

GREENHEAD COLLEGE CORPORATION
Minutes of Capital Development Committee meeting held virtually using Teams
Wednesday 17 May 2023, 4pm

Govs present: Adrian Barrass; Craig Shannon; Elliot Gill; Reuben Byfield;
Richard Armstrong (Chair); Richard King; Simon Lett (Principal),
Stuart Irving (from 16.13)

In attendance: Mark Jones; Mark Mitchell; Mo Bunter; Karen Wood; Sharon
Roper (Clerk)

Apologies: John Holroyd

AGENDA ITEM	DISCUSSION	ACTION
1. Welcome, apologies	RAR welcomed members. Apologies received as above.	
2. Declarations	No declarations of pecuniary/prejudicial interest on the part of Governors or S.L.T. participants.	
3. Minutes 19/4/23	3.1 Capital Development Committee 19/4/23 minutes, previously circulated, Signed by Chair, returned to Clerk for filing. 3.2 Matters arising: Highfields Development (min 6.5), there is no further update on this as yet.	Clerk
4. Update of DfE development	4. Update of DfE development (the Hirst Building): MJO gave a presentation to governors of the changes to the GC site as phase 3 starts in August. The presentation slides included the current site, the site from August and the site map on completion of all the work. This presentation will also be shown to all GC staff in a meeting on 24/5/23. 1. EGI asked about the layout of the internal hoardings, MJO is waiting for GT to fully confirm but he is aware of some issues already, it will remove a busy toilet block. Noise could be a problem as the hoarding line will be very close to the building in some parts. EGI asked what the hoarding will be made of as hoarding that supresses noise is available. MJO said it will be	

	<p>external plywood hoarding, he will also find out how high it will be, he has another meeting with DfE and Mace on 18/5/23. EGI said Isowall can be used which is an insulated panel that offers some sound proofing and can be fitted into a track in the floor. EGI said security could be a concern and RAR said the building needs completely sealing.</p> <p>2. RAR asked about timelines, the demolition phase goes until May 2024, as the project is currently ahead of schedule this may change to March 2024. There are unknown power supply routes in this section. The final phase goes until April 2025.</p> <p>EGI asked if there are mock exams scheduled during the demolition phase, SLE said there are, and the Sports Hall which is near the demolition area is used as an exam venue.</p> <p>3. RAR asked if G1 will be lost as a study area, MJO said part of it will be lost to make a corridor to Dawson building and this will change the dynamics of G1 from a quiet study room, but students will be able to make use of the dedicated study areas in the Hirst building instead.</p> <p>4. MJO is choosing the furniture for the Hirst social areas, this is likely to be café style with tables and chairs. RAR said one of the social areas in Hirst may have to be changed to a study area.</p> <p>5. RAR asked if students studying PE and Music will be given tolerance in timetables as they will have the longest journeys to their classrooms. SLE said SLT will remain cognisant of this but doesn't think timetables will need to be changed.</p> <p>6. RAR asked if drama who are in the basement are affected. Their costume store will be lost and will need relocating, potentially offsite, and their access route will change.</p> <p>7. ABA asked if moving into Hirst has any dependency on the position of phase 3 – it doesn't.</p> <p>RAR asked if the hoardings are built before students are on site. MJO said the date for the hoardings to be put in place is 29th August although he feels they won't be in place so quickly.</p> <p>ABA said as phase 3 is difficult there needs to be more emphasis on punch list items and controls of phase 3.</p> <p>8. EGI asked if some of the demolition work will be out of hours, MJO will ask GT about this.</p> <p>9. RAR requested that committee members be given a physical walkthrough of the site.</p> <p>10. RAR asked when the MUGA is handed back - this will be early 2024.</p> <p>RAR asked if staff will be able to access the back of the building via the fire exits, MJO said decisions are still to be made about accessing some of these doors.</p> <p>11. EGI thinks GT will want to install the hoardings during the summer holiday, if this happens we will have no choice but to take the new building. MJO will investigate the relationship running up to the handover of Hirst because</p>	<p>MJO</p> <p>MJO</p>
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	<p>DfE is the customer and we're the end user. DfE might be doing the snagging at handover. MJO wants to discuss occupational damage with them as well.</p> <p>12. RAR wants it made clear that the hoardings can't go up until we have access to move items into Hirst building and doesn't want the hoardings to be put up when students are on site.</p> <p>MJO said they do not want furniture that is not part of the contract putting into Hirst before handover.</p> <p>13. ABA said a plan of agreed sequences and criteria is needed and wants that to be shared with the committee.</p> <p>14. SIR asked the size of the snagging list, MJO said he hasn't seen the final finishes as yet.</p>	<p>MJO</p> <p>MJO</p> <p>MJO</p>
<p>5. Post 16 Developments</p>	<p>5.1 SLE gave an update on the 16-19 Free School bid.</p> <p>1. SLE has spoken to Rebecca Clarke from York University who confirmed that the University is still on board with becoming a partner with the free school, they need to do some due diligence but won't start this until the outcome of the free school bid is announced.</p> <p>2. The Trust had a meeting with Kerrie Norman on 11/5/23, she talked through the pre-opening stage and the requirements for the Project Steering Group. It will be a monumental job of work and Kerrie would be interested in project managing this. The next CET meeting is 25/5/23.</p> <p>3. Kirklees have contacted SLE to ask if they can detail in a report that will be discussed at an upcoming cabinet meeting that GC is in discussions to develop a plot in the cultural heart for a free school. Governors agreed that this can be included in the report, but both CET and GC should be named as the interested parties. SLE will advise the LA that the other local colleges may not like GC being involved.</p> <p>4. RAR asked if a potential floor plan is available for this plot so that the CET know if the site is suitable for the free school. ABA said CET have been concentrating on governance and operating methodology which will help release the funding. Planning permission gets you a step nearer to the funds as well.</p> <p>ABA said work streams need progressing at the next CET meeting and the relationship with GC needs defining. Kerrie being involved needs to be managed in a transparent way. SLE said until the outcome is announced it's hard to strike a balance.</p> <p>SLE said the LocatED team (property subsidiary of DfE) will look at potential sites including the gallery site and agreed that CET needs to see the plans for the site to ensure it is fit for purpose.</p>	

5.2 SLE gave an update on the Capacity Fund bid, and summarised key points from his paper, previously circulated:

1. GC has been successful in securing £4 million from the Capacity Fund bid, SLE recommends that we try and find a way to make it work, and this is echoed by the SLT.
2. There is a tight deadline of 8/6/23 to confirm to DfE if we want to proceed.
3. SLE thinks he should engage with the Post 16 Capacity Fund team or Anne-Marie Edwardes, ESFA to check if there's scope to extend this deadline.
4. The project completion date of 31/8/24 is unattainable.
5. MJO said that in the terms and conditions (term 33), if you go beyond March 2025 they may not fund you further, RAR explained that government departments cannot carry cash over into the next tax year.
6. KWO said that because we get the money in stages, this will impact the cash flow.
7. MBR said that VAT may be an issue.
8. SLE spoke to a contact at SFCA who said that DfE will not increase the value of the grant and suggested to downscale the size of the project so the loan needed is affordable. In contrast Kerrie Norman says that we should ask DfE for a bigger grant.
9. SLE recommends that we get a survey done quickly on the HI building to gain clarity of the risks plus get estimated costs and the timescales involved. This will give a steer for our final bid for the freehold.
10. SLE would like Kerrie Norman to project manage this, she has direct expertise of working at the DfE, and understands the timescales and workloads. SLE has asked her if this will be a conflict of interest if she is also working for CET on the free school and is awaiting a response.
11. KWO has revised the cashflow forecast on the basis of the current expected out-turn of 2022/23. Student numbers used are 2713 for 2023/24 and increasing to 2800 after that. Inflation rate and pay rates are reduced to 2% after 2025. Cash generated by GC during this period of time is £4.2 million.
In the new facility income is £2.8 million over the period. Overall the finance costs are greater so it will cost more than is generated but there is still a cash amount left at the end.
12. RAR said it doesn't stand on its own feet and pay off the loan without continuous support from GC. It's about £1 million out or £100,000 revenue per year out. If the capital costs were changed by £1 million and less money borrowed then it might break even. If students numbers were increased it would more than break even.

SLE

RAR said 300 students are assumed in the building at Trinity West. He asked if the third building was demolished and a multi-use hall was not in the remaining two buildings, could more classes be added for additional students. With 400 students there will be £500,000 revenue per year (less costs).

It's unknown what the LA would think of demolishing one of the buildings.

13. RKI said the cash flow doesn't have the cost of the site or any fittings or furniture included, which will be an additional £1 million.

14. RAR said there is a question of how much the cost of the rebuild may have increased due to inflation.

15. RAR said a full survey will confirm any extra costs and find out the true value of the site and submitting an outline planning permission will confirm if the third building can be demolished. ABA said the timeline is 6/6/23 to respond to DfE, RAR said the consequences of extending this or responding and then subsequently pulling out needs to be ascertained.

16. SLE said we were approved for the bid because of the local area demographics and there is a severe capacity issue in Kirklees and hopes DfE will be lenient on the timeline. SLE wants to try and make it work as the grant is approved and the site location is so near to GC.

17. ABA said we need to give the developer a take it or leave it offer of £200,000 rather than spending more money on the building.

RAR said a survey will reveal if the building needs a lot more work and will show if it's possible within our resources. SLE said a £200,000 offer might be overpriced after the survey results. ABA said the developer can sit on the property for years.

CSH wants to understand the condition of the building as we could end up with a millstone around our neck and we also need a true cost of the development.

ABA said an alternative could be to keep the front entrance (the only listed part) and demolish the remainder and build a new building behind it which will be cheaper.

18. CSH said if we purchase the land and freehold there's nothing in the business case about the asset. If we buy it for market value it can be offloaded in the future if necessary. It will impact the cash flow but it shouldn't be taken into account when we calculate the returns on the project. Paying more than market value will be a cost against the project which can't be recouped.

RKI agreed but said it doesn't impact the cash flow positively.

19. CSH said the hurdles for the project are a positive cash flow and what return will be generated on GC's capital

	<p>29. MJO asked about the scope of the survey. JHO said via email that the terms of reference of the survey must allow us to understand all the risks and financial consequences. ABA said an appropriate contingency needs building in for the risks identified, and the overall timeline will have to be advised to DfE.</p> <p>30. ABA noted that the ownership of the access road needs to be determined and who creates and maintains it. This is not in the budget.</p> <p>31. SLE will brief Anne Marie Edwardes at the ESFA.</p> <p>32. MJO will talk to the developer to say the grant is approved but the grant does not cover the freehold cost and to advise that we want a full survey.</p>	<p>SLE</p> <p>MJO</p>
6. New Build Risk Register	7. New Build Risk Register, previously circulated: No update, the review of the register is still to be undertaken.	MJO
7. AoB	None.	
8. Confidentiality	SFCA colleague's view on the Capacity Fund bid. Appendix 2 of SLE's paper.	
9. Future meetings	Next CDC Meetings, Weds, 5 July, 4pm, Teams	Govs note

Minutes prepared by Sharon Roper (Clerk to the Corporation) on 26/5/23

Approved & signed by Richard Armstrong, Chair, 7/6/23