

Dee Doocey AM, Chair of the Economy, Culture and Sport Committee

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**Boris Johnson**  
Mayor of London

18 January 2012

Dear Boris

## **The Administration of Visit London**

Thank you for your full response to the Committee's report on the administration of Visit London.

As we made clear throughout our investigation, the Committee had two main objectives: to ensure redress for Visit London creditors and pension scheme members; and to ensure lessons are learned so that the decisions and actions which precipitated Visit London's administration would not be repeated. The Committee has welcomed your decision to fund a pension scheme rescue which will enable Visit London to come out of administration and for pension liabilities to be met in full. We are though concerned about some parts of your response to our report and the extent to which lessons have been learned by the Authority.

Specifically, we are disappointed that you have not accepted one of our key conclusions that "the assumption within the GLA between November 2010 and March 2011 that London and Partners would become a participating employer in the British Tourist Board Pension scheme, without some form of GLA funding, was not a reasonable one". Your response restates that it was assumed that London and Partners would be able to continue to make deficit contributions on the same basis as those made by Visit London, that is, £70,000 per annum for 20 years. This position changed in March when the trustees indicated the financial commitment that would be needed for London and Partners to become a participating employer.

This response does not address the fundamental basis of our conclusion. As our report highlighted, the GLA was warned in November 2010 that the decision to set up a new agency, rather than merge Visit London with other bodies as had previously been proposed, would trigger a debt under section 75 of the Pension Act 1995. It was not reasonable to assume a 20 year deficit reduction plan would be offered to a prospective new employer to deal with a section 75 debt. Appropriate due diligence from November 2010 would have highlighted this fact.

Yours sincerely

**Dee Doocey AM**  
Chair of the Economy, Culture and Sport Committee