

An open letter on governing London – how the new mayor could get the wiring right

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On May 5th a new mayor will be elected to run London. This is one of the greatest jobs in the world. Mayors of big cities can achieve results far beyond the majority of ministers, which is why the best are long remembered.

The new mayor's ability to make life better for Londoners will depend on many things, but a crucial factor will be the effectiveness of the GLA and London's public sector more generally. This paper sets out how the mayor could shape their leadership team, structures and processes, and how they can develop a more open, engaged and creative system of governance – one better able to make the most of the city's amazing assets.

London's first two mayors have both been big figures, who in different ways acted as successful champions of the city and helped establish the mayoralty as a serious political office. But neither was much interested in machinery of government issues. As a result, the existing machinery is far from being fit for purpose. London's structures of government have anyway been weak by comparison with other world cities.

They have not been helped by fairly traditional approaches to governance, largely untouched by innovations of the last 20 years. There are a few exceptions – like the pioneering work on data. But these have had little impact on day-to-day decision-making. It's no coincidence that the typical Londoner struggles to think of things that London's governing institutions have achieved over the last decade, with a handful of exceptions like rentable bikes (which London introduced well after cities like Berlin and Paris).

This paper makes a series of recommendations as to how the mayor could make more of a difference:

- Clearly defining the role of mayor as **strategic** - overseeing a series of delivery agencies, and mobilising London to fix its biggest problems.
- **Deputy mayors** appointed for the major priority areas like growth and housing, with clear plans and objectives.
- New roles like a **Chief Technology Officer**, and new units like a **London Open Data Analytics** team, a lab on the Internet of Things, and mobilising the city to work on financial innovations for public benefit.
- A newly created **London collaborative** to drive better cooperation between the GLA, national government and boroughs.

- Use of **digital democracy** tools like D-CENT to involve London's public in decisions.
- A leaner and more **project-based** approach to running the GLA.

The role of the mayor

This year the Greater London Authority celebrates its 16th birthday. As the mayoralty reaches adulthood it needs to show that London's government has come of age. The more it can demonstrate competence, the more likely it is to persuade central government to devolve further powers.

That will be helped by the mayor being clear about the role. The mayor was originally intended to be strategic – overseeing arms-length bodies like Transport for London, the Metropolitan Police, the Fire Service, and promotional bodies like London and Partners – and supported by a small staff in a deliberately small building designed for a staff of around 250. The role and its structures are not well-suited for direct delivery.

The new mayor should aim to be more strategic than their predecessors – and more effective at using their power and influence to achieve results. But they should resist the temptation to be drawn into delivery. London's mayor is not as powerful as many others. But the role brings with it a huge capacity to mobilise, convene and drive. The key question for any governance structure is how it can help that capacity to be as effective as possible.

Structures: what are the options?

The typical City Hall consists of a mix of classic, vertically organised departments that reflect the main duties of the administration. These will often include housing; transport; education; planning; culture and the arts. Other tasks are organised through arms-length bodies, but often with a direct line of accountability to the mayor through appointments, such as police and fire. These are all supported by some more general management capacities, including finance and handling relationships with other governments.

These classic administrative structures serve their purpose. They make accountability transparent. But they can often become rigid and inflexible. Worse, the silos can reinforce divisions.

So some mayors more recently have experimented with chunking these tasks into bundles that better reflect their priorities, and allow better coordination. Usually this means having vice or deputy mayors overseeing a mix of agencies and departments.

The appendix shows how some other cities organise things - such as **New York**, which combines many classic vertical structures with more innovative ones like offices of food policy and its innovation-driven centre for economic opportunity. **Seoul** is another interesting example (whose mayor is hugely popular and is one of the favourites to be elected President in Korea), with an innovation bureau put at the heart of the machinery.

As we show, the new London mayor could reshape functions in parallel ways, with a series of broad leadership roles ensuring strategic coherence.

People and roles

The mayor has power to directly appoint up to 12 staff, and approves the overall structure of the GLA in consultation with the London Assembly. Ken Livingstone brought with him to the GLA a strong suspicion of civil servants and used his powers to appoint policy advisors and enforcers who he felt could be trusted. Boris Johnson took a more varied approach, with some deputy mayors who sat alongside senior directors in Minister-Permanent Secretary-style arrangement. But with a few exceptions neither brought in the best available talent in London. A new mayor should aim to be much more deliberately meritocratic.

We think that a new mayor should appoint a series of deputy mayors each responsible for overseeing one of the key strategic priorities for the administration. These would be likely to include:

- **Transport**, potentially widened out to cover **infrastructure** more broadly.
- **Growth**, including all work with the private sector, inward investors etc.
- **Housing**, including both new build and management of existing stock.
- **People**, including skills, universities and further education.
- **Environment**, including everything from air quality to neighbourhood amenities.
- **Policy and Security**, including oversight of the Metropolitan Police and crime prevention more broadly.

The deputy mayors would be responsible for overall strategy in each area, preferably with:

- Clear goals and milestones;
- Responsibility for pulling together the right mix of funding, planning, regulatory and other changes needed to achieve goals;
- Overseeing performance within their field, as well as being accountable for results.

The nature of their tasks will of course vary. Some will be primarily technocratic. Others, like housing, will require a mix of serious political skill and managerial ability, since there may need to be a major process of public engagement to think through the key options necessary for making headway on housing supply, including the green belt.

Other tasks which don't fit into these would be organised in more classic ways, including culture. Health could become a much more important area of activity if there was to be devolution comparable to Manchester.

In some cases, new arms-length bodies will be needed to work alongside the deputy mayors, for example a housing commission and an infrastructure planning body, to sit alongside TfL. As indicated earlier, the best mode of

working for a mayor is likely to be through providing strategic oversight of arms-length bodies that are given considerable operational freedom to deliver against a strategy.

A crucial choice for the new mayor will be to handle the rhythm and sequence of problems that will be addressed. At least two of the top problems facing London - housing and transport - are by their nature long-term. Promising too much too soon is bound to lead to disappointment. Wise mayors therefore combine slow and steady work on big, long-term problems, with the use of smaller, highly visible problems to build up credibility and confidence.

Other cities have shown that it can be more productive to focus on outcomes rather than inputs - how mobility can be improved across the city, rather than just how buses and trains run; how crime can be reduced rather than just how policing is done. A key task for the governing system is to keep returning to the overall outcomes, and public value, as a focus for thought and action.

The [London Enterprise Panel](#) will continue in its role as a business-led organisation dedicated to promoting growth. Ideally the mayor would appoint a deputy mayor for growth with a good feel for how business in London works and would collaborate closely with the LEP, and with its subcommittees covering small business, science and technology, and skills. These all need significantly stronger support functions to ensure that their decisions fit into a well-considered strategy.

Official roles

In terms of the official functions of the GLA there are many options for reshaping roles. Here are a few priorities.

London needs a **Chief Executive**, who can work very closely with the mayor to implement their ideas. The current, rather odd arrangement with a head of paid service, and a Chief of Staff, is anomalous. In one scenario the mayor should make one of his 12 appointees the Chief Executive, and should pick someone he can trust, but who also has strong managerial skills and a strategic sense of how to achieve complex priorities. That would be the best option. An alternative is to appoint a first deputy mayor who would be first amongst equals of the deputy mayors, but with a separate head of the official team who could take the title of Chief Executive, but would be more narrowly focused on ensuring that the official capacities (people, technologies, and buildings) serve the mayor's priorities.

London also badly needs a **Chief Digital Officer**. At present there is no one responsible for ensuring that London keeps its relatively strong position on technology, whether as user, or promoter. There are good capacities around the GLA - from the smart London board to bodies like the ODI and Tech City. But there is no official, or politician, with the authority to knock heads together, or, for example, to ensure that London does well in growing fields like the Internet of Things. The continued weakness of London on broadband connectivity is another symptom of this gap. A CDO or CTO would most logically report to the deputy mayor for growth. Many other cities around the world have created strong CTO or CIO roles which provide examples of how this can be done.

[GLA Economics](#) continues to provide a very high quality service around statistics and data. But it plays little role in decision-making and London is far behind best practice in terms of setting explicit quantitative goals in different fields, tracking progress, adjusting goals in the light of data, and so on. This is where a beefed-up **office of data analytics** could become a central part of the machinery - bringing together data of all kinds (from web-scraping to open data and surveys) to help inform decisions at every level. Nesta has set out in some detail how this team could work, aiming to serve the whole of London rather than just the GLA, and overseeing a vigorous [open marketplace for data](#).

Working styles

Some municipalities around the world still use very traditional structures, with departments and units made up of permanent civil servants, secretariats servicing committees and an essentially paper-based approach to decision-making. GLA is still largely one of these. Others, however, use very different methods:

- Project-based working, with teams working on practical problem-solving in time-limited ways.
- Teams composed of both civil servants and outsiders, again focused on results rather than process.
- Prototyping and trialling new options in practice rather than solely on paper.
- Much more use of data to help shape options and review.

These methods have not been standard in the GLA in recent years but could greatly energise its work, and help it make the most of the many people who could contribute to more effective governance.

At any one point, many teams – ideally including people from outside the GLA and boroughs – would be working on time-limited projects to solve particular problems, injecting an executive energy that has often been missing from the GLA in recent years.

Generating new ideas: making use of labs and i-teams

Many cities now have dedicated teams to generate new ideas and test out the mayor's concepts in practice rather than through formal, paper-based policy processes.

The Nesta/Bloomberg i-teams report showed how many of these are working, and hundreds are now linked through the Labworks network. London is full of very creative people – but there has been surprisingly little engagement with how the GLA works.

This means that London performs worse than it should in solving tricky problems, for example generating practical ideas for housing or skills which can be tested out.

We would also advocate more targeted innovation projects. For example, London is full of creativity in finance. But very little of this has been mobilised to help

City Hall achieve its objectives. A specialised team would work to generate and test **financial innovations** that would deliver benefit to the people of London. How could new investment funds be designed pulling together public and private money? Could local pledge-banks be supported to encourage crowdfunding for public spaces?

There are several other obvious candidates for more focused innovation labs, feeding into City Hall. One would focus on the **Internet of Things** and smart cities, ensuring that London could be a testbed for new applications, and providing a place for London-based firms to showcase their ideas.

Processes - how to become more agile and better able to solve problems

For different reasons the last two mayors were not great enthusiasts for organisation, or for thinking about how the processes of governance could achieve better results. Media presentation tended to trump practical action.

A more strategic mayor would be more explicit about what they were trying to achieve, why and how, and would have an explicit process of setting, reviewing and adjusting strategy.

They would overhaul the formal processes of negotiation with boroughs and national government, as well as developing better informal processes. Before 2010 London was developing quite a sophisticated approach to aligning the activities of the three tiers of government which together run London:

- National government
- GLA
- Boroughs

There were, and still are, formal machineries for doing this, for example around public health or infrastructure planning. But experience showed that, alone, these very formal processes were inefficient. So the [London Collaborative](#) created a space where all three tiers could come together, and build relationships. One strand recruited teams of more junior officials to work together on practical problem-solving – for example on worklessness in housing estates, or retrofitting – and then present options to leaders. Another strand aimed to develop a more coherent link between the needs of London governments and the very extensive capacities of universities and research organisations. A third created an online network for collaboration sharing ideas etc. The London Collaborative also provided a more structured way for London's civil society to feed into governance, just as the LEP now provides a way for business to contribute.

The new mayor should revive this and focus it on the most important priorities of his mandate. There's plenty of goodwill to build on, and digital tools mean that it is much easier to organise this type of cross-tier collaboration than in the past. At present London is much less than the sum of its parts. It doesn't need to be.

Tapping 8m brains

A more ambitious option for a mayor would go further and find better ways to tap the brainpower of London's citizens. Small steps have been taken in this direction through things like the London Data Store.

But there are now plenty of options for involving citizens much more closely in decisions. In Paris, Mayor Anne Hidalgo has set aside [500m Euro over the next 20 years](#) for spending on publicly determined priorities. In Madrid and Barcelona, newly elected mayors are using the [D-CENT](#) platform (developed by Nesta with partners) to involve citizens in setting priorities. Helsinki has also been trialling [D-CENT](#) to enable the public to engage with decisions at multiple stages. Cities are much better units for engagement of this kind – but London has fallen far behind.

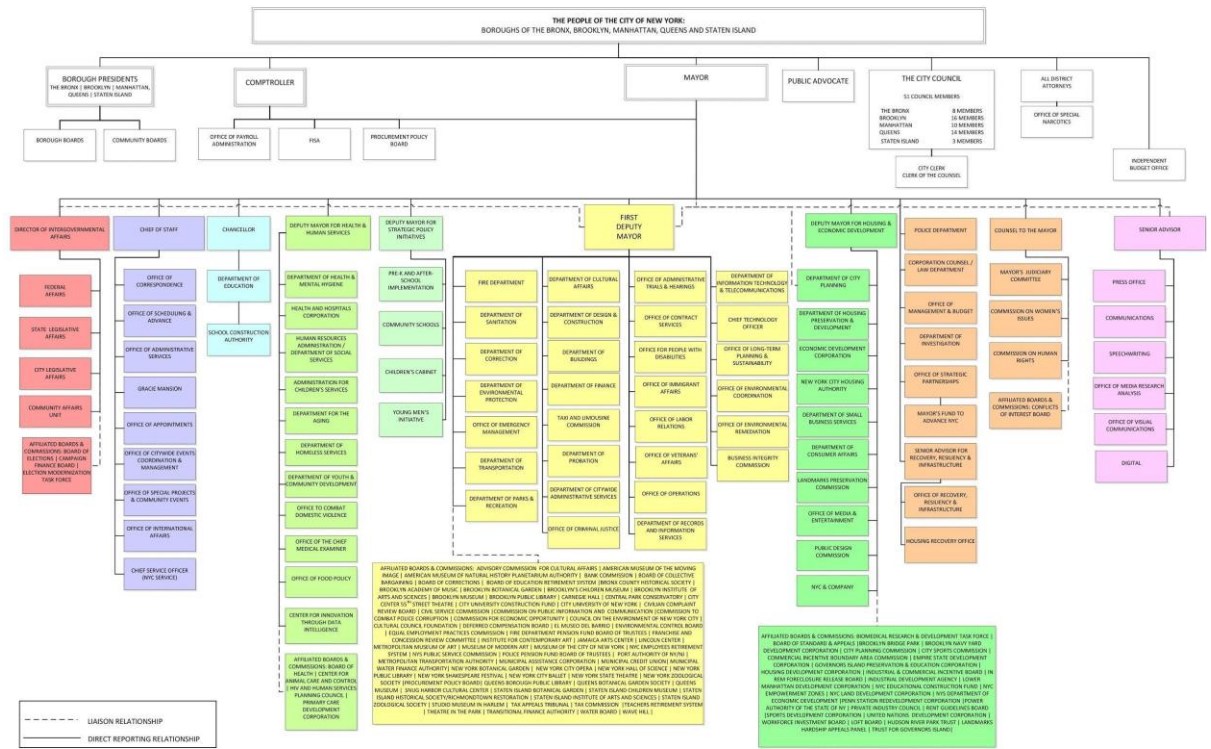
Conclusions

London is doing remarkably well, especially in economic terms. That partly reflects good work done by many of London's bodies as well as its inherent strength. But London has made much less progress on other fronts, and has probably gone backwards in terms of social policy, housing and other areas. In other fields its gains may be at risk. For example, the big advances achieved in London's schools have partly resulted from very generous funding which is unlikely to continue.

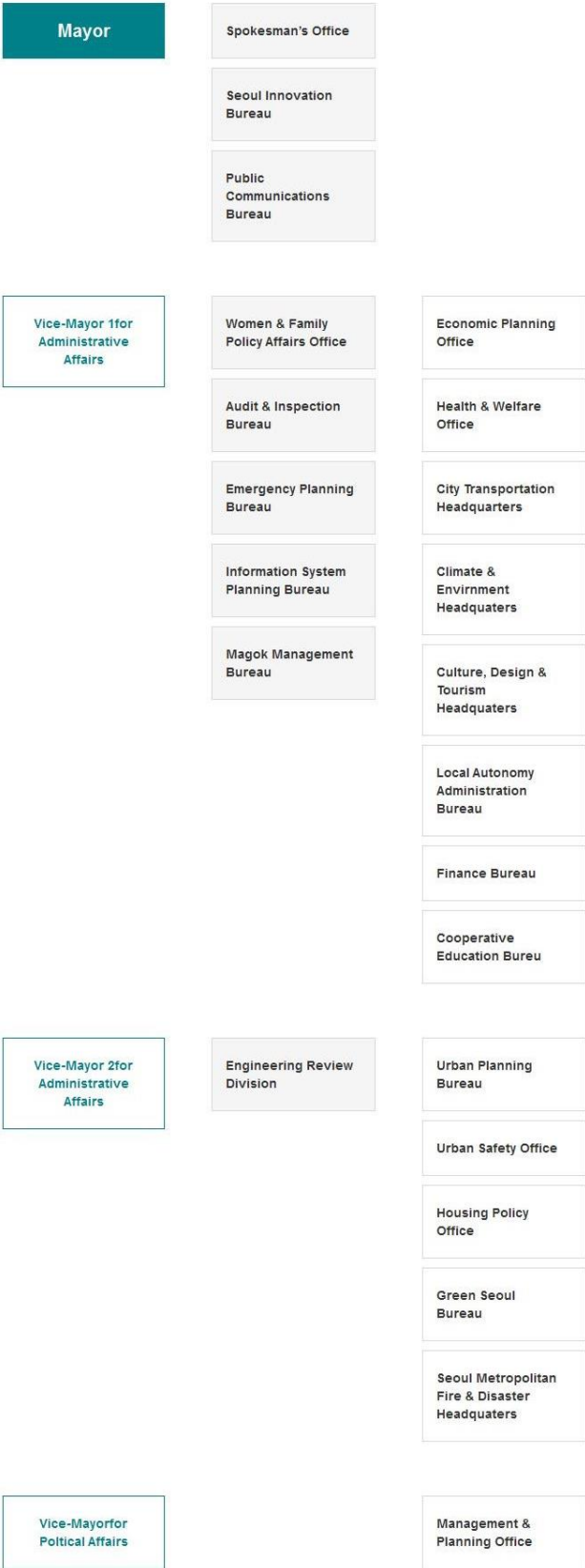
Critics would say that London's governance structures are not adding as much value as they could, and have fallen behind others.

The next mayor will have a mandate to change this. They may decide not to adopt the specific recommendations set out here. But they should look at what other world cities do and they should consider alternatives. The one option which shouldn't be acceptable is a lazy 'business as usual' approach – which carries on with structures and systems as they are simply because that's how things have always been done.

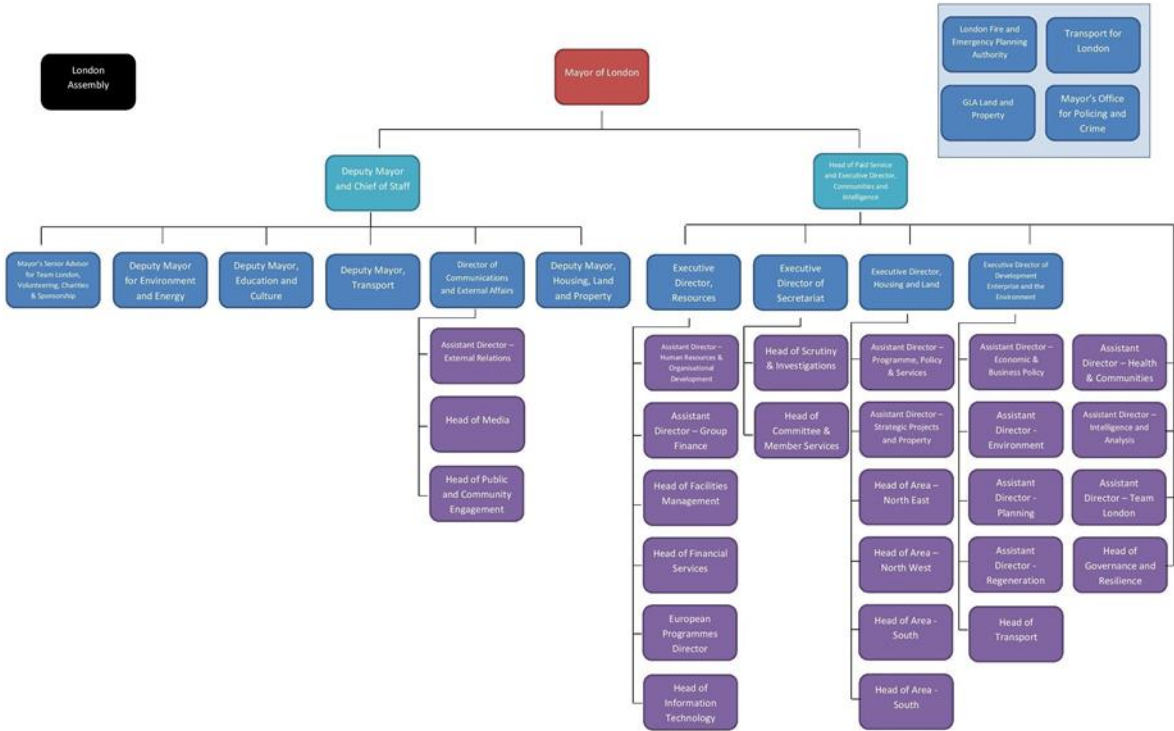
Appendix 1 - New York City Organogram



Appendix 2 - Seoul Organogram



Appendix 3 – Current London Organogram



Geoff Mulgan is Chief Executive of Nesta. He has worked in governments (as head of policy for Prime Minister Tony Blair and head of the UK government Strategy Unit, and as an adviser for many other governments around the world); in telecoms (in which he has a PhD, and has been an investor, funder and researcher on digital economies); as a social entrepreneur (for example, establishing the global social innovation exchange and a network of new schools); and as an author of books translated into dozens of languages. He has been a visiting professor at University College London, LSE, Melbourne University and is currently senior visiting scholar at Harvard.

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