

## Capital Development Board Terms of Reference – 2023-24

### 1. Purpose

**Appendix A** includes a one-page summary outlining the context and purpose of the Capital Development Board (CDB).

This is a time limited committee for the duration of the Capital Development Programme as defined by the business cases for any major capital development projects as agreed by the Board. The CDB will be disbanded upon completion this programme of work.

### 2. Composition

<b>Core Membership</b>	<ul style="list-style-type: none"> <li>• The CEO &amp; Principal (or designate) – <i>ex officio</i>.</li> <li>• The Chair of the Board – <i>ex officio</i>.</li> <li>• Up to four further members of the Board, which may include Staff and Student Governors.</li> <li>• Membership should ideally be representative of each of the main communities that the college serves.</li> </ul>
<b>Co-opted Members</b>	<ul style="list-style-type: none"> <li>• Up to two Co-opted Members may be appointed for a two-year renewable term of office.</li> <li>• Co-opted Members may not be elected as Chair.</li> </ul>
<b>Committee Chair &amp; Committee Vice Chair</b>	<ul style="list-style-type: none"> <li>• The CDB will be convened and chaired by one of the ESCG Board Vice Chairs.</li> <li>• The CDB Vice-Chair will be annually appointed by the Board.</li> <li>• In the absence of the Committee Chair and Vice-Chair, the CDB may appoint another member to act as Chair for that meeting.</li> </ul>
<b>Lead Officers</b>	<ul style="list-style-type: none"> <li>• Chief Operating Officer.</li> <li>• Director of Capital Development &amp; Assets.</li> </ul>
<b>Other Attendees</b>	<ul style="list-style-type: none"> <li>• The Director of Governance, who will act as Clerk to the Committee.</li> <li>• The Deputy (CEO &amp; Principal).</li> <li>• The CDB may invite the Corporation’s advisers or other third parties to attend meetings as appropriate.</li> <li>• Such persons shall be entitled to speak at the meeting, but not to vote.</li> </ul>

### 3. Meetings & Quoracy

<b>Frequency</b>	<ul style="list-style-type: none"> <li>• The CDB will normally meet <b>every 6 weeks</b> and the Chair shall call additional meetings where necessary.</li> </ul>
<b>Quorum</b>	<ul style="list-style-type: none"> <li>• 40%, with <b>at least three members present</b>.</li> <li>• Co-opted Members have full voting rights and are counted as part of the quorum.</li> </ul>
<b>Minutes</b>	<ul style="list-style-type: none"> <li>• Meeting minutes (excluding confidential items) will be circulated to all members of the Board, via the Governor’s portal (Diligent Boards).</li> <li>• Any recommendations for approval will be tabled for ESCG Board consideration at its earliest convenience.</li> </ul>

#### 4. Relationship With Other Committees

<b>Audit, Risk &amp; Compliance Committee</b>	<ul style="list-style-type: none"> <li>Any issues relating to financial controls or processes (including financial risk) sit within the remit of the Audit, Risk &amp; Compliance Committee, whilst any risk to College finances sit with the Resources, Culture &amp; Impact Committee's purview.</li> </ul>
<b>Resources, Culture &amp; Impact Committee</b>	<ul style="list-style-type: none"> <li>All expenditure outside the Capital Projects Programme must be reported and considered by the RC&amp;I Committee for recommendation to the Board.</li> </ul>

#### 5. Responsibilities

<b>Risk Management</b>	<ul style="list-style-type: none"> <li>To ensure the development of an effective risk management environment (including, but not limited to, financial management, project timeline, security, controls, Health and Safety standards and adherence to procurement compliance) ensuring appropriate mitigation is in place and report on risk management arrangements to the Audit, Risk &amp; Compliance Committee.</li> <li>To oversee a regular audit of the Estates Strategy, which encompasses the major capital development projects agreed by the Board, as required by the Audit, Risk &amp; Compliance Committee and/or directed by the Board.</li> </ul>
<b>Financial Oversight</b>	<p>To oversee and implement:</p> <ul style="list-style-type: none"> <li>Investments, acquisitions, disposals and leases of land and property.</li> <li>The award of contracts for goods, services and works on approved investment.</li> <li>A monthly contract valuation process as required under the building contract.</li> <li>A regular progress and cashflow report to the Finance Committee.</li> <li>Procedures for spending client contingency monies, as defined on a case-by-case basis for each capital development project and approved by the Board.</li> <li>Ensure close monitoring of the budget and cash flow for each capital development project.</li> <li>Ensure that monitoring is in line with monthly payment statements from contractors.</li> </ul> <p>Expenditure outside the definition of the major capital development projects, as agreed by the Board should be reported and considered at the Finance Committee for recommendation to the Board and subsequent implementation by the Capital Development Board.</p>
<b>Strategic Focus</b>	<p>The development, implementation and oversight of any major capital development projects as agreed by the Board, modifying this periodically, as directed by the ESCG Board, including:</p> <ul style="list-style-type: none"> <li>Ensuring major capital development projects are compliant with the college's strategic direction, coupled with the responsibilities and obligations to manage and reduce carbon emissions and broader sustainability commitments.</li> <li>Ensuring the Development Contractor's proposals meet the client specification in terms of design and through a change control process, have oversight of all material design changes.</li> </ul>

	<ul style="list-style-type: none"> <li>• Approving within the budget approved by the ESCG Board, project-related investments for any major capital development projects as agreed by the Board (above a value of £50,000) and recommending capital projects outside budget for onward consideration by the ESCG Board.</li> <li>• Monitoring the delivery of the capital development projects, ensuring compliance with the College’s strategic and statutory objectives and incorporating the estates requirements for teaching &amp; learning, people strategy, student experience, sustainability, digital strategy, community engagement, commercial and professional corporate services.</li> <li>• Oversight of appointment of contractors and ensure that appropriate competitive tender processes are followed.</li> </ul>
<b>General</b>	<p>To:</p> <ul style="list-style-type: none"> <li>• Receive appropriate progress and communication reports from the Executive, via the Project Delivery Team.</li> <li>• Provide appropriate reporting to the ESCG Board, and appropriate Committees.</li> <li>• Engage stakeholders and embrace innovation and design making ideas.</li> <li>• Where spend is within the Board approved budget recommend to the ESCG Board, submissions to external agencies (e.g. ESFA) and statutory reporting.</li> <li>• Where expenditure is outside of the definition of any major capital development projects as agreed by the Board.</li> <li>• Approve the quality, design, equality and environmental standards.</li> <li>• Ensure that for each capital development project, the delivery team is clearly defined.</li> </ul>
<b>Approvals</b>	<p>The CDB can authorise expenditure and dispose of assets in accordance with any major capital development projects, as approved by the ESCG Board, in line with the ESCG Financial Regulations, and within an agreed tolerance, and where outside of that, it will need to be referred to the Resource, Culture &amp; Impact Committee for future approval at the ESCG Board.</p>

## 6. Delegable Functions – Governance Framework

**Appendix B** outlines the governance framework, by which approvals related to the Estate Transformation Programme and other capital projects will be managed.

## 7. Review & Approval

- Review & Recommendation for Approval 3<sup>rd</sup> May 2023
- ESCG Board Approval 3<sup>rd</sup> July 2023

## Appendix A – Committee Context

# Capital Development Board

### Strategic Priority

- **Digital & Estates** - We will transform the East Sussex College physical estate and digital infrastructure to provide exceptional, flexible and efficient campuses to create industry leading teaching and learning spaces that unlock the potential of our students and staff.
- **Engagement & Communication** - We will position East Sussex College at the heart of our communities, as a key strategic partner with an excellent reputation for creativity, ambition and inclusivity.

## Programme Delivery

Oversee the development, and implementation of all major capital development projects as agreed by the Board.



## Risk Management

Robustly monitor risks associated with the programme of capital development projects.



## Stakeholder Engagement

Establish a robust Communication Plan for the Estates Strategy Programme, cognizant of the student experience, digital strategy, people strategy and broader community engagement needs.



## Financial Oversight

Ensure close monitoring of the budget and cash flow for each capital development project.



## Environmental Sustainability

Ensure major capital development projects are aligned with the college's strategic priority to manage and reduce carbon emissions and broader sustainability commitments.



## Strategic Focus

Adopt a 'future proofing' mindset to the estates strategy, thereby establishing strong foundations to enable the college to rapidly adapt to changing needs, whilst keeping the student experience at the forefront of decision making.

## Simplification of Information

Leverage a range of concise and targeted reports, key performance indicators and benchmarking data to identify trends and enable a holistic approach to decision making.

## Appendix B: Governance Framework – Estate Transformation Programme & Capital Projects

Mechanism	Summary	Method	Example Scenarios
<b>1. CDB &amp; Full Board Meetings</b>	Pre-planned governance meetings are the primary mechanism for decision-making, scrutiny and oversight.	<ul style="list-style-type: none"> <li>• Business conducted through the course of the existing cycle of governance, per the published schedule of meetings for that year.</li> <li>• It is expected that most governance business will occur through this channel, to enable effective governor scrutiny, review, support and challenge.</li> <li>• Resolutions (including off cycle electronic resolutions) to be reported in Full Board meeting minutes.</li> <li>• <i>Meetings should be clerked by the Director of Governance (or an appropriately skilled governance professional).</i></li> </ul>	<ul style="list-style-type: none"> <li>• Ordinary business, per the standing and additional items detailed in the cycle of business.</li> <li>• Capital project and program status updates.</li> <li>• Project budget, spend and strategy approval.</li> </ul>
<b>2. Sub-Group (via Electronic Resolutions &amp; use of the Corporation Seal)</b>	Following a decision made in principle by the Full Board, the Sub-Group has delegated powers to further scrutinise, challenge and approve, as additional documentation or information becomes available. The key benefit being to ensure an agile response to subsequent developments between governance meetings.	<ul style="list-style-type: none"> <li>• The Sub-Group will be made up of the Chair of the Board, CEO &amp; Principal, Chair of CDB and Chair of Finance Committee.</li> <li>• The Sub-Group will be responsible for responding to requests for approval that need to be addressed outside the usual cycle of business. These items will typically be anticipated and will have already been discussed or agreed in principle at prior governance meetings.</li> <li>• <b>Electronic resolutions</b> do not enable detailed discussion or scrutiny by Governors, so their use should not significantly deviate from the previously agreed approach or strategy.</li> <li>• The <b>Corporate Seal</b> is required for any document executed by the corporate as a deed, e.g. contract, land sales, leases etc.</li> <li>• Electronic resolutions and use of the Corporation Seal should be issued by the Director of Governance (or the CEO &amp; Principal in their absence).</li> <li>• Any resolutions to be reflected in subsequent Board meeting minutes.</li> <li>• <i>Advice should be sought from the Director of Governance as appropriate.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Final agreement of lease/land disposal, which has previously been discussed and approved, pending final information.</li> <li>• Moderate changes to previously agreed terms, where a quick decision is required.</li> <li>• Rapid grant bids.</li> </ul>
<b>3. Extraordinary Meetings</b>	Urgent decisions that need to be taken in rare and extenuating circumstances, where there has been no prior opportunity for discussion/approval by the Full Board.	<ul style="list-style-type: none"> <li>• Extraordinary meetings should be called by the Director of Governance (at the discretion of the Chair) where more complex decisions need to be made outside of the governance cycle.</li> <li>• Such meetings should be rare, to allow appropriate Governor scrutiny and challenge on urgent matters.</li> <li>• <i>Meetings should be clerked by the Director of Governance (or an appropriately skilled governance professional).</i></li> </ul>	<ul style="list-style-type: none"> <li>• New opportunities.</li> <li>• Significant changes to the Estates Strategy and/or capital projects.</li> <li>• Urgent or significant updates to the Board.</li> <li>• Approvals for extraordinary spend/budgetary changes.</li> <li>• Land disposal falls through, contractor goes into liquidation, legal action initiated against ESCG.</li> </ul>