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## A devolved government for London would be a big step towards rebalancing power in the UK



*In the wake of the Scottish independence referendum, and Cameron's announcement of a 'devolution revolution', **Tim Oliver** argues for creating a fully devolved government for*



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*London. This would not only improve the running of the most important region in the UK, it would go some way towards breaking the problematic link between the politics and government of the UK and the politics and government of London.*

Devolving more power to the UK's **nations**, **regions** and **cities**, as promised in response to the surge in support for Scottish independence, would bring a welcome change to the over-centralised nature of the UK state, especially in England. In the debate so far, London has often been portrayed as the villain, with anger directed at the over-centralised UK government based there, the incredible power the wider metropolis wields over the rest of the UK, and how UK government and London's interests too often align. Yet as the UK's most powerful, rich and most populous region, London itself cannot be forgotten in whatever happens now Scotland has voted to stay in the UK. Creating a fully devolved government for London – or technically 'Greater London' to use the term

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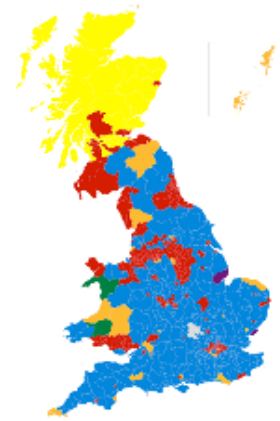
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for the geographical administrative area – would not only improve the running of the most important region in the UK, it would go some way towards breaking the problematic link between the politics and government of the UK and the politics and government of London.

No other large developed state has a capital city that dominates the rest of the country as London dominates Britain. London's population equals that of Scotland and Wales combined, with a **growing population** meaning Northern Ireland can soon be added to the list. If the larger metro-region measurement is used then London is home to **13.6 million** people, or 21% of the UK's population. Its economy dwarfs that of any other region, producing about **22%** of the UK's economic output, making it the **richest area of the UK**, with central London the **richest area in Europe**. 'The City', London's financial heart, is not just the centre of British business but the centre of global finance.

London is home to most of the UK's main government, security, diplomatic, media and cultural institutions (including large investments such as the Millennium Dome and the London Olympics). It is home to the **largest concentration** of top-ranking universities in the world. It also stands out as Europe's premier international city, especially for business. Paris might come close to matching London on population, but in terms of **high-skilled knowledge based jobs** Paris does not come even remotely close. London's growing population is a cosmopolitan one, fed by immigration, with over a **third of Londoners born** outside the UK. For London, competition and comparison is not with Glasgow, the North West of England or even cities such as Berlin. It measures itself against the likes of New York, Tokyo, Dubai, Rio and Hong Kong. In the UK and Europe, London is in a league of its own.

This dominant position creates a host of problems for the rest of the UK. Economically, London has something of a **stranglehold over the UK**, with 'the City' in particular wielding incredible power, leaving the UK vulnerable to financial shocks. Investment floods into London thanks to the returns being much higher, a report by the IPPR estimated that per-capita transport spending in London is **500 times** as much as that in the north-east of England. London's insanely high property prices drive up prices across the UK. Large amounts of the infrastructure of the UK, whether roads, rail, air or energy supplies, are structured with London in mind. And things show no signs of changing. London's expanding population and economy mean it will go on shaping UK needs. Little



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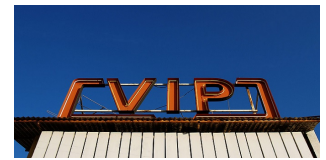
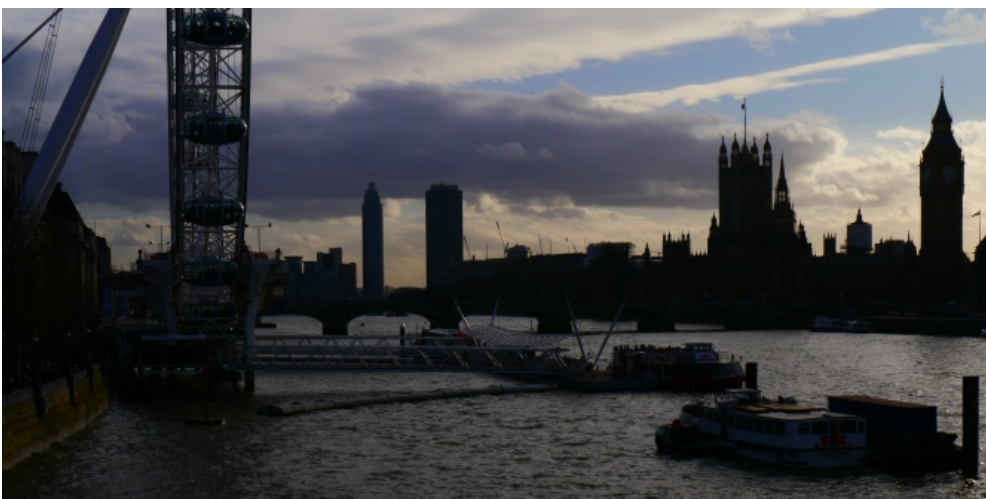
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surprise then that people ranging from Scotland's First Minister **Alex Salmond** to the LSE's Professor **Tony Travers** have described London as the UK's 'dark star' sucking in people, resources and energy.

For many inhabitants of the UK, London can also be a foreign country. London's white-British population remains the city's largest single group of residents, but is now **around 45% of the population**. Its international and large **immigrant** population makes for an identity that is a mix of English, **British**, European and international. **The EU** itself is not viewed as the threat it is in some other areas of the UK. This is not to say that London is without racial or social problems, the London riots of 2011 being a vivid demonstration of underlying tensions. However, as the **BBC's Economics editor Robert Preston** argues: 'Much of the rest of the UK sees globalisation and its manifestations – such as immigration – as disempowering, impoverishing and a threat. Whereas for Londoners, globalisation is an economic competition they are apparently winning'.

Little wonder then that to the rest of the UK London can appear an increasingly distant, alien and controlling power. Whether in Scotland or in the rise of UKIP across England, campaigning on an 'anti-London' ticket pays dividends. The UK Parliament and Government in London – or more specifically in the Westminster and Whitehall areas of central London – can appear to live in a London zone 1 bubble of their own, one beholden to central London's needs and lifestyle whether in the finance and international focused agenda of 'the City' or the housing needs that gave rise to the much despised 'bedroom tax'. That the largely London centred UK media only recently awoke to the news that Scotland might break from the UK only adds to the impression that London lives in a world of its own.



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To be fair, millions of Londoners themselves **criticise** the way the UK and their city are run, with a common enough complaint being that the rest of the UK drains London of taxes and investment. It is for this reason that proposals to create an English Parliament soon run into the problem of London: base such a Parliament in London and it adds to London's hold on England and the UK; build it outside London and the Parliament risks being ignored by the UK's most powerful region. Similar problems face proposals to move UK government out of London into some purpose built city akin to Washington D.C. or Canberra. The London Question is in so many of the problems that confront the UK: the centralisation and accountability of power, Scotland's future, growing English nationalism, relations with Europe, growing inequality, unease about immigration, population change, the future of British identity, questions about where to invest, and the role of finance in the UK's economy.

A way then is needed to break the link between the government of London and the government of the UK. In the absence of an English Parliament or new capital city, the answer could lie in the creation of a fully devolved government for London. Greater London already has a devolution settlement that dare not speak its name. The (re)establishment in 1999 of the Greater London Authority, with its Assembly and Mayor, provide London with political institutions to reflect the distinct political space the metropolis has increasingly become. Recent **proposals** to increase the powers and funding of the GLA could become a reality if UK government goes forward with devolving more powers. Welcome as they are, London could go further and by doing so add to much needed political change in the rest of the UK. A devolved government of London would, in cooperation with the city's local authorities, run the metropolis's life in a way similar to that in Scotland, Wales or Northern Ireland. All three have varying powers, but following any of them would allow London to run itself more than ever before. It should be for Londoners to decide if they need a bedroom tax. If the elected government of London wanted to cover the tuition fees for London's university students, and could find the money, then so be it.

A devolved London government offers several benefits for the UK and London. The most immediate gain for the UK would be a clearer gap between running London and running the UK. UK ministers and departments in Whitehall would have to think less about London, where



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their writ no longer extended as once it did, and more about the rest of the UK. This then paves the way for those looking for ways to establish devolved government within England and a move towards a more federal system. There will likely be no neat solution here, but London at least provides a neater starting point than many other areas.

The possibility that in many policy areas UK ministers could end up as ministers mainly for non-London England would make abundantly clear the need for wider change at UK level to bring in a federal UK-wide level of policy making. Similarly the Westminster Parliament would be confronted with the need to not only face the West Lothian Question – where fifty nine Scottish MPs can vote on English matters but English MPs cannot vote on similar matters that have been devolved to the Scottish Parliament – but also a Watford Gap Question where seventy three London MPs could vote on matters covering the rest of England but which won't affect their constituencies because the powers now lie with the London Assembly. London itself would gain by being allowed to run its own affairs, easing some tensions between Londoners and the rest of the UK over issues such as investment, health, housing, or taxation. It would also clarify the issue of funding to London. London can be portrayed as either a **subsidy-junky** or the **largest prop** to the rest of the UK economy. The way forward is a more transparent system of funding for London, something the creation of a government of London would help bring about.

Of course such a proposal is not without its problems. Support for such a move would be needed from Londoners, or else it could quickly become an unwanted and unpopular level of bureaucracy. If powers were devolved would they be accompanied by genuine funding independence, or would HM Treasury continue to hold the purse strings? Hopes a devolved government of London might help break the link between UK government and politics and that of London need to take into account that London will still be the home of the UK's political, business, cultural and media elite, with informal links between them remaining extremely strong. And where in this would we fit 'the City', an entity which can best be described as a powerful small city-state that has long existed at the heart of England and the UK.

Would changing the institutional arrangements of the UK's constitution do enough to rebalance the imbalances in private investment and the influence on the UK's international relations? The newly empowered

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Assembly and government could end up beholden to specific interests, as **some argue** the **current Mayor** has become with London's banking sector. Granting London control of its own affairs while the rest of England continued to be governed by institutions based in the centre of London would provoke further anger at London having it all its own way, driving London and the rest of the country further apart. And would a separate system for London work when the existing arrangement of a mayor and assembly have not dampened criticism of London's domination of the UK, if anything perhaps exacerbating a sense of injustice that London has added representation? Such changes in London would therefore have to be accompanied by wider changes elsewhere in England along with a move by UK government to provide a federal level of oversight that covers London and other areas of the UK (although how this would apply to Scotland given it may entail taking back or rebalancing some powers is another matter).

The devolution process in the UK has long suffered from a lack of strategy. Adding London without due consideration for the rest of England and UK would only add to the chaos that could lead to UK government ending up as a weak shell that only deals with some large  macroeconomic matters and external relations. And even if, for example, London were granted the same powers as Scotland, it is no guarantee that those powers would be used. Despite the significant powers granted to Scotland, the Scottish Parliament and Government have in some areas pursued profoundly **conservative policy agendas**.

These are not small concerns, and we should all be aware of the risk of rushing into decisions that fuel constitutional uncertainty or which add to London's dominant position. But whatever the Scots, Welsh, Northern Irish or rest of England decide to do, we cannot avoid the question of what to do about London, its intimate relationship with UK government and their relations with the rest of the UK. Granting London a devolved government is one proposal that could go some way towards addressing this and which could trigger wider thinking and changes to the way the whole UK is run. Devolving power to London would be the ultimate test of whether UK central government is willing to give up powers and embrace fundamental reform of the UK's constitutional system. While I'm under no illusions that such changes are either easy or going to happen anytime soon, the London Question is an unavoidable one that will remain at the heart of UK politics for a long time to come.

*Note: This article gives the views of the author, and not the position of the British Politics and Policy blog, nor of the London School of Economics. Please read our [comments policy](#) before posting. Image credit: [Joel Suss](#) CC BY 2.0*

## About the Author



**Tim Oliver** is a Senior Lecturer in the Department of Defence and International Affairs at the Royal Military Academy Sandhurst. He has also worked as a Fritz Thyssen transatlantic post-doctoral fellow at the Center for Transatlantic Relations at Johns Hopkins University's Paul H. Nitze School of Advanced International Studies (where he remains a non-resident fellow), the RAND Corporation (Washington D.C.), and the Stiftung Wissenschaft und Politik (Berlin). He has taught at LSE and UCL, worked for several years in the House of Lords, and has also worked in the European Parliament. He was educated at the University of Liverpool and the London School of Economics. The opinions expressed here are his own.

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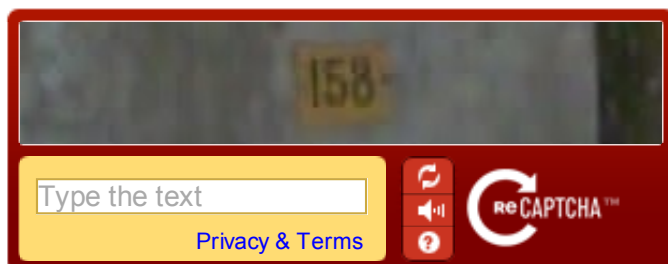
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