

**Minutes of the Extraordinary Resources Committee Meeting held on
Friday 3 April 2020 at 1.00pm**

Present: Michelle Brabner
John Fell (Chair)
Veronica Fell
Rob Firth
Alex Kenny
Vipin Trivedi

In Attendance: Eddie Green – Vice Principal Services
Caroline Jenkinson – Director of Governance
Kathy Passant - Observer

Action

R.20.68 Item 1: Apologies for absence

Apologies for absence were received from Margaret Boneham and Jonny Lea.

The Chair welcomed the Principal to her first Resources Committee meeting.

R.20.69 Item 2: Declarations of Interest

A standing declaration of interest was received from Veronica Fell as she is married to John Fell.

R.20.70 Item 3: Pennington Refurbishment Project

The VP Services presented a report on the Pennington Consultants Procurement. He explained that from the 5 companies initially approached by [REDACTED] 3 had returned completed tenders. The tenders were subsequently scored by [REDACTED] based on price and quality with the results forwarded to the Committee for consideration.

In response to a governor question the VP Services confirmed the tender returns had been received on 18 March 2020, this being prior to the current situation with regards to COVID-19 and the closure of the college.

The Chair of Corporation questioned what comfort governors could take that subcontractors appointed by the consultants would not go over the figures budgeted for. The VP Services confirmed the contract would be with the appointed consultant as Lead, and they would appoint subcontractors, so they would be responsible for managing their subcontractor's costs. He added that the subcontractors named within the highest scoring tender were known to the College from previous work undertaken which offered some assurance. He had also looked at the finances of the 3 main consultants, [REDACTED] having a turnover of £4.2m. The finances of the subcontractors were of concern to the consultants rather than the College

In response to a governor query the VP Services confirmed the contract with the consultant did not contain penalty clauses should the project overrun. Such clauses would be for the main construction contractors' appointment documents. The consultant would be working to the timetable outlined in their tender, however, this would now require updating. At the current time the initial work on the project could proceed, however, the difficulty would arise when moving to the construction phase. It was acknowledged there was a very high risk that this phase would not commence this summer.

The Chair of Corporation highlighted the fact that the College would incur costs should the project be abandoned for any reason. The VP Services noted the industry average of consultant spend undertaken prior to the start of construction works was circa 70%. This would result in costs of approximately £90,000 for the College.

In response to a governor question regarding assurance that contractor costs would not escalate the VP Services confirmed the risks were the same as for any large project undertaken, with the exception of the unknowns due to the current impact of COVID-19. The consultants are fully aware of the budget they are working to, which includes a 10% contingency sum. He noted the project would have natural break points as it progressed with reviews undertaken at the many progression stages throughout.

A governor queried risks to the grant due to the inevitable extended completion date. The VP Services confirmed the LCR had already been asked if there was scope to extend the end date of the contract and a response was awaited. The issue had also been raised with the AEB contract manager earlier that morning who was already aware of the request and was progressing it with the LCR legal department.

The Committee resolved to approve the tender evaluation for the Pennington refurbishment project and authorise the Chair and Vice Chair of Corporation to sign the appointment letters of the highest scoring consultant, [REDACTED]

R.20.71 Date of Next Meeting

Wednesday 29th April 2020