

| | |
|---|-----------------------|
| Committee | Dated: |
| Public Relations/Economic Development Sub | 28 May 2015 |
| Subject: Political developments and policy issues affecting London | Public |
| Joint Report of: City Remembrancer, Director of Public Relations and Director of Economic Development | For Discussion |

Summary

This report sets out the background to a number of political developments and policy issues with a particular relevance to London.

Recommendations

Members are recommended to:

- i. Note and discuss the contents of this report.

Main Report

Political Developments

1. 2015 General Election, Thursday, 7 May 2015

The following new MPs were elected in London:

James Berry (Conservative, Kingston & Surbiton) - Barrister who defeated Ed Davey, Energy Secretary and MP since 1997;

Victoria Borwick (Con, Kensington) - Member of the London Assembly, former Deputy Mayor of London, elected after the retirement of Sir Malcolm Rifkind;

Dawn Butler (Labour, Brent Central) - former MP and Cabinet Office Minister, defeated in 2010, replacing Liberal Democrat MP Sarah Teather, who stood down;

Ruth Cadbury (Labour, Brentford and Isleworth) - Hounslow councillor, defeating sitting Conservative MP Mary McLeod;

Neil Coyle (Labour, Bermondsey and Old Southwark) - Southwark councillor and Deputy Mayor, defeating Liberal Democrat Simon Hughes, MP since winning a by-election in 1983;

Vicky Foxcroft (Labour, Lewisham Deptford) - Replaced the retired Dame Joan Ruddock, who had been MP since 1987;

Helen Hayes (Labour, Dulwich and West Norwood) - Southwark councillor, replacing Dame Tessa Jowell, who stood down after 23 years;

Rupa Huq (Labour, Ealing Central and Acton) - Lecturer at Kingston University, defeating Conservative Angie Bray, who had been MP since 2010;

Boris Johnson (Conservative, Uxbridge and South Ruislip) - Current Mayor of London, former MP for Henley (2001-2008), elected after the retirement of Sir John Randall;

Tania Mathias (Conservative, Twickenham) - Richmond councillor who defeated Vince Cable, Business Secretary, who had been MP since 1997;

Kate Osamor (Labour, Edmonton) - Trade union activist and member of Labour's National Executive Committee, selected after Andy Love, MP since 1997, announced decision to step down;

Matthew Pennycook (Labour, Greenwich and Woolwich) - Greenwich councillor, selected after Sir Nick Raynsford, MP since 1992, announced his decision to step down;

Chris Philp (Conservative, Croydon South) - former councillor and special adviser to Andrew Lansley when he was Shadow Health Secretary; selected after Sir Richard Ottaway, MP since 1992, announced his decision to retire;

Joan Ryan (Labour, Enfield North) - former MP for Enfield North (1997-2010), replacing Nick De Bois, the Conservative who unseated her five years ago;

Paul Scully (Conservative, Sutton and Cheam) - former councillor in Sutton, defeating former Minister at the Department for Health, Paul Burstow, who had been MP since 1997;

Tulip Siddiq (Labour, Hampstead and Kilburn) - former Camden councillor; selected after Glenda Jackson, MP since 1992, announced her decision to retire;

Sir Keir Starmer (Labour, Holborn and St Pancras) - former Director of Public Prosecutions (2008-2013), replacing former Health Secretary Frank Dobson, who had been MP since 1979;

Wes Streeting (Labour, Ilford North) - former President of the National Union of Students, defeating Conservative Lee Scott, who had been MP since 2005;

Catherine West (Labour, Hornsey and Wood Green) - former leader of Islington Council, who defeated Lynne Featherstone, Liberal Democrat Minister who had been MP since 2005;

2. **2016 Mayoral election**, Thursday, 5 May 2016

The current Mayor of London, Boris Johnson was elected as a Member of Parliament on 7 May 2015 and will not stand for re-election when his mayoral term ends in May 2016.

Nominations

Labour Party

The process will be a closed primary for voters in the capital. Voting will be restricted to current Labour members and trade union affiliates and fee-paying registered Labour supporters, who will have to pay a fee of £3 to vote.

Candidates will need five nominations from constituencies, a party socialist society or trade union affiliate, before they are entitled to be listed by a (joint NEC and regional) shortlisting panel.

The timetable for nominating a candidate is as follows:

- **Wednesday, 13 May** - Applications open;
- **Wednesday, 20 May, Noon** - Applications close.
Nominations (from CLPs and affiliates) open;

- **Wednesday, 10 June** - Nominations close;
- **Friday, 12 June** - Selection Committee determines long-list;
- **Saturday, 13 June** - Short-list announced;
- **Wednesday, 12 August, Noon** - Last date to register as a supporter or as an affiliated supporter in London or to join the Labour Party in London and be eligible to vote;
- **Friday, 14 August** - Votes despatched;
- **Thursday, 10 September** - Ballot closes;
- **Sunday, 13 September** - Result announced. (The day after the special conference to announce the Leader and Deputy Leader result);

Current declared candidates are:

- Diane Abbott, MP for Hackney North and Stoke Newington;
- Tessa Jowell, former MP and Cabinet Minister
- Sadiq Khan, MP for Tooting;
- David Lammy, MP for Tottenham;
- Gareth Thomas MP for Harrow West; and
- Christian Wolmar, transport author, broadcaster and journalist.

Conservative Party

The Conservative Party is yet to announce its process or timetable for nominating a candidate.

Current declared candidates are:

- Stephen Greenhalgh, Deputy Mayor for Policing and Crime;
- Andrew Boff, London Assembly Member;
- Ivan Massow, financial services entrepreneur;

Possible candidate:

- Zac Goldsmith, MP for Richmond Park;

3. London Assembly elections, Thursday 5 May 2016

Current make-up of the London Assembly:

- Labour – **12**
- Conservatives – **9**
- Liberal Democrats – **2**
- Greens – **2**

Conservative Assembly Members Kit Malthouse, Victoria Borwick and James Cleverly were all elected to Parliament and are expected to step down from their positions at the London Assembly when their terms end. Val Shawcross, the Labour member for Lambeth and Southwark, has announced that she is stepping down in 2016.

4. London Councils

The London Councils executive is expected to hold its annual AGM on Tuesday 2 June. No changes in leadership or executive positions are expected.

5. London Boroughs

During May and June, London borough parties will be having their AGMs and there are not expected to be many, if any, changes in leaders. The election for Mayor of Tower Hamlets is taking place on Thursday, 11 June 2015, as a consequence of the Election Court judgement.

Policy Issues

6. Arts & culture

Before the election, the Government announced that it was funding a feasibility study into a new concert hall in London, a project for which Boris Johnson has also voiced his support. The Conservative manifesto states that the Government will continue to support the plans. In its response to a report by the House of Commons Culture, Media and Sport Committee (chaired by the current Secretary of State), the Government stated it supports the decisions that the Arts Council have made in focusing its strategic funds on building capacity and infrastructure outside London from 2015-18 and by being a more demanding partner of the National Portfolio Organisations and Major Partner Museums they fund, expecting them to take on national responsibilities as part of their funding agreements.

7. European Union

The Government has promised a referendum on EU membership by 2017, following a renegotiation of the UK's terms of membership. This could be brought forward to 2016. The Conservative manifesto states that the Government will resist EU attempts to restrict legitimate financial services activities. The Government will also aim to preserve the integrity

of the Single Market by insisting on protections for those countries that have kept their own currencies, and to expand the Single Market by breaking down the remaining barriers to trade and ensuring that new sectors are opened up to British firms.

The Foreign Secretary has given his most enthusiastic backing yet for the UK's place in reformed EU saying he favoured the settlement of the British question as soon as possible: "That is how I want this process to end up: a good package of reforms; a Yes vote; and a step change in the way the relationship works, with Britain being really engaged and a loud voice in the union."

8. Health

NHS England London and the London Clinical Commissioning Groups are collaborating to form the London Transformation Board to oversee changes in healthcare in London, including greater collaboration between different organisations and more local governance. The Mayor of London will chair a refocused London Health Board with the aim of driving improvements in London's health inequalities.

Air pollution has a negative impact on health in London. Nitrogen dioxide levels exceed EU limits by factors of between two and three in parts of the capital. The Mayor is planning to introduce an Ultra Low Emission Zone in 2020. From 2018, it is planned that all taxis including existing ones and new private hire vehicles be capable of running with zero emissions.

9. Housing and planning

It was announced in the Budget that the Government would consult on devolving planning powers over sightlines and wharves to the Mayor of London, allowing the Mayor to accelerate provision of new homes in London by reducing planning delays. The Government is providing funding to a London Land Commission to map brownfield land in London for development, with terms of reference to be agreed with the Greater London Authority. Councils will be required to sell their most expensive social housing when it becomes vacant and direct some of the proceeds into a £1 billion Brownfield Regeneration Fund to build more affordable public housing. Coupled with plans to extend the Right to Buy scheme to Housing Associations, this measure could have a particularly large impact on local authorities in London.

At the beginning of the year, the Mayor of London consulted on planning strategy intended to support the tech-hub on the City fringe. The draft City Fringe Opportunity Area Planning Framework focussed on ensuring small and affordable commercial space remained available for tech start-ups.

10. Immigration

The Government retains its ambition to reduce net migration to the tens of thousands and the Conservative manifesto stated that it would maintain the annual cap on non-EU migrants at 20,700 during the next Parliament. Employers who regularly use the Shortage Occupation List, under which they can bring skilled foreign workers into the UK, will be required to provide long-term plans for training British workers. There will also be reforms to the student visa system to reduce abuse and over-staying. As part of this, there is the promise of a clampdown on the number of ‘satellite campuses’ opened in London by universities located elsewhere in the UK.

11. Infrastructure

Construction of the Thames Tideway Tunnel is due to start in 2016. This will run from Acton to Abbey Mills to take sewage and rainwater discharges which currently overflow into the Thames.

Pending a judicial review, the process of which has commenced, construction of the Garden Bridge is due to begin in early 2016 and the bridge is expected to be opened in 2018. The scheme is being delivered by the Garden Bridge Trust, and has support and funding from the Mayor and the Treasury. However, funding has yet to be found for the ongoing maintenance costs of the bridge.

A lack of superfast broadband has been identified as a factor which could damage London’s competitiveness, with broadband in some areas being among the slowest in Europe. The Conservative manifesto contains a commitment to provide superfast broadband coverage to 95 per cent of the UK by the end of 2017, and to release more spectrum from public sector use to allow greater private sector access. In his Autumn Statement 2014, the Chancellor announced a Broadband Connection Vouchers Scheme, offering Small to Medium Enterprises grants of up to £3000 to cover installation costs associated with connecting to superfast and ultrafast broadband. The scheme, which the City Corporation has been

actively promoting to SMEs in the square mile, is being funded through a £40 million Challenge Fund which will run until March 2016 or sooner, if the fund is spent. It is part of the Government's SuperConnected Cities Programme to support cities to develop the digital infrastructure capability to remain internationally competitive.

12. Local government and devolution

The Conservative manifesto included a commitment to devolve further powers over skills spending and planning to the Mayor of London. Following the general election, the Chancellor has announced that the Queen's Speech will include a Cities Devolution Bill to offer similar devolution as seen with Manchester to other English cities, on the condition of the introduction of an elected mayor. There is also due to be a major review into business rates by the end of 2015 to ensure that, from 2017, they "properly reflect the structure of the modern economy" and to provide clearer billing, better information sharing and a more efficient appeal system.

Although there is widespread backing for fiscal devolution in London, progress has been slow, largely due to a lack of support from the Treasury. As a result, the focus of the devolution debate has shifted to the devolution of public services. London Councils is working with the Mayor of London to pursue an agenda for devolution in relation to employment, skills, health, housing and complex dependency. Work to bring forward detailed proposals has been underway for several months. An idea, that has gained traction amongst borough leaders and at London Councils, is to have sub-regional groupings of boroughs, such as Central London Forward, take on newly devolved functions directly. The City Remembrancer and Comptroller are currently exploring options to change Central London Forward's governance structure to put it in a stronger position to take on devolved powers from central government.

13. Skills and education

This year's Budget specified that the Mayor of London and the Greater London Authority would be given power over the Apprenticeship Grant for Employers budget and a role in the re-commissioning of Further Education skills provision in London. Central London Forward is developing an £11m 5-year pilot scheme on employment and skills as part of the London Growth Deal. The Working Capital pilot is intended to

support almost 4,000 long-term unemployed central London residents back into work.

The Government plans to increase the number of University Technical Colleges, with new ones due to open in Newham and Hillingdon next year, in addition to existing UTCs in Greenwich, Hackney and Hillingdon. There is also a pledge to deliver a further 3 million apprenticeships in order to meet the skills requirements of employers.

14. Tax and regulation

The EU Financial Transaction Tax looks unlikely to be introduced by the January 2016 deadline, due to a lack of agreement between the participating member states. If and when the introduction of the tax is agreed, the UK Government is likely to launch another legal challenge.

The Conservative manifesto restated the intention to ring-fence banks' high street branches from their investment arms by 2019 and commits to the UK 'having the toughest regime of bonus deferral and clawback of any financial centre'. The existing levy on banks' balance sheets will be retained and the opportunity for established banks to pay less tax by offsetting their profits against past losses will be restricted. The Government's stakes in the bailed-out banks and building societies will continue to be sold. Due to measures such as the bank levy and ring fencing, HSBC and Standard Chartered are reviewing their headquarters location.

15. Transport

Crossrail is due to open in 2018, with the full route from Reading to Abbey Wood and Shenfield due to run from 2019. The Northern Line extension to Battersea is due to open in 2020, and Transport for London has held a consultation on a Bakerloo Line extension to Lewisham and Beckenham. Following a consultation on new river crossings in East London, TFL is due to hold further consultations on the Thames road crossings at Thamesmead and Belvedere later this year. Construction has begun on the East-West Cycle Superhighway, which passes through the City. It is scheduled for completion by March 2016. The Chairman of the City's Planning and Transportation Committee gave evidence to the London Assembly Transport Committee in December on the issue.

The Conservative manifesto commits to supporting Crossrail 2, connecting Surrey and Hertfordshire through London, as well as pushing

ahead with High Speed 2. On airports, the Conservative manifesto states only that the Government will respond to the Airports Commission's final report. Conservative MP Zac Goldsmith has repeated his threat to resign as an MP and trigger a by-election if the Government goes ahead with Heathrow expansion.

Conclusion

16. Members are asked to note and discuss the contents of this report.

Contact:

Paul Double
City Remembrancer
020 7332 1207
paul.double@cityoflondon.gov.uk

Tony Halmos
Director of Public Relations
020 7332 1450
tony.halmos@cityoflondon.gov.uk

Damian Nussbaum
Director of Economic Development
damian.nussbaum@cityoflondon.gov.uk
020 7332 3600