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John Biggs AM
Chairman of the Budget and Performance Committee
London Assembly
City Hall
The Queen's Walk
London SE1 2AA

1 June 2012

Dear John

Budget and Performance Committee Meeting - 28 February 2012

I am writing to follow up the Committee meeting of 28 February 2012. I apologise for the delay in our response, as we did not receive the letter sent by the Committee, however I am pleased now to respond to your questions.

London & Partners has performed well against our 2011/12 objectives, exceeding all the key performance indicators agreed with the GLA for our first year. Our outturn is summarised in our 2012/13 business plan, of which I am enclosing a copy.

In recent months we have undertaken extensive economic analysis to gain better insights into our activities and to establish which areas will create the most economic benefit for the London economy. As we discussed at the Committee meeting, we will measure our activity for the year ahead against the additional GVA it has brought to the London economy.

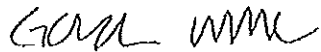
Our 2012/13 GVA targets (which represent an uplift of more than a 1/3 on 2011/12) are also summarised in our business plan, which also goes into more detail on our lead indicator targets and milestones. We would also be happy to share the methodology behind our targeting framework.

In the run up to the Olympic and Paralympic Games, London & Partners has helped many international companies to accelerate and/or grow their investment plans for London. To date, these companies have created more than 6500 jobs. During the Games themselves, we will run the Mayor's business hosting programme for 240 business leaders with plans to expand internationally during the next two to three years. We are also working with the participating nations' organising committees and international sponsors to showcase London to their international business guests. Our target is to secure major investments from half of them over the next three years. Our wider Games time objectives are also set out in the business plan.

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Should you have any further questions about our priorities and activity for the year ahead, please do not hesitate to contact me.

Yours sincerely

A handwritten signature in black ink, appearing to read "GORDON INNES". The signature is written in a cursive, slightly stylized font.

GORDON INNES
Chief Executive Officer

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STRATEGY DOCUMENT
& 2012/13 BUSINESS PLAN

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STRATEGY DOCUMENT

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STRATEGY DOCUMENT

1 Introduction

1.1 Background

London & Partners was created in April 2011 and promotes London with a single voice, vision and mission to audiences around the world. We are the Mayor of London's official promotional organisation for the capital, bringing together the remnants of the former promotional agencies, Think London, Study London and Visit London.

During our first year, London & Partners focused on delivering more for less. We began to promote London under a single brand, narrative and message set; and we delivered, or exceeded, all of our sales targets, which bring net benefits to the London economy. We also reduced the call on the public purse by almost £4m and delivered efficiency savings of some £2m, which were recycled into front line activity.

In our first year, we attracted and supported foreign direct investment projects which created 4,500 additional jobs. These included more than 20 investments into Europe's fastest growing digital cluster, London Tech City. Our industry-led, visitor marketing activity reduced the impact of visitor displacement experienced by previous host cities in the run up to an Olympic Games. (2011 was a record year for visitors.) Our digital and social media platforms attracted more international students to London's universities than ever before. And we helped to win major business events in the face of steep competition, such as the 2017 World Athletics Championships and Cisco Live.

We continued to focus on our core audiences, but also started to achieve synergies across business areas. For example, we generated business event leads from FDI clients and we promoted London as a leisure destination to the families and friends of international students.

We also undertook extensive economic analysis to gain better insights into the activities which will create the most wealth for the London economy. This analysis is available on the London & Partners website.

Going forward, our public grant will only be used to fund activities where there is a clear economic case for public intervention (for example, because the private sector will under-provide a desirable activity) and which create the highest net benefits (measured by additional gross value added). We will also only act if we can demonstrate that we make a real difference in a cost effective way. And, where there is another organisation better (or equally) well-placed to act, we will collaborate with it and seek to harness its resource.

As part of this strategy, we are developing a new monitoring and evaluation system, which complies with best practice and the principles set out in the HM Treasury's 'Green Book' and 'Magenta Book'. We will use this system to assess and demonstrate the impact and value of our activities and inform our future resource allocation decisions.

Having built a strong platform during our first year, we are now looking to deliver a step change in the way we promote the capital. Our new strategy is in response to global economic trends and increased competition from world – and emerging – cities and follows extensive consultation with London's (and national) businesses and stakeholders – to whom we are most grateful.

This will be an extraordinary year for London and we are ready to make the most of the Diamond Jubilee and the Olympic and Paralympic Games and to showcase our great city to a global audience of 4 billion people.

1.2 Objectives

This strategy has been developed to position London as the world's leading city, to support the objectives of the Mayor's economic development strategy and to deliver maximum value for the London economy. It describes what, we believe, is needed to ensure London both preserves its global position and builds on its achievements in recent years. It also sets out a long-term vision for the capital, which looks to capitalise on London's historical and inherent strengths and to capture new growth opportunities. We want to galvanise businesses and key stakeholders behind

this vision so that they will support London's international promotion and help to build its global reputation – before, during and after this year's Olympic and Paralympic games.

1.3 London & Partners' role

London & Partners' role, as the Mayor's official promotional organisation, is to promote London as the world's leading city. We receive significant public funding from the Mayor of London. Without this funding, the resources devoted to the coordinated international promotion of London would be significantly less than what is needed to maximise the economic return from these activities.

Our official status and public funding enable us to take a strategic approach across different promotional activities and promote London with a single, confident voice on the world stage. But we will only succeed if we work closely and collaboratively with local and national businesses and stakeholders to shape London's propositions (for example, by sharing insights and intelligence), consolidate international messaging and share resources.

2 Global context

2011 saw the global economy grow by 3.2%, but this growth was very uneven, with emerging and developing economies seeing growth of around 6%, while many advanced economies languished or declined. World cities continue to dominate the global landscape. They are increasingly integrated and act as magnets for global talent. In many cases, their GDP is greater than that of whole countries.

2.1 Trends

London's competitiveness and continued global aspirations are determined by its ability continually to re-invent itself and adapt to the trends and developments which are shaping the global economy. These include¹:

- The growth in global sourcing of products, services and capital;
- Increased collaboration and cooperation between businesses, customers, suppliers and competitors;
- Moves by companies to specialise, consolidate activities and reduce costs;
- Greater emphasis on innovation and open innovation processes;
- Increased mobility and/or competition for talent;
- Better informed and knowledgeable consumers who demand differentiated and customised products but, facing greater economic uncertainty, are more cost conscious;
- The rising strength of companies and the number of middle class consumers in emerging economies;
- The ageing of the population; and
- An imperative to tackle climate change and become more energy efficient.

2.2 Competitive environment

London has achieved stable world city status. With a global network of interlocking and mutually supportive firms whose products and services are connected in supplying a global market, it consistently ranks highly in global city surveys².

However, there is increasing evidence that London is under-performing relative to other great global cities. Over the last two decades, we have seen London, New York, Tokyo and Paris be joined by Singapore and Hong Kong. We are now witnessing the emergence of cities such as Shanghai, Mumbai, Sao Paulo, Istanbul, Dubai and Seoul.

London is also experiencing far more intense competition from cities in Asia and fast growing, emerging economies. And it is seeing increased competition from the likes of Toronto and Stockholm, as quality of life becomes more important to attract and retain talent. While investors continue to perceive London as a more

¹ IBM PLI global mega trends report

² AT Kearney Global city Index 2012 -- Urban elites: 1-NYC, 2-London, 3-Tokyo, 4-Paris, 5- Hong-Kong

Global Power City Index 2011, Institute for Urban Strategies – The Mori memorial foundation: 1-NYC, 2-London, 3- Paris, 4-Tokyo, 5- Singapore

Global Urban Competitiveness Project: 1-NYC, 2-London, 3-Paris, 4-Tokyo, 5-Chicago

Global Cities Survey 2010: 1-NYC, 2-London, 3-Paris, 4-Tokyo, 5-Brussels

Cities of Opportunity 2011 – PWC: 1- NYC, 2- Toronto, 3-San Francisco, 4- Stockholm, 5-Sydney, 6-London

attractive destination than its main European rivals, sentiment towards Paris, Berlin, Munich and Milan, amongst others³ has recently improved.

Competition between cities for talent, technology and capital is intense. They are no longer competing just with their neighbours, thanks to technological advances and market deregulations, they are also facing new, emerging competitors located on other continents.

We are seeing many cities develop distinctive and sustainable offerings to serve the needs of growing markets around the world and attract the attention of businesses, visitors and students. We are also seeing cities build and communicate brand identities, based around their sources of competitive advantage. In so doing, they are recognising that a strong brand can enhance their city's appeal and ability to attract investment.

The London and UK Governments have recently taken a number of steps to improve London's international offering. For example, the Mayor of London has created a London enterprise panel to advise him on how best to attract strategic investment to support private sector growth and employment, promote enterprise and increase skills levels. He is also taking steps to create a number of London enterprise zones. The Mayor and HM Government have invested more than £11bn in infrastructure – including transport and high speed broadband – in the run up to the 2012 Olympic and Paralympic Games. And the Chancellor and Chinese Vice Premier recently announced plans to give London an offshore Yuan trading role.

3 Implications for London's promotion

We have identified three areas of focus for London's promotion, which respond to global trends and competition, capitalise on London's historical and inherent strengths and capture new growth opportunities.

Going forward, London & Partners will look to build London's brand as:

- The world capital of business;
- The world's leading centre of talent and creativity; and
- The world's top visitor destination.

We will do this by:

- Promoting London's strengths as a place to do business and to trade with the world;
- Attracting leisure and business visitors to London, providing compelling reasons for them to spend more, stay longer and return; and
- Attracting overseas students to study in London and leveraging London's global alumni network to capitalise on tourism and inward investment opportunities.

3.1 Building London's reputation as the world's leading city

What London says about itself and, importantly, what others say about London will combine with experiences of the city to build its reputation. This reputation, in turn, can increase the likelihood that target audiences will visit, invest and study in the capital.⁴

The GLA and London & Partners have already done a lot of work to develop London's brand and messaging. We are currently refreshing the brand toolkit and will shortly bring together key stakeholders to agree top line messages. They will include both London businesses and stakeholders and national Government agencies (not all of whom have adopted a common narrative).

We will look to continually evolve the messaging on the basis of research and analysis, thought leadership and new developments and opportunities for businesses, visitors and students. We will associate London with leading

³ Ernst and Young European Investment Monitor 2011

⁴ According to the Reputation Institute, a 10% increase in reputation can lead to an estimated 11% increase in tourism receipts and 2% increase in foreign direct investment. Reputation Institute 2010

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organisations, individuals and events which reinforce and bring the messaging to life. Our aim will be to excite our audiences about what London can deliver for them, both now and in the future.

It is also our plan for the London visual identity LONDON™ to play a significant role in the way London presents itself. A simple "tick" can tell us that we are engaging with a high quality sports brand with an "enabling" reputation: we want the London visual identity to play a similar role. We will look to partner with organisations and events which reflect London's brand values and encourage them to showcase the London visual identity. We will also look to create new, international events in London to showcase the city to an international audience (such as a two-day festival of cycling, currently in development). In this way, we aim to build equity in the visual identity, so that leading organisations will want to be associated with it.

Given our limited resources, even when working with and through our partners, we will need to rigorously prioritise audiences and channels – e.g. press/ media, social media, bloggers, analysts and conferences. Our aim will be to provide a continual flow of new and engaging stories about London which illustrate the brand messages.

The Mayor will also have a key role to play, acting as communicator in chief, securing the buy in of London stakeholders and championing London on the international stage.

3.2 Promoting London as the world capital of business

3.2.1 Global trends

International businesses are adjusting their activities in response to an ever more integrated global economy. Specifically, they are looking to address supply chain challenges, manage talent and achieve operational efficiencies by optimising their global footprint and honing areas of specialisation. Faced with continued pressure to conserve cash and working capital, they are also finding ways to reduce costs and consolidate activities.

Businesses from emerging markets are also becoming stronger and increasingly investing outside their home markets. While the majority of current investments are "technology seeking" rather than "technology exploiting", this is changing fast.

Businesses are increasingly being attracted to cities which have developed distinctive, specialised propositions which help them to address these challenges.

3.2.2 London's strengths and weaknesses

London is currently one of the "command centres" of the global economy and rivals New York as the most globally connected business city. It has also been a trading centre for over 2000 years.

London also has enduring strengths in a range of sectors. It is the leading global financial services centre⁵, the leading centre for European HQs and the UK's hub for creative industries. It has a large technology cluster and market (and Europe's fastest growing digital cluster in Tech City) and world class medical research institutions.

London's growth in recent years has been driven by financial and business services, its outstanding record in foreign direct investment, its role as the "gateway to Europe" and its openness and ability to attract visitors and top talent from around the world. Its growth has been hampered by a decline in the wider UK business environment⁶, the recent global financial and European debt crises, the age and capacity of its infrastructure, a limited supply of some technical skills and perceptions of London as a high cost location.

During the first half of 2011, London attracted 138 foreign direct investment (FDI) projects, second to Singapore but ahead of Shanghai and Dubai⁷. London continued to attract large numbers of financial services, creative industries and sales and marketing FDI projects. However other global cities attracted more global headquarters, professional services, digital, information and communication technologies, environmental technologies and life sciences FDI projects.

⁵ The Global Financial Centres Index 9 - MARCH 2011, Xyen Group

⁶ World Bank. www.doingbusiness.org/rankings

⁷ ICI Intelligence, Financial Times, 2011

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As multinational companies shift resources to fast growing markets, European governments struggle to reduce record deficit and debt levels and the European economy becomes relatively less significant, London may find it more difficult to maintain its current levels of foreign direct investment.

Although London is not currently a top international destination for congresses and conventions, recent investments in facilities and transport, as well as the increased role of technology and the demand for unique experiences, are creating new opportunities for the capital.

3.2.3 Opportunities and threats

Many countries are currently experiencing rapid growth in sectors and sub-sectors such as insurance, digital publishing and broadcasting, gaming, social media, e-commerce, renewable energy and the wider green economy, education, healthcare, aged care and biotechnology. "Open innovation" models and technology conversion are also creating significant new opportunities.

The Olympics and Paralympic Games give London a once-in-a-lifetime opportunity to create and evolve its reputation to a global audience. And recent and planned investments in infrastructure, transport and regeneration, notably in East London, are creating a "new London" with associated business growth opportunities.

The response to the European debt crises remains the most significant threat to London's economic growth, particularly given its strong reliance on financial services. The rapid growth of emerging economies, whilst presenting challenges in some areas, is a massive opportunity - for trade, FDI and business tourism.

3.2.4 What London & Partners will do

3.2.4.1 Building London's reputation

London & Partners will develop compelling propositions, key messages and thought leadership which position London as the best place in the world to do business, to hold a business event and to trade.

We will focus on London's historical and inherent strengths – e.g. historical trading links, connections to international and capital markets, business skills, financial and professional services expertise, cosmopolitan workforce and research excellence. We will also promote London's emerging strengths in order to capture new growth opportunities – e.g. creative and technological convergence and the green economy.

We will associate the London brand with leading businesses, entrepreneurs, innovators, institutions and business events in ways which reinforce and bring our messaging to life. We will encourage leading London businesses and stakeholders to take our messages to our audiences.

We will execute a targeted media and communications programme which targets key investor audiences and influencers in established, major markets which will remain strong for the foreseeable future and fast growing, emerging markets.

3.2.4.2 Delivering economic value

London & Partners will also secure additional economic value for the London economy by:

Attracting foreign direct investment and events which support the growth of world class business clusters, including creative industries, technology, life sciences and clean technologies;

Helping to maintain and grow London's position as the world's leading financial centre and the best location for European and Global HQs;

Helping London businesses to access global value chains; and

Supporting efforts to enhance London's favourable business environment and reduce barriers to growth.

We will focus our activities on identifying and winning high value (GVA) projects and business events which complement London's competitive strengths. We will target FDI projects and large, international events in the ICT, creative, life sciences and healthcare, financial and business services and energy (including clean technologies) sectors. By targeting FDI, conferences, trade fairs and exhibitions in the same sectors, we will create synergies and

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new business opportunities. We will also target projects and events from both mature markets and emerging markets with significant future potential.

We will also focus our activities on contestable FDI projects and footloose business events where our interventions can generate the most additional value. If projects and events are already coming to London, we will seek to influence their size and/or speed.

We will also provide support for new investors to link them to local supply chains and embed them in the London business community.

We will activate and coordinate bids to attract congresses and conventions which generate a high proportion of international visitors to the capital. And we will co-ordinate the city's welcome for business visitors and help event organisers to unlock the city.

To achieve this, we will strengthen our sectoral capabilities and build closer links with business and trade associations, higher education institutions and HM Government departments. UK Trade & Investment (UKTI) is an important partner, currently generating 40% of our FDI pipeline and we will shortly sign a Memorandum of Understanding which clarifies our respective roles, removes all duplication and facilitates resource sharing.

We will also work closely with VisitEngland, which is now looking to put some resource into attracting congresses and conventions to England, in order to, again, de-duplicate, coordinate and ensure London captures a return from this investment.

To support the growth of London's financial services industry, we will continue to work closely with the City of London Corporation and City UK. In particular we will ensure our respective activities overseas are co-ordinated and complementary. And we will support efforts to promote London's financial and professional services sectors to the BRIC economies.

We will also promote London as the best location for global and European headquarters, based on existing clusters, unrivalled connectivity, talent and thought leadership and cultural diversity.

Further, we will promote London's businesses, innovators and entrepreneurs internationally and use our international relationships and local partners to help London businesses access international supply chain opportunities. We will promote existing trade support services to London businesses and new investors, helping them to access export advice and opportunities. And we will join forces with UKTI's trade team in London (which is co-locating with London & Partners), the City of London Corporation and the London Chamber of Commerce, amongst others, to develop joint vertical trade and inward investment missions – some led by the Mayor, or Lord Mayor of London.

Through our activities, research and analysis, we will also gather evidence and intelligence about London's international competitiveness. We will share this with key partners and policy-makers, working with them to enhance London's propositions and business environment.

3.3 Promoting London as the leading centre of talent and creativity

3.3.1 Global trends

Increased global competition is encouraging businesses to invest more in talent and innovation. Businesses are also increasingly pursuing open research and development models, with greater levels of collaboration, including across borders. And technology is enabling businesses to collaborate more with their customers, suppliers and competitors to achieve their goals.

Skills shortages (e.g. for technicians, sales representatives, engineers, management/ executives, accounting & finance staff and IT staff) are leading to a "skills war" between cities as they compete to attract the best global talent. Rapidly growing creative sectors and a city's cultural offer are also important factors in attracting this talent – and in encouraging a climate of innovation and experimentation.

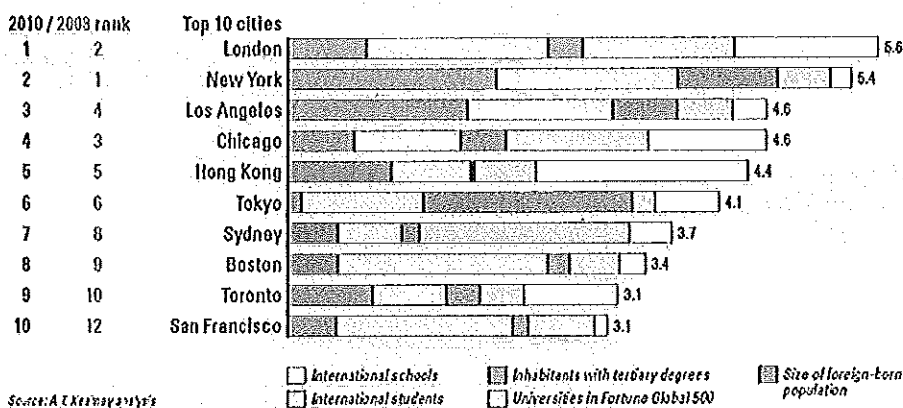
3.3.2 London's strengths and weaknesses

London's international, diverse, well-educated workforce compares favourably to competitor cities and London is home to a large number of highly ranked universities and research institutions. It is one of the most significant centres of cultural and artistic life and it attracts more international students than any other city.

The capital also has well-developed clusters in ICT, creative industries, life sciences and medicine and its businesses have access to debt and equity markets to innovate and develop new products and services.

London's ability to attract global talent is not just based on its business environment. Factors such as quality of life, cost of living and immigration policies – where some of London's competitor cities score more highly – are also important factors. Many of London's competitor cities now also have highly ranked universities and/ or have been more successful than London has been in commercialising their research bases.

London, New York and Los Angeles top the human capital rankings



London is also increasingly seen as a less welcoming destination for students⁸ and businesses, in part, due to UK migrant caps and visa application processes and it is perceived as an expensive city⁹.

3.3.3 Opportunities and threats

Both the Mayor of London and HM Government have stated their ambition, and taken steps, to make London one of the world's great centres for innovation and creativity (e.g. by reforming fiscal policies, introducing an entrepreneur's visa and actively supporting and investing in London's vibrant cultural sector).

New investments in research institutions – such as the Francis Crick Institute and Stem Cell Catapult Centre – present opportunities for London to build its reputation as a leading centre for talent. A number of London's higher education institutions have recently come together to coordinate their international promotional efforts. London Tech City's rapid growth is also attracting entrepreneurial talent and innovators from Europe and further afield.

However, there remains a mismatch between the skills that employers need and the available talent.

3.3.4 What London & Partners will do

3.3.4.1 Building London's reputation

London & Partners will build London's reputation as a hub for academic and creative excellence, particularly in areas which support its business strengths. We will develop compelling propositions which showcase London's cutting edge innovation and trends in contemporary culture; the capital's depth of talent in business, finance,

⁸ 2011 UKCISA report – tier 4 student survey findings and recommendations

⁹ 2011 Barometer wave 3 on immigration and costs

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fashion, film, design, music, theatre and the arts; and how London can enhance career prospects, as well as London's quality of life and vibrant neighbourhoods.

We will encourage London's higher education institutions to use the London visual identity and messaging when overseas, while we, in turn, will promote their thought leadership and academic excellence. And we will work with these institutions and key London stakeholders to communicate London's propositions to international students, higher education and research institutions, businesses and entrepreneurs.

3.3.4.2 Delivering economic value

London & Partners will also secure additional economic value for the London economy by:

Fostering collaboration between London's higher education institutions and inward investors and overseas education institutions;
Attracting international students and new leading academic and research facilities into London; and
Supporting efforts to reduce barriers which are limiting the capital's ability to attract, retain and develop talent.

We will work with London's higher education and research institutions to foster international collaborations, particularly in areas which support London's technology, medical and creative industries. To support this objective, we will attract relevant academic conferences and promote research and development opportunities to foreign direct investors.

We will continue to promote London's universities and English language schools to international students via digital platforms and channels. We will focus on both undergraduates and postgraduates in both our key markets (India, China and the United States) and markets where London is currently under-represented.

We will work with London's universities to build a network of overseas ambassadors and generate future FDI project leads.

We will also build on recent successes to attract more international university campuses to London. And we will work with the GLA to explore options of creating a new Private University in London.

Finally, we will gather evidence and intelligence about London's ability to attract, retain and develop global talent and work with policy-makers to reduce barriers and enhance London's international offer.

3.4 London as the top destination for visitors

3.4.1 Global trends

Greater international mobility and proliferation of available information via digital channels has led to more informed and knowledgeable consumers who are more discerning in their choices of destinations to visit. This has led to greater international competition and to cities seeking unique points of differentiation in order to compete for visitors.

The growth of emerging markets has also led to an increase in consumers with high disposable income and a rapidly emerging middle class looking to travel internationally for the first time. At the same time, the current depressed economic situation in some markets is leading to a downturn in discretionary expenditure which is likely to impact on tourism flows in the short term.

3.4.2 London's strengths and weaknesses

London has a hugely varied and well-regarded visitor offer with over 100 visitor related activities that can only be undertaken in London. It benefits from world class heritage sites and is at the cutting edge of architecture, fashion and retail. Whilst there is depth and breadth of product, it is London's uniqueness that differentiates it from other visitor destinations.

London's leisure tourism offer is constantly evolving and developing. The key milestones of the Diamond Jubilee and events surrounding the 2012 Olympic and Paralympic Games, including the cultural Olympiad and other

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festivals, will ensure there is a wealth of new content to be promoted. In addition, new hotels, attractions, festivals and retail outlets should help maintain London's attractiveness.

In addition, London's range of world class venues and excellent connectivity make it an attractive place to hold major sporting and cultural events that can draw large numbers of international visitors. This offer is currently being enhanced with the new venues at the Olympic Park.

However, London is perceived by many visitors as expensive, particularly in the areas of accommodation and transport. Visitors also perceive London as less welcoming than other cities. For visitors from the Far East, connectivity is also an issue due to a limited number of international flight connections.

3.4.3 Opportunities and threats

The Olympic and Paralympic Games is a unique opportunity for London, but also poses a significant threat. Research by Oxford Economics suggests that there is likely to be significant "displacement" in the run up to the Games, as visitors postpone or cancel their visits due to perceived disruption and cost. Over the longer term, the Games should deliver net tourism benefits to London estimated at £0.91bn. It also provides enormous opportunities to promote the capital to an estimated global audience of 4 bn viewers.

Developing a compelling proposition which converts London's inherent diversity and complexity into a unique differentiated proposition will be challenging, especially in an environment where customers are more knowledgeable and discerning. In addition, the variety of digital channels used by consumers means that new marketing techniques will be required to reach and influence consumers.

Immigration policies also threaten London's ability to capture the rising number of tourists from emerging markets, particularly China.

Satisfied visitors are one of the best marketing 'tools' a destination can have. There are opportunities for London to capitalise on its top visitor destination status by encouraging visitors to become advocates for the city. However, London's status was recently damaged by Euromonitor's 2010 Top City Destinations Ranking, which saw Hong Kong knock London off the number one spot.¹⁰ Although London's apparent decline to third place can be attributed to changes in survey methodology, the result was widely reported in international media.

3.4.4 What London & Partners will do

3.4.4.1 Building London's reputation

London & Partners will develop differentiated propositions for specific visitor market segments – by country and type of visitor. These will focus on existing visitor groups from mature markets and new visitor groups – such as the affluent Chinese and those in the 55+ age group.

We will capitalise on the 2012 Games by exposing the global audience to these propositions, primarily through the London Media Centre. After the Games we will continue to reach audiences with key messages through PR and targeted marketing activities, with a call to visit that turns armchair viewers of the Games into visitors.

We will develop new events which capitalise on the Olympic venues and draw new audiences to London and which help reinforce London's brand and reputation.

We will also work with others to ensure that the 'unique' London experience meets and exceeds visitors' expectations. And we will improve mechanisms for visitors to recommend the destination to others, to turn them into ambassadors and to amplify the power of the brand.

¹⁰ Euromonitor changes in methodology: Hong Kong now includes visitors from mainland China, Singapore now includes Malaysian citizens arriving by land whereas in. If the methodologies for 2009 had been applied to London, Hong Kong and Singapore in 2010, then London would have ranked 1st with 14.6 million visits, Singapore would have ranked 2nd and Hong Kong would have ranked 7th

3.4.4.2 Delivering Economic value

London & Partners will position London as the world's top visitor destination by:

- Giving visitors compelling reasons to come, and return, to London;
- Working with partners to maintain London's unique, exciting visitor experience; and
- Turning visitors into ambassadors.

We will target international tourists in both core markets and those with significant growth potential using the most appropriate channels, but with a far greater emphasis on digital marketing. We will work closely with our private sector partners in the tourism industry to develop marketing initiatives which showcase the constantly evolving London offer.

Our economic analysis identified that activities to promote London to domestic tourists gave lower GVA returns¹¹. We will not use public funds in this area, but resource it entirely from partner and commercial revenue.

We will increase the reach and cost effectiveness of our marketing activities by targeting specific market segments and increasing the use of digital and social media. We will seek to attract major sporting and cultural events with the potential to attract large numbers of international attendees and provide widespread media exposure.

We are uniquely placed to ensure a coordinated approach to the promotion of the capital. However, in doing so we recognise that London is both a gateway for many international visitors to the rest of the UK and a major draw for domestic visitors. It is vital, therefore that we work with VisitBritain and VisitEngland to maximise the synergies between our individual promotional activities to international and domestic audiences, drawing on our respective expertise and market intelligence where it is sensible to do so while avoiding duplication of efforts and activities. To this end, we will ensure that VisitBritain's marketing fully leverages the pull of London to international visitors. We will also work with VisitEngland to increase the effectiveness of its marketing of the capital to the domestic market.

Visitors that have had a positive experience of London can become strong advocates of the city leading them to return – either as a visitor, or potentially as a student or business visitor – or influence others to visit. We will develop initiatives to strengthen these links, for instance targeting friends and family of international students in London, and persuading business visitors to bring back their families.

We will gather intelligence from the tourism industry on the barriers that are preventing tourists from coming to London – such as visa restrictions, or flight connections. We will then work with stakeholders to help resolve these issues.

4 How we will work

At the current time, there are significant pressures on the public funding available to promote London. This reality, combined with the competitive threats that London faces, means that London & Partners will need to deliver a step change in both its effectiveness and efficiency. In particular, we will make significant changes to the way we work:

- Targeting activities and funding more effectively, on the basis of stronger evidence and more rigorous analysis;
- Taking greater advantage of synergies across our promotional areas;
- Taking advantage of the investments made, exposure generated and relationships developed around this year's Olympic and Paralympic Games to permanently "up-weight" our international PR coverage and improve London's major events proposition;
- Building strategic partnerships with national agencies, businesses and key players to encourage, facilitate and coordinate their activities in ways which support our objectives;
- Helping business and key stakeholders develop and improve London's propositions;
- Using more effective and cost-effective communications and delivery channels and putting digital and social media at the centre of our work; and
- Raising more private funding to supplement our public grant, by delivering more value to partners and securing new revenue streams.

¹¹ Economic Analysis: London & Partners Business Areas -- Regeneris December 2011

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In these ways, we hope to increase our impact significantly and, thereby, deliver our ambition for the capital. With the eyes of the world turning to London in 2012, we have a once in a lifetime opportunity to position London as the world's leading city.

Our 2012/13 business plan contains detailed plans of London & Partners' activities for the year ahead.

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BUSINESS PLAN

1 Introduction

1.1 Structure of the business plan

This business plan sets out our programme of work for 2012/13 for efficient execution of our strategy:

Chapter 2 sets out how we will shape London's proposition, how we will bring key London stakeholders behind a single narrative and how we will position London globally through strategic communications and by developing London's brand

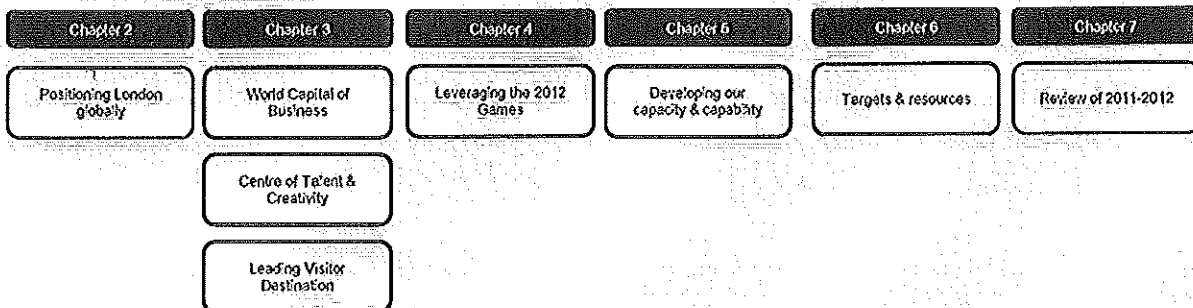
Chapter 3 sets out how we will intervene and use our resources to deliver maximum economic benefit to London and is structured into three areas -- world capital of business, centre of talent and creativity and leading visitor destination

Chapter 4 sets out how we will capitalise on the opportunity of the 2012 Games and how we plan to leverage this throughout all areas of our work

Chapter 5 sets out how we will develop London & Partners as the Mayor's Official Promotional Organisation, building its capacity, capability and commercial revenue streams and how we will monitor and evaluate performance

Chapter 6 sets out our proposed targets, use of resources, staffing and management of risks

Chapter 7 reviews our work in 2011-12 and how we have performed against our objectives and Key Performance Indicators



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1.2 Creation of the business plan

We have undertaken a rigorous business planning process where teams have taken our strategy and developed economic business cases for their preferred activities to deliver our objectives. Our starting point for resource allocation has been to focus resources on activities:

- that are in line with our strategy
- that our economic analysis has identified will give the best return on investment
- where there are significant opportunities for growth
- and where we have the capabilities to deliver.

We will not fund activities from our public grant income which are likely to deliver lower returns or are best delivered by others. Resources have been allocated on the basis of the strength of business cases. No previous activities have been given funding unless they have demonstrated through this process they deliver the outcomes we require and are value for money.

We have also retained some funding in a central pot for teams to bid for during the financial year. This will enable us to remain agile and allocate funding based on key priorities, opportunities or threats that arise.

1.3 Lessons learned for 2012-13

Section 7 contains a short review of 2011-12 which details a strong performance against our objectives and KPIs. We have also learnt some valuable lessons this year which we take forward into our planning for 2012-13.

There are a wide range of organisations with a stake in the promotion of London that we need to work well with to deliver on our plans. Whether it be the various teams within the GLA, business representative organisations, businesses in London's tourist industry, Higher Education Institutions or Local Authorities we need to dedicate time to understanding and responding to their needs. In short we need to up our game to do justice to the '& Partners' part of our name.

We are part way through a significant change in the way London is promoted and delivering effective change is never easy. We need to use this new strategy and plan to give us a clear focus on how we should be working and we need to drive through the change required to grasp the opportunities that we have identified for London.

We have taken the majority of efficiencies available from combining the prior agencies and we can now only deliver more by becoming more effective and focusing on the right things. Our economic analysis and our strategy development provide a significant guide to this focus. Successful implementation of this business plan will ensure we use the most effective delivery methods in all areas of our work.

1.4 What will be different

Our approach to strategy development and business planning will result in significant change and differentiation to our ways of working in comparison to how the promotion of London has been delivered previously. This shift will be in three key areas:

- we will coordinate our work across our audiences integrating activities where beneficial
- we will be more targeted
- and we will use more efficient and effective communications and delivery channels.

The organisation's work will be coordinated across teams and audience groups. The positioning of London will be integrated across all markets, channels and audiences but more than this, where overseas offices, external contracts, sales events or marketing activities can join up, they will. Our sector approach for business will support this as will our deeper and wider relationships with strategic partners and stakeholders.

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We will be much more focused in the way we promote London. Our efforts will be highly targeted at priority market segments; there will be no large-scale marketing campaigns, or general business development activity. This principle will see us focusing on high value sectors for foreign direct investment and business tourism, major events with high proportions of international attendees and high spending visitors and students, particularly from large and fast growing markets. Although we will focus on high value sectors we will also take into account other factors such as where we have a competitive edge, alignment with national policy and benefit to London's reputation. Our segmentation work will be on-going and we will continue to refine our focus and remain agile in how we allocate our resources.

Our communications and delivery channels will ensure maximum efficiency and use of resources. Digital and social media will be at the centre of all marketing and communications activities and will be utilised to reduce service delivery costs. We will build relationships with journalists and earn media where possible and move away from using agencies wherever we can be more efficient in-house.

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2 Positioning London Globally

2.1 Target Audience

To position London globally we will target:

2.1.1 Our audiences

- International businesses who may be considering trading with, investing in or holding an event in London¹²
- Potential students who may be considering studying in London¹³
- Potential visitors who may be considering visiting London¹⁴

2.1.2 Intermediaries & influencers

- Intermediaries who interact directly with our target audiences
- Influencers who shape opinions about cities
- Media including mainstream media, social media and online 'bloggers'

2.1.3 Stakeholders

- Stakeholders who have a role to play and a stake in the successful positioning of London globally

2.2 Objectives

Our aim is to shift perceptions of London internationally and for global audiences to recognise our unique offer and differentiated propositions. As a result, our audiences will put London on their short list and will be more likely to make investments in the capital. London will also be able to attract more of the world's top talent. To do this, we will:

1. Enable London's 'talent', including London & Partners, to become leading players in influencing our key audiences through thought leadership
2. Galvanise key stakeholders behind a cohesive brand strategy for London and turn them into London's advocates
3. Position London internationally by pro-actively generating editorial across print, online, social and broadcast media
4. Use reactive communications opportunities to disseminate key messages and propositions
5. Associate the London visual identity with London's propositions and promote it both within the city and internationally
6. Establish a baseline measure for perceptions of London enabling us to measure the impact of our activities on London's brand
7. Disseminate intelligence to stakeholders which helps them to improve London's propositions.

¹² see section 4.1.1 for details of market segmentation for businesses

¹³ see section 4.2.1 for details of market segmentation for students

¹⁴ see section 4.3.1 for details of market segmentation for visitors



2.3 Proposition Development

| Activity |
|---|
| Evolve brand values and messages Evolve London brand values and top level messages in line with strategy |
| Establish baseline measure for perceptions of London Use an existing benchmarking tool to establish a baseline measure. Identify perceptions of London – enabling us to track changes over time and the contribution of our activities |
| Thought leadership Develop publishable content, seek speaking and media opportunities to position a broad range of London 'talent' as influential players and thought leaders, including London & Partners |
| Intelligence to support enhancement of London offer Provide intelligence to stakeholders who are able to grow London's propositions |
| Dot London Secure an Internet top level domain for London: dot.london, which will provide a new and unique opportunity to market London and position it as world class digital hub. It will also enable us (and partners) to develop new digital platforms and enhance online communications |

2.4 Strategic Communications

| Activity |
|---|
| Proactive PR & Communications Create, and communicate stories which support London's proposition. Build strong relationships with print, online and broadcast media journalists and influential contributors to social media platforms |
| Reactive Press Office Timely response to media enquiries (including supporting GLA press office). Reactive in-market capabilities to respond to crises/opportunities. Use enquiries and crisis comms to communicate key messages |

2.5 Brand Development

| Activity |
|--|
| Brand Partners Build brand partnerships which associate the London visual device within partners' assets. Exposure will reach our target audiences and align the device with London's brand values. |

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| |
|---|
| London "Live" activation programme |
| A high impact brand activation programme that showcases the London brand in unusual ways and uses audio visual mini-films within social media channels. |
| London "Live" at high profile events |
| Expose the London Brand at high profile London Events, including Fashion Week, Film Festival, major sporting events and the London Media Centre. |

2.6 Partnership Working

| Activity |
|--|
| GLA Deliver consistent messages across Mayoral, GLA and London & Partners activities; leverage the Mayor's influence to secure London Brand opportunities; support the Mayor's communications priorities; provide intelligence to support Mayoral policy development/lobbying for London; working together on methodologies for evaluation |
| Key national and regional stakeholders – UKTI, VisitBritain, VisitEngland, British Council, London First, LCCI Agree consistent messaging and propositions for London. We will provide content, material and intelligence to support London's International promotion by national agencies |
| Private Sector Build strategic partnerships with organisations where there will be mutual benefit in aligning brands and promotional activities |
| London summits Secure stakeholder support for the promotion of London internationally and agree a common narrative |

2.7 Milestones & KPIs

| | Milestones |
|------------------|--|
| Quarter 1 | A defined set of values and a cohesive narrative (pre 2012 Games) First thought leadership piece published -- Tech City report with Demos Centre for London |
| Quarter 2 | Agreement for brand exposure at Fashion Week and Film Festival Created five brand associations with joint content put out into marketplace |
| Quarter 3 | Proposed London Summit New extensive journalist database complete post London Media Centre Why London research completed with material ready for publication |
| Quarter 4 | Legacy activity programme for utilising new database of journalists Created further five brand associations with joint content put out into marketplace |

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| Key Performance Indicators | 2012-2013 Targets |
|--|---|
| Awareness and perceptions of London's brand and reputation in key customer markets The impact of our activities on awareness and perceptions of London's brand and reputation and impact on customer behaviours | Develop and implement appropriate measurement methodology and metrics by September 2012 |
| The volume, value and quality of media coverage | £6 million of advertising equivalent value per quarter (Q3 and Q4 - post 2012 Games) Increase proportion of media by value which contains key messages by 5% quarter 4 ¹⁵ |

¹⁵ This is a measure of the proportion of coverage which picks up our specific key messages clearly. We also measure favourability which for Q2 2011/12 was 95%.

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3 Delivering Economic Benefit

Our strategy sets out that we will fund activities where there is a clear economic case for public intervention and which create the highest net benefits. Wherever possible, we will measure this in terms of additional Gross Value Added (GVA) to the London economy. This chapter sets out how we will do this across three areas of focus: world capital of business; centre of talent & creativity and top visitor destination.

3.1 World Capital of Business

3.1.1 Target Audience

To promote London as world capital of business we will target:

3.1.1.1 High value and additionality

We shall direct our public funded grant resources towards high GVA activities focusing on: contestable FDI projects in high value sectors and first year support to link them into networks and supply chains; large business events with high numbers of international attendees; and linking FDI and trade activities to give London businesses opportunities to access global value chains. We will reduce the level of resources, or stop completely, activity that delivers less value including general business growth; FDI projects to which we can add only limited value or which deliver comparatively low GVA; domestic business tourism; and small business events. By exception, some low GVA projects may still add significant value to London in the medium-long term i.e. a premium brand investor or a hotel chain that will provide accommodation services to all segments.

3.1.1.2 Key Sectors

We will focus our work on Investments, trade opportunities and events, exhibitions, congresses and business meetings in key target sectors:

- Information & Communications Technology
- Creative Industries
- Life sciences & Healthcare
- Financial and Business Services
- Energy (including cleantech)
- Global and European HQs

3.1.1.3 Key Markets

We will focus on markets that are major sources of FDI and business tourism and which have complementary trade opportunities for London businesses:

- USA, Canada, France, Germany and Spain provide strong opportunities for all business areas
- India, China, Korea, and Japan provide FDI and Trade opportunities and have potential for business tourism
- The Nordics provide good opportunities for business tourism

We will continue to explore other markets for all opportunities – Brazil, Mexico, Russia, Turkey, Israel and the Gulf Cooperation States. Our segmentation work will be ongoing and we will remain agile to work in markets where we can leverage resources, for example by using existing trade links or where partners are looking to penetrate these markets (match funding & access to key contacts).

3.1.2 Objectives

We will have the following objectives:

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1. Implement a targeting framework which allocates resources to FDI, trade and business tourism activity based on its value in terms of net direct GVA.
 - Prioritise contestable FDI projects in target sectors and large, 'discretionary' international business events in the same sectors
 - Align and integrate sales, marketing and delivery activity across all business activities
 - Influence companies in target sectors and markets so that they become investors or hold a large business event in London, or trade with London businesses
 - Exploit synergies between FDI and trade development activities to deliver international opportunities for London businesses
 - Promote regeneration opportunities to international developers/financiers and anchor tenants
 - Position London & Partners as trade and investment experts in order to reach decision makers earlier
 - Deliver ££70m of additional net GVA for the London economy

3.1.3 Focused Marketing Activities

| Activity |
|--|
| Development of priority sector propositions |
| Identify and articulate authoritative, credible and differentiated client value propositions for our target sectors |
| Awareness activities using online as main channel |
| Publish high quality content on the convention bureau and FDI digital platforms |
| Communicate our own content and start conversations with opinion formers and decision makers on digital and social media platforms |
| Conduct online marketing activities including pay per click, search engine optimisation |

3.1.4 Business Development

| Activity |
|--|
| Overseas presence |
| Optimise delivery by overseas staff and coordinate their work with that of national agencies. |
| Co-locate with UKTI/British Diplomatic Missions and/or the City Corporation of London where possible |
| Additional lead generation |
| Generate mobile project leads through network of agents in priority markets and, referrals from commercial partners |
| Sales engagement & delivery – Foreign Direct Investment |
| Prioritise sales efforts on target sectors and markets |
| Bespoke support for contestable and high GVA investors |
| Light touch and online support for lower GVA investors |
| Enhanced first year support for new investors which encourages the transfer of practices, methods, techniques and knowledge embodied |

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| |
|--|
| In the investor to London businesses |
| Sales engagement & delivery – Business Tourism |
| Deliver targeted, sector focused sales missions & business forums and presence at trade shows in US and Europe; destination showcases with media partners; and educational London programmes |
| Account manage large cross London and 2012 related event enquiries |
| Deliver digital service for low GVA smaller meetings – Business Meetings Online |
| Trade & Investment sales missions |
| Oversee at least 3 mayoral-led sales missions, which link trade development and inward investment activity, to large fast growing markets |
| Trade Development links |
| Link UKTI's, GLE's, LCCI's and other trade support activities with London & Partners' FDI & BT activities |
| Sector focused task forces |
| Work with strategic partners in key sectors to enhance London's FDI and Business Tourism propositions |
| Regeneration |
| Secure anchor tenants and bidders for regeneration opportunities and infrastructure opportunities including Royal Docks, Nine Elms, Silvertown Quays, Olympic Park |

3.1.6 Working in Partnership

| |
|---|
| Activity |
| UKTI, City of London Corporation, Tech City Investment Organisation |
| Work together on trade development, partnering and FDI lead generation and delivery |
| VisitEngland |
| Link up with national initiatives to attract business events. Joint activities in market. |
| Business Tourism Partners |
| Maximise opportunities by coordinating with, and leveraging, the London Industry's activities and relationships |
| FDI Partners |
| Help investors to access professional services advice |
| Business Organisations |
| Work with London First, LCCI, FSB and others to provide feedback on the London business environment and priorities for enhancing it |

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3.1.6 Milestones & KPIs

| | Milestones |
|-----------|--|
| Quarter 1 | 100 new contestable FDI projects and 250 business event enquiries into pipeline per quarter Sector champions in place Business meetings online system fully operational and launched |
| Quarter 2 | 100 new contestable FDI projects and 250 business event enquiries into pipeline per quarter Light touch digital delivery fully implemented for FDI Sector based propositions developed |
| Quarter 3 | 100 new contestable FDI projects and 250 business event enquiries into pipeline per quarter Enhanced first year support for new investors |
| Quarter 4 | 100 new contestable FDI projects and 250 business event enquiries into pipeline per quarter 200 enquiries through business meetings online system |

| Key Performance Indicators | 2012 - 2013 Targets |
|---|--|
| Direct GVA potential of project successes FDI project successes by sector and value | Secure at least £50 million in additional GVA for London contestable projects by: Increasing the number and proportion of project successes that are contestable from 35% to 60% (to 100 projects) Increasing the proportion of contestable project successes that are in high value added sectors from 65% to 75% Support 100 non-contestable projects to locate in London [GVA methodology for this to be developed based upon increasing the speed and scale of non-contestable projects] |
| Number of forecast and realised jobs created or sustained by project successes | 3,500 jobs |
| Number of discretionary business events confirmed by scale and potential value Direct GVA potential of business confirmed events | Secure an events pipeline that will generate at least £100 million in gross event and delegate spending in London Secure £20 million of additional GVA for London by <ul style="list-style-type: none"> Increasing the volume and proportion of discretionary events confirmed from 32% to 40% Increasing the number of discretionary events with significant appeal to delegates from overseas [Additional work required to develop clear measure of additivity] |

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| | |
|--|---|
| London businesses who have developed their international trade potential and/or accessed international markets | 100 businesses from following activities: <ul style="list-style-type: none"> - 3 Mayoral-led trade missions with 15-20 business partners per mission - 75% participants (45 businesses) say that they have developed their international trade potential and/or accessed international markets as a result of the trade mission - 55 referrals of London based businesses to UKTI trade services |
|--|---|

3.2 Centre of Talent & Creativity

3.2.1 Target Audience

To promote London as a leading centre of talent and creativity we will target:

3.2.1.1 International students

Through Study London, and social media channels, we will target prospective international students to study in London. Through the website we will continue to refer clean leads to London's universities and higher education colleges.

Our key markets will be China, India and the USA. In addition we will also focus on other markets with either growth potential or where London is underrepresented, such as Nigeria, Saudi Arabia, Malaysia, and Brazil.

In recognition that the international student population is split 46% undergraduate and 54% postgraduate, our target audience will encompass both groups.

3.2.1.2 London HE and FE Institutions

London is the world's pre-eminent academic centre. London & Partners will establish collaborative relationships across London's 40+ universities as well as working with those further education colleges in London delivering higher education courses. In addition, we will continue working with the consortia of 60 English Language schools in recognition that they are both important to London's economy and a feeder route to studying at university.

Our primary relationship will be based on attracting international students to London. We will also facilitate introductions between FDI clients and universities in areas such as graduate recruitment and collaborative research.

3.2.1.3 International HE Institutions

In 2012 there were more international students studying for UK qualifications outside the UK than those located in the UK. This trend, of UK universities establishing overseas collaborations with providers in a second country, will continue. London & Partners, through its established overseas network, will assist overseas universities to establish collaborations with London based universities.

London & Partners will focus on high GVA priority sectors already mapped out in this plan, such as ICT, life sciences, business/finance whilst recognising that London's universities offer a varied portfolio of programmes that may fall outside our priorities.

3.2.2 Objectives

8. Retain London's position as the world's no. 1 international student destination, measured by student numbers
9. Position London as the best student destination in the world through online channels and targeted e-marketing
10. Foster collaboration between London's universities and international academic institutions



11. Introduce London & Partners' FDI clients to the city's universities to foster collaboration and give them access to London's talent base.

3.2.3 Focused Marketing Activities

| Activity |
|---|
| Website, social media and e-marketing activities |
| Study London website and associated social media and targeted e-marketing |
| Events |
| International student reception at City Hall in May 2012 |
| Stakeholder reception |

3.2.4 Business Development

| Activity |
|--|
| Referrals to HE institutions |
| Referring students from website registration through to specific HE institutions |
| Connecting with overseas alumni |
| Developing overseas alumni networks to act as ambassadors for London bringing FDI and Trade opportunities |
| Attracting medical/academic conferences |
| Adding value to our bids for conferences by involving London's academic base |
| International Directors Network |
| Facilitating collaboration amongst group of London universities who have agreed to market themselves under a London Brand and support promotional activities in India, China & USA |
| English Language Schools |
| Supporting their overseas promotional efforts through dovetailing their web presence with the Study London site |

3.2.5 Working in Partnership

| Activity |
|--|
| Fostering international academic collaborations |
| Working with overseas teams in India and China to identify university partners |

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| |
|---|
| Linking FDI clients with London's universities |
| Fostering collaborative research and graduate recruitment |
| Collaborating with the British Council |
| Working with the British Council overseas, where appropriate, to promote London's HEI offer |
| Brand partnerships with London universities |
| Working with London's education providers to adopt the London brand when working internationally while London & Partners will promote the sector as thought leaders which will strengthen London's reputation overseas for being at the forefront of innovation |
| Exploring opportunities to attract new educational providers to London |
| Working with GLA to identify barriers to entry and exploring ways to overcome these, leading to new providers locating in London. |
| Aligning with our high value sector focus |
| Reducing barriers to talent attraction |
| Providing evidence base to support efforts to reduce barriers which limit the Capital's ability to attract, retain and develop talent |

3.2.6 Milestones & KPIs

| | Milestones |
|-----------|--|
| Quarter 1 | International students reception Alumni outreach event in Beijing Showcasing London to Chinese bloggers (International Directors Network) |
| Quarter 2 | Launch of Chinese microsite and social media campaign Launch of India and US Student Ambassadors schemes (International Directors Network) |
| Quarter 3 | Stakeholder reception Alumni outreach event (subject to Mayor's travel plans) Review English Language schools website Alumni outreach event in Brazil (subject to Mayor's travel plans) |
| Quarter 4 | Alumni outreach event (subject to Mayor's travel plans) Develop Study London plan post license period |

| Key Performance Indicators | 2012-2013 Targets |
|--|--|
| Direct GVA potential from additional overseas students | Generate an estimated £12.5 million of additional GVA for the London economy |
| Volume and growth of Study London unique users and registrations | Increase unique visitors to 75,000 annually. |

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| | |
|---|---|
| Volume and growth of overseas student referrals to London's Higher Education Institutions | Increase registrations to 3,000 per month Increase student referrals from an average of 675 to 826 per month |
|---|---|

3.3 Leading Visitor Destination

3.3.1 Target Audience

To promote London as the leading visitor destination we will target:

3.3.1.1 High value and additionality

We shall direct our public funded grant resources towards high GVA activities and will target international tourists rather than domestic tourists providing higher levels of spend which is all additional to the London and UK economy. We will increase the reach and cost effectiveness of our marketing activities through highly targeted activity aimed at specific market segments and increasing use of digital and social media. We will target internationally significant major events with the potential to attract large numbers of international attendees and provide widespread media exposure.

We recognise that domestic tourists give lower GVA returns, however where they might otherwise choose overseas locations for city breaks there is still some economic benefit. We will direct no grant funds to this activity and will operate a new model fully funded with commercial revenue (pay per click).

3.3.1.2 Key markets

USA, Australia, Germany, France, Italy, and Spain represent the largest visitor source markets to London. They also offer best value for money in achieving the most immediate returns and GVA. These markets have excellent connectivity to London; have mature, established outbound travel markets, and much fewer barriers to entry than growth markets. Despite macro-economic factors most of these audiences also maintain high disposable income levels and continue to have very favourable exchange rates versus the pound. However, we will need to monitor the position in markets such as Spain and Italy and remain agile to allow for room to shift resources quickly to respond to any deteriorating economic conditions.

We will also target Brazil, Russia, India and China, (BRIC markets) which pose an important long term opportunity for London and are experiencing rapid growth. However, we must recognise there are barriers to entry (visa restrictions, travel time, airline/route capacity, flight connections) which will make returns slower in comparison with the visitor conversion from more mature markets.

3.3.1.3 Key audiences

To ensure high return on investment, in mature markets our main target audiences are wealthy and middle income visitors. In BRIC markets a key target audience will be high end (luxury) visitors. To target these we will promote good quality products and services. If visitors experience excellent customer service and return home with a strong sense of welcome and a positive feeling of value for money they will act as ambassadors amongst their friends and relatives.

Another key audience are 55+ travellers. The world's population is ageing fast and by 2020 more than 20% will be in this age group. This is even higher (36% to 55%) in our current key markets and the BRICS. We will be adapting our services and choosing partners accordingly. Although this is a medium term objective, the shift must be started now and be operated alongside our other key targets groups.

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We will also target international travellers with a propensity to attend a major cultural or sporting event harnessing the breadth and depth of events which take place in the city.

We will use the appropriate channels to reach our target audiences. For some markets this will be direct marketing through digital channels, others via the travel trade and for some activity through our partners' existing routes to market.

3.3.2 Objectives

We will have the following objectives:

1. Deliver £8m of additional net GVA from major events for the London economy and a benefit cost ratio of 5:1 from our marketing activities
- Influence international tourists in both core markets and those with significant growth potential to visit London
- Use cost effective and dynamic digital channels to inspire visitors to plan and book trips to London and to turn them into advocates for London
- Increase the reach and cost effectiveness of our marketing activities through greater use of digital and social media
- Influence tour operators, travel agents, airlines and other travel intermediaries to sell London and work in partnership to target consumers directly
- Attract UK tourists who might otherwise choose overseas locations for city breaks through a fully funded commercial model (pay per click)
- Attract, grow and create major, internationally significant events to bring new visitors and to animate the city enhancing its appeal
- Maximise the potential from London 2012 Games to bring additional tourists to London and additional major events to the Olympic Park and other venue in the post games period

3.3.3 Focused Marketing Activities

| Activity |
|--|
| visitlondon.com Official website for London tourism information published in six languages Full site redesign, new tools and services including mapping, customer satisfaction and exit surveys, commercialised email marketing and new sites in Russian and Chinese Develop capacity to influence visitors to become advocates for London |
| Social media Enhance social media programme, optimise existing channels and increase engagement aiming to turn visitors into advocates, Facebook, Twitter, Google+, YouTube, Flickr, Bebo. Test new channels such as Pinterest |
| Search engine optimisation (SEO) Expand our SEO activity into international markets and foreign languages |
| Digital Marketing to international visitors Pre-games Limited Edition London – targeted tactical activities jointly funded with our partners During-games – highly targeted activity focused on near-London/ In-London audiences to maximise occupancy and spend during the games Post-games – targeted tactical activities jointly funded by our partners to ensure London continues to attract visitors and capitalises on games-time exposure |
| Match funded activity |

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| |
|---|
| Run industry-led jointly funded marketing activity targeted at specific market segments to increase reach and effectiveness by placing London messages alongside specific travel offers |
| Converting visitors into advocates and repeat visitors |
| Friends and family activities targeting international students, business tourism extenders |
| UK Digital Marketing (pay per click funded) |
| Targeted campaign driving traffic to website and pay per click deals which will fully fund activity |
| Major Events Marketing |
| Promote London's Major Events offer including specifically marketing the new Olympic Park venues (in conjunction with OPLC) and working with major event planners to help drive visitor numbers |
| Create virtual community of event goers |
| Build on LOGO assets and seek to create virtual community that can be targeted to attend future events. This asset will assist attracting, growing and creating future major events |

3.3.4 Business Development

| Activity |
|--|
| Travel trade activity This is the key channel for BRIC markets. Representative presence in India and China, sales missions and events for Brazil & Russia. Additionally travel trade activity in US & Australia where high proportion still book through travel trade |
| Mobile apps Third party collaborations to increase reach and conversion – providing our data and content to developers |
| Bid for international major events Review opportunities against clear benefits framework, bid for Major Events, coordinating the city offer and managing client and stakeholder relationships |
| Create new major event opportunities Research, scope and develop new major event opportunities with a focus on sporting events and cultural events |
| Manage investment in events won Work with events to maximise economic returns and identify new opportunities to retain or grow events or enable them to return |

3.3.5 Working in Partnership

| Activity |
|--|
| VisitBritain & VisitEngland Providing content and London brand messages to VB & VE for GREAT and 2012 campaigns and other marketing activities. Coordination of digital content on websites |
| Coordinating with GLA and other organisations on Major Events |

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| |
|--|
| Major events steering group, multi-agency events calendar, collaboration across TFL, Met Police, London Boroughs, venues and events organisers |
| OPLC |
| Marketing and co-creating major events for the Park's venues on behalf of the city and leveraging existing available funding |
| Tourism Partners |
| Working with full range of organisations in the tourism industry to showcase the London offer, gathering and disseminating market intelligence |

3.3.6 Milestones & KPIs

| | Milestones |
|-----------|---|
| Quarter 1 | Activate final phase of Limited Edition London |
| Quarter 2 | Activate games-time marketing activities New version of visitlondon.com in existing languages – English, French, Spanish, Italian, German, Dutch |
| Quarter 3 | Activate post-games marketing activities Decisions due: 2 nd NFL game (2013), NBA (2013) and European Swimming (2016) |
| Quarter 4 | New language versions of visitlondon.com in Russian and Chinese |

| Key Performance Indicators | 2012 – 2013 Targets |
|---|---|
| Direct GVA potential of 11-12 targeted activity (reported on in 12-13) | Secure an estimated £18.6 million of additional GVA |
| Direct GVA potential of 12-13 targeted activity (reported on in 13-14) | Secure an estimated £17.75 million of additional GVA [plus additional GVA from other activities – visitlondon.com; social media, travel trade] |
| Benefit cost ratio from targeted international programmes | Deliver a benefit cost ratio of 6:1 from international marketing |
| Private sector funding and participation in domestic and international marketing activity | Leverage at least 0.9 million of private sector participation in our international marketing programmes |
| Volume and growth in Visit London unique users and by origin | Growth in unique visitors from 16.6m to 20m |
| Visit London bookings and revenues | Grow revenue by 16% to £700k |
| Direct GVA potential from additional visitors | [GVA target to be set for Q3 and Q4 following development of measurement methodology] |
| Direct GVA potential of confirmed events | Secure £8 million of additional GVA for London by increasing the number of discretionary events with significant international appeal |
| Number of discretionary sporting and cultural events confirmed by scale | Secure an events pipeline that will generate at least £100 million in gross event |

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| | |
|---------------------|--|
| and potential value | and spectator spending in London [Additional work required to develop clear measure of additionality] |
|---------------------|--|

4 Leveraging the 2012 Games

The 2012 Games feature strongly in many of our activities as they present such a unique opportunity to showcase London. In this section we draw out and highlight our plans to leverage the Games to maximum effect.

4.1 Objectives

1. Reduce the impact of visitor displacement experienced by previous host cities
- Use the games to develop relationships with international business leaders, conference organisers and influential stakeholders
- Provide a world class city media centre to up-weight PR activity and provide content which reflects our key messages about London
- Follow up relationships built during the Games to increase levels of FDI, business events, trade, major events, visitors and students in the years following the games
- Use the Games as a vehicle to increase our promotion of East London

4.2 Before the Games

We will take actions to alleviate the impact of visitor displacement experienced by previous host cities. Key to this is the delivery of our Limited Edition London campaign, already underway, targeted at bringing visitors to London for experiences limited to 2012. We will be actively promoting the cultural Olympiad, London 2012 Festival and London Live. We will also continue to communicate business opportunities related to the Games and its legacy to our FDI clients building on the 6,500 jobs that have already been created from our 2012 business campaigns.

We will continue to build close relationships with our trade delivery partners (UKTI and London Business Network) and support the delivery of the British Business Club website to offer clarity around business opportunities and events during the 2012 Games.

4.3 During the Games

4.3.1 Media Centre

We are working with the GLA on delivery of the London Media Centre and associated content programme. This involves:

- Driving registration of up to 6,000 international media
- Creating and distributing programmes on London's preparation and key city messaging content programme
- Media services booking programme
- Coordination with range of key national stakeholders and 33 London boroughs

Through this activity we will build strong relationships with key media to support the increase in promotion of London in 2012 and beyond and drive images, stories and messages to global audiences.



4.3.2 Hosting Programme

We will engage international business leaders, conference leaders and organisers of major events during the 2012 Games and showcase the key assets of London to these influencers. To do this we are leading, in collaboration with the GLA, on design and delivery of the Mayor's business hosting programme and work with NOCs and sponsors. This involves:

- Recruitment of 240 international business leaders from key markets
- Creation and delivery of programme to showcase London's proposition

This work will enable us to influence the messages that stakeholders hear and to evolve perceptions about London in our key markets.

4.3.3 Support and leverage other Business activity across London

We will continue to promote the on line British Business Club, a website created in partnership with UKTI and London Business Network to encourage London Businesses to network during Games time and leverage the opportunities to partner with international organisations. We will work closely with the GLA on business content at London House facilitating partnering and business opportunities for London businesses with international organisations including decision makers from Rio 2016.

4.4 After the Games

We will have a clear plan in place to capitalise on media exposure to potential leisure visitors for the period immediately after the Games. We are currently working with the tourism industry to shape this plan. In addition we will be ready to follow up all relationships built during the games with business, media and wider stakeholders. All business leaders on the Mayor's Business Hosting programme will have 1:1 meetings within three months of the Games to identify their plans for expansion to London.

Core to our post games activity will be working with stakeholders on proactive activity to promote East London. We will work closely with OPLC to ensure the success of the park through attracting major events to its venues, businesses to its commercial district and tourists to its attractions. A follow up digital campaign and a strategy for the future of the Chairman's Club will be developed to leverage interest shown by the sponsorship community and other leading businesses in the legacy of Olympic Park and regeneration of East London.

We will promote the benefits of new transport links that will open up opportunities for new business investment. And we will capitalise on the expertise and relationships we have developed through our involvement in the games to support future major sporting, business and cultural events.

4.6 Milestones & KPIs

| | Milestones |
|-----------|---|
| Quarter 1 | Full registration of 240 guests on Mayor's business hosting programme Content finalised with all speakers confirmed for Business Programme Full registration complete for London Media Centre |
| Quarter 2 | High quality business programme delivered to international business leaders Clear opportunities and FDI outcomes identified London Media Centre operated and content programme delivered |

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| | |
|-----------|--|
| Quarter 3 | Follow up carried out with all business leaders on Mayor's programme Speaking engagements in place to promote London to International Business Conferences Content created to showcase London (with specific focus on East London) using success of activity during 2012 Games |
| Quarter 4 | Legacy activity programme for utilising new database of journalists First FDI successes from business programme announced |

| Key Performance Indicators | 2012 – 2013 Targets |
|--|---|
| Journalists and investors influenced with key messages | 6,000 journalists and 500 investors |
| Olympics media centre: number of registrations by country | 6000 media registrations by the Games from at least 14 key overseas markets |
| Business engaged with Games-time programmes | Engage with an additional 300 global business leaders during Games time, including with 240 leaders through the Mayor's hosting programme |
| Maximise business, inward investment and trade opportunities from the 2012 games | Secure commitments to new business investment or expansion in London from 20% of enterprises represented within 12 months 50% within three years of the programme |

5 Developing Capacity & Capability of London & Partners

5.1 Objectives

As outlined in the Introduction, delivery of this business plan requires a significant change and differentiation to our previous ways of working. In order to make this shift we need to develop the capacity and capability of London & Partners as London's official promotional organisation. Section 5.2 sets out the key ways we will develop our capabilities, sections 5.3 and 5.4 set out how we plan to raise additional resources to enhance our core grant and section 5.5 sets out how we will monitor and evaluate our performance.

Our objectives are to:

1. Develop London & Partners' people and systems to support a new way of working that integrates all promotional activities, is more targeted and uses more efficient and effective communications and delivery channels
Significantly grow our funding from private sector sources – raising this to £4.1m
Create an efficient organisation with world class systems which improves its performance year-on-year – measured by cost efficiency and performance against targets
Implement a new and rigorous performance monitoring and evaluation system based on GVA
Secure for London a new top level domain – Dot London – and put in place plans to secure long term revenue



6.2 Organisation Development

6.2.1 People

The key areas of focus to develop our people to respond to the ambitious plans we have set out are:

- Strategic leadership and management skills to lead the organisation through the change required
- A culture of cross-functional and matrix working that supports an integrated programme of activities
- Our ability to influence stakeholders and media engagement through all levels of the organisation
- Our approach to partnering, with a focus on the abilities to develop strategic partnerships which can benefit London
- Efficient use of external agencies through procurement and supplier management
- An understanding of our new targeting framework based on delivery of additional GVA

To address these areas we have developed a holistic HR strategy with a particular emphasis on learning and development.

| Activity |
|---|
| Leadership & Management Development |
| Develop our leadership and management tiers including their ability to manage the changes that our new strategy and plans require |
| Enhancing key skills |
| Sector specialisms, partnership working, supplier management, influencing skills and media training |
| Developing matrix working and cross functional teams |
| Including joined-up objective setting across teams |

6.2.2 Knowledge & systems

The expert knowledge and information we have about London, the way we share this information and communicate with our stakeholders is key to ensuring we adapt our strategy to changing circumstances and to the successful delivery of our plans. In addition we need to be an efficient organisation and use technology and systems effectively to support this. To do this we will develop:

- Our research function to effectively horizon scan competitors and markets to identify opportunities and threats, develop compelling propositions and disseminate intelligence to our partners
- Our knowledge of London's growth sectors leveraging our stakeholders expertise
- Robust IT systems to capture and share knowledge and digital platforms to communicate with our customers.

| Activity |
|---|
| Integrated IT systems |
| Implement new and integrated Customer Relationship Management (CRM), Intranet and digital platforms |
| Effective use of knowledge & intelligence |
| Benchmarking and competitor analysis, market segmentation and proposition development |
| Quality Management |
| Develop our quality systems and extend ISO accreditation across organisation |

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We will take forward our development areas as a coordinated programme of work. This will ensure that we reshape London & Partners to be fit for purpose to deliver our strategy and business plan and to become a world class organisation.

5.3 Funding and Commercial activity

Our grant funding is used to intervene in the market to address market failures where we can be effective, the intervention will be value for money and it will deliver the greatest return on investment. We will also raise funds from commercial activities and from partners and campaign match-funders. Partner funds are primarily used to deliver services to partners which complement our publicly funded activities. We also aim to make a return from partner and commercial income, which will allow us to supplement our grant income and deliver additional promotional activities which benefit London as a whole.

5.3.1 Partnership revenue

Funds contributed by our partners form the largest proportion of our private sector revenue. Our partners are not only an important source of revenue, they are also part of our delivery chain to clients and customers across all of our markets, as well as providing valuable intelligence about their respective industries.

5.3.1.1 Our value proposition

This year, London & Partners has retained the vast majority of partners who worked with our predecessor organisations.

Going forward, we will continue to demonstrate the value we can bring to partners. We are also looking to strengthen our partner value proposition from the opportunities presented by our broader remit as London's single promotional agency. By delivering greater value, we hope to attract a greater number of partners to join us in our work.

Specifically we will:

- Create unique opportunities for London businesses to reach their audiences of international businesses, visitors and students
- Implement a Partner Charter which will set out clearly the benefits our partners will gain from their partnership with us
- Deliver greater knowledge, expertise and insights about discernible trends in London and global markets and networking opportunities
- Provide new partnership benefits, such as use of the London visual identity and Dot London domain name.

5.3.1.2 Tourism Partners

Tourism partners, whether their focus is on leisure or business visitors, typically join London & Partners as a route to market. Many tourism partners place a significant proportion of their marketing spend with us. In return, they have told us that they want to be put at the centre of the London tourism market. They also value opportunities for collaboration and our market insights.

We will continue to play this role and offer our tourism partners first preference opportunities to contribute to bids, campaigns and sales activities as well as to gain access to clients and networks. We will refine our partnership model, providing services from the bespoke to automated digital platforms which deliver value to organisations of all sizes.

5.3.1.3 FDI Partners

Foreign direct investment partners join London & Partners in order to be part of the city's offer to inward investors and to work with us to demonstrate that London is the best city in the world to do business. FDI partners have told that they want access to investors and referral opportunities to help them to set up in London. They also value our knowledge and insights into market trends.

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We refined our FDI partner model in April 2011 and will continue to improve it in the coming year.

5.3.1.4 Major Events Partners

Major Events' partners provide input into our proposition for major events and are an integral part of the bid process. They want access to major events organisers and the opportunity to be part of the city's offering for major events. We will continue to develop these partnerships which provide funds and revenue in kind and add new partners with additional expertise to enhance the London offer.

5.3.1.5 Higher Education

As part of our agreement with London Higher we will not be launching a partnership scheme for HEIs before April 2013. However, we are working with a group of universities on marketing overseas under the London brand and with English language schools and we will be exploring additional opportunities with the sector.

5.3.1.6 Partner activities

| Activity |
|---|
| Strengthening our proposition Implement a Partner Charter and aligning our business with our partners' needs Provide networking, clustering and greater visibility and value for partners on our websites |
| Retaining our partners Deliver for our partners through our Relationship Team, provide regular information and quarterly meetings |
| Attracting new partners Sales team demonstrating value we can bring with focus on attracting Platinum partners |
| New listing category for tourism partners Low cost listing for industry to involve and gain contribution for listings and web traffic, widening opportunities for industry to work with us and benefit from promotional activity |
| Educational institutions Increase numbers of HEIs, FE colleges and Language Schools taking part in additional marketing activities |

5.3.2 Commercial revenue

We have identified a number of opportunities to increase our revenue base, both from growing existing areas and from new opportunities.

5.3.3 Website revenue

We already raise significant advertising revenue from our extensive digital platforms. We have reviewed our digital strategy and identified a number of opportunities to increase our revenue still further, for example, from increased sponsorship and bookings.

5.3.4 Other revenue streams

We are currently examining a number of potential additional revenue streams, including:

Merchandising using the London graphic device

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Revenue from equity built in the London brand
 Additional locations for our investor touchdown service (revenue in kind)
 Additional private sector secondees (revenue in kind)
 Fees for services which go beyond addressing market failures
 Opportunities to sub-lease any un-utilised space in our London office

5.3.4.1 Commercial activities

| Activity |
|---|
| Maximising income from our websites visitlondon.com; studylondon.ac.uk |
| Increase advertising and booking revenue including implementing shopping cart |
| Merchandising Quality official London products through licensing agreements Expanding internationally during the year |
| Revenue in kind Touchdown – 60 desks provided rent free to new FDI clients Secondees and Internships from private sector; provision of venues and other services by partners, overseas office (Shanghai) provided to us rent free |

5.4 Dot London

The London Top Level Domain (TLD) – Dot London – is a very significant promotional and income opportunity from the end of 2012-13. It will be operated in the public interest and for the benefit of London and Londoners and we will work closely with the GLA in developing this opportunity. It will allow Londoners, businesses, community groups and government agencies to register website urls and use email addresses ending in .london, providing an association with 'the best big city on Earth'. For example: theatre.london, shopping.london, brandname.london, yourname.london. The London TLD will place London firmly on the map as a pioneering digital city.

London & Partners will contract with an Internet Registry Services Partner (RSP) to deliver specialist technical infrastructure and operations. London & Partners will also work with the registry services partner across a number of areas such as the ICANN application, channel marketing, pricing policy, sales strategy, premium name auctions.

The high-level objectives for 2012/13 include:

- Appoint a Registry Services Partner
- Undertake preliminary marketing activity
- Developing policy & procedures for Dot London
- Secure Dot London for the city

We intend to set up a fully owned and controlled subsidiary company to apply for and run the domain which will have its own separate business plan.

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6.5 Monitoring & Evaluating Performance

6.5.1 Our approach

As a recipient of public funds, it is vital that we measure and demonstrate the economic impact of our activities and our progress towards strategic objectives. To do this, we intend to implement a new and rigorous performance monitoring and evaluation system. We are currently working with our analytical colleagues in the GLA to ensure the new system fully complies with best practice¹⁵. However, there are gaps in the evidence base and inconsistencies in measurement approaches within and across different activities and business areas. We will improve on this to:

• better understand how our activities can add the greatest economic value through their impact on the decisions of visitors, inward investors and overseas students

• monitor progress towards our aims and objectives, assess whether they are on target or whether any changes to delivery are required

• assess and demonstrate the impact and value of our activities to our public sector and commercial funding partners

• ensure our future resource allocation decisions are informed by the most up to date and robust evidence of where we can have the greatest possible impact and achieve the best value for money.

To this end we have already drawn together a number of measures we intend to track over time to assess our performance and economic contribution.

6.5.2 Summary performance monitoring framework

| | Positioning London globally | World Capital of Business | Centre of Talent and Creativity | Leading visitor destination | 2012 Games | Organisation and Operations |
|---|--|---|---|---|--|--|
| Our inputs and activities | Resources and key projects | | | | | |
| Our contribution to intermediate outputs / leading indicators | Need to develop and implement appropriate measurement methodology and metrics | Contestable FDI project successes (including enhanced scale and timing) in high value added sectors New international trade opportunities and take up of trade services Confirmed discretionary business events, by | Volume of overseas student referrals to London's HEIs Additional overseas students, their estimated gross expenditures and contribution to GVA | Visitlondon.com registrations and revenues Private sector funding and participation in our marketing activities Additional international visitor volumes and their estimated contribution to GVA Major sporting and | New business, investment and trade commitments generated Media centre registrations and coverage | Commercial revenue Resource efficiency Delivery of Dot London Skills retention and development Stakeholder and partner feedback |

¹⁵ 'The Green Book: Appraisal and Evaluation in Government' and 'The Magenta Book: Guidance for evaluation', HM Treasury 2011

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| | | | | | | |
|--|---|--|--|---|--|--|
| | | likely scale and international delegate volumes Estimated contribution to GVA | | cultural events confirmed, by likely scale, spectator volumes and estimated contribution to GVA | | |
| The Impacts and outcomes of our activities | Our contribution to net additional Gross Value Added Our contribution to enhance London's brand and reputation | | | | | |

The summary of our KPIs together with targets is contained in section 6.1.

5.5.3 Monitoring & Evaluation activities

| Activity |
|--|
| Outputs and Leading Indicators We will closely monitor intermediate outputs and leading indicators for each of our activities |
| Key Performance Indicators We will monitor and report on our Key Performance Indicators. Reports will be developed for the GLA, our Board, Executive team and key stakeholders. |
| On-going data collection Using our CRM system we will be collecting data on an on-going basis to support evaluation |
| Develop methodology to measure Impact of brand activity New methods and metrics to assess customer awareness and perceptions of London's brand, the Impact of our activities on those perceptions and on consequent behaviours/decision making |
| Develop methodologies to measure our additional economic contribution (GVA) Agree common methodology with UKTI for FDI successes Methodology for major business, sporting and cultural events Methodology for how Influential the Study London and Visit London websites are on overseas student and visitor decisions |
| Impact Evaluations We will commission external impact evaluations to establish the GVA generated by our activities |



5.6 Milestones & KPIs

| | Milestones |
|-----------|---|
| Quarter 1 | ICANN Dot London application submitted Staff engagement survey |
| Quarter 2 | CRM Implementation complete and new reporting available Economic Impact methodologies developed for GVA and brand activities |
| Quarter 3 | Staff engagement survey |
| Quarter 4 | Income targets achieved Stakeholder satisfaction survey |

| Key Performance Indicators | 2012 – 2013 Targets |
|-----------------------------------|---|
| Commercial revenues | Raise £4.1m of revenue from private sector sources |
| Cost efficiency | Real saving of 5% of discretionary overheads |
| Employee engagement | Employee engagement score of 80% |
| Stakeholder feedback | Stakeholder satisfaction 80% |
| Client feedback | Client satisfaction 80% |
| Monitoring & evaluation framework | Embed a rigorous monitoring and evaluation framework across the organisation to enable consistent assessment of our performance and economic impact over time by September 2012 |
| Dot London | Secure TLD for the city from ICANN |

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6 Targets and Resources

6.1 Summary Key Performance Indicators & Targets

| Activity/Area | Key Performance Indicators | 2012 – 2013 Targets |
|--------------------------------------|--|--|
| Positioning London Globally | The volume of media coverage with key messages | £6 million of advertising equivalent value (AEV) per quarter (Q3 and Q4 - post 2012 Games) and increase of 5% which contain key messages by Q4 ¹⁷ |
| World Capital for Business | Direct GVA potential of FDI project successes attributable to London & Partners | Secure an estimated £50 million in additional GVA for London |
| | Direct GVA potential of confirmed business events attributable to London & Partners | Secure an estimated £20 million of additional GVA for London |
| | London businesses who have developed their international trade potential and/or accessed international markets | 100 businesses ¹⁸ |
| Centre of talent & creativity | Direct GVA potential from additional overseas students | Generate an estimated £12.5 million of additional GVA for the London economy |
| Leading Visitor Destination | Direct GVA potential of 11-12 targeted activity (reported on in 12-13) | Secure an estimated £18.5 million of additional GVA |
| | Direct GVA potential of 12-13 targeted activity (reported on in 13-14) | Secure an estimated £17.75 million of additional GVA (plus additional GVA from other activities) ¹⁹ |
| | Direct GVA potential of confirmed major events | Secure an estimated £8 million of additional GVA for London |
| Leveraging the 2012 Games | Journalists and Investors influenced with key messages | 6,000 journalists and 500 investors ²⁰ |
| Developing our Capacity & Capability | Commercial revenues | Raise £4.1m of revenue from private sector sources |
| | Cost efficiency | Real saving of 5% of discretionary overheads |
| | Stakeholder feedback | Stakeholder satisfaction 80% ²¹ |

All direct potential GVA targets are estimations of additional GVA generated by activities based upon existing methodologies and current available evidence base. Additional work as described in 6.5 will be undertaken during the year to refine these methodologies.

¹⁷ This is a measure of the proportion of coverage which picks up our specific key messages clearly. We also measure favourability which for Q2 2011/12 was 95%

¹⁸ This is the measure that UKTI use and will be measured by surveying businesses who take part in trade activities

¹⁹ Lower marketing spend on Leisure Tourism in 2012/13 but higher expected benefit cost ratios. Additional GVA will also be measured for visitlondon.com and travel trade engagement

²⁰ This will be measured by journalists taking content from London media centre and survey of investors met through 2012 games time events programme

²¹ Measured through stakeholder survey in Q4

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6.2 Budget

| | | | | | | |
|--|-------|---------------|-----------------|--------------------------------------|----------------|----------------|
| Income | £'000 | £'000 | | | | |
| Grant funding - GLA | | 14,000 | | | | |
| Match funding | | 1,270 | | | | |
| Commercial Income | | 3,264 | | | | |
| Budgets carried forward from 2011/12 commercial reserves | | 453 | | | | |
| Study London reserves | | 99 | | | | |
| Total Income | | <u>19,076</u> | | | | |
| Expenses | | | | | | |
| | | | Income £'000 | Funding Reserves/ C/F £'000 | Grant £'000 | Total £'000 |
| Positioning London Globally | | | | | | |
| Reputation Management | 1,093 | | | | | |
| Strategy | 723 | | | | | |
| Total | | 1,816 | 53 | 110 | 1,653 | 1,816 |
| World Capital of Business | | | | | | |
| Business Tourism | 2,380 | | | | | |
| Foreign Direct Investment | 2,851 | | | | | |
| Total | | 5,211 | 470 | | 4,741 | 5,211 |
| Centre of Learning & Creativity | | | | | | |
| Higher Education | 453 | 453 | 187 | 99 | 187 | 453 |
| Leading Visitor Destination | | | | | | |
| Leisure Tourism | 4,694 | | | | | |
| Major Events | 576 | | | | | |
| Total | | 5,269 | 656 | 97 | 4,516 | 5,269 |
| Leveraging the 2012 Games | | | | | | |
| 2012 | 763 | 763 | | | 763 | 763 |
| Operating model | | | | | | |
| Commercial | | 863 | 863 | | | 863 |
| Operations | | 3,208 | 916 | 150 | 2,140 | 3,208 |
| Total costs | | <u>17,581</u> | | | | |
| Central funds for programmes | | 1,000 | 904 | 96 | | 1,000 |
| Reserves transfer (proposed) | | 495 | 495 | | | 495 |
| Net | | <u>0</u> | <u>4,624</u> | <u>552</u> | <u>14,000</u> | <u>19,076</u> |

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6.2.1 Allocation of funds held centrally

Allocation of funds for the central pot will be made at the start of each quarter:

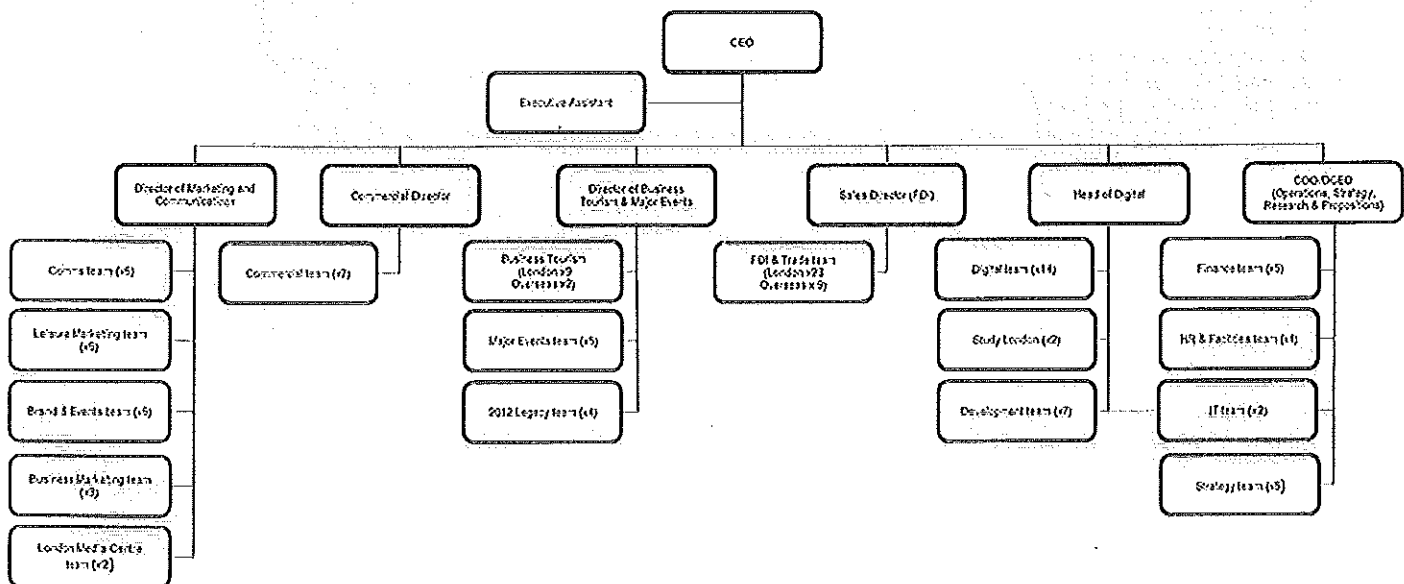
- Business units seeking funds should produce a short business case (including objectives, proposal, outputs and outcomes, deliverables and timing, benefits and costs)
- All business cases submitted in the quarter will be evaluated by the Executive (against the following key criteria: contribution to delivery of objectives in 2012-13 business plan, value for money, efficiency of delivery, maximising economic benefit)
- Budget sign-off will be in line with the procurement and budget authorisation policy (e.g. with expenditure over £150k requiring the approval of the Board)
- Any item that is approved which leads to a deviance of more than 5% of grant in each Head of Expenditure will require the prior approval of the GLA
- Business units may bid for funds at other times of the year with the approval of the CEO if there is perceived to be an exceptional business need or to respond to a time critical opportunity
- It is anticipated that the majority of the pot will have been allocated by mid-year to ensure there is sufficient time to deliver the activity within the remainder of the financial year.

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6.3 Staffing

The chart below show how are staff resources are allocated into teams. As the business plan above indicates there will be very significant cross-working across these teams to deliver our communications, marketing, sales and delivery activities. The strongest example of this collaboration is during the 2012 Games, when the majority of our staff will be deployed into Games-time roles.

We will review our structure after the Games to ensure it continues to be fit for purpose to deliver our strategy and business plan.



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6.4 Risks

| Risk area | Risk Identified | Risk Owner | Impact | Probability | Mitigation strategy | Current status |
|---------------------|---|------------|---|--------------|--|---|
| R1: External Market | <p>Increased Competition</p> <p>Cause: All areas of London & Partners business are under increased competition from existing and new locations. The tax regime in the UK is seen as uncompetitive if other jurisdictions make theirs more attractive.</p> <p>Risk: London's relative attractiveness may be.</p> <p>Impact: Loss of reputation and investment for London</p> | AC | 3 - Significant | 3 - Possible | <p>Ensure that London's offer and proposition is well understood and articulated.</p> <p>Ensure maximum leverage of the London brand and messaging to achieve pan-London wide branding and profile of London as a world city.</p> <p>Ensure that London competes on its strong proposition, supported by strong research and that "negative noise" is minimised.</p> | <p>Comprehensive analysis of competition developed as part of strategy development.</p> <p>Knowledge management project will allow better capture of competitor intelligence.</p> <p>Brand strategy to develop maximum impact of London brand launched in November.</p> <p>Conversations with stakeholders to develop strategy to tackle visa issue</p> |
| R2: External Event | <p>Events ranging in scale from riots, snow, ash clouds to terrorist attack, contagious disease or failure in power, transport or other infrastructure during the Olympic Games.</p> <p>Cause: An event with a significant impact on London and potentially adverse effects on tourism and business occurs from time to time.</p> <p>Risk: There is a risk that the organisation does not respond quickly enough via communications or other appropriate actions. Also the risk that the event affects London & Partners' ability to operate effectively.</p> <p>Impact: the impact of the event on London and London & Partners' activities may not be minimised as far as possible. Potentially critical impact depending on the nature of the event.</p> | MAW | 3/4 - Significant/Critical (depending on event) | 2 - Unlikely | <p>Develop Business Continuity Plan and test.</p> <p>Co-ordinate response with GLA and partners.</p> <p>Contingency in marketing budget to respond to event that impacts on tourism flows to London (e.g. volcanic ash etc.).</p> <p>Switch on domestic market opportunities to counterbalance the loss on overseas audience triggered by external threats.</p> | <p>DR site and live as at end of October 11.</p> <p>BCP plan developed and reciprocal arrangements in place with GLA</p> <p>'Crisis Communications and PR' strategy in place.</p> <p>Contingency budget to be discussed as part of reserves planning</p> |

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| Risk area | Risk identified | Risk Owner | Impact | Probability | Mitigation strategy | Current status |
|------------------|---|------------|-----------------|--------------|--|---|
| R3: Stakeholders | <p>Relationship with key stakeholders</p> <p>Cause: The company has a number of stakeholders (new and continuing) with various expectations.</p> <p>Risk: By not working in true partnership with stakeholders London & Partners is unable to realise its ambitions and becomes discredited/ineffectual.</p> <p>Impact: Significant as affects reputation and in extreme could affect funding and existence.</p> | GI | 3 - Significant | 3 - Possible | <p>Develop a comprehensive stakeholder strategy.</p> <p>Regular meeting with key GLA officials and programme of monthly reporting in place.</p> <p>Maintain close liaison with UKTI as it implements its new delivery mechanism and build a closer working relationship with delivery partner.</p> <p>Maintain close liaison with Visit Britain as it implements its new strategy.</p> | <p>Stakeholder management strategy developed.</p> <p>MOU with UKTI close to agreement.</p> <p>Concern within GLA about effectiveness of agency. Positive meeting with Mayor on 8th Feb.</p> <p>Concern expressed by East London Stakeholders, positive meeting held to discuss.</p> <p>Progress in aligning strategy and resources with VB and VE.</p> |
| R4: Strategic | <p>London & Partners is not able to demonstrate the case for and impact of its activities</p> <p>Cause: Stakeholders are asking the organisation to deliver greater economic value with fewer resources than the previous agencies. Continued public and private sector funding and support are dependent on a robust economic case for London & Partners' activities.</p> <p>Risk: new methodology is not seen as sufficiently robust as to demonstrate the clear economic case for London & Partners activities</p> <p>Impact: Potential loss of funding and existence.</p> | GI | 4 - Critical | 3 - Possible | <p>Develop an authoritative economic evidence base</p> <p>Develop a common methodology for evaluating ROI across core activities and agree with GLA</p> <p>Regularly review performance with key stakeholders.</p> | <p>The economic evidence has been reviewed and a monitoring and evaluation framework drafted.</p> <p>An economic consultant has been retained to review the economic case for intervention in key business areas.</p> <p>Consultation with GLA over the details of the evaluation methodology.</p> |

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| Risk area | Risk identified | Risk Owner | Impact | Probability | Mitigation strategy | Current status |
|-----------------|---|------------|-----------------|--------------|---|---|
| R5: Strategic | <p>Deliver a successful 2012 programme and legacy</p> <p>Cause: There is a possibility that the 2012 Games are not seen as a success and negative media shows London in a bad light.</p> <p>Risk: There is a risk that this has a significant negative impact on the reputation and brand of London globally.</p> <p>Impact: There could be a negative impact on visitor, investor and student numbers and our ability to leverage the Games could significantly diminish.</p> | TH | 3 - Significant | 3 - Possible | <p>Ensure sufficient resources are focused on 2012 activity and that a clear plan is in place for post Games time to harness legacy benefits.</p> <p>Ensure LMG is effectively project managed by staff with relevant experience and resource.</p> <p>Ensure crisis coms plan is in place to react to negative events/press stories.</p> | <p>Resource planning underway for Games time with roles identified for most staff by end of February.</p> <p>Meeting of East London stakeholders in January helped reassure them about London & Partners focus on legacy opportunities.</p> <p>Crisis coms programme in place</p> |
| R6: Operational | <p>Implementation of Strategy and Business Plan</p> <p>Cause: The company is implementing a new strategy and business plan at the same time as running normal operations and preparing for 2012 Games.</p> <p>Risk: The change programme with its necessary focus on internal activities and demands on management time, may lead to a loss of time and attention available for business performance which may suffer.</p> <p>Impact: Objectives for the current year and for 2012 Games may not be achieved.</p> | AKS | 2 - Marginal | 3 - Unlikely | <p>Implementation of changes due to business plan will focus on key areas in advance of games. Any potential structural changes will be made post Games.</p> <p>All staff are regularly reminded that 'business as usual' is the top priority.</p> <p>The project team assesses the impact of any new activity on the business as it is initiated</p> | <p>New strategy and business plan nearing completion.</p> <p>Implementation plan will focus on highest priorities and minimising disruption.</p> |

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|---------------|---|----|-----------------|--------------|--|---|
| R7: Financial | <p>Private Sector Income</p> <p>Cause: Private sector income and Benefits in Kind are important in order to augment the GLA grant and provide value for money. GLA grant set to drop year on year. Stakeholders expect private funds as a proportion of the total to increase.</p> <p>Risk: A reduction in the financial support received from partners due to the recession or reduced engagement with London & Partners.</p> <p>Impact: reduced funds available to spend on programme activities or allocate to reserves. Failure to meet stakeholder expectations.</p> | OL | 3 - Significant | 2 - Unlikely | <p>Focus on retaining existing partners with a programme of business development to recruit new partners.</p> <p>Re-define the London & Partners offer/proposition to clarify the enhanced added value generated through the single organisation.</p> <p>Create and deliver compelling activity that provides valuable routes to market for commercial partners.</p> | <p>Development of revised propositions for partners undertaken.</p> <p>On track to generate budgeted annual income with target for partner renewals achieved.</p> |
|---------------|---|----|-----------------|--------------|--|---|

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7 What we have achieved in year one

7.1 Performance against Objectives and Key Performance Indicators

We have performed well against our objectives and the key performance indicators agreed with the GLA. The table below summarises this performance

| Key Objective | Key Performance Indicator | Target | Achievement |
|--|---|--|---|
| Attracting and generating spend from students and visitors | GVA and Benefit Cost Ratio <ul style="list-style-type: none"> to be reported for leisure tourism marketing to be reported for other activities once methodology developed | No target set | Limited Edition London to be evaluated in 2012-13 Methodology developed for other activities |
| Attracting, accelerating and expanding mobile investment in London | Number of inward investment completions Number of jobs created and safeguarded | 192 3491 | 192 (forecast) 4,500 (forecast) |
| Attracting private sector & other non-grant funding | Additional resources attracted | £3.1m | £3.5m (forecast) |
| Maintain or enhance London's position in leading rankings | Ranking as destination for international visitors Ranking as destination for international students Ranking as destination for FDI Ranking as destination for conferences & events | World no. 1 World no. 1 European no. 1 World top 10 | World no. 1 or no. 3 ²² World no. 1 European no. 1 New rankings due in May |
| To be recognised as a world class organisation <ul style="list-style-type: none"> by clients by staff by stakeholders | Internal and external stakeholder satisfaction | 80% | Clients – 83% Staff – 74% (Oct 11) Stakeholders – survey results in April |
| To showcase the London brand worldwide | London's global image and reputation | No target set | Showcased digitally, at major events and through partner use |

²² Euromonitor survey ranked Hong Kong first, Singapore second and London third. Hong Kong's visitor numbers include visitors from mainland China and Singapore's visitor numbers include Malaysian citizens arriving by land, both were excluded in previous years. If Euromonitor had applied the previous year's methodology, London would have ranked 1st.

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7.2 Performance narrative

7.2.1 Integrating previous agencies

Despite a difficult start for the organisation arising from Visit London entering administration, we successfully integrated the three previous organisations into a single organisation. Staffs were transferred from Visit London and Think London under TUPE, a new high calibre Board put in place, assets acquired from the administrators and a new brand and set of websites successfully launched. HR policies were swiftly harmonised and a new set of organisational values developed to begin to develop a single, high performing culture.

7.2.2 Maintaining momentum

We have been successful in maintaining the momentum of key elements of the previous agencies and have delivered a strong performance over the last 12 months.

- A single set of brand values and messages and already delivered over £16m in advertising equivalent value (AEV)

- Over 190 FDI projects to London generating 4,600 jobs including 20 investments in Tech City

- Over £100m of gross economic value from business meetings and events, up by 30% on last year

- Major events successes including ITU Triathlon World Championships and helping London's successful bid for the 2017 IAAF World Athletics

- Successful industry led leisure marketing activity supporting a record year for tourism spend in 2011

- £4m of commercial revenue attracted through partnership schemes, advertising, match funding and business in kind against a target of £3.1m

We have also been able to respond to new opportunities for example taking the lead in preparing London's application for a new top level domain (Dot London) and developing a website to promote English Language Schools Internationality.

7.2.3 Delivering more for less

We have delivered more for less, finding efficiencies and more effective ways of working. Our overall costs have been £3.8m less than the previous agencies, a figure which includes £2m of efficiency savings.

We have identified and exploited synergies across business areas. These include:

- Integrated marketing, communications and PR activity

- Harnessing the assets of Study London in working with partners interested in the student market

- FDI teams in the US introducing clients to our Business Tourism teams

- Introducing our Business Tourism team into the university medical sector for conference opportunities

- Using our digital capabilities to develop new Business Tourism, FDI and Higher Education websites

- Research and Insight teams delivering support across the organisation and the full range of client groups

We are now well placed to deliver even more value next year having undertaken extensive economic analysis across all our business areas to identify which areas of work deliver the most benefit to London.

7.2.4 Preparing for 2012 Olympics and Paralympics

We have also maintained momentum in our work to leverage the 2012 Games. We have coordinated an industry led response to the threat of visitor displacement and launched Limited Edition London in September. Preparations for games-time are on track with registrations progressing well for both the London Media Centre and the Business Hosting Programme.