

Committee(s):	Date(s):
Public Relations and Economic Development Sub Committee	18 February 2016
Policy and Resources Committee	17 March 2016
Subject: Economic Development Office Business Plan 2016-19	Public
Report of: Director of Economic Development	For Decision

Summary

1. The attached draft Business Plan for 2016-19 builds on last year's plan approved by the Policy and Resources Committee in March 2015. It is the outcome of planning sessions held with senior management in the Economic Development Office (EDO), and other planning and review sessions held with all EDO staff. The plan reflects other key corporate strategies.
2. EDO is currently in a transition period, therefore this document sets out the plan for this year as far as possible, and Members may expect to see some changes in future.
3. The plan gives an overview of EDO's achievements from the last year, including the appointment and engagement plan for the Special Representative of the City, and the opportunities to contribute for the next year, such as promoting responsible business, increasing the City's impact on employability, and supporting enterprise.
4. Team plans for EDO's seven teams are available to Members on request.
5. The PR/ED Sub Committee agreed the plan (with minor amendment) at its meeting on 18 February 2016, and it was recommended for approval to the Policy and Resources Committee

Recommendation

6. That the Policy and Resources Committee approve the EDO Business Plan for 2016/2019, and the associated budget which will be the subject of regular scrutiny against the backdrop of the City Corporation's financial position.

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Economic Development Office Business Plan

2016-2019

Introduction – Context and Challenges

The Economic Development Office (EDO) is at the heart of delivering two of the City of London Corporation's strategic aims

- supporting The City as the world leader in international finance and business services, and
- providing valued services to London and the nation.

Over the past year, EDO has made a significant contribution to these aims by:

- Supporting the appointment of a new Special Representative for the City, Jeremy Browne, and launching an engagement programme that will take him to all EU capitals in the first half of the year.
- Supporting the further development of RMB Internationalisation.
- Implementing a major team review to enhance ways of working and incorporating Corporate Affairs team into a new structure.
- Supporting the work of a senior, cross-sector Study Panel into employability among London's communities in order to increase the contribution of the City (i.e. the City Corporation, City businesses and the Livery companies) to this critical agenda.
- Continuing our Entrepreneur Academe programme with a second cohort of women entrepreneurs running early-stage businesses based in the City's neighbouring boroughs that have so far secured £1.5m in external funding.
- Delivering a very successful Lord Mayor's Dragon Awards, which one attendee described as: "without doubt the premier London recognition awards for what companies are doing well in Community Investment".
- Enabling the roll out of the Heart of the City programme to the whole of London, announced at Heart of the City's 15th Anniversary event in the presence of Co-Presidents, the Lord Mayor and Governor of the Bank of England.
- Launching Central London Forward's £11m Working Capital programme across 8 Central London boroughs. The programme will test the effectiveness of locally designed and delivered programme to support into work unemployed people with complex needs.

- Providing high quality research on key areas for the Corporation including: poverty, deprivation, the impact of Crossrail, social investment, health, the City's economy, and the UK's total tax take.
- Also looking at new areas of work such as the City's workforce and workspaces, economic crime and the role of the City Police, and global currency usage.

In a fast-changing world, EDO has the opportunity – and the challenge – to contribute even more in the coming year.

The City's pre-eminent position depends on constant renewal. If it is to benefit from emerging markets in the Far East, and hold its own with western financial centres, it must develop new markets, products and customers. We will maximise our support for trade and investment, working closely with the Lord Mayor, business and national and London government. We will also focus on developing the potential of The City to be at heart of innovative areas (eg green finance and fintech), as well as strengthening relationships with critical markets (eg China).

The City must remain competitive. Its position depends on well-targeted regulation that tackles past excesses, while reinforcing competitiveness. EDO will work closely with government, business and trade associations (particularly TheCityUK) to ensure that the balance is right for the UK's financial and business services. We will strengthen our EU work, to provide information during the Referendum debate in the UK, while strengthening engagement across Europe in order to promote effective reform and regulation.

The City already brings prosperity to the rest of London and the UK. EDO works to maximise The City's impact especially by promoting responsible business, increasing the industry's impact on employability, and supporting enterprise. We want to strengthen our focus on access to talent and to opportunity.

The City of London Corporation must ensure that its policies are based on the strongest possible evidence. The Research Team already provide strong underpinning for the Corporation's work, helping on everything from the Centre for Music to the future of the City's buildings. With the new governance arrangements, the Research Team will also now provide evidence for the best approaches across the Corporation's work.

Relationships underpin all of the work we do and the Corporation needs to build and maintain strong links to government (national and local) and to business. EDO, having taken in the Corporate Affairs team, will work with other Departments in developing a Corporation approach to Public Affairs so that we have strong relationships with leaders in London, nationally, in Brussels and beyond.

EDO Business Plan – 2016-2019

Vision and mission:

EDO's Vision

The City's businesses and London's communities prosper and are able to realise their full economic and social potential.

EDO's Mission is to:

To promote the City of London as the world's leading financial centre and support the City's businesses and communities to realise their full economic and social potential by:

- Supporting responsible, innovative businesses to thrive by taking advantage of new opportunities and influencing policy at all levels.
- Breaking down the barriers between communities and City opportunities.
- Using research to maximise impact in informing the City's and external policies.
- Developing and sustaining excellent relationships with government, business and communities.

Strategic aims:

The strategic aims that will shape EDO's work for the next three to five years are:

- To seize and develop new opportunities to ensure London remains the world's leading financial centre
- To encourage, support and celebrate responsible business, employability and enterprise in London by co-developing and implementing approaches and programmes.
- To put research at the heart of policy making.
- To ensure that effective relationships are at the core of everything we do.

Delivery of these aims will be supported by:

- Working in collaboration and partnership with the City's businesses and communities and with Government
- Managing and embedding change within the Department

EDO's mission and strategic aims can be seen to meet the City Corporation's wider corporate aims and policy objectives as follows:

**CoLC Corporate Plan
Strategic Aims met by EDO**

To support and promote the City as the world leader in international finance and business services

To provide valued services, such as education, employment, culture and leisure, to London and the nation

**CoLC Corporate Plan
Key policy priorities met by EDO**

- KPP1 – supporting and promoting the UK financial based services sector throughout the world for the benefit of the wider UK economy
- KPP3 - engaging with London and national government on key issues of concern such as transport, housing and public health
- KPP4 – Maximising the opportunities and benefits afforded by our role in supporting London’s communities



EDO's Mission

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- Developing and sustaining excellent relationships with government, business and communities.

EDO's Strategic aims

- To seize and develop new opportunities to ensure London remains the world's leading financial centre
- To encourage, support and celebrate responsible business, employability and in London by developing and implementing approaches and programmes in partnership with others.
- To put research at the heart of policy making.
- To ensure that effective relationships are at the core of everything we do.

Objective 1 : To seize and develop opportunities to ensure London remains the world’s leading financial centre.

Rationale: It is vital for the City Corporation to take an active role in identifying, developing and promoting opportunities (e.g. markets, products, sectors and customers) as well as appropriate policies and regulations that will enable London to remain the world’s leading international financial centre

Corporate Plan: Supports KPP1 – Supporting and promoting the UK financial based services sector

Actions that will deliver the objective:

Action (included in Business Plan)	Activities / programmes that will contribute to delivering the Action	Resources	Measures of success	Target date
To look for opportunities to develop new financial initiatives to ensure London’s future success as an international financial centre	<p>To develop and implement initiatives for key policy areas such as: Green Finance, FinTech, cyber security.</p> <p>Influence policy to promote London as world leader in Green Finance and cyber security</p>	<ul style="list-style-type: none"> • EDO • Research • Consultancy support • Partner departments across the City Corporation, e.g. City of London Police, CPAT 	<ul style="list-style-type: none"> • Build on successful launch on Green Finance Initiative in January • Build on successful FinTech programme of support and refresh strategy, establishing strategic areas of focus, taking forward key areas from Network Action Group and Innovate Finance Global Summit • Governance architecture established with involvement from business, government and regulators • Road map in place 	<p>June 2016 Sept 2016</p>

To improve the UK business environment to ensure London prospers	To develop and implement initiatives for policy areas such as: skills, infrastructure, visas, tax, connectivity, access to finance, housing and aviation.	<ul style="list-style-type: none"> • EDO • Research • Consultancy support • Partner departments across the City Corporation 	<ul style="list-style-type: none"> • Ensure HM Government hears voice of City business on visas • Tailored interventions to ensure government understand views of the City Corporation on key policy issues. 	Nov 2016
	Play full part in debate on Europe Referendum and scenario planning	<ul style="list-style-type: none"> • EDO • Research • Consultancy support 	<ul style="list-style-type: none"> • Ensure the views of City businesses inform the referendum debate. 	Dec 2017
To make a significant difference to trade and investment for financial and business services in the UK	Provide on-going support for the programme of overseas visits.	<ul style="list-style-type: none"> • EDO • Research • Cost of visits programme 	<ul style="list-style-type: none"> • Lead on policy content and business delegation support of overseas visits • Feedback from Lord Mayor • Measure satisfaction of stakeholders in survey – aim for increasing levels of satisfaction year on year 	Oct 2016
	Examine options for improving overseas engagement	<ul style="list-style-type: none"> • EDO • Partner departments across the City Corporation 	<ul style="list-style-type: none"> • Road map in place 	July 2016
	Deliver programme of Industry Briefing Courses to equip our staff and UKTI / FCO to deliver trade and investment objectives	<ul style="list-style-type: none"> • EDO • Pro Bono support from business 	<ul style="list-style-type: none"> • Attendance and high satisfaction by UKTI and FCO staff • Measure satisfaction of stakeholders in survey – aim for increasing levels of satisfaction year on year 	Sept 2016

	Review and develop strategy for China related activity, focusing on RMB but looking at capital markets and asset management	<ul style="list-style-type: none"> • EDO • Research 	<ul style="list-style-type: none"> • Develop proposals for workstream • Measure satisfaction of stakeholders in survey – aim for increasing levels of satisfaction year on year 	April 2016
Work with government and business to produce a policy and regulatory environment where business can prosper	Develop international and strategic element to the IRSG's (International Regulatory Strategy Group) work programme	<ul style="list-style-type: none"> • EDO • Research • Overseas visits 	<ul style="list-style-type: none"> • Refresh IRSG to ensure satisfaction of business who support IRSG – aim for increasing levels of satisfaction year on year • Support overseas engagement programme of Chair of IRSG 	June 2016 Oct 2016
	Develop plan to influence and support work improving standards and behaviour in financial services, to ensure London has an international reputation for excellence	<ul style="list-style-type: none"> • EDO • Consultancy support 	<ul style="list-style-type: none"> • Improved opinion of policy makers of financial services, as recognised in published opinion surveys 	Feb 2017
	Develop and implement EU engagement strategy, including programme of EU Member State engagement	<ul style="list-style-type: none"> • EDO • Cost of overseas visit programme 	<ul style="list-style-type: none"> • Strategy in place • Visit all 27 EU Member States to convey the positive message of the City of London Corporation and the role that it can play as Europe's leading financial centre in helping EU to achieve its stated economic ambitions • Deliver key messages on 	Summer 2016

			<p>Capital Markets Union (CMU), role of financial services in delivering jobs and growth to political, business and media audiences</p> <ul style="list-style-type: none">• Measure satisfaction of stakeholders in survey – aim for increasing levels of satisfaction year on year	
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Objective 2: To promote responsible business, strengthen employability and support enterprise in London by developing approaches and programmes in partnership with others.

Rationale: To prosper, business needs to behave in a responsible way and to contribute to the prosperity of London and its communities; to be credible in its work the City Corporation will need to lead by example.

Corporate Plan: Supports KPP4 – Maximising the opportunities and benefits afforded by our role in supporting London’s communities

Actions that will deliver the objective:

Action (included in Business Plan)	Activities / programmes that will contribute to delivering the Action	Resources	Measures of success	Target date
Employability:- To connect City opportunities and the talent of Londoners to reinforce City competitiveness and support London’s communities	Building on existing success, implement a new EDO employability strategy and action plan (as part of a wider CoL framework). This will include the proposed ‘education to employment’ theme of the Education Strategy and follow-up work to the Study Panel	EDO, P&R budget and S106 funds for programme delivery Staff time City Academies’ engagement	<ul style="list-style-type: none"> • New EDO strategy agreed by Committee • EDO action plan in place and being implemented • Measure satisfaction of stakeholders in survey – aim for increasing levels of satisfaction year on year 	<ul style="list-style-type: none"> • May 2016 • June 2016
	Play our part in wider CoL framework, narrative and activities	As above	<ul style="list-style-type: none"> • Strong narrative developed 	<ul style="list-style-type: none"> • June 2016
Responsible Business:- To inspire, influence and facilitate approaches to	Develop and implement a new, ambitious, CoL approach that builds on existing success	EDO budget Staff	<ul style="list-style-type: none"> • New CoL Responsible Business agenda is approved 	<ul style="list-style-type: none"> • September 2016 • December

responsible business in London including CoL leading by example		Business consultees In co-operation with other CoL departments (HR, Chamberlains etc)	<ul style="list-style-type: none"> Action plan is developed and implementation underway Measure satisfaction of stakeholders in survey – aim for increasing levels of satisfaction year on year 	2016
	Continue to deliver portfolio of activity successfully to engage City businesses and CoL in responsible procurement and skills-volunteering	EDO budget Staff time	<ul style="list-style-type: none"> Individual programme targets are met (e.g. 40 number of new businesses engaged in City Action) 	March 2017
Enterprise - To make a significant difference to the enterprise support landscape in London	Develop a cross Corporation strategy and implementation plans for enterprise support, that build on successful programmes	EDO budget/ new approaches for funding e.g. from PIF for pilots Staff time Collaboration from other departments e.g. City Business Library	<ul style="list-style-type: none"> Corporation-wide strategy is agreed Action plan and resources are in place - and implementation has begun Measure satisfaction of stakeholders in survey – aim for increasing levels of satisfaction year on year 	June 2016 Sept 2016- Dec 2016
To ensure the CoL is seen to play its full part in London's growth agenda as a valued partner with Central Government, and as a leader amongst neighbouring local authorities and business	Facilitate, maintain and build relationships with key economic development partners/partnerships in London Fulfil role as Accountable Body for Central London Forward and Heart of the City to help realise their ambitious new phases	Support of other departments crucial e.g. Legal, HR and Chamberlain's. Staff time	<ul style="list-style-type: none"> CoL seen as a valued and effective partner Accountable Body role is carried out effectively Heart of the City's London roll-out is facilitated effectively. 	March 2017 March 2017 March 2017

Objective 3: To put effective research at the heart of policy making

Rationale: Timely high quality research is essential to the development of relevant and effective policies, internally and externally

Corporate Plan: Supports KPP1 – Supporting and promoting the UK financial based services sector
KPP3 – Engaging with London and national government on key issues of concern

Actions that will deliver the objective:

Action (included in Business Plan)	Activities that will contribute to delivering the Action	Resources	Measures of success	Target date
<p>To work across the Corporation to support priority areas from an early stage, making a significant contribution to the policy environment for:</p> <ul style="list-style-type: none"> - internal policy development - external engagement with policy makers 	<p>Development of an overarching research framework for agreement at Summit Group, outlining the strategy for prioritising and carrying out work.</p> <p>This will lead to a range of bespoke, timely and high quality research products and activities, including:</p> <ul style="list-style-type: none"> - working with others at the outset of new areas to shape the approach - externally commissioned research publications - internal support for strategy groups - snapshots and 'state of play' reviews for new areas of work around corporate priorities - strategic support for major corporate initiatives 	<p>Research funding for externally commissioned work, staff time</p>	<ul style="list-style-type: none"> • internal review with project partners of the extent to which the aim for each project has been achieved • stakeholder satisfaction based on rigorous stakeholder feedback. 	<p>Framework agreed by Summit Group - June 2016</p> <p>Framework fully implemented - December 2016</p>

Review of the Research function and products to maximise effectiveness and ensure consistently high quality	External consultancy review of the programme	External consultancy time and fees	<ul style="list-style-type: none">• Review carried out and recommendations implemented	December 2016
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Objective 4: To ensure that effective relationships are at the core of everything we do.

Rationale: Positive and effective relationships are core to the delivery of EDO's objectives – whether with national and local government, business or communities. Proactive relationship management is key.

Corporate Plan: Supports KPP3 – Engaging with London and national government on key issues of concern.

Actions that will deliver the objective:

Action (included in Business Plan)	Activities / programmes that will contribute to delivering the Action	Resources	Measures of success	Target date
To lead and deliver the City Corporation's corporate affairs activity, working with business and London's communities alongside national government.	Develop and implement a cross Corporation corporate affairs strategy to influence key public policy issues. To be done in cooperation and collaboration with Remembrancer's and other key internal stakeholders	<ul style="list-style-type: none"> • Corporate Affairs • Consultancy support • Partner departments across the City Corporation 	<ul style="list-style-type: none"> • Strategy and road map in place • Engagement with London government • Key customer (Senior Members and Officers) satisfaction 	June 2016
Develop and maintain strong relationships with key businesses	Organise and deliver high-level events to convene senior stakeholders, to deliver the corporate affairs strategy's objectives	<ul style="list-style-type: none"> • All EDO teams • IT 	Relationship management process developed for <ul style="list-style-type: none"> • Employability • Responsible business • Enterprise • City Competitiveness 	June 2016 December 2016 December 2016 TBA

Economic Development Office: Summary Business Plan 2016-19

Our Financial Information:						
	2014/15 Actual	2015/16 Original Budget	2015/16 Revised Budget	2015/16 Forecast Outturn (latest)		2016/17 Original Budget
	£000	£000	£000	£000	%	£000
Employees	2,066	2,065	2,192	2,121	97	2,390
Premises	128	137	133	138	104	141
Transport	85	98	126	120	95	153
Supplies & Services	1,501	1,419	1,570	1,349	86	1,440
Third Party Payments	245	255	255	244	96	252
Contingencies	0	0	0	0	0	0
Unidentified Savings	0	0	0	0	0	0
Total Expenditure	4,025	3,974	4,276	3,972	93	4,376
Total Income	-64	-26	-47	-27	57	-14
Total Local Risk	3,961	3,948	4,229	3,945	93	4,362
Central Risk	89	101	101	101	100	101
Total Local and Central	4,050	4,049	4,330	4,046	93	4,463
Recharges	318	347	383	383	100	387
Total Net Expenditure	4,368	4,396	4,713	4,429	93	4,850

Financial notes:

Staff turnover during the 2015/16 financial year was high at 45% (see below) and there were resulting periods of vacancy across most EDO teams. Any salary reductions from vacancies were largely offset by planned one-off severances. Savings were realised on operational budgets as we were unable to deliver all anticipated projects without full staff establishment so the forecast outturn is at 93%. Plans are in place to request to carry forward this reduced requirement in the 2015/16 local risk budget into 2016/17, in consultation with required parties and adhering to the financial guidelines.

Our Staffing is made up of:

- 37 employees, two thirds of which are female and are represented at all levels except the very highest (50% of our management team are female). Half of our staff are aged between 31 and 40 and the majority of all staff stay for between 1 and 10 years before moving on to new opportunities.
- Turnover in the last year has been high at 45%, 40% of which was voluntary.
- Sickness absence during the last calendar year (Dec 14 – Dec 15) averages at 5.25 working days lost per employee per annum, 0.75% below the organisation's target of 6 days per annum.

Notes on Staffing Information:

EDO's workforce plan for the coming year will focus on ensuring that it continues to have the right people with the right knowledge and skills in order to deliver on its key strategic aims, taking into account the high turnover it experiences and looking at ways of capturing and sharing knowledge so it is not lost when staff inevitably move on. By and large, staff move on to new development opportunities as a positive move and this is testament to the good development and opportunities available within EDO. Feedback from staff moving on will continue to be sought and any patterns or trends that identify areas for development will be incorporated into the workforce plan on an on-going basis.