

THE COLLEGE OF RICHARD COLLYER

MINUTES OF THE ESTATES SUB-COMMITTEE HELD ON MONDAY, 14th JUNE 2021 at 16.00 (by Zoom)

- Present: Mr Ian Dumbleton, Mr Martin Emery, Mr Graham Lawrence,
Mr Dan Lodge, Mr Steve Martell, Mr Eric Williamson
- In attendance: Mr Richard Allin and Mr Chris Luck (BAQUS), Mr Steve Duffy (HNW
Architects): *Agenda items (and mins) 4 and 5*; Ms Nicola Whitehead (Clerk)
- In the Chair: Mr Graham Lawrence

All present confirmed they were content with the information received, its relevance to strategic priorities and what was being asked of them prior to the start of discussions. The key discussion would be on agenda items 4-6 (as covered by minutes 4-6 below).

1. **Declaration of interests** None
2. **Minutes (Parts I and II)** of the meeting held on 3rd March 2021 were approved.
3. **Matters arising:**

Item 6b: Members noted the Estates Manager's report which stated that the air handling vents had been repositioned at a higher level as per the original plan, though not fully working so the contractor had been asked to return. We were now close to the 12 month deadline for this and some other minor snagging items before the release of the retention - to be managed by HNW on the anniversary of completion.

Item 6c: The Principal confirmed there was nothing further to report with regard to GB1.

4. **Shelley Building Project**

Papers: Timetable, Feasibility estimate, VAT summary, DfE Project monitoring forms, BAQUS Procurement report and appointments tracker

i) The Principal reported that a new annual **lease** had been issued to the Nursery running to 31st March 2022. The Nursery Manager's response was awaited but the Principal expected that any comments would be minor.

In response to questions about the need for any further **research work** and rights of access to the proposed construction site, BAQUS confirmed that difficulty of access and potentially unfavourable discoveries down the line would be included in the risk register. (**Action: BAQUS to work up strategy of what and when to survey with the design team**).

ii) **Timetable**

The request to DfE for a move into **Wave 3** had not yet received a response. If approved, this would be helpful in allowing an additional year to draw down the £500k grant. (**Action: Principal to chase DfE decision ideally by the end of the week -18.06.21**). The Chair noted that there had been some changes requiring an **update to the outline programme**. BAQUS explained that the DfE decision was instrumental in informing the design route and procurement process for a contractor. The preference assuming an early spend profile would be for a semi-modular approach which could offer timely delivery on site whilst providing greater flexibility in future use. A later Wave 3 grant would suggest a very different timetable and allow other forms of construction to be brought into the equation.

Members noted that a *revised programme would be drawn up following a forthcoming meeting of the design team (Action: BAQUS)* but that keeping options open on the design would be increasingly difficult if needing to plan on the basis of a Wave 2 grant. The Chair requested the update in time for the F&GP meeting on 29th June. He explained that the programme would need to factor in **sign-off of the tender documentation which members agreed would be delegated to the Chair, Principal and co-optee** as well as other milestones and college activities so *consultation on a draft timetable with the Principal and Deputy Principal* would be essential. *(Action: BAQUS)* It would also be important to schedule ESC meetings at appropriate points throughout the project, both before the construction phase and during it. *(Action: Clerk)*

iii) Professional services

BAQUS explained that they had sought quotations for the professional team comprising an Architect, M&E services engineer, civil and structural engineer. Members sought clarification with regard to the fixed fees, as well as the rationale for a single tender for the Architect to ensure that the outcome represented a fair and reasonable fee. They recognised the arguments for retaining expertise in the College's property strategy and site needs which would assist with the timing pressure. HNW confirmed that their fixed price fee was based on an expectation of reasonable variation and that the different construction approaches would affect timing rather than cost. *(Action: BAQUS to provide note of the full project meeting discussion on this contract and/or separate explanation to include evidence against benchmarks that a reasonable fee level taking account of the nature of HNW involvement pre- and post-tender for main contractor- see vi below).*
Postscript: Subsequent to the meeting BAQUS provided meeting note and confirmed that the fee offered was in line with market rates at 3% (within an anticipated range of 2.8% to 3.6%).

Members recognised that BAQUS had been appointed to bring their expertise to bear in making recommendations on the design team. As such **they agreed the design team in principle but, given the proposed contractual relationship, sought further details to facilitate any material comments or questions.** *(Action: BAQUS to provide the proposals immediately following the meeting)*

iv) Cost

Members recognised that the costs within the BAQUS **Feasibility estimate** dated from Q4 2019. Therefore the *costs would need updating to take account of inflation, materials, surveys to-date and risk assessment as well as the design development itself (Action: BAQUS)*. As such the likely need for *an increased budget would need to be approved by the Governing Body via the F&GP Committee. (Action: Principal and Clerk once known).*

Members noted that the **current market for materials was difficult** making an assessment of availability, functionality e.g. steel or cross-laminated timber (CLT) and subsequent cost all the more essential. Given the College's strategic aims with regard to **sustainability**, the scope for an environmentally-friendly and future-proof approach **would also be considered early in the design stage**. Inflation costs were high in this area but, nevertheless, the new building would be the most efficient on campus given the latest building regulations.

Members agreed that the *budget needed to be comprehensive to include reasonable allowance for IT, furniture and fittings. (Action: BAQUS in consultation with Finance Director (FD) by 7th July in time for Governing Body meeting).* The FD confirmed that the College's **insurance had already been adjusted** to factor in the new build both during and after its construction.

The FD explained the need for at least a **watching brief on VAT given a recent judgement** in relation to the Colchester Institute suggesting that an educational building could still be deemed a business activity and therefore not eligible for VAT relief. Members noted that HMRC had announced that FE colleges could proceed as now in the expectation of continuing VAT relief (for a standalone building) pending a further case. Potentially however a VAT charge was possible over the whole building cost with a lack of clarity as to whether this could be applied

retrospectively. There might also be implications for lettings. Given the lack of certainty until tested in the Courts, **members agreed to proceed watchfully but without potentially costly additional advice.** (Action: Finance Director to keep the ESC informed of any developments) **It was further agreed to include the potential VAT payment on the risk register for the project.** (Action: BAQUS)

v) Monitoring and reporting

The Principal outlined the **DfE reporting requirements** on which BAQUS would now lead with clearance from the Principal prior to submission. These might usefully form the basis of **reporting to the College** although this would need to be **more regular and include risk**. BAQUS demonstrated their typical tracking documents inviting comments. Members requested *the addition of grant income, VAT (with disclaimer only on the HMRC question) and colour coding for positive/ negative variances* (as well as the usual additional information pages at the construction phase for variations/ EoTs etc.) (Action: BAQUS in consultation with Deputy Principal on any additional College reporting requirements – and idc Clerk in relation to ESC needs)

See also minute 5 ii below

vi) Procurement

BAQUS explained the pros and cons of the main procurement options as set out in their paper with a **recommendation for a single stage design and build approach** for timely completion. This would provide for some aspects of design work to be completed by the contractor against a well-defined initial set of documentation.

It was proposed HNW would take the build up to the construction stage when a review would determine whether they were assigned to the contractor or stayed with the College as client.

More broadly, members sought *assurance that the proposed consultants were happy to be assigned to any contractor* with the safeguard of staged fees in the event of any difficulty. (Action: BAQUS to confirm their understanding that this was the case)

vii) Design

Members noted the absence of any changes since planning approval **requiring an update** to ensure the original concept still met the College's needs. (Action: HNW with Principal, BAQUS and professional services)

viii) Risk

A detailed **risk register would be worked up** following the design meeting and updated throughout the project. This would be circulated to the College with the timetable and cost updates. (Action: BAQUS).

5. Social space/ Cafe

Papers: Feasibility estimate including costs, Visuals

i) The Principal reported that the proposal for an **additional catering facility** was parallel and integral to the Shelley development to ensure that an increased number of students had access to both teaching and social space. He **sought members' agreement that further work be undertaken to develop the plans** (to include the identification of financial assistance) prior to formal approval of a refined budget .

To-date BAQUS has worked up an **outline cost of c. £400k** on the basis of information from HNW but with an appreciation that **further research was needed** on the floorplan, services and any necessary structural enhancements. West Sussex Music had kindly confirmed they would provide access to the space to facilitate this. **Members agreed that further preparations, were a prudent step.** Members noted that a **concurrent tender** with that for Shelley might

assist with potential cost savings although careful scheduling of the two projects would be needed to maintain sufficient accommodation for students during the build and to ensure that the impact to the campus generally was acceptable.

[18.00 Messrs Williamson, Duffy (HNW), Allin and Luck (BAQUS) left the meeting]

ii) Returning to **monitoring of the Shelley project**, Members discussed the **external project management performance to-date** expressing regret that there had been changes to the proposed team leading to additional pressure on the former Project Director as the new project manager. Following this shakier than expected start, BAQUS had been more responsive to the College's needs and made progress. The absence of clarity on the DfE funding presented a considerable challenge in planning which BAQUS were embracing constructively. With regard to the recent **F&GP discussion of monitoring** by and *of BAQUS*, members agreed the need for some *clear straightforward performance indicators (PIs)* such as those for audit services which could be referenced for regular monitoring throughout the project. **(Action: Finance Director and Principal)**. BAQUS would be expected to provide the main text for the Post Project Review (PPR) with the College providing a supplement in relation to the external project management team. **(Action idc: Deputy Principal)**.

6. Boiler Replacement and Security Fence

Papers: CIF bid documentation for Boiler replacement and security fence including tender analysis and outline programmes

The Deputy Principal reported on the **delay in the ESFA announcement** of successful bids to mid-June but as yet not received. Whilst HNW had progressed the planning application for the security fence, this made it **less feasible that the work could be completed in the summer break** owing to the potential lack of available contractor or materials. Members recognised that the original quotes had timed out and would need updating bringing the total cost for both projects to c. £300k with some possible though **relatively modest cost implications for the College**.

In order that the work could be expedited as soon as possible if approved for ESFA funding, **members endorsed in principle the use of Synergy as project manager overseeing both the boiler replacement and security fencing projects as well as the recommended contractor for each project** - subject to an announcement on funding and further approvals of both contractors and budget by F&GP/ Governing Body as appropriate. In seeking these approvals, the Chair proposed that some *assurance on the design of the security fence and main front gate* would be helpful to governors given its potential impact on the appearance and wider 'image' of the College. The College would also need to *ensure appropriate dialogue between HNW and Synergy (Action: Deputy Principal), and to ensure that the roles and responsibilities of Synergy and the College's internal project manager were clearly defined and understood by all concerned*.

Recommendation: that, subject to the availability of CIF funding, approval in principle be given as follows:

a) By the F&GP Committee

- i) **A budget of c. £125k incl VAT for the security fencing project with a College contribution of 16%**
- ii) **Appointment of A&M Fencing Limited as the principal contractor**

b) By the Governing Body

- i) **A budget of c. £175k incl VAT for the boiler replacement project with a College contribution of 16%**
- ii) **Appointment of the Cowley Group as the principal contractor**

7. Report from the Estates Manager incl planned maintenance

Paper: Report from the Estates Manager

Members noted the planned maintenance proposals covering eight projects at a total cost of £123k. These would be funded by an underspend the previous year, an anticipated ESFA grant of £55k and a College contribution of £18k with 75% constituting capital spend.

8. **Report from the Health and Safety Committee:**

Papers: Minutes of the H&S Committee of 12th May 2021 and associated H&S Officer's report

The H&S Manager commented on the lockdown procedure now agreed by the Disaster Recovery Group with action now needed on training staff and students accordingly.

9. **AoB** None

10. **Date of the next meeting:** *Subject to revised timetable, Monday 11th October 2021 at 16.00 (with tender meeting in between to be advised).*

11. **Meeting assessment:**

The Chair apologised for the long meeting with members agreeing however that there was much important information to cover. The papers and decisions needed were clear albeit that even more detail would be needed going forward. He thanked the Clerk for seeking the alignment of meetings to suit future decision-making needs. Members recognised that given the complexity in particular of the Shelley project, more ESC meetings were likely to be needed in 2021/22.

(Action: Clerk once updated timetable received).

The Clerk welcomed any *further feedback by e-mail on the operation of the ESC over the past year and any desirable changes to the ESC terms of reference (Action: ESC members)*

The meeting ended at 18.34.

Chair.....

Date.....

NCW 20/6/21