

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3009

Title: New Year's Eve 2022, 2023, 2024 and 2025

Executive summary:

This Mayoral Decision (MD) updates MD2757 with regards to the delivery of London's New Year's Eve (NYE) celebrations. MD2757 agreed a GLA net expenditure of £4.5m between 2021-22 and 2023-24 (£1.5m each year) to deliver a broadcast-only moment to mark NYE.

As part of London's recovery following the impact of the COVID-19 pandemic, and responding to the public desire to mark NYE with an in-person event, this MD seeks an increase in GLA net expenditure to £3m each year between 2022-23 and 2025-26, to deliver an annual world-class event that can be experienced both in person and broadcast globally.

London's NYE celebration is a significant driver of domestic and international visits to London, generating over £7.5m of additional revenue for London's businesses and economy. The event will be a centrepiece of the Mayor's Let's Do London tourism campaign drive to get visitors back into the capital.

Decision:

That the Mayor approves:

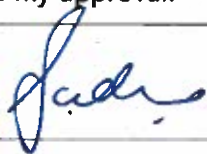
1. GLA net expenditure of £12m over the periods 2022-23, 2023-24, 2024-25 and 2025-26 (£3m per year) to deliver an NYE event and broadcast each year that celebrates and promotes London nationally and internationally
2. the seeking and receiving of income from other areas (including but not limited to sponsorship, concessions and ticket income) to apply to the events to enhance and/or cover increased operational costs, such as crowd management
3. the event ticket price being set at £15, broadly designed to cover the cost of the ticket implementation and management
4. a delegation from the Mayor to the Executive Director, Strategy and Communications, and the Assistant Director, External Relations, acting jointly and separately, in consultation with the Mayor's Office, in relation to the NYE 2022, 2023, 2024 and 2025 events and without the need for further Individual Decision Forms, to:
 - execute contracts, funding agreements and similar agreements on behalf of the Authority
 - approve creative and operational scope of each year's event
 - approve event charges, and allocation of the agreed budget and any additional income received by the Authority from sponsorship, concessions, ticket sales or other contributions.

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:

8/7/22

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

Decision required – supporting report

1. Introduction and background

- 1.1. This Mayoral Decision (MD) is an update to MD2757 with regards to the delivery of London's New Year's Eve (NYE) celebrations. MD2757 agreed a GLA net expenditure of £4.5m between 2021-22 and 2023-24 (£1.5m each year) to deliver a broadcast-only moment to mark the new year.
- 1.2. As part of London's recovery following the impact of the COVID-19 pandemic, and responding to the public desire to bring in the new year with an in-person event, this MD seeks an increase in GLA net expenditure to £12m (£3m each year), over four years (2022-23, 2023-24, 2024-25 and 2025-26), to deliver an annual world-class NYE event that can be both experienced in-person and broadcast globally.
- 1.3. The annual NYE net-budget of £3m is in line with that set through the GLA budget-setting process for 2022-23, which includes indicative budgets for 2023-24 and 2024-25.
- 1.4. In 2020, the marking of the new year in London was through a broadcast-only event due to the impact of coronavirus. The success of this broadcast show in achieving a significant global media profile for London (reaching more than 50m views by February 2021), and the ongoing uncertainty around coronavirus, led to the proposal as outlined in MD2757 to focus on a broadcast-only event in 2021, 2022 and 2023. This plan was also significantly cheaper than an in-person event, with the budget set at £1.5m each year.
- 1.5. A broadcast-only NYE event was held in 2021, as planned. However, whilst there was still uncertainty around COVID-19, the public mood had changed considerably, with people wanting to come together again and celebrate special occasions. This was evidenced by tens of thousands of people turning up to the banks of the River Thames in anticipation of an event that they were never able to view. This unmanaged spontaneous crowd caused significant pressure on London's blue-light services.
- 1.6. In addition, the detrimental impact on London's economy during the pandemic, especially in the Central Activity Zone, has resulted in the need to encourage people back into central London, to support (in particular) the entertainment and hospitality sectors which were so dramatically impacted.
- 1.7. As such, we are now proposing to pivot our NYE plans back to an in-person major event, which can still be broadcast to millions of people nationally and globally.
- 1.8. To achieve this, an annual GLA net budget of £3m, plus ticket revenue, is required to produce and deliver a safe event for a live audience of circa 100,000, and a broadcast audience of millions more.
- 1.9. By holding an in-person event, London benefits economically from those attending, as well as the longer-term benefit that is achieved through the positive promotion of London from the broadcast element – encouraging people to visit, study or do business in London.
- 1.10. In 2021, a report by professional services firm Hatch, and promotion organisation London & Partners, revealed that major events contribute over £600m, on average, to the capital's economy every year. The report also found that such events can be a huge catalyst towards London's recovery from the pandemic. It estimated that every visitor to a concert and cultural event generates, on average, £23 to the London economy. Market research at the 2019 NYE event (the last in-person event) saw an average spend by ticketholders of £95; and an average spend by non-ticketholders of £67, who were there for the atmosphere. This resulted in a direct and immediate economic impact to London of, approximately, between £9m and £16m direct and immediate economic impact to London.

- 1.11. London's NYE celebration is a significant driver of domestic and international visits to London over the Christmas and New Year's period – with around 70% of the 100,000 event attendees usually being from outside of London. Data from the GLA's previous NYE events indicates that these visitors spend £112.27 on average in the city due to their visit to the event, generating over £7.5m of additional revenue for London's businesses and economy – an ROI of 2.5:1. The event will be a centrepiece of the Mayor's £10 million domestic and international Let's Do London tourism campaign drive to get visitors back into the capital.
- 1.12. The ticket price at previous NYE events (from the start of ticketing in 2014 until 2019) was £10 per person. This broadly covered the cost of implementing the ticketing system (including ticketing agency fees, VAT, ticket distribution, communication, infrastructure and stewarding to manage ticket entry points). However, in recent years – exacerbated by coronavirus, Brexit and supply chain challenges – the events industry has seen significant increases (up to 30 per cent in some areas) resulting in significantly higher event delivery costs. In addition to these increased costs across the industry, inflation alone since the introduction of ticketing in 2014, would result in a £2 increase in real terms. To respond to this, it is proposed to increase the ticket price for NYE to £15 per ticket. This is considered in the context of the average spend of ticketholders and necessary so that attendees make a fair contribution to the costs of their admission and safety. As a comparison, street access tickets to Edinburgh's Hogmanay in 2022 is £25.50. The GLA will not make a profit from this ticket increase – it will solely cover the costs.
- 1.13. As approved under MD2757, a new four-year single-supplier framework is being procured to establish our production delivery partner for NYE events for 2022, 2023, 2024 and 2025. In line with this framework, this MD seeks to confirm delivery of the NYE event and associated budget over this period.
- 1.14. It is noted that this MD seeks approval for potential expenditure post the 2024 Mayoral elections. It is also worth noting that the GLA has supported the delivery of a major event moment to bring in the new year over all administrations. As such, given the importance of the event to London, and the significant lead-in planning and stakeholder engagement required for each event, it seems a low risk that a future Mayor might not want to deliver an event of this nature. That said, and notwithstanding that the four-year framework allows some level of assurance to our delivery partner, the project scope and budget would be committed on a year-by-year basis, with each year's event being separately contracted through a 'call-off' from this framework. This does allow flexibility, should the GLA reconsider its provision of resources.
- 1.15. As noted in Decision 4, above, a broad delegation is sought regarding: the execution of contracts and funding; approving additional income from third parties; and the allocation of the agreed budget, in relation to the project, as well as approval of the creative and operational scope. This is necessary to ensure: the project remains agile; the need to be reactive and responsive to the ever-changing event environment; and in securing partnerships and creative talent opportunities.
- 1.16. The broad delegation noted in Decision 4, above, also notes approval of charges. This is in relation to agreeing the ticket price, in consultation with the Mayor's Office, throughout the duration of this MD. It is expected that a cap would be set of £20 per ticket, and that any ticket price increase over the £15 set out in this MD, would only be as a result of costs associated with ticketing continuing to rise such that £15 didn't cover them.

2. Objectives and expected outcomes

- 2.1. The key objectives for the NYE celebrations are to:
- galvanise Londoners behind a core values statement, which generates optimism and positive public support for London as a centre of progression and equality during its recovery

- promote London nationally and internationally as a global city, strengthening its reputation across the UK and overseas, and raising confidence to visit, study and do business in London, thereby supporting economic recovery
 - generating economic benefit to London through visitor spend
 - support London's emergency services with a planned and managed focal point for New Year's Eve.
- 2.2. Attainment of the above objectives will be monitored and measured through: pre- and post-event market research; levels and analysis of local, national and international media coverage; and digital traffic and click-through rates on the GLA website and social channels.
- 2.3. In 2021, a report by professional services firm Hatch, and promotion organisation London & Partners, revealed that major events contribute over £600m on average to the capital's economy every year; and that these events can be a huge catalyst towards London's recovery from the pandemic. The report estimated that every visitor to a concert and cultural event generated, on average, £23 to the London economy.
- 2.4. Previous research at NYE events, and specifically the last in-person event in 2019, saw an average visitor spend of £95, generating £9.5m from the ticketholders alone. This does not include non-ticketholders attending to catch sight of the event or soak up the atmosphere. In addition, ticketholders who were visitors to London (in 2019, 36 per cent of visitors were from overseas and 32 per cent were from elsewhere in the UK) stayed on average 4.4 nights in London as part of their visit to the London NYE event. Similar figures are expected to be obtained each year.
- 2.5. By providing a planned and managed major event in London on New Year's Eve, that is a focal point for celebrations, we support the emergency services in keeping visitors to central London on NYE safe. Unplanned and spontaneous mass-gatherings, which are at risk of occurring without any event focus, put additional pressures on our emergency services, at a time when resources are already stretched on one of the busiest nights of the year.

Additional benefits

- 2.6. The additional benefits to London and Londoners of the event are:
- an enhanced positive global profile for London, encouraging economic investment and tourism
 - education and increased awareness of London's core values through messaging, encouraging social integration and cohesion
 - increased skills through volunteering opportunities.
- 2.7. Whilst difficult to measure, there are a number of additional benefits to Londoners that we are actively trying to foster through this event, including:
- an increased sense of community through volunteering opportunities and social interaction at the event
 - encouraging Londoners' sense of pride in their city
 - enjoyment and satisfaction to support the well-being of Londoners, and improve their health and quality of life. This is particularly applicable to Londoners with limited disposable income; free events offer access to arts and entertainment, which they may otherwise not be able to experience.

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
 - advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not.
- 3.2. The "protected characteristics" are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation, and marriage/civil partnership status. The duty involves having appropriate regard to these matters as they apply in the circumstances, including having regard to the need to: remove or minimise any disadvantage suffered by those who share or is connected to a protected characteristic; take steps to meet the diverse needs of such people; and encourage them to participate in public life or in any other activity where their participation is disproportionately low. This can involve treating people with a protected characteristic more favourably than those without one.
- 3.3. The NYE event is aimed at bringing people from different communities together, celebrating London's diversity and helping to foster good relations between communities. This is achieved through the creative show, which will highlight and celebrate London's diversity; and through a broad and targeted approach to marketing channels, encouraging people from different communities to attend.
- 3.4. The contract will seek to ensure diversity and representation are embedded throughout the project delivery, and within the creative options for the show.
- 3.5. An access assessment will be carried out, and will seek the input of independent disability access specialists. Recommendations from this assessment will be incorporated into the event planning, with minimum provision including a dedicated viewing area for people with disabilities and mobility issues, and the provision of a support line in the lead-up to the event to discuss access requirements.
- 3.6. The event will be accessible to all via national media coverage and live broadcast on national and international television. Subtitles and audio-descriptive support will be available throughout the programming.
- 3.7. Tickets are set at the lowest possible price point in order to maintain affordability and accessibility for public attendance at the event, whilst broadly offsetting the cost of ticket implementation.

4. Other considerations

Key risks and mitigation

- 4.1. The table below shows the key risks and corresponding mitigation/responses.

Risk	Mitigation	RAG
Proposed event is not deliverable, or cancelled, despite planning due to force majeure – e.g. extreme weather, industrial action, further wave of pandemic, etc – resulting in both reputational and financial risk, as costs for event planning and secured services will still be liable.	External issues are monitored via project planning and risk assessment. There is a risk that society and essential services may continue to be impacted by COVID-19, especially in the winter months; and that their impact is such that strict control measures are reintroduced, making the NYE event undeliverable. In this instance we would revert to a broadcast-only event, but some costs for the mass public event is still likely to be incurred, depending on the timing.	G

Capacity of essential services to support delivery.	Continuous review of event feasibility – through consultation with partner agencies, authorities and other stakeholders – will highlight challenges of capacity and identify appropriate mitigating actions.	A
Net budget of £3m plus ticketing income insufficient to deliver event.	The event industry was significantly impacted following the pandemic and Brexit, with the impact to the supply chain only just starting to be realised. Fluctuating costs are common due to supply/demand issues. The four-year single supplier framework for NYE delivery provides some mitigation, with some level of certainty being provided to suppliers; and it supports longer-term negotiations. Additionally, the scope of the event – including the creative ambition – will be reviewed to bring budgets back in line. Where this is not possible due to Mayoral ambition or priorities, additional approvals will be sought through the formal decision-making process.	A
Some creative elements – such as drones – can only be used in the correct weather conditions.	We will create a show fit for a broadcast and live audience that includes multiple display elements to minimise the risks of weather-dependent technology impacting the whole show. We will also continue to work with suppliers to find the most robust delivery options to further mitigate this risk.	G
In the situation of moving to a contingency broadcast-only event, the public expectation is such that it will be more challenging to keep the locations secret. Operational/safety bodies will likely mandate crowd management if the locations are well known in advance. This could have an impact on the expected reduced budget.	Ensure that all partners and contractors sign non-disclosure agreements; and that agencies understand the risk of information being made public. We will need to make sure agencies understand our commitment to not having an audience, including sharing communication plans.	G
Reputational risk to the Mayor, and London, of the event failing – particularly with a new delivery partner.	There is a robust multi-agency planning process for NYE, so early indications of potential event failure can be identified.	G
Increased security risk in London.	There will be a police presence at the event that remains appropriate and proportionate to the current threat levels.	G
Lack of engagement with statutory agencies, businesses and residents who may object to plans.	There is a robust multi-agency planning process for NYE. There is a significant business and residents workstream to engage those impacted and other key stakeholders.	G
Insufficient planning timelines impacting on delivery due to protracted procurement timeframes.	Robust project plans and working groups established to ensure key milestones met. Close monitoring of issues and early escalation to ensure early resolution.	A
Environmental impact of event.	The environmental impact will be an important consideration in the show's development, with an impact assessment carried out. Sustainability was also a key element of the procurement process for the event producer.	A

Links to Mayoral strategies and priorities

4.2. In approving the NYE events, this links to the following:

- The GLA commitment to support events that form centrepieces in the city's calendar of events, supporting London's recovery.
- Recovery mission – Engaging Londoners: ensuring Londoners are informed and equipped to participate in the capital's recovery, including through mass public engagement, research and community and cultural engagement designed to include those most affected by the pandemic; developing engagement activity that enables Londoners to connect and come together around celebrations, commemorations and opportunities to share in cultural activities and feel united in London life, noting the uncertainty caused by the current context; and continuing to support cultural activities that help Londoners to engage with the cultural and community life of their city.
- Recovery mission – Helping Londoners into Good Work: supporting Londoners into good jobs with a focus on sectors key to London's recovery.
- Culture strategy: the Mayor will continue to fund festivals and events with an emphasis on more community involvement, increasing quality, raising London's profile, and increasing volunteering.
- Inclusive London – the Mayor's equality, diversity and inclusion strategy: celebrating London's rich diversity; and bringing communities together through a series of high-profile, accessible and inclusive events and campaigns.

Consultation and impact assessment

- 4.3. Extensive consultation will need to take place with all operational agencies including, but not limited to, the Metropolitan Police Service, Transport for London, the British Transport Police, the London Ambulance Service, London Fire Brigade, Westminster City Council, the City of London Corporation, the Royal Parks, the London Borough of Lambeth, the London Borough of Southwark and any other London boroughs affected.
- 4.4. Consultation will also be carried out by the event production company as part of their delivery role with any residents and businesses affected by the event. The outcome of all such consultation will be factored into the delivery of the event as appropriate.

Procurement

- 4.5. A single-supplier framework is currently being procured to deliver London's NYE events between 2022 and 2025. Once the creative direction and budget is finalised each year, the appointed supplier will respond to the brief; once agreed, a call-off contract will be issued for that year.

Conflicts of interest

- 4.6. There are no known conflicts of interest in relation to those involved in the drafting or clearance of this decision form, and those involved in the delivery of the programme.

5. Financial comments

- 5.1. Mayoral approval is sought for GLA gross expenditure of £16.34m for 2022-23, 2023-24, 2024-25 and 2025-26 (£4.085m per year) to deliver NYE events that celebrate and promote London nationally and internationally.

- 5.2. Approval is also requested for the event ticket price being set at £15, broadly designed to cover the cost of the ticket implementation. Ticketed income is expected to be approximately £4.34m for 2022-23, 2023-24, 2024-25 and 2025-26 (£1.085m per year). Finance will work with the Major Events team to ensure the ticketed income and associated VAT is accounted for correctly after NYE each year (quarter 4).
- 5.3. GLA net expenditure of up to £3m is proposed to be spent on each of the event years. The expenditure of £3m for 2022-23 is to be funded from the agreed 2022-23 NYE budget held within the Major Events team in External Relations. Future years' budget (2023-24, 2024-25 and 2025-26) will be subject to the annual budget-setting process.
- 5.4. The anticipated breakdown of this spend per annum is outlined in the following table:

Expenditure	Amount (£) per annum
Event production contract	3,935,000
Other operational costs	70,000
Marketing	80,000
Total expenditure	4,085,000
Estimated ticket income	(1,085,000)
GLA net expenditure	3,000,000

- 5.5. This decision is also to approve seeking and receiving of income from other areas (including but not limited to sponsorship, concessions income and ticket income) to apply to the event to enhance and/or cover increased operational costs, such as crowd management. Any income received will be accounted for in the year it is generated, and the NYE budget will be adjusted accordingly.
- 5.6. In order for the GLA to be satisfied with event suppliers or any future event organiser's capacity and financial status to successfully deliver the event, contracts will be subject to satisfactory due diligence; checks on an annual basis; and mitigations included in the contracts to protect the GLA's financial commitment in the event.
- 5.7. Break clauses would be in contracts, should funding not be available in future years.
- 5.8. The Major Events team within the Strategy and Communications Directorate will manage this event.

6. Legal comments

- 6.1. The foregoing sections of this report indicate that the decisions requested of the Mayor fall within the statutory powers of the Authority to promote and/or to do anything that is facilitative of, or conducive or incidental to, social development and economic development and wealth creation within Greater London; and 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
 - 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
 - consult with appropriate bodies.

- 6.2. Furthermore, decisions 1, 2 and 3 also fall within the statutory powers of the Authority under section 378 of the Greater London Authority Act 1999 (the Act). Under that section, the Authority has the power to do anything for the purposes of encouraging people to visit Greater London, and encouraging people from outside the United Kingdom to visit the United Kingdom via Greater London. As set out in decision 1 and paragraph 1.12 above the broadcasting of the NYE event serves to promote London nationally and internationally as a destination to visit, study and do business.
- 6.3. In taking the decisions requested of him, 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; to advance equality of opportunity between persons who share a relevant protected characteristic (race, disability, gender reassignment, age, sex, sexual orientation, religion or belief, and pregnancy and maternity) and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic 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

Income from sponsorship, concessions and ticket sales

- 6.4. Decision 2, above, requests approval for the seeking and receipt of income from sponsorship, concessions and ticket sales. Pursuant to section 93 of the Local Government Act 2003, the Authority has the power to charge for discretionary services. However, the officers should note that this power is subject to a duty to ensure that, taking one financial year with another, the income from the charges must not exceed the costs associated with the provision of the services. Furthermore, under section 378(9) of the Act, the Authority may receive contributions towards its expenses in carrying out its functions. Accordingly, to the extent that income is unrelated to sponsorship, concessions and ticket sales – for example, donations – that income may also be received by the Authority for the purposes of the NYE events.

The delegation

- 6.5. Any function exercisable by the Mayor on behalf of the Authority may also be exercised by any member of staff of the Authority, albeit subject to any conditions that the Mayor sees fit to impose. To this end, the Mayor may make the requested delegation to the Executive Director, Strategy & Communications, and the Assistant Director of External Relations, acting jointly and separately, if he so chooses.

7. Planned delivery approach and next steps

Activity	Timeline
Approval of this MD	July 2022
Framework contracted	July 2022
Call-off contract for 2022 event	July 2022
Public announcement	November 2022 (tbc)
Ticket sales	November-December 2022
Delivery end date	1 January 2023
NYE 2022 project closure	28 February 2023
Define specification for NYE 2023	February 2023
Call-off contract award and commence planning for NYE 2023	April 2023
Public announcement	November 2023 (tbc)
Ticket sales	November-December 2023
Delivery end date	1 January 2024
NYE 2023 project closure	28 February 2024
Define draft specification for NYE 2024	February 2024
New Mayoral Administration sign-off	May 2024

Call-off contract award and commence planning for NYE 2024	June 2024
Public announcement	November 2024 (tbc)
Ticket sales	November-December 2024
Delivery end date	1 January 2025
NYE 2024 project closure	28 February 2025
Define specification for NYE 2025	February 2025
Call-off contract award and commence planning for NYE 2025	April 2025
Public announcement	November 2025 (tbc)
Ticket sales	November-December 2025
Delivery end date	1 January 2026
NYE 2025 project closure	28 February 2026

Appendices and supporting papers:

Appendix 1 - MD2757

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: Commercial confidentiality ahead of significant procurement processes involved.

Until what date: 1 September 2022

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the 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:

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

✓

Sponsoring Director:

Niran Mothada has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.

✓

Mayoral Adviser:

Felicity Appleby and Sarah Brown have 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 4 July 2022.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

D. Gene

6/7/22

CHIEF OF STAFF:

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

Signature

Date

D. Bellamy

6/7/22

