

# Shape Labour's Manifesto for London

**ACE consultation response**

**November 2015**

## Business, growth, and jobs

### **Q1 What are the key opportunities for growth in London and how can the Mayor support business to make the most of them?**

There are several key challenges facing the next mayor of London, particularly in infrastructure. The next decade will see large scale projects such as High Speed 2, Crossrail 2, Thames Tideway commence, while it is no secret that a major effort in housebuilding is required if home ownership is to be within the grasp of residents.

This presents a key opportunity for growth, however, particularly for those industries involved in the development and delivery of this economic and social infrastructure. Firms will require more staff, better skills, improved communications, newer machinery, etc.

### **Q2 What barriers to growth exist for small, medium, and large businesses, and how can they be overcome?**

There are three major barriers that ACE members of all sizes consistently raise when discussing their barriers to growth, the first of which is political certainty. With infrastructure projects, often the delivery time is measured in decades and an environment of changing political whims is not the most conducive to planning for this level of commitment.

The current Mayor has sought to mitigate this by developing the London Infrastructure Plan and instituting the London Infrastructure Delivery Board. We would encourage his successor to commit to continuing work on this document, and to use to its fullest the companion engagement body to ensure certainty, stability, and other obstacles are addressed in a timely fashion.

In addition, the second (and related to the above) major barrier to growth for our members is ensuring access to a workforce with the skills necessary to deliver on the investment agenda we have set ourselves. Without the forward view of a stable pipeline of work, companies are less willing to take on staff, only to have to let them go again when the work does not materialise.

Again, providing the stability and confidence to companies who want to take on more staff is key. Any successful candidate for City Hall should also ensure that they are fully prepared to work closely with all parts of the business community to develop the skills programmes required.

Finally, the third barrier, and one particularly relevant to the smaller and medium sized businesses among our members, revolves around procurement. Too often our SMEs feel excluded from work because the procurement process is too weighted in favour of larger companies.

We would encourage all the candidates for the mayoralty to ensure that all organisations under the Mayor's control make the bidding process for future work as accessible to SMEs as possible. This will improve supply chain diversity, bring extra innovation to the table, and help SMEs in the capital grow and provide opportunities across a wider spectrum of the capital.

**Q3 How can we ensure that Londoners have the skills that they and businesses need to succeed? How can we create more apprenticeships and support young people into successful and rewarding careers?**

As stated above, stability and certainty are key, as is a commitment to continually seek to engage with businesses in the capital to ensure they are able to find the workers they need to grow.

There are, however, many existing schemes out there at present, working to provide the kind of apprentices that businesses need, and young people with the skills they require to get on in the workplace. One such scheme is the Technician Apprenticeship Consortium (TAC), an alliance of employers and learning providers that have come together to develop a high quality programme. This year TAC celebrated the recruitment of its one-thousandth apprentice.

It is vitally important, therefore, that any incoming Mayor of London seek to build on what is already being accomplished, and not undo all this good work. We would hope that all the candidates will seek to commit to this and ensure their policies are complementary and not adversarial.

**Q4 What do we need to do to ensure all Londoners are paid a decent wage and treated fairly in work?**

No response

**Q5 What barriers exist to work and how can we tackle them, and back all Londoners to succeed?**

No response

**Q6 What other priorities and challenges exist in this area?**

One significant challenge in this area that the future Mayor of London will encounter will be to ensure his or her policies do not conflict with those of the London Boroughs. Moreover, it will be incumbent on them to make sure of good relations with the various town halls around the capital. Ultimately, it would be much more favourable to work with the other leaders in London to implement policies, than have to work against them.

## Housing and planning

### **Q1 What are the best mechanisms for funding an expansion in house building?**

ACE would support the suggestions that are put forward in *Housing and Planning* briefing document, namely to create a new London Housing Bond in addition to developing investments that are attractive to pension funds. These will obviously depend on the Mayorality gaining extra powers over finances from central government, however, ACE has long been a supporter of these efforts and will continue to be in the future.

On the subject of the potential London Housing Bond, we would be keen to see flexibility built into the system whereby these can be raised on a scheme-by-scheme basis, perhaps alongside an overall bond. This will perhaps enable the over-arching scheme to focus on larger-scale projects, while individual ones could be simpler and more appropriate for smaller developments.

### **Q2 What kind of new homes should we prioritise and where should they be built?**

In the first instance, the main priority should be to ensure an adequate supply of good homes for social rent. This, with its asset base and reliable rental income, will then provide the basis for building houses for other types of markets, such as the private rental or sale markets.

In terms of location, the priority should be to free up and utilise as much public land as possible across London, in particular that designated brownfield (see below). Obvious areas to focus on would include those parts of the capital that will see regeneration thanks to the improved transport links provided by Crossrails 1 and 2, Old Oak Common, and the Bakerloo and Northern Line extensions.

### **Q3 How do we ensure the right balance between homes to buy, homes for private rent, and, social rent?**

If a balance is to be maintained, while still offering long-term social tenants the right to buy their house or flat after a qualifying number of years, a policy that truly seeks to replace the stock on a like-for-like basis must be instituted. This should be the overriding concern when developing new housing schemes. Consideration can then be given to properties that can be built for sale and the private rental market.

### **Q4 How can we reverse the falling rates of home ownership in London?**

No response

### **Q5 What additional powers should the Mayor of London call for in order to deal with London's housing crisis?**

The future Mayor of London should ensure that they have the ability to raise the money via a bond system, as per the suggested mechanism above. There will be implications for public sector borrowing figures which may mean such a scheme falls foul of rules set by HM Treasury.

In addition, the future Mayor should ensure that City Hall is able to retain 100% of the proceeds from the sale of the properties. Without this, the possibility of pursuing a policy of like-for-like replacements would be seriously threatened and the likelihood of returning to a similar position to the one we find ourselves in now would be enhanced.

#### **Q6 What can we do to make new and existing housing more sustainable?**

Both new and existing homes present unique sustainability challenges. Brownfield sites must be prioritised when locations for new developments. A true emphasis on previously industrial land would mean clearing up hazardous sites, providing homes in socially viable parts of London, and beautifying the city.

Notably, brownfield sites should also be considered for commercial development, not just housing.

In terms of climate sustainability, some hold the Government's recent scrapping of code levels for sustainable homes to have been a mistake. ACE feels that London should have the ambition to provide all houses to Code Level 4, which many argue would be cost-neutral for developers.

In addition, plans to introduce Code Level 6 on a voluntary basis for affordable homes should be balanced by a drive to ensure luxury developments adopt this higher standard as well. It is clear that London's housing needs are acute. A legacy of poor energy efficiency, however, that has been accepted by previous administrations or leaving centrally located contaminated wastelands undisturbed would be a missed opportunity.

Finally, the existing housing stock in London is very energy inefficient and in the UK it is responsible for one-quarter of the nation's annual carbon emissions. The principle of encouraging portfolio retrofit, rather than the more granular building-by-building approach typically pursued, would be a good step.

#### **Q7 What other key priorities and challenges exist in this area?**

One significant challenge in this area that the future Mayor of London will encounter will be to ensure his or her policies do not conflict with those of the London Boroughs. Moreover, it will be incumbent on them to make sure of good relations with the various town halls around the capital. Ultimately, it would be much more favourable to work with the other leaders in London to implement policies, than have to work against them.

## Transport and infrastructure

### **Q1 How can we ensure that transport costs are never a barrier to Londoners in accessing work, education, and leisure?**

This could best be achieved by ensuring that the Mayor of London continues to push for widest level of devolution in power of tax and spending within the capital. This will enable the Mayor in future to develop innovative funding mechanisms for the operation of Transport for London (TfL), with the aim of delivering a cost effective service for London's residents.

### **Q2 How can we improve London's transport services, ensuring they meet Londoners' needs and expectations, and are made safer and more accessible?**

A great deal of work is going on throughout London's transport network, much of which, though necessary, is disruptive to the capital's residents and businesses. While some of this disruption is unavoidable, there is a chance that some is preventable through earlier and closer engagement between TfL, the Mayor's Office, and the boroughs, and those engineering and contracting firms carrying out the work.

In addition, earlier engagement, especially with those companies in ACE's membership, will enable a greater degree of innovation in solutions to be incorporated. It will also minimise the need for costly and disruptive changes at later stages of project delivery. Ultimately, it will deliver a final product that will provide a service that meets Londoners' needs and expectations.

### **Q3 What are the primary infrastructure needs for London's future?**

The needs of London in terms of infrastructure, fall into roughly three categories: capacity, connectivity, and capability. There are growing challenges around and increasing and an aging population, and all that entails in terms of economic and social activities. It is, therefore, vital that our networks have the ability to carry increasing and diversifying demand, that they connect with where people need them to, and that organisations and individuals have the resources and abilities to deliver and make use of them.

In numerical terms, the London Infrastructure Plan states that by 2050 the capital will need a 20% increase in energy supply, around 40 new waste facilities, a 26% increase in water supply, and 50% more public transport capacity.

In transport terms, for instance, Crossrail 2 is a vital project that will provide much-needed capacity on a network that will soon have to cater for ten million residents, as well as numerous commuters from outside London. A key challenge though, is to ensure it connects in with where people want to go, both centrally and on the periphery, thus unlocking access to wider job opportunities, markets, and regeneration possibilities.

The next Mayor should also work hard to ensure that London's communications networks are fit for a twenty-first century purpose. Too often businesses, particularly in industries such as that which ACE's members are in, are hampered by a lack of capacity or connectivity on their networks. If London is to continue to compete globally, this must form a central part of its offering.

Finally, the same can be said for the capital's water and energy infrastructure. Measures will need to be put in place to ensure the increases in population do not put undue strain on our utility networks. Thames Water's upgrade work in addition to the Thames Tideway Tunnel will go a long way to assisting with this in regards to water, and the next Mayor will be tasked with working with these organisations to ensure the smooth delivery of these schemes.

As for energy, as London grows, so will its demand for power. Whomever wins the mayoral election in May will have to ensure the capital is able to draw on adequate resources and we would encourage them to use the bully pulpit of City Hall to press central government to make this a top priority in coming years.

#### **Q4 How can we improve safety and facilities for pedestrians and cyclists?**

More needs to be done in order to support similar previous government-backed initiatives which targeted zero-tolerance commitments to construction site safety for example. A drive to eradicate road cyclist fatalities entirely needs legislative influence as well as buy-in from the greater users of the road.

Recognition schemes such as CLOCS and FORS target the high-risk construction site supply-chain and provide compliance standards with the aim of improving general road safety. These are helpful in assisting contractors, suppliers and hauliers in recognising best practise with regards the interaction between HGV road users (typically the biggest culprit of cyclist incidents) and cyclists.

A standardised government recognition scheme however adopting the best of the various current schemes, and targeting cycle safety in particular, would simplify the foregoing requirements and could be rolled-out as a pass/fail tender response in the procurement of future urban development and construction projects.

In addition, for a minimal amount one could introduce 'rest areas' along the cycle superhighways. These could consist of covered areas with access to tools provided and which could be manned by volunteers from the London Cycle Campaign during weekends. This could help people adjust their bikes and provide support for those cycling with children.

Employers need to be targeted to make it more desirable for their employees to cycle and/or walk to work. Tangible benefits to employees who cycle or walk (and thus directly assist the company in reducing their carbon footprint) could be considered as an initiative to get a greater number of people out of cars and could be partly backed by government.



Employers also need to make it comfortable for their employees to cycle to work. It's not enough to simply provide a bike rack; drying rooms, individual lockers and shower facilities need to be provided to combat the unpredictable British weather and make the effort to cycle or walk to work as pain-free as possible. Companies who make specific and targeted efforts to improve such facilities could be recognised or rewarded in some way.

Prospective employees researching a new employer could perhaps obtain information on a company's cycle infrastructure and facilities in order to assist them in making a decision whether to join or not. A culture of competition between employers on who provides superior cycle/walking facilities may ensue, which would certainly help in promoting and supporting alternative commutes to work.

#### **Q5 What should we do to support motorists?**

As above, our members feel that the best way they can support motorists would be to provide them with a reliable asset, i.e. the road, with as little disruption as possible and as cost-effectively as possible. They feel this can best be achieved by closer collaboration with all the parties involved in this process, from TfL, the GLA, and the boroughs.

This collaboration will have the same benefits as those outlined above. More innovative solutions will be delivered with less disruptive last-minute changes that add cost and time onto a project. Motorists will therefore be able to enjoy a better quality road and journey, traffic will flow more smoothly, and the business of the capital will be conducted more efficiently.

A major issue, however, is the sheer size and scale of London's road network, something which makes it difficult for an organisation such as TfL to manage entirely. A more targeted approach that focusses on the small number of key pinch points around the network will have a bigger positive impact on traffic flow. This would benefit the capital's motorists more than a dissipated effort could achieve.

#### **Q6 How should we balance increasing demand for transport capacity with the need to clean our air and protect our environment?**

Importantly, none of the proposals below would involve decreasing London's transport capacity, the lifeblood of London's economic success.

First, the public is still painfully unaware of low standards in air quality and its sources, despite recent campaigns in the Evening Standard and other national press. A major campaign needs to be conducted to alert the public to the risks of air quality that kills 9,500 Londoners a year. This should involve monitoring stations in close proximity to key social infrastructure such as schools, hospitals and retail hubs so that both the public - and policymakers - are keenly aware of the impact of air pollution. Indeed, understanding risk is an important part of solving the problem and the debates about whether or not the air quality in the underground sections of the tube is safe need to be put to bed and followed up with any necessary action.



Second, a plan that appreciates the urgency of the air quality challenge needs to be implemented. Londoners cannot wait for ULEVs to be rolled out in full across the capital, we need shorter term and lower tech solutions in that 40 year gap. As such, any new mayor must have an open mind to solutions other than electric cars; photocatalytic treatment, diesel retrofit and LGP alternatives must be considered far more closely.

Finally, moving from lower tech (but effective) solutions to the absolute cutting edge of air pollution mitigation, London must adopt a strategy to make use of smart city technology so as to better distribute its traffic and maximise the use of its existing infrastructure. In Utrecht, for example, freight drivers consult apps that direct them to their destinations based on live air quality data, thereby spreading more evenly particles that would, in greater concentrations, cause more severe health concerns. London would do well to explore the efficacy of such a system to improve air quality and support British innovation.

#### **Q7 What other priorities and challenges exist in this area?**

One significant challenge in this area that the future Mayor of London will encounter will be to ensure his or her policies do not conflict with those of the London Boroughs. Moreover, it will be incumbent on them to make sure of good relations with the various town halls around the capital. Ultimately, it would be much more favourable to work with the other leaders in London to implement policies, than have to work against them.

We have seen in recent years that one of the high priorities that this government has is the devolution of powers and responsibilities to local and regional levels of decision-making. This will obviously provide a significant challenge and opportunity for future Mayors of London, particularly given the role he or she plays in the delivery of the capital's transport and infrastructure services. Any future holder of this office must ensure they are at the heart of discussions around this issue, especially as it relates to London's funding settlements.

## About ACE

As the leading business association in the sector, ACE represents the interests of professional consultancy and engineering companies large and small in the UK. Many of our member companies have gained international recognition and acclaim and employ over 250,000 staff worldwide.

ACE members are at the heart of delivering, maintaining and upgrading our buildings, structures and infrastructure. They provide specialist services to a diverse range of sectors including water, transportation, housing and energy.

The ACE membership acts as the bridge between consultants, engineers and the wider construction sector who make an estimated contribution of £15bn to the nation's economy with the wider construction market contributing a further £90bn.

ACE's powerful representation and lobbying to government, major clients, the media and other key stakeholders, enables it to promote the critical contribution that engineers and consultants make to the nation's developing infrastructure.

Through our publications, market intelligence, events and networking, business guidance and personal contact, we provide a cohesive approach and direction for our members and the wider industry. In recognising the dynamics of our industry, we support and encourage our members in all aspects of their business, helping them to optimise performance and embrace opportunity.

Our fundamental purposes are to promote the worth of our industry and to give voice to our members. We do so with passion and vision, support and commitment, integrity and professionalism.

## Further information

For further details about this publication please contact

Peter Campbell  
Senior Policy Manager  
ACE Policy and External Affairs Group  
0207 227 1885  
pcampbell@acenet.co.uk  
[www.acenet.co.uk](http://www.acenet.co.uk)