

LEEDS CITY COLLEGE GROUP

MINUTES OF THE MEETING OF THE PROPERTY STRATEGY COMMITTEE HELD ON TUESDAY 24 OCTOBER 2017

Present

Colin Booth	Chief Executive & Principal
Gerald Jennings (Chair)	Governor
Robert Sladdin	Co-optee

The quorum for the meeting was two members (including at least one governor)

In Attendance

Allan Andrews (item 7 only)	Wates Construction Ltd
Steve Bell (item 7 only)	Wates Construction Ltd
Louise Child	Director of Capital Projects
Dave Clarke (item 7 only)	Wates Construction Ltd
Lydia Devenny	Deputy CEO, Services
Michael Diaz (item 7 only)	Project Manager
Melanie Halstead	Clerk to the Board
Phil Thompson (item 7 only)	Wates Construction Ltd
David Warren	Director of Operational Services (Leeds College of Music)

The meeting was held at the Printworks Campus and started at 3pm

MEETING ADMINISTRATION

1. Apologies for Absence

Apologies for absence were received from Richard Shaw (co-optee) and Chris Weathers (Wates Construction Ltd).

2. Declaration of Interests in any Agenda Items

Members of the committee were reminded of the requirement to declare their interest in any agenda items. Gerald Jennings declared an interest in relation to agenda item 4 (District Heating Network) in that a company he was involved with (Social Communications) was working with Vital Energi, the partner organisation appointed to design, build, operate and maintain the District Heating Network.

3. Minutes of the Meeting held on 11 September 2017 and Actions/Matters Arising

The following matters arising from the previous meeting were discussed:

Quarry Hill Project – Ground Survey

The Director of Capital Projects advised that the Project Manager had looked into whether any costs were recoverable in relation to the original ground survey, following which he was now considering the resulting additional costs to the college. The Project Manager would put forward his formal recommendation in this respect in due course.

Quarry Hill Project – Sprinklers

The Director of Capital Projects advised that Wates had indicated difficulties in obtaining three competitive quotes for this work due to current market conditions. Benchmarking

information was therefore being obtained against which to assess the price put forward by Wates.

Quarry Hill Project – Building Mock Up

The mock up requested by Planners was currently being built. Committee members were invited to view this on site on 1 November. The Director of Capital Projects undertook to communicate the arrangements to Richard Shaw (co-optee) outside of the meeting.

RESOLVED:

That the minutes of the meeting of the Property Strategy Committee held on 11 September 2017 be approved as an accurate record and be signed by the Chair.

LEEDS COLLEGE OF MUSIC (LCoM) PROJECTS

4. Proposed Adoption of City's District Heating Network for Leeds College of Music

The Director of Operational Services (LCoM) presented a detailed proposal regarding the connection to the city council's District Heating Network (DHN) for LCoM. In particular, the committee discussed the financial appraisal, the perceived benefits to LCoM and the key risks identified in relation to the proposal.

In response to a query from the committee, the Director of Operational Services confirmed that there would be no capital cost to LCoM as an early adopter of the DHN. In response to a question around future pricing, the Director of Operational Services advised that fixed and variable charges would both be adjusted annually against appropriate indices. In addition, there would be provision for price reviews every 3 years. Members suggested that further advice be obtained in relation to future pricing to provide assurance that this would remain favourable.

Arising from discussion, the Director of Operational Services advised that positive feedback had been received in relation to the district heating scheme operating in Sheffield.

RESOLVED:

That the LCoM Board be recommended to agree that LCoM join the city council's District Heating Network subject to legal advice being obtained on the draft Heads of Terms and further advice around future pricing.

5. Leeds College of Music Projects Update

The committee received an update on the progress of three significant building projects for LCoM – a new music library (Skyline building), The Venue rooftop extension and the reconfiguration of level 5 (3 Quarry Hill) following the relocation of the existing library provision.

The new music library had opened to staff and students in September and the Director of Operational Services reported that a solution to the IT connectivity issue had now been secured. Planning permission for the new public square was expected imminently; it was therefore hoped to start work in November with a view to the scheme being delivered before the end of the calendar year.

With regard to The Venue rooftop extension, it was noted that the impact of the anticipated 3-week delay on construction costs had been valued at £28k. The Director of Operational Services reported that this claim was likely to come under further pressure. The landlord and the design team continued to challenge the contractor's valuation and the variation to contract and it was acknowledged that this could potentially result in an increase in rent payable by LCoM.

Practical completion of the level 5 reconfiguration project had been achieved on 11 October, with positive feedback received from students. It was noted that the agreed contract sum would increase by c£15-20k due to the extension of time previously reported and amendments made to partition types to cope with increased void heights.

QUARRY HILL (PHASE 1) PROJECT

6. Project Update

The Director of Capital Projects highlighted the key points from her project update paper that had been circulated to committee members in advance of the meeting. Members were pleased to note that planning approval for the changes resulting from value engineering had been secured.

It was reported that the works remained 2 weeks behind programme, as reported in September. Wates had been instructed to accelerate, as previously agreed by the committee.

In considering the design update presented, committee members queried the number of compensation events raised by Wates to date and the number of early warning notices received. The Director of Capital Projects advised that these numbers were not unusual and therefore should not be viewed as red flags.

The project remained on budget but VAT on the construction elements of the budget was yet to be resolved. The Deputy CEO Services expressed confidence that the current assumption of 10.3% was robust and achievable; however, every attempt was being made to improve on this.

A discussion took place regarding Gateway Court and the college's continued dissatisfaction with the proposed design, particularly in relation to the suitability and safety of the proposed access. It was suggested that a meeting between all interested parties be convened and the Chief Executive & Principal undertook to escalate these discussions within the Local Authority if necessary.

The committee considered the project risk register as at October 2017. No new risks had been identified since the previous month. It was noted that all *significant* design changes required sign off by the Chief Executive & Principal; it was suggested that other design changes be summarised and reported to the Chief Executive & Principal and this committee periodically.

7. Contractor Update

Attendees from Wates Construction Ltd provided the following update:

- Site fully established and concluding the additional foundation works discussed at the previous meeting.
- Now starting preparatory work for Block A suspended slab works.
- On programme to achieve agreed completion date.

In response to a question from the committee, Wates confirmed that they were not experiencing any difficulties with access to the site.

Wates identified inclement weather conditions as the most significant project risk at this stage from their perspective.

Arising from discussion it was agreed that relevant stakeholders would meet to consider the artist in residence design concept.

Committee members queried the planned PR and community involvement, in response to which Wates confirmed that they had a PR team in place and that regular press releases were scheduled. The Director of Capital Projects added that Wates' PR team was also liaising with the college's marketing team. The Director of Capital Projects was also planning to meet with the college's marketing team to discuss an internal and external communications plan; it was agreed that this be added to the agenda for the committee's next meeting. The committee also sought confirmation from Wates that they had crisis management in place; this was confirmed. Wates also provided an update on their initial plans for community engagement and undertook to share the programme of activity with committee members.

The committee went on to discuss the mechanical and electrical services specification. The level of control was +/- 4 degrees from the set temperature, as advised by WYG; Wates advised that this was in line with relevant guidance and undertook to provide details of such guidance to committee members outside of the meeting. The Chief Executive & Principal sought confirmation that if a room temperature had been set at 21 degrees (with room at full capacity and warm weather conditions) then the temperature in the room would not go above 25 degrees, reflecting the +/- 4 level of control. Wates advised that in some instances the temperature may go above 25 degrees but only until the control took over and adjusted the temperature down to 25 degrees. The Project Manager advised that the specification was currently being reviewed by Capita and any issues identified would be discussed with Wates; the committee asked that the Project Manager provide an update on this prior to the next meeting. It was agreed that acoustics would also be double checked. It was noted that issues relating to corridor areas had also been raised with Wates previously and they were therefore asked to report back on this at the next meeting.

PROPERTY STRATEGY

8. Update on Group Property Strategy

Disposals

Horsforth Campus – the Chief Executive & Principal advised that the price adjustment mechanism remained under discussion with the Education and Skills Funding Agency (ESFA).

Thomas Danby Sports Centre – it was reported that the ESFA and Leeds City Council had yet to reach agreement around community use of the site.

Technology Campus – the college was still awaiting a response from WYCA as to whether they were in agreement with the offer from Metropolitan & District Securities (MDS), such approval being a condition of the option agreement between MDS and Leeds City College. The ESFA had confirmed their approval to the college disposing of the campus based on the valuations obtained. Arising from discussion, it was suggested that Counsel opinion be sought by the college prior to the option agreement expiring on 9 November.

Utley – the Deputy CEO Services advised that Steeton AFC had expressed an interest in acquiring the college's land in Utley, an unused playing field near Keighley. Further information would be provided to the committee as and when available.

Butterley Street

It was reported that the landlord had recently signed the lease with the existing tenants, leaving the college without accommodation for use in January 2018. The Chief Executive & Principal advised that whilst a setback in the longer term to accommodate growth in student numbers, this was not an immediate issue. A site search was being undertaken to identify alternative suitable accommodation in the vicinity.

Enfield Centre

Following Board approval to enter into a new lease, Eversheds Solicitors were now drawing up the new lease and making arrangements for the surrender of the existing lease.

9. Expression of Interest for Quarry Hill Phase 2 Project

The Chief Executive & Principal introduced a paper informing the committee of the submission of a revised expression of interest for grant funding to build Quarry Hill Phase 2. The paper also outlined the pressures on other areas of the approved 2016 Property Strategy, some of which were linked to the earlier discussion regarding Butterley Street.

It was agreed that a review of the Property Strategy form the substantive agenda item for the next meeting.

The meeting closed at 5.10pm

Signed:.....(Chair)

Date:.....