

City of Glasgow College Foundation (“the Foundation”) Sutherland House 149 St Vincent Street Glasgow G2 3NW Scottish Charity Number SC044620	<u>Grant Request Application Form</u> Transmitted electronically and by registered mail to the offices of Turcan Connell Edinburgh as requested.
Application Date:	4th September 2014
Applicant:	Principal Paul Little, on behalf of City of Glasgow College
Project/Funding Title:	City of Glasgow College New Campus Project
Contact Person:	Janis Carson, Vice Principal/Project Sponsor
Contact Details:	Janis.carson@cityofglasgowcollege.ac.uk 0141 271 6501
Risk Assessment Details: (copy supplied) to	<p>The Project maintains a full risk register which is regularly reviewed. A risk report if submitted to and reviewed by the New Campus Project Board; the College’s Finance & Physical Resources Committee and full Board of Management. The Project Risk Register is cross referenced to the College’s full Risk Register. A copy of the last Risk Report reviewed by the Board is attached to this application.</p> <p>Risks Specific to the application are highlighted in the section 3 (impacts/outcomes)</p>

Authorised Signatory:	Signature	Title Vice Principal & Project Sponsor
This section to be completed for new projects seeking funding		
<p>Summary of project:</p> <p>Project Overview</p> <p>The College has entered into a contract with Glasgow Learning Quarter (GLQ) for the design, construction, and maintenance of a new twin site campus on the College’s existing land at City (Cathedral Street) and Riverside (Thistle Street) sites (the ‘NPD contract’).</p> <p>GLQ (a special purpose company owned by Sir Robert McAlpine and Forth Holdings) was selected as the College’s development ‘partner’ following a procurement process which forms part of the Scottish Government’s Non Profit Distributing (NPD) programme of revenue funded capital projects. Following completion of construction, GLQ will provide building maintenance and lifecycle renewal services until 2041.</p> <p>The new campus project is strategically and financially supported by the Scottish Funding Council (SFC) and Scottish Government. The Scottish Futures Trust (SFT) has an assurance role and provides advice to all parties; this complements the SFT’s responsibility to strategically manage the entire NPD programme.</p> <p>Summary of Specific Sub-Project (Ships Simulator Suite & Working Engine Room)</p> <p>The funding being applied for is required to allow the College to:</p> <ol style="list-style-type: none"> 1. Fund the Colleges commitments under specialist fit out contracts, the scope of which covers <u>ship simulation and working engine room facilities</u> (£2,072k phased as set out below) <ol style="list-style-type: none"> a. <u>The Ships Simulator installation</u>: Following an OJEU procurement, Transas AG has been contracted to deliver state-of-the-art nautical simulators. The deliverables under this contract comprise: <ul style="list-style-type: none"> ▪ 360° Field of View Full Mission Bridge 		

- 135° Field of View Bridge
- Full Mission Engine Room
- Electronic Navigation/Global Maritime Distress and Safety System (GMDSS)
- Liquid Cargo vessel
- Instructor/Control, Debrief/Planning Room and other support spaces
- Training/handover and 2 years support and maintenance services

b. Working Engine Room: The College has specified within its new campus buildings at Riverside a fully serviced workshop in which to create a working ship's engine room. The NPD contract specifies the load bearing, acoustic, extraction and other technical requirements to house the engine. The College is seeking funding to provide a turnkey delivery of the engine room with main engine and associated auxiliary equipment and systems.

How does the project meet the objectives of the Foundation?

The Articles of Association of the City of Glasgow College Foundation establish that, "the objects of the Foundation are to advance the charitable purposes of City of Glasgow College to include the advancement of education by making grants and providing financial support for projects and activities being carried out by and supported by City of Glasgow College".

General Context:

The College's new campus project fulfils the foundation objectives not only through the provision of excellent new facilities and resources but by means of the root and branch review of learning and teaching strategy and key business processes which underpin the development. Hence the creation of the new twin campus college estate in addition to improving the learning environment, efficiency and effectiveness, is fully geared towards the 'advancement of education' and with the specific aims of improving educational attainment, successful outcomes, employability and enhancement of the student experience.

The College's Strategic Plan (2013-2017) establishes its Strategic Themes and Priorities with underpinning Aims. The delivery of a world class new College campus for Glasgow features clearly in this context and is closely associated with necessary curriculum and business objectives and targets. (Copies of the Plan are enclosed/attached for Trustees' information). The College's Board of Management have reviewed and fully endorsed the delivery strategy, programme and budget for the new campus project and support this application to the College Foundation.

How does the project meet the objectives of the Foundation? (Section continued)

Specific Sub Project /Simulators and Working Engine: (Meeting Criteria, ‘advancement of education’)

Simulator Suite

Due to expected growth in maritime training over the coming years and introduction of the Manila Amendments of the Standards for Training, Certification and Watch-keeping (STCW) post 2010, the College acknowledges that in order to maintain its position within the sector, both nationally and internationally, that now is an ideal time to enhance the provision of simulation equipment currently installed. The provision of bridge and engine room simulation adds a valuable experiential element to student’s course of study, allowing theoretical study to be applied in a near-realistic environment. The College believes that this industry standard environment prepares students for employment and enhances educational outcomes.

Working Ship’s Engine Room

It is proposed that a mock up of a ship’s engine room be incorporated within the workshop facility of the Riverside Campus. The purpose of this is to provide realistic training to Marine Engineer Cadet Officers on live, working machinery which will give the Cadet Officers an insight of what their role will be when they eventually go to sea. As with the simulator suite, this facility introduces a valuable experiential element to supplement theoretical learning and improves the technical employability skills of those studying in this area.

Projected impact/outcome:

General Impacts:

The new campus will provide the college with a very high quality accessible, flexible and sustainable estate which offers unrivalled facilities for learners. The new campus also represents a catalyst for, and enabler of, the College’s new learning and teaching strategy and it will provide the capacity for the College to deliver the curriculum brief that has been agreed with the SFC.

The new campus also supports a wide range of priorities and policies for the Scottish Government, the Scottish Funding Council, the Glasgow Region and Glasgow City Council. These include:

- The Scottish Government’s priority for “Colleges as highly effective, world-class organisations; with high-quality

buildings, facilities and equipment contributing to enhancing the experience for learners.”

- In *Skills for Scotland: Accelerating the Recovery (Oct 2010)*, the Scottish Government highlights the role of Scotland’s colleges: “Scotland’s colleges make a significant contribution to the range of training opportunities open to employers of all sizes across Scotland. A substantial part of the investment in colleges goes toward supporting this. Scotland’s economic geography will change over the next decade. As businesses seek to take advantage of new Economic opportunities, colleges will play a fundamental role in developing the skills and expertise that will be required to exploit them”
- The Scottish Funding Council’s Strategic Outcomes (a set out in their Strategic Plan for 2012-2015 in particular:
 - Outcome 1: efficient and effective regional college structures
 - Outcome 2: access for people from the widest possible range of backgrounds
 - Outcome 3: the right learning in the right place
 - Outcome 4: high quality, efficient and effective learning
 - Outcome 5: a developed workforce
 - Outcome 6: sustainable colleges and universities
- Supporting Glasgow’s Economic Strategy which places ‘Education at the heart of the economy’.

Specific Impacts & Outcomes/Educational Benefits of Sub Projects

Promoting and using these industry standard facilities should enhance the college’s reputation in the nautical, maritime and engineering industries and will play a part in improving the industry readiness of our students. The College is targeting recruitment in the following areas of the curriculum:

Area of Study (Simulators) - Much of the simulator training is commercial activity	Baseline Numbers (2014-15)
Ship Handling Course	10
Bridge Resource Management Course	30
Navigation Aids & equipment simulation training (NAEST) - Operational	130

NAEST - Management	30
Pilot Training & Bespoke CPD	18
Area of Study (Working Engine Room)	
HNC in Marine Engineering	96
HND in Marine Engineering (a typical class group of 24)	72
2nd Year of HND in Marine Engineering (International) (a typical class group of 24)	96
EOW courses. (a typical class group of 12)	72
The above groups would utilise the facility in Units of study such as: <ul style="list-style-type: none"> • FT29 34 (Aux Sys) • F912 34 (Prop.) • H0EL 35 (Electrical Sys) • Engineering Knowledge General • Engineering Knowledge Motor. 	

The use of the above engine room facilities and resources will be used to instruct the Cadet Officers on how to:

- Prepare the ship's machinery and carry out statutory and mandatory checks before the ship proceeds to sea.
- Prepare the ship's machinery and carry out statutory and mandatory checks before the ship berths or anchors.
- Carry out regular watch keeping duties and to deal with emergency situations.
- Carry out planned maintenance and breakdown repairs
- Be familiar with engine room systems.
- Be familiar with IMO regulations, Safety Management Systems and ISM as related to the Engine Room Department.
- Develop communications and team working skills within the engine room environment.
- Effectively liaise with other departments aboard ship.

The simulation suite is extensive and provides not only simulation of a wide range of vessel types but also simulation of an extensive range of geographical areas (minimum of 24 exercise areas -at least 6 UK coastal areas - to include but not limited to: Dover Straits, Milford Haven, Southampton, Singapore Straits, Turkish Straits, Red Sea/Persian Gulf, Port Harcourt and Bonny Channel). It provides students with experience of an extensive range of controls, visual display panels, main engine & auxiliary systems and navigation systems alongside the ability to simulate a wide range of weather conditions and both standard and

emergency operating contexts.

Alongside the very specific learning objectives above, these enhance facilities are seen to contribute to wider strategic and operational targets which include those below:

- The College is seeking to grow commercial income on Riverside campus by 10% (£200k) in the next academic session.
- The College is seeking to increase the volume of mainstream funded activity on Riverside by 7000 WSUMs by 2017.
- The business case for the new campus had as a key parameter that the College would be built to host 210,000 wsums of SFC funded activity. We currently support circa 170,000 WSUMs and have outline agreement from the other regional FE Colleges to transfer activity year on year to reach a figure of 210,000 wsums by session 2017/18. The Glasgow region has specified that a significant proportion of that growth will be in STEM areas based on Riverside campus.
- An overall quality improvement target of 2% has been set within the College's Learning & Teaching strategy for the next academic session and year on year until 2018.

Measures of Success:

The college through its Executive, Senior Management Team, Board of Management Learning & Teaching Committee and now through the Regional Outcome Agreement for Glasgow uses a range of locally devised and sector standard mechanisms to evaluate, monitor and control the quality and success of delivery. These include:

- Published KPIs for all areas. For learning & teaching these will include Course and Unit Outcomes, Success/partial success, retention and withdrawal
- Student satisfaction surveys
- Progression and articulation data
- Local Curriculum Performance Management processes
- Student representation and feedback mechanisms

Risk Management:

There is a systematic review process for the control, management and mitigation of risk in place both for the College as a whole and separately for the New Campus Project. This is regularly discussed and monitored through the College senior management and by the College's Board of Management. In relation to known risks associated with this application, the following are identified:

	<p>I. Ships Engine:- Procurement & Installation (Risk that) Market response to the ships engine procurement is poor and/or tenderers do not accept the College's commercial terms (This risk is expected to be closed once final agreement of terms with GLQ are completed)</p> <p>II. Interface risks associate with College managed Group 5 fit out activities (Simulators and working engine):- Risk that the College fit out has an adverse impact on construction works and/or service availability. Risk Management Strategy:</p> <ol style="list-style-type: none"> a. Defined service and infrastructure and building in GLQ's CP's (contractor's proposals) with associated transfer of risk b. Defined interface and access requirements to be delivered by GLQ in CR's (college requirements) c. Clarity of defining dependencies on the College in relation to GLQ delivery in CR's d. CGC contract for simulators now in place. Technical interface meetings with GLQ and Transaas held, recorded and costed and further engagement with Transaas as required to ensure design alignment, including populating RDS's (room data sheets) with Transaas equipment e. Proposed procurement of working engine room via GLQ as a change under the NPD PA reported to/noted by SFC in accordance with Grant conditions f. Terms being negotiated with GLQ for delivery of working engine room installation under turnkey terms and consolidating transfer of design & delivery risks to GLQ
<p>Estimated total project cost: (inc. full breakdown of estimated costs e.g. employee costs/property costs/supply & services)</p>	<p>Overall Project Costs: £228,000,000 (Project Capital Value) – see 'sources of funding' for breakdown.</p> <p>Sub-project costs (simulators & Working engine room): £2,072,000</p>
<p>Amount of funding requested:</p>	<p>Simulation Suite Total Cost = £1,500k, of which £11k has already been funded by the College. This application seeks funding for the remaining balance of £1,489k.</p> <p>Working Engine Room Installation Total Cost = £910k, of which £27k has already been funded by the College. This application seeks funding of £583k. The College intends to fund the balance of</p>

£300k from its capital budget in 2015/16.

Financial Year	2014/15	2015/16	2016/17	2017/18	Total
Payment Date	1/10/14	1/7/15	2/5/16	1/5/17	
Simulators and WE Fit Out	138,000	1,791,000	130,000	13,000	2,072,000

Simulator and Working Engine (WE) costs – comprise amounts payable to Transas and GLQ under contracts that have been let (Transas - Simulators) and which are in the final stage of negotiation (GLQ Working Engine Room). These costs include associated professional fees which are payable directly to the College’s advisers.

This application represents only some aspects of the anticipated College/Foundation funded elements of the development. The College Board approved projected budget for project management, infrastructure procurement, transition management and business migration will therefore generate further applications associated with the delivery of the project.

Amount of funds requested from elsewhere and the sources of that possible funding:

Related to Overall Project:

GLQ provides capital funding for the majority of capital development costs (£191M). GLQ obtains this funding from its own resources (£24M) and through long term loans (totalling £167M) from three commercial banks (European Investment Bank, KfW and Helaba).

Following occupation of the new campus, annual service payments made by the College provides GLQ with funding to meet its debt repayment obligations.

The College benefits from guaranteed financial support from the Scottish Government and SFC to help it fund the annual service payments.

Other sources of capital funding:

SFC Capital Grant Funding – £16.5M has been confirmed. To date £3.45M has been drawn down by the College. SFC funding is required to meet other commitments that are separate from the subjects of this application.

The College has been successful in its application to the Scottish Colleges Foundation and an award of £11.7M has been confirmed to fund NPD contract commitments. These are separate and discrete from the subjects of this application.

	<p>As noted above, the College intends to contribute £300k toward the cost of the working engine room installation; this is to be funded from the College's capital budget in 2015/16.</p>
Date funds required by:	<p>For fiscal year 2014/15 – by 1st October 2014 For fiscal years 2015/16 and 2016/17 – between 1 and 30 April in each of the respective years.</p> <p>The timing of supplier payments is estimated within each fiscal year and the College may have to return under spent funds prior to 31st March within any fiscal year due to the new financial constraints on the College as a result of the ONS reclassification implementation.</p> <p>In such circumstances the College would ask the Foundation to consider a re-profiling of the payment schedule but if this is not possible further applications will be made to the foundation.</p>
Project timescale:	<p>Construction commenced June 2013. Phase completion dates are:</p> <ul style="list-style-type: none"> - Riverside accommodation - August 2015 - Halls of Residence – November 2015 - City accommodation – August 2016 - External works – September 2017. <p>The latest position is that the project is on track for on time completion of all phases.</p>
Additional supporting information:	<p>In support of this application and to provide further information and context, we enclose:</p> <ul style="list-style-type: none"> • The College strategic plan • 'Building our Future Together' - A briefing paper which was produced for our recent Scottish Parliamentary Reception <p>Should Trustees find it helpful, we will be happy to provide other presentational or illustrative material at the meeting to assist in visualising the finished facilities and estate.</p> <p>A wide range of detailed documentation underpins both of the above technical areas and is presumed to be too detailed for inclusion here but could be made available on request (subject to commercial sensitivity). This includes for example:</p>

	Transaas Contract & Associated Schedules Simulator ITT documents Working Engine High Value Change Notice Working Engine Responsibilities Matrix	Transaas Contract Award Notice Simulators Tender Evaluation Strategy GLQ NPD Contract: College Requirements (WE)
This section to be completed for supplementary funding for a previously approved project		
Additional funding requested:	£ Not/Applicable	
Reason for supplementary funding:	Not/Applicable	

To be completed City of Glasgow College Foundation:

Additional information for Grant Applications		
Amount of Grant approved:	£	
Approved by Board or Delegated Authority:	Date:	Contact:
Additional Information if necessary:		
Funds Released	Date:	Contact:

(completed by Foundation Administration)		
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