

Committee(s)	Dated:
Policy and Resources	17 February 2022
Subject: City Corporation contribution to London Tourism Recovery Marketing (international campaign)	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	7 and 10
Does this proposal require extra revenue and/or capital spending?	Y
If so, how much?	£50,000
What is the source of Funding?	Policy Initiatives Fund
Has this Funding Source been agreed with the Chamberlain's Department?	Agreed, subject to P&R approval
Report of: Damian Nussbaum, Director of Innovation and Growth	For Decision
Report author: Nick Bodger, Cultural and Visitor Development Director	

Summary

This report responds to a request from the London Tourism Recovery Board for £50,000 towards an international marketing campaign that seeks to drive visitor footfall from overseas to central London this summer so retaining and supporting jobs across its leisure sector.

Your Committee approved a contribution of £50,000 to the Board's domestic campaign in April last year which delivered significant results driving incremental visits from UK holidaymakers to London worth £70m, equating to an ROI of 18:1

Together with funds from Government, the Mayor of London and other industry partners, a total funding pot of £15m is sought for this internationally focussed work, with the majority of this funding now secured.

Targets for this new international campaign include delivery of incremental visits to London worth £144m, which would equate to an ROI of 10:1, and an audience reach of 60-70% of potential US, French and German visitors (which are London's top 3 markets by volume and spend).

International visitors accounted for 84% of London's tourism spend prior to the pandemic and driving demand from this sector is vital for London's and the City's attractions which rely heavily on overseas visitors.

Recommendation(s)

Members are asked to:

- Approve funds of £50,000 in support of a major international tourism campaign, payable to London and Partners and promoting central London to

visitors, to be taken from your Policy Initiatives Fund (PIF) in the 2021/22 financial year categorised as 'Promoting the City' and charged to City's Cash.

Main Report

Background

1. The London Tourism Recovery Board (LTRB) was set up to ensure Government funding and industry activity is directed in a way that will ensure the maximum number of jobs are protected within London's tourism sector as we emerge from the pandemic, noting that tourism represented 1 in 7 jobs in the capital pre-Covid and that many of these remain at risk if visitor footfall stays at current levels.
2. In April 2021, your Committee approved funding of £50,000 towards the LTRB's domestic campaign, which sought to drive UK visitors to central London in a bid to close the gap left by visitors from overseas as travel restrictions remained in play. The campaign ran from May to October 2021 and was funded by the combined pooling of resources of organisations working in central London's tourism sector, with a total funding pot of £3.9m being achieved.
3. The domestic campaign – *Let's Do London* – delivered significant results driving incremental visits to London worth £70m which equated to an ROI of 18:1. It was delivered by London and Partners.
4. The City Corporation has been at the heart of London's tourism recovery as we have moved through the pandemic. It has been an active member on the London Tourism Recovery Board (represented by your Cultural and Visitor Development Director) since the Board's inception and has benefitted from being able to direct the strategy and set the brief for London's tourism sector as well as participate in the domestic marketing campaign (as above).
5. Other destinations on the Board include the Royal Borough of Greenwich, Southbank BID, New West End Company, Heart of London Business Alliance, Grosvenor Estates, The Crown Estate and Shaftesbury PLC along with private sector hotels, attractions, hospitality and arts providers.
6. This report responds to a second request from the LTRB. The request is for £50,000, £100,000 or £500,000 towards a marketing campaign that seeks to drive international visitor footfall to central London this summer, with contributor benefits aligned to the level of funding selected. The campaign will, again, be managed by London and Partners.
7. Similar requests have been made to all Board members.
8. As a large-scale provider and funder of attractions within central London (eg Tower Bridge, Museum of London, Barbican, Monument and Guildhall Art Gallery), it is strongly anticipated the City Corporation will contribute noting the benefits of participation for its services and visitor economy.
9. International visitors accounted for 84% of London's tourism spend prior to the pandemic and driving demand from this sector is vital for London's and the City's attractions which rely heavily on overseas visitors (for example, 79% of

City Information Centre footfall pre-pandemic comprised international audiences).

10. The City has consistently been the worst hit and slowest area to recover across London. The figures for 2020 were particularly bad with a fall from 21m to 4.6m visitors to the Square Mile, and a spend of £409m, down from £2.1bn. There has not been a strong improvement since then:
 - Recreation and retail footfall has averaged 23% since 1 April 2020. Whilst the worker footfall so critical to sustaining amenities in the City had started to recover faster in autumn 2021 - up to a weekly average of 75% of normal daily footfall and one of the highest in London - this has again plummeted with Omicron restrictions (to a low of 18%).
 - Spending in the Square Mile has averaged 31%, making it the hardest hit of all local authority areas. (FT January 2022).

Current Position

11. This new campaign targeting international visitors takes a similar approach to that of the domestic campaign in that it seeks to deliver an ambitious £15m funding pot through the combined pooling of resources.
12. On 25 January 2022, the UK Government issued a press release describing the UK to be 'one of the most open countries in Europe and ready for an international tourism boom'. Within the release it detailed VisitBritain's £10m international marketing campaign which will promote the UK's cities, whose visitor economies have been most detrimentally affected by the consequences of the pandemic, as well as 'another side of Britain'; the latter being a strategy which the Government wishes to pursue as part of its ambition to spread the economic benefits of tourism and in pursuit of its 'levelling-up' agenda.
13. The campaign will take a dual-pronged approach for London, one part featuring the capital in a wider VisitBritain campaign, another delivering a dedicated international campaign for London through London and Partners, using money pledged by the Mayor of London, an anticipated £5m raised from industry contributions, and £5m in Value-in-Kind (VIK) and 'contributed media' (for example, media exchanges with target cities such as New York).
14. Targets for the campaign include delivery of incremental visits to London worth £144m, which would equate to an ROI of 10:1, and an audience reach of 60-70% of potential US, French and German visitors (which are London's top 3 markets by volume and spend).

Options

15. As discussed above, organisations such as the City are being asked to contribute at one of three funding levels: £50,000, £100,000 or £500,000.
 - a. **At the £50,000 level:** the City Corporation retains its seat on the LTRB, and, as such, has an opportunity to influence the recovery agenda to ensure that City priorities are met – specifically to drive footfall to the City and sustain the SMEs in the retail, hospitality and

tourism sectors – essential elements in creating an attractive destination for investment. In addition, it will continue to have access to valuable data and insights to better inform its own work. This is the recommended option.

- b. **At the £100,000 level:** contributors at this level receive the above benefits plus their product/brand being featured on Visitlondon.com and/or in partner campaign assets as well as the option to retarget campaign audiences with their own paid media campaign. This option is not recommended because the City Corporation already enjoys the benefits of being featured on Visitlondon.com through its Partner membership status and because it is unlikely that it will fund a paid media campaign of its own at a level that would achieve any significant benefit.
- c. **At the £500,000 level:** contributors at this level receive all of the above benefits plus their product featured in the paid media campaign. Again, this option is not recommended for the reasons above and because the funding level would unlikely reward the City Corporation with benefits commensurate with the additional monies required, noting its offer and scope is restricted to the City area and the assets it manages.

Proposals

16. After due consideration by officers, it is proposed that the City Corporation contributes £50,000 to the LTRB's international campaign aligned with other similar-level industry providers in central London and noting that the benefits of other levels may only be achieved if the City Corporation were to invest significantly more in paid media campaigns of its own.
17. It should be noted that, were this contribution to be approved, it does not buy the City Corporation exposure for its own assets directly within campaigns (albeit some may be featured); rather the contribution is made in support of central London's tourism and leisure sectors, with benefit derived from increased footfall within the central London area (delivering "knock-on" benefits for the City). That said, some "City" locations and assets – such as Tower Bridge – are amongst London's most iconic sights and so may receive coverage within the campaign regardless.
18. To not invest is not recommended in that it would remove the City Corporation from the campaign (and the LTRB) completely, with no opportunity to steer or influence strategy.
19. It is therefore proposed that the £50,000 be awarded in support of a major international tourism campaign managed by London and Partners and promoting central London to overseas visitors, to be taken from your Policy Initiatives Fund (PIF) in the 2021/22 financial year.

Corporate & Strategic Implications

- **Strategic implications:** the proposals align with Corporate Plan outcomes 7 and 10 in that they help to support the City (and wider London) as a global centre for culture and promote our world-class heritage assets, cultural experiences and events.

The proposals also support core outcomes under the Vibrant Offer dimension of the City's Recovery Strategy *Square Mile: Future City* in that they encourage overseas leisure visitors to return to the City and they support City leisure-sector organisations.

- **Financial implications:** it is proposed that £50,000 be awarded to the LTRB through London and Partners in support of a major international tourism campaign promoting central London to visitors, to be taken from your Policy Initiatives Fund (PIF) in the 2021/22 financial year categorised as 'Promoting the City' and charged to City's Cash.

The current uncommitted balance of the 2021/22 Policy Initiative Fund is £312,307 prior to any allowance being made for any proposals at your February 2022 meeting.

- **Resource implications:** none identified.
- **Legal implications:** a standard funding contract will be drawn up by London and Partners for consideration by your Comptroller.
- **Risk implications:** despite best efforts, marketing targeting the identified groups is unlikely to mitigate all sector job losses across London.
- **Equalities implications:** none identified.
- **Climate implications:** none identified
- **Security implications:** none identified

Conclusion

20. There is an urgent need for London's tourism sector to move at speed to help protect sector jobs by driving the right people into the right businesses, addressing the footfall losses anticipated in central London this summer.
21. Commitment to the campaign described in this paper has already been given by many of London's tourism operators and – should enough contribute – it is anticipated that the target £5m industry partner pot (contributing to an overall £15m spend figure for the campaign) will be achieved.

Background papers

- City Corporation contribution to London Tourism Recovery Marketing; paper considered by you Policy and Resources Committee under urgency in April 2021.

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