

**MINUTES OF A MEETING OF THE BOARD OF LAMBETH COLLEGE CORPORATION HELD ON 30
JANUARY 2019 AT 5pm**

Present: Leslie Bortey
Monica Box (Interim Chief Executive)
Jennifer Bufton
Nigel Duckers
Rob Flinter
Fred Knipe
Mary McCormack (Chair)
Emmanuel Quainoo
Mohammed Seedat
Michael Smith
Teum Teklehaimanot
Guy Ware

Apologies: Kirsty Wadsley

In attendance: Melissa Drayson (Minute taker)
Mary Heslop (Interim Clerk)
Fiona Morey (Principal Designate)
Michael Webb (Director of Finance)

1 PURPOSE OF THE MEETING

- 1.1 The Chair confirmed that the meeting had been validly convened and was quorate. She explained that the purpose of the meeting was to consider and, if thought fit:
- 1.1.1 approve the proposed transfer of the undertaking of Lambeth College (**College**) and its associated property, assets and liabilities to SBC (**Proposed Transaction**) pursuant to the terms of the Transfer Agreement dated 8 November 2018 and side letter to it also dated 8 November 2018 (collectively **Transfer Agreement**); and
 - 1.1.2 resolve to proceed with the Proposed Transaction by exercising the powers in section 27A and 27B(1) of the Further and Higher Education Act 1992 (**1992 Act**) and passing a resolution to dissolve the Corporation (**Dissolution Resolution**) as set out in the Transfer Agreement.

2 GOVERNANCE ISSUES

- 2.1 The minutes of the last meeting of governors held on 13th December 2018 were approved.
- 2.2 The chair of the special committee of the Corporation established at its Board meeting on 13 December 2018 reported on its activities since the Board meeting on 13th December 2018. Those activities were ratified by the Board.
- 2.3 It was resolved to ratify the continuing appointment of Guy Ware as an independent governor and as chair of finance committee until 31 January 2019 notwithstanding that his original term of office as independent governor of the College expired on 12th November 2018.
- 2.4 It was resolved to authorise an extra day's pay at the agreed daily rate for Mary Heslop as Interim Clerk for the day of 1st February 2019 to be paid on 31 January 2019. Her original contract expires on 31st January 2019 but it was felt that it was in the interests of the Proposed Transaction that she be engaged for any matters immediately required post the date of the Proposed Transaction.

- 2.5 It was reported that run off insurance Cover had been put into place for each of the Governors with effect from 31st January 2019.

3 DOCUMENTS

- 3.1 The following documents were presented to the meeting:
- 3.1.1 deed of novation (**Deed of Novation**) to novate the Corporation's outstanding debt (**Barclays Debt**) due to Barclays Bank Plc (**Bank**) initially to South Bank Colleges (**SBC**) and then to London South Bank University (**LSBU**);
 - 3.1.2 letter of waiver and consent in relation to the Bank's consent to the transfer of the Corporation's assets and liabilities to SBC, and the dissolution of the Corporation (**Waiver Letter**);
 - 3.1.3 deed of release of the legal charges in favour of the Secretary of State (**SoS**) for Education (**SoS Deed of Release**) (In a form which had been approved by the special committee of the Corporation established at its Board meeting on 13 December 2018);
 - 3.1.4 forms DS1 relating to the removal of the legal charges in favour of the SoS at the Land Registry; and
 - 3.1.5 a waiver letter signed by LSBU and SBC relating to the Corporation meeting certain conditions in the Transfer Agreement (**Conditions Waiver**).
- 3.2 It was noted that Eversheds Sutherland had provided legal advice to the Corporation on all of the above documents.

4 UPDATE ON TRANSFER TO SBC AND NEXT STEPS

- 4.1 The Chair noted that at the Governors' meeting held on 13 December 2018, the Governors had confirmed that the Proposed Transaction was expedient and in the best interests of the Corporation (including its current and future beneficiaries).
- 4.2 At that meeting, the Governors also resolved to approve various documents relating to the Proposed Transaction, and entry into those documents and any other deeds, instruments, contracts or documents necessary to give effect to the Proposed Transaction. The only such documents that were still required to be executed were those produced to this meeting.
- 4.3 It was noted that completion of the Proposed Transaction was still planned for 5pm on 31 January 2019 (**Completion**).
- 4.4 It was noted that the structure of the new banking arrangements to be entered into between LSBU and the Bank involved, in summary, the Barclays Debt first transferring to SBC and then SBC would, immediately following Completion, transfer the Barclays Debt to LSBU. The Corporation's legal charges granted to the Bank would transfer with the Clapham and Vauxhall properties to SBC.
- 4.5 It was noted that, since the date of the Governors' last meeting, the following documents (which had been approved at the meeting of Governors on 13 December 2018) have been executed on behalf of the Corporation in preparation for Completion:
- 4.5.1 TR5 to transfer the legal title of the Clapham and Vauxhall sites to SBC;
 - 4.5.2 a stock transfer form, transferring the entire issued share capital in SW4 Catering Limited to SBC;

- 4.5.3 admission agreement relating to SBC admission to the LPFA Pension Fund; and
- 4.5.4 a deed of assignment in relation to the Corporation's intellectual property rights (having been approved by the special committee of the Corporation established at its Board meeting on 13 December 2018).
- 4.6 It was further noted that the SoS Deed of Release had also been executed on behalf of the Corporation in preparation for Completion having been approved by the special committee of the Corporation established at its Board meeting on 13 December 2018 it being noted that the solicitors to the Secretary of State had confirmed (on the basis that the College asked for no further changes) that the Secretary of State's costs in drawing up, negotiating and completing the deed would be borne by the Secretary of State.
- 4.7 The Chair reported that minor manuscript amendments would be made to the TR5 prior to Completion to confirm that full title guarantee would be given and to confirm SBC's exempt charitable status.
- 4.8 The Chair confirmed to Governors that the Charity Commission had confirmed that by a letter dated 7 January 2019 SBC has charitable status but would be exempt from registration under the Charities Act 2011.
- 4.9 The Chair also confirmed that letters have been issued to contracting parties relating to the novation or assignment (as the case may be) of certain of the Corporation's contracts to SBC.
- 4.10 The Governors noted that LSBU had informed the Chair that SBC and the Department for Education had agreed a grant funding agreement in relation to the conditional and non-conditional grant funding to be provided by the SoS to SBC. The Education and Skills Funding Agency had confirmed by email to the College that a separate funding agreement between the Education Skills Funding Agency and SBC would be put into place as soon as SBC was designated for funding.
- 4.11 The Chair reported that she had been informed that at a meeting of SBC held on 29 January 2019, the SBC trustees confirmed their consent to the transfer of the College and its associated property, assets and liabilities and, subject to the Governors approving the Proposed Transaction and LSBU approving the new banking arrangements with the Bank, the trustees of SBC approved entry into the Proposed Transaction on behalf of SBC.
- 4.12 The Chair reported that she had been informed that the Transaction Committee of LSBU, which she was told has delegated authority from LSBU's governors to consider and enter into new banking arrangements with the Bank, met on 29 January 2019 and approved the proposed banking arrangements on behalf of LSBU (subject to SBC resolving to enter into the Proposed Transaction and the Corporation's governors passing the Dissolution Resolution).

5 RESOLUTIONS

- 5.1 After due and careful consideration of the documents and all other factors affecting the Corporation and the College, and the Governors being satisfied that:
 - 5.1.1 the Barclays Debt will become the liability of LSBU with effect from Completion; and
 - 5.1.2 SBC will have in place appropriate arrangements with the Secretary of State for Education for funding the College with effect from Completion;

it was **resolved** that the Proposed Transaction is expedient and in the best interests of the Corporation (including its current and future beneficiaries) and accordingly it was resolved that:

- 5.1.3 pursuant to the Transfer Agreement, subject to the Waiver Conditions, and in exercise of their powers under sections 27A and 27(B)(1) of the 1992 Act, the Proposed Transaction be approved to take effect from 5pm on 31 January 2019;
- 5.1.4 the Dissolution Resolution be approved and passed by the Governors to take effect from 5.01pm 31 January 2019;
- 5.1.5 the terms of, and entry into the following documents (subject to any amendments that any two Governors may in their discretion approve for and on behalf of the Corporation) be approved:
- (a) Deed of Novation;
 - (b) Waiver Letter;
- (together the **Documents**);
- 5.1.6 any two Governors are authorised to execute the Documents, and any other deeds, instruments, contracts or other documents necessary to give effect to the Proposed Transaction, for and on behalf of the Corporation, provided that where any document, deed, instrument or contract is required to be executed as a deed on behalf of the Corporation the seal of the Corporation shall be applied to such document, deed, instrument or contract and authenticated by any two Governors;
- 5.1.7 any two Governors be authorised to take any other action that may be required (or authorise certain individuals to do so on the Corporation's behalf) as may be necessary or desirable to complete the Proposed Transaction for and on behalf of the Corporation.
- 5.2 Accordingly:
- 5.2.1 the Corporation of Lambeth College (a further education corporation incorporated under the Further and Higher Education Act 1992)(the "Corporation") resolves to transfer in accordance with an agreement dated 8 November 2018 made between the Corporation and South Bank Colleges (a company limited by guarantee registered in England with number 11495376 and exempt charity) ("South Bank Colleges"), with the consent of South Bank Colleges certain of its undertaking, property, rights and liabilities, to South Bank Colleges (excluding any liabilities which South Bank Colleges could not, as a consequence of the legal obligations attributable to its charitable status, properly agree to pay, indemnify against or otherwise meet) with effect from 5pm on Thursday 31 January 2019, such that the Corporation of Lambeth College shall dissolve immediately after the above transfer in accordance with sections 27A and 27B of the Further and Higher Education Act 1992.

6. CONCLUSION

There being no further business the meeting then concluded

.....Mary McBreen

Chair

30th January, 2019