

# GREATER **LONDON** AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2543

**Title: London & Partners – Dot London**

### **Executive Summary:**

London & Partners (L&P), through its subsidiary, Dot London Domains Limited, operates the top-level internet domain 'Dot London'. Dot London is the official domain name for Londoners and London businesses, which aims to strengthen their association with the capital's global brand. All profits from Dot London are reinvested into activity to promote London around the world.

This Mayoral Decision seeks approval for L&P to retain all revenue from their Dot London business (accrued prior to the 2020 GLA elections) until the end of its current three-year strategy (2018-2021).

### **Decision:**

That the Mayor:

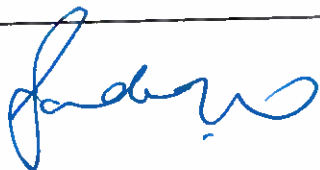
- 1) approves the variation of the GLA's 'Dot London' agreement with London & Partners to clarify the means by which the GLA may, should it be minded, to grant and record consent to London & Partners retaining all revenue generated from Dot London activity, subject to such conditions as the GLA may require; and
- 2) consents to London & Partners retaining all revenue generated from its domain name business 'Dot London' (accrued prior to the 2020 GLA elections) until the end of its current three-year strategy (2018-2021).

### **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:**

17/12/19

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

### **Decision required – supporting report**

#### **1. Introduction and background**

- 1.1. London & Partners (L&P) launched Dot London in 2014, securing a 10-year licence to operate the domain through their subsidiary company Dot London Domains Limited. Dot London is the official domain name for Londoners and London businesses, which aims to help strengthen their association with the capital's global brand.
- 1.2. L&P's objective has been to raise the profile of the Dot London domain name and the businesses using it, as well as persuading more Londoners to adopt the capital's web address. L&P support the work of their Dot London businesses by promoting its news, stories and successes via their social media channels and marketing materials. L&P also collaborate with major brands, who work with them to run some of the key Dot London web addresses.
- 1.3. Dot London was successfully launched in April 2014 and generated 30,000 domain name sales in its first phase of public availability. Total domains in management as at March 2019 were 43,042. The domain has a higher than industry average renewal rate at 77% and is currently the third best-selling city top-level domain name globally behind Tokyo and New York City.
- 1.4. L&P runs the Dot London business as part of its profit-making commercial activity. All profit generated from the Dot London Domains subsidiary is reinvested into L&P's core business activity, as per its three-year strategy, to promote London around the world.
- 1.5. The GLA and L&P entered into an agreement in 2012 (the Dot London Agreement). Under the Dot London Agreement, L&P may retain the net revenue generated from Dot London activity in each year provided that in the event that such revenue exceeds the amount of GLA grant funding paid to it in the same year (under a separate grant funding agreement dated March 2011 (the Funding Agreement)) the GLA is entitled to 50% of such excess, by L&P's payment to the GLA of the same or by reducing the funding available to L&P for the following year under the Funding Agreement.
- 1.6. It is envisaged however, that there may be circumstances in which the GLA may choose to consent to L&P's retention of such excess for reinvestment purposes. It is necessary therefore, to vary the Dot London Agreement to incorporate a mechanism to make clear provision for the grant and recording of any grant of such consent and the placing of conditions upon the same. Such conditions may include, in the context of this Mayoral Decision, a right for the Mayor to revoke such consent following the 2020 GLA election in order to avoid that fettering unreasonably the discretion of the post 2020 GLA election administration. This Mayoral Decision seeks approval therefore, for such variation of the Dot London Agreement.
- 1.7. The variation proposed aligns with the GLA's ambition to encourage L&P to maximise its non-grant income sources, whilst providing it with predictability of income in the future and assist it to plan longer-term interventions.
- 1.8. L&P is funded by a combination of sources including a 'core grant' of £13.1m from the GLA in 2019/20, other grants, fees from its commercial partners, value in kind and income from its commercial activities. L&P's most recent three-year strategy (2018-2021), and associated GLA grant funding, was approved by the Mayor under cover of MD2264, signed on 21 March 2018.
- 1.9. One of L&P's commercial income sources is from Dot London. Dot London currently accounts for approximately 8% of London & Partners' budget.
- 1.10. Dot London income is strategically important to L&P because it provides a non-grant, non-ringfenced income stream. It also benefits the GLA as it allows L&P to achieve more from its GLA grant by scaling its programmes, enabling L&P to pursue a more self-sustaining business model.

- 1.11. In recognition of the above, the GLA agreed that L&P can keep all the revenue generated in the years up to 2017-18. This was communicated by letters from the GLA to London & Partners dated respectively on 23 June 2015 and 28 March 2017. For financial years 2018-19 through to 2020-21, in line with L&P's 3-year strategy, the variation of the Dot London Agreement is proposed (as per section 1.5 above) to formalise the mechanism for the grant of such consent, subject to the GLA's right to revisit this following the 2020 GLA election.
- 1.12. L&P's three-year grant agreement provides L&P with flexibility over how they allocate their budget. This allows them to respond to challenges that arise during the year and reflects L&P's position as a wholly independent entity completely separate from the GLA Group but the aims of which are of benefit to London and Londoners.

## **2. Objectives and expected outcomes**

- 2.1. Dot London income will support the delivery of L&P's three-year strategy to 2020/21. This strategy was developed by L&P to enable it to respond to Brexit, growing competition and digital disruption and align its activity with Mayoral priorities.
- 2.2. L&P's three-year strategy for 2018-19 – 2020-21 was reviewed and approved by the Mayor under cover of MD2264, signed on 21 March 2018. L&P activity benefits Londoners by:
- keeping international businesses in London, to make sure that jobs and growth stay here;
  - growing businesses in the sectors within the Economic Development Strategy which will create good jobs for the future;
  - attracting tourists who will spend money on a wide range of cultural institutions and experiences so that Londoners can benefit from them too;
  - attracting international students who support London's universities by paying fees and who can go on to work in our businesses; and
  - attracting international investors to invest in regeneration and affordable housing projects.

## **3. Equality comments**

- 3.1. Under s149 of the Equality Act 2010 (the Equality Act), as a public authority the Mayor must have due regard to the need to eliminate discrimination, harassment and victimisation, and any conduct that is prohibited by or under the Equality Act; and to advance equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not.
- 3.2. GLA will expect L&P to ensure that all programmes, policies and functions are as inclusive as possible, consider the appropriateness of completing a proportionate Equality Impact Assessments where appropriate, taking steps to mitigate the exclusion of any protected groups identified that should fall within the remit of their work and promote the advancement of equality of opportunity and foster good relations between people who share a relevant protected characteristic and those who do not. This applies to L&P's strategy which is focused on supporting the Mayor's agenda to support London and all Londoners.
- 3.3. L&P has created the domains.london website to provide information about the benefits of Dot London in a straightforward and accessible way. The website has been designed to be accessible to all web users, irrespective of individual abilities and browser type. L&P is particularly focused on promoting the benefits of a Dot London domain to small and medium-sized enterprises and businesses run by women and minority ethnic groups through its Business Growth Programme and the Mayor's International Business Programme which are targeted at start-up and scale-up companies.

#### **4. Other considerations**

##### *Key Risks and Issues*

- 4.1. Dot London has been a reliable source of commercial income to L&P since 2014. There is a risk the purchase of domain names will level off and this source of income is no longer reliable. The performance of Dot London is monitored by its own dedicated Board, and L&P have committed to a targeted marketing strategy to maintain renewal rates and build the size of the registry.

##### *Conflict of Interest*

- 4.2. L&P have reviewed and commented on this Mayoral Decision. They have sought to be open and transparent with the GLA about their Dot London business and commercial objectives. This has been achieved through ongoing discussions at their quarterly GLA meetings and GLA attendance at their Dot London Board.
- 4.3. There are no conflicts of interest to declare for any of the GLA officers involved in the drafting or clearance of this decision form.
- 4.4. David Bellamy, the Mayor's Chief of Staff, has been requested to sign this decision given that Rajesh Agrawal, the Mayor's Deputy Mayor for Business, is Chair of London & Partners.

##### *Links to Mayoral strategies and priorities*

- 4.5. L&P's three-year strategy and business plan are fully in line with the Mayor's Economic Development Strategy, which recognises the importance of promoting London internationally, to maintain London's global competitiveness and drive the city's economy. Revenue generated from Dot London will contribute towards the continuation of this priority.

#### **5. Financial comments**

- 5.1. This decision seeks a variation in the GLA 'Dot London' agreement with London & Partners which proposes the retention of all revenue by the latter entity.
- 5.2. This variation will be effective for the remaining duration of the agreement (2019-20 and 2020-21).
- 5.3. The opportunity cost to the GLA of this decision would be the value of the profit share forfeited under the agreement. However, as revenue income from Dot London has never exceeded the amount in which the Authority grant funds London and Partners, there will be no financial implications for the GLA.

#### **6. Legal comments**

- 6.1. The foregoing sections of this report indicate that:
- 6.1.1. The decisions requested of the Mayor fall within his exercise of the general statutory powers and duties acting on behalf of the GLA, to do anything which is facilitative of or conducive or incidental to the promotion of economic development and wealth creation in and tourism to, in and through Greater London; 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;

- (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. 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 and foster good relations 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 (section 149 of the Equality Act 2010). To this end, the Mayor should have particular regard to section 3 (above) of this report.
- 6.3. Before any commitment is made to grant consent to L&P to retain Dot London revenue to which the GLA would otherwise entitled under the Dot London Agreement officers must ensure an appropriate deed of variation is put in place and executed by London & Partners and the GLA.
- 6.4. As the proposals concern arrangements which extend beyond the GLA election in May 2020, officers must ensure that the deed of variation noted above enables the GLA to revisit and reinstate at its option its entitlement to a share of Dot London revenue so as not to fetter the discretion of the Mayor after the election. Officers have indicated (at sections 1.6 and 1.11 of this report) that, following the entry into and execution of the above-mentioned deed of variation, any consent granted is granted by signed letter and is subject to the condition that the GLA may on notice withdraw L&P's right to any retention of sum(s) arising in relation to revenue to which the GLA would otherwise be entitled under the Dot London Agreement accruing after the 2020 GLA election.

**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? NO**

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 – Yes**

### ORIGINATING OFFICER DECLARATION:

Drafting officer to  
confirm the  
following (✓)

#### Drafting officer:

Katherine Gee & Richard Tribe have drafted this report in accordance with GLA procedures and confirms the following:

✓

#### Sponsoring Director:

Debbie Jackson 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.

✓

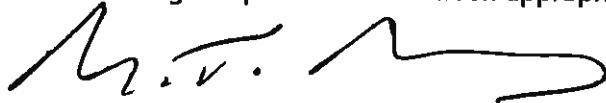
#### Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 16 December 2019.

### EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date

16.12.19

TOM MIDDLETON ON BEHALF OF MARTIN CLARKE

### CHIEF OF STAFF:

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

Signature



Date

16/12/2019.