The million vote mandate



Edited by James Morris and Natalie Evans



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The views expressed in this publication are those of the authors and do not necessarily reflect the views of Policy Exchange or Localis.

Introduction

James Morris

Boris Johnson was elected Mayor of London on May 2nd with over 1 million votes. The first one million vote mandate for a

Mayor of London since the creation of the position eight years ago. The Mayor of London is now, arguably, the second most powerful politician in the UK after the Prime Minister. After eight years of Mayor Livingstone the election of Boris Johnson represents a fresh start for London. The new Mayor will come under intense scrutiny over the coming

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months and years as London voters and the media look to see how he tackles the big strategic issues which the capital faces. After eight years of a directly elected London Mayor nobody is arguing for the abolition of London government. For all the faults of Mayor Livingstone he did succeed in putting the position of Mayor on the political map. The question now for Boris Johnson is how he can shape the position according to a new set of governing principles and really make an impact on shaping London's future.

This report offers the perspective of several leading London experts and commentators on a range of big, high impact issues which will challenge the new Mayor and his team. Boris Johnson is a big personality and the London electorate found that very appealing; but how can he develop a distinctive governing style? How should he shape the institutions and structure of London government over the next four years? What are the challenges he will face around the large scale infrastructure challenges of Crossrail and the Olympics where he has inherited financial structures and public expectations created by the former Mayor? How can he rise to the challenge of dealing with the scourge of violent crime

in London and make the Metropolitan Police more effective? How can he take steps to improve the quality of life for everyone across the capital? And what lessons can he learn from New York's experience? He has already taken advice from Michael Bloomberg; but what are the real lessons from the last two decades of New York City government?

These questions are important because how the Mayor responds to them will shape public and media perceptions of the success or failure of his first term. It will also determine whether they will entrust him with a second.

A question of style

Andrew Gilligan

Advising London's new mayor on his style sounds like a bit of a hiding to nothing. Unassisted by even the most enterprising outreach teams of centre-right think-tankdom, Boris Johnson has already developed one of the best-known styles in Western Europe.

But this chapter is not about how Boris looks, or even what he says. The London mayoralty is rather an odd office, whose prestige, or more unkindly pretension, far exceeds its actual powers. In all but a few areas, the mayor is more an influencer than a decider. City Hall is also, of course, Britain's most explicitly personal elective dictatorship. That is why the mayor's style of government, as opposed to his style of hair, matters.

Nor is this not going to be another of those articles demanding that Boris becomes "more serious," or, alternatively, becomes less serious once again. In this political age, and especially in this job, you need to be both. Johnson's election campaign showed a capacity, unexpected to some, for sustained discipline and seriousness; yet he also clearly benefited from his lightness of touch against an opponent who took himself too seriously.

The temptation, inevitably, will be to use that opponent as the template for how not to behave. And for sure, Ken Livingstone made striking stylistic mistakes – mistakes which, in the end, proved fatal.

He was astonishingly and casually unpleasant. For a man in high office, his Tourette's thesaurus of abuse was unprecedented, and shaming. One opponent was "like a 40-year-old virgin who still lived with his parents." Another was a "vile creature" with "possible paedophile tendencies". Still others were, variously, embittered failures,

concentration camp guards, "sanctimonious hypocrites", liars, thirdraters unfit to clean his senior officials' shoes and, nearly always, racists.

At officials' level, there was less actual invective, but similar bullying. Anyone who strayed from the GLA-approved path could expect to be briefed against and threatened. The Tory boroughs of Barnet and Ealing were told their TfL funding would be cut if they removed road humps and bus lanes.

Partly all this was because Ken genuinely was rather a nasty person. Partly it was because of his hubris, of which more later. But it was also a deliberate element of a broader strategy. Livingstone looked for enemies against whom he could define himself. He sought to create dividing lines where none existed, or to sharpen existing divides.

It worked, for a while, electorally, creating narrow, but deep, pools of fervent Ken supporters who could be relied on to vote. But in the end, his enemies ganged up to destroy him. And in policy terms, it never really worked at all. Threats are a poor way of getting people to do what you want, especially if you have no power to carry them out (as TfL discovered in Barnet and Ealing.)

So Boris's first task is simply to be nicer to people. As the London government expert Tony Travers points out, the mayor of New York, Mike Bloomberg, achieves results even in areas where he has no power by bringing interested parties together, brokering agreements and by "epic kindness and gentility."

Johnson must be a uniter, not a divider. He should dismantle Livingstone's hideous apparatus of identity politics, which treated London as a series of separate racial, faith and interest group ministates, each to be favoured or frightened, and where the aim of City Hall funding was to lock communities into a relationship of dependency and obligation.

In fact, of course, people in London mix; their identities are plural, not simple; they have largely common, not sectional concerns; and they want to be treated by the Mayor of London as

Londoners, not as gays or blacks. The new aim should be to unlock communities; to empower the downtrodden, not control them. The principle behind all GLA grant-making should be that which

has increasingly come to apply in overseas development assistance: trade, not aid; enabling recipients to live independent, selffulfilled lives without the need for constant injections of public funds.

One example of the need for change is the mayor's London Development Agency (LDA). Theoretically charged with the most

The new aim should be to unlock communities: to empower the downtrodden. not control them 55

impeccable objectives of job creation, skills training and individual empowerment, it has instead become diverted into crude social engineering and racial quotadom.

The LDA's current business plan requires that at least fifty per cent of all business start-up grants be paid to ethnic minorities and at least fifty per cent to women. But some ethnic communities, such as Indians, are probably perfectly capable of funding their own start-ups; while white working-class men, a community unarguably in need of economic empowerment, are all but excluded from LDA largesse. (A few get through: the fact that some grant recipients are both black and female leaves a small amount of funding for white men.)

This system also lay behind several of the dubious ethnicminority money-pits of which the LDA seemed so fond. Cynical "grant-farmers" exploited the agency's need to fulfil its racial quotas, knowing that their projects would not be closely scrutinised. Such waste helps explain why the LDA, by its own recent admission, has made "poor" progress in its core mission of reducing barriers to employment.

In future, LDA grants should be awarded on the basis only of the viability of the proposal and the need of the proposer. Ethnic minorities would still benefit disproportionately, because they are disproportionately in need.

Ken's other stylistic mistake was his grandeur: the oil deals, the foreign trips, the neglect of street-level concerns. London under him sometimes felt like the world's largest Potemkin village, with a shiny frontage of modernity, tolerance and success concealing distinctly modest real policy accomplishments, old-school, cronyist politics and growing social tensions.

Some Londoners have enjoyed extraordinary prosperity – but the city also suffers Britain's highest unemployment, and Western Europe's largest disparities of wealth. In inner London, half of all children grow up in poverty – which may help explain why some of them have taken to killing each other. The middle-ground, too, has felt squeezed by crime, by the rising cost of housing and by public services significantly more strained than elsewhere.

When held to the light, most of Livingstone's proclaimed achievements, typically expressed in implausible, Soviet-like percentiles – the "50 per cent affordable housing target", the "83 per cent rise in cycling", the "28 per cent fall in murders", the "30 per recent reduction in congestion" from the congestion charge – turned out to be either gross exaggerations, misrepresentations or simple lies. And if City Hall's pretensions exceeded its powers, its extravagance exceeded even its pretensions.

For Boris, small should be beautiful. The green lobby scoffs at his environment policies – to plant more trees, and allow fewer tall buildings. But both will have a greater impact – on the quality of the environment, on people's happiness, and probably even on levels of CO_2 – than would Ken's grand, but empty, gesture of a gas-guzzler tax. (Trees absorb CO_2 ; construction sites emit it.)

Ken's response to youth crime, if he had troubled to produce one, would probably have been a youth crime bureaucracy staffed by layers of cronies, or an international youth crime summit involving Jesse Jackson. But the new Mayor needs to address problems at a nuts-and-bolts level. Policies should be designed for practical effect as much as

visibility. Boris could, for instance, fund a network of youth clubs, building on the new respect schools initiative.

It doesn't matter, by the way, if a mayor is not that good at the nuts-and-bolts detail, as long as he gets the outlines right and employs other people who are. But the right advisers are important; in a job like this it is easy to become bunkered. What the mayor really needs are people who will tell him what is actually happening outside his bubble, and give him the benefit of their independent judgment. He needs to run a pluralistic office.

One of Boris's most important qualities is his populism. He needs to represent the public in the suffocating GLA bureaucracy, and must know both when to take and to ignore official advice. He must stick, for example, to his commitment to bringing back the Routemaster in the face of what will probably be considerable opposition from professional transport experts.

Yet for all Ken's manifold errors, he did get some things right. He may have been too grand, but some of his pretensions were, and are, necessary. One of Ken's most important real achievements - and his main legacy to his successor - was to make the Mayoralty a bully pulpit. He persuaded other decision makers to take him more seriously than his powers strictly warranted.

He may have been too confrontational, but he was not afraid of confrontation. He did not mind being disliked. Boris's many supporters worry that he lacks this essential leadership quality. Precisely because he does not like upsetting people, it is possible to imagine him settling for some of the GLA's old ways; failing, like Tony Blair, to make the changes needed in a bloated machine until it is too late.

The worst thing to do would be to treat any part of Ken's creation as settled reality. There is unusual scope for change. The GLA is new, only eight years old. A comparatively low proportion of its budget, about 80 per cent, is spent on essentials, such as the Tube and the police. Even some of that is waste; much of the rest is pure flab.

Johnson's task is to focus his powers and his pretensions – his bully pulpit - almost exclusively on the issues which cause Londoners the greatest anxiety and where the Mayor has the greatest chance of making a difference. These are probably crime, young people, transport, housing, poverty and the environment.

The London "embassies", the foreign visit programme, the Trafalgar Square festivals, the fourth plinth and a host of other frivolities are of no value to Londoners and should be dropped, whatever the squeals that causes in the interest groups. (There's definitely a place for frivolities, but can't we think of some more interesting ones?)

Indeed, Boris should pay as little attention as possible to interest groups. Most represent far fewer people than they claim; their influence in the recent election was negligible. Nor should he worry about the opinions of biens-pensants. Their political influence was negligible, too.

The most important thing Ken had was a vision, in political jargon a "narrative," of what London was and where he wanted to take it. It was the wrong vision, a vision rejected by Londoners. Entire continents of Ken's world were fantasy and spin. But Boris has not yet articulated a coherent counter-narrative, and he needs to do so.

This article has suggested one potential narrative: a less divided, less prescriptive city; a more enabling mayoralty, working to promote change through free associations of individuals; a closer focus on the dull details of delivery which matter to Londoners' lives.

It is a far more modest vision than Ken's, but has the advantage of being truthful, realistic and achievable, aligned with the relatively limited power of the office. It should be able to withstand the fierce scrutiny that Boris will be under, as a non-lefty and an outrider of a future Conservative government. Successful politicians set expectations low, then exceed them. Johnson is

lucky in that his opponents have set expectations of him low already.

And as in all revolutions, the new regime needs a phase of revelation, when the files of the old government are opened, the official chateaux are shown on TV and the full horror of what went on is displayed to the public. The Borisians can use this period to set a baseline – a "we didn't realise quite how difficult Metronet is going to make things" moment.

But doesn't it all sound just a little humdrum? That, perhaps, is where the jokes come in. Boris's "emotional literacy," his ability to connect with people, was noticed by both supporters and opponents during the campaign. Someone like him can make it all seem a little more glamorous than it really is. In perhapsBritain's most postmodern political office is brilliantly suited to Boris, Britain's most postmodern politician.

2

Reforming London government

Tony Travers

The arrival of Boris Johnson as Mayor of London is important because it will provide an opportunity to examine the operation of the mayoralty under a new and different regime. Ken Livingstone had set up the Greater London Authority from scratch during and after 2000, which was a massive undertaking. The sheer scale of the capital, both geographically and in terms of population, makes both setting up and operating the City Hall machine a major challenge.

But the challenge was probably even greater than it first appeared. Livingstone needed to create Britain's first-ever US-style elected executive mayoral system of government. Johnson now inherits it – the first Conservative ever to run such an institution. The issues facing the new mayor and his team are in some ways more complex than Livingstone's. Not only does Boris Johnson need to change over virtually all of the top posts, but he must also take ownership of a politicised City Hall machine and then use it for his own purposes.

To say the bureaucracy at City Hall has been 'politicised' is not necessarily a criticism of Ken Livingstone. American-style personalised government, as transplanted into the British system, includes the need for the mayor to make appointments of people to deliver his policies. Put simply, the mayor is expected to make a series of appointments of individuals who are then expected to achieve the mayor's objectives. This is how the United States President or Governor or Mayor is supposed to operate.

The Greater London Authority Act, 1999 created Britain's firstever directly elected mayor. Those who legislated for this innovation had little detailed experience of how American systems of government worked. The idea of a formal separation of 'executive' and 'legislative' functions, with a constitution or charter to determine how the system should operate, is not one that has been formally applied in Britain. The country has no constitution, after all. Custom, practice and precedent are all-important in the operation of national and local government. In America, by contrast, mechanisms have been put in place that attempt to ensure effective checks and balances on the executive - at the level of the President, governors and mayors.

In London, a 'strong mayor' executive model was adopted, though without an effective 'legislative' branch to provide oversight. There are no term limits. The London Assembly has relatively few members and only a single opportunity each year to check the executive – it can overturn the Mayor's budget, providing it can pass an alternative one with a two-thirds majority. There is no requirement for the Assembly to vote on mayoral policy. It can scrutinize the Mayor's strategies, but it cannot veto them. Moreover, there is no power of recall over the Mayor. The Assembly cannot demand that the Mayor, in particular circumstances, should face the need for a new mandate.

As Boris Johnson settles into office, there are good arguments for improving the London model in such a way as to provide more effective scrutiny and oversight of the Mayor. Both supporters and opponents of the concept of directly-elected mayors within Britain should be able to see merit in such proposals. For the new mayor, stronger accountability should make it possible to avoid the problems that beset Livingstone in his latter period.

Any future review of the GLA legislation should consider a number of improvements. Amongst other things, the Assembly should be given enhanced 'legislative' powers, there should be an end to Assembly members sitting on boards the Assembly itself is supposed to scrutinize and an explicit acceptance that the Mayor needs to make staff appointments within all but the Assembly's part of the GLA. There should also be term limits and a designated changeover period between mayoral administrations.

But in the short term, it would be possible to make changes within the existing law that would improve the accountability of the Mayor, but without threatening the benefits of the post-2000 London arrangements. Accusations of cronyism in the later days of Ken Livingstone's period of office could have been avoided if there had been more effective mechanisms to ensure oversight of the

66 Accusations of cronyism in the later days of Ken Livingstone's period of office could have been avoided if there had been more effective mechanisms to ensure oversight of the Mayor's expenditure ""

Mayor's expenditure. Any mayor would benefit from a mechanism to provide independent oversight of the GLA's budget. Such a mechanism could also publish indicators showing the performance of the Mayor and the GLA's functional bodies. There are currently few measures to test the success, failure or progress of mayoral policies.

It would also be possible to create a document that spelled out the formal institutional structure, institutions, powers and duties of the London government system. In New York

City, there is a 'City Charter' that serves such a function. While there cannot be a direct read-across from American to British political systems, there would almost certainly be benefits if London attempted to formalize the operation of its complex governmental system. In particular, the relationship between the Mayor, Assembly and the boroughs (including the City of London) could be given a degree of formality.

Finally, there would be merit in the creation of a document stating the processes and principles to be adopted in the appointment of the Mayor's Office. Because the Mayor and Assembly must operate in the context of the British system of government, appointments made by the Mayor can appear 'political' or even

inappropriate. In fact, the American government model (upon which the London one is based) is intended to provide Presidents, Governors and Mayors with the power to appoint the individuals who form their administration, including individuals who do not themselves stand for office. But because such a personalised form of appointment to executive positions is alien to Britain, it can be characterised as somehow wrong. In reality, this is precisely how the system is supposed to work.

Key proposals might include the following three changes:

A City Charter should be created to name the institutions responsible for London's government and to lay out their powers and duties in relation to responsibilities of various kinds. Because they alone have electoral legitimacy, the Mayor, Assembly, boroughs and the City Corporation would be covered by the charter¹. Although many of the provisions of the City Charter would derive from legislation, other, non legally-binding provisions could be included. For example, it would be possible to encourage non-elected bodies such as health trusts to agree to oversight and/or budgetary links within the terms of the charter.

In recent years, there have been occasions when the Mayor and the Assembly, or the Mayor and the boroughs, have seen their relationship badly strained. Reasons for such difficulties have included overlaps of responsibilities (e.g., aspects of planning and transport), disagreement about policy (e.g. sub-regional boundaries) and personality differences. While there will always be legitimate differences between 'metropolitan' and 'local' concerns, there would be merit in having a charter that spelled out the institutional makeup of London government and its purposes.

The charter would list the institutions created by law to govern London. It would state how powers and duties were distributed between institutions and how disputes between them should be resolved. It would state the categories of individuals to be appointed to boards of various kinds and how such appointments

¹ See, as an example, New York City Charter As Amended Through July 2004, New York:

were to be used to ensure functioning links between London-wide and borough government. Joint committees, partnerships and forums involving both the GLA and boroughs could be established and their operations determined. The charter could also state the respective responsibilities of the London Assembly and the boroughs in respect to oversight or regulation of the Mayor - and vice versa.

The role and mode of appointment of senior officials within the GLA and the boroughs could be spelled out, including the differences between the two. A charter could also create and regulate the appointment and operation of institutions such as the Office of Budget & Performance and the Appointments Office described below. The unique position of the City of London and its wider remit could be embodied. It would also be possible for London to use the charter to create certainty and legal form in the development of any 'neighbourhood', 'community' or 'parish' governance in the capital.

If the Mayor and the boroughs could produce a convincing document that provided a starting-point for the operation of government in the public interest, it might be easier to argue for transfers of power from central government to London. There would be periodic 'charter revisions' which could adjust the operation of the system.

An Office of Budget & Performance (OBP) should be created to oversee the Mayor of London's budget, expenditure and performance. Broadly, this body would fulfil the functions undertaken in New York City by the Comptroller², the Independent Budget Office³ and the Mayor's Office of Operations⁴. An independent board would be appointed by the Mayor, the Assembly, the chief executive and, possibly, the boroughs - in recognition of the indirect demand made by the GLA precept on the council tax. The OBP board would appoint a director and a small staff, to be funded by the GLA. The primary function of the OBP would be

- 2 As an example of the Comptroller's work, see, for example: Fiscal Year 2008 Annual Report of the Comptroller on Capital Debt and Obligations, December 2007, New York: New York City Office of the Comptroller
- 3 As an example of the IBO's work, see, for example, Fiscal Outlook, New York City Independent Budget Office, January 2008, New York: IBO
- 4 As an example of the Mayor's Office of Operations work see, for example, Agency Services at the Mayor's Office of Operations, 2006-07 Annual Report, February 2008, New York: NYC

the year-to-year oversight of the GLA group's budgets and expenditure. The Mayor would continue to prepare and present the budget, but the OBP would provide analysis and information about each year's budget and also about longer-term trends. The work of the OBP would be made available to the Assembly Budget Committee to assist its annual scrutiny of the Mayor's budget. Other Assembly committees could also be assisted by the OBP.

The OBP would also publish performance indicators about the activities of the GLA and its functional bodies. Although such a duty would to some extent overlap with those of the Audit Commission, the unique scale and services of the GLA provide a good argument for the existence of an agency responsible for providing indicators measuring progress at City Hall. At present, there are few consistent measures of mayoral service outputs or outcomes.

All the activities of the OBP would lead to timely and regular publications. There should, for example, be regular publication of data about police and public transport performance. GLA Economics and the Data Management and Analysis Group (DMAG) already produced up-to-date and comprehensive information about aspects of London's economy and demography. OBP would provide an independent and trusted set of numbers about budgets, expenditure and outcomes.

Finally, an Appointments Office (AO) should be created in recognition of the awkwardness of the Mayor of London's patronage powers within the long-evolved British political system. Because civil servants and local government officers are 'non political', the appointment of 'deputy mayors', 'executive directors' and other senior figures within the Mayor's Office seems unusually political. A small Appointments Office could, in conjunction with the Mayor, Assembly and the GLA chief executive, develop procedures to be followed in the appointment of senior members of the Mayor's Office, Assembly officials, functional body board members and others. The AO might also advise the Mayor about appropriate ways of structuring the Mayor's Office and the GLA more generally. The Appointments Office would be responsible for creating a panel from which the 'Independent Element' used in individual appointments would be drawn

The AO should have an independent board appointed jointly by the Mayor, Assembly and GLA chief executive, though it would be important to have one or more members appointed from outside local government. A very small budget would be required to allow the AO to function. It would be necessary for the AO to have a 'rolling' existence that did not stop when elections took place. Indeed, the Appointments Office would be at its busiest after each election, particularly if there had been a change of mayor.

The purpose of the modest and low-cost proposals outlined above would be to make it possible for the Mayor, London Assembly, the boroughs and the City of London to continue to do their jobs broadly as at present. None would require legislation. But they would provide a greater degree of formality, certainty and transparency to the operation of London government.

All three ideas suggested here look and sound American. This is intentional. The creation of the Greater London Authority, including a directly-elected executive mayor, was intended by Tony Blair to be a radical trans-Atlantic import into the British political system. The residents of all the boroughs voted in favour of the system that now operates. In the longer term, there would be arguments for legislative change to strengthen the institutions created in 2000. But in the short term they could be improved.

Outside London, the adoption of a city or 'metropolitan' charter might be a stepping-stone towards city or city-regional mayors. By setting out 'who does what' and the rules of democratic engagement it might be possible for other cities to evolve metropolitan or city-regional systems of government that respect district interests. An Office of Budget and Performance could,

similarly, encourage a more local focus to efficiency and performance measurement.

For the new Mayor of London, Boris Johnson, proposals of the kind suggested here would have two key advantages. First, they would provide protection from accusations of 'cronyism' or of trampling over spheres of government reserved for the boroughs. Second, it would provide the new mayor with an opportunity to look modern, open and democratic. Mild institutional reform would be good for him, good for the boroughs and good for Londoners.

3

Crossrail - wishful thinking?

Cllr Phil Taylor

In Britain Black Friday, 14th September 2007, was the day the credit crunch became apparent to the average person as investors in Northern Rock queued to get their money out⁵. Three weeks later Prime Minister Gordon Brown was announcing the go-ahead for Crossrail as a part of his aborted attempt to prepare the ground for a general election⁶. It wasn't apparent then but it is dawning on us now that Crossrail was broken before it even started and without proper central government backing is unlikely to fly.

Crossrail is a no-brainer for London and the whole country and has been since it was first mooted in 1990. We desperately need the additional transport capacity and its ability to link east and west through to the West End and the City will help keep London competitive for many years to come. Transport for London (TfL) reckon that Crossrail would generate 30,000 jobs and net benefits of nearly £30 billion (present value) to UK GDP over 60 years and additional tax revenues of at least £12 billion⁷.

However, the current Crossrail proposals⁸, that will see trains in service in 2017, represent a bad deal for Londoners.

Crossrail is a pretty mature scheme; £400 million has already been spent on developing plans and estimates. The cost estimates, which include contingency and inflation provisions, have some credibility. In May 2003 the then Transport Secretary, Alistair Darling, warned against building Crossrail "on the cheap". It seems that as Chancellor he has authorised a scheme that is anything but cheap. For comparison the last big bit of transport infrastructure enjoyed by London was the Jubilee Line Extension that opened on December 22nd 1999¹0. That scheme cost £3.5 billion (which is more like £4.5 billion in 2008)

- 5 Northern Rock http://news .bbc.co.uk/1/hi/business/699432 8.stm
- 6 Crossrail go-ahead http:// www.guardian.co.uk/business/2 007/oct/05/greaterlondonauthority.transportintheuk
- 7 Crossrail benefits http://www. tfl.gov.uk/assets/downloads/cor porate/T2025.pdf Page 71
- 8 Crossrail Heads of Terms http://www.dft.gov.uk/pgr/rail/pi/ crossrail/crossrailheadsofterms/headsofterms.pdf Page 15
- 9 Online BBC article 13th May 2003 http://news.bbc.co.uk/1/ hi/england/london/3024199.stm
- 10 Jubilee Line Extension http://www.railwaytechnology.com/projects/jubilee/

money) and involved 10 miles of new tunnel. Crossrail also involves 10 miles of new tunnel¹¹ and is programmed to cost at least three times as much, some £16 billion. We might ask if the cost estimates aren't a bit generous but for the purposes of this paper let's concentrate on the funding side of the equation.

- 11 Crossrail tunnel length http://www.railwaytechnology.com/projects
- 12 TfL's structural deficit http://conservativehome.blogs. com/londonmayor/2007/08/philtaylor-why.html

Crossrail funding

Of the £16 billion Crossrail will cost, only £5.1 billion is central government grant. The rest is largely new taxes, high fares and wishful thinking. The sources of funds for the scheme are illustrated opposite, reproduced from the Heads of Terms document.

Let's take this apart a bit. The GLA's £3.5 billion is a proposal to raise debt finance by levying an extra increment on non-domestic rates where businesses have a rateable value over £50,000. In theory legislation should be in place such that revenue from this source starts to flow on 1st April 2010. This proposal might have looked doable at the time that the Lyons Inquiry was published in March 2007 but the credit crunch raises. two questions; will the debt be affordable if it can be raised and will London's business have the stomach for larger bills?

TfL's core contribution sounds interesting. This organisation has run a £1.6 billion deficit for four years running¹². It doesn't look like there is much room on the revenue account to fund this without putting up fares that are already the

Sources of funds Tfl underwritten GLA (NNDR debt) 3.5 TfL - core contribution 2.7 LU Interface savings 0.4 Sales of surplus land and property 0.5 Developer contributions 0.3 London planning charge 0.3 7.7 DfT underwritten DfT grant contribution 5.1 BAA/City Corporation (guaranteed) 0.5 5.6 Other (incl unguaranteed) Network Rail (ONW) 2.3 Depot (operating lease) 0.5 City Corporation (additional) 0.1 Less other residual costs (0.4)2.5 **Total Sources** 15.9

highest in Europe. On the capital account there is already talk of there being a £3 billion black hole in TfL's capital spending plans¹³. This contribution needs some explaining.

The London Planning Charge is more new legislation promised for 1st April 2010. Such Statutory Planning Charges are in effect an extension of the Section 106 system that allows local authorities to extract "planning gain" from developers. A tariff-based system is envisaged. Again this is all very well in a bull property market but less likely to be fruitful in a bear market.

On top of this there is a £900 million contribution from various other parties that stand to gain from the scheme; BAA, Canary Wharf and the City of London. Are these organisations going to have the same appetite for funding national infrastructure by the end of the year?

I assume that Network Rail will recover their £2.3 billion investment in charges to the train operating company, TfL. This will be reflected again in high fares for the Crossrail service itself and also most likely higher fares across the board in London.

London's contribution

So the current Crossrail funding package is looking somewhat light, but what is the context for this? According to Oxford Economics¹⁴, consultants employed by the City of London:

"Allowing for the actual and assumed level of Government expenditure" within the London region, the net contribution made by the region to the UK Exchequer in 2005/06 was therefore between £7.6 billion and £17.8 billion, giving a midpoint of £12.7 billion, compared with a mid-point net contribution of £13.6 billion in 2004/5."

So, London consistently sends £13 billion net to the Exchequer but when it comes time to build London's first major piece of transport infrastructure for 18 years central government only wants

- 13 Tony Travers writing in the Evening Standard 20th May 2008 http://www.thisislondon. co.uk/standard/article-23485894-details/Don%27t+null +the+plug+on+our+Tube%27s+f uture%2C+Gordon/article.do
- 14 Oxford Economics report for City of London London's Place in the UK Economy, 2007-08 http://server-uk.imrworldwide. com/cgi-bin/b?cg=downloadsedo&ci=cityoflondon&tu=ht tp://213.86.34.248/NR/rdonlyres/40D4E467-9FA2-4986-828 6-B041A45279AB/0 /BC RS LPUK200708executivesummary.pdf Page 6

to contribute roughly a third of the £16 billion even if London has generated the largest part of that every year for 18 years.

You might think that a Labour London Mayor working with a Labour Chancellor and Prime Minister might have driven a better bargain for London. There are after all still 44 sitting London MPs.

Recommendations

During the election campaign the incumbent Mayor said¹⁵:

"Probably the most important single issue facing the next mayor is getting that [Crossrail] right. If we get it wrong the scale of that project is enough to bankrupt London."

Quite. The old Mayor gained notional control of the Crossrail project, along with liability for any over-runs, in return for underwriting £7.7 billion of the total bill. In the context of London remitting a net £13 billion a year to the Exchequer it seems that London also has to go a long way to funding its first major piece of transport infrastructure for 18 years.

Our new Mayor and his proposed new Chairman of TfL, Tim Parker, need to ask some hard questions. Firstly, does Crossrail really need to cost three times the Jubilee Line Extension? Secondly, are the sources of funds identified for Crossrail last year really realistic? If not, is central government going to have to dig deeper into its own pocket and acknowledge that London is already doing its bit?

So what should Boris and his team actually do in the light of the analysis above.

Here are five suggestions:

• There is an urgent need to revalidate the costs of the project and potentially build a case for a re-negotiation of the terms of the deal with the Treasury

15 Evening Standard article 27th February 2008 http://www.thisislondon.co.uk/standard/article-23 441771-details/Ken%3A+ Get+Crossrail+right+or+it+could +ruin+London/article.do

- The Mayor and his team need to identify the smallest possible scheme that doesn't preclude the delivery of the entire vision
- The sources of funds for the project needs to be re-validated in the light of the credit crunch to ensure that all contributions are achievable
- The impact of the proposed scheme on TFL's financial position and its possible impact on fares needs to be clarified
- The Mayor should endeavour to match central government's contribution to the core infrastructure i.e the tunnel. Central government should take the bulk of the risk on the tunnel as it will be, after all, a core piece of national infrastructure. At the moment Crossrail is being presented as one big lump and a lump where the downside risks fall on London. Central government should be asked to share the burden.

London 2012 – avoiding a hangover

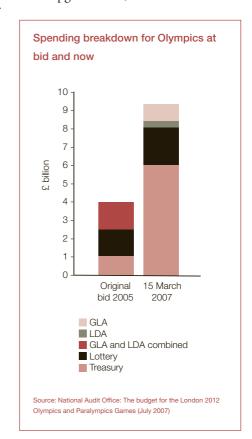
James Morris

The 2012 Olympics in London represents an immoveable deadline. There are stadiums to build for athletics, swimming and cycling; an Olympic village to construct; transport links to be upgraded and,

more importantly, there is £9.325 billion of largely public money at stake. London's tax payers, through an Olympic games component of the Mayor's council tax precept and money redirected from the London Development Agency is on the hook for around £1.2 billion of the total cost.

The successful delivery of the games will be critical to the success or failure of Boris Johnson's first term in City Hall and may determine whether Londoners' entrust him with a second. Despite broad support for the games from voters during and immediately after the successful bid, scepticism has steadily grown as to whether the games will bring the benefits promised by politicians.

This scepticism is not without justification. The saga of the Olympic budget which has almost trebled since 2005 has damaged public confidence in the project. When Sebastian Coe made his final representations to the IOC delegates in



Singapore in July 2005 he made much of the 'legacy' that the games would leave behind in terms of both infrastructure and participation by young people in sport. It was this inspirational vision which largely swung delegates towards the London bid. The Coe vision sees the Olympics as a catalyst to transform sporting participation in London and across the UK, providing inspiration for a whole new generation of young people who will experience London 2012. The vision was compelling. The reality has proved to be a lot more prosaic.

The job of Mayor Johnson over the next four years in relation to London 2012 is, at one level, very simple: the successful delivery of one of London's largest scale infrastructure projects in peace time and ensuring that the games are delivered within the parameters of the budget set in March 2007. There are multiple agencies involved in the delivery of the games in addition to the Mayor and the GLA - the government (the Treasury and DCMS), the Olympic Delivery Authority (ODA), London Organising Committee of the Olympic Games (LOCOG), the participating London boroughs and a myriad of private contractors.

The bottom line is, though, that it is the Mayor, as the dominant and most powerful political figure in London, who will be seen as responsible for the games the success or failure of which will rebound significantly on his political reputation. It is encouraging that the new Mayor has taken immediate steps to exert his influence on the games by appointing David Ross, a successful entrepreneur with the Carphone Warehouse to be his representative for London 2012. The management of the games is crying out for a more business like approach.

On what criteria, though, will Boris Johnson be judged? From the perspective of Londoners the single most important criteria is that the delivery of the games must be achieved without further, unplanned calls on the London tax payer. The London tax payer is already contributing an additional 38p on the typical band D

council tax which amounts to a £1 billion commitment. Mayor Livingstone made a great play of saying that, in the context of the agreement that was hammered out in parallel with the announcement of the March 2007 budget, the London tax payer's liability, as it were, would be capped at the current level. As part of the revised budget London was asked to find another £300 million contribution.

The previous Mayor announced that the LDA, the role of which is supposedly to stimulate economic growth in London, would effectively divert £300 million of funding to the Olympic project. As part of this funding formula a plan was hatched by which the LDA (and National Lottery fund) could possibly be paid back some of the money diverted to the games through post games land sales (the LDA, for example, owns the land on which the Olympic Village will be built). The planned financial projections envisaged that the LDA could expect to recoup some £1.8 billion in land sales. The new March 2007 budget also introduced a £2.7 billion contingency which is also designed to prevent further unplanned calls on either the London tax payer or public funds.

The previous Mayor was not exactly surrounded by people with a great deal of commercial acumen. It is no surprise, therefore, that the £1.8 billion of land sales projection is at the most optimistic end of the spectrum. Given the radically changed economic conditions that now prevail and which are likely to set the financial and economic context for the next 3 to 4 years, these optimistic assumptions need to be ripped up. Mayor Johnson owes it to London taxpayers to ensure that all aspects of the finances of the games are on a realistic footing and are not the product of political fantasy.

Mayor Johnson, as the most powerful directly elected leader in the country and London's main political voice, must take the lead in ensuring that the games are delivered on time and to budget. He needs to do this to protect the interests of the tax payer in general and the London tax payer in particular. In the end London voters will expect no less from the Mayor and he will be rewarded/punished by them on this basis. It is particularly important to demonstrate how the whole of London will derive some of the benefits from the costs of the games. There are many in the outer-boroughs of London, for example, who feel that the games do not belong to them even though they are helping pay for it.

So the games are an immoveable reality. A successful games in 2012 will have positive benefits for London. It will reinforce London's reputation as a world city capable of delivering a large scale sporting and cultural celebration. If there was a rationale for London's bid (and there are many who are trying to identify what it was) then that was surely it. The successful delivery of the games will enhance London's reputation, continuing to promote London as one of the world's top tourist destinations and enhancing London as a global brand. The reality is, though, that these benefits are pretty intangible. When the original cost/benefit analysis was presented to the government prior to the decision to bid for the games there was very little evidence that the Olympics would bring any direct economic benefits to London. Yet, there is no point in re-opening old wounds. London 2012 needs to be a success and enhancing London's reputation is the single most important objective. That is fine. The debate about the so called legacy of the games is much more contentious.

The fact is that there is very little evidence (if any) from previous cities that have hosted the Olympics that the games delivers any of the legacy benefits promised. Even the London Assembly in a report published in May 2007 concluded that there was very little evidence of previous games securing a lasting legacy for the host cities.16

The legacy promise for London 2012 is predicated on two assumptions. The first is that the building of significant infrastructure in some of East London's most deprived areas will leave lasting social and economic regeneration over the next half century.

16 A lasting legacy for London? Report by the London Assembly, May 2007; research by the London East research Institute at the University of East London. Mayor Livingstone, who was no sports fan, said that he only supported the games because of its potential as a catalyst for regeneration. This was a dangerous rationale for supporting the Olympic project.

Regeneration is something which should have a rationale and a business case all of its own. Wrapping up the promises of housing

and jobs on the back of the Olympic project is a recipe for failure and disappointed expectations. The second is that the games will provide a specific sporting legacy in terms of infrastructure and participation.

Seeing athletes performing at their best in the newly built stadiums will, the argument goes, encourage a whole new generation of young people to participate in sport. The UK

11 The Mayor needs to be realistic about the terms of the legacy of 2012 and find ways of re-casting the debate about the legacy promise >>

has a poor record in encouraging grass-roots sport and, many argue, that the games will provide the stimulus that London and the country so desperately needs.

Both of these assumptions have proved to be illusory for all the cities which have hosted the games in the last 30 years. The Mayor needs to be realistic about the terms of the legacy of 2012 and find ways of re-casting the debate about the legacy promise. The fact is that the Olympic games are essentially about elite sport. The focus is on building stadia to cater for elite sporting competition and which may win architectural design awards (not necessarily with legacy use in mind). This focus on elite sport – with the winning of medals as the top priority - and the capital intensive nature of the infrastructure of the games actually has the affect of detracting from the encouragement of grass roots sport. You can see this already in the way that Lottery money that would have been used to fund grass roots organisations has been diverted into the Olympic delivery pot. The evidence shows that for the two weeks of the games you may see some young people imitating their heroes by going to the pool or getting on their bike but that the take up is short lived and not sustained.

So Mayor Johnson needs to re-examine the assumptions on which the legacy promise was based. He needs to identify some simple, achievable legacies. There are many agencies involved in planning for the legacy of the games but very few specific commitments have been produced. The LDA, which has the lead role for planning for the legacy of 2012 in London, should focus itself on one or two very specific and achievable long term goals which should focus around working, for example, with schools and local businesses to encourage more participation in sports. The Mayor, could, for example, use his Mayoral fund to support participation in some of London's most deprived areas or by twinning schools in the inner and outer-boroughs in a London wide schools games.

The new Mayor also needs to re-examine the so called regeneration legacy promise which is so closely associated with the previous Mayor. He needs to actively manage down expectations as to what will be achievable in the Thames Gateway and the Lower Lea Valley. The case for regenerating this area should stand and fall on its own merits. The Mayor and his new team should produce a new plan taking into account the very different economic circumstances from those that prevailed when Mayor Livingstone put it together.

London 2012 represents a major opportunity for the new Mayor. It also has the potential for huge distraction and political aggravation. There are some who argue that that the whole enterprise represents a large scale 'opportunity cost' for London diverting resources from other critical projects (perhaps delaying the start of Crossrail and placing emphasis on upgrading the parts of the transport system on which the Olympic project depends rather than on the urgent need to improve the whole). Hence the need for rigorous focus on delivering to budget and being clear eyed and realistic about what the Olympics project is really about.

The successful delivery of the games, together with a realistic view of its legacy potential, will allow Mayor Johnson to demonstrate that, by the end of his first Mayoral term, he is brought about a deep and lasting change in London. The successful delivery of the games will demonstrate a high level of practical competency which will show that he is on the side of London's tax payers and is prepared to be honest and straightforward with them about what this huge project is all about. Londoners do not want extravagant promises that will inevitably disappoint. They have enough of that over the last 10 years. London 2012 has the potential to be a great celebration of sport, show casing London at its best. The job of the new Mayor is to ensure that London doesn't wake up afterwards with a huge hangover.

Making real progress on crime

Gavin Lockhart

Despite a fall in some crime rates in London over the past decade, people still feel threatened by what they believe are escalating problems associated with antisocial behaviour by disruptive youths and violent crime in their neighbourhoods. The average annual cost of crime is still £400 for every Londoner. ¹⁷ And in common with many, Londoner's feel that there is a general lack of respect, discipline and leadership whether at home, in schools or on the city's streets.

As a place to live and work London recently scored the lowest of eight cities - London, Sydney, Singapore, Berlin, New York, Paris, Madrid and Los Angeles. Just 58 percent said it was "good" or "world class," compared to 89 percent in Sydney, 75 percent in Los Angeles and Singapore, and 73 percent in New York.¹⁸ Over half of respondents said public services fall short of their expectations. The issues that participants thought were the most pressing for London were crime and public safety (21 percent), health (14 percent) and cost of living (13 percent). Londoners were alone in placing crime and public safety as the most pressing issue.¹⁹ Striking the right balance between policies that provide reassurance, and those that have the most impact on crime 'outcomes', will be one of the Mayor's greatest challenges. So, what should the new Mayor do? We set out five proposals.

17 Crime 'costs each Londoner £400', BBC Website, 10th April

18 Accenture Global Cities

Forum, 2008

Metropolitan Police Service The Metropolitan Police Service (MPS) Territorial Policing Branch

heads up 32 local Borough Command Units (BCUs) which each

1. Reforming the Metropolitan Police Authority and the

operate policing services, somewhat autonomously, within each of the London Boroughs. With a workforce of nearly 30,000 officers, 14,000 police staff, more than 2,000 Police Community Support Officers (PCSOs) and a large share of the national policing budget, the MPS is amongst the most challenging and complex organisations in the nation to manage. But it is also overly bureaucratic (the annual cost of form filling is over £720,000; in 2005/6 the police spent £122 million on "non-incident related paperwork"), top heavy and has a poor record of delivery.²⁰

Pinning down the accountability structure for London's police is difficult. The Mayor cannot order the Met police to prioritise certain types of crimes. It is the Metropolitan Police Authority that sets the Met's budget and appoints its senior ranks. The Commissioner of the Met is accountable to the Home Secretary, the Prime Minister, the Mayor, the Metropolitan Police Authority (MPA) and the Greater London Assembly (GLA). In the past, Policy Exchange has argued that the MPA should be abolished and that the Commissioner should be directly accountable to the Mayor.²¹ We believe that the commissioner's office should be stripped of its national responsibilities for counter-terrorism while the British Transport police should be incorporated into the Met.

These changes would mean that a separate national counterterrorism police force would be independent of Scotland Yard, thereby giving the MPS a clear local focus on policing London. And the current structure of eight supervisory ranks above that of constable inhibits police effectiveness. At present it is only possible to reward good policing by promoting officers out of the job in which they have proved to be most effective. A modern reward system should be based on a streamlined structure of three to four ranks, including constable, sergeant and superintendent, with bands of pay within each rank. But these arguments are not rehearsed in detail here; rather we focus on areas in which the new Mayor can have an immediate impact.

²⁰ Sunday Telegraph, Police paperwork costs hit £625m", 3rd December 2007.

²¹ Mark MacGregor, Manifesto for the Met, Policy Exchange, 2005

A full understanding of the oft-quoted success of former New York Mayor Rudy Giuliani suggests that it was the freedom to manoeuvre, especially financially, that drove success rather than their elected status: local police chiefs need freedom to act. Performance management has increased bureaucracy and stifled innovation, distracting police from focusing on the safety of the communities they serve. Local commanders lack the control over resources to ensure that the police service is as effective as possible and that decisions are taken as close to the point of delivery as feasible. With the introduction of Assessments of Policing and Community Safety in April (APACS) in 2008 there is a brand new performance landscape. The Mayor will want to ensure the opportunity for reform is seized.

Met finance also needs to be reviewed. A present, there is no effective financial accountability in the Met. And the MPA hasn't got a grip on it either. The £6 million credit card scandal earlier this year, during which nearly a quarter of 3,500 credit cards issued to Scotland Yard detectives were withdrawn should be to spur to the new chair of the MPA into action.

A recent article in the Evening Standard reported that the financial cost of sickness "abstractions" for the London Metropolitan police totalled £36 million a year, with officers "signed off on conditions including stab wounds, gunshot injuries, and broken legs as well as insect bites, colds and vertigo".22 Absenteeism is a litmus test of good management and the level of "abstractions" that is, the proportion of BCU posts that are considered 'nonoperational' - remains a barrier to delivery. CompStat was famously used in New York to provide a focus on issues in each neighbourhood.²³ We suggest that a similar, transparent management system that encourages local focus should be used to reduce abstractions. Perhaps publishing the actual (not rostered) number of reactive police officers in a given area at any one time would be powerful?

22 Barney K and Widdup, E,"Police Sickie Bill Revealed", Evening Standard, 11th April

23 CompStat is the New York City police department's accountability process. It involves weekly crime control strategy meetings to increase the flow of information between the agency's executives and the commanders of operational units, with particular emphasis on crime and quality of life information

Boris' campaign understood that it is in authorities' interest to tell people what is being done to reduce anti-social behaviour. Proposals for 'crime-mapping' build on the idea that the police should publish more information about a broader range of issues.²⁴ But is not just about giving citizens more information about crime rates. The Mayor should give people information about what is happening and how they can influence outcomes—including clearly showing the cost of services and demonstrating how things are changing for the better.

2. Support neighborhood policing

The introduction of neighbourhood policing marked a shift in police priorities and the deployment of resources from response policing to community engagement and crime-prevention. The initiative is designed to improve public confidence in the police, to minimize fear of crime and reduce crime itself. One of the goals of neighbourhood policing is "reassurance", a vague term that the Home Office has defined as planned police engagement with the public through higher levels of visibility and accessibility.

Former Mayor Livingstone agreed funding increases in the local precept to accommodate the Metropolitan Police Commissioners' safer neighbourhood strategy that has proved to be particularly resource intensive. (Livingstone recently allocated an additional £44 million to cover the expected full cost of neighbourhood policing in London for 2007-08. But this supplementary grant is only 1.6 per cent of the £2.8 billion Metropolitan Police budget.)²⁵ In Middlesbrough, the elected mayor has employed more than 80 locally funded street wardens and established the city authority as an integral part of the law enforcement and crime reduction network.

These teams usually comprise a mix of police sergeants, police constables, Police Community Support Officers, community wardens, special constables and volunteers. They are designed to

24 Introducing crime mapping to the UK, 24th April 2008

25 McClory, J and Loveday, B, Footing the bill, Policy Exchange, January 2008

work in close contact with other agencies within local crime and disorder reduction partnerships - the bodies created to promote public safety. All the evaluations of neighbourhood policing have identified the need for sustainable funding and the challenge of maintaining a long-term commitment to the initiative – a problem in some US pilot sites. Its impact on resources is bound to be felt under a tighter Comprehensive Spending Review settlement. The Government's failure to fulfil its promise of 8,000 additional PCSOs in England and Wales could be the first in a series of setbacks. But providing investigative assistants who free up detectives to investigate local crime is arguably equally relevant.²⁶

3. Develop links with local communities and community partnerships

For effective policing, a close link between police and the local authority is required. While the police can identify problems that may generate antisocial behaviour, it will be the local authority that has the resources to respond to them. Since 1998 successive crime audits have highlighted the importance of social factors in both antisocial and criminal behaviour, and the significant role that can be played by the local authority in dealing with this behaviour. If local commanders are to be responsive to local people (or their democratically elected leaders) then it follows that they must be less responsive to the centre.

At present they are still accountable and responsible to the chief constable and any development that threatens this vertical structure would be emphatically opposed. Because the Association of Chief Police Officers (ACPO) represents the most senior policemen in the land, its influence over policy is very strong. Either ACPO's resistance must be successfully challenged or a way must be found to loosen the vertical accountability that currently ties Borough Command Units (BCU) commanders to chief

26 A programme of workforce modernization might help reduce these pressures: evidence from police forces running pilot schemes indicates that the employment of non-sworn staff in a wider range of roles would be likely to improve police effectiveness. The police service should be encouraged to identify tasks presently carried out by prisoners and securing crime scenes, which non-sworn staff could do at a much lower cost. As well as saving money, this would also release officers for frontline duties. An expansion of the role of non-sworn staff would be a natural consequence of the effective delegation of police budgets to local commanders. Such delegation would begin to change the profile of many local police units as police commanders make much wider use of non-sworn personnel.

constables. Confident that London residents would support him, the Mayor should press the Government to change financial regulations so that the council tax police precept can be spent within the local authority area or BCU in which it was raised.²⁷

London needs a multi agency approach that provides a timely service but has been hampered by funding and politics. Boris should push a performance management regime across local partners: there is currently no sanction for non police agencies should they not agree to commit resources to deliver agreed multiagency objectives. Reducing turnover of local commanders and increased support from the chief officer team would improve relationships with Community Disorder Reduction Partnerships (CDRPs). There is a need for multi agency engagement in problem solving, and pressure that should be brought to bear on CDRPs and local authorities amongst others to prioritise and resource properly their contribution to the community safety agenda and to hold them to account. CDRP partners must be held tightly to account so they feel the heat of the community safety agenda rather than only give it lip service. Boris could have an enormous impact on local authorities, who have a range of relevant powers and responsibilities, like education, liquor licensing, public entertainment licensing which are not at all used to full effect.

4. Coordinate action on gangs, guns and knives

Gun crime and gang membership has been a key issue on the London campaign trail. This isn't surprising given its impact on community confidence and economic investment. (According to the Home Office each death costs the city nearly £1.5 million).²⁸ Across Britain, gang membership is changing. From stable groupings which exist to protect illegal commodities, gangs are now more likely to form allegiances which are highly volatile. These new groups have a lower age profile and are highly territorial. According to his crime manifesto,

27 MORI poll on attitudes to London policing, March 2006

28 Home Office, The economic and social costs of crime against individuals and households 2003/04

Boris will demand that these issues "are treated as a high priority by the police". ²⁹ The Mayor should learn from other cities about ways to improve community and partner agency support, and improve community relations. A survey of 11,400 young people aged 11-15 years, in inner London schools (all in areas with high levels of gun crime and deprivation) found that 6% claimed to have carried a gun, 10% a knife and 7% some other type of weapon in the previous year.³⁰ Children services, education authorities and other agencies often do not understand or want to acknowledge the extent of the issue. The key for the Mayor is to make it this issue a coordinated priority for other agencies though Local Area Agreements (LAAs) and ensure his office is fully consulted. CDRPs, together with stronger community engagement, can make a difference.

29 Crime Manifesto: Making London Safer, 2008

30 CtC. 2005. Findings from the safer London youth survey 2004. London: Communities that Care

31 A small number of forces have begun incorporating partnerships into their modernisation plans. In partnership with Reliance plc, the Sussex police force has outsourced the management of its custody facilities. In most forces, prisoners are guarded by fully warranted police officers, thus keeping officers off the frontline. Sussex police now needs fewer officers to guard prisoners and has reducing booking times from 20 minutes to nine.

32 CBI, Better policing through partnership: Working together for a safer community, 2006

33 CapGemini provides services such as: management and support of desktop Information Technology (IT) networks; telephony and mobile devices: software applications relating to crime reporting information and analysis and records storage.

5. Widen the use of private partnership

Greater use of outsourcing has potential for cost-savings and efficiency by making more officers available for frontline duty. The police service needs to identify which support functions can be outsourced to contractors that provide a cost advantage (a development that local police commanders already consider desirable). As demands for a higher level of service mount, and the realities of reduced central government funding set in, the police service needs to be in position to deploy resources intelligently to support the frontline. Outsourcing to private providers should enable police forces to concentrate on their core responsibilities: reducing crime, making policing citizen-focused, increasing detection and conviction rates and combating serious and organised crime.³¹ The Met already does this: CapGemini UK plc, in collaboration with Unisys and BT now provides information and communications technology services under a seven-year contract.^{32 33} But this is not just about outsourcing IT and Forensics: it also involves services like custody assistants, prisoner escort, and property.

6

Lessons from New York city government

Steve Malanga

Introduction

In the early 1990s, New York City faced numerous challenges that threatened its long-term prosperity. Crime had been on an upward arc for more than a decade, including 2,262 murders in 1990—an all-time record. Fear of crime was having a devastating economic effect on the city. Wary travellers ranked New York dead last among major American cities as a destination. Meanwhile, problems on Wall Street had sparked a broad economic downturn, as the city lost some 320,000 jobs, more than 10 percent of its private sector workforce, in four years. About 1.1 million residents, some 15 percent of the population, were on public assistance. For relief, the city looked to Washington, arguing that the federal government had an obligation to subsidize America's major urban centre.

This was the environment that Rudolph Giuliani faced when he took over as mayor in January 1994. He immediately articulated a new set of principles on which New York should be governed, based on the notion that the city had always been a master of its own destiny and a place of opportunity. New York, Giuliani argued, would solve its own problems, and it would do so by reorienting government toward effectively delivering basic services, especially ensuring the safety of visitors and residents. City government would not focus on social engineering or on trying to redistribute income or other goals. "Over the last century, millions of people from all over the world have come to New York City," Giuliani said. "They didn't come here to be

taken care of and to be dependent on city government. They came here for the freedom to take care of themselves."

Crime

The first and most important issue the city had to confront was rising crime, which undercut all other efforts at revival. To attack the problem Giuliani and his new police commissioner, William Bratton, relied on the theory of quality-of-life policing articulated by political scientist James Q. Wilson and criminologist George Kelling. The duo observed that policing in America had undergone a fundamental change since the 1950s that had contributed to rising crime, namely that the police, who had previously tried to ensure a neighbourhood's safety by walking the beat, had instead been moved off the streets and into patrol cars. This had led to a subtle change in the police officer's role: Once they occupied squad cars, officers became less familiar with neighbourhoods and their role changed from helping to prevent crime to investigating crimes after they happened. That strategy proved ineffective.

Under Bratton the police changed tactics. They moved back into neighbourhoods, putting officers on the ground especially in high crime areas, with the intent to enforce all laws, including minor violations such as public drunkenness and vandalism. This, Wilson and Kelling had argued, would send a message that civic order was being restored and would discourage more serious crimes. Bratton had effectively employed such a strategy several years earlier when he had been head of the city's transportation police, who patrolled in subways. There, he had led efforts to arrest vandals and pickpockets, and he even ran 'stings' to catch fare-beaters such as turnstilejumpers. In the process, the police discovered that many of the perpetrators of quality-of-life crimes were also wanted for more serious violations. Arresting them helped prompt a sharp overall decline in subway crime.

Bratton combined modern technology with old-fashioned techniques to create a new kind of policing. The New York Police Department instituted a sophisticated crime mapping system that quickly identified neighbourhoods where crime was high or rising, and where personnel should be directed. Local precinct commanders (there are 76 precincts throughout the city) were brought to police headquarters to explain how they were dealing with crime in their districts. Those that didn't have a good plan were replaced. Bratton eventually reshuffled more than a third of the city's precinct captains. The results were impressive. By the end of Giuliani's eight years in office, murders had declined some 67 percent and serious crime in general was down 64 percent.

The gains have continued under Mayor Bloomberg and his police chief, Ray Kelly. Kelly has remained committed to the idea that quality-of-life crimes must be kept in check. Police photographers go around the city documenting violations, such as public drunkenness or urination, and Kelly sends the photos to local precinct commanders to urge them on. Kelly has also put the city's first-year cops to work walking the streets in high-crime areas, so that the manpower of each new graduating class of the police academy is added where it is needed. The city has also increased its commitment to high-technology. A \$12 million Real Time Crime Center begins analyzing data on serious crime as soon as the first reports filter in from the street, while a mobile data van embarks to the crime scene and provides detectives investigating the crime with relevant data. In all, crime has now fallen nearly 80 percent in the city since 1990, to the lowest level since the city started keeping records 44 years ago.

Although some critics have tried to minimize the achievement by claiming that the police have acted indiscriminately and harshly in many neighbourhoods, the reduction in violence in New York has been accompanied by a general increase in police restraint because as crime has declined, so have confrontations between the police and members of the community. From 1994, when quality of life enforcement was put in place, civilian complaints of excessive force by the NYPD declined from one complaint per ten officers to one per 19 officers, while shootings by cops declined by 50 percent. At the same time, the areas of New York which have witnessed the biggest declines in crime, and hence the most benefits, are mostly minority districts. In the heavily Hispanic area of Washington Heights, for instance, murders have declined from 77 in 1993 to 5 last year.

Economic development

The payoff from declining crime has been widespread, sparking an astonishing revival of tourism as well as new economic development in neighbourhoods where criminals had previously ruled. The budding economic activity helped Giuliani attack one of New York's toughest problems, its anti-competitive high tax environment, which was holding back further development. The city is the most heavily taxed large urban center in America, with an average tax rate that is 75 percent higher than other major American cities. Over the years, the rising tax burden had discouraged new investment. For instance, the city had the highest hotel tax rate in the world, and consequently, many conventions and business meetings refused to convene in the city.

Using budget surpluses that emerged in the mid-1990s, Giuliani began cutting or eliminating what he deemed the most uncompetitive levies, ultimately paring or doing away with some 23 taxes. After cutting the hotel tax, business returned to the city, and revenues from the lower tax ironically are now higher than they were under the older, steeper levy. A safer, less expensive city saw the number of visitors increase from 24 million in 1994 to some 44 million visitors last year, including 1.1 million visitors from the United Kingdom, the most from any single foreign country. That's produced an estimated 30,000 additional hotel jobs alone. Similarly, the city slashed away at its tax on clothing sales—the only such tax by a major city in America—and in the process helped revive a struggling retail sector. Although the Mayor of London has limited discretion over direct taxation he should seek to run a value for money administration which is open and transparent about the use of public funds. He should, however, ensure that the London administration is run in a business like manner with a real focus in ensuring that public funds are spent productively. The funds raised by the Mayoral precept on the council tax

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The city also managed during this period to turn itself into one of the centers of the technology revolution in America. Previously, technological innovation took place in areas like Silicon Valley in California or along Route 128 in Boston. But New York, sensing opportunity, decided to make over its former financial district in Lower Manhattan into a technology neighbourhood by providing incentives for landlords to offer affordable leases to small tech firms. To encourage the redevelopment of Lower Manhattan as a live-andwork district. New York also allowed conversions of older office buildings into residences. The strategy attracted a whole new sector to the city, supporting some 140,000 jobs by the end of 2000 and reviving Lower Manhattan, whose vacancy rate declined from 30 percent to only 5 percent in less than a decade. Although the attacks on September 11, 2001, seriously damaged Lower Manhattan, most of the area outside of the World Trade Centers itself has revived and is thriving as a combined residential/commercial district.

With investors now clamouring to invest in New York, current Mayor Michael Bloomberg has moved to clear the path for them by hacking away at regulations and land-use restrictions that have inhibited new development. "Government was making two big mistakes: it was freezing out development in areas where growth made sense, and sending it to places that didn't have the infrastructure to handle it," Mayor Bloomberg observed. Instead, the city has rezoned dozens of areas which were closed off to new development by outdated zoning codes, including former manufacturing areas. Much of the rezoning has focused on areas of the city that are already transportation hubs, like Jamaica in Queens, so that through additional infrastructure investment in current transportation systems the city can encourage new development in the quickest way. For instance, 95 percent of the new residential zoning in the city is within half a mile of an existing subway line. The strategy has helped accentuate a construction boom that has been building for years: In 2007, New York issued the largest number of new building permits since 1972, with the biggest increases in Queens and Brooklyn—not Manhattan.

But Bloomberg recognizes that such growth must be accompanied by integrated planning, so he has also looked to the long-term future with his PLANNYC 2030, which addresses the city's future in five areas: land, water, transportation, energy and environment. The plan outlines how to create 1 million more housing units in the city over the next two decades, ensure that all New Yorkers live within a 10-minute walk of a park, reduce per capita energy consumption and add new power generating capacity, build new subway lines (including an extension of the #7 subway to unlock the development potential of the Far West Side of Manhattan), expand the city's major train stations to accommodate extra service, and improve air quality by reducing the emissions of public transport vehicles and facilities.

Lower Public Assistance rolls, encouraging work As New York began reviving in the mid-1990s the city needed to tackle the problem of the large number of residents living unproductive lives on public assistance. In America, municipalities often administer welfare programs for themselves and the federal government, and some cities like New York offer supplemental programs that provide aid to those not eligible for federal programs. New York was just such a place when Giuliani began redesigning the welfare system to emphasize getting people back to work. The city began requiring able-bodied adults on public assistance to obtain jobs or, if none were available in the private sector, to gain employment experience by working for government cleaning up city parks. Previously, recipients of public assistance could continue receiving benefits merely if they took jobtraining classes. The city adopted programs that were successful elsewhere in getting welfare recipients back to work, such as America Works, which places welfare recipients in jobs under the close supervision of counsellors employed by government to guide new employees and help them succeed at their new jobs. To accentuate the changes, the city redesigned its welfare intake offices, turning them into job counselling and employment centers where welfare recipients got advice on how to write resumes and how to find work.

Over time, the number of welfare recipients landing jobs more than quadrupled from 22,000 a year in 1993 to 100,000 annually by 1999. The city's public assistance roles declined to 500,000 under Giuliani, and have continue to fall under Mayor Bloomberg, now amounting to about 365,000—a two-thirds decline since the early 1990s. Accompanying this downturn has been a rise in the number of women—who made up much of the welfare lists—in the New York workforce, and a drop in the city's family poverty rate, as welfareto-work has opened up new opportunities for formerly unemployed household heads in the city. The decline has also had helped reduce the city's welfare outlays by hundreds of millions of dollars a year.

Measuring city progress, making government more customer-friendly

Before he left office, Mayor Giuliani articulated a plan to apply the technology driven, results oriented approach of the police department, epitomized by its CompStat computer program, to the rest of city government in order to better measure the effectiveness of agencies and their responsiveness to the taxpayer. In pursuit of this goal Mayor Bloomberg, when he took office, introduced a 3-1-1 telephone system to supplement the city's 9-1-1 system, which is used by citizens to report emergencies. Under 3-1-1 citizens have direct access to the rest of government, to report quality-of-life violations, to request services, and to lodge a complaint. The system gives city managers valuable data with which to measure the effectiveness of departments, namely, the level of complaints about service. The idea Giuliani articulated is now being taken up by other mayors, too. Some have designed complete computer-systems based on CompStat, including one known as CitiStat (the name coined in Baltimore), which measures everything from absenteeism levels in city departments to response times for fixing problems reported by citizens. These programs form the basis of a new model of customer-driven, measurable government that is emerging in cities across America based on the model of CompStat— the next wave of municipal reform.

Recommendations for London:

Boris Johnson has taken some bold early steps on crime. For example his clamp down on alcohol on public transport is to be welcomed. He needs to go further. He should urge the Metropolitan Police to institute quality-of-life policing that focuses not merely on serious crime but on misdemeanours like vandalism, public drunkenness and disorder as a way of sending the message that civic order is being re-established. He should push authority for policing down from central command to local police units, encouraging them to take responsibility for order in their neighbourhoods. He should urge the court system to create local courts dedicated to misdemeanour crime, modelled on New York's

Midtown Community Court, where officers can take those they arrest and have their cases disposed immediately, rather than tying up the criminal justice system with these cases over the long-term.

Recognizing that the bulk of serious crimes are committed by a very few individuals who are prone to violent crime, separate police units should be created that hunt down those who have outstanding arrest warrants for violent crime, rather than waiting for them to strike again before being pursued. All the means of modern technology, such as cross-referencing of databases, should be employed in order to hunt down those who are often simply "hiding in plain sight" waiting to strike again.

Although the London Mayor has limited direct powers over welfare and skills he can use the prominence of his political position to influence areas of policy over which he does not yet have direct power. The Mayor can start to influence the direction, for example, of skills in London through the Chairmanship of the London Employment and Skills board. He should be at the forefront of the debate about the provision of welfare and the vital job of making London's economy more productive.

In this context he should use his powers to influence national policy to ensure that all citizens take advantage of the potential and opportunity offered them by the London economy, including re-engineering jobless welfare programs to emphasize work. He should argue for the setting of time limits on benefits for ablebodied adults and employ those who say they can't find jobs after their benefits expire in government service programs as a way of earning their benefits. He should encourage the redesign of government job-training programs to emphasize 'work first,' that is, take benefit recipients out of the classroom and put them in jobs, where their employers will train them. He should argue that government's role is not to teach job skills (which the market does better), but to employ counsellors and monitors who help ensure that those heading back into the workforce after a long-layoff fulfil their commitment to their new employers. He should remind the critics of such programs that when they have been employed elsewhere, the result has been rising employment and declining poverty.

Finally he should set in motion a plan to make government at all levels of London more efficient and responsive by instituting standards and goals for all departments, creating ways to measure their performance, and instituting consequences for those which fail to meet those standards. He should bundle all of this in a computerized tracking system on the model of CitiStat that the mayor and his top officers can consult regularly and call in department heads to review their performance regularly and require them to create plans for addressing problems and shortcomings.

Keeping the environment at the top of the agenda

Zac Goldsmith

The message from the Mayoral election might seem to be that Londoners care little about the environment. For the first time in British politics, a mainstream candidate for high office, Ken Livingstone, put climate change at the heart of his campaign. His flagship policy was to treble the congestion charge for gas-guzzlers, and it sailed alongside a veritable flotilla of other promises, which together, in Livingstone's words, added up to an environmental "revolution."

Yet, against expectations, he lost the election. But while it has been said that majoring on green issues was partly the reason, I believe it was Ken Livingston's misguided approach to environmentalism that turned people off.

By reducing the environmental challenges we face to the single issue of carbon, the Mayor lost sight of the broader environmental concerns of ordinary people. Londoners do care about the environment. Wherever they touch on people's real lives; our streets, our local shops, our green spaces, environmental issues stir some of the strongest, deepest and broadest political passions the city can show.

This is something I have directly experienced as prospective parliamentary candidate for a London seat, Richmond Park. When last year a large supermarket chain was given permission to establish a store in Barnes, people were outraged. Like communities everywhere, they feared an increase in traffic, the erosion of their independent stores and the bland uniformity of the supermarket logo on their community. On discovering that their local author-

ities had been overruled by the distant National Planning Inspectorate, residents arranged a local referendum that revealed 85% opposition to the store. These same people voted for Boris Johnson, and they expect Boris to act.

As Mayor, Livingstone understood the fundamental importance of climate change. But because he failed to link it to peoples' lives, and because his solutions were profoundly negative, there has been a backlash.

The Congestion Charge for instance was undoubtedly brave, but it attracted justified criticism. Not even the Mayor's own agency, Transport for London, claimed the charge would cause significant reductions in CO2. What began as a solution to congestion and emissions, soon took on the appearance of a punishment. If instead, the Mayor had guaranteed that all of the money raised would be invested in alternatives to the car, and if he had applied the increased charge only to cars bought after its introduction, then people would no doubt have accepted it.

So the first advice for the new Mayor is that his green policies must be congruent with people's real lives. He must avoid the environmentalism of grand, empty gestures, of pointless taxes and summits, and develop an environmentalism that actually resonates.

Congestion and our rising emissions can both be tackled for instance in ways that add to rather than detract from our quality of life. Take dedicated school buses for instance. Nearly a fifth of all traffic on the road in the morning is accounted for by the school run. In North America, a country associated with car-worship, more than half of all children travel to school by bus. A similar programme in London would dramatically cut pollution and congestion, as well as benefiting busy parents.

On the bus network generally, the growth in the numbers of buses has been rightly seen as one of Livingstone's achievements, but has also led to substantial overcapacity. It is common, indeed

usual, in the evenings and at night to see double-deckers seating 70-plus with fewer than ten people on them. Smaller, less gasguzzling buses should be used at quieter times.

So too should the new Mayor make use of the Thames. It is the equivalent of a six-lane highway running through the middle of London but has been scandalously underused for both freight and passengers. There is currently a local riverbus service, using fast hydrofoils, every 20 minutes between central London, Docklands and Greenwich, but it does not accept TfL tickets, is little used and has already been reduced in frequency.

As a start this service must be properly subsidised by TfL, with a higher frequency, full interavailability of tickets, and shown on the Tube map. It should become the nucleus of a massive network of local services up and down the river to relieve crowded trains and Tubes. The service should be funded by cancelling the wholly unnecessary motorway-style bridge Ken Livingstone proposed to build across the Thames at Thamesmead, saving £400 million and the generation of enormous amounts of new car traffic.

Ken Livingstone frequently talked about "cycling superhighways," but in fact he created only a few dozen miles of new cycle route. Even these are seldom less than ludicrously bad and are often actually dangerous. The main deterrent to cycling is people's perception that it is unsafe. To tackle this, a proper and largely traffic-free network of routes needs to be created, on quiet side streets, through parks and with limited extra construction (bridges across railways and canals, for instance.) Gyratories and complicated one-way systems need to be removed.

We cannot significantly reduce emissions without also addressing the issue of energy – how we use it and how it is generated. A pound invested in energy efficiency buys seven times more energy solution than a pound invested in nuclear power. We know that retrofitting old homes could lead to a 60% reduction in CO2 from the housing sector by 2050.

Livingstone had what he called a "major programme" for the subsidised retrofitting of homes and GLA buildings, but the domestic one was worth a couple of million pounds at most, not enough to do more than a fraction of the homes, and the "subsidised" price charged was often higher than the usual market rate.

Johnson needs to expand both programmes – which can be selffinancing, over time, through lower energy bills - and work out how the domestic programme can be leveraged. The most obvious places are high street banks, which should be encouraged to make energy efficiency loans (perhaps City Hall could cover the interest, if the rate of return from energy savings alone is not enough to cover it.) As Mayor, Boris would find it hard to mandate these forms of "green mortgages" but he would certainly be able to facilitate them.

Livingstone also did useful work on the hugely important technology of decentralised energy, generated in mini power-plants near where it is to be used, allowing the heat involved in the process to be captured and saving the up to two-thirds of all electricity lost by complicated long-distance distribution networks. These kinds of systems already flourish in parts of the world, notably the Netherlands where combined heat and power plants supply most of the country's energy needs. When America's East Coast grid failed in 2003, plunging whole cities into darkness, only the New York skyscrapers that had their own decentralised energy systems remained lit.

London should also adopt a version of the highly successful German system paying homeowners for energy that they return to the grid, making microgeneration an investment decision, not an ethical one. A single town in Bavaria with 200,000 people generates more solar power than the whole of the UK.

These are key issues. But as ever, an environmental policy that focuses only on carbon can deliver unexpected and often anti-environmental consequences. A policy for instance that makes it harder for people to park on the highstreets often simply diverts customers to nearby supermarkets with their ever available free parking. The effect is the erosion of the very shops that define our communities, and the new Mayor must create a more level playing-field, or rather level parking-space, between small traders and large. Either parking charges should be relaxed for town-centre parking, or, less likely, imposed for out-of-town parking.

The death of our independent retailers is a growing problem. In the past six years, London is estimated to have lost more than

7,000. It is also an area where the new Mayor can introduce significant policy change, since the small shopkeeper found little place in Livingstone's gigantist vision of London.

Boris Johnson has real power for instance in strategic planning. He can, and should, impose a pan-London ban on any further out-of town shopping centre and supermarket development, since it creates enormous demands for car and HGV trans-

66 Boris must go through with his legal challenge to post office closures - and come up with a way of preserving the network if this challenge fails "

port. Sub-post offices are the cornerstones of many shopping parades. Boris must go through with his legal challenge to post office closures - and come up with a way of preserving the network if this challenge fails.

He should, as far as he can, impose a presumption against change of use - from pubs or small shops to residential, for instance. As a landlord and a service provider he must end discrimination against small shops (immediately stopping, for instance, the indefensible situation in Shepherd's Bush, where TfL intends to divert many bus routes away from the existing town centre and to the new Westfield shopping mall while simultaneously, as landlord of the existing street market, raising the rents there.)

In the same way as most new residential developments include a quota of affordable housing, the Mayor should require that new retail or commercial developments include a quota of affordable retail, to be occupied by independent traders.

Food is another issue that combines quality of life, and the environment. As we know, poor diet is a factor in rising NHS expenditure and probably even in antisocial behaviour and crime. If our schools had a bias in favour of sustainable local produce, we'd see the market flooded with good quality food. We'd also see a significant reduction in the amount of oil used to ship and fly food around the world.

Some areas are already showing what can be done. In 2005, a group of parents in Merton came together to improve the quality of school food. They secured funding for a working kitchen in every school, and they vastly improved the quality of the food served to children. The Mayor should aspire for the same in all London's schools, as well as campaigning for the reintroduction of basic growing and cooking programmes.

The sad truth is that, every one of these policies risks being for nothing if London continues to pursue Ken Livingstone's misguided population growth targets. In the medium term alone, Livingstone envisaged a city of 8-8.5 million, around 15 per cent more than now - enough to all but wipe out the environmental gains we make.

The newcomers have to live somewhere, leading to acute pressure on housing - pressure increasingly relieved by building on suburban gardens, classified by a colour-blind government as "brownfield" land with no more protection than disused car parks. Ministers say they don't keep records of the number of gardens that are sold off for development, but campaigners believe we are losing up to 30,000 gardens a year this way, the equivalent of twice the area of Hyde Park.

We must therefore reduce the pressure on London. Immigration is one factor. There are more than enough people in London already to do the jobs we need. The reason we've imported thousands of eastern Europeans is that our own people lack the skills for the work. Developing the wasted human capital already present in London must be the course we choose, not the economically easy, but environmentally difficult, option of importing another million new faces.

But that's not all. We have allowed a disproportionate amount of activity to become centralised in and around London. The effect is that pressure for housing in the South East is immense, while other parts of the country are experiencing the emergence of ghost towns.

If instead of promising millions of new homes in areas that simply cannot take them, the Government sought to build better transport links across the country, businesses would inevitably spring up elsewhere too rather than converge on London. We have less high-speed rail infrastructure than tiny Belgium, and dramatically less than France. The new Mayor needs to lobby with all his might for the construction of reliable and effective links between our cities, to incentivise people and businesses to repopulate parts other than the South East.

In the longer term, too, we must accelerate the already changing nature of work. Commuting long distances is not just purgatorial and destructive to family life, but damaging to the environment. Already, homeworking is liberating people from this. The mayor must provide incentives for his own staff, and others, to work more or all of the time from home, and must use the planning system to discourage the ugly, industrial-scale office building.

Far from being marginal, the environment turns out to be the Clapham Junction of politics: a place through which many mayoral priority lines, from housing to employment to crime, run. And working along the lines I suggest can address Londoners' deeply-felt longing for a better quality of life. London may be a much richer city than it was, but it is a less happy one. Any mayor who changed that would truly be worthy of re-election.

The new Mayor of London Boris Johnson was elected with the votes of over 1 million Londoners. This has given him a considerable popular mandate. This report from Policy Exchange and Localis, the local government and localist think tank, looks at the big issues the new Mayor will face in his first term. The analysis is covered in 7 chapters written by some of the leading London experts and commentators. The report focuses on the major strategic issues that Boris Johnson will face in his first term in office. It focuses, in particular, on the style of Mayoral government and the potential for reforming London's governing institutions; the delivery of large infrastructure projects such as Crossrail and the Olympics where the Mayor and the GLA is a critical player; on how the Mayor can use his power and influence to combat a worrying rise in violent crime across London; how he can use his power to improve the quality of life for Londoners and look to learn lessons from New York from a perspective offered by the Manhattan Institute.









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