

GREATER LONDON AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2773

Title: London & Partners' 2021-22 Strategy & Business Plan

Executive Summary:

London & Partners (L&P) is the business growth and destination agency for London. L&P's mission is to create economic growth that is resilient, sustainable and inclusive. L&P is a social enterprise, combining purpose with commercial rigour. It is funded by grants, including GLA funding, and by its partners and its portfolio of venture businesses.

L&P has produced a strategy to refocus the organisation in response to the pandemic, and an annual business plan for 2021-22 to deliver its outcomes for the year – including making sure it is optimally aligned with the wider London recovery effort in response to the pandemic. L&P's 2021-22 strategy and business plan builds upon its Coronavirus Response business plan for 2020-21 which was approved by the Mayor under cover of MD2656. It reflects the organisation's need to play an active role in supporting London's resilience and to plan for effective recovery.

This Mayoral Decision (MD) seeks to approve L&P's new 2021-22 strategy, and associated business plan, and the award of grant funding of up to £11.17 million as a contribution to its costs in the 2021-22 financial year. L&P's one-year strategy reflects the unprecedented context of the coronavirus pandemic.

Decision:

That the Mayor approves:

1. London & Partners Limited's 2021-22 strategy in response to the pandemic;
2. London & Partners Limited's business plan for 2021-22; and
3. the award of grant funding to London & Partners Limited of up to £11.17m as a contribution of its 2021-22 costs.

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:

15/3/21

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

Decision required – supporting report

1. Introduction and background

- 1.1 London & Partners (L&P) is the business growth and destination agency for London. It is a social enterprise, combining purpose with commercial rigour. It is funded by grants, partners and a portfolio of venture businesses.
- 1.2 This Mayoral Decision (MD) seeks to approve L&P's new 2021-22 strategy, and associated business plan, and the award of grant funding of up to £11.17 million as a contribution to its costs in the 2021-22 financial year. L&P's budget allocation is 15% lower than previous years, reflecting a significant reduction in the financial resources available to the Mayor because of a forecast unprecedented loss of business rates and council tax income, caused by Covid-19, and the Government's reduction in local and regional government funding in London.
- 1.3 Since May 2016 L&P has delivered significant outcomes for London during a period of significant change and uncertainty in the markets it supports. L&P has:
- added more than £1.215bn in GVA to London's economy;
 - inspired 115 million people through visitlondon.com;
 - reached more than 8 million potential international students through studylondon.ac.uk;
 - attracted 1,109 events to London;
 - created 32,781 jobs; and
 - supported 924 overseas companies to set up or expand in London.
- 1.4 The twin challenges of Covid-19 and Brexit have meant L&P's role in attracting investors and visitors to London has never been more important. In response to the pandemic, L&P has played a crucial role supporting hard-hit sectors such as culture, leisure, retail and hospitality. L&P's work has included:
- convening an alliance of over 600 London businesses to launch the city-wide, industry-backed campaign, 'Because I'm a Londoner', to build consumer confidence and encourage safe consumer spending to support London's cultural, hospitality, and retail sectors;
 - creating a specific cohort in their Business Growth Programme for tourism start-ups to help them to develop and grow;
 - promoting virtual activities for London's tourism businesses to help give them greater audience reach and keep them front of mind when visitors can fully return;
 - continuing to attract international investment to London – since April 2020 it has secured 96 investments, creating 1932 jobs and generating £50m GVA;
 - adapting their international trade missions to run virtually as part of the Mayor's International Business Programme, generating almost £40m in GVA between April 2020 and January 2021; and
 - working with their business partners to deliver a free series of expert webinars on how businesses can manage the crisis.
- 1.5 Given the deep uncertainty caused by the outbreak of the Covid-19 pandemic, L&P developed a revised Coronavirus Response business plan for 2020-21 which was approved by the Mayor under cover of MD2656. The Coronavirus Response business plan re-shaped L&P's work during 2020-21 by

defining the specific principles which L&P would follow within the 2020-21 financial year alone, its mission for the year, and the strategy and specific delivery L&P believed would achieve this.

- 1.6 L&P's revised Coronavirus Response business plan and underlying strategy for 2020-21 were specific to 2020-21 alone and were developed during the early stages of the pandemic. The ongoing impact of coronavirus has meant that L&P has needed to redraw its strategy for 2021-22 and undertake reprioritisation of its work and objectives. That work responded to reduced income from existing public and private sources and is intended to ensure immediate financial stability, while creating a clear path to income growth which can be reinvested in long-term outcomes.
- 1.7 L&P's new strategy for 2021-22 takes account of changing market needs and sector trends, ensuring that L&P continues to have optimum impact as consumer behaviour and the wider context evolves.
- 1.8 L&P's new strategy includes a revised mission, to create economic growth that is resilient, sustainable and inclusive. L&P's new mission seeks to build on their organisation's success creating economic growth whilst considering the wider social and environmental externalities of their work. L&P's strategy is provided in Annex 1.
- 1.9 L&P's 2021-22 business plan seeks to put the strategy into operation. Its proposed 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, to give direction to L&P's team, and tell L&P's stakeholders how it will contribute this year. L&P's proposed business plan is provided in Annex 2.
- 1.10 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. Its 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, with GLA officers attending as observers. Officers are mindful that any funding arrangements for 2021-22 would straddle the Mayoral term and shall ensure therefore, that the arrangements are managed so that they do not unreasonably fetter the discretion of a successor administration.
- 1.11 An agreement to fund L&P, at this stage, will provide the financial continuity necessary to ensure they can continue delivering activity uninterrupted from the start of the upcoming financial year.

2. Objectives and expected outcomes

- 2.1 L&P has prioritised its work using a framework which maps market need, scale of outcomes and income generation. This framework allows the organisation to maximise its impact and to generate sustainable income which can be reinvested in delivery. Following this prioritisation, L&P has identified four core objectives in their strategy that will be delivered through their business plan:

2.1.1 High growth sectors - supporting businesses in high growth sectors to scale.

This includes:

- bringing international businesses to London to set up and create jobs;
- supporting outbound trade through the Mayor's International Business Programme;
- incubating growth businesses through programmes such as the Business Growth Programme; and
- supporting innovation skills in the economy through the Open Innovation Fellowship which trains executives in how to effectively innovate within corporate settings.

The intention of this work is to create employment, the outcome of which is measured through Gross Value Added, which is a calculation of the number of jobs created and the value of those jobs.

2.1.2 Visitor economy – developing London as a destination, and attracting visitors and events

This includes:

- acting as the conventions and business tourism bureau for London, attracting high value events that are an important source of visitors to the capital and which has long term impacts on the city's competitiveness in the conferences and visitors' sectors;
- attracting and amplifying major events like sporting and cultural events which show London at its best; and
- working to support London's recovery as a hospitality, leisure, cultural and retail destination which will require being responsive to both the market need and the timing of public health measures.

L&P's visitor economy work is intended to support jobs in a sector which at the start of the pandemic employed one in five people in the city. L&P will use Gross Value Added to calculate their impact.

2.1.3 London brand - growing London's global reputation to support economic growth.

This includes:

- coordination and management of 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; and
- broader media relations activity.

The intention of this work is to support London's communicators to tell the best possible story about the city. The nature of this work means that it is difficult to have formal metrics to calculate impact however L&P will use analytics to target their work.

2.1.4 Partnerships and ventures – creating partnerships and profit-making ventures to grow their revenues and scale their impact.

L&P's partnerships and ventures work generates financial returns to fund its activities and supports the delivery of the mission itself. Across the portfolio the balance between profitability and mission delivery will vary. The outcomes of this work will be measured by the revenues developed to reinvest in L&P's London recovery work.

2.2 The four core focus areas in L&P's strategy for 2021-22 outlined above represent a significant reprioritisation of L&P's activity, however, areas of continuity with L&P's pre-pandemic strategic approach include a focus on foreign direct investment (FDI), trade & growth, business tourism, attracting major events to the capital, and London's global reputation. L&P's strategy for 2021-22 marks a move away from promoting higher education institutions in London globally to international students and a change in L&P's role in promoting London to leisure tourists. These changes reflect the evolving nature of those markets, and therefore how L&P can best support growth within them.

2.3 L&P's new strategy reflects the reprioritisation of activity with a new a definition of L&P, describing itself as "the business growth and destination agency for London" and as "a social enterprise, combining purpose with commercial rigour." This contrasts with the former definition of L&P as "London's international trade, investment and promotion agency" with a role to "promote London internationally as a leading world city in which to visit, study, invest, grow and meet."

2.4 L&P's new strategy for 2021-22 defines its mission as "to create economic growth that is resilient, sustainable and inclusive". This represents continuity with L&P's pre-Covid-19 mission to achieve good growth for London, while being more specific about the character of the growth it aims to deliver.

KPIs and targets

2.5 L&P has robust outcomes that are independently audited, and its methodology is public. L&P will be required to report to the GLA on:

- a. GVA: Demonstrating L&P's economic impact defined as Gross Value Add (GVA) remains L&P's outcome which it will continue to track in addition to reporting job creation numbers. L&P will set a GVA target of £98m-£143m for 2021-22 reflecting continued market uncertainty and will provide greater precision within that range as the year progresses; and
- b. Income generation: An income target of £3.8m for 2021-22 has been set for L&P's commercial and mission-driven activity.

2.6 Additionally, L&P track customer satisfaction by using 'Net Promoter Scores' for their core activities. These scores combine positive and negative responses in a survey to establish a 'net' consumer sentiment level. This is a standard method of measuring customer satisfaction.

2.7 By September 2021, L&P will, in consultation with the GLA, develop further qualitative metrics to reflect resilience, inclusion and sustainability.

2.8 L&P has retained the 'GVA' and 'Income generation' KPIs noted at section 2.5 above from its 2020-21 business plan, however L&P's former 'engagement' and 'perception change' KPIs have not be retained. Any work undertaken by L&P in support of London reopening will be measured by suitable metrics to measure the performance of the campaign. The design of those metrics will be informed by the strategic objectives of the campaign.

3. Equality comments

3.1 Under section 149 of the Equality Act 2010, as a public authority, the Mayor of London must have 'due regard' of the need to eliminate unlawful discrimination, harassment and victimisation as well as to advance equality of opportunity and foster good relations between people who have a protected characteristic and those who do not. This duty applies to the decisions that are the subject of this Form.

3.2 L&P has committed to a new mission focused on the quality as well as the quantity of growth, and to supporting resilience, sustainability and inclusion. The commitment to inclusion in L&P's mission will frame its work, guiding the sorts of businesses they support, the sorts of jobs they seek to create, and their work to connect people with jobs.

3.3 On this basis, L&P will develop specific programmes to improve inclusivity in the businesses it supports, including through encouraging inclusive hiring and continuing to ensure representation of different communities and groups in the programmes that L&P runs.

3.4 Many of L&P's trade and investment services are focused on supporting high growth businesses to set up, expand or internationalise. L&P has integrated diversity and inclusion modules into its ERDF-funded Business Growth Programme to support London-based SMEs. Their Mayor's International Business Programme focuses on under-represented groups including missions made up of female founders. In 2021, L&P will operate a virtual trade mission for LGBTQIA+ led American businesses who are looking to expand in London.

- 3.5 L&P's Business Growth Programme launched its biggest cohort ever in June 2020 with 81 companies and 37% were BAME founders. L&P led a female founder virtual trade mission to Silicon Valley in September 2020, achieving 50% BAME founder participation, and it is engaging with Black founders who are on the Mayor's International Business Programme to help reach wider communities in order to recruit more diverse cohorts.
- 3.6 L&P has proactively promoted the Mayor's Good Work Standard to existing international businesses as well as running workshops with the GLA for businesses on the Business Growth Programme and the Mayor's International Business Programme. The Good Work Standard is awarded to employers who can demonstrate best employment practice across a range of areas including, offering diversity and inclusion training for everyone in their workforce, addressing the gender pay gap and putting in place a zero-tolerance approach to all forms of discrimination.
- 3.7 L&P is also delivering an internal project to increase its focus on diversity and inclusion with the joint aims of ensuring that L&P is an organisation that reflects and champions the diversity of London, and creating an environment in which everyone is valued, feels supported to be themselves, and in which everyone can thrive. This project is being implemented across L&P with a focus on areas such as recruitment, progression, mentoring, employee brand imagery and content, and diversity & inclusion education & training. It is being developed in partnership with a well-supported employee network which includes active diversity and inclusion groups.
- 3.8 Officers have considered the likely impact of this proposed decision on groups with protected characteristics and for the reasons outlined above have concluded that there are no adverse impacts and impacts are likely to be positive.

4. Other considerations

Links to Mayoral strategies & priorities

- 4.1 L&P's strategy and business plan aligns with the full suite of Mayoral strategies including the Economic Development Strategy (EDS). The EDS 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.
- 4.2 L&P's proposed activity also aligns with the aims of several of the Mayor's recovery missions (in both its general activity and as an employer). These are:
 - a. A Green New Deal: L&P will encourage green tourism, encourage sustainability businesses to invest in London, and help investors to work with sustainable providers when they arrive and help London's scale ups to contribute to the net zero goals;
 - b. High Streets for All and Building Strong Communities: L&P will work with BIDs, landlords and local communities to help use investment to drive new uses of high streets; and
 - c. Helping Londoners into Good Work, and a New Deal for Young People: L&P will create jobs that are high quality and long term and it will work with investors to help them find talent from across London's communities.

Impact assessments and consultation

- 4.3 In producing its strategy and plan, L&P has consulted widely with stakeholders across the sectors it supports and with relevant Deputy Mayors and GLA officials. That consultation included early stage consultation on market requirements, consultation on the final proposals, with consultation feedback materially shaping the finished product.

Key risks and issues

- 4.4 The strategy and business plan have been developed taking into account the best available knowledge about the course of the pandemic at the time of drafting. However, both the business plan and KPIs will be kept under review and may need to be revised at a future date in response to unanticipated developments in the course of the pandemic, in which case a further Mayoral Decision would be sought if there are significant changes.

Risk	RAG	Mitigation	RAG
Lack of alignment with stakeholder priorities.	A	Clear and timely approach to stakeholder consultation to test strategy assumptions. Board input throughout process.	G
Changes to L&P's activities concerns stakeholders.	A	Wide consultation to agree approach, with careful management of exited activities, identifying alternative providers where possible.	G
Mission focus is criticised as too progressive.	A	Clear 'value-add' and close alignment with the Mayor's recovery missions.	G
Growth investments do not deliver expected returns.	R	Clear decision-making gateways and limited capital investment into new projects.	A

- 4.5 No one involved in the drafting or clearance of this decision has any conflicts of interest to declare. As the Deputy Mayor for Business is Chair of L&P, it has been cleared by the Chief of Staff.

5. Financial comments

- 5.1 The proposed GLA grant of £11.170m to London & Partners has been included within the GLA's budget and spending plans for 2021-22. This grant will assist with London & Partners 2021-22 strategy in response to the pandemic, with this specific budget provision held and project managed within the GLA's Regeneration & Economic Development Unit.
- 5.2 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 2021-22 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:

- a. 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, GLA Act 1999); and
- b. discharge of its duties under section 378 of the GLA Act, to promote tourism to, in and through Greater London; and

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:

- a. 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
- b. 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 Given that the expenditure associated with the approval of the proposed 2021-22 and award of grant funding straddles the Mayoral term, officers must also observe the principle that the GLA should not unreasonably fetter the discretion of any future administration. Officers have indicated, at section 1.10 above, that they shall ensure therefore that the funding arrangement is managed to that effect.
- 6.4 Should the Mayor be minded to make the decisions sought officers must ensure that no commitment to award the funding proposed is made until both the GLA and L&P have executed a funding agreement (which reflects amongst other things, the points noted at section 6.3 above).

7. Planned delivery approach and next steps

Activity	Timeline
Funding agreement signed	March 2021
New strategy and business plan initiated	April 2021

Appendices and supporting papers:

Appendix 1 - L&P Strategy – 2021-22

Appendix 2 - L&P Annual Business Plan – 2021-22

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? NO

Until what date: n/a

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:

Katherine Gee 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:

David Bellamy 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 15 March 2021.

EXECUTIVE DIRECTOR, RESOURCES:

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

Signature

Date

D. Gee

15 March 2021

CHIEF OF STAFF:

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

Signature

Date

D. Bellamy

15 March 2021

