

# GREATER **LONDON** AUTHORITY

## REQUEST FOR DIRECTOR DECISION – DD2380

### Title: Voluntary Visitor Giving Scheme Feasibility Study

#### Executive Summary:

This decision seeks approval for the commissioning of a feasibility study exploring delivery options and operational models for a Voluntary Visitor Giving Scheme.

London welcomed 31.9 million visitors and tourists in 2017. World leading and grassroots cultural attractions – many of which offer free entry to the public and visitors alike – make London's tourism offer one of the best in the world, contributing to the city's coveted international profile. Four out of five tourists cite culture as their main reason for visiting the capital. Tourists also enjoy the benefits of London's parks, the public realm and other services for which they do not bear the social cost. At the same time, the tourism sector makes an important contribution to London's economy, generating income and creating jobs and economic output.

Many global cities have implemented a tourism levy including Paris, Berlin, New York and most recently Edinburgh has become the first UK city to announce plans to raise one. The GLA's research to date has set out design considerations, reviewed international approaches to pricing structures and identified the potential revenue that could be raised through such a levy. Whilst the Mayor does not currently have powers to implement a tourism levy, this feasibility study would explore the viability of a Voluntary Visitor Giving Scheme which would encourage international tourists to 'give back' to what makes London such a great place to visit.

The study will include extensive stakeholder engagement and consultation with a range of partners. It will deliver a set of recommendations outlining how a scheme could be delivered.

#### Decision:

That the Executive Director of Communities and Intelligence approves:

Expenditure of up to £60,000 in 2019-20 on consultancy services for the delivery of a feasibility study for a Voluntary Visitor Giving Scheme.

#### AUTHORISING DIRECTOR

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Emma Strain

**Position:** Executive Director,  
Communities & Intelligence

**Signature:**



**Date:** 21.08.19

## **PART I – NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. London is one of the most visited cities in the world, welcoming 31.9 million visitors in 2017. World leading and grassroots cultural attractions – many of which offer free entry to the public and visitors alike – make up London's tourism 'offer' one of the best in the world, contributing to the city's coveted international profile.
- 1.2. Four out of five tourists cite culture as their reason for visiting the capital. Tourists also enjoy the benefits of London's parks, the public realm and other services for which they do not bear the social cost.
- 1.3. The tourism sector makes an important contribution to London's economy, generating income and creating jobs and economic output.
- 1.4. Many global cities including Paris, Berlin and New York implement a tourism levy, and the trend is increasing. In early 2019, City of Edinburgh has become the first UK city to announce it will be raising a Transient Visitor Levy (TLV) subject to the Scottish Parliament passing enabling legislation in the next few years.
- 1.5. In 2017, the London Finance Commission identified the potential for a tourism levy in London as part of its recommendations for greater fiscal devolution to the capital. The GLA's research (*Options for a tourism levy for London, 2017*) has set out design considerations, reviewed international approaches to pricing structures and identified the potential revenue that could be raised through such a levy for London.
- 1.6. The Core Cities and 'Cultural Cities Enquiry' have called on government to allow cities to consult on a tourist levy. Bristol, Bath, Brighton, Cornwall, Liverpool, Norwich and Oxford councils have discussed introducing a tourist levy, while Birmingham is considering a tourism levy to help fund the Commonwealth Games in 2022.
- 1.7. In 2015, Camden Council announced it was considering a £1 per night 'bed tax' to support tourist areas. Westminster City Council and Camden Council have commissioned the London School of Economics to explore a tourism levy in their boroughs.
- 1.8. In May 2019, the statutory Mayor's Cultural Leadership Board (referred to in the GLA Act as the Cultural Strategy Group for London) recommended that the Mayor continue to lobby for the devolution of powers to administer a tourism levy and that the Mayor also deliver a voluntary scheme, working across the accommodation sector to generate voluntary giving to support London's cultural offer.
- 1.9. The scheme would give international visitors the opportunity to 'give back' to what makes London such a great place to visit and would be based on the principle of additionality.
- 1.10. To inform its recommendation to the Mayor, the Mayor's Cultural Leadership Board commissioned a review of existing case studies and preliminary high-level stakeholder engagement. This commission was approved under cover of MD2289 in 2018 for £20,000.
- 1.11. This decision seeks approval for a feasibility study exploring delivery options for a Voluntary Visitor Giving Scheme. The study would build stakeholder buy-in at the highest levels, as it would be developed with a range of partners, including private and shared accommodation providers.

#### **2. Objectives and expected outcomes**

- 2.1. The objective of the proposed Voluntary Visitor Giving Scheme is to raise funding to support a range of activities and interventions to support London and Londoners. The types of activities and

interventions will be explored within the feasibility study, within the statutory constraints of the GLA Act.

- 2.2. The objective of the feasibility study is to identify potential delivery models as well as opportunities and challenges to implementing a Voluntary Visitor Giving Scheme.
- 2.3. The feasibility study will research, consult and model options in three areas and deliver the following outcomes:
  1. Proposals for the delivery and implementation of a scheme, including:
    - Legal implications on the viability of a voluntary scheme;
    - Examples of international case studies and exploration of operational models, including technological requirements, administrative processes and collection and distribution options;
    - Recommendations for a governance structure; and
    - Proposed implementation plan.
  2. Extensive stakeholder consultation including testing delivery options, including:
    - Engagement and consultation with stakeholders, identifying champions and participants;
    - Building awareness and understanding of the barriers to participation and potential opportunities for stakeholder groups; and
    - Undertaking user testing on options across a representative sample of accommodation providers and London visitors.
  3. A business case for the scheme, including:
    - Feedback from stakeholders on the types of services and activities raised funding could support, drawing on international examples;
    - Options for the distribution of funding for London's non-core, non-statutory services, including those which invest in reasons for visiting, including culture, heritage, sport and tourism;
    - Rationale for a pan-London approach to collection and distribution of funding; and
    - Developing key messages for potential delivery partners, tourists and visitors.

### **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' of the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- 3.2. The GLA's contribution to this feasibility study into a Voluntary Visitor Giving Scheme will explore a range of activities and interventions raised funding could support to support London and Londoners invested under the principle of additionality.
- 3.3. The GLA is committed to proactively encouraging diverse suppliers to participate in its procurement processes for goods, works and services. It will provide a level playing field of opportunities for all organisations including Small and Medium Enterprises and Black, Asian and Minority Ethnic businesses and other diverse suppliers. Consistent with its obligations as a Best Value authority and in compliance with EU and UK legislation, the procurement process will be transparent, objective and non-discriminatory in the selection of its suppliers. It will actively promote diverse suppliers throughout its supply chains and in addition will proactively conduct its procurement process in line with the GLA Group Responsible Procurement Policy.

- 3.4. The cross-policy steering group for the feasibility study will include representation from the Communities and Social Policy team specialising in equality policy. The study will consider the potential impact on equalities in London when developing its recommendations.

#### **4. Other considerations**

- 4.1. The Mayor's Culture Strategy has a priority to enhance London's leading global position as a creative capital which attracts millions of visitors a year.
- 4.2. The Mayor's Economic Development Strategy sets out the Mayor's ongoing role in advocating for devolution of a range of fiscal powers in order to help it thrive, including addressing the wider barriers to growth facing key sectors such as tourism. These key sectors are key to achieving a fairer and sustainable future economy for London - bring wider benefits to Londoners, as well as offering huge potential for growth.
- 4.3. There is a risk that during the procurement process we are unable to identify a supplier with the right level of expertise in this area, or the supplier contracted does not deliver work to a high enough standard. This will be mitigated by a clear procurement strategy and careful supplier management.
- 4.4. A break clause will be included in the contract if the first phase of modelling identifies that there is no viable option to deliver a Voluntary Visitor Giving Scheme.
- 4.5. It is unlikely there will be a conflict of interests in the commissioning of the feasibility study, however all evaluating officers will complete individual declaration of interest forms before undertaking the scoring of bids.

#### **5. Financial comments**

- 5.1. Approval is being sought for expenditure of up to £60,000 for a Voluntary Visitor Giving Scheme feasibility study. This expenditure will be contained within the 2019-20 Culture and Creative Industries budget.

#### **6. Legal comments**

- 6.1 Section 378 of the GLA Act provides a statutory duty for the GLA to promote tourism. Tourism functions are set out at section 378 (1) and include the duty to: (a) encourage people to visit Greater London; (b) to encourage people from outside the United Kingdom to visit the United Kingdom by way of Greater London; and (c) to encourage provision of tourist amenities and facilities in Greater London. Whilst the GLA cannot raise money by reason of section 30 and section 34 (2), section 378 (2) of the Act empowers the GLA to do anything: (a) for the purpose of discharging the functions conferred on it by section 378; or (b) which is incidental or conducive to the discharge of those functions. The subsidiary power here does not prevent the GLA from raising money by way of a voluntary levy for the purpose of these limited functions. Tenders will be sought on the basis that the consultants engaged must advise taking the relevant statutory parameters into account.
- 6.2 The Mayor is not able to use the general power in section 30 for this proposal. This is because the act of raising money would be incidental to the activity to be pursued under the general power. In addition, the GLA's subsidiary power in section 34 (2) specifically prevents the GLA from raising money.
- 6.3 Should the Director be minded to make the decision sought, officers must ensure that services required are procured in accordance with the GLA's Contracts and Funding Code, in liaison with TfL Commercial, and that appropriate contract documentation is put in place with suppliers before the commencement of such services.

## **7. Planned delivery approach and next steps**

- 7.1. The feasibility study will be competitively tendered in accordance with the GLA Contracts and Funding Code, and requires a range of skills, expertise and deliverables – including user testing with visitors and hotel accommodation providers. The study will be managed jointly across all relevant policy areas at the GLA, including the GLA's City Intelligence Unit, the Culture and Creative Industries Unit and the Economic Development team. A cross-policy working group will steer the work internally.

<b>Activity</b>	<b>Timeline</b>
Procurement of contract	August 2019
Study Start Date	September 2019
Final evaluation	January 2020
Delivery End Date	February 2020

### **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 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? YES**

If YES, for what reason:

The Decision sets out commercially sensitive information regarding the forthcoming procurement exercise to deliver the aforementioned feasibility study and should therefore be withheld until the appointment is complete and until stakeholder consultation with key groups is complete.

Until what date: November 2019

### 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:

Amanda Decker has drafted this report in accordance with GLA procedures and confirms the following:

✓

### Assistant Director/Head of Service:

Shonagh Manson has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

### Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

### Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 19 August 2019.

## EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

19.08.19

Ben Middleton on behalf of Martin Clarke