

Board Meeting

Date of Meeting	Monday 31 October 2016
Paper Title	Allocation of additional capital maintenance funding for colleges
Agenda Item	11
Paper Number	BM2-H
Responsible Officer	Robin Ashton, GCRB Executive Director
Status	Disclosable
Action	For Agreement

1. Report Purpose

- 1.1.** To consider the recommendations of the GCRB Performance and Resources Committee for the distribution within the Glasgow College Region of additional capital maintenance funding for colleges in financial year 2016-17.

2. Recommendations

- 2.1.** The Board is invited to:

- **note** the additional £2.1m capital funding for provided to the Glasgow College Region by the SFC in financial year 2016-17; and
- **consider** and **agree**, subject to any amendment, the recommendations of the GCRB Performance and Resources Committee for the distribution of these funds as set out in this paper.

3. Background

- 3.1.** In September, the Scottish Government's announced a £100 million capital investment package for Scotland, of which £10 million was allocated to the further education (FE) sector to support the upgrade and maintenance of college estates and to provide an economic stimulus to Scotland's economy.
- 3.2.** When the Scottish Government announced this funding, the Chair of GCRB wrote to the SFC noting this allocation and requesting that the Glasgow college region receives an appropriate share given that parts of the older Glasgow region estate require significant expenditure to ensure that they can provide appropriate and high quality learning environments..
- 3.3.** Attached as Annex 1 is an announcement by SFC on 30 September 2016 of additional capital funding for colleges in financial year 2016-17. This states that Glasgow received £2, 182,345 of the additional capital funding.

- 3.4.** The SFC funding announcement stated that to maximise the effect of the capital maintenance investment within each region, they expected these funds to be used to prioritise the most pressing capital maintenance needs of college estates.
- 3.5.** SFC also confirmed directly to GCRB that it should ensure that the most pressing regional maintenance needs are prioritised and because SFC provided funding on a regional basis, they would expect GCRB to take a regional view and that it would be up to the GCRB to decide on the quantum of grant each college received.
- 3.6.** To ensure that the SFC can fully demonstrate the impact of this new investment, their announcement stated that they would work with the sector to agree a mechanism which identified and reported on the projects on which the additional funding was to be spent.

4. Proposals for Glasgow Region allocations of additional capital funding

- 4.1.** The remit of the Performance and Resources Committee authorises it to:
 - advise the Board on any matter relating to the making of a grant, loan or other payment and the conditions relating to any such payments;
 - advise the Board in relation to ensuring the economic, efficient and effective use of funds; and
 - advise the Board on the proper control and management of the Region's financial resources.
- 4.2.** Based on this remit and in order to ensure that allocation would 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.
- 4.3.** 24 proposals for capital spend were received from the three assigned colleges with a total value of £6.1 million. These are listed in Annex 2.
- 4.4.** At the meeting of the Performance and Resources Committee, the college 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.
- 4.5.** Based on the above criteria, the Committee recommends to the board that it agrees to fund the following bids:

Project Description:	Project costs:
Cardonald tower block refurbishment of toilet facilities	£600,000
Kelvin west campus roof/damaged window repair/replacement	£360,000
Easterhouse roof repair	£350,000
Cardonald campus roof replacement	£200,000
Cardonald business centre refurbishment	£150,000
Langside Mary Stuart building - refurbishment of toilet facilities	£130,000
Springburn wall ties replacement	£65,000
Springburn blockwork improvements	£55,000
Easterhouse access ramp repair	£45,000
Easterhouse subsidence investigation	£80,000
Easterhouse drainage improvement	£25,000
	£2,060,000

- 4.6.** No other college bids were considered by the Committee to fully meet the specified SFC criteria for these additional capital maintenance funds.
- 4.7.** Of the estimated £122,345 capital maintenance funds remaining, the Committee recommends that this is initially used to fund a contract for professional estates project management to support achievement of the planned activity within the extremely short timescales, and to provide progress reports and assurance to the GCRB board.
- 4.8.** The committee recommends that any other funds remaining, be used as contingency to support achievement of planned activity, or for further refurbishment needs within the Clyde and Kelvin college estates.
- 4.9.** Members are asked to consider and agree the above proposed approach to the distribution of the additional capital funding within the Glasgow College Region.

5. Risk Analysis

- 5.1.** The allocation of capital funding is of particular relevance to the following GCRB identified risks:
- if there is a material shortfall in the quality of facilities, student success will be reduced; and
 - 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.
- 5.2.** The late announcement and shortened timescales to spend this additional resource will constrain use of these funds, particularly given the heavy use of college estates and potential for bad weather in the period when capital maintenance work will

undertaken. The provision of professional project management services will mitigate these risks.

6. Legal Implications

- 6.1.** No legal implications are identified. However, it should be noted that it is a statutory function of Regional strategic bodies is to administer funds and fund assigned colleges.

7. Financial Implications

- 7.1.** This additional capital funding more than offsets the reduction in capital funding contained within the original capital allocation made within college outcome agreement allocations for 2016/17.
- 7.2.** In procuring the work to be funded, including where the college intends using the APUC framework agreements, the college must request 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.

8. Regional Outcome Agreement Implications

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

Annex 2. Proposals from Assigned Colleges for Capital Maintenance Funding

College:	Project Description:	Project costs:
Glasgow Clyde College	Cardonald tower block - refurbishment of toilet facilities	£600,000
Glasgow Clyde College	Cardonald campus roof replacement - phase 2	£200,000
Glasgow Clyde College	Cardonald business centre refurbishment	£150,000
Glasgow Clyde College	Langside Mary Stuart building - refurbishment of toilet facilities	£130,000
Glasgow Clyde College	Estates ICT infrastructure - smartboards replacement program	£400,000
Glasgow Clyde College	Estates ICT infrastructure - Anniesland local area network (LAN) replacement	£300,000
Glasgow Clyde College	Estates ICT infrastructure - cross campus wi-fi upgrade	£200,000
Glasgow Clyde College	Estates ICT infrastructure - storage area network (san) replacement	£160,000
City of Glasgow College	Nautical - engine simulator suite	£90,000
City of Glasgow College	10m scissor lift	£77,000
City of Glasgow College	Nautical - ship simulator enhancement	£74,000
City of Glasgow College	Nautical - fire safety centre	£750,000
City of Glasgow College	Nautical - enhanced marine simulation	£750,000
City of Glasgow College	Enhancement to external environment	£200,000
City of Glasgow College	Stem centre pilot	£150,000
City of Glasgow College	Unitary charge	£500,000
Glasgow Kelvin College	West end campus roof/damaged window repair/replacement	£360,000
Glasgow Kelvin College	Easterhouse roof repair	£350,000
Glasgow Kelvin College	Springburn wall ties replacement	£65,000
Glasgow Kelvin College	Springburn blockwork improvements	£55,000
Glasgow Kelvin College	Easterhouse access ramp repair	£45,000
Glasgow Kelvin College	Easterhouse subsidence investigation	£80,000
Glasgow Kelvin College	Easterhouse drainage improvement	£25,000
Glasgow Kelvin College	Springburn roof repair	£400,000
		£6,111,000



SFC Announcement

Additional capital funding for colleges in 2016-17

Issue date: 30 September 2016

Reference: SFC/AN/11/2016

Summary: Announcement of additional capital funding for colleges in FY 2016-17

FAO: Chairs, Principals/Chief Executives and Directors of Scotland's colleges/regional strategic bodies and Board Secretaries

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Additional capital funding for colleges

1. I am writing to inform you of the allocation of additional capital funding for Financial Year (FY) 2016-17. The additional funding is part of the Scottish Government's [£100 million capital investment package](#) for Scotland, of which £10 million has been allocated to the further education (FE) sector to support the upgrade and maintenance of college estates.
2. The additional funding brings the total maintenance element of FE capital funding for FY 2016-17 to £25.6 million.
3. This £10 million of additional funding is to be spent on college capital maintenance in FY 2016-17.
4. To maximise the effect of the capital maintenance investment, we look to colleges to prioritise the most pressing maintenance needs of their individual estates. To ensure that we can fully demonstrate the impact of this new investment, we will work with the sector to agree a mechanism by which colleges can identify and report on the projects on which the additional funding is to be spent.
5. Revised allocations are shown in Table 1 attached.

Further information

6. Please contact Martin Smith, Chief Funding and Information Officer, Tel: 0131 313 6528, email: msmith@sfc.ac.uk or Martin Kirkwood, Assistant Director, Tel: 0131 313 6583, email: mkirkwood@sfc.ac.uk.



John Kemp
Interim Chief Executive