

BOARD MEETING SUMMARY

BOARD MEETING MINUTES

Date of meeting	13 April 2022
Time	13:00 – 15:56
Venue	3rd Floor, Finlaison House, 15-17 Furnival Street, London EC4A 1AB

1. Introduction from the Chair

- 1.1 The Chair opened the meeting at 13:08 and confirmed that the meeting was quorate
- 1.2 Each director had received due notice of the meeting and the matters to be discussed.
- 1.3 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.
- 1.4 No new conflicts of interests were declared at the start or during the meeting.

2 Minutes from the board meeting: 23 February & outstanding actions

- 2.1 The minutes of the previous meeting were approved.
- 2.2 It was agreed that action points one (update the Board on progress with the business case) and two (feedback from the proposed round table to discuss surplus capacity in the system) should be taken off the action point list but that the Chief Executive and Finance Director respectively should make a note to keep the Board updated.
- 2.3 Action point seven: the Board agreed to start the meeting on 18 May at 2.30pm as opposed to 2:15pm.

3. Board committee updates

- 3.1 Remuneration Committee (RemCom)
 - 3.1.1 The Chair updated the Board on the items discussed at the RemCom meeting held earlier today.
 - 3.1.2 The 2022-23 Performance Related Pay Framework for the current year was discussed and the recommendations were approved.
 - 3.1.3 The staff engagement survey was also discussed and overall, it was very positive. The Chief Executive highlighted the main points. The responses to questions on staff being interested in their work, recommending LocatED and being proud to work at LocatED had improved. Areas for improvement related to comms, communicating objectives and the company vision. An action plan will be provided at the next RemCom.
 - 3.1.4 The Chair confirmed that there were no issues that the Board needed to be overly concerned about as the scores were good overall, however, it was noted that the biggest challenge was competition for people, which is a sign of the market generally.

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

3.2.1 The IC and MUIC met on 24 March.

3.2.2 It was stated that the Acquisition Team is doing a fantastic job (including on disposals) and noted that the acquisition target had been exceeded by one, however, there are many challenges on some of the IC and MUIC projects. It was felt that in the next 12-18 months the industry/market would become more difficult therefore the teams would be challenged and, in turn, would need a lot of support. It was also noted that there had been an increase in temporary acquisitions due to delays in construction.

The Chief Executive agreed to send instructions to the Board in order that they could share current vacancies on their personal LinkedIn profiles.

3.3 Audit Committee (AC)

3.3.1 There has been no AC meeting since the February Board meeting.

4. Shareholder's update

4.1 It was confirmed that the Outline Business Case (OBC) was submitted on 30 March 2022 and the RAG ratings for the majority of the chapters of the OBC was an amber/green rating which is very positive. The Final Business Case (FBC) is due to go to DfE IC on 26 July which allows time for further consultation.

4.2 Regarding Underutilised Land (formerly referred to as surplus land), LocatED had received a commission to review 316 sites and more are expected. A paper confirming the outcome of the review would go to the Minister before the FBC to ensure they reflect the reality of what we are currently doing and what we are being asked to do in the future.

4.3 It was confirmed that LocatED's KPI thresholds were agreed with the Minister agreeing that the KPIs were now more challenging but still achievable.

A short update was provided on the free schools projects pipeline review. A Ministerial submission was presented to Baroness Barran in March.

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

5.1 The Chief Executive presented the third-party advice report in more detail highlighting, in particular, that the School Rebuilding Programme was received as one commission but included a number of sites. In addition, the Underutilised Land section shows that one commission was received but includes the review of 316 sites.

5.2 LocatED has marketing content that is included in the DfE newsletter and the government property profession but does not currently market directly to trusts as LocatED does not have Ministerial agreement to formally ask trusts for expressions of interest.

5.3 The 2021/22 financial year D&I relating training and seminar take up was 159 compared to 14 in the previous financial year, which is a phenomenal result.

6. Acquisitions & disposals update

- 6.1 Legal Counsel presented the report and noted that the Acquisition Team exceeded the annual exchange target of sites acquired 21, by one, to 22.
- 6.2 There were 39 live commissions in 21-22. 22 of these were exchanged and 17 live commissions remain for 2022/23, however, one may be put on hold which would reduce the figure to 16.
- 6.3 An Acquisition Forward Look forecast for this financial year would be available for the next Board meeting.
- 6.4 There are a number of free schools in medium to long-term leased accommodation where the lease is coming to an end in the next 10-20 years and the DfE is looking at how it should deal with these.

7. H&S and portfolio property management update

- 7.1 An update was presented.
- 7.2 The portfolio of properties started at 88 at the beginning of the year increasing to 92.
- 7.3 The FM team mobilised 38 new sites and 34 were removed from the portfolio in the year. This equates to an average of three new sites in and out every month.
- 7.4 There was positive feedback from the DfE regarding rapid mobilisation on six sites where contractors suffered insolvency.
- 7.5 There were no serious accidents or incidents to report, and it was reported that portfolio continues to be at 100% statutory compliance.

8. Mixed-use and development update

- 8.1 Progress on the mixed-use projects as set out in the report was presented.
- 8.2 It was noted that the visit to Fulham Boys' School was very impressive.

9. Finance update

- 9.1 Overall, the 2021-22 budget is underspent and the main reasons for the underspend are set out in the report. DfE was informed at mid-year.
- 9.2 The Board was asked to approve the delegation of the corporate legal budget and project legal budget to the new Legal Counsel to enable him to manage the budget when Michael Wu leaves.
- 9.3 LocatED has not yet received its Annual Remit letter and so has not yet received confirmation of its budget for 2022-23 but the Finance Director expects the budget to be confirmed soon.
- 9.4 The NAO recently conducted an interim audit, and there were no issues.

10. Key performance indicators update

- 10.1 The Board noted the information in the KPI update.

- 10.2 It was noted that KPIA which has now been split between permanent and temporary sites secured in good time, would be challenging but achievable.

11. Legal Counsel's update

- 11.1 The engagement survey KPI is still to be finalised. It was confirmed that the closing date for completion of the surveys is Thursday 14 April therefore the outturn position should be available the following week. The annual KPI letter can then be finalised.
- 11.2 The Chief People Officer stated that the Pay Framework for 2022/23 will be updated as part of the annual pay increase process so will be outstanding for some time.
- 11.3 Regarding the re-procurement of external lawyers, the DfE has confirmed it will use one of the new CCS frameworks and intends to appoint three law firms for three years. It has been requested that the new Legal Counsel be included on the evaluation panel.
- 11.4 The Board formally accepted Michael Wu's resignation as a Board Director and Company Secretary. The Board was asked to formally appoint Alyson Gerner as Company Secretary from 29 April 2022 as a replacement. This was agreed.
- 11.5 Legal Counsel requested that Board members review the Register of Director's Interests and inform him of any changes.
- 11.6 The Chair advised that moving forward, the Board should not be asked to approve retrospective direct awards.
- 11.7 The Business Manager presented the results from the Board and Committee questionnaires.
- 11.8 It was agreed that the actions to take away are:
- The post-evaluations project reviews are more important than ever - refresh KF's paper and include disposals
 - Improving stakeholder engagement further (Chief Executive will work with the new Head of Marketing & Communications on this)
 - Senior stakeholder representation on the Board is important and should be followed up
 - Review the induction programme for new board members
 - The results should be disclosed at the Board Committee meetings.

12. AOB

- 12.1 It was agreed that the NEDs would share their availability to reschedule the RemCom, Audit and Board meetings scheduled for 26 October, due to The Chair being unavailable on that date.
- 12.2 The Chair and the Board formally thanked Legal Counsel for all his hard work over the last five years, especially his contribution to helping establish LocatED as a company and his continued work with guiding the business. The Board wished him well in his new adventures at the GPA.
- 12.3 There were no other items under AOB.

The meeting ended at 15.56.