

## COMMERCIAL IN CONFIDENCE

### MINUTES OF LONDON & PARTNERS BOARD MEETING Thursday 21 November 2019 | 9.00 am – 1.00 pm London & Partners, 2 More London Riverside, London SE1 2RR

#### **Present:**

##### Directors:

Rajesh Agrawal, Chairman (RA)  
Laura Citron (LC)  
Andrew Cooke (AC)  
Tamara Rajah (TR)  
Robert Lechler (RL)  
Chris MacLeod (CMac) (for Mike Brown)  
Massy Larizadeh (ML)  
Mark Taylor (MT)  
Jo Wright (JW)  
Sacha Romanovitch (SR)  
Catherine McGuinness (CM)  
Sandie Dawe (SD)

##### Management Committee:

Jules Chappell (JC)  
Rose Wangen-Jones (RW)  
Allen Simpson (AS)

##### Minutes

Gill Manners (GM) L&P

##### Additional attendees

Anna Burman (AB) L&P  
Nick Patterson, Union Street Partners  
Charles Twist, Union Street Partners  
Nabeel Khan (NK), GLA  
Katherine Gee (KG), GLA

##### Observers:

Ben Johnson (BJ), GLA  
Leah Kreitzman (LK), GLA  
Justine Simons (JS), GLA

##### Apologies:

Mike Brown (MB)

## **1. Welcome and Apologies**

1.1 Apologies were received from Mike Brown. The Chairman welcomed Chris MacLeod who will stand in for Mike instead of Vernon Everett while Vernon is Acting Head of London Underground.

1.2 The Chairman noted that Justine Simons needed to leave the meeting at 11.30 am.

## **2. Declaration of Interests**

2.1 No declarations of interest in relation to items on the agenda were noted.

## **3. Minutes of last Meeting**

3.1 The minutes of the Board Meeting held on Tuesday 17 September 2019 were approved.

## **4. Matters Arising**

4.1 The Board was advised that London & Partners will be advertising for two new directors for London & Partners on NuRole. These roles will go live in the next few days. A list of prospective candidates discussed at the last board meeting will be circulated to the Board. The Board members were asked to now go ahead and approach these individuals and encourage them to apply through the NuRole platform.

## ITEMS FOR DISCUSSION

### 5. CEO's Report.

- 5.1. Laura Citron thanked the Board members for their support following the September Board meeting.
- 5.2. Laura Citron presented the Board members with an update on progress on a number of strategic and structural issues that were discussed at the September Board meeting.

#### 5.2.1. **Income generation**

The Board was advised that progress is being made but that it will take time. Structure and processes issues are being addressed.

Laura Citron advised that a Commercial Income Board will be established which will meet monthly with two income pipeline committees reporting into it, one for B2B sales and the other for consumer income.

It is recognised that work is required on the Visit London site to increase revenue. The structure of the team is being reviewed, to understand whether the skills gaps are technical or sales.

Reviewing how London & Partners works with major corporates is being discussed with the Senior Leadership Team. It is recognised that currently there isn't a coherent approach with some London & Partners services provided free and others that are charged for. These approaches are now being blended into a single coherent approach.

There was a view that London & Partners should not be discouraged from raising funds from non-private sources other than the GLA. The Board was advised that the annual report will include a graph which shows public and non-public income.

**ACTION: Further update and background on commercial income to be provided at the next Board meeting.**

#### 5.2.2. **Performance Data and Forecasting**

The Board was advised that London & Partners is now much more data-driven in its decision-making than at the start of this 3-year cycle. However, the quality of the data remains variable across the different performance metrics. One of the priorities for the next year will be to address the gaps in data. Better visibility of performance and forecasts will help London & Partners take much better decisions, sooner.

#### 5.2.3. **Agility vs Planning & Partners**

Laura Citron informed the Board that activity plans for next year are robust. It was recognised that the context remains uncertain and that London & Partners need to be flexible enough to be opportunistic.

It was suggested that if London & Partners identify a new opportunity that is in alignment with London & Partners plans that it substitutes for something rather it be in an addition to existing plans.

## **6. Financial Director's Report**

6.1. The Chairman invited Anna Burman to give the highlights of her report on the financial health of the company.

6.2. Anna Burman presented a summary of the consolidated financial results for the year to date at the end of August and the forecast to the end of the year:

A slide summarising the consolidated profit and loss account, the actual results for the 6 months ended 30/9/19 and the forecast to the end of the financial year was presented. It was noted that the actual results are not significantly different from the August results presented at the September board meeting, but the forecast has been updated following the half year budget review.

Grant income is as expected but commercial income is below budget and work continues to boost Ecommerce and advertising revenue. Costs are below budget for the half year partly due to timing but also some savings on programmes. The forecast is for a net asset position at year end (even without the dot London exceptional profit due in December) which is considered acceptable given that there may also be some income increases and/or further cost savings in the second half and the dot London profit will provide a buffer if necessary. It was noted that this is not expected to be necessary and a re-forecast will be done at the end of Q3. The resources attracted figure is further behind target and it will depend on the success of various income initiatives as to whether it is achieved.

Priority issues in the next few months include signing the Dot London new agreement with MMX and collecting the contract change fee, fund-raising for the new event, governance set-up, procurement and cash flow planning if the go-ahead threshold is reached and detailed allocation of the first draft business plan budget.

## **7. Audit and Finance Committee**

7.1. The Chairman invited Jo Wright to update the Board on the meetings of the Audit and Finance Committee on 13 November 2019.

7.2. Jo Wright advised the Board that the Audit and Finance Committee meetings have now been increased to 2 ½ hours.

7.3. The Board was advised that the Audit and Finance Committee discussed the business plan and focussed on high risk/high impact areas on the risk register.

7.4. The Audit and Finance Committee discussed cyber security and fraud, including messaging to staff to increase awareness of cyber-crime. An independent agency has been engaged to review and manage the migration of the majority of L&Ps on-premise servers to the cloud.

## **8. London & Partners Ventures/Dot London Domains**

8.1. The Chairman invited Tamara Rajah to feedback on the meetings of the London & Partners Ventures and Dot London Boards on Wednesday 20 November 2019.

## **London & Partners Ventures**

8.2. Tamara Rajah advised that discussions on how to increase income levels, most quite technical, took place. The mobile site is not properly optimised. A forensic investigation of this and technical development time required will be undertaken.

8.3. E commerce – The contract with the white label tickets provider is due for renewal and a decision will be taken as to whether to extend or re-procure the contract in in the next month. Funding from the sponsor of the VisitLondon app is reducing and decisions need to be taken on the strategic approach.

8.4. Domestic Tourism is going well in terms of traffic and campaign activity is being rolled out.

8.5. Tamara Rajah updated the board on NED recruitment. None of the candidates interviewed met the criteria required. One of the current London & Partners Ventures/Dot London Domains Board members will be standing down shortly as he is leaving the country. A new search for NEDs will commence

8.6. Andrew Cooke asked the Board for approval to change the Terms of Reference for the London & Partners Ventures/Dot London Domains Boards which currently is for 5 non-executive and 5 executive directors to 6 executive and 6 non-executive directors to give more flexibility. The board agreed to Rose Wangen-Jones, Managing Director of Marketing joining the board.

## **Dot London Domains**

8.7. The Board was informed that the Dot London Domains Board discussed progress with the revisions to the contract with the registry provider. The Board discussed a new discounted promotion for Dot London domains which will be marketed by the registrars. A separate piece of work on lifetime value of domain names and renewals will be carried out.

## **9. London & Partners Business Plan 2019/20**

*Kristina Nordsten, Director of Strategy and Business Excellence joined the meeting.*

9.1. The Chairman invited Allen Simpson, Managing Director, Strategy and Corporate Affairs, to outline the approach that is proposed to be adopted to deliver the new business.

Allen Simpson shared London & Partners' perspective on the operating environment, and how it is believed it will shape London & Partners' performance; set out London & Partners' approach to agreeing its targets for 2020-21 and outlined London & Partners' plan to deliver against them.

9.2. Kristina Nordsten outlined the approach in more detail:

### **An organisation shaped to perform**

# LONDON

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- The plan represents the third year of this strategic cycle, and the third phase in London & Partners delivery within it.
- The key theme for this phase is maximized performance.
- Following two years where significant resource and management capacity was dedicated to organisational transformation, London & Partners now has the right global footprint, sectoral focus and organisational model.
- London & Partners are now delivering strongly against targets and well placed to outperform the market.

### A challenging external context

- London & Partners anticipate the environment in which it operates to become more challenging in the coming year.
- The scale and shape of the effects of Brexit are unknown.
- Additionally, many commentators anticipate a slowing of the global economy.
- There are signs of trade barriers increasing globally too, which may affect flows of trade and capital.
- In this context, London & Partners shares broader market sentiment that there will be some loss of demand from business and consumer audiences as a result.

### London & Partners expects to outperform the market

- Despite broad external constraints London & Partners believes that the targeted diversification of its model along with its systems improvements will allow them to outperform the wider market.
- London & Partners anticipates maintaining or improving performance across its business areas.
- London & Partners will take a more holistic approach to achieving outcomes. This means generating referrals, income and/or Value in Kind in addition to GVA.
- Given continued uncertainty at this stage we are setting KPIs within a range with the aim to make them more specific as the understanding of our environment evolves.

9.3. Kristina Nordsten explained the three key points that bring to life how London & Partners will maximise performance:

- **Pivot towards China and India** (the 2 big opportunity areas, less affected by Brexit, where follow through is now needed and maximise effect of new in-market resources).
- **Continue to strengthen the role of marketing throughout the customer journey to create the pull through** – strengthening London & Partners' brand awareness in market and amplifying the London creative energy messaging through the right channels  
**Strengthen the role partnerships play in delivering the London & Partners' business plan** – through four key areas: - reach, scale, visibility and money .

9.4. The Board thanked Allen Simpson and Kristina Nordsten for a very clear detailed presentation.

9.5. London & Partners recognised that the new strategy work will start in January in addition to the Business planning.

9.6. The Board suggested that a key theme for the strategy should be sustainability and it was an area where had a good story to tell with initiatives such as the ultra-low emission zone.

- 9.7. Laura Citron advised the Board that this year the focus is on tactical responses in terms of marketing and messaging without fundamentally changing the strategy.
- 9.8. It was noted that the Markets teams view is that the ability to confirm opportunities at the moment is quite limited and the current focus is on building a framework so that they can perform in the future.
- 9.9. Opportunities to influence South Korean students coming to London was discussed. The Board was advised that London & Partners has started having conversations with MedCity to discuss how they have a more joined up FDI network. MedCity has reach into some Asian markets that London & Partners don't.
- 9.10. The Board noted that there will criteria to be met for partners.
- 9.11. Catherine McGuinness advised that London & Partners would be welcome to join some of the City of London trade delegations.
- 9.12. The Board agreed to London & Partners' performance ambition, approach to target setting and intention to be more holistic in its focus reflecting the importance of delivering revenue.

*Kristina Nordsten left the meeting.*

*Jules Chappell, Managing Director, Business, joined the meeting*

#### **10. Update on New Event**

- 10.1. The Chairman invited Laura Citron and Jules Chappell to update the Board.
- 10.2. At the last Board meeting it was agreed that the board would take a decision on whether the event could progress based on securing commitments of £1.5m in investment by the end of December.
- 10.3. Laura Citron advised the Board that there has been a lot of interest and meetings have taken place with a lot of senior contacts which has been good for London & Partners visibility generally. French and German entrepreneurs are still looking for capital investment in London. £750k commitments secured to date.
- 10.4. Jules Chappell advised that the financial model is being reviewed by an expert who has advised that it is a very viable product. There is recognition that the financial model has been designed in a conservative way.
- 10.5. Jules Chappell explained that it has been more difficult to develop metrics around impact. The Board was informed that a short-term answer whereby one of the content collaborators has agreed for London & Partners to launch a campaign around the festival. People could sign up at the festival and the impact (think, feel, laugh, cry) measured.
- 10.6. The Board asked how London & Partners reputation would be protected. Jules Chappell advised that there were no concerns about the individuals and companies

who had committed to the project to date but confirmed that London & Partners would carry out due diligence.

- 10.7. The Board congratulated Jules Chappell and Laura Citron on a great job.
- 10.8. ACTION: Jules Chappell will Confirm that the board will be contacted by end December with an update on progress with fund-raising including details of firm commitments and a request to continue to the next stage if the £1.5m target has been achieved.**

*Jules Chappell left the meeting.*

### **11. 2 More London Lease Expiry**

*Nick Patterson and Charles Twist, Union Street Partners (Chartered Surveyors), joined the meeting*

- 11.1. The Chairman invited **Andrew Cooke** to update the Board on progress in identifying potential alternative properties given the lease expiry at 2 More London Riverside and an update on negotiations with the landlord at More London.
- 11.2. Andrew Cooke introduced Nick Patterson and Charles Twist and invited them to update the Board.
- 11.3. Charles Twist advised the Board that he had spoken with the 2 More London landlord and that they are unlikely to do a favourable deal as they are proposing to undertake improvement works on the property. They would therefore welcome having one or two floors being returned to them so that they improve the specification and charge a higher rent. They also may be interested in incentivising L&P to leave earlier than the lease expiry date of December 2020. However, L&P has protection under the Landlord & Tenant Act to negotiate a lease at a fair market rent. Further negotiations will take place in the New Year.
- 11.4. Nick Patterson and Andrew Cooke summarised the long list of potential alternative properties that had been viewed.
- 11.5. The Board agreed that location should be considered over property “wow” factor. It was agreed that it was important to how London is presented to international delegations as well as considering staff travel, additional time and costs to staff.
- 11.6. The Board’s advice was that preferably all staff should be on one floor, with meeting rooms on a second floor if necessary. Engagement with staff as part of the decision-making process would also be important
- 11.7. ACTION: A short list of potential alternative properties will be presented to the Board at the next Board meeting in February with a clearer recommendation of whether to stay or go.**

*Nick Patterson and Charles Twist of Union Street Partners (Chartered Surveyors) left the meeting*



**12. London & Partners Reputation**

- 12.1. The Chairman invited Allen Simpson and Andrew Cooke to update the Board on the steps taken to mitigate current risks to London's reputation and what support the Board can offer.
- 12.2. Allen Simpson updated the Board on the media interest and resulting investigations relating to the former Mayor of London and Jennifer Arcuri.
- 12.3. Whilst there had been significant media interest and had been concerning to named individuals within the organisation there had been very limited reputational impact on the organisation. Interviews and disclosure of information to the IOPC and General Counsel of the London Fire Brigade (LFB) have been time-consuming but cordial. The review by the LFB on behalf of the GLA into the current procedures for trade missions and sponsorship should complete by Christmas.
- 12.4. The Chairman and Laura Citron thanked Andrew Cooke and Allen Simpson and the team for their hard work on dealing with this.

*Robert Lechler left the meeting*

**13. Results of Best Companies Survey 2019**

- 13.1. The Chairman invited Andrew Cooke to update the Board on the results of the Best Companies Survey and next steps to act on the findings.
- 13.2. The Board was informed that London & Partners remains in the one to watch category. The overall score has not dropped. The Top 100 ranking companies list is released in December.
- 13.3. There was a fall of 5% in the fair deal factor which it was considered was due to how L&P's reward package was communicated to staff and dissatisfaction with the Above & Beyond recognition scheme. The survey has highlighted some deficiencies in the HR team which will be addressed.
- 13.4. The Board was advised that the survey results will be reviewed in more detail with the Senior Leadership Team to discuss and prioritise areas to action and agree targets for next year.



**14. Procurement of print supplier for approval**

- 14.1. The Chairman invited Rose Wangen-Jones to summarise the approach to procurement.
- 14.2. Rose Wangen-Jones explained that a review of print requirements across the organisation was carried out, with the aim to rationalise the amount of print used in general. The recommendation is to aid better coordination a roster of suppliers was created.
- 14.3. The Board approved the procurement.

**15. Results of recent activity**

- 15.1. The Board was advised that it has been a very busy quarter with a lot of activity in terms of trade missions, events in London and overseas.
- 15.2. Rose Wangen-Jones and Jules Chappell showcased three of the activities - the results of the second phase of the London/Paris leisure tourism campaign, activity to attract Chinese visitors to London during the Golden Week holiday and activations to support trade and growth in fintech around the Sibos event being hosted in London for the first time.

**16. Any Other Business**

- 16.1. No other business was noted.

*The meeting concluded at 12.29*

***The next meeting Board meeting: Thursday 20 February 2020, 09.00 – 13.00.***