



Emerging London

London has the talent and the tradition to remain a world financial centre in tomorrow's expanding business world...can its infrastructure and city planning rise to the challenge?

Baroness Jo Valentine is CEO of 'London First' an organisation founded "to make London the best City in the World in which to do business." She believes that despite the global recession there's a wall of cash trying to get into the U.K. and London... the problem is that we're not very good at getting our infrastructure ready to be invested in. The timing looks right to change that.

There has been a burst of ad hoc speculative private development in the last few years which is changing the traditional low rise skyline of the City of London – the square mile which constitutes the city's financial district. Competing Middle East investors have been vying for each other to build the tallest skyscraper with idiosyncratic names like "The Shard" and "the Gherkin". The London Mayor, Boris Johnson, recently announced that a 35-acre site in the old Royal Docks will be transformed into a "Gateway for Asian businesses seeking to establish headquarters in London". The £1 billion project is backed by ABP China in its first major development outside China.

"Creating a third financial district in the capital, this development will act as a beacon for Eastern investors looking West, bringing with it tens of thousands of jobs and billions of pounds of investment for the U.K. economy," Mr Johnson told reporters at the launch at the end of May. They are

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impressive developments providing office space for the financial industry but elsewhere, until recently, there was little sign that recent development projects in the capital - such as Olympic Park in a deprived area of East London - were benefiting the wider community or driving economic growth.

The Kings Cross development, on the other hand, could generate a trickle down economic benefit. Unlike Canary Wharf and Silicon Roundabout at Old Street, Kings Cross is more than just a shiny series of office blocks with chic coffee shops and restaurants on the ground floor. The respected University of the Arts London and Central Saint Martins School of Art and Design will be sharing the space with Camden Council, the Guardian Newspaper and corporate giants like Google. There will also be a significant amount of mixed housing.

The managing partner of the Kings Cross developer Argent, David Partridge, believes this mixed approach is necessary if their ambitions to create a fully-formed urban environment, with a mix of businesses and customers, are to be realised. "You have to do all that kind of stuff - you can't do one without the other," he says. "The richness of the place is all about layering. It's incredibly hard work. You have to just keep layering it on and layering it on until it builds up into a very rich picture.

Canary Wharf

The history of Canary Wharf illustrates the problem of a lack of infrastructure planning. While today it is a sort of “Wall Street on the Thames”, its growth was arduous. Erected more than 20 years ago on the Isle of Dogs amidst great fanfare, the development was virtually cut off from the rest of London because, for the first few years of its existence, there were no decent public transport connections. The original developer - Olympia and York went bankrupt and many of the office skyscrapers in this former area of East End docks stood empty for several years. “Canary Wharf only really began to be successful when the Jubilee Underground line was finally extended to the Isle of Dogs more than a decade after it was first developed,” claims Jo Valentine of London First.

She also cites three major infrastructure improvements that helped drive more recent development – the introduction of the congestion charge, the East/West Crossrail link and the Olympics. “Arguably none of those would have happened without the role of the Mayor providing direction.”

The first Mayor of London was Ken Livingstone who also presided over the Greater London Council before Margaret Thatcher abolished it for political reasons in 1986. This created an urban planning hiatus for nearly two decades. “It meant London in the 1980s and ‘90s was a bit down beat and down at heel,” according to Valentine. That changed with the creation of the Greater London Authority and the new post of London Mayor in 2000.

Charting the Future

With the population in London heading for ten million by 2030 – that’s an increase of around two thousand a week - the case for change in how the city secures its future infrastructure investment needs is perhaps more compelling than ever.

The London Finance Commission has recently published a report into the way that infrastructure and public services are financed in the capital and it calls for fiscal devolution from central government so that more of the taxes raised from Londoners is spent on the capital. The LFC report claims that “only a fraction of the taxes raised in London - just seven percent - is determined by the representatives elected to spend them. At over fifty percent, New York’s figure is more than seven times higher.”

Yet even with a wall of money being invested in London developments, more needs to be done to free up public sector investment. Valentine cautions against too much centralised planning and

advocates more of a mixed public/private approach. “It is dangerous to have too rigid a plan for city development.”

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