

BOARD MEETING SUMMMARY

LOCATED PROPERTY LIMITED (THE “COMPANY”) BOARD

SUMMARY OF BOARD MEETING

Date of meeting	23 February 2022
Time	13:00 – 15:38
Venue	via Teams

1. Introduction from the Chair

- 1.1 The Chair opened the meeting at 13:00 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.
- 1.4 Apologies were accepted from Jenny Nicely who was unable to attend the meeting to present the Marketing & Communications update.

2 Minutes from the board meeting: 12 January & outstanding actions

- 2.1 The minutes of the previous meeting were approved, subject to a minor typographical amendment at para 6.3 (“therm” to “them”).
- 2.2 An update was given on Action point one: setting out the progress being made with the development of the business case. The Final Business Case will go for approval to the DfE IC meeting, due to be held on 27 July.
- 2.3 The Chief Executive informed the Board that a paper outlining a possible strategy to address surplus capacity had been submitted and she will keep the Board updated on developments.

3. Board committee updates

- 3.1 Investment Committee (IC) & Mixed-use Investment Committee (MUIC)
 - 3.1.1 Since the last Board meeting, the IC and MUIC met on 27 January and 17 February.
 - 3.1.2 An addendum relating to the London Academy of Excellence was approved between meetings, via email, on 16 February.
 - 3.1.3 Monthly updates had been presented at the MUIC meeting, including the Surplus Land for Housing Pilot projects.
- 3.2 Audit Committee (AC)

- 3.2.1 The Chair updated the Board on the items discussed at the AC meeting held earlier today.
 - 3.2.2 The AC received a report on how long it takes LocatED to approve invoices. In the past there has been an issue because invoices that were properly disputed were adversely affecting the figures. LocatED has now received confirmation from the DfE that future payment data reports would be produced without the invoices under dispute being included.
 - 3.2.3 Two internal audit reports were reviewed and there are no outstanding actions from internal audits from the previous financial year and there are two actions from this financial year that are on track to be completed on time.
 - 3.2.4 The GIAA presented its Charter to the Committee. This sets out its scope of services and this was adopted.
 - 3.2.5 The internal audit strategy for next year and the main audit planning report were discussed. The AC also reviewed the risk register, heat map and the gifts and hospitality register.
- 3.3 Remuneration Committee (RemCom)
- 3.3.1 There has been no RemCom meeting since the January Board meeting.

4. Shareholder's update

- 4.1 An update on the review of the free schools pipeline was provided. The list of projects has been shared with LocatED and this review may reduce the number of long standing/difficult sites on the shared books.
- 4.2 Mike Green has announced his departure as Director General and Chief Operating Officer after 10 years at the DfE. His will become the Chief Executive of the Defence Infrastructure Organisation (DIO) part of the MOD. A successor has not yet been identified or appointed but it is expected that there would be an internal interim appointment.
- 4.3 The Board were informed that feedback from the DfE IC on the business case was very positive, especially in terms of engagement with the keyholders. The DfE IC was very impressed by the fact that all of its questions had been addressed and all deadlines were met.
- 4.4 An update was provided on the KPI review. Following the review, it was concluded that there would only be one change in relation to KPI1 (sites secured in good time). It has been decided that the best proposal is to split KPI1 proportionately with different thresholds for permanent site acquisitions and temporary site acquisitions. This is still at the "proposal" stage as the review cannot be concluded until the outturn results have been received.
- 4.5 It was confirmed that it was unlikely that there would be any further changes to KPI3.

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

- 5.1 The Chief Executive presented her update.
- 5.2 It was explained that recruiting for vacant property roles has been challenging. The Chief Executive had an action to report back to the Board on any changes in diversity of applicants for property related vacancies, but was unable to report back at this time as interviews for Associate and Surveyor level roles had not yet taken place.

- 5.3 The Chair suggested that senior staff within LocatED should be invited to not only speak at conferences but also help attract possible candidates to LocatED. It was confirmed that team members at all levels do attend and speak at conferences, but the most recent events were more education focussed rather than straight real estate. The Chief Executive will liaise to ensure both areas are being covered via appropriate briefings.
- 5.4 It was confirmed that the Civil Service will be publishing its new cross government D&I strategy imminently and that there was now a policy at the DfE whereby Senior Civil Servants could not be nominated for an award unless they had made a D&I contribution, for example, mentoring junior staff.
- 5.5 The Board acknowledged the information contained in the Advice update.

6. Acquisitions & disposals update

- 6.1 The Property Director reported on the number of deals that have been completed to date this financial year. The deals identified for February are moving forward.
- 6.2 Looking ahead to the end of the financial year, there are three deals identified.
- 6.3 The Property Director would monitor the need for an additional interim IC meeting in March and it was agreed that a “provisional – if required” date would be circulated.
- 6.4 It was confirmed that there are a number of acquisitions already in the pipeline for next year.

7. H&S and portfolio property management update

- 7.1 The portfolio is currently at 100% statutory compliance.
- 7.2 The Property Director highlighted LocatED’s exceptional performance under KPI5 (savings on site management).
- 7.3 Regarding the insolvency of a contractor, the Asset Management Team is coordinating with Vinci to manage three school sites that the company had under construction for the DfE and liaising with them in respect of the mitigation of this risk.

8. Mixed-use and development update

- 8.1 The Board acknowledged the information contained in the mixed-use and development update.

9. Estate efficiency update

- 9.1 The speed of the commissioning process has much improved with new commissions received since the last Board meeting.
- 9.2 A submission has been presented to Baroness Barran (the Minister) which focussed on sites with the best opportunity of succeeding, i.e. schools with significant condition need in areas of high housing need that have over five acres of surplus land.

- 9.3 It has been agreed that over the next three months, the team should take the projects identified as the most likely to get results, and conduct desktop analysis to establish the most viable and select the best projects to present to the Minister/DfE InvestCo.
- 9.4 The proposal also highlighted that there is still a lot to offer in terms of guidance and support to school trusts. This is anticipated to be a combination of written guidance available for responsible bodies to download, workshops, or advice direct to responsible bodies.
- 9.5 DfE RDD analysis needs to be done on the shortlisted schools to establish the schools' financial standing and, ideally, LocatED should be working in partnership with the schools to establish whether there is buy in from the schools. The team will aim to get the first stage completed by June.
- 9.6 The Finance Director pointed out that the business case should be broadly finalised by June in order for it to be submitted to keyholders in July, therefore it was important to align the timing of this work to ensure that it is included in the business case.
- 9.7 It was noted that despite the Development Team leading on this project, this was a cross-LocatED exercise involving all the teams. The team is also starting to work with the School Rebuilding Programme teams and has begun working on a project from Wave 2.
- 9.8 It was reiterated that the primary focus of the SLfHP was identifying surplus land for housing, but it is not its only focus and possible receipts from other uses and avenues are of interest.

10. Marketing & communications update

- 10.1 The Chief Executive presented the marketing & communications update on behalf of the Head of Marketing, Communications and Business Support.

11. Key performance indicators update

- 11.1 The only KPI at risk is KPI1A (sites secured in good time) due to delays in exchange on some sites. However, it is still predicted to exchange on the correct number of sites in order to achieve this KPI.
- 11.2 All other KPIs are in a good or excellent position.

12. Legal Counsel's update

- 12.1 The governance documents set out in the report should be finalised in time for the Board meeting on 13 April.
- 12.2 Legal Counsel has prepared a detailed handover tracker which has been shared with both the new Legal Counsel who is due to start on 28 March and Nadia Persaud. There will also be one month's crossover.
- 12.3 LocatED is involved in the process of re-procuring external lawyers and ensuring that the scope satisfies LocatED's needs. The Chair expressed his strong concern that there was a risk to the business as Legal Counsel was leaving whilst at the same time external legal support was being reprocured, noting the mitigations outlined by Legal Counsel.

- 12.4 Slight changes have been made to the Board questionnaires. An online version, which would allow analysis and improved presentation, would be issued next week and the results presented at the next Board meeting.
- 12.5 The Finance Director agreed to be appointed as Company Secretary.
- 12.6 The quorum for Board meetings has previously been fixed by the Board at four Directors, including two NEDS. The Board agreed that this was still appropriate/sufficient for the Board to be quorate.
- 12.7 The Board approved the updated MUIC terms of reference which reflects changes in the MUIC invitees and its expanded remit.

13. AOB

- 13.1 A verbatim extract was shared from the minutes from DfE InvestCo on the presentation of the Strategic Business Case.
- 13.2 Given the Chief People Officer's expanded role overseeing the Programme Management Office (PMO) the Board agreed for her to attend two Board meetings as an attendee, on a trial period, and then review.
- 13.3 The Chief Executive asked for the timing of the Board meeting to be adjusted on 18 May to allow her to attend a Real Estate conference panel in Leeds. This was agreed.
- 13.4 It was noted that the RemCom will also need to be rescheduled.
- 13.5 There were no other items under AOB.

The meeting ended at 15.38.