
FINANCE & RESOURCES COMMITTEE MEETING

Date of Meeting	30 November 2016
Paper Title	Capital Expenditure Report and Capital Masterplan
Agenda Item	16.57
Paper Number	16.57A
Responsible Officer	Janet Thomson, Vice Principal
Status	Disclosable
Action	Review and Discuss

1. Report Purpose

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

Recommendations

The Finance and Resources Committee are asked to review and discuss the Glasgow Clyde College Capital Expenditure Report since 1st April 2016 against plan and capital masterplan update.

2. Background and Commentary

The 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 allocation to Glasgow Clyde College from GCRB was £1.181Million which is split £802k to capital funding and £379k to capital maintenance funding. The capital expenditure from 1st April 2016 to 31st October 2016 against plan is attached.

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.

On 30th September there was an additional allocation of SFC funding of £10Million for the sector which was £2.1Million for the Glasgow Region. The Glasgow Colleges Regional Board requested the three Glasgow Colleges to submit proposals for potential use of these funds to be utilised for estates needs and to be spent by end March 2017. The College submitted a number of bids and was successful in

receiving an allocation of £1.080Million of these funds for four specific projects which are Cardonald Campus Refurbishment of Toilets £600k, Mary Stuart Building Toilets Upgrade £130k, Cardonald Campus Business Centre Upgrade £150k, and Cardonald Campus Roof replacements phase 2 £200k.

The capital masterplan has therefore been updated in the attached to include these additional projects from this additional SFC funding and this updated masterplan will be taken to the December Board of Management meeting.

There are two projects in the capital masterplan where the costs have increased which are the Landscaping and Horticulture Teaching Facilities new workshops and glasshouses building and the lifts replacements project at the Cardonald campus. The former of these two projects has increased costs due to added items requested by planning in terms of car parking and retention of some structures plus the need to move an attenuation tank which was under the planned build site. These additional costs could be as high as £375k in total. The project has approved funding from the Glasgow Clyde Education Foundation of £1.54Million and the tenders for the project are being evaluated just now to assess the final costs of the project, which will either have to be funded by the College from its 2017/18 SFC allocation or from a further bid to the Foundation. For the lifts project six tenderers were included and three tenders have been received with a range of prices and the highest of them is £600k higher than the lowest. The accepted tender is £130k higher than the plan figure which was based on the costed business case and this will be funded from the contingency line in the capital plan.

3. Risk Analysis

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.

4. Legal Implications

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

5. Financial Implications

The financial implications are highlighted within the report.

6. Regional Outcome Agreement Implications

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.

7. Has an Equality Impact Assessment been carried out

Not applicable.