more funding to the North – where can our Mayor get funding?"*. Some dinner panellists felt it was crucial that City Hall looked to integrate the private sector into the wider London resilience planning framework. In this context, bodies such as the London Resilience Forum (LRF) which provides a discussion and decision platform for representatives of Sector Panels of the many organisations of the London Resilience Partnership (LRP) are a welcome step, but more can be done to integrate the private sector. As articulated by Don Randall, *"there is an appetite from the private sector to be participating in long term resilience planning, but we need someone to harness it because it is a real win. There is a wealth of ability in the corporate sector, but we need someone with sizeable political persuasion to drive this forward"*.

The benefits of such an arrangement could be substantial. Certain businesses - usually larger companies and those with particularly stringent resilience requirements (banks, data centres, security firms etc.) - are well drilled in designing and implementing the necessary safeguards needed to protect their assets, and will constantly scrutinise and adapt their programmes in response to new challenges. Additionally, corporate entities are also competent in integrating resilience arrangements into their wider strategic planning, which is a model the public sector could certainly learn from. This considered, City Hall would be well placed to seek to harness the practices used in the private sector and leverage them to improve London's strategic and operational resilience.

Reflection: Improving London's ability to respond to future incidents or crises may require a greater degree of operational discretion for City Hall, however any additional devolved administrative capacity will only be effective if the Mayor also has access to additional financial resource.

Innovative approaches may help overcome the challenge of securing new and/or additional funding.

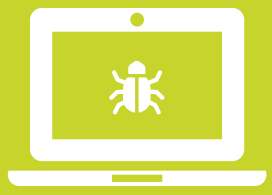
The Mayor could consider assuming an owner-landlord role for dedicated housing stock for 'blue light' emergency services workers. Apart from enhancing resilience, a managed portfolio of homes to rent would provide City Hall with a steady and stable revenue stream for the future.

City Hall could also look to integrate the private sector into the wider London resilience planning framework. There could be substantial benefits of such an arrangement where businesses, used to stringent resilience requirements in their own strategic planning, cooperate with City Hall to improve London's strategic and operational resilience.

SUMMARY OF RESULTS

IMPACT

DATA BREACH IMPACT



43% Councillors
31% Businesses
60% The public

Feel their organisation/they will be impacted by a major data or privacy breach over the next five years

TRANSPORT DISRUPTION IMPACT

63% Councillors
40% Businesses
66% The public

Feel their organisation/they will be impacted by extensive transport network disruption over the next five years

PREPAREDNESS

DATA BREACH PREPAREDNESS

55% Councillors
36% Businesses
20% The public

Say their organisation/they are prepared for a major data or privacy breach

TRANSPORT DISRUPTION PREPAREDNESS

46% Councillors
25% Businesses
31% The public

Say their organisation/they are prepared for extensive transport network disruption

RESPONSIBILITY

NATIONAL GOVERNMENT RESPONSIBILITY

59% Councillors
56% Businesses
63% The public

Say the UK National Government is responsible for ensuring London's ability to deal with a crisis to a large extent

LONDON MAYOR AND GLA RESPONSIBILITY

63% Councillors
48% Businesses
47% The public

Say the London Mayor and the Greater London Authority are responsible for ensuring London's ability to deal with a crisis to a large extent

CONFIDENCE

CONFIDENCE IN NATIONAL GOVERNMENT

67% Councillors
52% Businesses
52% The public

Feel confident in the ability of the UK National Government in ensuring London is able to deal with a crisis

CONFIDENCE IN LONDON MAYOR AND GLA

66% Councillors
46% Businesses
49% The public

Feel confident in the ability of the London Mayor and Greater London Authority in ensuring London is able to deal with a crisis

London Chamber of Commerce and Industry
33 Queen Street, London EC4R 1AP

T: +44 (0)20 7248 4444
F: +44 (0)20 7203 0391
E: research@londonchamber.co.uk
W: londonchamber.co.uk/research

For further information on this report, please contact research@londonchamber.co.uk

Sean McKee
Director of Policy and Public Affairs

E: smckee@londonchamber.co.uk
T: +44 (0)20 7203 1882

Joe Richardson
Policy Research Officer

E: jrichardson@londonchamber.co.uk
T: +44 (0)20 7203 1889