

**Minute of the Estates and New Campus
Development Committee Meeting
held in Kilmarnock Campus
on Tuesday 17 September 2013 at 5.30 pm**



Present: Dr Waiyin Hatton (Chair)
Heather Dunk
Tom Wallace

In attendance: Duncan Baird
Michael Breen
Jane McKie
Eileen Mackin
Eleanor O'nions (Minutes)

1 Welcome and Introductions

W Hatton welcomed everyone to the first meeting of the Estates and New Campus Development Committee of Ayrshire College and asked all present to give a brief introduction of themselves and their role.

2 Apologies

Apologies were received from Nicki Beveridge, Steven Fegan, Sharon Rennie, Alan Walker and Ian Craig.

3 Declarations of Interest

There were no declarations of interest.

4 Governance Arrangements – Committee Terms of Reference

W Hatton introduced Paper 1 and reminded Members of the discussions on the Constitution and Governance Arrangements paper presented to the Board of Management at their meeting on 5 August 2013.

M Breen then summarised the contents of the Paper and referred to the Terms of Reference noting that Appendix 1 is an extract from the Constitution and Governance Arrangements document.

W Hatton asked if anyone had any amendments or alterations to the Committee Terms of Reference noted in Appendix 1.

T Wallace referring to the Section on "Duties" asked a question in relation to the responsibilities around Sustainability and the types of reports that this Committee would receive on this subject. In particular, T Wallace questioned the use of the words "wherever possible". D Baird gave some examples of the type of reports that will be presented which cover sustainability from an Estates perspective. D Baird also noted that sustainability considerations can also relate to building fabric and age.

After further discussion, the Committee approved the Estates and New Campus Development Committee's Terms of Reference subject to the following amendments:

- Under 'Quorum' the word 'Group' would be changed to 'Committee'
- Under 'Duties' (bullet point 11) the words 'wherever possible' would be removed.

Subject to the above amendments, the Estates and New Campus Development Committee approved the Terms of Reference.

Action: M Breen to amend the Committee Terms of Reference as noted.

5 Strategic Vision for Ayrshire College - Presentation

M Breen delivered a short presentation covering the Strategic Vision for the Ayrshire College Estate.

After some discussion, it was agreed that the Vision could more explicitly reflect the aspirations already evident in the approach of the team. H Dunk explained that the strategic vision would be to create a welcoming, fit for purpose and sector leading 7 star environment for Learning and Teaching in the 21st Century.

T Wallace stated that behind the Vision there required to be a comprehensive Estates Strategy which considered key areas including both future investment plans and dis-investment plans, where appropriate. The dis-investment plan utilising for example surplus assets could contribute to the overall financing of the Estates Strategy.

T Wallace asked when the Committee could expect to receive an Estates Strategy. H Dunk explained that a Board Strategy Day has been scheduled for 9 January 2014. It was anticipated that once this had taken place the individual Strategies to support the overall Ayrshire College strategic plan would be completed.

W Hatton summarised the key points discussed including the requirement for the Estates Vision to be more reflective of the aspirations and in line with the 7 Star Vision.

6 Current Ayrshire Estate

(i) Ayrshire College Property Portfolio

M Breen introduced Paper 2 which provided the Estates and New Campus Development Committee with a summary of Ayrshire College's property portfolio at 1 August 2013. M Breen explained in detail a number of items noted in the report including the surplus land in Ayr which is currently marketed for sale and has a significant value.

M Breen also highlighted the number of leased properties inherited and the PFI Agreement for the Kilwinning Campus.

The Committee discussed the extent of the Ayrshire Property portfolio including the two houses owned in Ayr which are adjacent to the Dam Park building. H Dunk explained that in the past these properties had been let to International Students but this practice has now ceased and the properties are now empty with the intention to market them for sale.

The Committee noted the summary of Ayrshire College's Property Portfolio at 1 August 2013.

(ii) Estates Summer Works Programme

M Breen explained that this Paper was a follow on from the presentation made by Duncan Baird to the Board of Management at their meeting on the 2 September 2013

D Baird presented Paper 3 and updated the Committee on the Estates Summer Works Programme which included upgrades and improvements to Ayr, Kilmarnock and Kilwinning campuses.

T Wallace asked a question in relation to the funding of these works and their inclusion with the relevant 2012-13 Annual Financial Statements. M Breen confirmed that the works for Ayr Campus had been either paid or were accrued in the 2012-13 Ayr College Annual accounts. In relation to the works within the Kilwinning Campus the costs were funded by James Watt and would also be included within their 2012-13 Annual Financial Statements.

Further discussion was held in relation to the separation of James Watt and the financial processes to establish an opening position for Ayrshire College. M Breen explained that West College Scotland were closing the 2012-13 Annual Accounts for the former James Watt College and an agreement had been reached between West College and Ayrshire brokered by the Scottish Funding Council in early 2013 which covered the disaggregation of their Balance Sheet.

The Committee noted the Estates Summer Works Programme.

(iii) 2013-14 Capital Expenditure Programme

M Breen presented Paper 4, the 2013-14 Capital Expenditure Programme. M Breen explained that the Ayrshire Partnership Board (APB) had approved a capital expenditure budget of £2,937,000 and its sources of funding at their meeting on 10 June 2013.

T Wallace asked for further details around the total programme value and the relative funding split between SFC and Ayrshire College.

M Breen explained that the APB proposal did not provide details around Headings or individual Projects. However, the level of funding requested and approved did recognise some key aspects and themes which had arisen/became apparent from the various merger work streams. For example a requirement to significantly invest in ICT particularly in relation to student resources.

H Dunk explained that a number of large scale curriculum projects were being considered e.g. in relation to the hospitality provision within both the Ayr and Kilwinning Campus.

D Baird also provided some examples for Members around FF&E requirements and building maintenance/improvements including lifecycle component replacements.

H Dunk also explained that it may well be the position that further College resources should be considered. W Hatton welcomed an opportunity to discuss further investment in order to support the College's aspirations and ambitions.

M Breen reminded Members that a paper had been approved by the Board of Management at their meeting on 5 August which delegated £250,000 to the Principal to address some capital expenditure priorities pre this meeting. M Breen provided some examples on the use of this delegated sum. For completeness, M Breen also noted that this paper referred to a requirement for the Board of Management to approve the capital programme. M Breen explained that this was not required under the Terms of Reference within the Constitution and Governance Arrangements document. M Breen referring to Paper 1 Appendix 1 stated that this Committee's remit was "to discuss and approve the annual capital expenditure plan and large capital projects".

T Wallace stated that he did not have a copy of this paper and requested that a copy be provided.

T Wallace asked about the monitoring of this programme and what both the Estates and New Campus Development Committee and Finance Committee could expect to receive. M Breen stated that if content the Estates and New Campus Development Committee would receive the overall financial expenditure against budgets with further details on individual Projects within the Strategic Headings identified in the Paper. The Finance Committee would receive the overall financial expenditure against budgets.

Some discussion took place on the wording of the recommendation in the paper. Members agreed the recommendation required to be clearer. Also, Members noted that in relation to the Terms of Reference, to avoid confusion the word "plan" to be replaced with "programme".

W Hatton summarised the discussions and noted that the recommendation was to approve the 2013-14 capital expenditure programme within the strategic headings and associated budget provisions.

The Committee agreed to this recommendation.

Action: M Breen to provide T Wallace with a copy of the paper presented to the Board of Management on 5 August 2013

M Breen to update the Terms of Reference section from “plan” to “programme”

7 New Campus Development

Governance Arrangements and Scheme of Delegation

M Breen explained the background to this Paper and advised that the Governance Arrangements contained within Appendix 1 were substantially the same as previously approved by the Kilmarnock College, SFT and SFC. M Breen noted that the document had been updated and contextualised for Ayrshire College.

The Governance Arrangements and Scheme of Delegation were discussed by Members. The following comments were made in relation to Appendix 1 –

Page 2, 2.1 – and those decisions to be taken at these levels in descending order.

Page 3 – some narrative to the figure to explain the relevance of the dotted line.

Co-option – add ‘this was approved by the Board of Management’.

The Committee, subject to the above amendments, approved the Governance Arrangements and the Scheme of Delegation.

Action: M Breen to make the necessary amendments to Appendix 1

8 Invitation to Submit Final Tenders (ISFT)/SFT and SFC Approvals

M Breen provided the background to this Paper and updated the Committee on each of the Volumes contained within the Invitation to Submit Final Tenders (ISFT).

M Breen also explained that the College had successfully completed the approval processes and gateways of both the Scottish Futures Trust (SFT) and the Scottish Funding Council (SFC) in relation to closing the Competitive Dialogue stage.

The Committee noted the contents of this paper.

9 Strategic Development Programme

M Breen took the Committee through Paper 7 which provided an update on the Strategic Development Programme at August 2013. M Breen highlighted some of the key dates within the Programme, including the date set for the announcement of the Preferred Bidder.

T Wallace asked if the Board of Management would be involved in the Preferred Bidder announcement. M Breen advised that the announcement of the Preferred Bidder would be made following the decision of the Board of Management. M Breen explained the sequence of the decision making process i.e. New Campus Project Board, Estates and New Campus Development Committee followed by the Board of Management making the final decision.

W Hatton stated that this would be an exciting time and a very good news story for Ayrshire College. After further discussion it was agreed that the College should ensure that the press coverage is maximised by working with both the Scottish Funding Council and Scottish Government.

The Committee noted the Strategic Development Programme.

10 Non NPD Costs Financial Report at 31 July 2013

M Breen presented Paper 8 which provided an update on the Non NPD costs at 31 July 2013.

M Breen explained that a total of £857,497 of expenditure had been incurred comprising of £204,256 in Financial Year 2011/12 and £653,241 in Financial Year 2012/13. An outstanding claim of £205,791 in respect of costs incurred in the period March 2013 to July 2013 is outstanding from SFC and is expected to be settled prior to the end of September.

T Wallace highlighted an amendment to be made to page 1, point 2 – ‘2012/13 (August 2011 to July 2012)’ to be changed to ‘2012/13 (August 2012 to July 2013)’.

The Committee noted the Non NPD Costs Financial Report at 31 July 2013.

11 New Campus Risk Register

M Breen presented Paper 9, the New Campus Risk Register (V9) at August 2013. M Breen explained that this Risk Register had been approved at the New Campus Project Board meeting held on 12 August 2013.

M Breen highlighted that the Risk Register had 38 separate Strategic Risks noted. M Breen explained that during this review no risks had been added, removed or increased. However, Five risks had been decreased which all related to the Level D – Regionalisation Risks.

Members discussed the Risk Register. T Wallace stated that, as this was the first meeting of the Ayrshire College Estates and New Campus Development Committee, a full Risk Register should have been circulated to Committee Members.

M Breen clarified that the full Risk Register had been updated and that he would check against the Board Papers issued. H Dunk explained that the full Risk Register had been presented, discussed and approved by the New Campus Project Board.

Subject to the above, and the previous approval of the Risk Register by the New Campus Project Board, the Risk Register (V9) was approved by the Estates and New Campus Development Committee.

Action: M Breen to check Board Papers and circulate a copy of the full Risk Register to Committee Members

12 Date of Next Meeting

The next meeting will take place on Thursday 31 October 2013 at 5.00 pm in the Kilmarnock Campus.

Signed by the Chair _____

Date: 31.10.13