

London Assembly (Plenary) Meeting – 4 November 2015
Transcript of Agenda Item 3:
Question and Answer Session – London & Partners

Jennette Arnold OBE AM (Chair): Can we now welcome to this meeting with us today Sir Edward Lister, Chairman of London & Partners (L&P), and Gordon Innes, Chief Executive Officer. Welcome, both, to the meeting.

Before we move to the questions on the agenda, can I invite Sir Edward to make a short opening statement?

Sir Edward Lister (Board Chairman, L&P): Thank you very much, Chair, and thank you for giving us the opportunity of coming here today. It is probably quite useful that you are doing this review now because it is, basically, four years since L&P was set up. There is obviously going to be whatever happens next May. Therefore, it is quite an apposite time to be looking and thinking about in what direction L&P goes.

Just to give a few highlights: L&P has, in our opinion, added £1 billion to the London economy. L&P has secured 30,000 new jobs and that is 30,000 new jobs calculated by the Greater London Authority (GLA) formula for calculating jobs and so it is not about retaining jobs or anything else. This is about actual new ones that can be individually identified. There has also been more than £250 million spent on publicity, particularly in the tourism area, which has all been paid and raised by work done by L&P.

L&P of course, although funded by the Mayor, is very much on an investment basis and the intention is that steadily but sure the funding from the mayoralty reduces in proportion to the amount of money raised from other sources. That is certainly the direction of travel and that is certainly what we would be doing. I am going to ask, if I may, Gordon to talk a little bit about the business plan, if that is permitted.

There are one or two other quick highlights. We are rated very highly [on our work] with students. It is the number one ranking for students to come here. We are the leading destination for foreign direct investment (FDI) money in Europe and we have seen that consistently over a number of years now. For events, we have moved from being 19th in the ranking to the fourth, which is an extremely good position to be in. People do recognise just how good it is to have an event here in London.

London has also been named as the 'ultimate sports city', which is fair because of everything that has happened with the Olympics and, indeed, anybody who saw anything of the Rugby World Cup can see why people want to come to London for sporting occasions. It would be fair to say that as a city – and I talk about the city in the widest possible sense – we do that pretty well.

Back to the money, it is really important that we steadily reduce the proportion – I am not saying the amount but the proportion – that is paid for by City Hall and we move steadily towards raising more and more of that money from the private sector and, therefore, build a bigger and bigger pot. It is the size of that pot that we need. Compared to other cities, we spend very little.

There are one or two highlights that I just wanted to lastly mention. We are publishing a new Tourism Strategy. We have shared with you the business plan and, genuinely, it is still a draft and we are very much welcoming any comment anybody makes to us and are trying to pick all of that up. We are setting ourselves far higher targets than we have previously. We are looking for a gross value added (GVA) of

£286 million with 5,000 more jobs and also a further 3,000 jobs supported as a net result of that. Those are the targets.

If I may, Chair, could Gordon just say a word on the business plan?

Jennette Arnold OBE AM (Chair): Yes.

Gordon Innes (Chief Executive Officer, L&P): Thank you, Ed. The last time that we appeared before one of the Committees of the Assembly, it was recommended that we try to bring forward our business planning process to give you input and be able to contribute more to that process before we appear before the GLA's Investment and Performance Board (IPB). We have done that this year and this session is very timely. As Ed said, the business plan is being worked up and is in draft. We are looking to go to the IPB in December to get City Hall's sign-off.

Just to share some of the highlights that we are proposing for 2016, the first one is to launch a new export programme for the city. I would be happy to talk about that. It is quite an exciting, innovative new model we are looking to roll out that could have quite a large, significant impact.

We are continuing to push the city's reputation as a digital technology hub and also as a life sciences sector. We have been doing a lot around scaling up companies and showing that a company cannot just be started in London but can get funding and can scale up. In the life sciences area, we will be doing a large focus next year on our excellence in genomics and in medical technologies and trying to attract investment into those areas.

We are looking to create a new London mobile app. This is very much around being a guide for visitors coming in, providing much more granular content and geo-locational technology with that and increased personalisation that will encourage visitors to explore more of the city and particularly to get off the beaten track and out of Zone 1.

Equally, we are working with City Hall to do more around the city's neighbourhoods. Our digital channel, Visit London, reaches more than 28 million people a year. We are looking to grow the content about the neighbourhoods of London as well as the core attractions of the city.

As Ed said, we have been asked by the London Enterprise Panel (LEP) to look at a ten-year tourism strategy for London and to develop that by next year. That is very much around high-volume jobs. It is very much around entry-level jobs. A lot of the jobs that we facilitate the creation of through the spend that we attract are entry-level jobs and we are looking to see what can be done to accelerate that, going beyond our promotional remit, looking at the product, looking at the skills requirements, the infrastructure needs in the city, etc.

We are doing more with the cultural institutions in London. This year we launched the second Cultural Season that brought together all of our top museums and galleries. We will be looking to grow that again next year because of the success that that has had in attracting tourists.

We will be doing more on the events side. Festivals and events are a key driver for tourism. We will be looking to do more to aggregate events and to internationalise them. We have had some success this year with London Technology Week, which we created last year.

As Ed said, we are very much looking to drive our private sector and non-GLA grant income. We are almost at the level now where we have parity between the GLA income and our private income. That is up from, when I

joined, just over 20% private income to about parity. Our business plan looks to achieve parity next year. I suspect we will probably exceed that. We can talk again about what we are doing in that space.

Finally, as Ed said, we are looking to deliver more jobs and growth. The whole *raison d'être* for the company being set up was attracting investment and spend from overseas that will create jobs and that will bring wealth into the city. Therefore, again, for the fifth year in a row, we will increase the jobs and the GVA target for what we are looking to deliver back into the city. Those are the main highlights.

Just one thing, if I may, Chair, before I finish. Although the focus is very much on jobs and growth, we are very cognisant of some of the wider policies and priorities that City Hall has. For example, we work with a lot of the investors coming in. We encourage them to get involved in social responsibility programmes. I sit on the Team London Board and, again, help in bringing sponsors into that programme. A company we recently brought into London has now joined the HeadStart programme and is committing £150,000 to that. While that is not our core job or our core business, we do try to use our relationships to further those other objectives that City Hall has, whether it is around apprenticeships, volunteering or other areas.

Jennette Arnold OBE AM (Chair): Thank you very much to both of you for those opening statements.

We now move to the questions on the agenda.

2015/3550 - London's overseas reputation

[Stephen Knight AM](#)

To what extent is government policy and rhetoric over immigration and uncertainty over EU membership damaging the reputation of London overseas and our city's economic interests?

Sir Edward Lister (Board Chairman, L&P): There are two areas that you have picked up in your question, which we have seen. You have raised the issue about immigration and the European Union (EU) referendum.

Dealing with immigration first, particularly Indian immigration and particularly students: there is a lot of evidence that we have had an enormous drop. In fact, the figure that we have is that in 2009 we had nigh on 10,000 Indian students and by 2013 that had dropped to just shy of 5,000. It had halved in that period. There is some evidence at the moment that seems to suggest we have stabilised at that figure and we are bouncing along around there.

Obviously, we need to go back up again. There was a lot of bad publicity a short while ago, back in 2009 or in that period, mainly to do with visas at London Metropolitan University and one or two other places. That all caused a lot of problems. We are trying to do something about it. It is an immigration issue and so it is largely outside of our hands. However, I have convened a meeting that is taking place later this month of all the London universities to talk about the Indian visa situation and to see if there is anything we can collectively do. I also know that one of the Ministers is actually in India in early December to talk about that subject. We are trying to build up some evidence and some pressure to put on them to try to move the whole visa situation forward.

For other groups, we are not noticing a major problem as far as students are concerned and that is not an issue.

As far as the EU referendum is concerned, although it is there and people sort of refer to it, it is not a worry at the moment. It does not seem to be causing any kind of investment difficulty. Whether there is something

going on under the surface that we are not seeing remains to be seen, but it is not coming up in meetings with people or, if it does come up, it is a peripheral subject. There still seems to be a belief by the majority of them that we will ultimately stay in [the EU] and this is just an upheaval. Of course, if there is deregulation for those companies that have already invested in here, they are very keen on that happening anyway and so it is in their interests.

That is really where we are. I am sorry it is not a more definitive answer on that, but that is certainly how we see it.

Stephen Knight AM: That was very interesting and I am particularly interested in the meeting you have coming up with the London universities and with the Minister.

Clearly, the importance of international students in London is huge. The figures I have seen suggest it is £2.5 billion that they add to London's economy annually. Clearly, L&P has a big objective to increase the number of international students coming to study here, as does the United Kingdom (UK) Government, which says it has that objective. Yet the UK Government also has an objective to cut net migration. When you consider the proportion of net migration that is international students being so high, those two policies do not make any sense held together. It is almost that deep confusion at the heart of Government policy that is sending completely mixed messages. We have seen that, obviously, in India but in other parts of the world as well.

Clearly, there have been changes to immigration policy. It is not just the rhetoric. The big change, of course, is the removal of the two-year post-study work visa. If Theresa May [Rt Hon Theresa May MP, Home Secretary] had had her way, people would have been sent home the day after they graduated, but I think they now have four months. Nevertheless, it is a very significant change. International students now have to pay £150 a year each towards the National Health Service (NHS) whether they use it or not. There are other changes: they are interviewed by the UK Border Force on entry to check their *bona fides*, which is something that may well put off international students if they feel they are going to have to go through that kind of hurdle. It does not make them feel welcome. There have been real changes as well as the rhetoric.

My question to you is: to what extent is the Mayor lobbying Ministers to make London and the UK more open to international students? For instance, one of the big calls has been to remove international students from the net migration figures.

Sir Edward Lister (Board Chairman, L&P): I can, firstly, assure you that the Mayor has certainly had correspondence on Indian visas and on that group in particular and particularly on the tier-two problem.

The argument is that if you come here to do your university degree, that is fine, but you then need to gain some work experience and, therefore, it is getting that job for a couple of years before you then return to your home country. The rules have been changed so that you can stay here only four months but, even worse than that, you have to earn a minimum of £20,800 a year or proportionate of that, which is a pretty high salary for any student to pick up having just left university.

Stephen Knight AM: Indeed.

Sir Edward Lister (Board Chairman, L&P): It is another obstacle that is in the way. For us, it is really important and the Mayor has picked this up on a number of occasions. He has lobbied for it hard.

If you go to countries like India - and that is just an example - why do so many of those Indian companies invest in London? Why do they welcome British companies investing in India? It is probably because they came here to school, came here to university, came here and had some contact. Of course, we are turning that contact off and all we are doing is sending those same individuals off to Australia or off to the United States (US) and they are then getting the net --

Stephen Knight AM: We are doing it at a time when we have a shortage of science and engineering graduates here in London. We need international students to fill that gap.

Sir Edward Lister (Board Chairman, L&P): I do not think anybody can say the Mayor has not argued for relaxation of the visa situation and has been supportive of it, particularly for this group of individuals. We are continuing to do that. The Mayor is doing that. We are continuing to lobby.

As I said, we have this meeting, which is designed to pile more pressure on. Certainly having the universities on board with us and speaking with one voice will be helpful.

Stephen Knight AM: Good. Thanks very much and I hope that you will keep us informed of progress with lobbying for changes.

Can I move on to the European dimension? You said that, as far as you could see, it was not a worry at the moment for FDI. Yet I can point to an Ernst & Young (EY) report published in May this year, its attractiveness report, which found that 31% of investors were either reducing or freezing their planned investments up to 2017 as a result of insecurity caused by the referendum. We have one report that surveyed overseas investors and found that almost a third of them are putting their investments on hold in London. Are you confident that you think it is not having an effect at the moment?

Gordon Innes (Chief Executive Officer, L&P): I am aware of that EY report. FDI data is notoriously difficult to gather. You have the EY report, you have fDi Markets, which is part of the *Financial Times* (FT) group, and then you have the Government's own data from UK Trade & Investment (UKTI), all of which say different things and none of which are comprehensive.

Certainly from our experience, we are not seeing it having an impact on the investment that we support. We are talking at the moment to around 1,000 companies that are potentially going to invest in London. Each year, around 250 or 300 of those will. This year, our numbers are up again on last year. We are not seeing that slowdown. It may be that follow-on investment is being deferred. That is possible and we would not be picking that up. We tend to focus on the newer investment coming in. Where it is --

Stephen Knight AM: It seems intuitive, does it not? If people are saying the reason they are coming to us is for access to the EU - and a lot of them are - and if there is insecurity about whether we are going to be a member of the EU, it is going to be something that is going to worry them.

Gordon Innes (Chief Executive Officer, L&P): It varies by function, by company and by geography of where the investment is coming from. When I sit down with American investors, they tend to be quite relaxed about it. They talk about having their investments in Switzerland and being able to trade from Switzerland and they cannot believe that something would not be sorted out. When we talk to Japanese investors, they tend to be more cautious and want to make sure there is greater certainty. Equally, in areas such as life sciences and certain aspects of financial services where you need passport regulations, there are particular functions where there might be greater concern about the investment if the UK was not part of that regulatory system.

Stephen Knight AM: Do you think Japanese investors and life science investors are all particularly concerned about it?

Gordon Innes (Chief Executive Officer, L&P): There are particular investments within those areas where there would be greater concerns than in other areas. However, you are right. The two key reasons investors give us for coming to London are, firstly, the access to markets and, secondly, the talent that exists here. Those are the key drivers.

Stephen Knight AM: Would you agree that we have a set of Government policies that is actually hampering your key purpose in terms of bringing international investment and international students to London? Your aims are being hampered by the Government.

Gordon Innes (Chief Executive Officer, L&P): We sit on various groups at national Government level. On the visa side, we contribute to Home Office groups and we contribute the data, the input and the insights that we have from the clients. As Ed [Sir Edward Lister] said, we try to feed that in to influence policies --

Stephen Knight AM: The answer is yes, is it?

Gordon Innes (Chief Executive Officer, L&P): I would not want to be seen to be criticising national Government policy at the London Assembly. I will leave that to Ed to do.

Andrew Dismore AM: I would like to follow up on some of the similar issues, actually. Sir Edward, looking firstly at the student visa issue, you have talked about universities. However, in July 2015, the Government also tightened the rules affecting further education (FE) students by, for example, limiting the length of a visa to two years instead of three. You have made a point about how you have made representations to the Government - or the Mayor has - but, presumably, you do not seem to have achieved very much in that we still had these changes coming in in July 2015.

Sir Edward Lister (Board Chairman, L&P): No, that is right. We are having difficulty getting cut-through on this. There has been some relaxation in certain areas. It does not seem to be a big problem with Chinese students but it is a problem with Indian students. There are these kinds of issues that are out there at the moment.

We have done our best to lobby on this, but it is actually one where there is not a lot of traction from the Home Office.

Gordon Innes (Chief Executive Officer, L&P): Our focus is very much on higher education because that is where the significant value is for international students rather than the FE sector. While FE is obviously extremely important, you get fewer international students in that area.

Andrew Dismore AM: Even so, for every 520 students, they are bringing the equivalent of 97,000 leisure tourists, are they not? It is a huge hit on London's income. Just over 500 students bring in £20 million a year. What are you doing, Sir Edward, to redouble the efforts to try to push the Government harder on this?

Sir Edward Lister (Board Chairman, L&P): That is why we have convened this meeting with the universities because we have to try to speak as one voice. Do not forget that we got ourselves into this problem because one or two universities were seen by the Home Office - without going into the whys and wherefores of it - to have been breaking the rules. That gave those who wanted it the excuse to cut back on student visas. That is why it is very important that we work jointly with the universities to find ways in which

we can give the kind of reassurance that the Home Office is looking for. That is about us working together with them and working with the chancellors of the universities to make the case. That is what we are doing.

Andrew Dismore AM: Will you bring the FE sector as well into that meeting?

Sir Edward Lister (Board Chairman, L&P): I will happily bring the FE sector in, although I will just reiterate that all our evidence is that that has never been as strong a sector as the university sector is for Indian students simply because of the cost issue. If you are coming here, you have to be relatively wealthy in the first place and so they tend to be people going to university. However, I will happily take that point on board.

Andrew Dismore AM: If we have figures that are halving over the four years to 2013 in Indian students and we have further restrictions coming in in the summer of this year – and some of those have been discussed already apart from the FE impact – then it is sending a pretty poor message around the rest of the world, is it not?

Gordon Innes (Chief Executive Officer, L&P): We are also, in the promotional work we do running the Study London website and working with the universities, trying to be pragmatic. As Ed [Sir Edward Lister] said, there is less of an issue in the Chinese market. The model that agents sell to potential Chinese students around how they pay back their fees would typically be a different model, which has been less impacted and so we have been pushing more in that market.

We launched a couple of years ago a specific Chinese-language site and a number of social media sites to try to fill the Indian gap with more Chinese students, which has been successful. We are also doing more with a number of universities this year in the Middle East market, again, to try to boost the numbers from that market.

We are trying to work around to a degree but we are also focused on the Indian market as the important one.

Sir Edward Lister (Board Chairman, L&P): In the Chinese market, you have the close working relationships between London universities and Chinese universities. You do not have those same linkages with the Indian universities. You could say that that is because the visa problem has resulted in less connection taking place and we have to try to do something about that, but all we are trying to say is that we are trying to push open the doors that we can open relatively easily. We are going for some low-hanging fruit and we are unashamedly doing that.

Andrew Dismore AM: Obviously, China is flavour of the month at the moment. As far as Indian students are concerned, once we have lost that market, they will have gone to America and the links will be broken. That is a pity, bearing in mind our longstanding cultural and economic links with India. It is potentially a market that has gone forever, is it not?

Gordon Innes (Chief Executive Officer, L&P): We are seeing, as Ed [Sir Edward Lister] said, it stabilising. In the last couple of months, we have seen a significant uplift again from the Indian market. We have been doing quite a lot of public relations (PR) activity, working with *The Times of India* and others to try to reset the messaging in India about the quality of the education, the quality of the experience and the welcome that Indian students will get. I would hope that we will start to see that turn around, having stabilised in the last couple of months, but we are a bit too early to tell.

Andrew Dismore AM: Of course, we have the rest of the world as well.

Gordon Innes (Chief Executive Officer, L&P): Yes.

Andrew Dismore AM: Could I go on to talk about some of the issues around the [potential of] “Brexit” [UK exit from the EU]. In your business plan, Sir Edward, you state that you are focused on proactively targeting “international and European headquarters functions”. What modelling have you done about the implications of a British exit for this particular objective?

Gordon Innes (Chief Executive Officer, L&P): At the moment, it is all anecdotal. Our research team is going to be looking at this and looking particularly at the functions that could be impacted, looking at the impact it could have on both international and European headquarters. At the moment, it is simply anecdotal and we have not had the resources to do any detailed modelling. I know the national Government has not done any modelling in this area, either.

Andrew Dismore AM: Do you not think it needs to be done?

Gordon Innes (Chief Executive Officer, L&P): Yes, absolutely.

Andrew Dismore AM: This is potentially creeping up on us and Sir Edward may be right and people may be discounting the risk of us actually leaving because the messages seem to be changing virtually daily about that. It is an uncertainty and we do have some internationals already having expressed concerns about the risk of Brexit and suggesting they will be scaling back what they have already; Nestlé, Hyundai, Ford, Goldman Sachs, to name a few. It is a potentially grave problem. As we get closer to the referendum, people will start getting more nervous, will they not?

Gordon Innes (Chief Executive Officer, L&P): Absolutely, I agree. We need to do that work. Again, it is worth flagging that this year we are seeing an increase in the investment that we are attracting and that we are supporting. We will deliver a larger number of jobs this year than we have ever done in the past. Absolutely, that work needs to be done and needs to be done quickly.

Andrew Dismore AM: If Britain were to leave the EU, it would make it very difficult indeed to persuade global firms to come here, would it not?

Gordon Innes (Chief Executive Officer, L&P): Yes.

Andrew Dismore AM: Yes. The Confederation of British Industry (CBI) has said:

“We should not underestimate the potential pitfalls of alternatives to full EU membership. Being outside with limited influence could leave us at the back of the queue for signing good quality trade deals with major economies and also hamper our access to the EU market itself.”

Would you concur with that?

Gordon Innes (Chief Executive Officer, L&P): It would depend on what the relationship is and if there was a no vote in the referendum. It would depend on what the relationship was. The Mayor’s Economic Advisor, Gerard Lyons, has done some analysis on potential scenarios and what the impact could be for the London economy. That is the most detailed work that I have seen in this area.

Andrew Dismore AM: This is the CBI’s response to the Mayor of London’s *Europe Report*, which is what Mr Lyons was talking about and what you have just referred to.

Sir Edward Lister (Board Chairman, L&P): All we can do is report back on the people that we are having a dialogue with. The referendum is going to take place at some point in the next year or so. From our point of view, the quicker it happens the better because it removes the uncertainty.

However, for now, we have to keep on pumping out the message that it is not clear what the outcome is going to be. This is still one of the most dynamic markets in Europe. It is still in its own right a very strong market to come into and the benefit if there is a renegotiation will be a reduction in bureaucracy, which of course will be to their benefit. There are attractions as well because those same companies do complain about the red tape that is involved in establishing businesses in this country. There is another side to this coin.

Having said what we have said, as far as we are concerned, the quicker this comes to a conclusion the better, but I suspect it is not going to come quickly.

Andrew Dismore AM: Do you envisage any circumstances at all in which the Mayor would be advocating a no vote in the referendum?

Sir Edward Lister (Board Chairman, L&P): That is, I am afraid, a question you really have to ask the Mayor.

Andrew Dismore AM: I will ask L&P, then. Do you envisage any circumstances in which L&P would be advocating a no vote in the referendum?

Sir Edward Lister (Board Chairman, L&P): No, I think that it would be very unwise of L&P to enter into that particular political battle. That is probably one better placed here than there.

Andrew Dismore AM: Why do you say that, Sir Edward? If L&P's job is to attract inward investment, tourism and all the rest of it into London - and it appears from what you were saying in the discussion we have just had that EU membership is very important to London - why would L&P not want to express a view about that along with all of the other groups that are making their points of view heard?

Sir Edward Lister (Board Chairman, L&P): L&P, as its name implies, works with a number of partners. We work very closely with the hotel industry. We work very closely with the Government and UKTI. We work closely with FDI organisations, banking organisations and all the rest of them. It is not for us to enter into that particular political battlefield. That is something better done elsewhere. It is our job to promote London in the best way we can. If we were outside the EU, we would still be in the same position of having to promote London.

Richard Tracey AM: Can I just ask you one or two more questions about the European dimension? It is right, is it not, that more Americans visit London as a tourist destination than any other European city? Is it also not correct that there is more trade done by this country - and by London, obviously - with Asia and with the Americas than, indeed, with Europe?

My question to you, really, is: are you intending to ask a specific question in any survey you do of tourists particularly about the attractions of London as opposed to Europe or in comparison to Europe. It seems to me that that is rather important in promoting London.

Gordon Innes (Chief Executive Officer, L&P): Our largest tourism markets, as you say, are the US, France and Germany by volume, but the US by far in terms of value is the largest.

Richard Tracey AM: What about Asia?

Gordon Innes (Chief Executive Officer, L&P): It depends on which country in Asia. Someone mentioned that China is flavour of the month. China is still in the 30s: I think it is about the 35th or 36th largest source market for tourists in London but a very large spending market and gets into the top teams in terms of spend. Because of the limited resources we have, we are focused on bringing the highest return in the volume of tourists and the spend of tourists and so our focus is on those high value, high volume markets.

In the work that we are doing on the long-term strategy for London, we are going out and asking American tourists specifically the questions you have put about the attractiveness of London, about the experiences they are interested in having and how London compares to other destinations and whether or not we have the right products or are promoting the right products. We are gathering that evidence at the moment and getting the results.

The initial evidence suggests that we need to focus more on the experiences that they have rather than the actual products that we offer, but that London does have the diversity of product that will be needed in future years to continue to attract American visitors in. It is about we package that, how we promote that and how we reach those people and through which channels. That is what is really important.

Richard Tracey AM: Do you ask the same question of the Asian visitors, particularly the Chinese? I see vast numbers of Chinese in London and, indeed, Japanese and others from the Far East. Presumably, it is just as attractive to them?

Gordon Innes (Chief Executive Officer, L&P): With this long-term strategy work, we have gone out to a small number of European markets, to China and I believe to one other in Asia. My apologies; I can give you that data. For the Chinese visitor, there is different evidence coming in about the welcome, about the food offerings here, about Chinese language signage, tour guides, etc. We have done quite a bit of work with the hotel industry and with Visit Britain to try to make sure that that is understood within the industry and that we are growing the number of Blue Badge guides and the amount of Chinese signage within the key attractions, etc.

We are also looking to do a piece of work early next year again with Visit Britain in the China market, which we have really focused on the trade rather than wider promotion. We will be using that research- through some Chinese celebrities - to go back into the Chinese market and make sure that the Chinese audience sees the 'wow' factor that London has and that appeals to the things that they are interested in.

Sir Edward Lister (Board Chairman, L&P): The number of Chinese visitors to London was 99,000 in 2014, which was less than 1%. They are not there in volume but, as Gordon says, they are there in spend.

Gordon Innes (Chief Executive Officer, L&P): They are particularly important to the retail sector, to some of the five-star luxury hotels, etc. There are bits of the economy for which that market is very important.

Sir Edward Lister (Board Chairman, L&P): Things like having renminbi-issuing cash machines in certain stores and things like that actually were more important because that enabled them to access cash relatively easily here in London.

The trouble is that we are now moving into the other problem area, which is Schengen. Of course, we are not in the Schengen Agreement. If a Chinese tourist comes to Europe, they have to get two visas, one to come to

the UK and one to go to the Schengen countries. Although that has eased now that there is an agreement where they can buy their Schengen visa and their UK visa in one operation and that has improved the situation, it is relatively new. It is fair to say that that has not yet worked its way into the system, but hopefully it will and hopefully it will show an increase in the number of visitors.

Roger Evans AM: I would like to return to the debate about building links with the Indian market here in London. Recently I spoke at the World Hindu Economic Forum and also at Diwali in the Square and I was struck on both of those occasions by the size and the enthusiasm of London's population of Hindus and Sikhs with Indian roots.

What is L&P doing to use that enthusiasm and those existing links to benefit the city and to encourage more development?

Sir Edward Lister (Board Chairman, L&P): There are two bits to add. Firstly, we are trying to use some Indian role models in publicity and in reputation. Indeed, I have forgotten the name of the individual but we have one who is a particularly famous film star. Forgive me; I will have to give you the name. Famous in India, obviously. It is people like that and, if we can get them on board talking about London, it is worth an awful lot. That is what we are trying to do. We are trying to find advocates. We are fortunate in having an office in India. We have L&P people there in the country. Therefore, we are relatively well placed to do some of this. There is that work going on. I mentioned the meeting with the universities, which is important.

The other one, of course, is trying to - as they are beginning to - enable visas for business people to get in and for longer periods of time. That is very important and that is a big issue with some of the biggest investors in the UK. There are some pretty big Indian investors working here and they are getting their visas, but it is a slow process.

Gordon Innes (Chief Executive Officer, L&P): There are two things maybe just to add to that. On the tourism side, we have pulled back the work we do in India, the reason being that the data showed that the additionality that we could have was smaller than in other markets. A lot of the Indian visitors will come anyway to visit family and relatives here. Therefore, they do not need us to use public money to bring them here and we have pulled back from that market.

On the investment side, India is our third-largest source market for FDI and we are working currently with Tech London Advocates and others in the technology sector. We have recently launched a campaign with British Airways and others called The Future 20, which is about trying to identify the next 20 global companies that will come out of India - whether it is Wipro, TCS, Tata or others - and to hook them into London and for London to be their international partner, to bring those companies into London, to support and mentor them, to introduce them to investors here, etc. That piece of work is very important to us and we will be rolling that out over the next few months. We think we will get quite a lot of publicity around that in the Indian market to remind Indians of the importance of London as a springboard for them so that they should look to London to internationalise rather than looking on the technology side to the west coast of the US, like a number of them do.

Roger Evans AM: I also spoke at a breakfast quite recently when we welcomed the China Development Banking Corporation to London on opening its first office. What is L&P doing to encourage more Chinese financial institutions to base themselves in London?

Gordon Innes (Chief Executive Officer, L&P): A lot. If you look at the tier-one Chinese banks that have all set up operations here, we were involved in all of those, supporting their investment, helping to attract their investment to get them here and helping them get established and get a customer base here.

We were involved in working with the Corporation and others on advocacy when there was an issue around branch versus subsidiary, which was encouraging some of the Chinese banks to set up in Luxemburg or elsewhere rather than in London. That was resolved last year by the Chancellor [of the Exchequer, Rt Hon George Osborne MP].

We are now working with what we would call the tier-two banks in China. Having got the large tier-one banks, we are working with the tier-two banks, again, to encourage them to come here. We have operations in Shanghai and in Beijing with a small number of staff, about three staff in each. A lot of their activity is focused on Chinese financial services firms. In fact, the officer who heads up that team was with the Bank of China and helped to expand its international operation into London. We have specifically recruited in this area to have the expertise to provide the support.

Sir Edward Lister (Board Chairman, L&P): I was just going to add that of those organisations opening up, on at least two occasions the Mayor has opened their offices. We have been quite active in encouraging them and helping them.

Andrew Boff AM: It is only to follow on from what my colleague Roger Evans [AM] was saying. By 2040, the young population of Africa will dwarf that of China and India. I want to know what it is L&P is doing to recognise the consequential increase in economic activity that there is taking place in sub-Saharan Africa and how we are going to seize those opportunities as the major trading capital of the world?

Sir Edward Lister (Board Chairman, L&P): It would be nice to say that we are about to do lots of things in Africa, but we are not --

Andrew Boff AM: I know you are not. That is why I asked the question.

Sir Edward Lister (Board Chairman, L&P): -- and it is simply a matter of resources. The resources have been prioritised into certain markets and the African market is not one of the priorities. That is not to say that there is not a big market there, but there is a budget that we have and it is just not feasible to do an enormous amount more in those markets. The priorities do very much remain in place about the US, which is still the biggest single investor in this country and also a major source of tourism. The US is very much number one and then you are moving to China, Asia and India.

Gordon Innes (Chief Executive Officer, L&P): There are two areas where we are doing relatively small amounts of work in Africa. One is attracting Nigerian students, which is quite a large market for international students. It is not in the top three or four but it is still quite large. It is in the top ten; I cannot recall exactly where. We are pushing out content that is relevant to that market and trying to get PR in that economy.

The other one is slightly odd and now we are not doing much at the moment, but we have seen a lot of investment coming into the west of London from commodity companies and extraction industry companies focused on sub-Saharan Africa. Having their European operations here are Australian mining companies and East European mining companies and they are coming to London specifically to access the sub-Saharan opportunities.

Therefore, although we are not focused specifically on Africa, we are selling the links that we have and the historic links that we have as well as the family links and tradable links with those markets. Obviously now with the commodity price, we are not seeing that investment flowing in the way it was a few years ago, but that will pick up at some point.

Andrew Boff AM: Are you aware that amongst the population of 600,000 in London who have African heritage – the African diaspora – there is frustration about the way in which China, France and other countries seem to be doing so well? There is actually an enormous amount of goodwill and they just want to see us extend a hand of welcome in order to establish trading links with sub-Saharan Africa. Are you aware that there is that frustration among a very large proportion of London's population?

Sir Edward Lister (Board Chairman, L&P): We are aware of that. Indeed, it is one of the frustrations, of course, that we still have those tremendous links through the Commonwealth. The Commonwealth Business Council has done quite a lot of work building up its organisation. There is quite a lot happening in other places.

However, from our point of view, with the resources we have, we have to prioritise them and at the moment the priorities are as set out. That is not to say one should not look at different priorities, but if we were to go into one of those areas, we would have to cut back somewhere else. That, I am afraid, is the issue.

Jennette Arnold OBE AM (Chair): Let us go on to the next question.

2015/3551 - London & Partners' strategic delivery

[Fiona Twycross AM](#)

How effective is London and Partners in delivering jobs, investment and tourism for London?

Sir Edward Lister (Board Chairman, L&P): This is really about the inward investment side for us. This is where we have been particularly effective.

Firstly, I will just make this point. Since we merged all of these individual organisations together, we have made about £2 million worth of back-office savings. That has all been ploughed back through into the organisation.

Therefore, now it is very much about how we deliver more and what those areas are. The obvious one is the FDI area, where L&P has been involved with over 1,000 companies. Kit [Malthouse AM MP] was very involved when he was Chairman [of L&P] with a lot of that work. That has been a great success and we have been able to attract a lot of inward investment into London, moving their offices and moving their headquarters here, and that has been a great story. Those bits we are very pleased about.

Fiona Twycross AM: I would like to start my questioning by asking a few questions about transparency at L&P simply because, without solid accountability policies in place, it is quite difficult for us as Assembly Members to judge how L&P is delivering on the core objectives.

As you are aware, Sir Edward, last December we had correspondence over transparency at L&P. As part of that exchange, you talked about L&P's status as a not-for-profit partnership and how that gave it 'institutional agility'. What does this phrase mean in practice? How important is that agility and how does it affect transparency as well?

Sir Edward Lister (Board Chairman, L&P): There are two parts. Firstly, just dealing with the transparency point, we did radically overhaul the transparency policies of L&P at the instigation of the Assembly and we put in the new process in April [2015]. We are now publishing far more information than was ever published previously.

We are on a journey. Whether we have reached the right spot on that journey of transparency, I do not know. It needs to be kept under constant review. The Board is keeping it under review. The Board will want to look and see what the upsides and downsides have been of this and whether we should go further. That is worthy of a lot more conversation and it will continue.

However, on the agility point, it is really important that L&P is able to move quickly. We do raise now pretty much half our money from the private sector, either money or support in kind, and it is obvious for some of those organisations that they are concerned if too much publicity is put out that they are not in agreement with. We simply have to handle that sensitively. It is just normal commercial practice. When we are obtaining money from various sources, it is all in the accounts and it is all transparent in that sense. L&P has been able to move around quite quickly and has been able to identify opportunities with our partners. That has worked pretty well.

Gordon Innes (Chief Executive Officer, L&P): Perhaps just to give an example, for the last tourism campaign that we ran - we called it the London's Guest of Honour campaign - that reached around 300 million potential visitors. We had funding through the GREAT Campaign. It was its most effective campaign last year with about a third of the budget of a lot of the other ones that it ran.

What we were able to do was, for every £1 that we were put in, we were able to raise £4 from the private sector. That meant that that money went significantly further than other national Government organisations had been able to do. Recently - and I do not in any way wish to criticise my colleagues at Visit Britain, who are doing a great job, but by way of example - their visitor-spend-to-grant return on investment is about 20-to-1. When we did the same analysis for that campaign, we were about double in terms of what we were able to attract because of that leverage and the private sector funding. We are currently having confidential negotiations with [credit] card providers, with airlines and others potentially about long-term relationships again that would leverage that public money quite significantly.

Fiona Twycross AM: That was helpful and I will come back to the commercial income in a moment. The new transparency arrangements, as you have said, have been in place since April [2015]. The quarter 1 update by L&P states that they are working effectively. Just before we move off this point, how has the assessment been made that the new transparency arrangements are working effectively?

Sir Edward Lister (Board Chairman, L&P): We have published now all the things we said we would publish. They are all on the website. To the best of my knowledge, everything is out there.

Gordon Innes (Chief Executive Officer, L&P): Yes.

Sir Edward Lister (Board Chairman, L&P): We now need to find out what people's views are about that. We do need to talk it through with the Board a bit further. As you know, I am very supportive of publishing as much as we possibly can. It is fair to say that the Board is a little bit more nervous and that is understandable. It is just a balancing act. We do need to discuss it further with them and we will continue to do that. Let us just see how this lot goes and see what responses and reactions we get.

Fiona Twycross AM: Do you have a timescale for reviewing that?

Sir Edward Lister (Board Chairman, L&P): No, but we have always assumed that the natural time to review it would be after a year's worth of operations and so, basically, next April or May would be the ideal time to look again at it to see how it has gone.

Fiona Twycross AM: As Kit [Malthouse AM MP] mentioned earlier, he was the last Chairman of L&P and in January this year he said to the Economy Committee that L&P had failed to attract sufficient commercial income, commenting, "We have undershot a little".

Given that you place a great deal of emphasis on reflecting a wide breadth of private sector experience, would you share the view that it has been difficult to attract commercial income? It seems to differ a bit from the view that you had expressed.

Gordon Innes (Chief Executive Officer, L&P): It has taken longer. We were perhaps overoptimistic about how quickly we could build some of the income streams. I am pleased to say that this year we are on target to exceed the commercial income target that we set. We have set a much more ambitious one again next year and it should be about half of the total income that we bring in. At the midyear point, I do not have the exact figure in front of me but it was over 60% of the annual target for commercial income. We have restructured. We have brought different skills into that team. Also, it was about the longevity of some of the initiatives that we put in place.

One area that I was very pleased with was the Dot London registry that we run on behalf of the city. That was profitable within its first year. Within 12 months it became profitable and we were able to pay the first dividend into the company this year.

Sir Edward Lister (Board Chairman, L&P): If I may, I do not think we should underestimate just how hard it is to persuade companies that they want to pay into an organisation like L&P. It is quite an exercise and we have to try to identify some long-term funding along the way for the future. That is the hard thing: trying to find - like Dot London - things that will continue to give us income over a long period of time. That is something we spend a lot of time talking about and trying to identify ways of doing that. We are where we are at the moment. It has been reasonably successful but not as successful, perhaps, as we would have hoped.

Fiona Twycross AM: I noted with interest because one of my questions was going to be about limited income from public funds in the future, but you suggested that you do not envisage cuts to funding centrally; you just envisage the proportion of GLA money compared to commercial money changing?

Sir Edward Lister (Board Chairman, L&P): I sincerely hope we are not going to be cutting the budget any further. That would be a great shame.

I remember having many arguments when I was perhaps on the other side of the fence with Kit [Malthouse AM MP] when he was in my position about what the percentages should be or not. The point is - and this was Kit's point always to me and I now fully subscribe to it - that as a city we are spending a pittance compared with any other city and we know that. We are actually doing an awful lot for relatively little money. It would be an awful shame if we now reflected what are likely to be quite difficult settlements in London and cut that budget further. We must do our best to try to protect it.

However, we have to get more money in and that means we have to make the percentage of our total budget much less because we do need to spend substantially more than we are.

Gordon Innes (Chief Executive Officer, L&P): Just to paint a picture of the last four years since we were created, as Ed [Sir Edward Lister] said, the grant funding has gone down. In 2011/12 it was £15.8 million and it has gone down to just over £11 million next year. The private funding has gone up from just over £4 million to next year about £10.5 million or close to £11 million. Therefore, we are very slightly ahead but the funding bundle each year has been broadly the same and the makeup has been different. There has been a lower call on the taxpayer and more commercial income each year, but the overall package has broadly been the same each year.

Fiona Twycross AM: You would like the package to increase in order to do more?

Gordon Innes (Chief Executive Officer, L&P): I certainly would. If you look at some of the overseas comparisons, as Ed [Sir Edward Lister] mentioned, there was a report published by Deloitte earlier this year on benchmarking the effectiveness of London's promotional system. That showed that Berlin was spending almost £40 million on tourism alone. Paris was spending significantly more than us, again, around £40 million. New York was spending significantly more than London.

Therefore, yes, our competitors are very aggressively going after the tourist pound or the tourist dollar and for direct investment. On the student side, we have seen a number of markets change their policies in order to attract, for example, more Indian students as we have been losing them.

Tony Arbour AM (Deputy Chairman in the Chair): Assembly Member Arnold?

Jennette Arnold OBE AM Yes, thank you, Deputy Chairman. My question is to both of our guests. I think we can all agree that having high-quality infrastructure - be that a transport network, housing or power systems - are vitally important in attracting trade and investment to London.

Have any stakeholders raised concerns with L&P regarding broadband connectivity in London? I raise this question as London's infrastructure has been called a national disgrace. Indeed, the Federation of Small Businesses published a report in August 2014 - I do not know if you are aware of that report - saying that the capital's broadband infrastructure was not fit for purpose.

I will just add that last week Assembly Member Johnson and I received a delegation of assembly members from the Tokyo City Council. They told us that Japan is planning one gigabyte to each stadium seat for the Olympic Games in six years' time. We have here in London a measly 30 megabytes if you are lucky on a good day. That is for downloading; we will not even talk about uploading.

Edward [Sir Edward Lister], is there a failure here? What is L&P doing about it?

Sir Edward Lister (Board Chairman, L&P): Firstly, in fairness, I am not sure it is an L&P issue *per se*. It is actually a little bit wider.

Jennette Arnold OBE AM (Chair): You have a role to play.

Sir Edward Lister (Board Chairman, L&P): It is certainly a mayoral issue, though, and I fully accept that. There are a number of things we are trying to do to improve the situation.

However, we are constantly getting ourselves caught in a ridiculous situation of - I would suggest - almost market failure. There are just not enough drivers out there to get the kind of broadband services we need, both wireless and hardwired, across the city. We have a problem with state aid: unlike other countries, we

cannot put money into this area easily, mainly because ours is an independent and private telecoms system rather than a nationalised industry. If you are in certain countries, it is a nationalised industry and you can spend state money on it. It is a problem.

We are doing a number of things. We have done some pretty consistent lobbying. I have to say to you that we have not had a lot of success with that. We have brought in – and it was launched a short while ago – the certification scheme for buildings. We will certify buildings by the quality of their connectivity. The highest grade is where they have more than one provider because that is what companies particularly want. They want alternative sources of supply within the same building. They want it both hardwired and wireless. They want it from different companies. They want to know that they will keep functioning no matter what happens. We have that. We have that certification scheme launched. A number of buildings have signed up to it already. It is growing quite well.

We are due to have a meeting of the Mayor's Connectivity Advisory Group shortly. We will get a further update. I will, if may, Chair, make sure that it is sent through to you. It will give some idea of where we are going. However, companies like Land Securities have started to certificate some of their buildings. It is people like that. We are trying to create some commercial pressures on providers to deal with the problem.

The Government has helped with creating permitted development rights for masts and aerials. That is relatively new. That is good news because that was one of the problems that was out there. Also, we are trying to give the green boxes in the street permitted development rights. That will speed up provision.

However, we are still in the position that basically, if you are in outer London, you have pretty good broadband because companies went after the business for television services to individuals. If you happen to be in central London, you have rubbish connectivity. If you happen to be in one of those bits of London that was not cabled back in the 1980s – for example, Rotherhithe, where nobody lived – you are --

Jennette Arnold OBE AM (Chair): There is nothing.

Sir Edward Lister (Board Chairman, L&P): -- lucky to be able to get anything.

Jennette Arnold OBE AM (Chair): That is right. Sir Edward, can I just come in here? I am sure you are aware that the [House of Commons] Public Accounts Committee is doing scrutiny on this. Can you give some assurance that you will explore the possibility of L&P and the Mayor putting in the strongest possible submission?

We have seen that when the Mayor gets his mojo going – or whatever he does – and can then work with the appropriate Secretary of State, we can get opt-outs and we can get action. It is a disgrace. It cannot be appropriate for there to be planning in one part of the planet to give – as I have said – one gigabyte to a seat in a sport stadium when it is easier to have a bicycle deliver your work in Shoreditch. This is the centre of the creative industry in this city. Can you give us that assurance that you will put that on your agenda?

Sir Edward Lister (Board Chairman, L&P): I am very happy to give that assurance. I will also make sure you are fully briefed from the next meeting. I cannot remember the date of it, if you will forgive me, but it is in about two or three weeks' time. I will make sure that you are notified.

Jennette Arnold OBE AM (Chair): I am sure all Assembly Members will thank you for that.

Gordon Innes (Chief Executive Officer, L&P): I assure you also that this is a huge and very important issue for us. About 50% of the companies we are trying to attract – and the companies in the Tech City cluster we are looking to support and internationalise – into London are technology companies. In recent years it was one in three new jobs in the city. The key issues that they raised with us are access to skills – which is also related to housing costs – and broadband. That may be the bandwidth – as you said, special effects companies having to bike their products rather than to upload them – but it is also around connectivity times. For start-ups, if you have to wait six weeks and you only have six months of funding, it could be a death knell for you.

We have a relationship with BT and Virgin. They sometimes do us special favours but that does not solve the problem more generally across the city. It is an absolutely key priority.

Jennette Arnold OBE AM (Chair): Thank you very much.

Dr Onkar Sahota AM: This is going to be for Sir Edward and also Gordon. One of L&P's key priorities going forward is to help London firms gain more export contracts through joined-up trade, investment activities and overseas trade missions.

What added value does L&P bring to securing exports in what is already a crowded field with UKTI and the City [of London] Corporation performing similar roles? Where do you add value when there is already a crowded field there?

Gordon Innes (Chief Executive Officer, L&P): Perhaps I can set out what we are proposing to roll out in the next couple of months. As you said, the Chamber is involved in this space. UKTI has a small London trade team. The Lord Mayor plays a role in this area, as well as private providers, banks, Grant Thornton and others. What we are looking to do is to focus on three areas we are already involved in. This is about companies that are able to rapidly scale up and internationalise.

This week we are running something we call Silicon Valley Comes to the UK. That has a 'scale-up club' particularly for technology firms that have demonstrated 20% growth year-on-year over a three-year period, have at least £1 million in turnover and have demonstrated to investors and others that they can rapidly scale up and become the next global company.

What we are looking to put in place – and it will not be open to everyone as we will invite companies to bid for places on this programme – is a 12-month programme of mentoring from investors and from existing exporters. We have professional services companies funding and supporting this programme. It will be relatively modest. It has 800 companies through the programme. It will be focused particularly on the technology area because that is where we are seeing so much growth, on the life sciences area because there is so much public investment going in and opportunities to scale-up that area, and on what we are calling 'urban solutions', which is really city-to-city selling. That is using the Mayor's links with his counterparts in other cities to try to provide smart solutions opportunities, other urban solutions, urban planning and transportation-type solutions for existing London companies.

The nice thing about this programme is that it will all be funded through the private sector. We have brought on board five private sector partners who are paying for this. We will facilitate, operate and run it. What we are building is networks in key markets overseas, networks of mentors. As I said, that is existing exporters, incubators, accelerators, venture capital firms, banks and others. They will give of their time because they are interested in these companies and would like to get access to them. We hope that by doing that and providing a mentoring solution – rather than providing a solution of officials running this and providing the advice themselves, which some of the other providers do – we will be much more effective.

We are launching this with the Mayor, we hope, in the next month. Then we will be formally making the first call for companies to join the programme in January next year.

Dr Onkar Sahota AM: How many overseas trade missions has L&P actually led and how many has it indirectly supported overseas since its creation?

Gordon Innes (Chief Executive Officer, L&P): How many have we led? I will need to count them and get back to you. With the Mayor, it is about seven or eight?

Sir Edward Lister (Board Chairman, L&P): Yes, but there are one or two without the Mayor.

Gordon Innes (Chief Executive Officer, L&P): I can give you the exact data.

Sir Edward Lister (Board Chairman, L&P): About a dozen or so, I would have thought, or something of that order.

Gordon Innes (Chief Executive Officer, L&P): If you look at the last two that we have done with the Mayor - to New York and Boston and earlier to Singapore and Kuala Lumpur - we brought small numbers of companies with delegations on those programmes that were part of the Mayor's Export Programme. About half of those companies have reported that they have now won export contracts. I do not have the data with me - apologies - but I can provide that for you.

Dr Onkar Sahota AM: Once upon a time, the Mayor of London had opened up offices in New Delhi and Mumbai, recognising how important the Indian market is with 1.2 billion consumers. We have already talked about the special relationship and all of the damage done, particularly in the education sector, by this Government and by the failure of the UK regulatory authorities. The students talk about their fingers being burnt. It is a 'once burnt, twice shy' sort of thing. There has been a huge amount of damage.

Is there still a role to play for London? Was it a mistake to close those missions that the London Mayor had opened previously?

Sir Edward Lister (Board Chairman, L&P): We still have the offices in India. They are still in existence.

Dr Onkar Sahota AM: Where?

Sir Edward Lister (Board Chairman, L&P): In Mumbai.

Gordon Innes (Chief Executive Officer, L&P): L&P has three staff in a serviced office in Mumbai. Their focus up until now has been sourcing and identifying Indian companies that are looking to internationalise and then to make sure that they come to London rather than elsewhere. As we roll out this export programme, we will look to integrate the trade and investment part. You are often trying to sell into the same companies that you are trying to attract and so there are a lot of synergies in bringing the two together. There will be an opportunity to bring the export piece into that team. We will need to look at the resources that we have and whether they are sufficient there.

Sir Edward Lister (Board Chairman, L&P): The overseas offices for L&P are in Mumbai, Shanghai, Beijing and then there are two in the US.

Gordon Innes (Chief Executive Officer, L&P): New York and San Francisco.

Dr Onkar Sahota AM: It was [the] New Delhi [office] that was closed, was it?

Gordon Innes (Chief Executive Officer, L&P): We had a tourism agent previously, who was based in New Delhi when I joined. As I was mentioning to one of your colleagues, the data showed that the outreach we were doing to attract Indian students was not hugely effective because they would have come anyway for other reasons. Therefore, we cut that post to save some funding.

Nicky Gavron AM: We learn - mainly from the international press, I have to say - that the Royal Albert Dock is due to become a third financial centre for London for primarily Asian, particularly Chinese, business. I would like to ask you if you could give us an update on how that is going. Maybe there has been a recent announcement but it looked as though the financing was in difficulty.

Sir Edward Lister (Board Chairman, L&P): The position with the Royal Albert Dock is this. Planning permission has gone through the system. They have started doing the detailed design work on phase one. There was some finance coming into them, which enabled them to complete that work.

They have now, as was announced last week, done a deal with Citic [Citic Construction], which will, with its construction branch, be joint-venturing with a British builder. I cannot remember which one it is; I will have to let you know the answer to that one. That joint venture was announced. They are putting the additional finance in to get phase one of the business centre off the ground. From what they tell us, their marketing is going well and they feel very confident that they are going to succeed. The important thing is now Citic is putting the cash in and Citic is one of the largest --

Nicky Gavron AM: Who is putting the cash in?

Gordon Innes (Chief Executive Officer, L&P): Citic, which is one of the major banks. This is the construction arm of that bank. It is one of the tier-one banks in China.

Nicky Gavron AM: Is there a financial consortium of Chinese banks behind it?

Sir Edward Lister (Board Chairman, L&P): No, it is all Citic's money. It is doing itself. Whether it offsets some of that finance to somebody else I am not aware. It certainly has come in with the finance to get phase one off the ground.

Nicky Gavron AM: When did it come in with that?

Sir Edward Lister (Board Chairman, L&P): That was announced during the [Chinese] Premier's visit. It was an announcement made by the Prime Minister and Premier jointly.

Nicky Gavron AM: That is the good news, is it?

Sir Edward Lister (Board Chairman, L&P): That is the good news. It has cash.

Nicky Gavron AM: That is for phase one?

Sir Edward Lister (Board Chairman, L&P): That is for phase one, which is pretty important. Once you can get phase one off the ground, then the rest of it should follow. It is important to make the point that the

whole of that development is really commercial rather than residential and so it has not been the easiest thing to get moving. It is now moving. We are feeling fairly good about that.

Nicky Gavron AM: It is a third financial centre, is it not, or it could be?

Sir Edward Lister (Board Chairman, L&P): It could be. It is worth saying it is deliberately attracting Asian investors. They have recently had a mission – that they funded themselves – and went out to South East Asia advertising and selling the concept that they have down there. It is very much for Asian firms to move in there with flexible offices that can be whatever size they like. There is an attraction, particularly by Asian companies, that they have their own front door and their own building and do not want to share. That is the whole concept behind that development. You will have individual buildings of varying sizes.

Jennette Arnold OBE AM (Chair): Let us go on then to the next question, tourism in outer London. It is in the name of Assembly Member Arbour.

2015/3549 - Tourism in Outer London

[Tony Arbour AM](#)

What more will you be doing to ensure that Outer London sees an increase in visitor footfall?

Sir Edward Lister (Board Chairman, L&P): Tony Arbour [AM] has actually met with Gordon to go through this and see what else we can do to try to get tourists to move outside the core. It is worth saying that of the thousands of attractions that we push, 48% are outside central London. There is quite a bit of that. You will like this: of the 101 free things you can do, 25 are in outer London. There is quite a bit going on.

It is about getting people into London and then trying to say to them, “Look a little bit wider”. That is what we are trying to do. We need to do more. Tony Arbour is right to have put pressure on us. He is right to say that we need to look at this. However, again, it always has to be in balance. We have to make sure that we get the maximum for the money we are spending. There is a balance and we need to strike that right balance.

Gordon Innes (Chief Executive Officer, L&P): Just to add to that, in the last couple of years the tourism promotional activity that we have done has supported around 4,500 jobs over two years. The majority of those jobs would be entry-level jobs. I do not have the data. I do not know whether it is possible to collect it. I imagine a large number of those would be benefitting outer London boroughs even if the tourists are not all travelling to those boroughs.

As we discussed, one area we are looking to do more in is to increase the content on Visit London, which reaches 28 million unique visitors, and to help with the curation on that website, to provide more information on neighbourhoods and easier navigation for people to find that.

Very importantly, as Ed said, when we have attracted the visitors into London, we need to make sure they have the ability to find the experiences that will be of interest to them. At the moment we are negotiating with a commercial partner to build a significant new mobile app. The app that we have, we did not pay for. We have a partner who funded that but it is quite limited in what it can offer. What we are looking at is something that would be a companion. This goes back to the Chair’s point about access to Wi-Fi and to broadband when visitors are here so that they are able to use it. It will help them to find the attractions, the events and deals, and help them particularly to get out of Zone 1 and to find those other experiences in other parts of the city.

What we have been trying to do increasingly is to personalise what information they receive. We are working with a number of technology providers at the moment to see who will be the best partner for us. From the audience insights – if we know it is a young American from the East Coast and we know the types of things that young Americans from the East Coast are interested in – we can personalise and provide that data that may well be outside the core centre of London and may be beyond the core attractions that we all know about and love. It may encourage them to go and see some other things. We will hope to have that up and running next year. I will be very happy to keep you informed of progress as we build that.

Tony Arbour AM (Deputy Chairman): People who live in outer London pay tax as well. They expect to see things that they are funding and publicity given to their part of town. I did draw your attention to the fact that of the top 20 attractions that you have on your current website, none are in outer London and the first one is Wembley Stadium. I can tell you that you could spend a week in my constituency savouring the delights of Richmond, Kingston and Hounslow and still not scratch the surface. There is plenty to see, even for the young American students whom you are seeking to attract. I am pleased to hear you are developing refined apps to assist people in hearing about the delights of outer London.

As a tangent to that, relating to outer London and to my constituency, are you able to give us some idea of the impact of England crashing out of the World Cup at the group stage on visitor numbers, to London as a whole and to outer London in particular?

Gordon Innes (Chief Executive Officer, L&P): Not anything that would be real: I have heard anecdotally from some of the sponsors that they saw a drop-off in some of the tickets that they had available and the interest in them. However, I understand the numbers were still very strong for all of the games. When we have sat down and done the analysis, which we will be doing because we did the technical bid for the Rugby World Cup, I will be very happy to come and share that with you. I am afraid it is too early at this stage to know.

Sir Edward Lister (Board Chairman, L&P): Can I just add that there is no evidence that it affected the numbers attending the stadiums? It did not because they were all absolutely jammed. The Fanzone in Trafalgar Square was at absolute capacity. Although England may have dropped out, it pleased quite a large population of the city, particularly those from the Southern Hemisphere.

Gordon Innes (Chief Executive Officer, L&P): We will be specifically analysing this. We made some forecasts when we were bidding for this as to the value to the economy. We will be going back in due course and reviewing whether that was achieved or not and so we can share that with you.

Tony Arbour AM (Deputy Chairman): By way of first-hand anecdote, in relation to the Fanzones in Richmond and Twickenham, whilst [England] were still in [the competition], you could not get into the Fanzones as there were large queues. Afterwards, it was really quite empty. You will appreciate, of course, that there was very large investment by the businesses that operate in that part of London and so they lost.

However, on the credit side, are you able to give us an opinion on the news we have just heard that the National Football League (NFL) is proposing to have London – Twickenham in particular – as a venue for its games? Were you involved in that? Are there any figures attached to that?

Gordon Innes (Chief Executive Officer, L&P): L&P – and previously Visit London – has been working with the NFL since about 2007. We have had a very strong relationship with it. We are involved in each of the games that it brings here. We have been helping it to build its fan base. It now has more than one million fans here on its database. The third game this year saw the millionth fan go through a turnstile for a NFL match.

The matches are very valuable to the city with the contribution they make to the economy and the number of tourists they attract in. It is a big priority for us and a big priority for the Mayor.

It has announced that it is extending the relationship with Wembley for the next block of time and then potentially to extend that again. It has also previously announced the deal with Tottenham to go to Tottenham in 2018 or 2019. In the meantime, it has made this announcement with Twickenham that before the Tottenham Stadium is ready it will use Twickenham for the games.

We have helped to grow the number of games from two to three and to make them mainstream games rather than show games, going up to four in the future. We are lobbying very hard to get a permanent team here.

Sir Edward Lister (Board Chairman, L&P): As far as Tottenham is concerned, it is putting their planning application in shortly, which will incorporate facilities for the NFL games. It is taking that very seriously. Obviously, that is a game-changer for it as well in getting that off the ground.

The Mayor has met with the organisation on several occasions. We have been present at a number of the meetings that have taken place. There is not much more we could have done to encourage it to come here. The next thing we want is to persuade it that one of its teams should be based here permanently. That is the next move.

Tony Arbour AM (Deputy Chairman): 'Twickenham Tigers' has a ring to it.

Sir Edward Lister (Board Chairman, L&P): There is one bit of information that is only anecdotal, but we are rather hoping the NFL might in due course be able to confirm this one way or the other. One of the reasons its games are so successful is not just because of the home-grown crowd, which is quite significant, but they are attracting fans in from all over Europe. There is obviously quite a big tourist bit in this, which we need to somehow quantify and understand a bit better.

Gordon Innes (Chief Executive Officer, L&P): The games are bringing quite a large number of particularly German tourists. Germany has the historic link with US [military] bases and so understands and loves NFL. A lot of German tourists come in. We have been working with the NFL to help market in the German market.

Tony Arbour AM (Deputy Chairman): I wonder if I could explore another aspect of attracting tourist business into London. That is offering accommodation in people's own houses, bed-and-breakfasts. We do infinitely less than our neighbours on the near continent in attracting such business. Do you think this is a business we should be going after? How would you seek to attract that business?

Sir Edward Lister (Board Chairman, L&P): One of the websites that is particularly targeted at that area is in discussion with L&P at the moment as to whether there can be some arrangement in place.

We have to be quite careful about how we manage this. We are very concerned that we also continue to encourage the hotel industry as well. One of our big problems as a city - which we did not really touch upon earlier - is our shortage of hotel rooms, which is quite desperate. Our estimate is that we need about 40,000 hotel rooms by 2030 on top of everything that is in the planning system at the moment and there are a large number of hotels in the planning system. Hotels are running at occupancies in excess of 90%, which is creating all sorts of other problems, not least to all the prices. We need to hit the right kind of balance. We need to encourage the hotel industry to build substantially more than they have done. On the other side, we also need to make sure that we encourage Airbnb and those of that world to build up that alternative market. However, we do not want one to damage the other. I am sorry if I have not explained that properly.

Tony Arbour AM (Deputy Chairman): I am hard put to think that somebody who might be staying at The Dorchester is going to look at 20 Acacia Cottage, Hornsey, as an alternative. In any event, it must be true, must it not, that if someone comes to this country with a total budget to spend and are spending less on accommodation, they will be spending more on other attractions? I am really quite hard put to see that there is any conflict between the two.

One of the features in relation to letting and bed-and-breakfasts, of course, has been the tax changes. I do not recall seeing any substantial publicity given by L&P - or, to be fair, by anyone else - to the tax changes that permit people to do this without going to their local authority or making the appropriate revenue declarations. Maybe this is something you should be looking into.

Gordon Innes (Chief Executive Officer, L&P): As Ed [Sir Edward] said, Airbnb is one of a number of players in the space. Its big priority at the moment is growing the number of hosts in London. As you said, it has a lower number here than it does in Paris and in some other cities. You are absolutely right that its visitors typically stay longer than the average visitor does. We actually have three of its staff sitting in our office - while I am sitting here - having discussions at the moment about how we could work together.

It is important though, as Ed said, that we balance different markets. We have very important relationships with some of the hotel chains. Edwardian Group, for example, is very generous and contributes significant funding to our leisure tourism activity. We have great relationships with hotel chains such as Marriott and Hilton, not least on the business tourism side. What we would want to do is to build a relationship with companies such as Airbnb and others in this area, as well as retain the good relationships with hoteliers.

Another area that may be of interest to Airbnb is, of course, our own travel technology lab, which we created earlier this year. It is very much tourism, travel and hospitality start-up companies that are looking to disrupt the tourism, travel and hospitality sectors. There are some in the sharing economy in that lab that may be of interest to companies like Airbnb and to work with those companies. There are a number of ways we can work with them. We are talking with them at the moment.

Tony Arbour AM (Deputy Chairman): I am happy to hear that there are others, in addition to Airbnb, because it is none of our business to encourage a monopoly.

Murad Qureshi AM: Following on from Tony [Arbour AM], sometimes in central London it feels like tourists have taken over the world. I am pretty keen to see tourists - and I think a lot of residents of central London are - spread around outer London. Are you really doing enough on that front? Take, for example, the last time I came back on the Eurostar from Europe. It was a train full of mostly Japanese and Chinese tourists. There were advertisements on the Tannoy for them to go to Madame Tussauds and the London Dungeon. That is the kind of thing you need to do.

Is that something L&P is considering and will do in the future to spread the tourist load across the whole of London, both economically and for people's quality of life?

Gordon Innes (Chief Executive Officer, L&P): There are two answers, if I may. The first one is about when we run the tourism campaigns. As you have rightly pointed out, standing next to Big Ben in August is not particularly attractive because of the volume of people that are there. The campaigns that we run are to bring people in in the shoulder periods when there are fewer people in the city. The work we have been doing with the GLA - for example, to launch what we have called the Lumiere Festival in January - is specifically to encourage people to stay on after the Christmas period when typically they would desert London because it is

cold and dark. It is to give them a reason to come and to stay here at that time. We are looking to spread the tourists out during the year as well as geographically.

Geographically, the conversation that I had with the Deputy Chairman about spreading to outer boroughs is about getting them in here through the most attractive hooks we can, but then when they are getting here helping them to curate the city and to understand that there is a much wider offering than just the core attractions in Zone 1. That is an area where we probably have not done enough.

It has simply been a resource issue. Next year, the grant funding for leisure tourism will be about £1.5 million. We will boost that up through private funding to exceed £4 million but that is still relatively small when you are running campaigns in markets like the US. To try to get cut-through in those markets, it is a pretty small budget. What we do is digital, social and virtually nothing else, apart from PR. It is a resource issue but in this area, as we have mentioned, we need to do more to wrap up.

Murad Qureshi AM: I am glad you accept that because, for example, tourists have a decision to make: do you queue up for an hour to get into Madame Tussauds or go somewhere else? We can certainly suggest that it will not be too hard from there on the District line to go to Kew Gardens.

Gordon Innes (Chief Executive Officer, L&P): The Culture Season, which we launched last year, is also working with the museums and galleries during their shoulder periods. It is also at times when they are opening museums and galleries later in the evenings, overnight and so on. Again, we are able to make that information available to tourists: if you could not get into the Alexander McQueen exhibition, which was the classic one, then it was open all night and you could go in at 3.00am in the morning when it was half-empty and see it. Extending the hours and working with the museums and galleries, again, is something that we have been doing.

Murad Qureshi AM: Just another thing that Tony [Arbour AM] mentioned: hotel provision. Again, it seems to be focused on central London. I have seen in Paddington that practically anything that is converted at the moment is into a hotel. Are places like Hounslow better able to deal with that, given their proximity to Heathrow Airport?

Sir Edward Lister (Board Chairman, L&P): The answer is that it is everywhere and everybody. We need hotels basically right across the city of one sort or another. When I talk about 40,000 hotel rooms, it is of all classes and grades. It is a real mixture.

Gordon Innes (Chief Executive Officer, L&P): The largest numbers are in Zone 2, I think.

Sir Edward Lister (Board Chairman, L&P): Yes. It is the sites. It is very hard to get the sites. There is no shortage of cash coming into hotels. You will have seen the announcement in the *Evening Standard* that there is a hotel being proposed to go on top of Paddington Station. There is no shortage, but it is getting those sites through. Local authorities are not always keen on supporting hotels, although that may change as the business rates debate changes and they see greater benefit from business rates. It is constantly trying to encourage more hotel chains to come in and more hotels to open. It is everywhere. There is absolutely nowhere in London that is saturated. I wish there were.

Gordon Innes (Chief Executive Officer, L&P): We are actively pursuing hotel chains from all around the world through our overseas teams.

Joanne McCartney AM: I wanted to follow up and pick up on an issue you talked about earlier, Sir Edward, about the cost of hotels and staying in London, particularly with regard to families and promoting London as a family-friendly city. Obviously, with families, costs do rack up. Can I ask what steps you are taking to maintain London's status as a family-friendly city? Have you seen any evidence of a change in the nature of tourists, perhaps with the costs particularly of accommodation, and a shift from families to other travellers?

Sir Edward Lister (Board Chairman, L&P): I will leave the second part to Gordon to answer. I cannot answer that but I can the first bit, which is the overall cost element of hotels.

There is no doubt about it: it is now beginning to be a major problem for us. For example, for conventions: nobody will make a commitment going forward three or four years about their rates or anything else because they know that they can let their rooms. That means it is getting very hard to attract conventions and other things into the city and so there is a real negativity behind this. The prices are high because there is such a shortage of room space. For any institution that is operating at over 90% capacity, it means, basically, there are no spare rooms and so they can almost ask what they want in the way of fees. That is a real downside and the only way to deal with that must be to get more hotels through the system.

On an economic point, hotels, particularly hotels with four stars and upwards - and I know this goes against the family point - are really good news on the jobs front because they create large numbers of good jobs coming through them. We want to get as many hotels moving as we possibly can. We need to find more sites for them, but there is this issue. I do have some hope that the changes to the business rates, if they are done in the right way - we will see more of the Comprehensive Spending Review (CSR) and go forward - and if boroughs can start keeping more of the benefits of the business rates, it will encourage them to build more hotel rooms and get more established.

Gordon Innes (Chief Executive Officer, L&P): On the point about families, we do a huge amount in promoting London as a family-friendly destination. I would be very happy to come and share the detail of that. Some of the big growth in hotels has been in the three-star area with people like Premier Inn expanding very rapidly. We work with them to promote budget accommodation and cheaper accommodation and to provide those offerings. Not least, we do that through a new website that we set up this year with Booking.com, hotels.london, which again gives access to the cheaper accommodation and information about that.

We did, last year, a big piece of work. We partnered with one of the film studios, Studio Canal, around the film *Paddington*. Obviously it was a London-based film. We launched the Paddington Trail as a tourist attraction. That was also to encourage people to get out of central London. It was a free thing for kids and families to do and it took them to parts of London they may not otherwise go to. We also did a massive amount of PR around that. We were the main media partner for the film. The Twitter reach was about 37 million for that campaign and we are looking to repeat that next year with another film company. We are already talking to them now about another family film that is filmed in London, based in London and promotes and showcases the best of London. We are doing a huge amount on that.

Then also there are a number of events that we have attracted in to London. One of the big ones will be the New Scientist Live event taking place at Excel [conference centre]. Again, that is a family-friendly event. It brings together leading science figures but makes it accessible for younger people and for kids. We are talking to New Scientist Live, having won that, about how we can promote that probably more to a domestic audience rather than international. Again, it is potentially a great opportunity for kids to experience science and to interact. They have people like Professor Brian Cox, Professor Stephen Hawking [British physicists] and others participating in that. It will be a big deal for us next year.

Joanne McCartney AM: One of my children did the Paddington Trail and they did enjoy it.

Gordon Innes (Chief Executive Officer, L&P): Good. Thank you.

Joanne McCartney AM: With regards to the issue of outer London, I will just say to Tony that if tourists could get out or stay in Hornsey, they would have wonderful views of Alexandra Palace and of course, in Enfield, they would have Forty Hall to go and visit.

Is there anything you can do, as the GLA or L&P, to encourage local boroughs in outer London to encourage people to create those bed-and-breakfasts and other accommodation? A very quick answer, if you can.

Gordon Innes (Chief Executive Officer, L&P): It is not an area we are currently in. We are not currently doing anything in that space. We were as Visit London, when the budget was larger, involved in product creation and the rating system and so on. We are now simply promotional.

Joanne McCartney AM: It is something you could look at, potentially?

Sir Edward Lister (Board Chairman, L&P): We can look at it. The reason I am hesitating is that it is just how much resource we can, in all honesty, put into it. It about prioritisation, but we can look. Can we come back to you? Let me come back to you on that.

Joanne McCartney AM: Yes.

Gordon Innes (Chief Executive Officer, L&P): VisitEngland still has the ratings scheme where it goes out and provides all sorts of consultancy and advice. That includes London. That side of the business we handed over to VisitEngland to do for the whole of the country. There is still a player in that area. I can maybe talk to James [Berreford, Chief Executive] at VisitEngland.

Navin Shah AM: The Olympic Orbit Tower is losing something like £10,000 per week because of visitor numbers. They have fallen below the projected forecast. Are you doing enough to promote tourism in east London?

Sir Edward Lister (Board Chairman, L&P): We are doing as much as we can with the resources we have to promote tourism. We are doing pretty well. London is the most visited city in the world. We have that accolade. We have had that now for two years.

Gordon Innes (Chief Executive Officer, L&P): Two, and this will be another record. It is up 6% again this year.

Sir Edward Lister (Board Chairman, L&P): Possibly this year again and so we are doing pretty well in getting the tourist numbers in. I suspect that the barriers now to us are the ones we have just been touching on, which are probably hotels and that kind of thing. We are an expensive city and we will only ever reduce our cost base if we have more hotels and more places where people can stay. At the moment, it is going pretty well. I do not think we can do more than we are doing.

Navin Shah AM: Yes, but is it not important that where you have a loss of income, there are measures or something you can undertake to try to recover the taxpayer's money? One of the key visions of the Olympic

legacy was to promote tourism in the Olympic Village and certainly we have an example here where there is a major loss of income. Is this not something you should be doing?

Sir Edward Lister (Board Chairman, L&P): As you know, there are proposals to make a small modification to the Orbit that is underway at the moment, which will be, of course, to give it some extra features like a slide, which will, I suspect, suddenly move it from being a loss-maker to being probably quite profitable. It is down to them to make the changes they need to get more people going into it. All in all, if the plans for the Olympicopolis can all be brought to fruition – and they are pretty ambitious – they will of course make a fundamental change in tourist destinations. If we can get the Smithsonian there, if we can get the Victoria & Albert Museum East and if we can get all the other artistic facilities operating in the Olympic Park alongside the stadium, it is going to become one of the big tourist attractions in London.

Gordon Innes (Chief Executive Officer, L&P): We are already doing a lot with the Olympic legacy company [London Legacy Development Corporation]. I sit down with the Chief Executives every quarter. We are working with Lee Valley Park as well – it is a partner of ours – on promoting its offerings; the white-water rafting, for example. Since the Olympics, we have so far attracted 12 large international events into the Park, some of which have happened and others of which will happen next year, leading right through to 2020. The big one is 2017 for the International Association of Athletics Federations and International Paralympic Committee athletics [competitions] coming in. Creating reasons for people to visit the Park and making it more of a destination is a big priority and we have done a lot of work in that area through the major events side.

Navin Shah AM: I welcome your ten-year tourist strategy, which is part of your business plan. Do you reckon that there is provision in the strategy for addressing major loss of income from tourist attractions or from other areas?

Gordon Innes (Chief Executive Officer, L&P): The ten-year strategy will look at whether we have the right products in the right places to attract the audiences. It is very much a work in progress. I apologise that I cannot really say a lot more than that because the team is working on it, but I would be very happy in due course, when I have more information, to come and brief you if that would be of interest.

Navin Shah AM: Sure. Can you look into this?

Gordon Innes (Chief Executive Officer, L&P): Yes.

Richard Tracey AM: I must say that all the foreign visitors I talk to, whether I know them well or not, complain about the large numbers in central London now. It is a buzzy city but it is also, they feel, very crowded, extremely busy and quite tiring. This is a well-targeted question that Tony Arbour [AM] has put to you about outer London. Can I ask you what you are doing particularly? How much are you spending to encourage people to take a river cruise? Indeed, they will reach Tony Arbour's constituency.

Tony Arbour AM (Deputy Chairman): They will.

Richard Tracey AM: They will go through the glories of Wandsworth on the way and many other beautiful places. It is a real possibility to get them to some lovely parts, upstream and indeed downstream, on the cruise boats.

Gordon Innes (Chief Executive Officer, L&P): We are doing a lot, actually. The river is very important and has been underutilised as a tourism asset.

Richard Tracey AM: Indeed.

Gordon Innes (Chief Executive Officer, L&P): City Hall set up a concordat group a couple of years ago looking at this, looking at whether we have the right piers in the right places and how we are promoting it and so on. We are trustees also of the Thames Festival, involved in that side of the work and we are also --

Richard Tracey AM: That is central London, mostly. That is mostly central London.

Gordon Innes (Chief Executive Officer, L&P): That is mostly central London but the wider work, working with City Cruises and others, is going the length of the river. We are very actively promoting the river as an attraction. It is a balance, again, between tourism traffic and other uses of it, which is out of my hands. That is for other people to sort out. Certainly we are doing a lot to try to make sure people are aware of that as an asset and that they use it more.

Sir Edward Lister (Board Chairman, L&P): As you know, because you have been instrumental in getting this, there are now two more boats going on to the river taxi service, two large ones, which will increase, I hope, the frequency of the river taxi services. It is not the river taxi; the river bus service. There is quite a lot taking place there and it is very much part of the marketing of L&P to go to the river.

Richard Tracey AM: It does seem to me that so far some tricks have been missed. As Sir Edward says, we have now reached 11 million people using the river in various ways, but of course the river buses can go only as far as Putney upstream because of the shallowness of the river at low tide. The cruise boats, which go much more slowly, go much further and indeed go as far as Richmond and then of course you can get yet another one to go even further up the Thames. It is a question of applying the Visit London app and various other methods, such as the various books that come out that tell people about other parts of London apart from the centre. Can you give me any more news of what you are doing?

Gordon Innes (Chief Executive Officer, L&P): Only to repeat what I have said, which is that we are looking at this both in terms of the mobile app side and also around the neighbourhood side and augmenting the content that is on the website for particular neighbourhoods, which will include Richmond amongst other neighbourhoods in the city, and have access and how you get there. We will be doing more and we will be happy to share that with you. It will be early next year, I suspect.

Richard Tracey AM: There are some beautiful places that the tourists do not otherwise see.

Gordon Innes (Chief Executive Officer, L&P): As someone who lives in that part of the city, I am familiar with them and I know how beautiful they are.

Roger Evans AM: Should tourists become bored with Richmond eventually, of course, they can travel --

Tony Arbour AM (Deputy Chairman): Tired of Richmond?

Roger Evans AM: No doubt at an advanced age by that time, they can travel east to sample the delights of outer east London. One of the great things about outer London for tourists, of course, is that it is less polluted and less noisy than inner London. It provides a bit of a haven for them. Do you think that airport expansion plans could put this in danger?

Sir Edward Lister (Board Chairman, L&P): I feel that this is a question better asked of the Mayor at one of your regular sessions with him. It is obviously an issue. We are getting quite a bit of representation about the availability of flights but most of this is about business flights rather than tourism flights. From a tourist perspective, we are pretty relaxed. From a business perspective, there is undoubtedly a major problem that we are not reaching some of the cities that we need to reach. Places like Frankfurt are flying to far more Chinese cities than the UK are, for example, from London.

That is all about capacity but, as you are aware, even expanding Heathrow Airport with a third runway is unlikely to open up many of those markets because you need something far more extensive. This is, of course, where the argument for a brand new hub estuary airport comes in but, as I say, that may be a better one for the Mayor to answer.

Roger Evans AM: While we are on the subject, this morning Sadiq Khan MP [London mayoral candidate] suggested he was going to revisit the decision to block the expansion of London City Airport, which would damage the environment in east London and also, by your own claims there, not really address the size of the problem that we need to deal with. What would your advice be to candidates who are looking at London City Airport?

Sir Edward Lister (Board Chairman, L&P): The issue of London City Airport is a very complex one. Firstly, it has quite restricted flying times that I do not think anybody is questioning. The issue, though, is of course where the planes fly over and who happens to be underneath the flight path as it comes in. Some of your constituents, I know, get quite upset about the noise levels and pollution levels that come from that.

Roger Evans AM: Justifiably.

Sir Edward Lister (Board Chairman, L&P): It is not without its controversy. The Mayor feels very strongly that he needs to be consistent in his arguing. He believes Heathrow is in the wrong place. He also believes that it is wrong to expand City Airport and that the answer is a completely new airport away from London.

Valerie Shawcross CBE AM: Given the comments you made earlier about the importance of major events and sporting events, do you not think that the last-minute withdrawal from the Tour de France Grand Depart, a decision that was taken at the end of September, damaged not just our relationship with France and our good reputation as an events host but also was a rather big loss of tourist promotion opportunities? Do you not think that was a very un-coordinated and badly made decision?

Sir Edward Lister (Board Chairman, L&P): The criticism of it is that we ever applied for it in the first place rather than whether we should or should not have withdrawn from it, if I may. The reason I say that is that I do not think it was clear right at the beginning how big the bill would have been for that particular event. It looks like the total bill would have been close to £35 million, which we would have had to find as a city. It was just not possible to find that level of money. The Government had made it absolutely clear - not, admittedly, at the beginning, but over the course of months as the scheme was being thought through - that that money would not be forthcoming from it. That entire £35 million would have had to come out of Transport for London's (TfL) finances. On pure financial grounds, it was a non-starter.

On tourism grounds, yes, it is a loss. We do know that tourist events like that are enormously popular but it is not clear whether that would have been acceptable with the road closures and everything else. There was quite a bit of complaint last time. It was not without its controversy with Londoners.

Our biggest priority has been the London-Surrey bike ride, which is enormously popular with Londoners and something that we do fully support. Indeed, L&P is part of the organising committee for that and, as it becomes profitable, it is an income stream for L&P. That is, from an L&P point of view, our priority.

Valerie Shawcross CBE AM: Would you be willing to publish the cost-benefit analysis, therefore, that shows that it would not have worked for us? Did you do one?

Sir Edward Lister (Board Chairman, L&P): I am not sure if there was a cost-benefit analysis. I will happily publish for you whatever there was, but I am not sure if there was one.

Valerie Shawcross CBE AM: That is interesting. It would be helpful to find out if there was one. I am running out of time and so forgive me if I blast away. There does seem to be fundamentally something wrong with a decision that is not taken in a co-ordinated way when this was always intended as a multidisciplinary benefit: cycling promotion and environmental promotion but also tourism and image-building for London.

Is there not therefore fundamentally a problem with an organisation with one aspect of the benefit - the cycling promotion - being expected to fund the tourism promotion benefit as well? How would you have made that decision better? How would you have assessed it better to make sure that this kind of damaging debacle does not happen again?

Sir Edward Lister (Board Chairman, L&P): I am not sure that we could have done it any other way. There are not the resources within City Hall's finances to meet that one along with everything else and so it would have meant cutting other programmes at City Hall.

Valerie Shawcross CBE AM: What I mean is: why was there a bad decision, in your view, made to bid in the first place? How did that decision run away with you?

Sir Edward Lister (Board Chairman, L&P): When the bid was put in, it was always assumed that there would be various parties sharing that bill. What became very clear as it progressed - and the decision was a TfL one - is that there were no other parties involved in this and that the entire bill would have fallen on the city. Once it was clear the entire bill was coming on the city, then it became very questionable.

Valerie Shawcross CBE AM: Given that you do think that these events are important, do you not need to put in place a better framework for early-stage decision-making? It is not just that we missed an opportunity; we suffered some damage from it.

Sir Edward Lister (Board Chairman, L&P): We do have the Major Events Steering Committee, which meets on a regular basis, looks at each of the events that come before it and goes through each in quite a lot of detail. To be fair, the Major Events Steering Committee did, right at the beginning, have some questions about the financing of this particular event. It does look at all of the events. It looks at the planning of the events and it makes sure that all the partners are on board. For example, the Rugby World Cup 2015 very much went through the Major Events Steering Committee and it was intimately involved.

Valerie Shawcross CBE AM: What changed, then, between it going to the Major Events Steering Committee and the day before the contract was going to be signed?

Sir Edward Lister (Board Chairman, L&P): The clarity that it was going to cost £35 million.

Valerie Shawcross CBE AM: Was that a surprise? Did they tell you that three days before you were due to sign the contract?

Sir Edward Lister (Board Chairman, L&P): No, it was not three days before. To be fair, it was within the timeframe that we had to make a decision whether to proceed or not proceed. We had a bid out there and we withdrew the bid. It was not as though we won it and then turned it down; we just withdrew our bid. It was within our own planning timelines.

Valerie Shawcross CBE AM: You were within one day of signing the contract --

Sir Edward Lister (Board Chairman, L&P): We were within one day.

Valerie Shawcross CBE AM: -- and you had already seen Edinburgh and Manchester off, to whom I hope you have apologised.

Sir Edward Lister (Board Chairman, L&P): We leaving it gave them an opportunity to come in if they wanted to. I would suggest that, even for them, £35 million might be a bit eye-watering.

Jennette Arnold OBE AM (Chair): Let us then move to the final question. We now have Assembly Member Johnson leading on this. Assembly Member Jones gives her apologies.

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[Darren Johnson AM \(on behalf of Jenny Jones AM\)](#)

What is London & Partners doing to promote the living wage and apprenticeships?

Sir Edward Lister (Board Chairman, L&P): The only reply I have to make is that of course it is not for us, as L&P, to be encouraging London firms to pay the London Living Wage. It is not our role. We do, obviously, as an organisation pay it but it is not our role to encourage London firms to do it. We do not have the interface with them. Our interface with them is purely on the export side or on the inward investment side. We do not get ourselves involved in that area.

Darren Johnson AM: I completely agree that it would not be your primary aim but certainly in terms of the relations that L&P has with the hospitality sector, as we have talked about and as has kept coming up through this meeting this morning, I would have thought there were genuine opportunities there to be able to pursue the living wage agenda in a way that maybe the Mayor, City Hall and the standard GLA setup could not reach in a same way. There may be additional opportunities. Have you thought about that?

Sir Edward Lister (Board Chairman, L&P): We have provided contact details for people in the hospitality sector to other people so that they have been able to push them on the London Living Wage, but we have never felt it was our job to go into that area. We are working side-by-side with them to bring in tourists. We have always felt that that is much more an exercise for somebody else to do and within somebody else's remit.

Gordon Innes (Chief Executive Officer, L&P): We have, as Ed [Sir Edward] said, been very open in making introductions to relevant officials here within City Hall and elsewhere. In my work with Team London, I am making introductions to companies that can support that initiative. On the apprenticeships side, again, we have provided information and where we have brought together the hospitality industry and the tourism industry to talk about joint promotional activities, we have given opportunities for City Hall officials to talk about apprenticeships to support what the British Hospitality Association (BHA) is doing with the

Big Conversation. We worked with the BHA to give a platform to the Mayor to speak at its summit this year where he specifically raised the living wage and apprenticeships. We are facilitating wherever we can to help with this but, as Ed said, it is not really our core role.

Darren Johnson AM: No, I can understand it is not the core but if you are having those opportunities, those conferences, those one-to-one dialogues or whatever, it seems to be a useful exercise in order to help the reach of the agenda. So far City Hall has failed to crack this in terms of the hospitality sector.

Do either of you know how many jobs in the hospitality and catering industries pay less than the London Living Wage?

Sir Edward Lister (Board Chairman, L&P): No.

Darren Johnson AM: It is 70%. That is the figure. You compare that to any other industry and it shows there is serious work to do. I do not think it would be undermining tourism or damaging to business. There have been strong business arguments and a strong business case for introducing the living wage in other sectors. It could be done in a positive way, it could be done working with the industry and it is something in which L&P, even if it is only facilitating access with GLA officials, could play a stronger role.

Sir Edward Lister (Board Chairman, L&P): On that second one, we have facilitated access. Let me reassure you on that. We have done that and made the contacts.

Darren Johnson AM: How often do you meet with the big hotel and restaurant chains in day-to-day operations?

Gordon Innes (Chief Executive Officer, L&P): As a group or individually, it will vary. We bring together the key hoteliers and other big attractions that work with us on promotion and that contribute to the costs toward on at least a quarterly basis. We try to bring together the London tourism industry once a year, all the companies we work with, about 800 companies, and we typically get about 500 or 600 turn up to that. Then we will participate in things like the annual BHA summit, either speaking or being on panels or participating. We have pretty regular dialogue and of course the BHA is one of the members of L&P and so is effectively one of the owners of L&P.

Sir Edward Lister (Board Chairman, L&P): Just to reiterate, the Mayor did speak at its conference or summit this year and he made this very point. It is not as though we have not done it.

Darren Johnson AM: No. It sounds like it is an open door that could be pushed further. Clearly, the Mayor and City Hall officials have done some things and used these opportunities so far.

I am wondering if L&P could make a commitment to include it as part of the work plan. Yes, it is not core business but you could have it as part of your business plan. The living wage has been an important issue for this Mayor and the last Mayor. It is likely to be, I am sure, for the next one. Given the particular problems in this particular industry, it would not seem unreasonable to include a commitment to promoting the London Living Wage in the hospitality and catering industry in the business plan of L&P.

Gordon Innes (Chief Executive Officer, L&P): I would be very happy – and we could do it after this meeting – to sit down with the City Hall colleagues who are leading on these areas and to agree a plan with them as to how we can help them and facilitate them over the next 12 months.

Darren Johnson AM: Yes, and a facilitative approach is the right one. There does seem to be opportunities there. Some have been used but I am sure many more could be taken. It would be nice to see some thought going into this and it being formalised in the business plan. Thank you for both your answers.

Andrew Boff AM: Will you ensure that anyone you go into a commercial relationship with in the hospitality industry has an up-to-date slavery and human trafficking statement, as required by the Modern Slavery Act [2015]?

Sir Edward Lister (Board Chairman, L&P): What you are now doing is putting bureaucracy on to us and it is not our function. We are trying to encourage these companies. We are trying to get them to provide some of their money for tourism in London and you are then asking us to fulfil an entirely different role, which is not our role, as the regulator. I must say to you that it would be inappropriate for us to be doing that. If that is the issue, then it should be done by others.

Andrew Boff AM: It would be a criminal offence for a company with a turnover of greater than £36 million not to have a human trafficking statement.

Sir Edward Lister (Board Chairman, L&P): Yes, but it is not our job to be the policemen of that. It is the job of other people to be the policemen of that. Other people are paid to do that.

Andrew Boff AM: Clearly, the Slavery Bill made it the job of everybody to make sure that human trafficking was out of the supply chain. That was the key point of the Slavery Bill: that the supply chain should be clean of human trafficking. Bearing in mind that there are trafficked people in London who are working in the hospitality industry - and when you are a trafficked person working in the hospitality industry you do not say, "I am a trafficked person working in the hospitality industry", because of your marginal immigration status - it therefore requires some other agencies to ensure that those instances of human trafficking are not taking place. Is it not the duty of the Mayor to ensure that his commercial relationships are entered into with clean hands?

Sir Edward Lister (Board Chairman, L&P): I am suggesting to you that documents are a matter for other people to be patrolling and not for us. I am totally sympathetic to what you are trying to achieve but, also, you are now putting a bureaucracy on to L&P to go out to organisations. We are in dialogue with over 800 organisations in the tourism field from large to small and you are asking us to start asking them for that kind of documentation. Quite frankly, they are going to look at us and wonder what kind of organisation we are. It will damage our relationships with them and I do not think it is appropriate for us. If that is an aim of the mayoralty --

Andrew Boff AM: It is not what I am asking you to do. It is what the Government is asking you to do.

Sir Edward Lister (Board Chairman, L&P): -- then it should be done by other people, not by a tourist organisation such as ours.

Jennette Arnold OBE AM (Chair): Thank you very much. All right. Can I ask the Assembly if there are any further questions on the opening statements that have not been answered this morning? No? Thank you.

I thank Sir Edward and Mr Innes for their attendance and for answering the Assembly's questions.