

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2478

### Title: London & Partners – Domestic Tourism Consortium

#### Executive Summary:

Tourism plays a vital role in London's economy. The sector employs 700,000 people – one in seven of the capital's jobs – and accounts for 11.6 per cent of the capital's GDP. International visits to London have increased during each of the past five years but there has been a decline in the number of visitors from around the UK who visit the capital. Day visits to London reduced by three per cent year-on-year in 2017, from 337m, to 327m.

This MD seeks approval to commit £600,000 towards the coordination of a public-private 'Domestic Tourism Consortium' led by the tourism industry to help promote London to a UK audience. Funded over two years, this will create a platform to run dedicated campaigns designed to address the recent decline in domestic visitors. London & Partners Limited (L&P) will co-ordinate this on behalf of the Greater London Authority.

L&P is the Mayor of London's official promotional agency, which exists to support the Mayor's priorities by promoting London internationally as a leading city in which to invest, work, study and visit. This separate, additional funding will be used specifically to facilitate the promotion of the capital to domestic tourists, which is not part of L&P's remit currently.

#### Decision:

That the Mayor approves:

£600,000 of funding to London & Partners to coordinate an industry-led public-private 'Domestic Tourism Consortium' to help promote London to a UK audience over two financial years:

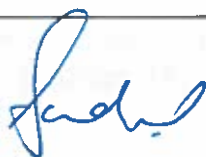
- 2019-20 - £320,000
- 2020-21 - £280,000

#### 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:

21/1/19

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

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

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

- 1.1 Tourism plays a vital role in London's economy. The sector employs 700,000 people – one in seven of the capital's jobs – and accounts for 11.6 per cent of the capital's GDP (Deloitte & Oxford Economics, 2013). It also strengthens London's reputation as an open and welcoming city and is central to the city's soft power. The sector is a key contributor to London's diverse cultural and retail offer as well as the night time economy, and benefits both visitors and Londoners.
- 1.2 But while international visits to London have increased during each of the past five years, there has been a decline in the number of visitors from around the UK who visit the capital for just one day. Day visits to London reduced by three per cent year-on-year in 2017, from 337m, to 327m. During this time, spend from day visits reduced considerably, by approximately 13 per cent from £14.4bn to £12.6bn (source: Great Britain Day Visit Survey, Visit Britain.)
- 1.3 The drop in domestic tourism is having a negative impact on businesses across a number of sectors - attractions, food and beverage and retail; on London's cultural offering (galleries, theatre, music etc); and on TfL revenue (source: London BIDs, Association of Leading Visitor Attractions, TfL).
- 1.4 In December 2018, at the suggestion of the Mayor, Business Improvement Districts and key stakeholders from the London tourism industry convened to address this decline in domestic tourism. The group identified the following shared ambitions:
  - To work together to promote domestic tourism in London by generating more demand through marketing and promotional activity;
  - That the activity should be funded by a combination of public (GLA) and private sector contributions; and
  - To use London & Partners (L&P), expanding its function beyond international promotion, to deliver the activity.

#### ***Funding background***

- 1.5 L&P is funded by a combination of sources including a 'core grant' of £13.1m from the GLA in 2019/20, other grants, fees from its commercial partners, benefits in kind and income from its commercial activities.
- 1.6 The funding for the 'Domestic Tourism Consortium' is separate from L&P's 'core grant' referenced above (see MD2449 - 19.03.19 - London & Partners 2019/20 Business Plan). The reason for this is domestic tourism is a new business line separate from the internationally focused work L&P have outlined in its business plan.
- 1.7 The decision to create and fund a Domestic Tourism Consortium came from members of the tourism industry suggesting that the GLA should play a strategic co-ordinating role in addressing the challenge.
- 1.8 L&P were identified as the best organisation to lead this work based on its extensive knowledge of the tourism industry and unique networks. For example, in 2017 L&P authored a 'Tourism Vision for London' which collaborated with more than 100 of the capital's tourism leaders and defined a new vision for London's tourism industry as a combined force.
- 1.9 L&P have agreed to convene the industry and manage the delivery of the activity on the basis it is funded by consortium partners. The GLA's funding will enable L&P to provide governance & partner

management to the consortium; insights & strategy through data and research; and online editorial content including web and social media. This is in addition to funding from consortium members which will be directed towards campaign activity.

- 1.10 The £600k funding will be payable over two financial years, noting that it is anticipated that the funding for the financial year 2020-21 will be available, subject to review following the Mayoral election.

## 2. Objectives and expected outcomes

- 2.1 The funding will support the following objectives and expected outcomes:

	Objectives	Expected Outcomes
<b>Governance &amp; Partner Management</b>	<ul style="list-style-type: none"> <li>• Provide effective governance</li> <li>• Create a delivery structure and protocols</li> <li>• Provide partner relationship management</li> </ul>	<ul style="list-style-type: none"> <li>• The Consortium has an agreed strategy, with a plan to fund and execute it</li> </ul>
<b>Insights &amp; Strategy</b>	<ul style="list-style-type: none"> <li>• Provide data and insights</li> <li>• Produce marketing strategy</li> </ul>	<ul style="list-style-type: none"> <li>• We understand what influences domestic tourism demand and how to most effectively address the recent decline</li> </ul>
<b>Online channels</b>	<ul style="list-style-type: none"> <li>• Provide user-centric content</li> <li>• Enable continuous investment in audience growth through search engine optimisation and pay-per-click</li> <li>• Enable marketing that aims to grow L&amp;P owned audiences</li> </ul>	<ul style="list-style-type: none"> <li>• We are using online channels with increasingly large, relevant and engaged audiences to inspire and inform domestic tourists</li> </ul>
<b>Marketing campaigns</b>	<ul style="list-style-type: none"> <li>• Enable marketing campaigns informed by data and insights</li> <li>• Create clear objectives and KPIs for each campaign (possibly including spend/footfall/brand perception)</li> <li>• Enable campaigns across paid, owned, earned and partner channels</li> <li>• Provide central campaign management to coordinate agencies and partners</li> </ul>	<ul style="list-style-type: none"> <li>• Marketing campaigns implemented that engage domestic tourists and trigger consideration of trips to London</li> </ul>

## 3. Equality comments

- 3.1 Under s149 of the Equality Act 2010 (the Equality Act), as a public authority the Mayor must have due regard to the need to eliminate discrimination, harassment and victimisation, and any conduct

that is prohibited by or under the Equality Act; and to advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not.

- 3.2 The objective of any activity organised by L&P must be that it is open to all, irrespective of the protected characteristics covered by the Equality Act 2010; gender, ethnicity, race, sexual orientation, disability, pregnancy, maternity and age. L&P will ensure that inclusivity is included within all campaign activity undertaken by the consortium and the tender documents prepared for the marketing agency. The consortium's web presence will also adopt the same accessibility standards as for the rest of the L&P family <https://www.visitlondon.com/about-us/accessibility?ref=footer>. Throughout its work to coordinate the Domestic Tourism Consortium, L&P will aim to eliminate any discrimination, advance equality of opportunity and foster good relations between people, liaising with the relevant GLA teams for advice and guidance if required.

#### 4. Other considerations

##### Key Risks and Issues

- 4.1 The following key risks have been identified:

Risk		Impact (High/Medium/Low)	Likelihood (High/Medium/Low)	Mitigation (As a minimum for all High/High capture proposed mitigation)
1.	Consortium does not continue beyond year 1 due to lack of impact or insufficient funding from Consortium members	M	M	Manage expectations of consortium, expert account and project management.
2.	Consortium does not hit key milestones	M	L	Strategic partners meeting monthly during set-up phase. Recruitment for additional staff completed for L&P internal transfer and underway for external recruitment. L&P project plan set up to monitor progress.
3.	Consortium does not agree on a shared agenda for the project resulting in sub-optimal campaigns.	H	L	L&P have already done a lot of work trying to establish a set of shared goals amongst industry through a high-level visioning workshop. A strategy board, comprised of representatives from the partners will be established to provide direction to the campaign and any decisions will be made by committee.  Furthermore, the campaigns will be structured in a way that partners can opt in or opt out of certain campaigns depending on their organisational priorities.

### Links to Mayoral strategies and priorities

- 4.2 The Mayor's Economic Development Strategy recognises the important role of tourism in supporting jobs and growth in a wide range of sectors from hospitality and food to our cultural and creative industries. Tourism is an important employer, providing jobs for people at every stage of their career. It also helps to make London a diverse and open city. Many of London's entrepreneurs, investors, and international students and workers get their first taste of the city when they visit, on holiday or on business.
- 4.3 Working with the tourism industry, the Mayor has committed to make London's offer even stronger for both leisure and business tourism, focusing on the visitor experience and the quality of amenities. He will also work to promote the city more widely, ensuring that more visitors have the chance to enjoy more of what London has to offer – including encouraging dispersal to areas outside of central London which offer many of the city's 'hidden gems'.
- 4.4 The Mayor has endorsed and supported L&P's 'London's Tourism Vision' to progress London's position as a global capital for tourism. It sets out a clear new direction for London's tourism sector, identifying where future growth will come from and the real opportunity we must harness and manage that growth for the benefit of Londoners and visitors alike.

### Consultation

- 4.5 The GLA is a strategic partner of the consortium and so will attend all Strategic Board meetings. As such the GLA will be part of the group that agrees how decisions will be made, which audiences to focus on, which campaigns to be developed and how L&P will be held to account for the services it delivers and how funds are spent.

## **5. Financial comments**

- 5.1 The proposed funding of £600,000 for this initiative was identified during the GLA Group's 2019/20 budget process and placed in the Authority's earmarked reserves. It will be drawn down and administered by way of grant funding to London & Partners (L&P), spanning two financial-years as follows:
- 2019-20 - £320,000
  - 2020-21 - £280,000
- 5.2 It should be noted that this funding is to support L&P's work for the Domestic Tourism Consortium and is separate from their core funding of £13.136m for 2019-20, approved by MD2449.

## **6. Legal comments**

- 6.1 The preceding sections of this report indicate that:
- The decisions requested of the Mayor (in accordance with the GLA's Contracts and Funding Code) fall 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 economic development and wealth creation and social development in Greater London (section 30, GLA Act 1999); and
  - 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 (further details on equalities are set out in section 3 above) and compliance under section 149 of the 2010 Act (see above);

- 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; and
- Consult with appropriate bodies.

- 6.2 The decisions requested of the Mayor (in accordance with the Authority's Contracts and Funding Code) fall within the statutory powers of the GLA. Under section 378 of the GLA Act, the GLA has a duty to promote tourism to Greater London and grant funding from the GLA for the purpose of promoting domestic tourism can fairly be anticipated as promoting tourism to London.
- 6.3 Sections 1 and 2 above indicate that the contribution of up to £600,000 to L&P amounts to the provision of grant funding and not payment for services. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's equalities policies and in a manner which affords value for money in accordance with the Contracts and Funding Code.
- 6.4 Officers must ensure that a grant funding agreement is put in place between and executed by the GLA and L&P (seeking support from Legal as appropriate) before any commitment to fund is made.

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

- 7.1 The timeline and next steps for the Domestic Tourism Consortium are detailed in the following table:

<b>Activity</b>	<b>Timeline</b>
Grant Agreement Signed	May 2019
Delivery Start Date	May 2019
L&P Commence Procurement of Marketing Agency	September 2019
Campaign 1 – L&P Planning and Activation	Sept 2019 – March 2020
L&P Planning & Activation of a Minimum of 2 additional campaigns	April 2020-March 2021
Project Closure	March 2021

## **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? 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:**

Katherine Gee & Richard Tribe have drafted this report in accordance with GLA procedures and confirms the following:

✓

**Sponsoring Director:**

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

✓

**Mayoral Adviser:**

David Bellamy has been consulted about the proposal and agrees the recommendations.

✓

**Advice:**

The Finance and Legal teams have commented on this proposal.

✓

**Corporate Investment Board**

This decision was agreed by the Corporate Investment Board on 28 May 2019.

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

*M. D. Bellamy*

**Date**

*19.6.19*

**CHIEF OF STAFF:**

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

**Signature**

*D. Bellamy*

**Date**

*19/6/2019.*

