



## PROGRESS UPDATE 2011

In the first year of the coalition Government we have encouraged it to stick to its own priorities of supporting business growth and tackling the public deficit. With few of the current crop of Ministers representing London constituencies, we continue to press the reasoned economic case for London's interests, which in turn are critical to growth prospects for the whole UK.

Research and publications support our campaigns to address aspects of London's competitiveness, from tax rates to immigration caps and from investment in transport to the impact of localism on planning procedures. But it is our events programme, which brings together business leaders from our membership with national political leaders, the Mayor and his team and influential and prominent stakeholders, and which most effectively promotes understanding, and decision-making responsive to the generators of growth.

Listed here are some of the highlights of London First's active stakeholder events programme from the last year.

Business Secretary **Vince Cable**  
Transport Secretary **Philip Hammond**  
Work and Pensions Secretary **Iain Duncan Smith**  
Shadow Chancellor **Ed Balls**  
Trade Minister **Lord Green**  
Treasury Ministers **David Gauke** and **Justine Greening**  
Tourism Minister **John Penrose**  
Chairman of the Treasury Select Committee  
**Andrew Tyrie**

**Boris Johnson** and his rival **Ken Livingstone**  
Deputy Chairman of Transport for London  
**Daniel Moylan**  
New City Hall Chief of Staff **Sir Edward Lister**  
Mayoral advisors **Isabel Dedring**, **Kulveer Ranger**,  
**Anthony Browne** and **Richard Blakeway**  
Chair of the Waste and Recycling Board **James Cleverly**

**Paul Deighton** CEO of LOCOG  
**Sir Roy McNulty** who led the Government's rail  
infrastructure review  
**Terry Morgan** Chairman of Crossrail  
**Ian Watmore** Cabinet Office COO  
**James Stewart** of Infrastructure UK  
**Andrew Trotter** Chief Constable of British  
Transport Police

Overleaf is a summary of London First's activity and achievements during the last year, on behalf of our members.

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## HOW WE WORK WITH OUR MEMBERS

We deliver our objectives with the support of London's leading businesses in key sectors such as finance, professional services, property, ICT, creative industries, hospitality and retail. Membership also includes the capital's leading universities and colleges. Together, we share a mission: to make London the best city in the world in which to do business.

Our members provide strategic input into our policy development, to help ensure national and London decision-making and implementation are business friendly and support the capital's global competitiveness. We join forces with our members to meet, brief and persuade decision-makers, and build our case through the media.

We share London intelligence and analysis with our members through briefings, publications and our extensive events

programme, which ranges from small-scale policy consultations to large-scale networking events.

Our specialist networks – in security and resilience, property and energy, and healthcare – provide opportunities for our members to showcase their expertise, exchange good practice and network with industry peers and stakeholders.

Hosting and speaking opportunities also provide our members with a platform to develop their corporate and personal profile.

Dedicated member managers work with each member to tailor engagement, ensuring that we maximise opportunities in line with members' own business objectives.

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## LONDON FIRST PARTNERS

BAA  
Bank of America Merrill Lynch  
Berwin Leighton Paisner  
BT  
Canary Wharf  
CB Richard Ellis  
CH2M Hill  
Deloitte  
EDF Energy  
Gensler  
Grosvenor  
HSBC  
Invensys Plc

KPMG  
Land Securities  
Lend Lease  
London Gatwick Airport  
London Higher  
PricewaterhouseCoopers  
Qatari Diar  
Quintain Estates & Development  
The Crown Estate  
Thales  
UK Power Networks

In addition to our partners, we have over 200 corporate members. See our website for a full list.

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## CHAMPIONING LONDON AS A GLOBAL TALENT HUB



London's critical mass of talented people from around the globe is a major competitive advantage. However, uncertainty in the business environment, specifically with respect to immigration policy, tax and the regulatory regime, threatens this position. Better relationships between politicians and business, and the restored competitiveness of London's financial services are vital to London's economy.

- The Government's immigration policy, as initially proposed, threatened to harm the ability of London's businesses to attract the talented people they need to remain competitive and of universities to attract overseas students. Working alongside members, in the media and behind the scenes with Government, officials and other influencers, we secured an exemption for intra-company transfers and a lifting of restrictions on those earning over £150,000. We continue to press for a business-case to balance the political-case driving policy making in this area.
- We continue to press the export value and crucial economic contribution to London's universities from overseas students. We have established a member working group to monitor the continuing impact of immigration rules and to coordinate our responses to emerging policy development.

- Businesses looking to inspire the next generation of Londoners took part in Skills London, our interactive careers event at ExCeL in October 2010, which welcomed 45,000 visitors and 120 exhibitors. We continue to work to assess and promote routes into employment, including apprenticeships, and helped to devise and organise a business summit on apprenticeships, with Mayor Boris Johnson and Business Secretary Vince Cable.
- More recently, an event with Work and Pensions Secretary, Ian Duncan Smith provided an opportunity for members to discuss the impact on the capital of his wide-reaching welfare reforms on the capital.
- Ahead of 2012, we helped to secure a £14 million revamp to Piccadilly as well as improvements to Leicester Square and the further roll out of the Legible London wayfinding scheme through the work of our West End Streets initiative. There are signs that these iconic projects have helped to trailblaze wider improvements to public realm, improving the visitor and investor appeal of significant parts of central London.

## Economic policies which support COMPETITIVENESS

London's advantage of competitive stable tax and regulatory regimes, a world-leading financial and professional services market and a broader policy framework which is growth friendly has been eroded since the financial crisis of the last few years.

- In March 2011, ahead of the Budget, we published an Alternative White Paper for Growth, setting out proposals with little or no cost to Government which would provide a better business environment to support growth. We have deployed this paper, and the menu of proposals which it contains, in meetings with Ministers and other influencers of policy.

- Our research on competitive levels of personal taxation argued that the 50% higher rate of income tax was neither revenue maximising nor growth-friendly, acting as it does as a disincentive to globally mobile talent and inward investment. The Chancellor's subsequent signals in his Budget speech, reinforced by the Business Secretary, indicate that the message was received: a reduction in this rate is envisaged before the end of the Parliament.



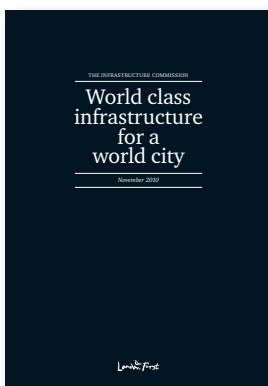
- We pressed the Government and the Independent Commission on Banking to give due weight to the competitiveness of the UK banking sector, both in its own potential for economic growth and as a source of competitive advantage for UK business in other sectors. In July an audience of senior business leaders witnessed an insightful debate on the benefits and disadvantages of regulatory intervention in banking.

# BUILDING WORLD-CLASS PHYSICAL INFRASTRUCTURE



Building world class infrastructure remains critical to support London's economic growth.

- Our expert Infrastructure Commission reported in November 2010, with challenging recommendations for renewing and securing London's infrastructure capacity – in water, waste, energy and transport - against the backdrop of constrained public spending. Government must create the conditions and incentives for the private sector to invest.



- The 2010 Queen's Speech included a commitment to overhaul the regulatory regime for aviation, putting passenger interests first. London First sat on the Government's South East Airport Taskforce, which agreed welcome steps to make the best of existing

capacity. However, capacity at our major hub airport remains a constraint on UK business growth.

- International air links remain key to London's attractiveness to global business and Government's plan to develop a new aviation policy is welcome. London First has provided input to the scope of this review and continues to advocate directly, and through the media, that additional capacity is needed and no potential solution should be ruled out. These issues are part of the scope for the London First Connectivity Commission, currently considering written and oral evidence and expected to report in early 2012.
- Our cross-sector supported recommendations for better balancing the competing demands placed upon London's roads have been adopted by the Mayor and, with tentative support from the Department for Transport, measures to incentivise utilities and their contractors to minimise costly disruption on strategic routes are to be trialled.
- In planning, we maintain pressure to ensure national and London policy incentivises the development London needs to support growth at a

time when viability is fragile. We successfully influenced the Mayor's proposed Crossrail charge to lessen the impact on development and secured a substantial reduction in the headline rate. We also secured changes to the draft replacement London Plan to reflect the concerns of our members.

- Proposals for a temporary floating river park along the Thames won the top prize in our annual London Planning Awards, organised by London First to celebrate and promote the planning excellence London needs as a world city. This scheme has now secured financial backing and is the subject of planning applications, with a view to construction early in 2012.

**In each of these areas and others not mentioned here, our influence and effectiveness is built on our members' support.**