

LONDON

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MINUTES OF LONDON & PARTNERS BOARD MEETING FOR PUBLICATION Thursday 23 February 2023 | 09.00 am – 12.00 pm. Hybrid meeting/ Trafalgar

Directors

Allen Simpson (AS)
Chris Hayward (CH)
Dominic Field (DF) - online
Eyal Malinger (EM)
Jo Wright (JW)
Laura Citron (LC)
Manju Malhotra (MM)
Massy Larizadeh (ML)
Mark Taylor (MT)
Rajesh Agrawal (RA)-Chair
Reza Razavi (RR)
Tamara Rajah (TR) - online

Observers:

Rachel Williamson (RW)

Management Committee

Janet Coyle (JC)
Rose Wangen - Jones (RWJ)

Additional attendees:

Cristina Jandic (CJ)
Kristina Nordsten (KN)
Nayan Rughani (NR)

Apologies:

Justine Simons (JS)
Sarah Brown (SB)

Minutes:

Ifeoluwa Osunbunmi (IO)

Welcome and apologies

1. The Chairman welcomed everyone and those joining online.
2. Apologies were received from Sarah Brown.
3. Cristina Jandic was introduced as the new company secretary, and she was made welcomed.

Declaration of interest

4. There were no declarations of interest noted.

Minute of last Meeting

5. The minutes of the board meeting held on 17th of November 2023 were approved.

Matters Arising

6. There were no matters arising.

ITEMS FOR DISCUSSION

CEO's Report

7. LC summarised the London and Partners' outcomes against target for the year 22/23
8. LC gave a brief update on the liquidation of Tech Nation and its implication on London and Partners.

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Finance Director's Report

9. NR informed the Board that the group has delivered a strong ongoing performance against financial plan.
10. Income was behind plan. This was largely due to phasing and funding differences on the Tourism campaign and lower than planned activity and significant vacancies on programmes match funded by ERDF. This was offset by overperformance on other income lines.
11. Costs were lower than budgeted due to a significant underspend on the Tourism campaigns. Underspent was recorded in international travel, especially in China; office spend (north America) and business development activities. The US team have found an effective process of working outside the office space, but this was under review on an ongoing basis to understand what would be the best model of operation.
12. L&P group retained reserves of £4.2m which allowed for significant resilience in future years against any ongoing impacts from the pandemics or any other future events. NR specified that the cash reserves were at £4.9m and this was a cyclical piece, that included the payment of the core grant from the GLA. Discussions need to take place with GLA around the timing of funding. The Board members debated about the opportunity of doing some investments with the cash reserves, taking into account the Articles of Association restrictions and grant agreement provisions.
13. NR had ongoing conversations with the GLA about the grant payment that can be transferred either in advance or in arrears and the priority was for finding the best option that would work for managing the cash flow throughout the year.
14. It was expected to end the year £768k ahead of plan before tax. This was the second year when a significant variance to plan was recorded, but the approach to planning was different. The current year was used as the base line for planning for next year.

Audit Committee update

15. JW explained that the Audit and Finance Committee met and discussed the Q3 outturn position, business plan, budget for next year and risk register.
16. JW highlighted that NR improved the finance function of the organisation and this was visible on the quality of reports presented to the Committee.
17. The year end deficit was of £15k, which was remarkable. There was a reasonable scenario that a deficit won't be recorded in the next financial year. The most important was to focus on the financial sustainability of the organisation. The Committee noted the pattern of underspent.
18. On the business plan, the Committee members noted that the target for next year was for breaking even. Next Committee meeting agenda will allocate more time to the Risk Register.
19. NR gave an update on the procurement process for the HR, finance and planning systems.
20. The Audit and Finance Committee recommended the Business Plan and the Budget for Board's approval.

Remuneration Committee Report

21. JW summarized to the board the discussion about the strategy to benchmark the pay rise.
22. JW stated guidance was given to NR on looking into other social enterprises, not necessarily public sector.

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23. It was considered if the proposal was fair and competitive, there was also question about if the whole staff pay increase would be including the executive team and it was agreed to be a fair deal.

Change Programme

24. LC provided an overview of the change programme. The L&P mission remains the same, with slight changes on delivering activities.
25. Small business support was added under the stream of activities. Two services currently run by the GLA, Wayfinder and London Business Hub will be passed on to London & Partners, with the expectation to optimise and upgrade these.
26. From 1 April, life sciences will be integrated under Business Growth's remit.
27. L&P will record a significant upgrade and upscale of the trade and growth activities that will have a knock on effect on FDI.
28. LC referred to the increase in L&P headcount that will raise from 199 to 282.

Business plan and budget

29. LC gave a brief background on the business plan and budget.
30. LC explained the strategy to break even into a financially sustainable business after the significant deficit during pandemic which is the UKSPF funding and commercial income.
31. LC gave summary of the plan and the process.
32. LC explained we will maintain our mission which is to create an economic growth for London that is resilient, sustainable, and inclusive by:
 - Supporting small business support for those who require support;
 - Introducing Funding London;
 - Introducing Medcity – developing life sciences;
 - Supporting the new Business Growth Directorate
33. LC explained the impact of the business plan on the new L&P's income.
34. LC stated the next step is a new commercial strategy for the L&P which will be discussed in the next commercial committee meeting.
35. LC gave a highlight on L&P headcount. There has been a significant growth within the Strategy & Operations and the Marketing, Destination and Commercial team.
36. LC stated we are moving from an organisation of about 200 people to about 300 people.
37. There were discussions around promoting London more in the context of the external change drivers such as science and technology to align with the central government strategies.
38. There were discussions around benefit of scaling and merging with other organisation which were confirmed to be operational efficiencies.
39. There were discussions around how L&P is supporting small businesses in a unique way, by providing a single front door to the small businesses and simplifying the landscape for the SMEs.
40. There were discussions around having metrics such as a community KPI and GVA.
41. There were discussions around understanding challenges of each borough and strategies to support and manage their expectations.
42. Question around having enough capacity for collaboration and building relationship between MedCity and other life sciences within London.

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Business plan and Budget

43. RA invited AS to present the business plan and budget.
44. AS gave summary of the business plan and budget for the year 2023/2024.
45. AS explained L&P can find a balance by breaking even, transitioning, and optimising outcomes.
46. AS walked the board through the process to balance these goals by starting with outcomes.
47. AS and JC gave a summary on GVA performance, GVA target by business line.
48. There were discussions around how often we review the GVA and how to generate more GVA often.
49. NR presented and gave analysis of the budget plan and the forecast of the year 2022/2023.
50. There were discussions around reflection of inflation on the economy on worker's salary.
51. AS presented a dashboard status report of the transition programme.

Governance changes

52. AS presented the summary of Andrew Jackson's report on L&P board governance.
53. The report focused on reviewing the meeting agenda and paper.

Proposal

54. It was proposed to appoint a borough council leader to the board to represent London's borough.
55. It was proposed to retain the MedCity board member.
56. AS summarised the responses to the board review as below:
 - Agenda setting including more participation.
 - Board engagement – creating a WhatsApp group for informal engagement.
57. A dedicated Company Secretary has been appointed.
58. The board approves the governance changes.
59. AS summarised the Advisory groups and their representation.
60. GLA oversight – reviewing and adjusting the scrutiny processes for the GLA.

AOB

AS stated there were three procurements for the board to approve in the coming weeks.