

<b>Committee(s):</b>	<b>Date(s):</b>
Culture, Heritage and Libraries Committee - For decision	23 September 2015
Policy & Resources Committee - For decision	19 October 2015
<b>Subject:</b> Request for a budget uplift to finance the City's Platinum Membership of London and Partners	<b>Public</b>
<b>Report of:</b> Director of Culture, Heritage and Libraries	<b>For Decision</b>

### **Summary**

In 2013, your Policy and Resources Committee approved funding over three years for a Platinum Membership of London & Partners. The Membership is set to expire in April 2016 and a new proposal to extend the contract for a further three years at £25K p.a. has been received.

Benefits of membership include promotion of our business venues, leisure and cultural offer, and are relevant to a number of departments. Looking ahead, with forthcoming initiatives to promote such as the Cultural Hub, Great Fire 350 commemoration and the Aldgate Arts, Events and Play Programme, on-going membership of L&P is highly desirable.

In the light of the requirement for on-going savings and continuing budget pressures, I am not able to meet the full cost of the annual membership from my local risk budget. A budget uplift of £20K p.a. from 2016/17 is therefore sought, ringfenced for this purpose, on the understanding that the remaining £5,000 p.a. is found from my local risk budget.

### **Recommendation(s)**

Members are asked to approve a permanent budget uplift of £20,000 from 2016/17 for CHL Cultural and Visitor Development for the specific purpose of retaining the City of London's Platinum Membership of London and Partners.

## **Main Report**

### **Background**

1. In February 2013, your Policy and Resources Committee approved a total sum of £75,000 over three years to fund a Platinum Membership of London and Partners (L&P), to be taken annually from its Policy Initiatives Fund and charged to City's Cash in three equal instalments of £25,000.
2. The Membership is set to expire in April 2016 and a new proposal to extend the contract for a further three years has been received from L&P. Two

options have been outlined. One for a £12,500 per annum Gold Membership and one for the same £25,000 cost per annum delivering the full Platinum-level benefits.

3. London & Partners (L&P) is *the* official promotional organisation for London. Created in April 2011, it is a not-for-profit public private partnership, funded by the Mayor of London and a network of commercial partners, which seeks to grow the capital's markets in tourism, foreign direct investment (FDI) and study. As such, it delivers campaigns and activities that target overseas and domestic leisure and business visitors, the international events industry, new businesses looking to set up or expand in London and international students.
4. In 2012, the Chairman of your Policy and Resources Committee became a member of the L&P Board as part of representational arrangements agreed during the establishment of TheCityUK (of which the City Corporation is the founder member and major funder). Like the Deputy Mayor of London, he sits on the board of TheCityUK, as well as the board of L&P. The City Corporation's membership of L&P is not a requirement of his place on the board.
5. In 2013 – when the idea to join L&P was discussed – it was proposed that the City Corporation subscribe to its Platinum level membership package with benefits across all of its functions – visitors, FDI and students. This proposal was considered in some detail by your officers and it was agreed that, while there was no perceived direct value for the City Corporation in the areas of FDI and study, there was probably some significant advantage of a membership attached to L&P's tourism function.
6. A list of priorities was drawn up by your Cultural & Visitor Development Team (CVDT) and sent to L&P, who were asked to consider how they might be included within a membership agreement. This was used as the basis for the contract agreed and remains the foundation of the new Platinum proposal (at £25,000 pa). The Gold Membership option (at £12,500 pa) strips out a good many benefits resulting in a significantly reduced reach for our products as well as severely limits our ability to represent the diverse portfolio of attractions, business event venues and open spaces that we would need to promote under a collective corporate/desitnation type membership.
7. Although some Corporation and City attractions have individual Gold Membership of L&P, Platinum Membership for the City as a destination significantly builds on these individual subscriptions (but could not replace them, as attractions would lose bespoke benefits in favour of collective gain). By bringing our attractions, hotels, retail and business venues together under one City banner and by promoting the City area, its history, services and environment, the City becomes more than the sum of its parts – it is an experience, an itinerary, a voyage of discovery and thus a far more compelling offer for the would-be visitor, who is likely to stay longer and spend more.
8. The detailed membership proposal is available on request from the Head of Cultural & Visitor Development.

## Current Position

9. Since April 2013, L&P membership has significantly helped to build our domestic and international profile in the regions and abroad and delivered significant gains for the City in terms of spend and footfall. Headlines include:

	City growth %	London growth %	England growth %	Growth of City's share of London %
Visitor spend 2012-14	20	7	-	0.5
Visitor footfall 2012-14	18	(1.2)	-	0.6
Footfall at attractions 2012-14	21	-	-	-
Footfall at attractions 2014 only	5	2	4	-

Sources: RJS Associates; City Tourism Briefings 2012-14/ VisitEngland Annual Attractions Survey

10. These benefits have been felt across a wide range of City Corporation departments including Open Spaces, Remembrancer's (City business venues marketing), the Barbican Centre, Culture, Heritage and Libraries, Public Relations (eshot data harvest), Economic Development (research), Department of the Built Environment (Sculpture in the City) and by many of our funded and resident attractions and companies including City of London Festival, Museum of London and the London Symphony Orchestra.
11. Collective projects and campaigns in partnership with L&P have included the assets and services listed (as well as wider cultural and tourism stakeholders) and have achieved significant benefits previously unattainable within the limited resources available to the CVDT. Headlines include:
- The formation, development and promotion of the City Corporation Venues Group now run by Remembrancer's, with representation of our venues for hire at L&P trade shows and business referrals as opportunities arise;
  - Significantly enhanced web listings and promotions for all our assets and stakeholders on VisitLondon.com (27m visitors per annum);
  - Inclusion in high profile international campaigns run by L&P including last year's *Guest of Honour* campaign in which Tower Bridge played a headline role (300m reach);
  - Significantly increased reach for our own campaigns including Christmas in the City (retail/ leisure) which, supported by L&P, achieved 3.8m impressions on VisitLondon.com (as a result of these campaigns, City retail recorded up to 4.7% growth above that of London);
  - Data harvest from competitions run by the City through L&P delivering one third of the subscriber base for the City's eshot, run by PRO; and
  - Introductions to London sponsors for major City projects, eg Radisson Blu Edwardian for the City's Magna Carta 800 programme
12. With a number of major corporate projects on the horizon such as the anniversary programmes for Great Fire (350) and Shakespeare (400), the

development of the Cultural Hub, the Aldgate Arts, Events, and Play (AEP) programme, and our Service Based Review with its challenging targets for venue hire and commercial revenues, it is essential that we retain our Platinum Membership with L&P.

13. Whether promoting our assets on a global scale, buying us a seat at the table for London-wide and national initiatives, connecting us with potential partners and sponsors, or delivering the research and advice we need in support of proposed initiatives, L&P are an invaluable resource that will help us to achieve our goals. Without them, the tasks will become harder.

### **Proposals**

14. The Platinum Membership option helps us to build on the work and successes we have achieved over the last three years and delivers real and tangible benefits across City Corporation departments and the City as a destination. This is the preferred route.
15. This is essentially a Corporation-wide subscription channelled through the Culture, Heritage & Libraries Department. It is not something which has previously been within CHL's local risk and in the light of the requirements for efficiencies and on-going SBR savings the annual Membership cost of £25,000 cannot simply be taken over in its entirety within CHL without sacrificing something else. Rather, a split is suggested with a budget uplift of £20K p.a. from 2016/17 being sought, ringfenced for this purpose, and the remaining £5,000 p.a. being found from my local risk budget. Should the L&P Membership lapse in the future, it would be expected that the uplift would be rescinded.

### **Corporate & Strategic Implications**

16. City Corporation membership of London & Partners is aligned with the Corporate Plan 2015-19, Key Policy Priority 5, in that it increases the outreach and impact of the City's cultural, heritage and leisure contribution to the life of London and the nation. Specific deliverables under this priority that would be supported by Membership include:
  - a. Development of proposals for a "cultural hub" centred on the major cultural institutions of the Barbican Centre, Museum of London and Guildhall School of Music & Drama;
  - b. Implementation of the cultural and visitor strategies for the City, including building and enhancing cultural partnerships;
  - c. Promotion of the cultural offering of the City, including the Barbican Arts Centre, the new Heritage Gallery and Tower Bridge; and
  - d. Enhancement of the ability of our leisure facilities to generate additional income in order to maintain quality of content in an era of reduced resource.

17. Membership is also aligned with, and supports, the Vibrant and Culturally Rich theme of *The City Together* strategy; and, most pertinently, many of the aims and objectives within the Cultural Strategy 2012-17 and the Visitor Strategy 2013-17.
18. Funding the proposal will also bring reputational gains for the City Corporation, in that:
  - a. our support of the Mayor of London, London's economy and the City's visitor services stakeholders is publicly demonstrated;
  - b. recognition of the City Corporation as a provider of heritage and cultural assets, of services to London and the nation and as a good neighbour is promoted; and
  - c. the City's profile as a leisure and business destination is significantly increased on the world stage, underpinning the work of the City's CVDT

## **Conclusion**

19. Membership of L&P at Platinum level has already demonstrated significant gains for the City across departments and in supporting the City's visitor economy. With major projects on the horizon such as the anniversary programmes for Great Fire (350), the Cultural Hub, the Aldgate Arts, Events, and Play (AEP) programme, and our Service Based Review with its challenging targets for venue hire and commercial revenues, the value of continuing our Membership is evermore heightened and will be a significant driver in achieving success for these programmes.
20. The CVDT budget has inadequate funds to cover the £25,000 full cost of Membership and would need an uplift of £20,000 per annum from 2016/17.
21. These benefits are enjoyed across departments and throughout the City's tourism and cultural sectors. Termination of Membership will therefore have a negative impact reputationally amongst our internal and external stakeholders and on the City's success in the fields of business and and leisure tourism. A budget uplift and the continuance of a Platinum-level Membership is therefore strongly recommended.

## **Nick Bodger**

Head of Cultural and Visitor Development

T: 020 7332 3263

E: [nick.bodger@cityoflondon.gov.uk](mailto:nick.bodger@cityoflondon.gov.uk)