

West College Scotland

ESTATES COMMITTEE

TUESDAY 26 May 2020 at 4.00 p.m.

By Skype

AGENDA

General Business

1. Apologies
2. Declaration of Interests
3. Minutes of the meeting held on 3 March 2020
Actions from the minutes
4. Matters arising
(and not otherwise on the agenda)
 - .1 Catering and Cleaning Review
 - .2 Room utilisation survey March 2020
 - .3 District Heating System

Attached	NA
Attached	NA
Verbal	DA
Verbal	AR
Verbal	AR

Main Items for Discussion and/or Approval

5. Committee Remit and Proposed Committee Meeting Dates 2020-21
6. Estates Update Report - Emerging Opportunities
7. Estates Maintenance Plan and Sustainability Update
8. Centre for Performing Arts Project Update
9. Monitoring of Regional Outcome Agreement Objectives
10. Strategic Risk Consideration
11. Community Empowerment Annual Update

Paper 5	SG
Verbal	DA
Paper 7	AR
Paper 8	AR/PT
Paper 9	DA
Paper 10	AR
Verbal	PT

Items for Information

12. SFC Funding Announcement 2020-21
13. Schedule of Business 2019-20
14. Any other business

Next meeting: **TBC**

Shirley Gordon
Secretary to the Committee

ESTATES COMMITTEE

MINUTES: Tuesday 3 March 2020

Present: Nick Allan (in the Chair), Liz Connolly, John McMillan, Andrew Hetherington, Jenifer Johnston.

Apologies: No apologies received.

Attending: David Alexander (Vice Principal Operations), Alan Ritchie (Director of Finance and Estates), Peter Thorne (Head of Estates), Shirley Gordon (Secretary to the Committee).

Observer: Janet Campbell, HMI for the College – in attendance to observe proceedings.

EM391 WELCOME

The Chair welcomed everyone to the meeting and, in particular, Janet Campbell, College HM Inspector.

EM392 DECLARATION OF INTERESTS

- John McMillan and Liz Connolly - Trustees of the West College Scotland Foundation.
- David Alexander - member of the Council of the Scottish Funding Council (SFC) and Chair of the SFC's Audit and Compliance Committee.

EM393 MINUTES

The minutes of the meeting held on 10 December 2019 **were approved**.

EM394 ACTIONS FROM THE MINUTES

The actions of the meeting held on 10 December 2019 **were noted**.

EM395 Matters Arising

There were no matters arising not otherwise on the agenda.

The Chair reported that an invitation had been extended to Estates Committee members to attend a meeting of the F & GP Committee scheduled for Tuesday 10 March 2020 at 4pm to hear a presentation on the Catering and Cleaning Review Update delivered by Roy Miller, Ideal Catering Ltd.

EM396 Estates Update Report - Emerging Opportunities

The Vice Principal Operations provided the Committee with an update on emerging opportunities undertaken by the College and the significant programme of engagement with partners in seeking to progress these.

The Vice Principal Operations led the Committee through the report summarising the following:

- Progress to date in considering emerging estates opportunities and models with partners in Renfrewshire, West Dunbartonshire and Inverclyde.
- The current position in relation to College Outline Business Cases (OBCs) for Greenock and Paisley.

- College engagement with the new SFC Assistant Director, Capital and Climate Change.
- The draft Scottish Government 2020-21 estates maintenance budget for the college sector.
- Changes to West College Scotland Senior Management responsibilities for estates and infrastructure which were currently being progressed.

In relation to the West College Scotland OBC for development of the Paisley Campus, the Principal reminded members that this was approved by the Board of Management for submission to the SFC on 9 October 2017. Since that time, a series of meetings involving representatives from the College, Renfrewshire Council, Scottish Futures Trust, SFC, West Hubco and the University of the West of Scotland had taken place to consider opportunities for collaboration in support of developing the College OBC for Paisley. The Principal confirmed that she was due to have a discussion next week with the SFC on its agreement to a formal review being undertaken in support of this partnership approach (with the broad remit being to map current and future education and curriculum synergies and consider possible innovative estates and co-location proposals arising from this which may further inform the Paisley OBC). It was hoped that this discussion would provide the final detailed scope and timescales for completion along with confirmation of who the SFC would appoint to undertake the review. The Principal agreed to update the Board at its meeting scheduled for 23 March 2020.

{ACTION – LC}

In relation to the District Heating System at West Dunbartonshire, the Director of Finance and Estates reported that there had been no further contact from the local authority since the last Committee meeting - until receipt of an email from West Dunbartonshire Council representatives yesterday containing information in relation to the district heating system project. This would now be reviewed by the College and a further update provided to the next meeting of the Committee.

{ACTION – DA and AR}

With regard to the Expansion Programme Board for the redevelopment and extension of the Golden Jubilee National Hospital, a further meeting had now been scheduled for April 2020 to include the Hospital Programme Director, Hospital Associate Director of HR and staff from across the College in order to discuss and agree opportunities and priorities to support the project and wider workforce development plans. A further update would be provided to the Estates Committee following on from this.

{ACTION – DA}

In updating on the Greenock Outline Business Case (OBC), the Vice Principal Operations reported that the College continued to engage with Inverclyde Council in relation to the OBC proposals for a new build campus at East India Dock following conclusion of the local authority's Local Development Plan review process which encompassed this site. The College had also provided the SFC with an update in relation to various points and work remained ongoing in order to provide additional information to them on projected student numbers and the existing Greenock campuses. The partnership work required by the SFC in order to progress the Paisley OBC may also inform this process to some extent.

The Committee reviewed and considered this report.

EM397 College Estate Condition Survey – Update

The Head of Estates explained that the College commissioned an updated building condition survey in July 2019. The initial findings from the survey were presented to the Estates Committee in December 2019 and, following that meeting, the Committee requested further analysis work be carried out and for the results of that work to be presented to the next meeting.

The Head of Estates delivered a presentation summarising the 2019 College building condition survey (and the further analysis work undertaken since December 2019) which clearly showed that the level of investment required to maintain the current estate would not be met from current SFC funding streams – and the recent Scottish Government draft budget announcement was not expected to change this position. This created a very challenging environment for the College to operate in with several competing demands to satisfy with a limited level of funding. The College did not expect to see significant increases in the availability of SFC funding, nor had it been indicated that material levels of capital funding would be provided imminently towards the development of new campuses.

Given this, the Head of Estates reported that the College intended to:

- Use the 2019 condition survey report as the basis for future estate investment decisions;
- Continue the ongoing dialogue with the SFC as to the level of estate maintenance funding the College annually receives; and
- Share the 2019 condition survey report with the SFC.

The Head of Estates led the Committee through the report highlighting the following:

- The results of the discussions with Thomson Gray surveyors on the cost basis for years 6 to 20;
- The implications the output from the survey may have on the College Estate Strategy 2016-2026;
- The College operational priorities now arising from this exercise and how the survey results will be used to inform the use of future maintenance funds over the next few years; and
- Updates on the continuing engagement that the College has had with the SFC regarding the condition of the College estate.

The Principal recorded her thanks to staff and students for their resilience particularly during the recent period of bad weather where the College's estate provided far from ideal conditions to work / study in.

The Committee considered the content of the report and it was agreed that the:

- **Presentation be circulated to Estates Committee members. {ACTION – PT}**
- **Information on the Building Condition Survey 2019 (and the associated updates) be shared with the SFC. {ACTION – DA}**

EM398 College Estate Strategy 2016-2026 - Progress Report

The Vice Principal Operations reported that the College Estate Strategy 2016-2026 was approved by the Board of Management on 3 October 2016 and he provided an update on:

- Activities undertaken during 2019 to deliver Estate Strategy objectives;
- The overall progress made during the first three years of Estate Strategy implementation; and
- Next steps in progressing the Estate Strategy 2016-2026.

The Vice Principal Operations explained that, since the Strategy was approved, the operating environment within which it was set had altered and, as such, the College proposed to refresh the Estate Strategy 2016-2026 document over the course of 2020 in order to reflect this change, and changing, operating environment. He anticipated this work to be complete by the end of the calendar year. **{ACTION – DA}**

The Director of Finance and Estates confirmed that SFC estates funding allocations took account of College Building Conditions Survey.

The Estates Committee reviewed and considered the:

- **Progress made in implementing the Estate Strategy to date;**
- **Intended key outcomes for year 4 of the Estate Strategy; and**
- **Next steps in updating the Estate Strategy 2016-2026 document.**

EM399 Estates Maintenance Plan and Sustainability Update

RESERVED BUSINESS – This item was deemed to be restricted under the Freedom of Information Act as being commercially sensitive.

[REDACTED]

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- [REDACTED]
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- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

EM400 Strategic Risk Consideration

The Director of Finance and Estates reported that, in accordance with the Corporate Governance Code, the College Board of Management was tasked with ensuring a framework of risk management and control was in place. He presented the College Strategic Risk Register for the consideration of the Committee and provided an update on the actions taken by the College to embed risk management across the organisation.

With regard to any specific planning required since the Coronavirus outbreak, the Principal confirmed that this had been discussed by the SMT and the College was following national advice given. Scottish Government guidance for public sector bodies was awaited. Any implications would be reviewed in accordance with the WCS Business Continuity Plan.

The Committee reviewed and approved the College Strategic Risk Register and in doing so considered:

- **The risks included in the register;**
- **The revised risk rating both pre and post mitigation;**
- **Whether any other risks should be considered for removal;**
- **Whether any new risks should be considered for inclusion; and**
- **The progress made in further developing the College Risk Management framework.**

EM401 Scottish Government Infrastructure Report 1st Phase

The Vice Principal Operations advised the Committee of the:

- Work being undertaken by the Infrastructure Commission for Scotland;
- Outcome of the Commission's recently published 'Phase 1: Key Findings Report'; and
- Next steps following on from publication of the Phase 1 report.

The Infrastructure Commission for Scotland published its first report - Phase 1 key findings: A blueprint for Scotland on 20 January 2020. In response to this, the Scottish Government confirmed that it would publish the next Infrastructure Investment Plan later in 2020 focusing on three core long-term outcomes of inclusive economic growth; tackling the global climate emergency; and building sustainable places. The Infrastructure Investment Plan would include the Scottish Government's response to the recommendations of the Commission.

The Vice Principal Operations drew the Committee's attention to the four recommendations arising under the theme of Leadership and the Committee in particular and referenced the associated timescales for these.

The Committee noted the content of this report.

EM402 Schedule of Business 2019-20

The Director of Finance and Estates outlined how the Schedule of Business for 2019-20 enabled the Committee to fulfil its remit and summarised business items coming up.

The Committee noted its schedule of business for 2019-20.

EM403 Any other Business

No other business items were raised.

Date of Next meeting: Tuesday 26 May 2020, Abercorn 2, Paisley Campus.

Estates Committee: - Actions from the Minutes

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
3 Mar 2020	EM396	Estates Update Report - Emerging Opportunities: In relation to the West College Scotland OBC for development of the Paisley Campus, the Principal agreed to update the Board at its meeting scheduled for 23 March 2020.	L Connolly	Principal provided update to Board of Management on progress made and next steps at 23 March meeting.	Complete
"	"	District Heating System at West Dunbartonshire: A further update provided to the next meeting of the Committee.	D Alexander / A Ritchie		May 2020 Estates meeting
"	"	Expansion Programme Board for the redevelopment and extension of the Golden Jubilee National Hospital: A further update would be provided to the Estates Committee.	D Alexander		May 2020 Estates meeting
"	EM397	College Estate Condition Survey: Update - Presentation be circulated to Estates Committee members.	P Thorne		To issue following March meeting
"	"	Information on the Building Condition Survey: 2019 (and the associated updates) be shared with the SFC.	D Alexander		To issue following March meeting
"	EM398	College Estate Strategy 2016-2026 - Progress Report: Proposed to refresh the Estate Strategy 2016-2026 document over the course of 2020 in order to reflect change, and changing, operating environment - anticipated this work to	D Alexander		By the end of 2020

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
		be complete by the end of the calendar year.			
		Action from previous minutes			
10 Dec 2019	EM379	Building Condition Survey: Report to be tabled on the condition of the College estate, with a presentation to be delivered, at the next meeting of the Board.	P Thorne		February 2020 meeting. <i>As subsequently agreed with Chair and Principal, this will now go to the first meeting of Board in 2020-21</i>
	EM384	Cleaning and Catering Review: i) Request to be made to the Chair of the Finance and General Purposes Committee for interested members of the Estates Committee to attend their meeting in March for the report from Ideal Catering Consultants. ii) Invite to be sent to members of the Estates Committee.	D McGowan		Complete
	EM385	Risk: Mitigations for risks in relation to the College's estate to be updated.	D Alexander	College risk register updated for estate related risks. Considered at March 2020 Committee meeting.	Complete
	EM388	Outline Business Cases: i) Scope for planned work to be circulated to members when available. ii) Updates to be given as appropriate.	D Alexander		As soon as reasonably possible Future meetings
	EM389	Centre for Performing Arts: Update to be given on the Centre for Performing Arts project.	A Ritchie	Update report provided to the March 2020 Committee.	Complete

Date of Meeting	Min Ref	Matter for Action	Responsible Person	Action Taken	Timescale (where applicable)
	EM390	Sports Centre Lease: Lease of WDLT Sports Centre to be recommended to the Board for approval.	N Allan	Board of Management approved the signing of the lease at February 2020 meeting.	Complete
10 Sep 2019	EM358.1 339.1	Golden Jubilee Hospital, Clydebank: Hospital and College to explore reaching a strategic partnership arrangement. Committee to be kept informed of developments	L. Connolly	Update provided at December 2019 meeting	Complete
10 Sep 2019	EM372	Catering and Cleaning Services Review: A report on progress with this matter to be provided at the next meeting	D Alexander	Report provided at December 2019 meeting; further update provided at March 2020 F&GP Committee meeting which Estate Committee members attended.	Complete
10 Sep 2019	EM368	Education Scotland – Janet Campbell, HMI for the College, to attend next meeting in December	S Graham	Unable to attend December meeting. Subsequently attended March 2020 meeting.	Complete
28 May 2019	EM338.1 326.2	Clydebank District Heating System – further information to be provided to Committee once available	A Ritchie	Committee updated at September 2019 and March 2020 meetings. Action now captured under EM396.	Complete
	EM352 334	Paisley OBC – College to continue collaborative discussions and to progress dialogue with UWS regarding possible opportunities for collaboration.	L Connolly D Alexander	Update on planned SFC review exercise to inform future College curriculum and the role of wider educational partners in developing this in order to inform College OBCs provided at December 2019 meeting. Scope for planned work with SFC and educational partners to be circulated to members when available.	Complete

Title: **COMMITTEE REMIT, MEMBERSHIP AND DATES OF MEETINGS IN 2020/2021**

Background: Following the retirement of the Director IT in December 2019, the College took the opportunity to review the portfolios of the remaining Directors. After discussion with the Chair of the Board of Management and the Chairs of the Estates and the Finance & General Purposes Committee, the College introduced a new position of Director of Infrastructure. This position will provide strategic direction to the estates and IT functions within the College.

With this change in Directorate portfolios there is a requirement to review the remit of both the Estates Committee and that of the Finance and General Purposes Committee, primarily to transfer the IT element of the Finance and General Purposes Committee to the Estates Committee. Appendix A provides the Committee with a tracked change version of the current Committee remit for its consideration.

Action: The Estates Committee is asked to:

- Approve the revised Estates Committee Remit (Appendix A)
- Note the current membership of the Committee (Appendix B)
- Approved the 2020/21 proposed meeting dates (Appendix C)

Lead: Shirley Gordon, Secretary to the Committee

Status: Open

Appendix A – Revised Committee Remit

West College Scotland

Board of Management

Asset and Infrastructure~~Estates~~ Committee

Statement of Purpose

The Board provides the principal governance mechanism through which activities are managed in accordance with legislation and regulations, as well as ensuring that systems are in place to provide efficiency, effectiveness and economy. However, the Board has delegated some of its responsibilities to certain committees.

The main purpose of the Asset and Infrastructure~~Estates~~ Committee will be to ensure the College manages and develops its assets and infrastructure estate in line with the agreed College Estates Strategy and IT Strategy, taking account of any guidance issued by the Scottish Government and the Scottish Funding Council.

1. Remit

The remit of the Asset and Infrastructure ~~Estates~~ Committee is:

- a) To ensure that the College maintains a comprehensive register of land ~~and~~ buildings and infrastructure assets.
- b) To ensure that the College manages and develops its assets and infrastructure estate to meet ~~its~~ overall needs efficiently and effectively, taking account of any guidance relating to estate and IT management, option and investment appraisal and private finance.
- c) To ensure the development and review of the College's Estate Strategy takes place regularly.
- d) To ensure that the College maintains its estate in accordance with a planned maintenance programme, consistent with its Estates Strategy and associated financial projections.
- e) To ensure that the correct procedures are followed in respect of the disposal of Exchequer funded assets.
- f) To have an awareness of local, national and global environmental issues and in doing so strive to ensure the College ~~sustains~~ and improves ~~the~~ the environment.
- ~~g)a) To consider risk relating to the matters that fall within the Committee's remit and to agree what mitigating factors/actions are in place and what further action, if any, needs to be taken to address such matters of risk.~~
- g) To agree, approve and review IT strategy and policies, ensuring they support the priorities and outcomes of the College;

- h) To advise the Board of Management on key issues relating to the College's information technology.
- i) To consider and promote the effective and efficient use of IT services and assets.
- j) To consider information technology initiatives and innovations for use within the College, the resources required to implement these and to identify risks and opportunities associated with proposals.
- k) To consider risk relating to the matters that fall within the Committee's remit and to agree what mitigating factors/actions are in place and what further action, if any, needs to be taken to address such matters of risk.

2. Membership

Membership of the Committee will comprise:

The Principal and at least three members of the Board of Management, one of whom will Chair.

Attending;

Vice Principal Educational Leadership
 Vice Principal Operations
 The Director of Finance and Estates
 Head of Estates

The Committee is empowered to invite other members of the Senior Management/Executive team to attend meetings of the Committee.

The Committee is empowered to co-opt additional members, subject to approval by the Nominations Committee.

Other Board members can attend the meetings, with the approval of the Chair of the Estates Committee.

Committee members will be appointed to serve a four-year term, or for the period of their term of office.

The Chair of the Board of Management will be an *ex officio* member of the Committee

3. Frequency of Meetings

The Committee will meet at least three times per year.

4. Quorum

A quorum will be two members of the Board of Management.

5. Secretariat

Secretary to the Board of Management.

Papers for meetings will be sent out 7 days in advance of meeting.

The Committee will report to the Board of Management and the minutes of its meetings will be circulated to the Board for information.

6. Review

This Remit will be subject to review annually.

Version Control

Approved by Board – 9 October 2017

Reviewed by Estates Committee – 10 September 2019 (no changes made)

Appendix B - Current membership of the Committee

Estates Composition (Para 2 of the Remit)

Category	Name
The Principal and at least three members of the Board of Management, one of whom will Chair.	Liz Connolly, Principal Nick Allan, Chair Andrew Hetherington (VC) John McMillan Jenifer Johnston

In Attendance	Name
Vice Principal Operations	David Alexander
Vice Principal Educational Leadership	Stephanie Graham
Director of Finance and Estates	Alan Ritchie
Head of Estates	Peter Thorne
Secretary	Shirley Gordon

Quorum	Two members of the Board of Management
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Appendix C – Proposed 2020/21 Estates Meeting Dates

- **Wednesday 16 September 2020**
 - Due to other Committee meeting on Tuesday 15 September this is a one-off request to amend the day to a Wednesday
- Tuesday 8 December 2020
- Tuesday 9 March 2021
- Tuesday 11 May 2021

TITLE: ESTATES MAINTENANCE PLAN AND SUSTAINABILITY UPDATE

Background: This report provides the Estates Committee with an update in relation to:

- Scottish Funding Council (SFC) Estate Maintenance Funding;
- College Estate Maintenance Plans; and
- Carbon management and sustainability.

Action: The Estates Committee is requested to:

- Consider the update provided in relation to College estates maintenance plans and associated funding for 2019-20 and the revised project delivery plan;
- Consider the level of SFC estates maintenance funding for 2020-21 and approve the draft College 2020-21 SFC estates maintenance plan;
- Consider the progress being made in progressing carbon management and sustainability projects;
- Consider the estates operations trend analysis; and
- Review and consider the overall report.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1. Introduction

- 1.1 The Estates Committee is kept updated on matters relating to estate maintenance funding, developments and projects on an ongoing basis. This report provides the Committee with an update on:

- Use of Scottish Funding Council (SFC) Estate Maintenance Funding;
- College Estate Maintenance Plans;
- Carbon management and sustainability; and
- Estates Operations – trend analysis

2. SFC Estate Maintenance Funding and Estates Maintenance Plans

- 2.1 The following sections provide an update in relation to College SFC estates maintenance funding and the key projects being progressed during 2019-20 and 2020-21.

2019-20 Estates Maintenance Projects

Lifecycle Maintenance Funding

- 2.2 Estates maintenance costs for 2019-20 were previously forecast to be approximately £1.3m for 2019-20, however the closure of on-site College operations since 23 March 2020 due to the Covid-19 outbreak means that operational estates maintenance running costs for 2019-20 are estimated to be £0.3m lower, at £1m. Most of the reduced expenditure is attributable to reductions in utility costs with a small element of maintenance savings. The SFC lifecycle maintenance funding allocation of £0.8m for 2019-20 is not enough to meet the £1m of costs arising, with the College therefore requiring to cover the difference through application of wider funding sources.

High Priority Maintenance Funding

- 2.3 As reported at previous Estates Committee meetings, the College, in agreement with the SFC, agreed to utilise 2018-19 high priority estates maintenance funding in agreeing the £1.4m budget for the Centre for Performing Arts (CPA) relocation project. This £1.4m of funding has therefore been carried forward to 2019-20 in order to fund completion of the CPA relocation project.

- 2.4 The College has allocated all SFC High Priority Maintenance Funding available to the following project areas for 2019-20:

Table 1: SFC 2019-20 High Priority Maintenance Projects

	Budget Expenditure £'000	Movement £'000	Forecast Expenditure £'000	Expenditure to Date £'000	Expenditure remaining £'000
CPA Project funding b/fwd from 2018-19	1,400	0	1,400	200	1,200
Bank interest cover	162	0	162	162	0
Estate maintenance to keep buildings in current condition	538	0	538	538	0
Asbestos management	20	0	20	18	2
Refurbishment / replacement of teaching spaces	337	(7)	330	59	271
Fire detection and prevention works	100	0	100	0	100
Refurbishment of lighting, heating and general facilities	360	0	360	101	259
Refurbishment of building exteriors	37	0	37	0	37
Drainage upgrades	0	0	0	0	0
Refurbishment of windows	50	0	50	3	47
Other projects identified through curriculum review	106	7	113	57	56
Total Allocated Expenditure	3,110	0	3,110	1,138	1,972

- 2.5 As Table 1 outlines, of the £3.1m available to fund necessary projects during 2019-20, £1.138m has been incurred to date with the £1.972m remaining – the overall position can be summarised as follows within Table 2:

Table 2: 2019-20 Project Expenditure Analysis

Expenditure Analysis	£'000
Bank interest cover	162
Estate maintenance to keep buildings in current condition	538
Other project expenditures already incurred	438
Total of works where expenditure has been incurred	1,138
Balance of 2019-20 Project Funds Remaining	1,972
CPA relocation project main contract and other works	1,200
Total of works where contract signed but not yet started	1,200
Furniture replacement	150
Fire prevention measures	100
Project expenditure expected to be undertaken over summer 2020	522
Total of works currently prepared for tender or in planning	772
Balance of SFC funding not yet contracted or committed to	0

- 2.6 However it should be noted there will be a need to assess the ability of contractors to deliver these projects once the lockdown period concludes = and to understand the impact of:

- Government and health and safety guidance relating to social distancing, and how this might require the use of College buildings to be revised; and
- Changes to learning and teaching approaches, in order to accommodate new ways of working

Such considerations may require some estates maintenance funding to be reprioritised in order to meet the cost of any necessary building adaptations. It should also be noted that the requirements of re-opening on site College operations are likely to have an impact upon the operating model for cleaning and catering - and the College will therefore require to revisit this over the coming period.

- 2.7 The College continues to address all legislative and safety requirements through the planned and reactive maintenance budgets. In liaising with the SFC regarding use of 2019-20 high priority maintenance funds there is a recognition that the approach will require some flexibility given current challenges arising from COVID19 on operations. The Estates Committee will be kept updated of any required changes to the 2019-20 projects.

2020-21 Estates Maintenance Projects

- 2.8 The College received notification of 2020-21 indicative funding from the SFC on 7 April 2020 (circular SFC/AN/06/2020). Agenda Item 12 (*SFC Indicative Funding 2020-21 Update*) provides more detail in relation to all aspects of the funding announcement. The total estates maintenance funding allocation available for the college sector to meet high priority backlog and lifecycle maintenance needs during 2020-21 is £32.7m (2019-20: £22.7m). In making this allocation SFC have recognised that the sector's backlog and lifecycle maintenance needs continue to far exceed the level of funding available. SFC's allocation methodology remains similar to last year, and is based on a 58/42% split of high priority backlog/lifecycle maintenance costs for the £31m - resulting in a total of £18.2 million for high priority backlog maintenance and £13.0 million for lifecycle maintenance based on share of the sector's volume of activity (credit) target.
- 2.9 It should also be noted that the 2020-21 SFC funding announcement confirmed that £1.5m has been allocated to provide support for estates business cases for the highest priority campuses. The funding announcement does not specify which colleges this business case funding will be provided to – and the College will therefore look to engage further with the SFC regarding this.
- 2.10 For West College Scotland, the 2020-21 estates maintenance funding allocation is as follows:
- Lifecycle maintenance funding has increased from £821,000 to £1,193,000 – a movement of £372,000 (45%).
 - High priority maintenance funding has increased from £1,710,000 to £2,574,000 - a movement of £864,000 (51%). This is the most allocated to any college in the sector in order to meet high priority maintenance needs.
 - Appendix A shows how the SFC has allocated estates maintenance funding across the sector.
- 2.11 While the increase in estates maintenance funding for West College Scotland in 2020-21 is welcomed, this remains significantly lower than the average annual investment of £8.5m that the updated College condition surveys advise is required to maintain the estate at the level of Condition B (generally sound, wind and watertight and to a state whereby existing defects are not significantly worsening or compounding) over each of the next 5 years. This means that West College Scotland will continue to face ongoing challenges and choices in managing the estate.

Lifecycle Maintenance Funding

- 2.12 The level of lifecycle estate maintenance funding provided by the SFC for 2020-21 of £1.2m means the College requires to utilise the full amount as a contribution to meet operational estates maintenance running costs, which may be at the level of £1.4m for 2020-21. This means the College will require to find a further £0.2m from wider funding sources in order to meet operational estate running costs should these be at the level of £1.4m.

High Priority Maintenance Funding

- 2.13 The College undertook a building condition survey in 2019 which identified the condition of the structure and fabric of campus buildings and assessed the cost of bringing the estate up to condition B - generally sound, wind and watertight and to a state whereby existing defects are not significantly worsening or compounding - over the next 5 years. Based upon the 2019 condition survey the College portfolio requires £42.5m of investment to bring the estate up to condition B status over the next 5 years – an average of £8.5m per annum. As outlined above, the College has been allocated £2.574m by the SFC for 2020-21 high priority maintenance and this is some way short of the £8.5m identified as required.
- 2.14 Further detail of the investment required by campus building can be found at Appendix B. The College condition survey identified that in Year 1 a total investment of £22.9m would be required, and over years 1 to 3, a total investment of £27.6m is advised, an increase of £4.7m on the year 1 investment. The College has undertaken a review of the areas for high priority estates investment as based upon the detail within the condition survey – and from this identified some of the key projects that require to be progressed during 2020-21, which can be summarised as follows:

Clydebank Campus

£0.8m is required to replace corroded heating pipes and radiators over the next 5 years.

During 2020-21:

- Work will be undertaken to address the most at risk areas with the heating system; and
- To replace waterproof coverings in the Refectory roof terrace.

Finnart Street Campus

£14.6m is needed to over clad the building and a further £2.6m required to replace electrical and heating services installations over the next 5 years. During 2020-21:

- A feasibility study will be undertaken to propose how the workshop roof issues could be addressed over the coming years on a phased investment approach. Work will be undertaken on the workshop roof over the course of 2020-21 to address the most at risk areas.
- A further feasibility study will be carried out to investigate and propose a solution to the temperature issues prevalent across the campus. An element of work will be undertaken to upgrade the heating system.
- Work will be undertaken to replace parts of the aging electrical infrastructure.

Greenock Waterfront

£0.3m is required to replace light fittings, emergency lighting and fire alarm installation at the campus over the next 5 years with a further £0.2m required for repairs to the fabric of the building. During 2020-21:

- A feasibility study will be undertaken to propose how the heating system may be improved to address heating issues across the campus.
- Work will also be undertaken to upgrade the toilet facilities and to decorate the campus.

Paisley Renfrew Building

£0.4m is required for fabric and services repairs with a further £1.8m needed to upgrade the life expired electrical installation over the next 5 years. During 2020-21:

- A feasibility study will be carried out to provide a phased solution to the roof issue where water is now penetrating the building and impacting the teaching environment.
- After the roof is repaired work will also be undertaken to refurbish the teaching spaces in the building which have been impacted by the roof leaks. This work will again be carried out over several years.

Paisley Renfrew North

£0.4m is required to replace finishes and undertake minor fabric and services repairs over the next 5 years. During 2020-21:

- Work will also be undertaken to address minor issues identified in the condition survey along with the continued phased redecoration of the building.

Paisley Oakshaw

£2.3m is required to fund extensive refurbishment of the building fabric, including curtain walling, electrical and heating services over the next 5 years. During 2020-21:

- A feasibility study will be carried out to provide a solution to the replacement of the roof and windows on a phased investment basis. Once complete an element of the work will be undertaken to address the areas where there is the greatest problem. This work was not anticipated to be required for several years but due to water ingress and heat loss the college will be looking to address these issues as a matter of priority.
- Further work will be carried out to replace the aging electrical infrastructure and heating systems.

Paisley ICE

£0.1m is required to repair a leaking roof deck to the renewable technology demonstration area over the next 5 years. During 2020-21:

- Work will also be undertaken to address minor issues identified in the condition survey, the phased redecoration of the building and an upgrade of the building management system.

Paisley Abercorn

£0.9m is required to repair the slated roof covering and timber framed and clad ventilation towers that are in poor condition over the next 5 years. During 2020-21:

- Work will commence on the first phase of repairs to the roof of the Abercorn building.

Paisley New Street

£0.1m is required to allow for repairs and dilapidation costs likely to be incurred during 2020-21

Paisley Inchinnan

£0.1m is required to upgrade the fire alarm system with a further £0.2m for decoration and minor fabric repairs over the next 5 years. Due to the relocation of the CPA to this building no further investment is planned for during 2020-21.

- 2.15 The full detail of the proposed estate investment plan for 2020-21 can be found at Appendix B – this shows by campus building how the College would intend spending the £2.574m allocated by the SFC for High Priority Maintenance.
- 2.16 This 2020-21 estate maintenance project plan as proposed is subject to agreement with the SFC and the approval of the College 2020-21 budget. As outlined above, there is likely to be some change in the individual project allocations as the College seeks to understand the impacts arising from the end of the COVID19 lockdown period on the use of the estate and as revised curriculum arrangements and requirements are understood. The Estates Committee will be kept updated of any changes to the proposed 2020-21 High Priority Maintenance Plan at each meeting.

3. Carbon Management and Sustainability

- 3.1 Since the last Estates Committee meeting in March 2020 there has been little activity in the area of sustainability due to the closure of College operations and staff absence. The College has continued to review potential award (Green Gown) and funding applications.

4. Estates Operations – Trend Analysis

- 4.1 The College has continued to implement the Estate Strategy objective of withdrawing from premises that are either unsuitable for teaching or where they are surplus to requirements. This has led to a 5.7% reduction in the overall area occupied by the College by the end of 2019-20, with a further 2.2% reduction planned for 2020-21. Table 3 below shows the movements over a five-year period:

Table 3: College Premises by Area since 2016-17

	2016/17	2017/18	2018/19	2019/20	2020/21
	Actual	Actual	Actual	Actual	Forecast
Opening premises area (m ²)	80,903	80,903	80,160	76,445	76,265
Vacated Dumbarton High St	0	(743)	0	0	0
Demolished Paisley Houses	0	0	(306)	0	0
Demolished Barshaw building	0	0	(518)	0	0
Demolished Inchinnan North	0	0	(2,891)	0	0
Terminated lease YMCA Paisley	0	0	0	0	(1,725)
Sale of Drumry Road property	0	0	0	(180)	0
Premises area (m²)	80,903	80,160	76,445	76,265	74,540
Cumulative area reduction		(743)	(4,458)	(4,638)	(6,363)
Cumulative % reduction		0.9%	(5.5%)	(5.7%)	(7.9%)

- 4.2 Utilising the above space data the College has reviewed its cost base over the previous three years compared to the budget / forecasted position for 2019-20. This exercise is intended to provide the Estates Committee with an indication of trends in managing the College estate on an operational basis.

Table 4: Estate Expenditure Trend Data since 2016-17

	2016/17 Actual £'000	2017/18 Actual £'000	2018/19 Actual £'000	2019/20 Budget £'000	2019/20 Forecast (Cov-19) £'000
Premises area (m ²)	80,903	80,160	76,445	76,265	76,265
Utilities (gas / electricity)	835,000	902,000	969,000	1,096,000	870,000
Cost / m2	10.32	11.25	12.68	14.37	11.41
Annual movement		9%	12%	13%	(10%)
Reactive maintenance	419,000	502,000	728,000	523,000	450,000
Planned maintenance	458,000	436,000	457,000	490,000	450,000
Total maintenance cost	877,000	938,000	1,027,000	1,013,000	900,000
Cost / m2	10.75	11.70	13.43	13.28	11.80
Annual movement		8.8%	14.7%	(1.1%)	(12.1%)
Health and safety	61,000	85,000	99,000	85,000	85,000
Insurance	184,000	191,000	202,000	188,000	183,000
Rent	214,000	179,000	121,000	146,000	200,000
Rates - Business/Water	492,000	420,000	448,000	420,000	424,000
Waste	79,000	88,000	88,000	70,000	60,000
Other estate costs	1,030,000	963,000	958,000	909,000	952,000
Cost / m2	12.73	12.01	12.53	11.92	12.48
Annual movement		(5.6%)	4.3%	(11.6%)	(7.5%)
Carbon emissions	4,859	4,430	4,249	4,100	4,100
Carbon emissions per m2	0.060	0.055	0.055	0.054	0.054

4.3 The College continues to review its estates cost base on an ongoing basis. Where possible the necessary adjustments to operational practices to ensure that - within the constraints imposed due to an aging estate - all operations are undertaken effectively and efficiently. The data shown within Table 4 can be summarised as follows:

- **Utility costs** – These represent the third largest estate cost at to the College part from staffing and maintenance costs. As can be seen, despite the reduction in the overall College estate size in recent years the utility cost per square metre has been increasing each year. Had the COVID19 lockdown period not occurred then it is expected that the level of expenditure would have been £1.031m. The College purchases gas and electricity through the national public sector procurement contract which was subject to an average increase of 10% in 2019-20. The College intends to invest in the building management systems across several campuses during 2020-21 in order to attempt to address the increasing costs in this area.

- **Maintenance Costs** - As previously reported to the Estates Committee, the 2019 condition survey has highlighted the requirement for £42.5m of investment in order to ensure that the estate is maintained at condition B over the next 5 years. The level of investment required to maintain the aging estate infrastructure is therefore increasing – however the College is only able to invest the level of resource provided by the SFC – which is not at required levels. The College will therefore look to be as efficient and effective as it can be in seeking to address challenges in the maintenance of the estate. During 2020-21 the College will look to move the maintenance costs associated with heating and ventilation onto a framework agreement procured with the assistance of APUC. It is thereby anticipated that future costs will be maintained at current levels. The College will require to maintain the above levels of expenditure or risk a material failure of a critical piece of estate infrastructure which could have a significant impact on the overall operation of the College.
- **Other Property Costs** - Several of the expenditure headings in this area are not directly related to the size of the College estate but are essential to ensure the ongoing operations of buildings and infrastructure:
 - Health and safety costs are a business-critical area for the College and investment will be maintained at a level comparable to the requirement of the service.
 - Insurance has been maintained at an average cost across the last four years of £0.191m using the APUC national insurance framework agreement. Recent years have seen a reduction through the renewal of the contract at the end of 2018-19
 - Rent costs have increased as a result of the requirement to find alternative accommodation for the theatre and production students resulting from the YMCA undertaking remedial building works.
 - Business rates have remained at a constant annual level of £0.29m although as the number of properties that the College occupies has reduced the overall amount payable has reduced slightly. The estate team have over the previous two years undertaken work on reducing water usage across the College as part of the sustainability agenda. The average annual cost of water usage over the last 4 years has been £0.13m The cost in 2019-20 expected to be below this average.
- **Carbon Emissions** - The College continues to make good progress in addressing the Scottish Government climate challenge requirements. College CO2 emissions have reduced from 0.06 tonnes of CO2 per square meter to 0.054 tonnes, a 10% reduction. In addition, the College has seen an overall reduction in emissions from its baseline position of 5,303 tonnes in 2014-15 to 4,249 tonnes in 2018-19, a reduction of 1,054 tonnes (19.8%). Without significant investment in such areas as the replacement of boiler plant and heating systems or the development of new build campus facilities - it is anticipated that reductions in future years will flatten out as the College has addressed most of the major factors contributing to the emissions.

- 4.4 As previously reported to the Estates Committee the College has found difficulty in identifying reliable trend comparisons with other Colleges and can therefore only compare the forgoing items with previous years – it remains the case that there is no SFC co-ordinated annual sector analysis of college estate expenditure.

5. Next Steps

- 5.1 The College will:
- Continue to engage with the SFC regarding the allocation and use of lifecycle and high priority estates maintenance funding; and
 - Continue to refine College maintenance plans based on the condition survey results, the requirements of the building users, the assumptions / principles provided by the SFC; and the need to comply with any government and/or health and safety guidance relating to social distancing

6. Conclusion

- 6.1 The Estates Committee is requested to:
- Consider the update provided in relation to College estates maintenance plans and associated funding for 2019-20 and the revised project delivery plan;
 - Consider the level of SFC estates maintenance funding for 2020-21 and approve the draft College 2020-21 SFC estates maintenance plan;
 - Consider the progress being made in progressing carbon management and sustainability projects;
 - Consider the estates operations trend analysis; and
 - Review and consider the overall report.

Appendix A – 2020-21 SFC Sectoral Maintenance Funding Allocations

College/Region	FY 2020-21 capital based on gross high priority backlog maintenance	FY 2020-21 capital for lifecycle maintenance based on share of volume target	Total capital funding based on high priority backlog & lifecycle maintenance (college estate survey) for FY 2020-21
	£	£	£
(1)	(2)	(3)	(4)
Ayrshire College	187,000	969,000	1,156,000
Borders College	207,000	196,000	403,000
Dumfries & Galloway College	41,000	236,000	277,000
Dundee & Angus College	1,669,000	807,000	2,476,000
Edinburgh College	2,189,000	1,457,000	3,646,000
Fife College	1,451,000	1,017,000	2,468,000
Forth Valley College	92,000	657,000	749,000
Glasgow Region	2,442,000	2,878,000	5,320,000
Highlands & Islands Region	1,645,000	877,000	2,522,000
Lanarkshire Region	1,753,000	1,332,000	3,085,000
Newbattle Abbey College ¹	1,146,000	-	1,146,000
North East Scotland College	2,433,000	1,013,000	3,446,000
Sabhal Mòr Ostaig ¹	325,000	-	325,000
SRUC ²	-	178,000	178,000
West College Scotland	2,574,000	1,193,000	3,767,000
West Lothian College ³	53,000	183,000	236,000
Total	18,207,000	12,993,000	31,200,000

¹ - Newbattle Abbey College and Sabhal Mòr Ostaig do not receive capital funding for lifecycle maintenance.

² - The high priority backlog maintenance costs for SRUC are being funded from HE capital.

³ - West Lothian College's capital funding is adjusted to reflect a loan repayment.

Appendix B

2020-21 SFC High Priority Maintenance Investment Plan Assessment of Priority Expenditure for 2020-21

		Total required 2019 condition survey Yrs. 1-5 £	Total required 2019 condition survey Yr. 1 £	Work identified as being required Yr. 1 -3 £	Works re- prioritised and brought forward from later years £	Total from Condition Survey £	Proposed Expenditure 2020-21 £
a)	To undertake the minor repairs identified in the Condition Survey.			901,000		901,000	75,000
b)	To replace the waterproof coverings at the roof terrace to the refectory.				65,000	65,000	65,000
c)	To upgrade the BMS and train estates staff in its use.			25,000		25,000	25,000
d)	To initiate a phased programme of replacement for the LTHW distribution pipework and radiators.			50,000		50,000	50,000
e)	To continue the phased redecoration of the campus.			5,000		5,000	50,000
	Clydebank	4,459,080	89,300	981,000	65,000	1,046,000	265,000
a)	To undertake the minor repairs identified in the Condition Survey.			17,742,998		17,742,998	75,000
b)	To replace the defective cross corridor fire doors.			5,000		5,000	5,000
c)	To undertake an investigation and feasibility study into the temperature issues in the building and to initiate a phased programme of improvements.				75,000	75,000	75,000
d)	To prepare a feasibility study and initiate a phased replacement of the workshop roof.			250,000		250,000	250,000
e)	To initiate a phased programme of window replacement to the tower block			100,000		100,000	100,000
f)	To replace the calorifiers.			30,000		30,000	30,000
g)	To continue the phased replacement of the electrical infrastructure.			100,000		100,000	100,000
h)	To continue the phased redecoration of the campus.			50,000		50,000	50,000
	Greenock Finnart Street	20,306,620	18,036,930	18,277,998	75,000	18,352,998	610,000

Appendix B

a)	To undertake the minor repairs identified in the Condition Survey.				515,584		515,584	30,000
b)	To undertake an investigation and feasibility study into the temperature issues in the building, and to initiate a phased programme of improvements.					30,000	30,000	30,000
c)	To initiate a phased upgrading of toilet finishes.				40,000		40,000	40,000
d)	To continue the phased redecoration of the campus.				30,000		30,000	30,000
Greenock Waterfront			1,100,220	583,680	585,584	30,000	615,584	130,000
a)	To undertake the minor repairs identified in the Condition Survey.				4,360,687		4,360,687	75,000
b)	To undertake a feasibility study and initiate the phased replacement of the roof covering.					250,000	250,000	250,000
c)	To repair the render on the rear elevations.				110,000		110,000	110,000
d)	Replace the steel flow and return pipework bridging between Oakshaw building to Renfrew Building.				25,000		25,000	25,000
Paisley Renfrew			3,927,080	442,640	4,495,687	250,000	4,745,687	460,000
a)	To undertake the minor repairs identified in the Condition Survey.				281,334		281,334	50,000
b)	Continue with phased redecoration.				100,000		100,000	100,000
c)	To replace the Crabtree distribution board on the roof.				40,000		40,000	40,000
Paisley Renfrew North			2,397,150	351,110	421,334	0	421,334	190,000

Appendix B

a)	To undertake the minor repairs identified in the Condition Survey.			5,972,962		5,972,962	100,000
b)	To prepare a feasibility study and initiate the phased replacement of the workshop roof.				150,000	150,000	150,000
c)	To prepare a feasibility study and initiate the phased repair / upgrade the BMS and heating controls.			100,000		100,000	100,000
d)	To initiate a feasibility study and continue the phased upgrade the electrical infrastructure and distribution boards			75,000		75,000	50,000
e)	To prepare a feasibility study and initiate the phased replacement of the windows.				50,000	50,000	50,000
Paisley Oakshaw		6,941,020	2,211,450	6,147,962	200,000	6,347,962	450,000
a)	To undertake the minor repairs identified in the Condition Survey.			187,900		187,900	75,000
b)	To upgrade the BMS and train Estates staff in its use.				30,000	30,000	30,000
c)	To redecorate the first floor accommodation.			50,000		50,000	50,000
Paisley ICE		219,930	97,220	237,900	30,000	267,900	155,000
a)	a) To invest £150K in a first phase of repairs to the roof of the Abercorn building.			905,000		905,000	150,000
Paisley Abercorn		963,000	875,000	905,000	0	905,000	150,000
a)	Allowance for running repairs, dilapidations and disputes.				100,000	100,000	100,000
Paisley New Street		0	0	0	100,000	100,000	100,000
a)	To undertake the minor repairs identified in the Condition Survey.			0	0	0	0
Paisley Inchinnan		2,131,820	268,970	0	0	0	0
a)	Staffing resource to service above expenditure.				64,000	64,000	64,000
Staffing Resource		0	0	0	64,000	64,000	64,000
Total		42,445,920	22,956,300	27,556,778	564,000	32,866,465	2,574,000

TITLE: CENTRE FOR PERFORMING ARTS (CPA) PROJECT UPDATE

Background: This report provides an update on the College occupation of the YMCA premises and the project seeking to relocate activity from this venue to the Paisley Campus.

Action: The Estates Committee is requested to consider and note the content of this report.

Lead: Alan Ritchie, Director of Finance and Estates
Peter Thorne, Head of Estates

Status: Open

1. Introduction

- 1.1 The Centre for Performing Arts (CPA) is situated at the junction of New Street and High Street within Paisley Town Centre. The College delivers curriculum relating to music, theatre and dance from this location. The building was constructed around 1907 and is currently owned by the YMCA. The College occupies space arranged over the ground, first, second and third floors with approximately 400 students (equivalent to approximately 3% of the overall College teaching delivery) and 20 staff using the facility. The CPA costs the College approximately £120,000 per annum in lease and operational costs. In 2018 the Board of Management approved proposals to relocate this curriculum activity from the YMCA to the Inchinnan Building on the Renfrew Road Campus.
- 1.2 This report provides an update on the following matters relating to the ongoing College occupation of the existing YMCA premises and the relocation project:
- Structural defects in the current YMCA building;
 - Negotiations on terminating the current YMCA lease;
 - Progress on the phased refurbishment of the Inchinnan Building within the Paisley campus, to enable the relocation of curriculum activity from the YMCA building; and
 - The YMCA relocation project budget.

2. Structural Defects in the current YMCA building

- 2.1 In October 2019 the YMCA advised the College of defects in the property and instructed the College to vacate a part of the building to allow remedial works to take place. The Estates Committee was advised that the College successfully transferred those performing arts teaching activities taking place within the affected part of the building to the University of the West of Scotland, a local dance studio and theatre space provided by PACE (a local theatre company). The revised arrangement worked well for the staff and students and proved a successful test of business continuity arrangements within the College. The teaching of music sound production and dance activities remained within the YMCA building and continued to accommodate approximately 17 staff and 180 students. These activities are carried out in a part of the building unaffected by the structural defects that were advised to the College by the YMCA.
- 2.2 Over the course of several meetings with the YMCA, they indicated their belief that the building defects advised to West College Scotland in October 2019 are linked to works undertaken by Reid Kerr College in 2009. The 2009 works were undertaken by Reid Kerr College in order to make the building suitable for use as a Centre for Performing Arts at that time. The YMCA have intimated that they consider the College to be liable for approximately £80,000 of costs associated with rectifying the structural defects.

2.3 The College met the YMCA at the end of February 2020. It was agreed at the meeting that:

- the YMCA would be provided with a copy of a report commissioned by the College in November 2019 on the cause of the structural defects. The report was commissioned by the College in order to provide independent evidence as to the cause of any structural defect. This report did not support the YMCA view that the structural defects had arisen as a result of the work undertaken by Reid Kerr College in 2009; and
- the YMCA would share several documents with the College to inform any assessment regarding liability for costs - including.
 - engineer's drawings showing the works that had been undertaken;
 - building contract entered for the execution of the works;
 - progress pictures of the works that had been undertaken; and
 - a statement of the costs associated with the works.

2.4 The College has provided the information requested by the YMCA but despite several subsequent requests the YMCA have as yet to provide the College with the agreed documentation nor has the YMCA supplied any detail supporting their position that West College Scotland is liable for the cost of remediating the defects. It should be noted that as of 23 March 2020 the College ceased to deliver curriculum activity from New Street due to the COVID19 pandemic and the YMCA have ceased to operate from the premises since that date, although they do continue to respond to email.

2.5 Only once the YMCA have formally stated their position can the College consider any claim for liability payment. The College will therefore continue to liaise with the YMCA in order to gain further clarity on the basis for and validity of any liability payment claim. The Estates Committee will be provided with a further progress update regarding this matter at the next meeting.

3. Negotiations on terminating the current YMCA lease

3.1 The College initially occupied the YMCA premises in 2009. A formal lease was never concluded at the point of entry by Reid Kerr College at that time and so West College Scotland negotiated and executed a formal lease agreement in January 2018. The termination date of the original lease is 30 June 2023.

3.2 As part of the overall project to relocate the CPA activities, in April 2019 the College issued a formal notice indicating the desire to terminate the lease on 17 April 2020. As previously reported to the Estates Committee, delays associated with the refurbishment project necessitated a revision of the termination date. In the update report provided to the December 2019 Estates Committee the College anticipated completing the project in the summer of 2020 – and to support this timeline the YMCA had verbally agreed to extend the lease termination date to October 2020.

- 3.3 However, given the requirement to cease on-site operations due to the COVID19 lockdown period, the College wrote to the YMCA in March 2020 requesting that they allow the notice to terminate in October 2020 to be withdrawn. This was based upon a discussion with the Chair of the YMCA who had indicated that they would be amenable to such a request.
- 3.4 On 13 May 2020 the College received confirmation that the YMCA are agreeable to accepting the withdrawal of termination notice, which means the lease agreement now reverts to the terms set out in January 2018. This means the current position is that the lease termination date reverts to 30 June 2023, although the lease terms allow the College to terminate at any time prior to that date subject to giving 12 months' notice.
- 3.5 This will allow the College to plan the transfer of the CPA activities to the Inchinnan Building without the learning and teaching activity being disrupted.

4. CPA Relocation to Inchinnan Building Project

- 4.1 The Estates Committee and Board of Management approved the scope of the YMCA relocation project and a budget of £1.4m in order to complete the required works. Following a tender exercise, the December 2019 Board of Management meeting awarded the contract for the main building works to Ashwood Construction Limited. The contract had an intended start date of 30 March 2020. However, the Government lockdown due to COVID19 came into effect on 23 March 2020 and Ashwood never actually occupied the site as they furloughed most company employees.
- 4.2 Although Ashwood have furloughed most of their staff, the College has remained in touch with their directors, who are confident that they will return to the project when the lockdown restrictions are lifted. The Chief Executive of Ashwood spoke on BBC Radio Scotland during May 2020 saying that the construction industry and his firm were keen to return to work as soon as possible. However, at the time of writing this report a site commencement date is not yet known and thus a revised completion date for the project also remains unknown.
- 4.3 It should be noted however - as previously reported to the Estates Committee - that the overall CPA relocation project has several separate but inter-related parts which are being undertaken in phases. Some initial phases of the project have therefore been successfully completed, including:
- External fabric repairs;
 - Internal stripping out and asbestos removal; and
 - The removal of a significant structural column to facilitate the creation of the Dance Studio.

4.4 However, the delay in the main contractor being able to commence project works is a situation that brings with it a range of risks that will impact upon the overall project and which require to be recognised, including:

- The timetable for Ashwood Construction to commence the project, once the current COVID19 restrictions are eased/lifted;
- The impact on the works programme and costs arising from any restrictions on working practices which may be imposed by the Government in relation to social distancing and any associated health and safety requirements;
- The impact upon Ashwood's supply chain, including the availability of sub-contractors and materials;
- The possibility that sub-contractors may not have survived the lock down period - and having to secure replacements may increase costs;
- The extended period of the project may increase the cost of professional fees; and;
- The possibility of increases in the rate of VAT and or other government tax increases which cannot be recovered.

4.5 The College project team have undertaken several planning scenarios with the curriculum teams to consider and mitigate these risks and establish what is possible based on several possible end dates. The curriculum departments have agreed that from a learning and teaching perspective it is better to wait on the facility being complete rather than taking partial possession. There are also key points in the year where transferring activity from one location to another would not be suitable - Christmas due to the shows/presentations undertaken at this point, with the same timing issue also occurring during May/June due to end of year shows.

4.6 The curriculum teams will therefore continue to operate from their current locations at the YMCA and in wider facilities, including those at the University of the West of Scotland, until the relocation project is completed at an appropriate time which fits with the pattern of curriculum delivery.

4.7 As outlined above, the College remains in contact with the main contractor and our professional advisors and will continue to update the Estates Committee as matters become clearer.

5. CPA Relocation Project Budget

5.1 As outlined above, in December 2019 the Board of Management approved an overall budget of up to £1.4m for the YMCA relocation project. The funding for the project has been allocated from SFC Estates maintenance funding and this approach has been approved by the Scottish Funding Council.

- 5.2 Based on the current contracts awarded for the project prior to the COVID19 lockdown it was forecast that the budget of £1.4m would be fully utilised in delivering the project. The Estates Committee should note however that this budget may now be subjected to discussion with the main contractor following the COVID19 shutdown. The College has a *fixed price* contract with the supplier; however, this does not mean that project costs will not increase in these unprecedented times, and there will require to be detailed engagement with the contractor regarding any cost pressures should these emerge. The Estates Committee will be kept updated on the project as matters progress.

6. Conclusion

- 6.1 Due to circumstances arising from the COVID19 lockdown period, the CPA relocation project has been delayed and the date of occupation currently remains unknown. However, through ongoing liaison with the curriculum departments, YMCA and contractors the project will be progressed in a way which looks to minimise disruption to students and their learning experience, whilst seeking to conclude the CPA project once the COVID19 lockdown period eases.
- 6.2 The Estates Committee is requested to consider and note the content of this report.

TITLE: MONITORING OF REGIONAL OUTCOME AGREEMENT OBJECTIVES

Background: The Board of Management agreed that each Board Committee should:

- monitor progress on areas of the Regional Outcome Agreement (ROA) for which they have responsibility; and
- provide a report to the Board of Management on the progress made in relation to these areas of the ROA.

Action: The Estates Committee is asked to:

- note the background information provided in relation to the Regional Outcome Agreement process; and
- consider the progress that has been made in relation to those ROA areas for which the Estates Committee has responsibility to provide an update to the Board of Management.

Lead: David Alexander, Vice Principal Operations

Status: Open

1. Background

1.1 Regional Outcome Agreements (ROAs) were introduced in 2012-13. They are intended to enable the Scottish Funding Council (SFC) to demonstrate the impact of the sector and its contribution to meeting Scottish Government priorities and are required by the Financial Memorandum as a term of SFC grant. ROAs are intended to achieve this by building better relationships with colleges and key stakeholders to support:

- Increased accountability and confidence in the distribution of resources, ensuring that resources are targeted where there is greater need; and
- Continuous improvement, to maximise the impact on the learner, the employer and the economy.

1.2 The Outcome Agreement process is intended to enable:

- Engagement, to ensure SFC decisions account for the context within which colleges operate, so that SFC can differentiate its approach where appropriate.
- Curriculum and investment planning based on economic, industry, labour market and demographic evidence.
- Consistent methods of operating, to ensure that a fair interpretation of college impact is made, and to enable the SFC to interpret impact consistently at a regional and national level.
- A means by which college regions can discuss with SFC their broader aspirations.

1.3 Ultimately the ROA is seen by the SFC to be a joint funding commitment, in which each college sets out:

- The regional context within which a college region operates
- Outcomes and outputs a college region will deliver, mindful of this regional context, in response to Scottish Government priorities. In most instances these outcomes/outputs correspond to national performance measures, and include reference to a baseline position, current progress and a future ambition or target.

1.4 The current West College Scotland ROA was finalised following the 2019-20 final funding announcement on 17 May 2019 and agreed by the SFC on 29 July 2019.

2. Monitoring of Regional Outcome Agreement Objectives

- 2.1 The objective of the West College Scotland ROA is to deliver the SFC national priority of:

'High quality learning and teaching - an outstanding system of learning that is accessible and diverse, where students progress successfully with the ability, ideas and ambition to make a difference.'

The main outcomes required by SFC in support of this priority are:

- Access – a more equal society because learning is accessible and diverse, attracting and providing more equal opportunities for people of all ages, and from all communities and backgrounds.
- Quality – an outstanding system of learning where all students are progressing successfully and benefitting from a world-class learning experience, in the hands of expert lecturers delivered in modern facilities.
- Skills and Employability – a more successful economy and society with well prepared and skilled students progressing into jobs with the ability, ideas and ambition to make a difference.
- High Performing Institutions – a coherent system of high performing, sustainable institutions with modern, transparent and accountable governance arrangements. To ensure students are qualified and prepared for work and to improve and adapt the skills of the region's workforce.
- Innovation – greater innovation in the economy – a national culture of enterprise and innovation, leading to a more productive and sustainable economy.

- 2.2 The Estates Committee meeting which took place on 10 September 2019 agreed that under the outcomes associated with *High performing Institutions* the key areas of ROA responsibility were as follows:

- contribute to the delivery of Climate Change (Scotland) Act 2009 targets for significantly reduced greenhouse gas emissions; and
- outline how the College intends to achieve the 2020 target for carbon reduction.

2.3 In addition, within the ROA under *Quality Outcomes*, West College Scotland also committed to:

- progressing the Greenock outline business case with the SFC, with a view to securing investment for the preferred option;
- progressing an outline business case for the Paisley campus, with a view to securing the necessary investment for the preferred option; and
- continuing dialogue with the SFC in order to secure the level of in-year investment required to provide infrastructure, learning, teaching and working environments to meet 21st century need on an ongoing basis.

2.4 In considering this matter the Estates Committee may wish to note that the following matters have been encompassed within the Schedule of Business (*Agenda Item 13*) during 2019-20:

- An annual update report in relation to Estate Strategy 2016-2026 progress and outcomes;
- An annual update report in relation to College Carbon Management Plan progress and outcomes;
- Regular updates in relation to progression of the Greenock and Paisley outline business cases with the SFC;
- Update reports on discussions with the SFC regarding future estate maintenance funding and investment in the College IT infrastructure;
- Regular estates maintenance and carbon management update reports; and
- A range of reports that provide updates on College management and development of the estate.

3. Conclusion

3.1 The Estates Committee is asked to consider the progress made during 2019-20 in relation to the ROA objectives for which it has responsibility, in order that an update report may be provided to the Board of Management meeting on 15 June 2020.

TITLE: RISK MANAGEMENT STRATEGY AND STRATEGIC RISK REGISTER

Background: Under the Corporate Governance Code, the College Board of Management is tasked with ensuring a framework of risk management and control is in place. This paper presents the College Strategic Risk Register for the consideration of the Estates Committee and provides an update on the actions taken by the College to embed risk management across the organisation.

Action: The Estates Committee is requested to review and approve the College Strategic Risk Register and in doing so consider:

- The risks included in the register;
- The revised risk rating both pre and post mitigation;
- Whether any other risks should be considered for removal;
- Whether any new risks should be considered for inclusion; and
- The progress made in further developing the College Risk Management framework.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

1. Risk Management Strategy

- 1.1 The West College Scotland Risk Management Strategy is approved by the Board of Management. The College Strategic Risk Register is subject to ongoing review by the Board of Management and all Board of Management Committees, with oversight being provided by the Audit Committee.
- 1.2 An updated Risk Management Strategy has been provided to the May 2020 Audit Committee meeting to reflect recent work undertaken by the Board of Management in developing the College's risk management framework. The amendments include:
- the revisions made to the ten risk categories; and
 - incorporate the approved risk appetite categories and risk appetite statement.
- 1.3 The revised Risk Management Strategy will be presented to the 15 June 2020 Board meeting for approval.

2. College Strategic Risk Register Update

- 2.1 The Board of Management approved the current version of the risk register at its meeting in March 2020.
- 2.2 Since that meeting the Senior Management Team (SMT) has continued to carry out a review of the College Strategic Risk Register. The mitigating controls have been updated to take account of items such as the ongoing interactions with the SFC, the outcomes of internal/external audit reports and any Scottish Government/Scottish Funding Council (SFC) announcements.

Covid-19 Risk Management

- 3.3 The Covid-19 outbreak is the most significant challenge the College has faced to date, and this has resulted in a level of uncertainty the organisation has not experienced before. In addressing the challenges, the College implemented its Business Continuity Planning arrangements and has formed a Covid-19 Response Team comprising of members of the Executive, SMT and other staff as required. The work of the Response Team has been wide ranging and has included the following:

Reviewing areas of potential exposure:

Initially the College undertook an overall assessment which considered potential sources of exposure as a result of the coronavirus including:

- employee health and well being
- health and safety
- business impacts and interruption to the provision of learning and teaching

- supply chain disruption
- rapidly changing government advice or regulation
- financial and cashflow impacts
- impacts and demands on IT and estate infrastructure

This allowed the College to understand the main scenarios that could most impact the College and to put in place appropriate control and response measures that reflect the exposure.

Reviewing Insurance Policy Cover

- The College insurers, Zurich Municipal, joined most insurers in declaring that the matter of Covid-19 was not a business interruption insurable loss.

Activating the College Business Continuity Management Plans

- The College has made a significant investment in business continuity plans and this led to the managed closure of all College campuses by 23 March 2020.
- Covid-19 presents a potentially different threat event impacting the College in numerous concurrent ways and potentially limiting options around recovery if other businesses are also affected, or there are logistical limitations.
- The College continues to review and update business continuity plans and consider:
 - what is required to limit the impact on the health and wellbeing of employees, students and the public;
 - how best to work with a range of key stakeholders in supporting them and all local communities, and ensuring the College retains a visibility to provide support where possible; and
 - business recovery and mobilisation, to enable the College to recover as quickly as possible based on appropriate Government, SFC and health and safety guidance

Considering Supply Chain Implications

- The College continues to gain an understanding of the potential impact on the supply chain from the coronavirus threat.
- Consideration has been given not only to the availability of supplies but also the sourcing and logistics of these.
- The College continues to work with the sector procurement centre of excellence (APUC) in order to address these challenges.

Keeping Staff and Students Informed and Updated

- A critical part of any response plan is to keep all stakeholders informed of developments, especially during the extend period of home working.
- The use of the College website and social media has been key to ensuring that contact is maintained with staff, students, employers and wider partners. The College has created a staff newsletter “*Homeworking Times*” which has enabled staff participation and engagement, with a wide range of social media and the College intranet also used extensively. The College has continued to meet with the Students Association throughout the recent period in order to ensure contact on key issues – such as student funding – is maintained.

Creation of a Mobilisation Plan

- The next significant part of the College Business Continuity planning arrangements will be the return to work phase. At this time what that return to work will look like is largely unknown, as is the timing of the return.
- The College is establishing a Mobilisation Group which will consider the steps which require to be taken in order to ensure a safe and orderly return to ‘the new normal’ way of working. This is likely to include:
 - Estate adaptations to buildings to accommodate social distancing;
 - Increased cleaning regimes;
 - Consideration of what learning and teaching will look like with the increased use of technology and distance learning to deliver courses;
 - Potential for increased hours of operation, possibly including weekends, to accommodate lower class sizes spread out over longer periods of time.
 - A review of social spaces and areas of congregation, such as canteen and refectory facilities.

- 2.3 The College Senior Management Team considers that the impacts of the Covid-19 outbreak be recorded within the Strategic Risk Register as a significant part of the Business Continuity Risk which was already represented within the register. The primary risk has remained the same with an increased emphasis on the likely impacts of the Covid-19 outbreak:

Previous risk - Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery

Revised risk - Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery primarily resulting from Coronavirus epidemic.

The risk probability and impact has been scored at the highest level of 6 and 4 resulting in a pre and post mitigation score of 24.

- 2.4 Despite there being several mitigating controls in place the Senior Management Team believes that the level of uncertainty remains high around the actions that the College can take to influence the impact of the risk.

- 2.5 The Board of Management will be kept updated by the Principal as to the continued actions that the College intends taking over the course of the coming months as it looks to remobilise the College operations. The risk will continue to be reviewed as further information and clarity of direction become available.
- 2.6 It should also be noted that the financial and cashflow implications arising from Covid-19 are expected to be significant for both 2019-20 and 2020-21, and these matters will require to be considered by the Finance and General Purposes Committee and Board of Management. The College is currently awaiting clarification and guidance from the SFC in relation to several significant financial, cashflow and governance matters in order to enable an informed 2020-21 budget and future financial strategy to be developed and implemented.
- 2.7 The risk register has been aligned to the new Corporate Strategy and this alignment continues to be refined over the course of 2019-20. A copy of the current College Strategic Risk Register is enclosed with this report at Appendix A.

3. Conclusion

- 3.1 The Estates Committee is requested to review and approve the College Strategic Risk Register and in doing so consider:
- The risks included in the register;
 - The revised risk rating both pre and post mitigation;
 - Whether any other risks should be considered for removal;
 - Whether any new risks should be considered for inclusion; and
 - The progress made in further developing the College Risk Management framework.



Strategic Risk Register

Strategic Risk Register Dashboard Report

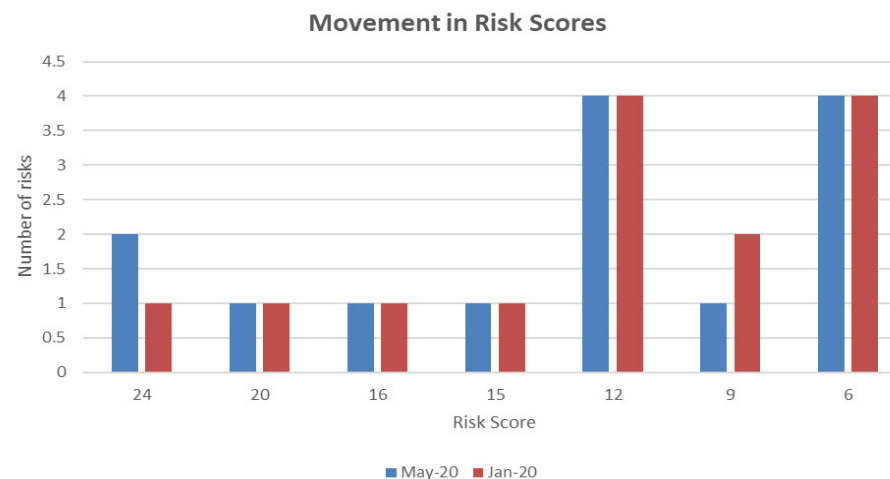
Risk register review period:

May-20

Board / Committee review period:

May-20

Top 5 Risks Post Mitigation						
Ref	Risk	Movement since previous register	Probability	Impact	Score May 20	Score May 19
WCS 7 Reputational / External	Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery primarily resulting from Coronavirus epidemic.	↑	6	4	24	9
WCS 1 Finance	Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.	↔	6	4	24	24
WCS 3 Infrastructure	Failure to deliver Estate Strategy objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements	↔	5	4	20	20
WCS 2 Infrastructure	Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	↔	4	4	16	16
WCS 16 Governance	Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.	↔	5	3	15	15



The most significant risk faced by the College is now the business continuity challenges caused by the corona virus outbreak. The College has successfully closed down the physical campuses and transferred some activity to online learning. Guidance on ensuring the College students are correctly recognised for the work they have undertaken during the year is now in progress.

The next most significant risk is the financial volatility faced by the College. This was previously the most significant risk faced by the College and continues to have the same post mitigation score as Business Continuity Planning. The impact of Corona virus only heightens this risk as the conditions of funding and amount of SFC / SDS funding for 2020-21 remain unclear. The future College financial position is further challenged due to the potential loss of commercial income as the economy recovers from the impact of the outbreak.

WEST COLLEGE SCOTLAND STRATEGIC RISK REGISTER

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
Risk No.	Risk Reference / Category	Strategic Objective	Risk	Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
1	WCS 7 Reputational / External	1.2 3.4	Inadequate business continuity / cyber resilience planning leading to material interruptions to service delivery primarily resulting from Coronavirus epidemic.	6	4	24	1) Business Continuity Plans available to relevant staff along with associated documents to assist during any incident. 2) Training and scenario planning sessions undertaken on a quarterly basis with involvement from both teaching and support staff. Externally facilitates and lessons learned shared with staff. 3) Closure of College campus undertaken successfully in March and planning has commenced to enable remobilisation. 4) Good interaction with staff, unions and Student Associations with information being supplied to all parties on a timely basis. 5) Continued engagement with Scottish Funding Council, Skills Development Scotland and other funding bodies to gain clarity on future funding which is resulting in an inability to take effective decisions. 6) Staff planning for return to the 'new normal' way of working include: - the development of online materials; - estate adaptations including mobilisation for home working; - increased reliance on technology which will require funding; - monitoring of supply chains; - a need for all operations to understand and operate within the new health and safety requirements; - governance updates regarding implications of deficit budgets; and - consideration given to starting the 2020-21 academic year later to assist with the planning process. Students for 2019-20 will continue to receive teaching through use of on-line delivery methods 7) Financial and staffing implications not fully understood at the moment due to lack of clarity of information from central government and in a number of cases receipt of conflicting information.	6	4	24	9	↑	Principal
2	WCS 1 Finance	1.1 1.3 3.1 3.4	Inability to clearly forecast the volatility and impact of SFC funding and funding methodology changes in relation to core-grant-in-aid, credit activity model; reduction in European funding; student support funding and estates maintenance.	6	4	24	1) Detail of 2020-21 indicative SFC funding confirmed and shows a level of core funding which is not greater than in 2019-20; additional funding will be received for inflationary pressures, pension costs and estate maintenance. The College will continue to face a number of financial challenges arising from this settlement during 2020-21 and beyond. 2) 2020-21 budget currently being compiled for approval by College Board in conjunction with 5 year future financial scenario planning and detailed 3) Transformation Plan submitted to SFC in order to address future financial challenges. The College continues to engage with the SFC on the final agreement and implementation of the plan including review of curriculum delivery in Renfrewshire. 4) Robust financial forecasting including production and review of monthly management accounts. 5) Estates Strategy including objective to improve / rationalise the College estate utilising estate maintenance funding. 6) Financial modelling of next 5 years undertaken based upon SFC FFR assumptions. Allows the College to identify funding gap and to continue to take necessary steps to address the gap. 7) Commercial Development and Credits Group reporting to Corporate Development Committee with focus on maintaining and growing income including ESF activity. 8) Robust monitoring of current and future curriculum delivery plans (CMAP) including staffing requirements. 9) Active College representation and involvement in external SFC review groups - funding methodology, CDN Finance network; credit review; access and inclusion; rural and remoteness premium and student funding.	6	4	24	24	↔	VP Operations / VP Educational Leadership

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
Risk No.	Risk Reference / Category	Strategic Objective	Risk	Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
3	WCS 3 Infrastructure	1.2 3.1 3.3 3.4	Failure to deliver Estate Strategy objectives due to business cases for development of estate being delayed, with this having a resultant negative impact on the ability of the College to recruit students, retain staff and address legislative requirements	6	4	24	1) The College continues to engage with SFC, SFT, local councils and other key stakeholders re investment and in relation to implementation of national estate condition survey review and future direction of travel. 2) Approved Estate Strategy and annual implementation updates highlight required estate investment for consideration by SFC and Scottish Government. 3) Draft Outline Business Case for Paisley estate submitted to the SFC. Response received from SFC in regard to Paisley OBC and the College is currently engaging with partners in relation to the collaborative aspects of any proposals. 4) Outline Business Case for Greenock updated and submitted to the SFC in December 2018 following Board of Management approval. SFC have confirmed receipt and willingness to work with College to take forward OBC. 5) Inverclyde local development plan now finalised leading to potential restrictions on future College developments on preferred site. College continues to engage with partners to find suitable way forward. 6) Ongoing prioritisation of College estates funding in a way which links to priority projects, with update reports being provided to each meeting of the Board of Management Estates Committee. 7) Ongoing involvement in sector/SFC capital working group enables WCS input to ongoing discussions in relation to SFC estates maintenance allocation methodology and capital allocations. 8) Ongoing engagement with SFC	5	4	20	20	↔	VP Operations
4	WCS 2 Infrastructure	1.1 1.2 2.3 4.1	Failure to secure adequate estates maintenance / capital funding for future investment or refurbishment of IT and physical infrastructure.	5	4	20	1) College Estate Strategy submitted to SFC, reviewed by internal audit and subject to annual review on implementation and progress by Board of Management Estates Committee. 2) 2019-20 SFC funding for estates has seen a reduction in lifecycle maintenance and priority maintenance funding. The continued reduction in lifecycle maintenance does present an operational challenge. There is also a need to understand the basis of estates maintenance funding allocation beyond 2019-20. 3) WCS participation in SFC/sector Capital Working Group and wider consultation exercises where possible. 4) Outline Business Case for Greenock updated and submitted to the SFC in December 2018 following Board of Management approval. SFC have confirmed receipt and willingness to work with College to take forward OBC. College currently undertaking curriculum horizon scanning exercise in responding to SFC information request in relation to Greenock OBC. Implications of published Inverclyde local development plan being actioned and College is engaging with partners in relation to this. 5) Outline Business Case for Paisley submitted to the SFC in October 2017 and feedback received from the SFC. Discussion with partner organisations remains ongoing in relation to the collaborative aspects of the proposals, and an updated OBC for Paisley will require to be submitted to SFC once these have been concluded. 6) The College has updated the estate condition work undertaken in 2015. This provides robust data showing the level of investment required as at 2019 in order to get the College estate up to Condition B and maintain this..	4	4	16	16	↔	VP Operations
5	WCS 16 Governance	1.3 2.2 3.1 3.4	Failure to prepare for the anticipated impact upon the College of Brexit including loss of European funding, loss of students / staff and access to exchange programme funding.	5	3	15	1) College has considered possible impacts of Brexit on operations and continues to keep this under review. Output has been discussed at senior management level and with relevant Board Committees. It is anticipated there may be an impact on EU funded programmes (such as Modern and Foundation Apprentices). 2) The College is a member of a sector working group on Brexit allowing access to latest intelligence specific to the College sector. 3) Close liaison with SFC on future funding arrangements post 2021 when current ESF funding is due to end.	5	3	15	15	↔	Principal

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
Risk No.	Risk Reference / Category	Strategic Objective	Risk	Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
6	WCS 4 Learning and Teaching	1.2 2.1 3.2 3.4	Failure to deliver SFC Regional Outcome Agreement targets at a time of limited resource results in future credit and/or funding adjustments.	5	4	20	1) Positive engagement with SFC in relation to ROA development and monitoring for current and future years. Internal audit of ROA process indicated robust planning arrangements in place regarding development of ROA. 2) Effective internal monitoring and reporting procedures in place, including operational planning process, and monitoring through the Board of Management and all Committees. 3) Good working relationships with local authorities and schools in order to access attainment funding in support of College activities in this area. 4) Detailed curriculum development planning and review process which has been subject to positive review by internal audit. 5) Blended approach to delivery of teaching and learning including online learning allowing College to address changes in recruitment and delivery. 6) Curriculum offering is reviewed to ensure employer and student needs are met and appropriate courses delivered. 7) The Board of Management to consider the College ROA during February 2020 meeting. The draft ROA will then be submitted to the SFC for initial consideration.	4	3	12	12	↔	Principal
7	WCS 5 Staffing and HR	1.1 1.2 1.3 3.4	Impact and outcome of National Pay Bargaining for both teaching and support staff.	6	3	18	1) WCS representation and involvement in national college Employers Association and national joint negotiating committee (NJNC). 2) Financial impact assessment / planning scenarios on the impacts of National Bargaining ongoing. National Bargaining funding distribution for 2019-20 agreed with Colleges Scotland and the Scottish Funding Council. 3) Business Continuity Planning considers impact of industrial action, with specific plans in place. 4) Local trade union consultation and negotiating committees for support and teaching staff continuing to meet on an ongoing basis in order to maintain positive College industrial relations. 5) Robust college sector and WCS communications plan including liaison with Student Association on impact on students. 6) Local workforce planning arrangements subject to positive internal audit review (June 2018). Workforce planning being carried out at departmental level based on agreed template 7) Support and teaching staff pay award until September 2020 in place.	6	2	12	12	↔	Principal
8	WCS 6 Digital	1.1 2.1 3.3 4.2	Failure to maintain or acquire and use IT systems and infrastructure to support the digital ambitions of the College.	4	4	16	1) IT Strategy, Policies / Procedures and system access processes in place. The Finance and General Purposes Committee review progress achieved in delivering the IT Strategy on an annual basis and are satisfied with progress given the level of resource available to the College - although recognise that the College digital ambitions are being constrained by the level of SFC funding. Strategic dialogue with Colleges Scotland and the SFC is ongoing in an effort to secure the required level of funding in order to deliver College digital ambitions. 2) Staff and student feedback and evaluation procedures in place. 3) IT Contingency Plan in place with regular review. 4) College has renewed its Cyber Essentials Plus accreditation as required. Work commencing on updating the Scottish Government Cyber Resilience Framework. 5) College Digital Strategy which sets out digital ambitions for the College, presented and approved by the Board of Management. 6) Discussions remain ongoing with the SFC on IT condition survey and College offered to be model for future sector wide survey. 7) College HR department providing support to staff undertaking national support staff job evaluation.	4	3	12	12	↔	VP Operations

				Assessment pre mitigation			Mitigating Controls and Actions	Assessment post mitigation				Movement since last review	Executive Responsible
Risk No.	Risk Reference / Category	Strategic Objective	Risk	Risk Probability	Risk Impact	Risk Score		Risk Probability	Risk Impact	Risk Score	Previous Score		
9	WCS 15 Governance	1.1 2.1 3.4 4.3	Failure to deliver the financial and/or non-financial objectives outlined in the College Transformation Plan "Future Proofing Our College".	4	4	16	1) Transformation Plan has been developed by the College and discussed in detail with the SFC. 2) Board of Management have approved the Plan and financial objectives are monitored through the F&GP Committee. Board of Management monitor overall plan achievement. 3) Projects have been initiated in line with the plan and are directed by a specific member of SMT. 4) Detailed delivery plan has been created to allow milestones to be set and monitoring to take place. 5) College has a plan in place to meet financial objectives during 2019-20. However future years remain challenging and the plan will require to be further reviewed/updated. SFC indicative funding figures have been published and have crystallised the financial challenges faced by the College. No guidance on future years.	3	4	12	12	↔	Principal
10	WCS 9 Staffing and HR	1.2 1.3 3.4	Inability to maintain positive staff relations	4	3	12	1) Approved Workforce Plan in place to address Audit Scotland recommendations and implementation reviewed by the Board CDC and HR Committee. 2) Internal audit on internal communications reported that that the College had effective internal communication channels to staff and students 3) Clear procedures for communication and engagement with Trade Unions and College staff. 4) Staff engagement sessions and staff surveys undertaken on regular basis allowing matters to be raised and issues to be addressed early. 5) Local trade union consultation and negotiation committees in place for teaching and support staff. 6) College is supportive of staff involvement in national job evaluation scheme and has open dialogue with Unions as to how staff can be supported.	3	3	9	9	↔	Principal
11	WCS 11 Competitive Environment	1.1 2.3 3.1 3.2	Ability to generate consistent levels of alternative income or to grow alternative income streams.	4	3	12	1) Alternative Income Strategy currently under development in response to requirements of College Transformation Plan objectives. Strategy will be subject to review by Corporate Development Committee. 2) Annual financial budget agreed and monitored by the Corporate Development Committee. 3) Strong partnerships with local employers and stakeholders. 4) Operation planning process used to identify potential opportunities for income growth. 5) Adaption of course portfolio to meet student / employer needs. 6) Financial strategy and planning in place to address resource needs and redirect as required. 6) Review of resources required within Curriculum Development Planning procedure. 7) Commercial Development Group meets bi-monthly to review and address challenges of delivering alternative income.	3	3	9	9	↔	VP Educational Leadership
12	WCS 10 Staffing and HR	1.3 2.3	Failure to embed Workforce Plan resulting in lack of appropriate resources and skills being developed to achieve College strategic objectives and outcomes	4	3	12	1) College Workforce Plan and associated reporting requirements approved by the Board of Management. 2) Detailed teaching resource planning through use of curriculum mapping tool (CMAP). 3) Resourcing of support staff structures reviewed on an ongoing basis by Executive Management Team to ensure alignment with operational and strategic priorities. 4) Itrent HR and payroll software developed to provide staff data and reports including an establishment report. 5) Professional Development Policies are aligned to strategic priorities. 6) Roll out of College CPD review process is ongoing and supports succession planning, leadership development and assists in mitigating the impact of the loss of key staff. 7) Internal audit reviewed workforce planning as part of 2018-19 audit plan. All recommendations made by internal auditors fulfilled and OD&HR Committee updated on progress. 8) Initial results from staff skills survey being used to allow the College to identify and address future skills gaps.	3	2	6	6	↔	Principal

Corporate Strategy 2019-2025

Priorities		Objectives	
(1) Personalisation	We will deliver the skills solutions that employers are looking for and the learning outcomes that students want,	1.1	Developing Bespoke solutions, Fast
		1.2	Raising Aspirations and Enabling Students to achieve outcomes
		1.3	Recruiting and Retaining Talented People
(2) Collaboration	We will build the immersive relationships and make the connections that enhance value for	2.1	Creating Learning Pathways
		2.2	Immersive Partnerships
		2.3	Delivering Inclusive Growth
(3) Agile and Adaptive	We will develop the capability to respond to shifts in demand and seize new opportunities quickly' putting in place specialist delivery capabilities.	3.1	Developing new income opportunities
		3.2	Developing the Market
		3.3	Utilising Specialist Capabilities
		3.4	Managing for Resilience
(4) Digital	We will ensure that the College has the digital capacity and capabilities to deliver in a modern economy.	4.1	Using Data
		4.2	Inspirational Learning
		4.3	Developing the skills base

Tolerance Matrix and Scoring Grid

Probability	Score	Impact	Score
Almost Certain	6	Catastrophic	4
Very Likely	5	Critical	3
Likely	4	Marginal	2
Possible	3	Negligible	1
Very Unlikely	2		
Remote Chance	1		

Risks - Probability x Impact Score Grid

Almost Certain 6	6	12	18	24
Very Likely 5	5	10	15	20
Likely 4	4	8	12	16
Possible 3	3	6	9	12
Very Unlikely 2	2	4	6	8
Remote Chance 1	1	2	3	4
	Negligible 1	Marginal 2	Critical 3	Catastrophic 4

Risk Score - Direction of Travel

↔	Post mitigation risk score after review has remained static compared to the last time the register was reviewed.
↑	Post mitigation risk score after review has increased compared to the last time the register was reviewed.
↓	Post mitigation risk score after review has reduced compared to the last time the register was reviewed.

TITLE: **SFC FUNDING ANNOUNCEMENT 2020-21**

Background: The SFC issued Circular SFC/AN/06/2020 - *College outcome agreement funding allocations for Academic Year 2020-21* - on 7 April 2020. This paper provides a summary of the funding decisions set out in the announcement.

Action: The Estates Committee is asked to note the report.

Lead: David Alexander, Vice Principal Operations

Status: Open

SFC Funding Announcement 2020-21

1.0 Introduction

- 1.1 The SFC issued Circular SFC/AN/06/2020 - *College outcome agreement funding allocations for Academic Year 2020-21* - on 7 April 2020. The funding decisions set out in this announcement are based on the Scottish Government's Scottish Budget 2020-21, approved by the Scottish Parliament on 5 March 2020. In providing this Circular SFC also advised that there would be no updated Ministerial guidance issued at this point – and that any such guidance would be issued to the sector when received. To date this Ministerial guidance has not been issued to the sector.
- 1.2 It should be noted that the Circular issued on 7 April 2020 did not confirm all elements of 2020-21 SFC funding. These require to be advised over the coming period to enable the College to approve a budget and financial strategy prior to August 2020.
- 1.3 The paper provides a summary of the SFC funding decisions for 2020-21 set out so far by the 7 April 2020 Circular.

2.0 Background

- 2.1 The 7 April 2020 Circular confirmed that SFC's revenue budget for 2020-21 has increased by 6.9% (£42 million) from 2019-20. The key points for the college sector within this 2020-21 academic year funding announcement can be summarised as follows:

Credit Activity Levels

Student activity (credit) volume for the sector is broadly unchanged at 1.7m credits - however there are some changes to individual college/regional targets – with West College Scotland being one of these.

Core Teaching Funding

Core teaching funding has been increased by 5% (£23 million) this includes an inflationary uplift of £9.7 million and funding for additional employer's pension costs amounting to £12.9 million. This funding also incorporates an element of funding which has been set aside for the costs associated with support staff and middle management job evaluation. This remains an estimated cost (£12.3 million) as the process of job evaluation for support staff is not yet complete. This funding will continue to be held back until the job evaluation process is complete.

Estates Maintenance Funding

The capital funding budget has decreased by £11.9 million, however due to the recent completion of Forth Valley College's new Falkirk campus funds have been freed-up to allow an increase of £10.2 million for sector-wide capital maintenance. £31.2m will therefore be made available for backlog and lifecycle maintenance across the college sector.

£1.5m has also been allocated to provide support for estates business cases for the highest priority campuses. The funding announcement does not specify which colleges this funding will be provided to.

In making this allocation SFC have recognised that the sector's backlog and lifecycle maintenance needs continue to far exceed the level of funding available. SFC's allocation methodology remains similar to last year, and is based on a 58/42% split of high priority backlog/lifecycle maintenance costs for the £31m - resulting in a total of £18.2 million for high priority backlog maintenance and £13.0 million for lifecycle maintenance based on share of the sector's volume of activity (credit) target.

Student Support Funding

Student Support funding for 2020-21 has been set at £138 million, an increase of £15.2 million (12.4%) on what was announced last year – however an additional £10m was also distributed to the sector during 2019-20, so the increase is around £5 million. This budget has been increased to enable colleges to continue to meet Ministerial commitments arising from the implementation of the Independent Review of Student Support recommendations. The main change for 2020-21 is the removal of the age cap for the Care-Experienced bursary, previously only available to 16-25 year olds. In addition, an inflationary increase has been provided to the maintenance bursary.

2.2 It should however also be noted that the 7 April 2020 Circular did not confirm the SFC funding allocation for 2020-21 in relation to several areas, including:

- Levels of European Social Fund (ESF) credit activity and associated funding;
- The provision of free sanitary products in colleges; and
- Funding for counsellors to support to mental health and well-being. Counsellor funding for 2020-21 for both colleges and universities will total £3.65 million, however individual institutional allocations remain to be confirmed.

During 2019-20 funding for these areas totalled £1.847m for West College Scotland, a significant amount. These funding allocations will therefore require to be advised over the coming period by the SFC to enable the College to approve a 2020-21 budget and five-year financial strategy prior to August 2020.

The analysis of the SFC 2020-21 funding announcement for West College Scotland as provided at Appendix 1 shows what the final funding position would be should these amounts be confirmed as in line with 2019-20 allocations.

3.0 2020-21 SFC Funding Allocation – West College Scotland

- 3.1 An analysis of the SFC 2020-21 funding for West College Scotland as advised by the 7 April 2020 Circular is provided at Appendix 1. It should be noted that the SFC has previously required colleges to submit a Financial Forecast Return (FFR) covering projections over the next 5 years, and it is anticipated that this will remain the case following final confirmation of 2020-21 funding levels. However, at this time the College has not received any assumptions from the SFC to be applied in undertaking five-year financial modelling - it is anticipated that these will follow, with the FFR. The key considerations ultimately arising for West College Scotland from the 2020-21 SFC funding allocation outlined on 7 April 2020 are as follows:

Credit Activity Levels

There is to be a reduction in credit activity of 5,000 for West College Scotland in 2020-21 – from 157,855 to 152,855 - when compared with 2019-20. This is in line with the expectations of the Business Transformation Plan that West College Scotland has previously agreed with the SFC. However, SFC has not consequently reduced associated teaching funding, with this movement meaning an increase in gross £ per credit for West College Scotland which equates to 8.6%, from £255 in 2019-20 to £277 in 2020-21. This reflects discussions SFC has had with the College to recognise our movement towards higher cost activity over the course of previous years. As a condition of this change, the College must reduce its third-party distance learning activity.

During 2019-20 the College also required to deliver 6,264 credits in addition to the core activity target, with this being funded by ESF. The level of credit activity and associated funding for 2020-21 was not confirmed by the 7 April 2020 Circular, and this information is awaited in the coming weeks.

Core Teaching Funding

Core teaching funding has increased by £1.993m – an increase of 4.9%. However, it should be noted that £1.133m of this allocation has been provided in order to meet the cost of a required increase in employer contributions to the teaching superannuation fund – thus there is an underlying increase of £0.86m (2.1%) when compared to 2019-20.

This funding also incorporates an element of funding which has been set aside for the costs associated with support staff and middle management job evaluation. This remains an estimated as the process of job evaluation is not yet complete. This funding will continue to be held back until the job evaluation process is complete.

Estates Maintenance Funding

As outlined above, an allocation has been made by the SFC towards two elements of estates need – and for 2020-21 West College Scotland has received the following:

- A total estates allocation of £3.767m (2019: £2.531m), an increase of £1.236m (48.4%) when compared to 2019-20. This comprises of:
 - £2.574m (2019: £1.710m) to meet high priority backlog maintenance needs – an allocation based on the condition of the College estate - with this being an increase of £0.864m (50.5%) when compared to 2019-20; and
 - £1.193m (2019: £0.821m) to meet lifecycle maintenance requirements – an allocation based on the volume of credits delivered by the College – with this being an increase of £0.372m (45.3%) when compared to 2019-20.

Although West College Scotland received the most SFC 2020-21 funding of any individual institution in the sector for high priority backlog maintenance at £2.574m, this remains significantly lower than the average annual investment of £8.5m that condition surveys advise is required. This means that West College Scotland will continue to face ongoing challenges and choices in managing the estate.

Student Support Funding

The level of student support funding allocation to WCS for 2020-21 is £13.822m (2019: £13.315m) an increase of £0.507m (3.8%) when compared to 2019-20. This uplift is to meet costs associated with the removal of the age cap for the Care-Experienced bursary, previously only available to 16-25 year olds. In addition, an inflationary increase has been provided to the maintenance bursary.

Net Depreciation Funding

This remains set at £1,639,000 as in 2019-20 – and can be utilised by the College in order to meet agreed key priorities. This will continue to be applied in order to meet core operational costs including bank loans, ICT and annual pay uplifts.

- 3.2 As noted above several areas of SFC funding remain to be confirmed for 2020-21 – with these having totalled £1.847m for West College Scotland in 2019-20. The analysis of this SFC 2020-21 funding announcement for West College Scotland as provided at Appendix 1 shows what the final funding position would be should these amounts be confirmed as in line with 2019-20 allocations. The full and final SFC decisions on these elements of 2020-21 funding for colleges is awaited in the coming weeks.
- 3.3 It should also be recognised that the wider financial, cash and governance impacts on the College operating environment as arising from COVID19 mean that wider financial sustainability will be extremely challenging in 2019-20 and 2020-21.

4.0 Conclusion

- 4.1 As outlined above, the 7 April 2020 SFC Circular outlined a number of funding allocations for 2020-21 - with some further areas of funding remaining to be confirmed. The College has also submitted several financial, cashflow and governance queries to the SFC which relate to matters arising from the impact of COVID19 on College operations. This further information from SFC will be essential in the coming weeks to enable the College to approve a 2020-21 budget and five-year financial strategy prior to August 2020.
- 4.2 The College will continue to engage with the SFC regarding financial sustainability and the actions required to achieve a balanced budget on an ongoing basis.
- 4.3 The Audit Committee is asked to consider and note the report.

2020/21 SFC Funding Update

SFC FUNDING FOR CORE OPERATIONS	2019/20 Final Allocation £	2020/21 Final Allocation £	Final Movement 2019/20 V 2020/21 £	% Final Movement
SFC Core Grant-in-Aid Allocation:				
Core including national bargaining	£39,451,453	£39,373,554	-£77,899	-0.2%
Job Evaluation Funding	£856,890	£934,789	£77,899	9.1%
Cost of Living Increase	£0	£859,643	£859,643	100.0%
Teachers pension cost increase	£0	£1,133,143	£1,133,143	100.0%
Total Core SFC Grant-In-Aid	£40,308,343	£42,301,129	£1,992,786	4.9%
ESF Funding - Additional Activity	£1,632,461	£1,632,461	£0	0.0%
Total Funding to Support Core Operations	£41,940,804	£43,933,590	£1,992,786	4.8%
Total Funds Arising from Net Depreciation	£1,639,000	£1,639,000	£0	0.0%
	£43,579,804	£45,572,590	£1,992,786	4.6%
Estates Lifecycle Maintenance	£821,000	£1,193,000	£372,000	45.3%
Total SFC Funding to Support Operations	£44,400,804	£46,765,590	£2,364,786	5.3%
Funding for Specific Purposes:				
High priority maintenance	£1,710,000	£2,574,000	£864,000	50.5%
Period poverty	£92,119	£92,119	£0	0.0%
Counselling support	£122,000	£122,000	£0	0.0%
Total Funding for Specific Purposes	£1,924,119	£2,788,119	£864,000	44.9%
Overall Total SFC Income (Including Funding for Specific Purposes)	£46,324,923	£49,553,709	£3,228,786	7.0%

SFC STUDENT SUPPORT FUNDING	2019/20 Final Allocation £	2020/21 Final Allocation £	Final Movement 2019/20 V 2020/21 £	% Final Movement
SFC Core Student Support Funding	£11,905,637	£13,822,121	£1,916,484	16.1%
SFC Core Student Support Funding	£11,905,637	£13,822,121	£1,916,484	16.1%
SFC In-Year Redistribution	£1,409,000	£0	-£1,409,000	-100.0%
Total Student Support Funding	£13,314,637	£13,822,121	£507,484	3.8%

SFC Activity Target	2019/20 Final Credits	2020/21 Final Credits	% Final Movement
Core Activity Target	157,855	152,855	-3.2%
ESF Funded Activity	6,264	6,264	0.0%
Total Credit Target	164,119	159,119	-3.0%

TITLE: SCHEDULE OF BUSINESS 2019-20

Background: This paper outlines how the Schedule of Business for 2019-20 enables the Estates Committee to fulfil its remit.

The schedule has been expended to include an indication of the business to be undertaken in 2020-21. Where an agenda item has been annotated with a 'Y' it is intended the Committee will receive a report at each meeting. If a report is to be brought to a specific meeting an indicative date has been included.

Action: The Estates Committee is requested to note the content of the report.

Lead: Alan Ritchie, Director of Finance and Estates

Status: Open

REMIT	DELIVERABLES				
	10-9-19	10-12-19	3-3-20	26-5-20	2020-21
a) <i>To ensure that the College maintains a comprehensive register of land and buildings.</i>					
• College leasing arrangements update report	Y				Sept 20
b) <i>To ensure that the College manages and develops its estate to meet its overall needs efficiently and effectively, taking account of any guidance relating to estate management, option and investment appraisal and private finance.</i>					
• Estate Strategy – annual progress update			Y		Mar 21
• Paisley Outline Business Case update	Y	Y	Y	Y	Y
• Greenock Outline Business Case update	Y	Y	Y	Y	Y
• Clydebank Campus – development of masterplan	Y				
• Emerging Opportunities report	Y	Y	Y	Y	Y
• College leasing arrangements - annual report	Y				Sept 20
• Leasing arrangements approval		Y		Y	
• Performance Indicators / benchmarks		Y		Y	Dec / May 21
• Regional Outcome Agreement monitoring	Y			Y	Sep / May 21
• Report on Paisley (CPA) relocation project (contained within the Estate Maintenance report)	Y	Y	Y	Y	Y
c) <i>To ensure the development and review of the College's Estate Strategy takes place regularly.</i>					
• Estate Strategy 2016-2026 Refresh					Mar 21
• Estate Strategy – Progress Update					Dec / Mar 21
• Room utilisation survey		Y November 2019	Y	Y March 2020	

REMIT	DELIVERABLES				
	10-9-19	10-12-19	3-3-20	26-5-20	2020-21
d) <i>To ensure that the College maintains its estate in accordance with a planned maintenance programme, consistent with its Estates Strategy and associated financial projections.</i>					
<ul style="list-style-type: none"> Estate maintenance update Inchinnan/Oakshaw post occupancy review Review of Updated College Estates Condition Survey Annual update – estates operational budget 	Y Y	Y Y Y	Y Y	Y	Y Dec 20
e) <i>To ensure that the correct procedures are followed in respect of the disposal of Exchequer funded assets.</i>					
<ul style="list-style-type: none"> Update on disposal of College property at Drumry Road, Clydebank Update on other disposals as required 	Y	Y			
f) <i>To have an awareness of local, national and global environmental issues and in doing so strive to ensure, sustain and improve the environment.</i>					
<ul style="list-style-type: none"> Carbon Management Plan (CMP) – Progress Update Update on implementation of CMP projects Annual Scottish Government Sustainability Reporting Requirements Update Estate Strategy Progress Update – includes annual review of College Carbon Management and Sustainability Plan 	Y Y	Y Y Y	Y Y Y	Y Y	Y Y Dec 20 Mar 21
g) <i>To consider risk relating to the matters that fall within the Committee's remit and to agree what mitigating factors/actions are in place and what further action, if any, needs to be taken to address such matters of risk.</i>					
<ul style="list-style-type: none"> Review of Strategic Risk Register 	Y	Y	Y	Y	Y