

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3367

Title: London & Partners 2025-26 business plan and core grant funding

Executive Summary:

London & Partners Limited (L&P) is the growth agency for London.

L&P has produced a business plan for 2025-26 that proposes:

- supporting international and domestic businesses in high-growth sectors to scale
- developing London as a destination and attracting visitors, conferences and events
- growing London's global reputation to support economic growth and support the capital's global competitiveness
- creating partnerships and profit-making ventures to scale L&P's impact
- delivering small business support helping small business owners to get the support they need to thrive
- bringing global institutional capital to London to fund priority real estate, energy and infrastructure.

This Mayoral Decision (MD) seeks approval of L&P's new 2025-26 business plan, and the award of core grant funding up to £12,837,000 (including a one-off increase of £978,000), subject to the Mayor's approval of the GLA: Mayor budget for 2025-26, as a contribution to its costs of delivering the plan.

Decision:

That the Mayor approves:

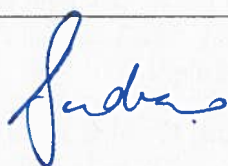
1. London & Partners' business plan for 2025-26
2. the award of core grant funding to L&P up to £12,837,000 as a contribution to its costs of delivering its 2025-26 business plan (including a one-off increase to the GLA's core contribution of £978,000 funded through a drawdown from the Strategic Investment Fund within GLA Group Reserves), subject to the Mayor's approval of the GLA: Mayor budget for that year.

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:

8/4/24

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

Decision required – supporting report

1. Introduction and background

- 1.1. L&P is the growth agency for London. A company limited by guarantee, operating as a social enterprise that receives both public and commercial income, L&P's mission is to create economic growth for London that is resilient, sustainable and inclusive.
- 1.2. This decision form seeks approval of L&P's 2025-26 business plan, and the award in the 2025-26 financial year of core grant funding up to £12,837,000 as a contribution to its costs of delivering the business plan.
- 1.3. Between May 2016 and the end of the third quarter in the financial year 2024-25, L&P has:
 - added £2.6 billion GVA (Gross Value Added) to London's economy
 - inspired 186 million people with London's tourism offer, while planning their trip or visiting the capital, through visitlondon.com
 - attracted 1,655 events to London
 - created or supported 56,900 jobs
 - supported 1,360 overseas companies to set up or expand in London
 - brought £508 million in extra tourism expenditure to London through the Let's Do London campaigns, at a return of £26 for every pound spent on the campaigns.
- 1.4. In the financial year 2024-25, by the end of Q3 L&P had created £345m in economic benefit, including securing a total of 93 foreign direct investments, creating 1,304 jobs (generating £101 million of the £345 million total) and delivering 11 trade missions to 13 countries.
- 1.5. On the basis of L&P's draft 2025-26 business plan, the GLA proposes to provide grant funding to L&P. The draft plan is attached at Appendix 1.
- 1.6. Should funding be awarded to L&P, its performance against key performance indicators (KPIs) will be monitored by the GLA on a quarterly basis at formal meetings attended by senior L&P and GLA officers. Grant funding payments will be made on a quarterly basis subject to satisfactory monitoring of performance against the deliverables approved as part of the 2025-26 business plan (for which approval is being sought via this mayoral decision (MD)). L&P's work is also scrutinised on a quarterly basis by the L&P Board, whose Chair is appointed by the Mayor.
- 1.7. The draft 2025-26 business plan assumes a continuation of L&P's 2024-25 business plan in both the scope and scale of its activity. However, it also recognises that both UK Shared Prosperity Fund (UKSPF) funding and implementation of the London Growth Plan published last month may impact L&P's mandate.
- 1.8. The draft 2025-26 business plan therefore also highlights L&P's plan to transition to deliver its new three-year strategy during 2025-26. This new strategy will detail how L&P will play its part in delivering against the objectives of the London Growth Plan; how L&P will grow its impact; and how L&P will shape its services to deliver a high return on investment.
- 1.9. The new three-year strategy will potentially result in changes to some areas of L&P's activity and therefore L&P will, if necessary, update their 2025-26 business plan to reflect these changes. The final business plan will be approved by the L&P Board in July 2025. The Deputy Mayor for Business and

Growth chairs the Board, and the GLA's Assistant Director for Economic Development and Programmes attends as an observer.

- 1.10. Nonetheless, early agreement to fund L&P is needed to provide the financial continuity necessary to ensure the company can continue delivering activity uninterrupted from the start of the upcoming financial year, while the draft business plan is reviewed. In GLA officers' view, the draft business plan provides sufficient clarity about future activity to support an early decision as proposed in this MD.
- 1.11. In addition to the GLA's core contribution of £11.859 million, this decision note proposes an additional one-off award of £978,000 in recognition of (i) expenditure that L&P has incurred and is incurring in relation to the London Growth Plan, and (ii) the costs of necessary upgrades to its digital systems in 2025-26. This will be funded from the GLA's Strategic Investment Fund (SIF), which was established to support the sustainable growth of London's economy. No further SIF funding is available for future years, and this proposal does not imply any ongoing increase to L&P's core grant, which will be set through future GLA: Mayor budget processes.
- 1.12. L&P continuously seeks to improve its wider governance and has implemented the London Assembly's recommendations set out in its *Governance of Trade Missions and the GLA Code of Conduct* report, as well as having transparency arrangements in place to ensure that full and relevant information is provided about value for money.

2. Objectives and expected outcomes

- 2.1. L&P's business plan for 2025-26 maintains continuity with L&P's previous 2024-25 business plan, with the following areas of ongoing activity:
 - Supporting international and domestic businesses in high-growth sectors to scale through their Grow London programme, including life sciences businesses via MedCity: L&P will support high-growth businesses creating resilient, high-quality, inclusive jobs in London by bringing global businesses to London to set up; taking London-based businesses on trade missions to other markets to increase their international trade through their Grow London Global programme; and incubating London-based businesses. The employment created is measured through GVA which is a calculation of the number of jobs created and the value of those jobs.
 - Developing London as a destination and attracting visitors, conferences and events: L&P will create additional sustainable spend in London's hospitality, leisure, retail and culture sectors. L&P will work with its partners to support the continuing recovery of tourism, as well as major events. This includes:
 - running Visit London, London's official visitor guide channels
 - acting as the conventions and business tourism bureau for London under the London Convention Bureau brand, attracting high value events that drive visitors to the capital and increase the city's competitiveness in the sector
 - attracting and amplifying sporting, cultural and other major events which show London at its best
 - improving the experience for visitors and Londoners as the key to London's long-term success as a tourism destination. L&P is taking an active role in destination management, working in partnership with industry and key stakeholders. This work is informed by London's Tourism Vision 2030 and Visitor Experience Strategy.
 - Growing London's global reputation to support economic growth and support the capital's global competitiveness: L&P will support London's communicators to tell the best possible story about the city, and through effective media and messaging work (including with partners) create a consistent, loud voice for London. This includes:

- coordinating and managing London's reputation by working with the wider London community to identify and respond to reputational risks
 - coordinating London's proactive messaging by working with the wider London community to identify opportunities and to encourage joint messaging and planning
 - sharing L&P's insights and research about global audiences with industry partners to inform their decision making
 - broader media relations activity.
 - Creating partnerships and profit-making ventures to scale L&P's impact including continuing to manage Visit London, which generates income for L&P from eCommerce and advertising, and .London (the official domain for London). This secures L&P's ability to serve London as a financially sustainable social enterprise. L&P will reinvest the profit it generates from commercial ventures to advance its mission to create economic growth for London that is resilient, sustainable and inclusive.
 - Helping small business owners to get the support they need to thrive through their Grow London Local 'single front door' navigation service: Grow London Local is accessible online or through personal conversations with a community-based Business Support Manager. Grow London Local prioritises financially vulnerable and underserved entrepreneurs in the 'everyday' economy.
 - Bringing global institutional capital to London to fund priority real estate, energy and infrastructure through Opportunity London: L&P is working in partnership with New London Architecture, via Opportunity London, a public-private, cross-party partnership to win capital investment for London's built environment. It focuses on social and environmental purpose, prioritising asset classes such as housing, decarbonisation and life sciences.
- 2.2. L&P's KPIs remain as GVA (Gross Value Added to London's economy); Net Promoter Score (NPS) customer satisfaction score; non-grant income generated, and number of small businesses supported through Grow London Local.
- 2.3. During 2025, L&P will review its impact metrics against London Growth Plan priorities and its new 2025-28 strategy. L&P will assess whether additional metrics are required and put in place data collection and analysis to deliver these.
- 2.4. L&P's new strategy for 2025-28 will continue to be in service of its mission to deliver economic growth that is resilient, sustainable and inclusive, as well as setting out its role in delivering the London Growth Plan.

KPIs and targets

- 2.5. L&P has robust outcomes that are independently audited, and its GVA methodology is publicly available to read. L&P will be required to report to the GLA on a quarterly basis on the following:
- GVA: Demonstrating L&P's economic impact defined as Gross Value Added to London's economy remains L&P's primary outcome. L&P has set a GVA target of £567 million for 2025-26, L&P's highest ever target (34 per cent higher than 2024-25 target of £424 million and 139 per cent higher than in 2023-24)
 - Non-grant income generation: A non-grant income target of £7 million for 2025-26 has been set by L&P.
 - NPS: L&P will track customer satisfaction by using NPS for its core activities.
 - Number of small businesses supported through Grow London Local.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities including the GLA must have due regard to the need to:
- eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Equality Act 2010
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 3.3. Due regard must be had at the time a decision is being considered. The duty is non-delegable and must be exercised with an open mind.
- 3.4. L&P's programmes carry strong track records of high levels of representation of London's diverse communities. To measure L&P's success in promoting equality, diversity and inclusion L&P plan to report on the percentage of diverse-led businesses supported through its programmes at the 2024-25 financial year end.
- 3.5. L&P have integrated diversity into the service design and success measures for their programmes. This includes:
- Grow London Talent & Skills, which has a dedicated team to support high growth sector companies to enable them to hire diverse candidates from across London.
 - Grow London Local which prioritises financially vulnerable and underserved entrepreneurs in the 'everyday' economy. In its first year of operation, 16,614 entrepreneurs had been supported with 88 per cent of those recognising themselves as being Black or minority ethnic, female or having a disability.
 - Grow London which includes an early-stage programme and several community events focussed on diversity in high growth sectors.
- 3.6. The GLA confirmed targets for L&P's UKSPF-funded programmes for the financial years 2023-24 and 2024-25 as follows:
- Grow London Local: L&P is required to support 1,800 Black or minority ethnic, 3,000 women and 300 disabled entrepreneurs or business owners. L&P have exceeded both their Black or minority ethnic and disabled entrepreneur/business owners' targets and are striving to reach their target for supporting women entrepreneurs/business owners by the end of the current programme.
 - Grow London Global: L&P is required to support 167 Black or minority ethnic, 63 women and 11 disabled business owners. The GLA continues to monitor progress on these targets closely. The Grow London Early-Stage programme also includes targets for supporting Black or minority ethnic, women and disabled business owners and all three targets have been exceeded.
- 3.7. L&P has committed to improving on the delivery of equality, diversity and inclusion outcomes in 2025-26 for its UKSPF-funded programmes, and the GLA will be working with L&P to ensure this improvement is reflected through their UKSPF funding targets for 2025-26.

- 3.8. L&P ensures that all events it organises have high levels of diversity, including diverse participation for panel speakers and roundtable invitees.
- 3.9. Internally, L&P has committed to building a workforce which is diverse and reflects London's populations. L&P publishes its gender, disability and ethnicity pay gap reports annually. L&P's gender pay gap decreased by 1.03 percentage points and ethnicity pay gap decreased by 15.1 percentage points between 2023 and 2024, whilst L&P continues to work on reducing its disability pay gap. Building on the success of its Origins staff network, which celebrates diversity for Black and Mixed-ethnic staff, L&P has established a wider range of network staff groups including the Generations (celebrating age diversity), Parents and Interfaith groups among others such as Pride & Partners and the Women's Network.
- 3.10. Officers have considered the likely impact of this proposed decision on groups with protected characteristics. For the reasons outlined above, they have concluded that there are no adverse impacts, and that impacts are likely to be positive.

4. Other considerations.

Key risks and issues

- 4.1. There are no significant risks or issues associated with awarding a total of £12.837 million to L&P to utilise for the purposes laid out above. L&P has a very strong track-record of delivery against its core functions since it was created in 2011.
- 4.2. More broadly, L&P have strong risk management structures. Core to this is Board scrutiny, including an Audit & Finance committee which considers a risk register of known risks. Current risks being managed include:
- Inflation – as with all organisations, L&P's operational capacity is at risk from the impact of inflation on the real terms value of their income, the cost of operational outgoings, and on staff wellbeing. These risks are included in their business plan with assumptions made about future inflation, and a plan to manage variation.
 - Global political risks – continued geopolitical uncertainty has a potentially dampening effect on some areas of L&P's activity. These risks are mitigated through analysis of the expected environment, with activities chosen in part on their resilience to these risks.
 - Funding uncertainty beyond March 2025 – UKSPF supports a significant proportion of L&P's activity including the Grow London Local and Grow London Global programmes. Late last year, the Government confirmed a one-year extension of UKSPF to March 2026. 2025-26 UKSPF activity to be supported by the GLA will be covered in a separate Mayoral Decision.

Links to Mayoral strategies and priorities

- 4.3. L&P's business plan aligns with the Mayor's Economic Development Strategy and London Growth Plan, which focus on the importance of a thriving London economy that is open to business and the promotion of London as a world leader in innovation, technology and creativity.

Declarations of interest

- 4.4. No one involved in drafting and clearing this document has any conflicts of interests to declare with the exception of the Managing Director, Operations at L&P, who has contributed directly to preparing the draft MD by providing factual content on L&P's activities. He has not been involved in any way in the clearance of this decision. As the Deputy Mayor for Business and Growth is Chair of L&P, he has had no input into this decision, and it has been cleared by the Deputy Chief of Staff.

5. Financial comments

- 5.1. Approval is requested for the award of core grant funding to London & Partners of up to £12.837 million as a contribution to its costs of delivering its 2025-26 business plan, subject to approval by the Mayoral budget for 2025-26.
- 5.2. The GLA's core contribution to L&P of £11.859 million was included within the GLA's draft budget and spending plans for 2025-26. This has been supplemented by an additional one-off award of £978,000 in recognition of (i) expenditure falling to L&P related to the London Growth Plan, and (ii) the costs of necessary upgrades to its digital systems. This has been funded through re-allocation of resources within the GLA budget through a drawdown from the Strategic Investment Fund within GLA Group reserves.
- 5.3. In line with previous arrangements, payments will be made on a quarterly basis subject to satisfactory monitoring of performance against the deliverables approved as part of the 2025-26 business plan. The release of payments will be subject to approval by the GLA's Chief Finance Officer. This requirement, as well as the standard break clauses, will be incorporated into the funding agreement to ensure that performance and risk is managed effectively during the duration of the grant agreement.

6. Legal comments

- 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, falling within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of the economic development and wealth creation, social development and improvement of the environment in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the GLA'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 United Kingdom
 - consult with appropriate bodies.
- 6.2. In taking the decisions requested, the Mayor must have due regard to the Authority's Equality of Opportunity responsibilities and 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 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 and foster good relations between persons who share a relevant protected characteristic 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 three (above).
- 6.3. Section 1 above indicates that the budget sought is in the form of core grant funding to be made available to L&P. Officers must ensure that the funding is distributed fairly, transparently and in accordance with the Authority's Equality Policy and adheres to the subsidy control rules. Funding must be in accordance with value for money principles and afford value for money in accordance with the Authority's Contracts and Funding Code. Officers must ensure that an appropriate funding agreement is in place and executed by the GLA and the recipient before any commitment to funding is made.
- 6.4. There should be no reliance placed upon nor commitment made to expenditure stated to be subject to the financial year 2025-26 budget setting process until that process has been completed and the corresponding budgetary provision has been approved.

- 6.5. Should the Mayor be minded to make the decisions sought, officers must ensure that no commitment to award the funding proposing is made and the funding being paid to L&P until both the GLA and L&P have executed a funding agreement (which reflects amongst other things, the points noted in paragraph 6.3, above).

7. Planned delivery approach and next steps

Activity	Timeline
Funding agreement signed	March 2025
2025-26 business plan initiated	April 2025

Appendices and supporting papers:

Appendix 1 – London & Partners 2025-26 Business Plan.

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 either be published 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 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:

Richard Tribe 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:

Richard Watts 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 31 March 2025.

✓

CHIEF FINANCE OFFICER:

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

Signature:

Anna Casbolt

Date:

01/04/2025

pp. Anna Casbolt, Assistant Director, Financial Services, on behalf of the Chief Finance Officer

CHIEF OF STAFF:

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

Signature:

D. Bellamy

Date:

31/03/2025

