

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2449

Title: London & Partners 2019/20 Business Plan

Executive Summary:

London & Partners Limited (L&P) is the Mayor of London's official promotional agency. L&P exists to support the Mayor's priorities by promoting London internationally as a leading world city in which to invest, work, study and visit. As per MD2264 the GLA approved a commitment to fund L&P £39,927,000 over three years subject to approval of annual business plans. This MD seeks to approve L&P's business plan for 2019/20 and further to that, to award L&P a grant of £13,136,000. In line with their three-year strategy, L&P will work to deliver jobs and growth in London by attracting and retaining investment, students and visitors.

Highlights include:

- To continue to deliver good growth (as set out in the Mayor's Economic Development Strategy) that supports the Mayor's vision and benefits Londoners;
- Proactive work in five key markets;
- Focusing on seven key sectors as identified in the Mayor's Economic Development Strategy; and
- London & Partners' response to mitigate the impact of Brexit on its audiences by strengthening London's reputation and providing advice and support to key audiences.

Decision:

That the Mayor approves:

London & Partners Limited's proposed business plan for 2019/20 and funding for L&P of £13,136,000, from the £39,927,000 agreed in the MD2264.

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:

17/3/19

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

Decision required – supporting report

1. Introduction and background

- 1.1 In line with L&P's three-year strategy (2018-2021), agreed through Mayoral Decision 2264, L&P has produced a business plan for 2019/20 which will work to deliver jobs and growth in London by attracting (and retaining) investment, students and visitors. Following review by GLA officers, it is proposed for approval by the Mayor. Subject to approval, it is proposed the GLA grants L&P funding up to a maximum value of £13,136,000 in respect of year 2019/2020.
- 1.2 L&P is funded by a combination of sources including a grant from the GLA, other grants, fees from their commercial partners, benefits in kind and income from their commercial activities.
- 1.3 Including the current year (2018/19), the Mayor has provided over £101.5m from the GLA budget to L&P for the promotion of London since 2011.

Payments to L&P:	Total:
2011-12	£16,000,000
2012-13	£13,166,000
2013-14	£11,380,000
2014-15	£11,809,000
2015-16	£11,825,000
2016-17	£11,490,000
2017-18	£12,252,000
2018-19	£13,655,000

- 1.4 There is a decrease in the funding to L&P for year 2019/20 in comparison to year 2018/19 due to £400,000 of 2018/19's funding being allocated to the Mayor's International Business Programme (MIBP). The GLA's funding of the MIBP was a temporary measure to plug the shortfall caused by a change of the match funding model (as per MD 2195).
- 1.5 L&P receives its grant subject to the annual business plan being approved by the GLA. Its performance against KPIs is monitored by the GLA on a quarterly basis, and its work is scrutinised by the L&P Board in quarterly Board meetings, the Chair of which is appointed by the Mayor, with GLA officers attending as observers.
- 1.6 L&P funds those activities where there is a clear economic case for public intervention. Wherever possible, this is measured in terms of additional Gross Value Added (GVA) to the London economy. So far, since its inception in 2011, L&P has:
- Helped 1,946 overseas companies to set up and expand in London;
 - Helped create or secure over 59,000 jobs and added over £2.15bn in economic value to London on a GLA investment of £101.5m;
 - Leveraged additional funding for promoting London – non-GLA funds now account for half of London & Partners activity compared to around a quarter when London & Partners was established; and
 - Been ranked in the Sunday Times Best 100 not-for-profit companies to work for in each of the last five years.

1.7 This work has helped London to perform strongly including:

- Five all-time record years for tourism;
- London continues to attract record numbers of international students – 118,000 in 2017/18, up by over 20% in the past 10 years;
- London remains the leading destination for foreign direct investment (FDI) globally – since the start of 2016 London has attracted twice as many investment projects as any other European city (2.1x more projects than Paris); and
- London is the number 1 city for business across a wide range of rankings including the PWC City of Opportunity Index & Mori Memorial Foundation Global Power City Index.

2. Objectives and expected outcomes

2.1 L&P has produced a business plan for 2019/20, which will work to deliver jobs and growth in London by attracting (and retaining) investment, students and visitors.

2.2 L&P's mission statement and objectives are:

- London & Partners (L&P) is the Mayor of London's official promotional agency;
- L&P exists to support the Mayor's priorities by promoting London internationally as a leading world city in which to invest, work, study and visit;
- L&P's work helps achieve 'good growth' for London and Londoners, as outlined in the Mayor's economic development strategy.
- L&P does this by focusing on:
 - Building London's international reputation;
 - Attracting international audiences and convincing them to choose London;
 - Guiding international audiences to make the most of all that London has to offer; and
 - Helping to retain and grow London's businesses.
- L&P tells London's story to an international audience and they do this in partnership with organisations and people who have a stake in London's international promotion.

2.3 The highlights of L&P's 2019-20 business plan include:

- To continue to deliver good growth that supports the Mayor's vision and benefits Londoners;
- Proactive work in five key markets;
- Focusing on seven key sectors as identified in the Mayor's Economic Development Strategy;
- London & Partners response to mitigate the impact of Brexit on its audiences by strengthening London's reputation and providing advice and support to key audiences; and
- Activation of Future of London messaging and promotion of the Talent Toolkit.

2.4 A summary of L&P's KPIs and targets are set out below:

London & Partners Mission: Good Growth for London

What L&P does	What L&P measures	KPIs	Target
Engaging Target audiences	Measuring engagement by target audiences with L&P's content. An 'engagement' is different for each channel, e.g., a share on social media, watching a video, comments, clicks.	<p>Audience engagements: Content about specific London products or campaigns and 'always on' content. Audience includes targeted leisure tourists, students, Talent Toolkit users.</p> <p>Brand engagements: Content about London's broader offer, brand and values including broadcast of major events</p>	<p>Audience engagements: 17 million</p> <p>Brand engagements: 48 million</p>
Improving London's global reputation	Measuring perception change with regards to perceptions of London, by comparing the targeted audience, who have seen marketing activity generated by L&P, against a control group who have not been exposed to marketing activity.	<p>Audience engagement perceptions: Improvement vs control for content about specific London products or campaigns.</p> <p>Brand engagement perceptions: Improvement vs control for content about London's broader offer, brand and values.</p>	<p>Audience engagement perceptions change: +8%</p> <p>Brand engagement perceptions change: +4%</p>
Convincing audiences to choose London and supporting businesses to grow in London	Measuring the additional economic benefit of L&P's interventions for the London economy.	<p>Direct GVA from business growth (Foreign Direct Investment, Trade, Growth, Business Tourism and Major Events).</p> <p>Indirect GVA from international student engagement.</p>	<p>Direct GVA: £175m (of which 80% from target sectors).</p> <p>Indirect GVA: £15m</p>
Working in partnership	Measuring the resources L&P attracts from the London business community, L&P	Proportion of L&P activity that is not funded by resources from the Greater London Authority.	Minimum 50%

	commercial activity and other sources.		
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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.
- 3.2 Much of L&P's trade and investment services are focused on supporting SMEs to set up, expand or internationalise. The GLA has compiled a comprehensive range of evidence by policy area for the protected characteristics identified in the Equality Act. Our research in the 'Equality, Diversity and Inclusion Evidence Base', identifies that SMEs face particular barriers including access to finance, access to markets, and access to management. L&P has addressed this and is introducing a module on the importance and benefits of Diversity and Inclusion into its ERDF funded Business Growth Programme to support London-based SMEs. The Mayor's International Business Programme focuses on under-represented groups including missions made up of female founders.

4. Other considerations

Links to Mayoral priorities

- 4.1 The business plan fully aligns with the full suite of Mayoral strategies including the Economic Development Strategy (EDS). Policy teams across City Hall have been given the opportunity to comment on the business plan and provided input where relevant. The EDS recognises the importance of promoting London internationally, to maintain London's global competitiveness, and to help drive the city's economy. The sectors that L&P will focus on are aligned with those in the EDS, as is the focus on good growth.

Key risks and issues

- 4.2 Brexit uncertainty continues and could affect L&P's all three business lines including FDI, students and tourism (including business tourism). The plan clearly sets out its plans for Brexit under different scenarios.
- 4.3 Delivering the strategy will require changes in London & Partners' people, processes, systems & infrastructure and data & information. Significant work has been made in this area with a completion of a restructure. The plan sets out how L&P is shifting its resource allocation to focus on new priorities and that it is on track with these changes.

5. Financial comments

- 5.1 The proposed GLA grant of up to £13,136,000 in 2019-20 forms part of London & Partners 3-year strategy previously approved via MD2264. The 2019-20 grant allocation has been included in the GLA budget and held within the GLA's Regeneration and Economic Development Unit.
- 5.2 In-line with previous arrangements, payments will be made on a quarterly basis subject to satisfactory monitoring of performance against the deliverables approved as part of the 2019-20 business plan. This requirement as well as the standard break clauses will be incorporated into the funding agreement to ensure that performance and risk is managed effectively during the duration of the grant agreement.

6. Legal comments

6.1 The preceding sections of this report indicate that:

6.1.1 The decisions requested of the Mayor 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 (section 30, GLA Act 1999); 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:

- 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 In taking the decisions requested, as noted in section 3 above, the Mayor must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity 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 and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. To this end, the Mayor should have particular regard to section 3 of this report.

6.3 The decisions requested of the Mayor (in accordance with the Authority's Contracts and Funding Code) fall within the statutory powers of the GLA. Under section 378 of the GLA Act, the GLA has a duty to promote tourism to Greater London and the approval of the Business Plan of London & Partners together with grant funding from the GLA can fairly be anticipated as promoting tourism to London.

7. Planned delivery approach and next steps

Activity	Timeline
Approval	March 2019
Business Plan Start Date	Q1 2019
Business Plan End Date	Q4 2020

Appendices and supporting papers:

Annex 1 - L&P 2019/20 Business Plan

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

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 – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Hanna Ostling has 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 18 March 2019.

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

18.3.19

CHIEF OF STAFF:

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

Signature

D. Bellamy

Date

18/3/2019.

