

GREENHEAD COLLEGE CORPORATION
Minutes of Capital Development Committee meeting held virtually using Teams
Thursday 20 January 2022, 4.00pm

Govs present: Craig Shannon; Danyaal Malik (from 4.11pm); Elliot Gill; James Reevell (acting Clerk); John Holroyd; Richard Armstrong (Chair); Richard King; Simon Lett (Principal)

In attendance: John Blake; Sharon Roper (appointed as Clerk from 31/1/2022)

Apologies: Stuart Irving; Vic Wright

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, apologies	<p>1.1 RAR welcomed members. Apologies received as above.</p> <p>1.2 RAR introduced SRO as new Clerk from 31/1.</p>	
2. Declarations	<p>2.1 No declarations of pecuniary / prejudicial interest on the part of Governors or S.L.T. participants.</p>	
3. Minutes 17/11/21	<p>3.1 Capital Development Committee 17/11/21 minutes, previously circulated, approved.</p> <p>It was noted that EGI still needs access to Teams.</p>	Clerk / SLE
4. Update on DfE capital development and associated timelines and progress on proposed capital development case.	<p>4.1 Update on DfE capital development ('phase one')</p> <p>4.1.1 SLE noted that planning approval was granted on 16/12 with very good backing from the local councillors. SLE made a number of points with regard to this:</p> <ul style="list-style-type: none"> • Numerous pre-works require completion before Galliford Try (GT) come on site; subject to these, the current understanding is that work is to start on 14/2 • The proposed completion date of mid-Sept 2023 is not ideal for the 'phase one' Science building. SLE and JBL had previously asked GT about the possibility this might move forward and with good weather, this is possible but seen as unlikely. • Departments are eager to move in quickly and not wait for e.g. a two week half term given the demands of practical work. • SLE cautioned the need to be prepared for the possibility of further slippage as building work continues so SLT / curriculum teams will need an agile response. 	

- SLE drew the committee's attention to the timeline / decant details in attached document along with planning approval conditions.

4.1.2 CSH questioned the planning condition stating that student numbers must not exceed 2800. SLE noted that the original planning for the 'like-for-like' replacement under the terms of the DfE scheme made reference to 2500 students and SLE / JBL had to clarify with planners / DfE that this wasn't like-for-like based on current student numbers.

4.1.3 SLE further noted that this condition is in response to concerns raised by councillors about the proximity to Greenhead Park / the residential area and particularly associated with available car parking which continues to be a live issue for the local authority. CSH questioned whether this was permanent. JBL / SLE clarified that this can be reconsidered as part of any future planning application made and that these conditions do not allow for the increasing 16-19 population in the town.

4.1.4 CSH further queried whether 185 FTE staff was sufficient for 2800 students. JBL confirmed yes and clarified that again, this number was based primarily on parking. He cited the councillors' concern that if staffing grew, parking would not be available on site and staff would have to park on surrounding roads. CSH observed that FTE was not good indicator given this would holistically increase the amount of car parking required.

4.1.5 RAR questioned when the new car park would be available for staff use. JBL stated the process should last 12 weeks from the start of works, and that some tree works were required before the start date of 14/2.

4.1.6 EGI commented that key milestones need identifying in the programme with proposed interim completion dates as part of the contract; RAR agreed that this was a nice high level overview but was lacking much detail. EGI further stated that it doesn't need all of the detail (contract details vs construction details), but just the key dates that matter to us.

ACTION: JBL to convey to Galliford Try.

JBL

4.2 Progress on 'phase two' capital development

4.2.1 SLE noted that discussions at YSP on 1/12 required clarification on the outcome of the spending review to progress any further. This is now confirmed and the funding rate / formula elements will increase. SLE also noted the hours delivered per student is set to increase by 40 and that this should prompt a detailed discussion at F&E next

	<p>month on the implications for the college. SLE noted that the key take-away is that it is good news.</p> <p>4.2.2 SLE guided the committee through JBL’s document which presented preliminary costings with regard to option 1 from Mace. The college SLT believe that in order to fulfil the key principle to improve poor provision in PE / Drama / Music, this is the best option and that this is now feasible given the outcome of the spending review.</p> <p>4.2.3 SLE noted the detailed discussion at YSP with regard to student numbers. SLT had initially advocated bringing this figure down to 2700, but further consideration of this has resulted in an acknowledgement that the ‘phase one’ DfE building and ‘phase two’ Park replacement will most likely result in a more cohesive campus that will ease congestion. SLT are proposing that student numbers should move back up to 2800 from 2027/28, and that this should be kept under review. SLE reiterated that 2800 is a capped maximum due to the planning approval conditions.</p> <p>4.2.4 SLE noted that JBL had factored funding per student into his analysis and has worked on the basis that funding is unlikely to go down. Thus, this has been applied to the end of decade. SLE further commented that other income is low and static and questioned whether this could be increased in the coming years and if so, by how much. SLE clarified that these figures factor in 4 x fixed term contracts and that staffing to income was fairly acceptable until the end of the decade. SLE concluded that thus a loan or grant is not ‘needed’, and the upshot is that the funding settlement in the view of SLT leads to the conclusion that option 1 is affordable and should be progressed.</p> <p>4.2.5 SLE proposed that this progresses to Corporation to approve moving to next stage, which is likely to be a tender specification for the next stage of the development. On completion of SLE’s report to the committee, further discussion continued.</p> <p>4.2.6 Concerns were raised with regard to gaining planning approval for what is significant development on the north of the site. JBL noted that GT have viewed Mace’s proposals and it was clear that they would have their own perspective with a desire to develop their own take, potentially in an alternative configuration that might be more pre-disposed to planning approval. SLE noted that whilst the development might look different in e.g. GT’s eyes, the SLT conclusion remained that it was affordable.</p> <p>4.2.7 JBL further warned of some unknowns. Firstly, the 40 hours and associated impact on staffing depending on the flexibility available. RKI questioned where these hours had come from; SLE clarified that these were an extra 40</p>	<p>Clerk for F&E Ctte</p> <p>RAR / SLE / JBL / Clerk</p>
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guided learning hours increased for COVID recovery. Secondly, that 2022/23 inflation has led to an increase to funding but there is not yet clarity as to whether there would be an increase in each subsequent year. RAR noted that in his recent webinar, the Secretary of State stated there would be clarification soon.

4.2.8 JBL added to SLE's earlier point, noting that if we were able to apply for funding – we should do it, as the capital money would be best reinvested in the rest of the college. JBL noted that regardless in 2029/30, the college will be in a comfortable position even if the new development was paid for in cash. He reassured the committee that Mace allowed for inflationary increases when preparing the proposals. CSH noted that this was an encouraging picture. RKI agreed that if money could be raised through an external loan, the College should do it to be on the safe side.

4.2.9 JHO agreed, further noting that whilst a loan is good, a grant is better – questioning the appropriate time to apply for government funding and whether we have to demonstrate we need it as a College. JBL noted that in the past, there has been no requirement to demonstrate need or past performance, or indeed that the decision is based on these things. He commented that with regard to timing, it was normal that the College would need to be 'spade-ready' within 12 month period of getting the money, with the money spent within 18 months. RAR noted that the Secretary of State had stated that he was not proposing to issue money on the basis of having to spend it within that year; rather, this would be more strategic with detail following in February.

4.2.10 CSH noted the figures for depreciation and ongoing capital and asked JBL how the committee could be assured that the difference was sustainable. He further noted the combined effect of depreciation alongside salaries and the potential and probable impact on cashflow. JBL replied that when putting the figures together, the idea was to show the current 'status quo' without trying to allow for or demonstrate all scenarios and these figures and projections could be adapted to show other models; e.g. we could take worst case scenario and increase by 5% and see what would happen. JBL offered to amend / add an additional tab that gives a higher spend on salaries and increase in capital expenditure to see possible effect for corporation. CSH countered that it would be more beneficial to understand how far wrong we need to be in order to undermine the case for the phase two new build. How far do our assumptions need to change?

4.2.11 RKI suggested a correction to the figures given the number of students had increased to 2800 but the grant

	<p>had not changed giving an extra £300,000 for 2028/29 and 2029/30. JBL to amend for corporation</p> <p>4.2.12 RKI questioned whether the college would be left to absorb a 2% increase in salaries; JBL noted that this had been the case for several years. RAR noted that this had heavily contributed to the college's previous deficit position.</p> <p>4.2.13 RKI further suggested that building materials and construction costs could have a very significant impact on these costings. JBL noted that these actual and potential increases have been built into Mace's costings. He commented that it would be good to have EGI's perspective on this. EGI agreed that the cost of materials is high at the moment and that he was happy to analyse this once he had access to the emails and documents.</p> <p>4.2.14 SLE will look at the cumulative worst case scenario for corporation with JBL, to be articulated as a set of points rather than a spreadsheet. CSH echoed that the key focus needs to be an indication of how far the numbers can move before the conclusions we are reaching change.</p> <p>4.2.15 Moving forward, RAR noted the potential options for the tender for the phase two build and welcomed any input from EGI.</p> <p><i>Option 1:</i> Draft a tender document that will set out a series of stages and the conditions under which we are seeking to procure a design team for our pre-planning application. Potentially a single contractor with break clause(s).</p> <p><i>Option 2:</i> Separate the stages out with a 'mini-tender' for design / pre planning for which a limited number of people would tender for and then appoint a team based on this. Then use the same team to work out a full tender document to the market to look at construction and build phase / cost. A potential issue associated with GT applying might be that they would have to keep design and pre planning separate from their bidding team.</p> <p>4.2.16 EGI further cautioned that the College should not commit to a contractor unless a finalised scheme exists to go out to tender for, as it may be that the finalised scheme isn't suited to the contractor already appointed. EGI questioned whether GT would do a lot of off-site construction or whether they would take a more traditional approach, noting that the benefit with off-site construction in programme and impact / logistics / noise. Equally, this can reduce time on site considerably. EGI warned that if appointing a contractor before a finalised scheme exists</p>	<p>JBL</p> <p>SLE / Clerk</p> <p>SLE / JBL</p>
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and pre programme implications have been considered, the College would be backing themselves into a corner.

4.2.17 JBL noted that he would also like to get some contact with the planners before we go too far.

JBL

4.2.18 RAR stated that a suggestion would be to use the person who has been working with the local authority on phase one to continue the discussions they have been having so far via tender. This had proved to be a successful way of working for the DfE project planning approval. JBL stressed the importance of having an independent view from a design standpoint; EGI further noted the significant benefits of the works already done by GT and that they will be on site already. SLE stressed that he did not want this point to be underestimated; as a College, the external colonnade area in phase one will not be required if phase two is to go ahead as suggested and the advantage of GT is that they are already in a relationship with the DfE.

4.2.19 EGI questioned whether the funding for the external colonnade area which ideally would not be built could contribute to phase two. SLE commented that this is a conversation 'to be had'.

4.2.20 EGI suggested that a potential solution might be to employ GT to get us through the initial stages of phase two, reinforcing the requirement that we will still go out and tender the contract. JBL agreed that we would have to tender because of the value of the contract. RAR noted that he was happy to recommend that we should go to Corporation in order to work out a proposal to go out to a two-phase tender with break points.

Clerk

4.2.21 JBL stated that in fact, GT could be appointed as designers and that this would not need to go beyond the tender limit, which is £118,000 in practical terms but £50,000 under the college's own rules. RAR expressed concern over going outside of the college's own rules and suggested a mini-tender regardless to ensure value for money.

4.2.22 EGI reiterated the benefits to GT being involved in the initial stages of phase two as they will have had the site experience and investigations along with an awareness of the site foundations and ground conditions; they will also understand the constraints of the site. He commented that there was significant commercial gain in that knowledge; anyone else would need to glean the information again. RAR stated that for this reason in a tender process, he would expect GT to come in lower. JBL noted GT have expressed interest in phase two.

	<p>4.2.23 JHO suggested that the existing relationship with GT sounds very positive and that it would make sense to use them in the best way we can without breaching any procurement regulations or over-committing in terms of them doing the work.</p> <p>4.2.24 JRE expressed concern that splitting the later stages of the contract might encounter similar issues as e.g. GT reconsidering the Mace plan. JBL replied that it is more to do with planning and how best to use the space available on the site.</p> <p>4.2.25 EGI questioned who has the relationship to speak to GT to 'complete the loop' – JBL agreed to do this to get a sense of cost. EGI further suggested that it would be worthwhile seeking a quote from Mace to gain perspective of overall cost.</p> <p>4.2.26 SLE and RAR propose that this progresses to Corporation to approve moving to next stage, which is likely to be a tender specification for the next stage of the development, likely a two-phase tender with break point.</p>	SLE / RAR / JBL / Clerk
5. IT requirements	5.1 JBL noted that the responsible DfE representatives were in contact with our project manager, and that they are satisfied that the new build will connect with our system. No further matters to discuss.	
6. Policies & procedures	6.1 No policies or procedures to review on this occasion.	
7. AoB	<p>7.1 CSH noted that there was no risk register on the agenda and questioned whether this should be an recurring meeting item. RAR and committee agreed that it should a standing item, with the intention that this be delegated from Corporation to this committee.</p> <p>7.2 The committee considered the issue of risk in the context of cost of materials. JBL noted that this was not relevant in relation to the DfE build. EGI questioned the long list of conditions associated with the DfE build and who bears the risk; JBL clarified that this would be the DfE. RAR cited the one significant condition we needed to confirm to – that of the community use engagement.</p> <p>7.3 JBL stated that the DfE have sent a standard text to be amended so that this should be fairly easy to put together. JBL further stated that this has to be put in place for when the building is handed over (Sept 2023).</p>	RAR / Clerk

	<p>7.4 RAR suggested the need for two risk registers; for the DfE build vs the 'phase two' development. CSH further added that the risks for the DfE project would mainly be in terms of delays, and that phase two could potentially impact the college in many other ways.</p> <p>7.4 EGI questioned where the risk register is held; RAR noted that JBL has developed our own College risk register held in house and that it is not same as that of DfE / GT. JBL to send EGI the College risk register for the DfE build.</p>	JBL
8. Confidentiality	8.1 Matters of confidentiality have been taken into account when drafting these minutes.	
9. Future meetings	9.1 Next meeting date to be confirmed to Clerk for communication to committee.	RAR / Clerk

Minutes prepared by James Reeve (Acting Clerk) on 25/1/2022

Approved & signed by Richard Armstrong, Chair on 2/3 /22