

Performance & Resources Committee Meeting

Date of Meeting	Wednesday 9 June 2021
Paper Title	Capital Funding – 2020-21
Agenda Item	8
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 2020-21.

2. Recommendations

- 2.1. The Committee is invited to:

- **note** the progress made by the colleges in respect of the capital projects in Financial Year (FY) 2020-21.

3. Capital Funds 2020-21

- 3.1. The initial allocation of capital funds for 2020-21 was allocated to the three colleges as follows:

Initial Capital Allocation ¹	City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College	Total
Lifecycle Maintenance	£1,341,815	£945,490	£590,695	£2,878,000
Very High Priority Maintenance	£0	£1,942,000	£500,000	£2,442,000
Total	£1,341,815	£2,887,490	£1,090,695	£5,320,000

- 3.2. The initial allocation of lifecycle maintenance costs can be used to meet the cost of estates maintenance. In addition, for 2020-21 the funds can also be used to meet costs relating to IT infrastructure. The wider application of these funds was set out in guidance issued by the Scottish Funding Council.

¹ Funds provided for the Financial Year ending 31 March 2021

3.3. Two further allocations of capital funds for 2020-21 were made in August 2020 as follows:

Additional Allocation to Support Digital Provision²	City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College	Total
FE Digital Support Funding	£124,953	£137,436	£77,713	£340,102
HE Digital Support Funding	£137,751	£67,741	£28,500	£233,992
Total	£262,704	£205,177	£106,213	£574,094

Additional Allocation to Support Economic Recovery³	City of Glasgow College	Glasgow Clyde College	Glasgow Kelvin College	Total
Lifecycle Maintenance	£278,472	£196,221	£122,589	£597,282
High Priority Maintenance	£0	£403,029	£103,767	£506,796
Total	£278,472	£599,250	£226,356	£1,104,078

3.4. The total capital allocation (to the Glasgow Region) for 2020-21 is £6,998,172 which represents an increase of £3,458,172 compared to 2019-20. The total capital allocation for the financial year 2020-21 is almost double the amount received in the previous year. The allocation of these funds, the applicable criteria and monitoring requirements are set out in the grant letters issued by GCRB to the colleges. Regular progress reports are provided to each meeting of this Committee.

4. City of Glasgow College Update

- 4.1. City of Glasgow College received £1,620,287 in 2020-21 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.
- 4.2. In addition, the college received £262,704 to support digital provision. The college has used £155,784 to purchase 457 Chromebooks for use by ESOL students. In addition, a further 306 laptops (costing £106,920) have been purchased to be loaned to students.

² Funds provided for the Academic Year ending 31 July 2021

³ Funds provided for the Financial Year ending 31 March 2021

5. Glasgow Kelvin College Update

5.1. Glasgow Kelvin College implemented its Estates Capital Plan and delivered a range of high priority projects. An update, as at 21 May 2021, is provided below:

Glasgow Kelvin College					
Project	Description	Status	Initial Budget (£'000)	Revised Forecast (£'000)	Spend to 21 May 21 (£'000)
Multi-Campus					
Redecoration, replacement furniture and repairs		Completed	91	85	85
Springburn					
Essential redecoration	Public areas	Completed	16	24	24
Upgrade LED lighting	Public areas especially reception, student common room and canteen.	Completed	60	25	25
Cover former vehicle store	To create secure doorway and make wind and water-tight.	Completed	25	36	36
Replace carpets and decorate	Student and staff areas	Completed	43	48	48
Replace lift sheath		Completed	25	21	21
Install fire safety bollards		Completed	5	5	5
Kitchen extract	Install fail safe system	Completed	20	2	2
Compactor		Completed	16	15	15
Electrical works	4 th floor alterations	Completed	6	4	4
Cleaning cladding and magnetic door holders		Completed	0	20	20
Repair fire curtain		Completed	5	1	1
Re-development of plumbing workshop		Completed	19	21	21

Glasgow Kelvin College					
Project	Description	Status	Initial Budget (£'000)	Revised Forecast (£'000)	Spend to 21 May 21 (£'000)
Easterhouse					
Intruder alarm/CCTV	System upgrade	Completed	20	31	31
Fire Panel Replacement		Completed	0	31	31
Seal boiler house floor drains		Completed	3	2	2
Door upgrade	Replace revolving door and emergency/disabled access	Completed	70	57	57
Fill and repaint walls		Completed	5	26	26
West Campus					
Boiler replacement	More eco-friendly and efficient system.	Completed	60	67	67
Gaffa building replacement	Heating system, toilets, lighting, floor coverings	Completed	50	30	30
Eradicate dry/wet rot in building		Completed	15	3	3
Project management			50	50	50
Total			604	604	604

- 5.2.** At the 21 May 2021, Glasgow Kelvin College had spent 100% of the capital budget for the financial year ending 31 March 2021.
- 5.3.** Glasgow Kelvin College also received £713,284 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.
- 5.4.** In addition, the college received £106,213 to support digital provision. This has enabled the College to procure 366 Chromebooks. All of these devices have been distributed to students who met the criteria set by the SFC. Furthermore, 50 MiFi 4G dongles have been distributed to students who require support with internet access.

6. Glasgow Clyde College Update

- 6.1.** Glasgow Clyde College is implementing its capital plan, and progressing a range of high priority projects, following the allocation of these funds by GCRB.
- 6.2.** As previously reported to Committee, a number of project tenders returned lower costs than were originally anticipated. As a result, this committee approved the reallocation of the balance of these funds to other high priority maintenance projects.
- 6.3.** The original drainage and lightning protection project at the Cardonald campus has been split into two elements. Firstly, the drainage element, where CCTV investigations revealed the need for more extensive works than anticipated, and these are now planned for 2021-22. Secondly, the lightning protection element which has now been incorporated within the overall electrical works tender, where the three projects for electrical work⁴ were merged into a single tender to achieve best value. These are now shown as a single project within the multi campus section of the table.
- 6.4.** The heating and ventilation problems at the Anniesland campus have been the subject of detailed investigations. As a result, extensive works have been identified to address a range of long-standing issues. Initial works have been completed and the remaining works are being carried forward into future plans.
- 6.5.** During the 2020-21, there were delays in starting some projects on site due to a range of factors. These include the impact of Covid-19, which necessitated additional risk assessment and consultation with the trade unions. The floorcoverings project was particularly problematic and required much discussion with the unions. This has necessitated some works being carried forward into 2021-22.
- 6.6.** On 5 March 2021, the college submitted a return to the Scottish Funding Council regarding the use of capital funds in the financial year (FY) 2020-21 allocation. Within this return, Glasgow Clyde College requested to carry forward £1,099,2505 of capital funds from FY 2020-21 to FY 2021-22. SFC have recently confirmed that this funding allocation can be carried forward into 2021-22 and the College is working to conclude these projects over the coming months.
- 6.7.** Finally the project for the student space at Anniesland, which was planned for the use of the Economic Recovery Funds was tendered and an award was planned in January 2021. Unfortunately, there was a delay to the start date due to incomplete documentation being in place and awaiting confirmation of the funds being able to be carried forward. This project is now due to commence in June 2021 with the funding carried forward as agreed with SFC.

⁴ Lighting at the Cardonald campus, the lightning protection at the Cardonald campus, and the lighting, lightning protection and fire alarms at the Mary Stuart building on the Langside campus.

⁵ This consists of £500,000 from the original capital allocation of £1,942,000 and the entire £599,250 allocation to support economic recovery.

6.8. The revised forecast for each project is as follows :

Glasgow Clyde College					
Project	Description	Status	Initial Budget (£'000)	Revised Forecast (£'000)	Spend to 21 May 21 (£'000)
Cardonald Campus					
External drainage and lightning protection	Now split into two elements – lightning protection included as part of electrical works being completed (see below) - drainage will be future works after investigative works.	Lightning protection now included in multi-campus project. Investigative drainage works completed and project moved to 2021-22.	175	0	0
Building Management System for Skills Centre	Upgrade of BMS to provide better management of utility usage requirements.	Works completed	145	122	119
Langside Campus					
Mary Stuart building	Lightning protection and fire/intruder alarm replacement/door replacement.	Electrical works included in overall electricals project. Door replacements completed.	260	28	28
Anniesland Campus					
Heating and ventilation works	Issues with specific areas of the campus to be diagnosed and remedied	Investigative works revealed greater scale of project and project progressing (phase 1 only in 2020-21)	145	103	70
Student Space	Design for improved student space developed in partnership with students. Planned use of economic recovery funds.	Tender was issued but contract not yet awarded	403	403	0

Glasgow Clyde College					
Project	Description	Status	Initial Budget (£'000)	Revised Forecast (£'000)	Spend to 21 May 21 (£'000)
Multi Campus					
Lighting replacement/Electrical works	Phase 2 of lighting replacement programme and other electrical works (now incorporating lightning protection at Cardonald campus and electrical works at Mary Stuart, Langside campus).	Works ongoing on site. Project fees only invoiced to date.	500	694	300
Floorcoverings	Replacement vinyl & carpet around campuses. Need was highlighted in the condition survey and assessment of required rooms by PM. Further areas in future high priority maintenance.	Works now ongoing on site for first phase. Second phase will be in future priority works.	717	546	402
Health and Safety Improvements	Fire Alarm upgrades, fire evacuation upgrades.	Alarms contract awarded. Fire evacuation works relatively small and tender issued for works.	0	24	24
Emerging High Priority Maintenance projects	External timber cladding repairs, car park repairs/upgrade, internal upgrades.	Tenders issued and due to commence on site shortly.	0	121	97
Emerging High Priority Maintenance projects	Range of projects related to estates capital maintenance.	Expenditure as shown across range of projects.	0	304	304
Total			2,345	2,345	1,344

6.9. Glasgow Clyde College also received £1,141,711 in 2020-21 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.

6.10. Of the total life cycle maintenance 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.

6.11. In addition, the college received £205,177 to support digital provision. This has been utilised to partly meet the significant need for digital access to students across the College in the new learning delivery provision. The college has also used this funding to procure more than 570 laptops for learners.

7. Risk Analysis

7.1. One of the key risks facing the Glasgow Region is that “Financial sustainability is jeopardised by a reduction in funding and/or an increase in costs.” (Risk 008). The provision of additional capital funding helps mitigate this risk.

7.2. The capital plans for Glasgow Clyde College, and Glasgow Kelvin College, represent a significant investment in 2020-21. There is a risk that the value to be invested is significant but there is limited time available for the projects to be delivered. This risk has materialised within Glasgow Clyde College and has resulted in the request to carry forward these funds to the next financial year.

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 2020-21 and the Regional Strategic Plan 2017-22.