

REQUEST FOR MAYORAL DECISION – MD1557

Title: Mayor's International Business Programme

Executive Summary:

This MD seeks approval of Mayoral support for London & Partners' proposals for the delivery of the "Mayor's International Business Programme" subject to approval of London & Partners' application for ERDF funding in Autumn 2015. The three year programme aims to deliver business support to 800 businesses to assist them to export. The programme will be delivered in partnership with corporate partners. London SMEs are as likely to export as large businesses in the capital (GLA Economics) but face significant hurdles to do so. The Chancellor has set a stretching target for the UK to reach £1tr exports by 2020. This MD seeks approval of the programme concept and use of the brand 'Mayor's International Business Programme' and 'supported by Mayor of London' subject to a rolling one month break clause. It also seeks approval for the GLA to be a named strategic partner on L&Ps ERDF application and for the GLA to provide an in kind contribution of staff time.

Decision:

That the Mayor approves:

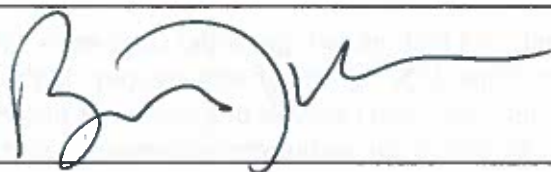
- The GLA being a strategic partner in the proposal for London and Partners' (L&P) delivery of the "Mayor's International Business Programme", which aims to support 800 London businesses to generate new sales overseas;
- The granting of permission to L&P to use 'supported by Mayor of London' and 'Mayor's International Business Programme' branding in relation to the project, subject to a rolling one-month break clause; and
- The GLA's provision of in-kind support to the programme in the form of staff time on policy matters relating to the project.

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:

21/10/15

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

Decision required – supporting report

1. Introduction and background

- 1.1 The Mayor's International Business Programme will contribute to enhancing London's productivity, create jobs and demonstrate a new model for the delivery of export support in the capital. Building on the Mayor's Export Programme funded by GPF and ERDF (MD1426, DD1067), the new programme led by London & Partners (L&P) will support 800 high growth SMEs to internationalise.

Should L&Ps' application for ERDF funding be successful the new programme will be funded by ERDF and private sector partner contributions, the private sector partners will deliver bespoke business support in London and in market with a focus on technology and smart cities/urban development throughout the programme and Med Tech in years two and three. The programme will include workshops, trade missions and mentoring. Support will enable businesses to enter new markets, generate sales and create new jobs in London. The target geographies will be Asia and North America predominantly.

The programme is aiming to demonstrate two significant innovations in export support. Firstly, the partnership with leading private sector companies to deliver bespoke support in London and in market. Secondly, the programme will utilise London's relationships with other cities and city economic development agencies building on the Global Cities Initiative network of city trade and investment partnerships.

The programme complements UKTI and other ERDF funded activity in London and provides a specialist service in a number of respects; it will focus on high growth businesses, it has a specialist sector focus and it will provide tailored in-market support from the private sector.

Officers will ensure that L&P's delivery of the programme does not impact adversely on its delivery of its GLA funded and approved business plan, the detail of which was covered most recently in MD1493.

2. Objectives and expected outcomes

- 2.1 L&P's proposed "Mayor's International Business Programme" project aims to maximise London's economic competitiveness and prosperity through increased global engagement by SME's in line with the Mayor's ambitions as set out in the Economic Development Strategy (EDS), in particular Objective 1 which concerns London as a 'World Capital of Business' and Objective 2 which concerns 'Improving London's Competitiveness'.

The project directly responds to the objectives set out in the ERDF Operational Programme to assist SME's in overcoming the barriers which restrict their abilities to achieve their growth ambitions overseas through providing business support. The approval of any ERDF funding for this project is subject to a separate appraisal and approval process, the GLA acting as intermediate body for CLG (via EPMU) in this regard.

The programme will seek to reach high growth and high growth potential companies which account for about 1.5% of job creating firms but contribute 25% to 30% of jobs created. Eighty five percent of exporters receiving export support have said it has led to levels of growth not otherwise achievable (UKTI, 2013) and exporting leads to innovation as businesses are exposed to international competition.

The programme will aim to support 800 businesses assisted and outcomes will be £50m sales generated and 500 jobs created within the lifetime of the programme.

3. Equality comments

- 3.1 The ERDF requires the project to support equality and diversity in London and set out practical steps to achieve this. This responsibility will lie with L&P and the final bid to ERDF will include details on how this will be delivered.

4. Other considerations

a) Risks and issues

Use of the name 'Mayor's International Business Programme' and 'Supported by Mayor of London' branding

Subject to all necessary internal approvals being obtained, the GLA will permit L&P to use 'Mayor's International Business Programme' and "supported by Mayor of London" branding in the delivery of its project. Such permission will, however, have parameters to mitigate risks of reputational damage being suffered by the GLA as a result. The permission will also be revocable on one month's written notice to provide flexibility given that the programme runs over three years, and therefore, beyond the current Mayoral administration.

The use of the Mayoral branding is subject to the GLA clearing the programme's activities to ensure consideration of reputational impacts for the Mayor. In order to address this, the GLA will be represented on the Mayor's International Business Programme Board which will agree the activities of the Programme including marketing, SME programmes and activity overseas. London and Partners will be required to clear specific campaigns and activities with the GLA to ensure synergies with Mayoral and GLA trips, and consideration of reputational impacts.

Risks to the delivery of L&P core business and financial risk to the GLA

Although GLA funding is not sought, mindful of the potential impact of such projects on resources, we have sought assurances from L&P that approval of the Mayor's International Business Programme would not divert resources from other L&P activity for which we provide grant funding. Milestones and outputs under that grant funding agreement will continue to be monitored. We have also sought information on how the programme will be organised so there is no possibility of re-charging of costs that we have paid for via GLA grant funding and provision will be made in any ERDF agreement in this regard.

All external costs of the Mayor's International Business Programme will be separately coded and recorded in L&P's accounting system (and clearly separated from other L&P costs in the ledger) so that the ERDF claim can be prepared by the project manager. For salary costs individuals who are only working on the Mayor's International Business Programme will have a distinct payroll code so that all of their related costs are separately recorded. Staff working on L&P projects as well as the Mayor's International Business Programme will prepare weekly timesheets so that their costs can be apportioned correctly.

L&P will set up a new bank account for the Programme so that all funds received from the ERDF and project partners can be collected there and all direct costs paid from the same account. Any amounts paid by L&P for the project will then be reimbursed from that account and the movement on the account reconciled to the claim documentation.

When the L&P grant spend analysis is prepared at the end of each quarter, none of the Mayor's International Business Programme spend will be included because it will be deducted from the total costs before amounts funded by the grant are identified from each department's expenditure. This will be done in the same way that currently amounts funded by non-GLA grants and match funding contributions are deducted before the grant spend analysis is prepared.

The Programme operates beyond the GLA's current financial commitment to L&P.

Risk description and impact	Inherent risk assessment			Control measures/Actions	Residual risk assessment		
	Prob.	Impact	Rating (RAG)		Prob.	Impact	Rating (RAG)
	[1-4]	[1-4]			[1-4]	[1-4]	
Stakeholder management	2	2	Green	The GLA EBPU team will participate in the programme Steering Board.	1	1	Green
Reputational risk	2	2	Green	The GLA will ensure all activity under Mayor of London banner and branding is appropriately monitored.	1	1	Green
Performance risk	1	1	Green	This will lie with London & Partners with regular reporting to the GLA.	1	1	Green
Changes in government trade and investment services	2	2	Green	London & Partners will have a contract with the EU and any changes will subsequently need EU level approval.	1	1	Green

b) links to Mayoral strategies and priorities

The programme directly delivers the objectives set out in the Mayor's Economic Development Strategy in particular Objective 1 to promote London as the world capital of business and Action 1C concerning action on international trade. The programme aligns with the LEP's Economic Development Plan, particularly the focus on supporting companies to 'scale up'.

c) impact assessments and consultations.

There will be a mid-term and final evaluation of the Mayor's International Business Programme. Feedback from businesses participating in the Mayor's Export programme has been taken into account in the design of the new programme.

5. Financial comments

- 5.1 This decision relates to the Mayor's International Business Programme, a three year programme which is to be delivered by London and Partners (L&P) subject to the approval of ERDF funding. The programme will be monitored by the GLA, which will be a strategic partner.
- 5.2 This decision will have no financial implications for the GLA. The GLA will provide in-kind support in the form of staff time. The inherent risk of shortfall in ERDF grant will have to be borne by L&P from within its own resources. Any reduction in funding will require project expenditure to be reduced accordingly.

6. Legal comments

- 6.1 The foregoing sections 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 promote or which may be considered facilitative of or conducive to the promotion of the economic development and wealth creation in Greater London; and
- 6.1.2 officers have considered the need to:
- (a) pay due regard to the principle that there should be equality of opportunity for all people;
 - (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 be minded to make the decisions sought officers must ensure that:
- (a) all internal protocols and procedures are followed to ensure the clear separation of the GLA's provision of support in respect of the proposed project and consideration (acting as intermediate body for CLG) of L&P's application for ERDF;
 - (b) the permissions to use 'Mayor's Export Programme' and supported by Mayor of London' branding and provision of staff liaison time are only given if L&P's application for ERDF is successful and appropriate documentation is put in place between and executed by the GLA and L&P in this regard before committing to the same and
 - (c) in the event that L&P's application for ERDF is successful, the management of such funding is carried out separately in accordance with the GLA's protocols and processes in this regard via EPMU; and
 - (d) they continue to monitor the GLA's overarching funding arrangements with L&P to ensure that the proposed 'Mayor's Export Programme' project does not impact adversely on the delivery of its approved business plan.
- 6.3 Given that the proposed project 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, ensuring that all of the necessary documentation contains provisions enabling the GLA to terminate at any point for convenience and any project milestones, outputs and (ERDF) claims are structured so as to minimise the impact of the exercise of such termination rights.

7. Investment & Performance Board

This proposal was considered and approved at the meeting of the GLA's IPB on 17th September 2015.

The meeting confirmed that the GLA should clear specific campaigns and activities to ensure synergies with Mayoral and GLA trips, and consideration of reputational impacts. This requirement will be included in the letter to L&P granting use of the 'supported by Mayor of London' and 'Mayor's International Business Programme' branding.

8. Planned delivery approach and next steps

Activity	Timeline
Quarterly advisory meeting with Delivery Partners	September
Full application to ERDF	September
Mentors identified and secured in relevant sectors and	November 2015

international markets	
ERDF Approval	Nov/Dec 2015
Communication and Marketing campaign in place ready for launch of programme in January 2016	December 2015
Recruit new members of team to deliver project	Oct-December 2015
Advisory meeting with Delivery Partners	December 2015
Launch programme SMEs	January 2016
Close date	December 2018

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:

Jenny Holmes 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:

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

✓

Sponsoring Director:

Fiona Fletcher Smith has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Joe Mitton 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. J. Allen

Date

15.10.15

