

## Performance and Resources Committee Meeting

Date of Meeting	Wednesday 26 September 2018
Paper Title	Capital Funding - 2018-19
Agenda Item	9
Paper Number	PRC1-H
Responsible Officer	Jim Godfrey, Finance and Resources Director
Recommended Status	Disclosable
Action	For Decision

### 1. Report Purpose

- 1.1. Consider the progress reports for the capital projects in 2018-19.

### 2. Recommendations

- 2.1. The Committee is invited to:

- **Note** the progress made by the colleges in respect of the capital projects in 2018-19.
- **Recommend** to the Board that GCRB allocates an additional £681k of capital funding to Glasgow Clyde College to address further 'high priority' works identified within the national condition survey.
- **Note** the progress in respect of the disposal of the former college building at North Hanover Street, Glasgow (by City of Glasgow College).
- **Note** the letter sent to the Scottish Funding Council presenting a case for the sale proceeds (of North Hanover Street) to be re-invested for the benefit of Glasgow.

### 3. Background

- 3.1. The capital funds for 2018/19 were allocated by SFC to GCRB and GCRB to the three colleges as follows:

	City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College	Total
<b>Lifecycle Maintenance</b>	£1,286,586	£906,569	£566,342	<b>£2,759,497</b>
<b>Very High Priority Maintenance</b>	£0	£1,250,534	£1,563,265	<b>£2,813,799</b>
<b>Total</b>	<b>£1,286,586</b>	<b>£2,157,103</b>	<b>£2,129,607</b>	<b>£5,573,296</b>

- 3.2. A further sum of £681,000 was provided to GCRB but was not allocated at the time that the budget was agreed. This matter is considered later in this report.

#### 4. City of Glasgow College Update

- 4.1. City of Glasgow College also received £1,286,586 towards the cost of lifecycle maintenance. This is being used to meet the cost of the NPD unitary charge and to meet maintenance costs not included in the NPD contract.

#### 5. Glasgow Kelvin College Update

- 5.1. Glasgow Kelvin College is implementing its Capital Plan and progressing a range of projects that are very high priority. These projects are progressing well, are making a real difference to the campus buildings and are being managed within budget overall. Expenditure is expected to increase in the coming months as several projects progress from the procurement phase. A summary of spend to the end of August 2018 is provided below:

Project	Description	Status	Budget (£'000)	Revised Forecast (£'000)	Spend to end August (£'000)
<b>Multi-Campus</b>					
Building Management System	New integrated BMS for Springburn, Easterhouse and East End Campus	Initial design proposals received, on target to tender and award contract in October 2018	340	400	
<b>Springburn</b>					
Cladding, front entrance and external cleaning	Building fabric maintenance	<b>Complete</b>	35	49	49
Roof – library & tech blocks	Repairs and maintenance to drainage routes	Awaiting quotes for proposed works	55	55	2
Roof – M&E	Maintenance, cladding and insulation	Awaiting quotes for proposed works	50	50	
Gym hall canopy	Building fabric maintenance	Tender responses under evaluation	16	16	
Redecoration – internal	Building maintenance		160	140	55
External landscaping	Property maintenance		5	8	8
<b>Easterhouse</b>					
Boiler replacement	M&E replacement	<b>Complete</b>	48	42	42
Roof – front section repair	Building fabric maintenance	<b>Complete</b>	15	5	5
Air handling unit	M&E replacements	Specification under development	75	75	
Drainage	Building structure and fabric	Specification under development	39	28	
Redecoration - internal	Building maintenance	Project underway	100	100	16
<b>East End</b>					
Exterior fabric treatment and cleaning	Building Fabric Maintenance	Project nearing completion	27	17	23
Minor roof repairs	Building Fabric Maintenance	Project nearing completion	5	8	8
Redecoration – internal	Building Maintenance	Nearing completion	28	50	41

Project	Description	Status	Initial Budget (£'000)	Revised Forecast (£'000)	
<b>West Campus</b>					
External repairs	Essential property maintenance & Health & Safety		30	30	
Air handling unit	M&E replacement	<b>Complete</b>	19	19	19
Site drainage repairs	Essential property maintenance	Specification under development	30	30	30
Replace fire panel	M&E replacement	<b>Complete</b>	8	8	8
Redecoration, minor M&E repairs, plumbing	Backlog maintenance		110	50	5
Outbuilding gutter & roof	Backlog maintenance – building fabric		33	35	
<b>Other</b>					
Replace uninterruptable power supply	M&E replacement	Procurement process underway	50	50	
Complete innovation hub works	Estates works and workshop refurbishment	Awaiting delivery of final pieces of equipment	100	100	65
Sustainable Development	Carbon reduction and sustainability projects	Awaiting match funding for sustainability projects	35	35	
Refurbishment of Flexible Learning Unit	Essential refurbishment	Works programmed for October break	50	50	
Refurbishment of beauty and hairdressing salon	Essential refurbishment – East End Campus	<b>Complete</b>	55	70	70
<b>Project Management &amp; Contingency</b>	New Project officer appointed September		45	43	
<b>Total</b>			<b>1,563</b>	<b>1,563</b>	<b>446</b>

5.2. Glasgow Kelvin College also received £566,342 towards the cost of lifecycle maintenance. The lifecycle maintenance grant is critical to ensuring that the College is able to carry out day to day planned and reactive maintenance in respect of all of its campus buildings. The funding contributes significantly to the totality of non-staff related Estates costs at the College. Of this total budget, £375k is allocated to replacement equipment and furniture, plant maintenance, general redecoration and cleaning and reactive repairs and replacements.

## 6. Glasgow Clyde College Update

6.1. Glasgow Kelvin College is implementing its Capital Plan and progressing a range of projects that are very high priority:

Project	Description	Status	Initial Budget (£'000)	Revised Forecast (£'000)
Cardonald campus car park	Essential maintenance/drainage works	Works in progress on site and due for completion by November 2018	800	800
External lighting Cardonald campus	Essential external works	Works in progress on site and due for completion by November 2018	200	50
Sports changing room upgrade	Building fabric maintenance	Works in progress on site and due for completion by November 2018	440	440
Boiler installation – Cardonald campus	Installation of 3 <sup>rd</sup> boiler and separate boiler for nursery (final estimate awaited)	Design stage in progress, aim for completion by March 19	75	125
Redecoration/Flooring	Backlog maintenance	Contract award pending and works due for completion by March 2019	200	240
Mary Stuart building cladding	External building works	Design stage in progress and College awaiting specialist report. These works are likely to take place in Summer 2019	210	320
<b>Total</b>			<b>1,925</b>	<b>1,975</b>

6.2. Glasgow Clyde College also received £906,569 towards the cost of lifecycle maintenance. As in previous years this figure has been split into capital and revenue and of this total, £534k is being invested in the programme of capital works for the College. The lifecycle maintenance grant is critical to ensuring that the College is able to carry out day to day planned and reactive maintenance in respect of all of its campus buildings. The projects include creating better disabled access to the College buildings and to the Science Labs at the Langside campus.

6.3. The remaining £373k has been spent on revenue works including redecoration and flooring replacement in general circulation areas across all three campuses based on the greatest priority need within the funding available.

## 7. Additional funding allocation - £681k

- 7.1. As reported at the previous meeting, Glasgow Kelvin College is unable to use £681,000 of the funding available to meet the specific criteria set by the SFC. As a result, this sum was not initially allocated by GCRB and work has taken place to determine how this might be utilised in 2018-19.
- 7.2. Discussions have taken place with the SFC to clarify the purpose of this funding and how it might be utilised. The SFC advice is 'to transfer the £681k over to Glasgow Clyde College to help accelerate the urgent works needed to the tower at Cardonald'. The rationale for this being that "from an SFC perspective, this makes sense as the funds were provided to us specifically to help address the highest priority works identified from the condition survey and the Cardonald tower was one of the highest in terms of need (especially when taking the 'high' priority works into account)."
- 7.3. Other alternatives were discussed but these did not meet the criteria for which the funds had been provided by Scottish Government.
- 7.4. It is proposed that the Committee agrees to; **recommend** to the Board that GCRB allocates an additional £681k of capital funding to Glasgow Clyde College to address further 'high priority' works identified within the national condition survey.
- 7.5. This is to meet the requirements of the national condition survey and is consistent with SFC advice.

## 8. Disposal of North Hanover Street

- 8.1. The sale of the former City of Glasgow College campus on North Hanover Street in the centre of Glasgow is nearing a conclusion. The sale is being managed by the College in conjunction with others and it is anticipated that a sale will be completed in the next few months. The sale of the property formed part of the business case to construct the new campus on Cathedral Street. Therefore, the sale proceeds, minus the costs of sale, are due to be returned to Scottish Ministers as part of this funding package for the new campus.
- 8.2. However, the realisation of these proceeds provides the opportunity to present a case that the proceeds should be retained in Glasgow. A letter has therefore been sent to the Scottish Funding Council requesting an opportunity to begin a dialogue with SFC on this. The letter was developed by GCRB and the three colleges and a copy is attached as an Annex to this report.

## 9. Risk Analysis

- 9.1. The capital plans for Glasgow Clyde College and Glasgow Kelvin College represent a significant capital investment in 2018-19. The principal risk is that the sum of money is high and the time available for projects to be delivered is limited. This is a challenging environment for colleges to operate in and is compounded by the need to ensure that buildings remain operational during the times that work is taking place.

**11. Equalities Implications**

**11.1.** There are no equalities implications as a direct result of this report. However, the capital grant provided does enable colleges to make improvements, and enhancements, to the facilities for all users.

**12. Legal Implications**

**12.1.** No legal implications are identified.

**13. Resource Implications**

**13.1.** The financial implications are outlined above.

**14. Strategic Plan Implications**

**14.1.** The provision of high quality learning environments is integral to the delivery of commitments made in the Regional Outcome Agreement 2017-18 and the Regional Strategic Plan 2017-22.

JM/WO 181910

Wednesday 19 September 2018

Dr John Kemp  
Interim Chief Executive  
Scottish Funding Council  
Sent via email to: [jkemp@sfc.ac.uk](mailto:jkemp@sfc.ac.uk)

Dear John

### **Sale of the North Hanover Street building**

GCRB are pleased to note that the disposal of the former City of Glasgow College building at North Hanover Street, is moving apace.

As you will be aware, City of Glasgow College has carried out its obligation to sell the iconic building with care, diligence and professionalism. The college has selected, with support from the Scottish Futures Trust, a wonderful development proposal that will improve our city's skyline forever. Together with the redevelopment of Queen Street Station, it will also add to the regeneration of this part of the city centre. The sale of the North Hanover Street building will generate £10.28m and these proceeds will be available for Scottish Ministers to determine how they should be invested in the future. We are keen that the proceeds of this sale be invested in supporting the Scottish Government's priorities through capital projects that will also support our region's inclusive, responsive and effective college system.

We recognise the priority being given by the SFC to investing in the priority estates needs identified in the recently completed sector condition survey of the national college estate. For the Glasgow College Region, this national review rightly recognised the particularly significant and pressing estate maintenance needs at the former Cardonald College and we would expect future SFC funding to support capital investment in this site.

Separate from estates maintenance, the Glasgow colleges have each developed innovative project proposals, which would benefit the education, lives and life chances of learners, employers and communities in Glasgow. These proposals include:

- The development of facilities at City of Glasgow College to increase its capacity to meet current and future employment needs for STEM, innovation, technology, the medical profession, and elder care. The college is working collaboratively on a variety of proposals, including a FUTUREequipped programme, a developing partnership with Link Housing, and a partnership with the Wheatley Group for skills training facilities for Technology Enabled Care to provide cost-effective care and reduce non-critical hospital admissions.

- A childcare centre and childcare training facility at Glasgow Kelvin College's Springburn Campus. Developed in partnership with Glasgow City Council this project would widen access to childcare services and provide education and employment opportunities in one of the city's most disadvantaged areas. In addition to a childcare facility, the new centre would house a STEM centre, with science laboratories, engineering workshops, IT facilities, an enterprise centre and a mathematics hub. The partners involved would benefit in ways that could not be achieved from a single agency approach, and the project would also generate opportunities for involving local social enterprises and 3rd sector organisations.
- A Digital Skills and Innovation Centre at Glasgow Clyde College's Langside Campus, which would join the college's recently completed Innovation Centre with its Mary Stewart Building, where its main computing curriculum is taught. The new facility would house teaching spaces focussed on the emerging cyber security and digital skills. In addition, it will provide a space where students will be able to explore opportunities arising from the forth industrial revolution and the emergence of artificial intelligence. Students studying in this facility will be preparing themselves for the opportunities anticipated in the emerging digital economy.

Each of these projects would significantly strengthen the contribution of our colleges to Glasgow's inclusive growth and productivity, building partnerships and collaboration across the city's public, third and private sectors, and supporting the government's priorities in STEM, childcare, elder care and inclusion.

The Glasgow College Region is keen to ensure that the sale of the iconic Hanover Street building creates a lasting, progressive and, above all, human, legacy for Glasgow. We therefore ask you for an opportunity to begin a dialogue with you which will allow us to jointly consider the potential investment of the proceeds of the North Hanover Street building, so that they properly benefit Glasgow's people.

Yours sincerely



Robin Ashton  
GCRB Executive Director

CC

Janie McCusker, GCRB Chair  
Alisdair Barron, CoGC Chair  
Paul Little, CoGC Principal  
David Newall, GCC Chair  
Jon Vincent, GCC Principal  
Ian Patrick, GKC Chair  
Alan Sherry, GKC Principal