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COMMERCIAL IN CONFIDENCE

DRAFT MINUTES OF LONDON & PARTNERS BOARD MEETING Thursday 17 November 2022 | 09.00 am – 12.30 pm Hybrid meeting

Directors

Rajesh Agrawal (RA)
Laura Citron (LC)
Allen Simpson (AS)
Mark Taylor (MT)
Massy Larizadeh (ML)
Jo Wright (JW)

Management Committee

Janet Coyle (JO)
Rose Wangen – Jones (RWJ)

Minutes

Ifeoluwa Osunbunmi (IO)

Additional attendees

Nayan Rughani (NR)
Jamal Mannan (JM)
Kristina Nordsten (KN)
Alex Conway (AC) GLA

Observers

Sarah Brown (SB) GLA
Ben Johnson (BJ) GLA

Apologies

Tamara Rajah
Reza Razavi
Dominic Field
Manju Malhotra
Chris Hayward

Welcome and Apologies for absence

1. The chairman welcomed everyone present and those joining virtually.
2. Apologies were received from Reza Razavi, Dominic Field, Manju Malhotra, Tamara Rajah, and Chris Hayward.

Declaration of interest

1. There were no declarations of interest noted.

Minute of last Meeting

2. The minutes of the board meeting held on 22nd of September 2022 were approved.

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Matters Arising

3. There were no matters arising.

ITEMS FOR DISCUSSION

CEO's Report

4. LC gave a highlight on her report and emphasized on the positivity of the in-year deliveries. She thanked Rose and Janet for all their efforts in keeping the positive result.
5. LC elaborated on the transition of L&P and merge of the Med city.

Finance Director's Report

6. NR reported that the group continues to deliver significant overperformance against the financial plan noting that the position is £539k favourable against plan pre-tax and £562k favourable post tax.
7. It was noted that a key contributor to this was the continuation of the market conservatism which was driving down our cost base but not having the same impact on our income base.
8. Income is £1,715k behind plan. This is largely due to phasing differences on the Tourism campaign (£1,649k adverse). NR noted that this variance arises from the difficulty in determining a business plan for multi-million pound campaign with so many variables.
9. Without this adverse variance, we can see that income is £66k behind plan with the largest variance on ERDF programmes which is £228k behind plan.
10. NR highlighted the following key areas of strong income performance:
 - Tourism and FDI Partnerships (£58k)
 - MIBP Partnerships (£40k)
 - Other bespoke activity (£52k)
 - VisitLondon (£153k)
11. The following areas of income underperformance were also noted:
 - West End (£7k)
 - LLN (£82k)
 - DotLondon (£55k)
 - ERDF (£228k)
12. NR provided an update on the expenditure performance noting that the plan was based on a return to full scale activity but what we are observing is a more conservative return. This is resulting in significant underspends.
13. Whilst costs are already lower than budgeted by £2,277k, this includes a significant underspend on the Tourism campaigns (equivalent to the adverse variance on income).
14. Excluding this from the position means that the underlying cost base is £628k lower than budgeted.
15. Some of the key areas of underspend highlighted by NR included:
 - £50k on ERDF programmes as we wind down the programmes.
 - £20k on international travel as some restrictions continue, in particular, China.
 - £35k on LLN spend as the programme has ceased.
 - £35k on international office spend as our US team are not based in offices.

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- £166k on finance - primarily due to VAT recovery
16. NR noted that salaries were £97k underspent despite a cost-of-living payment being made in the last quarter. The primary reason for this variance has been vacancies or decisions not to recruit to certain roles.
 17. NR provided a summary of the forecast which is a £187k deficit. This is primarily a continuation of the trends we have seen in the first half of the year although we do expect some activity increases and therefore increases in costs.
 18. NR asked the Board to note that this forecast does not include the impact of the change programmes. The net impact of the change programmes and any associated funding would be to reduce the deficit to £176k.
 19. NR noted that in response to the significant variance we are seeing in year and in the forecast, we are proposing some changes to our planning, budgeting, and forecasting approaches.
 - Annual budgets will be set using previous years' actual spend rather than budgets as a reference point.
 - The quarterly cycle will now include work with business leads to both return underspend from the previous quarter, and also to identify and return underspend from the coming quarter.
 - The quarterly cycle will include formal processes to redeploy returned funds.

Audit Committee update

20. JW was invited to give an update on the Audit & Finance
21. JW highlighted Rebecca and NR's performance on the good audit and for making the audit process run smoothly.
22. JW stated that NR took them through the results for the year.
23. JW stated the ongoing challenge that NR and the leadership team are facing is to accurately forecast in a world where things are still irregular.
24. JW stated Nayan laid out the change programme and they talked about the incremental cost.
25. JW summarised the committee's discussion about risk to the business which is related to the commercial and the grant income and that it was concluded to have it as a regular standing board item to update and manage the commercial strategy.
26. JW stated they discussed the cyber risk and its high impact and probability, and they all agreed to make cyber risk a standing board item whilst it remains high impact and probability.
27. JW asked if we have internal experts to assess risks or if we should seek external experts for more opinion.
28. The audit was validated by the board.

Ethics Policy

29. AS summarised the ethics policy, noting that the ethics policy provides a clear process, sets clear boundaries where we have a visible committee and a system for appeal.
30. AS summarised the statement of independence which was agreed with the GLA.
31. AS concluded that the ethics policy and approach is an important part of the conduct risk management toolkit.
32. The board agreed with the ethics policy.

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Staff Survey

33. RA introduced JM as the new head of people and talent, and he was made welcomed.
34. AS gave a summary of the staff survey data which were positive.
35. AS summarised the results, the change and the lessons learnt. The team will focus on 'fair deal', 'personal growth', and 'family' drives of engagement based on the data.
36. JM was invited to share some thoughts and best practice on the personal growth and family aspects.
37. JM started by commending some social activities already put in place by L&P, then he highlighted the challenges L&P, and many organisations are facing trying to make the new starters feel the connection and bond.
38. JM suggested we have more face-to-face interaction.

Benefits of change programme

39. LC was invited to give update on the benefits of the change programme.
40. LC named the categories of the benefits of the programme which splits into four
 - Impact for Londoners
 - Growth that benefits Londoners
 - Benefits of scale- how we deliver efficiently as a bigger organisation.
 - A resilient high performing organisation
41. There were discussions around how we measure good growth in our targets.
42. LC emphasized on how L&P should be leading on how London reflects diversity and good growth as a London organisation.
43. There were discussions around having low GVA from underrepresented groups and what support could be given to them.
44. RA noted this aligns with the mayor's vision.

Business plan process

45. AS gave a brief update on the business plan 2023/2024
46. AS presented the business planning from November 25th till the end of March.

Business plan – Growth update

47. RA invited JC to give an update on the business growth change programme.
48. JC explained that the change programme is an opportunity to deliver the our activities for London's high growth businesses more efficiently, and to improve our offer to the clients.
49. JC gave a summary of each business growth team and their impact.
50. JC stated the mayor's international business programme, and the business growth programme will now be merged to be one integrated programme.
51. There were questions around opportunities for scale ups and discussion around scale up visas.
52. The Board approved the planning for the new programme.

Any other business

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53. MT gave update on the appointment of the new non-executive directorate for the board and commercial committee.
54. AS summarised the process of appointing the new candidate and gave a brief background about the new candidate. Significant conversation focused on the diversity of the candidate pool and the successful appointee.
55. AS gave an update on the appointment of the Tourism Advisory Board.
56. AS summarised the board review changes to governance structure.
57. Next board meeting will be February.