

How will London change in the 2020s? Five possible scenarios

*The convergence of COVID-19 and the endgame of Brexit will change London permanently. They mean that the full extent of economic, social and cultural change likely to take place in the next five to ten years is difficult to predict with accuracy. In order to set out some of the effects of these changes on the London boroughs of Lambeth and Southwark, **Tony Travers, Ricky Burdett and Alexandra Zisser (LSE Cities)** set out four scenarios in which the capital would change.*

These are not a series of forecasts. Rather, they are ways of imagining how different versions of economy, changing cultural values and evolving political philosophy might reasonably affect London. The full report, [Driving Towards Urban Recovery in London](#), focuses on how Lambeth and Southwark would be affected, and how local policymakers can act.

Scenario 1: Booming London as of January 2020

London maintains its positive pre-COVID economic growth trajectory, notwithstanding moments of caution as Brexit transition finally ends. This growth has increasingly unequal impacts. Despite rapid increases in prosperity for many, pre-existing social and spatial inequalities are deepened as older, minority, and poorer Londoners are often excluded from the city's recovery. Brexit leads to a decrease in European migrants but continuing economic growth continues to pull young, highly skilled workers from within the UK and internationally (some EU, but more non-EU) into London. London's development and entertainment sectors continue to cater to these younger and wealthier residents, further transforming the city into a cosmopolitan cultural destination. Older, poorer, and more marginalised residents are implicitly and sometimes explicitly excluded from this cultural growth as local businesses are put out of business by high rents and parts of social housing estates and ex-industrial sites are redeveloped into luxury flats, retail and leisure facilities.

Economic growth remains the primary motivator in public policy, but increasing emphasis is put on measures to 'green' the city – both as an attractive amenity to cosmopolitan residents and as a step towards addressing climate change. These policies build out from existing measures, such as incentivising private developers to include green space and traffic emissions schemes, that may themselves further exacerbate social inequality while making modest environmental gains.

Scenario 1: booming business

London returns to its pre-COVID trajectory but is able to grow even faster in the wake of Brexit and a successful adaptation to post-COVID economic conditions, including the creation of large numbers of new businesses. Britain becomes a booming offshore banking and services location, like Ireland, but far bigger. The tech sector expands exponentially post-COVID as public and private sectors rapidly move towards full digitisation. Smaller existing firms, having been left weakened by multiple rounds of COVID lockdowns, either close or are absorbed by larger corporations. There is a radical change in the employment on offer, leading to fewer 'entry level' jobs. Economic success pulls migration from both inside the UK and internationally, with a focus on young highly skilled workers.



Newington Causeway in Southwark, April 2021. Photo: [Roy Katzenberg](#) via a [CC BY 2.0 licence](#)

Planning regulation is loosened to facilitate private sector investment, and the quality of public space and service provision (including affordable housing) is put under greater pressure. This growth has highly unequal impacts. Despite rapid increases in prosperity for many, pre-existing social and spatial inequalities are exaggerated as older, minority, and poorer Londoners are largely excluded from the city's recovery.

Scenario 2: inner city decline

The London economy stagnates with much work remaining remote (some of it now in the South East and East regions) rather than returning to central and inner London offices. As a result, London sees significant affluent household flight from the inner city (with the exception of a few wealthy enclaves in core central London). International in-migration falls close to net zero as London loses its attractive 'pull factors' and a significant part of its existing international (mobile) workforce (particularly EU citizens) departs. As many jobs either leave the city or move online, central and inner London retail streets, as well as business and retail centres, see significant decline in activity. Reduced footfall and office occupancy negatively affect local hospitality, food & beverage sectors in particular, leading to significant numbers of closures of companies as the city centre and its surrounds hollow out.

Central London remains a tourism, cultural and government centre, but generates far fewer jobs than previously. London's population declines and its composition changes, becoming relatively more non-white and deprived. Councils and social services (including health service delivery) are put under pressure to keep up with rising demands for service provision. A cycle of out-migration and worsening deprivation emerges because businesses and residents leave the city to escape increase degradation, which further hampers councils' ability to address local issues. This spurs a worsening in the quality of the environment, with reductions in the quantity of new affordable housing with commensurate negative impacts on health and well-being. Existing housing worsens as owners have less money to maintain them. Squatting returns as homes become abandoned.

London falls into an 'orderly management of decline' scenario much like that of the 1970s and early 1980s, though city-wide decline also creates opportunities for local economies and localised possibilities for new businesses in the cheaper space now available. Nevertheless, the overall civic experience of the capital declines, with fewer jobs, lower incomes and a different ('left-behind') population mix.

Scenario 3: isolationist future

Brexit and separate, external, forces usher in a major decline of globalisation and international trade, with Britain adapting to a position of having a planned but stable population, while prioritising greater self-sufficiency of sectors such as agriculture, pharmaceuticals, science, manufacturing and energy. Isolationism is prioritised over 'global Britain'. London's economy returns to modest real economic growth and is still home to a number of international firms, but largely turns inward to focus on UK companies and bolstering the UK economy.

The combined effects of COVID border problems and Brexit significantly change the UK immigration landscape, with low international migration persisting long after COVID has been dealt with. With a relatively strong economy, internal migration into London (particularly by younger people) from the rest of the UK increases to compensate for low levels of international migration. Changes in migration patterns lead to population changes throughout London as the city becomes less international and more British-born, though with the city remaining highly attractive to existing and British-born minorities. A reduction in cosmopolitan/international residents and businesses leads to a less rich cultural experiences, with some loss of the current unique eating and dining, arts, and entertainment offerings – rather like the 1950s.

Scenario 4: cautious recovery, changed society

COVID-19 triggers a societal shift towards economic and political caution as London and the UK adjust to ensure stability in the face of global-scale crises, a response characterised by a greater emphasis on quality of life and less on GDP growth. The economy sees minimal economic growth, with output restrained by government policy designed to deliver stability, cautious economic development and environmental sustainability, leading to risk avoidance and a lack of investment by the business community. This approach is designed to deliver a deliberately reimagined set of values and economic outcomes than existed in pre-pandemic London. Many pandemic mitigation measures become permanent, such as less travel, remote working, and a desire for more household space.

Values-driven policies are adopted to protect both health and society in the longer-term. Government at all levels prioritise access to health and wellness services while ushering in a shift towards an economy organised around principles of care. Attention is paid to the built environment, with new and redeveloped housing designed to promote physical and mental well-being and streets and public spaces reimagined to be greener, more welcoming, and more accessible. Technology is used to deliver and optimise health and urban improvements underpinned by increased citizen surveillance as COVID-related programmes are formalised permanently. Public and political policy priorities shift towards purposeful climate change action as a response to the public's longer-term reaction to the 'global' and 'emergency' implications of the COVID pandemic. Greater attention is paid to quality of open space provision and space standards of (affordable) housing to guarantee healthy environments, including access to balconies, daylight, and fresh air and significant investments are made in sustainable and green transport modes and commuting models.

This post represents the views of the authors and not those of the COVID-19 blog, nor LSE. It is an edited extract from [Driving Towards Urban Recovery in London: Future Scenarios for Lambeth and Southwark post-COVID-19](#), an Impact on Urban Health report for LSE Cities.