

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3342

Creative Economy Growth Programme 2025-29

Executive summary:

London's creative industries are one of the city's fastest growing sectors and are vital to London's economy. They are worth £51.7bn – 12.1 per cent of the capital's economy – and account for one in five London jobs. London contributes over half of the UK's entire creative industries economic output. The creative industries outperformed the UK economy over the period between 2010 and 2023 in terms of growth – the creative industries' GVA was 35 per cent larger in 2023 than it was in 2010, compared with the whole UK economy, which grew by 22 per cent. A 2020 report by Deloitte said there would be 4.3m jobs in the UK's creative economy by 2030, an increase of 1.2m from 2018. However, this success is not guaranteed, and many creative businesses face barriers to access finance, sales opportunities and inward investment.

This Mayoral Decision seeks approval of £2.678m per annum of GLA revenue to deliver the Creative Economy Growth programme in each of 2025-26, 2026-27, 2027-28 and 2028-29. It will support creative businesses to overcome market coordination failures, ensuring they can grow and thrive. It will contribute to the London Growth Plan, providing businesses with access to finance, sales and audiences; and will deliver jobs and inward investment.

Decision:

That the Mayor:

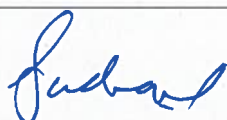
- approves the expenditure of up to £2.678m in 2025-26, and the further expenditure of up to £8.034m between 2026-27 and 2028-29 (£2.678m in each of the three financial years), on delivery of the Creative Economy Growth programme; this will be taken from the Culture, Creative Industries and 24-hour London revenue budget
- delegates authority to the Executive Director, Good Growth, to seek and accept external funding via grant funding and sponsorship; and approve the expenditure of any secured sponsorship and third-party funding for the activities set out in this Mayoral Decision, without needing a further decision form.

Mayor of London

I confirm that I do not have any disclosable pecuniary interests in the proposed decision and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

Signature:



Date:

26/3/25

PART I – NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1. Introduction and background

- 1.1. London's creative industries contributed £51.7bn to London's economy in 2020 (11 per cent of London's GVA) and accounted for one in five jobs in the capital – a rise of 200,000 jobs over the last five years. Culture also has a hugely important social role, supporting the health and wellbeing of Londoners.
- 1.2. Nonetheless, London's cultural economy needs support. Culture is still recovering from the long tail of Brexit, COVID-19 and the redistribution of resources away from London towards other regions. Brexit is still having a negative impact, with the creative industries reporting skills shortages: 42 per cent of creative employers struggle to find people with the right skills. Local authority expenditure on cultural services has also fallen by 50 per cent across England since 2009-10 (£119 per person in 2009-10 falling to £60 per person in 2020-21).
- 1.3. The creative industries have been named as a priority sector in the government's Industrial Strategy green paper, which sets out proposals to increase market dynamism to allow labour and capital to flow more freely towards growth-driving sectors. The London Growth Plan is strongly aligned with this agenda and will ensure coordination across all sectors and tiers of government in the capital. This will be particularly important given the government's continued focus on creative businesses outside the capital.
- 1.4. Since 2016, the GLA has funded the key sector bodies: currently the British Fashion Council, the London Design Festival and Film London (most recently approved by MD2110, MD2261, MD2791 and MD2963). This support has helped to secure over £7.5bn in sales, trade and investment across the industry. It has created opportunities in job growth and skills; and has helped to improve workforce diversity. This Mayoral Decision seeks approval to continue this support.
- 1.5. The table below sets out the proposed spend in this Mayoral Decision:

Funding Recipients	2025-26	2026-27	2027-28	2028-29	Total
Film London (TV and animation)	£235,000	£235,000	£235,000	£235,000	£940,000
Film London (Games London)	£376,000	£376,000	£376,000	£376,000	£1,504,000
Film London (film and festivals)	£1,222,000	£1,222,000	£1,222,000	£1,222,000	£4,888,000
London Design Festival	£235,000	£235,000	£235,000	£235,000	£940,000
British Fashion Council	£610,000	£610,000	£610,000	£610,000	£2,440,000
Subtotal	£2,678,000	£2,678,000	£2,678,000	£2,678,000	£10,712,000

- 1.6. The GLA will enter into grant agreements with the programme delivery partners to help creative businesses overcome market coordination failures. This will ensure delivery of the outputs and outcomes set out in paragraphs 2.2 and 2.3, below. The targets will be reviewed with partners annually to ensure they continue to deliver in line with mayoral priorities.

2. Objectives and expected outcomes

Creative Economy Growth Programme

- 2.1. The objectives of this funding are to:
 - support creative businesses across film, television, animation, visual effects, games, fashion and design to trade, export and make new sales

- deliver new inward investment and employment opportunities
 - increase workforce diversity through the Equal Access Network; and showcase diverse talent through the London Games Festival, London Fashion Week, the London Film Festival and the London Design Festival
 - maintain London's global reputation as a world leader in the creative industries.
- 2.2. The GLA funding of £2.678m per annum over four financial years (2025-26; 2026-27; 2027-28; and 2028-29) will deliver the following outputs:
- inward investment activities in film/TV/animation: Film London's London Filming Partnership, Business Engagement and Inward Investment programmes
 - annual trade shows and festival events: London Fashion Week, the London Games Festival, the London Design Festival and the London Film Festival
 - sales support schemes for fashion businesses: the London Fashion Showcasing Fund and British Fashion Council NEWGEN
 - export schemes for film and games: London Screenings, the Film Production Finance Market and the Games Production Finance Market
 - diversity schemes: the Equal Access Network and the London Games Festival's Ensemble showcase.
- 2.3. This will support the funded organisations to achieve quantified outcomes each year regarding inward investment, jobs and training:
- up to £15m in sales and exports for up to 800 design businesses
 - up to £17m in games inward investment
 - up to £60m in fashion sales
 - up to £800m in film investment in year one; £850m in year two; £900m in year three; and £1bn in year four
 - up to 14,000 film/TV crew employment opportunities year one; 15,000 in year two; 16,000 in year three; and 17,000 in year four
 - 150 games jobs
 - 300 training and employment opportunities through the Equal Access Network (with at least 50 per cent of beneficiaries from Black, Asian and minority ethnic backgrounds).

3. Equality comments

- 3.1. Under section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due regard' to the need to eliminate unlawful discrimination, harassment, and victimisation; and to advance equality of opportunity, and foster good relations, between people who have a 'protected characteristic' as defined in the Equality Act 2010 and those who do not.
- 3.2. The proposed programmes outlined in this decision form will enable the continued creation of opportunities for diverse Londoners, providing social and economic benefits in the capital. The programme will provide a range of opportunities for diverse-led businesses and diverse talent to reach new markets, buyers and audiences. This will be done through the British Fashion Council's NEWGEN

and London Fashion Showcasing Fund initiatives; Film London's Ensemble network; London Design Festival's Design Districts; and Film London's Equal Access Network.

- 3.3. The Culture, Creative Industries and 24-Hour London Unit will ensure that all organisations in receipt of GLA grant funding have equality policies in place and are committed to: proactively applying the principles of the Equality Act 2010; and regularly refreshing their equality and diversity policies and practices.

4. Other considerations

Links to Mayoral Strategies and priorities

- 4.1. Support for the Creative Economy Growth Programme is linked to the following key strategies:
- Culture for All Londoners, the Mayor's landmark strategy for culture, which outlines an ambitious vision to ensure all Londoners can engage with and contribute to the capital's rich cultural offering on their doorsteps.
 - The Mayor's objectives for Healthy Streets – making areas more welcoming to people and encouraging them to make active and sustainable travel choices (for example, by contributing to the Healthy Streets' aspiration of 'things to see and do').
 - Inclusive London, the Mayor's EDI Strategy, which sets out that a successful city needs to work well for all residents. Everyone should be able to share in its prosperity, culture and community life regardless of age, social class, disability, race, religion, gender, gender identity, sexual orientation, marital status, or whether they are pregnant or on maternity leave.
 - The London Growth Plan, to boost priority sectors and help businesses increase productivity. It is also part of the Boosting London's Growth Mandate.

Subsidy control

- 4.2. The grants are in line with subsidy control requirements. The recipients are not offering goods or services that compete in a market with other organisations; and the funded activity will not have an effect on trade and investment between the UK and the EU.
- 4.3. The British Fashion Council is a not-for-profit organisation providing a unique range of services that other organisations do not, so it is unlikely to distort competition. The ultimate beneficiaries of GLA funding are the businesses (primarily micro, small and medium-sized enterprises), freelance workers and supply chains who participate in London Fashion Week. This event also attracts globally based businesses, including artists, designers and buyers, to attend and showcase. The GLA also funds non-commercial activities such as the model zone and business support schemes (for example, London Fashion Showcasing Fund, British Fashion Council NEWGEN). Without the GLA's funding, these would either not exist or be considerably scaled back, with fewer businesses benefiting.
- 4.4. The London Design Festival is the only organisation providing services of its kind, so it is not likely to distort competition and would not exist without the GLA's support. It delivers services not provided elsewhere, correcting a market failure (coordination failure) to enable small design businesses to come together to attract international buyers and consumers. The ultimate beneficiaries are therefore the design businesses that showcase during the festival. The London Design Festival also attracts internationally based businesses, including designers, artists, curators and buyers, which attend and showcase. The GLA also funds work to focus on diversity and sustainability, which is non-commercial.
- 4.5. The GLA funds Film London to deliver the London Games Festival. It is the only organisation of its kind, so does not distort the market. The festival is overseen by a steering group of industry professionals to ensure it responds to the needs of industry. As with the London Design Festival and

London Fashion Week, the ultimate beneficiaries are the small businesses that secure sales, exports and inward investment during the festival. There are also attendees at this festival that are internationally based businesses, funders, artists and designers within the industry.

- 4.6. Film London is the only organisation of its kind and would not exist without the GLA's support. Publicly funded film agencies similar to Film London exist across the UK's nations and regions; they include the Film Agency for Wales, Creative UK and Screen Yorkshire. Countries and cities all over the world fund public film agencies to attract inward investment to their territories. Film agencies provide production support; develop skills and talent; and run education and audience-development programmes. They do not operate in a commercial market and are publicly funded. The beneficiaries of Film London's work are thousands of businesses, freelancers, artists and crew – including those from across the UK and internationally who can use Film London's services (free of charge) to help them shoot productions in the capital. The Film London festival attracts globally based businesses, location specialists, film makers and designers that attend the festival.

Risks

Risk	Mitigations in place	RAG rating
Financial mismanagement by any organisation in receipt of GLA grant funding.	Responsible GLA officers overseeing grant-funded programmes will closely monitor delivery and meet regularly with delivery partners. Robust funding agreements will be put in place; payments will be made against clearly defined milestones and, where appropriate, in arrears.	Green
Previous public funding cuts to London's cultural institutions; and incentives to encourage London businesses to leave the capital. This is on top of huge reductions nationally in the amount of funding local authorities are making to culture.	The Culture, Creative Industries and 24-Hour London Unit is working closely with GLA Economics to update creative economy and jobs data, enabling the GLA to measure economic impacts that will inform future policymaking and advocacy. The GLA will work closely with the sector to monitor the impact of government funding; and assess risks to GLA-funded programmes throughout the life of these projects. The GLA will also continue to lobby the government and make the case for more funding to the sector.	Amber

Conflicts of interest

- 4.7. There are no conflicts of interest to note for any of the officers involved in the drafting or clearance of this decision form.

5. Financial comments

- 5.1. Approval is requested for the expenditure of up to £2.678m in 2025-26; and the further expenditure of up to £8.034m between 2026-27 and 2028-29 (£2.678m in each of the three financial years) on delivery of Creative Economy Growth Programme. This will be taken from the Culture, Creative Industries and 24-hour London revenue budget.
- 5.2. This expenditure is included within the draft GLA Mayor 2025-26 budget; and the indicative budgets plans for 2026-27 and 2027-28. Funding will be sought for 2028-29 in future budget rounds.
- 5.3. It is important to note that these budgets have not yet been approved. Until this is done each year, this allocation is subject to change and suitable break clauses will be included in all contracts.

6. Legal comments

Power to undertake the requested decisions

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Mayor concern the exercise of the GLA's general powers, and fall within the GLA's statutory power to do such things considered to further, or that are facilitative of, or conducive or incidental to, the promotion of economic development and wealth creation in Greater London. In formulating the proposals in respect of which a decision is sought, officers have complied with the Authority's related statutory duties to:
- pay due regard to the principle that there should be equality of opportunity for all people
 - consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the UK
 - consult with appropriate bodies.
- 6.2. In taking the decisions requested, the Mayor must have due regard to the Public Sector Equality Duty – namely, the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010; and to advance equality of opportunity, and foster good relations, between persons who share a relevant protected characteristic (age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex; sexual orientation) and persons who do not share it (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.

Grant funding

- 6.3. The first decision, above, seeks approval to spend £10,712,000 by way of funding to Film London, the London Design Festival and the British Fashion Council as broken down in paragraph 1.5, above. The proposed grants may be viewed as a conditional gift, rather than contracts for services and supplies.

Subsidy control

- 6.4. The Subsidy Control Act 2022 requires that grant funding be assessed in relation to its four-limbed test. At paragraphs 4.2 to 4.6, above, officers have made this assessment and have concluded that the proposed grants do not amount to subsidies.

Delegation

- 6.5. The second decision, above, seeks a delegation from the Mayor to the Executive Director, Good Growth. Any function exercisable by the Mayor on behalf of the Authority may also be exercised by any member of GLA staff to the extent that the Mayor authorises and subject to any conditions, which the Mayor sees fit to impose. To this end, the Mayor may make the requested delegation to Executive Director, Good Growth, if he so chooses.

Sponsorship

- 6.6. The second decision, above, also seeks approval for the receipt of income, including sponsorship. The GLA may seek sponsorship (when exercising its general power under section 30 of the GLA Act) via its power to charge third parties for discretionary services under section 93 of the Local Government Act 2003 provided that the charges levied do not exceed the costs of provision.
- 6.7. Officers are reminded to seek sponsorship in accordance with the GLA's sponsorship policy and to put in place appropriate sponsorship agreements between the GLA and sponsor(s) before any reliance is placed on the sponsorship income and/or in-kind benefits.

7. Planned delivery approach and next steps

7.1. The project will be delivered according to the following timetable:

Activity	Timeline
London Games Festival/Games Production Finance Market	April (annually)
London Fashion Week	February/June/September (annually)
London Design Festival	September (annually)
London Film Festival/Film Production Finance Market	October (annually)

Appendices and supporting papers:

None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will be published either within one working day after it has been approved or on the defer date.

Part 1 – Deferral

Is the publication of Part 1 of this approval to be deferred? NO

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form? NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to
confirm the
following (✓)

Drafting officer:

Natasha Graham has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Philip Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Justine Simons has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Mayoral Delivery Board

This decision was agreed by the Mayoral Delivery Board on 3 March 2025.

✓

CHIEF FINANCE OFFICER:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:

Fay Hannan

Date:

03/02/2025

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature:

D. Bellamy

Date:

03/02/2025