

Performance and Resources Committee Meeting

Date of Meeting	Friday 9 February 2018
Paper Title	Capital Contingency 2017-18
Agenda Item	7
Paper Number	PRC3-C
Responsible Officer	Jim Godfrey, Finance and Resources Director
Status	Disclosable
Action	For Decision

1. Report Purpose

- 1.1. To seek the Committee's approval to release the capital contingency for 2017-18.

2. Recommendations

- 2.1. The Committee is **recommended** to approve:

- The distribution of the capital contingency for 2017-18 (£287,514) to the three colleges in Glasgow in accordance with GCRB's Capital Funding Policy.
- That the Chair of the Performance and Resources Committee is given delegated authority to approve College requests to use the additional grant for purposes other than Lifecycle Maintenance.

3. Report

- 3.1. GCRB agreed its capital funding policy in June 2017. For 2017/18, the Capital Funding Policy determined the allocation of capital grants to the assigned colleges in 2017/18 and the following amounts were allocated:

	City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College	Total
Lifecycle Maintenance	£1,056,800	£748,000	£478,900	£2,283,700
LAN Infrastructure		£985,000		£985,000
STEM Innovation	£427,200			£427,200
Interactive Smartboards		£300,000		£300,000
Building Improvements			£284,000	£284,000

- 3.2. In addition, a contingency of £287,454 was retained by GCRB to meet emerging needs. In accordance with GCRB's Capital Funding Policy, any unspent contingency would be released to fund additional lifecycle maintenance in February 2018.

- 3.3. To date there have been no calls on this contingency and therefore it is proposed that the following additional amounts are allocated to each College:

	City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College	Total
Lifecycle Maintenance	£133,042	£94,128	£60,284	£287,454

- 3.4. It is recommended that the Committee approve the distribution of the capital contingency for 2017-18 (£287,514) to the three colleges in Glasgow in accordance with GCRB's Capital Funding Policy.
- 3.5. The additional funding is provided on the basis that the Conditions of College Funding (as set out in Appendix B of the original grant allocation) and the Financial Responsibilities (Appendix C) are accepted by the College.
- 3.6. It is possible that a College may wish to utilise the additional grant for other capital expenditure. For example, a College may wish to purchase IT equipment rather than Lifecycle Maintenance. If such a change is desired, it is recommended that the College write to the Executive Director of GCRB in the first instance. Any request, together with the rationale, will be considered by the Executive Director in conjunction with the Chair of the Performance and Resources Committee.
- 3.7. It is recommended that the Chair of the Performance and Resources Committee is given delegated authority to approve College requests to use the additional grant for purposes other than Lifecycle Maintenance.

4. Risk Analysis

- 4.1. The Region is required to commit the capital expenditure by 31 March 2018. The release of the contingency in February 2018 is consistent with the Capital Funding Policy 2017-18

5. Legal Implications

- 5.1. There are no specific legal implications associated with this report.

6. Resource Implications

- 6.1. The financial implications associated are set out in the body of the report.

7. Strategic Plan Implications

- 7.1. The implementation of the Capital Funding Policy ensures that resources are allocated to support the delivery of the Regional Outcomes.