

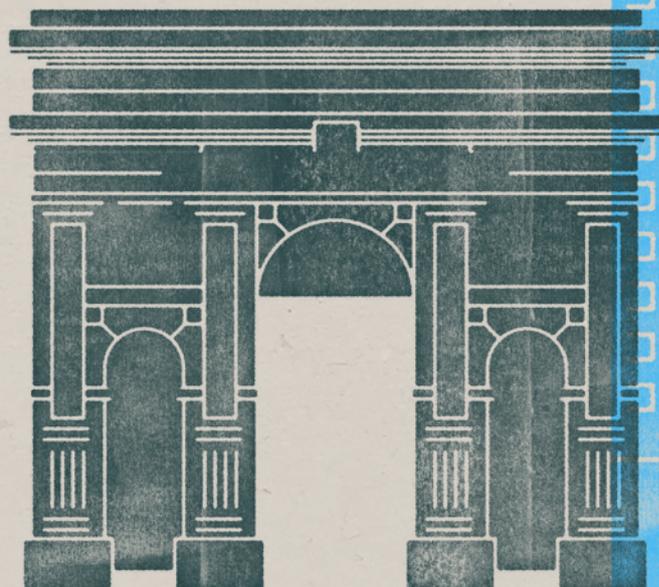
MAYOR OF LONDON



An ECONOMIC FRAMEWORK for LONDON

December 2022





CONTENTS

Introduction	04
Jobs	16
Business	20
Thriving Neighbourhoods	24
Connected City	28
Global London	32

INTRODUCTION

LONDON has SURVIVED SIGNIFICANT CHALLENGES THROUGH the PANDEMIC.

New inflationary pressures have hit communities and businesses hard across the capital. However the capital retains strong economic foundations with the potential for continued growth delivering for the region and the wider UK. London is committed to doubling the size of its green economy by 2030. London needs to articulate a clear vision for the city, to support confidence and provide targeted support to London's most vulnerable communities and stand alongside residents and businesses to enable the city's economy to flourish.



ECONOMIC FRAMEWORK — One year on

Since its publication in November 2021, there has been significant progress around the economic framework's five pillars, driven by great collaboration across London's partners.

The framework has influenced priorities for funding and resulted in new ways of working. The framework guided the focus of the investment plan for the **UK Shared Prosperity Fund (UKSPF)**, jointly developed by the GLA and London Councils. London developed a radically different approach to UKSPF, with over 50% of the funding being allocated directly to boroughs to respond to the needs of local communities. Some of London's **anchor institutions** are using their leverage and working collaboratively to support inclusive growth in the capital. This includes opening procurement opportunities for London's small and minority owned businesses and enhanced employment and recruitment practices.

Other highlights include:

Jobs

No Wrong Door: Four new integration programmes across London, coordinating employment and skills provision for priority groups, including refugees, disabled Londoners, older and young Londoners. Delivery is being led by the sub-regional partnerships and funded by the GLA and the Community Renewal Fund.

Green Skills Academies: Working closely skills providers and employers, the sub-regional green skills academies support Londoners into new green sector jobs, help to develop new green skills training to upskill the current workforce and work with the employers to develop the curriculum.

Business

Business support: The way-finder project is a collaboration between 3 boroughs¹ and the GLA to create a more joined-up approach to business support. It provides free advice to businesses to help them find the correct business support. GLA, London Councils and the boroughs are co-designing a business support model building on this collaborative pilot, to be rolled out in 2024.

1. Lambeth, Southwark and Wandsworth

Thriving Neighbourhoods

Property X-Change: Developed via a partnership of London government, business groups and the property industry, it runs events and hosts good practice to support successful and inclusive town centres, showcased via a [single portal](#).

High Streets Data service: designed with boroughs the GLA's high streets data service provides the best local high streets and town centre data at a low cost via collective data purchasing.

Connected London

Digital Inclusion Service: Lockdown highlighted the large numbers of Londoners who struggle to get on-line. Lead by the London Office of Technology & Innovation (LOTI)² this new service will ensure a coordinated approach to providing a mixture of devices, data and training to help Londoners access digital services.

Global London

Promotion and investment; The [Opportunity London](#) initiative promotes investment into regeneration and green infrastructure, bringing together boroughs, the private sector and the GLA group. The network has ensured a coordinated London presence with a strong consistent message at national and international investment events.

2. A coalition of London boroughs and the GLA hosted by London Councils



A Framework for London's Future Economic Success

The collaborative effort to respond to Covid has created an unprecedented platform for the different tiers of London government to work together, driving new and innovative collaboration on joint challenges. We are ambitious for the future of our city and committed to working together to drive its continued success. This refreshed economic framework builds on the framework initially developed to respond to the pandemic's impact and now reflects the progress to date, with a greater focus on London's long-term economic growth.

By consolidating and agreeing key activities within this Framework, we will ensure that London Government achieves more than the sum of its parts, that our activities can be targeted towards addressing the structural inequalities that have resulted in some groups of Londoners suffering more acutely from the pandemic and the subsequent cost

of living crisis, and that we can mobilise at the pace and scale required to meaningfully tackle the climate and ecological crisis. There are roles that the GLA Group can play across London, those that can be best coordinated in sub-regional geographies, and those that London's boroughs are best placed to deliver. Partners also need to collaborate with central government, to work with a wider range of major institutions in all their forms on a wider range of policy areas, and to work constructively with local businesses to achieve a true 'full system response' that the current crisis – recently exacerbated by the rapidly rising prices and costs of doing business – demands. Working in this way will enable London to respond well and quickly to any future shocks.

Delivering a bright future for London

London benefits from great economic strengths – it is a leading global city, a hotbed of entrepreneurship and innovation, a place that attracts high levels of investment and talent and a premier destination for its creative and cultural assets and its diverse and open community. However the role of major urban centres is changing. The digital transition, changes to



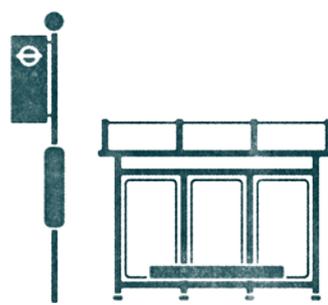
remote work and more flexible commuter patterns, which were underway before the pandemic, have been accelerated. New trends in the ways we live, shop and work are likely to remain in the future, changing the geography of demand for homes, workplaces, goods and services. Cities that thrive under these new conditions will need to position themselves as places where people want to be – by virtue of their roles as engines of collaboration and innovation, the draw of their public realm, thriving neighbourhoods that are fair for the future. Their hospitality and leisure offers, their leading cultural and creative status, and the quality of their public services. Activities that protect the quality of life for Londoners should be prioritised, which will in turn support economic growth.

To continue to thrive, London must confront some structural challenges, as well as the immediate impacts of high inflation, volatile markets, and soaring energy costs. Productivity growth was slowing prior to the pandemic, spatial inequalities were worsening, high housing costs were unaffordable to many and shifts in consumer behaviour were causing decline in high street spending. The next few years will be challenging – most Londoners (53%)

are reporting that they are struggling or just about managing financially; a national recession is projected, with living standards falling 7% over two years and unemployment rising. Tackling these challenges is central to our work to ensure London continues to thrive and is a key focus for this Framework.

Addressing inequality

Some groups of Londoners have long suffered from structural inequalities, which were exposed and exacerbated by the pandemic. Young Londoners, people with no or low qualifications, black and minority ethnic Londoners and older people have all experienced particular challenges in the labour market, and continue to be more likely not to be working, or to be in insecure, low paid work. There are clear links between outcomes in health and work, with disabled people and those with health conditions, as well as women experiencing comparatively low levels of economic activity. Businesses owned by women, disabled people and minority ethnic Londoners face structural inequalities, such as accessing finance. It is vital that all of our recovery activities are targeted at narrowing social, economic and health inequalities as set out in the London Recovery Board's Building a Fairer City.



London is already a world leader, with its growing green sector worth £48bn in sales, worth more than construction and manufacturing sectors combined.



Tackling the climate and ecological emergency

The climate and ecological emergency is the biggest threat to humanity and time for action is running out. Rising prices put in stark relief our fossil fuel energy dependency and the urgency to tackle energy poverty, poor air quality and the climate crisis. But achieving net zero carbon is also an opportunity to grow key sectors in London's economy. An average of 41,000 jobs a year over the decade could be created in activities like installing solar panels and heat pumps and insulating our homes, with a wide range of new skills and technologies. London is already a world leader, with its growing green sector worth £48bn in sales, more than construction and manufacturing sectors combined.



The EFFECTS of the PANDEMIC on LONDON

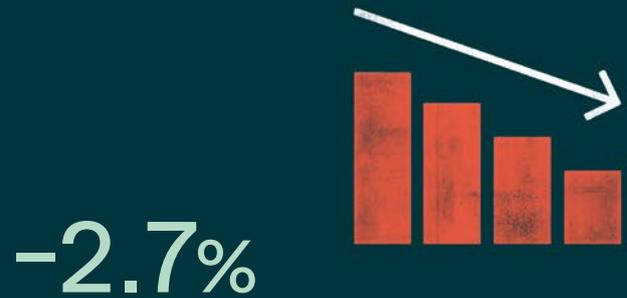
Recovery in London's labour market, but still incomplete



There were 4.2 million payrolled employees living in London in September 2022, almost 78,000 more than in February 2020. Yet employee numbers in several sectors (e.g. transport and storage, hospitality) and self-employment jobs are still down on pre-pandemic levels.

Source: HM Revenue and Customs – Pay As You Earn Real Time Information

A growing cost-of-living squeeze



Despite increases in nominal terms, average employee pay is now declining when adjusted for inflation. Real median pay fell by 2.7% in the year to September 2022, the sixth consecutive month of negative annual pay growth.

Source: HM Revenue and Customs – Pay As You Earn Real Time Information / ONS CPIH

Changing commuting patterns mean that the CAZ is still at:



By October 2022, weekend visitor footfall averaged 87% of pre-Covid levels in the CAZ. Weekday worker figures in the CAZ were at 54-63% of pre-pandemic values (up from 30% in July 2021).

Source: Anonymised and Aggregated data from O2

But changing commuting patterns have reinforced neighbourhoods



Spend in smaller local centres has recovered better (91% have recovered to pre-pandemic levels) than in larger major centres, areas that rely on workers and central London/fringe (only 71% have recovered).

Source: GLA analysis of Anonymised and Aggregated data from Mastercard (adjusted for inflation and cash to card usage)

London has been hit worst but there are now spaces for opportunity. If London thrives so does the rest of the UK.

There are growth sectors that can help boost London's recovery



Over 1,000 innovative companies in Life Sciences with industry spanning everything from advanced therapies to digital technologies and AI.

Source: www.medcityhq.com/medcity-map/

Investment in modern utilities and energy efficiency can reduce carbon and support jobs



Making London zero carbon will require a minimum of £61 billion investment needed from private and public sources to upgrade infrastructure. Catalysing the scale of retrofit required by 2030, requires £10 billion of building fabric energy efficiency measures and could support over 140,000 jobs.

Source: www.london.gov.uk/what-we-do/environment/climate-change/climate-action-plan

London's recovery is critical for the UK as a whole

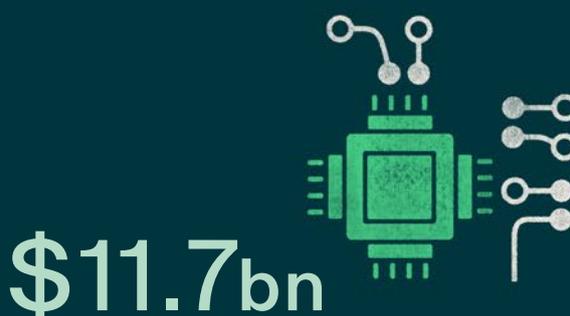


24p of each £

24p of production generated elsewhere in the UK for each £ consumed in London.

Source: GLA Economics, London's Input Output Tables, The London input-output tables | London City Hall

Significant opportunities if London can retain its global position



In 2021, London attracted \$11.7bn of venture capital investment into fintech companies – the second largest in the world and 3 times more than any other European city.

Source: [startupgenom / dealroom](http://startupgenom.com/dealroom) 2022

The FIVE PILLARS of the LONDON ECONOMIC FRAMEWORK

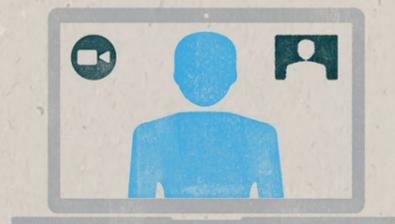
**ACHIEVING NET ZERO;
GREEN ECONOMY ACTIONS**



NARROWING INEQUALITIES

(These themes cut across all pillars)

Jobs



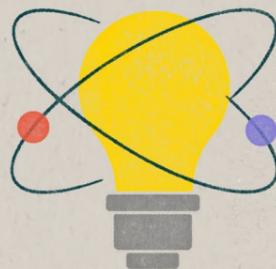
Employability and barriers to employment

Access to services (No wrong door)

Skills and careers

Good work

Business



Growth sectors

Business support

Innovation and productivity

Entrepreneurship

Thriving Neighbourhoods



High Streets for All

Public Realm

Quality affordable housing

New neighbourhoods

Connected City



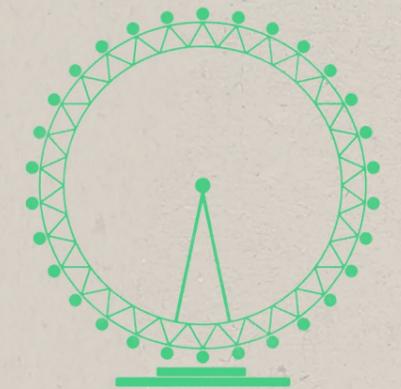
Transport

Digital

Modern utilities

Gateways and interchanges

Global London



Long-term role of the Central Activities Zone (CAZ)

Visitor economy

Culture, entertainment and events

Promotion and investment

JOBS

Although many sectors are now experiencing recruitment challenges and skills challenges, London's unemployment remains higher than pre-pandemic and many Londoners have dropped out of the labour market for a range of reasons including long term health issues. Unemployment is projected to rise over the next two years with inflationary pressures, the cost of living crisis and the expectation of reduced economic growth within London.

The structural inequalities in London's labour market laid bare by the pandemic remain. Young Londoners, people with no or low qualifications, black and minority ethnic Londoners continue to experience greater levels of unemployment compared to other groups. Disabled people, those with health conditions and women experience low levels of economic activity. In work poverty rose during the pandemic and continues to increase – in May 2022, 41% of Londoners on Universal Credit were also in employment. Apprenticeship numbers in London continue to lag behind the rest of the country.

Employability and barriers to employment

Support needed for different Londoners to access a job will vary. It can be relatively light touch – a young person who needs work experience or a Londoner out of work for the first time in 20 years who needs support around digital skills and navigating the jobs market. Many Londoners face more substantial barriers to getting and retaining a job including health problems, skills gaps, insecure and/or high cost housing, access to childcare or drug/alcohol addiction. The changing nature of work presents further barriers to employment for those that do not have the digital access or appropriate home environments in which to work remotely. London's employment and skills services need to be flexible to respond to changing labour market conditions, in work poverty, the diverse needs of candidates, integrated with other local services to effectively deal with the more substantial barriers. Delegated programmes such as the Work and Health Programme are important to achieving this but are due to end in the next few years. There will be a gap between European Social Fund (ESF) programmes ending and employment and skills provision under the UK Shared Prosperity Fund (UKSPF) starting in 2024-25.

Access to services (No wrong door)

Employment and skills services in London are fragmented and difficult for both Londoners and employers to easily find the help they need. There is a need to knit together national services and programmes, such as Jobcentre Plus and DWP commissioned programmes, with regional and local activities. London government is delivering a 'No Wrong Door' approach to employment and skills services, taking a person-centred approach. This will involve better collaboration between providers and commissioners, referral pathways and outreach mechanisms, and more data sharing. No Wrong Door is being delivered through four sub-regional integration hubs, responding to local needs by targeting support and activity at priority groups of Londoners.

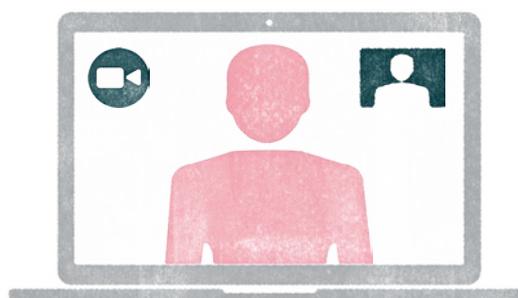
Skills and careers

Too many Londoners are stuck in low paid jobs and need support to progress onto better paid employment. This is increasingly vital as Londoners deal with the cost of living crisis. Access to quality careers advice and skills support will be crucial to achieve success. London is focusing skills support on key growth sectors: digital, green, creative, hospitality and health and social care, working closely with employers. It will consider how the delegated £318m pa Adult Education Budget (AEB) can support key sectors, low paid Londoners and how to promote self-employment and enterprise as options.

Good work

Good work for Londoners is work that is fair, decent and secure in terms of pay, benefits and work conditions and gives opportunities for skills development and career progression. London government is committed to supporting Londoners into good work and encouraging employers to provide it. We will use all our levers to generate good jobs in London and widen access to these. The Making London a Living Wage City Programme, funded by Trust for London, by spring 2024 aims to accredit 1,000 new Living Wage Employers covering 250,000 more employees.

"London is focusing skills support on key growth sectors: digital, green, creative, hospitality and health and social care, working closely with employers."



Our ROLES in LONDON'S FUTURE ECONOMIC SUCCESS

GLA Group:	Sub-regions:	Boroughs:
<ul style="list-style-type: none"> • With London Councils, monitor changing labour market needs, adjust provision accordingly and identify levers to expand Good Work. • Tailor the £318m Adult Education Budget (AEB) to support key sectors and low paid Londoners, in line with the Mayor's Skills Roadmap for London. • Fund and support skills academies, careers and enterprise hubs and integration hubs to achieve the aims of the No Wrong Door (NWD) approach. • Deliver a Research & Innovation programme as part of NWD to identify practical solutions to further integrate London's employment and skills systems. • Work with employers on Good Work Standard and support for freelancers. 	<ul style="list-style-type: none"> • Manage key delegated employment schemes such as the Work and Health Programme and integrate these with local services. • Deliver on the NWD approach, developing integration hubs to join up provision working with Jobcentre Plus (JCP), providers, employer and anchor institutions. • Deliver links between sub-regional job creation opportunities and employment and skills services, developing clear progression pathways. • Work with NHS partners to ensure effective routes into the health and social care workforce. 	<ul style="list-style-type: none"> • Deliver local employment and skills services to respond to the specific needs of local communities, including key growth sectors. • Promote the NWD approach locally, working with SRPs & Exploring co-location with JCP. • Use their levers as service commissioners and providers, grant givers and employers to create more Good Work job opportunities, as well as more apprenticeships for diverse young people.
<p>GLA, SRPs employers groups and boroughs will continue to develop a common granular understanding of London's labour market and skills needs across the city and work with Government to ensure skills and employment services meet the needs of Londoners.</p>		

OPPORTUNITIES for COLLABORATION

Central Government	Major Institutions	Business
<p>Agree a devolution deal with London that includes:</p> <ul style="list-style-type: none"> enhanced employment, skills and careers support for key communities and groups. support for the delivery of the NWD approach including a step change in data sharing and reform of the apprenticeship levy. 	<ul style="list-style-type: none"> Create opportunities for Good Work for local communities through local employment, and to increase workforce diversity. Support disadvantaged local communities to access enterprise and self-employment opportunities. Generate significantly more apprenticeships and opportunities for diverse young people to experience work. Establish effective pathways into priority sector workforces, including digital, health and social care, hospitality, creative and green. 	<ul style="list-style-type: none"> Significantly increase investment in skills training of their workforce over the next five years. Co-design and participate in employment and skills provision, so that it leads to more job opportunities. This includes actively participating in the development of a Local Skills Improvement Plan for each sub-region and London. Adopt or work towards the Mayor's Good Work Standard or equivalent and engage with the Making London a Living Wage City Programme.

CONTRIBUTING to a GREEN and FAIR RECOVERY

Achieving environmental sustainability and growing the green economy	Narrowing social, economic and health inequalities
<p>Develop green skills hubs across London through the Mayor's skills academies; research to better understand green skills and demand; integrate green skills and employment across other skill areas or areas of job growth, e.g. construction, retrofit, digital. Support the Building the Green Economy programme and the Skills for a Sustainable Skyline initiative.</p>	<p>Address diversity and inclusion issues for key growth sectors; deliver integrated services to improve outcomes for the most disadvantaged groups; take a targeted approach on groups most affected by the pandemic – contributing to the Building a Fairer City action plan.</p>

BUSINESS

London is comprised of a diverse range of businesses from some of the UK's most innovative and highly specialised companies to firms carrying out the core activities that make our city work, employing millions of Londoners. London firms account for around a fifth of all UK businesses and 29 percent of business turnover.

But businesses are facing major inflationary pressures and struggle to hire the skilled workforce they need. Supporting our businesses – particularly small firms that make up 99% of the total – to adapt to the economy of the future is now more important than ever. We will promote a strong innovation-led economy in which London's businesses – small and large, in both knowledge-intensive and foundational sectors – can thrive, becoming more resilient, increasing productivity and supporting Good Growth.

Growth sectors

London has a global competitive advantage in key sectors which are particularly important to drive the UK's future growth and productivity. These include Culture & Creative Industries, Financial & Business Services, Life Sciences, Green Economy and Tech & Digital. London's world-leading green finance sector will also play a key role in supporting growth and achieving our net-zero ambitions.

In order to succeed firms will be looking for new market opportunities (across the public sector and globally), collaborative partners, the right space/infrastructure (including physical clusters of growth along innovation corridors), data, risk capital and skills. London government can support and facilitate access to these vital elements to enhance the growth of firms in these critical sectors, whilst ensuring that we work with businesses to reduce inequalities across London.

Business support

Most of London's businesses – and most jobs – are within sectors that provide day-to-day goods and services. These businesses are crucial to maintaining city competitiveness and ensuring London remains a well-functioning and liveable city.

Businesses struggling with inflationary pressures need support to help them reduce their carbon footprint at a time when energy costs are spiralling. Key sectors such as retail, logistics and hospitality are now struggling with a tight labour market, but also face a challenging trading environment.

Innovation & productivity

Innovation is key to supporting productivity gains across all sectors, not just the newer, faster growing sectors of the economy. In the long term, improvements in productivity can enable increases in living

standards and therefore are a necessary, although not sufficient, condition for Good Growth. We will support the adoption of existing technologies, improve business management and leadership practices, invest in skills, support greater investment in R&D and foster collaboration. Continuing to invest in innovation districts, such as the Knowledge Quarter or White City, will be key for London's future prosperity by harnessing its global strengths in science, finance, technology and innovation.

Entrepreneurship

New businesses and start-ups are especially important in job creation in London. Smaller firms faced particular challenges during the pandemic, having to adapt quickly to digital work and deal with liquidity problems. To support future prosperity, we must provide a more targeted and integrated offer to those who want to start or grow a business and maintain the vibrancy and dynamism of London's economy. Support needs to be tailored to the specific barriers certain communities face such as access to finance.



Our ROLES in LONDON'S FUTURE ECONOMIC SUCCESS

GLA Group:	Sub-regions:	Boroughs:
<ul style="list-style-type: none"> • Support the physical development of innovation clusters, through access to land, strategic planning and infrastructure. • Ensure effective support around inflationary business pressures, including reducing energy costs. • Commission sector-focused skills programmes. • Deliver in partnership with boroughs and others business support targeted at those most in need. • Provide grants and wider support to accelerate innovation and collaboration 	<ul style="list-style-type: none"> • Strategic support to enable cluster growth, attract investment and skills, support collaboration across administrative boundaries. • Explore entrepreneurship start up schemes in boroughs with substantial job losses. • Support the scaling up of successfully piloted innovation across boroughs. • Co-design with businesses effective programmes to meet employers' skills needs. 	<ul style="list-style-type: none"> • Ensure effective local delivery of programmes to reduce energy use by SMEs. • Support business growth through land availability, local planning and infrastructure. • Provide pilot sites for innovators and affordable workspace for start-ups and scale-ups. • Work with local employers to provide the skilled workforce they need.
<p>Maximise the impact of UK Shared Prosperity Funding in London through co-design and coordinated delivery. Deliver a 'single front door' for SMEs accessing business support and create a more joined-up business support offer, expanding the Wayfinder pilot.</p>		



OPPORTUNITIES for COLLABORATION

Central Government	Major Institutions	Business
<ul style="list-style-type: none"> • Collaborate on emerging best practice, white labelling innovative policies piloted by the GLA for other cities to roll out. • Provide London with business support funding which can be adequately targeted towards local need. • Provide additional support around energy efficiency. 	<ul style="list-style-type: none"> • Work with the GLA, boroughs and SRPs to align, coordinate and scale up innovation support. • Invest in innovation infrastructure, translational capacity and skills. • Collaborate with smaller businesses on access to R&D support. • Ringfence supply chain opportunities for SMEs. • Champion inclusive innovation and diversity. 	<ul style="list-style-type: none"> • Offer collaboration, procurement and other valuable opportunities to small businesses. • Ensure the design of new innovations are inclusive and meet user need. • Commit to increasing investment in R&D. • Enable access to patient capital and risk capital, increase access to capital for female and black entrepreneurs, increase investment in skills for underrepresented groups.

CONTRIBUTING to a GREEN and FAIR RECOVERY

Achieving environmental sustainability and growing the green economy	Narrowing social, economic and health inequalities
<ul style="list-style-type: none"> • Accelerate and scale up innovative solutions. • Encourage and support the growth of low carbon businesses, and of London's world-leading green finance sector. • Accelerate support for SMEs to move to a net zero business model. • Support the Building of the Green Economy programme led by LB Hounslow. 	<ul style="list-style-type: none"> • Showcase innovative solutions to enable a fair and just transition for small businesses. • Contribute to improve the representation of women and black, Asian and minority ethnic people at senior levels in growth sectors' firms. • Support delivery of the Fairer City Action Plan to tackle structural inequalities, including through business support interventions to target those facing particular barriers to starting and running a business, including Black, Asian and minority ethnic, women and disabled entrepreneurs and business owners.

THRIVING NEIGHBOURHOODS

London's diverse and thriving local neighbourhoods are one of the city's greatest strengths. For many people, the vitality of their immediate neighbourhood is a litmus test for London's economic strength and quality of life. Beyond their importance for those that live in and around them, dynamic high streets, markets and public spaces are also central to a city's global appeal.

Many neighbourhoods face ongoing economic challenges. Growth in online retail has reduced footfall and spend in town centres – a trend which accelerated during the pandemic. Rapidly rising prices increase the pressure on High Street businesses and local communities. The picture is mixed across London, with some centres thriving and others struggling. Many Londoners struggle to afford an acceptable place to live, and homeownership below the national average and falling – a trend that is set to continue with rising mortgage interest costs.

But there are also opportunities to be grasped. More home working, while challenging for central London, may help revitalise high streets across London where new patterns of local community behaviour, enjoyment and spend have and continue to emerge. New developments will

provide homes, jobs and training and help increase footfall and spend into London's high streets. Greater house building and populations within and adjoining town centres, will be vital economic generators for the high street as well as provide vitally important affordable and new homes for local neighbourhoods. The importance of high-quality public realm and green space has never been more clearly recognised and we need to design these spaces with communities.

High streets for all

London's high streets need to adapt to changing expectation and shifting demands for retail and commercial space to remain vibrant – GLA data suggests 45% of users' primary high street use was for social rather than retail purposes. Strong partnerships between communities, businesses and councils will be needed to develop bespoke, place-based plans for the city's high streets that reflect the value of social exchanges as part of the mix alongside economic and environmental priorities.

Creative meanwhile and catalytic uses for vacant property will be critical, such as flexible workspace, cultural facilities or community infrastructure. Another priority will be to maintain flexibility around licensing and regulation to allow experimental and temporary uses, and to support welcoming and successful 24-hour and vibrant evening economies across the Capital.

Public realm

London is the world's greenest major city, with residents and visitors benefiting from its parks and open spaces, squares and tree-lined streets. Londoners rely on these spaces for exercise and escape, but the pandemic laid bare the disparities in access between communities. Our neighbourhoods need to be safe space that are resilient to climate change and support climate adaptation.

London's future economic success will need better public realm, especially in those areas with the greatest need. This could mean the creation of new and improved green spaces, measures to support walking and cycling, facilities for children and families, and new public areas. Our public spaces are key to achieving ambitious goals around equality, diversity and inclusion. Safety for women and girls in particular is a priority essential in delivering a vibrant and representative 24-hour economy. Improving air quality will also remain a priority. School Streets and Active Travel initiatives will bring London's streets back to local neighbourhoods in more sustainable patterns that unleashes health and well-being as well as economic benefits to communities and high streets.

Quality affordable housing

Despite a significant increase in recent years, there is still a housing crisis and much more to do to ensure London has the homes and affordable housing it needs which is also vitally important to sustain local and

city economies. An acceleration in home building from councils, housing associations and private developers, and across all price points and tenures, is needed to sustain the city's diverse labour market and support jobs. There has also been a significant increase in new rental prices in the private rented sector in the past year. New homes will need to be built to the highest environmental standards, and substantial investment in efficiency will be needed to cut energy bills and reduce the carbon emissions of the capital's existing housing stock. With inflationary pressures challenging the viability of housing development solutions are required to ensure that London continues to invest in affordable housing.

New neighbourhoods

The central role of new neighbourhoods and districts in supporting growth is widely recognised. Major projects such as Barking Riverside, Meridian Water, Brent Cross, Thamesmead and Old Oak and Park Royal will provide homes, high-quality public realm and space for business, retail, leisure and culture.

They also have a broader role in the capital's future economic success – acting as a sign of renewed ambition, attracting investment, and providing significant employment and training opportunities for Londoners of all backgrounds. They should be exemplars in delivering our net zero ambitions and creating decarbonised and climate resilient spaces.

Our ROLES in LONDON'S FUTURE ECONOMIC SUCCESS

GLA Group:	Sub-regions:	Boroughs:
<ul style="list-style-type: none"> • Continue to fund affordable housing delivery and work with partners on the delivery of new neighbourhoods and a place based approach to investment. • Support innovation, including through High Streets Challenge Fund, Creative Enterprise Zones and the 24-Hour London programme including Night-time Enterprise Zones. • Working with stakeholders to develop the Property X-Change platform and network to mainstream innovation in the use of property to deliver local priorities. • Deliver programmes to address inequalities in environmental outcomes, by tackling air pollution and improving green space. • Develop and deliver an ambitious programme of commercial and residential developments on TfL land. 	<ul style="list-style-type: none"> • Develop and promote opportunities for cross-borough projects, research and inward investment. • Facilitate the sharing of best practice across boroughs and with other sub-regional partners such as Business Improvement Districts (BIDs) etc. • Promoting and coordinating sub-regional infrastructure planning and delivery. • Promoting and co-ordinating sub-regional working with the health sector to secure increased housing supply reporting to the London Estates Board. 	<ul style="list-style-type: none"> • Enable strategic use of council and wider public sector assets for new high street activities, including workspace and interim use to accommodate changing business need. • Engage communities, business and landlords in developing new high streets and night-time strategies. • Support developers to accelerate their housing programmes and expand the direct delivery of affordable homes, and coordinate use of wider public sector land. • Lead the delivery of thriving new neighbourhoods and districts, and work in collaboration with BIDs and local businesses to create a distinctive and welcoming local offer. • Plan localised pedestrianisation, active travel and green space creation. • Invest UKSPF Communities and Place funding in projects that support neighbourhoods and high streets.
<p>Collect, disseminate and analyse high frequency data about neighbourhood vitality so that ongoing investment can be informed and targeted.</p> <p>Ensure the pan-London infrastructure framework includes schemes to unlock significant housing and create new neighbourhoods.</p>		

OPPORTUNITIES for COLLABORATION

Central Government	Major Institutions	Business
<ul style="list-style-type: none"> • Support the delivery of major new districts and neighbourhoods, including through Homes England, infrastructure investment, and funding streams such as Home Building Fund (HBF). • Collaborate on planning and taxation reform proposals (including Business Rates reform) that support thriving high streets and quality housing in London. • Ensure that any changes to CIL and S106 do not reduce London's ability to deliver affordable housing and associated infrastructure. 	<ul style="list-style-type: none"> • Open up and develop estates to provide high-quality, accessible public realm. • Deploy surplus land and property to support new affordable housing. • Collaborate and innovate with the community to develop new high street uses and support town centre employment. • Seek opportunities to locate in new neighbourhoods and support jobs and growth. 	<ul style="list-style-type: none"> • Work directly and through BIDs to develop and implement new high streets strategies. • Provide flexibility to sustain existing tenants or to support new uses. • Work with councils and others to animate town centres and public spaces. • Provide employment and growth opportunities through new development projects.

CONTRIBUTING to a GREEN and FAIR RECOVERY

Achieving environmental sustainability and growing the green economy	Narrowing social, economic and health inequalities
<ul style="list-style-type: none"> • Deliver a better public realm with more green space and active travel to improve resilience to climate change and reduce emissions. • Build new housing and neighbourhoods to higher environmental standards. • Improve the energy efficiency of London's existing housing stock working towards the London Retrofit Plan to achieve an average of EPC B by 2030. • Pilot place based approaches to delivering net zero neighbourhoods using scale to support private investment in the required infrastructure and supporting a just transition. 	<ul style="list-style-type: none"> • Improve access to quality green space to address long-standing disparities between communities. • Accelerate home building in order to make better homes more affordable for all those who need them. • Design new neighbourhoods and public spaces with the needs of all communities in mind. • Support diverse and inclusive business ownership in neighbourhoods and on the high street.

CONNECTED CITY

London's success depends on Londoners being connected to friends and family, work and leisure opportunities, and the rest of the UK and the world.

Transport infrastructure and services are essential to maintain the city's attractiveness as a place to live, visit and work, moving people and goods into and around the city. Good quality, modern digital infrastructure will support the productivity of our businesses and enable people to stay connected, as well as reducing our impact on the environment.

Transport

Londoners have been steadily returning to public transport, following the unprecedented reductions in demand following the pandemic. But new patterns of travel are emerging, with ridership recovering faster at the weekend than on weekdays, which still see only around 70 per cent of pre-pandemic levels of passenger demand. Parts of the capital also continue to suffer from poor public transport connections, which impact on residents' access to jobs, education and training.



London needs to continue to promote active travel, deliver road safety schemes and encourage a continued return to sustainably funded public transport.

Although TfL expects to be in a financially sustainable position, long-term capital funding from government will still be required to maintain an adequate investment programme that facilitates and helps grow London's transport network, contributing to unlock housing delivery and to grow London and the wider UK's economy.

London needs to continue to promote active travel, deliver road safety schemes and encourage a continued return to sustainably funded public transport.



Digital

Use of digital technologies has been increasing for many years and, since the pandemic, Londoners are increasingly using these tools creatively in the way they live, work and do business. This has however highlighted significant inequalities in access to technology, and we need a continued focus on bridging the digital divide which the newly launched Digital Inclusion Service was set up to address.

In London we have proven that investing in smart infrastructure can have a real impact by creating business opportunities and jobs and reducing carbon emissions. It is vital that we have the right connectivity backbone in place, that we support the market to develop solutions and technologies that can contribute to London's wider economy, and that we continue to invest in digital skills and making technologies widely available to Londoners.

Gateways and interchanges

London's major transport gateways – rail stations and airports – are among London's most significant opportunities to create jobs and new neighbourhoods. Investing in these opportunities will be crucial to ensuring London's continued long-term economic success. As we look to grow our economy, we must pay particular attention to the communities around airports, which were among the hardest hit by the pandemic. Airport-related and supply chain jobs are

recovering, but are proving difficult to fill, adversely affecting airports' ability to effectively recover.

Modern utilities and energy efficiency

London's wider utility infrastructure – our water, sewage, heating and electricity systems are in need of upgrade, particularly to meet the challenges of climate change. There is a significant opportunity to improve efficiency, deliver more sustainable networks, create jobs and support a green economic recovery. Tackling carbon emissions from London's energy sector and other utilities is vital. This requires significant and sustained investment in increasing the use of energy from green sources, including through the use of London's purchasing power, and in driving up the efficiency of homes and commercial buildings across London. An accelerated and ambitious pan-London retrofit programme, combined with driving up skills and developing new businesses in this area, would present a huge opportunity to deliver economic benefits while also addressing fuel poverty. Investment in climate adaptation measures is also essential, undertaking these efforts in a coordinated, strategic manner and drawing on commercial finance.

Our ROLES in LONDON'S FUTURE ECONOMIC SUCCESS

GLA Group:	Sub-regions:	Boroughs:
<ul style="list-style-type: none"> • Manage the public transport network sustainably. • Invest in schemes to encourage active travel. • Distribute funding and work with delivery partners on major digital infrastructure programmes, such as TfL's Connected London; support operators and boroughs in fixing gaps in broadband coverage. • Deliver the Infrastructure Coordination Service. • Support utility companies with skills and employment programmes which target employment towards underrepresented Londoners. 	<ul style="list-style-type: none"> • Co-ordinate work to help digital providers roll out full fibre broadband and 5G infrastructure. • Facilitate the development of strategies for improved infrastructure planning at the sub-regional level. • 'Co-ordinate engagement with the aviation industry, especially on recruitment and skills issues.' 	<ul style="list-style-type: none"> • Deliver local transport schemes. • Work collaboratively to develop Local Area Energy Plans to meet local energy needs sustainably. • Work in partnership to lead the expansion of low carbon energy infrastructure. • Support green initiatives such as decentralised energy networks and utility works. • Use the planning system to lever investment into transport and digital infrastructure and utilities. • Delivery of infrastructure to effectively and sustainably manage surface water to help London adapt to a changing climate. • Retrofit delivery – domestic and commercial, including the public sector estate.
<p>Develop subregion and borough strategies into a pan-London infrastructure framework, aligned with TfL and GLA investment and development planning and drawing upon the GLA's data tools and infrastructure coordination work, to set out a pipeline of investments to support London's economic success, accelerate delivery, minimise disruption, and seek public and private funding where appropriate.</p> <p>Coordinate and convene to share expertise, create mechanisms for collaboration, seek opportunities of scale, and drive an ambitious cross-London approach to retrofit.</p>		

OPPORTUNITIES for COLLABORATION

Central Government	Major Institutions	Business
<ul style="list-style-type: none"> Secure capital investment funding for TfL for the period after March 2024. Unlock investment in new infrastructure, particularly transport infrastructure in London and the South East, including a clear plan for rail infrastructure resilience and development. Provide funding to support digital infrastructure roll out, including 5G. Provide funding and policy support for an ambitious retrofit programme which reduces emissions and supports energy efficiency. 	<ul style="list-style-type: none"> Work with the Digital Districts programme to identify opportunities to deploy smart infrastructure and secure investment. Regulators to support green recovery proposals for additional investment and implement incentives for London's sustainable recovery. 	<ul style="list-style-type: none"> Maximise opportunities to deliver new digital services and extend coverage of fibre broadband and mobile connectivity. Support London government to deliver digital inclusion through social value.

CONTRIBUTING to a GREEN and FAIR RECOVERY

Achieving environmental sustainability and growing the green economy	Narrowing social, economic and health inequalities
<ul style="list-style-type: none"> Maximise new digital services, extend broadband coverage and mobile connectivity. London government to deliver digital inclusion through social value. Support low carbon transport and active travel. Integrate low carbon principles into a pan-London infrastructure framework, building on the Cities Commission for Climate Investment (3Ci) Work with Renewable Power for London to increase public sector's use. Develop energy plans and infrastructure in line with London's net zero goals. Enhance London's green and blue infrastructure to adapt to a changing climate 	<ul style="list-style-type: none"> Ensuring that investment decisions take account of equalities issues and that utilities programmes and others identify employment opportunities for structurally disadvantaged groups, including young people and black, Asian and minority ethnic Londoners. Keeping fares at affordable levels and focussing concessionary fares on those who need them most. Support equality of access to digital skills, devices and infrastructure.

GLOBAL LONDON

London's economy attracts high levels of investment, talent, business and tourists to the UK. They're drawn by the capital's world-leading finance, professional services, tech, green and creative sectors; its cultural and education assets; and its diverse and open community. The UK's foreign direct investment (FDI) recovered during 2021 and London remains the largest single city in Europe for FDI. However there are early signs of a potential slowdown as the impact of lower economic growth, inflation, rising energy costs and the Ukraine conflict start to pull through.

London was hit hard by the collapse in international travel and business confidence. Spending by overseas tourists fell by £7.4bn and global FDI flows halved in 2020. However there has been a strong recovery into 2022, with over 9 million more international visitors compared to 2021. Maintaining and strengthening London's international reputation as a safe and attractive destination for businesses, visitors and students is critical to the city's future economic success.

Polycentric London

London's central districts are home to a rich ecosystem of business, culture, night life, hospitality and retail, attracting global talent and providing jobs and opportunities for

people across London and the southeast. But new habits and travel patterns are emerging. There is a need to reimagine the role of central London, as part of a wider city with a diverse range of town centres. Central London will be a place that people want, rather than need, to visit so that London remains a flexible and exciting inward investment location of choice.

Visitor economy

London is the world's third most popular city for international tourism with 21.7 million visitors in 2019 and tourism accounting for almost 12% of its GDP. And as the UK's single biggest draw for foreign visitors, it plays a critical role in attracting tourists to all regions of the UK. Visitor numbers – though increasing – have still not returned to pre-pandemic levels. As international travel continues to reopen, it will remain important to promote London to key markets as one of the world's greatest destinations.

21.7m

London is the world's third most popular city for international tourism with 21.7 million visitors in 2019 and tourism accounting for almost 12% of its GDP.



Culture, entertainment and events

From Kew Gardens in the west to the O2 in the east, London's museums, palaces, theatres, cultural and music venues act as a global shop window, showcasing incredible talent and diversity. It is a continually evolving sector, with exciting new cultural offerings across all of its diverse neighbourhoods. Making progress on major new developments such as East Bank, protecting London's grassroots venues in the face of rapidly rising costs of doing business, promoting and supporting its night-time economy, and bringing major exhibitions and events to the capital will be important contributors to the growth and vitality of London's economy.

Promotion and investment

London is home to more major company headquarters than any city in Europe and is a world-leader in sectors ranging from green finance to visual effects. 2021 was a record year for venture capital investment into London, with \$25.5bn raised.

Many of its boroughs are home to globally significant sector clusters which attract foreign direct investment and global talent. Maintaining this track record of success is vital for both the capital's and the national economy. That means promoting London as a business destination, through trade missions, conferences and events, providing a strong pipeline of investment opportunities, and securing worldwide export markets for the products and skills of firms across all of London's growth sectors.

Our ROLES in LONDON'S FUTURE ECONOMIC SUCCESS

GLA Group:	Sub-regions:	Boroughs:
<ul style="list-style-type: none"> • Deliver city-wide international promotion and marketing through London and Partners, aimed at attracting global talent and investments as well as supporting a vibrant visitor economy. • Provide support for London's cultural sector. • Promote London's world leading educational institutions, including the Creative Economy Growth Programme. • Promote domestic and international tourism. • Drive global collaboration which promotes London's competitive position and status. 	<ul style="list-style-type: none"> • Coordinate investment pipelines and support international promotion of investment opportunities. • Identify and share best practice in support mechanisms for businesses which drive innovation. 	<ul style="list-style-type: none"> • Support cultural, entertainment, sporting and tourism venues as part of overall marketing and promotions campaigns. • Support night-time economies and diverse town centres which enhance the diversity of London as a destination. • Identification and promotion of globally significant investment opportunities, particularly in major infrastructure, commercial, education and housing developments. • Broker contacts between global players and potential high growth businesses to help them establish and grow as part of positively reinforcing ecosystem clusters.
<p>Support the delivery of the Central Activity Zone Action Plan.</p> <p>Support the evolution of Opportunity London – promoting London in a co-ordinated way and reflecting the diversity of the city throughout the year and at major investor events.</p>		

OPPORTUNITIES for COLLABORATION

Central Government	Major Institutions	Business
<ul style="list-style-type: none"> • Support for an immigration and regulation regime which enables London to remain a magnet for talent. • Global promotion of London's growth sectors – partnership between Department for International Trade (DIT), London & Partners (L&P), SRPs and others. • Partnership to re-establish London as a premier tourist destination and gateway to the wider UK. 	<ul style="list-style-type: none"> • Promotion of research and innovation networks across London's universities with connections into the Golden Triangle and beyond illustrating the UK as a global IP powerhouse. • Identification of investment and scale-up opportunities coming out of higher education and research bodies for global promotion. 	<ul style="list-style-type: none"> • Engagement on investment and export opportunities – with help from L&P and others to spread the message and secure business worldwide. • Collaboration to enhance the experience of tourism for Londoners, businesses and visitors. Strategic planning to incorporate other metrics beyond traditional economic measurements of footfall and spend.

CONTRIBUTING to a GREEN and FAIR RECOVERY

Achieving environmental sustainability and growing the green economy	Narrowing social, economic and health inequalities
<ul style="list-style-type: none"> • International promotion of London's green economy, including its status as a world leading centre for green finance. • Improving the sustainability and resilience of London, including the quality of and access to its green spaces for all communities. • Identify and pilot viable methods of attracting private sector investment which can be scaled to meet the financing needs of the doubling target. 	<ul style="list-style-type: none"> • Improving access to employment in London's visitor economy and cultural and entertainment sectors – including through programmes such as the creative skills academy. • Supporting disadvantaged residential communities and expanding access to employment through widening pathways into global growth industries including finance, green and life science sectors. • Design any forthcoming solutions with equality of access to training, business development and other financial opportunities in mind, particularly with regards to race equality.

MAYOR OF LONDON

