

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD1605

Title: London & Partners 2016-17 Business Plan

Executive Summary:

London & Partners (L&P) have produced a draft 2016-17 business plan. In line with their 2014-17 strategy, L&P will work to deliver jobs and growth in London by attracting investment and visitors. The highlights of L&Ps 2016-17 business plan are:

- The launch of Phase II of the Mayor of London's Export Programme
- The publication of a ten-year London Tourism Strategy
- L&Ps most ambitious commercial income target

The process this year varies somewhat from previous years as a result of an increased role for the London Assembly as part of a commitment to greater transparency by the GLA and L&P.

GLA's Investment and Performance Board approved L&Ps 2016/17 business plan in principle on 10th December 2015. This Mayoral Decision requests approval of L&P's business plan for 2016/17.

Decision:

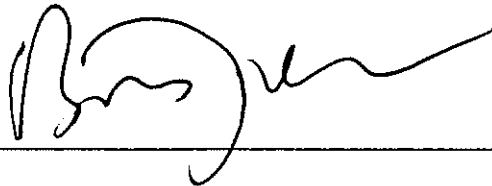
That the Mayor approves the London and Partners proposed business plan for 2016-17.

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 London & Partners (L&P) have produced a draft 2016-17 business plan. In line with their 2014-17 strategy, L&P will work to deliver jobs and growth in London by attracting investment and visitors.
- 1.2 In 2015, the GLA endorsed the following two-year funding allocation for L&P (MD 1493):
- 2015-16 £12.446m
 - 2016-17 £11.219m
- 1.3 The Grant Agreement between the GLA and L&P states that no funding will be payable for any financial year prior to the GLA's approval of the business plan for that financial year.¹
- 1.4 In 2015, a Deed of Variation to L&P's Grant Agreement was made to increase the transparency of L&P's operations, including by bringing forward the decision making process for L&P's business plan to facilitate the Assembly reviewing how L&P intends to spend the GLA grant as part of the Assembly's scrutiny of the Mayor's budget.
- 1.5 In order to accommodate the above, the business planning round for 2016-17 began in October 2015, around three months earlier than in previous years.
- 1.6 L&P have shared their draft business plan with the London Assembly and it was discussed at their plenary on November 4th 2015. IPB gave in-principle approval of L&P's draft business plan on December 10th 2015.

2 Objectives & Expected Outcomes

- 2.1 L&P have produced a 2016-17 business plan, in line with their 2014-17 strategy, which has been scrutinised by the London Assembly, endorsed by IPB and needs to be signed off by the GLA in order to release funding, as per the Grant Agreement.
- 2.2 In line with its 2014-17 strategy, L&P will work to deliver jobs and growth in London by attracting investment and visitors. L&Ps (draft) objectives are to:
- Deliver additional jobs and economic value for London, by convincing visitors, students and businesses to come to and invest in the Capital, and helping London based businesses to export.
 - Strengthen London's reputation as a cultural centre and a leading destination for life sciences and high technologies.
 - Secure support and active engagement from institutions, businesses and high profile individuals with an interest in London's international promotion.
 - Build L&Ps reputation as a world leading promotional company.

The highlights of L&Ps 2016-17 (draft) business plan are:

- The launch of Phase II of the Mayor of London's Export Programme
- The publication of a ten-year London Tourism Strategy

¹ From time to time, L&P may be expected to do work which falls outside the proposed business plan (but within their general remit). GLA will expect the main grant to L&P to cover such instances.

- L&Ps most ambitious commercial income target

2.3 A summary of L&Ps 2016-17 targets, compared against L&Ps 2015-16 targets, is set out below:

Target	2015/16	2016/17
Total GVA	£247m	£286m
Jobs created	7196	8,281
Non GLA income ²	£7.2m	£10.7m
Additional GVA from leisure visitors attracted to London	£100m	£120m
Additional GVA from international students attracted to London	£20m	£24m
Additional GVA from business events attracted to London	£25m	£25m
Additional GVA from major events attracted to London	£17m	£17m
Additional GVA from FDI attracted to London	£85m	£100m
Capital investment into London property and infrastructure projects ³	2 projects	2 projects
Advertising Value Equivalent (AVE) of positive international and national media coverage	£70m	£175m
Stakeholder satisfaction	>80%	>80%
Staff satisfaction	>80%	>85%

3 Equality comments

3.1 L&P officers have worked with the GLA Diversity and Social Policy to ensure that L&P's business plan adheres to the Public Sector Equality Duty.

4 Key Risks and Issues

Risk	Mitigation
The Mayoral election in May 2016 may have an impact on the remit and budget of L&P, potentially even in 2016-17.	The Deed of Variation to the Grant Agreement refers to this and L&P's senior leadership team are aware of the implications.
L&P's business plan will need to be considered in the wider context of central government spending on international promotion.	Early analysis of the implications of the Spending Review has taken place.
L&P's 2014-17 strategy, agreed both by the GLA and the L&P Board, sets targets to significantly increase GVA and jobs created and to achieve parity between GLA grant and commercial income.	L&Ps business plan will need to set out convincingly how it will meet these ambitious targets.

5 Financial comments

5.1 The GLA approved core grant funding for L&P remains at £11.66 million for 2016/17 although year on year comparisons of overall funding are affected by forward funding and other minor adjustments. Funding is subject to approval of the business plan. This compares to the GLA's own grant funding from Government in 2016-17 which is anticipated to reduce by over 20 per cent. The GLA has also approved the retention by L&P of all revenues generated in 2015-16 and 2016-17 from Dot London.

² Includes commercial income, match funding and benefits in kind for tourism marketing activities and trade and investment activities, income from L&P's office and income from Dot London Domains Ltd.

³ At the IPB meeting on December 10th it was agreed that regeneration target would be reviewed and be stretching. It will consider smaller projects and Outer London as well.

6 Legal Comments

- 6.1 The decision requested of the Mayor falls within his statutory powers and duties acting on behalf of the GLA under the Greater London Authority Act 1999 (the 'Act').
- 6.2 Officers should ensure that the grant agreement between the GLA and L&P continues to be managed in accordance with the terms of the agreement.

7 Next steps

- 7.1 The next steps following this Mayoral Decision are summarised below:

Activity	Timeline
Approvals	MD – January 2016
Business Plan Start Date	Q1 2016
Business Plan End Date	Q4 2017
Project Closure	Q4 2017

Appendices:

Annex 1 – L&P 2016-17 Business Plan

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:

Katherine Davies 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. D. Allen

Date

16.2.16

CHIEF OF STAFF:

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

Signature

E. J. ...

Date

19.02.2016

