



# BOARD MEETING SUMMARY

1 December 2021

## LOCATED PROPERTY LIMITED (THE “COMPANY”)

## SUMMARY OF BOARD MEETING

<b>Date of meeting</b>	1 December 2021
<b>Time</b>	13:15 – 15:39
<b>Venue</b>	3rd Floor, Finlaison House, 15-17 Furnival Street, London EC4A 1AB

### 1. Introduction from the Chair

- 1.1 The Chair opened the meeting at 13:15 and it was confirmed that the meeting was quorate.
- 1.2 No direct or indirect interests in the proposed transactions or arrangements to be considered at the meeting were disclosed by the directors as required by s177 of the Companies Act 2006.
- 1.3 No new conflicts of interests were declared at the start or during the meeting.

### 2 Minutes from the board meeting: 27 October & outstanding actions

- 2.1 The minutes of the previous meeting were approved.
- 2.2 It was confirmed that progress was being made with the development of the business case and a fuller update would be provided at a meeting with the Department for Education (DfE) on Friday 10 December.

### 3. Board committee updates

#### 3.1 Remuneration Committee (RemCom)

- 3.1.1 There had been no RemCom meeting since the October Board meeting.

#### 3.2 Audit Committee (AC)

- 3.2.1 There had been no AC meeting since the October Board meeting.

#### 3.3 Investment Committee (IC) & Mixed-use Investment Committee (MUIC)

- 3.3.1 The Board was informed that the IC met on 18 November. Four deals were discussed, including one disposal in Bromley. The IC Chair was impressed with the LocatED’s team’s efficient management of disposals.
- 3.3.2 It was noted that many of deals coming forward are very challenging in terms of planning.

### 4. Shareholder’s update

- 4.1 The Board was informed about the future DfE project which looks at how the DfE is structured and aligning it better to enable the DfE to meet its priorities.

4.2 The Board was updated on the recent spending review.

4.2.1 A mainstream free schools programme will be run but at a reduced level, focussing more on demographic need.

4.2.2 The ambition is to be able to deliver all programmes as carbon net zero.

4.3 One of the challenges is surplus places, particularly in urban areas. Work has started work looking at the challenge of significant surplus school places that are on the horizon. The issue being that there has been significant movement of pupils out of urban areas, especially London. This has a knock-on effect on funding for schools, which is based on the number of pupils and not on building running costs. The Chief Executive is involved in this conversation in terms of how LocatED could help.

4.4 The Chief Executive made the point that LocatED could very actively assist with asset management solutions which could focus on community and wellness uses, as an example, that are currently being recommended by the Children's Commissioner in the Big Answer report recently published.

4.5 It was reiterated that the two main strategic issues in terms of budget spend are condition need and ensuring schools are carbon net zero.

## 5. Chief Executive's update (incl Third-party advice update)

5.1 It was noted that LocatED was successful in achieving Investors in People accreditation on its first attempt.

5.2 LocatED also achieved the 5% Club Gold Award status which recognises the significant contribution to the development of employees through our apprenticeship and graduate schemes.

5.3 A significant amount of recruitment is currently taking place.

5.4 A refresh of the LocatED website is scheduled in the new year which will also incorporate our Diversity & Inclusion (D&I) messaging.

5.5 The Chief Executive pointed out that the paper on "What does a diverse and inclusive LocatED look like?" is an internal document based wholly on feedback from staff. This will be converted into a detailed strategy with an action plan.

5.6 The Chief Executive was congratulated on the extensive amount of work being done in the D&I area.

## 6. Surplus land for housing pilot update

6.1 Good progress has been made on surplus land governance and process since the last update to the Board in July. The MUIC (with a specific DfE nominee for SLfHP matters) now provides direction and challenge relating to all commercial, property and delivery aspects of the SLfHP commissions.

6.2 Three projects are at the planning pre-application stage. Marketing strategies are being prepared in anticipation of marketing launch in early 2022. The remaining projects are also progressing well.

- 6.3 There are, however, areas for improvement, namely, speeding up the new commissioning process and trying to align what LocatED can do with the DfE and the Minister's priorities.
- 6.4 The Chair queried why a significant programme has not yet been set up, despite its enormous potential and whether work could be undertaken to extrapolate the potential benefits of the SLfHP to show how this initiative could benefit the wider school estate.
- 6.5 It was stated that the analysis that was initially undertaken to identify the projects in the original pipeline should perhaps be revisited.
- 6.6 The Chair recommended drafting a clear SLfHP action point list.

## 7. Property team – non-free schools work – an introduction

- 7.1 The Board was provided with an overview of non-free schools work being undertaken by LocatED, namely Section 77 advice, surplus land disposals, the DfE School Rebuilding Programme (SRP) and further education work (FE).
- 7.2 The Chair queried lessons learnt so far and what needs to happen to make these programmes a success.
- 7.3 It was stressed that SRP is a workstream with huge potential for LocatED.
- 7.4 Regarding FE work, it was stressed that getting involved at the early stage is very important as it allows more time to give the best advice and implement the best strategy.

## 8. Acquisitions & disposals update

- 8.1 The Property Director reported that the two deals forecast for November have been delayed but should be exchanged in December.
- 8.2 Three disposals have been completed this year, with six forecast to be completed by year end.

## 9. H&S and portfolio property management update

- 9.1 The Property Director highlighted that squatters have been in occupation in one of the properties in London however vacant possession should be achieved w/c 6 December.
- 9.2 Another property (formerly a police station) was occupied on 10 November by a protest group specifically targeting vacant police stations. An application was made to the high court on 22 November, and it is hoped that vacant possession will also be obtained w/c 6 December.
- 9.3 The Asset Management team is focussing its efforts on stopping trespassers getting occupation, trying to minimise those opportunistic elements as well as ensuring increased security (CCTV & alarms) on sites to discourage squatters.
- 9.4 Statutory compliance currently sits at 99.4% due to the lack of access into one of the properties due to squatters; once vacant possession is achieved, we should be back to 100% compliance.

## 10. Mixed-use and development update & cost variance update

- 10.1 The Board acknowledged the information contained in the mixed-use and development update.
- 10.2 A cost variance update was presented and it was noted that cost variances were generally within an acceptable range.
- 10.3 From February/March 2021, an uplift has been applied to reflect net zero costs, in agreement with the DfE. Moving forward, we should be able to make like-for-like comparisons.
- 10.4 The Board was in agreement that the report delivered on the initial brief and welcomed the explanations provided for the outlier projects.
- 10.5 It was agreed to present a further update to the Board in June 2022 and flag any major issues in the interim.

## 11. Key performance indicators update

- 11.1 The Board acknowledged the information contained in the KPI update.

## 12. Legal Counsel's update

- 12.1 Legal Counsel pointed out that the transactional delegations which he had originally helped negotiate with HMT form part of the IC process in terms of overage clauses, dilapidations, guarantees, lease indemnities etc.
- 12.2 The Chair of IC made the point that the IC is 100% reliant on the LocatED Legal Team ensuring that the IC does not overstep its delegated authority before approval is given.
- 12.3 Legal Counsel recommended that the annual letter should be accepted by the Board, subject to a few clarifications and a query raised. The Board noted and accepted the annual letter.
- 12.4 With regard to Legal Counsel recruitment, there have been five interviews to date, with two applicants returning for second interview on 2 December.

## 13. AOB

- 13.1 There were no other items under AOB.

The meeting ended at 15.39.