

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2737

Title: London & Partners – GLA Licence Guarantee for Union Street

Executive Summary:

London & Partners Limited (L&P) is the international trade, investment and promotion agency for London. Their role is to promote London internationally as a leading world city in which to visit, study, invest, grow and meet.

London & Partners have identified 169 Union Street as a viable and cost-effective option for their office relocation. To enable this move, this MD seeks approval for GLA to become a guarantor for L&P's Union Street licence.

Decision:

That the Mayor approves:

For the GLA to become a guarantor of the 169 Union Street licence between London & Partners and London Fire Brigade.

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: 23/12/2020



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

Decision required – supporting report

1. Introduction and background

- 1.1. London & Partners Limited (L&P) is the international trade, investment and promotion agency for London. Their role is to promote London internationally as a leading world city in which to visit, study, invest, grow and meet. Their latest Covid-19 response business plan, and the associated GLA funding, was approved under cover of MD2656.
- 1.2. L&P's lease at More London ends on 24 December 2020 and for the last year L&P have been looking at alternative office options. 169 Union Street has been identified as a viable and cost-effective option for L&P's relocation. London Fire Brigade is the current tenant of 169 Union Street and GLA staff occupy part of the premises.
- 1.3. During legal negotiations, and to account for an event in which the GLA ceased to provide L&P with grant funding, London Fire Brigade requested that GLA become the guarantor of L&P's licence. By doing so the GLA would guarantee the payment of the licence fee in the event L&P defaults.
- 1.4. If the GLA's guarantee is called upon, the GLA will have the right to terminate the licence by serving written notice on the London Fire Brigade. L&P has an obligation to the London Fire Brigade to pay the licence fee but L&P owes no such obligation directly to the GLA.
- 1.5. The GLA will not indemnify the London Fire Brigade against any other breaches of L&P's obligations such as repair or maintenance.
- 1.6. L&P plan to take a licence to occupy part of the first floor at 169 Union Street from the London Fire Brigade for use as office and ancillary space for L&P staff. The licence runs from 4 January 2021 up to and including 4 March 2027.

2. Objectives and expected outcomes

- 2.1. L&P securing cost-effective premises will support the GLA family in their response to the financial impact of Covid-19.
- 2.2. By supporting L&P's relocation, GLA is continuing to support the work of L&P and their contribution to the Coronavirus recovery.

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. This duty applies to the decisions that are the subject of this Form.

- 3.1. By GLA guaranteeing the payment of the licence fee in the event L&P defaults, the GLA is continuing to support the work of L&P. L&P's latest business plan seeks continues to strengthen their commitment to equality, inclusion and diversity.
- 3.2. Officers have considered the likely impact of this proposed decision on groups with protected characteristics and for the reasons outlined above have concluded that there are no adverse impacts.

4. Other considerations

Links to Mayoral strategies and priorities

- 4.1. By providing a guarantee for their Union Street licence, the GLA is continuing to support the work of L&P. L&P's work fully aligns with the full suite of Mayoral strategies including the Economic Development Strategy (EDS). The EDS focuses on the importance of a thriving London economy that is open to business and the promotion of London as a world leader in innovation, technology and creativity.
- 4.2. L&P's revised Business Plan aligns with the Mayor's priorities to support business of all sizes and sectors during the Covid-19 pandemic, and the economic recovery plan which aims not simply to recreate London's economy in every respect as it existed pre-crisis, but also to rethink how the city operates, addressing the challenges exacerbated by the Covid-19 outbreak, building on the unprecedented experiment in remote working, neighbourhood living and community support that the capital has undergone.

Key risks and issues

Risk	Mitigation
GLA liability	The GLA has sought legal advice and negotiated the terms of the guarantee in order to limit the GLA's financial exposure in the event L&P defaults.

- 4.3. No one involved in the drafting or clearance of this decision has any conflicts of interest to declare.

5. Financial comments

- 5.1. Mayoral approval is being sought for the GLA to become the guarantor for London and Partners' Union Street occupation licence. The GLA has agreed to guarantee payment of the licence fee in the event that L&P defaults. Subject to each year's budget setting process, this will be met by GLA revenue budget made available to L&P in the year which the default occurs or from base budget provision for L&P in the following year. Due to the sensitivity of the commercial arrangements regarding the lease agreements, the licence fee is disclosed in part 2 of this decision which remains confidential.

6. Legal comments

- 6.1. The Greater London Authority Act 1999 (as amended) (GLA Act) gives the Mayor a general power to do anything which he considers will further one or more of the principal purposes of the GLA as set out in section 30(2) which are:
 - i. promoting economic development and wealth creation in Greater London;

- ii. promoting social development in Greater London; and
- iii. promoting the improvement of the environment in Greater London

and, in formulating the proposals in respect of which a decision is sought, officers confirm they have complied with the GLA's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
- consider how the proposals will promote the improvement of health of persons in Greater London, promote the reduction of health inequalities between persons living in Greater London, contribute towards the achievement of sustainable development in the United Kingdom and contribute towards the mitigation of or adaptation to climate change in the United Kingdom; and
- consult with appropriate bodies.

6.2. The GLA can provide the guarantee, on the basis that doing so will further one or more of the principal purposes set out in paragraph 6.1 above. The GLA also has the power to do anything that facilitates, is conducive of or incidental to doing so. The contents of sections 1-3 of this Mayoral Decision indicate that the decision sought of the Mayor falls within the GLA's statutory powers.

7. Planned delivery approach and next steps

Activity	Timeline
GLA to enter into licence agreement as guarantor	December 2020
L&P to occupy Union Street	January 2021
Licence expiry	March 2027

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? YES

If YES, for what reason: Publication to be deferred until the licence has been signed.

Until what date: 31 January 2021, or before if the licence is signed sooner.

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

✓

Sponsoring Director:

Philip Graham 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.

✓

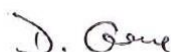
Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 21 December 2020.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature



Date: 23 December 2020

CHIEF OF STAFF:

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

Signature

A handwritten signature in black ink, appearing to read "D. Bellamy". The signature is written in a cursive style with a large initial "D" and a long horizontal stroke at the end.

Date: 23 December 2020