

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD1603

Title: Creative Industries Investment portfolio, Busk in London and Culture Strategy support

Executive Summary:

The Mayor is committed to ensuring London retains its global position as the capital for culture and creativity. To reinforce this, continued investment of £2,697,000 is requested for 2016-17 to (i) maintain the Mayor's investment portfolio across film, TV and animation, fashion and design, (ii) continue delivering Busk in London as agreed in principle in MD1397 and MD1501 and (iii) continued appointment of an Administrator to provide support for the Culture Team to deliver the Mayor's Culture Strategy

Decision:

That the Mayor approves expenditure of up to £2.697m:

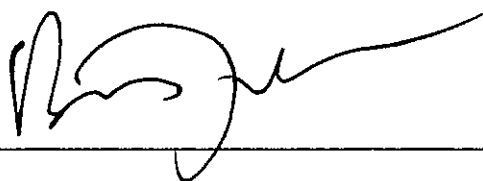
1. to maintain the GLA's creative industries investment portfolio, by way of the award of grant funding to:
 - a) Film London - a contribution of up to £1.55 million towards the costs of its film international promotion programme which supports over 100 productions in the capital and its TV and animation programme which supports £140 million of new inward investment;
 - b) the British Fashion Council - a contribution of up to £0.649m towards the costs of its London Fashion Week and London Collection Men showcases for international buyers; and
 - c) the London Design Festival - a contribution of up to £0.25m towards the costs of its annual international design festival; and
2. to enable the continuation of the delivery of the Busk in London project; and
3. for the appointment and engagement of a Culture Team Administrator.

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:

24.2.2016

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

Decision required – supporting report

1. Introduction and background

- 1.1 The Greater London Authority plays a key role in ensuring that London remains a centre for creativity and innovation, catalysing jobs and growth whilst also ensuring that the capital's rich cultural offer is accessible to more Londoners.
- 1.2 Due to a decade of sustained public investment and statutory strategy, culture is now one of London's top industries. Today, 1 in 6 jobs in London are in the creative economy, and the creative digital industry has become London's highest performing sector.
- 1.3 The wider 2016/17 culture programme continues to focus on strengthening London's tourism, jobs and economic growth as well as complementing a range of other GLA priorities such as housing and planning, regeneration and education.
- 1.4 Specifically, this decision will cover sub-programmes that have a proven track record of success:
 - Each of the creative industries portfolio funded organisations (Film London; British Fashion Council and London Design Festival) provides the GLA with evidence of their economic impact. The British Fashion Council and London Design Festival figures are derived from analysis conducted by independent organisations such as Audience Agency and Com Res. Film London gathers impact data directly from the film sector to calculate the inward investment and jobs figures for films it has attracted or supported directly. Based on this evidence and previous track record, we anticipate that the investment for 2016/2017 will generate at least £125 million in new inward investment into film and 1,300 crew jobs; £140 million in new inward investment into TV and animation; £26 million of new business for 1,200 design companies; and £97 million in new fashion sales. The combined portfolio will leverage a total of £8.3 million in other private and public funding.
 - Busk In London has been successfully set up and approval is sought to continue the GLA funding. Initial funding of £0.137m to appoint a consultant, develop a website and launch Busk In London was approved by the Mayor under cover of MD1397. Further funding of £0.291m to continue the consultant, complete the website, deliver an international festival and secure partners and sponsors was approved by the Mayor under cover of MD1501. Key outputs of Busk In London are: an international street performance festival and young buskers' competition reaching 3 million people; information, advice and increased work opportunities for 1,700 artists; a cost effective year-round busking scheme that supports local authorities and the police and is funded by BIDs and private landowners; a boost to London's tourism and retail sectors through the animation of public spaces with quality, free entertainment.
 - In May 2016 the Culture Team will lead the development and delivery, including consultation on the 2016-2020 Culture Strategy. For the past two years the Culture Team has employed an Administrator through the Culture Strategy budget. This role provides cross team support for the delivery of the Culture Strategy. The current contract runs out in March 2016 and the contract needs to be extended until March 2017 with recruitment taking place in Feb/March 2016.
- 1.5 The Mayor's Investment and Performance Board meeting on 18 January 2016 endorsed the proposed Creative Industries Investment portfolio, Busk in London and Culture Strategy support programme and approved in principle the proposed expenditure set out in the report's Budget Breakdown.

2. Objectives and expected outcomes

2.1 This programme of activity comprises scalable projects which have already proven a success, and have the best chance of encouraging further investment and driving up participation amongst Londoners.

2.2 Creative Industries Investment Portfolio:

Based on previous year's results against target, the GLA investment in creative industries (film, TV and animation, design and fashion) is expected to deliver a total of £364m per annum, including (i) £200m in film, TV and animation spend in the capital and create 1,700 jobs (ii) £26m of new business for 1,200 design SMEs, (iii) £41m to the wider London economy as a result of the London Design Festival, (iv) £97m of new business through London Fashion Week and London Collections: Men. IPB has agreed in-principle, subject to Mayoral approval, to the award further funding for Film London to continue its work in TV and animation which was previously funded from Growing Places Funded. GLA's investment of £0.25m is expected to deliver £140 million in new inward investment into TV and animation and create 1,500 jobs.

2.3 Busk in London

Busk in London will deliver: (i) a network of 100 busking pitches with a combined footfall of 1 million people per week; (ii) support, information, advice and job opportunities for 2,000 street performers; (iii) a Busk In London Street Team; (iv) a public audience for the Busk In London Festival of 3 million; (v) talent development for 150 young performers aged 11-25; (vi) International Busking Day* in 30 cities across the UK and abroad; (vii) volunteering opportunities for 20 Team London volunteers; (iv) leverage approx. £0.3m in funding and in-kind support from 12 partners and sponsors.

*International Busking Day incurs a small cost of around £2,000 to the GLA. Partner cities take full responsibility for delivering their own activity at their own expense. This activity brings significant benefits to London by raising the city's profile as world cultural leader, promoting London as a vibrant tourism destination to people across the UK and around the world, and forging strong cultural links with other cities, helping London to learn from best practice and benefit from income talent from other cities. International Busking Day also increases the opportunities for London to benefit from commercial sponsorship of Busk In London, thus ensuring that cost to London tax payers is reduced over time.

2.4 Culture Strategy

The continued appointment of the Culture Team Administrator will support coordination of wider team and resources in delivering remaining policy actions of the current Culture Strategy. It will also help with the work being done to deliver a new Culture Strategy 2016-20 and existing and emerging projects.

Londoners will be the primary beneficiaries of this investment in three ways:

- as direct participants - (e.g. 2,000 street performers, 1,700 job opportunities in film, TV and animation)
- as audiences (e.g. 3million people see the Busk In London Festival, 330,000 visitors to the London Design Festival)
- as businesses (e.g. 1,700 film and TV crew supported, 1,200 design SMEs, £97m for fashion businesses, increased tourism spend across retail and hospitality sector)

3. Equality comments

3.1 The Creative Industries, Culture Strategy and Busk in London investment programmes aim to widen access to arts and cultural activity to all Londoners. Under the strategy sub headings *Widening the reach* and *Education, skills and careers* opportunities such as creative apprenticeships, supporting international talent and Busk in London Festival provides free entertainment for 3 million people and

seeks to directly engage with young people and provide opportunities to participate and take up careers in a difficult to navigate sector. In terms of the creative industries investment and cultural tourism programmes the aim of the promotion of London as a place to work and visit is expected to bring wide ranging benefits of jobs, growth and international profile to all Londoners interested.

4. Other considerations

4.1 Key risks are set out in detail in the Stage 1 & 2 concept papers for the IPB and are (i) Creative Industries Projects fail to leverage investment, (ii) Busk in London fails to raise external income, (iii) failure to deliver an ambitious culture strategy that addresses the needs of London's creative and culture sector.

4.2 Mitigations to these risks include:

The organisations in the Creative Industries Portfolio programme all have strong track records of leveraging external investment with a high level of returning sponsors for these projects. Each organisation has dedicated staff resources to income raising backed by a commercial sponsorship strategy:

- Film London leverage £1.5m, of which £0.275m is from the private sector.
- British Fashion Council leverages £6.3m in investment from public and private sources.
- London Design Festival leverages £0.5m of which £0.368m is from the private sector.
- The Culture Team have a strong record of raising income for Busk in London – £0.21m has been raised in sales and sponsorship (85% from private sector)
- The Culture Team are already engaged in the GLA wide statutory strategy coordination group to ensure that the next Mayoral strategy will be delivered effectively and appropriate consultation will take place.

4.3 The GLA Act (1999) legislates that the Mayor will publish and deliver a Cultural Strategy for London. The proposed activity will support key priorities of the updated culture strategy: (i) Maintain London's position as a world capital of culture, (ii) widening the reach to excellence, (iii) Education, skills and careers, (iv) Infrastructure, environment and the public realm

4.4 The Cultural Strategy, Creative Industries Investment portfolio and Busk in London programme promote economic development and wealth creation, social development and tourism throughout London.

5. Financial comments

5.1 Approval is being sought for expenditure of £2.697m from the GLA for the continuance of the Mayor's Creative Industries Investment Programme, details as per the table below:

Projects	Funding Request 16/17 £m's	GLA Funding 16/17 £m's	Notes
Creative Industries - Film	1.550m	1.550m	
Creative Industries - Design	0.250m	0.250m	
Creative Industries - Fashion	0.649m	0.649m	
Busk in London	0.210m	0.125m	Reprofiling GIGS funding budgeted across 16/17, 17/18 and 18/19

Culture Team Administrator	0.038m	0.038m	Part of Cultural Consortium budget (£0.121m)
Sub-Total	2.697m	2.612m	

- 5.2 The £2.449m funding request for the Creative Industries (Film, Design and Fashion) exists within the GLA budget in 2016/17.
- 5.3 It is proposed that the budget of £0.125m in Rhythm of London be renamed 'Busk in London' and that £0.015m be brought forward from 2017/18 and £0.07m from 2018/19 to meet the shortfall in 2016/17.
- 5.4 The salary costs for the Culture Team Administrator (£0.038m) will be funded from within the London Cultural Consortium 2016/17 budget of £0.121m.

6. Legal comments

6.1 The foregoing sections of this report indicate that:

6.1.1 the decisions requested of the Mayor 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 and the GLA's duty to promote tourism to Greater London under section 378 of the Greater London Authority Act 1999; and

6.1.2 in formulating the proposals in respect of which a decision is sought officers have complied with the GLA's related statutory duties to:

- a) 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 to the duty under section 149 of the 2010 Act to 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 share a protected characteristic and those who do not¹;
- b) 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
- c) consult with appropriate bodies.

6.2 Should the Mayor minded to make the decisions sought officers must ensure that:

6.2.1 the proposed award of grant funding to the recipients identified, as a contribution to their project costs, is administered fairly, transparently, and in a manner which is considered to afford value for money;

6.2.2 no commitment is made to the award of the funding proposed until funding agreements are agreed and entered into and executed by the GLA and all proposed recipients;

6.2.3 any works, services, or supplies required for delivery of the portfolio must be procured by Transport for London Procurement who will determine the detail of the procurement strategy to be adopted in accordance with the GLA's Contracts and Funding Code;

¹ The protected characteristics and groups are: age, disability, gender reassignment, pregnancy and maternity, race, gender, religion or belief, sexual orientation and marriage/ civil partnership status.

6.2.4 appropriate contract documentation is put in place and executed by the successful bidder(s) for such works, services, or supplies and the GLA before the commencement of the same; and

6.2.5 to the extent applicable, they comply fully with all GLA HR/Head of Paid Service protocols in respect of staffing proposals, in particular the need to gain all necessary approvals for the creation of any new posts.

6.3 Given that the portfolio activity and expenditure proposed relates to extends beyond the current mayoral term officers must also observe the principle that an incumbent administration should not unreasonably fetter the discretion of any future administration. Officers must ensure therefore, that the project is managed in a manner, including (without limitation) the inclusion in contracts for works, supplies or services, funding and any sponsorship agreements of break clauses, which enable the GLA to terminate the same (or elements thereof) at any point for convenience and milestone, and payments should be structured so as to minimise the impact of the exercise of such termination rights.

7. Investment & Performance Board

IPB considered the proposals for funding the Creative Industries Portfolio, Busk in London and the Culture Administration post and approved £2.697m on 18 January 2016.

8. Planned delivery approach and next steps

	Milestones, deliverables and promotional activity	GLA lead	Planned date
1	MD approved	Culture	<i>January 2016</i>
2	Creative industries grant agreements for film, TV and animation, fashion and design signed, with appropriate break clauses	Culture	<i>Feb/March 2016</i>
3	Recruit and appoint Culture Team Administrator	Culture	<i>Feb/Mar 2016</i>
4	Appoint Busk In London operator (end of OJEU process) Finalise sponsorship negotiations and partnership contracts	Culture	<i>Feb/Mar 2016</i>
5	Busk In London expands network of busking pitches, increases brand visibility and announces Busk In London Festival 2016	Culture	<i>April 2016</i>
6	London Collections: Men	Culture	<i>June 2016</i>
7	Busk In London Festival 2016 / International Busking Day. Pilot digital tipping	Culture	<i>Jul / Aug / Sep 2016</i>
8	London Fashion Week; London Film Festival, London Design Festival	Culture	<i>September 2016</i>
9	London Collections: Men	Culture	<i>Jan 2017</i>
10	London Fashion Week	Culture	<i>Feb 2017</i>

Appendices and supporting papers:

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) 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 approval or on the defer date.

Part 1 Deferral:

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

If YES, for what reason:

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

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be 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 have been consulted on the final decision.

✓

Assistant Director/Head of Service:

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

✓

Sponsoring Director:

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

✓

Mayoral Adviser:

Munira Mirza has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

M.D. Hille

Date

18.2.16

CHIEF OF STAFF:

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

Signature

Edward Hille

Date

19:02:2016

Appendix 1

Creative Industries: outputs and evaluation

Culture Team is seeking a continuation of the creative industries investment portfolio: (Film London, London Design Festival, British Fashion Council).

The investment assumes that all programmes will continue to leverage significant private investment. GLA funding is essential to leveraging this investment from partners.

- £1.5m by Film London, of which £275,000 or more is from the private sector.
- £500,000 by London Design Festival, of which £367,500 or more is from private sector sources.
- £6.3m by British Fashion Council from private and public sources.
- £300k in year 2 by Busk In London, of which £250k will be from the private sector.

This year, the portfolio has delivered the following outputs and outcomes:

Film London (GLA funding of £1.3m)

A very wide range of outputs from the Production Finance Market to the London Filming Partnership, supporting over 100 film productions generating a total London spend of £250m over the last two years and over 3,000 employment opportunities created.

Film London also leverage £1.5m, of which £275,000 is from the private sector.

Targets:

The Film London project will deliver 22 feature films in London generating a total minimum spend of **£125m**. This will be measured by calculating the total spend delivered in London by film productions attracted and supported by Film London.

The investment will also deliver 1,300 employment opportunities for crew in London through feature productions. "Jobs created" means any employment opportunities created as a result of the commercials, features and TV shows attracted or supported by Film London over the reporting period.

Film London: High-end TV and animation (one year's investment of £250,000 to continue Film London's work in high-end television and animation)

Film London has received a total of £750,000 over the past three years from Growing Places Funding. This has delivered **to 31st December 2016:**

- **Investment of £242,763,493** exceeding the 3-year target of £200m.
- **2,929 crew jobs** exceeding the 3-year target of 2000.
- 12 traineeships and a further 446 trainees supported.
- Film London estimates that Q4 of 2015/16 will deliver a further £30m investment from animation and £40m investment from high-end TV. This will bring the total investment over the 3-year period **to £312m**.

Animations such as *Gnomeo & Juliet*, *The Wombles* and *Barbie* would not have been made in London without the support and help of Film London. Equally TV dramas such as *The Crown*, *24: Live Another Day* and *Fortitude* are productions that Film London has helped secure for London.

Targets:

£140 million in new inward investment into TV and animation
1,500 crew jobs
6 traineeships, a further 120 trainees supported.

London Design Festival (GLA funding of £250,000 each year)

The Festival each September is the key output. This delivers £26m of new business for over 1,200 design companies in the capital each year.

The Festival also leverages £500,000, of which £367,500 is from the private sector.

Targets:

The London Design Festival will deliver **£26m** in new business for over 1,200 design companies in the capital. This will be measured by calculating the total amount of new sales made by businesses participating in the festival (e.g. participating in the trade shows).

The London Design Festival will also deliver **£41m** in additional investment to the London economy. This will be determined through independent research will be report next May.

Deliver audience numbers of 330,000, making 600,000 visits to the Festival.

Leverage £500,000, of which £367,500 is from the private sector

British Fashion Council (GLA funding of £649,000 in 2015/16)

Key outputs are London Fashion Week in February and September and London Collections: Men in January and June. Collectively, the festivals deliver new orders of £97m each year (£84m from London Fashion Week and £13m from London Collections: Men). British Fashion Council also leverages £6.3m in investment from public and private sources.

Targets:

Deliver new orders of £97 million (£84m from London Fashion Week and £13m from London Collections: Men). This will be measured by evaluating orders taken by buyers in attendance at LFW and LC:M. Quantitative data is collected from buyers by BFC post event.

The British Fashion Council will leverage £7 million through private sector income (sponsorship, fees and patrons).

The British Fashion Council will directly reach 1,000 international buyers.

Busk in London (GLA funding of £251,000 in 15/16, reducing to £0 in 2019)

Busk In London has been successfully set up and approval is sought to continue the GLA funding as set out in MD1397. Key outputs of Busk In London are: an international street performance festival and a young buskers' competition reaching an audience of 3 million people; information, advice and increased work opportunities for 1,700 artists; a cost effective year-round busking scheme that supports local authorities and the police and is funded by BIDs and private landowners; a boost to London's tourism and retail sectors through the animation of public spaces with quality, free entertainment.

The GLA commitment has always been to 3 years of funding for Busk In London, enabling it to become self-financing in 2019. At this point it is expected that Busk In London will be constituted as an independent not-for-profit organisation.

The consultancy contract for the operator of Busk In London will contain break clauses and delivery will be linked to raising external income. The majority of Busk In London activity is funded through external income and plans are in place to reduce Busk In London's reliance on GLA funding wherever possible.

Contracts for the provision of busking support services to external organisations will be reviewed to ensure that there is sufficient scope to exit the contract at minimum cost to the GLA.

Evaluation for Heart of London Business Alliance and Westminster City Council noted improvements in the management and self-regulation of busking; the Buskers' Code being widely used; performers feeling safer; improved communications between stakeholders; reduction in complaints and calls on police and LA officers time; greater variety of performances. Next steps are to embed the scheme and work with police and LAs to address performers that cause a persistent nuisance.

A review of the Busk In London business strategy was undertaken in November 2015. The key recommendations are to increase the scheme's value for performers, audiences and supporters, increase efficiency and decrease costs. We will be making Busk In London more visible through more effective branding, comms and marketing in order to demonstrate how value is already being delivered. An OJEU process is underway to appoint an operator from April 2015 – 2018. Further roles will be outsourced, reducing the call upon the GLA core staff.

Targets:

Leverage £305k of external income in 2016-17, reducing GLA contribution to below 40% of project costs. Data will be collected through GLA finance and contract monitoring processes.

Deliver International Busking Day and Busk In London International Festival reaching audience of 3 million people.

This will be measured through audience sampling on site plus published footfall data at key locations

Support 2,000 artists with information, advice and job opportunities

Increase network of Busk In London promoted pitches to 100 locations across 8 boroughs

- Busk In London Street Team services that are purchased by 12 LA's, BIDs or private landowners
- Large-scale public engagement in 30 cities across UK and abroad for International Busking Day
- 100 performers will be offered regular job opportunities to perform at special events and in private busking locations
- 100,000 unique users will visit the Busk In London website
- 20 London boroughs will have adopted the Busk In London Buskers' Code
- 150 young buskers will take part in a youth busking competition
- 250 London Underground Buskers will book their busking pitches every fortnight via Busk In London

Evaluation

Each organisation has its own system of evaluation e.g. London Design Festival employs Audiences Agency to establish its sales figures and audience numbers, while British Fashion Council employs Mintel to evaluate its impact on sales as well as its media impact. Each annual evaluation is discussed in detail with the respective Boards within each organisation as well as GLA to establish lessons learned, and GLA works closely with the organisations as these are acted upon.

This year, following evaluations of financial performance and in the light of external pressures (e.g. tenancies coming to an end), Film London and London Design Festival have moved offices in order to further reduce overheads, while British Fashion Council has refreshed its corporate plan across five pillars: business, reputation, education, digital and investment. All three organisations continue to modify their programmes and operations in consultation not only with GLA, but with their sponsors, partners and the wider industries they support.

This year, we will also publish independent evaluation of all three organisations. These will be published in time to brief the new Mayor.

