
BOARD OF MANAGEMENT MEETING

Date of Meeting	29 March 2017
Paper Title	Capital Expenditure Report and Capital Masterplan
Agenda Item	17.14
Paper Number	17.14A
Responsible Officer	Janet Thomson, Vice Principal Resources and College Development
Status	Disclosable
Action	Review and Discuss

1 Report Purpose

- 1.1** This report provides an update on capital expenditure against plan for the period to date from 1 April 2016 and an update to the Capital Masterplan as compared to that presented to the Board in December.

2 Recommendations

- 2.1** Members are asked to review and discuss the Glasgow Clyde College Capital Expenditure Report since 1 April 2016 against plan and the capital masterplan update.

3 Background and Commentary

- 3.1** The Scottish Funding Council (SFC) provides formula capital funding to Colleges which can be used towards estates or equipment and this funding is provided on a fiscal year basis, i.e. April to March. The allocation for 2016/17 for the Region was £3.428Million for the period April 2016 to March 2017 which was a 14.7% reduction from the previous year, and the original allocation to Glasgow Clyde College from GCRB was £1.181Million which is split £802k to capital funding and £379k to capital maintenance funding. There was additional capital funding of £2.1Million received by the Glasgow Region in September and Glasgow Clyde College was successful in receiving £1.144 Million of this additional funding to be spent on four projects which are as detailed below in paragraph 3.4.
- 3.2** The capital expenditure from 1 April 2016 to date against plan is attached, plus an update of the capital masterplan is also attached.
- 3.3** There are two large capital projects being progressed at this point as per the Capital Masterplan which are the new build teaching accommodation for Landscaping and Horticulture at the Langside campus which is a £1.73M project (currently this provision is in rented accommodation at Daldowie),

and the large scale plant upgrade/replacements at the Cardonald Campus with a major refurbishment of the five lifts, upgrade of the heating and ventilation system, and replacement of switchgear all of which have a funded project value of £2.75M. The first phase of this project is the lifts refurbishment which has been awarded following a tender process. These projects have been approved for funding by the Glasgow Clyde Education Foundation.

- 3.4** The projects being undertaken from the additional SFC capital allocation received in Autumn 2016 are refurbishment of the toilet facilities and refurbishment of the Business Centre at the Cardonald campus which has been awarded as a joint contract for £948k (part of which is being funded by the main SFC capital allocation to the College in 2016/17 and 2017/18), phase 2 of roof replacement at the Cardonald campus which is £183k, refurbishment of the Mary Stuart building toilets at the Langside campus at £120k, plus £125k of project management and other professional fees. The total additional allocation from the Autumn funding was £1.144Million and the total of these projects is £1.376Million hence the balance is the sum being funded from the SFC main capital allocation to the College.
- 3.5** There is a significant level of expenditure required annually on lifecycle maintenance and the SFC capital maintenance element of the funding allocation is used towards this expenditure. This expenditure is ultimately charged to the income and expenditure account.
- 3.6** The SFC capital allocation to the College for 2017/18 is not yet known and discussions are being held to consider the capital needs for the Colleges across the Region. The main SFC capital allocation can be used for estates or equipment including ICT and the next update of the plan will have further information on the use of the 2017/18 allocation once the allocation is known.
- 3.7** A series of planning meetings was held recently and the output from this is being used to inform the summer works planning for 2017 which is shown on the plan and is assumed will be met from the SFC capital allocation for 2017/18.

4 Risk Analysis

- 4.1** The risk is that if the capital masterplan is not achieved then the correct level of investment is not made to maintain a suitable educational experience for the students of the College.

5 Legal Implications

- 5.1** There are no specific legal implications associated with this capital expenditure update.

6 Financial Implications

- 6.1** The financial values of each of the capital masterplan projects are highlighted within the report.

7 Regional Outcome Agreement Implications

- 7.1** The Regional Outcome Agreement implications are that each of the Colleges in Glasgow needs to have a suitable, fit-for-purpose estate and the Cardonald campus is the one which is the oldest estate across the Region and; therefore, needs appropriate investment.

8 Has an Equality Impact Assessment been carried out

- 8.1** Not applicable.