

REQUEST FOR MAYORAL DECISION – MD2656

London & Partners Business Plan – Coronavirus Response - 2020-21

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.

Under cover of MD2264 the Mayor approved the award of funding to L&P of up to £39,927,000 over three years subject to the GLA's approval of each of their annual business plans. Under cover of MD2604 the Mayor approved L&P's Business Plan for 2020-21 (the third and final year covered by its current funding agreement with the GLA) triggering the availability of up to £13,136,000 in 2020-21.

Given the deep uncertainty caused by the COVID-19 pandemic, L&P has provided the GLA with a revised Business Plan which proposes the re-shaping of L&P's work during 2020-21 by defining the specific principles which L&P will follow within the 2020-21 financial year alone, their mission for the year, and the strategy and specific delivery L&P believes will achieve this. In drafting its proposed revised Coronavirus Response Business Plan for 2020-21, L&P has:

- indicated that market contraction will mean the organisation may deliver lower returns against the targets set out in L&P's approved 2020-21 Business Plan (but has confirmed that this should not mean that L&P will accept a lower level of impact in its work);
- set out a new mission for the year: "We will work to keep London's global brand, our communities and London & Partners resilient, and to prepare for recovery"; and
- given equal weight to London's domestic audience and London's international audience, particularly for leisure as in the current global crisis it is anticipated that it is domestic consumers who will be able to return to London first in the recovery period.

This MD seeks the Mayor's approval of L&P's revised Coronavirus Response Business Plan for the 2020-21 financial year.

Decision:

That the Mayor approves:

London & Partners Limited's proposed revised Coronavirus Response Business Plan for the remainder of 2020-21 and related variation of the GLA's current funding agreement with London & Partners Limited.

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: 07 08 2020



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

1. Introduction and background

- 1.1 L&P receives its grant subject to their annual Business Plan being approved by the GLA. In line with L&P's three-year strategy (2018-2021) agreed by the Mayor under cover of Mayoral Decision 2264, L&P produced a Business Plan for 2020-21 which worked to deliver jobs and growth in London by attracting (and retaining) investment, students and visitors. Under cover of MD2604 the Mayor approved L&P's Business Plan for 2020-21 (the third and final year covered by its funding agreement with the GLA) triggering the availability of up to £13,136,000 in 2020-21.
- 1.2 Given the deep uncertainty caused by the COVID-19 pandemic L&P has submitted a revised Business Plan in response to the impact of COVID-19 on L&P and on the communities L&P serves. L&P's principal role is to: attract foreign direct investment (FDI); business tourism and major events; leisure tourism and international students to London; as well as increasing international trade with the capital's businesses. Each of these activities has been severely restricted due to the global response to the COVID-19 pandemic which has reduced the mobility of people both internationally and domestically and closed down large sections of the economies of all of L&P's key markets including China, India, France, Germany and North America, during their respective lockdowns.
- 1.3 L&P is funded by a combination of sources including a grant from the GLA, other grants, fees from their commercial partners, value in kind and income from their commercial activities.
- 1.4 L&P has already received their Quarter 1 payment in advance for £3,387,000 as per normal practice. This leaves £9,749,000 remaining for L&P to claim for financial year 2020-21.
- 1.5 L&P receives its grant subject to its annual business plan being approved by the GLA. L&P's performance against key performance indicators (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 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:
 - added £2.2 billion GVA to London's economy;
 - inspired 142 million people through visitlondon.com;
 - reached 9.1 million international students;
 - attracted 2,554 events;
 - created or supported 66,200 jobs;
 - generated 66,700 pieces of international media coverage;
 - supported 2,115 overseas companies to set up or expand in London;
 - leveraged additional funding for promoting London – non-GLA funds now account for almost 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 each of the last five years.

2. Objectives and expected outcomes

- 2.1 L&P has produced a revised Coronavirus Response Business Plan for 2020/21 (Appendix 1) designed to shape L&P's work by defining the principles by which L&P will act in response to the pandemic, their mission for the year, and the strategy and specific delivery L&P believes will achieve this.
- 2.2 In drafting the revised Coronavirus Response Business Plan for 2020-21, L&P has proposed a set of principles to shape its response to the new external context. L&P's mission, strategy and activities specifically for 2020-21 all flow from these principles. L&P will:
- retain its Good Growth purpose;
 - focus on its existing audiences, but give more consideration to domestic consumers in the recovery phase;
 - focus on our existing communities first;
 - 'think virtual' to find new routes to supporting its communities; and
 - protect its financial stability.
- 2.3 Based on these principles L&P has set out a new mission for the year: "We will work to keep London's global brand, our communities and London & Partners resilient, and to prepare for recovery"
- 2.4 L&P's revised Coronavirus Response Business Plan for 2020-21 details two phases to their strategy. Phase one focuses on resilience. In this period L&P will:
- support its communities of businesses in London by providing a programme of online events, activity and support;
 - demonstrate London's social and economic resilience to its audiences;
 - keep its existing pipeline of inward investors and wider clients active, helping people to finalise their investment when they are able to; and
 - participate in events and conferences virtually.
- 2.5 Phase two focuses on recovery. In this period L&P will:
- lead an ambitious recovery programme across its areas of activity to bring its audiences to London. As part of that it will make a significant change to part of its work. This year it will have a major focus on domestic consumers in its leisure tourism work, as L&P believes that they are likely to be the first group to return to London's theatres, restaurants and high streets during the recovery period;
 - aim to convert inward investors it has been working with during the resilience phase;
 - support London companies to grow and win international business;
 - support London's universities, particularly focusing on post-graduate recruitment; and
 - support the events industry by retaining business for London wherever possible, adapting its offer to mixed physical/virtual and multi-site events, and continuing to bid for strategic medium-term opportunities.
- 2.6 L&P's proposed Coronavirus Response Business Plan 2020-21 in Appendix 1 provides more detail on how L&P will put the strategy into action, how they will focus their work, and L&P's governance of its workforce and internal processes during the year.
- 2.7 Following review by GLA officers, and sign-off by L&P's Board, the Coronavirus Business Response Business Plan 2020-21 is proposed for approval by the Mayor. A fuller review of L&P's strategy for future years will take place in the context of the developing Covid-19 recovery programme. A fuller

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Performance

- 2.8 L&P will retain the outcome measures set out in its original Business Plan for the year. Listed in Appendix 2, these are engagement and perception change, economic impact defined as Gross Value Added (GVA) and Income. These remain the measurements which most accurately reflect the contribution L&P's revised strategy is designed to make.
- 2.9 In drafting its proposed revised Business Plan 2020-21 L&P has indicated that it may deliver lower returns against the targets for this year, as set out in the previous 2020-21 Business Plan and approved by the Mayor under cover of MD2604. L&P has confirmed that this should not mean that L&P will accept a lower level of impact in its work.
- 2.10 At this stage, L&P will not set targets for its 2020-21 activity at this point in the pandemic but will be required to submit targets for GLA approval by a specific point after their understanding of the external environment has developed. This approach was discussed and agreed at L&P's Board meeting in April. L&P's new (GLA approved) targets will supersede the targets in L&P's previous 2020-21 Business Plan.
- 2.11 L&P have set out a process to develop targets against their four basic outcome measures in the coming months. By 30 September 2020 they will set a 'wide range target' that is contingent on confirmation of key trigger points (such as the UK exit strategy). L&P will reforecast targets once they are into the recovery phase.
- 2.12 L&P are also developing Lead Indicators for GLA approval to help measure the impact of their work during this uncertain period. These Lead Indicators identify and measure the impact of activity they believe will ultimately lead to the outputs captured in their targets. L&P are working to understand how these Lead Indicators will inform/support their targets. More information on L&P's targets and methodological approach is provided in the revised Business Plan in Appendix 1 (page 24), Appendix 2 and Appendix 3.
- 2.13 It is of critical importance that clear GLA approved targets are established and documented, as soon as possible and in any event by a target date of 30 September 2020, in order to measure their performance. Quarterly monitoring meetings between the GLA and L&P will facilitate this process and evaluate the impact of scenarios such as a recurrent lockdown on target setting. L&P will also align its plans and targets with the GLA recovery work through their Chief Executive's membership of the recently established London Recovery Board.
- 2.14 In the meantime, the unprecedented uncertainty created by the COVID-19 pandemic is making the process of setting realistic targets extremely challenging for L&P, however the development of Lead Indicators by L&P is a reasonable response to setting such realistic targets to enable the GLA to monitor its performance robustly.

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. L&P have integrated diversity and inclusion modules into their ERDF-funded

Business Growth Programme to support London-based SMEs. Their Mayor's International Business Programme focuses on under-represented groups including missions made up of female founders.

- 3.3 L&P's Business Growth Programme launched its biggest cohort ever in June 2020 with 81 companies and 37% were BAME founders. L&P is also planning a female founder virtual trade mission to Silicon Valley in September 2020 and aiming for 50% BAME Founders. L&P is engaging with Black Founders who are on the Mayor's International Business Programme to help reach wider communities in order to recruit more diverse cohorts.
- 3.4 L&P has proactively promoted the Mayor's Good Work Standard to existing international businesses as well as running workshops with the GLA on the programme for businesses on the Business Growth Programme and Mayor's International Business Programme. The Good Work Standard is awarded to employers who can demonstrate best employment practice across a range of areas including, offering diversity and inclusion training for everyone in their workforce, addressing the gender pay gap and putting in place a zero-tolerance approach to all forms of discrimination.
- 3.5 L&P will also be launching a new initiative to drive inclusive innovation in London by delivering an Open Innovation Fellowship for innovation leaders of Corporates and connecting them to underrepresented entrepreneurs.
- 3.6 London Tech Week in September 2020, which L&P co-organises, has a target of 50% BAME speakers.
- 3.7 L&P is also working on an internal project to increase its focus on diversity and inclusion with the joint aims of ensuring that L&P is an organisation that reflects and champions the diversity of London, and creating an environment in which everyone is valued, feels supported to be themselves, and in which everyone can thrive. This project is being implemented across L&P with a focus on areas such as recruitment, progression, mentoring, employee brand imagery and content, and diversity & inclusion education & training.
- 3.8 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 and impacts are likely to be positive.

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). The EDS focus on the importance of a thriving London economy that is open to business is at the core of L&P's work, as is the promotion of London as a world leader in innovation, technology and creativity.
- 4.2 London & Partners' revised Business Plan aligns with the Mayor's priorities to support business of all sizes and sectors during the COVID-19 pandemic, and an 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. It will be critical to capture the benefits of this, as well as to address the economic and social harm caused by the pandemic.

Key risks and issues

- 4.3 L&P states in its proposed revised Business Plan that it aims to be ambitious for London. However, they also advise that setting firm GVA targets in an uncertain economic environment is complex. The

coronavirus crisis has overshadowed all other uncertainties, but the fact that the UK has left the EU and entered a transition period also has to be factored in. The UK's relationship with the EU is not finalised, and there is dispute over the implications for each outcome of economic growth. Considering these factors, L&P will not be able to set targets for an extended period at this point and may fall far short in their performance of the targets set prior to the COVID-19 pandemic in their previous Business Plan for 2020-21. As noted at section 2 above however, L&P will be required to submit revised targets for GLA approval later in the financial year.

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

5. Financial comments

- 5.1 London & Partners have revised their Business Plan to account for the impact of Coronavirus on its organisation and the communities it serves. The focus is now on building resilience and recovery-led strategies. Therefore, the GLA grant of £13.136m will go towards funding this activity.
- 5.2 Due to the uncertainty of the impact of Coronavirus, the Business Plan does not yet incorporate targets; however, this will be set in year once the context of this unique environment becomes clearer.
- 5.3 In line with previous arrangements, payments will be made on a quarterly basis subject to satisfactory monitoring of performance against the deliverables as and when they are set during 2020-2021.

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:
- (a) general 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
 - (b) to discharge of its duties under section 378 of the GLA Act, to promote 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 Authority's related statutory duties to:
- (a) 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
 - (b) 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 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. To this end, the Mayor should have particular regard to section 3 of this report.
- 6.3 Should the Mayor be minded to make the decisions sought officers must ensure that the:
- (a) replacement of the current 2020-21 London & Partners Business Plan with the revised Coronavirus Response Business Plan is documented clearly; and

- (b) GLA's current funding agreement with London & Partners is varied accordingly, paying particular attention to the alteration of deliverables and performance metrics and the setting of clear (GLA approved) measurable targets and indicators by a specific date.

7. Planned delivery approach and next steps

Activity	Timeline
Approval	July 2020
Business Plan start date	Q1 2020
Wide Range Target Agreed	Q2 2020
Targets Reforecast (Subject to Recovery Stage)	Q3 2020
Business Plan end date	Q4 2021

Appendices and supporting papers:

Appendix 1: L&P revised Coronavirus Responses Business Plan 2020-21

Appendix 2: L&P Outcomes – 2020-21

Appendix 3: L&P Lead Indicators

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

Publication is deferred until the documentation to formalise the replacement of the plan and related variation of the agreement has been agreed and executed, and at the latest by 31 August 2020.

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:

Richard Tribe 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 20 July 2020.

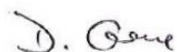
EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

23 July 2020



CHIEF OF STAFF:

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

Signature

Date

20 July 2020

