

It is a great privilege to be asked to give the first Honor Chapman Lecture. She was a very close friend and colleague of both my husband Christopher Jonas and me. In preparing for this lecture I realised just how much our paths crossed in so many different ways. For someone who was intensely shy and private, the range of things Honor did outside her property work was extraordinary. She was never content with one job or task. During the 1980s and 90s she developed her non-executive portfolio which was extensive, reflecting how well respected she was. She was on the boards of English Estates, Cardiff Bay Development Corporation, Legal and General plc, London Communications Agency and The Crown Estate where she was a Commissioner for seven years from 1997-2004. She was a liveryman of the Goldsmiths' Company and she served on the Board of The Royal Academy. She was passionate about art.

She was one of the outstanding professional women of her generation. Her influence went well beyond the property world and women in other professions and on boards looked to her, not only as a role model, but also someone who was already to help them. We have lost a remarkable colleague and friend whose legacy will live on in all the things she created and in our hearts. This lecture series is a fitting tribute to her.

I would like to thank the sponsors of the Honor Chapman Report, and all those involved in setting up this lecture here at Hughes Hall in Cambridge. Thank you too, to Rosemary Feenan for her help and for agreeing to chair this evening. She continues Honor's work at Jones Lang LaSalle. I would like to pay tribute to Greg Clark, the author of the first Report who gave me early sight of the second edition. Without Greg's help there would have been no lecture this evening. Much of this lecture's content comes from his work and our extensive discussions.

Honor Chapman was a pioneer in the application of the tools of competitive business analysis to the world of commercial real estate. In the 1980s, while a Sloane Fellow at the London Business School, Honor developed a broad understanding of competitiveness that exceeded the parameters of existing ideas of the time, incorporating factors of customer behaviour, technical needs and sustainability. In the new era of telecommunication, her richly empirical research pushed the property industry to pay more attention to building technology, quality and adaptability. Her methodological insights greatly improved the sector's understanding of market dynamics, and made her one of the major contributors to the emergence of a popular and accessible analysis of the supply and demand of office space in the capital.

The previous property Sloane Fellow, Christopher Jonas, had pioneered econometric modeling of the property market. He developed more extensively the concept that real estate was an asset class and that it was important to recognise the dynamics of the allocation of capital between different classes of assets as well as between different types of property assets. His work was the foundation for the creation of the IPD index. Leading players in the real estate world were examining how property performed in relation to the dynamics of competition.

At the same time the Government, under Margaret Thatcher's leadership, was pursuing a deregulation agenda, which was having a profound effect on the development of the City of London. By opening it up to global firms, people, business activity, and capital flows the City was undergoing modernisation. The rise of finance and business services, which placed London as an international city alongside New York and Tokyo, coincided with the end of the de-industrialisation of London's economy. At the same time metropolitan politics were under stress, and the conflicts between Central Government and the Greater London Council resulted in the abolition of the latter. Political control of London was shared between the City, boroughs, central government, and quangos. The most interesting example of

the latter was the London Docklands Development Corporation.

It was the new model for development established by Michael Heseltine as Secretary of State. It marked the first major initiative in post-industrialised planning for London and expanded the Central Business District eastwards. It set the tone for much of the rationale for urban planning in the next two decades. It demonstrated how part of London's economy could be transformed; from docklands to a prime financial services district, from a wasteland to being part of the CBD.

The vacuum left by having no metropolitan government led to a consensus being developed among London's numerous stakeholders involving players from the public, private and voluntary sectors. Understanding how to protect and enhance London's position as a leading international city became very important for all these players, not least for the members of the London Planning and Advisory Committee.

In 1991 LPAC published "London: world city moving into the 21<sup>st</sup> century." The content of this report was ground breaking, and its impact on London's business and policy community considerable ushering in a new chapter in London's history.

Published at the beginning of a new era for an enlarged global economy, “London: World City” recognised London’s evolving role as an international urban centre. Its authors identified growing competitive pressures as other European, North American and East Asian cities proactively pursued internationalisation, and sought hub status among firms in financial services and other sectors of strategic significance. The report, researched and prepared through dialogue with a wide range of experts, and overseen by London’s local authority and business leaders, argued strongly for London to adopt purposeful measures to promote itself internationally.

Following this publication, Honor applied her approach to thinking about London’s competitive position, having long recognised that London was in competition for investment with other world cities rather than with other parts of the UK. In 1992 she led a detailed study at Jones Lang Wootton on how London could respond to the challenges that had been identified. In 1993 her recommendations were adopted by the newly formed business leadership organisation, London First. Her work also enabled the undertaking of the London Office Property Review, which became an annual property assessment that continues today giving advice to planners on London’s office market and space requirements.

In 1994 London First, with support from the UK government, and with the backing of the Cities of London and Westminster, the LDDC and others, created the London First Centre. Honor was appointed its first CEO for three years after which she joined those of us on the board as a non-executive director. Her understanding of the competitive threats facing London was vital, and her links with London's networks provided the foundations in establishing LFC as an effective inward investment agency. Under her leadership it worked very closely with the City of London Corporation, which promoted financial and business services on behalf of London.

Further strategic research from all levels of government into London's positioning began immediately following the publication of the LPAC Report. In particular we in the City of London Corporation commissioned the London Business School to analyse the factors needed to ensure the continued success of financial services in an ever more globalised environment. Costing £1.5 million, The City Research Project, was the first comprehensive study of its time. The City of London Corporation set up its own economic development department and has continued to commission and publish research from academics, think tanks, research organisations, and businesses on a wide range of topics. It is now entering its third decade of research. Two important annual publications

were The City of London's contribution to the UK Economy and The City of London's contribution to the EU Economy. Both of these were invaluable, and were used by Michael Cassidy and me, and our successors to formulate policy and inform our lobbying for change. We used them both in Europe and within the UK. This activity was ground breaking in the 1990s, but is seen as commonplace today. Research as a tool for driving city development and promotion was established in the 1990s and Honor Chapman was at the heart of it.

During this decade partnerships between the public, private and voluntary sectors were created to fill the vacuum caused by the lack of metropolitan wide government. One of these, the London Pride Partnership, produced a prospectus for London, which aimed to confirm London's status as the only world city in Europe. It identified three main mechanisms to establish this:

1. being a diverse economy nourished by a world class labour force, supported by an inward investment programme leveraging high quality sites;
2. strong social cohesiveness backed by targets for affordable housing; and
3. outstanding infrastructure, services and quality of living.

The key economic sectors identified were finance and business services, tourism, manufacturing, and creative industries while telecommunications, healthcare, and environmental services were marked out as future growth sectors.

The Government Office for London also produced its strategy document, “A Competitive Capital” and then conducted the “Four World Cities Study” looking at London, New York, Paris and Tokyo. It concluded that London and New York were the two global cities while Paris and Tokyo were more reliant on their domestic economies. The City of London Corporation used this work in its relationship with the other three cities and built on it later through its London New York Study, which led to the creation of the London New York Dialogues. The latter were heavily property focused.

Things changed with the election of the Labour Government in 1997 with its commitments to the creation of Regional Development Agencies and a system of London wide government. Fearing that London would be left behind in the creation of its RDA, a remarkable group of people across all three sectors persuaded the Local Government Minister, Nick Raynsford, to set up a shadow RDA for London called the London Development Partnership which would operate until



the LDA was created along with the rest of the London wide governing bodies. I was part of this group together with Colin Marshall and Toby Harris and many others. It was highly collaborative and included the Higher Education sector for the first time as part of such a board. It published “The Knowledge Capital” which looked at R&D in the university sector and linked it with entrepreneurship, business angels and new technology. This research linking the higher education sector with the private sector broke new ground and created new forms of co-operation as well.

The creation of the Greater London Authority in 2000 boosted London’s spatial planning powers resulting in the publication of The London Plan. It also required the GLA to produce economic and transport strategies. It signified a move away from the partnership model of governance of the previous decade. However the new structure still meant that London’s governance arrangements differed from most other global cities because both the Mayor of London and the GLA possessed limited executive responsibilities and resources. Their roles were mainly strategic and promotional. Real power lay in the newly created executive bodies Transport for London, the Metropolitan Police Authority and the London Development Agency.

Honor Chapman and I joined the board of the LDA, she chaired the Development Committee and I the Business one. She then became Chairman and I was one of her two Deputies. This period saw the identification of areas of regeneration, especially in the east of London, which culminated in the dual aim of the delivery of the 2012 Olympics alongside a legacy of sustainable mixed-use regeneration in the Lower Lea Valley. Other major developments in this decade focused on reusing old railway lands such as Paddington and Kings Cross. A type of development the City of London and Stuart Lipton had pioneered with Liverpool Street and Broadgate in the 1980s.

The LDA also promoted London as a visitor destination through Visit London and a city that valued inward investment through Think London, the successor to The London First Centre. Again Higher Education was seen as an important component for the promotion of London and its economic development. Promotion also extended to London's cultural assets and its cosmopolitan values.

With the election of Boris Johnson in 2008 and foreshadowing the abolition of the RDAs, we set up the Promote London Council, which resulted in the merger of Visit London, Think London and Study London, forming London&Partners for which I became the founder Chairman. The UKTI Trade and

Investment team for London co-located with us and the result was that London obtained one of the most comprehensive economic development and promotional companies of any global city. We deliberately gave it a private sector structure as a company limited by guarantee.

There is now a wide consensus of what is required for world cities to be successful. These include, mobility and space to grow, quality of life and place, a highly skilled work force, transparency of the business environment, concentrations of financial service firms and a well-managed city brand. Today these are benchmarked through studies of urban performance and the results shared globally through tables and rankings. New cities have joined the original big four, in particular Hong Kong and Singapore. Others world cities will join them in the future especially from Asia. Bench marking and comparative studies of urban performance enable urban players to see which other cities have similar challenges of scale and ambition and also to track which have devised the most effective solutions or made the fastest progress. There is good evidence that urban success is dependent on knowledge, innovation and the capacity to attract private sector investment. The new comparative urban research base, points to at least ten factors, that established and prospective world

cities need to consider in developing their strategies to become successful.

These are:

proximity, access and outreach to markets;

that the attraction of multinational firms and talent underpins long-term performance;

that domestic and international connectivity needs to be upgraded continually;

that an ethos of creativity and entrepreneurship requires business climate management;

a resilience to bounce back from external shocks;

a lasting commitment to openness to international populations;

sustainability in terms of environmental sensitivity;

a good administrative and operational context;

excellent city leadership in a complex world; and

an investment environment which innovates and is vigilant.

London has found its way to become a very influential city. This partly reflects the fact that London's core values of openness, tolerance, trade, enterprise, personal liberty and privacy, have proved very attractive during the recent decades of mobility of capital and talent, and have acted as a magnet to institutions and individuals that are key decision makers. It has become a city of soft power: a place full of influencers, and a place that is able to work through informal as much as formal systems of communication and decision making. London's leadership in industries such as advertising, fashion, publishing and broadcasting gives it an influence and standing that acts as an advantage in other sectors.

This status is something Honor would applaud after all she lead and chaired Future London, a unit dedicated to thinking about London's success in the years to come. Her commitment to the cause of London's competitiveness was as long as it was unwavering. It was a privilege to work with her and to be her friend.

