

**REQUEST FOR MAYORAL DECISION – MD1327**

**Title: London & Partners 2014/15 Business Plan and Budget**

**Executive Summary:**

The Mayor has approved and signed a funding agreement (MD807) to provide grant funding to London & Partners over 4 years, from 2011/12 to 2014/15.

Each year's grant funding is contingent on GLA approval of London & Partners' annual business plan and on the GLA issuing an annual Grant Award letter.

The Investment and Performance Board meeting on 20 February 2014 approved in principle the London & Partners' 2014/15 Business Plan and Budget of £18.8m. This MD formalises the Mayor's approval.

**Decision:**

That the Mayor approves:

- London & Partners' 2014/15 Business Plan, incorporating an expenditure budget of £18.8m and GLA grant funding of £11.65m;
- The issue of a Grant Award letter to London & Partners by the Executive Director of Resources confirming the Grant Funding of up to £11.65m for the financial year 2014/2015; and
- Expenditure of up to £0.01m by the GLA for the purposes of carrying out a London & Partners stakeholder satisfaction questionnaire, with any underspend from this amount being granted to London & Partners to be redeployed on promotional activities.

**Mayor of London**

I confirm that I do not have any Disclosable Pecuniary Interests in the proposed decision, and take the decision in compliance with the Code of Conduct for elected Members of the Authority.

The above request has my approval.

**Signature**

**Date**

**24 March 2014**

## **PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR**

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

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

- 1.1 London & Partners Ltd (L&P) was incorporated as a company limited by guarantee on 14 January 2011 and, with a grant from the GLA (approved by MD807), commenced operations on 1 April 2011.
- 1.2 L&P is reaching the end of its third year of operation and the third of a four-year Grant Agreement with the GLA. GLA funding has been granted as follows. Lower costs in latter years reflect efficiency savings across L&P, and the funding of a reserve, to be held by the GLA, and drawn down and paid to L&P in the event of future closure:
- |         |                                 |
|---------|---------------------------------|
| 2011/12 | £15.825m                        |
| 2012/13 | £13.166m                        |
| 2013/14 | £11.28m                         |
| 2014/15 | £11.65m (approved in principle) |
- 1.3 In addition, in 2014/15 the GLA is budgeting up to £10k to carry out a satisfaction survey of L&P's stakeholders. The majority of the work will be done in-house by GLA staff, so the full amount may not be used. In this case we would pay the remainder to L&P to be redeployed on other activities.
- 1.4 The GLA is planning to continue funding L&P in financial years 2015/16 and 2016/17, subject to the GLA's annual budget-setting process and approval of the L&P business plan for each year. Any further funding award will be subject to the GLA approval processes and a Deed of Variation to the grant agreement.
- 1.5 The provision for potential closure costs is estimated by L&P to be £2.2m. L&P contributed £1.48m from the 2013/14 grant, along with an additional contribution of £0.24m p.a. over the next three years from the grant awarded by the GLA.
- 1.6 The Grant Agreement between the GLA and L&P states that no funding will be payable for any financial year prior to the GLA's approval of the business plan to which that financial year relates.
- 1.7 London & Partners has recently refreshed and published its corporate strategy 2014-17, and subsequently has produced its 2014/15 business plan, which was approved by the L&P board on 6th February 2014.
- 1.8 The business plan has been designed to deliver L&P's corporate mission – to tell London's story brilliantly – and to make a significant contribution to building London's reputation and creating additional jobs and economic growth for the city. The plan has a dual purpose: delivering jobs and growth by attracting investment and visitors today; and building London's reputation for tomorrow.
- 1.9 Activities will be significantly ramped up across the areas of culture, life sciences and high technology, with L&P maximising the opportunity to promote London's world leading offer.

#### **2. Issues for consideration**

- a) Links to strategies and Mayoral and corporate priorities

The proposals are fully in line with the overarching vision and objectives of the Mayor's Economic Development Strategy (EDS). The EDS sets as its first objective the promotion of 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

b) Impact assessments and Consultation

The business plan has been developed in close consultation with senior GLA staff to ensure alignment with mayoral priorities and plans.

c) Risk

A Grant Agreement and Deed of Variation have been signed between the GLA and London & Partners, committing the GLA to provide grant funding to London & Partners up to £54m over 4 years (2011/12 to 2014/15). The terms and conditions of the Agreement require L&P to have appropriate procedures and controls in place such that the GLA can ensure economy, efficiency and effectiveness in the use of its resources.

### **3. Financial Comments**

- 3.1 The grant payment to London and Partners of £11.65m is in accordance with the GLA's budget for 2014/15, as approved by the Mayor in February 2014.

### **4. Legal Comments**

4.1 The decisions requested of the Mayor (in accordance with the Authority's Contracts and Funding Code fall within the statutory powers of the GLA under the Greater London Authority Act 1999 (the 'Act')). Under section 378 of the Act the GLA has a duty to promote tourism to Greater London and the approval of the Business Plan of London & Partners together with grant funding from the GLA can fairly be described as an event that will promote tourism to London.

4.2 Paragraph 1 above indicates that the contribution of up to £11.65m to London & Partners amounts to the provision of grant funding and not payment for services. Officers must ensure that the funding is distributed fairly, transparently, in accordance with the GLA's equalities and in a manner which affords value for money in accordance with the Contracts and Funding Code.

4.3 Officers must ensure that an appropriate grant award letter is put in place between and executed by the GLA and recipient before any commitment to fund is made. This can be signed by the Executive Director of Resources as authorised under MD807.

### **5. Investment & Performance Board**

IPB endorsed the Business Plan and budget on 20 February 2014.

### **6. Background/supporting papers**

1. London & Partners 2014-15 Business Plan
2. 2014-15 Grant Award Letter

**Public access to information**

Information in this form is subject to the Freedom of Information Act 2000 (FOI Act) and other legislation. Part 1 of this form will be made available on the GLA website within 1 working day of approval. Any facts and advice that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Is the publication of this approval to be deferred? NO

If yes, for what reason:

Until what date:

Is there a part 2 form - NO

**ORIGINATING OFFICER DECLARATION:**

	Tick to indicate approval (✓)
<b>Drafting officer:</b> <u>Katy Stevenson Bretton</u> has drafted this report in accordance with GLA procedures and confirms the following have been consulted on the final decision.	✓
<b>Assistant Director/Head of Service:</b> <u>Mark Kleinman</u> has reviewed the documentation and is satisfied for it to be referred to the Sponsoring Director for approval.	✓
<b>Sponsoring Director:</b> <u>Fiona Fletcher-Smith</u> has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities.	✓
<b>Mayoral Adviser:</b> <u>Kit Malthouse</u> has been consulted about the proposal and agrees the recommendations.	✓
<b>Advice:</b> The Finance and Legal teams have commented on this proposal.	✓

**OFFICER APPROVAL****Executive Director, Resources**

I have been consulted about the proposal and confirm that financial and legal advice have been taken into account in the preparation of this report.

**Signature**

**Date**

**Chief of Staff**

I am satisfied that this is an appropriate request to be submitted to the Mayor

**Signature**

**Date**