

CONFIDENTIAL

**MINUTES OF A MEETING OF THE CORPORATION CAPITAL COMMITTEE
HELD ON WEDNESDAY 25 FEBRUARY 2015 AT 12:15 PM UNTIL 3:15 PM
IN ROOM A7 OF THE ISLE OF WIGHT COLLEGE**

GOVERNORS PRESENT:	Peter Conway	Chair
	Dr David Wake	Vice Chair
	Mrs Debbie Lavin	Principal
	Dr Nick Sinnamon	Governor
IN ATTENDANCE:	Mr David Loudon	Project Manager
	Mr Derek Kingsland	Resource Manager
	Mrs Tracy Bull	College Accountant
	Brian Bowker	Clerk to the Corporation

ACTION

29/15 APOLOGIES

Apologies were received from Ms Lynne Christopher.

30/15 DECLARATIONS OF INTEREST

There were no declarations of interest.

31/15 APPROVAL OF THE CONFIDENTIAL CAPITAL COMMITTEE MINUTES OF THE 29 JANUARY 2015

The minutes were approved as a true record of the meetings.

32/15 MATTERS ARISING FROM THE MINUTES OF THE 29 JANUARY 2015

Members considered a name for the SLDD Building and shortlisted seven names to be forwarded to the SLDD staff team for them to select one.

DK

The Resource Manager informed Members that a sales agent has been appointed and adverts are being circulated regarding the sale of 38 Dodnor Lane. The Chair asked him to liaise with the selling agent to establish a sealed bid process following a review of bids received by March 14th 2015.

DK

The College Accountant provided an update on the VAT issue, in particular the indication by the VAT advisor that he was eligible to claim a percentage of VAT savings, with ad-hoc work charged on an hourly rate. Members were informed that the matter was still in progress.

TB

33/15 CONSTRUCTION REPORT ON THE SLDD BUILDING FROM PICK EVERARD

The Project Manager updated Members on progress and informed them that there had been a slight delay in progress due to inclement weather. Issues regarding the hydrotherapy pool design were being addressed and invoice submissions are being finalised to meet SFA requests and requirements.

Discussion regarding the official opening of the SLDD and STEM Buildings took place **Principal/**

The Isle of Wight College

and the Principal and Project Manager agreed to discuss this further and make recommendations to the Committee.

DLo

Members considered the 'Variations' section of the report and noted that there have been a number of changes, which will require formalisation as a variation to the contract. Discussion took place regarding the variations and risk items, including deletion of contingency; the hydrotherapy pool; additional drainage; additional costs associated with the increased size of the substation and additional costs associated with Farrans laying LLDD services through the STEM site. Members noted the £75K of additional expenditure, with £20K risk allowance remaining.

The Committee CONSIDERED the report.

34/15 CONSTRUCTION REPORT ON THE STEM BUILDING FROM PICK EVERARD

The Project Manager informed Members that he was liaising with SSE, Pick Everard and Farrans regarding the delay to energising the substation, quantifying associated costs and managing project budget implications.

The Principal asked if there were any outstanding health and safety and building control issues and Members then considered the latest 'Building Control Site Inspection Report' and in particular the "Observation findings". The Project Manager addressed the findings in detail to Members satisfaction and asked him to review report timings to better coincide with Capital Committee meetings.

DLo

The Committee CONSIDERED the report.

35/15 CASH FLOWS FOR SLDD AND STEM PROJECTS

The Project Manager informed the Committee that SFA funds for both projects will be drawn down by the end of March 2015 and there are no significant issues to report.

36/15 INTERNAL PROGRESS REPORT SLDD AND STEM PROJECTS

The Project Manager informed Members that the SLDD Building is generally progressing well but there were some concerns and these are being effectively managed as discussed earlier in the meeting. He stated that although STEM Building works are progressing well there are some risk elements, previously identified in reports to the Capital Committee, that are now moving from the risk category to actuals.

The Chair asked Members to focus on the listed "Major items not in the original budget" on page 2 of the report. Members questioned cost associated with the Server Room equipment; trench, ducting and fibre optic cable from the LRC to STEM; onsite generator to provide power; the increased size of the sub-station and salaries. The College Accountant explained the extensive liaison that had taken place with the lead external auditor regarding the charging of staff salaries associated with capital projects and the College is now compliant with accounting requirements.

The Chair, supported by other Members, interrogated in detail the listed items and the proposed solution to the potential overspends, in particular the feasibility of a Barclays Bank facility of £300K. Members questioned the Project Manager in detail regarding drawing down HP funds and the HCA grant. He explained that the college has already drawn down £146,621.60 of the £188k HCA grant to assist the college in developing the Centre of Excellence Planning Application.

During discussion the high level of risk was considered and noted, with the consensus view being that the risk was a qualified risk. The Chair stated that he needed to inform Corporation of the position at the following meeting, particularly regarding the potential overspend that will need funding. The overspend may be as low as £50K if the other sources of finance required and believed to be available (including a £300K Bank loan) come to fruition. Should these sources of finance not be available then the funding requirement could reach £750K. Members supported this action and agreed that a detailed paper should be considered at the March 2015 Corporation meeting. The Project Manager was asked to draft a paper for circulation and consideration by Capital Committee members prior to Corporation papers being distributed on the 18 March.

DLo

The Committee CONSIDERED the report and AGREED that a detailed position paper should be presented to the March 2015 Corporation meeting.

37/15 UPDATING REPORT ON SOLENT LEP PROJECT

The Project Manager informed the Committee that the project is awaiting funding approval from SLEP and this is anticipated in March. The issue of grant from the HCA towards development costs is in progress and Pick Everard has issued invoices. Members noted that the design is progressing but behind schedule as the brief is not yet complete.

The Committee CONSIDERED the report.

38/15 ANY OTHER BUSINESS

Members noted the Farrans "Community Benefit and Apprenticeship Opportunities Report".

39/15 DATE AND TIME OF NEXT MEETING:

Wednesday 25 March 2015 from 12:15 to 3:15 pm – room A7.

Chairman: _____ Date: _____

<p>MISSION STATEMENT Putting Students First Working for Employers Supporting Our Community</p>
