

## Performance and Resources Committee Meeting

Date of Meeting	Thursday 14 March 2019
Paper Title	Capital Funding – 2018-19
Agenda Item	9 (b)
Paper Number	PRC3-F
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	<b>£2,759,497</b>
Very High Priority Maintenance <sup>1</sup>	£0	£1,931,534	£1,563,265	<b>£3,494,799</b>
<b>Total</b>	<b>£1,286,586</b>	<b>£2,838,103</b>	<b>£2,129,607</b>	<b>£6,254,296</b>

<sup>1</sup> 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 5 February 2019 is provided below:

Project	Description	Status	Initial Budget £'000	Revised Forecast £'000	Spend to end January 2019 £'000
<b>Multi-Campus</b>					
Building Management System	New integrated BMS for Springburn, Easterhouse and East End Campus, now incorporates new security access system.	Contract awarded	340	436	32
Redecoration - internal	Building maintenance	On-going	398	354	317
<b>Springburn</b>					
Cladding, front entrance and external cleaning	Building fabric maintenance	Completed	35	59	59
Roof – library & tech blocks	Repairs and maintenance to drainage routes	Order placed	55	20	0
Roof – M&E	Maintenance, cladding and insulation	Order placed	50	25	0
Gym hall canopy	Building fabric maintenance	Procurement process nearing completion	16	16	0
Magnetic doors		Completed	0	15	15
Floating floor repairs		Completed	0	17	17
External landscaping	Property maintenance	Completed	5	8	8

<b>Project</b>	<b>Description</b>	<b>Status</b>	<b>Initial Budget</b>	<b>Revised Forecast</b>	<b>Spend to end January 2019</b>
			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Easterhouse</b>					
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	Completed	75	41	41
Drainage	Building structure and fabric	Completed	39	15	9
Refurbishment of Flexible Learning Unit	Essential refurbishment	Design complete and procurement underway	50	80	4
<b>East End</b>					
Exterior fabric treatment and cleaning	Building Fabric Maintenance	Completed	27	23	23
Minor roof repairs - Science	Building Fabric Maintenance	Completed	5	9	1
Air conditioning unit	M&E replacements	Completed	0	7	7
Minor roof repairs	Building Fabric Maintenance	Completed	0	9	9
Boiler replacement	M&E replacements	Order placed	0	70	0
Refurbishment of beauty and hairdressing salon	Essential refurbishment	Completed	55	72	72
<b>West Campus</b>					
Fabric repair	Essential property maintenance & Health & Safety	On-going	93	25	1
Air handling unit	M&E replacement	Completed	19	11	11
Replace fire panel	M&E replacement	Completed	8	4	4
<b>Other</b>					
Replace uninterruptable power supply	M&E replacement	Contract awarded	50	50	0
Complete innovation hub works	Estates works and workshop refurbishment	Completed	100	70	70
Sustainable Development	Carbon reduction and sustainability projects	Completed	35	35	35

<b>Project</b>	<b>Description</b>	<b>Status</b>	<b>Initial Budget</b>	<b>Revised Forecast</b>	<b>Spend to end January 2019</b>
			<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Project Management</b>		On-going	45	45	16
<b>Total</b>			<b>1,563</b>	<b>1,563</b>	<b>798</b>

- 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 following the allocation from GCRB of these funds as follows:

Project	Description	Status	Initial Budget (£'000)	Revised Forecast (£'000)	Spend to end January 2019 (£'000)
Cardonald campus car park	Essential maintenance & drainage works and external lighting	All works are now complete. College awaiting final account.	800	791	675
External lighting Cardonald campus – Now included in above works	Essential external works	See above which now includes lighting works within the overall tendered amount.	200	Now included above	Now included above
Sports changing room upgrade	Building fabric maintenance	Works completed. Final invoices due shortly.	440	434	424
Boiler installation – Cardonald campus	Installation of 3 <sup>rd</sup> boiler and additional pipework for the nursery.	Tender evaluation being complete. Planned timescale for works in Mar to May 2019.	75	270	34
Redecoration & Flooring	Backlog maintenance	Majority of work now complete.	200	302	162
Mary Stuart building cladding	External building works	Following receipt of costings for cladding options, decision has been taken to go for the least cost option of changing the cladding panels with new compliant panels. This will ensure the building can be used going forward at a vastly reduced cost compared to a complete refurbishment of the external façade. 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	399	0
<b>Total</b>			<b>1,925</b>	<b>2,196</b>	<b>1,106</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, £535k 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 Wi-Fi Infrastructure. The Very High Priority Maintenance Grant was £1.251m in June 2018 and £681k in October 2018 i.e. total of £1.932m. As indicated above the planned expenditure on very high priority projects is estimated at £2.196m which is higher than the grant allocation. The balance (£264k on current estimates) will be funded from Lifecycle Maintenance Grant to the College.
- 6.3.** The remaining £371k 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 settlement will take place at the end of March 2019. Therefore, the sale proceeds, minus the costs of sale, are due shortly.
- 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. At the previous Board Meeting in January 2019 it was agreed that the estates priority was the Cardonald Campus of Glasgow Clyde College.
- 7.3.** A letter was sent by the Scottish Government to City of Glasgow College on 20 February 2019. The letter advised that Scottish Ministers are considering exercising their powers in relation to the disposal of the North Hanover Street building. This is the procedure by which the Minister can direct that funds are transferred to another college, or college region. The Scottish Government provided the college with the opportunity to respond to the proposals by 5 March 2019. Following the conclusion of the process the direction of the proceeds will follow after consideration by the Minister.

## **8. Risk Analysis**

- 8.1.** 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.

## **9. Equalities Implications**

- 9.1.** 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.

**10. Legal Implications**

**10.1.** No legal implications are identified.

**11. Resource Implications**

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

**12. Strategic Plan Implications**

**12.1.** 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.