INTRODUCTION TO LONDON & PARTNERS

DAVID SLATER, DIRECTOR OF INTERNATIONAL BUSINESS DEVELOPMENT

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OBJECTIVES OF SESSION

- Explain Political and Economic Vision for London
- Explain L&P Strategy and Business Plan
- The Olympics

MAYORAL PRIORITIES; JOBS AND GROWTH

- Original Manifesto Priorities;
  - Create 200,000 jobs by May 2016
  - Create 250,000 new apprenticeships
  - Continue to attract investment to the city
  - Champion London's Reputation – as the best big city on earth to visit, study and do business
  - Efforts to be led by Kit Malthouse, the Deputy Mayor for Business and Enterprise and Chairman of London & Partners.

- Deliver Vision 2020

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The London Enterprise Panel

”the venue for London boroughs to work with business, with TfL and the Mayoralty to take a strategic view of the regeneration, employment and skills agenda for London”

‘Ambitions for London’, Boris Johnson, Mayor of London

Priorities for Jobs & Growth

Total committed budget 111 million GBP

- **Skills & employment:** to ensure Londoners have the skills to compete for and sustain London's jobs;

- **Micro, small & medium sized enterprises:** to support and grow London's businesses;

- **Digital creative, science & technology:** for the capital to be recognised globally as world leading hub; for science, technology and innovation - creating new jobs and growth; and

- **Infrastructure:** to keep London moving and functioning.

Working Group Members

Skills and Employment Working Group

Employers, colleges, delivery partners, voluntary sector and policy makers.

Digital Creative, Science & Technology Working Group

Tech, life science and healthcare industry reps, London's leading research institutions, innovation champions and funders.

LEP Members

London Councils' nominees

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SME Working Group

Entrepreneurs, funders, business bodies, workspace providers and UKTI.

London Infrastructure Group

Deputy Mayor for Transport, infrastructure experts (2 to be appointed) and key staff from the GLA and TfL.

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- Funding £12m from GLA

- £2.6m+ from Private Sector
  - 1200 Tourism Partners
  - 50 FDi Partners

- 5 Main Areas of Operation
  - Leisure Tourism
  - Conventions
  - Major Events
  - Higher Education
  - IBD – predominantly FDI, including capital investment into regeneration and development; some trade activity.

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L&P's OBJECTIVES

- Influence **more people and businesses** to come to London now, maximising the additional jobs and growth for the city
- Strengthen London's **reputation** as the world's greatest city, so more people and businesses choose London in the future
- Ensure businesses and institutions with an interest in London recognise our **value** and actively want to work with us
- Our public grant will only be used to fund activities where there is a clear economic case for public intervention and which creates the highest net benefits (measured by GVA).

FDI Strategy

Delivering economic value by

- Focusing our activities on identifying and winning contestable, high value (GVA) projects, where our intervention adds most value, and that support the growth of world class business clusters i.e.
  - ICT
  - Creative Industries
  - Life Sciences and Healthcare,
  - Financial and Business services
  - Energy, including Clean Technology sectors
  - European and Global HQs
- If projects are already coming to London, i.e. non-contestable, we will seek to influence their size and/ or speed
- Prioritising projects that create greater numbers of jobs.

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KEY PERFORMANCE INDICATORS

- Currently we report only the **additional** economic benefits directly attributable to L&P's activities – in the form of 3 main KPIs

GVA £226 Million	Jobs Created 4,100	Jobs supported 26,500
Measures our direct economic contribution to London and demonstrates the overall return on public sector funding. Best in class.	Measures how many new jobs we have created through attracting FDI into London	Measures how many jobs have been supported by the spend of tourists, delegates, spectators and students that we have attracted to London

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KEY PERFORMANCE INDICATORS

- For Regeneration and Development activity we will need to add an additional measure for Capital Expenditure. Initial estimate £1.2 Bn for 2014-15.

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GVA

Methodology to derive net direct GVA		Equivalent mathematical estimation methodology
Gross GVA (employment costs + operating profits) from new FDI project		Forecast number of jobs x (adjustment factor of 0.59 for historic observed actual jobs by year 3)[1] x GVA per employee for sector
	deduct	
Displacement of other economic activity / jobs		minus the displacement factor, where the displacement factor is 23% from Think London studies
	deduct	
Deadweight (non-additional impacts)		Multiply by additionality factor of 0.18 from Think London studies. For non-contestable projects additionality is 0.
	add	
Persistence effect		Multiply by 3 years for persistence effect
	deduct	
Apply annual discount rate of 6% pa to derive present value of estimated future annual GVA benefit stream		Apply annual discount rate of 6% pa to derive present value of estimated future annual GVA benefit stream
	=	
Total net direct GVA		Total net direct GVA

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Client Experience

- Sector Intelligence
- Legal Requirements
- Corporate/Tax Structure
- Cost-effective Set-up

- Specialist Recruitment
- Funding & Training
- Salary Benchmarking
- Employment Practice

- Office Specialists
- Market, Clients & Transport
- Labour Pool
- Demographic Mapping

- Professional Service
- Events
- Government Contacts
- Policy-makers

- Culture & Social Life
- Visas & Work Permits
Schools & Colleges

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DELIVERING ECONOMIC BENEFIT

- **Vision 2020**
  - London is unique as a big city in Europe.
  - Growing population needs housing and infrastructure.
  - £100 Bn investment opportunity.
  - L&P now has a dedicated Regeneration and Property Team.
  - Building a portfolio of projects
  - Working closely with Boroughs and other stakeholders
  - Mayoral travel a key part of the strategy.

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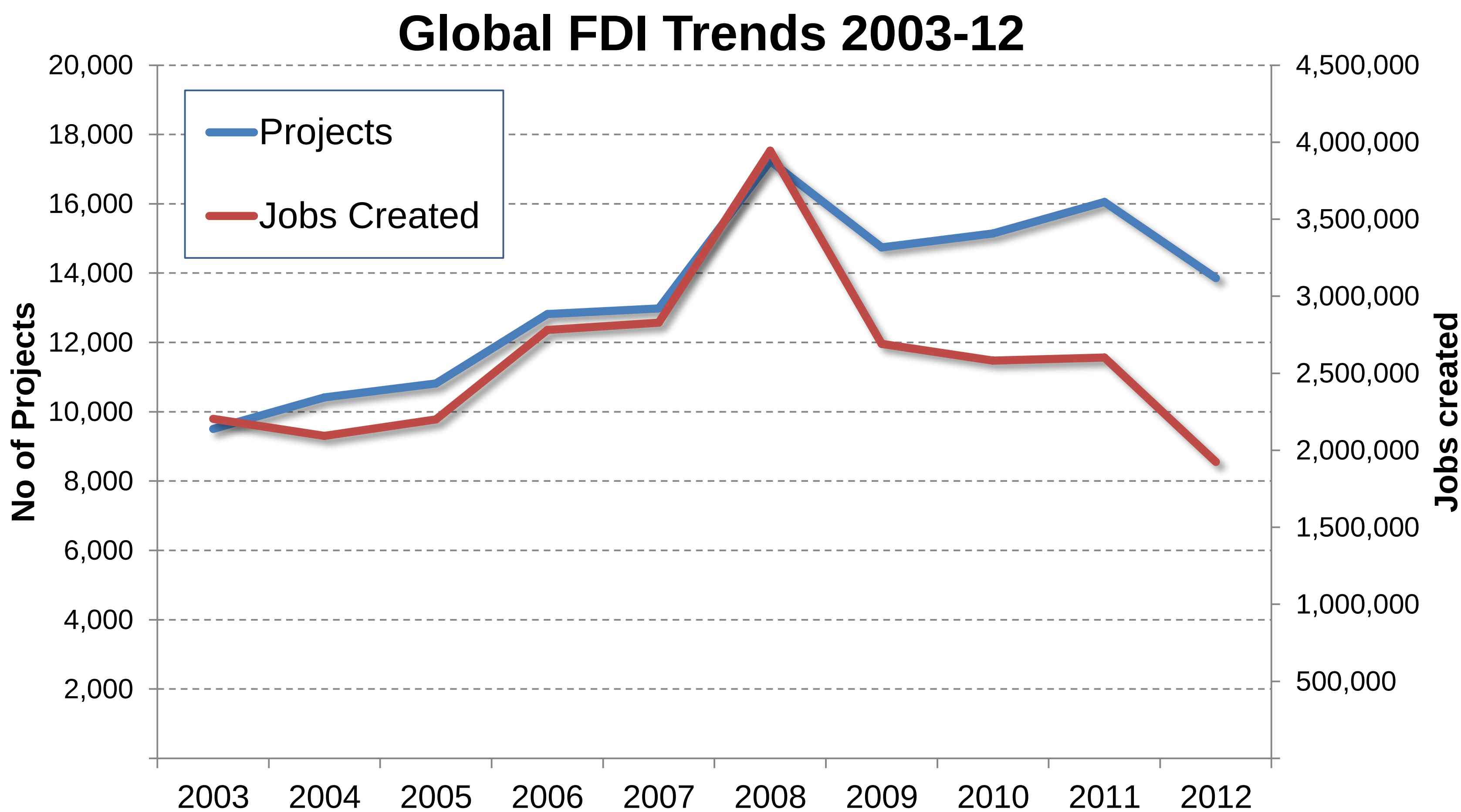
GLOBAL FDI - THE LONG TERM TREND



Source: fDi Intelligence, from the Financial Times Ltd 2013.

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UK REMAINED THE 3RD LEADING DESTINATION FOR FDI

Top 5 Destination Countries for FDI in 2012:

USA 1,547 projects

CHINA 1,084 projects

UK 921 projects

INDIA 744 projects

GERMANY 585 projects

Source: fDi Markets (www.fdimarkets.com) ; fDi Intelligence, from the Financial Times Ltd (2013)

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LONDON'S GLOBAL COMPETITION

PARIS SINGAPORE

DUBAI

SAO PAULO

SHANGHAI

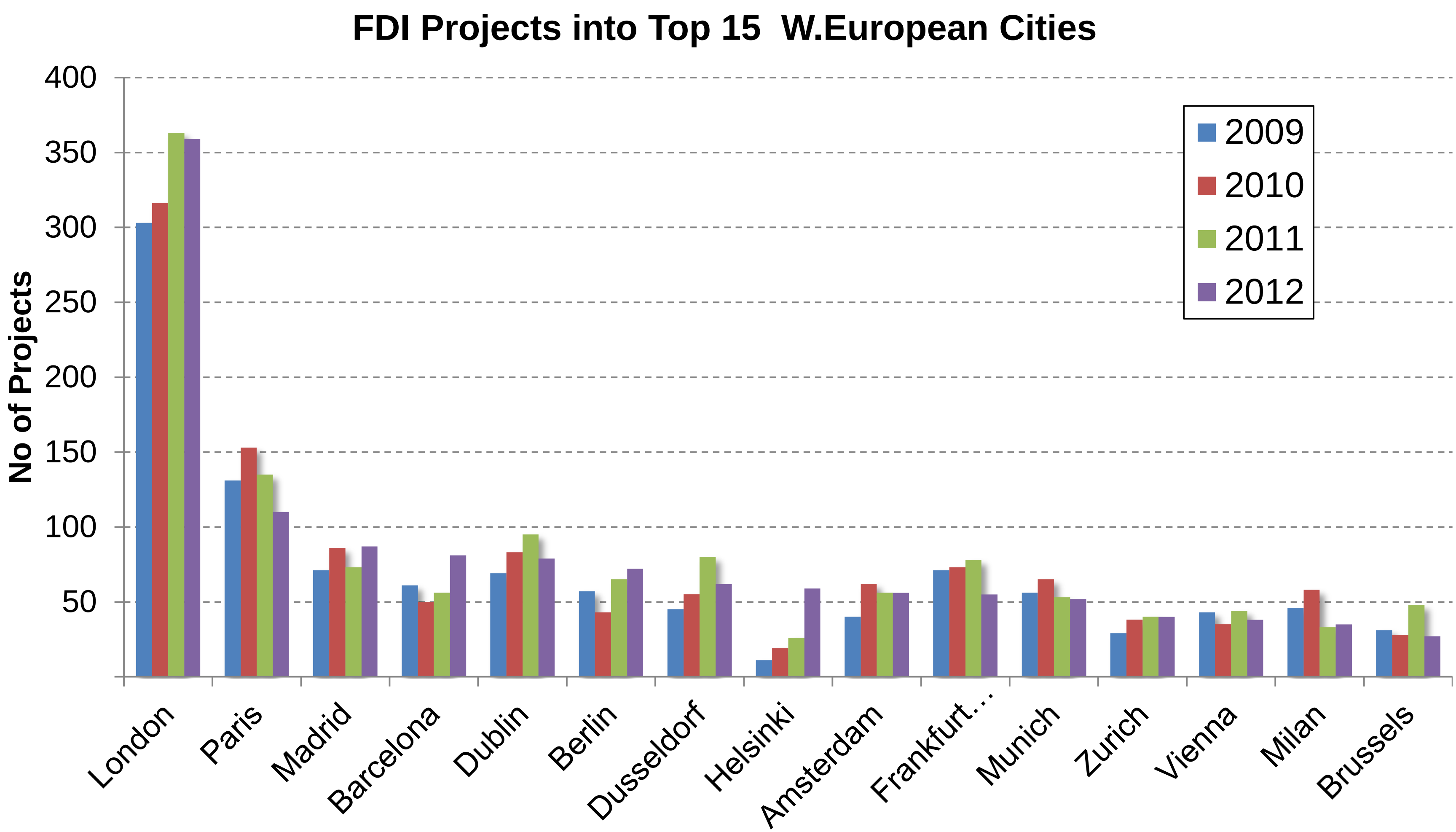
NEW YORK HONG KONG

BEIJING

SYDNEY

Source: FDI Markets, FDI Intelligence, FT 2013

FDI INTO EUROPEAN CITIES



Source: fDi Intelligence, from the Financial Times Ltd 2013.

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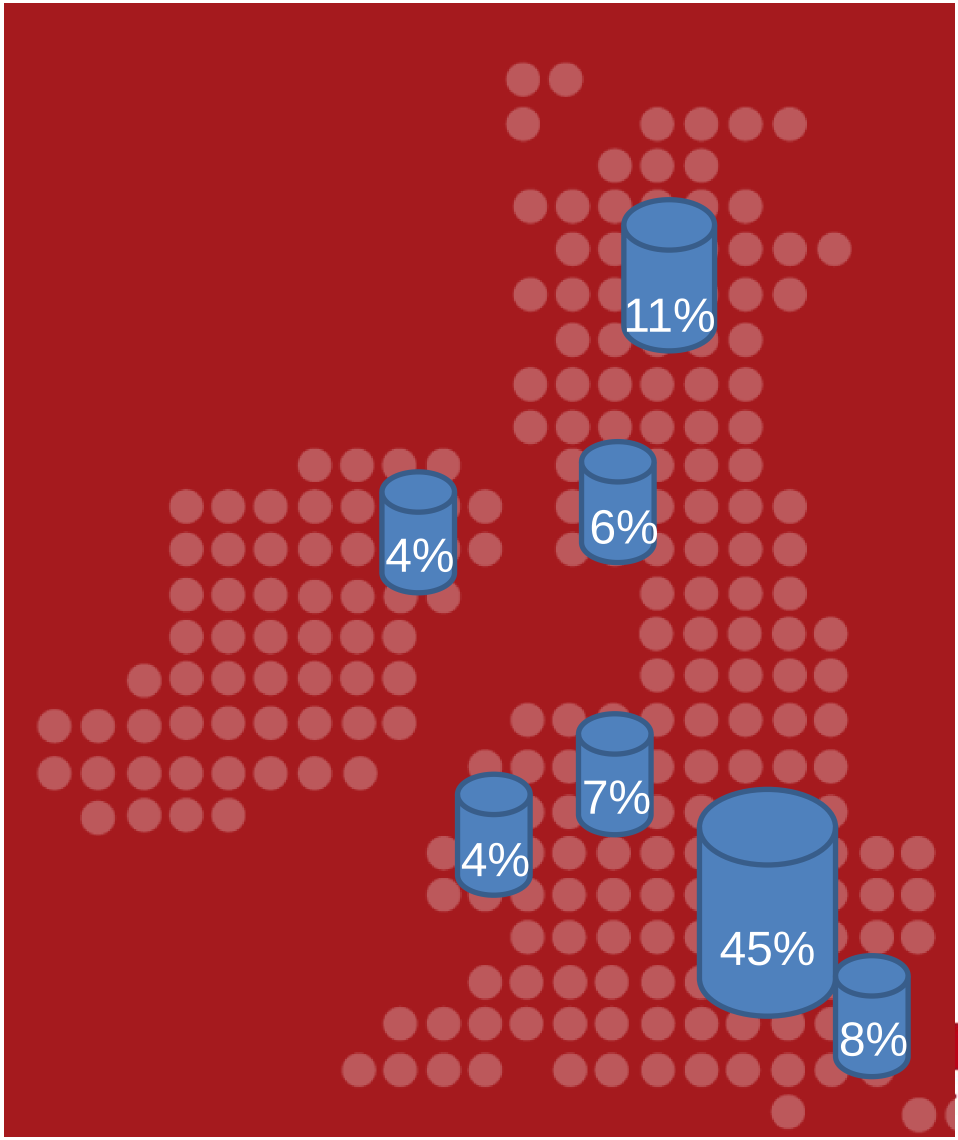
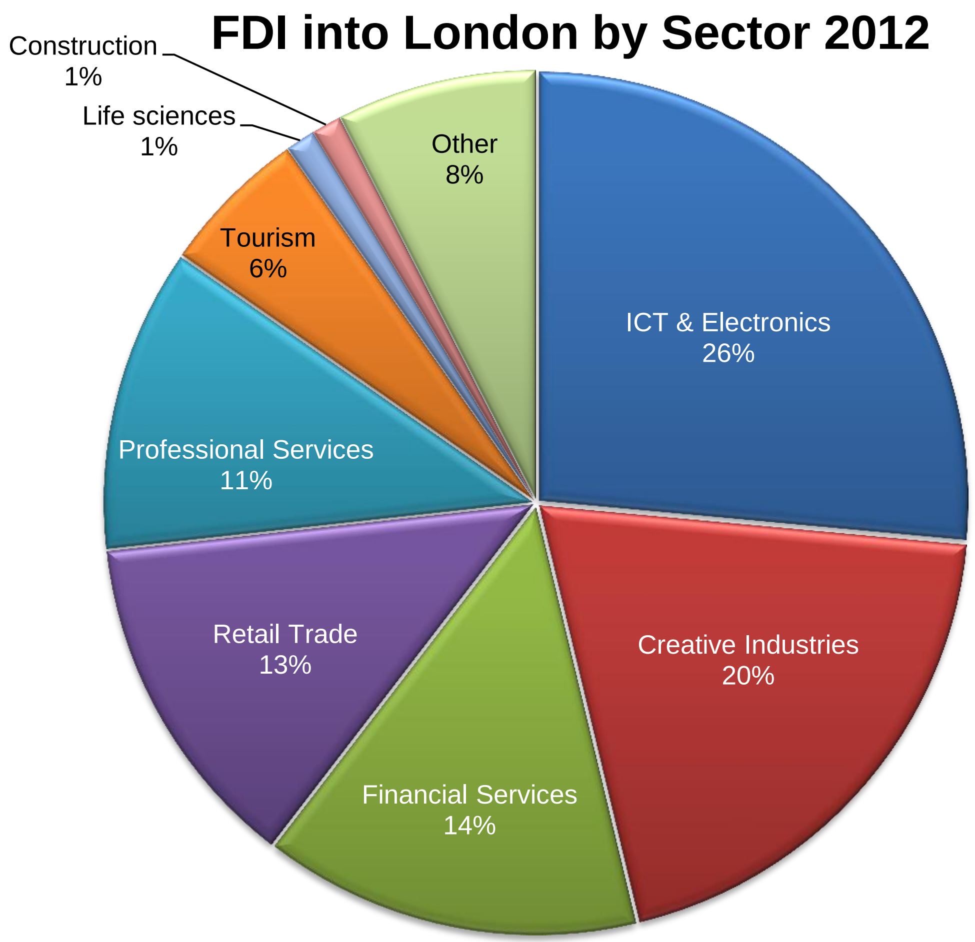
LONDON IS THE DOMINATE DESTINATION IN THE UK



- London: 313 projects (45% of UK FDI)
- Scotland: 76 projects (11%)
- South East: 55 project (8%)
- West Midlands: 50 projects (7%)
- North West: 44 projects (6%)
- Wales: 31 projects (4%)
- Northern Ireland: 29 projects (7%)

Source: Ernst & Young's European Investment Monitor, 2013

FDI INTO LONDON DOMINATED BY HIGH VALUE SECTORS



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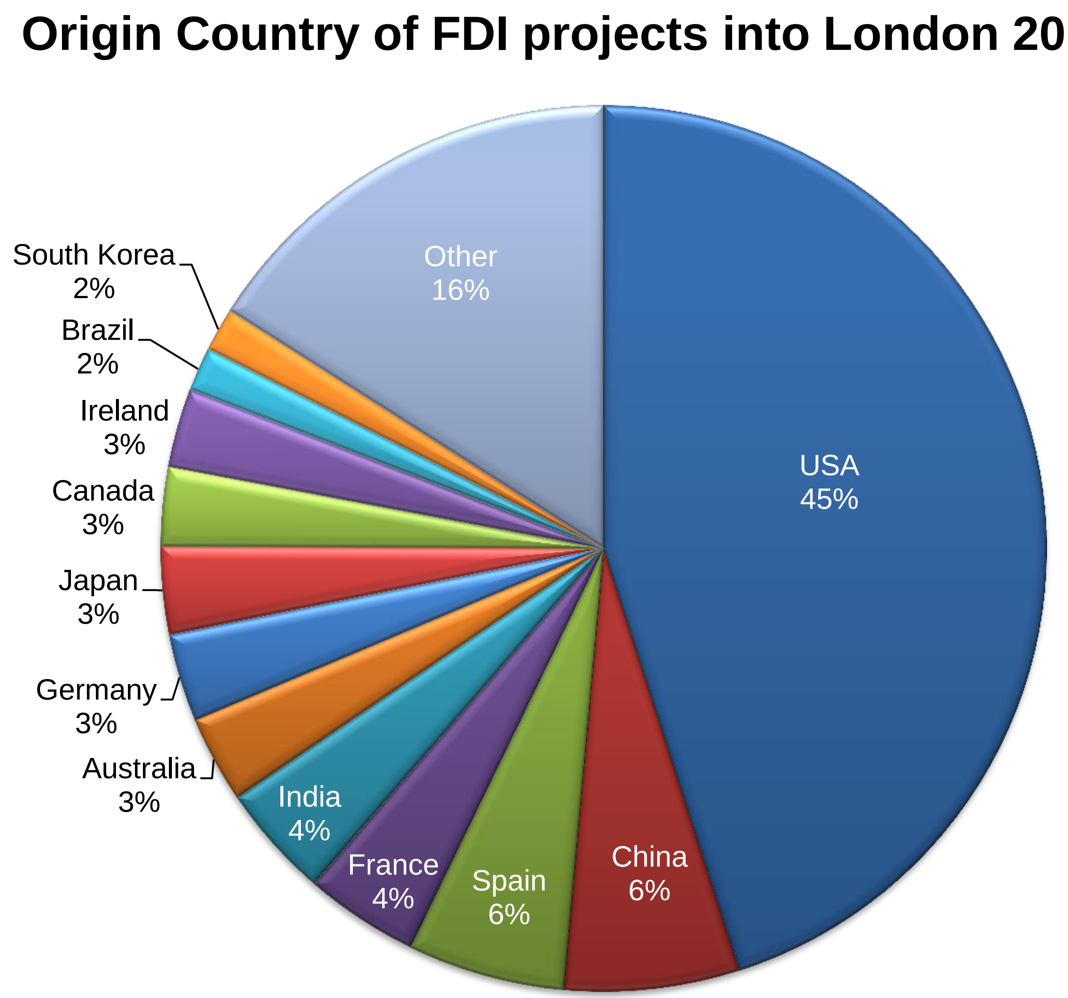
Source: fDi Intelligence, from the Financial Times Ltd 2013.

ORIGIN OF FDI INTO LONDON



Source: E&Y EIM, June 2013.

The Greatest Show on Earth

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OVERVIEW - ACTIVITIES

- **Business Hosting Programme** for over 200 C Level international business leaders and events organisers;
- **Networking** at events at London House, Lancaster House and other external B2B and NOC/sponsor events;
- **The London Media Centre** for 7000 non-accredited media providing access to over 600 events across London;
- Pushed out stories with L&P's **key messages** about London;
- Created a **digital mobile App**

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London House

- Preparing for the Asian Century
- Environment Imperative
- Technology: Disruption and Convergence
- Cities – Crucibles of Change

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Any questions?

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THANK YOU FOR YOUR TIME

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