

COMMERCIAL IN CONFIDENCE

MINUTES OF LONDON & PARTNERS BOARD MEETING Thursday 19 November 2020 | 9.00 am – 12.00 pm Via Zoom

Present:

Directors:

Rajesh Agrawal, Chairman (RA)
Laura Citron (LC)
Andrew Cooke (AC)
Catherine McGuinness (CM)
Tamara Rajah (TR)
Sacha Romanovitch (SR)
Massy Larizadeh (ML)
Mark Taylor (MT)
Dominic Field (DF)
Manju Malhotra (MM)
Chris McLeod (CM)
Jo Wright (JW)

Observers:

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

Management Committee:

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

Minutes

Gill Manners (GM) L&P

Additional attendees

Kristina Nordsten (KN) L&P
Margaret Ashworth (MA) L&P
Luke Bruce (LB) GLA

Apologies:

Reza Razavi (RR)

1. Welcome and Apologies for absence

1.1 The Chairman welcomed the Board to the formal November quarterly meeting.

1.2 It was noted that Catherine McGuinness and Leah Kreitzman would join the meeting at around 10.00 am.

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 17 September 2020 were approved.

4. Matters Arising

4.1. The Chairman advised that the only matter arising related to the board evaluation undertaken by Andrew Jackson. The Chairman noted that he and Andrew Cooke had now discussed the recommendations.

4.2. Andrew Cooke updated the board on the outstanding actions.

4.3. The board review undertaken by Andrew Jackson identified two key areas in which improvements could be made: - policy and strategy, and Internal Board Management.

4.4. There was a recommendation that London & Partners more actively manage the forward agenda – setting a rolling calendar of issues which will come to the board.

ACTION: This calendar will be brought to the next board meeting but also at the end of each meeting proposed items to cover in the next meeting will be flagged and the board's input on the agenda will be sought.

- 4.5. Andrew Cooke informed the meeting that Dominic Field had agreed to take the lead in supporting the Executive with strategy development. It was felt that currently there no need for a strategy committee, but a more formal strategy committee may be considered in the future.
- 4.6. The other area of discussion was Internal Board management which related to some of the duties of the Chair and ensuring good governance. Andrew Cooke advised that he will undertake a review of London & Partners' induction of new board members to see how that could be improved.
- 4.7. An area that came to light as a gap when Andrew Jackson reviewed London & Partners' documentation was that a role description for the chair should be developed
ACTION: A draft role description to be brought for review at the next full board meeting in February.

ITEMS FOR DISCUSSION

5. CEO's Report

- 5.1. Laura Citron updated the board on the highlights of her CEO's report since its circulation to the board.
- 5.2. Outcomes – a further increase in GVA which is looking very strong. The China and India teams have met their full year targets.
- 5.3. Income – confirmation of draft budget from GLA for next year subject to ratification by the London Assembly. Laura expressed her thanks to GLA colleagues.
- 5.4. Strategy – Laura thanked the team who have been focussed on this and in particular Allen Simpson, Kristina Nordsten, Sarah Brook and Margaret Ashworth.
- 5.5. Laura thanked the board members for their continuing support particularly in this quarter and their active involvement in the various sub committees.
- 5.6. Laura noted that the auditor's report on KPI's was positive and noted that London & Partners was under-reporting its GVA contribution to the London economy.

6. Finance Director's Report

- 6.1. Margaret Ashworth reported that as the Q2 finance report had been discussed in detail at the recent Audit and Finance Committee she would not go over that detail and would give an update on the grant position reported in her Board paper, and on going concern.
- 6.2. The London Alliance grant application has been submitted. The GLA has asked for evidence of payment to the media agency involved, and that is being addressed; this is the final piece of information required in support of our application.

- 6.3. London & Partners has heard informally from the GLA that the grant for 2021/22 will be £11.1m; this is in line with London & Partners planning assumptions. Once this has been confirmed formally, London & Partners will be able to finalise the going concern statement for 2019/20 and present the 2019/20 financial statements for approval.
- 6.4. The Board noted these updates; no questions were raised in relation to the Q2 financial report.

7. Audit and Finance Committee

- 7.1. Jo Wright updated the board on the meeting of the Audit & Finance Committee on Friday 13 November 2020.
- 7.2. It was noted that the main points were covered by the Finance Director's report.
- 7.3. The Committee agreed there was a need to look forward in terms of what could happen in terms of revenue. A rolling forecast will be pulled together so that the committee can always be looking forward 3-6 months, and then 12 months or more once the process is in place and improves. Jo Wright noted that this would be very helpful in the future and help the board make decisions.

Sarah Brook, HR Director and Kristina Nordsten, Director of Strategy joined the meeting

8. L&P Strategy

- 8.1. Laura Citron and Allen Simpson updated the board on progress with the strategy.
- 8.2. Laura outlined the goals for the session to demonstrate developments to the strategy, how the new draft meets London & Partners' goals and to ask the board for permission to run a small deficit to allow for growth.
- 8.3. Laura advised the board of the strategic objectives and the three things the strategy aims to change with London & Partners being:
- More focused
 - More progressive
 - Ready to grow
- 8.4. Laura noted a fourth aim was to limit the number of redundancies that are required. London & Partners has a high performing team, so the strategy is looking at how London & Partners retain the skills of staff and minimise redundancies.
- 8.5. Laura noted that if the board agree with the strategy and recommendations today, London & Partners will run a wider stakeholder engagement consultation.
- 8.6. Laura and Allen outlined two options:
- Option 1 – shrink to a new normal – a reshaped organisation able to deliver our mission minimally, with limited ability to regrow our organisational impact in the London recovery period and in the future.

- Option 2 – invest to grow – with limited additional investment in 2021/22, London & Partners can pursue commercial and outcomes focused activities, reinvesting as returns are delivered. In this way London & Partners can meet its obligations to London.

8.7. The Board agreed that the presentation was very clear and motivational.

8.8. It was noted that one aspect of the strategy that came through strongly was a shift away from London & Partners being a sole agent to becoming a convener. It was agreed that partnerships were very important. It was felt that working together with others to enable London to succeed and being the connective tissue did not quite come through in the strategy presented. Laura agreed to think about how this could be made clearer.

8.9. Brand London was discussed, and it was noted in meetings with stakeholders there is an expectation that London & Partners will be marketing the London brand. The view was that London & Partners does this better than anyone else.

8.10. The Board's view was that Brand London and partnerships is the essence of London & Partners. The suggestion was made of Brand London being managed in a partnership manner, with a template and materials that could be distributed for others to use. Laura Citron explained that is what L&P had recently done with its domestic tourism campaign but that it was very resource intensive to get people to use the material. The board accepts that this would require substantial commercial income which is unlikely to materialise in the current climate. It was agreed that the recommendation would be tested with stakeholders.

8.11. The Board discussed the financial forecasts for the two options. The Executive team have forecast the impact for 21/22 but not the following year at this stage. That will be done once the various income options have been evaluated. It was noted that in addition to the reserves referenced in the forecast, the GLA also holds a reserve of £2.2m to ensure an orderly wind-up of the company in the event that GLA funding ceases. The board also noted that the GLA has agreed to be a guarantor for the licence fees at Union Street.

8.12. The board discussed whether London & Partners should describe itself as a social enterprise and whether this would affect London & Partners' governance. Margaret Ashworth advised that this change would not affect London & Partners' governance structure but that it was more aligned with London & Partners' mission. Some board members felt that it was progressive and forward thinking whilst others felt it could put off some major corporates who may have associations of organisations that are semi-public and less agile. It was agreed that the term should be tested with stakeholders and in international markets.

8.13. The Board expressed concern that Option 2 focused heavily on opportunities in China and noted that the political atmosphere was getting worse. Laura advised that London was quite behind in terms of the tourism market in China and that there was a real market failure in helping London's hospitality and tourism industry to be China ready. It was agreed that London & Partners, would undertake some specific discussions with China experts about access.

8.14. The Board discussed metrics and the number of jobs versus quality of jobs. It was agreed that the primary KPI should continue to be GVA but that the number of jobs should be a metric that is recorded. The board agreed that sustainability was also important and Sacha Romanovitch referenced MasterCard's Inclusive Growth Index. As well as key growth sectors, it was agreed that supporting other sectors that are important to London's success should not be ignored – e.g. arts and culture.

8.15. Allen Simpson outlined the next steps:

- November/December – consultation with stakeholders
- December – Audit & Finance Committee meeting
- 16 December – final sign off from Board
- January – begin execution

8.16. The board agreed with the “invest to grow” option as long as risks were managed and key milestones and go/no go decisions were included in relation to new income generation opportunities. The small cost differential between Option 1 and Option 2 was discussed and it was explained that additional staff to deliver the new growth programmes would be required and these would be funded by revenue from the individual programmes.

8.17. The Chair thanked the team for all the work that has been put in to developing the strategy and noted that the comments from the board would be taken on board.

ACTION: The invest to grow option was agreed with the caveat that the London Brand element needed to be reviewed further, the concept of London & Partners being a social enterprise would be market tested, and further work would be carried out to review the markets footprint in light of Brexit.

A refined plan would be brought to the board in December.

Sarah Brook, HR Director and Kristina Nordsten, Director of Strategy left the meeting

9. London & Partners Ventures/Dot London Domains

The discussion under this item has been redacted due to commercial confidentiality.

Sara French, Director Trade and Growth, joined the meeting

10. Virtual Trade Missions

10.1. Sara updated the board on the work to pivot the work of the Mayor's International Business Programme in response to Covid by running virtual trade missions.

10.2. Sara informed the board that the effect of the Covid-19 pandemic forced a review and re-evaluation of how missions were delivered and provided an opportunity to create new business value. A programme of commercially focused virtual meetings replaced traditional trade missions, led by Chief Representatives, VP's and alumni companies sharing their experiences on entering the market and facilitating introductions. This approach was extremely effective and efficient allowing businesses to meet companies across different cities in a day.

- 10.3. Sara highlighted the recent Fintech Mission in North America and Female Founders SVC2UK. She informed the board that a hybrid approach will be considered in 2021 even when travel is possible.
- 10.4. The board congratulated Sara, Janet Coyle and the team.
- 10.5. Alternative tech support for virtual missions was discussed as Zoom and Microsoft Teams did not allow the necessary level of engagement and networking. It was noted that Cadence was used for the SVC2UK programme and this and other platforms were currently being evaluated for use in the future.
- 10.6. Laura Citron advised the board that Sara and the team have been so agile this year in constantly iterating the model, which is resulting in GVA and helping businesses to do deals and scale.

Sara French, Director Trade and Growth, joined the meeting

11. London & Partners Events Board

The discussion under this item has been redacted due to commercial confidentiality.

12. Any Other Business

- 12.1. It was noted that the next meeting of the Board will be a two-hour meeting on Wednesday, 16th December from 10-12 noon. The focus of the meeting will be to finalise and approve the future strategy and sign off the financial statements for 2019/20 assuming the going concern statement is finalised.

The meeting concluded at 12.04