

**Minutes of the meeting of the Major Projects and Investment Committee
held at 4.00 pm on Thursday, 7 May 2020
via MS Teams**

Present

Rashda Rana (Chair)
Jerry Cope
Nelly Kibirige
Jeremy Parr
David Phoenix
Tony Roberts
Vinay Tanna

Apologies

Nazene Smout

In attendance

Pat Bailey
Richard Flatman
Paul Ivey
Kerry Johnson
Deborah Johnston (to minute 5)
Nicole Louis (to minute 5)
James Stevenson

1. Welcome and Apologies

The Chair welcomed the members to the meeting. The above apologies were noted.

2. Declarations of interest

The Chair of the Board declared a continuing interest in item 7 as an originator of the Croydon project. No other interests were declared.

3. Minutes of the previous meeting

The committee approved the minutes of the previous meeting, held on 2 April 2020, and their publication as redacted.

4. Matters arising

The committee noted the matters arising, including the PwC market analysis, which would be circulated to the committee once reviewed by the Executive.

5. Project LEAP update

At its meeting of 2 April 2020, MPIC gave detailed consideration to the proposed project LEAP business case. The committee had requested further

discussion at today's meeting, so that it could take into account the review by Finance, Planning & Resources Committee of the impact of the current national coronavirus emergency and the potential financial scenarios for the LSBU Group, cashflow and financial requirements (minute 6 below sets out the detail).

The CFO advised that Project LEAP remained affordable in terms of cashflow. Additionally, the project plan was flexible enough to re-prioritise expenditure and adopt a phased approach to specific deliverables, [REDACTED]. The potential for reduced costs through commercial negotiation was also noted.

The committee supported the delivery of Project LEAP but recommended a cautious approach and a flatter cost profile, given the significant economic uncertainty due to the current national crisis. The CFO responded by summarising the revised cashflow scenarios, which included the best estimates for home and international recruitment for 2020/21, considered in detail by Finance, Planning & Resources.

Further caution was expressed in relation to the risk of a second wave of coronavirus infection in autumn 2020 and the impact on the campus and students

Following the detailed discussion, the committee approved the following recommendation to the Board meeting on 21 May 2020, to be included with the business case:

“MPIC recommends the full LEAP business case to the Board for approval.

Based on its review of affordability and taking into account the latest, updated cashflow forecasts, the committee also recommends [REDACTED], that the Board approves lengthening the LEAP programme in order to flatten the expenditure curve at this time of considerable financial uncertainty and cashflow pressure.

The committee's recommendation is subject to:

- Board review of the financial scenarios as recommended by Finance, Planning & Resources; and
- Satisfactory completion of negotiations with banks and/or Lambeth Council (preferably both) to close the existing funding gap.”

In addition, the committee noted progress in LEAP work-package 3.5, which the Executive had approved on 8 April 2020.

6. **Cashflow projections**

The committee noted that at its meeting of 28 April 2020, the Finance, Planning & Resources committee had discussed in detail the revised cashflow forecast for the LSBU group to 2022/23. In particular, the committee noted the progress made in completing a revolving credit facility [REDACTED] (subject to the approval of the Board of Governors), which would enable the forecast cashflow requirement to be met.

The committee discussed in detail the assumptions and modelling that had informed the revised cashflow forecast, noting in particular that detailed budget scenarios had been presented to Finance, Planning and Resources committee on 28 April 2020, which had recommended a realistic budget scenario to the Board of Governors as the basis for a draft 2020/21 budget.

7. **Group estates**

SBC estates

The Vice-Chancellor provided the committee with an update on negotiations with the DfE with respect to the SBC capital programme. The committee noted that the Minister had agreed to allow the capital programme to progress subject to a guarantee. [REDACTED]

[REDACTED] It was noted that the detailed terms would follow, but provided a way forward.

The committee noted the update on progress to date on the Vauxhall campus. It was noted that the programme was now delayed to June 2022. [REDACTED]

The committee agreed to support continued discussions with the DfE, on the understanding that, if successful, the guarantee would prevent dealings in the estate for at least the next ten years.

Southwark Campus re-development

The committee noted the update on phases one and two of the campus re-development, and associated estate-related developments and acquisitions. The committee was advised that the London Road development contractor continued working under government regulations. Challenges included additional asbestos removal and differing floor levels, paid for in the project contingency.

It was noted that Chapel works would now be mothballed as the necessary demolition works had been completed and planning obligations met until 2023.

The committee noted that lease negotiations for Electric House, Croydon, were continuing, and that final agreement of the plans was imminent. The business case would be considered by a sub-committee, as authorised by the Board on 12 March 2020.

8. Purfleet proposal

The committee noted the decision of the executive to discontinue exploring the potential for an LSBU presence at the Purfleet creative industries site.

9. MPIC remit

The committee noted the review of MPIC's remit, amended to achieve consistency with the Financial Regulations. It was noted that an updated terms of reference for both MPIC and FPR would be taken to the Board for approval at its meeting of 21 May 2020.

**Date of next meeting
4.00 pm, on Tuesday, 23 June 2020**

Confirmed as a true record

..... (Chair)