



**Minutes of the meeting of the Major Projects & Investment Committee
held at 4.00 pm on Thursday, 2 March 2017
1B16 - Technopark, SE1 6LN**

Present

Douglas Denham St Pinnock (Chair)
Jerry Cope
Carol Hui
Hilary McCallion
Kevin McGrath
David Phoenix
Tony Roberts

Apologies

Temi Ahmadu

In attendance

Pat Bailey
Richard Flatman
Ian Mehrtens
James Stevenson
Joe Kelly
Matthew Dunn

1. Welcome and Apologies

The Chair welcomed members to the meeting. Apologies were noted as above.

2. Declarations of interest

No member declared any interest in any item on the agenda.

3. Minutes of the previous meeting

The committee approved the minutes of the meetings of 20 September 2016, with minor amendments to minute 5, as follows,

In the medium term, LSBU's strategic aim is to integrate the learning pathway from secondary and FE through to HE undergraduate and beyond

and 6 December 2016.

4. **Matters arising**

There were no matters arising.

5. **Project Larch update**

The committee received updates on Project Larch (the proposed strategic alliance with Lambeth College) and discussed in detail:

- A draft Letter of Intent
- Recommendations for interim and final governance structures
- Outline collaboration arrangements between Larch and LSBU
- 'Designation of entity' status for a wholly owned subsidiary company by the Secretary of State, in relation to HE/FE mergers (letter dated 14 February 2017 from SFA)
- PWC's proposal for further analysis of the financial business case and due diligence
- Application to Skills Funding Agency for a Transition Grant to support restructuring.

The committee discussed development options in relation to Larch's campus sites in Lambeth including the proposed Nine Elms Skills Centre. It was noted that an understanding of changing demographic profiles and student needs should be considered in reaching a final decision.

The committee discussed the draft Governance Structure paper, noting the importance of LSBU's gaining control of the Larch FE corporation at Stage1 (subject to final approval). The draft paper would be discussed with the Larch executive and, in due course, the DfE.

The committee discussed the draft paper outlining the proposed collaboration agreement between LSBU and Larch. Points of detail would be addressed in the next version or in negotiation with Larch.

The committee noted the core ongoing workstreams of due diligence, preparation of full business case, application to the Transition Unit, and post-agreement integration plan. The committee's recommendation to the Board to proceed with gaining control would be sought at its meeting of 4 May 2017. *[Secretary's note - this will now take place on 13 June 2017.]*

The committee agreed to invite all LSBU governors to this meeting.

The committee endorsed, in principle, the draft governance structure (Appendix B) and the collaboration agreement document (Appendix C).

The committee approved the setting-up of a wholly-owned subsidiary company and to apply for 'designate entity' status under the process to be outlined in early March by the Secretary of State.

6. **Passmore Centre update**

The committee discussed in detail an update on the development of the Passmore Edwards Centre.

The committee noted the issues relating to VAT and requested these be clarified with London Borough of Southwark (LBS). The committee noted the proposed charge of up to 25 years over the Passmore Edwards Centre in favour of LBS, as required under the funding agreement. Subject to legal review of its terms, including trigger and cross-default provisions, the committee requested the Executive to explore options to negotiate a shorter term to more accurately reflect the period of outstanding liability to LBS.

The committee agreed to delegate authority to the Chair of the committee and the Chair of the Board to approve final sign-off of the two agreements by an LSBU authorised signatory.

The committee noted representations to acknowledge the late James Bryce (1838-1922) in the naming of the newly developed centre.

7. **Any other business**

The committee noted an update on the proposed sale of the Perry Library site. The sole offer [REDACTED] for the site was considered unacceptable. Strutt & Parker has been engaged to market the site commercially. The committee is due to discuss the estates development in detail at its next meeting. *[Secretary's note - this will now take place on 13 June 2017.]*

**Date of next meeting
4.00 pm, on Thursday, 4 May 2017**

Confirmed as a true record

..... (Chair)