

**GREENHEAD COLLEGE CORPORATION**  
**Minutes of Capital Development Committee meeting held virtually using Teams**  
**Wednesday 11 January 2023, 4pm**

**Govs present:** Adrian Barrass (from 16:20); Craig Shannon; Emmanuel Matuka; James Reeve; John Holroyd; Richard Armstrong (Chair); Richard King; Simon Lett (Principal)

**In attendance:** Sharon Roper (Clerk)

**Apologies:** Elliot Gill; Jon Walker; Stuart Irving

AGENDA ITEM	DISCUSSION	ACTION
<p><b>1. Welcome, apologies</b></p>	<p>RAR welcomed members. Apologies received as above.</p>	
<p><b>2. Declarations</b></p>	<p>No declarations of pecuniary/prejudicial interest on the part of Governors or S.L.T. participants.</p>	
<p><b>3. Minutes 23/11/22</b></p>	<p><b>3.1</b> Capital Development Committee 23/11/22 minutes, previously circulated, signed by Chair, returned to Clerk for filing.</p> <p><b>3.2</b> Matters arising: Min 3.2.1, the costing from Daryl Henderson for Option 4: New building for Sports and Arts on the car park is £16-16.5 million.</p>	<p>Clerk</p>
<p><b>4. Update of DfE development</b></p>	<p><b>4.1</b> Update on DfE development (the Hirst Building):</p> <ol style="list-style-type: none"> <li>1. SLE will attend meetings with DfE and GT until MJO starts his new role, the first meeting this year will be on 25/1/23.</li> <li>2. The build is still ahead of schedule although there is no confirmation that the handover date can be brought forward as yet.</li> <li>3. SLE will discuss the exam season (May/June) in his meeting with DfE/GT as SLT are concerned about any noise disruption.</li> <li>4. The new build is weatherproof, the roof is on, the windows are fitted, and the brick work is underway.</li> <li>5. RAR said a further discussion will be required at Q&amp;S regarding noise impact on the exam season.</li> </ol>	<p>SLE</p> <p>Clerk for agenda</p>

	<p>6. EMA asked when the student body will be notified of any special arrangements regarding noise disruption during exams. SLE confirmed that an offsite venue could not be arranged, and he will update students as soon as possible.</p> <p><b>4.2 Update on second phase of DfE build, paper prepared by MMI and previously circulated, SLE summarised:</b></p> <p>1. The science building will be demolished in Autumn 2023 and the main hall will also be replaced. SLT want to add a full second floor to the hall rather than the proposed mezzanine over the current catering areas that will only house changing rooms. Plans have been drawn up by Ryders Architects for the second floor, subsequently SLT feel 2 larger classrooms will be preferable to 3 smaller ones, perhaps for Computer Science so cabling and network will also have to be factored in. This will also increase bookable IT space which is needed. This will increase the quality of provision rather than increase student numbers.</p> <p>2. SLE said liaising with DfE is needed as the foundations will require altering to take the additional weight, and we need to know the cost to alter the foundations and the cost of the second-floor development.</p> <p>3. Decisions will be required whether to alter the foundations and do the development later or go ahead and do both while DfE are building the main hall.</p> <p>4. JRE asked if this is a missed opportunity to improve social space across the college.</p> <p>5. RAR said whether the second floor is developed for classrooms or social space, no decision can be made until the potential costs are known.</p> <p>6. CSH said this may affect the hall being the central hub of the college. SLE said the Hirst Building will have a lecture/theatre space, dining and social areas and the redeveloped main hall will provide a second social space.</p> <p>7. RAR asked if a food outlet is still planned for the main hall, SLE confirmed it is.</p> <p>8. SLE has asked the architects about noise disruption in the proposed main hall classrooms, the architects have said this will not cause an issue.</p> <p>9. CSH said the development needs to be value for money and wants to know the cost per m2.</p> <p>10. RKI asked if the cost of this development will be met by borrowing from the DfE and if this will prejudice the recent bids we have made.</p> <p>11. SLE said this needs weighing up against the capacity fund and free school bids, if these are unsuccessful it could potentially be met from GC's cash surplus.</p> <p>12. CSH said the timeline and GC's proposed development plans need to be considered in relation to taking a decision to proceed with this.</p>	SLE
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	<p>13. The committee members agreed that SLT can explore the costs in relation to strengthening the foundations and the development and to ask DfE if they are willing to amend the plans for this build.</p>	SLE
<p><b>5. Post 16 Capacity Fund</b></p>	<p><b>5.</b> SLE gave an update on the Post 16 Capacity Fund and summarised key points from his paper, previously circulated:</p> <ol style="list-style-type: none"> <li>1. A borrowing request form has been submitted to DfE for a £6 million loan which is what GC will need with the maximum from the DfE and the remainder from the cash surplus to fund the £13 million development.</li> <li>2. DfE have contacted SLE and asked for the terms of the loan from GC's bank if we had borrowed commercially. This will be sent to DfE with an updated cash flow. SLE feels that DfE are hesitant to commit to the lend at this stage because they don't know if the capacity fund bid is successful.</li> <li>3. The developer of the HI site has confirmed that the building will be put up for sale on the open market.</li> <li>4. The Local Authority has approached SLE; this minute is confidential.</li> <li>5. RAR said during a meeting with ESFA they stated that borrowing money for investment is not considered as a debt.</li> <li>6. CSH asked if the LA are backing our capacity bid. SLE said the LA are on board with the capacity fund and free school bids as they see an issue in the coming years with the number of students and the lack of spaces for them. They are unable to contribute to the cost of the freehold on the HI site. The LA feels that Heritage England are unlikely to help out with the freehold on the HI site as it isn't their usual type of project.</li> <li>7. CSH asked if the developer was trying to further negotiate the price of the HI site with GC, SLE confirmed they haven't.</li> <li>8. CSH asked what the costs are for the pre-app, SLE is meeting Kerrie Norman and Enjoy Design next week and should be able to provide information about costs shortly.</li> <li>9. CSH asked if the pre-app is further delayed can the deadlines still be met. SLE said in order to meet the deadline the pre-app needs to be started this winter.</li> <li>10. ABA clarified with SLE that pre-app is terminology for outline planning permission. ABA suggested submitting parallel outline planning permission for both options, the free school and capacity bid.</li> <li>11. JHO commented that the developer will realise our continued interest in the HI site when we do the pre-app so a reduction in price is unlikely.</li> <li>12. JHO asked about borrowing from our bankers as we have been asked to find out the terms they would offer us,</li> </ol>	

	<p>RAR replied that there is a definite ban on borrowing from the commercial sector.</p> <p>13. SLE will ask Savills to find out how the HI site will be put on the market.</p> <p>14. ABA suggested confirming our offer to the developer and give them a deadline because if we can't secure the site, we won't meet the deadline. SLE will speak to Savills about this.</p> <p>14. CSH and ABA agreed that at this early stage it's sometimes possible to make a deal to cut costs or get fee free help.</p> <p>14. RAR said a structural survey of the HI site is needed at some point and the timeline needs to be understood so if the bid is successful this is achievable. SLE confirmed the timeline was part of the bid application.</p> <p>15. Governors agreed that SLE should speak to Kerrie Norman and Enjoy Design and get the costs for the pre-app. SLE will speak to a cross section of governors to discuss the costs and get permission to proceed with the pre-app after his meeting.</p>	<p>SLE</p> <p>SLE</p> <p>SLE</p>
<p><b>6. 16-19 Free Schools/'Elite' Sixth Forms</b></p>	<p>SLE gave an update on the 16-19 Free Schools and summarised key points from his paper, previously circulated:</p> <ol style="list-style-type: none"> <li>1. Out of 200 expressions of interest, 64 applications for the Free School bid have been submitted, 15 free schools will be approved.</li> <li>2. Local Authorities will be contacted about any bids in their area. Kirklees will respond positively to our bid.</li> <li>3. SLE has confirmed to KC and HNC that we have made a bid.</li> <li>4. Companies house confirmed that action is not required with the Trust until money starts being received into it.</li> <li>5. SLE has meetings planned with local MPs.</li> <li>6. SLE has spoken to staff about the Capacity Fund bid, Free School bid and academisation and will talk to the individual departments concerned in more detail. SLE will talk about the two bids and academisation in his weekly messages to students and parents/carers.</li> <li>7. A meeting will be held between GC governors and Conway Trust members and trustees before half term.</li> <li>8. CSH asked about the staff reaction to these plans. SLE believes the staff understand the reason behind the bids, but they want more detail about how it will work in practice. JRE agrees that the staff understand the rationale, but they have lots of detailed questions especially the affected departments.</li> </ol>	

## 7. Free School Financial Forecast

Update on Free Schools Financial Forecast, papers prepared by MMI and previously circulated, SLE summarised:

SLE said this is a broad-brush forecast and more detailed work is required on this. SLT believe it is viable but it's a tight operating model in the opening years especially in year one.

1. CSH asked for the reason behind the assumptions of the students enrolled each year. SLE replied that the assumption of capacity on the HI site is 300 students, this figure was driven by the capacity fund bid, there are larger numbers of students in Kirklees who want to do A-Levels. The Cardinal Newman Maths School had a capacity of 300 students, and this was also used to derive numbers for our bid.

2. CSH asked for the profile in building up to 300 students as the lagged funding model starts in year 3, and the free school will still be in the growth phase regarding student numbers but with rising costs. SLE agreed that student numbers could be built quicker and said Kerrie Norman used a previous model she had worked on for these assumptions.

3. RAR said marketing will be key and there is a risk to how successful we will be recruiting students to a new establishment although GC has a higher demand for certain subjects than capacity allows.

4. SLE said conservatism has been used in student numbers in the early years, he has previous experience in working in a new establishment and people waited to apply until a track record was built. Marketing and liaison work will be crucial and that is why lower numbers were assumed.

5. In the forecast, the net result of lower numbers in year one means there is a deficit in that year. There will be no liability for Greenhead College, the liability will be with the Conway Education Trust. The DfE will be unlikely to allow a deficit so the forecast needs more detail; it may mean student numbers need increasing, the staff profile needs amending and the DfE might bring forward funding.

6. SLE explained that a project development grant of £30,000 is received upon bid approval and a further £220,000 when the site is secured.

Kerrie Norman's company could be employed to manage the set up.

The business rate grant of £20,000 is forecast to fully pay the business rates.

A building grant may be sourced via DfE or applied for directly.

The learning blocks are 4 rather than Greenhead's 4.5, this can be changed but it was set up so liaison work with local schools can be undertaken.

SLT think catering could be managed in house.

	<p>7. RKI noted that the original forecast didn't show a deficit in year one and asked that changes are highlighted from the submitted forecast so you can see where the alterations have been made, and he was concerned that inaccurate information has been submitted in the bid. SLE said one of the figures that has changed is the staff profile as Greenhead tend to recruit from the top end of the pay scale.</p> <p>8. RAR said the DfE would look at the feasibility of the scheme rather than the detail at this stage and would normally expect to see average salaries. SLE says the bid fits the remit of student capacity in a disadvantaged area.</p> <p>9. RAR asked for a realistic forecast ready for the joint meeting with Conway Trust covering each year, with a rationale for the figures used.</p> <p>10. RKI asked why other staffing costs don't increase from year two although student numbers increase. RAR also said other staffing costs and other costs decrease. SLE will advise governors of the reasons for this.</p> <p>11. CSH praised the analysis and quality of the paper. He wants sensitivities and scenarios to be introduced into the forecast. CSH has a list of refinements for the forecast which he will send to SLE to be taken further. CSH wants to understand the risks to Greenhead, will we be ringfenced or what our exposure will be.</p> <p>12. RAR thanked MMI for his work on the paper.</p> <p>13. JHO requested further work on the potential deficit and cash flow.</p> <p>14. RAR said Maths School get an annual marketing allowance of £300,000, and Free Schools which are aimed at disadvantaged areas do not receive this allowance and feels this needs challenging with DfE.</p> <p>15. SLE proposed that refinements will be made to the forecast and wants the redraft checking before it goes out to all governors and the Conway Trust. RAR, CSH and ABA agreed to look at the draft forecast.</p> <p>16. RAR asked governors to email SLE if they want anything adding to the forecast.</p>	<p>SLE/MMI</p> <p>SLE/MMI</p> <p>SLE</p> <p>CSH</p> <p>SLE/MMI</p> <p>SLE</p> <p>Governors</p>
<p><b>8. New Build Risk Register</b></p>	<p>7. New Build Risk Register, previously circulated: The register was updated in November and will be amended again before the next Capital development meeting.</p> <p>RAR said comments were made at the last CDC meeting which need updating in the register (CDC 23/11/22 min 7.7).</p> <p>SLE said MJO will start his new role on 20/2/23, and he wants him to work on the Free School and Capacity Bid Risk Registers.</p> <p>ABA said the internal risk profile needs looking at this quarter, this will need to include finance, so GC is ready when the bid decisions are announced.</p>	<p>SLE/MJO</p> <p>SLE/MJO</p>

	RAR said if DfE approve our bid applications they will ask if we have identified the key risks and what they are. RAR said the risks need logging prior to MJO's start date in case DfE want to speak to GC about the bids.	SLE
<b>9. AoB</b>	JRE said when the Capital Development committee was set up, a priority was the inadequate accommodation and the issues this causes in college. He feels the focus has moved primarily to a capacity issue. JRE requested that the inadequate accommodation continues to be considered in these meetings. RAR agreed and said MJO will be asked to develop smaller scale projects with Kerrie Norman to apply for future capital money when it becomes available to start to address these issues.	
<b>10. Confidentiality</b>	(Min 5.4) The Local Authority advising us of a potential redevelopment site.	
<b>11. Future meetings</b>	Next scheduled meeting is Wed 1 March 2023, 4pm via Teams.	Govs note

**Minutes prepared by Sharon Roper (Clerk to the Corporation) on 19/1/23**

**Approved & signed by Richard Armstrong, Chair on 1/3/23**