

LONDON

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COMMERCIAL IN CONFIDENCE

DRAFT MINUTES OF LONDON & PARTNERS BOARD MEETING

Tuesday 15 February 2022 | 09.00 am – 12.00 pm

Hybrid meeting

Present:

Directors:

Rajesh Agrawal (RA, GLA (via TEAMS))
Laura Citron (LC)
Allen Simpson (AS)
Catherine McGuinness (CM)
Mark Taylor (MT)
Massy Larizadeh (ML)
Dominic Field (DF)
Jo Wright (JW) (via TEAMS)

Management Committee:

Janet Coyle (JCo)

Minutes: Gill Manners (GM) L&P

Additional attendees

Julie Dixon (JD), TfL (via TEAMS)
Alex Conway (AC), GLA
Nayan Rughani (NR) L&P

Observers:

Ben Johnson (BJ), GLA
Sarah Brown (SBn), GLA

Apologies:

Manju Malhotra (MM)
Reza Razavi (RR)
Gabriella Neudecker (GN)
Tamara Rajah (TR)
Justine Simons (JS), GLA

1. Welcome and Apologies for absence

1.1 Catherine McGuinness was acknowledged as Chairman in the absence of Rajesh Agrawal who joined remotely.

1.2 Apologies were received from Manju Malhotra, Reza Razavi, Tamara Rajah, Gabriella Neudecker and Justine Simons.

1.3 The Chairman thanked Julie Dixon for joining as a substitute for Gabriella Neudecker.

1.4 The Chairman welcomed Alex Conway from the GLA and thanked him for his support for London & Partners in recent months.

2. Declaration of Interests

2.1. There were no declarations of interest noted.

3. Minutes of last Meeting

3.1 The minutes of the Board meeting held on Thursday 18 November 2021 were approved.

4. Matters Arising

4.1. There were no matters arising.

ITEMS FOR DISCUSSION

5. CEO's Report

- 5.1. Laura Citron updated the Board on the highlights of her CEO's report.
- 5.2. Outcomes: Laura stated that it has been a very high performing year with London & Partners already exceeding its stretch target for GVA. NPS score is positive across all business lines. Significant improvement. Priority income plans ahead of plan.
- 5.3. Changing gears: time to reset to a more normal pace of work and decision making. Meeting less frequently on a more strategic basis and delegate authority back to Directors.
- 5.4. Travel: Laura stated that she will be resuming international travel next month, going to Paris for leading a Cybersecurity Mission for the Mayor's International Business Programme and meeting investors and also travelling to New York to meet with investors, stakeholders and lay the groundwork for the trip in May.
- 5.5. Laura noted that a lot more media requests are being received.
- 5.6. The Board discussed their experiences of staff returning to the office and different ways of working.
- 5.7. The consensus of the Board was that it is proving a challenge to encourage staff back to the office. New office layouts are being considered. Reduced numbers of meetings, more agenda focussed and purposeful meetings were found to be helpful. Anchor days considered for teams. It was noted that Tuesdays, Wednesdays and Thursdays seem to be a quite common pattern of office days.
- 5.8. It was noted that some businesses are looking at what they can learn from working patterns during the pandemic, with the possibility of retaining some of the agility.
- 5.9. Julie Dixon updated the Board on travel on the transport network. She noted a steady increase in passenger travel over the last couple of weeks. The weekend remains the highest travel use. It was noted there was a marked increase in travel between Mondays and Fridays compared to Tuesdays, Wednesdays and Fridays. Earlier morning and earlier evening peak travel times are being seen.

6. Finance Director's Report

- 6.1. Nayan Rughani provided a summary update of the Q3 Management Accounts
- 6.2. Report Nayan updated that at Group level, L&P was £746k ahead of plan post-tax and £811k pre-tax. This was driven by overperformance across the group.
- 6.3. Income is ahead by £360k but the underlying position, once the additional funding for the London recovery is remove, is £354k behind plan. There are various reasons for this including Human (£117k adverse), ERDF (£351k adverse), Trade Show partnerships (£94k adverse) and various other smaller adverse variance. These were

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offset by some overperformance on Partnerships (£42k favourable) and VisitLondon (£229k favourable).

- 6.4. Costs are under by £450k but similar to the income position, this includes additional funded spend on London Recovery. Excluding this shows an underlying position which is £1.2m underspent. This includes an overspend on salary of £187k and is largely a result of reduced activity levels as events and missions have either been downscaled or cancelled.
- 6.5. Reserves of £4.7m and cash of £5.7m remains strong and provides significant resilience for the organisation.
- 6.6. Nayan presented the London & Partners entity performance but did not discuss in great detail as the commentary is consistent with the group position.
- 6.7. Nayan presented the forecast for the rest of the financial year which was to outturn at a deficit of £124k pre-tax against a planned pre-tax deficit of £865k. Nayan noted that there had been a significant reduction in the deficit between the Q2 forecast and the Q3 forecast explaining that the forecast had reduced from £741k to £124k because of ongoing impacts of the pandemic leading to activity continuing to be cancelled and deferred. Nayan noted that there is further work to do around forecasting to ensure that there is consistency in our levels of optimism through the year particularly in the face of severe uncertainty that something like the pandemic brings.
- 6.8. Nayan noted that the year end forecast is very much a continuation of the trends we have seen year to date with income underperforming in some areas and overperforming in others (such as VisitLondon). Costs will remain low as there isn't an expectation of a significant surge in activity through Q4.
- 6.9. Jo Wright queried whether the forecast was pessimistic and whether there was opportunity to improve the Q4 position, noting the Q3 surplus position. Nayan responded to say that this was a balanced forecast with certainly some upside opportunities but equally some risk to the position.

7. Audit and Finance Committee

- 7.1. Jo Wright updated the Board on the meeting of the Audit & Finance Committee on Thursday 9 February 2022 and subsequent conversations.
- 7.2. Jo advised the Board that the meeting discussed the outlook for 2021/22, the budget for 2022/23 and commercial governance and how that can be improved.
- 7.3. Jo informed the Board that London & Partners is in a much better surplus position than anticipated but that the Audit & Finance Committee felt that some opportunities are being missed. The Audit & Finance Committee discussed how London & Partners could improve anticipating better outcomes. Nayan Rughani has a plan for this which the Audit & Finance Committee fully supports.
- 7.4. The Audit & Finance Committee reviewed the amendments to the budget and were comfortable with the changes put forward.

- 7.5. Jo noted that the Audit & Finance Committee discussed how to ensure the Board had a better commercial focus.
- 7.6. Jo noted that the Risk Register will be discussed at the Audit & Finance Committee meeting on 14 March.
- 7.7. Nayan advised that London & Partners is currently going through cyber essentials certification. Some risks were identified which have been addressed. NR will keep the Board and Audit & Finance Board updated. **ACTION: NR to report back to the Board at next meeting.**
- 7.8. **The Board AGREED with delegation of approval of the detail of the budget to the Audit & Finance Committee.**

8. Governance Changes

- 8.1. Allen Simpson updated the Board on the proposed change to London & Partners corporate governance with the development of London & Partners Commercial Strategy.
- 8.2. Allen summarised the London & Partners corporate governance refresh paper which had been circulated to the Board.
- 8.3. The establishment of a Commercial Committee was discussed.

London & Partners Board

- 8.4. **The Board APPROVED the delegation to the Nomination Committee whether to recruit an additional non-executive Director with complementary expertise to join the Commercial Committee.**
- 8.5. It was suggested that Rajesh approach Manju Malhotra, who was also a member of the HUMAN Events Board, to join the Commercial Committee. It was noted that Laura Citron was the Chair of the HUMAN Events Board.
- 8.6. **ACTION: Laura recommended the Nominations Committee, Chaired by Mark Taylor, meet to discuss non-executive Director.**
- 8.7. **The Board AGREED to annual reviews for non-executive Directors.**
- 8.8. Jo Wright noted that the non-executive Director membership of the Audit & Finance Committee will decrease from 3 to 2 as Dominic Field transfers to the Commercial Committee Chair. It was recommended that for succession planning each Committee have 3 non-executive Directors.

ACTION; To be discussed at Nominations Committee

Commercial Committee

- 8.9. The Board APPROVED the creation of a new Commercial Committee.
- 8.10. Dominic Field volunteered to Chair the Commercial Committee.

8.11. ACTION: Allen to circulate the Commercial Committee Terms of Reference for approval in writing.

Subsidiary Boards (LPV and DLDL)

8.12. The Board APPROVED the update of LPV and DLDL shareholder agreements, terms of reference and articles as required.

8.13. The Board APPROVED the removal of non-executive Directors from LPV and DLDL.

8.14. The Board APPROVED London & Partners consulting with the GLA on their role with Dot London.

External expert advisors

8.15. The Board APPROVED the recruitment of external non-remunerated expert advisors.

London & Partners Membership

8.16. The Board APPROVED the implementation of meetings twice a year with London & Partners members in addition to the AGM.

8.17. The Board APPROVED the continuation to horizon scan for new members.

8.18. The Board APPROVED the organisation of a board half/full awayday in Spring 2022.

8.19. The Board APPROVED the terms of reference of Group board and committees are updated to reflect the new Company Secretary and other minor changes.

9. Business Planning 2022-23

9.1. Allen Simpson and Nayan Rughani gave an initial overview of the business plan and budget for 2022-23.

9.2. Allen noted that the FDI pipeline is looking weaker. Businesses are entering the pipeline at a lower level of probability of being converted.

9.3. Janet stated that the figures were very data driven in terms of calculation and quite ambitious. Janet noted the restructure last year has resulted in smaller teams.

9.4. Janet noted that the Trade & Growth teams have become better at identifying those business going to generate export revenue.

9.5. Nayan presented the updated business plan and noted that the previous iteration that would have been seen by the Board was a deficit of £875k pre-tax. There have been some movements since then which have resulted in a deficit of £655k. Audit and Finance Committee have been taken through those movements in detail.

9.6. Nayan explained the key inputs and assumptions within the current budget including:

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- Static core grant
- Extension of MIBP to December with staff costs in for the full year to support our development of a new international trade programme
- £5m for international tourism campaign
- Return to trade shows (IMEX and IBTM)
- Growth in partnership programmes, largely within Tourism
- Ongoing growth in LLN reaching 285 members by the end of 2022/23
- Updated forecasts for VisitLondon based on detailed trend analysis.
- Salary benchmarking outcomes
- Costs based on detailed budget holder reviews

9.7. Nayan noted that there are still some areas within the business that are still being reviewed. These included Open Innovation Fellowship, our work with DIT on International Trade Pilots, Salary benchmark changes, recharges within the group and tax.

9.8. Nayan requested that the Board approve the draft plan within an agreed tolerance of £655k deficit to £850k deficit pre-tax.

9.9. It was also requested that any approval for movements to the plan, within the tolerance, is delegated to Audit & Finance Committee.

9.10. Nayan advised the Board of the detailed salary benchmarking across the business, role by role reviews. It was a detailed exercise with all budget holders and alignment across cost base and activities across the year.

9.11. It was noted that the Open Innovation Fellowship is being reviewed. A new cohort launch is scheduled for March.

9.12. The amount of new income from sources of growth was discussed.

ACTION: Nayan to calculate and update the Board.

10. Business Plan: Returning to Break-Even

10.1. Laura Citron set out the commercial aspects of the Business Plan, which described a proposed path to return London & Partners to a break-even budget by FY 23/24.

10.2. It was noted that the Board agreed in November 2021 that London & Partners would aim to return to a balanced budget in FY 23/24. This means that London & Partners has an underlying gap of c£1.4m to fill.

10.3. Laura stated that a way to de risk this was to have more commercial income. However, that it was important that new commercial growth was not tourism dependent.

10.4. Laura advised that the new Director of Partnerships is reviewing skills sets across the business to identify gaps and identify action required such as training .

10.5. Visit London was discussed. Laura noted that Visit London is now the leading e-commerce site for London tickets and is a real asset. The Team have new ideas in developing it further.

- 10.6. London Leaders Network and Open Innovation Fellowship budget was discussed. Laura noted that a new pricing model has been set up for the Open Innovation Fellowship which has made it a cheaper model and less expensive to deliver.
- 10.7. Nayan noted that there will be a point when the London Leaders Network becomes self-marketing. The projection of the recruitment of members has been reviewed. Sponsorship was also reviewed. There are currently 2 sponsors. Nayan stated that there was room for 3.
- 10.8. Janet stated that the amount of investment and resource required to launch the London Leaders Network was underestimated and resulted in the delay of the launch.
- 10.9. Janet advised that a workshop is taking place with the Director of Partnerships this week reviewing the programme.
- 10.10. Alex Conway advised that a paper on The UK Shared Prosperity Fund has recently been published which confirmed that some funding will be devolved to the Mayor. The paper didn't advise how much funding or the process to access the money.
- 10.11. It was noted that another help to breaking even would be an increase in the GLA grant.
- 10.12. ACTION: Figures for 2019/20 to be discussed at the Board awayday.**
- 10.13. The Board AGREED the business plan and the proposed budget within a tolerance subject to the discussion and scrutiny at the Board awayday.**
- 10.14. The Board APPROVED the business plan including financial appetite and to DELEGATE authority on the detail of the financial plan within an agreed tolerance to Audit & Finance Committee.**

11. Business Plan: Tourism Vision

- 11.1. Laura Citron updated the Board on the planning for a strategic tourism vision of London which has been identified as one four priority areas in the business plan.
- 11.2. Laura noted that the timing was right to do this now so that London & Partners can shape its tourism vision next year.
- 11.3. Laura advised that industry has now indicated they are ready to have conversations. Ensuring good communications and getting industry support is key.
- 11.4. Laura noted that London & Partners mission and recovery missions are very closely linked.
- 11.5. Allen advised that the funding for the Tourism Vision work will be sourced from London & Partners budget.

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- 11.6. It was suggested that this was more of a programme than a project which would benefit from the oversight of a steering group for 2-3 years.
- 11.7. It was suggested that expert consultancy agencies might be interested involvement with the project.
- 11.8. It was recommended that London & Partners have conversations with each sector individually and agree ambition.
- 11.9. It was noted that the London Recovery Board was a very good example of how different businesses have come together. Alex Conway stated that the London Recovery Board would be a good place to present the new tourism vision when it is developed.
- 11.10. The process of conversations with industry was discussed. Laura noted that it was key to have these conversations at the most senior levels. It was noted that VL organised a forum in the past for London tourism leaders and that senior leaders participated and perhaps the timing was right for now.
- 11.11. It was agreed that London & Partners is in a position to do this, and it was a really important moment of opportunity to build this. It was noted that it may have impact on other conversations with other businesses in the GLA Family.
- 11.12. Catherine McGuinness advised the Board that the City of London has developed and launched a new major destination strategy.
- 11.13. ACTION: include a session at the Board awayday to discuss the content of the Tourism Vision.**

11.14. The Board AGREED the approach as part of the Business Plan.

12. Business Plan: Refreshing our scale up support

- 12.1. Janet Coyle presented the plan for a successor to London & Partners European funded scale up programmes to support start-ups to scale and high growth businesses to win international business, whose funding is coming to an end during the next Financial Year.
- 12.2. Janet outlined the lessons learned from the programmes.
- The relationship between exporting and scaling.
 - for high-growth businesses, internationalisation is a route to scale.
 - To grow export revenues, the programme needs to support with all the barriers to scaling – not just market entry.
 - The importance of cohort models.
 - Peer learning
 - Consistent account management
 - One-to-Many – Group companies with similar needs to get the benefits of personalisation, delivered at scale.

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- 12.3. Janet advised that good conversations with DIT have taken place about how London & Partners can develop the programme and help deliver across the UK. A pilot has been suggested in a couple of cities which DIT will pay London & Partners to manage.
- 12.4. London & Partners has been speaking with Invest Northern Ireland and the Welsh Government about the programme. Both are very positive about working with London & Partners and joining pilot programmes.
- 12.5. It was noted that the Mayor's International Business Programme (MIBP) has a powerful message and that retaining the Mayor as a figurehead was important to preserve. It was suggested that involving the metro Mayors would be useful for the programme.
- 12.6. The cost of the programme was discussed. Janet advised that she and Nayan are reviewing different financial models.
- 12.7. Laura noted that in practice London & Partners will have a new programme with a London element but will also be a service provider to DIT and possibly some home nations who will fund us.
- 12.8. The Board AGREED that the Scale up programme would be discussed further at the Commercial Committee.**
- 12.9. The Board AGREED that this was a programme that London & Partners could deliver and was supportive of the programme.**
- 12.10. The Board APPROVED the proposals**

13. Business Plan: Culture Refresh

- 13.1. This item will be discussed at the Board Awayday in Spring.

14. London & Partners Ventures & Dot London Domains Board

- 14.1. No update given due to the absence of Tamara Rajah.

CONFIRMED APPROVALS FOR BUSINESS PLAN:

The Board AGREED the business plan and the proposed budget within a tolerance subject to the discussion and scrutiny at the Board awayday.

The Board APPROVED the business plan including financial appetite and to DELEGATE authority on the detail of the financial plan within an agreed tolerance to Audit & Finance Committee.

**The Board APPROVED the breaking even plan but would like to see more detail.
ACTION: To be discussed at Board Awayday.**

15. Any Other Business

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15.1. It was noted that this was Catherine McGuinness's final Board meeting. Laura and Allen thanked Catherine for her support for London & Partners and chairing the Board meeting at short notice.

15.2. It was noted that the next scheduled Board meeting is on Thursday 19 May 2022 at 09.00

The meeting finished at 12:00.