

Appendix B – Funding asks for additional research to support the LIS

GLA Economics are producing the draft LIS evidence base, which will particularly focus on the ‘people’ element of the LIS - assessing the extent of inequality between Londoners in terms of living standards, employment and job quality, alongside other indicators. The below funding profile is an evolved version of a request for funding made to Government (made via LEAP to the Department for Business, Energy and Industrial Strategy). Subject to LEAP’s endorsement, we will update Government accordingly. The funding request is designed to address key gaps in the existing evidence base. They will require out commissioning to gain a better understanding of how the Mayor can maximise future productivity and ensure those benefits are more equally shared.

- I. Up to £50,000 for analysis of how economic activity in London interrelates with activity in the rest of the UK, and how London’s contribution to nationwide growth and productivity can be maximised. This will include supply chain analysis. Match funding will also be sought for this research.

This research will provide an evidence-based understanding of how policy in London can more effectively support growth and productivity improvements in the rest of the country.

- II. Up to £40,000 to map emerging enabling technologies in London, which have the potential to enhance productivity across the economy.

This research will help to ensure that the LIS is forward-looking and dynamic; encouraging the development of new activities and technologies that have the potential to drive productivity improvements across the economy, rather than simply supporting well-established sectors and processes. These productivity improvements are essential for delivering higher living standards in the future for all Londoners, regardless of their income level or the sector in which they are employed.

- III. Up to £50,000 for research on innovation diffusion in London, both between the research community and businesses, and from highly-productive, innovative businesses to lower-productivity businesses. This may include a specific focus on the ‘everyday’ economy.

Understanding how new innovations spread throughout the economy is crucial in designing policy interventions to raise productivity. Focusing on the low-productivity everyday economy is of particular value given that low productivity is associated with low wages. Identifying opportunities to raise productivity in these sectors can therefore contribute to the important social objective of improving living standards and alleviating in-work poverty in London.

- IV. Up to £30,000 to collate evidence on the relationship between productivity and wages in London across sectors, and how this can be strengthened to ensure that productivity growth translates into meaningful improvements in living standards.

- V. Up to £30,000 for a cost-benefit analysis of skills and employment policy proposals for the LIS, modelling the economic impact of scenarios for future skills and employment funding in London. Match funding will also be provided via GLA core funds for this research.