

Performance and Resources Committee Meeting

Date of Meeting	Wednesday 19 December 2018
Paper Title	Capital Funding - 2018-19
Agenda Item	12(b)
Paper Number	PRC2-H
Responsible Officer	Jim Godfrey, Finance and Resources Director
Recommended Status	Disclosable
Action	For Information

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.
- **Note** the progress in respect of the disposal of the former college building at North Hanover Street, Glasgow (by City of Glasgow College).

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
Lifecycle Maintenance	£1,286,586	£906,569	£566,342	£2,759,497
Very High Priority Maintenance ¹	£0	£1,931,534	£1,563,265	£3,494,799
Total	£1,286,586	£2,838,103	£2,129,607	£6,254,296

¹ Includes the additional £681,000 allocated to Glasgow Clyde College as agreed by GCRB in October 2018.

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.
- 5.2. Many items have been fully completed and the College anticipates that it will have committed all of the funds available to it by the end of January 2019, an update as at end November 2018 is provided below:

Project	Description	Status	Initial Budget £'000	Revised Forecast £'000	Spend to end November £'000
Multi-Campus					
Building Management System	New integrated BMS for Springburn, Easterhouse and East End Campus	Invitation to tender issued 8 Nov 2018, contract to be awarded in January 2019	340	400	0
Redecoration - internal	Building maintenance	Covers various campuses and good progress has been made	398	353	304
Springburn					
Cladding, front entrance and external cleaning	Building fabric maintenance	Completed	35	54	54
Roof – library & tech blocks	Repairs and maintenance to drainage routes	Currently obtaining quotes	55	55	0
Roof – M&E	Maintenance, cladding and insulation	Currently obtaining quotes	50	50	0
Gym hall canopy	Building fabric maintenance	Currently obtaining quotes	16	16	0
Magnetic doors		Completed	0	15	15
Floating floor repairs		Completed	0	17	17
External landscaping	Property maintenance	Completed	5	8	8
External cleaning (rear)		Currently obtaining quotes	0	5	0

Project	Description	Status	Initial Budget £'000	Revised Forecast £'000	Spend to end November £'000
Boiler replacement	M&E replacement	Completed	48	42	42
Roof – front section repair	Building fabric maintenance	Completed	15	5	5
Air handling unit	M&E replacements	Contract awarded, installation programmed for January 2019	75	41	1
Drainage	Building structure and fabric	Completed	39	15	15
East End					
Exterior fabric treatment and cleaning	Building Fabric Maintenance	Completed	27	23	23
Minor roof repairs - Science	Building Fabric Maintenance	Currently obtaining quotes	5	9	1
Air conditioning unit		Completed		7	7
Minor roof repairs - Birds	Building Fabric Maintenance	Completed		9	9
West Campus					
External repairs	Essential property maintenance & Health & Safety	Some work has commenced	30	30	1
Air handling unit	M&E replacement	Completed	19	11	11
Site drainage repairs	Essential property maintenance	Some work has commenced	30	30	0
Replace fire panel	M&E replacement	Completed	8	4	4
Outbuilding gutter & roof	Backlog maintenance – building fabric	Currently obtaining quotes	33	33	0
Other					
Replace uninterruptable power supply	M&E replacement	Currently obtaining quotes	50	50	0
Complete innovation hub works	Estates works and workshop refurbishment	Large portion of work completed	100	70	59
Sustainable Development	Carbon reduction and sustainability projects	Hand dryers replaced, other environmental initiatives planned	35	35	3
Refurbishment of Flexible Learning Unit	Essential refurbishment	Works scheduled for early 2019	50	80	4

Project	Description	Status	Initial Budget £'000	Revised Forecast £'000	Spend to end November £'000
Refurbishment of beauty and hairdressing salon	Essential refurbishment – East End Campus	Completed	55	72	72
Project Management			45	45	10
Total			1,563	1,584	665

- 5.3.** 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.
- 5.4.** Additionally, the College has repeatedly indicated that it does not have sufficient resources for ICT hardware replacement and is now in the process of seeking support from the Glasgow Kelvin Learning Foundation.

6. Glasgow Clyde College Update

6.1. Glasgow Clyde 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)	Spend to end November (£'000)
Cardonald campus car park	Essential maintenance & drainage works and external lighting	Main works completed with only lighting remaining which is due to be completed this month.	800	800	675
External lighting Cardonald campus – Now included as part of above	Essential external works	See above which now includes lighting works within the overall tendered amount.	200	Now included in forecast above	Now included above
Sports changing room upgrade	Building fabric maintenance	Works completed. Further invoices awaited shortly.	440	440	342
Boiler installation – Cardonald campus	Installation of 3 rd boiler and additional pipework for the nursery (final estimate awaited)	Final design and cost should be available soon. Plan to complete these works by end March. Funds spent to date on project design fees.	75	125	0
Redecoration & Flooring	Backlog maintenance	Contract awarded and works ongoing on site. Plan to be completed by end January.	200	265	89
Mary Stuart building cladding	External building works	Design received recently and preferred option selected. Now final estimated costs awaited from design team by mid-December. Plan to commit and appoint contractor by end March at the latest. Works will commence from end of term in June. Funds spent to date on project design fees.	210	451	0
Total			1,925	2,081	1,106

- 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. Key projects include creating better disabled access to one of the College buildings and upgrading the cross College Wifi Infrastructure. As the Very High Priority Maintenance Grant of £1,932k will be insufficient to fully fund the works outlined in the table above which are estimated at £2.08Mllion then the balance of £149k on current estimates will have to be funded from Lifecycle Maintenance Grant to the College.
- 6.3.** The remaining £385k of life cycle maintenance funding has been allocated to support planned and reactive maintenance, provide upgrades to facilities and the replacement of equipment and furniture.

7. Disposal of North Hanover Street

- 7.1.** 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 is imminent. Therefore, the sale proceeds, minus the costs of sale, are due.
- 7.2.** The realisation of these proceeds provided the opportunity to present a case that the proceeds should be retained in Glasgow. A letter was sent to the Scottish Funding Council requesting an opportunity to begin a dialogue with SFC on this. A reply has been received and a meeting took place with SFC on 10 December 2018. In preparation for this meeting, the Director of Finance and Resources met with colleagues from the three colleges.

8. Returns to SFC

- 8.1.** On 7 November 2018, SFC wrote to all colleges requesting additional information in respect of their capital expenditure for 2018/19. The return date was 20 November 2018 and the colleges provided copies of the information to the Director of Finance and Resources.
- 8.2.** SFC requested the following information:
- Details of works undertaken and planned and how this links to the Condition Survey findings
 - How much of the grant you have spent to 31 October 2018
 - How much you expect to have spent by 31 March 2019.
 - Value of commitments at 31 March 2019
 - Expected spend between 1 April 2019 and 31 July 2019
 - Expected spend beyond 31 July 2019.

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.

10. Equalities Implications

10.1. 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.

11. Legal Implications

11.1. No legal implications are identified.

12. Resource Implications

12.1. The financial implications are outlined above.

13. Strategic Plan Implications

13.1. 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.