

GREATER LONDON AUTHORITY

REQUEST FOR DIRECTOR DECISION – DD1144

Title: Extension of Jones Lang LaSalle Secondment – Investment Opportunities

Executive Summary:

Previously an amount of £39,000 was allocated from the central programme budget to fund two secondees from Jones Lang LaSalle to work with the GLA and London & Partners (L&P) for the initial work required to map the London regeneration/ redevelopment/infrastructure development offer and build a proposition portfolio to take to the domestic and international market; with the intention of bringing value added investment into London.

L&P have put forward a proposal for additional funding to cover the cost of retaining the secondees for an additional 4 months (December 2013 – March 2014 inclusive) at £20,000 per month.

Decision:

That the director approves the provision of £80,000 to London & Partners to cover the cost of Jones Lang LaSalle secondments until the end of the financial year 2013/14.

AUTHORISING DIRECTOR

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: Fiona Fletcher Smith

Position: Executive Director

Signature:



Date:

15/1/14

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

The team from Jones Lang Lasalle (“JLL”) began providing services to London and Partners (“L&P”) in mid-July. Their work filled a skills gap in terms of being able to interpret the political priorities and data flowing from policy officials and town planners, and turned that into market ready, project propositions full of key commercially vital data which, in conjunction with the L&P sales teams, could then be placed in front of potential investors to drive further interest in London.

The team were responsible for preparing the project details that were presented to the delegation from the United Arab Emirates (“UAE”) Government [REDACTED] at the end of July; the project opportunities brochure that became the focal point of the Mayor’s visit to China in October; the brochure for the Real Estate element of the World Islamic Economic Forum at the end of October and the brochure that the Mayor took to Kuwait in November. The Development Director also accompanied the Mayor as part of the services provided to L&P on part of his China visit to help explain the propositions to potential investors.

As a direct result of this activity from L&P and JLL, these projects have:

- the UAE Government interested in investing in [REDACTED];
- created interest in London within at least 6 major Chinese investment houses;
- facilitated a deal with a Singapore investor to purchase Royal Wharf (worth over £200 million); and
- reignited interest in London development from the Kuwait investment authority.

2. Objectives and expected outcomes

There is much work to fulfil in preparation for MIPIM (*Le marché international des professionnels de l’immobilier*) the largest international real estate and property event hosted in Cannes, France in March and then for future sales visits by the Deputy Mayors for Planning and for Housing and Land as well as the L&P global sales teams.

The L&P team will:

- Develop the portfolio of London projects, mainly but not solely based around the Opportunity Areas as outlined in the Mayor’s 2020 vision document outlined in Vision 2020, in conjunction with the development community, GLA Group and the London Boroughs and market them internationally.
- Continue to manage the relationships with interested investors – introducing them to development and other partners – to deliver investment into London’s regeneration/development projects.
- Be the docking point on behalf of GLA/L&P for UKTI and RIO for regeneration and development issues.
- Ensure delivery of the UAE interest in London
- Deliver the L&P elements of MIPIM as part of the wider London Family presence.

3. Other considerations

Risks and key issues

The scope or objectives of the project might change, and so the work provided by JLL would no longer be fit for purpose. This risk is minimal given that the project has clear long term aims, and even if the objectives were to change, the work undertaken by JLL could be applied in a variety of ways.

The project might fail to meet its stated aims. This is unlikely as L&P's success has been ongoing, as pointed out above. There are positive indications that promoting London in this way will continue to have a real and notable impact on investment.

Link to Mayoral Strategies and Priorities

Economic Development Strategy:

- To promote London as the world capital of business, the world's top international visitor destination and the world's leading international centre of learning and creativity.
- To attract the investment in infrastructure and regeneration which London needs, and to maximise the benefits from this investment and in particular from the opportunity created by the 2012 Olympic and Paralympic Games and their legacy.

Housing and Land

- Maximising the potential of GLA land holdings.

Government and International Relations

- Support Mayoral priorities on jobs and growth by organising and delivering the Mayor's international visits.

Impact Assessments and consultations

The value of the work has already been seen in the successful attraction of investors from Middle East and China. Further analysis of the success of this work will be undertaken by L&P at year end.

4. Financial comments

- 4.1 Approval is being sought for the allocation of up to a maximum of £80,000 in 2013/14 to retain two secondees from Jones Lang LaSalle (JLL) to continue to work with the GLA and London and Partners in mapping the London regeneration/redevelopment/infrastructure development offer and building propositions to take to the domestic and international market.
- 4.2 The allocation of £80,000 funding from the GLA central programme budget has been approved to fund the secondment costs, which have been arrived at by reviewing the day rate used in Homes and Community Agency panel appointments, discounted to reflect the nature of the role (to ensure value for money).
- 4.3 As part of their business planning, the responsible Director is bidding to make the Regeneration and Development Team permanent within L&P, funded from the L&P resources. As the host of the secondment, L&P will take ownership of drawing up and managing the agreement with JLL and the secondees.
- 4.4 Any changes to this proposal, including budgetary implications will be subject to further approval via the Authority's decision-making process. All appropriate budget adjustment will be made.

4.5 The Government and International Relations Unit within the Mayor's Office will be responsible for managing this proposal.

5. Legal comments

5.1 Sections 1 – 4 of this report indicate that the decisions requested of the director in accordance with the GLA's Contracts and Funding Code fall within the GLA's statutory powers to do such things considered to further or which are facilitative of, conducive or incidental to the promotion of economic development and wealth creation, social development or the promotion of the improvement of the environment in Greater London; and in formulating the proposals in respect of which a decision is sought officers have complied with the Authority's related statutory duties to:

- pay due regard to the principle that there should be equality of opportunity for all people;
- consider how the proposals will promote the improvement of health of persons, health inequalities between persons and to contribute towards the achievement of sustainable development in the United Kingdom; and
- consult with appropriate bodies.

5.2 The GLA's provision of funding to L&P to in order for L&P to secure consultancy services falls within the principal purposes of the Authority as it promotes social and economic development in London by assisting in driving interest in investment.

5.3 Officers must ensure that appropriate contract documentation is put in place to provide the funding.

6. Planned delivery approach and next steps

It is proposed that this role continues to be filled by the secondment of Katie Kopec, International Director, for 2 days a week with the remaining 3 days being drawn on from the secondment of Matthew Parry an Associate within her team.

Both will be retained to the end of the 2013/14 financial year. L&P are planning to make the work part of their core work in future years and so will fund it centrally, not requiring additional funds for staff from GLA.

Activity	Timeline
Procurement of contract [for externally delivered projects]	NA
Announcement [if applicable]	NA
Delivery Start Date [for project proposals]	Underway
Final evaluation start and finish (self/external) [delete as applicable]:	March 2014
Delivery End Date [for project proposals]	March 2014
Project Closure: [for project proposals]	On-going

Appendices and supporting papers: None

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

If YES, for what reason:

Until what date: (a date is required if deferring)

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 to confirm the following (✓)

Drafting officer:

Dominic Hurley has drafted this report in accordance with GLA procedures and confirms that:

✓

Assistant Director/Head of Service:

Fiona Fletcher-Smith has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.

✓

Financial and Legal advice:

The Finance and Legal teams have commented on this proposal, and this decision reflects their comments.

✓

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

15.1.14

