

London Assembly Economy Committee – Tuesday 30 October 2018

Agenda Item 6 – London & Partners

Susan Hall AM (Chairman): That brings us to today's main discussion item on the performance of London & Partners (L&P). Can I welcome Laura Citron, Chief Executive of L&P, and Andrew Cooke, Managing Director of Operations and Governance at L&P?

I am going to kick off the questions. The first section is on transparency. You are aware both of you, I think, of the longstanding concerns over transparency: not publishing full board papers and minutes, staffing structures and salaries. Can you tell me, if I start with Laura, please, what is stopping L&P from being more transparent?

Laura Citron (Chief Executive, London & Partners): We are very committed to being an open organisation that delivers great value for money for London taxpayers. We were set up as a Public-Private Partnership (PPP) under the previous [Mayoral] administration. When this administration came in, it reviewed our governance and confirmed that it was fit for purpose, and we have recently just been audited by the Mayor's Office for Policing and Crime (MOPAC), which carries out the audit function for the Greater London Authority (GLA), which also found that the way that we were spending our grant money was satisfactory.

We published the summary of all of our board minutes, and we have also recently started to publish a gifts and hospitality register and also the register of all spending over £150,000.

Susan Hall AM (Chairman): Have you anything to add, Andrew?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): As Laura has said, we are committed to being open in terms of how we spend taxpayers' money. We believe we do that in terms of publishing those summaries of the board minutes and appearing in front of the Assembly, inviting you to our annual general meeting (AGM). In fact, there is an invitation coming out to you this week for our AGM on 22 November 2018, so we hope that we will see some of you there. As Laura said, we were set up by the previous Mayor [The Rt Hon Boris Johnson MP] as a PPP to allow us to operate in a more commercial and entrepreneurial environment.

Susan Hall AM (Chairman): You will understand our concerns. Millions of pounds of taxpayers' money goes to L&P. You claim you have added £340 million to London's economy and supported over 10,000 jobs in the years 2016 to 2017, but when we have asked you to provide evidence of this, you have refused. Why would you refuse to do that?

Laura Citron (Chief Executive, London & Partners): We have recently published a new valuation methodology, and we have historically always published the details of how we have met our numbers for both jobs and Gross Value Added (GVA) to the London economy. We are very happy to share how we add value to the London economy.

If I can take a specific example on inward investment, which is obviously a large part of the added benefit to the London economy, every time we work with a business that we convince to bring into London and help it to establish itself in London, we survey that business and we ask it how many jobs it plans to create over the next

three years. Importantly, we ask it what difference we, as L&P, have made in its decision to choose London, how quickly it was able to set up and how many jobs it was able to create.

We then take those numbers and we discount them, and that is to ensure that our measurement is as robust and conservative as possible, and we discount them for a number of factors. First of all, we apply an over-optimism bias. That is because we know that when entrepreneurs give a prediction of what jobs they might create over the next three years, sometimes that is not actually achieved. We know from the historical records how much they tend to overestimate by, so we discount for that.

Secondly, we discount for time preference, which is that we know that jobs this year are worth more than jobs in three years' time, and the importance of bringing jobs into the economy quickly, so we add a further discount for that effect. We also discount for displacement, which is whether it is displacing jobs that were already in the London economy.

Importantly, we discount for additionality, which is: what difference did we, as L&P, make in landing that investment, not according to us, but according to the businesses themselves, of what they have declared in the survey? We do not claim any jobs or growth numbers beyond three years. Many of the investments that we bring into London will persist for many more than three years and we certainly hope they do, but we only claim the first three years' worth of jobs.

That, taken together, we believe is a very robust methodology for showing the impact of what we have done on the London economy, and it is also a conservative estimate.

Susan Hall AM (Chairman): You have sent us your methodology, but we do not have access to any of the information that goes in at the beginning of the methodology. While you have a methodology in place, it is important for us to know what business is going at the beginning to see what is churned out at the end. You have refused to give us any information on businesses that go in at the beginning part of it.

Laura Citron (Chief Executive, London & Partners): We are happy to provide a breakdown, and I believe we have in terms of which markets they are coming from and which sectors they are in. We would not, I do not think, be able to provide the actual names of the businesses because that is quite commercially sensitive information for those individual investors.

Susan Hall AM (Chairman): You say that, but when businesses make investments, when they hire people, it is all out there in the public domain anyway. If they are getting free advice from you, surely you could say, "But one of the costs of the advice is that we let everybody know who is coming to us", etc.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): We do ask businesses to sign an engagement letter with us when we start working with them. We ask them at the end of the process whether they are happy for us to publish their investment, and some of those investors say that they are not, so we respect that.

Susan Hall AM (Chairman): Why would they say that they are not?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Because they may not have actually made the announcement to set up at the stage when we have completed our work with them.

Susan Hall AM (Chairman): What percentages of all the businesses that you help --

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): I do not have that information with me. I am happy to provide that to you.

Susan Hall AM (Chairman): I will take that as an action, please. Is it not possible for you to say, "This is one of the terms and conditions of us assisting you"? Some of the figures you have come out with are so enormous. You could go to a business and say, "Look, we are responsible for millions of pounds coming into the economy. We are so good. We are responsible for thousands and thousands of jobs remaining in London. That is how good we are, but the basis upon which we will help you is", and you say this right from the beginning, "that you let us disclose who we are helping".

Laura Citron (Chief Executive, London & Partners): We are very happy to provide examples of the kinds of businesses that we have worked with, of those who are happy for it to be disclosed, and we can certainly provide examples from different sectors of the economy and from different markets that they have come in from. We can take it away to look at whether we may be able to ask for a higher level of disclosure for those businesses that we do work with. My concern would be that we would be limiting our impact because we would reduce the number of investors that we were able to work with.

Susan Hall AM (Chairman): Save for the fact, of course, that they are getting this for nothing, whereas other capital cities, with people doing the same as you are doing, often charge a fee, even if it is a fee only if you are successful. We do not do that, and I say "we" because I am a taxpayer, so my money as well as everybody's around here is going into L&P. I think, given the millions that go into L&P, we are entitled to see how you come to these great big figures, which we should all admire - they are amazing - but we really would like to know how you get to that.

Shaun Bailey AM: Just two points. For one, we would all admire the figures if we could have them corroborated. That would be important for us. You do understand - I think "scepticism" is a strong term - that without some kind of evidence base it is hard for us to support L&P. It is our job to look at these things, and it does feel like you are not as open as you could be.

You say that you ask businesses to sign an engagement letter, and when you come to the end of the process, some say no, they do not want to speak about what has been going on for them. What about the ones who do say yes? Why do we not publish that information?

Laura Citron (Chief Executive, London & Partners): We can look again at what kind of information we publish and how we evidence the benefit that we have added to the economy. We do provide lots of examples of the businesses that we have worked with, and I am happy for us to provide more.

Shaun Bailey AM: You do see how an example is not particularly useful to us when we are trying to look at the cost-effectiveness of this investment that all Londoners are making here. If these figures that you say are correct or even close, it seems like it is money well spent, but of course we cannot make that decision. I feel like just the publishing of the businesses that say yes would help your case because you would be able to say, "Look at the broad set of people we work with. Look at what is going on".

My other last question is: what attempt do you make to get the real jobs that actually exist? As a business, I come to you, I tell you 1,000 jobs. You say, "Great". You do whatever adjustments you do. Do you make any attempt to come back and see what I actually did?

Laura Citron (Chief Executive, London & Partners): We do, yes. We continue to survey the businesses for several years after they have worked with us, and that is the basis of our discounting data. For example, how we calculate our over-optimism bias is because we have historical data as to what has actually happened compared to what they said was going to happen. Yes, we do.

Shaun Bailey AM: Where and how is that information made public?

Laura Citron (Chief Executive, London & Partners): I can write to you with more detail on that. I am happy to.

Shaun Bailey AM: Where and how is it made public?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): The methodology is public --

Shaun Bailey AM: No, the numbers, not the methodology. The numbers. You have just said you go back and you resurvey these businesses and they give you what I think you could rightly suggest are more accurate figures because they are actual. Where is that information given publicly?

Laura Citron (Chief Executive, London & Partners): That number becomes the over-optimism bias number that we apply in our methodology, and that number is published in our methodology.

Shaun Bailey AM: Against every business, against sectors?

Laura Citron (Chief Executive, London & Partners): It is taken as an average.

Shaun Bailey AM: Overall average or sector average?

Laura Citron (Chief Executive, London & Partners): I would need to check in the methodology but we can get back to you with the detail.

Andrew Dismore AM (Deputy Chair): A couple of questions just following what you have just been talking about. You said there is an engagement letter. Can we see a model copy of the engagement letter?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes.

Andrew Dismore AM (Deputy Chair): Secondly, you say some say they do not want to have it published. Others, therefore, will be happy to. What percentage say they would not like it published, and what percentage say they would not?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): I do not have that information. We will check and come back to you on that.

Andrew Dismore AM (Deputy Chair): Presumably, though, if you have people who are prepared to have it published, that is a good advertisement for you in terms of attracting other business. I do not understand what the secrecy is all about, and if people are happy to be named to say they have had your assistance, why do you not use that as a marketing tool to attract more.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Indeed we do. That is why we have a lot of case studies on our website.

Andrew Dismore AM (Deputy Chair): But naming the companies.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes, but not every company.

Andrew Dismore AM (Deputy Chair): That says yes?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): No, we have not done that.

Andrew Dismore AM (Deputy Chair): That is what I do not understand, why it is such a big secret if they are happy to be published. Why?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): As Laura [Citron] said, we will take it away and look at it.

Susan Hall AM (Chairman): Before Andrew goes on with the budget, can you understand why we are concerned about the transparency here?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes, we understand your concerns. As I said, we think we are being transparent and open, particularly in terms of how we spend taxpayers' money.

Susan Hall AM (Chairman): Andrew, I spoke to you a year ago as one of my very first meetings ever, and we were expressing deep concerns then. Millions of pounds of taxpayers' money goes into this. Great, big, long bits of methodology come out without any information of what goes into it in order for anything to come out of it. Commercial sensitivity is mentioned constantly, and it would appear to some, I am sure, that that is something you can hide behind. We are not talking about small amounts of money. We are talking about millions and millions. The figures that you give are so large, if you are that good at what you are doing, which I am sure we must accept you are, I would have thought that you would have been proud to explain exactly how you come to that figure.

Laura Citron (Chief Executive, London & Partners): We are proud of our methodology, which, as you know, we have recently refreshed to make it even more robust, and it has become more robust and more conservative. GLA Economics has reviewed it in great detail and is satisfied with it, as has the Department for International Trade (DIT), and we are collectively of the view that it is a very high standard of evaluation for an economic development agency of our type.

Susan Hall AM (Chairman): That is what worries me. You are proud of the methodology. I am sure, if I were you sitting there with these figures, I would be saying, "I am very proud of what we achieve". The methodology is just confusing to all. Without any of the information of what goes into it, it is pretty useless to those of us trying to scrutinise what is going on.

Andrew Dismore AM (Deputy Chair): From our point of view, it is a bit like you marking your own homework. That is how it looks. Just to follow up the point the Chairman has been making, half of your £27 million income comes from public funds, and that is why it is our responsibility to scrutinise that expenditure of public funds. All we seem to get are these blank, very vague assertions. That is why we are concerned.

Can I go on and look at your budget, starting from where the money comes from? Half of your £27 million comes from the GLA from one side or another, but the other half comes from non-GLA sources. What are your main funding streams there?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): There are five key sources of non-GLA income. We use our GLA grant to secure some of that income as well, which allows us to broaden the range of our activities, and our --

Andrew Dismore AM (Deputy Chair): What proportion of GLA funds goes on that?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): No proportion of actual funds, but we will use it to match-fund activity. We can spend money on marketing activity, for instance, which will then encourage partners to support that activity. In terms of the five income streams, there are other public sector grants of £2 million. Those are European Union (EU) funds from the European Regional Development Fund (ERDF) to support our trade and growth programmes. There are also national grants in terms of the Discover England Fund to help us encourage tourists to visit London and other parts of the country.

We have fees from our partners. We run two main partnership schemes. We have 300 partners who support our tourism activity and around 50 partners who support our trade and growth activity. That generates around £1.6 million for us. A further £1 million comes --

Andrew Dismore AM (Deputy Chair): Sorry, you say £1.6 million?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes.

Andrew Dismore AM (Deputy Chair): According to the figures we have here for your budget plan 2018/19, that is £951,000.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): The £951,000 is for partners that fund particular activities. That is ring-fenced funding for particular activities. That would be a number of companies who accompany us on trade shows, and they fund their activity in terms of going on those trade shows.

Andrew Dismore AM (Deputy Chair): Where is the rest of the money that you just mentioned accounted for?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): The £1.6 million?

Andrew Dismore AM (Deputy Chair): Yes.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): I think you have a figure of £5.37 million, have you there, in terms of commercial activities?

Andrew Dismore AM (Deputy Chair): Commercial earnings, £5.3 million.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): £5.3 million, yes. The £1.6 million is part of that £5.3 million. The rest of that £5.3 million is from our commercial subsidiaries. That is us selling website domains, dot-London domains, and --

Andrew Dismore AM (Deputy Chair): We will come on to that. Your £5.3 million commercial earnings also includes, therefore, contributions from your partners?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes.

Andrew Dismore AM (Deputy Chair): What I do not understand is why that is shown separately from the contribution from partners lines. Why is that commercial income as opposed to your partners just coughing up to help?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): I think it is just how we have aggregated it in the budget. I am giving you the fuller breakdown.

Andrew Dismore AM (Deputy Chair): Are the identities of your partner and other agencies public?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes. As I mentioned, the £3.7 million is from our commercial subsidiaries, so that is dot-London domains, selling the website domain dot-London. Then our other subsidiary, London & Partners Ventures, which is mainly advertising revenue from our websites, particularly Visit London and other income. Income, for instance, from renting out our boardroom and television studio in our office.

Then the final significant amount of income is what we call 'in kind' income, so this is not actual cash. This is benefit in kind that we receive from partners. That accounts for up to £5.2 million of benefit. That could be anything such as airline tickets or hotel rooms for competitions, or free advertising for our campaigns to extend our reach. It is particularly important to us. It does not show in our annual accounts but is in our management accounts and budget.

Andrew Dismore AM (Deputy Chair): How much of that is from public sources?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): None of it.

Andrew Dismore AM (Deputy Chair): None of it. It is not, for example, using - I do not know - embassy or high commission facilities in any of these other countries that you are bidding for with your other parties and things?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): No.

Andrew Dismore AM (Deputy Chair): None of that? That does not include any help from the Department for Trade and Industry or whatever it is called now [Department for Business, Energy and Industrial Strategy]?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): No.

Andrew Dismore AM (Deputy Chair): Can I come to the EU funding next? I think you have two EU programmes, Go to Grow and the London Growth Network. Is that right? The total figure there, from the figures we have here, is £2.4 million to Go to Grow, and £3.1 million, London Growth Network. Presumably, that is for more than one year.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes, it is.

Andrew Dismore AM (Deputy Chair): That is the total?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): That is the total.

Andrew Dismore AM (Deputy Chair): How long do you think those programmes are going to last for?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): The current funding for the Go to Grow programme ends in December this year [2018]. We have submitted a bid for a further three years of ERDF funding commencing in January 2019. We are just waiting for final sign-off on that. In addition to that funding for that programme, we are also generating additional partner income to support that. We have partners lined up for that next stage of that programme.

In terms of the business growth programme, that runs until September 2019. We are currently waiting for a bid for an extension until March 2020, and we are also then looking to prepare a bid for a further extension until May 2023.

Andrew Dismore AM (Deputy Chair): We will come on to Brexit later on, but is Brexit going to prevent you from applying for those funds or are you still going to be able to go for them?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): No. The Government has guaranteed funding for any structural funds until the United Kingdom leaves the EU.

Andrew Dismore AM (Deputy Chair): That is until 2021.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): It seems that the programmes are going to run until 2023.

Andrew Dismore AM (Deputy Chair): I just want to go back to your budget. Other grants, you have told us, are ones from the public sector, like Discover England and so forth. You have told us about the EU. Are there any other public sector grants for income?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): No.

Andrew Dismore AM (Deputy Chair): The Discover England funding: what was that used for?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): That is a fund from national Government. It is predominantly aimed to support tourism to other parts of the country. We are partnering with a number of those bids in terms of using London as a springboard to encourage tourists

first to come into London and then visit other parts of the country. We have been working with Manchester and Birmingham in that regard. It has been a very successful programme.

Andrew Dismore AM (Deputy Chair): The money from Discover England, that is our share of it, or is that the total? Presumably, some goes to these other places.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes, that is our share of it.

Andrew Dismore AM (Deputy Chair): You talked about the dot-London domain. How much have you earned from that?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Last year we took a dividend from the company of £1.8 million.

Andrew Dismore AM (Deputy Chair): We have talked about what value in kind contributions are, so I will not go back on to that one. The Chair quite rightly raised in her questions to you whether you have considered charging a fee for what you do, like information agencies, or is it always going to be free?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): We have looked at charging as a possibility. I think most other foreign direct investment (FDI) agencies do not charge companies that are looking to set up in their country. We have looked at what Business France is doing. It does charge for a consultancy in terms of providing support for other agencies in terms of how they attract investment. We have looked at that model ourselves. We get a lot of cities coming to us looking for know-how in terms of how we have set up L&P. We have looked at that as a model. We do not think currently it is the model that is right for us, particularly in the current environment when we are looking to respond to Brexit. We think that that would be a distraction. It might be something that we look at in the future.

Andrew Dismore AM (Deputy Chair): Back to the wall, is it?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): We have an important job to do at the moment.

Andrew Dismore AM (Deputy Chair): The Chairman wants to come in, but before I do that, one last question on where the money comes from. I just wondered how your income compares with other parts of the world; for example, Paris and Berlin. Are we on a par with those or spending far less?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): The last time we looked at this, Paris and Berlin had double the budget that we had.

Susan Hall AM (Chairman): Can you explain how dot-London works?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes. New domain names were released a number of years ago in terms of top-level domain names for geographies. Cities could apply for their domain name. The GLA was able to apply for dot-London, and they allowed us to take that forward in terms of setting up the business. We work with a registry provider called MMX, which runs the business on our behalf.

Susan Hall AM (Chairman): You were given that, really, to then sell on?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes.

Susan Hall AM (Chairman): By the GLA?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): By the GLA.

Susan Hall AM (Chairman): Do you know if that came through a competitive tender in the first place or it was just purchased and then given to you?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): It was not actually purchased. We paid the fee in terms of registering with the Internet Corporation for Assigned Names and Numbers, which is the international body that controls domain names.

Andrew Dismore AM (Deputy Chair): If the GLA gave you the dot-London domain, does that show as a value in kind contribution?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): No.

Andrew Dismore AM (Deputy Chair): Presumably, it must be. If it is worth £1.8 million in terms of income, surely it was a value in kind contribution, was it not?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): It gave us the right to set up the business.

Andrew Dismore AM (Deputy Chair): Yes, but that in itself must be a value in kind.

Shaun Bailey AM: It gave you the intellectual property.

Andrew Dismore AM (Deputy Chair): If you are earning £1.8 million a year from it and it was given to you for nothing, then presumably that is value in kind that should be shown in the budget at some point, whether originally when it first happened or as an annual figure.

Laura Citron (Chief Executive, London & Partners): We do not claim value in kind for any of the support in kind that we get from the GLA or the GLA family, which is extensive. For example, if the Mayor travels on a trade delegation and does media, that has huge value in terms of promoting London to its international audiences, but we would never claim value in kind on anything that is from the GLA or indeed the wider public sector. We think of value in kind in terms of how we can leverage more support from the private sector for our activities.

Shaun Bailey AM: That is tacitly not the same. You are talking about the Mayor talking about London, which is one thing, and this generates an income. It shows up somewhere in your accounts. Surely it is value in kind. You were gifted something that generates a return annually. It is not the same as comparing it to the activities of the Mayor. Surely it should show up in the way my colleague is suggesting.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Our auditors have never indicated that. We can certainly raise that with them again. We are very happy to do that.

Andrew Dismore AM (Deputy Chair): Going back to transparency, if you had had something given to you that is worth £1.8 million a year for nothing, I would have thought it would appear somewhere.

Anyway, we have looked at where the money comes from. Can we look at where the money goes to? First of all, how did you decide what your priorities should be?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): We start with our strategy. We developed a new three-year strategy that sets out the priorities for the organisation. The key theme of that strategy is greater focus so we can have more impact in terms of our activities.

We have looked at how we can shift our spend in three key areas. That is by spending more resources in core markets, so we have identified five key core markets that we want to focus on which we think will give us the greatest returns. Those are France, Germany, North America, China and India. Our aim there is to increase the spend from last year - it was just under half - to this year around 60%, and our aim is to get to 80% by 2020, the end of the third year.

Andrew Dismore AM (Deputy Chair): 80% of your expenditure?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): 80% of our expenditure on those core markets. That includes increasing the spend of our staff that are based in market, so increasing the number of staff in market. We have effectively doubled our presence in market over the last year. That is shifting our staff resource from 8% to 15% in market, which we will have done by next year.

It is also then about how we focus more on influencing people earlier in their decision-making, so before they have made their decision to come to London. That means that we are reducing some of our work once businesses or tourists have made the decision to come here. We will be focusing particularly on contestable investments and then on attracting visitors pre-decision because the market can do the conversion in terms of when people book their trips. By 2020 we aim to have around, again, 80% of our funds focused on activity to influence decisions, which is up from 65% last year.

Finally, we are aiming to spend more of our marketing budget on London's brand. Historically, our marketing spend has been focused on the specific audiences. To reach those audiences earlier in the decision-making cycle, we really need to focus our effort on building London's global brand based on the messages that resonate with those audiences.

Andrew Dismore AM (Deputy Chair): What input does the Mayor have in the decision-making processes on priorities?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): The GLA agrees our strategy. It agrees our annual business plan. We are just preparing a draft business plan for next year now so that that can be scrutinised as part of the overall Mayor's budget by the Assembly. This is something that we have agreed to do now in terms of shifting the timing of when we develop our business plan so the Assembly can have some say in that as well in terms of scrutinising that as part of the Mayor's budget.

Andrew Dismore AM (Deputy Chair): I see from the figures we have here that your operations line went up from £3.9 million to £6.1 million, effectively 50%, between 2013/14 and the current year [2018]. I think I saw in your letter earlier that that is because of opening the overseas offices. Is that right?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): It is partly the overseas offices. This year it has gone up a little bit more because we have restructured the business, so there have been some additional costs and transition costs in terms of doing that. Actually, the proportion of our operations costs to the overall costs of the business has been relatively stable at around 52% or 53% for the last few years. The costs of the overall business, the income we have generated, have gone up. The costs have gone up and the operations costs have remained at a similar proportion.

Andrew Dismore AM (Deputy Chair): It does seem quite an extraordinary jump over a short period, when the other budgets - we have here marketing, conventions, major events, trade, higher education, research - have been the sort of increase you would expect of a few percentage points. Why have your core costs gone up so much?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Every bit of the business has been facing increased costs in terms of core costs. We have had a rent increase, a rates increase, service charge increases, increases in our staff salaries in terms of cost of living increases there. We have also been investing heavily in technology as well. We have transformed our web services so we can offer more personalised content through our web. We are currently looking to invest in a new customer relationship management system to allow us to be better able to convert --

Shaun Bailey AM: You say you are looking to invest, so have you invested or you are going to?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): We are going to. I am just giving you an example of some of the technology investments that we are making.

Shaun Bailey AM: If we are talking about an actual figure, you cannot tell us about something that you have not done yet.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): No. I apologise for that. We refurbished our office a number of years ago to increase the amount of head-count we could get into the office, so to allow for the growth that you have seen over the last few years in terms of the additional business programmes we are bringing in.

Andrew Dismore AM (Deputy Chair): If that was done a few years ago, that will not feature in 2017/18, will it?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): The depreciation costs will still be there.

Laura Citron (Chief Executive, London & Partners): If I might add, we are very conscious and careful of our platform costs and making sure that we keep them to a minimum so that we can spend as much of our budget as possible on promoting London. One of the things that we have done this year, as Andrew [Cooke] mentioned, is to restructure the organisation in order to reduce the amount that we were spending on staff costs so that we could reinvest that money into programming. We have reduced our total head-count by 20 this year, which is about 10% of our total head-count. In this current year, that increases our platform costs

because of the restructuring cost, but we have done it in order to make a saving over the next few years so that we can keep our platform costs stable.

Andrew Dismore AM (Deputy Chair): How much of that £6.1 million relates to opening the new overseas offices?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): The cost of opening the new offices is around £1.3 million this year [2018], so in terms of salary costs and the office costs.

Andrew Dismore AM (Deputy Chair): I expect you will get some questions on how evaluate their performances as well. I think this all comes back to the transparency issue. We are getting possibly quite reasonable explanations for this but we have no way of checking the numbers that go with it because of the lack of transparency.

Can you tell us how you are using the extra money the Mayor has given you for Brexit defence?

Laura Citron (Chief Executive, London & Partners): Our response to Brexit takes four main parts, though, having said that, the whole of our new three-year strategy was created since the referendum, so the response to that changed context. Our specific response has four parts. The first is increasing our efforts in market to find and convince new investors. The second is around addressing misperceptions about the availability of talent in London now and into the future because we recognise that that is a key area of concern for investors. The third is on retaining jobs and businesses that are already invested in London by engaging with them very actively here. The fourth area is having a confident and credible and positive narrative about London's future.

Andrew Dismore AM (Deputy Chair): You say you have a three-year strategy. When does that start from and when does it finish?

Laura Citron (Chief Executive, London & Partners): It started in April this year [2018], so we are in year one now.

Andrew Dismore AM (Deputy Chair): It is two and a half years since the referendum.

You have been asked this quite a few times about why we cannot see a breakdown of your spending over £250. Is it that you cannot give us that figure or because you will not give us that figure?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): It is difficult for us to give you that figure. We do not break down our expenditure like that. It would take us significant resource to provide that. We have taken steps to increase the transparency in terms of the spend. We now publish our contracts of over £150,000.

Andrew Dismore AM (Deputy Chair): There are only half a dozen of them, though, are there not?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): There are not many in terms of --

Andrew Dismore AM (Deputy Chair): Yes. Can we look at that threshold and see if we can have a rather more meaningful one?

Laura Citron (Chief Executive, London & Partners): We can take that back to our board. We were recently audited by MOPAC, as the GLA's internal audit function, which was satisfied with what it found. In addition, under the terms of our grant agreement, the GLA is able to audit us at any time.

Andrew Dismore AM (Deputy Chair): I will still come back to my point about marking your own homework.

Susan Hall AM (Chairman): Just a couple of questions, if I may go back on a couple of points. Why exactly do partners and agencies give you money, and what exactly do they get for it?

Laura Citron (Chief Executive, London & Partners): If we look at partners first, so private sector partners and then public sector agencies, those are quite different. We have three main types of private sector partners. We have tourism industry partners, we have partners who fund our inward investment work, and we have partners who fund our work supporting small businesses in London. They work with us in fairly different ways.

Our tourism partners work with us because they want to support the overall promotion of London as a destination, because anyone who is running a hotel or a restaurant or an attraction in London benefits from that, and also to get their own attraction, venue or hotel promoted through our channels. They also work with us and pay a partnership fee, in some ways like a trade association, because they benefit from a lot of industry insights and networking that we provide. We provide, for example, a lot of up-to-date data on the tourism industry which those partners have access to. Those are the tourism partners, which is the largest group of partners in terms of the number of partners that there are.

The second group of partners is those that we work with on inward investment. Those are businesses that provide the kinds of services that an investor would need when they want to set up an office in London. That would be everything from lawyers to tax, immigration, relocation, public relations (PR), workspace, recruitment. All the kinds of services that an investor would need when they come into a market for the first time. We choose those partners very carefully based on the level of service they provide, so making sure that it is good quality, but also that they are specialised in helping the kinds of businesses of the size and source market that we work with. For example, if they are going to work with us on supporting Chinese investors into the market, they need to have Chinese speakers who can give a good level of service. They pay a partnership fee in order that they would be our priority referrals when we are working with a business that comes into London.

Susan Hall AM (Chairman): What sort of fee would that be?

Laura Citron (Chief Executive, London & Partners): We can provide a breakdown, but it is in the range of about £3,000 to £5,000 a year, I believe. They are different depending on exactly which businesses they are and how large they are.

Susan Hall AM (Chairman): How many people are paying into this?

Laura Citron (Chief Executive, London & Partners): There are about 50 companies.

Susan Hall AM (Chairman): About 50?

Laura Citron (Chief Executive, London & Partners): Roughly, yes.

Susan Hall AM (Chairman): I have been told - but I do not know what you think about this - that an incentive for a business to give you money is that they gain access to the Mayor. What are your thoughts on that? Is that right?

Laura Citron (Chief Executive, London & Partners): The businesses that we work with as partners do not get priority access to the Mayor, in my experience.

Susan Hall AM (Chairman): They do not?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): No.

Laura Citron (Chief Executive, London & Partners): No.

Susan Hall AM (Chairman): Fair enough. Do you ever envisage a time when L&P will be completely self-sufficient and will not require taxpayers' money? You are both looking shocked.

Laura Citron (Chief Executive, London & Partners): No. Not in our current business plan, but we are always looking at ways to generate more revenue. For example, we recognise that our ERDF funding, as we have discussed, is probably time-limited. It looks like the time horizon is 2023 on that. We are actively looking now at how we can boost commercial income so that those programmes, for example, could be sustainable. Every competitor city in the world that London would consider a serious rival has a significant taxpayer-funded promotional agency. Those promotional agencies are by and large funded to a much larger degree than L&P. They have much larger budgets and they raise significantly less private sector funding as a proportion of their income than we do.

Susan Hall AM (Chairman): That does not make it right. Just because other people do it, it does not make it right. It is like we hear your methodology is great because it is used by other companies that do similar work to what you do. That does not make it right, because if they do not publish who the businesses are at the beginning, then anybody scrutinising that would be in as much fog as we are. If you are all saying the same thing but not giving the correct information out, it does not make it right. I will leave it at that. Thank you.

Shaun Bailey AM: I just want to move on to talking about L&P's approach to measuring impact. My first question would be on your assessment of FDI inflows into London at the moment. What is your assessment of them? How well are they doing? What impact are you having on that outcome?

Laura Citron (Chief Executive, London & Partners): At the moment we are on track against our FDI target for the year if we look at what we have done year to date. However, what we are seeing is that we are having to work harder to generate inward investment leads and we are having to work harder to convince businesses to come to London.

Shaun Bailey AM: How is London doing in comparison to other EU cities such as Paris and Berlin?

Laura Citron (Chief Executive, London & Partners): If we look at the historic data for last year [2017], which is what we have, London continued to be the top destination in Europe for venture capital investment, for example, but we do know that inward investment to London I believe in the first six months of last year [2017] was down on the first six months of 2016. We obviously do not know the 2018 data yet because it is not out.

Shaun Bailey AM: As a comparison with London, my question is: what is London doing against other European destinations, even other world destinations, at this point?

Laura Citron (Chief Executive, London & Partners): I can get back to you with the more detailed data. Anecdotally, London continues to be a strong destination for inward investment, but the indicators lag, so the data lags.

Shaun Bailey AM: Yes, I get it. That is fair. You do see that from our point of view, if we have a body that looks at London's competitive nature against everybody else, those figures should be readily available to you and to us. You should make them available. As far as I am concerned, that is what you are meant to be doing, so it should not be something that you have to get back to me about.

Let me change focus slightly. How many companies interested in investing in London did you approach in 2016/17 and 2017/18, those two years? How many companies did you directly go out and 'court' to come to London?

Laura Citron (Chief Executive, London & Partners): I could not tell you the exact number now but I am happy to get back to you with that.

Shaun Bailey AM: Can you give me a ballpark?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): At any one time I think we have somewhere around 1,000 companies in our pipeline. We convert, on average, around 200 companies a year, slightly more last year [2017].

Shaun Bailey AM: Again, not to flog a dead horse, this is your activity. These should be the things you have available to us. That is why people are using terms like "fog" and challenging the spend here.

Another slightly different question. You say that other cities - I think you used Paris - have significantly bigger budgets, but how much of that budget do they generate commercially?

Laura Citron (Chief Executive, London & Partners): In Paris they have different agencies for inward investment, as for tourism. They do not have a single entity like L&P. We can send you the exact breakdown but my understanding is they generate less commercial income than we do as a proportion of their total budget.

Shaun Bailey AM: I accept that you would not be really deep on their figures. I get that.

You say you have opened offices all over the world. At what cost has that been? What income grant has the GLA provided to help that happen? What has the cost been there?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): We have had an additional grant from the GLA for the last year and this year, so an additional £350,000 last year and £1.3 million this year to support the opening of those overseas offices and other Brexit-related activity.

Shaun Bailey AM: How are you assessing the effectiveness of those offices? Again, if I ask that very simple question in my mind, "How many businesses have they approached in wherever they are based?" how would

you answer that question? Could you give me a number? Are they judged on a key performance indicator (KPI)?

Laura Citron (Chief Executive, London & Partners): Each of the offices has FDI lead generation targets, so how many businesses not only they are approaching but who they have actually got to the stage of saying that they are considering investing in London. They have targets not only for their markets but also for the different sectors of the economy. We then have an overall GVA target which we can break down also by market. We would not put that only on to the overseas office because convincing a business to invest in London is done jointly by the overseas team and the London specialist team.

Shaun Bailey AM: How are we then meant to judge the effectiveness of what sounds like quite a huge investment on our part?

Laura Citron (Chief Executive, London & Partners): When we were given the additional grant to open the overseas offices, it came alongside an increase in our GVA target, so we have an additional £20 million of GVA to deliver as a result of having those extra offices.

Shaun Bailey AM: You have no focus on what any individual office is doing? It is just going to all come up to the centre and that is how you achieve the target?

Laura Citron (Chief Executive, London & Partners): No. Each of the offices has targets not only for overall leads but for leads per sector. Every office has lead targets.

Shaun Bailey AM: Does the FDI additional percentage vary according to company size and sector when you are making these judgments? Is a big company seen as a bigger hit? Is a smaller company seen as a smaller hit? How do you judge in those particular places? What I am trying to get at here is the accuracy of your KPIs, if you have any at all, and how you get those out into the public arena, and how we can scrutinise those. If they do not exist, of course, we have no idea what you are doing.

Laura Citron (Chief Executive, London & Partners): Yes. We count the discounted jobs, as we discussed the discounting before. Whether it is a big company or a small company, what matters is how many jobs they create in London. They could be a huge company, but if they only create five jobs in London, that is what we count. Then the value of the jobs, so how they are converted into GVA depends on the sector, and that is taken from national statistics data on the value of jobs in very specific sub-sectors. Yes, that is quite targeted and nuanced.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): There is also another key measure, which is additionality. We are trying to focus on companies that have not made the decision to come into London, where we can really influence that decision. As part of our evaluation, we survey the companies to ask them what difference we made. That is how we calculate the additionality factor to ensure that our GVA measure is really additional economic benefit that we can say is attributable to our activities.

Shaun Bailey AM: Just an additional comment. We have here your FDI examples of how you look at FDI contestable clients. It makes very little sense. I think it needs more detail. We need to understand exactly how you find a company and convert that into something. The term "fog" has been used. We are paying for this. Of course, all of this could be avoided if there were a London Assembly member on your board. I do not

see why that has not happened or why it cannot happen, and I think you need to look again and explain to us where you are on that decision. That is enough from me, Chairman.

Caroline Russell AM: I am going to be looking at measuring performance and value for money. We have seen that you have been exceeding your targets for the most part against the KPIs. I understand that you are committed to more stretching KPIs and targets for the year ahead. Can you set out for us your KPIs for 2018/19?

Laura Citron (Chief Executive, London & Partners): Yes, I am happy to. Our 2018/19 targets are £190 million of GVA, and specifically 80% of which needs to be from our key sectors.

Caroline Russell AM: Key sectors?

Laura Citron (Chief Executive, London & Partners): The priority sectors for London. That is from financial services and professional services and technology, life sciences, the creative industries and smart cities, urban technology. Those are our priority sectors, which are drawn from the Economic Development Strategy and agreed with the Economic Development Team at the GLA. £190 million from our business-to-business audiences, and 1,000 jobs retained in London as a result of our engagement with businesses that are already invested in London.

We are also measuring the impact of our student and tourism work, and we will be able to share that at the year-end.

Caroline Russell AM: Your additional GVA target for 2017/18 was £311 million, but you are saying it is £190 million.

Laura Citron (Chief Executive, London & Partners): Last year's [2017] GVA included GVA for leisure tourism and also for students. This is just the business-to-business audiences. The £190 million is comparable to, of last year, the business tourism, the trading investment and the inward investment work. Because we have a new methodology this year for students and for tourists, we have not included a GVA target number for that. This year is the baseline year in which we are going to use the new methodology to find the baseline so that we will then be able to set a stretching target for next year for our student and our leisure work.

Caroline Russell AM: Then you said 1,000 jobs retained. Is that the same as the 1,000 jobs safeguarded in 2017/18?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes.

Caroline Russell AM: Yes. That was a target that you did not meet. What do you think led to that target not being met?

Laura Citron (Chief Executive, London & Partners): It was the first year in which we had given ourselves a target, or had a target for retention of jobs. It has taken us some time to work out what is the best way of doing that and to get the activity really up and running and off the ground. It is hard to safeguard 1,000 jobs and, importantly, to be able to demonstrate that we have done that through survey evidence, but we now have a dedicated team who are working on retention only. What we have found through the course of the work we did last year [2017] was that the single most important retention issue is actually talent. That is why this year [2018] we are really focused on providing this up-to-date and credible information about talent to reassure

investors because we feel that, given what we learnt from last year and the lessons from last year, that is the best way that we can safeguard jobs. I am more optimistic that this year we will meet that 1,000 jobs target, but it is stretching for us. It is a whole new way of working and a new type of activity.

Caroline Russell AM: Obviously you have told the [London Assembly] Budget and Performance Committee that you are going to be looking to stretch your targets. You have said that the jobs safeguarded is a stretch. What else in these targets is stretching for you?

Laura Citron (Chief Executive, London & Partners): The £190 million of business-to-business GVA is a real stretch this year [2018] for two reasons: one because the context is more challenging. The closer we get to March [2019], the more challenging it is to convert investment. Also, because we have refreshed the evaluation methodology, it is more robust and it is more conservative, so achieving the GVA numbers is more difficult than it was in the past.

Additionally, because we are now much more focused on contestability than we were before, we are spending a lot more of our time convincing businesses to come and less of our time supporting them once they have made that decision. Therefore, a lot more of our pipeline are these contestable projects, which are much harder work but are much better value for London because that is business that we would not have won if we had not intervened, so we feel it is better value for London that we put our effort into convincing businesses to come, rather than just helping the ones that have already decided to come.

Caroline Russell AM: How are you actually measuring that? How do we know that it is your efforts that have got those businesses to come here?

Laura Citron (Chief Executive, London & Partners): We survey all of the businesses that we work with and we ask them the question, "What difference did it make to you? Did working with us convince you to come to London? Did it make you come any faster and did it make you put more jobs or grow faster once you got here?" We are also essentially changing the sample, if you like. Because our teams internationally are now focused on finding those contestable leads, what is going into the pipeline is a lot more contestable than it was in the past. We have set up what we call a dedicated delivery unit to fast-track non-contestable investors. When our teams in market come across a business that says, "We are going to set up an office in London", we refer them straight through immediately to our London team, which will give them fast support to get themselves set up and refer them immediately to private sector partners because we feel that is where the market is best placed to intervene. What that does is it frees up the time of our teams in market to really focus on finding those businesses earlier when they are undecided, when they are thinking about an international expansion, so that we can be having that conversation with them and saying, "When are you thinking about expanding internationally? Are you thinking about London? If not, why not?" and then be making the case. That is a real change of focus.

Caroline Russell AM: Just going back to the leisure and tourism, have you developed new metrics for measuring your impact on leisure and tourism? If you have not, are you in the process of doing that?

Laura Citron (Chief Executive, London & Partners): We have. These new metrics for leisure tourism respond to changes in consumer behaviour and also changes in technology so that it becomes possible to evaluate in a much more robust way than we could in the past. Historically, our method for evaluating our impact on leisure tourism was to survey visitors to our website and ask them what difference our information has made to their choice to come to London. When we introduce that, and during the period that we had it, that was the industry-standard way that most destination marketing organisations in the world would measure

tourism activity, including, for example, Visit Britain and our colleagues in Paris and so on. We now have a new methodology that is really industry-leading, and it responds to the change in consumer behaviour and to the change in data. In terms of consumer behaviour, people now get their information from a much wider array of sources than just a website. It would not be necessarily that someone would go on to the Visit London website and that would be alone what would convince them to come to London. We would want them to be finding our content in social media, in news articles, in a whole range of different places, watching videos on YouTube. Our new methodology allows us to capture the impact of what we have done across all those channels, not just the website.

The second big difference is that in the past we have had to rely on survey data, so we ask people to report to us what the impact of our activity has been. Obviously, that is reliable to some extent, but it is quite fraught because you are depending on a human being to declare to you what has happened and, to some extent, you are dependent on the sample of people who are prepared to fill in the survey.

What we are now able to do with technology, for the first time, is to compare panels of people who have seen our messages and who have not and observe their actual behaviour. When we look at people who have watched our videos or seen our posts on social media and compare them to people who have not, we can then see what they do. Did they then go on to book a trip to London? It is a much more robust way of being able to evaluate whether what we have done in our marketing has made a difference to someone's choice to come to London.

Caroline Russell AM: Are you also looking at the sorts of businesses that these visitors to London are interacting with? We have a whole range of businesses here, from the very big, mass-market hotels to the tiny hotels around Earl's Court that served the Exhibition Centre when it was there. Are you looking at how the more microbusinesses are benefitting, or otherwise, from the marketing you are doing?

Laura Citron (Chief Executive, London & Partners): Absolutely. For us that has been a key driver of our whole new tourism strategy, which is to make sure tourism in London is generating good growth for London. That is partly about making sure there is growth in the outer boroughs from tourism and that tourists are spending their money in an as diverse as possible range of different attractions and venues - from large to very small - businesses, community organisations and not-for-profits like galleries and museums.

Caroline Russell AM: Are you able to track the diversity of where these visitors are spending their time and their money?

Laura Citron (Chief Executive, London & Partners): We are working on creating a new dataset. At the moment the data to do that does not exist, but we are working with London First, MasterCard and EY to be able to get better data on where tourists spend their money in London. What we do know is what general tourist behaviour is. The kinds of tourists who are more likely to spend money at a diverse range of places and to spend their money outside of Zone 1 is, from the evidence, people who travel long haul - because they are in the city for longer - and younger audiences, particularly younger audiences who have what we would describe as a culturally curious mindset. What they want from their holiday is to feel like they are living like a Londoner, discovering hidden gems and having an authentic experience. Because that is what they want they are much more likely to travel to outer boroughs and to spend their money at a much, much wider range of different places: different bars, nightclubs and diverse culture.

Our whole tourism marketing strategy for this year [2018] has focused on getting those kinds of tourists to come to London. What we do know is that once they are here they are much more likely to spend in a range of places that support a broader London economy, so that is the focus of our tourism work now.

Caroline Russell AM: Going back to the difficult context that we are working in at the moment and the safeguarding of jobs, what are you doing about other countries trying to poach companies that are based here in London?

Laura Citron (Chief Executive, London & Partners): We believe there are about 90 agencies from other countries, cities or regions from around the world who have people on the ground in London actively trying to move business out of London every day.

London has fundamental strengths that make it a very attractive place to do business. However, we are not complacent about keeping business in London. That is why we have this dedicated Retention Team that is set up to keep jobs in London. That Retention Team proactively goes out and speaks to the foreign investors we have brought into London over the past eight years to see how they are doing, to see whether they have any concerns, to provide reassurance and to signpost them to services that would be able to help them. It also takes referrals from a wide network of partners if they have heard of any businesses that they are concerned might be at risk of leaving London or that they know are actively being courted by Paris, Frankfurt or wherever. They can refer them to us and our team will then go and engage directly with those businesses.

Caroline Russell AM: What kind of incentives do you offer to get them to stay?

Laura Citron (Chief Executive, London & Partners): Unfortunately, we do not have any financial incentives that we are able to offer but we find that reassurance and signposting does go some way. In terms of reassurance, what we find often, particularly with international investors, is the fact that someone from the city has bothered to reach out to say, "Thank you for investing in London. Thank you for creating jobs here. We really value your business. You are welcome here. We want you to stay" has value.

Secondly, we listen to their concerns and often that is about talent. There we are able to help by signposting to sources of talent they may not be aware of. That may be things like mayoral initiatives around digital skills, it may be specialist recruitment agencies, or it may be to Business Improvement Districts or local council initiatives around employability. That can help.

The third area is if they have specific concerns related to policy or regulation, where they are not sure what it will mean for them. What we can do then is refer them to the relevant central Government department or pass on their concerns to the relevant central Government department. That means at least they feel they have been heard and their concerns are being taken into account.

Caroline Russell AM: Thinking about your international offices and the work they are doing, what KPIs do you have for the international offices?

Laura Citron (Chief Executive, London & Partners): The international offices have the same KPIs as the overall business - GVA to the economy - and at an internal level they have lead generation targets. They have targets in terms of going out and finding contestable inward investment leads.

Caroline Russell AM: These contestable inward investment leads - companies - from other places, what sort of companies are you targeting?

Laura Citron (Chief Executive, London & Partners): We typically target scale-up businesses, which tend to be technology-driven. Whether they are in life sciences, creative industries or financial services, often they

are technology-driven. Typically, it is a business that has done very well and grown very fast in its home market. Let us say in North America it is from Silicon Valley or from Toronto, and it has done really well in its home market. Often, they are very young companies - maybe two or three years old - and are now ready for an international expansion. One of the points we would engage with them is when they get funding for an international expansion. That is often what is called a 'series A' by venture capitalists, which is the first significant investment of venture capital typically given to a business to fund a big international investment. It is at that point, or when we know they are approaching that level of investment and that sort of size, that we will go and have the conversation with them. That is when they are planning for international expansion, it is actually serious and they can do something about it.

Caroline Russell AM: I have one more question. What do you see as the failures you have had, or have you had any failures, in these last couple of years and what lessons do you take from those experiences?

Laura Citron (Chief Executive, London & Partners): Clearly, last year we did not meet our retained jobs target. The lesson we learnt from that was we had underestimated the importance of talent in the retention of jobs in London. That is why we put a real focus on talent and increased our efforts around talent this year. For us, that is something we learnt from last year.

One of the things we are really trying to address with our new strategy is focus. In the past we worked with a very large number of international markets and a very wide range of sectors. That was probably the right thing to do when we were in a very positive and favourable geopolitical and macroeconomic context. Now that the context has changed, we are trying to use our limited resources as best we can to get the best possible value and return on investment for London from that. Our lesson is trying to be more focused, to do fewer things but to do them better and to be able to invest more in them.

Jennette Arnold OBE AM: Chairman, I have a couple of questions that follow on from that. It is for me to try to, once again, put the work you are doing into context. This is not my first time; I think I have been scrutinising you now for over 10 years, if not longer. I would not say I am still in 'fog' but it seems to me that the amount of money you have is a big amount - £40 million - but it always seems to be such a struggle for you to have an impact with that amount of money. How do you work with other organisations like London First and City of London [Corporation]? You are out there, beavering away with your small pot. The City of London's [Corporation] pot is huge and London First has 300 London-based businesses, a bigger base than you. Should we be satisfied what you are doing with your London mayoral remit is all you can do, or should you be looking to be working much more collaboratively?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): We do work very closely with the City of London [Corporation], particularly on financial services and fintech businesses. Catherine McGuinness [Chair of the Policy and Resources Committee, City of London Corporation] sits on our board. It has offices overseas and our teams in those markets work very closely with those City of London [Corporation] colleagues. Its offices overseas have a slightly different focus. They are looking mainly at companies coming to list in London whereas we are looking at those companies coming to set up. Certainly, we are working closely with City of London [Corporation] and TheCityUK.

The first inward investment agency I originally worked with, London First Centre, spun out of London First so there are close links there and there continue to be close links. Laura [Citron] mentioned a project we are currently working on with London First, which is to help support the tourism vision that we developed last year looking at the value of tourism in outer London. It is working with a number of its partners that are also partners of ours as well - MasterCard, Airbnb and EY - to be able to look at the spend data from MasterCard

and Airbnb in terms of where tourists are spending money across the city. EY is then manipulating that data and by next February [2019] we will have a 'heat map' to show what tourists are spending in each borough across London. We think that will be very valuable in helping us to divert activities with that intelligence in terms of attracting more tourists into outer London.

Jennette Arnold OBE AM: You are working in a collaborative framework. That begs the question of how you decide what you can claim, what the others can claim and, in the middle, the double counting that may go on.

Laura Citron (Chief Executive, London & Partners): We absolutely recognise we are working in a collaborative environment. We have no desire to duplicate things that other organisations are doing or to do things that others could do better. To give you an example, the week before last the Deputy Mayor for Business, [Rajesh] Agrawal, led a business delegation of fast-growing London fintech businesses to Frankfurt, to expand into the German market. We had secured high-level meetings with some major German banks that were significant investors in the City. Catherine McGuinness, the Chair of Policy and Resources at the City of London Corporation, accompanied us on that trip to do those meetings jointly with the Deputy Mayor for Business so we had a clear, common and united voice of London, both for the overall city and for the Square Mile. We are looking at our calendars much more for where we are going, making sure we are not duplicating if that does not make sense, and going in together where that is the most sensible thing to do.

Jennette Arnold OBE AM: You would not have an answer to my other question that it would happen whether you were there or not. I suppose that is a question for one of your competitors, because you would say you are key to that activity. Having a Deputy Mayor for Business and a mayoral remit: is that what makes you key to that sort of development?

Laura Citron (Chief Executive, London & Partners): When we are working with a company we are very clear about who the lead agency is. If one of our teams in a market was to come across a business that was very much pure financial services - and the best agency to help land that in London might be TheCityUK - we would refer that business on and would then not claim it. Equally, when we work with DIT, it often finds businesses that want to invest in London that it then refers to us. We then claim that and it would be reflected in its numbers in a specific way. There are established protocols, if you like, between these different agencies in terms of how we refer leads between us so the right organisation is working on them.

Jennette Arnold OBE AM: Lastly, because you brought in Deputy Mayor for Business [Rajesh] Agrawal, I am taking you back to the recent delegation that was made to India. Was that before you opened the two offices at a cost of £500,000 or afterwards? How do you account for the impact of such a delegation, which I suppose you organised and were a part of?

Laura Citron (Chief Executive, London & Partners): When that delegation went out we already had the office in Mumbai, which we have had for several years, but had not yet opened the office in Bangalore. We had one but not two. In terms of how we look at the impact of a trade delegation, it is reflected in the GVA of trade to the London economy. That is where we look at the businesses we work with on the Mayor's International Business Programme, which is the ERDF-funded programme. It declares to us how its participation in the programme has increased its revenue or helped it secure additional investment.

Andrew Dismore AM (Deputy Chair): Assembly Member Arnold raised with you London First and said there are about 300 participants in London First. You have 300 participants. Are they the same people?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Some are the same.

Andrew Dismore AM (Deputy Chair): I suspect there is quite a lot of overlap.

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): The majority are different. We are doing different jobs really. London First is a lobbying organisation on behalf of those businesses and is mainly focused around improving the London product, whereas we are promoting it.

Andrew Dismore AM (Deputy Chair): On tourism, you said you were trying to promote outer London boroughs. What engagement have you had with those boroughs' administrations?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): We have regular engagement with boroughs. We have point people within our team who are responsible for a number of boroughs. They are split up into north, south, east and west and liaise with those boroughs.

Andrew Dismore AM (Deputy Chair): If I take my outer London Borough of Barnet, what engagement have you had with it?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): I cannot tell you specifically what engagement we have had with it.

Andrew Dismore AM (Deputy Chair): The Chairman's Borough of Harrow?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): We run workshops that all boroughs are invited to, to talk about both our tourism and FDI activity.

Andrew Dismore AM (Deputy Chair): Perhaps you could let me have a note with a bit of detail about what engagement you actually have had with Barnet. I do not know if you want one for Harrow as well?

Susan Hall AM (Chairman): Hillingdon or Havering; another list would be great.

Andrew Dismore AM (Deputy Chair): You are quite right to say there are lots of things to see in outer London but I am concerned at the extent to which we are getting tourists diverted to the outer boroughs.

You did meet your target for job safeguarding as you have indicated. You are now saying you are focusing on talent. Is that not cherry-picking? Presumably we have lost lots of other jobs that you have not safeguarded in another series of activities.

Laura Citron (Chief Executive, London & Partners): We have a target of 1,000 jobs that we are trying to directly safeguard through our intervention one-to-one with the businesses. However, clearly, all the work we are doing around having a credible, confident and optimistic narrative for London's future should safeguard jobs in London much more broadly. That is why we think it is so important we do this work on London's global reputation as a fantastic world-leading city to do business, so the impact of that is felt more widely because, yes, of course there are more than 1,000 jobs in London.

Andrew Dismore AM (Deputy Chair): Of course there are more than 1,000 jobs in London; I am more concerned about where they are going. We have seen a real drain on retail, for example, and also problems in hospitality with recruitment. You are not following those up?

Laura Citron (Chief Executive, London & Partners): With the limited resources we have, we have to be really focused on where we can make a difference and that is in those priority sectors that we have identified, where London has a global competitive advantage and that bring good growth to the economy. We are really focused on attracting jobs into those sectors, the life sciences and creative industries.

Andrew Dismore AM (Deputy Chair): That is safeguarding jobs that are already here, not bringing in new jobs.

Laura Citron (Chief Executive, London & Partners): We are still focused on those priority sectors because that is where we feel we can make the biggest difference. There are a whole range of policy and other issues that play into why jobs are staying or leaving London - ranging from the macroeconomic context, fiscal policy and so on - over which we do not have any impact. We are focused on working with the businesses where we think we can make a difference. They are international investors of the scale where we can have an impact and they are businesses where we know their sector and their ecosystem very well, so we can provide good-quality guidance.

Andrew Dismore AM (Deputy Chair): Looking at your targets, you have, "Pieces of coverage in international press". That is presumably worldwide rather than your target countries, yes?

Laura Citron (Chief Executive, London & Partners): Yes.

Andrew Dismore AM (Deputy Chair): Are those pieces of coverage generated by you?

Laura Citron (Chief Executive, London & Partners): Pieces of coverage generated by us.

Andrew Dismore AM (Deputy Chair): Then you go on to say your target of positive media coverage is 30%. That seems to be remarkably low. You have achieved 30.5%, which presumably means 70% is either neutral or hostile.

Laura Citron (Chief Executive, London & Partners): Most of it would have been neutral. Going forward, we are not using articles of coverage as a KPI. We feel that, with our new method of looking at engagement across all of our channels, we are able to have a much more robust and comprehensive measure of our marketing activity.

Andrew Dismore AM (Deputy Chair): Where did this 30% target come from then?

Laura Citron (Chief Executive, London & Partners): I believe that was based on the historic baseline data. I can get back to you with more detail on that.

Andrew Dismore AM (Deputy Chair): It is obviously subjective to decide what is positive, what is neutral and what is hostile. It does seem to be a rather peculiar target, particularly one set so low. You have abandoned that?

Laura Citron (Chief Executive, London & Partners): We have a more comprehensive measure.

Andrew Dismore AM (Deputy Chair): Have you abandoned the coverage in international press more generally, or is that still in the mix?

Laura Citron (Chief Executive, London & Partners): We are using it, but it is not the only thing we are using to look at the impact of our marketing. We are looking at international media coverage and also, importantly, engagement on social media channels, and, given we target particularly younger audiences, that is very relevant.

Andrew Dismore AM (Deputy Chair): Finishing with the younger audiences - although I do not think it is necessarily just younger audiences - we have the night-time economy issues. Are you particularly raising that?

Laura Citron (Chief Executive, London & Partners): I am a member of the Mayor's Night Time Commission. We have been actively feeding into that. I believe it is going to report its conclusions in the next couple of months.

Andrew Dismore AM (Deputy Chair): Do not get started on the Commission because there are all sorts of questions that arise out of that, I am afraid. I do not particularly want to go down that route because we will be here all afternoon.

Laura Citron (Chief Executive, London & Partners): Separately to that, we have had a focus on promoting London's night-time offer through our social media channels and our website, as well as promoting grassroots music through our own channels.

Shaun Bailey AM: You gave an example earlier on about companies that have just reached the point where they have had their first piece of major investment and are looking to go international. How do you find those companies?

Laura Citron (Chief Executive, London & Partners): We find those companies mostly by working with the kinds of organisations that would know about them, usually venture capitalists. We have a big network of venture capitalists around the world. One of the reasons it is really important to have people on the ground is so they can maintain those relationships so when venture capitalists have a business in their portfolio they invested in, which they think is coming up to expansion, they immediately give us a call and say, "We have this business. It is thinking about London".

The other important source is incubators, the organisations that host start-ups when they are quite small and help them to grow. They typically have large networks of businesses and are aware of when a business might be approaching that scale. Also, professional advisers, particularly lawyers and accountants. When businesses are approaching raising money - that important 'series A' round - they always have bankers, lawyers and accountants working with them to prepare their business cases and their pitch decks. Those organisations know of these businesses. Therefore, maintaining really strong networks so they refer them to us is really important. Also, other public sector organisations: a lot of our leads are from DIT, and city-to-city partnerships. For example, last week I was in Toronto where we saw the Toronto Board of Trade. It is the organisation that is responsible for supporting Toronto businesses to grow internationally. It will be a fantastic source of leads for us from the Toronto region because they are working with large numbers of Toronto businesses, trying to help them to become exporters. When they become exporters and grow internationally, they become potential inward investors for us. It is our partner agency and will be referring to us.

To summarise all of that, it is a wide network of different kinds of partners that our on-the-ground teams maintain relationships with.

Shaun Bailey AM: Earlier on my colleague, Andrew [Dismore AM], spoke to you about the industries you have identified, are focusing on and that you have a plan around. I would like to make a plea as there are industries - retail and hotel - that might be big and flashy but, of course, employ a larger number of Londoners in comparison to maybe financial services. Why do they not factor in the same way, as they give volume employment that is obviously important?

Laura Citron (Chief Executive, London & Partners): Tourism is a priority sector for us and we address that on the demand side by keeping a good flow of international tourists into the economy through our tourism promotion work. More broadly, the sectors we are focused on are those that were identified in the Mayor's Economic Development Strategy. The sub-sectors are those that were identified in the Strategy and that the Economic Development Team at the GLA agreed with us should be our priorities because they generate good growth for London.

Shaun Bailey AM: I think we need to have a look at what provides volume employment as well.

Susan Hall AM (Chairman): You were talking about advertising, PR and so on. We know you have hired Freuds and Cavalier Communications over the last few years. Can you tell me how much you have spent on these PR agencies?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): I do not have that information to hand. We will come back to you on that.

Susan Hall AM (Chairman): Ball-park figure?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): I am sorry, I will need to come back to you.

Susan Hall AM (Chairman): Is it a lot or not a lot?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): I think it was for some specific campaigns. It is under the threshold of the contracts we have published.

Susan Hall AM (Chairman): Everything seems to be. Can you release that information to us, please?

Andrew Cooke (Managing Director of Operations and Governance, London & Partners): Yes.

Susan Hall AM (Chairman): Definitely. I am surprised we do not know that at all.

Fiona Twycross AM: I have a number of areas of questioning but first I want to ask about tourism in the context of Brexit. Have you done any research on what the potential impact might be if people from other EU countries need to get visas going forward?

Laura Citron (Chief Executive, London & Partners): We have not done our own primary research on that, but we look very carefully at research that is published by a whole range of organisations from Government

departments, arm's-length bodies and professional consultancies. We are constantly looking at all the evidence as it is being produced on Brexit.

Fiona Twycross AM: How is L&P preparing for Brexit more generally? I know it has come up in other areas of questioning but what specific preparations are you making?

Laura Citron (Chief Executive, London & Partners): Our response to Brexit is in these four main areas, and I am happy to discuss any of them that you would like in more detail.

The first is around working harder, doing more and investing more in finding businesses that are thinking about international expansion and convincing them to come to London. That activity happens largely overseas in the market because it happens early, when they are still just thinking about it.

The second area is talent and making sure we have up-to-date, credible and authoritative information about access to talent in London, so we can address some of the misperceptions that we know are out there and that are problematic.

The third area is around retaining business in London. As we discussed, that is about having proactive conversations with companies that are invested here, to provide reassurance, to signpost them to other services and to pass on any concerns they have to central Government.

The final area is about having this really credible and confident future narrative for London, about why London will continue to be a fantastic and exciting place to do business. That is where we are currently working to bring together a whole network of people who are influential regarding London internationally, so we can all speak with one voice and share the same positive story about the future of London. I should add we are working very closely with both London First and the City of London [Corporation] on that.

We would love to work with any of you who would like to get involved in using your influence to promote this positive story about London's future.

Fiona Twycross AM: It was mentioned earlier there are 90 organisations in London trying to court companies to other parts of the world. What were the numbers of people who were doing that before? Did you track that before or is that just something you have tracked since the vote to leave the EU?

Laura Citron (Chief Executive, London & Partners): We have not and it is anecdotal because there is no way of knowing this for sure as it is not public information. Our anecdotal sense is that the number of people has significantly increased. We are seeing much more aggressive tactics and much more significant investment from our competitor agencies in promotion into London.

Fiona Twycross AM: What sectors do you see facing the greatest risk from a no-deal Brexit?

Laura Citron (Chief Executive, London & Partners): That is probably more a question for a think-tank or a policy-maker. I can give you an anecdotal sense - although this is not an area of expertise for us as we are not a policy-making organisation - that it would be the most highly regulated industries such as financial services, those that are importing and exporting goods if there is a customs issue, and if there were to be a restriction on talent for those that are highly dependent on foreign talent.

Fiona Twycross AM: When you are trying to attract businesses to London, are people citing the uncertainty over what kind of Brexit it will be as a reason not to invest at the moment, or are you not hearing that?

Laura Citron (Chief Executive, London & Partners): Some are and some are not. I was in Germany the week before last where, just to give you an example, I met a number of fast-growing fintech businesses that are of the right scale that they would be thinking about international expansion. Two of them said to me they had been thinking about London. One actually said they had been thinking about moving their entire headquarters and relocating to London but they will not do it until they know what the outcome is. They are particularly concerned about passporting, the ability to provide financial services cross-border in the Union. Neither of them said they would never invest in London but they felt that, because of the current uncertainty, they wanted to wait until things were clearer.

However, last week I was in Toronto and New York and met a large number of potential companies to convince them to invest in London. Some of them raised Brexit and some raised it as an issue, but equally for a large number it did not even come up in the conversation. That is quite typical of what we see, which is that the European markets are very strongly affected so it would be rare that we would have a conversation with a European investor where Brexit did not come up and did not come up as a negative. Further away - the United States, China and India - it comes up less often.

Fiona Twycross AM: Will you be going back to people who have raised concerns now and have not invested once it is clear what type of Brexit we will be having?

Laura Citron (Chief Executive, London & Partners): Absolutely. We log very carefully all the businesses we talk to. Our market teams will be maintaining relationships with them and following up with them very actively. As soon as we know what the deal is I am sure we will go back immediately to those businesses and make the case for London again. Yes, definitely.

Fiona Twycross AM: Do you think there is more the Mayor could do to support businesses to prepare?

Laura Citron (Chief Executive, London & Partners): It is probably not my role to comment on the Mayor's policies more broadly.

Fiona Twycross AM: Are you contributing in any way to the Brexit Business Resource Hub, which was established quite recently?

Laura Citron (Chief Executive, London & Partners): We are aware of the Brexit Business Resource Hub. Once our talent resource is launched, the two will link to each other.

Fiona Twycross AM: What work is the Retention and Growth Taskforce doing?

Laura Citron (Chief Executive, London & Partners): That is the team I mentioned previously, which is having those conversations with businesses to do signposting, reassurance and referrals.

Fiona Twycross AM: To get some balance in the discussion, does Brexit present any opportunities?

Laura Citron (Chief Executive, London & Partners): We do hear some audiences - particularly students in markets like India and China - feel it might be beneficial for them because they might have easier access to immigration.

Fiona Twycross AM: My colleagues expressed some surprise so I think I would be interested in that surprise.

Susan Hall AM (Chairman): No.

Fiona Twycross AM: Is there anything else you would like to add in the context of Brexit?

Laura Citron (Chief Executive, London & Partners): The main thing for us with Brexit is that this is a really critical moment for the promotion of London. What we do to respond to Brexit in the next six to 12 months will really define London's position on the global stage for many years to come. Now is the time for us to act, to respond, to be really targeted, smart, ambitious and bold in what we do and to join forces with the organisations and the individuals we should be working with very collaboratively to promote London around the world.

Susan Hall AM (Chairman): All through this morning you are quite rightfully saying we must talk up London and all the wonderful things that there are here. Brexit is going to happen; we all accept that. Surely you should be looking at the opportunities you can be selling out there. It seems to me in this section you have been repeating bits and pieces from before and it has not been any different. Brexit will make a difference. Some of us think it will make a good difference and some of us do not, which is fair enough. Given what you do, surely you should have identified lots and lots of opportunities, so you could go out there to different markets saying, "These are your opportunities". What are those opportunities? What have you identified?

Laura Citron (Chief Executive, London & Partners): That is absolutely what we are doing and that is why we are focused on these particular sectors where London is really strong and there are great opportunities for international businesses. Within the broader subsector, some particular areas where London is world-leading and we are selling very hard are fintech, the application of artificial intelligence in life sciences, video gaming and urban technology. These are all areas where London is genuinely leading the world. There are really exciting developments happening in businesses here and in London's universities.

What our teams are doing day in and day out is meeting businesses and sharing that story about what is really exciting and why London is the best place in the world to grow your fintech business, your green tech business, your digital business or whatever it is. That is absolutely what we are doing. Having this really positive and credible story about London's future is a key part of our response to Brexit.

Susan Hall AM (Chairman): A side comment: in your experience, is the increase in crime in London having any effect on business?

Laura Citron (Chief Executive, London & Partners): To the best of my knowledge we are not able to see whether it is, so I could not give you a response. I am happy to have a conversation with the Insights Team to see whether we are able to share any evidence on that.

Susan Hall AM (Chairman): OK, because the way it is going up, it is obviously an area that we should be concerned about.

That brings us to the end. Can I thank our guests for their contributions today?