

LONDON

& PARTNERS

MINUTES OF LONDON & PARTNERS BOARD MEETING
Tuesday 17 September | 10.00 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)

Observers:

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

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
Janet Coyle (JC) L&P
Charlie Thompson, Union Street Partners
Nabeel Khan (NK), GLA
Richard Tribe (RT), GLA

Apologies:

Mike Brown (MB)

1. Welcome and Apologies

- 1.1 Apologies were received from Mike Brown. The Chairman welcomed Chris MacLeod who will be standing in for Mike instead of Vernon Everett while Vernon is Acting Head of London Underground,
- 1.2 The Chairman noted that Justine Simons would join the meeting at around 11.45 am.
- 1.3 The Chairman noted that Sacha Romanovitch needed to leave the meeting at 12.00 pm and Robert Lechler at 12.15 pm.

2. Declaration of Interests

- 2.1 Sacha Romanovitch informed the Board of her new role as CEO of Fair4All Finance and that details should be added to her declaration of interest.
- 2.2 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 11 June 2019 were approved.

4. Matters Arising

4.1 The Chairman invited Allen Simpson to update the Board on changes to London & Partners' methodology for calculating its KPIs.

4.2 Allen Simpson informed the Board that the changes are proposed to be published as a refreshed 'Evaluation Methodology 2019' report in Q3.

4.3 Allen Simpson outlined the changes and process:

- In the coming month London & Partners proposes to publish a revised version of its evaluation methodology with incremental improvements and to reflect changes in the organisation.
- Some of the changes in the paper reflect how London & Partners already operate this year whereas others will come into play from next financial year.
- Most of the changes are technical in nature.
- London & Partners' performance against GVA targets is very strong and the proposed changes will not risk London & Partners not achieving target for this financial year
- For changes proposed to come into effect from the 20/21 financial year, London & Partners will factor these in when proposing their 20/21 targets in their business plan.
- One proposed change (changing how we count non-contestable GVA for Business Tourism) could have a significant impact on future results while the combined impact of all other changes is marginal.

ITEMS FOR DISCUSSION

5. CEO's Report.

5.1. Laura Citron presented her CEO report and summarised the key highlights:

- We are half-way through our corporate strategy and this is a key year for performance now that strategic change projects have been completed.
- Strongly ahead of GVA target for business.
- Strongly ahead of our year to date Audience Engagement target, with brand and perception measurements to follow.
- Working towards of our year to date income target.

5.2. Laura Citron highlighted three issues to the Board:

5.2.1. **London & Partners is significantly ahead of target GVA and Audience Engagement.** Forecasts suggest that London & Partners will exceed its full-year targets quite significantly. It was noted that this was a combination of external factors, London & Partners' methodology and strategy working well.

The Board congratulated London & Partners on the over delivery.

- It was suggested that suitable stretch targets be set for next year with a focus on outcomes.
- The Board suggested focusing on building resilience into the pipeline for the long-term.

- 5.2.2. **London & Partners is behind on its income target. Laura Citron advised the Board that the Management Committee has carried out some work to understand how this can be addressed and London & Partners achieve income targets by the end of the year.**

The Board was advised that at a structural change is being made with the Ventures team moving into the Marketing Directorate.

Laura Citron asked the Board for their opinion on diverting resource to address the issue by re-focusing client facing teams who are close to meeting their targets.

- The board recognised the challenges in income generation.
- Whilst all should be done to achieve targets for the year, it was more important to focus on measures that would improve income generation in future years.
- This would include a review to clarify the purpose of Visit London as a vehicle to generate revenue.
- It was noted that the anticipated additional revenue from Dot London could provide a buffer.
- The Board was advised that London & Partners has applied for funding from the government Brexit fund. The additional funding would have to be spent by 31 October 2019.

- 5.2.3. **London & Partners has a particularly busy autumn period, with a potential no-deal Brexit in the middle of the period.** Laura Citron informed the Board that it is known that teams will be beyond capacity and outlined the agreed response to the issue following discussion with the Senior Leadership Team:

- Rationalise activity wherever possible
- Clarity of purpose
- Supporting staff through the intensive period
- Having an end of the intense period in sight

The Board agreed with all the points highlighted and the proposed response.

- It was suggested that whilst treating the Autumn as a sprint with a reward at the end was positive that the uncertainty could well continue into the New Year and therefore preparing staff for the next stage.
- Robert Lechler offered to share King's College London's mental health and wellbeing programme.
- The Board suggested running a session for staff on London & Partners' values, to help staff understand what they mean in terms of how they work and affect their choices.
- The Board recommended giving staff permission to speak up and say if they don't have capacity to carry out a particular activity.
- It was also suggested that internal communications should be ramped up during the period.

Laura Citron thanked the London & Partners leadership team for their contribution to achieving the output targets.

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:
- Grant funding is on budget at August – full year exceeds budget due to grants for Domestic Tourism, Brexit and Sibos
 - Commercial income is below budget at August due to timing of contributions to campaign activity and some commercial activities being delayed. The forecast at the end of the year is to exceed budget due to a one-off receipt due in Q3.
 - Costs are slightly over budget in the forecast although not all have been fully committed. Salary costs are within budget and are forecast to remain to be at year end which is a result of management rigour in controlling wage inflation.
 - The overall forecast result is a profit instead of the business plan loss and net assets to carry forward for future years.
- 6.3. The Board discussed the methodology for measuring additional resources attracted – which is an aggregation of income and profit targets depending on whether they have the characteristics of funding or commercial profit-making activities. Currently these do not recognise all the income that has been generated from Domestic tourism consortium members or sponsorship of the Visit London app. It was agreed that these should be captured and reported against.
- 6.4. Anna Burman also advised the Board that cash balances across the group are currently high due to Dot London profits from Q4 and Domestic Tourism and other upfront payments in LPV. These will be utilised by year end but will be topped up by the Dot London contract fee expected in December 2019, the use of which over time will need to be planned.
- 6.5. It was suggested that the one-off payment from a commercial partner should be listed as an exceptional item. The Board was informed that it was not included in internal targets and did not impact contribute to any bonus payments.

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 24 July 2019 and 5 September 2019.
- 7.2. Jo Wright advised the Board that the Audit and Finance Committee had conducted a thorough review of the financial statements before recommending them for approval to the Board.
- 7.3. The Board was advised that there had been some improvements in grant receipts. It was noted that there is a very significant lag between submitting claims for ERDF grants and when they are paid. Nabeel Khan advised the Board he would flag the ERDF issue with the European grants team.

7.4. The Board was informed that the Audit and Finance Committee was part of the tender process to select a financial auditor, a tax adviser and auditor for London & Partners' KPIs. The Audit and Finance Committee unanimously supported the appointment of RSM to carry out all the functions.

7.5. The Board was informed that the Disaster Recovery plan has not been fully tested yet. Andrew Cooke advised that the testing was deferred as London & Partners is embarking on moving internal servers to the cloud. The Board was advised that all systems will have migrated by the end of the calendar year and the Disaster Recovery plan will be tested in Q4.

7.6. Jo Wright informed the Board that cyber security will be on the agenda for the next Audit and Finance Committee meeting.

8. London & Partners Ventures/Dot London Domains

8.1. The Chairman invited Tamara Raja to feedback on the meetings of the London & Partners Ventures and Dot London Boards on Wednesday 11 September.

London & Partners Ventures

8.2. Tamara Raja advised that the Commercial Ventures team is now fully resourced. The board discussed plans to generate revenue from e-commerce, programmatic advertising and the Visit London app. There had been very constructive support from board members. The key was to focus activity on the most profitable activities.

8.3. Work on Domestic Tourism had progressed very quickly from a standing start in March with the team in place and a marketing campaign starting in October. Tamara Raja congratulated Laura Citron and the team.

8.4. Andrew Cooke updated the board on NED recruitment. He and Fiona Mulliner had interviewed six of the 33 candidates that had applied for the role. A shortlist of two have been selected for Tamara Raja to interview.

Dot London Domains

8.5. The Board was informed that the Dot London Domains Board discussed plans for more targeted marketing following the renegotiation of the agreement with its registry provider.

Justine Simons, Deputy Mayor Culture and the Creative Industries, joined the meeting.

Corporate Innovation update

Janet Coyle, Director of Trade and Growth, joined the meeting.

- 8.6. The Chairman invited Janet Coyle to update the board on London & Partners' plans to support corporate innovation.
- 8.7. Janet Coyle updated the Board on activity over the last two months.
- 8.8. The Board was informed that a scoping exercise has been carried out to understand the market and develop a potential product. Corporate interviews, benchmarking of programmes in other cities, influencer interviews, internal workshops and testing preferred options with potential corporate clients had been carried out.
- 8.9. Janet Coyle advised the Board that 3 key points emerged:
- Corporates find it hard to identify relevant start ups
 - Corporates feel they don't really have a platform
 - Corporates are struggling internally to get people to buy into innovation budgets
- 8.10. Janet Coyle advised that the main learning from cities is that it takes time to set up and investment is needed behind it.
- 8.11. Janet Coyle presented possible solutions to the Board and advised that these ideas would be tested over the next three weeks and need to be positioned in such a way that is attractive for entrepreneurs.
- 8.12. The Board was informed that an update would be provided at the November Board meeting ahead of the programme launch in Q4/Q1.
- 8.13. The Chairman's asked the Board's views on the mission and aims of the programmes and the approaches that were presented.
- 8.14. The Board agreed it was an exciting, really strong, workstream and liked the collaboration with the ecosystem idea.
- 8.15. It was recommended that Janet Coyle investigate whether there were other companies/organisations who might be doing similar things so as to augment rather than duplicate any existing project.
- 8.16. It was suggested that London & Partners investigate organisations that they could partner with who could assist on delivery.
- 8.17. It was noted that one option was very similar to the City Innovation Challenge run by the GLA.
- 8.18. The Board agreed that it would be a good opportunity to look at the Life Sciences sector.

ACTION: Janet Coyle and Robert Lechler to discuss offline. An updated to be given to the Board in November.

Janet Coyle and Anna Burman left the meeting

9. Nomination Committee

- 9.1. The Chairman invited Massy Larizadeh to update the board on the meeting of the Nomination Committee on Thursday 12 September.
- 9.2. Massy Larizadeh thanked the Board for providing their suggestions for potential NED candidates for next year. The Nomination Committee reviewed these at their meeting last week.
- 9.3. The Nominations Committee had agreed to advertise for roles to replace directors that would be leaving in 2020. There will be an open and transparent recruitment process with roles advertised during October on Nurole and the London & Partners website. A third route to target more diverse candidates may be used dependent on the make-up of the applications. The Nominations Committee aims to have a short list of candidates in November.
- 9.4. Massy Larizadeh advised the Board that the Nominations Committee has made a list of potential candidates, which was circulated to the Board at the Board meeting and suggested that Board members encouraged their recommended candidates to apply through the process above. Andrew Cooke will inform the Board members when the role is live on Nurole.
- 9.5. Massy Larizadeh reminded the Board of the areas of experience the Board is looking for in candidates – international marketing, tourism and B2C, higher education, experience of public sector funded organisations and experience in London & Partners core markets and sectors.
- 9.6. It was suggested that the Board also consider age diversity in candidates and that it may be an opportunity to recruit younger candidates that are more aligned with London & Partners target audience.

ACTION: Directors to approach prospective candidates to apply for roles once they are advertised.

10. London & Partners Strategy

- 10.1. The Chairman invited Allen Simpson to outline the approach that is proposed to be adopted to develop London & Partners strategy.
- 10.2. Allen Simpson noted that London & Partners is halfway through its three-year strategy and is now beginning to plan for the next three years. Allen Simpson introduced the proposed approach to creating the London & Partners corporate strategy for the period 2021-2024.
 - Plan 2021 is working, but the strategic context has changed
 - London & Partners will choose which inputs are most important to them – where to do deeper analysis and where to be 'light touch'
 - London & Partners will identify and answer a number of core questions
 - Governance and resourcing – London & Partners intend to consult widely with people who have experience to share and understanding of impact on other parties and stakeholders.

- 10.3. The Board agreed this was a good, thoughtful, well-structured process. It was suggested that changes to digital and social media were considered in the planning process and evaluating London & Partners performance.
- 10.4. It was felt that the strategy development model was very analytical, data intensive and perhaps it could be amended to reflect London & Partners' purpose.
- 10.5. Andrew Cooke advised the Board that the sequencing of the strategy would be for completion by September to allow development and delivery of the 2021/22 business plan to the GLA in December.
- 10.6. The length of the strategy was discussed. It was suggested that a 5-year strategy approach was taken with a request for a 5-year grant from the GLA.
- 10.7. Sacha Romanovitch agreed to be the board sponsor for the strategy.

Catherine McGuinness and Sacha Romanovitch left the meeting

11. New event update

- 11.1. The Chairman invited Laura Citron and Jules Chappell to outline the plans for a new major event.
- 11.2. Jules Chappell updated the Board on the work that has gone into developing the proposal for the event since the last meeting. The conversation was commercially sensitive.
- 11.3. The Board were updated about the partners and venues for the event and the proposed financial model.
- 11.4. The board agreed that the executive should proceed with the plan and refer back to the board at the end of the calendar year to update on fund-raising and take a decision on next steps.
- 11.5. The board discussed the composition of the board of the new company. Laura Citron advised the Board if a Non-Executive Director volunteer couldn't be found to Chair the subsidiary, she could Chair in the interim. The board agreed to this and suggested that one of the new Non-Executive Directors that were being recruited should also be recruited with a view to being Chair of the new company.

ACTION: Circulate the Board meeting slide deck to the Board.

ACTION: Board to be updated at calendar year end to determine next steps.

12. 2 More London Lease Expiry

- 12.1. The Chairman invited Andrew Cooke to update the Board on planning for the expiry of London & Partners lease and introduce Charlie Thompson, Union Street Partners.
- 12.2. Andrew Cooke advised that a full tender to select property advisers was carried out. The tender was run following public procurement guidelines using property advisors

included within a Crown Commercial framework. Union Street Partners were selected as London & Partners advisers.

- 12.3. The Board were informed that Union Street Partners specialise in the Southwark area with a good knowledge of the broader London market.

Charlie Thompson, Union Street Partners, joined the meeting

- 12.4. Charlie Thompson, Union Street Partners, introduced himself and outlined Union Street Partners proposed approach to review the remain at 2 More London option and relocate options in parallel. A detailed search of alternative premises would take place given the significant increase in rent at 2 More London.

- 12.5. The Board agreed to this approach. A further update would be given at the next Board meeting.

Charlie Thompson, Union Street Partners left the meeting

13. Review of London & Partners Corporate Brand

- 13.1. The Chairman invited Allen Simpson to update on plans to simplify and strengthen London & Partners corporate brand.
- 13.2. Allen Simpson outlined the two challenges:
- The brand is currently too dispersed. London & Partners has a number of both legacy brands and newer brands for individual activities. One result is that audiences are unaware of the breadth of London & Partners impact. It is believed that a more consistent and strategic approach will increase London & Partners' audiences' engagement and improve impact.
 - There is a risk to London & Partners current descriptor "Mayor of London's official promotional agency". This has led to some stakeholders misunderstanding the nature of London & Partners role.
- 13.3. The Board discussed the various descriptors suggested. "London's international trade and investment promotion agency" was preferred.
- 13.4. The Board agreed with this approach and the approach to the brand and descriptor.
- 13.5. The revised brand hierarch and descriptor would now be tested with key audiences.

14. Results of recent marketing activity

- 14.1. Due to lack of time it was agreed to circulate the slides to the Board.

15. Business Cases

- 15.1. The Chairman invited Rose Wangen-Jones to summarise the business case for approval for a new design agency.
- 15.2. Rose Wangen-Jones outlined the 4 options:

- Work with design agency/supplier
- Working with freelancers
- Combination of agency and dedicated designer
- Combination of agency and 2x additional designers

15.3. The recommendation was for the third option, a combination of agency and dedicated designer.

15.4. The Board approved the Business Case.

16. Any Other Business

16.1. The Board was advised about the Mayor's Annual Business Reception takes place on 29 October to which the Board will be invited.

16.2. Andrew Cooke advised that the annual Board review is due and suggested that this be carried out by a third party this year interviewing all board members followed by a facilitated discussion. The Board agreed.

Observers and members of the Executive were asked to leave

17. Remuneration Committee

Sandie Dawe updated the Board on decisions taken by the Remuneration Committee at its meeting in May.

The meeting concluded at 13:05

The next meeting Board meeting: Thursday 21 November 2019 09.00 – 13.00.