

# GREATER LONDON AUTHORITY

## REQUEST FOR MAYORAL DECISION – MD2110

**Title: Creative Industries 2017/18 – 2020/21**

### Executive Summary:

The Mayor is committed to ensuring that London retains and reinforces its global position as a leading city for cultural and creative industries. To reinforce this position continued funding is required to maintain the Mayor's investment portfolio across key creative sectors; Film, Fashion and Design.

The investment in this creative portfolio as set out in this report ensures that London remains a global leader for creative industries, as well as ensuring that the economic benefits of funding these industries helps London to attract, retain and develop a creatively skilled economy and work force.

The previous GLA funding towards creative industries detailed in the report was approved under cover of MD1603.

### Decision:

That the Mayor approves the following:

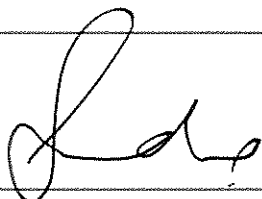
- The British Fashion Council – Grant funding up to a maximum of £0.649m per financial year from 2017/18 – 2020/21 to contribute towards the costs of London Fashion Week.
- Film London – Grant funding up to a maximum of £1.3m per financial year from 2017/18 – 2020/21 to continue to support the work of Film London.
- Film London – Grant Funding up to a maximum of £0.25m per financial year from 2017/18 – 2020/21 to continue to support the TV and Animation strand of Film London activities.
- The London Design Festival – Grant Funding up to a maximum of £0.25m per financial year from 2017/18 – 2020/21 to contribute towards the costs of holding the annual International Design Festival.

### 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:**



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

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

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

- 1.1 The Greater London Authority and the Mayor have demonstrated a continued commitment to help maintain London's position as a leading city for cultural and creative industries. The GLA previously demonstrated this commitment via MD1603 which approved significant investment in this creative portfolio.
- 1.2 The Greater London Authority and the Mayor have played critical roles in ensuring that London remains a world leading city for creativity and innovation, contributing to jobs creation and growth whilst also ensuring that the Capital's rich and diverse cultural offering remains accessible to London's communities and citizens.
- 1.3 In today's climate it is more important than ever to reinforce London's commitment to cultural and creative industries to maintain London's reputation as leading global city in these sectors, and to reinforce the message that London is open for business.
- 1.4 The investment in this creative portfolio will complement the existing and ongoing projects and programmes that the GLA Culture team has been investing in and continues to invest in, in order to strengthen both the social and economic impact on communities within London across areas including tourism, jobs creation and increased access to arts and culture for Londoners.
- 1.5 Due to over ten years of sustained public investment in the creative industries and a statutory culture strategy, the creative industries are now one of London's key business sectors, particularly the creative digital sector which has become London's highest performing sector.
- 1.6 Creative industries are critical to London's success. The wider sector as a whole is worth £42 billion per year to London's economy, enabling continued job creation and growth with 1 in every 6 jobs now in in the creative sector.
- 1.7 In the wake of the UK's vote to leave the EU and with uncertainty around the economic impact of Brexit, coupled with a potential reputational loss to London and the UK, it is more crucial than ever to demonstrate that London is open and remains an outward facing city, particularly regarding creative industries where London rivals other major global cities as a world leader.
- 1.8 Failure to approve grant funding to the organisations detailed in this report would result in a significant economic cost to London in the form of jobs, value to the economy and skilled workers and businesses in the creative sector leaving London and the UK for some of London's international rival cities.

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

##### **2.1 Film London:**

- 2.1.1 Film London received a total of £1.55m of funding from the GLA in each of 2013/14, 2014/15, and 2015/16 for both the film and TV and animation strands of work approved via MD1603. This decision breaks this down as follows:
  - Film £1.3m
  - TV and animation £0.25m

## **2.2 Film**

- 2.2.2 This decision requests approval for GLA funding of £1.3m in 2017/18, 2018/19, 2019/20 and 2020/21 to Film London to support the activities and objectives of Film London. The main strategic aim of funding Film London is to ensure London holds its position as one of the top three cities for film-making in the world, alongside Los Angeles and New York.
- 2.2.3 Film London gathers its data directly from the film sector in order to calculate an accurate inward investment figure and data regarding jobs creation for the films it has directly supported. In the 2016-17 financial year, the GLA funding to Film London enabled:
- The creation of 3,515 employment opportunities for crew in London through feature productions, and by Quarter three 2016-17 it had delivered an additional 2,820 employment opportunities.
- 2.2.4 The GLA funding to Film London will enable Film London to leverage significant additional funds and provide a substantial return on investment. The effect of not funding Film London will result in significant potential investment in this sector going abroad instead; this would create a negative impact on London's creative economy and jobs in this sector.
- 2.2.5 Continued funding Film London from 2017-18 to 2020-21 will enable the following minimum outputs:
- 3,100 new jobs created
  - £4m in sales (exports) at London Screenings.
  - £4m of new investment in production through Production Finance Market.
  - In 2017-18 Film London will leverage £1,291,834 (of which £100,000 or more is from private sources).

## **2.3 TV and Animation:**

- 2.3.1 The TV and Animation activities are also managed by Film London and approval is sought to fund Film London for this strand of work at £0.25m per financial year from 2017/18 – 2020/21.
- 2.3.2 Funding this work stream enables London to attract and support 100 television and animation productions, to be made and produced in London spending a total of £100 million in the capital. To achieve this target Film London will attract inward investment; strengthen exports, sales and skills; enable high-end television drama and animation production; and promote London's TV and animation businesses (particularly SMEs) at overseas markets.
- 2.3.3 The delivery of TV and animation productions in London worth a total of £220m against a target of £125m in 2015-16 and over £190m by quarter three in 2016-17, with the total achieved in 2015-16 expected to be surpassed when the final monitoring and evaluation is collected and analysed at the end of the current funding period.
- 2.3.4 Continued funding for the TV and Animation work from 2017-18 to 2020-21 will enable the following minimum outputs:
- Attract and support £100m of new inward investment into TV and animation.
  - £125m of new investment into film productions and £100 million of new inward investment into TV and animation.
  - To include 3 additional feature productions from Europe and the emerging markets.
  - Deliver 500 new jobs for TV and animation crews.

- Deliver 50 new traineeship opportunities for London's diverse communities to enter TV and animation.

## **2.4 British Fashion Council**

- 2.4.1 The previous contribution to the British Fashion Council approved via MD1603 enabled the continued delivery of London Fashion Week Men, the menswear equivalent of London Fashion Week alongside contributing to London Fashion Week delivering a positive boost to the Capital's economy. Continued funding will ensure London holds its position as one of the 'Big Four' cities for fashion alongside Paris, Milan and New York.
- 2.4.2 The British Fashion Council funding will provide a significant return on investment for London's economy and will deliver the following as a minimum between 2017-18 and 2020/21 :
- Deliver London Fashion Week (LFW) and London Fashion Week Men's (LFWM).
  - Deliver £90m in new orders for British designers each year at LFW.
  - Deliver £20m in new orders for British designers each year at LFWM.
  - Support 100 fashion SMEs to develop their businesses; showcase their products; and increase their exports.
  - Deliver £1.2m in new orders for emerging designers.

## **2.5 London Design Festival**

- 2.5.1 The GLA contribution towards the London Design Festival helps to promote the London Design Festival as the world's premier design showcasing event, celebrating and enhancing London's global reputation for creative excellence. It also helps to stimulate growth and increase the opportunity for trade and investment for London and the design sector. Funding will enhance the London Design Festival's position as the largest design festival in the world.
- 2.5.2 The London Design Festival will achieve the following minimum outputs between 2017-18 and 2020/21:
- Deliver £25m in new orders for British designers.
  - Enable 1,200 businesses – especially SMEs – to achieve new orders through the London Design Festival.
  - Grow the reputation of the festival overseas in order to ensure buyers continue to attend.
  - Develop new sponsorship opportunities with new private sector partners.

## **3. Equality comments**

- 3.1 Under Section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due Regard' of the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- 3.2 The GLA contribution to the creative portfolio as set out in this report will enable the continued creation of employment opportunities for Londoners, creating both positive social and economic impact in the capital.
- 3.3 The GLA will ensure that the funded bodies mentioned in this report apply a fair and equal H.R process when creating and filling these employment opportunities and that the Equality Act 2010 is applied to ensure equal opportunities for all.

#### 4. Other considerations

- 4.1 In terms of links to key Mayoral objectives, this programme of investment will help the GLA to work with businesses to foster economic growth and jobs creation, as well as fostering opportunities for London's young people. We want all Londoners to progress and reach their full potential and to ensure that London's businesses can access the skills they need to succeed.
- 4.2 The organisations that the GLA funds as part of this investment portfolio all have a proven track record with regards to leveraging and securing additional sponsorship, with dedicated staff ensuring sponsorship targets are met and a comprehensive commercial strategy is in place.
- 4.3 The objectives outline above will either not happen at all without the Mayor's support, or will have less impact. Without an organisation like Film London making the capital film-friendly and driving inward investment to the capital, films, TV shows and animations will go to another country with similar fiscal benefits.
- 4.4 Without trade shows like London Fashion Week or London Design Festival, buyers will go to other cities that provide major trade events.
- 4.5 The capital's creative businesses are primarily SMEs who may not be able to afford to travel overseas to participate in trade shows. Through the creative industries portfolio, overseas buyers come to *them*. The UK's reputation has been affected by Brexit. Any reductions or significant cuts to the GLA's investment support for creative businesses may damage the capital's reputation as an outward looking city. The portfolio demonstrates that London remains open.

#### 5. Financial comments

- 5.1 Approval is being sought for expenditure of up to £2.449m from the GLA to continue to maintain funding across key culture and creative industries. It is proposed that this funding level is upheld for each financial year between 2017/18 to 2020/21 and is set out in the schedule below:

<b>Creative Industry</b>	<b>Financial Year 2017/18</b>	<b>Financial Year 2018/19</b>	<b>Financial Year 2019/20</b>	<b>Financial Year 2020/21</b>
British Fashion Council	£0.649m	£0.649m	£0.649m	£0.649m
Film London	£1.550m	£1.550m	£1.550m	£1.550m
London Design Festival	£0.250m	£0.250m	£0.250m	£0.250m
<b>Total</b>	<b>£2.449</b>	<b>£2.449</b>	<b>£2.449</b>	<b>£2.449</b>

- 5.2 The £2.449m funding request exists within the GLA 2017/18 budget.

#### 6. Legal comments

- 6.1 The preceding sections of this report indicate that:
- 6.1.1 the decisions requested of the Mayor (in accordance with the GLA's Contracts and Funding Code) 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; and

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

- 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 not<sup>1</sup>;
- 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
- Consult with appropriate bodies.

6.2 The report indicates that the amounts to be awarded amount to the provision of grant funding and not payment for services. The report indicates that the amounts to be awarded amount to the provision of grant funding and not payment for services. The report indicates that the amounts to be awarded amount to the provision of grant funding and not payment for services. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's Equalities Framework and in a manner which affords value for money in accordance with the Contracts and Funding Code.

6.3 Officers must ensure that an appropriate funding agreement is put in place between and executed by the GLA and the successful recipient before any commitment to fund is made.

## 7. Planned delivery approach and next steps

Activity	Timeline
MD signed	April 2017
Funding agreements signed	Annually by April from 2017 - 2021
Submission of Q1 reporting and project evaluation	Annually by June from 2017 - 2021
Submission of Q2 reporting and project evaluation	Annually by September from 2017 - 2021
Submission of Q3 reporting and project evaluation	Annually by December from 2017 -2021
Submission of Q4 reporting and project evaluation	Annually by March from 2018 - 2021
Final evaluation undertaken and project close	March 2021

### Appendices and supporting papers:

N/A

**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:**

Dominic Trembath has drafted this report in accordance with GLA procedures and confirms the following:

✓

**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:**

Justine Simons 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 18 April 2017.

✓

**EXECUTIVE DIRECTOR, RESOURCES:**

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

**Signature**

*M. D. B. C.*

**Date**

*18.4.17*

**CHIEF OF STAFF:**

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

**Signature**

*D. Bellamy*

**Date**

*20/4/2017*

