

GREATER LONDON AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD2665

Title: Study on enhancing London's post-Brexit economic prosperity

Executive summary:

The GLA is proposing to commission a study to inform the evidence base, for the Mayor and the GLA, on possible options to support London's economy to prosper in the post-Brexit political and economic environment. It will explore how existing and potential economic arrangements between the UK and the EU could be developed to enhance London's economic prospects – especially in the sectors that are critical to its economic success. These include financial and professional services; tech; life sciences; tourism; and the creative industries.

Decision:

That the Assistant Director of Economic Development and Programmes approves:

- expenditure of up to £25,000 to commission the proposed study.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: Alex Conway

Position: Assistant Director, Economic Development and Programmes

Signature:



Date:

21/08/2023

PART I – NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

- 1.1. A range of statistical evidence and analysis from economic experts (including the Office for Budget Responsibility and the International Monetary Fund) suggests that the post-Brexit EU-UK trade relationship, initiated in December 2020, is having a negative economic impact on both the London and UK economies. These include lower export volumes; higher consumer-price inflation; lower productivity; lower investment; and lower economic growth. GLA Economics has been reviewing this evidence as part of its regular London Economic Outlook publication.
- 1.2. The future trajectory of this relationship – from small-scale adjustments to the EU-UK Trade and Cooperation Agreement (such as UK participation in the Horizon Europe programme) to more ambitious plans for closer regulatory alignment or, ultimately, rejoining the EU single market – could have a major impact on London’s capacity to remain a global centre of trade, and a prosperous and equitable economy. Therefore, the GLA is proposing to commission a study to inform the evidence base, for the Mayor and the GLA, on possible options to support London’s economy to prosper in the post-Brexit political and economic environment.

2. Objectives and expected outcomes

- 2.1. The proposed study would explore how existing and potential economic arrangements between the UK and the EU could be developed to enhance London’s economic prospects – particularly in the sectors that are critical to its economic success. These include financial and professional services; tech; life sciences; tourism; and the creative industries. It would also explore how these economic arrangements could be developed to ease trade in goods and services that Londoners rely on, such as food and energy. This should be explored in terms of maintaining London’s international competitiveness with other global competitor cities.
- 2.2. The study will identify the components of the EU-UK Trade and Cooperation Agreement that are most important to London and its future economic success. It will also identify feasible options to develop the existing framework; or negotiate new elements that will be beneficial to London’s economy and its key sectors. It will assess the benefits of options that would bring the UK into closer alignment with the EU, relative to maintaining the status quo of existing arrangements, as well as the key stakeholder groups that would be impacted by these changes.

3. Equality comments

- 3.1. Section 149(1) of the Equality Act 2010 provides that, in the exercise of their functions, public authorities including the GLA must have due regard to the need to:
 - eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under the Equality Act 2010
 - advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it
 - foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 3.2. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, and sexual orientation.

- 3.3. Due regard must be had at the time a decision is being considered. The duty is non-delegable and must be exercised with an open mind.
- 3.4. Evidence from the London School of Economics suggests that post-Brexit trade barriers have resulted in higher food bills across the UK. This will have most adversely impacted poorer households, which in London are more likely to be from ethnic minority backgrounds. It is intended that the study will also explore options that could mitigate these issues.
- 3.5. Officers have considered the likely impact of this proposed decision on groups with protected characteristics. They have concluded that there are no adverse impacts, and that impacts are likely to be positive.

4. Other considerations

Key risks and issues

- 4.1. In itself, there are no significant risks or issues associated with procuring this study. The study will be procured by requesting three or more quotes from suppliers, which is compliant with the GLA's Contracts and Funding Code.

Declarations of interest

- 4.2. The individuals involved in drafting and clearing this document have no interests to declare.

Links to Mayoral strategies and priorities

- 4.3. The Mayor's Economic Development Strategy states that the Mayor will:

“review the need for additional, shorter-term interventions to address the specific challenges posed by Brexit, and continue promoting London globally as a destination and partner for investment, trade, and tourism.”

5. Financial comments

- 5.1 Approval is requested for expenditure of up to £25,000 on a study to inform the evidence base, for the Mayor and the GLA, on possible options to support London's economy to prosper post-Brexit.
- 5.2 This expenditure will be funded from within the Economic Development Unit's approved budget for the 2023-24 financial year.

6. Planned delivery approach and next steps

- 6.1. The timetable below shows how the project will be delivered.

Activity	Timeline
Procurement of contract	August 2023
Delivery start date	September 2023
Delivery end date	October 2023

Appendices and supporting papers:

None

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FoIA) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after it has been approved or on the defer date.

Part 1 - Deferral

Is the publication of Part 1 of this approval to be deferred? YES

If YES, for what reason:

The intention is to procure the study and then publicise its findings. Publishing before these stages are complete would risk compromising the implementation of the decision.

Until what date: 1 November 2023

Part 2 – Sensitive information

Only the facts or advice that would be exempt from disclosure under the FoIA should be included in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form – NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

Nathan Davies has drafted this report in accordance with GLA procedures and confirms the following:

✓

Corporate Investment Board

A summary of this decision was reviewed by the Corporate Investment Board on 21 August 2023.

✓

ASSISTANT DIRECTOR FINANCIAL SERVICES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature:

Anna Gustaf

Date:

25/08/2023