

# Leaders' Committee

## London Councils' Capital Ambition      Item no: 8 Board Urgency Report

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**Date:** 9<sup>th</sup> July 2019  
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<b>Summary</b>	London Councils' urgency procedure was used to approve a London Ventures commercial deal with Blue Prism
<b>Recommendations</b>	Leaders are asked to note the decision taken under the urgency procedure.

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# London Councils' Urgency Report

## **1.0 Introduction**

In January 2019, London Ventures conducted commercial deal negotiations with new and existing venture partners in anticipation of these commencing from 1st April 2019. London Ventures reported the outcomes of the negotiations to the Capital Ambition Board (CAB) in February 2019, requesting approval for 6 new commercial agreements. These were agreed by the Board and commenced on the 1st April 2019 other than the agreement with Blue Prism, following Blue Prism's desire to include additional terms within the deal necessitating a longer negotiation process.

## **1.1 Details**

Blue Prism Ltd. required a legal contract between London Councils and Blue Prism Ltd. This is unprecedented, as all London Ventures partnerships operate on a standardised commercial agreement and not a legal contract. In consultation with respective legal advisors, both parties agreed suitable terms. An addition entitled "Special Terms" was included to the commercial agreement (this is available on request). It was also agreed that Blue Prism Ltd. would not be subject to the standard quarterly minimum working capital and revenue share payments, but rather an annual fixed fee, invoiced quarterly covering the agreement period. This addition sits outside the standardised commercial agreement and does not affect commercial agreements with any other venture partner.

## **2.0 Summary**

### **Reason for Urgency**

The current commercial agreement 2018/19 with Blue Prism Ltd. expired on 31 March 2019. The new commercial agreement 2019/20 and was not submitted to the February 2019 CAB prior to commencement date on 1<sup>st</sup> April 2019, as negotiations were still underway.

Further delay to approval of the new commercial agreement would have resulted in reduced income into the sustainability fund, due to pro-rated fees to the end of the commercial agreement period in August 2020.

## **2.1 Recommendation**

The Director of Local Government Performance and Finance recommended that the Commercial Agreement with Blue Prism and London Ventures was agreed

Elected Officers of Capital Ambition Board were asked to agree the London Councils submission by midday on Monday 10<sup>th</sup> June 2019. The Urgency was approved.

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### **Financial Implications for London Councils**

Over the course of the agreement period from August 2019 to August 2020, this commercial agreement will generate an income of approximately £25k per annum into the sustainability fund.

Additional income is pro-rated to account for the months prior to August 2019. This income is valued at approximately £4.2k from 1st June to 31st July 2019.

Deferring the review and approval of the commercial agreement with Blue Prism Ltd. to the July 2019 CAB, would have resulted in approximately £2k to £4.2k loss of income to the programme.

### **Legal Implications for London Councils**

London Councils' officers sought legal advice and took this into account in finalising the proposed agreement.

### **Equalities Implications for London Councils**

None