

COMMERCIAL IN CONFIDENCE

MINUTES OF LONDON & PARTNERS BOARD MEETING Tuesday 14 September 2021 | 09.00 am – 12.00 pm Hybrid meeting (via Microsoft Teams)

Present:

Directors:

Rajesh Agrawal, Chairman (RA)
Andrew Cooke (AC)
Catherine McGuinness (CM)
Mark Taylor (MT)
Massy Larizadeh (ML)
Dominic Field (DF)
Reza Razavi (RR)
Jo Wright (JW)

Management Committee:

Rose Wangen-Jones (RWJ)
Janet Coyle (JCo)
Allen Simpson (AS)

Minutes

Gill Manners (GM) L&P

Additional attendees

Alex Conway (AC), GLA
Richard Tribe (RT), GLA
Nayan Rughani (NR) L&P
Sarah Brook (SBk) L&P
Kristina Nordsten (KN) L&P
Lucette Demets (LD) L&P

Observers:

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

Apologies:

Tamara Rajah (TR)
Manju Malhotra (MM)
Justine Simons (JS), GLA

1. Welcome and Apologies for absence

- 1.1 The Chairman welcomed the Board to the first hybrid meeting at London & Partners new offices at 169 Union Street.
- 1.2 Apologies were received from Tamara Rajah, Manju Malhotra and Justine Simons.
- 1.3 The Chairman welcomed Sarah Brown, Mayoral Director Communications, who joins the Board as an observer.
- 1.4 The Board acknowledged the sad news of the recent loss of London & Partners' colleague Julie Chappell, after a short illness and that plans were being made for a Memorial Service in London.

2. Declaration of Interests

- 2.1. There were no declarations of interest noted.

3. Minutes of last Meeting

- 3.1 A correction of Catherine McGuinness's reappointment term of office was requested and noted.

3.2 The minutes of the Board call held on Thursday 27 May 2021 were approved.

4. Matters Arising

4.1 There were no matters arising that were not covered in the agenda.

ITEMS FOR DISCUSSION

5. CEO's Report

5.1. Allen Simpson updated the Board on the highlights of his CEO's report since its circulation to the Board.

5.2. Allen noted that there were five areas of focus:

- Business Plan and Restructure
- Reopening campaign
- Revenue generation
- Improving London & Partners' processes
- Visibility

5.3. Allen stated that the headline story was a strong performance against London & Partners' goals, but future income is still uncertain.

5.4. Allen stated that the Let's Do London campaign led by Rose Wangen-Jones had been recognised a great success by the industry.

5.5. Allen noted that the work done by the Business Growth team led by Janet Coyle had cemented London & Partners' reputation.

5.6. It was noted that GVA targets are well ahead of target. Some work is being carried out to reforecast targets for the second half of the year. Allen congratulated the team on a job well done. This has been a result of the good work carried out in the previous 18 months.

Reopening Campaign

5.7. Allen advised the Board that the campaign had worked very effectively and presented some of the core data to the Board.

5.8. Allen expressed thanks to TfL for allowing London & Partners to use some of their inventory.

Improving London & Partners' processes

5.9. Allen updated the Board on the three main areas of focus of worth that Andrew Cooke had been leading:

- **People strategy** – a revised clearer strategy based on a simple and applicable goal which can drive decisions across the business.
- **Decision making** – a review and tightening of how London & Partners makes decisions, including reducing the number of decision-making forums and ensuring effective escalation/consolidation of commercial planning.
- **Quarterly reviews** - a new system of backwards and forwards looking reviews led by Sarah Brook, Kristina Nordsten and Nayan Rughani in which all business

areas are escalated for a Group-wide analysis of performance and future look. The second quarterly review has just commenced.

- 5.10. Allen updated the Board on the enhanced portfolio management process being implemented which includes new processes for the analysis of income projects at the portfolio level and make more effective decisions.
- 5.11. Allen advised that Laura Citron starts her journey back to London & Partners on 20 September and resumes her role as CEO on 1 October.
- 5.12. The Board congratulated the team on the Let's Do London campaign. Sarah Brown noted there had been lots of positive feedback and there are lots of big moments coming up.
- 5.13. Back to the office was discussed. Allen noted that insights have shown that marketing is not very effective in encouraging people back to the office.
- 5.14. It was noted that people's biggest fear now is public transport. Sharing data about how safe public transport was through a campaign was suggested. It was noted that people are moving from a safety concern to a cost concern now. SBn advised that TfL have an ongoing campaign and data which they would be happy to share.
- 5.15. It was noted that people's most recent concern regarding public transport is lack of mask wearing on the underground.
- 5.16. The Board congratulated the team on the integrated planning process and quarterly business plan review process. DF identified that it would be helpful to look at productivity. The Board was advised that each individual has an Individual Development Plan with quarterly reviews. Currently KPIs and targets are being set for the next quarter.
- 5.17. Andrew Cooke advised the Board of a new initiative implemented by Sarah Brook – L&P Flex which was originally established as an emergency response to the pandemic. This is now turning to a strategic approach, deploying people into areas where needed. It has offered people development opportunities which is a huge benefit to them.

6. Finance Director's Report

- 6.1. Nayan Rughani provided a summary update of the Q1 Management Accounts – noting that we are performing better than plan from a financial perspective. The Q1 Group position is a surplus of £187k against a planned deficit of £113k. Nayan noted that there were some significant variances as a result of the phasing of the London Recovery funding and spend and that the underlying position is a £97k shortfall on income and a £397k underspend on costs. Nayan provided the key headlines on the reasons for the variance which included:

Cost

- £110k favourable on Markets – largely due to operating remotely in North America rather than renting physical space. Nayan noted that this was as a result of the pandemic but has triggered the discussion around how we utilise office space in market.
- £65k favourable on Destination as a result of a reduced presence at the Euros and Business Tourism activity being deferred into Q2/3

- £124k favourable on Operations & Governance as a result of prior year adjustments and underspends on operations to date.

Income

- ERDF and other Grants are £74k adverse largely as a result of prior year adjustments and lower than planned activity levels
- Mission driven activity is £40k adverse as a result of our work with Royal Docks ceasing sooner than planned and Tourism Partnerships being behind plan.
- These are offset by an overperformance on income (£17k) through our subsidiaries largely because of ongoing success with our VisitLondon growth strategy.

6.2. Nayan stated that the Group has sufficient reserves and cash with an expected headroom of 30+ days across the year.

6.3. Nayan presented the financial forecast for the year which shows a £938k deficit against a planned deficit of £910k. Nayan explained that the forecast shows a £225k shortfall on income made up of:

£50k on partnerships – noting that the team are working to close this gap, but this is a prudent estimate

- £41k on Royal Docks
- £17k on West End Future Occupiers
- £117k on HUMAN

This was being offset by a £197k underspend on costs made up of:

- £268k of uncommitted spend
- £100k on markets offices
- £75k on Euros
- Offset by £250k overspend on Salary. NR noted that this was a very prudent forecast and ongoing management of a vacancy factor would allow us to retain this within plan.

6.4. Nayan noted that whilst the variance to plan was not significant, there remains significant exposure for the business from an income perspective and requested that the Board allows the Executive the time to develop a commercial strategy with an initial version being shared in November.

7. Audit and Finance Committee

7.1. Jo Wright updated the Board on the meeting of the Audit & Finance Committee on Tuesday 7 September 2021 and subsequent conversations.

7.2. Jo congratulated Nayan on his very impressive impact in his first eight months in the role of Finance Director, including taking on work beyond his finance remit.

7.3. Jo informed the Board that the Audit & Finance Committee carried out a deep dive into Q1 results.

7.4. Future revenue was raised as a concern. The new income portfolio planning approach was noted as very helpful.

- 7.5. EDRF funding of the Mayor's International Business Programme (MIBP) and Business Growth Programme (BGP) was discussed. This will be discussed in depth at a future meeting.
- 7.6. The top line 3-year forecast was reviewed.
- 7.7. The audit is going smoothly, and cash flow is good.
- 7.8. Jo advised the Board the Audit & Finance Committee discussed the risk register and in particular cyber security. Andrew noted that London & Partners are insured for cyber security. London & Partners' IT Manager is currently pursuing Cyber Essentials accreditation
- 7.9. The Board agreed to review the draft commercial strategy at the November Board meeting and that further reviews will be necessary.

8. Review of Income Portfolio and 3yr Income Growth

- 8.1. Allen Simpson updated the Board on progress with the income portfolio and updated the Board on projected income and expenditure over the next three years.

Review of Income Portfolio

- 8.2. Allen advised the Board that London & Partners has adopted a portfolio approach to allow the coordination of the development of income growth opportunities and outlined the key challenges and risks. This includes the necessary tools and governance to allow London & Partners to assess, develop and approve all income opportunities and track outcomes once live.
- 8.3. Allen noted that this is aligned to the quarterly business reviews and as part of the updated governance for the income growth portfolio, a detailed analysis of each of the projects was undertaken to inform decision making around resource and investment.
- 8.4. Nayan Rughani provided an overview of the way in which the commercial portfolio is managed and the process by which items are accepted into the portfolio and then managed and reviewed on an ongoing basis. Nayan also summarised some of the challenges and risks to delivery that had been identified during the process covering resourcing, management capacity, project management capacity and an overlap in customers. Nayan noted that the centralised corporate engagement approach had allowed us to tackle the overlap of customers very effectively.
- 8.5. Kristina Nordsten reinforced the importance of the triage process we are undertaking and how a broader portfolio view helps us to make proactive prioritisation decisions.
- 8.6. Nayan provided an overview of our assessment approach for the portfolio projects. Nayan explained all the key parameters that were assessed across the key categories of Project Management and Project Impact.
- 8.7. Nayan did not go through all the specific income strands in the interest of time but noted that the papers included a summary of each.

8.8. Allen Simpson emphasised the importance of a balanced portfolio between social impact, social enterprise and commercial opportunities noting that this process has helped us understand that.

8.9. Allen noted that London & Partners has had success in recruiting people with the right skills set and expertise.

3-year Income Growth

8.10. Allen stated that the above programmes give London & Partners a position in the market as key players.

8.11. It was noted that London & Partners is heavily reliant on ERDF and GLA grants. Other grants application opportunities are being investigated. It was noted that a lot of mechanisms that the government uses to make decisions are consistently delayed.

8.12. Janet Coyle advised the Board that she has been trying to engage with Director Generals across government over the last few months. It was noted that DIT have cut spending significantly on trade for London businesses. It is expected the government will release information in the autumn about the prosperity fund. Janet advised that some financial modelling has been done on a scaled down version of ERDF. It was felt that running purely on sponsorship would result in a very different programme.

8.13. Allen noted that with Alice Hu-Wagner joining in October as MD, Commercial and Laura Citron's return at the same time, the plan is to begin work on devising a revised commercial strategy. The aim is to bring a first draft of the strategy to the board meeting in November.

8.14. Andrew Cooke noted that the GLA has confirmed funding for L&P at the same level for 2022-23 and on that basis asked the GLA for a letter of comfort to that effect to confirm that L&P is a going concern and allow the financial audit to be signed off.

8.15. It was noted that London businesses are under massive wage inflationary pressures and trying to fill vacancies was very difficult. The additional increases in NI to fund social care would also have an impact.

8.16. Sarah Brook advised that she has contracted a reward consultant to do a piece of work on this. It's very sector related with Finance 8-9% inflation and other areas 0.75%. A watching brief is being kept on this.

ACTION: Bring draft Commercial Strategy to November Board meeting

9. GLA Review of Business Support

9.1. Allen Simpson and Alex Conway gave a verbal update on progress.

9.2. Allen advised that the review has not been carried out yet. It was noted that it was difficult for the GLA to lead a review when funding streams have not had funding decisions made by government yet. The review is delayed until the next calendar year. Allen advised that London & Partners will run on the current business model until the GLA can understand the funding available to them.

9.3. Alex Conway noted that the government are carrying out a review of LEPs and how they are funded.

9.4. Alex advised that internal working groups are being established at the GLA and will be taken forward in the autumn.

10. London & Partners Sustainability Project

10.1. Janet Coyle and Lucette Demets, Head of Sustainability, updated the Board on the London & Partners Sustainability Project.

10.2. Janet introduced the project and Lucette Demets, Head of Sustainability, to the Board.

10.3. Janet advised that it was felt important to have someone in the organisation completely focused on the sustainability project so this role was created for 12 months to lead on the creation of a strategy and embed the strategy into BAU.

10.4. Lucette outlined the London & Partners Sustainability Programme being developed which is focused on three areas:

- **L&P sustainability** – to lead by example and ensure that London & Partners is a role model in sustainable business practices.
- **Grow the green economy** – to accelerate the growth of scaleups, building on existing work in foreign direct investment and trade & growth.
- **Transition to net zero** – to accelerate the transition to net zero for businesses in London & Partners communities and supporting them to achieve those commitments.

10.5. The Board noted that this was a huge opportunity for London and really great work and that it was very exciting and agreed that the focus on post COP was very important.

10.6. It was agreed that the project should work closely in collaboration with the City of London, London Councils and the bids.

10.7. Janet noted that there was the potential opportunity for income which will be discussed with the new MD Commercial & Partnerships.

ACTION; Update on Sustainability Project at November Board meeting.

Lucette Demets left the meeting

ITEMS FOR INFORMATION

11. London & Partners Operational Improvements

11.1. Andrew Cooke introduced the item stating that the improvements that Allen had outlined earlier together with the focus on improvements to our HR practices were

designed to support the maturation of London & Partners and its ability to scale in the future.

People Strategy

- 11.2. Andrew noted that Sarah Brook joined London & Partners at the start of the pandemic and was very much in reactive mode. Now that the organisation is in a steady state it has been possible to focus on a forward-looking people strategy.
- 11.3. Sarah Brook gave an overview of the People Strategy which was focused on four key pillars:
- Delivery through high performance
 - Building Capability
 - Resilience and Wellbeing
 - Employee Experience
- 11.4. The board discussed the concept of the company being a career launchpad and it was suggested that there was the opportunity for a London & Partners alumni network to be developed.
- 11.5. Opportunities for apprentices and making use of the Kickstarter programme were discussed as well as secondees from civil service fast streamers.

Return to the Office

- 11.6. Andrew Cooke outlined the progress with the return to the office and the results of a listening exercise to review staff feedback.
- 11.7. The exercise was run by London & Partners Head of Insights, who pulled together a number of focus groups. Approximately 25% of colleagues participated.
- 11.8. It was noted that colleagues appreciated being listened to. On the whole colleagues are enjoying being back in the office and particularly like the layout, facilities and local area.
- 11.9. It was noted that transport has been a concern for people.
- 11.10. Colleagues responded well to London & Partners acknowledging that they had got some things wrong but are listening to feedback and making changes and that aspects are still work in progress. A number of key topics have already been tackled and it was recognised that it was important to get the right tone with communications. .
- 11.11. There was a discussion about encouraging colleagues to return to the office and Board members experiences in their own organisations.
- 11.12. Allen emphasised that London & Partners needed to be an office-based business. It was suggested that it would be helpful to measure productive gains. There was also discussion about joining forces with other London bodies to develop a think piece on the long-term future of office working in London and what a long-term sustainable model might look like.

ACTION: L&P with CoL, GLA to discuss offline

12. London & Partners Events Board

- 12.1. The Board APPROVED the London & Partners Events Board's recommendation that activity is paused on HUMAN until the next Board meeting in November when it will be reviewed as part of a wider group level commercial strategy.

13. London & Partners Ventures & Dot London Domains Board

- 13.1. In Tamara Rajah's absence, Rose Wangen-Jones updated the Board on the meeting of the L&P Ventures and Dot London Domains Board on Monday 6 September 2021.

Dot London Domains

- 13.2. Rose advised that the Dot London migration of registry provider from MMX to CentralNic is now complete.

- 13.3. The key focus now is on developing a marketing strategy. A business case will be completed for this and submitted to the DLD board.

London & Partners Ventures

- 13.4. Rose noted that the Visit London growth project was a good example of a robust piece of work, well managed by Simon McCaugherty. Rose noted that this was going very well and revenue was above target and that the market had recovered quicker than expected.

- 13.5. Rose advised that this gives the potential to look at more opportunities. A business case will be completed for this working with the Ventures Board.

- 13.6. Rose advised that more Directors are being recruited for the Ventures Board and asked the Board for recommendations. Rose advised that a Ventures Board profile is being written and will be shared with the Board members.

14. Any other Business

- 14.1. It was noted that the next scheduled Board meeting is on Thursday 18 November 2021 at 9.00 am

The meeting finished at 11.55.