City of London
Political, Economic, Social, Technological (PEST) Analysis

Introduction

Civic administration, agencies, boards, and commissions undertook a 2022 PEST analysis to develop an understanding of the external factors that affect the City of London. The PEST provides items to consider during decision making and strategic plan development.

Political

External political factors that may help or hinder the business and services that that City of London provides

- Provincial and federal funding programs and regulations
    - New and/or changing priorities and legislation being introduced that have significant impacts on municipalities
    - Governments less focused on initiatives targeted for mid-sized cities
    - Adjustments to change in policy direction on issues such as affordable housing, climate change and environmental protection, early learning and child care
- Council directives – new municipal Council
- Ongoing relationships with community partners
- Global political unrest and conflict
- Ongoing impacts of COVID-19 pandemic

Economic

External economic factors that may help or hinder the business and services that the City of London provides

- Elevated and persistent inflation levels and increasing cost of living
- Interest rates that are rising faster and to a higher level than seen in recent history
- Move toward more restrictive monetary policies necessary to bring down inflation and inflation expectations
- Corresponding deceleration in overall economic growth, with the risk of potential recession
- Continuing global supply chain issues and the impact on end markets, municipal infrastructure project costs and timing
- Expected deceleration in both import and export growth
- Global conflict impacting world economy
- Challenging insurance market resulting in increasing premiums and limitations on coverage
- Budget pressures and funding priorities of other levels of government
- Pace of growth and development
- Increasing land values, including industrial land values
- Ongoing challenges of high vacancy rates in the downtown
- Housing affordability and availability
- Income disparities
- Continued economic impacts of the COVID-19 pandemic and ongoing recovery efforts
- Access to and retention of talent (i.e., health care workers)
- Workforce’s access to affordable child care, transportation and connection to job opportunities

Social

External social factors that may help or hinder the business and services that the City of London provides

- High quality of life in London and relatively high resident satisfaction with City services
- Increasing population growth and changing demographics
- Commitment to equity and dismantling systems of racism and oppression
- Newcomers are an important element of the community fabric
- Increasing challenges for vulnerable populations
    - Underemployment and precarious employment

  - Affordable housing and homelessness
  - Mental health and addictions
  - Health and obesity
  - Attitudes and stigmas towards vulnerable populations
  - Increasing trend of social isolation, exacerbated by pandemic
- Ongoing impacts of COVID-19 pandemic – mental health challenges, isolation, feelings of government intrusion and mistrust, hybrid work environments
- Londoners are actively engaged in their community and there is a desire to see increased participation and engagement in civic life
- Misinformation
- Emergency preparedness (terrorism, pandemic, climate change and natural disasters)
- Changing attitudes towards mobility (transit, active transportation)
- Implementing Truth and Reconciliation Commission Calls to Action
- Violence and impact on community safety, particularly in the core area
- Unprecedented levels of violence against women and girls

Technology

External technology factors that may help or hinder the business and services that the City of London provides

- Open government and transparent decision-making
- Enhance decision making through analytics, machine learning, and artificial intelligence
- Cyber Security threats and risk management
- Digital transformation and automation
- Changing expectations about speed and accessibility of information and services
- Circular economy, green construction and facility retrofitting
- Intelligently leverage cloud computing and everything as a service (XaaS) opportunities
- Technological advancements and pace of change- how to prioritize modernization demands to meet service delivery needs and user interfaces
- Electronic bus technology, autonomous vehicles, smart traffic systems, etc.
- The enterprise will have to balance out demands for digital government with various demographic considerations: age, accessibility, equity, lowering GHG emissions, self-service expectations, seamless omni-channel experiences for different types of users
- Access to basic infrastructure, including broadband