



Japan Local Government Centre, London

Monthly Report for April 2011 – Greater London Authority economic promotion

With the London Development Agency due to be folded into the Greater London Authority by April 2012, the reorganisation of the capital's economic development functions and capacity is now underway. In February 2011, a pan-London Local Enterprise Partnership was approved by the Departments for Business, Innovation and Skills and Communities and Local Government, bringing the capital into line with the rest of England where a network of the economic growth partnerships now exist. Its remit will be to identify opportunities for business and economic growth, innovation, training and job creation. It will also make the case to central Government to ensure London receives its fair share of funds to support economic development.

The London Enterprise Partnership will be co-chaired by the Mayor and a leading business person and include three borough leaders, business members and representatives from the higher education and voluntary and community sector. The successful proposal was submitted to ministers in December 2010 following the government's invite in October to suggest the most appropriate arrangements for London's Local Enterprise Partnership. A rival proposal by several West London Boroughs was rejected however.

The Mayor has also proposed that the Olympic Park Legacy Company (OPLC) will be reformed as a Mayoral Development Corporation (MDC), which will incorporate the assets and responsibilities of the existing OPLC, as well as some of the work of other existing regeneration agencies in the area. The Mayor claims that the proposals will *"boost the effectiveness of the Legacy Company, help make the very most of Games-related investment and, most importantly, ensure that the success of the Olympic Park will permeate into all the surrounding communities and beyond."*

It is intended that, subject to the passage of the Localism Bill, the MDC will commence the majority of its functions on 1 April 2012, and take over as local planning authority in October 2012. The Mayor's proposals include a commitment that the MDC would work very closely with the four London Boroughs covered by its proposed boundary.

The Localism Bill proposes to give MDCs powers similar to those currently held by Urban Development Corporations (UDCs) relating to: infrastructure; regeneration, development and other land-related activities; acquisition of land, including by compulsory purchase; streets; the creation of businesses, subsidiaries and other companies; and offering financial assistance. The Mayor can also decide that an MDC should take over the responsibilities of the local planning authority for its area,

and should have the power to grant relief from business rates.

The proposal was originally submitted to ministers in June 2010 following the decision to abolish the Government Office for London with immediate effect and also abolish the nine English Regional Development Agencies (RDAs) in 2012. This was announced to borough leaders by the Mayor at a meeting of the London Congress held under the London City Charter. The proposals were then given qualified support by the London Assembly and London Councils in a joint letter on London devolution sent to the Secretary of State and signed by all three.

In the March UK Budget, it was announced that the Royal Docks area of the London Borough of Newham will become one of the first new Enterprise Zones in England. Although the site of the ExCel Exhibition Centre (2009 G20 summit venue and one of Europe's largest) and formerly part of the London Docklands UDC (1981-1998), the area was omitted from the boundaries of the current London Thames Gateway UDC, now regarded as an oversight on account of continuing local deprivation.

New companies locating to the zone during the term of the current Parliament will benefit from reduced business rates for five years and the revenue collected from those newly established businesses in the zone will be retained by the London Enterprise Partnership for the next 25 years. This will create an ongoing economic development fund which can be re-invested in promoting economic growth elsewhere in the capital or set against borrowings for investment. The London Borough of Haringey has also petitioned the Mayor concerning the creation of a separate MDC with business rate incentives in the Tottenham area of the borough (also one of London's most deprived), with negotiations on its creation underway. The Mayor also announced in late March that his Outer London Commission would be given a £50m grant to administer in order to boost the regeneration of run-down town centres on the capital's periphery.

On April 1, the capital's new promotion agency London & Partners went live, unveiling a new corporate brand for the capital and merging the activities of three separate tourism, investment and academic promotion bodies. The body, which replaces Visit London, Think London and Study London, will be funded by an annual mayoral grant, guaranteed until 2015 but measured against specific objectives. On the same day, it was announced by UKTI that following the abolition of the RDAs in 2012, PA Consulting (with OCO Consulting and the British Chambers of Commerce) is to be appointed as 'national contractor' to deliver support for foreign direct investment in the UK, working with the GLA/London & Partners in London and acting as delivery arm within the English regions outside of the capital.

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