

Decision of Board of Governors
by email on Wednesday, 20 December 2017

<i>No.</i>	<i>Item</i>	<i>Pages</i>	<i>Exec Lead</i>
	Items to approve		
1.	Passmore Centre charge	3 - 6	Pat Bailey
2.	Draft resolution to approve charge	7 - 8	

Circulated to: Jerry Cope (Chair), Douglas Denham St Pinnock (Vice-Chair), David Phoenix, Sodiq Akinbade, Steve Balmont, Shachi Blakemore, Duncan Brown, Julie Chappell, Michael Cutbill, Peter Fidler, Carol Hui, Hilary McCallion, Kevin McGrath, Mee Ling Ng, Jenny Owen, Tony Roberts and Suleyman Said

This page is intentionally left blank

	CONFIDENTIAL
Paper title:	Passmore Centre approvals
Board/Committee	Board of Governors
Date of meeting:	By email
Author:	James Stevenson, University Secretary and Clerk to the Board of Governors
Executive sponsor:	Pat Bailey, Deputy Vice Chancellor
Recommendation:	The Board is requested to approve the legal charge over the Passmore Centre in favour of London Borough of Southwark (LBS), subject to approval of the Funding Agreement and Collaboration Agreement by the Chair and Vice Chair.

Executive summary

At its meeting of 13 July 2017, the Vice Chancellor updated the Board on the proposed £5m grant from LBS and the associated legal charge requested by LBS. The relevant minute from the meeting is:

“The Board noted that the proposed charge over the Passmore Centre in favour of the London Borough of Southwark as security for the £5m grant was being negotiated. The Board would be requested to approve the final form of the charge via email”.

{Note - Approval of a charge over LSBU's assets is a matter reserved to the Board}.

The Chair and Vice Chair are reviewing the Funding Agreement and the Collaboration Agreement with LBS for the £5m grant.

In addition, the Major Projects and Investment Committee is reviewing the award of the building works contract to ITC Concepts Ltd.

Following negotiations, the term of the legal charge is 20 years from when building work commences (reduced from the starting point of 25 years). In the unlikely event of LBS enforcing the charge, in the first five years, the full grant is repayable. After five years, the repayment is tapered.

The legal charge essentially means that LBS can reclaim its investment if LSBU uses the building other than for specified purposes, as follows:

“the support of students entering further or higher education”.

Clearly, these purposes are broadly defined and fit within LSBU’s educational objects. This is standard practice for LBS when making grants.

Mills and Reeve (M&R) reviewed the terms of LSBU’s borrowings with Barclays Bank Plc and AIB. M&R has confirmed that the proposed Passmore legal charge does not adversely affect LSBU’s current borrowings with AIB and Barclays Bank.

Overall, the Executive considers the terms of the legal charge to be reasonable and the risk of repayment low compared with the benefits of using the grant to establish the Passmore Centre. The Executive does not envisage change of use of the Passmore Centre which would trigger the repayment conditions.

If approved, the proposed minute of the decision is as follows:

“Approval of a charge over one of LSBU’s assets is a matter reserved to the Board of Governors.

The Board considered the proposed charge over the Passmore Centre (Old Library, 12 Borough Road) in favour of London Borough of Southwark as security for the £5m grant.

The Board approved the grant of the legal charge, subject to the approval of the Funding Agreement and Collaboration Agreement by the Chair and Vice Chair”.

Recommendations

The Board requested to:

- 1) approve the legal charge over the Passmore Centre in favour of LBS, subject to approval of the Funding Agreement and Collaboration Agreement by the Chair and Vice Chair.

Attachments

Appendix A - deed of legal charge (HM Land Registry CH1 form)

This form should be accompanied by either Form AP1 or Form FR1

Any parts of the form that are not typed should be completed in black ink and in block capitals.

If you need more room than is provided for in a panel, and your software allows, you can expand any panel in the form. Alternatively use continuation sheet CS and attach it to this form.

Conveyancer is a term used in this form. It is defined in rule 217A, Land Registration Rules 2003 and includes persons authorised under the Legal Services Act 2007 to provide reserved legal services relating to land registration and includes solicitors and licensed conveyancers.

Leave blank if not yet registered.

Insert address including postcode (if any) or other description of the property, for example 'land adjoining 2 Acacia Avenue'.

Give full name(s).

Complete as appropriate where the borrower is a company.

Give full name(s).

Complete as appropriate where the lender is a company. Also, for an overseas company, unless an arrangement with HM Land Registry exists, lodge either a certificate in Form 7 in Schedule 3 to the Land Registration Rules 2003 or a certified copy of the constitution in English or Welsh, or other evidence permitted by rule 183 of the Land Registration Rules 2003.

Each proprietor may give up to three addresses for service, one of which must be a postal address whether or not in the UK (including the postcode, if any). The others can be any combination of a postal address, a UK DX box number or an electronic address.

	<p>1 Title number(s) of the property:</p> <p>TGL90290</p>
	<p>2 Property:</p> <p>12 Borough Road, London SE1</p>
	<p>3 Date:</p>
	<p>4 Borrower:</p> <p>London South Bank University whose registered office is 103 Borough Road, London SE1 0AA</p> <p><u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix: 00986761</p> <p><u>For overseas companies</u> (a) Territory of incorporation:</p> <p>(b) Registered number in the United Kingdom including any prefix:</p>
	<p>5 Lender for entry in the register:</p> <p>The Mayor and Burgesses of the London Borough of Southwark</p> <p><u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix:</p> <p><u>For overseas companies</u> (a) Territory of incorporation:</p> <p>(b) Registered number in the United Kingdom including any prefix:</p>
	<p>6 Lender's intended address(es) for service for entry in the register:</p> <p>160 Tooley Street, London SE1 2QH</p>

Place 'X' in any box that applies.

Add any modifications.

Place 'X' in the appropriate box(es).

You must set out the wording of the restriction in full.

Standard forms of restriction are set out in Schedule 4 to the Land Registration Rules 2003.

Insert details of the sums to be paid (amount and dates) and so on.

The borrower must execute this charge as a deed using the space opposite. If there is more than one borrower, all must execute. Forms of execution are given in Schedule 9 to the Land Registration Rules 2003. If a note of an obligation to make further advances has been applied for in panel 8 this document must be signed by the lender or its conveyancer.

7	<p>The borrower with</p> <p><input checked="" type="checkbox"/> full title guarantee</p> <p><input type="checkbox"/> limited title guarantee</p> <p>charges the property by way of legal mortgage as security for the payment of the sums detailed in panel 9</p>
8	<p><input type="checkbox"/> The lender is under an obligation to make further advances and applies for the obligation to be entered in the register</p> <p><input checked="" type="checkbox"/> The borrower applies to enter the following standard form of restriction in the proprietorship register of the registered estate:</p> <p>No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated _____ in favour of the Mayor and Burgesses of the London Borough of Southwark referred to in the charges register.</p>
9	<p>Additional provisions</p> <p>The Property is held by London South Bank University, an exempt charity</p>
10	<p>Execution</p> <p>The Common Seal of THE) MAYOR AND BURGESSES OF) THE LONDON BOROUGH OF) SOUTHWARK was hereto) affixed in the presence of:</p> <p>Authorised Signatory:</p> <p>Executed by the said LONDON) SOUTH BANK UNIVERSITY) acting by two directors or a) director and a company) secretary:</p> <p>Director</p> <p>Director/Company Secretary</p>

WARNING

If you dishonestly enter information or make a statement that you know is, or might be, untrue or misleading, and intend by doing so to make a gain for yourself or another person, or to cause loss or the risk of loss to another person, you may commit the offence of fraud under section 1 of the Fraud Act 2006, the maximum penalty for which is 10 years' imprisonment or an unlimited fine, or both.

Failure to complete this form with proper care may result in a loss of protection under the Land Registration Act 2002 if, as a result, a mistake is made in the register.

Under section 66 of the Land Registration Act 2002 most documents (including this form) kept by the registrar relating to an application to the registrar or referred to in the register are open to public inspection and copying. If you believe a document contains prejudicial information, you may apply for that part of the document to be made exempt using Form EX1, under rule 136 of the Land Registration Rules 2003.



**Written resolution of the Board of Governors
Passed on * December 2017**

1. Passmore Centre Charge

Approval of a charge over one of LSBU's assets is a matter reserved to the Board of Governors.

The Board considered the proposed charge over the Passmore Centre (Old Library, 12 Borough Road) in favour of London Borough of Southwark as security for the £5m grant.

The Board approved the grant of the legal charge, subject to the approval of the Funding Agreement and Collaboration Agreement by the Chair and Vice Chair of the Board.

Signed on behalf of the Board

..... (Chair)

Circulated to:

Jerry Cope (Chair), Douglas Denham St Pinnock (Vice-Chair), David Phoenix, Sodiq Akinbade, Steve Balmont, Shachi Blakemore, Duncan Brown, Julie Chappell, Michael Cutbill, Peter Fidler, Carol Hui, Hilary McCallion, Kevin McGrath, Mee Ling Ng, Jenny Owen, Tony Roberts and Suleyman Said

This page is intentionally left blank