

## **COURT OF GOVERNORS**

### **Minutes**

Minutes of the meeting held on Tuesday 6 February 2018 at the Burroughs Room, The Wellcome Collection, 183 Euston Rd, London

- Present:**
- |                                 |                         |
|---------------------------------|-------------------------|
| Sir John Sorrell CBE (Chairman) | Scott Mead              |
| Aisha Cahn                      | Louise Moore            |
| Nigel Carrington                | Professor Susan Orr     |
| Terry Finnigan                  | Diana Osagie            |
| David Fison                     | Matt Phull              |
| Harry Gaskell                   | Sim Scavazza            |
| Andrew Hochhauser QC            | Nicolai Tangen          |
| Kyran Joughin                   | Ben Terrett             |
| David Lindsay                   | Sir Eric Thomas         |
|                                 | Baroness Lola Young OBE |
- In attendance:**
- Natalie Brett (PVC International & Head of LCC)
  - Professor Frances Corner OBE (PVC Digital & Head of LCF)
  - Professor David Crow (PVC Student Experience & Head of CCW)
  - Steve Howe (Director of Estates – *items 2 & 3 only*)
  - Martin James (Director of Finance)
  - Stephen Marshall (University Secretary & Registrar and Clerk to the Court of Governors)
  - Professor Simon Ofield-Kerr (Deputy Vice-Chancellor Academic)
  - Stephen Reid (Deputy Vice-Chancellor & Chief Operating Officer)
  - Lee Rodwell (Director of Development – *item 4 only*)
  - Zioge Smith (Deputy University Secretary)
  - Professor Jeremy Till (PVC, Research & Head of CSM)
- Apologies:**
- Lorraine Baldry OBE
  - Es Devlin OBE
  - Hansika Jethnani
  - Jane Slinn
  - Alison Woodhams

## 1. ANNOUNCEMENTS, NOTIFICATION OF URGENT BUSINESS AND DECLARATIONS OF INTEREST

- 1.1 Apologies from governors were received as set out above. There were standing declarations of interest from Sir John Sorrell CBE and Andrew Hochhauser QC with regard to the LCF Stratford development.

## 2. LCF AGREEMENT FOR LEASE AND PROCUREMENT STRATEGY

- 2.1 The Director of Estates presented the report to the Court of governors. He outlined the business case which had previously been approved by governors in October 2017 and reminded governors of the significant financial benefits as well as a unique opportunity to re-locate six LCF sites into one at the heart of the East End where fashion and manufacturing had its roots.
- 2.2 He reported that the commercial/legal negotiations between UAL and London Legacy Development Corporation (LLDC) had reached a strategic point requiring formal agreement, with Stage 2 design signed off and Stage 3 design underway. The submission of the full business case would take place in March 2018, with planning permission submitted in October 2018 and approval expected in April 2019.
- 2.3 Governors further noted that, as with all developments, there were risks associated with cost overrun; the University had, however, negotiated involvement throughout the design and development of the project and agreed action to be taken in the event of any contingency spend outside of set parameters. The fit out budget would be ring-fenced and no additional budget will be authorised without seeking agreement from Court.
- 2.4 A governor asked about the LLDC supply chain and what assurance the University had regarding the LLDC's stance on Modern Slavery and transparency. The Director of Estates responded that the University would be working alongside LLDC, in selecting and managing tenderers. In response to another question about the quality of the fit out, the Director of Estates assured governors that the University would be responsible for signing off the fit out at every stage.
- 2.5 The Court thanked the Director of Estates and his team for their hard work in bringing the project to this point.

- AGREED:**
- (i) To acknowledge the proposed delivery and procurement strategy contained within this report
  - (ii) To endorse the Agreement for Lease (AfL) between UAL and London Legacy Development Corporation and approve UAL now formally entering into the Agreement.
  - (ii) To delegate authority to the Vice-Chancellor and Chair of the Estates Committee to sign the Agreement for Lease.
  - (iv) To provide governors with further assurance regarding LLDC's statement on Modern Slavery.

### **3. LCC UPDATE**

- 3.1 The Director of Estates gave a verbal update on developments at London College of Communication. For the benefit of governors who had joined the Court after the scheme began, he provided some historical context.
- 3.2 A detailed feasibility study was undertaken in 2013 for the refurbishment/re-development of LCC on its current site. The study concluded that such a proposal would be massively disruptive to students and staff being developed over 8 years with a potential period of disruption to students over 10 years of cohorts. It would be inferior in its final form and poor value for money. The Estates Committee agreed with the conclusion of this study and the proposal therefore, in the absence of the current scheme at the time, to seek options for a new site.
- 3.3 The Delancey proposal in 2014 provided the dual opportunity for the University to have the benefit of both a new site development and remaining in the area where many of its students and staff resided and maintaining the feeder schools and colleges from the area. Delancey had already developed a masterplan for their shopping centre site and UAL's inclusion was a variation on that plan.
- 3.4 The Director of Estates explained that the evaluation of the impact of the wider development on the area had been managed by Delancey and that the planning policies regarding local affordable housing and rents were set by the London Borough of Southwark. The planning application was supported by the planning department at Southwark. At the planning committee meeting on 16th January, Southwark's planning case officers recommended that the application met the Council's planning policies [including affordable rents for 35% of the residential properties] and should be approved. The application was, however, not passed by the Committee.
- 3.5 The Court noted that at a subsequent meeting held on 30th January the planning committee voted to defer the decision on planning until early March as fresh information had been issued by Delancey and there was a need to further consult and consider new proposals to address concerns raised by the local community, particularly the Latin American community traders and the Bingo facility plus concerns at the amount of social housing.
- 3.6 The Court also noted the further options being considered by Delancey in response to representations made at the planning meeting and further feedback from Ward Councillors. These options included revising their affordable housing offer with the possibility of up to 116 homes as council housing, temporary box park on Castle Square while the shopping centre is re-developed and finding a solution for the current bingo in the proposed social amenity planned for the west site
- 3.7 One of the staff governors commented that the main concern had been about safeguarding the relationship UAL had with the local community, given that UAL had remained silent about the perceived disadvantages the Delancey development would bring to the community.
- 3.8 The PVC International & Head of LCC responded that the community did not see UAL

as part of the problem but instead saw this as an issue between Delancey and Southwark Council. The majority of staff were local and wanted to remain at Elephant & Castle; students were supportive as they worked in the local shop fronts and contributed to the area. It was hoped that Delancey's revised proposals would be enough to get the planning permission passed at the next meeting of the Planning Committee.

- 3.9 The Court thanked the Director of Estates and the PVC International & Head of LCC for their hard work. The Chair commented that the Court believed that UAL was compliant with social justice and that the consequences of the planning permission not being agreed meant the LCC would have to pull out of Elephant & Castle.

**AGREED:** To note the update on London College of Communication.

#### **4. PROPOSED MAJOR DONATION**

*[part redacted]*

- 4.1 The Director of Development presented this item which highlighted progress made with the Acceptance of Gifts Policy. The Court noted that the focus since the policy was approved had been on dissemination and implementation across the University. They also noted that the policy specified that donations over a certain amount must be considered by the Court of Governors.

- 4.2 The Director of Development drew attention to a proposed donation from a fashion company. The University had an existing relationship with the company and had met representatives who were keen to consider a major donation to UAL, potentially in connection with naming rights. The Court was advised on further details of this proposal. A non-binding Heads of Terms between both parties had been agreed in order to establish the mutual understanding of the proposed relationship and to provide a framework for the current drafting of a formal gift agreement.

- 4.3 Members noted the history of the company covered in the report and the Director of Development added that due diligence checks had found no evidence of ethical or other concerns about their practices. The Director of Development also reported that due diligence assessments had been carried out on the co-founder of the company, and for the company which would process the donation. No evidence of ethical or other concerns had been found in relation to this person; checks on the second company were underway and had so far raised no concerns.

- 4.4 Governors discussed the proposal in depth, with particular attention to the risks.

**AGREED:** (i) To note progress made with the Ethics Policy  
(ii) To delegate final approval of the proposed donation to the Chairman's Committee.  
(iii) To carry out financial due diligence on the second company named in the report.  
(iv) To carry out due diligence on the relevant supply chains especially with regard to the Modern Slavery Act.  
(v) To receive an update report to the next Court meeting in March.

**5. ANY OTHER BUSINESS**  
**5.1 Date and time of next meeting**

**NOTED:** That the next ordinary meeting of the Court of Governors would take place on **Monday 26<sup>th</sup> March at 4.15pm**. The location for the meeting was to be confirmed.

The meeting concluded at 4.30pm.

**Signed as a true and correct record**

**Date**

---

**CHAIRMAN**

---