

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD3111

Title: London & Partners' Business Plan and Grant Funding Award 2023-24

Executive Summary:

London & Partners Limited (L&P) is the business growth and destination agency for London. L&P has produced a business plan for 2023-24 that proposes areas of ongoing activity from previous business plans:

- supporting international and domestic businesses in high-growth sectors to scale
- developing London as a destination and attracting visitors, conferences and events
- growing London's global reputation to support economic growth
- creating partnerships and profit-making ventures to scale L&P's impact.

The plan also describes new or significantly changed areas of activity:

- small business support: expanding and enhancing the Wayfinder programme and the London Business Hub
- MedCity – supporting investment and growth in the life sciences sector
- business growth: L&P has submitted a grant funding application to the new UK Shared Prosperity Fund (UKSPF) to support its work with high-growth businesses
- London Tourism Vision 2030.

This Mayoral Decision (MD) seeks approval of L&P's new 2023-24 business plan, and the 2023-24 award of core grant funding up to £11.17m as a contribution to its costs of delivering the plan, £2.7m of funding to continue international tourism promotional activities and related staffing costs, and £0.2m funding for life sciences-related activity as MedCity joins L&P. The provision of UKSPF funding to L&P is being considered separately and will be the subject of a separate MD.

Decision:

The Mayor approves:

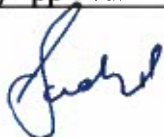
- i. London & Partners' business plan for 2023-24
- ii. the award of core grant funding to L&P up to £11.17m as a contribution to its costs of delivering its 2023-24 business plan
- iii. the award of £2.7m of funding to L&P to continue international tourism promotional activities and related staffing costs
- iv. the award of £0.2m funding for life sciences-related activity as MedCity joins L&P.

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:

4/5/23

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

Decision required – supporting report

1. Introduction and background

- 1.1. L&P is the business growth and destination agency for London. A company limited by guarantee, operating as a social enterprise that receives both public and commercial income, L&P's aim is to create economic growth for London that is resilient, sustainable and inclusive.
- 1.2. This MD seeks approval of L&P's new 2023-24 business plan, and the award in the 2023-24 financial year of core grant funding up to £11.17m as a contribution to its costs of delivering the business plan, together with an additional £2.7m of funding to continue international tourism promotional activities and for related staffing costs, and £0.2m funding for life sciences related activity as MedCity joins L&P. The proposed core grant funding of £11.17m is the same level of core grant funding as the GLA provided to L&P for 2022-23.
- 1.3. Since May 2016, L&P has delivered significant outcomes for London during a period of significant change and uncertainty. L&P has:
 - added £1.8 billion GVA to London's economy
 - inspired 145 million people through visitlondon.com
 - attracted 1,332 events to London
 - created or supported 46,000 jobs
 - supported 1,135 overseas companies to set up or expand in London
 - brought £370m in extra tourism spend to London through the Let's Do London campaigns as the city recovered from the pandemic, at a return of £22 extra tourism spend for every pound spent on the campaigns.
- 1.4. The economic challenges of recent years have meant L&P's role in attracting international investors and supporting international and domestic businesses in high-growth sectors to scale has been more important than ever. In the financial year 2022-23, by the end of Q3 L&P had created £196m in economic benefit, including securing a total of 110 foreign direct investments, creating 4,900 jobs (generating £89m of the £196m total) and as part of the Mayor's International Business Programme, delivering ten trade missions to six countries supporting 114 companies with their international expansion.
- 1.5. L&P's proposed 2023-24 business plan has been developed for the GLA's consideration to enable it to determine whether it wishes to provide grant funding to L&P for use in the delivery of its business plan. It is attached at Appendix 1.
- 1.6. Should any funding be awarded to L&P, its performance against key performance indicators (KPIs) will be monitored by the GLA on a quarterly basis at formal meetings attended by senior L&P and GLA officers and high-level strategic review will be provided by meetings three times per year between the GLA Chief Officer, L&P CEO and senior L&P and GLA officers. Grant funding payments will be made on a quarterly basis subject to satisfactory monitoring of performance against the deliverables approved as part of the 2023-24 business plan (for which approval is being sought via this MD).
- 1.7. L&P's work is also scrutinised by the L&P Board at quarterly board meetings. The Chair of the L&P Board is appointed by the Mayor, and in addition commencing this financial year, a senior GLA representative from the Mayor's Office will also be appointed to the Board.

1.8. L&P continuously improve their wider governance, and have implemented the London Assembly's recommendations in the report titled *Governance of Trade Missions and the GLA Code of Conduct*.

2. Objectives and expected outcomes

2.1. L&P's business plan for 2023-24 maintains continuity with L&P's previous 2022-23 business plan, with the following areas of ongoing activity:

- Supporting international and domestic businesses in high-growth sectors to scale: L&P will support high-growth businesses creating resilient, high-quality, inclusive jobs in London by bringing global businesses to London to set up; taking London-based businesses on trade missions to other markets to increase their international trade; and incubating London-based businesses. The employment created is measured through GVA which is a calculation of the number of jobs created and the value of those jobs.
- Developing London as a destination and attracting visitors, conferences and events: L&P will create additional sustainable spend in London's hospitality, leisure, retail and culture sectors. L&P will work with its partners to support the continuing recovery of tourism, as well as major events. This includes:
 - acting as the conventions and business tourism bureau for London, attracting high value events that drive visitors to the capital and increase the city's competitiveness in the sector
 - attracting and amplifying sporting, cultural and other major events which show London at its best.

2.2. L&P will also continue the highly successful 'Let's Do London' campaign with a proposed £2.7m of GLA funding for international tourism promotional activities and related staffing costs.

- Growing London's global reputation to support economic growth: L&P will support London's communicators to tell the best possible about the city, and through effective media and messaging work (including with partners) create a consistent, loud voice for London. This includes:
 - coordinating and managing London's reputation by working with the wider London community to identify and respond to reputational risks
 - coordinating London's proactive messaging by working with the wider London community to identify opportunities and to encourage joint messaging and planning
 - sharing L&P's insights and research about global audiences with the industry to inform their decision making
 - broader media relations activity.
- Creating partnerships and profit-making ventures to scale L&P's impact: L&P will reinvest the profit it generates from commercial ventures to advance its mission to support London's ongoing recovery, noting that across the portfolio of L&P's profit-making ventures the balance between profitability and mission will vary.

2.3. L&P will continue to work in partnership with central London boroughs and property owners to attract innovative retail, hospitality, leisure and cultural experiences from around the globe into the Central Activities Zone (CAZ), every day creating a world-class offer which will be highly attractive to Londoners, UK and international tourists; and £400k has been made available to promote this work.

2.4. As L&P's 2023-24 business plan continues to deliver in these four areas (maintaining continuity with L&P's 2022-23 business plan), L&P's KPIs remain as GVA; Net Promoter Score (NPS); and commercial income. In addition to these KPIs, L&P will also measure the success of the 2023-24

Let's Do London campaign by reporting the total number of additional international visitors to London, the total additional visitor spend in London, and calculating the return on investment (ROI) figure following the completion of the campaign. Prior to these final results, L&P will also report on the campaign's impact (target market's campaign recall and consideration/intent to visit London), reach, frequency of viewing, and the percentage of the target audience that have visited London.

- 2.5. L&P's 2023-24 business plan also details areas of activity which are either new or significantly changed from the previous financial year. They are as follows:
- **Small business support:** The Wayfinder programme and the London Business Hub aim to help small businesses access the information and support they need to succeed, whatever the life stage of that business. London & Partners will submit a UKSPF grant funding application to expand and enhance these programmes working with local boroughs and the wider ecosystem. L&P will provide a single front door for London's small businesses, drawing upon its marketing strength. L&P will help small business owners to get the support they need to make their households more financially resilient, reducing inequality and helping local communities to thrive. Delivery of the Wayfinder programme and London Business Hub will require a change from a strategic to an operational working relationship between L&P and the London boroughs. L&P will build on the success of the London Business Hub to help small businesses to reach the support they need.
 - **MedCity:** L&P will bring together L&P and MedCity to shape an ambitious future for London's life sciences sector. By bringing together the deep expertise and industry links of MedCity with L&P's global scale and marketing expertise, L&P will create economic and wider social impact. It is proposed that L&P will receive £0.2m of GLA funding specifically to support London's life sciences sector.
 - **Business growth:** L&P has submitted a UKSPF grant funding application to provide a long term, higher impact future for its work supporting high-growth businesses. With new funding from UKSPF and L&P's commercial partners, L&P is expanding its award-winning schemes to support high growth businesses to grow in London and to internationalise. By restructuring its business growth programmes, L&P can provide improvements including more continuity of support as businesses' needs evolve as they grow, a more structured programme of events, better quality connections, and enhanced account management. L&P will aim to assist London's most innovative firms in creating jobs in the capital and abroad while solving important social and environmental challenges.
 - **London Tourism Vision 2030:** L&P will be ambitious for London's continued tourism recovery and beyond. Following the success of Let's Do London, last year, working in partnership with over 80 key stakeholders including the tourism industry, the GLA and trade associations, L&P launched the London 2030 Tourism Vision in October 2022 to create a long-term strategy for the leisure and business tourism economy - a strategically vital element of London's global standing. The London Tourism Vision 2030 is a vision for what London should be as a destination. This year, L&P will work with these same stakeholders to develop specific strategies, delivering in line with this vision to future proof London's position as the leading global destination for visitors.
- 2.6. L&P expects to add two new metrics this year to track the performance in two of these new areas of activity: a small business support metric; and a life sciences innovation metric. L&P will report these in its quarterly reports to the GLA and publish them on its website.
- 2.7. L&P have identified four corporate priorities for the 2023-24 financial year as follows:
- **Financial sustainability:** As L&P take on increased public funding to support new activity it will manage it finances tightly, understanding inflationary pressures and seeking to secure sustainable sources of non-grant funding.

- Growing for long-term success: L&P will grow its team, clients and targets and will manage that growth carefully, making sure it has the systems, strategy and culture in place needed for sustainable performance.
- Tourism leadership: Last year L&P convened the tourism industry to create a vision for the future of the sector in London and launched the London 2030 Tourism Vision. This year L&P will turn that vision into a strategy.
- Investing in its people & tech: L&P's growth increases its complexity and therefore L&P will invest in a systems upgrade in order to reduce costs and improve performance. L&P will also evolve its culture to reflect its new clients and partners, by hiring and supporting colleagues to integrate into L&P to help meet L&P's new challenges.

KPIs and targets

- 2.8. L&P has robust outcomes that are independently audited, and its GVA methodology is publicly available to read. For 2023-24 L&P has set its targets in the context of its growth to support more businesses and simplify business support and its aim to maintain strong outcomes alongside delivering the transition to a larger organisation, on a break-even budget. L&P will be required to report to the GLA on a quarterly basis on the following:
- GVA: Demonstrating L&P's economic impact defined as GVA remains L&P's primary outcome. L&P has set a GVA target of £237m for 2023-24, L&P's highest ever target, which is substantially higher than L&P's 2022-23 target of £178m.
 - Commercial income generation: A commercial income target of £7.1m for 2023-24 has been set by L&P. L&P's target for 2022-23 was £7.43m. These targets are not comparable on a like-for-like basis. The 2022-23 target of £7.43m included within it £2m of tourism campaign funding for the Let's Do London campaign. On a comparable basis, £7.1m would represent an increase from a target of £5.43m to £7.1m, or 24 per cent year-on-year growth. Any tourism campaign funding will be additional to this target.
 - NPS: L&P will track customer satisfaction by using NPSs for their core activities with the target of 50+ for its 'Clients' generating GVA (i.e. investors, scale-ups, event organisers that L&P provides a free service to) and 45+ for its 'Partners' generating income (i.e. who pay L&P to support its programmes and/or receive services from L&P). This compares with a target of retaining positive NPSs across all of its clients, partners and stakeholders in 2022-23. L&P will investigate individual programmes if the NPS drops by 20 per cent or five points, or if it becomes negative. A score above zero is "good"; above 50 is "excellent"; and above 80 is "world-class". These scores are calculated by combining positive and negative responses in a survey to establish a "net" consumer sentiment level. This is a standard industry metric for measuring customer satisfaction.
- 2.9. To measure L&P's success in promoting equality, diversity and inclusion L&P will be required to report on the percentage of diverse-led businesses supported through its programmes at the 2023-24 financial year end.
- 2.10. L&P will also be required to report to the GLA on the success of the 2023-24 Let's Do London international tourism marketing campaign, in terms of the total number of additional international visitors to London, the total additional visitor spend in London, and the return on investment (ROI) figure following the completion of the campaign.
- 2.11. Prior to the completion of the 2023-24 Let's Do London international campaign, L&P will be required to report to the GLA on:
- target market's campaign recall
 - target market's consideration/intent to visit London

- total campaign reach (across a variety of paid media channels) and frequency (i.e. how many times an individual is likely to have seen an advertisement)
- percentage of target audience who have visited London.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities including the GLA must have due regard to the need to:
- eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Equality Act 2010
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.
- 3.3. Due regard must be had at the time a decision is being considered. The duty is non-delegable and must be exercised with an open mind.
- 3.4. L&P committed to a new recovery mission in 2021-22¹ that focuses on the quality and quantity of growth; and on supporting resilience, sustainability and inclusion. The commitment to inclusion in L&P's mission will continue to frame its work, guiding the types of businesses it supports, the sorts of jobs it seeks to create, and its work to connect people with jobs.
- 3.5. L&P's high-growth business programmes carry a strong track record of high levels of representation of London's diverse communities. To date, L&P's cohorts for its Business Growth Programme have been made up of 39.8% founders from ethnic minorities and 26.7% female founders.
- 3.6. L&P have run a number of high-growth business schemes committed to supporting business leaders from under-represented and Black, Asian and minority ethnic backgrounds. This includes a dedicated Founders Awareness campaign for L&P's Business Growth Programme (for startups). Building on the success of its female founder trade missions, L&P has delivered a series of bespoke missions for Black and Mixed-ethnic founders.
- 3.7. In 2021, recognising the funding existing in the investment landscape, L&P launched its Beyond HERizons initiative, as part of the Silicon Valley Comes to the UK programme. The 12-month business programme provides female entrepreneurs with the skillset, network and confidence to scale their business and secure investment.
- 3.8. L&P works with FDI growth clients within London in accessing diverse and under-represented talent pools. It works closely with its FDI talent partners to support clients' objectives around accessing diverse talent pools. To support this, L&P has produced a talent toolkit that provides guidance for employers looking to recruit within London's workforce and includes pointers on accessing diverse talent.

¹ The London Recovery Board (LRB) committed to taking a missions-based approach to London's recovery following the COVID-19 pandemic. The LRB was chaired jointly by the Mayor of London and the Chair of London Councils. It brought together leaders from across London's government, business and civil society, health and education sectors, trade unions, and police. The LRB has now transitioned to a new Partnership Board which will work on the strategic issues for London. The Economic Framework, with its pillars including Global London and business, remains the template for continued joint working between London's partners.

- 3.9. L&P ensures that all events it organises have high levels of diversity, including diverse participation for panel speakers and roundtable invitees.
- 3.10. Internally, L&P has committed to building a workforce which is diverse and reflects London's populations. L&P publishes its gender, ethnicity and disability pay gap reports annually. Building on the success of its Origins staff network, which celebrates diversity for Black and Mixed-ethnic staff, L&P has established a wider range of network staff groups including the Generations (celebrating age diversity), Parents and Interfaith groups among others such as Pride & Partners and the Women's Network.
- 3.11. Officers have considered the likely impact of this proposed decision on groups with protected characteristics. For the reasons outlined above, they have concluded that there are no adverse impacts, and that impacts are likely to be positive.

4. Other considerations

Key risks and issues

- 4.1. There are no significant risks or issues associated with awarding a total of £14.07m to L&P to utilise for the purposes laid out above. L&P has a very strong track-record of delivery against its core functions since it was created in 2011 and also remained resilient through the COVID-19 pandemic. The proposed award of £11.17m of core grant funding for 2023-24 is a real-terms decrease in the equivalent £11.17m of funding that the GLA provided to L&P to deliver its business plan for 2022-23. L&P's recent success in delivering the £9m international and domestic Let's Do London campaign also underlines the low risk in providing further funding specifically to continue delivering international tourism promotional activities, as well as funding the specialist tourism promotion staff to support this work. Providing funding of £0.2m to L&P for life sciences related activity as MedCity joins L&P is also low risk as this funding would have been allocated to MedCity to deliver similar outputs to those that L&P will now deliver with the integration of MedCity into its new structure.
- 4.2. More broadly, L&P have strong risk management structures. Core to this is Board scrutiny, including an Audit & Finance Committee which considers a risk register of known risks. Current risks being managed include:
- Inflation – as with all organisations, L&P's operational capacity is at risk from the impact of inflation on the real terms value of their income, the cost of operational outgoings, and on staff wellbeing. These risks are included in their business plan with assumptions made about future inflation, and a plan to manage variation.
 - Change management – the deepening of L&P's support for London will require organisational change as they grow their teams, introduce new products and supports, and manage the legal and financial challenges of bringing MedCity into their business. These risks are mitigated with a specific change management project structure led by the Chief Executive.
 - Global political risks – continued geopolitical uncertainty has a dampening effect on all areas of L&P's activity. These risks are mitigated through analysis of the expected environment, with activities chosen in part on their resilience to these risks.

Links to Mayoral strategies and priorities

- 4.3. L&P's business plan aligns with the Mayor's Economic Development Strategy, which focuses on the importance of a thriving London economy that is open to business and the promotion of London as a world leader in innovation, technology and creativity.
- 4.4. The Mayor is committed to reviewing and addressing the complex business support eco-system in London, to simplify, integrate and strengthen business support that may be provided for small and

medium-sized businesses (SMEs) across London. He is also committed to ensuring that this support caters for diverse needs and types of businesses, including social enterprises and cooperatives.

Declarations of interest

- 4.5. No one involved in drafting and clearing this document has any conflicts of interests to declare. As the Deputy Mayor for Business is Chair of L&P, he has had no input into this decision, and it has been cleared by the Deputy Chief of Staff.

5. Financial comments

- 5.1. Approval is being sought for the following:

- award of core grant funding to L&P up to £11.17m as a contribution to its costs of delivering its 2023-24 business plan
- award of £2.7m of funding to L&P to continue international tourism promotional activities and related staffing costs
- award of £0.2m funding for life sciences-related activity as MedCity joins L&P.

- 5.2. The proposed funding to L&P totalling £14.07m overall has been included within the GLA's budget and spending plans for 2023-24 within the Economic Development Unit in Good Growth.

- 5.3. In line with previous arrangements, payments will be made on a quarterly basis subject to satisfactory monitoring of performance against the deliverables approved as part of the 2023-24 business plan (for which approval is also being sought via this Mayoral Decision). This requirement as well as the standard break clauses will be incorporated into the funding agreement to ensure that performance and risk is managed effectively during the duration of the grant agreement.

6. Legal comments

- 6.1. The preceding sections of this report indicate that:

- 6.1.1 the decisions requested of the Mayor fall within the GLA's:

- general 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 and social development in Greater London (section 30, Greater London Authority Act 1999 (GLA Act))
- discharge of its duties under section 378 of the GLA Act, to promote tourism to, in and through Greater London

- 6.1.2 in formulating the proposals in respect of which a decision is sought, officers have complied with the Authority's related statutory duties to:

- 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
- consult with appropriate bodies.

- 6.2. In taking the decisions requested, as noted in section 3 above, the Mayor must have due regard to the Public Sector Equality Duty under section 149 of the Equality Act 2010, namely the need to eliminate discrimination, harassment, victimisation and any other conduct prohibited by the Equality Act 2010, and to advance equality of opportunity, foster good relations between persons who share

a relevant protected characteristic (race, disability, gender, age, sexual orientation, religion or belief, pregnancy and maternity and gender reassignment) and persons who do not share it. To this end, the Mayor should have particular regard to section 3 of this report

6.3. If the Mayor makes the decisions sought, officers must ensure that:

6.3.1 no commitment to award the funding proposed is made until both the GLA and L&P have executed a funding agreement

6.3.2 it is made clear (irrespective of any related content of L&P's 2023-24 Business Plan) that this decision does not concern and should not be taken to indicate any approval of the award of UKSPF funding, any proposals for which will be subject to a separate MD.

7. **Planned delivery approach and next steps**

Activity	Timeline
Funding agreement signed	May 2023
New business plan initiated	May 2023

Appendices and supporting papers:

Appendix 1 – L&P Business Plan 2023-24

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) 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 it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason: To allow time to negotiate the GLA grant funding agreement for L&P.

Until what date: 19 May 2023

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under FoIA should be included 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:

Richard Tribe has drafted this report in accordance with GLA procedures and confirms the following:

✓

Sponsoring Director:

Phil Graham has reviewed the request and is satisfied it is correct and consistent with the Mayor’s plans and priorities.

✓

Mayoral Adviser:

Richard Watts has been consulted about the proposal and agrees the recommendations.

✓

Advice:

The Finance and Legal teams have commented on this proposal.

✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on 2 May 2023.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature:

D. Gove

Date:

4 May 2023

CHIEF OF STAFF:

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

Signature:

D. Bellamy

Date:

4 May 2023