

# GREATER LONDON AUTHORITY

**REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2174**

**Title: London's relations with the rest of the UK**

**Executive Summary:**

Research to be carried out by Centre for London will address two related areas: strengthening London's relations with the rest of the UK; and understanding and addressing regional imbalances and the role of London. The research will inform the Mayor's work with other city regions and strengthen the case for devolution. It will also address the perception that London grows at the expense of other areas and provide options for developing the capital's relationship other regions of the UK to strengthen national cohesion and economic growth. The research will be part-funded by the GLA together with London Councils and potentially other funders.

**Decision:**

That the Head of Economic Growth approves £20,000 from the Development, Enterprise & Environment Minor Programme budget for 2017-18 as a grant to the Centre for London to undertake research into London's relations with the rest of the UK. The GLA's contribution will part-fund the research.

**AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:**

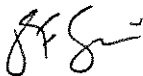
I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

**Name:** Jeremy Skinner

**Position:** Head of Economic Growth

**Signature:**



**Date:** 10.1.18

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE**

### **Decision required – supporting report**

#### **1. Introduction and background**

The relationship between London and the rest of the UK is, and will continue to be, of significant economic, political and cultural importance. London remains one of the leading destinations in the world for FDI and is regularly ranked in the elite group of truly global cities. The success of London has major benefits for the rest of the country. As the UK leaves the EU, London's global position is likely to be of greater importance as we develop stronger trading relationships with international partners. However, the relationship between London and other UK city-regions has been characterised by growing gaps in productivity, GDP growth and wealth and income inequality. The role of London has, at times, been presented as subsidising other parts of the UK. This is unhelpful: it overlooks the importance of trade between London and other UK regions; it fails to reflect the regional specialisms from which London benefits (eg manufacturing); it does not account for the economic impact of London's sector specialisms in other regions (eg the growth of financial and related professional services in many UK cities). London is also positioned as being at the centre of power, while other UK areas are dependent on government grants and rule-making. Again, such a view does not take into account the limited powers enjoyed by London's government which, as with other city-regions, operate within a heavily centralised system. The election of combined authority ('metro') mayors last year has challenged this narrative – with the Mayor of London, there is an emerging joint platform around devolution.

The Mayor has identified the relationship between London and other parts of the UK as critical to the capital and country's long term economic growth. This is outlined in his response to the Government's *White Paper on the UK's Exit from and new partnership with the European Union* (March 2017) and *Industrial Strategy Green Paper* (August 2017). It is also clear from his *Draft Economic Development Strategy* (November 2017) that the connections between London and other city regions will drive future prosperity. They will also be important in demonstrating the value of devolving stronger powers, including fiscal, to city-regional levels. The GLA will be part of the advisory group for the research.

#### **2. Objectives and expected outcomes**

The Centre for London research will:

- assess how London is perceived by different parts of the UK
- identify steps the capital could take to improve its relationship with other cities, including at cultural (eg nationals and regional institutions, visitors) and political levels (eg Mayoral, London Boroughs/City of London).
- analyse the growing economic gap between London and other city-regional, including levels for GDP, productivity and wealth/income
- identify how London can better support regional economic growth, including through a more ambitious (national) approach to devolving powers to city-regions.

The research will inform the Mayor's work with other city regions and strengthen the case for devolution. It will also address the perception that London grows at the expense of other areas and provide options for developing the capital's relationship other regions of the UK to strengthen national cohesion and economic growth.

#### **3. Equality comments**

Officers confirm that there are no adverse implications under the public sector equality duty in relation to the commissioning of the activities described above.

#### 4. Other considerations

##### a) Key Risks and Issues

This is not a directly commissioned piece of work but a contribution towards the costs of an overall estimated budget of £80k. London Councils has also agreed to contribute £20k and other funders have been approached.

##### b) Links to strategies and Mayoral and corporate priorities:

- i) The draft Economic Development Strategy identifies the importance of London's relationships with the rest of the UK. GLA Economics' analysis in *Growing Together II: London and the UK Economy* (September 2014) shows that 'when London grows, the UK grows' and sets out sectoral trading patterns between London and the UK.
- ii) The Mayor endorsed the findings of the London Finance Commission which reported in January 2017. This is aligned with the priorities of other city-regions which are calling for stronger fiscal powers. The first Mayoral Summit (1 November 2017) ended with a joint statement in support of a more ambitious approach to devolving powers from Whitehall, including fiscal controls.

##### c) Impact assessments and Consultations.

- i) An impact assessment or consultation is not considered necessary because the decision to part-fund the Centre for London's research fits within one of the exemptions to the GLA's Contracts and Funding Code.

#### 5. Financial comments

The GLA's contribution of £20,000 for this research study will be funded from the Development, Enterprise & Environment Minor Programme budget for 2017-18.

#### 6. Planned delivery approach and next steps

Activity	Timeline
Procurement of contract [for externally delivered projects]	
Announcement [if applicable]	
Delivery Start Date [for project proposals]	Early 2018
Main milestones	
Main milestones: report	
Final evaluation start and finish (self/external) [delete as applicable]:	
Delivery End Date [for project proposals]	
Project Closure: [for project proposals]	Spring 2018

**Appendices and supporting papers:** Appendix A: Draft Centre for London project outline

**Public access to information**

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary.

**Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

**Part 1 Deferral:**

**Is the publication of Part 1 of this approval to be deferred? No**

Until what date:

**Part 2 Confidentiality:** Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

**Is there a part 2 form – NO**

**ORIGINATING OFFICER DECLARATION:**

**Drafting officer:**

James Lee, Senior Policy Officer, Economic and Business Policy has drafted this report in accordance with GLA procedures and confirms that the Finance and –if relevant- Legal teams have commented on this proposal as required, and this decision reflects their comments.

**Corporate Investment Board:**

The Corporate Investment Board reviewed this proposal on 8 January 2018.

**HEAD OF FINANCE AND GOVERNANCE:**

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

**Signature:**



**Date:**

08-01-18