

## Board Meeting

Date of Meeting	Friday 16 June 2017
Paper Title	Capital Funding Bids
Agenda Item	6
Paper Number	PRC7-B
Responsible Officer	Jim Godfrey, Interim Director of Finance & Resources
Status	Disclosable
Action	For Decision

### 1. Report Purpose

- 1.1. To provide a framework for the Committee to consider Capital Funding Bids.

### 2. Recommendations

- 2.1. The Committee is invited to consider the proposed framework for the meeting and make changes as appropriate.

### 3. Background

- 3.1. The Board approved the Capital Funding Policy for 2017-18 at its meeting on 22 May 2017. In terms of capital funding, monies were allocated as follows:

	£
Lifecycle Maintenance	2,283,654
Capital Bids	2,000,000
Contingency	283,654
<b>Total</b>	<b>4,567,308</b>

- 3.2. The capital grant for lifecycle maintenance has been allocated to the Assigned Colleges in accordance with credit activity. The purpose of this Committee meeting is to consider the capital bids received and allocate the £2m accordingly.

- 3.3. The timetable agreed at the Board Meeting was as follows:

Deadline for submission of proposals	7 June 2017
Performance and Resources Committee consider bids	16 June 2017
Communication of decisions	20 June 2017

- 3.4.** The timetable reflected the wish of the colleges for an expedient process and to enable capital projects to be progressed as soon as possible. The timing of events has been met and all three colleges submitted bids on the 7 June 2017.
- 3.5.** At the Board Meeting on 22 May 2017, priorities for capital funding were agreed and alongside the weighting given to each target area. The agreed priorities and weightings were as follows:

<b>Target Area</b>	<b>Project types that deliver....</b>	<b>Weighting</b>
Equitable services for all	A consistent experience and comparable level of services across Glasgow, widening access to services.	30
Opportunities for learning	Facilities to meet future curriculum/service needs, projects that improve the learner journey, services for those with greatest need i.e. areas of deprivation, low/no skills, flexible provision.	25
Sustainable institutions	Improved efficiency, lower running costs, reduced environmental impact/carbon reduction, well-maintained resources, improved resource usage.	15
Developing the region	Aspirational projects, services to meet emerging priorities, a collaborative approach with others.	15
Measuring the benefits	Demonstrable benefits at reasonable cost, a positive return on investment, evidence of project beneficiaries, effective project management, a commitment to project evaluation.	15
	<b>Total</b>	<b>100</b>

#### **4. Summary of Bids**

- 4.1.** The total value of bids received is £4,375,800. The total figure can be analysed by college, and type of bid, as follows:

	<b>Glasgow Kelvin College</b>	<b>City of Glasgow College</b>	<b>Glasgow Clyde College</b>	<b>Total</b>
	£'000	£'000	£'000	£'000
Estates	644	65	375	<b>1,084</b>
ICT Infrastructure	510	0	475	<b>985</b>
Curriculum Equipment (including IT)	429	1,278	600	<b>2,307</b>
<b>Total</b>	<b>1,583</b>	<b>1,343</b>	<b>1,450</b>	<b>4,376</b>

- 4.2.** With a budget of £2m available this means that around 45% of the total value of the bids can be supported.
- 4.3.** Given that almost £2.4m of bids cannot be supported it is important that the decision making process is objective and that decisions are clearly documented. The decisions, and rationale behind these decisions, will be communicated to the Assigned Colleges on Tuesday, 20 June.

## 5. Initial Review of Bids

5.1. Following receipt of the bids, an initial review was undertaken by the Interim Director of Finance and Resources. As a result, some comments were provided to the Assigned Colleges on 8 June 2017. The aim was to provide some suggestions as to potential information that could be collated and perhaps pre-empt questions from the Committee.

5.2. The following issues were identified:

- In terms of the figures quoted in the bids, the Colleges were asked to confirm that the figures are inclusive of VAT and all relevant costs e.g. professional fees, project management, training etc.
- Given that the total value of the bids is significantly greater than the resources available, the Colleges were asked to consider whether any of their bids are a higher priority than others.
- Some of the bids submitted provide a breakdown of costs that support the value of the bid. For others, only a total figure has been provided. Colleges were asked to review their bids to make sure that the supporting information/cost breakdown is available, particularly for high value bids. Likewise, some of the values may have a degree of certainty (e.g. they are based upon a quotation, estimate from a Quantity Surveyor etc) whereas others may be a 'guesstimate'.
- There are submissions that may have some common ground with a bid from another college. For example, in Glasgow Kelvin College and Glasgow Clyde College there are bids in respect of the LAN infrastructure. Likewise, for Glasgow Clyde College and City of Glasgow College there are bids for technology regarding Creative Media/TV Production. It was suggested that colleges may wish to consider how the specifications for the LAN infrastructure are consistent or how the Creative Media facilities might complement/support each other.
- Within some of the bids for specialist curriculum equipment it is not immediately apparent how many students might benefit from such an investment. It was suggested that the colleges might review their curriculum bids to see if there is additional information that could be provided regarding the number of full-time/part-time/commercial learners that might benefit over the lifetime of the equipment.

## 6. Evaluation Process

- 6.1.** The bid documentation, together with the accompanying college strategies, has been provided for consideration. There is a significant amount of information to digest in advance of the meeting.
- 6.2.** If members wish to clarify any issues then please contact Jim Godfrey via email ([jim.godfrey@gcrb.ac.uk](mailto:jim.godfrey@gcrb.ac.uk)) or telephone (01413756827) in the first instance. Likewise, if members wish to discuss any items prior to the committee meeting, then Jim could be available to meet beforehand.
- 6.3.** There are a total of 21 bids to consider at the meeting with a limited amount of time available. The following suggestions are put forward in terms of making the optimum use of the time available:

Prior to the meeting	Committee Members to review the bids and identify any points of clarity/further information required. Committee Members to individually evaluate ('score') the bids using the evaluation matrix. Please note that the individual evaluations are intended to be your notes to inform the discussion at the meeting.
At the meeting	Committee Members to agree what additional information/questions should be asked of the representatives of the 3 Assigned Colleges.
	Representatives of the 3 Assigned Colleges to be invited to respond to any questions/provide supplementary information.
	The individual evaluations will be reviewed (by the Interim Director of Finance and Resources) and a common score identified (on the final evaluation matrix). Areas of significant difference will be identified for consideration by the Committee.
	The Committee to review all of the information provided and agree a single score for each criteria of each bid together with supporting comments.
	The Committee to review the final outcome and determine the bids that can be supported.

## 7. Evaluation Matrix

- 7.1.** An electronic copy of the evaluation matrix has been emailed to Committee Members.
- 7.2.** The evaluation matrix includes a section for each bid and is split between different worksheets for Estates, IT Infrastructure and Curriculum Equipment. It is probably easiest to view the sheet electronically but it has been set to print at A3 size if a hard copy is required. If Committee members would like a printed copy of the spreadsheet, and they don't have access to an A3 printer, then the spreadsheet can be emailed to Wendy Odedina ([wendy.odedina@gcrb.ac.uk](mailto:wendy.odedina@gcrb.ac.uk)) who will bring printed copies to the meeting.

**7.3.** The score for each criteria should be a value between 0 and 5. Further information on the awarding of a score is provided on the first page of the spreadsheet. Each score should be entered in the yellow boxes within the evaluation matrix. The spreadsheet will then apply the weighting to each score (see section 3.5 above).

## **8. Risk Analysis**

**8.1.** The risks associated with this paper are identified below:

<b>Risk</b>	<b>Mitigating Action</b>
A delay in the distribution of capital funds could impact on the ability of a College to complete its programme of works within the financial year.	The implementation of the capital policy has been expedited to enable decisions to be taken with minimal delay.
The implementation of this policy could result in an outcome that a College deems to be disadvantageous to its position.	The policy, and its implementation, will be open and transparent. Decisions will be objective and evidence based.

## **9. Legal Implications**

**9.1.** There are no specific legal implications associated with this paper for GCRB.

## **10. Financial Implications**

**10.1.** The financial implications in respect of this policy are contained within the report.

## **11. Regional Outcome Agreement Implications**

**11.1.** The implementation of this policy will allocate resources to support the delivery of the Regional Outcomes.