

CORPORATION OF KIDDERMINSTER COLLEGE

Minutes of the special Finance & Personnel Committee held on Thursday 23rd September 2010 at 17.30 hours

FP 708 Present	David Cory, Chair Adrian Davis Andy Dobson Jonathan Grice
FP 709 Quorum	3
FP 710 In Attendance	Derek Harrison, Director of Resources Angharad Hale, Clerk to the Corporation
FP 711 Apologies	Mick Cooper Karen Stevens

FP 712 Declaration of Members' Conflict of Interests

David Cory noted that 2 of his relatives are in the building trade.

FP 713 Proposed Capital Project

Details of the proposed project having been circulated, the Principal confirmed that the grant of £225K from SFA has been received. The College made a further application under the 'Enhanced Renewal Grant' which could have provided a further £140K towards the project but the application was unsuccessful. The College scored well in all areas with the exception of 'wider social impact', due to the nature of the project. In addition, on the published list of Colleges receiving money, SFA appear to have favoured larger projects.

The total project cost will be a maximum of £1,095,000 with £870,000 being provided from College cash reserves and the remainder from the grant.

A discussion was held regarding the conditions outlined by SFA in their letter confirming the grant. The Principal gave assurances that all requirements could be satisfied by the proposed project. In particular, the requirement to reduce estate running costs will be achieved despite the additional space created, as fixed costs will be spread throughout the estate, therefore reducing the overall costs per square metre.

It was confirmed that a tendering report has been received from Andy Higgs at King Sturge and figures for the tendered professional services to date have come in within budget less £750.

A concern was raised regarding the apparently increased costs of the project since July 2010, both in the overall cost and in the cost per square metre which has an approximate increase of 25%. In addition to this there appears to be a 10% reduction

in space to be achieved by the project from 630 square metres down to 576 square meters.

Derek Harrison confirmed that at the time of the Strategic Planning day in July, when the original figures were presented, King Sturge had not done the detailed work that has now been completed for this specific project. Costs were based on averages and the 576 square meters is a cautious estimate. It may still be possible to achieve the 630 square meters, but further work on designing the space needs to continue following the meeting due to issues with the roof and a sub station contained in that area of the building. A further factor was the desire to increase the SFA contribution when applying for the Enhanced Renewal Grant.

It was agreed that as the project cost will depend upon the eventual size of the build, the priority for the College would be to secure the maximum possible space whilst remaining within budget.

It was queried whether the 5% contingency was adequate should there be further shifts in costs. The Chair stated that he had taken advice and that this was an acceptable percentage for a project of this size.

It was also noted that King Sturge's fees were high in relation to the contingency amount. It was agreed that this matter will be discussed and clarified with King Sturge.

A further concern was raised regarding a possible conflict of interest relating to King Sturge carrying out the roles of Designers, Project Managers and Property Advisors. It was suggested that an independent project manager may be beneficial at the execution stage of the project.

A lengthy discussion took place regarding the need to ensure that King Sturge will act to ensure maximise space at a minimum cost. Derek Harrison gave assurances regarding King Sturge's reputation within the FE sector and confirmed that he had taken up references from other colleges where Andy Higgs had completed projects. It was also noted that King Sturge were originally appointed to update the College's Property Strategy and were readily available to take on this project with its tight timescales when the opportunity arose. It was agreed that searching for an alternative project manager would cause delay and potentially add extra costs to the project.

It was confirmed that the potential penalty from SFA for not completing the project on time would be loss of some of the grant, in accordance with the terms in their letter. It was suggested that this penalty clause should be mirrored in the contract with the contractor.

The Principal and Director of Resources agreed to meet with King Sturge to clarify the concerns raised at the meeting. It was also agreed to designate a governor to join the discussions in a support role. Adrian Davis agreed to be delegated to this role.

It was agreed to approve the proposed capital project up to a maximum cost of £1.1 million, in accordance with decisions at the July Corporation meeting.

It was agreed to approve the appointment of a Professional Team, details of which are to be agreed between the Principal and the delegated governor following a further meeting with King Sturge.

FP 714 Any Other Business

None raised.

FP 715 Date of next meeting

Wednesday 3rd November 2010 at 6pm (re-arranged from the Calendar of Meetings)

The meeting closed at 18.45 hours

Chair _____ Date _____