

# BOARD OF GOVERNORS

## Minutes

### Of the Board of Governors meeting held on Tuesday, 5 April 2022 in The Westmont Hub.

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| Present: |  |
|  | Ms Jennifer Bernard (Independent Governor, Chair of the Board of Governors)  Ms Kim Ansell (Independent Governor)  Ms Sandra Botterell (Independent Governor)  Ms Shirley Cameron (Independent Governor)  Mr James Edmunds (Academic Board Representative)  Mr Steve Fowler (Independent Governor)  Dr Suresh Gamlath (Staff Representative)  Mr Derek Hicks (Independent Governor)  Professor Peter John (Vice-Chancellor)  Mr Jonathan Lawrence (Independent Governor)  Professor Heather Loveday (Professoriate Representative)  Dr Christopher McLaverty (Independent Governor)  Ms Kerry O’Callaghan (Independent Governor)  Dr Paul Sahota (Independent Governor)  Mr Kiran Virdee (Independent Governor)  Ms Stella Webb (SU President)  Mr Stuart Wright (Independent Governor) |
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| **In attendance:** | Mr Adrian Ellison (Associate Pro Vice-Chancellor and Chief Information Officer)  Mr Patrick Fuller (Chief Financial Officer)  Mr Neil Henderson (Director of Human Resources and Organisational Development)  Ms Marion Lowe (University Secretary)  Ms Coral Mason (Assistant Clerk to the Board)  Ms Sara Raybould (Pro Vice-Chancellor, Student Experience)  Dr Kostas Tzortzis (Director of Strategic Planning)  Ms Claire Willitts (Director of Property Services)  Professor Anthony Woodman (Deputy Vice-Chancellor) |
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| **Apologies:** | Ms Gloria Beyi (SU Representative)  Ms Helena Peacock (Independent Governor) |

**1. Apologies for absence, announcements and declarations of interest**

* 1. Apologies were recorded above.
  2. Ms Shirley Cameron, Independent Governor, declared an interest in Villiers House as an employee of the BBC.
  3. It was noted that the purpose of the meeting was to consider and, if thought fit, approve the entry into binding legal documents to give effect to the Proposed Acquisition of Penguin Random House.

**2. Membership of Committees (BG 2122 37)**

2.1 The University Secretary informed members that the Chair of the Audit and Risk Committee had been appointed Deputy Chair of the Board of Governors and, therefore, had been required to stand down as Chair of the Committee.

2.2 Members were requested to express an interest in the role and Mr Steve Fowler confirmed his interest. Members noted Mr Fowler was already a member of the Audit and Risk Committee and fully supported the proposal for Mr Fowler to be Chair of the Committee noting that Mr Fowler would stand down as Chair of the Workforce Advisory Committee.

2.3 The Board of Governors **APPROVED** the appointment of Mr Steve Fowler as Chair of the Audit and Risk Committee to run concurrently with his role as an Independent Governor from 1 April 2022 to 31 October 2023.

1. **Minutes of the Governance and Nominations Committee held on 20 March 2022 (BG 2122 38)**
   1. The Chair of the Governance and Nominations Committee informed members that a special meeting of the Committee had taken place to discuss ‘Operation Penguin’ and the papers considered at the meeting would be discussed as part of the next agenda item.
   2. The Board of Governors **NOTED** the Governance and Nominations Committee minutes of 30 March 2022.
2. **Operation Penguin (BG 2122 39)**
   1. The Vice-Chancellor reminded members of the discussions that took place at the Board meeting on 16 March 2022 outlining the benefits and risks of the acquisition of Penguin Random House.
   2. The acquisition would end the dependency on Villiers House which now required refurbishment at a cost of up to £7m. It would provide additional office space for staff and would allow the University to establish a Foundation Academy. The acquisition would firmly establish the University within the West London community and support the precinct university concept.
   3. The growth in student numbers for the Babcock Policing Studies courses had placed pressure on facilities at St Mary’s Road and alternative accommodation was urgently required.
   4. Key risks included planning permission required to change usage to a building for educational use, but the Director of Property Services informed members that planning permission would be sought for mixed office and educational use and a precedent had already been established with another building along the Uxbridge Road. Informal discussions with Planning Officers at Ealing Borough Council indicated no objections would be raised.
   5. The property owners requested a simultaneous exchange and completion by Friday, 8 April 2022. The Director of Property Services agree that this was unusually quick but would help with the refurbishment timeline as set out in BG 2122 39, item 6.2. Due to the speed, not all of the searches would have been completed, however, searches carried out three years ago had not identified any issues. Insurance had been sought to indemnify against any adverse issues raised after the acquisition.
   6. Members referred to the timeline and the Director of Property Services confirmed the planning process should take 8-12 weeks. Century House would be refurbished for teaching and performance space and Cavendish House would be refurbished for staff accommodation. In the first instance, Registry Services would be moved from Paragon House to Cavendish House which would allow work at Paragon House to commence for additional teaching space. The initial cost of refurbishing Cavendish House would be approximately £300k.
   7. The Director of Property Services confirmed the overage agreement would be in place for five years but was very general and would allow the development of the site for business as usual initiatives. Green initiatives had been excluded from the overage agreement and the Council was keen for the University to continue to source green funding.
   8. Members agreed the acquisition would provide an opportunity for the University to engage strategically with Ealing Borough Council to advance their local skills agenda and the University should focus on getting students into the building before staff. The Deputy Vice-Chancellor confirmed the change in senior management at the council had led to a thawing of relationships, with better prospects for collaboration with the University.
   9. It was confirmed that the University Solicitors, Shakespeare Martineau, who had provided legal advice to the University on the acquisition of Ruskin College, had advised on the purchase and the relationship had worked well.
   10. The Vice-Chancellor informed members that the acquisition would future-proof the University for approximately 10 years and would be incorporated into the University’s new strategic plan.
   11. The Director of Property Services informed members that it would be difficult to make a comparison with Villiers house as the University would not own Villiers House, so the purchase of Penguin Random House offered better value for money.

4.13 The Board of Governors **REVIEWED** the proposal and **APPROVED** the University proceed to purchase the buildings at 57-59 and 61-63 Uxbridge Road, Ealing at a bid price of £19m by entering into the Written Resolutions.

1. **Written Resolutions (BG 2122 40) PROPOSED ACQUISITION OF CAVENDISH HOUSE, 57-59 UXBRIDGE ROAD AND CENTURY HOUSE, 61-63 UXBRIDGE ROAD, EALING (W5 5SA) (“the Property”)**

5.1 In view of the discussion above, the Chair confirmed that the University, an exempt charity, proposed to acquire the Property with a view to (i) replacing the University’s leasehold interest in Villiers House (ii) expanding to accommodate the Babcock studies and (iii) add an asset to the University’s property portfolio (“**the Proposed Acquisition**”).

* 1. The Chair noted that the Proposed Acquisition had previously been considered by the Board at its meetings on 7-8 February and 15 March 2022**.** Each Governor had received and/or had the opportunity to consider in advance of the meeting, the following documents:

1. Operation Penguin, BG 2122 39
2. Proposed acquisition of the Penguin Random House building (Appendix 1)
3. Written Resolutions, BG 2122 40.

5.3 The Chair noted that:

* + 1. the University was to acquire the freehold of the Property;
    2. **Some references in this section have been redacted.**
    3. **Some references in this section have been redacted.**

5.3.4 the University was to enter into an overage deed, the terms of which entitle the vendor to a further payment if either of following events occur within five years of the Proposed Acquisition:

* + - 1. the University disposes of the Property;
      2. the University redevelops the Property for an alternative use which is not for its own purposes

In such circumstances, the University will be required to pay the vendor a sum equal to 25% of any uplift in the value of the Property

after completion of the Proposed Acquisition, the University will make application to the local authority to change the planning use of the Property from its current classification as ‘offices’ to a use for ‘the provision of education’. The Proposed Acquisition is not conditional on such consent being obtained.

5.3.5 it is anticipated that any works required to be undertaken at the Property together with the exit and relocation from Villiers House will be timed to coordinate with the timings of the academic year.

* + 1. while the details of the Proposed Acquisition are still being finalised, having taken professional advice, the University is satisfied that there are no other unusual or onerous commercial terms for the acquisition.
  1. The Chair noted that the Governors were required to:
     1. act within their powers;
     2. act in good faith and only in the interests of the University;
     3. be satisfied that the Proposed Acquisition was in the best interests of the University;
     4. make sure they are sufficiently informed in respect of the Proposed Acquisition;
     5. take into account all relevant factors and discount irrelevant factors; and
     6. make a decision that is within the range of decisions that a reasonable governing body could make.
  2. The meeting then discussed the Proposed Acquisition, noting:
     1. Due diligence had been conducted by the University Solicitors, Shakespeare Martineau, with a final report to be received by Thursday, 7 April 2022.
     2. Members acknowledged keys risks had been mitigated against and although searches had not been completed searches conducted three years ago had not raised any concerns.
     3. The property would be converted to mixed office and educational usage.
  3. After due and careful consideration, and bearing in mind the Governors’ duties, it was **UNANIMOUSLY** **RESOLVED** by the Governors that the Proposed Acquisition be approved and entered into in good faith, on the basis that it was in the best interests of the University to do so.

5.7 Following the Governors’ decision to proceed with the Proposed Acquisition in **minute 5.1** above and after due and careful consideration, and bearing in mind the Governors’ duties, it was **UNANIMOUSLY** **RESOLVED** by the Governorsthat: Professor Peter John CBE and the Chair/University Secretary be authorised to:

a) execute for and on behalf of the University any document or relating to the Proposed Acquisition; and

1. do all such acts or things as might be necessary or which might otherwise be desirable to give effect to the Proposed Acquisition.

**6. Any other business**

6.1 Professor Francis Pott had been awarded a gold medal by the Royal College of Organists, the highest possible award, for his music.

6.2 The Students’ Union had won the varsity sports cup, the first time in 13 years.

6.3 Professor Graham Atherton had applied for a UNESCO Professorship and for a Parliamentary Research Fellow in the House of Commons Library.

**7. Date of Next Meeting**

7.1 The next meeting of the Board of Governors to be confirmed.

**Signed by Ms Jennifer Bernard** Date

**Chair of the Board of Governors**

**Author:** Ms Marion Lowe

**Title:** University Secretary and Chief Compliance Officer

**Date:** April 2022