



BOARD MEETING SUMMARY

27 October 2021

LOCATED PROPERTY LIMITED (THE “COMPANY”)

SUMMARY OF BOARD MEETING

Date of meeting	27 October 2021
Time	13:15 – 15:27
Venue	3rd Floor, Finlaison House, 15-17 Furnival Street, London EC4A 1AB

1. Introduction from the Chair

- 1.1 The Chair 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 Update on the spending review

- 2.1 It was confirmed that an update on the Spending Review relating to free schools would be circulated in due course.

3 Minutes from the Board meeting: 15 September & outstanding actions

- 3.1 The minutes of the previous meeting were approved.
- 3.2 An update was provided on commissions on hold with the Change Control Notes (CCNs) due to be issued next week.
- 3.3 Further clarification was provided around the process and timelines for writing the business case.
- 3.4 The date of the February Audit Committee meeting has been moved and can now be held on the same day as the Board meeting.

4. Board committee updates

4.1 Audit Committee (AC)

The Chair updated the Board on the items discussed at the AC meeting held earlier that day.

The AC received an update on the Security Committee, the Expenses Lessons Learned report, which was an action point from the Audit Report attached to the Annual Report and Accounts and GIAA Progress Reports. The AC also reviewed the risk register and an update on payment data.

4.2 Investment Committee (IC) & Mixed-use Investment Committee (MUIC)

The Chair informed the Board that the IC met in September and October. Five deals were discussed and agreed, four of which were addendums.

The AC Chair joined the last MUIC meeting as an observer. Updates on the mixed-use schemes were presented. The Surplus Land for Housing Pilot (SLfHP) schemes were also presented.

The significant level of detail in the SLfHP papers was noted and it was felt important to keep the Board updated regularly with the timing of the quarterly SLfHP updates kept under review following the next update in December.

4.3 Remuneration Committee (RemCom)

The Chair updated the Board on the items discussed at the RemCom meeting held earlier today.

The Chief People Officer presented an Employee Salary and Benchmarking study which was considered broadly in line with the market.

With regards to benefits, LocatED was mostly aligned with the market except with “death in service” benefit. RemCom recommended the introduction of death in service cover at a multiple of gross salary.

Other areas reviewed were sick pay, critical illness and private health insurance. It was agreed to not implement critical illness cover or private health cover.

RemCom considered the annual HR reports and overall, they were good. Attrition rates were at an acceptable level but could be artificially low due to Covid-19.

There is a substantial focus on D&I within LocatED with the Chief Executive channelling a significant amount of her time on driving this forward.

5. Shareholder’s update

5.1 It was noted that the details of the Spending Review relating to DfE Capital would take a few days to be filtered down but, overall, there was optimism that there would not be a reduction in capital.

5.2 At the Future Remit Board meeting held on Friday 22 October, the project plan for the business case had been outlined. Key risks and mitigations were agreed, as well as the process and identifying key analytical resources.

6. Chief Executive’s update (inc. Third-party advice update)

6.1 It was explained that the organisation chart provided in the pack is shown as “interim” as there is still one change to the structure being proposed.

6.2 The Chief Executive informed the Board that interviews are taking place now for new Legal Counsel and the response and quality of candidates have been very good. The Chair expressed his sadness to see Legal Counsel leave as he was instrumental in LocatED’s success.

6.3 It was reiterated that the majority of the vacancies at the current time are due to restructuring but following recruitment into those roles, LocatED’s operating model should be fully staffed.

6.4 The Chief Executive confirmed that she had a good one-to-one introductory meeting with Baroness Barran and the mid-year performance review is due to take place in November.

- 6.5 The Chief Executive had attended a Ministerial reception on 20 October and received a lot of positive feedback on LocatED from some of the senior attendees.
- 6.6 The Chair stated that he presented LocatED at a recent ALB Chairs session and it was also well received.
- 6.7 An invite was extended to the Board for a site visit to Houlton School in Rugby on 24 November (IC members have already been invited).
- 6.8 The Pimlico Academy careers event, attended by seven LocatED professionals to promote diverse property and professional career pathways was very successful and will be rolled out to other schools.
- 6.9 The Chief Executive confirmed that she is leading a wider LocatED D&I group of 10 volunteers with herself the “D&I Champion”. The Board were informed that LocatED is seen as an example of good practice and is being asked by Real Estate Balance to give advice to some of their other members.
- 6.10 An update was provided on return to office practice with an online rota in place to monitor attendance.
- 6.11 The Chief Executive will include the outcome of the D&I session on “what does an inclusive and diverse LocatED look like?” within her end of year update which will be shared with the Board.

7. Acquisitions & disposals update

- 7.1 The Property Director provided an update on deals exchanged to date and deals in the pipeline.
- 7.2 It was noted that it was good to see that there were several live disposal commissions in the pipeline which highlights the extent to which this area has grown.

8. H&S and portfolio property management update

- 8.1 KPI5 (savings on site management) – LocatED is currently performing very well against target.
- 8.2 By the time of this meeting, the portfolio was back to 100% compliance.

9. Mixed-use and development update

- 9.1 The Board acknowledged the information contained within the mixed-use and development reports.
- 9.2 The Chair questioned how LocatED’s contractors were dealing with the escalation of prices, skill shortages, increased cost of labour and if there is any subsequent impact on LocatED’s projects. It was explained that the costs sit with the contractors and there have been huge fluctuations in pricing of materials and product availability. Where possible, contractors are stock piling materials. To date, they are not reporting a labour shortage.
- 9.3 It was noted that there is an inherent cost risk for contracts that have not yet been finalised.

10. Finance update, including quarterly accounts

- 10.1 LocatED is forecasting an underspend in running costs and project costs so in a relatively good position.
- 10.2 There is some variation in the budget with some overspends.
- 10.3 Regarding mixed-use costs, one scheme has incurred significant costs and an additional amount in underspends has been identified by the Development Director to support these additional costs. These underspends mainly arise from surplus land and FE colleges work. There is no impact on the transactional work.
- 10.4 Budget holders have been asked to start thinking about their budgets for 2022/23.

11. Key performance indicators update

- 11.1 The Board reviewed the KPI paper with indicative scores to date included.

12. Legal Counsel's update

- 12.1 The new office address has been formally registered at Companies House. The confirmation statement and the Annual Report and Accounts were also filed in September.
- 12.2 Three property agent contracts were extended until 1 October 2022. We will liaise with DfE's property team in the meantime as regards what happens then.
- 12.3 Board members noted the contents of the Register of Director's Interests without any changes.

13. AOB

- 13.1 Legal Counsel reminded the Board that there is a Board strategy meeting scheduled for 1 December and it was agreed that it would be decided nearer the time if it was needed.
- 13.2 The Finance Director offered her apologies for the next Board meeting.

The meeting ended at 15:27.