

**CONFIDENTIAL**

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

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

**ACTION**

**40/15 APOLOGIES**

There were no apologies.

**41/15 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**42/15 APPROVAL OF THE CONFIDENTIAL CAPITAL COMMITTEE MINUTES OF THE 25 FEBRUARY 2015**

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

**43/15 MATTERS ARISING FROM THE MINUTES OF THE 25 FEBRUARY 2015**

Members were informed that the Resource Manager had liaised with relevant staff and students to agree a name for the SLDD Building. The recommendation from the staff and students was that the building should be named "Pathways" and the Committee supported that recommendation.

The Clerk informed Members that following opening of 4 sealed bids earlier that day the highest bid was for a sum of £132K. Following brief discussion, Members asked the Resource Manager to liaise with the selling agents to proceed with a sale to the highest bidder.

**DK**

The College Accountant informed Members that the VAT issue discussed at earlier meetings now required no further action.

The Committee RECOMMENDED to Corporation the sale of 38 Dodnor Lane for a sum of £132,000 (One hundred and thirty two thousand pounds).

**44/15 CONSTRUCTION REPORT ON THE SLDD BUILDING FROM PICK EVERARD**

The Deputy Principal stated that construction was progressing and although there is some delay this is not significant and a June completion date is projected. This would allow two months of preparation in the building prior to the 2015/16 academic year. A question was asked regarding water supply issues and the Committee was informed

that these had been resolved. Members considered the list of variations, noting that these had been discussed at an earlier meeting and that costs arising from these variations had been offset by savings elsewhere in the project.

Members also considered the list of risk items and the associated costs and sort confirmation regarding the remaining contingency sum. They were informed that this is currently £50,000.

A question was asked regarding the ongoing security of the site and the Committee was informed that this was being regularly monitored and there were no concerns.

The Committee CONSIDERED the report.

#### **45/15 CONSTRUCTION REPORT ON THE STEM BUILDING FROM PICK EVERARD**

Members noted that the Wayleave Agreement with SSE has now been finalised however, the previously reported delay was still likely to be six weeks, with a completion estimated for August for the whole project and mid-May for the STEM building 2015.

The Committee noted that the project budget remains under intense pressure and they focused on the budget section of the report and asked the Deputy Principal for a detailed update. Following detailed questioning of specific budget heads Members were reassured that project costs were under control.

The Building Control Site Inspection Report was considered and concern expressed about the “outstanding item”. The Resource Manager was asked for a progress update and he informed Members that seven of the nine outstanding items had been addressed since the report had been produced.

Discussion took place regarding the IT budget and the fact it had not been incorporated into the overall project budget (previously discussed). This had resulted in a £120k shortfall that was unlikely to be found by project savings elsewhere.

The Resource Manager reported that with regard to planning the planners had received one comment from Newport Parish Council on the requested planning amendment regarding the car park size. The council had raised a number of questions but ultimately did not oppose the amendment but had requested some conditions. The Chair asked that the council be sent the travel plan.

LC

A question was asked regarding the nature of the near miss identified in the Farrans report and the Project Manager provided details to the reassurance of the Committee.

DLo/DL

The Principal raised a concern about the first floor terrace at the rear of the building and whether the barrier was sufficient. The Project Manager and the Principal to visit the area identified. Members noted the Farrans “Community Benefit and Apprenticeship Opportunities Report”.

The Committee CONSIDERED the report.

**46/15 CONSTRUCTION REPORT ON THE SOLENT LEP PROJECT FROM PICK EVERARD**

The Project Manager informed Members that there are three critical pre conditions (substation/attenuation of Suds and Pumping of Foul) outstanding and the College has delayed progressing any further action.

The Project Manager stated that completion of current activity should be finalised in about one month's time. However, the final draw down on HCA funding will be initiated immediately following this meeting. He confirmed that the agreement and the land purchase remains in place.

The Principal asked the Project Manager to ensure that every future report has a table providing cost of the build; total project cost; total project value and fees etc., to ensure absolute clarity regarding funding and project costs. The Clerk was asked to forward the minutes to the College Accountant to enable her to insert tables for both a 55 week and 70 week programme.

DLo

Clerk/TB

The Chair asked for the details of the SLEP pre conditions mentioned by the Principal. These were identified as requiring comfort that project reporting will be rigorous and implemented through an independent professional; reporting on a quarterly basis to the LEP Board; arranging a visit to the College to meet relevant staff and testing the 50/70 week programme of options and assessing if building construction can be phased. The Principal informed Members that there was potential for £750K additional funding from the "Solent Growing Places Fund" and confirmed that project funding will be up front and that there may be potential for funding being transferred from other college projects that have fallen behind schedule, to fast-track the Isle of Wight College project.

The Project Manager provided a general overview of building provision, based on the current plans.

The Committee CONSIDERED the report.

**47/15 CASH FLOWS FOR SLDD, STEM AND SOLENT LEP PROJECT**

The Committee NOTED the current cashflow and that there were no issues.

**48/15 INTERNAL PROGRESS REPORT SLDD AND STEM PROJECTS**

The Committee NOTED that all matters had been addressed during earlier discussion in the meeting.

**49/15 CAPITAL PROJECTS: FINANCE OF STEM AND LLDD BUILDINGS**

Members asked the Deputy Principal to take them through her comprehensive report, commencing with the background and then proceeding to address each individual identified additional cost and the specific action proposed to mitigate it. The Deputy Principal took Members through the main variances and the steps taken to offset these which resulted in a budget shortfall of £132K. She then took Members through the further costs to be incurred (STEM deficit of £132K and LLDD build contribution of £502K). Leaving a total of £634K still required. However, Members were then presented with a list of funds identified to meet this requirement. The Deputy Principal stated that it is impossible at this stage to be precise, but assuming the offsets identified, the likely range of overspend for the project is between £100K and £175K.

The Chair asked for clarification of the £188K HCA Grant and its role in project funding and the Deputy Principal provided a detailed response to the satisfaction of Members.

The Chair then raised the potential bank loan of £300K from Barclays, which Members agreed appeared to be offered on reasonable terms. However, the Chair stated that he would forward the details to the two external Governors on the Committee for them to consider and provide their comments. **Chair**

The Committee CONSIDERED the report.

**50/15 ANY OTHER BUSINESS**

There were no items of any other business.

**51/15 DATE AND TIME OF NEXT MEETING:**

Wednesday 20 May 2015 from 12:15 to 3:15 pm – room A7.

Chairman: \_\_\_\_\_ Date: \_\_\_\_\_

**MISSION STATEMENT  
Putting Students First  
Working for Employers  
Supporting Our Community**