

## Performance and Resources Committee Meeting

Date of Meeting	Tuesday 6 December 2016
Paper Title	Correspondence from City of Glasgow College regarding allocation of additional capital maintenance funding
Agenda Item	6
Paper Number	PRC3-C2
Responsible Officer	Robin Ashton, GCRB Executive Director
Status	Disclosable
Action	For Discussion

### 1. Report Purpose

- 1.1. To consider correspondence from City of Glasgow College regarding the Committee's recent allocation of additional capital maintenance funding.

### 2. Recommendations

- 2.1. The Committee is invited to **note** and **discuss** the correspondence from City of Glasgow College regarding the Committee's recent allocation of additional capital maintenance funding.

### 3. Background

- 3.1. On 30 September 2016 the SFC announced that Glasgow would receive £2,182,345 additional capital maintenance funding.
- 3.2. In order to ensure that GCRB distributed this funding based on the most pressing maintenance needs of the Glasgow region estate, and in a way which allowed allocations to be made quickly bearing in mind the allocations should be fully committed by March 31st 2017, a short-notice meeting of the Performance and Resources Committee was held on Friday 21st October to enable it to consider capital spend proposals from the assigned colleges.
- 3.3. Based on a discussion of the SFC guidance for the allocation of the additional capital maintenance funding for colleges, members agreed to review the college bids against the following SFC criteria:
  - that the funds would support improvements in the region's most pressing capital maintenance needs;
  - that the college could demonstrate clearly that the funds would help accelerate capital maintenance projects into the current financial year (2016-17);

- that the funded activity could demonstrate a positive impact on the regional/national economy;
- that the funds could be spent, or activity completed, by 31 March 2017; and
- that the approved bids were not ICT related as the SFC had ruled these as an inappropriate use of these funds following further clarification of guidance.

**3.4.** Recommendations from the Performance and Resources Committee on the allocation of the capital maintenance funds were made to the full GCRB Board on October 31 2016. These proposals suggested that the allocation should be used to fund the bids the Committee considered fully met the specified SFC criteria for these additional capital maintenance funds. The proposals were agreed by the GCRB Board without any amendment.

**3.5.** Following the meeting of the Committee on the 21 October 2016, the GCRB Executive Director provided verbal feedback to the three assigned college principals and following the GCRB board meeting of October 31 2016, provided written notice of the Board's decision. With specific reference to City of Glasgow College, this is attached as Annex A.

**3.6.** After the October GCRB Board meeting, the City of Glasgow College raised concerns with the GCRB Chair and Executive Director regarding the decision-making process and outcomes and their remaining concerns are attached in the correspondence attached in Annex B.

**3.7.** For information, the City of Glasgow capital maintenance proposals are attached as Annex C.

#### **4. Risk Analysis**

**4.1.** The allocation of capital funding is of particular relevance to the following GCRB identified risks:

- if there is breakdown in performance in the assigned colleges (including academic quality management arrangements and financial sustainability), the Regional Outcome Agreement targets may not be achieved; and
- if there is a material shortfall in the quality of facilities, student success will be reduced.

#### **5. Legal Implications**

**5.1.** No legal implications are identified. However, it is a statutory function of Regional strategic bodies is to administer funds and fund assigned colleges.

#### **6. Financial Implications**

**6.1.** This additional SFC allocation provides £2,182,345 additional capital maintenance funding to the Glasgow College Region.

#### **7. Regional Outcome Agreement Implications**

**7.1.** The provision of high quality learning environments is integral to the delivery of commitments made in the 2016/17 Glasgow Regional Outcome Agreement.



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RA/WO/1617013

Monday 14 November 2016

Paul Little  
Principal and Chief Executive  
City of Glasgow College  
190 Cathedral St  
Glasgow  
G4 0RF

Dear Paul,

#### **Allocation of Additional Capital Maintenance Funding**

As you are aware, on 30 September 2016 the Scottish Funding Council announced additional capital maintenance funding for colleges to support the upgrade and maintenance of college estates and to provide an economic stimulus to Scotland's economy.

Following submission of capital maintenance proposals by the Glasgow colleges, at a meeting of the Performance and Resources Committee on 21 October 2016, capital project proposals from the three Glasgow colleges bids were reviewed against the following SFC criteria:

- that the funds would support improvements in the region's most pressing capital maintenance needs;
- that the college could demonstrate clearly that the funds would help accelerate capital maintenance projects into the current financial year (2016-17);
- that the funded activity could demonstrate a positive impact on the regional/national economy;
- that the funds could be spent, or activity completed, by 31 March 2017; and
- that the approved bids were not ICT related as the SFC had ruled these as an inappropriate use of these funds following further clarification of guidance.

The Performance and Resources Committee considered that the projects proposed by the City of Glasgow College did not meet the above criteria in full as they either related to non-capital maintenance spend (including new build projects) or ICT related developments. The Committee therefore agreed that the City of Glasgow College proposals could not be funded through these specific additional capital maintenance funds.

Whilst I realise this decision will be disappointing, I am sure you will understand the basis on which it was made.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R. Ashton', with a stylized flourish at the end.

Robin Ashton  
GCRB Executive Director

### City of Glasgow College Response 28<sup>th</sup> November 2016

Margaret/Robin,

Thank you for copying to me the paper presented to the GCRB presenting the recommendations of the GCRB Performance and Resources Committee with respect to the Allocation of Additional Capital Funding from SFC.

Our Principal has requested that I follow up seeking further clarification on a number specific points as follows:

1. The SFC communication to Colleges identifies that Colleges should respond confirming that they can meet the criteria to utilise the funding in order to 'trigger the additional capital funding'. Your own paper in point 3.5 refers to further instructions to which the College has not been party ("SFC also confirmed directly to GCRB that it should ensure that the most pressing regional maintenance needs are prioritised.....and that it would be up to GCRB to decide on the quantum of grant each college received). It would seem in the interests of transparent governance that this further instruction from SFC be made available to the regional assigned colleges. The Colleges were given no indication that further weighting would be applied to proposals or the nature of that evaluation.
2. The criteria stated at point 4.4 in your paper differ to those highlighted in the SFC Communication to Colleges of 27<sup>th</sup> October. You refer to direction that the funding address 'The region's most pressing capital maintenance needs'; to impact on the 'regional/national economy' and that SFC had determined ICT projects to be 'inappropriate use of funds'. As at point 1 above, did your Committee have additional/alternative criteria made available to them and can these be made available to the assigned Colleges?
3. The College's in their responses to GCRB were asked to respond via a proforma the focus of which extended to 'learner experience'. Did this factor feature in evaluating proposals?
4. The approach taken by GCRB places City of Glasgow College at a disadvantage to all other FE Colleges in Scotland. We are the only institution which has received no additional capital allocation. This, as stated previously, for our College is compounded by the fact that City did not receive the proportionate share of the original allocation with a compromise imposed.
5. The SFC guidance refers to criteria for evaluation of bids. The proposals submitted by City of Glasgow College addressed these criteria as demonstrated in Annex 1

attached. Your paper at point 4.6 indicates that 'no other College bids were considered by the Committee to fully meet the specified SFC criteria. We do not agree with this assertion and would welcome clarification on what weaknesses the Committee identified in addressing the SFC criteria.

6. Your paper identifies that 'a short notice meeting of the Performance & Resources Committee' was held. As asked in our previous response, are you able to advise us of the attendees at the meeting?

**Janis MG Carson**

**Depute Principal on behalf of Principal**

## SFC Criteria

1. That the funds will support the college's capital maintenance needs and so the projects to be selected for funding using SFC capital grant should be consistent with the college's capital maintenance plan.
2. That the college can demonstrate clearly that the funds have helped accelerate capital maintenance projects into the current financial year (2016-17).
3. ICT maintenance requirements would not be considered to be an appropriate use of these funds, unless it can be demonstrated that there is a clear benefit to the local or regional economy.
4. The funds can be spent, or activity completed, by 31 March 2017.
5. In procuring the work to be funded from these sources, including where the college intends using the APUC framework agreements, the college requests additional information on the scope to use local contractors or sub-contractors, or where goods are to be procured what opportunities there are to source these from locally based businesses, whether the delivery of the procured works or services will result in additional employment opportunities and if so how many will be filled locally and finally what community benefits the contractor will offer as part of the service.

CoGC Proposals	SFC Criteria				
	1	2	3	4	5
Additional Ship's Engine Simulation <sup>1</sup>	√	√	Criteria noted	√	The College can demonstrate compliance with all procurement guidance
Enhanced Nautical Simulation <sup>1</sup>	√	√	Criteria noted	√	The College can demonstrate compliance with all procurement

<sup>1</sup> The College has a well-developed Estates maintenance and development strategy in which these projects feature for session 2017-17. This additional funding would allow acceleration. All of the above projects would enhance the student experience and further develop employability skills in areas of national priority (STEM).

					guidance
Fire Safety Centre <sup>1</sup>	√	√	Criteria noted	√	The College can demonstrate compliance with all procurement guidance
Unitary Charge <sup>2</sup>	√	√	Criteria noted	√	The College can demonstrate compliance with all procurement guidance
Scissor Lift <sup>1</sup>	√	√	Criteria noted	√	The College can demonstrate compliance with all procurement guidance
External landscaping <sup>1</sup>	√	√	Criteria noted	√	The College can demonstrate compliance with all procurement guidance
STEM Centre Pilot <sup>1</sup>	√	√	Criteria noted	√	The College can demonstrate compliance with all procurement guidance
Marine/Navigation Simulation <sup>1</sup>	√	√	Criteria noted	√	The College can demonstrate compliance with all procurement guidance

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<sup>2</sup> The Unitary Charge is an additional significant contribution that the College is contracted to make for the funding of its estate and the on-going maintenance via the Hard FM contract

**Project Proposal Overview 1****Project Description:**

(What activity will these funds allow?)

To enhance the College's current working ships engine room by creating an additional room equipped as a ship's engine simulator.

**Impact on college estate:**

(How will this activity improve the quality of the college estate?)

Will this funding be buying new activity or displacing activity which would have occurred anyway?)

Due to lack of funding these enhancements would be delayed or not procured.

**Impact on learner experience:**

(How will learners benefit from this activity?)

Digital simulation is in high demand as a recognised immersive learning experience allowing cadets to develop critical navigation and helming skills in a safe digital environment which includes CCTV exercise capture for instant replay and debrief.

**Community and economic benefit:**

(For example, will the activity support increased local, regional or national employment?)

Enhancing the College simulator suites to include a ship's engine simulator will improve the employability of the current and future students.

**Project start date: NOVEMBER 2016**

**Project end date: MARCH 2017**

**Project costs: £90,000**

**Capital or revenue: Capital**

**Procurement method: Direct award to TRANSAS**

**Project reporting:**

(How will the college report project achievement and impact of project activity?)

The costs, timing, benefits and impact will be monitored and reported within the College, GCRB & SFC.

## Project Proposal Overview 2

**Project Description:**

(What activity will these funds allow?)

Enhancements to the College's current nautical simulator suites to include new functionality and routes.

**Impact on college estate:**

(How will this activity improve the quality of the college estate?)

Will this funding be buying new activity or displacing activity which would have occurred anyway?)

This would be further enhancement of the Riverside Maritime Centre of Excellence providing further capacity to meet currently unfulfilled demand.

Due to lack of funding these enhancements would be delayed or not procured.

**Impact on learner experience:**

(How will learners benefit from this activity?)

Digital simulation is in high demand as a recognised immersive learning experience allowing cadets to develop critical navigation and helming skills in a safe digital environment which includes CCTV exercise capture for instant replay and debrief.

**Community and economic benefit:**

(For example, will the activity support increased local, regional or national employment?)

Maintaining the nautical simulator suites with the latest functionality and routes will improve the employability of the current and future students.

**Project start date: NOVEMBER 2016**

**Project end date: MARCH 2017**

**Project costs: £74,000**

**Capital or revenue: Capital**

**Procurement method: Direct award to TRANSAS**

**Project reporting:**

(How will the college report project achievement and impact of project activity?)

The costs, timing, benefits and impact will be monitored and reported within the College, GCRB & SFC.

### Project Proposal Overview 3

**Project Description: Fire Safety Centre**

(What activity will these funds allow?)

The College has developed a proposal for a significant additional facility on the Riverside development site which comprises of several elements including a Fire Safety Centre. Pending identification of investment resource, the College would wish to take forward the discrete element of the Fire Safety facility as an advance phase of this development and one which could equally stand alone.

**Impact on college estate:**

(How will this activity improve the quality of the college estate?)

Will this funding be buying new activity or displacing activity which would have occurred anyway?)

This facility would deliver onsite activity which currently requires to be outsourced to a commercial provider in Hillington. The facility would also be capable of delivering additional volume.

**Impact on learner experience:**

(How will learners benefit from this activity?)

These are mandatory elements of HND and MCA programmes. Students would benefit from a consistent integrated delivery on site rather than having to travel to a distant commercial provider.

**Community and economic benefit:**

(For example, will the activity support increased local, regional or national employment?)

Mandatory specialist skills required by industry.

**Project start date: November 2016**

**Project end date: March 2017**

**Project costs: Request is for match funding of £750,000**

**Capital or revenue: Capital**

**Procurement method: OJEU**

**Project reporting:**

(How will the college report project achievement and impact of project activity?)

A Project Board will be established to set out key objectives, programme and deliverables including educational objectives and volume of activity/utilisation.

The costs, timing, benefits and impact will be monitored and reported within the College, GCRB & SFC.

### Project Proposal Overview 4

**Project Description: Unitary Charge (for maintenance of new estate)**

(What activity will these funds allow?)

The College unlike others in the sector has achieved its new estate via the Scottish Government's NPD procurement pipeline and is liable over the 25 years of the contract to pay an on-going finance, maintain and facilities management unitary charge of c £2.5 m. This project would seek a contribution to that charge in recognition of this atypical procurement model within a new funding environment.

**Impact on college estate:**

(How will this activity improve the quality of the college estate?)

Will this funding be buying new activity or displacing activity which would have occurred anyway?)

This charge is fundamental to the on-going maintenance and hard FM associated with the twin campus estate. The College is requesting £500K towards the annual £2.5m unitary charge.

**Impact on learner experience:**

(How will learners benefit from this activity?)

The learner experience is intrinsically linked to the quality of the estate and relevance and currency of resources and equipment.

**Community and economic benefit:**

(For example, will the activity support increased local, regional or national employment?)

All curriculum activity supported by the estate underpins local, regional, national employability objectives.

**Project start date: November 2016**

**Project end date: March 2017**

**Project costs: £500,000**

**Capital or revenue: Capital**

**Procurement method: No procurement**

**Project reporting:**

(How will the college report project achievement and impact of project activity?)

Regular reportage on the schedule of payments via the Unitary Charge is maintained in addition to contractual monthly reportage on the effective maintenance and performance of the Estate. This is reviewed at Executive and Board of Management level.

### Project Proposal Overview 5

**Project Description:**

(What activity will these funds allow?)

The College is seeking to further enhance the teaching capacity by adding a 10m industrial scissor lift to support the construction and TV curriculums.

**Impact on college estate:**

(How will this activity improve the quality of the college estate?

Will this funding be buying new activity or displacing activity which would have occurred anyway?)

Due to lack of funding these enhancements would be delayed or not procured.

**Impact on learner experience:**

(How will learners benefit from this activity?)

Having this additional equipment will provide a more complete learning experience matching the real working environment in these curriculum areas.

**Community and economic benefit:**

(For example, will the activity support increased local, regional or national employment?)

Support to the successful procurement process the equipment purchase may help the local economy.

**Project start date: November 2016**

**Project end date: March 2017**

**Project costs: £77,000**

**Capital or revenue: Capital**

**Procurement method: Specialist Framework**

**Project reporting:**

(How will the college report project achievement and impact of project activity?)

The costs, timing, benefits and impact will be monitored and reported within the College, GCRB & SFC.

## Project Proposal Overview 6

**Project Description: Enhancement of external environment**

(What activity will these funds allow?)

The College has a wonderful new estate delivered within budget and on time. Funds however did not cover FF&E for the external spaces on campus. We would wish to maximise use of this amenity through providing external furniture in the College's courtyard and external terrace.

**Impact on college estate:**

(How will this activity improve the quality of the college estate?)

Will this funding be buying new activity or displacing activity which would have occurred anyway?)

This would enhance the usage of the external amenity space. Furthermore provision of furniture would provide potential additional space adjoining the main catering spaces during clement weather.

**Impact on learner experience:**

(How will learners benefit from this activity?)

The learner experience is intrinsically linked to the quality of the estate. This would be an enhancement of the available amenities and aligns well with a health working lives approach to management of facilities.

**Community and economic benefit:**

(For example, will the activity support increased local, regional or national employment?)

All curriculum activity supported by the estate underpins local, regional, national employability objectives.

**Project start date: November 2016**

**Project end date: March 2017**

**Project costs: £200,000**

**Capital or revenue: Capital**

**Procurement method: APUC framework or via Development Partner**

**Project reporting:**

(How will the college report project achievement and impact of project activity?)

Via monthly Facilities Management reportage which monitors building performance and utilisation.

The costs, timing, benefits and impact will be monitored and reported within the College, GCRB & SFC.

### Project Proposal Overview 7

**Project Description: STEM Centre Pilot**

(What activity will these funds allow?)

The College is seeking to further enhance and increase STEM activity on Riverside Campus. This would ideally be through the delivery of a new onsite facility. However, pending identification of investment resource, the College would wish to provide a pilot centre for STEM based augmented reality activity. This would include augmented welding and fundamentals of robotics.

**Impact on college estate:**

(How will this activity improve the quality of the college estate?

Will this funding be buying new activity or displacing activity which would have occurred anyway?)

This would be further enhancement of the Riverside Engineering facilities and would target new markets contributing to the achievement of Regional STEM targets.

**Impact on learner experience:**

(How will learners benefit from this activity?)

Augmented reality technology is recognised as an effective and safe means to develop critical specialist vocational skills.

**Community and economic benefit:**

(For example, will the activity support increased local, regional or national employment?)

The STEM curriculum is recognised as a key economic growth sector where employment ready candidates are in demand. This is an area which features in the ROA.

**Project start date: November 2016**

**Project end date: March 2017**

**Project costs: £150,000**

**Capital or revenue: Capital**

**Procurement method: Specialist Framework**

**Project reporting:**

(How will the college report project achievement and impact of project activity?)

A mini-Project Board will be established to set out key objectives, programme and deliverables including educational objectives and volume of activity/utilisation

The costs, timing, benefits and impact will be monitored and reported within the College, GCRB & SFC.

### Project Proposal Overview 8

**Project Description: Enhanced Marine Simulation**

(What activity will these funds allow?)

Additional simulation suite to supplement facilities at Riverside Campus which are successfully delivering at full capacity providing internationally recognised MCA qualifications. The addition to the existing simulation suite would provide dynamic positioning simulation central to the study of digital navigation.

**Impact on college estate:**

(How will this activity improve the quality of the college estate?)

Will this funding be buying new activity or displacing activity which would have occurred anyway?)

This would be further enhancement of the Riverside Maritime Centre of Excellence providing further capacity to meet currently unfulfilled demand.

**Impact on learner experience:**

(How will learners benefit from this activity?)

Digital simulation is in high demand as a recognised immersive learning experience allowing cadets to develop critical navigation and helming skills in a safe digital environment which includes CCTV exercise capture for instant replay and debrief.

**Community and economic benefit:**

(For example, will the activity support increased local, regional or national employment?)

The enhanced facility will facilitate greater access to critical resources and develop the key employability skills for recruits to the maritime industry.

**Project start date: November 2016**

**Project end date: March 2017**

**Project costs: £750,000**

**Capital or revenue: Capital**

**Procurement method: Specialist Framework**

**Project reporting:**

(How will the college report project achievement and impact of project activity?)

A Project Board will be established to set out key objectives, programme and deliverables including educational objectives and volume of activity/utilisation.

The costs, timing, benefits and impact will be monitored and reported within the College, GCRB & SFC.