

# BOARD MEETING SUMMARY

## LOCATED PROPERTY LIMITED (THE “COMPANY”)

## SUMMARY OF BOARD MEETING

<b>Date of meeting</b>	12 January 2022
<b>Time</b>	13:00 – 15:05
<b>Venue</b>	Meeting held via video conference

### 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 Minutes from the Board meeting: 1 December & outstanding actions

- 2.1 The minutes of the previous meeting were approved.
- 2.2 An update was given on action point one, setting out the progress being made with the development of the business case.
- 2.3 Regarding action point two, Legal Counsel confirmed that LocatED did not charge One Public Estate for third-party advice and this has now been amended on the update.
- 2.4 Regarding action point four relating to the review of the data on surplus land for housing projects (SLfHP), the Chair expressed his interest in seeing the results of the review.
- 2.5 The Board agreed that a further SLfHP update be provided to the next Board meeting on 23 February.

### 3. Board committee updates

#### 3.1 Remuneration Committee (RemCom)

There had been no RemCom meeting since the December Board meeting.

#### 3.2 Audit Committee (AC)

There had been no AC meeting since the December Board meeting.

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

The Board was informed that the IC and MUIC met on 16 December. Five deals, including two disposals, were discussed and agreed. Monthly updates had been presented at the MUIC meeting. The planning applications for School 21, Plaistow and Wings Academy, Hanworth Road had been submitted.

#### 4. Shareholder's update

4.1 The annual review of the KPIs is currently taking place and it is hoped that proposed changes would be shared with LocatED colleagues this month.

4.2 There had been a meeting with Baroness Barran she regarding the SLfHP project and she had asked for an 'objective statement of the scale' of the opportunity.

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

5.1 The Chief Executive presented her update.

5.2 The Chair invited the Chief Executive to share her view on LocatED's overall performance over the last 12 months and what key objectives/top priorities needed to be achieved moving forward in the next 12 months. The Chief Executive said that she was very pleased to see that as at December 2021, LocatED had met its number of forecasted deals and was confident that the Acquisitions Team would be able to maintain its momentum to 31 March 2022. Within the last 12 months, the Acquisitions Team has also excelled with the increase in the number of disposal deals being completed. The portfolio of properties being managed by the Asset Management team is 100% compliant.

5.3 The Chief Executive noted that momentum needs to be maintained on comms and engagement, as well as a focus on succession planning and personal development plans at Director and Associate Director level. The next step would be to ensure that we have the right people, with the right skills, to take the business forward.

5.4 The Chair asked Board members if they had any concerns. No concerns were expressed but the Board took the opportunity to highlight the achievements of several people. It was agreed that the main priority now is the Full Business Case.

5.5 It was noted that the topic of surplus capacity in the system, particularly in London, is a recurring theme and asked the Chief Executive for an update. It was confirmed that LocatED submitted a paper outlining a possible strategy which will be discussed at the next fortnightly DfE directors meeting taking place on Monday 24 January. The Chief Executive will report back at the next Board meeting.

#### 6. Acquisitions & disposals update

6.1 The Property Director reported the number of deals that have been exchanged to date, as forecast, with the Acquisitions Team completing five deals in December to ensure we remain on target.

6.2 The Property Director confirmed that a further disposal was exchanged in December. There are three disposals due to take place by the end of March.

6.3 The Board congratulated The Property Director and the Acquisitions Team for a job very well done.

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

7.1 Squatters at two sites were removed, and the sites were secured over the Christmas period and enhanced security installed to ensure that they do not return.

7.2 The portfolio is now back to 100% statutory compliance.

7.3 The Property Director also highlighted LocatED's exceptional performance under KPI5 (savings on site management).

## 8. Mixed-use and development update

8.1 The Board acknowledged the information contained within the mixed-use and development reports.

## 9. Finance update

9.1 LocatED is forecasting an underspend in project costs, which is a relatively good position.

9.2 The legacy premises costs from the Government Property Agency (GPA) are still not settled as there is still uncertainty regarding the 2020-21 costs.

9.3 The budget for 2022-23 was presented, developed in conjunction with each budget holder from a zero-based budgeting perspective and takes account of the expected expenditure needed for the future remit work. It has also been reviewed and agreed by the Executive Team.

9.4 An indication of the project budget has been submitted to the DfE.

9.5 The Finance Director took the opportunity to inform the Board that following the departure of the Associate Director Finance & Programmes, the GIAA was invited to conduct an audit of the finance function, which was the main area being temporarily covered by the Finance Director, an internal finance resource and a finance company called AVEC; the provisional result was a 'substantial assurance'.

## 10. Key performance indicators update

10.1 The Board acknowledged the update provided in the KPI report.

## 11. Heat map & risk register

11.1 The Finance Director pointed out that there was one risk (SR25) decreasing, i.e., services provided by LocatED to third parties (other than the DfE). A third-party policy is now in place and is operating effectively.

11.2 It was queried whether closed risks should be tabled for the Board and suggested to include recent closed risks on the main page with the heat map, after 'risks that are decreasing'.

11.3 The increasing risk within the DfE around contractor insolvency was discussed and Legal Counsel confirmed that due diligence is undertaken before entering into contracts as well as building in contractual protections but said it would be useful to know how this is dealt with by the DfE. The AC Chair will flag this at the next AC meeting for discussion.

## 12. Legal Counsel's update

12.1 Legal Counsel stated that the external lawyers' contracts expire soon, and he is awaiting confirmation from DfE as to the timing of the re procurement or extension of the existing contracts.

- 12.2 It was pointed out that the combination of losing two long term legal advisers at the same time as Legal Counsel leaving LocatED constituted a risk of continuity and Legal Counsel was asked to make DfE aware of the Board's concern.
- 12.3 It was noted that the Finance Director will be taking over the Board legal updates and company secretary functions.

### 13. AOB

- 13.1 It was requested that the SLfHP action plan should be tabled at the next MUIC meeting on 27 January.
- 13.2 The Board confirmed that in 2021-22 the Board and its committees had received all papers in advance and in a format that provides them with the information they require.
- 13.3 There were no other items under AOB.

The meeting ended at 15.05.