

HAVERING SIXTH FORM COLLEGE

MINUTES OF THE MEETING OF THE BUILDINGS COMMITTEE held on Monday, 19th January 2015 at 6.00 p.m.

Present: Rodney Eborn, Ray Harris, Paul Wakeling

Apologies: None

In attendance: Paul Nutter Assistant Principal (Deputy)
Cathy Horne Assistant Clerk

In the Chair: Rodney Eborn

B/15/01	<p>Declarations of Interest There were no declarations of interest.</p>	
B/15/02	<p>Minutes of the meeting held on 21st October 2014 <i>Paper: Minutes of the Buildings Committee held on 21st October 2014</i> The minutes were approved.</p>	
B/15/03	<p>Matters Arising There were no matters arising.</p>	
B/15/04	<p>Newcourt Replacement - Existing and Updated Cost Plan, Funding, Value Engineering, EFA requirements and Meeting the Programme <i>Papers: Original cost plan (October 2014); Finalisation of the Contract Price; Value Engineering – Savings Schedule; Programme of works</i></p> <p>Referring to the Cost Plan, the Chair reminded Members that the Corporation had approved to keep the cost within the EFA grant funding of £948,109 in September 2014. There had been subsequent requests for increased funding made by the Principal and approved by the Corporation.</p> <p>The Principal confirmed that, following the value engineering process, the Corporation had approved an additional £100,000 in December 2014 bringing the total approvals to £1,198,109. This also reflected that there was now only £24,000 VAT payable on the fees.</p> <p>The Principal explained that this was in addition to the £500,000 College contribution approved by the Corporation in December 2014 to be prospective bids for Phases 2 and 3 of the Newcourt replacement programme.</p> <p>The new request from the Principal was to approve a gross total of £1.35m (inclusive of fees, etc). This increase was primarily due to increased prices being received from Cadman’s sub-contractor and some sub-contractors declining to tender. This also reflected that there was now only £24,000 VAT payable on the fees rather than the building costs.</p> <p>The Principal explained that the shortfall between the EFA grant and the final cost of the project would be funded from College reserves, adding that there was currently almost £3 million in the bank. He explained that it would be better to use the reserves rather than take out a loan and reminded Members that the financial forecast presented to the Corporation in December had shown eight different scenarios, all of which had been affordable.</p>	

	<p>The Chair asked whether the increased figures had been checked against the College Financial Forecast and whether a College Accountant had been appointed. The Principal reported that interviews had been held that day. In the meantime, Fritz Andoh from Morgan Hunt had been employed on a temporary basis. The Principal agreed to bring the Financial Forecast to the Special Corporation meeting the following day.</p> <p>The Chair commented that there had been an approximately 40% increase in costs, from the original £948k EFA funding compared to £1.35m now. The Principal reminded Members that the original cost plan had been provided for the first stage tender process. The cheapest contractor, Cadman, had been chosen but the second stage allowed time for the contractor to tender all of the building elements to its sub-contractors with a minimum of three quotes required. He confirmed that for some elements it had proven difficult to obtain 3 quotes given the changes in the market.</p> <p>Referring to the savings schedule, the Chair pointed out that the cuts were significant and that it would not be possible to reduce costs further.</p> <p>The Principal reminded Members that several cost planning exercises had been carried out, including reducing the building footprint and value engineering. The final tender of £1,332,000 could not be reduced any further.</p> <p>Responding to the Chairs question as to whether there would be any more cost increases, the Principal explained that it was a fixed price design and build contract meaning that once it was signed the contractor took on the risk.</p> <p>The kitchen and WC fittings needed to be costed together with furniture and equipment. The Principal AGREED to provide these costing for the Special Corporation meeting the following day.</p> <p>Responding to the Chairs question, the Principal confirmed that:</p> <ol style="list-style-type: none"> 1. Full planning permission for this development had been received just before Christmas. 2. Referring to the projected overrun of work beyond the end of March 2015, he had received verbal agreement in a telephone conversation that an overrun of 3-4 weeks was acceptable to the EFA. He added that the Risk and Reconciliation statement had since been submitted to the EFA who had not raised any objections. He added that by using a substantial amount of the Colleges own money, it put the College in a better position with the EFA. Members were reminded that the project would cost £1,332,000 (rounded up to £1.35m for approval purposes) in total with the EFA contributing a grant of £948,109. The Principal reported that the piling had arrived on site that day and one invoice, for £50,000, had been received and paid. <p>The Chair asked whether the EFA grant monies could be spent by the end of March 2015 with the College contribution being held after this date. The Principal reported that this had not been costed but was very likely to be the case. The Chair requested that Woodley Coles be asked to check that the College would meet all the EFA funding requirements for the Special Corporation Meeting the following day.</p> <p>The Principal explained that Academic ICT would be moving into the new constructed building and would bring their existing computers with them. Furniture would be the standard used across the College.</p>	<p>PGW</p> <p>PGW</p> <p>PGW</p>
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	<p>The Chair requested information on the proposed department moves following completion of the new build. The Principal confirmed that the Maths Department would move out of Newcourt and into the 1st floor space vacated in the Library wing by Academic ICT. Academic Business and Economics were considering moving into the space vacated by Maths in Newcourt which would bring the subject area together. These spaces would require decoration.</p> <p>The Principal proposed three possible options regarding approving the additional work:</p> <ol style="list-style-type: none"> 1. Stop the project – EFA funding lost and College would need to pay costs of approximately £200,000. 2. Part complete the building – unlikely to result in a usable building. 3. Allocate a further £150,000 with a total approved budget of £1,350,000 (with £18,000 further contingency sum), to complete the project and improve space for learners and staff. <p>The Chair requested that the Principal bring the plans for the new build to the Corporation the following day as there were new members who had not previously seen them.</p> <p>The Chair asked the Principal to request that the College Accountant attend the Corporation meeting on 12th February to go through the updated financial forecast.</p> <p>The Committee AGREED that whist the situation was not ideal, they understood the reasons behind the increases. The Committee AGREED to recommend to the Corporation that it approve a revised budget of £1,350,000 reflecting an additional £150,000, thus securing the EFA grant and continuing with the project as planned.</p> <p>Recommendation: The Corporation should APPROVE a revised budget of £1,350,000 and that the contract should be signed on Cadman’s revised tender price of approximately £1.2m.</p>	<p>PGW</p> <p>PGW</p>
<p>B/15/05</p>	<p>Date of Next Meeting</p> <p>Wednesday 25th February at 6.00 pm</p>	

The meeting ended at 6.30 p.m.

Chair _____

Date _____

CLH 20th January 2015