Royal Borough 2028

A report for the Royal Borough of Kensington and Chelsea
Executive Summary

- This report summarises the evidence, analysis, and insight which informed “Royal Borough 2028”, a futures project which developed views of “probable”, “possible” and “preferred” futures for the Royal Borough of Kensington and Chelsea. The outcome of the work includes a Vision for 2028, built on a substantial evidence base, as well as a set of scenarios.

- The project output has been developed over a period of more than a year, and has involved wide-ranging engagement, with Cabinet and Councillors, with officers, and with partner organisations. This included interviews, workshops, and meetings. There has also been feedback from members of the public and, specifically, young people were engaged through workshops.

- The project question was, “What could the Royal Borough be like to live in, work in and visit by 2028, and what actions can we take to influence the Royal Borough’s future for the better?”

- The report starts by laying out a view of the potential “drivers of change” which could substantially affect the Royal Borough’s future over 20 years. Through analysis, four clusters of important and uncertain drivers were identified: around ‘Money’ (including inequality and the impact of the City of London on the Royal Borough); around ‘Milieu’, or issues influencing shared public space and other public provision; around ‘Expectations’ (drivers which influence attitudes to types of service and their delivery); and around ‘Constraints’ (including environmental and resource constraints, as well as other limits on the Royal Borough’s ability to respond to change).

- In addition, a number of important drivers were identified which appeared to be important and relatively certain. Two are social: ageing population and migration (with consequences for cultural diversity). Two are related to resources and environmental issues: rising energy costs and the increasing impact of climate change.

- From this a set of scenarios was developed which were designed to challenge expectations about the future of the Royal Borough and test prevailing assumptions. One scenario, “Present trends extended”, projected the major trends forward, and could be regarded as a “probable future”. The others are “possible futures”; designed to enable deeper consideration of uncertainties, of risks, and of opportunities. As well as incorporating analysis from the evidence base, the scenarios also reflect ideas about the future of the Royal Borough which emerge in stakeholder interviews at the start of the project.

- In parallel with the scenario development process a Vision was developed. This has five pillars:
- **Public realm:** The Royal Borough will seek to build excellent public spaces for all residents and visitors, which will be environmentally and socially sustainable.

- **Resilience:** The Royal Borough will act to develop resilience to the impacts of climate change and emerging resource constraints. It will seek to protect and promote the Royal Borough’s biodiversity. In developing and managing infrastructure it will, for reasons of prudence, support and encourage designs which reduce resource use and – as a result – reduce carbon emissions.

- **Learning:** The Royal Borough will actively foster opportunities for the formal and informal development of expertise and skills for all residents, and at all ages – and will develop learning institutions for the digital age.

- **Culture:** The Royal Borough will encourage and support the participation of all of its residents in a diverse range of exemplary cultural activities which represent the overall life of the Royal Borough, supported by physical and virtual spaces which encourage participation.

- **Leadership and services:** Leadership will be locally connected and locally accountable. Wherever appropriate and possible, services will be locally designed, locally managed, and locally delivered.

A Vision is not set in stone, yet neither is it completely transient. It will need to be reviewed from time to time to check that it still represents the right overall direction of travel for the Royal Borough. Visions need to be based on evidence, and connected to the ability to act. But they also need to carry our values and desires for the future.

Finally, as a result of the different strands of work, a number of long-term strategic implications have been identified for the Royal Borough. These are not summarised in full here, but the most significant issues are:

- The increasing role of constraints – environmental, resources, and economic – that shape the Royal Borough’s policies – and the opportunity this represents for innovation.

- The role of technology in different forms, as a way of increasing efficiencies, as a route to engagement, and as a tool for monitoring; and the dangers in being unclear about the purposes of technology applications.

- The longevity of the built environment – buildings are likely to have a longer life, and this has implications for flexibility of design and the importance of taking the “whole life” costs of new builds into consideration.

- The increasing level of complexity – as environments become more turbulent and unpredictable it becomes increasingly necessary to be flexible in approach with a less mechanical view of how policy works and a rejection of single “one size fits all” solutions.
Introduction

The Royal Borough of Kensington and Chelsea commissioned The Futures Company to deliver the 'Royal Borough 2028' project, designed to assess how the Royal Borough will change over the next 20 years; what sort of borough is desired by the Council, and how today’s decisions can be guided by the consideration of possible futures for the Royal Borough. It was intended as a high level project to engage Cabinet members and Council Directors in developing a shared understanding of the Royal Borough’s long-term vision for the future and the actions needed now to set out on the route to that future. In particular, it set out to answer this question:

“What could the Royal Borough be like to live in, work in and visit by 2028, and what actions can we take to influence its future for the better?”

The project has developed over stages. The first of these was to build an evidence base which combined an analysis of knowledge about current conditions in the Royal Borough with a review of relevant social, economic, environmental, technological and other ‘drivers of change’ which would influence change in the Royal Borough over the next twenty years. These drivers were prioritised by the Cabinet to create a list of twenty four drivers that were agreed to be the most significant to the Royal Borough. The second stage developed a Vision of the future in which Councillors and senior officers defined the desired state of the Royal Borough to 2028 based on the evidence gathered through the first stage of the project. During this phase of the project the project team held various consultations with partner organisations which further informed the Vision. This was tested against a range of possible future scenarios for the Royal Borough of 2028. It is intended that the outcomes of the project will be used by Cabinet members and senior officers to influence the Council’s strategic decisions over the next five years. It can also be used to point the Council towards the optimal alignment of Council resources and future change programmes.

The output of this project will inform other work that the Council has engaged in, in particular the Community Strategy. In addition, a pamphlet that summarises the project has been developed which gives an overview of the project and is intended to be used as a practical tool in decision making by the Council. This can be found online at www.rbkc.gov.uk/vision2028.

With thanks to the Councillors and staff of the Royal Borough Council, the KCP, Youth Forum and others who have contributed to this project.
The purpose of futures work

The underlying principle of futures work is that there is not a single predictable or forecastable future, but multiple possible futures, any one of which could emerge if trends, values, and events combine in certain ways. As Jerome Glenn\(^1\) wrote, “The value of futures research is less in forecasting accuracy, than in usefulness in planning and opening minds to consider new possibilities and changing the policy agenda. Its purpose is not to know the future but to help us make better decisions today via its methods which force us to anticipate opportunities and threats and consider how to address them. And strategically it is better to anticipate, rather than just respond to change.”

The aim of futures work is to improve the quality of anticipation by looking at the world in different ways, reducing the number of surprises, and also to increase our ability to influence the future (to the extent that one can) to point it closer to a direction you would wish to travel in. As E.F. Schumacher\(^2\) once put it, “perhaps we cannot raise the winds. But each of us can put up the sail, so that when the wind comes we can catch it”.

A distinction that is sometimes made is between probable, possible and preferred futures. The first looks at what seems more likely to happen, the second at what might happen, and the third at what we wish to happen. Drivers and trends analysis is an effective way to get to the first one, scenarios are the best tool to get to the second of these and Visioning is the most accepted route to get to the third one. In this project we have used all three.

Scenarios should have some ambiguity. They are plausible and coherent views of the future, usually underpinned by a prevailing worldview and an internal logic about the way society works. They constitute a picture of a future world, and a story about how future events have unfolded to get there. They are neither optimistic nor pessimistic, but both; good scenarios will contain elements which some find good and others bad, and vice versa. By creating such a set of futures spaces, one challenges one’s assumptions about the way the world is and what it will be shaped by in the future.

The purpose of visioning is different. It is to create a shared view of a positive future so that people in an organisation or a community can work towards it, understanding the overall context as well as the detail of their own particular work. There are a number of benefits, principally that one is able to think about the long-term as well as the short-term, and that it increases the focus on positive outcomes rather than negative, on the important rather than the urgent. There are pitfalls in Visions too, however. A Vision which does not have its roots in evidence and analysis becomes a form of ‘wish-driven strategy’, unconnected either to capacity or resources on the one hand, and without an honest assessment of the wider environment on the other.

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\(^1\) Jerome Glenn, Director of the Millennium Project, World Federation of UN Associations

\(^2\) E.F. Schumacher, author of Small is Beautiful and co-founder of The Intermediate Technology Development Group

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The other important point about futures work is that it is not, ultimately, about the future. It is about improving the way in which we think about the present, and therefore about the quality of decisions we make in the present. As Jerome Glenn writes, “The purpose of futures methodology is to systematically explore, create, and test both possible and desirable futures to improve decisions. It includes analysis of how those conditions might change as a result of the implementation of policies and actions, and the consequences of these policies and actions.”

The structure of this report

The structure of this report therefore follows the pattern implied in the section above. It starts by looking at the underlying evidence of change which was the foundation for the project as a whole, at the significant drivers of change which will influence the Royal Borough over the coming two decades, and the relationships between them. It then moves on to look at both a probable future and some possible futures, in the shape of a set of scenarios - some quite extreme - of how the Royal Borough might be in 2028. Following that it outlines the Vision - the preferred future - that has emerged from the work. And finally, it brings that back to a policy and strategy perspective: it explores the implications that the futures analysis has for today’s policy and strategy-makers, and the decisions which are likely to face the Royal Borough in increasingly turbulent times.
Understanding the ‘drivers of change’

The analysis of “drivers of change” sits at the base of all futures work. A driver is a factor which - with the futures question in mind - will cause change of some kind, in this case in the Royal Borough. They represent the best evidence available of patterns of change over time. It is worth underlining that although it is important to understand the evidence underpinning each individual driver, and its likely direction, real disruption occurs when they combine: “a trend is a trend is a trend - until it bends”. The analysis summarised in this section, therefore has looked at the relationships between the drivers, and the impact these are likely to have overall on the Royal Borough.

In total, 48 drivers of change for the future of the Royal Borough were identified for this project. Through subsequent analysis, a workshop with Cabinet members and executive directors was held in which the drivers were evaluated, reviewed, prioritised and clustered. In total 24 drivers were identified from this long list as being likely to have the greatest impact on the Royal Borough as a place to live, work, and visit over the next 20 years. The analysis phase also clustered the drivers to inform insight. This identified the drivers which were important and relatively certain, and which set the context in which the Royal Borough will be operating, and those which were important and uncertain. This section follows that analysis for ease of understanding.

Figure 1: Analysing the ‘drivers of change’ for the Royal Borough
The Royal Borough of Kensington and Chelsea ‘driver map’

The ‘map’ in the diagram above represents a simplified version of more detailed analysis done for the project which can be found at www.rbkc.gov.uk/vision2028 and in the appendix. The ‘map’ above can be read in this way:

- **Contexts** are factors which have an influence on the other drivers of change without being much influenced by them, taking a twenty year view. These are issues which will shape the Royal Borough and the way it lives and works which it will have to find ways of adapting to. Two of them relate to social impacts (ageing population and migration/increased cultural diversity); two are related to climate and resources (increased impact of climate change and increased energy costs). They are the drivers identified as important and relatively certain.

- **Uncertainties** are drivers which are linked quite strongly with each other - they influence and are influenced by other drivers. This interdependency creates uncertainty which can, in some circumstances, be influenced by policy or strategy choices. The clusters represent groups of drivers which the analysis suggests are more strongly connected to each other. The details of the important but uncertain drivers are summarised in the following section.

- **Money**: Over twenty years, even in the wake of the credit crisis, the most likely prognosis is a growth in levels of affluence in the UK and London, and increasing levels of inequality. Specifically, London is likely to remain as one of the global financial/tradeable services centres: although the types of services being traded may change. Nevertheless, working patterns and locations will evolve and change through technology.

- **Milieu**: This cluster is about the public life of the Royal Borough, and brings together a group of drivers which affect this in different ways; one, on ‘social vibrancy’, which is about the quality of the public life and therefore the public realm; a driver on changing educational needs; trends towards greater ‘localisation’ of transport, pushed by higher energy costs and carbon pressures; along with the rise of ‘pervasive’ technology, meaning that computer intelligence is likely to be widely embedded (for example in buildings, street furniture, and so on) to help manage resources and flows of people, waste, and so on.

- **Expectations**: This group is about the Council’s delivery of services and user expectations. It includes a tension between increasing interest in well-being on the one hand, and increasing expectations of service delivery and greater individualism on the other. These may, however, each combine with the fourth driver, the increasing emphasis on public order, which has both an individualist and wellbeing component to it.

- **Constraints**: The Royal Borough is a small borough which has been well-developed. It is increasingly running up against the constraints of this.
Constraints are likely to include increasing response to climate change, by government, individuals and businesses; pressure on the existing housing base, including social housing; shortage of land; and increasing impatience by residents with air and noise pollution (increasingly noise pollution).

- **Outcomes**: are drivers which are highly influenced by the other drivers, and can therefore be described as ‘outcomes’ of the other drivers. This means they cannot be ignored and would need to be managed. However, due to the extent to which they are influenced by other factors, intervention can only be effectively implemented by looking at those drivers that cause them. The drivers considered to be outcomes are rising house prices (again, taking a 20-year view), rising mental health problems, increasing focus on community, and increased mobility.

In the section which follows, there is a summary view of the prioritised drivers. Fuller information on each of the drivers is in the Appendix.

### Important and relatively certain

#### Contexts

<table>
<thead>
<tr>
<th>Context</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ageing population</td>
<td>The UK population is ageing. This is likely to put increased pressure on those of working age as well as on service provision, including housing and health. As people stay healthier for longer, there may also be changes to working life span.</td>
</tr>
<tr>
<td>Growing impact of climate change</td>
<td>London is particularly sensitive to climate change. The effects may be quite serious, including flooding and damage to rail and road infrastructure. The Royal Borough may experience an increased number of climate refugees as a result of global climate change.</td>
</tr>
<tr>
<td>Increasing energy costs</td>
<td>Energy costs have been increasing, and there is concern that this trend is set to continue. This may increase fuel poverty in the Royal Borough and raise the importance of fuel efficiency in homes.</td>
</tr>
<tr>
<td>Migration and increased cultural diversity</td>
<td>Cultural diversity is a defining feature of London, as well as for the Royal Borough. In the Royal Borough, nearly half of residents are born outside the UK, though there is a cultural imbalance between different areas within the Royal Borough.</td>
</tr>
</tbody>
</table>
Important but uncertain

Money

Rising affluence
Since the early 1990s the UK has enjoyed sustained growth in the economy resulting in high levels of disposable income. There has been a significant increase in the ‘mass affluent’ proportion of the population. However, due to the recent credit crunch, increased cost of resources and competition from emerging markets, we may soon see a slow down in this trend.

Widening income inequalities
Income inequalities in the UK are high compared to other developed nations. Within the Royal Borough there are significant disparities in income across ward and age range.

London as a global financial services hub
London is a major global banking centre, home to the headquarters of many of Europe’s largest companies. The credit crunch is expected to hit the financial sector hard, and is likely to result in job losses and lower property prices. This may in fact have a positive affect on the Royal Borough, enabling a more diverse spectrum of people to afford to live there.

Changing working patterns
Working patterns have changed considerably in the Royal Borough due to increasing digitisation and availability of the internet. Flexible working has risen, which may have positive implications on the local environment as people travel less for work.

Milieu

Changing educational needs
The Royal Borough has a good educational record, though there is a need for increased state secondary school provision, even in the face of an ageing population. The impact of different types of technology - both personal devices and public monitoring - may change the way in which some education is delivered.

Flourishing arts programmes
Arts programmes within the Royal Borough are currently an active part of local life. The long-term trend in this area appears to be towards more large-scale public events and of greater integration of arts into the public realm.

Changing public transport needs
The Royal Borough’s residents are particularly reliant on public transport, though provision varies throughout the Royal Borough. It is likely that demand will increase over time as energy costs rise.

Falling cost of technology
The cost of technologies is constantly falling and as a result they come into the mainstream more quickly. This may have implications for service delivery and surveillance technology in the Royal Borough.
Expectations

Increased focus on wellbeing
Concern about wellbeing – including the work / life balance as well as emotional and spiritual wellbeing – is an ongoing trend. The Royal Borough is likely to be under increased pressure to provide health and lifestyle services that allow residents to improve their own wellbeing.

Increasing expectations of public service delivery
The Royal Borough has high satisfaction levels among residents for its provision of public services. Expectations of public service delivery are high across the UK as standards from the private sector are increasingly transferred to the public sector.

Rising individualism
There are relatively few people in the Royal Borough who are married and live together, and the Royal Borough’s super-rich often look to become totally self-sufficient and cut off from the rest of the community. The trend towards individualism has been rising and may present problems to forming a strong sense of community.

Increasing emphasis on public order
Public order has represented a significant government agenda with locally-based sanctions such as ‘anti-social behaviour orders’, ‘public dispersal orders’, and so on. Relevant national developments include the national children’s database, the DNA database, and the partial introduction of identity cards.

Constraints

Increasing response to climate change
There is growing individual and government concern and action around climate change. The Royal Borough is likely to have to respond to greater climate and carbon-related regulation from the EU in the future.

Growing pressure on existing housing
Given the desirability of the Royal Borough there is a high demand for social housing in the area. There is also a challenge to provide enough housing for key workers in the area.

Increasing pressure on land
Land is at a premium in the Royal Borough, and there are pressures on it including a need for more housing, schools, health and leisure facilities and retail space.

Growing concern for air and noise pollution
Air quality in London is an increasingly serious issue, and the Royal Borough suffers acutely from it. The proximity of Heathrow has an additional affect on the quality of the living environment within the Royal Borough.
Outcomes

Rising house prices
The long term rise in house prices in line with earnings has increased more sharply with deregulation of the housing market and increasing wealth disparities. The credit crunch represents a ‘correction’ but the twenty year view is likely to see long-term increases continue in line at least with incomes, which represents the historical trend, potentially influenced at the top end of the market by global capital flows.

Rising mental health problems
Mental health problems such as depression and anxiety have been on the rise in recent years. Though the Royal Borough has a number of services dealing with mental health problems, this could have a wider impact on services beyond health and social care, and also on the Royal Borough as a whole (for example in terms of expectations about public space).

Increasing focus on community and cohesion
There is an increasing desire throughout the UK to build stronger community ties. This is a particular challenge in the Royal Borough as many residents are born outside the UK, there is high population turnover in some parts of the Royal Borough, and there are a high number of languages and second homes in the Royal Borough.

Increased mobility
A high number of people travel into the Royal Borough for work each day, as many people choose to live further away from their place of work. In the short term there are implications for congestion. In the long term energy and carbon constraints are likely to reduce the potential labour pool or increase demand for housing closer to the Royal Borough.
The core trends revisited in the wake of the credit crisis

The research phase for this project took place in the autumn of 2007 and the spring of 2008. At that stage it was possible to identify that there were risks to the financial sector from the decline in inter-bank lending (which dated back to August 2007), while Northern Rock, for example, was taken into public ownership in late February 2008. At that stage, however, it was more difficult to identify the speed and the depth of the crisis. For this reason we have reviewed the drivers of change in the light of subsequent events, and have revised the data in some cases.

However, it is also worth a wider review of the material. The first thing to note is that many of the overall drivers of change are largely unaffected by the credit crisis. In particular, this is true of most of the social, technological, and environmental drivers. Secondly, the credit crisis may have a positive effect on some areas of Royal Borough life.

The financial sector

The best projection of likely outcomes for the City of London following the credit squeeze is that it will be more tightly regulated and more risk averse, and there may be some limited decoupling of global financial markets. This will have an adverse effect on salary and bonus levels, but bankers will still most likely be paid competitively compared to the population as a whole. Although it is not exact, the best recent analogy is the City prior to deregulation in the 1980s.

At the same time, tighter regulation is likely to apply to financial centres globally, and therefore London’s relative competitive position is likely to be similar to the present. It may improve: if there is less emphasis on pure financial instruments, other tradeable assets may become more significant. London is already the largest market for carbon trading, for example.

In addition, one of the strongest recurring themes in the research for the project was the potential damage to the Royal Borough - in terms of declining social cohesion - of extreme income inequality. A London financial services sector in which salary and bonus levels were less stratospheric, relative to median income levels for London as a whole, or even the Royal Borough, would mitigate this.

At the same time it is generally expected that there will be a significant retrenchment in the hedge fund sector, whose performance tends to correlate with asset prices. 20% of hedge funds closed following the end of the technology boom in 2002. Nouriel Roubini predicted (in the Financial Times in September) an unravelling of over-leveraged financial institutions such as hedge funds and private equity firms (the so-called
“shadow banking system”)\(^3\). There are consequences to this for the Royal Borough: people in the banking sector are likely to be working longer hours, and have even less time for local engagement; there will be increases in white collar unemployment, which agencies are not currently geared to dealing with; there may be greater demand for places at the Royal Borough’s primary schools from families who would previously have sent children to fee-paying prep schools. More widely there is likely to be a greater level of pensioner poverty - with people desiring to work past conventional retirement age as a result - and potentially an increase in so-called "disguised" or hidden unemployment, where graduates take only jobs they are over-qualified for because there is reduced turnover in the employment market.

**Housing impacts**

The most significant impact of the credit squeeze on the Royal Borough is likely to be on the housing market. Again, there appear to be positive and negative aspects to this.

The long-term historical relationship between household income and house prices in the UK was that house prices ran at around 3.5 times household income - obviously with some variation - because of the conservative mortgage calculation formulas used by building societies to calculate maximum loan size. Deregulation has changed this, and the multiplier is now much higher, with obvious effects on prices. This has been manageable because credit was available and interest rates were low.

There has already been a significant downward correction in house prices; the long-run ratio between house prices and household incomes will depend almost completely on how future regulation is framed. In general, what would be good for the long-term stability of the UK economy is if a smaller share of income went into mortgage payments, and the government may take advantage of the fall in prices to help shape the future economy in this manner. How the full correction will play out is unclear, but it is most likely to take the form of an initial decline in prices followed by a period in which nominal prices (i.e. the price actually paid) stays broadly flat while earnings growth erodes relative values. In terms of the Royal Borough, this ought to be positive, since it should mean that a broader social group of owner-occupiers is able to buy homes in the Royal Borough.

The significant challenges that are associated with housing for the Royal Borough lie in the rented sector, both social and private.

In terms of social housing, ‘affordable homes’ are mostly built by private home builders, who have all but stopped building at present. Some affordable homes are the product of ‘planning gain’ from commercial developments, but work on these has largely stopped. The fall in asset prices and credit shortage has also restricted the ability of RSLs (Registered Social Landlord) such as housing associations to step into this gap.

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3 Nouriel Roubini, “The shadow banking system is unravelling”. Financial Times, 21 September 2008
The fall in the asset price of land, and the rapid slowing of the property development market is therefore likely to provide a significant obstacle to the achieving of targets on the numbers of social housing units built, and also potentially on plans to use council land assets to raise funds for other forms of public capital investment in the Royal Borough.

Turning to the private rented sector, there also appears to be a significant risk associated with this, especially where ‘buy to let’ properties are part of the private rental market. The Royal Borough has a larger than average private rented sector; the risk is that buy-to-let housing will be dumped on to the market. In general, much housing that was built for the buy-to-let market is of low quality, and there is a risk that as it is sold on to other owners - it will deteriorate in quality. As a result, there may be enforcement issues.

There is also an opportunity here. Much of the property in the buy-to-let sector is flats rather than houses, and a managed process of acquisition, in conjunction with a third sector partner such as an RSL, could enable the council to mitigate market effects and increase the quantity of social or affordable housing in the Royal Borough, an issue that was raised on a number of occasions during the research for this project.

4 Housing Needs Study, 2005
The scenarios

The drivers’ analysis provided an evidence base for the overall 2028 project. However, to stretch the range of thinking about possible futures, and the types of uncertainties - some positive, some not - which could emerge from the interplay of the drivers and the trends, we developed a set of scenarios which represented a range of possible futures for the Royal Borough. The following section outlines five plausible and internally coherent scenarios for the future of the Royal Borough.

The scenarios have been developed by identifying a range of assumptions around the way that society might be organised and managed in the future, and playing these out against the “critical uncertainties” identified in the drivers analysis for the Royal Borough. These are drivers which are highly connected to other drivers of the Royal Borough’s future. Because of their degree of interconnection these critical uncertainties have the potential to lead to the greatest level of instability and disruption, and therefore to lead to the most divergent futures for the Royal Borough.

The scenarios also expand on specific concerns, threats and opportunities for the Royal Borough, as expressed by Councillors and executive directors over the course of interviews conducted in 2007 as part of the project. For each of the scenarios below, the threats and opportunities have been highlighted and summarised as a series of quotations.

The purpose of the scenarios is to aid the understanding and management of the future more effectively, as well as providing a starting point for discussions around ways to mitigate potential negative outcomes.

The structure of the scenarios

The first of the scenarios is built on “current trends extended”, which might be regarded as a “probable future” alongside the possible and preferred futures. It is designed to identify threats and opportunities - depending on perspective - if a broad range of current-day drivers were left to continue unabated. To distinguish it from the ‘assumptions-led’ scenarios it is written as a series of article extracts from a fictional newspaper in 2028.

From that base, there are four other scenarios that focus on the prominence of specific trends that could accelerate; two by way of example here are Community Splinters (which assumes the acceleration in trends around increased migration and increased income inequalities) and Hi-Tech Transformation (which assumes rapid advances in trends around embedded technology and the rise of social media). These scenarios have been written as historical accounts of events in 2028.

5 These ‘assumptions’ were originally derived from futures research which performed a content analysis of a wide range of futures projects and social forecasts, and grouped them into a small number of underlying frameworks which each encompass a coherent political, economic, social and cultural view of the world.
The diagram below indicates the assumptions behind each of the scenarios that spring from ‘present trends extended’.

**Figure 2: Possible futures for the Royal Borough**

<table>
<thead>
<tr>
<th>Decision and policy emphases</th>
<th>Backlash</th>
<th>Possible future outcomes</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present trends extended</td>
<td>Economic divide heightens Dogmatism, conflict</td>
<td>Community Splinters</td>
<td>A future of heightened social tension and an increasingly sterile public realm</td>
</tr>
<tr>
<td></td>
<td>Digital natives self organise to leave power brokers powerless</td>
<td>High tech transformation</td>
<td>A future where new technologies are embraced and surveillance proliferates</td>
</tr>
<tr>
<td></td>
<td>Environmental crises enforce green world view</td>
<td>Royal Borough Green</td>
<td>A future of greater resource efficiency and a commitment to shared space</td>
</tr>
<tr>
<td></td>
<td>Increased focus on inner well being as counter to hyper materialism</td>
<td>End of Consumerism</td>
<td>A future where human and religious values are the primary focus</td>
</tr>
</tbody>
</table>

**Understanding possible futures**

The diagram above can be read in this way. The Present Trends Extended scenario is based on extrapolating - extending - the drivers which were identified in the project’s evidence. Trends, however, never develop in isolation. How we respond to emerging change influences the way the future turns out. Moreover systems do not simply keep on getting larger, faster, or more pervasive. Sooner or later they start to reach their limits, as the financial services sector has discovered during the credit crunch.

The columns “Decisions and policy emphases” (which summarise the most likely impacts of current policy) and “Backlash” (the possible negative influence the policy decisions might have) - try to capture in summary these patterns as they play out en route to a possible future in the environment of the Royal Borough.

So to take one example, it would be possible for a council to focus on the use of information and communications technology as means to manage service provision, without also using it as a way to increase the ability of users and residents to be involved in the design of services or engage with the Council on non-service issues (e.g. local policies and decisions). The backlash, in this example, is that if users are sufficiently IT-literate to be engaged in service management through computer and
mobile networks, then they are also likely to be engaged in their own social networks, at least some of which will have a local or a geographical component. In this scenario, if users are dissatisfied with aspects of the Council’s policies or behaviour, they will organise themselves to do something about it.6

So, to summarise, the second column described the ‘backlash’ which is another way of describing what happens when the initial policy emphases come up against a reaction from residents or service users.

To continue the technology example, the “possible future example”, here represented as a story of “high tech transformation”, then becomes a more complex story in which there is an uneasy combination of self-organising digital communities, technology-based service management, and monitoring and surveillance.

Of course the world is - in practice - far more complex than this. But one of the points of developing “possible futures” is to make people think differently about how aspects of the present might be transformed in the future, and to illuminate possible “blind spots” - those things they assume “will never happen”. For the purposes of the 2028 project, therefore, we used this approach of a series of thought experiments to help identify potentially unexpected outcomes over the next twenty years, and to assess the type of borough that might emerge from such “policy preference/social response” cycles. These possible futures are represented by the four scenarios. These, along with the Present Trends Extended’ scenario, are summarised in this section.

6 The US National Intelligence Council’s 2025 Global Trends report, published since this report was written, includes a scenario in which this happens at a global level: activists dismayed by inaction by governments on environment and resource issues use technology to push a new generation of leaders of campaigning membership-based organisations to the fore.
Present Trends Extended

Quotations from stakeholder interviews

• “How do you prevent the Royal Borough from being a place of extremes?...This is a worry – there may be no balance in the Royal Borough, no filling out of the middle ground.”

• “People setting up home here (i.e. people in their 20s-40s) generally have ‘crazy city salaries’ – the average professional can no longer afford it.” “We would expect a more homogenous Royal Borough by 2028 – this risks being a ‘ghetto of symbols of success’”

• “There is the continuing trend of highly paid, wealthy foreigners and Brits moving in – two thirds of the Royal Borough is likely to be a ‘plutocratic borough’ – with the other third in council housing”

• “This has resulted in wholesale losses of very valuable assets – post offices, builders yards, pubs – everything’s going over to luxury housing.

Cabinet Members

• “We’re seeing even more applications to buy flats, family flats, and turn them into £60 million townhouses. We’re becoming a community of the super-wealthy.”

Executive Director

Critical uncertainties underlying the scenario

This scenario relies on four critical uncertainties taking place, namely that: the sustained future of London as a global financial services hub is uncertain; that it is not certain whether affluence will continue to rise; inequalities may continue to widen and there may be increased pressure on land.

Scenario narrative: extract from the Royal Borough’s newspaper 2028

“Global Party Crowd Opens New Play Space in Kensal!”

Leaving no party unturned or celebrity unruffled, TATLER covered last night’s ‘Bollinger and berries’ opening of Almas Square – a high-rise, multi-use development of luxury apartments, world-class retailers, in-door recreation facilities, and high-technology entertainments. The project is the brainchild of Karim and Aaliyah Nidal of Doha Dynamics partnering with Shanghai biotech billionaire Chen Wu Tiang. Local Royal Borough leaders joined the Nidals and Chen in celebrating what they called “a new resource for the Royal Borough.”

“The Royal Borough on the road to Dubai?”

The Royal Borough now boasts four hyper-developments: buildings that are hermetically sealed high-rise communities in themselves, first seen in initiatives like Roppongi Hills in Japan, and now familiar from mega-structures like Hadid’s One North in Singapore and Smith’s Burj Dubai. Tax revenues to the Royal Borough are up, but many worry about the fragility of that income stream. Another economic downturn globally or in the UK specifically could undermine not only private mortgages, but the
project’s financing as well. If the hyper-luxury real estate and retail markets disappear, will both residents and shopkeepers vacate the Almas Centre?

**Timeline 1: scenario snapshot**

**2008**

- The Royal Borough is the richest borough in the UK with an average annual resident salary of £100k
- Evident Royal Borough disparities, with 12 years difference in life expectancy between St Charles & Golborne and parts of the South of the Royal Borough

**2018**

- Construction gets underway on a number of high-rise hemi-technically sealed ‘hyper-developments’
- SOCK (Save Our Kensington and Chelsea) campaign group is formed
- Proliferation of ‘hyper-luxury’ branded retail in the Royal Borough

**2028**

- Opening of the ‘Almas Centre’, a multi-use development funded by major Indian and Chinese billionaires
- Local tax revenues are up
- A rise in highly expensive ‘private recreation clubs’

Others worry about the fragility of the environmental stream – one local eco-architect complained, “If mega it had to be, why not a mega-structure like Holl’s Linked Hybrid in Beijing? – that has flats, cinemas, and pools, too, but also gardens, recycled water, and its own renewable energy system!”

**“City of the future, or ghost town?”**

Dr. Georgina Rockingham of the LSE, comments, “In the 90s and 00s, it was high-flying local financiers and the UK’s wealthy who bought flats in Kensington. These new sites contribute to a growing ‘ghost town’ effect – it’s the world’s wealthy that move to Kensington to party and play, but only for a few weeks out of any given year. The retailers involved in these projects are all hyper-luxury brands – local people can’t afford to shop here. And the so-called “resources for leisure and entertainment” are in effect expensive private recreation clubs – where is there a resource for the Royal Borough in this?” Anthropologist and local festival volunteer Terry Jones notes that, “the red-hot arts, the living culture, the diversity in the Royal Borough is entirely up North now. High Street Ken sells nothing local and nothing of interest.”
“SOCK it to ‘em?”

You cannot help noticing the lack of overt ‘on the streets’ protest over all the new developments in the Royal Borough. However, local bloggers have posted over 5,000 commentaries that were by turn satirical, critical, libellous, and scatological in protest over what community group SOCK (Save Our Chelsea and Kensington) called "more fuel on the pyre of a culturally unique, neighbourly, family-friendly Kensington and Chelsea".

Local politicos and power-brokers dismissed the digital furore as “e-noise from the North,” but analysts note that SOCK itself has recently raised over £150,000 via social networking sites to pay for community rallies and, more ominously, to hire legal staff. “We’re going to take the battle to the courts – if it costs the Royal Borough enough in legal fees, maybe they’ll start limiting these developments, and begin to re-prioritise neighbourhoods and residents, life, culture, and learning,” declared Kisha Al-amaya, SOCK strategist. “The itinerant wealthy are eating up local resources – during the recent water crises they can still afford swimming pools, while the fire brigade was worried about maintaining pressure at the pump to respond to fire calls.”

While SOCK may take the high road of legal protest, the Almas Centre does feature a high-tech security infrastructure backed up with patrolling guards. “We did our homework,” said Aaliyah Nidal. “We researched the Royal Borough and recognise that some disaffected residents may act out their anger in vandalism, graffiti, and digital hacks of the Centre: we’re prepared.” Readers will recall last year’s laser graffiti inscribing written protests on the façade of the Royal Borough’s first mega-development, Trump Chelsea, and the subsequent fire.

Key risks from this scenario

<table>
<thead>
<tr>
<th>Key Risks</th>
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<tbody>
<tr>
<td>The Royal Borough loses its ‘vibrancy’, with a proliferation of new developments containing ‘anytown’ features, limited uniqueness and offering limited inspiration to residents and visitors as a result.</td>
</tr>
<tr>
<td>Protests and riots as inequalities around resource use (specifically water) become more intense.</td>
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<tr>
<td>An increase in crime, especially vandalism, as respect and responsibility for the Royal Borough’s urban fabric declines.</td>
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</tbody>
</table>
Hi-Tech Transformation

Quotations from stakeholder interviews

• “Specific strengths to flourish in the future include digital media and performing arts, leading to a higher churn of new businesses.”
  
  Cabinet Member

• “No one would have thought that we’d have WiFi twenty years ago, or be communicating with residents by text. These will be the more transformative changes.”

• “More people will be working from home...People will want to be more in control of their work time, to do a range of tasks for different employers, to work across Royal Borough boundaries.”

• “We have a history of creative industries - Chrysalis and Virgin in North Kensington. But maybe we don’t have a comparative advantage compared to East London.”

• “Money can be problematic – we have created really high expectations and you have to go on delivering it!”
  
  Executive Directors

Critical uncertainties underlying the scenario

The critical uncertainties that underpin this scenario are: a rise in technology and its falling cost; the ongoing change in working patterns; and increasing expectations of public service delivery.

Timeline 2: scenario snapshot

- Major investment programme for hydrogen fuel supply begins 2008
- Local radio starts to pick up in popularity and the number of channels grows
- ‘Clever’ streets and ‘clever’ pavements with embedded electronic data proliferate across the Royal Borough 2018
- The whole Royal Borough, including all public spaces and parks, is fully WiFi-ed by 2020
- Heightened use of surveillance, with a micro-CCTV camera for every 3 residents 2028
- The Council employs a team of 20 consultation analysts to process the mass of electronic resident feedback
- A number of ‘third spaces’ which mix office and cafés open for business on the Royal Borough’s streets
- Electronic polling introduced in 2019
- ‘Clever’ streets and ‘clever’ pavements with embedded electronic data proliferate across the Royal Borough

© THE ROYAL BOROUGH OF KENSINGTON AND CHELSEA 2009 23
 Scenario narrative

The Royal Borough has been feted as a showcase of 21st century communication technology culminating in the ‘Tech Application Award 2028’ sponsored by Apple.

The Royal Borough was one of the first boroughs in the country to be fully WiFi-ed, starting in the Centre and the South of the Royal Borough along the artery roads of High Street Kensington and the King’s Road and then stretching into the North of the Royal Borough in the 2020s. This facilitated the explosion of ‘third spaces’ – essentially offices-cum-cafes which facilitated remote working for the increasing number of successful young professionals working for companies with a broad international profile. By 2028, all third spaces included individual ‘communication rooms’ which allowed people to interact across different geographical locations through a combination of videoconferencing and virtual reality. However, the technology involved started to be used by ‘rural business hubs’ in Gloucestershire and Devon, prompting many residents to quit the city and set up shop in the country. In response, the Royal Borough’s third space providers were forced to design a more competitive offer, providing the very best of interior design and comfort in an effort to stem the flow of wealthy workers out of the Royal Borough.

The other communication revolution came from a more familiar, less expected medium – the radio. As trends towards personalised media channels and customised entertainment options proliferated, there was an upswing in hyper-local radio stations in the Royal Borough formed around either geography (this was especially true of the larger tower blocks in Ladbroke Grove) as well as ethnic ties. However, the patchwork of radio channels had very small, pin-pointed audiences; there was not just a Moroccan channel, but a channel for those whose families were from Tangier, and one for those whose roots are in Rabat.

The application of technology was also used to improve the streetscape. Clever pavements and clever buildings were installed with materials which allow for electronic data to be embedded within them; by 2028, pavements ‘told’ Council staff when they were in need of replacement and buildings used for retail or entertainment contained everyday information for visitors to access such as what the ‘fish special’ would be on any one given day at a restaurant or when the new season’s clothing would be in store.

The Royal Borough’s schools also roundly embraced the digital age. All pupils were given a laptop which they were allowed to take home with them (they were tagged with RFID chips to keep track of both hardware and pupils), and to use in venues away from the school when convenient. Pupils were also encouraged to design their own software, based on the increasing volume of open source material available. This approach was considered important, not only for equipping pupils with the necessary IT experience for the job market but it was viewed as a key tool for developing children’s creativity. Indeed, much of the Royal Borough’s most prominent art was mediated through technology; the artisans of 2028 were graphic designers and innovative software ‘craftsmen’. They supported ever expanding businesses as well as contributing to exhibitions at the V&A and in the newly revamped Commonwealth Hall Digital Museum.
However, the one negative outcome arising from the emphasis on ‘digital capabilities’ as it became known, was a decline in social skills. Representatives from the counselling and psychiatric professions flagged up an increasing number of young people unable to form meaningful emotional relationships and, more anecdotally, older residents noted the distinct lack of courtesy and engagement when younger residents interacted with fellow street-users or shop assistants.

Another area to be transformed was transport. In response to soaring energy prices and heightened concerns around air and noise pollution generated by old petrol-run cars, there has been much greater commitment to encouraging new, cleaner fuels. Whilst the speed and volume of traffic remained relatively high, the environmental damage reduced dramatically thanks to an increasing number of hybrid or complete hydrogen vehicles. The massive investment required for the hydrogen fuel supply infrastructure, came out of funds put aside from the Congestion Charge – the fee for which rose steadily through the 2010s and early 2020s.

One of the less popular applications of technology was the heightened use of surveillance – both through a raft of micro CCTV cameras across the Royal Borough, as well as police and Council tracking of websites accessed by computers and mobiles registered with residents of the borough. However, surveillance was not only one-way. Residents were much more savvy when it came to accessing and manipulating data; there has been a spike in cyber-crime and a number of younger residents set up their own surveillance systems, leading to a number of embarrassing scandals.

The empowering effects of technology also created a number of unforeseen challenges for the Council. Residents became much more demanding, eventually pressuring the Council to introduce a newly Government-approved method of electronic polling in 2019. Following this, use of electronic consultations and e-referenda grew; gone were the days of lengthy consultation sessions held with a narrow range of residents in public buildings across the Royal Borough; by 2028, a wider range of interested residents texted or emailed in their views or ‘voted with a click’ on any proposal under consideration by the Council. The 2020s were therefore characterised by the Council’s struggle to process the mass of views and opinions being offered up.

### Key risks from this scenario

<table>
<thead>
<tr>
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<tbody>
<tr>
<td>The Royal Borough develops a reputation as a ‘supersurveillance’ borough where residents and visitors feel their privacy is compromised.</td>
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<tr>
<td>The Council is unable to handle the mass of data and information received from residents exploiting e-referenda and 'text consultations.'</td>
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<tr>
<td>An increase in cyber-crime and surveillance technology deployed by private citizens.</td>
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</tbody>
</table>
Royal Borough ‘Green’

Quotations from stakeholder interviews

• "We can’t take much more traffic in the Royal Borough – there is a trend for fewer and fewer cars in town centres but it’s a difficult adjustment for some Londoners.”
• “We’re going to have to pull down the 50s and 60s buildings”
• “Environmental issues could be a threat for any inner city area if pollution becomes completely unbearable, people will want to leave.”
• “We need much more work on the environmental policies – this is a rich, affluent borough: people who live here like to fly, drive their cars, etc. Being tough on environmental policies will be difficult here.”
• “What will change our environmental situation is decisions about transport, cars, dealing with congestion. It may become a strange place, because you won’t be able to have a car.”

Cabinet Members

• “Would intensely like more debate about the environment”
• “On the 20th July [2007], flooding led to 500 members with damp cellars...The assumption is that the Council will stop this from ever happening again but what is our role helping residents to be more resilient?”
• “Really we want elegant solutions to an increasingly changing climate”

Executive Directors

Critical uncertainties underlying the scenario

The critical uncertainties that underpin this scenario are: the growing response to climate change; the changing needs that residents have of public transport provision; and concern around air and noise pollution.

Timeline 3: scenario snapshot

- The bulk of shopping is done locally or via the internet as the era of large shopping centres come to an end.
- Kensington High Street is completely pedestrianised.
- A large ‘shared space’ area is created in the road from the Albert Hall to Holland Park.
- 60% of residents regularly use their bike to travel across London.
- Car traffic across London declines, with many of the remaining road users converting to electric or hybrid cars or bicycles.
- Public housing in the North of the Royal Borough is rebuilt in compliance with the Building Standards introduced in 2016.
- A groundswell of social attitudes towards more environmentally responsible behaviour.
- Proliferation of legislation designed to drive down carbon emissions.
- The new North of the Borough housing becomes some of the most sought after housing in London and South East, thanks to their energy efficiency.
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- Proliferation of legislation designed to drive down carbon emissions.
- The new North of the Borough housing becomes some of the most sought after housing in London and South East, thanks to their energy efficiency.
Scenario narrative

As the wrecking ball swung into the Royal Borough’s houses it was still a surprise that homes which had been expensively built only fifteen years ago should need to come down. But the raft of regulations which had followed the Climate Change Act – designed aggressively to drive down carbon emissions – required that every building had to have a contract with a utility management company at the point it was sold. This new breed of service management company took responsibility for the overall resources use of a building, making a commitment to reduce carbon impact and resource use in partnership with the owner over time, and sharing the benefits of this. But these were high consumption homes which the utility managers were not prepared to take on. Refurbishment and renovation had been considered, but proved not to have a substantial impact on usage. The developer had decided to knock them down and start again.

Paradoxically, there was a better model in a far poorer part of the Royal Borough, where the council had gone into partnership to rebuild a significant tranche of its public housing. Prudence had dictated both that the houses had been built to the 2016 Building Standards and that the developer had entered into a long-term service and maintenance contract. They were among the most resource efficient homes in the country, and with energy costs high and London and the South-East facing increasing levels of water stress, they were also among the most sought after.

High energy costs meant that travel patterns had changed. People were far less likely to drive into work than they had been, and the vehicles you saw on the road were more likely to be smaller hybrids or electric vehicles. Fewer cars also meant that people were more willing to walk or cycle. For the Royal Borough this had a number of positive outcomes. One was that it was used less as a main westward thoroughfare into central London, so pollution (including noise pollution) had declined. Another was that the small and medium sized business premises were more in demand, some as western hubs of companies which still had offices in central London or the City. The third was that reduced traffic densities had enabled the borough to create a large ‘shared space’ area in the road from the Albert Hall to Holland Park. This was initially designed to maintain the competitiveness of Kensington High Street after Oxford Street was completely pedestrianised in 2016, but it proved to be popular with residents and visitors alike, linking the museums to the parks and the shopping area.

Even in 20 years, climate change has started to have an impact on the ambience of the Royal Borough. The council’s ambitious tree-planting policy proved to be a boon, helping to mitigate the ‘heat island’ effects now common across cities. More challenging was the issue of water stress, exacerbated by the droughts of the early 2020s. The intense focus on managing down carbon emissions had meant that water issues had been neglected. Water shortages in the capital have been mitigated to a modest extent by campaigns run by DERF, the Department of Energy, Resources, and Food, such as the jokey blokey ‘Don’t push the flush when you pee’. But water is turned off for several hours a day, and the water suppliers have warned that we are only a dry summer away from standpipes.
### Key risks from this scenario

<table>
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<tbody>
<tr>
<td>Acute water shortages (an issue globally and nationally that has implications for the Royal Borough).</td>
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<tr>
<td>Insufficiently low-consumption housing leading to demolitions half-way through the buildings’ life cycle.</td>
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<tr>
<td>Inadequate provision for cleaner transport options.</td>
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</tbody>
</table>
Community Splinters

Quotations from stakeholder interviews

• “Concerns over more inward looking ethnic cultures - in particular Moroccans are hard to reach.”
• “It’s a concern because every society loves to have a group to hate”
• “Crime is a concern for the poor and the young now but generally safety is a given in the Royal Borough...But you can lose it...a lot of change is taking place”

Cabinet Members

• “A major threat for me is fragmentation – community splintering, gaps of perception, of health, of services”
• “Racial tensions have changed, from what was a disaffected West Indian group in the north of the Royal Borough, to a much more alienated Muslim group, also in the north of the Royal Borough”
• “The Royal Borough happens to have long-settled communities without long-standing feuds from their place of cultural origin, but that could change”
• “There’s a retail challenge, of how to keep the three main retail areas special (King’s Road, Knightsbridge, Ken High Street). Notting Hill is distinctive. We want to avoid becoming a ‘clone town’”

Executive Directors

Critical uncertainties underlying the scenario

The critical uncertainties that underpin this scenario are: increased migration and cultural diversity; an increasing focus on public order; and the growing pressure on housing.

Timeline 4: scenario snapshot

2008
- Continuation of an ageing population with a median Royal Borough age of 38

2018
- Increased numbers of Eastern Europeans and North Africans enter the Borough to take up care jobs and plug the labour gap

2028
- Bars, pubs and clubs shut down across the Borough due to plummeting revenues

- The police force is 30% larger than it was in 2008

- Rise in street crime and vandalism

- The Royal Borough’s noise pollution unit is the most restrictive in the UK

- Global tensions and economic shifts are reflected in the rapidly changing ethnic makeup of the Royal Borough

- Education standards and facilities improve but school intake reflects ever-starker ethnic divides

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Scenario narrative

In 2028, fault lines were in evidence across the Royal Borough’s community, along both economic and socio-ethnic divides.

There was increased polarisation of the rich at one end of the spectrum and the poor at the other as house prices soared, following the country-wide dip in property prices in the late ‘noughties’. As a result, the ambitious, newly-skilled residents in the Royal Borough followed the familiar pattern of finding jobs and moving out in search of a foot on the property ladder in Brent, Acton and Hounslow. They were replaced with a fresh wave of less skilled, less confident individuals, in contrast to the well-connected, highly educated wealthy residents able to afford property in much of the Royal Borough.

Ethnic differences also became more prominent as migration increased at both ends of the economic spectrum. At the lower end, there was an influx of Eastern Europeans and North Africans to fill the labour shortages emerging in an ageing society. At the higher end, there was a rise in prominent Indian and Chinese business moguls looking either for a base in London or to settle in the Royal Borough for good.

As the community tried to adapt to the changing ethnic make-up, a third source of fragmentation arose around religious and political affiliations. As global conflicts proliferated, the homes and streets of the Royal Borough became a mirror of tensions played out on the international stage. Perceived injustices in Muslim countries in North Africa and the Middle East led to a spate of incidents in which symbols of ‘Britishness’ in the Royal Borough were targeted. An arson attack in the Royal Hospital Chelsea, and graffiti in the Brompton cemetery were among the incidents to make the ‘Royal Borough’ headlines. Meanwhile, intra-community violence became more common. A number of violent exchanges were reported as the eruption of civil war in African nations rippled into the Royal Borough’s own African communities.

In order to manage this rapidly changing and potentially de-stabilising environment, the police force grew by a quarter compared to 2008 and technology was utilised to maintain order and control. Following the Government’s renewed interest in ID cards, they were introduced across the country in 2017. The Metropolitan Police embraced this initiative; gradually building up a biometric database of all London residents and using it to track individuals’ movements as a standard police routine. As a result, the conviction rates for theft and violent crime started to improve.

Meanwhile, the Royal Borough developed a reputation for having the most restrictive environmental noise pollution unit in London and became a highly desirable location for those who had the money to retire, or bring up young families, in the area. As a result, the Council agreed to an unprecedented PR spend to raise the reputation of the schools in the Royal Borough. This proved largely successful, with schools widely acknowledged as some of the best equipped (in terms of staff and infrastructure) in the country; in 2026, the Academy won PepsiCo’s Schools Award for excellence.

However, whilst money was poured into the education sector and standards improved, there was growing evidence to suggest a more ‘tribal’ approach between schools in the Royal Borough as specific cultural and socio-economic groups gravitated towards certain schools. There were an increasing number of skirmishes reported between
pupils at Queensgate and pupils at Holland Park and Ladbroke Grove secondary school (opened in 2022).

Other areas of Royal Borough life are suffering. Fed-up with being treated like ‘criminals’, residents and former visitors chose to socialise outside of the Royal Borough where they could enjoy themselves in an atmosphere of greater freedom and acceptance. As a result, pubs, restaurants and clubs on the King’s Road and around Notting Hill closed in the face of dwindling business. Pockets of previously vibrant restaurants and bars around Draycott Avenue and Westbourne Grove were sold to developers who converted them to flats, leading one prominent media commentator to describe the Royal Borough as a “relentless stretch of wedding cake terraces and quaint mews, devoid of human voice”.

The noise pollution unit also put an end to the Carnival, at least in Notting Hill. As the police and noise enforcement officers’ presence grew in volume over the course of the 2010s, the organisers finally decide to relocate to a more sympathetic borough. In 2021 the carnival moved to Brixton and has been successfully operating there for the last seven years.

Economically, retail has remained a strong feature in the Royal Borough, fighting off some of the Westfield competition by changing the offer. With multinational brands locked into long leases in White City, Kensington High Street cultivated smaller, more distinctive retailers which couldn’t be found on every high street.

Key risks from this scenario

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<tbody>
<tr>
<td>The current high levels of social cohesion are taken for granted and insufficient efforts are made to engage new communities and respond sensitively to emerging global events.</td>
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<tr>
<td>An increase in crime (specifically violent crime and vandalism).</td>
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<tr>
<td>Loss of business for entertainment venues and events (restaurants, pubs, bars, clubs, festivals and the Carnival) on account of over-zealous measures to control public behaviour.</td>
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</tbody>
</table>
End of Consumerism

Quotations from stakeholder interviews

• “What will people want from the Council, if anything? Will the rich want anything from society?”
• “Physically the streets have become very important – willingness to put money and effort into public space has increased.”
• “Shared space is important – how you treat the public realm and accommodate other road users. This means de-cluttering and re-shaping space to give people greater autonomy.”

Cabinet Members

• “The economic base is mainly retail, food and the arts (EMI, Times Warner) but is it sustainable? – We are vulnerable to economic downturn and competition (e.g. Westway, internet, chain stores). There will be a need to broaden out.”
• “The growth of ‘celebrity culture’ – children want to be famous rather than wanting to be good; they are thinking about themselves rather than what they can give to others. This self-pre-occupation is increased by media, by the internet, by Facebook. How do we define success? It’s become very narrow in last few decades... just materialist, rather than joy and being at ease with yourself. Will this change?”
• “Councillors are not representative of the people in the Borough. They have huge strengths but they are unrepresentative and time poor which is difficult.”

Executive Directors

Critical uncertainties underlying the scenario

The critical uncertainties that underpin this scenario are: an increasing focus on wellbeing; an increasing tendency towards individualism; and flourishing arts programmes within the Royal Borough.

Timeline 5: scenario snapshot

2008
- Explosion of ‘health and wellness’ products and services in the marketplace
- Re-regulation of financial markets and drop in disposable incomes across London

2018
- Consumerism is viewed as passé
- Dramatic rise in volunteering
- The Royal Borough’s Churches and the Muslim Cultural Heritage Centre have roughly doubled the number of residents they interact with since 2008

2028
- Electoral turnout reaches catastrophic low of 8%
- Drop in local tax revenue with an increasing number of residents opting out of Council services
- Businesses struggle to adjust to the ‘ethical economy’
Scenario narrative

In May 2028, there was an unprecedented summer meeting of local political leaders and area business-people, both concerned by the drop in both constituent and consumer engagement. The agenda could be boiled down to one question: ‘how do we make ourselves relevant to the people who live here?’. Royal Borough statisticians reported the steady decline in resident participation in local elections, reaching a catastrophic low of 8% of registered voters by 2017. High Street shops recorded a matching erosion of sales.

In earlier years this situation had been attributed to the shaky transition economy. Certainly this had been a factor; re-regulation of the financial markets led to the end of the ‘crazy city salaries’ of the 2000s and an overall decrease in the amount of money floating around in London. As a result, house prices dropped from the astronomical levels they had reached in the mid-00s, and the Royal Borough started to reflect a greater mix of residents. Comparing the MOSAIC maps of 2008 and 2028, no one would have predicted such a diverse make-up for the Royal Borough. There was an overall increase in younger people and families, and a rich array of professions and lifestyles in evidence in the Royal Borough – including PhD students, health professionals, journalists and architects. In short, the Royal Borough regained ‘its middle’.

However, by 2028, it was becoming clear that the changes in the Royal Borough were not just about economics. A fundamental value shift was occurring among buyers: people no longer wanted more things (where will I put one more time-saving gadget?), they wanted a higher quality of life and a greater sense of well-being. The first signals of the shift evident in the late 2000s were evident in the exploding growth in spa and wellness centres, and in ‘adult education’ courses: more people investing more money in learning about themselves and their world. Over the course of the 2010s and early 2020s, five new private ‘learning journey’ centres were started up in the Royal Borough – by 2028, all reported sold out classes and seminars.

Local churches and non-profits enjoyed an upswing in volunteering, and also in people requesting meeting space for hobby groups, study groups, prayer groups, and meditation groups. However this new generation of hobbyists were described, they could be seen meeting anywhere and everywhere: for example, the “Myths and Meditation to Meaning” group alternated between afternoons under the trees in Holland Park, and different members’ homes.

Local businesses scrambled to adjust – one local store-owner grumbled, “I’ve just paid off the redecorating costs of moving to the so-called ‘experience economy’ and now I’ve got to figure out how to sell falafel in the ‘ethical economy’. Politicians were immobilised in frustration. One councillor sighed, “We just can’t get a handle on how to engage with constituents who want nothing from us – they are organising to meet their own needs in ways that completely sidestep traditional local political institutions.”

Of more concern to some local leaders was the drop in local taxes from declining business revenues - yet many neighbourhoods are looking tidier, greener, and livelier than ever. One group of neighbours simply shrugged and said, “It’s easier, more efficient, and more satisfying to take care of our neighbourhood ourselves – some people volunteer to garden, add plants to the sidewalks, keep things clean – we get out
more, see more of each other, get the kids involved in painting, renovating, creating play space, picking up litter. We're using much more of our public space than we used to…and relying on each other more than ever before.”

**Key risks from this scenario**

<table>
<thead>
<tr>
<th>Key Risks</th>
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<tbody>
<tr>
<td>Decline in voter turnout and decreased mandate for politicians.</td>
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<tr>
<td>Decline in revenues for shops and businesses engaged in the ‘experience economy’ or luxury market.</td>
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<tr>
<td>Inability to justify high levels of taxes as residents increasingly take care of street maintenance and, in some cases, waste disposal themselves.</td>
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The 2028 Vision for the Royal Borough

A Vision is a preferred future. Compared to many of the Royal Borough’s planning and strategy frameworks, it is longer-term, deliberately aspirational, and specific to the Royal Borough.

In developing the Vision, there has been widespread consultation, within the Council and the Cabinet, and also among officers. Outside of the Council this has included meetings with the Local Strategic Partnership, engagement with the public, and children’s workshops.

The Vision has emerged from an analysis of the particular drivers, and groups of drivers, which will have the most impact on the Royal Borough, framed by a project question about the nature of the Royal Borough as a place to live, work, and visit in 2028, combined with a broad range of suggestions and feedback during the process. There has also been an assessment of the capabilities which the Royal Borough seeks to reinforce as a result.

Each of the pillars of the Vision, therefore, can be traced through to this Royal Borough-specific analysis of change and its uncertainties. The significance of Resilience is driven primarily by the cluster of drivers which capture constraints on the future of the Royal Borough, and by the overall context of climate change and energy costs. Leadership and Services is driven by the changing expectations of service provision, and the context of an ageing population. The pillar about Public Realm emerges from the cluster of drivers which are about the Milieu of the Royal Borough. The Culture pillar is also influenced by this. The pillars of Learning and Culture, and some of the aspirations under Public Realm, emerge as a response to the cluster of drivers under the heading of Money.

The 2028 Vision for the Royal Borough is grouped around its five pillars and is summarised below.

Public realm

The Royal Borough’s public realm will seek to build best-in-class spaces for all residents and visitors, in ways that promote the safety and health of all. It will be designed to be environmentally and socially sustainable, and to promote low impact approaches to transport. As a result the Royal Borough will be regarded as a centre of innovation in the development of the public realm.

Resilience

The Royal Borough will seek to develop resilience in the face of the challenge of climate change and other emerging resource constraints. It will seek to protect and promote the Royal Borough’s biodiversity. In designing, developing and managing infrastructure and housing, it will for reasons of prudence support and encourage methods and management which reduce carbon emissions and resource use.
**Learning**

The Royal Borough will actively foster opportunities for the formal and informal development of expertise and skills for all residents, and at all ages - as a route to economic advancement, civic engagement, and the development of social capital. It will develop local institutions of learning which are designed for the digital age, and which reinforce public values as well as personal achievement.

**Culture**

The Royal Borough will encourage and support the participation of all of its residents in a diverse range of exemplary cultural activities which represent in different ways the overall life of the borough. To reinforce this it will develop a range of physical and electronic spaces which enable participation and cultural development. In creating such opportunities it will also seek to promote the digital and media industries within the Royal Borough.

**Leadership and services**

Leadership will be locally connected and locally accountable. Political and organisational structures within the Royal Borough will be designed to enable a diverse range of views to be heard and acted upon. Wherever it is appropriate and possible, services will be locally designed, locally managed, and locally delivered.

Readers will notice that some of the specific headings found in other council development documents, such as the Community Strategy and the Local Development Framework, are not represented as pillars of the vision. There are a number of reasons for this, but in brief, the Community Strategy and the Local Development Framework are shorter-term policy-oriented documents, built around a structure under which all councils are comparable. In contrast, as said earlier, the Vision is longer-term, aspirational, and developed out of the particular histories and geographies of the Royal Borough. Its purpose is to mitigate risks and open up opportunities, and to positively shape the future for the Royal Borough and all of its residents and visitors.
Strategic implications

A Vision can be thought of as a “star”, according to a famous futures paper\(^7\). It is something which we can keep in our mind’s eye which will guide us on our journey. It helps us to frame our social and public purpose. Visions enable us to understand how to act in uncertain times, while scenarios help us to make sense of unfamiliar events and information.

Visions need to be allied to strategic objectives - a clear view of what we hope to achieve and also a more textured view of the issues and challenges which are likely to be confronted along the way.

Some issues and challenges have emerged from the 2028 project as important to keep top of mind when considering the future of the Royal Borough. These are summarised in the section below.

Constraints

In sharp contrast to the last 30 years, we are moving into an age of constraints. Even at the start of the project, taking the twenty year view, this was true of energy and resources, and official projections for the likely oil price in 2020 and beyond have moved sharply upwards since we started work on this project. The credit crisis is another sharp constraint. It is likely to restrict freedom to act for the Council in three ways. First, money spent on funding the financial system is not available for other public services. Secondly, councils suffer from falling asset prices as well. Thirdly, it increases demands on services. Constraint, however, is one of the classic preconditions for innovation. Trying to do the same on less is a recipe for failure. Using constraint as an opportunity to rethink the way the council works with its partners and users, and the types of resources it draws on to do it, may be more fruitful.

Individualism and identity

The combination of strong market forces, a consumer culture, and strong ethnic and religious identities can be toxic to the notion of the shared community. It increases the emphasis on the transactional at the expense of shared benefit and reciprocation. At one level, a response is seen in the Vision’s emphasis on both public realm and culture; emphasis on social space and shared social experience. But individualism also creates particular expectations about the way in public services are delivered which also leads, potentially, to complexity of provision and social fragmentation. To achieve the type of borough imagined in the Vision, finding a way to navigate around this is an essential task.

**Technology**

It is easy to conceive of technology as pushing in a single direction. But for a council, it pulls in three directions, sometimes contradictory. Technology can increase efficiencies in delivery, even if some research suggests that these are sometimes more apparent than real (depending on how they are measured). Technology can increase engagement, through the use of participatory and networking tools. And it can increase monitoring and surveillance, and this last element will become more prominent over time as devices are increasingly embedded in objects such as street furniture. There are trade-offs here, but they are not simple ones; as in one of the scenarios, the ability to track equipment meant greater access to resources and greater freedom of movement for its users. In addition, an increased use of technology may also create a perceived disconnect between residents and the Council. This does suggest, however, that the Council needs to be clear about how technology is being used, and to what public purpose. Without such clarity, it is easy for technology innovations to be misunderstood.

**Increasingly local**

The resource and energy constraints mentioned above will have the effect of making people’s perceptions of the world more local. This will be compounded if governments take seriously the responsibilities in the new Climate Change Act to reduce carbon emissions. For a local council, this represents a significant opportunity. The evidence suggests that more local behaviour, and less mobility, produces a wide range of benefits, from reduced crime to older people going into social care later. The Council has the opportunity to help to shape this long-term trend in a way which makes the Vision more achievable.

**Service design**

Increasingly the model used to understand the way council services work will not be a one-way journey (in which a service is “delivered”) but a model which understands the flows involved in the overall service design. Although this may appear a slightly abstract point, it is a product of resource management and technology development. Flows will include flows of information from residents and service users, of fuel and carbon, of social contact (e.g. home visits), and of physical materials (e.g. “waste” collection). While such models seem complex from the perspective of 2008, thinking about services in such a way creates new insight into the ways services are designed, and the assumptions which sit beneath them, in such a way that resilience can be increased and opportunities for innovation can be identified.

**Longevity**

Buildings are likely to have a longer life, because of the carbon cost of knocking them down and rebuilding them, and also the potentially lower capital appreciation to be had from rebuilding. There are two obvious points arising from this. The first is that they will need increasingly to understand what their “whole life” costs are, who those fall on, and what incentives are needed for developers and construction companies to recognise...
the importance of whole life costs at the planning and building stage. The second is that buildings are more likely to change their use or purpose over their lifetime; how can they be designed so that they can be flexibly adapted to new purposes, rather than having to be demolished when their initial purpose becomes redundant.

Complexity

When environments become more turbulent, they become more unstable and more unpredictable. Often the way different issues are connected to each other changes. Our understanding of cause and effect may be incomplete. In such environments, there is need for a wider range of approaches to policy and operational innovation. Sometimes, an initiative will work in one place because of a particular configuration of local organisations and local history, but not be successful somewhere else. Managing in such circumstances requires greater flexibility of approach, a less mechanical view of how policy works (the “levers” may not be connected to anything) and a willingness to try a range of small scale experiments in response to changing circumstances, rather than imposing a single central solution to a new problem.

Taking the Vision forward

The Vision will need to be reviewed from time to time to check that it still represents the right overall direction of travel for the Royal Borough. Evidence will change, as will perceptions of possible and probable futures. But a preferred Vision represents a statement about our values and our desires, which should guide the strategic future of the Royal Borough. To be effective it needs to be linked with both the evidence of change, and the strategic capabilities of the Royal Borough, to translate the work represented in this report into a better future for the Royal Borough of Kensington and Chelsea.
Appendix

Drivers

Important and relatively certain

Ageing population

The ageing of the British population is a well-established trend; the median age in the UK will rise from 38 in 2000 to 46 in 2050. London, however, is more youthful than the national average, with a median age of 36, but the Royal Borough is one of the older boroughs with a 37.70 average.

There are also differences within the Royal Borough itself. In the south of the Royal Borough for example, populations are older; 17.7% of residents in Campden are 60+ compared to only 15.01% in Golborne.

In fact, the old age dependency ratio (the ratio of the economically dependent part of the population to the productive part) is projected to rise from roughly 0.28 in 2005 to roughly 0.42 by 2031. At the same time older people are generally fitter and more healthy than in the past, and mentally more active. They are ageing more slowly than in the past.

An ageing population has implications for the economy and service provision. For one, a larger dependent population will put more strain on those of working age, and this is particularly true given that older people are more susceptible to health problems. There are clear implications for the long-term shape and structure of the Royal Borough’s health service.

However this is based on present assumptions about retirement age. Given the scale of the increase of the ageing population, it is likely that steps such as changes in expectations about working lifetimes may moderate this.

8 UN population revision 2004
9 ONS census data, April 2001
10 ONS census data, April 2001
11 GAD 2002 projections
Growing impact of climate change

London is particularly sensitive to climate change, and the UK Climate Impacts Programme has predicted that average London temperatures will rise by between 1.5 and 4.5% by 2080\textsuperscript{13}. Due to the heat island effect in the capital, the city is several degrees hotter at its centre than it is at its edges\textsuperscript{14}.

The consequences of weather extremities may have highly undesirable effects in London. They can cause the flash flooding of roads and underground stations, as well as damage to rail and road infrastructure in hot weather and even the flooding of barges on Grand Union canal\textsuperscript{15}. It is said that in July 2007 floods had already affected 500 homes in the Royal Borough\textsuperscript{16}.

Global impacts of climate change may also have an affect in the Royal Borough. There is a potential for an influx of climate refugees in the capital as a result of the increasing areas of the world affected by drought. The area of the world stricken by drought has doubled between 1970 and the early 2000s\textsuperscript{17}.

\textsuperscript{12} ONS census data, April 2001

\textsuperscript{13} London’s Warming: The Impacts of Climate Change on London, October 2002

\textsuperscript{14} ibid.

\textsuperscript{15} Atkins, The impacts of climate change on London’s transport system, February 2006

\textsuperscript{16} HCHLV Executive Interviews, 2007

\textsuperscript{17} Greenpeace
Closer to home, sea level rises will decrease the (current very high) standard of protection provided by Thames Barrier and Associated Gates. Damage to the Gateway could cost £4-5billion in an extreme event.\textsuperscript{18}

Consequences for the Royal Borough include a requirement to consider ways to ease the adverse effects of climate change for its residents, and the possible resource reduction for the borough if protecting the Thames Gateway is prioritised.

**Increasing energy costs**

Energy costs have been rising steadily in recent times. Energy supplies have looked precarious at times. The more pessimistic estimates suggest we are either at, or are just approaching, peak oil production.\textsuperscript{19}

Energywatch has tracked gas prices soaring by 94\% and electricity by 60\% between 2003 and 2007, now with the added leap of energy prices in July 2008, British Gas for example have raised their gas prices by 35\%.\textsuperscript{20} The long-term prognosis is for increases in the real cost of energy and of increasing volatility in prices around the trend.

There is a concern that this will increase fuel poverty in the Royal Borough. It was said that in the Royal Borough, many of the council tenants who qualify for Housing Benefit now fall within the official definition of ‘Fuel Poverty’…the sudden rises have caused considerable financial hardship for many.\textsuperscript{21}

This driver will lead to an increasing focus on energy efficient housing to deliver affordable warmth, and may require consideration of combined provision of heat and power in the housing developments. Elsewhere, biomass-based energy generation is emerging as a possible solution which bridges waste management and energy issues.\textsuperscript{22} It will also have an impact on transport options. In an executive interview conducted for the project, the point was made that “Transport options in the northern wards are so limited…many people there just drive to work. That’s not sustainable on their salaries.”

\textsuperscript{18} Atkins, The impacts of climate change on London’s transport system, February 2006

\textsuperscript{19} ASPO USA, October 2007, Report to the Energy Watch Group, October 2007

\textsuperscript{20} EnergyWatch Press releases, March 2007, July 2008

\textsuperscript{21} Juliet Rawlings, Chair of the TMO, 2007

\textsuperscript{22} www.electricitygenerator.co.uk
Migration and increased cultural diversity

Cultural diversity has become a defining factor of London, with the foreign-born population having grown from 1 to 2 million over the last 20 years. Even over the last decade, London has gained 800,000 immigrants\(^\text{24}\).

In the Royal Borough, 44\% of residents were not born in the UK\(^\text{25}\). It is one of the top destinations for new immigrants, with large numbers of foreign workers who have come into the Royal Borough. There is however, some imbalance of cultural diversity; in the northern wards such as Golborne there are just under 2000 Muslim residents, compared to under 400 in southern Campden\(^\text{26}\).

The challenge for the Royal Borough is to promote vibrancy and creativity through diversity rather than fragmentation. It will also have to find a way to provide a cohesive and inclusive community for all residents.

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\(^{23}\) Experian Catalist, via news.bbc.co.uk, August 2008

\(^{24}\) London School of Economics 2007

\(^{25}\) ONS census data, April 2001

\(^{26}\) International Organisation for Migration, 2007
The UK has experienced higher levels of both inward and outward international migration in recent years\(^\text{27}\).

![Diagram showing inflow and outflow of people to the UK from 1995 to 2004.](image)

**Important but uncertain**

**Rising affluence**

Since the early 1990s, consumers in the UK have enjoyed sustained growth in the economy, with high levels of disposable income. In 2007 in the UK, 61% of the population believed that they have all the material things that they need in life compared to 48% in 2001\(^\text{28}\).

This is related to the fact that net national disposable income has risen every year from 1998 to 2005\(^\text{29}\). There has also been a significant increase in the 'mass affluent' proportion of the population (those with liquid assets worth between £30,000 and £200,000) since 1995. According to Datamonitor, nearly 8% of the UK population fit into this category\(^\text{30}\).

Taking a twenty year view, however, commodity and energy prices are likely to rise, as a result of an increasing global population and competition from emerging markets. In an environment of falling disposable incomes there would likely be less emphasis on retail and more on value.

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\(^{27}\) ONS census data, April 2001

\(^{28}\) HCHLV Planning for Consumer Change, 2007

\(^{29}\) HCHLV Economic Forecast 2006 (ONS)

\(^{30}\) http://www.tutor2u.net/economics/content/topics/poverty/affluency.htm
Household disposable income

![Household Disposable Income Graph]

**Widening income inequalities**

Income inequalities in the UK are high compared with the levels seen in other wealthy nations. According to the UN, the UK has a relatively high level of income inequality compared to other developed countries. The Gini coefficient for the UK stands at 0.343 compared to other European countries such as Finland and Denmark that have a Gini coefficient of below 0.25. Even at a local level within the Royal Borough there are significant disparities.

The North area of the Royal Borough has an average weekly net household income (including non-housing benefit) of approximately £402, compared to £712, £688 and £663 in the Central, South West and South East area respectively.

One in four older people in the North Kensington area are estimated to be living in poverty, as opposed to just one in ten in South Kensington & Chelsea.

Disparities in income across age groups, is also evident - a single pensioner has a weekly net household income of just £210 compared to £634 for a single non-pensioner.

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31 Institute for Fiscal Studies, via bbc.co.uk, August 2008
32 UN Habitat 2008
33 RBKC Housing Needs Study, July 2005
35 RBKC Housing Needs Study, July 2005
It will be a challenge for the Royal Borough to make sure that the less affluent elderly in the Central and South wards are not forgotten in the face of more evident poverty in the North.

Inequality, as measured by the Gini coefficient, has risen since 2004.\(^\text{36}\)

Sustained profile of London as global financial services hub

London is the banking centre of the world and Europe’s main business centre. The London foreign exchange market is the largest in the world, with an average daily turnover of $504 billion, more than New York and Tokyo combined. The headquarters of more than 100 of Europe’s 500 largest companies are in London, and more than 550 international banks and 170 global securities houses have set up offices in London.\(^\text{37}\)

There are, however, fears that the current credit crunch will result in thousands of job losses. According to Experian, the credit-checking company, London's financial-services industry will be the hardest hit with businesses expected to shed 19,000 jobs, across the City.\(^\text{38}\)

The most likely medium term outcome is that tighter supervision and a more conservative attitude to banking risk will lead to a shrinking of the sector (globally and in London) in terms of both scale and salary levels. The effect this is likely to have on housing within the Royal Borough may be beneficial, as house prices drop and give more people the chance to buy in the Royal Borough.

\(^{36}\) ONS and Institute for Fiscal Studies press release, June 2008

\(^{37}\) London as a Financial centre, london.gov.uk, December 2007

\(^{38}\) timesonline.co.uk, May 2008
Changing working patterns

Working patterns have changed considerably in the Royal Borough. The rise of the internet and increased digitisation has changed the way businesses and individuals operate, and technology has also changed the way organisations are structured. There are more virtual organisations and alternative business models.

It has also facilitated people to take up more flexible working patterns, including home working and starting up own businesses. In 2001, 13.57% of 16-74 year-olds were self-employed compared to 8.97% in London\textsuperscript{39}. Almost 70% of UK households now have access to the internet with broadband exceeding dial-up connections\textsuperscript{40}.

There may be positive implications on the environment in terms of air and noise pollution as people travel less. Local communities may also benefit as residents spend more time there.

\textsuperscript{39} ONS census data, April 2001
\textsuperscript{40} Eurostat 2007
Which of the following best describes your flexible working arrangement?  

![Flexible Working Arrangements Chart]

Which of the following best describes your flexible working arrangement?

- 2% Working term time hours
- 4% Working time account
- 23% Informal flexible hours
- 1% Working compressed hours
- 16% Working flextime
- 5% Working shifts
- 2% Annualised hours
- 47% No flexible arrangement

Changing educational needs

The Royal Borough has a good educational record, with the Local Authority rated “excellent” for its education service. However, educational needs are changing, with an increasing desire for vocational education. In fact, the Kensington and Chelsea College offers a wide range of vocational courses including construction, music technology and teacher training.

There is an increasing pressure on providing local schools. In 2001, 80% of parents in the South of the Royal Borough said they wanted to send their children to a local secondary school. However, at present there is only one in the south of the Royal Borough, though there is an Academy school due to be opened 2009.

At present, many children are educated outside the Royal Borough and over 50% are educated privately. Planned schools in the North as well as in South-West Chelsea.

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41 HCHLV Flexible Working Survey, May 2007
42 Source; RBKC Community Strategy 2005-2015, November 2005
43 Kcc.ac.uk
44 London Communications Agency Press Release, October 2006
45 Kensington & Chelsea Core Strategy

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are likely to help the prospects for local children to have access to secondary education in the Royal Borough.

Flourishing arts programmes

The Royal Borough is a vibrant part of London. It is host to more than 7m visitors each year\(^\text{47}\). Museums – such as the Science Museum and the Victoria and Albert Museum - are an important part of the Royal Borough. Other attractions such as the Royal Court Theatre and Holland Park Opera also attract significant numbers of visitors.

According to the revenue budget for 2006/07 £6,585 was the net gain for the borough from their leisure, parks, arts and museums\(^\text{48}\). In 2006, over £50,000 was spent on the Royal Borough’s Arts in Education programme which involves 400 children a week in eight local primary schools\(^\text{49}\).

The rise in philanthropy has boosted arts across the UK, and its rise can be partly attributed to the major growth in wealth from the City. Funding for arts organisations may begin to suffer as a result of the credit crunch.

\[\text{“Part of being a desirable, arts-led, creative place is being a bit edgy – but not everyone wants this, and in any case, is it right when it leads to glamorising poverty?”}\]

\(\text{HCLHY executive interview 2007}\)

\(^{46}\) ibid.
\(^{47}\) Metropolitan Police Estate Asset Management Plan Kensington and Chelsea, November 2007
\(^{48}\) Your Council RBKC 2007
\(^{49}\) Westway Development Centre, 2007
Changing public transport needs

As mobility within the Royal Borough increases, there is an increasing need to update the transport options for the borough. The Royal Borough is especially reliant on public transport as 50% households do not have access to a car or a van (compared with 27% in the UK)\(^\text{50}\).

Gaps in provision are particularly acute for residents of the Dalgarno estate who find it difficult to use shops and services in areas of North Kensington due to the lack of local public transport.

There are, however, various improvements underway. There is an increase in the number of people cycling in the UK and in London. 37% of adults agree that ‘Many of the short journeys I now make by car I could just as easily cycle, if I had a bike’\(^\text{51}\). According to the DfT, cycling is the main mode of transport for the journey to work by just over 3% of commuters in the UK, though over 9% have used it as the main mode of transport for at least one year out of ten\(^\text{52}\). Tougher restrictions on car use including the congestion charge, as well as restrictions on parking space connected to housing developments have also been introduced. Car sharing schemes are becoming a practical way to drive in the city. In addition, the Chelsea – Hackney line aims to increase the number of people who pass through the borough on a daily basis\(^\text{53}\), and Cross-Rail is expected to have an impact although it passes north of the Borough. Any improvements to transport in the Royal Borough need also to take into account the affect they may have on local air and noise pollution.

\(^{50}\) ONS census data, April 2001

\(^{51}\) DfT Public Attitudes to Transport 2007, Omnibus data 2005

\(^{52}\) ibid.

\(^{53}\) RBKC Environmental Policy Actin Plan, 2007
Falling cost of technology

The cost of new consumer technologies is constantly falling, making it easier for their adoption into mainstream applications. The price of new technology often inhibits its uptake to begin with. However, as the cost of many technologies typically drops rapidly after the initial development phase it will usually be adopted quickly.

Falling costs are associated with rapid increases in performance and price ratios, especially around the performance of processing power and memory. The cost of intelligent sensors, which can monitor activity in the home and elsewhere, is also falling. Tesco launched a digital Freeview set for just £10 and a DVD player for £9, making these technologies widely affordable.

Assuming that this trend continues, it has implications for service delivery in 2028. In health, it is possible to foresee ‘passive’ sensors combining with digital communications channels to monitor the health and welfare of older residents.

Increasing focus on wellbeing

Concern about improving wellbeing – the work/life balance, as well as emotional and spiritual wellbeing - is an ongoing trend. Health and lifestyle are key in achieving

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54 ONS census data, April 2001

55 bbc.co.uk August 2007
wellbeing, and £132,000 was spent to subsidise over 31,000 user visits made by over 600 Royal Borough residents to Portobello Green Fitness Club in 2007\textsuperscript{56}.

Another way to promote wellbeing and balance among residents is by providing green space. There are significant areas of iconic green space in the Royal Borough such as Kensington Gardens and Holland Park.

As maintaining health and wellness is increasingly valued, residents and visitors to the Royal Borough are likely to look for ways to achieve this. Health and fitness services that are open to all and green spaces open to the public are possible ways to improve health and wellbeing within the Royal Borough.

**Increasing expectations of public service delivery**

Expectations of public service delivery have been rising. Standards from the private sector can influence the perceptions of public services and what people expect from them. Of all UK citizens over 80\% of social group AB agree that it is reasonable to expect the same level of speed and service from the public sector as they would from the private sector\textsuperscript{57}. Tellingly, no more than half of the UK population are ‘very satisfied’ with local services, ranging from their local GP to the police.

However, satisfaction levels within the Royal Borough are very high. Over three quarters of residents think that the Council is doing a good job, the second highest satisfaction rating in the country\textsuperscript{58}. It was said during an executive interview carried out for this project in 2007 that “[Royal Borough] residents have an expectation to gorgeous and wonderful services…we’ve created really high expectations and you have to go on delivering it”.

While the adoption of private sector methods has serviced the public sector well in some cases over past years, it is possible that the credit crunch will both limit access to commercial finance as well as reduce trust in private sector delivery approaches and partnerships.

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\textsuperscript{56} Westway Development Trust

\textsuperscript{57} HCHLV Planning for Consumer Change, 2007

\textsuperscript{58} Ibid.
Rising individualism

It is often said that society has become more individualistic in its outlook over recent years. The majority of consumers now believe that taking care of oneself is the best way to improve standards for all, and more than 15 million people were expected to holiday alone in 2006\textsuperscript{59}.

Over 50% of Royal Borough residents are single (never married)\textsuperscript{60} and only 28% of residents are married and live together, compared to almost 40% of Londoners as a whole\textsuperscript{61}.

Some super-rich households are making moves to become totally self-sufficient and “cut-off” from the rest of the community. The ultra-rich are increasingly building underground to furnish their houses with gyms, pools and other entertainment options\textsuperscript{62}.

As residents’ attitudes turn inward, it may be hard to create a strong sense of community. In addition, an increasing number of older people are spending money on themselves rather than leaving it in legacies, and this may affect the type of residents in the Royal Borough in 2028. Younger generations could even be priced out, creating an older and potentially more fragmented borough.

Increasing emphasis on public order

As public order and anti-social behaviour has been in the press an increasing amount, there has been much focus on creating public order through laws to prohibit certain behaviours. Littering is another area that has come under public scrutiny. Under the

\textsuperscript{59} The Observer November 2006

\textsuperscript{60} ONS census data, April 2001

\textsuperscript{61} Ibid.

\textsuperscript{62} HCHLV executive interviews 2007
Environmental Protection Act, if convicted of the “Offence of Leaving Litter”, a person may be fined up to £2,500.

While the trend towards valuing public order appears to be a real one (it is not just created by legislation) it is also the case that enforcement styles matter. The line between effective intervention and creating a flashpoint for localised disorder or small-scale rioting is a fine one. At the same time the design of the public realm can play a significant role in “designing in” orderly behaviour.

Increasing response to climate change

There is growing individual and government concern and action around climate change. The government has introduced greater levels of regulation to try to deal with the problem, including a Climate Change Levy, Waste Electrical and Electronic Equipment Directive (WEEE) and the Water Framework Directive.

The Royal Borough is also one of 190 UK councils to have signed the Nottingham Declaration, which commits them to placing the environment at the top of its agenda and to tackling climate change at the local level.

Waste is another area of focus for the Council. It aims to see a 5% reduction in the average tonnage of waste produced by each council-tax paying household in the Royal Borough for the year 2008/9.

The Royal Borough is likely to have to respond to a greater climatic and carbon-related regulation from the EU and the government, and may also face pressure from residents for change.

Growing pressure on existing housing

Given the desirability of the area and the quality of public service delivery in the Royal Borough, the demand for social housing is very high and there is increasing pressure on housing.

During an executive interview carried out for this project in 2007, it was said that “It [the pressure on social housing] seems insatiable because we do things better” in terms of education, health and cultural provision.

However, only a small number of properties become available for re-letting each year and so waiting lists remain long. In 2003/4 only 750 TMO (Tenant Management Organisations) and RSL (Registered Social Landlords) dwellings became available, compared with 8,326 households on the waiting list. According to ONS census data 2001, a higher proportion (27%) of residents own their homes outright than in the rest of London (22%). There is anecdotal evidence of key workers being provided with living a long distance away from borough services.

It is also possible that with an ageing population, more people will be living alone which will in turn increase the demand for housing. The growing number of elderly residents is also increasing pressure for specialist accommodation for patients with dementia; 22% of over 85 year olds will suffer from dementia.

The challenge to the Royal Borough is to create more housing either in it or nearby for key workers, whilst also adapting for the requirements of the existing elderly.

Increasing pressure on land

Land is at a premium in the Royal Borough, and there are increasing pressures on it. There is a very high density of population in the Royal Borough with 131 people per hectare (46 for London and 4 for the UK).

The ‘London Plan’ requires 3,500 new homes to be built in the Royal Borough between 2007 and 2017, an average of 350 a year. However there are barriers to this, for example the site at Kensal Gasworks which could provide over 700 units cannot be used due to an Health and Safety Executive ruling that residential stock cannot be too close to this site.

There are also pressures for land on which to build schools, health and leisure facilities, retail space and other services such as fuelling stations and post offices which are essential for a convenient, efficient community.

Given government requirements and the shortage of land, this is an area which will require greatest policy innovation if the Royal Borough is to reconcile competing demands and objectives.

64 2:RBKC, Community Strategy 2005-2015
65 RBKC, Housing, Environmental Health and Adult Social Care Scrutiny Report on Older Person’s Accommodation, April 2008
66 ONS census data, April 2001
68 RBKC Local Development Strategy Interim Issues and Options, February 2008
Growing concern for air and noise pollution

Air quality in London has become an increasingly serious issue for health professionals and councils across London. It has been proven to cause respiratory and cardiovascular side-effects and aggravates asthma, at a time when cases of asthma in the UK have been rising, costing the Health Service approximately £889m per year. \(^{69}\)

In London, specifically it has emerged as an increasing focus of concern, with air pollution responsible for the deaths of 1,000 people in London yearly. \(^{70}\) The Campaign for Clean Air in London aims to “achieve urgently” at least who recommended standards of air quality throughout London. \(^{71}\) In the Royal Borough, the quality of the living environment – including factors around both air and noise quality - is seen to be an area where the Royal Borough is worse off than the rest of the country.

Moreover, researchers at Bureau Verities claim that noise pollution from Heathrow can dominate the local environment up to twenty miles away from the airport itself; a third runway at Heathrow would lead to a 50% increase in flights and result in non-stop noise throughout the day in the Royal Borough. \(^{72}\)

There are therefore questions around how the Royal Borough can reduce the effects of noise and air pollution and what threat these issues pose to the Royal Borough’s image as a desirable place to live over the next 20 years.

Rising house prices

Though house prices have risen across the UK, this has had a greater effect in the Royal Borough with no less than 16 of the 20 most expensive English streets being located in the Royal Borough. \(^{73}\) West London has seen house prices increase by 13.5% in the last 12 months, compared to a National average of 9.2% in the same period. \(^{74}\)

However, due to recent economic turmoil house prices have begun to fall. Though house prices have fallen 8% in the last year, many are still unable to afford to buy since the credit crunch has drastically reduced the supply of mortgage finance. \(^{75}\)

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69 www.asthma.co.uk June 2007
70 Campaign for Clean Air in London, March 2007
71 Ibid.
72 RBKC Press release 2007
73 mouseprice.com, via bbc.co.uk, February 2007
74 mouseprice.com, August 2008
75 bbc.co.uk July 2008
The most likely outcome as the house price asset bubble begins to unwind is that prices will drift back towards around 3.5 times household income (the exact level will depend on the tightness and nature of financial services regulation). There will most likely be a sharp initial fall in price and then a period of price stagnation. It is also likely that the credit crunch will have broken –possibly for as long as a generation - the notion of property as an investment asset. The short-term effect of this, however, may be the dumping of buy-to-let housing on the market. There may also be an opportunity for the Royal Borough here to utilise such stock for social or affordable housing, including housing for local key workers.

**Rising mental health problems**

In addition to physical health problems there are also a rising number of mental health issues in the Royal Borough. Depression and anxiety in particular are on the rise. Mixed anxiety and depression rose from 7.8% of the population in 1993 to 9.2% in 2000. The rise in neurotic disorders has also been on the increase; in 1993 16.3% suffered from a neurotic disorder, which rose to 17.3% in 2000.

The Royal Borough has a number of services dealing with the issues surrounding mental health problems, including the WPF Counselling and Psychotherapy service, in addition to other local services such as Kensington & Chelsea MIND and RETHINK.

The Royal Borough will need to consider actions it can take to ensure the mental health of its residents going forward. There may also be an opportunity for the Royal Borough to develop a reputation for training and best practice in this area.

**Rise of expenditure on antidepressants in the UK**

![Graph showing rise of expenditure on antidepressants in the UK from 1991 to 2000](image)

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76 ONS, Psychiatric morbidity among adults, 2000

77 Ibid.

78 guardian.co.uk 2007
Increasing focus on cohesion and community

There is a distinct desire to rebuild strong communities in Britain. According to HenleyWorld research, social groups A and B in particular are interested in rebuilding communities.

Various community initiatives are emerging throughout the country. One such community scheme is ‘Adopt a Station’ which calls on volunteers across the country to report on litter, graffiti, vandalism etc.

In the Royal Borough community is a particular challenge. 44% of the Royal Borough’s population are born outside the UK\(^{79}\), whilst over 90 languages are spoken in the Royal Borough and there is a high proportion of second homes\(^{80}\).

There is also a huge disparity in the wealth of residents within the Royal Borough, who range from the super-rich to some concentrations of multiple deprivation.

There is a sense of community where I live\(^{81}\)

![Chart showing % Agreement by year]

Increased mobility

People are travelling further and more often in their everyday lives, and until recently have been relocating more frequently. The number of visits abroad made by UK residents tripled between 1983 & 2003\(^{82}\), though the credit crunch may affect this trend in the future.

\(^{79}\) ONS census data, April 2001

\(^{80}\) RBKC Homelessness Strategy

\(^{81}\) HCHLV Planning for Consumer Change 2007

\(^{82}\) ONS, Travel Trends: Where are we going and who is visiting the UK?, 2005
In London, 36% of residents have been at their current address for less than five years\(^{83}\). Many individuals are also choosing to live further from where they work and commute due to high property prices, which in turn causes much congestion in city areas.

In the Royal Borough, of all the people working there, 23% of whom travel between 10-20km into the area for work each day\(^{84}\) and more than 63,000 people travel into the Royal Borough to work each day\(^{85}\).

If recent trends continue to produce a population that remains affluent and increasingly mobile, congestion in the Royal Borough is likely to suffer. It is also possible that the pace of technological demand may outstrip demand and that in tougher economic times people move around less and less. The return to localisation would impact local transport needs within the Royal Borough.

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\(^{83}\) www.houseprices.uk.net

\(^{84}\) ONS census data, April 2001

\(^{85}\) RBKC Arts and Culture