

Performance and Resources Committee Meeting

Date of Meeting	Monday 1 June 2020
Paper Title	Capital Funding – 2019-20
Agenda Item	7
Paper Number	PRC5-C
Responsible Officer	Jim Godfrey, Finance and Resources Director
Recommended Status	Disclosable
Action	For Noting

1. Report Purpose

- 1.1. Consider the progress reports for the capital projects in 2019-20.

2. Recommendations

- 2.1. The Committee is invited to **note** the progress made by the colleges in respect of the capital projects in 2019-20.

3. Background

- 3.1. The capital funds for 2019-20 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	£893,766	£629,779	£393,455	£1,917,000
Very High Priority Maintenance	£0	£1,023,000	£600,000	£1,623,000
Total	£893,766	£1,652,779	£993,455	£3,540,000

4. City of Glasgow College Update

- 4.1. City of Glasgow College received £893,766 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 delivering a range of projects that are very high priority. These projects are progressing well and making a real difference to the campus buildings. As a result of COVID-19, £91k of expenditure is committed but not spent as cash. An update, as at 13 May 2020, is provided below:

Glasgow Kelvin College					
Project	Description	Status	Initial Budget (£'000)	Revised Forecast (£'000)	Spend to 13 May 2020 (£'000)
Multi-Campus					
Building Management System		Completed	40	55	55
Replacement carpets/flooring/ redecoration/building maintenance/repair		Orders placed and awaiting delivery. Delayed due to COVID-19.	140	307	216
Health & Safety items		Completed	30	47	47
Replacement faculty equipment		Funded from faculty budgets	30	0	0
Springburn					
M&E Replacement		Completed	260	107	107
Ground floor toilets	Complete refurbish including cubicles and re-tiling	Completed	18	25	25
Easterhouse					
Student common room/Modern Learning Environment upgrade		Completed	20	11	11
West Campus					
Repair front entranceway door		Completed	17	3	3
Other					
Project Management		Completed	45	45	45
Total			600	600	509

5.2. Glasgow Kelvin College also received £393,455 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 and has been used for replacement equipment, plant maintenance and reactive repairs/replacement.

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:

Glasgow Clyde College					
Project	Description	Status	Initial Budget (£'000)	Revised Forecast (£'000)	Spend to 14 May 2020 (£'000)
Lifts	Replace disabled access lifts in the Tower Building and Business Centre	All three projects were being completed on site and had a target end date of end March with the exception of one lift. All contractors have had to go off site due to COVID 19 lockdown.	210	133	69
Chiller Plant	Chiller plant and AHU across Cardonald Campus Tower Building		880	447	247
Roof in Student Area	Replace remaining flat roof		40	138	96
Proposed reallocation to next two high priority items 1. Boiler/Plan Replacement at Mary Stuart/ Litehouse building 2. Lighting replacement at Cardonald	Very old plant reaching end of useful life Replace with more efficient and effective lighting	Agreed in November/December that the College would retain and reallocate these funds to the next highest priority project. Contractor was undertaking works however had to go off site due to COVID 19 lockdown.	N/A	305	45
Total			1,130	1,023	457

6.2. The first three projects in the table above were the original high priority projects as reported to the Committee. These are; the replacement of the disabled lifts, chiller plant and flat roof replacement. All three projects are at the Cardonald Campus. The chiller replacement, which is the largest of these three projects, was delayed due to weather issues, but was due for completion by March 2020. The flat roof project was also impacted by poor weather which delayed completion, however this was completed by the end of March 2020. Two of the disabled access lifts were due to be installed by the end March 2020. However, an alternative supplier provided the third lift which was due to be completed in April 2020. All of the contractors for these projects had to go off site when the College went into lockdown in March 2020.

- 6.3.** The high priority maintenance allocation for Glasgow Clyde College (£1,023,000) was originally allocated to the first three of the projects in the above table. The estimated cost of the first two projects was based upon the earlier condition survey completed in 2014 and the third was a more recent estimate. When the tendered costs for these three projects were returned they had a significantly lower total cost at £718,000.
- 6.4.** Glasgow Clyde College therefore requested that it retain the balance of the allocation and use this towards the next two highest priority estates maintenance projects which was agreed. The next two high priority estates projects are the Replacement of the Boiler Plant that serves the older two buildings at the Langside campus and lighting replacements for some areas at the Cardonald campus to provide more efficient and effective lighting equipment. Also these projects have a relatively short lead in time to aim to achieve the expenditure within the desired timescale of the end of March. The £288,000 remaining allocation is being used for these projects.
- 6.5.** The contractor for these works was appointed once the allocation was agreed and the end of March completion was stated in the tender document. It was recognised given the timescale of the appointment that they would not be fully completed by end March and some of the expenditure was expected in April. This timescale has now been impacted by the COVID 19 crisis where all contractors have been taken off site due to lockdown. It is hoped that all contractors can be brought on site as one of the first phases of return to working once national restrictions are lifted.
- 6.6.** Glasgow Clyde College also received £629,799 in 2019-20 towards the cost of lifecycle maintenance. The lifecycle maintenance grant is critical to ensuring that the College is able to carry out planned, and reactive, maintenance in 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, over £450,000 has been allocated to planned and reactive maintenance and the balance is being used for other essential non-staff premises costs.

7. Risk Analysis

- 7.1.** The capital plans for Glasgow Clyde College and Glasgow Kelvin College represent a significant investment in 2019-20. The principal risk is that the value invested is significant but there is limited time available for the projects to be delivered. 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.

8. Equalities Implications

- 8.1.** The capital grant enables colleges to make improvements, and enhancements, to the facilities for all users.

9. Legal Implications

- 9.1.** No legal implications are identified.

10. Resource Implications

- 10.1.** The financial implications are outlined in the body of this report.

11. Strategic Plan Implications

- 11.1.** The provision of high quality learning environments is integral to the delivery of commitments made in the Regional Outcome Agreement 2019-20 and the Regional Strategic Plan 2017-22.