

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2942

Title: Promoting International Tourism

Executive Summary:

Many retail, commercial and cultural businesses and workers across London, and particularly in the Central Activities Zone (CAZ), have faced an existential threat from the impacts of the Covid-19 pandemic. A growth in home-working, unprecedented restrictions on and closures of hospitality and cultural venues and events, and a collapse in tourism have been enormously challenging.

The recovery of international tourism is central to London's economic recovery. Tourism accounts for as many as one in seven jobs in London and contributes almost 12% of the city's GDP. The capital, and specifically the CAZ, which is the main destination for many international visitors, will play an essential part in recovery, delivering jobs and growth. London's recovery will rely on getting international tourists to return to central hospitality, retail and cultural districts as restrictions ease.

London & Partners Limited (L&P) is working with the tourism industry on a marketing campaign to drive additional visits to London in 2022-23/4 to support the recovery of London's inbound visitor economy. Grant funding totalling £9m for the campaign (to be split between £2m of funding for a domestic audience and £7m targeted at international visitors) is requested from the GLA, in addition to industry funding, with the aim of launching in April 2022 or as soon as possible.

A further allocation of £1m is requested for a complementary marketing and promotional campaign for the cultural and sporting activities taking place in the capital in the summer of 2022. This will be run by the GLA and aimed at a 'daytripper' (i.e. London and Home Counties) audience, as well as domestic and international tourists who are already in London.

Decision:

That the Mayor approves:

1. the award of grant funding to L&P of up to £9m as a contribution to the costs of a domestic and international tourism campaign to attract additional overnight visitors to London in 2022-23/4 and support the recovery of London's inbound visitor economy
2. a further allocation of £1m for a GLA-led marketing and promotional campaign to promote the cultural and sporting activities happening in London in Summer 2022 to a 'daytripper' (i.e. London and Home Counties) audience.

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:

16/3/22

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

Decision required – supporting report

1. Introduction and background

- 1.1. Covid-19 has had a devastating effect on London's economy and society, unlike anything the capital has seen since World War II, and recovery to pre-pandemic levels of growth, employment and tourism could take years. This crisis has also exposed long-standing inequalities in our society, disproportionately affecting Black, Asian and Minority Ethnic communities.
- 1.2. This is also however, an opportunity. We can use our recovery from Covid-19 to reimagine our city as a place with a better long-term future for Londoners. One which is fairer, greener and more resilient than it was before. In order to achieve these aims London's business and community sectors have come together with the GLA and London's boroughs to work on a London Recovery Programme. This is overseen by the London Recovery Board, chaired jointly by the Mayor of London, Sadiq Khan, and the Chair of London Councils, Councillor Georgia Gould, which brings together leaders from across London's government, business and civil society, as well as the health and education sectors, trade unions and the police, to oversee the long-term recovery effort.
- 1.3. The capital's economy accounts for a quarter of the UK's total economic output and pre-Covid, London's economy has always relied on huge levels of both domestic and international tourism, driven in large part by the city's world-leading cultural and visitor attractions. The Covid-19 pandemic has created huge challenges for central London's economy, reducing footfall from office workers, UK domestic tourists and international visitors. With visitor numbers drastically reduced, the London's tourism sector has been amongst the hardest hit. Before the pandemic, London was the third most visited city on the planet, welcoming 21.7m visitors in 2019, with inbound tourism spend reaching £15.7bn. City Hall analysis of forecasts by VisitBritain showed that consumer spending in central London by overseas tourists was £7.4 billion lower throughout 2020, while domestic tourists will have spent £3.5 billion less. This compares to a loss of £1.9 billion from the fall in office workers.
- 1.4. The recovery of international tourism is therefore central to London's economic recovery. More than one in seven jobs in London are related to the tourism sector and it contributes almost 12% of the city's GDP¹. As such, the current lack of international tourists remains a huge challenge for the capital, and specifically its Central Activities Zone (CAZ), which is the main destination for many international visitors. London's recovery will rely on getting international tourists to return to central London hospitality, retail and cultural districts as restrictions ease. London's CAZ faces a bigger challenge than its counterparts in major cities such as New York and Paris, due to lower numbers of people living in the heart of the city and a greater reliance on visitors, including tourists and workers.
- 1.5. London is also the gateway to the rest of the UK for international tourists. Supporting London's inbound visitor recovery helps promote UK wide tourism and will benefit destinations outside London. A 2015 L&P report² found that overseas holiday visitors who combine a trip to London

¹ Tourism: jobs and growth. The economic contribution of the tourism economy to the UK, Deloitte & Oxford Economics, 2013

² Understanding the London+ Visitor, London & Partners, 2015

with another UK location, spend up to 64% longer in the UK overall (including London) than those who visit a single UK destination. In terms of the nations visited by these London and other UK destination visitors, 80% went to an English location outside of London, 30% to Scotland, 21% to Wales and 9% to Northern Ireland.

- 1.6. An immediate priority for the Mayor on his re-election in May 2021 was the £7m 'Let's Do London' campaign, the biggest domestic tourism campaign the capital has ever seen, to help London's economy get back on its feet as Covid-19 restrictions are eased. This encouraged Londoners and visitors back into the CAZ through marketing, promotion and a programme of one-off special events.
- 1.7. The £4m promotional campaign that formed a key part of the Let's Do London programme generated an additional £70m in consumer spending to London's economy to date, a return on investment (ROI) of 18:1 (based on the combined contribution of GLA and industry funding). It also saw significant increases in visits, intent to visit London and confidence in visiting the capital amongst those who are able to recall the campaign. Paid media for the Let's Do London campaign (including TV, radio and online adverts), ran between May and October 2021, and PR activity continued into the new year 2022 to support the events programme led by the GLA Culture & Creative Industries Unit.
- 1.8. Following this success and calls from the hospitality and tourism sector, L&P (the business growth and destination agency for London) is now working closely with the industry on plans to promote the return of international tourism as travel restrictions ease in 2022, alongside continuing to attract domestic tourists. A coordinated and coherent approach is required to ensure that London remains top of mind as an international visitor destination, and that international tourists are encouraged to return with confidence to London as soon as travel restrictions ease, capitalising on the demand for international travel that is anticipated when people are able to travel more freely again.
- 1.9. As with the Let's Do London domestic marketing campaign, L&P's approach has the full support and collaboration of the tourism industry and plans are underway to secure match funding against GLA support.

International Tourism

- 1.10. A contribution of £7m is required from the GLA to fund the proposed international marketing campaign, which will be led by L&P. This will focus on audiences in the highest priority cities to ensure maximum return on investment, rather than spreading the campaign more thinly across a larger market. High priority ('Tier 1') cities are defined as those with large populations of frequent international travellers and with easy access to flights to London.
- 1.11. In addition to the GLA's funding, it is estimated that London's tourism industry will contribute between £2m-£2.5m for the international campaign. L&P is also discussing partnerships with global online travel agents such as Expedia and TripAdvisor to raise additional value in kind.
- 1.12. Following discussions between the GLA, L&P and government officials, it has been agreed that L&P will work closely with Visit Britain to ensure that its London campaign is well coordinated with any wider national campaign to achieve the best outcomes for London and the UK. This will ensure the value from the Mayor's investment is maximised.

- 1.13. L&P have conducted a tender exercise to select a creative agency for the international marketing campaign work. The tender process has involved target audience research on the 'Let's Do London' name used for the domestic tourism campaign. Through this research it has been established that Let's Do London is an appropriate campaign name for all international markets, as well as performing well for UK domestic audiences. The Let's Do London campaign name already has the buy-in of the wider tourism and hospitality industry and reusing it for the international campaign will save time, effort and money – for example, by allowing existing materials to be repurposed where suitable.

Domestic Tourism

- 1.14. Alongside the funding for international tourism, a contribution of £2m is required from the GLA to fund a domestic marketing campaign (which will also be led by L&P). This will mirror the international campaign and will target overnight visitors from the UK, excluding Londoners and audiences from the home counties.

Daytrippers (London and Home Counties)

- 1.15. In support of and to complement the international campaign led by L&P, work is also underway to scope a GLA-led campaign promoting existing events, promotions and cultural activity happening in London in 2022 ('the GLA Campaign'). The GLA Campaign would complement L&P's work by promoting London's offer to Londoners and visitors from the Home Counties and by encouraging further spend by visitors already in London. This campaign would promote and provide critical support to key London cultural attractions and institutions, featuring and amplifying some of the key highlights of the year (which may include for example the Women's EUROs, Olympic 10-year anniversary, London Borough of Culture, Queen's Platinum Jubilee), alongside other annual or one-off events, programmes of work and sporting attractions in London's calendar and cultural scene.
- 1.16. The campaign development will consider and apply the learnings from the 2021-22 Let's Do London activation programme as it concludes, including on the added value generated from PR activations, strategic partnerships and the advocacy of the Mayor. The External Relations team will lead on the marketing campaign development working closely with the Culture, Economic Development, Events and Sports teams. This will include consideration of how best to work strategically with key sectors to maximise partnership potential and deliver tactical campaign storytelling, achieving an aggregated outcome that is greater than the sum of the individual parts. Alongside this strategic work, a goal of the programme will be to leverage additional cash/in kind support.
- 1.17. Funding of approx. £1m would be required to deliver the GLA Campaign. £940k of that funding would cover all creative curation and production of campaign content and assets; the cost of media buying to deliver the required reach across key audiences; and evaluation costs to measure ROI. The additional £60k would cover staffing costs in the Marketing and Culture teams to deliver the campaign; a Senior Marketing Officer to manage and lead the campaign, and a Senior Culture Officer to liaise with key cultural organisations. This assumes a campaign of circa six months in duration. If the campaign development culminates in a decision to run the campaign over a longer period, some of the campaign budget may need to be diverted to extend the aforementioned resources, however, it is anticipated that this would not be more than an

additional £30k. Parallel approval through the Establishment Control process will also be required for these additional GLA officers.

- 1.18. Whilst the GLA campaign would still primarily support the Central Activities Zone, it is expected that the campaign would also feature some activities across the whole of London. This will enable it to bring in content that could otherwise be excluded if the focus was on the CAZ alone. For example, suitable content could be identified through activities across the city such as the Unboxed Festival, the Olympic Anniversary, the Women's EUROs and the London Borough of Culture.

2. Objectives and expected outcomes

L&P Domestic and International Marketing Campaign

- 2.1. L&P's proposed domestic and international marketing campaign aims to attract additional international visits to London to speed up the visitor recovery. This will deliver additional consumer spend in London and help support businesses in the capital's hospitality and tourism sector which has been disproportionately affected by the Covid-19 pandemic and protect a significant number of jobs in London.
- 2.2. The campaign aims to achieve this primarily by ensuring London is the preferred destination for international holidaymakers at both the consideration and conversion stages of the user journey. The campaign will promote London's unique and diverse visitor experiences. The focus will be on the London experience but will also consider the barriers of travelling internationally to a global city as we adapt to life living with Covid-19.
- 2.3. The target audience for the campaign will be tourists from countries where their consumer spending has the potential to add the most value to London's economy (£m) and who are most likely to travel despite Covid-19 concerns. According to these criteria, the priority target audiences for the campaign will be the USA (with the largest consumer spending value across all age ranges, with 25-55 year olds adding the most value), Germany and France (where in both countries 18-45 year olds add the most value, with France being the more valuable target of the two). The domestic element of the campaign will also prioritise audiences based on potential spend and contribution to London's economy. Final domestic and international audiences are subject to media planning.
- 2.4. Subject to funding confirmation and any possible unforeseen Covid-19 related international travel restrictions, L&P aims to launch the international marketing campaign in May 2022. If restrictions remain in place, the international campaign will be launched later in the year.

GLA Daytripper (London and Home Counties) Campaign

- 2.5. The GLA Campaign would focus on the promotion of key London attractions and institutions once visitors are in the city, with the ultimate aim of improving public confidence in London amongst daytrippers (inside and outside of London).
- 2.6. This campaign would focus on driving confidence in London and positive perception of everything London has to offer, encouraging attendance to events and maximising spend from

both tourists and Londoners by promoting events, cultural venues, and attractions across London. Objectives of the GLA Campaign and its key audiences would be refined and agreed in collaboration with L&P, the procured media agency and other key stakeholders (e.g. TfL).

KPIs

- 2.7. The primary KPI for the *UK Overnight (Rest of UK)* and *International* marketing campaign will be:
- additional rest of UK and international visitors to London and total visitor value to the London economy based on additional international visitor spend.
- 2.8. The secondary KPIs for the *UK Overnight (Rest of UK)* and *International* marketing campaign will be:
- target market's campaign recall
 - target market's consideration/intent to visit London
 - total campaign reach (across a wide variety of paid media channels) and frequency (i.e. how many times an individual is likely to have seen an advertisement).
- 2.9. The KPIs for the GLA *Daytripper (London and Home Counties)* Campaign would measure target market awareness of the campaign, metrics around confidence in, and perception of, London, and differences in spending / visiting behaviours between exposed and non-exposed groups. We will also measure a wider range of measures to gauge sentiment around and confidence in London.

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, as well as 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 international marketing campaign will reflect the diversity of London and in doing so will help to foster good relations between people who have a protected characteristic and those that do not.
- 3.3. Evidence has shown that Black, Asian and Minority Ethnic Londoners have been disproportionately impacted by the Covid-19 pandemic, both in terms of the health impact, as well as often facing specific barriers to accessing support available from HM Government. Additionally, the economic impact of Covid-19 on Black, Asian and Minority Ethnic Londoners is expected to be higher.
- 3.4. By driving additional spend in London and London's CAZ, the campaign will support London's tourism industry which employs 1 in 7 Londoners, many of whom are from the capital's Black, Asian and Minority Ethnic communities.

- 3.5. Research by Arup in March 2021³ concluded that the food and beverage, retail, hospitality and entertainment sectors are more likely to employ young people, those with fewer qualifications, and those that have migrated from other countries to London. Supporting businesses in the tourism sector is therefore very important in protecting the jobs of young Londoners and those with fewer qualifications, where these businesses can provide entry-level employment opportunities, as well as protecting the jobs of Black, Asian and Minority Ethnic Londoners.
- 3.6. Research by Arup in January 2021⁴ also highlights that the CAZ has an important role to play in cultural diversity with, for example, London's 52 LGBTQ+ night venues being overwhelmingly concentrated in the CAZ. Promoting economic activity and footfall in the CAZ will help safeguard these venues and the wider contribution of the LGBTQ+ community in this area.

4. Other considerations

Key risks and issues

- 4.1. The proposed international marketing campaign aims to increase international visits to London to speed up the recovery of London's inbound visitor economy, supporting businesses and protecting a significant number of jobs in London.

Risk Description	Owner	Probability (Low, Medium, High)	Impact (Low, Medium, High)	Mitigation
UK/Global travel restrictions	L&P	Medium	High	Campaign will be paused or delayed. Flight booking data will be used to determine when the campaign should be live.
Total funding is not enough to target all priority markets	L&P	High	Medium	Priority markets and specific audience segments will be targeted based on the funding level, ensuring appropriate reach and frequency is maintained to influence a UK overnight or international traveller's destination decision.
London competes with national UK campaigns	L&P	Low	Low	L&P will continue to work closely with Visit Britain, aligning media plans and target audiences as required.

Links to Mayoral strategies and priorities

³ The economic future of the Central Activities Zone (CAZ) Greater London Authority (GLA) Phase 2 Report, Scenario development, model findings and policy recommendations, Arup, March 2021

⁴ The economic future of the Central Activities Zone (CAZ) Greater London Authority (GLA) Phase 1 report, Office use trends and the CAZ ecosystem

- 4.2. The London Recovery Board has committed to taking a missions-based approach to the London Recovery Programme. The international tourism marketing campaign outlined in this decision links to the 'High Streets for All' Recovery Mission which is tackling creating thriving, inclusive and resilient high streets and town centres, with culture, diverse shops, and jobs within walking distance of all Londoners. The high streets across central London and the CAZ are pivotal to the economic and social recovery of London, as well as the wider UK.
- 4.3. The London Covid Business Forum was set up by the Mayor to tackle the key issues facing business as a result of the pandemic and is made up of leading figures from the capital's key business groups, including UKHospitality, London First, the Association of International Retail and the Night Time Industries Association. The 'London Roadmap for the Full and Safe Reopening of London's Economy'⁵ which is continuing to be developed by the London Covid Business Forum highlights the long-term need for: "alongside promotional activity to maintain London's preeminent global position, communication and campaign activity focused on reactivating London's tourism industry and encouraging communication activity with partners across London hosting reactivation events. Alongside Government, see the return of major sporting events."
- 4.4. The Mayor's Economic Development Strategy sets key priorities to support growth and ensure London's economy will continue to thrive and is open to business. The Culture Strategy for London: 'Culture for All Londoners' is the Mayor's landmark strategy for culture and outlines an ambitious vision to provide Londoners with access to culture on their doorsteps. Culture for All Londoners has a clear focus on keeping London at the top of its creative game and ensuring there are cultural opportunities in every corner of the capital.

Consultations and impact assessments

- 4.5. L&P have undertaken a consultation exercise with key stakeholders in the hospitality and tourism sector, working closely with the London Tourism Recovery Board (LTRB). The LTRB has commissioned the campaign brief for L&P to deliver, aligning on priority target markets, audiences, objectives and outputs. The industry's support is also demonstrated by its significant financial contribution to the campaign.
- 4.6. L&P is also working closely with Visit Britain to ensure that a London campaign is aligned to any national campaign and that the two campaigns do not confuse audiences or compete for the same media partners or channels.
- 4.7. No one involved in the drafting or clearance of this decision has any conflicts of interest to declare. As the Deputy Mayor for Business is Chair of L&P, the decision has been cleared by the Chief of Staff.

5. Financial comments

- 5.1. Approval is being sought for expenditure of up to £10m on the GLA's Promoting International Tourism Programme in the 2022-23 Financial-Year. This will be administered by way of grant agreement for the value of up to £9m to London & Partners, with the balance of £1m being utilised directly by the GLA for the marketing & promotional campaign to promote the cultural

⁵ <https://www.london.gov.uk/publications/roadmap-safe-and-full-reopening-londons-economy-next-12-months>

and sporting activities happening in London during the summer of 2022 (including staffing resource to support the programme as required).

- 5.2. The £10m allocation has been included within the GLA's budget and spending plans for 2022-23 and will be accounted for within the Good Growth Directorate, subject to approval of the GLA's 2022-23 budget.
- 5.3. With regards to the grant award of up to £9m to London & Partners, payments will be made on a quarterly basis subject to satisfactory monitoring of performance against deliverables that are to be outlined within the funding agreement that will govern this arrangement. This requirement as well as the standard break clauses will be incorporated into the agreement to ensure that performance and risk is managed effectively for the duration of the grant agreement.
- 5.4. All appropriate budget adjustments will be made.

6. Legal comments

- 6.1. 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 the Greater London Authority Act 1999 (the 'Act'). Under section 378 of the Act the GLA has a duty to promote tourism to Greater London and the proposed campaign to encourage international tourism by extension of the Let's Do London campaign, can be fairly described as an initiative that will promote tourism to London.
- 6.2. The foregoing sections of this report also indicate that the decisions requested of the Mayor, in accordance with the GLA's Contracts and Funding Code ("the Code"), concern the exercise of the GLA's general powers, 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, social development or the promotion of the 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 Authority's related statutory duties to:
 - 6.2.1. pay due regard to the principle that there should be equality of opportunity for all people
 - 6.2.2. consult with appropriate bodies.
- 6.3. 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 between persons who share a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) 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 3 (above) of this report.
- 6.4. Officers must ensure any grant funding being provided (in this case to L&P, as per section 1 of this MD) is distributed fairly, transparently, in accordance with the GLA's equalities and in a manner which affords value for money and in accordance with the Code. Officers must ensure

that an appropriate funding agreement is put in place between and executed by the GLA and its recipient(s) before any commitment to fund is made.

7. Planned delivery approach and next steps

- 7.1. The *UK Overnight (Rest of UK) and International* tourism marketing project will be delivered by L&P in partnership with the industry via the London tourism recovery board. L&P will manage the creative and media agencies. Similar to the Let's Do London domestic campaign, L&P will communicate regularly with the wider tourism industry and key London stakeholders. L&P will also liaise regularly with GLA Marketing and Mayor's Office Comms teams, who will have oversight and sign-off of key campaign materials.
- 7.2. The GLA *Daytripper (London and Home Counties)* campaign will be delivered by the GLA Marketing Team working with the Culture and Creative Industries Unit. Formal governance structures will be set up, with representatives across L&P, GLA External Relations, Culture, and Economic Development teams, and the Mayor's Office, and input from teams such as Sports and Events. At the outset of the campaign, the marketing lead will establish principles for the campaign, ways of working, and outline roles and responsibilities and sign off structures.

Activity	Timeline
Procurement of contract for campaign	Procurement complete, subject to contracts (February 2022)
Announcement of campaign	February 2022
Delivery start date for development of campaign	February 2022
Final evaluation start and finish (external)	Dependent on external funding level/campaign duration; approximately September-November 2022
Delivery end date for campaign	Dependent on external funding level
Project closure	Dependent on external funding level

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/NO**

If YES, for what reason:

Until what date: (a date is required if deferring)

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:

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 the (insert date)

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

D. Gane

Date 7/3/22

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date 7/3/22