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Susan Hall
Chairman of the Economy Committee
City Hall
The Queen's Walk
London
SE1 2AA

13 November 2018

Dear Susan

I am writing in response to your letter dated 30 October 2018 which contained the formal summons, issued under section 61 of the Greater London Authority Act 1999, and resolved by the Committee on the same day.

In responding to this summons, we have provided the documents, data and information requested, and have done so in a manner which we hope is of most practical use to the Committee. We provide this information with this letter, and attach a cover note which is intended to aid scrutiny of the contents.

We understand that the Committee is interested in achieving a deeper understanding of how London & Partners is managed, and to effectively scrutinise our performance. I am grateful for the Committee's continued interest in our work.

The information we provide includes content which is commercially sensitive to clients and partners, as well as minutes of governance procedures and discussions which were held in private, together with – in places – the personal data of our clients and colleagues. We are providing this information in confidence, and we ask that the Assembly and Authority only use the information for the specified purpose and do not publish or otherwise disclose it in any way outside of those entities without further discussion.

I also request that, in accordance with the terms of our grant agreement, the Assembly and Authority consult with us if they receive a request for any of the information provided in or under cover of this letter pursuant to the Freedom of Information Act 2000 as the exemptions for confidential information (section 41), commercial interests (section 43) and personal data (section 40) might well be applicable and would expect the Assembly and Authority to consider carefully any request for this information if asked for under that Act.

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While this specific summons refers to the 2016/17 data, the Committee's broader questioning does imply the need to consider the way that London & Partners achieves the level of transparency your constituents require.

I fully acknowledge that our conversations on this topic have been frustrating. I would like to stress that we have not intended to obstruct your Committee or to be opaque in our disclosures. Our structure as a limited company was intended to allow us to operate effectively as a partner for our wider shareholders and private sector clients, particularly as we receive half of our funding from non-GLA sources.

This does create substantive challenges in how we balance the requirements of operating as a properly governed and effective private limited company, with ensuring that we are accountable for the way in which we spend taxpayers' money as a grant recipient.

To give three examples, we hold a significant amount of commercially sensitive information which I know the Committee will share my determination to protect in the appropriate way. Private companies we are seeking to attract to London will be less willing to engage with us if they cannot trust that we will carefully and appropriately maintain the confidentiality of the information they provide to us.

Equally, the intention of disclosing summaries of board meetings rather than full minutes is to ensure that our independent directors feel able to conduct rigorous scrutiny. This approach to board papers is standard behaviour for private limited companies, but of course differs from the way that many public bodies operate.

Finally, we meet and, in many areas, exceed the transparency requirements for a private limited company and under my leadership have taken further steps to do so. Given our role as custodians of significant taxpayer investment, we consider that it is right that we do so.

In the coming weeks we will conduct a review of our governance and transparency procedures to identify how we can maximise our transparency. Prior to that review I have sought and received the permission of the Board for two additional substantive transparency measures.

First, we will begin disclosing all spending over £250 from the 2019/20 financial year onwards. We will do this on a quarterly basis and make this information available on our website.

Second, we will engage an independent auditor to audit our methodology, processes and the data used to prepare our annual results, beginning with our 2019/20 results. We will publish the results of these audits on our website.

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These changes are likely to have significant resource implications, and therefore we will have to consider how best to implement changes without significant loss of promotional activity for London at a crucial time.

We hope that the information we have provided meets fully the requirements of your Committee's summons for the intended purposes. However, do let me know if you have any queries or require further clarification or elaboration.

Thank you for accepting my invitation to the AGM on the 22 November. I would be grateful if your diary would allow us to discuss the issues in this letter more deeply in the coming weeks.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Laura Citron', with a stylized flourish at the end.

Laura Citron

Chief Executive

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Cover note to London & Partners' response to the Summons issued on 30 October 2018

1. Statutory framework

The Committee has requested the disclosure of documents pursuant to section 61 of the Greater London Authority Act 1999 ("the Act").

Specifically, this gives the Assembly the power to:

(1) Subject to section 63 below, the Assembly may require any person to whom subsection (2), (3), (4) or (5) below applies—
(a) to attend proceedings of the Assembly for the purpose of giving evidence, or
(b) to produce to the Assembly documents in his possession or under his control.

...

(4) This subsection applies to—
(a) any person who has within the [8 years] prior to the date of the requirement to be imposed under subsection (1) above received a grant from the Authority, and
(b) any person who is a member of, or a member of staff of, a body which has within the [8 years] prior to the date of the requirement to be imposed under subsection (1) above received such a grant.

(8) A requirement imposed under subsection (1) above on a person falling within subsection (4) above—
(a) if imposed under paragraph (a) of subsection (1) above, is to attend to give evidence in connection with the grant received from the Authority, and
(b) if imposed under paragraph (b) of subsection (1) above, is to produce documents which relate to that grant.

There is a restriction on disclosure pursuant to the Greater London Authority (Protected Information) Order 2000 which includes the following categories of information:

1. Information relating to a relevant employee of a relevant respondent, but this category shall not be taken to include information relating to the general responsibilities attaching to particular appointments in the organisation of a relevant respondent.

2. Information obtained by a relevant respondent from any person, where disclosure of the information would constitute a breach of confidence actionable by that, or another, person.

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3.— (1) Information (other than information within the category in sub-paragraph (2)) as to advice received, information obtained or action to be taken in connection with—
(a) any legal proceedings by or against the relevant respondent, or
(b) the determination of any matter affecting the relevant respondent, whether, in either case, proceedings have been commenced or are in contemplation.
(2) The information excepted by sub-paragraph (1) is information requested from Transport for London in pursuance of section 395(1) of the Act.

4. Information—

(a) relating to action taken or to be taken in the course of the prevention, investigation or prosecution of a particular crime, or
(b) revealing or tending to reveal techniques or methods of criminal investigation.

5. Information relating to the identity of a person giving the relevant respondent information which tends to show that a criminal offence or a breach of a statutory duty has been, is being or is about to be committed.

6. Information relating to—

(a) the protection of prominent persons or their residences,
(b) national security, or
(c) counter-terrorism.

7. Information relating to the provision of police services for any national or international purpose not mentioned in paragraph 6.

We have considered disclosure within the parameters of the statutory framework.

2. Committee request and London & Partners' approach

The Committee has requested the following information:

“Any documents setting out how the claims set out in the London & Partners Annual Review 2016/17 [to] have added £340 million to London’s economy and supported or created 10,112 jobs in the 2016/17 year were arrived at and all data and information used, including documents setting out: which companies/organisations London & Partners have assisted; how they have assisted them; the evidence for that assistance; and what those companies have then done to add GVA or create/support jobs

“Documents setting out details of London & Partners staffing structure, including: the pay bands for staff, details of job titles and where posts sit in each Directorate, Division or Group; and

The agendas, papers and minutes of London & Partners Board meetings held in the past five years.”

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London & Partners is providing the documents, data and information requested, along with these explanatory notes to help guide the Committee in understanding how the documents and information relate to this Summons. We hope that these notes support the Committee's scrutiny.

We thank the Committee for drawing our attention to the exemptions set out under the Act and the Greater London Authority (Protected Information) Order 2000 which we have considered carefully, together with the provisions that permit the Assembly to discuss and deal in closed session with issues, which are covered by Schedule 12A of the Local Government Act 1972. Our disclosure has been compiled in light of these.

London & Partners holds details on our interactions with businesses through our customer relationship management (CRM) system. Much of the information below has been derived from the records held in that system.

We have presented the requested information in formats which we hope will be most useful to the Committee. For example, for our Foreign Direct Investment work we provide spreadsheets containing the most important information on each project including the Gross Value Added (GVA) and jobs value of each deal, the client name and a sample document (for instance a piece of correspondence) to confirm the veracity of the deal.

The next level of information available would be to supply every record of every interaction with every business. We estimate that there are approximately 25,000 documents in this category. These documents are available at the Committee's request, subject to any issues (eg of confidentiality) arising under the above Order, however we have not sought to supply them here due to sheer size. Please let us know if you would find it useful to access these documents either at our offices through interrogation of our CRM system or by other means.

The required documents on staff structure and Board meeting documents are provided without additional comment, but we would be happy to answer any queries in relation to these should they arise.

A full list of the documents and data provided is found in the spreadsheet ***Documents, Data and Information***.

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3. Methodology for estimating economic impact

Summons request:

“Any documents setting out how the claims set out in the London & Partners Annual Review 2016/17 have added £340 million to London’s economy and supported or created 10,112 jobs in the 2016/17 year were arrived at...”

London & Partners’ response:

As the Committee is aware, London & Partners have recently introduced a new methodology for calculating economic impact. The data requested relates to 2016/17 and was calculated under the old methodology.

This methodology can be found in the document provided titled **London & Partners Evaluation Methodology July 2014**. This is the necessary document in understanding how the claims in our 2016/17 annual review were arrived at and is referred to throughout this note.

4. Inputs to the calculation

Summons request:

“...and all data and information used, including documents setting out: which companies/organisations London & Partners have assisted; how they have assisted them; the evidence for that assistance; and what those companies have then done to add GVA or create/support jobs.”

London & Partners’ response:

Distinct calculations are used for each business area within London & Partners to estimate economic impact. This reflects essential differences in the business areas themselves - for example tourists create GVA and jobs differently to an inward investor directly hiring and these calculations can be found in the Methodology document.

The Committee have requested information regarding the inputs into these calculations. We have broken this information down by business area, as below. We provide guidance notes alongside references to the files which contain the requested information.

4.1 Overview of our calculations

The GVA and jobs figures for 2016/17 can be further broken down as below.

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	GVA	Jobs
Foreign Direct Investment	104	6,062
Business Tourism	39.5	677
Major Events	24	412
Higher Education	26	450
Leisure Tourism	146.5	2,511
Total	340.0	10,112

The methodology used to calculate our GVA figures is explained in the methodology paper provided.

The methodology used to calculate jobs has two distinct branches.

- First, to calculate jobs for foreign direct investment, we seek to assess how many jobs will be created directly by the firm investing in London. To do this, we ask each company how many jobs they intend to create in year one of set up or growth, and this number is used to calculate the 10,112 jobs number above. This is a long-standing definition that aligns with central government agencies working on inward investment, including the Department for International Trade. Additionally, we ask them for their expected jobs figures for year three.
- Second, for other business areas we are seeking to calculate how many jobs are created as a direct result of the activity. We do this by taking the additional GVA generated by an activity and dividing by an average estimated figure per job. The figure used is £58.4k which comes from page 50 of the GLA Economics Working Paper 87, which is available on their website.

This method is based upon the assumption that the growth created is evenly distributed across the economy. In practice this results in a conservative estimate of the number of jobs. This is because the average GVA per job may in fact be lower than £58.4k – for example in tourism related sectors, which in 2017 had a GVA per job figure of £42.4k.

4.2 Summary of Foreign Direct Investment

The full list of companies assisted by London & Partners in 2016/17 is found in **FDI GVA 2016-17**. In this document the Committee will find company names, year one and year three projected jobs figures and the GVA each project is calculated to contribute. The total GVA and jobs can be seen in row 293.

The GVA calculations are conducted as per the methodology set out in the methodology paper provided.

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As part of this methodology we require evidence of how many jobs a company coming to London can be expected to create, which we expect to be lower than their own projections. To find this evidence, we re-survey companies three years afterwards and develop a ratio of actual to estimated jobs. So, for example, if companies expect to create 400 jobs on average but in fact create 300 jobs, we can say that any individual company is likely to achieve on average three quarters of their projected jobs created.

We use this ratio to reduce our estimates of the GVA our work generates for London. This has a necessary time lag, so companies for 2012/13 were surveyed and this ratio applied in 2016/17.

We have provided for the Committee details of this survey, both in summary form and the full research data. This can be found in the following files: **FDI recontact survey final, FDI recontact survey topline results, survey analysis file – aggregated results.**

Evidence

For each company we have extracted two pieces of evidence from our CRM system.

The first is a form with feedback from the client responding to a range of questions including how they expect to grow and the support they have received from London & Partners. In most cases this is completed by the client. In some the information is gained verbally and inputted on their behalf.

The second piece of evidence is in most cases an item of correspondence between us and the client. As stated above we can provide access to our CRM which holds details of all the interactions with clients should the Committee require it. We have provided sample documents to avoid providing an unusably large data pack, much of which would not directly assist the Committee.

Please note that the documents “*setting out how the claims set out in the London & Partners Annual Review ... were arrived at...*” were the summary documents. The documents in their raw format were not directly referred to for the purposes of compiling the Annual Review.

4.3 Business Tourism

A full list of all the meetings and events assisted is provided in the document titled **2016-17 Business Tourism Year End Report.**

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This contains details of all the events that we assisted in 2016/17 including event names, type of event, the market and the value of the event measured in GVA. The GVA total can be seen in row 325.

The calculations converting GVA into jobs are on rows 330 and 331 and were carried out according to the methodology paper.

To measure impact, we include in our figures the length of events and expected delegates at the time the event is booked. In most cases we do not recontact clients or venues to check the numbers that attend the event. However, for some big congresses we do so, and in most cases the events attract more delegates than were originally forecast due to the desirability of London as a place to visit.

Evidence

For each event, we have extracted one piece of evidence from our CRM system. This is usually a piece of correspondence between us and the client. In many cases we work with an intermediary (for example a conference organiser) who is working on behalf of the end client and the correspondence included may be with that intermediary.

We can provide access to our CRM which hold details of all interactions with events organisers should the Committee require this.

4.4 Major events

A full list of all the Major Events assisted is provided in the document titled **16-17 ME Achieved GVA**. The Committee will find information on the event, the venue, the estimated numbers of spectators/participants and the GVA per event. The total GVA can be seen on row 18, and the estimated jobs on row 22.

These calculations were set out according to the methodology prescribed in the methodology paper.

Similarly to Business Events, we measure the impact and include in our figures when the event is confirmed as booked, using the figures provided regarding the length of event and delegate numbers. In most cases we do not recontact clients or venues to check the numbers that attend the event.

Evidence

As evidence for our major events activity, we have provided documents concerning the event and the assistance we have provided. We are usually part of a partnership of interested parties working to bring these events to London and the evidence and correspondence will reflect that.

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4.5 Higher Education

The calculations for GVA and jobs in this sector are found in the document titled **GVA-HE 16-17** on the tab GVA 16-17. These calculations are conducted according to the methodology set out in the methodology paper provided.

The Committee will find the total GVA can be seen in cell L12, and total jobs in cell L16.

The calculations also rely on survey data. We have provided details of this survey, both in summary form and the full research data. These can be found in the documents titled **Study London Survey 2015 Final, Study London Survey 2015, and Study London data 15 final.**

Our survey of students measures both those studying at the time of survey and those who have confirmed that they have accepted a place.

Evidence

To provide evidence for these calculations we provide student registration volumes at tab Input 16-17 in the **GVA-HE 16-17** document. Further detail of these registrations is available in the folder titled **Registration and Enquiries.**

The Committee may find it useful to note that that there are more entries in these detailed spreadsheets than used in the calculations. This is because, due to the registration process, some students will register more than once and we stripped these duplicates out for the purposes of calculation.

4.6 Leisure Tourism

The calculations for GVA and jobs in this sector can be found in the document titled **VL.com Model Q4 FY16-17** on the tab 'VL.com Q4 FY 16-17 Actual'. VL stands for Visit London.

These calculations are conducted according to the methodology set out in the methodology paper provided. The total GVA can be seen in cell O23 in the tab named "VL.com Q4 FY16-17 Actual". The total jobs are in O27.

Evidence

The number of visitors to the Visit London website can be found at the tabs labelled "LTq1-3non-bounce users" and "VL Q4 non bounce users – est". These volumes

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were extracted using google analytics. We did not store the information in terms of data files from google analytics.

The calculations rely on a number of variables from a survey of visitors. This survey was carried out in 2014 and is provided in the document titled **visitlondoncom_14 survey results**. This survey contains a large amount of data used in the calculation of a number of steps in the method to calculate additional GVA from visitors. The survey measures both visits that have already happened and potential visits. Only visits that have already happened are counted.

5. Staff information and Board papers

Summons request

“Documents setting out details of London & Partners staffing structure, including: the pay bands for staff, details of job titles and where posts sit in each Directorate, Division or Group; and

The agendas, papers and minutes of London & Partners Board meetings held in the last five years.”

London & Partners’ response

The board papers for the last five years are available in the file titled **Board Papers**. These papers do not require further guidance or comment.

The staff information is in the folder titled **Staff Information**. We provide two documents:

- First, our **Organisation Chart** which shows job titles, and where posts sit within the organisation.
- Second, **LP Pay Structure – October 2018**. This document sets out pay bands, including the number of employees in each, and descriptions of the level of responsibility implied.