

**GREENHEAD COLLEGE CORPORATION**  
**Minutes of Capital Development Committee meeting held virtually using Teams**  
**Wednesday 7 June 2023, 4pm**

**Govs present:** Adrian Barrass; Craig Shannon; Elliot Gill; John Holroyd; Reuben Byfield; Richard Armstrong (Chair); Richard King; Simon Lett (Principal)

**In attendance:** Mark Jones; Karen Wood; Sharon Roper (Clerk)

**Apologies:** Stuart Irving

<b>AGENDA ITEM</b>	<b>DISCUSSION</b>	<b>ACTION</b>
<b>1. Welcome, apologies</b>	RAR welcomed members. Apologies received as above.	
<b>2. Declarations</b>	No declarations of pecuniary/prejudicial interest on the part of Governors or S.L.T. participants.	
<b>3. Minutes 17/5/23</b>	<b>3.1</b> Capital Development Committee 17/5/23 minutes, previously circulated, Signed by Chair, returned to Clerk for filing.  <b>3.2</b> No matters arising.	Clerk
<b>4. Update of DfE development</b>	<b>4.</b> Update of DfE development (the Hirst Building):  1. Meetings continue with departments moving across to Hirst building, including a presentation about packing up their materials and equipment. 2. Noise problems were experienced during exams w/c 22/5/23, this issue was formally raised, since then there have been no concerns and MJO has now been given a direct contact number in the Hirst building to help prevent any further disruption. RAR asked how many weeks of exams are left – they run until the 26 <sup>th</sup> of June. 3. Phase 3 will see the removal of the changing rooms and showers. The temporary changing rooms will not have showers fitted, this went unnoticed and was authorised by an ex senior leader of GC. The temporary changing facilities are currently in production, any bigger facilities	

	<p>including showers would contravene the planning consent. This will mean that the GC site will not have shower facilities on site for 77 weeks.</p> <p>Negotiations are ongoing with DfE and MACE, they have agreed to work with GC on a solution, SLT are currently working on this. MJO is meeting with a contractor on 8/6/23 to discuss ideas.</p> <p>ABA asked if the solution will be long-term showers and if we will be billed – the proposal will be permanent shower facilities and as yet it's unknown how much DfE will fund. ABA asked if showers are going to be replaced at the end of phase 3 – yes, they are in the fitness suite. MJO said this issue will ultimately result in PE showers and commuter showers available onsite.</p> <p>CSH asked if lessons have been learnt about one person doing a formal sign off and suggested a second person is involved in high level authorisations, SLE agreed.</p> <p>4. SLT have had a walkthrough of phase 3 and all staff have seen the presentation. Disability access is a concern, especially from the Study Area (G1) to the ALS department. This has been formally raised with DfE and MACE, they have acknowledged this and a meeting will be arranged to discuss this further. RAR said this needs to be an acceptable solution.</p> <p>5. MJO will advise when governors can undertake the Phase 3 walkthrough.</p> <p>6. GT have planning condition restrictions on out of hours demolition work.</p> <p>7. There is a clerk of works on site who checks the standard of work and the snagging will be undertaken by MACE and DfE. GC needs to be careful of snagging and occupational damage.</p> <p>8. MJO is currently negotiating hoardings, GT want them in place before the term starts, in return MJO has some conditions.</p> <p>EGL asked what the hoardings will be made out of, MJO will find out.</p>	<p>SLE/MJO</p> <p>MJO</p> <p>MJO</p>
<p><b>5. Post 16 Developments</b></p>	<p><b>5.1</b> SLE gave an update on the 16-19 Free School bid, and summarised key points from his paper, previously circulated:</p> <ol style="list-style-type: none"> <li>1. Applicants will be informed of the outcome by mid-July.</li> <li>2. CET met on 25/5/23, discussion took place around setting up workstreams for Governance, Education, Marketing and Outreach under a Project Steering Group with Terms of Reference for each.</li> <li>3. An agreement may have been reached on the name, the proposal is The Northern Enterprise and STEM Centre.</li> </ol>	

4. RAR said governors may be asked to become involved with CET due to their expertise and knowledge, CET will directly approach governors regarding this.  
ABA said CET will share the details of the workstreams with the Corporation after their next meeting (28/6/23).

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

1. SLE has been unable to speak to Anne-Marie Edwardes at the ESFA, who is our main contact there.
2. KNO advised that we should submit the acceptance form and a required cost schedule detailing GC's contribution against a timeline to September 2024, by the deadline date of 8/6/23. Everyone SLE has spoken to have said DfE will not hold us to the September 2024 timeline. Submitting the acceptance form does not commit us, we can still back out.
3. DfE have been advised that we are asking for a detailed survey of the HI site, they have asked to be kept informed.
4. Savills have not confirmed as yet when the survey will be concluded.
5. The pre-app will be submitted to the council to find out if we will be allowed to demolish building three.
6. KNO, Flinders Chase, wants to start detailed survey work on the buildings at the HI site and complete this by the end of July. This will drawdown £11,000 from the DfE grant and there will be a cost to GC of £22000, this does not include the cost of the pre-app or the survey from Savills.
7. Advice received from KNO since the application was approved has been undertaken by her as a gesture of goodwill. If we proceed with the Capacity fund bid and want to secure Flinders Chase to project manage it, starting with the feasibility stage, a detailed scope of work and a fee proposal will be required. The value of the commission will be under the Public Procurement Regulation threshold. KNO recommends any appointments are split into stages so the College is committing to smaller sections of work.
8. KNO has produced the cost schedule which will be sent to the DfE, SLE will forward this to committee members. An allowance for professional fees is included in the cost schedule. A ball-park figure for a fee proposal for all stages of the project is £130,000 to £150,000.
9. RKI asked if the cost of the freehold has been added to the cost schedule – it hasn't. RAR said DfE do not fund the purchase of the freehold and they are interested in their liabilities and that we are matching their contribution. ABA said the cash flow might be useful for DfE but it isn't useful for GC as it doesn't include the purchase costs of the land.  
RAR said this cash flow is based on what KNO is expecting to see when she gets onsite at HI, this survey will show how

SLE

feasible the project is. KNO has made clear that DfE expect to see movement in terms of timelines.

10. KWO has reworked the cash flow based on the facility opening for students in September 2025 instead of 2024, this has made an impact on the first two years and brings cash funds below £1 million. It's assumed that all the capital spend will be in the first two years.

KWO said the DfE contribution is time lagged, we submit invoices and they pay 33% of them.

Looking at loan repayments over 20 or 25 years, doesn't solve the problem of cash falling below £1 million.

RKI said the cost of the freehold isn't included so it will mean cash is under £1 million for three years.

11. RAR said when there is significant growth with student numbers, there might be scope for ESFA to pay funding earlier rather than it being lagged. If we proceed a discussion will be needed with ESFA about this.

12. CSH said when student numbers drive income why are we only planning for 2713 students on the GC site when we are allowed to have 2800, and why will we only have 150 students on the HI site in the first year when we can have 300. If numbers are increased he calculated this will give us extra income of £1 million.

SLE responded that we can't increase to 2800 as the students who apply want to study STEM and we don't have the classroom capacity for more of them. CSH asked if the Hirst Building will create more capacity – it doesn't, it's a like-for-like replacement, three extra Maths staff have been recruited this year to get the numbers as high as possible. SLE said putting more than 150 students on the HI site in the first year can be looked into.

13. KWO said the assumption in the cashflow forecast is in-year funding for the first two years and lagged funding from year three.

14. RKI asked how many students could be recruited if this was thought of as extra 300 student capacity classrooms on the current site.

RAR said the aim is to build the facility at HI to increase STEM capacity because student demand is for STEM. If planning agree that building three can be demolished a sports hall will be built with added teaching facilities, the other buildings will not have a hall, and extra classrooms will be added. Capacity at this site can be increased to 400 students. This is all dependent on planning approval which is why the pre-app needs submitting, and this will improve the cash flow position.

15. CSH said the project is not generating enough return or value for money, the investment needs to be more productive and thinks this has to be generated from increasing student numbers.

16. SLE said DfE will look at the cash flow which is problematic, and this will be the basis for their loan decision.

	<p>MJO said the current loan rates are from 5.16% to 5.76% depending on the term, and the maximum term is 49 years. CSH asked what rate has been assumed - the assumed rate is 5.75%.</p> <p>MJO said repayments are quarterly and commence at the completion of the project.</p> <p>RKI said with repayments not starting until the building is completed the cash flow will be £1.2 million better off.</p> <p>KWO has assumed the DfE grant of £4 million will arrive at the beginning which isn't the case.</p> <p>RKI said a two-year monthly cash flow is needed for the first two years.</p> <p>17. RAR summarised the hurdles for the Capacity Fund as the condition of the site and the cost, planning approval (demolition of building three) to increase the capacity to 400 students, and the ESFA funding discussion.</p> <p>18. SLE asked if governors are happy to spend £22,000 on the feasibility study, plus the pre-app and Savill's survey. SLE does not want to pull out of the project until we can prove to DfE all our options are exhausted.</p> <p>19. In response to ABA's question, SLE has asked KNO if GC are liable for the £11000 paid out for the feasibility study if we pull out of the project, she hasn't responded as yet. KNO has previously said that she is aware of colleges who have pulled out at a later stage after drawing down some of the capacity fund money and there hasn't been a requirement to repay DfE. RAR feels it will depend on the reason for withdrawal.</p> <p>20. CSH asked why Savills haven't provided a date for when their survey will be complete. MJO said we are awaiting information from the developer which will assist in the scope of the survey, and he also doesn't want Savills and Flinders Chase survey work to overlap. He is hoping KNO will start her survey next week.</p> <p>ABA asked how the two surveys will be distinctly different, RAR replied that KNO's survey is looking at the feasibility of the internal mechanical and engineering work while Savills will look at the structural integrity of the buildings. KNO has provided a timeline for her survey.</p> <p>21. CSH asked if the two surveys need to be run concurrently and is the structural survey the most likely to highlight a fundamental issue that will stop the project. CSH suggested that the Savills survey is prioritised, and the feasibility survey is held back so that GC hasn't committed to a £33,000 spend. MJO was concerned that we don't have enough time for a delay.</p> <p>22. ABA asked if Savills and the developer are aware of the timescales we are working to – Savills do know, but this hasn't been shared with the developer for negotiation reasons.</p> <p>23. KWO asked if more than £13 million is identified for capital costs, will this be reflected in KNO's cashflow and will DfE increase their grant. SLE thinks this is unlikely,</p>	<p>MJO/KWO</p> <p>SLE</p>
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although DfE will need to be appraised of how the increased costs impact GC.

24. RAR said on the supplied timeline the feasibility report will be ready by the 24<sup>th</sup> July, Savills need to complete their survey within this timescale so a decision can be made about proceeding. ABA added that terms of purchase for the site need to be agreed. KNO will submit the pre-app and start discussions with the LA.

25. ABA asked if a different approach should be taken with the developer as this flurry of activity signals intent and suggested a 'now or never' offer. MJO suggested that KNO co-ordinates with Savills directly so it's a smoother process. ABA said his continuing concern is that the developer will not sell at a price acceptable to us.

RAR said it should be made clear to the developer that we are waiting for further information from them, this won't improve our offer but will enable us to make a final offer. SLE said our final offer may be lower than our original offer to the developer.

ABA asked why we can't keep the façade which is listed and knock the rest down and build a new effective education space. RAR feels there isn't enough time to get this agreed by the planning department.

26. RKI asked what date the build will be started, KNO's timeline says early build work will start on 16/10/23 following a decision, building tender and design. RKI said planning permission will probably take longer than 13 weeks, RAR said there is planning consent for an education facility on the site, but we are now also wanting building demolition, KNO thinks the pre-app discussions will take a month.

27. RKI asked what the cumulative spend is on the Capacity Fund bid. SLE needs to check the exact figure, he thinks it's approximately £10,000 for the Schedule of Accommodation from Enjoy Design and Flinders Chase work in respect of our bid application. RKI asked if KWO's time should be added to this as well. MJO said Savills won't indicate a price until they receive the scope.

ABA said total cost will be about £40,000.

CSH said governors are being asked to spend more money to manage a graceful exit with DfE from the bid.

SLE said we have been given a unique opportunity of £4 million, and he would like to exhaust all avenues in order to make it work. RAR said there might not be another chance like this for ten years, if we can't proceed and as demand continues to grow we will need to make a decision about the kind of college we will become.

28. SLE said another element is the free school, this could be another vehicle to address our capacity issues, although it will be CET not GC, he favours this option although we don't know if our bid for this will be successful.

ABA agreed, and added all these discussions need thoroughly documenting.

SLE



	<p>29. RAR asked if governors are happy to commit to the feasibility survey costing £33,000 and submit the pre-app next week. There were differing views from several governors.</p> <p>JHO prefers that the survey is completed first before we commit to paying £20k to £30k to Flinders Chase and that we should do everything that we can to ensure that the information we need is received from the developer by the middle of July.</p> <p>EGL asked what is the urgency for the feasibility study and could it be stalled.</p> <p>ABA suggested that Flinders Chase do the structural survey rather than Savills. RAR said KNO has intimated this is work that can be done by them.</p> <p>ABA asked what information we are waiting for from the developer. MJO said it's the plan schedule in the listed building consent, details of asbestos work, updated costs of the works (section 106) they haven't completed and the current masterplan for the buildings.</p> <p>30. MJO will ask KNO if the structural survey can be done by Flinders Chase and delay the rest of her work.</p> <p>SLE asked if there was a cost if we cancel Savills survey, MJO doesn't think there will be.</p> <p>JHO said if we don't work to a specific timescale we will be unable to use £4 million, he wants to go direct to the developer to make clear our required timescale and ideally get everything we need for the survey and hopefully thereafter agree a price for the Freehold with them as he believes they have limited options for sale other than to ourselves</p> <p>31. Governors agreed for KNO to be instructed to undertake the structural survey, they want to be informed of the results and the committee will decide if we want to proceed to stage two, the feasibility survey. Following the structural survey, if we still want to proceed we must speak to the developer with a final price for the freehold.</p> <p>32. Governors agreed for the pre-app to be submitted (the cost of this is in the £100's).</p> <p>33. The cost of the structural survey and pre-app should be circa £5500. MJO will get the exact costs.</p> <p>34. SLE will forward to committee members, for information, the project spend schedule from KNO, which include the college contribution and grant contribution through the various stages. SLE will also forward an email to committee members regarding the process to secure Flinders Chase to project manage, and asked governors to respond to him with their thoughts about this.</p> <p>35. CSH asked that an updated cost summary be brought to each Capital Development meeting confirming how much has been spent and how much we have authorised so far together with a high level timeline. CSH wants confirmation if the costs have been budgeted for, RAR asked for the DfE</p>	<p>MJO</p> <p>MJO</p> <p>SLE</p>
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	deadlines to be added into the timeline, and RKI added that any further forecasted costs also need adding.	MJO
<b>6. New Build Risk Register</b>	<p>7. New Build Risk Register, previously circulated:  EGI has sent details to MJO of items that need adding into the register.  MJO said the biggest risk internally is the building meeting staff expectations – this is currently being managed with staff.  MJO will be reviewing the register and adding a scale to it.</p>	<p>MJO</p> <p>MJO</p>
<b>7. AoB</b>	RAR said further conversations need to take place with ESFA regarding time-lagged funding and potential flexibility with this.	SLE/MJO
<b>8. Confidentiality</b>	None.	
<b>9. Future meetings</b>	Next CDC Meeting, Weds, 5 July, 4pm, TBA	Govs note

**Minutes prepared by Sharon Roper (Clerk to the Corporation) on 16/6/23**

**Approved & signed by Richard Armstrong, Chair on 5/7/23**