

John Wheatley College

Project Management Group

Minutes of the Project Management Group meeting held on Friday 22 April 2005 at 12.00pm at the offices of Capita Symonds Ltd, St Andrews House, 141 West Nile Street, Glasgow.

1. Sederunt

The meeting commenced at 12.00pm and was attended by:

Andy Woolley (Chair)
Ian Graham (Principal)
Alex Kirk (Depute Principal)
Margaret Forsyth
William McCallion (Teaching Staff representative)
Jim Coleman (co-opted member)
Andrew Macdougall (Support Staff Representative)
Sheila Reddix (co-opted member)
Fiona McDade (co-opted member)

In Attendance:

Alan Sherry (Assistant Principal)
George Webb (Project Manager, Capita Symonds)
Sharon De Sykes (Capita Symonds)
S Vaughan (minute taker)

2. Apologies

Martin Axford
Ann MacDonald
Karen Anderson
Helen Ostrycharz

3. Declarations of Interest

A Woolley declared an interest as a result of his employment by Scottish Enterprise Glasgow and as a result of his membership of the Scottish Further Education Funding Council's Capital and Property Investment Committee under items 9 and 17 respectively.

4. Terms of reference

Members noted the terms of reference for the Project Management Group. It was confirmed that the meeting was quorate with 7 members in attendance.

5. Minutes of the Meeting held on 9 March 2005

J Coleman requested that he be removed from the 'sederunt' section of the minutes. Pending this alteration, the minutes were accepted as an accurate record of the meeting held on 9 March 2005.

6. Matters arising from the minutes of the previous meeting

There were no matters arising from the minutes of the previous meeting.

7. Correspondence

a) Ahrends Burton Koralek (ABK) Architects – East End Campus - Design Stage 'D' Acceptance

Members noted the contents of the correspondence which outlined the College's formal acceptance of the information that had been provided to the College in respect of Stage 'D' in the design process of the College's new East End Campus building by Ahrends Burton and Koralek.

b) Lauder College – Sustainable buildings

The Principal informed members SFEFC had proposed that the College liaise with Lauder College as it was also planning to construct a building based on sustainable principles. This letter confirmed that the College was happy to agree to such a proposal.

Members noted the contents of the correspondence.

c) SFEFC – East End Campus – Funding Package

The Principal informed members that the College had provided the additional information which was requested by the SFEFC. This information included the latest estimated building works costs, the decant/relocation costs, furniture and equipment costs, fees and VAT, together with the site acquisition costs for the triangle of land currently owned by BRB (Residuary) Ltd. The Principal requested members to note that SFEFC had now provided a written confirmation in relation to the sale of the Shettleston building and land by the College and the retention of the proceeds of the sale.

He further informed members that a meeting had been held between representatives of the SFEFC and Strathclyde European Partnership, in order to discuss the College's application for funding. However, no representatives from the College were present at this meeting and consequently he stated that he had written to SFEFC highlighting his concern and insisting that the College should be represented at such further meetings.

Members of the Project Management Group endorsed this action and noted the contents of the correspondence.

8. Project Status Report No. 5 – March/April 2005

S De Sykes reported that a formal Stage “D” Report had been accepted by the College. She further reported that work on the Stage “E” Report was continuing and that this Report would be issued by the team in due course.

The Principal informed members that SFEFC required the Stage “E” Report prior to a Property and Capital Investment Committee scheduled to be held in mid May 2005 and requested that S De Sykes ensure that the College received the report as soon as possible in order that it could be forwarded to the relevant officers. S De Sykes agreed to ensure that the College received the Stage “E” Report as soon as was practicably possible.

In response to questions A Kirk briefly outlined the contents of the Stage “E” Report.

Members expressed concern that the delays in both SFEFC and SEP in agreeing the funding which they would provide to the College would result in a number of critical dates for the construction process, as identified in the project timeline, would now not be met. The Principal informed member that College was also concerned with the delays which had arisen as a result of the length of the decision-making process undertaken by both SFEFC and SEP. He highlighted that the College had been requested to resubmit information which it had previously provided. He also confirmed that both organisations had been provided with details of the target dates that the College had to meet. However he further informed members that the College was confident that it could meet the agreed completion timescale as some scope for slippage had been included in the original programme.

The Principal also informed members that a meeting would be held between Claire Bell (SFEFC) and representatives of the College on 27 April 2005 to progress this issue.

The Depute Principal reported that the current estimate on delays associated with the connection to water infra structure was seven weeks. He also reported that the College had agreed a plan with HBG Construction which should decrease the number of weeks delay to the project.

S De Sykes informed members that it was anticipated that the final report from the geotechnics survey would be available on 29 April 2005 and that on 3 May 2005 representatives from Capita Symonds, the College and HBG Construction would meet to discuss and devise appropriate solutions to deal with the mineworking. She also informed members that the project team was currently examining various environmental options to deal with the mineworkings including compaction.

In response to questions the Depute Principal informed members that the College was awaiting a response from BRB (Residuary) Ltd regarding the possibility of purchasing the land triangle that bordered the site.

The Principal reported that the enabling works would be undertaken using a separate contract. The Depute Principal informed members that the form and the style of the contract had been agreed.

In response to questions the Principal confirmed that that the College now owned the Haghill/South Carntyne site and that it was seeking to purchase land adjacent to the site. However the Principal reminded members that the purchase of this additional land was not critical in order to ensure the success of the project.

Following discussion members agreed to note the contents of this report and its Appendices.

9. Financial Report – Report Number 4 – 13 April 2005*

The Depute Principal spoke his report which apprised members of the current financial position of the project. He reminded members that the College had not yet received confirmation from SEP with regard to the of the value of the European Regional Development Fund grant for the project.

He further reported that a number of minor changes had been made to the plans for the building following consultation with staff user groups. He highlighted a number of aspects of the cost package for the building, including the cost of creating a sustainable landscape (£170,000), the cost of piling (£100,000), the cost of additional floor slabs (£30,000) and the cost of drainage services (£30,000). The Depute Principal reported that the cost of tiling the concourse had previously been reduced to the minimum possible through the utilisation of value engineering however it was now the intention to upgrade the materials used in this area.

He reminded members that the initial grant from the SFEFC had been for £5,800,000 and that the current value of the funding from this source was £6,300,000. He also reminded members that the East End Social Inclusion Partnership (EESIP) had provided £500,000 towards the cost of the project. He also informed members that the current value of formulaic capital which the College had contributed to the project was £200,955 and that effectively the College had been left with a potential borrowing of £350,000 in order to meet the revised cost of the project.

The Chair highlighted that there was a minor discrepancy in the figure that was quoted in the Depute Principal's Report for the current value of funding that had been received from the SFEFC (£6,300,000) and the £6,296,000 figure that was quoted in the letter that had been received from the SFEFC (item 7[c]).

The Depute Principal reported that the current cost of the building works contract was £7,176,435. He highlighted the current site purchase and decant and move costs (£300,000 and £75,000 respectively) and asked members to note that the equipment and furniture costs had increased from £500,000 to £700,000. He reported that a contingency of £400,000 would remain.

In response to questions the Principal informed members that the College anticipated that it would receive clarification from SEP with regard to its European Structural Fund application by 29 April 2005.

Having heard the Depute Principal members noted the contents of the report and its appendix.

10. Minutes of Capita Symonds' Client/Cost Review Meeting held on 16 March 2005

A Kirk spoke to the contents of the minutes of the Client/Cost Review meeting held on 16 March 2005.

Members noted the contents of the minutes.

11. Minutes of the Design Progress meeting held on 6 April 2005

The Depute Principal requested that this item be withdrawn from the agenda, since the minutes of this meeting were currently unavailable.

Members agreed to this request.

12. Capita Symonds – Project Change Control Procedure

The Depute Principal spoke his report, which outlined the project change control procedure.

Members noted the contents of the report and endorsed the change procedures.

13. Association of Scottish Colleges (ASC) Training Programme for College Board Members – Estates Development and Management – 26 April 2005

It was confirmed that none of the members of the Project Management Group would be attending the 'Estates Development and Management' workshop on 26 April 2005.

14. East End Campus – Stage One Contractor Tenders*

The Depute Principal apprised members of the selection process that had been undertaken to appoint a Contractor for the new build project and sought approval to invite one Contractor to work with the College to agree a Target Price for Stage 2 of the building contract procurement process. He reminded members that this document was Commercial-in-Confidence and stated that it had previously been considered by the College's Board of Management. He reported that the College had advertised its East End Campus project in the *Official Journal of the European Union* (OJEU) and that it had subsequently received a number of expressions of interest from contractors. He informed members that these contractors were invited to submit a quality questionnaire, which was scored in line with the published scoring schedule and that the questionnaires were then ranked.

The Depute Principal informed members that the top five ranked contractors were invited to submit Stage 1 tenders, that one contractor dropped out and was replaced by number six from the ranking list. He reported that the College received valid, completed tenders from HBG Ltd, Sir Robert McAlpine Ltd and Morrison Construction Ltd by the due date and time and that the remaining two contractors dropped out for different reasons. He further reported that contractor interviews were held on 7 March 2005, that each contractor was awarded a score, on the basis of price and quality, during these interviews and that HBG Ltd received the highest score. In response to questions he confirmed that Doig and Smith, the College's Quantity

Surveyors, had conducted an analysis of the costings provided the contractors and that this had informed the decision making process.

He informed members that, following Board approval, the College had invited HBG Ltd to work with the College to agree a Target Price for Stage 2 of the building contract procurement process. The Principal commented that there was a typographical error on page 3 of the report and requested that the surname "Hayne" be inserted after the name "Graeme".

Subsequently members agreed to:

- i) note the contents of this paper and its appendix;
- ii) note the quality scores provided for each contractor as a result of the interview process;
- iii) note the cost scores provided for each contractor as a result of the analysis provided in the attached Doig and Smith Report on Stage 1 Offers;
- iv) note the overall score for each contractor;
- v) note the recommendation of the Project Management Group;
- vi) agree to invite HBG Ltd to work with the College and its Design Team to establish a Target Cost for the Stage 2 of the procurement process;
- vii) agree that this paper and its appendix are classed as Commercial-in-Confidence until the main building works contract is signed; and
- viii) request the College to bring forward further information on the progression of Stage 2 at appropriate meetings of the Board of Management.

15. East End Campus –Project Launch

The Depute Principal informed members of the Project Launch meeting which took place on 11 April 2005. He stated that the meeting had been very positive and that it had resulted in dates being set for various design elements (such as rooflights) being completed and delivered to the Contractor.

Members agreed to note the contents of this report.

16. East End Campus – Change Authorisation Forms Raised

The Depute Principal reported that the number Change Authorisation Forms which had been raised to date was eight. He also reported that the College intended to inform the Project Management Group of all Change Authorisation Forms which were raised.

The Depute Principal further reported that the first two Change Authorisation Forms that were detailed in the report were associated with the sensory garden and the landscaping works and that these had been signed off.

In response to questions B McCallion and A Macdougall confirmed that the design of the building had met with the approval of the College's staff.

The Principal informed members that they would have an opportunity to consider the methods of landscaping on the site at a future meeting of the Project Management Group.

Members agreed to:

- i) note the contents of this report and its appendices; and
- ii) request the College to bring forward further reports on Change Authorisation Forms at future meetings of the Project Management Group.

17. East End Campus – Scottish Enterprise Grant

The Depute Principal informed members that Scottish Enterprise's grant contribution to the cost of the Construction element of the East End Campus had been agreed. He informed members that the Board's Executive Committee had approved the signing of the funding contract with Scottish Enterprise Glasgow (SEG) at its meeting on 29 March 2005 and that the contract was subsequently signed on 30 March 2005. He informed members that there had been two minor issues which the Executive Committee had asked him to clarify and which he was currently in the process of dealing with, one of which was the issue of "clawback".

He reminded members that SEG contract required the College to deliver fifty Construction Modern Apprenticeship training places within the first three years of the new campus becoming operational.

In response to questions the Depute Principal informed members that the College could meet both the timescale and the apprentice requirements which were required by SEG.

Members agreed to note the contents of the report.

18. East End Campus – Site Ground Conditions

The Depute Principal spoke to the contents of the report, which apprised members of the preliminary finding of a further site investigation report. He stated that prior to the purchase of the site for the East End Campus, the College had commissioned a two-stage site investigation report by Halcrow Ltd. This report had stated that the ground conditions were good and that the College should undertake some further specialist work in respect of the north-west corner of the site. The Depute Principal informed members that Geotechnics Ltd and JWH Ross had undertaken this additional work and that the subsequent report from Geotechnics had highlighted that there were parallel mineshafts in the north-west corner of the site which had collapsed and that ground stability across the site was variable. He stated that the solution to the problem of the mineshafts was to fill the shafts with concrete or another suitable material and that a rough estimate of the cost involved would be £150,000. He further informed members that the site would have to be piled using friction piles in order to address the ground stability problem, at an estimated cost of £100,000 and that the type of foundation slab would need to be changed, at an estimated cost of £30,000.

S De Sykes stated that a meeting would be held between the contractor and the quantity surveyors on 3 May 2005, in order to discuss solutions to the problems that had been identified. The Depute Principal stated that the total estimated cost of addressing these problems would be £280,000. Subsequently, members agreed to:

- i) note the contents of this report and its appendix; and
- ii) request the College to bring forward further reports at a future meeting of the Project Management Group.

19. Sale of Shettleston Building

The Depute Principal spoke to the contents of his report apprising members of the conclusion of the legal agreement to sell the College's Shettleston building and land.

Following a brief discussion, members agreed to note the contents of this report and its appendices.

20. East End Campus – Purchase of site at Haghill/South Carntyne

The Depute Principal informed members of the conclusion of the agreement with the City Council to purchase the area of land at the junction of Haghill Road and Carntyne Road, which is the location for the new East End Campus. He reported that the site had been purchased on 31 March 2005 at a cost of £300,000, on the understanding that the College would be able to have refunded some or all of the costs related to the correction of site abnormalities encountered during the construction process. S Reddix requested that the purchase of the land be added to the schedule of the College's assets, for insurance purposes.

Members agreed to note the contents of the report and its appendices.

21. East End Campus – BREEAM Assessment

G Webb entered the room at 1.25 pm.

The Depute Principal reported on the appointment of consultants to conduct the Building Research Environmental Assessment Method (BREEAM) assessment of the College's East End Campus. He reminded members that BREEAM was developed by the Building Research Establishment Ltd and is the world's leading system for assessing the range of environmental impacts associated with buildings. He also reminded members that the College intended to achieve an excellent BREEAM rating for its East End Campus both in terms of design and construction. He then informed members that Buro Happold had been appointed by the College to be the BREEAM Assessor for the East End Campus.

Members agreed to:

- i) note the contents of this report and its appendices; and
- ii) request the College to bring forward further reports on the BREEAM Assessment at future meetings of the Project Management Group.

22. East End Campus – Building Warrant Application

The Depute Principal informed members that the College's architects (ABK Architects) submitted a full Building Warrant application to Glasgow City Council for the College's new building at Haghill/South Carntyne on 16 March 2005. He further informed members that to date the College had not received any feedback from Glasgow City Council on the application.

S De Sykes reminded members that revised drawings would have to be submitted in due course as a result of the requirement to introduce piling to the construction process.

Members agreed to note the contents of this report.

23. East End Campus – Scottish Water Update

The Depute Principal spoke to his report which apprised members of the current situation regarding Scottish Water. He reminded members that in September 2004, when the College received Outline Planning Permission for the Haghill building, it was informed that there would be no objection from Scottish Water for the connection of the College to water, sewerage and surface water drainage. However, he reported that in March 2005, Scottish Water informed Buro Happold that the connection to the foul sewerage and surface water would present a difficulty. He informed members that apparently the wrong department in Scottish Water had initially agreed to the connections and this had led to the College wrongly being informed that there were no objections to the new campus development. He further informed members that the College had been required to pay Scottish Water £10,780 to undertake hydrostatic testing in order to ascertain if a connection to sewerage and surface water is possible.

Having heard members agreed to:

- i) note the contents of this report and its appendices; and
- ii) request the College to bring forward further reports at a future meeting of the Project Management Group.

24. Assessment of Proposed Renewable Energy Technologies

The Principal spoke to his report which sought to provide members with an assessment of the potential of Renewable/Sustainable Energy technologies to meet the College's requirements in the East End Campus building. He reminded members that the technologies which were already included in the existing cost plan included a bio-mass boiler system, high levels of building insulation, building management systems, solar water heating systems and rainwater harvesting systems. The Principal informed members that, over-and-above these budgeted systems, the College proposed (as a separate but related project to the East End Campus) to seek grant assistance from the local Energy Efficiency Centre and from the Department of Trade and Industry (DTI) to explore other emerging sustainable development technologies. He further informed members that these other emerging technologies included the use of aerogenerators, air sourced heat pumps and photovoltaic cells.

He reported that the College had requested Buro Happold to undertake an appraisal of the possible use of Renewable Energy Technologies to inform both the design of the building and applications for additional funding which will be submitted on the College's behalf. He further reported that the College had obtained grant assistance from the Carbon Trust to enable it to engage an energy consultant (David McNeil) to compile a report for the College on the effectiveness of the design of the new campus in meeting the requirement of the Kyoto Treaty. The Principal also informed members that the College would use this report in order to determine what items it would request grant assistance for. The Principal reported that water harvesting was not included in this report, but that this would be one of the areas where the College would make significant savings. He also informed members that the report which was produced by David McNeil would be brought back to a future meeting of the Project Management Group for detailed consideration.

In response to questions the Depute Principal informed members that these additional sustainable technologies would not impact on the construction programme for the building.

The Principal informed members that when the building was completed a plasma screen would be located in the foyer which would detail how much energy the building saved. He further informed members that the College was already how best to adapt its induction programmes for learners and staff to ensure that they were effectively prepared for the requirements of the new campus.

Members agreed to:

- i) note the contents of this report;
- ii) note the contents of the Buro Happold appraisal of Renewable Energy Technologies (attached, for information, as an annex to this report);
- iii) note the engagement of an energy consultant (with assistance from the Carbon Trust) to inform the College's Alternative Energy Strategy for the East End Campus; and
- iv) note that the College will, in due course, submit applications for grant assistance to the local Energy Efficiency Centre and the DTI in respect of the technologies to be deployed in the East End Campus.

25. East End Campus – ERDF Application Update

A Sherry left the meeting at 1.30 pm.

The Depute Principal spoke to his report, which sought to apprise members of the current position with regard to the College's European Regional Development Fund (ERDF) application. He reminded members that the College received a letter from Strathclyde European Partnership (SEP) offering the College an ERDF grant of £2,214,099 towards the cost of the new building at Haghill, pending the resolution of outstanding issues to the satisfaction of SEP. He informed members that the outstanding issues were related to the designation and the use of space within the building; the College's VAT status and the irrecoverability of VAT on the new build project; the version of layout plans which are the 'final plans' and issues around the

change in project costs from December 2004. The Depute Principal informed members that the College had consequently submitted considerable information to SEP in order to resolve these issues and that it was currently awaiting feedback from SEP. He added that it appeared at this stage that 9.7% of the building would be ineligible for funding. In view of the considerable amount of time that the College was now having to dedicate to resolving this issue, at the expense of the management of other aspects of the new build project, A Woolley requested that this item be referred to the Board of Management. Members agreed to this proposal. Subsequently members agreed to:

- i) note the contents of this report and its appendices; and;
- ii) request the College to bring forward further reports at a future meeting of the Project Management Group.

26. East End Campus – Risk Register (Standing Item)

The Depute Principal reminded members that it had previously been agreed that the Risk Register would be reviewed at each meeting. He then invited members to comment on the appropriateness of the current register.

The Chair highlighted the business risk section on page two of the report and asked whether the risk of the Principal and the Depute Principal being absent from the College as a result of long-term illness could be added to this section. Following discussion members agreed that this risk should be added and graded as high impact, medium risk.

Members requested that this topic be further discussed at the next meeting of the Project Management Group.

The Principal left the meeting at 1.35 pm.

A Woolley proposed adding a page to the report which detailed demitted risks and the Depute Principal agreed to this proposal.

Following discussion members agreed that the following alteration should be made to the Risk Register:

- that land purchase and the sale of the Shettleston building should be omitted from the list of business risks, although a risk still remains;
- that on page 3 of the report, which detailed design risks, the risk of contamination should be decreased from 12 to 6;
- that the risk associated with changes to building regulations had decreased;
- that the risk associated with the delay by utilities to provide connections to main water systems should be increased;
- that the risk of unforeseen ground conditions would require to be increased;

- that the 'delay in site possession' on page 6 should be moved to the 'demitted risks' section of the report; and
- that the water infrastructure risk would have to be increased.

Members noted the proposed changes to the risk register.

Subsequently, members agreed to:

- ii) note the contents of this paper and its appendix;
- iii) note the contents of the College's Costed Risk Register for the East End Campus;
- iv) consider the completeness of the Risk Register;
- v) consider the grading of each risk identified; and
- vi) request the College to bring forward the Risk Register at a each scheduled meeting of the Project Management Group.

27. East End Campus – Costed Risk Register

The Depute Principal spoke to the contents of the report, which presented the East End Campus Costed Risk Register as it currently stands for members' information. Subsequently, members agreed to:

- i) note the contents of this paper and its appendix;
- ii) note the contents of the College's Costed Risk Register for the East End Campus; and
- iii) request the College to bring forward the Costed Risk Register at a future scheduled meeting of the Project Management Group.

The Depute Principal requested that members of the Project Management Group did not place in the public domain any of the papers which were marked with an asterisk on the agenda of this meeting of the Project Management Group as they contained commercial-in-confidence information.

28. Date of next meeting

It was agreed that A Sherry would inform members of the date and venue of the next meeting when it had been agreed with the Chair.

29. Closure

The meeting closed at 2.05 pm, with the Chair thanking all members for their contribution to the meeting.

- * **This item will not be placed in the public domain at this juncture due to the confidential nature of its contents.**