

**Minute of the Estates & New Campus
Development Committee Meeting
held in the Boardroom, Kilwinning Campus
on Tuesday 10th June 2014**



Present: Waiyin Hatton (Chair)
Nicki Beveridge
Heather Dunk
Steven Fegan
Willie Mackie

In attendance: Michael Breen
Duncan Baird
Eileen Mackin
Brendan Ferguson (Minutes)

1 Welcome and Introductions

The Chair welcomed everyone to the meeting.

2 Apologies

Apologies were received from Tom Wallace, Ian Craig, Mary Palmer, Alan Walker, Jane McKie, Bernadette McGuire and Jackie Galbraith.

3 Declarations of Interest

There were no declarations of interest.

4 Minute of the meeting held on Tuesday 25 February 2014 (*Paper 1*)

The minutes of the meeting held on 25 February 2014 were approved as an accurate record.

5 Matters Arising

Page 3 Action point: M Breen reported that following the February meeting of the Committee separate notifications of interest were received in relation to both of the properties i.e. in Ayr and in Saltcoats. While the interest in the Saltcoats property did not progress, discussions are ongoing in relation to the Ayr property. When the outcome of these discussions are known, then the matter in relation to the marketing of the properties will be revisited.

6 McLaughlin & Harvey (Building Contractor) – Presentation (A paper copy of the presentation is contained within the records of the meeting.)

A presentation, designed to introduce McLaughlin & Harvey as the main building contractor for the new Kilmarnock Campus development, was introduced by Eileen Mackin and presented by Alphonsis (Phonsie) Taggart on behalf of McLaughlin & Harvey.

E Mackin, in introducing the presentation, stated that McLaughlin & Harvey have an excellent record of achievement and quality finishing. M Breen & E Mackin had visited a number of completed constructions and been very impressed by both the quality of the work and the timescales within which the projects had been completed. In addition to high quality construction projects, McLaughlin & Harvey are involved in other building sectors including, Sustainability, Facilities Management and a Specialist in house Joinery and frameworks department. This would provide an excellent opportunity for McLaughlin & Harvey staff to interact with the College in passing on their knowledge and experience to both staff & students, and the company had indicated their enthusiasm for this. In addition, McLaughlin & Harvey had also indicated their desire to enhance the spirit of partnership with Ayrshire College by encouraging applications for modern apprenticeships from College students in order that they may benefit from the learning opportunities offered by Project. E Mackin confirmed that the first apprenticeship had now been awarded.

A Taggart continued the presentation by setting out the phases of the project through to completion in May 2016 and providing an outline of the eight members of the McLaughlin & Harvey Project Management Team. In all, the countdown of the project would be 102 weeks from start to the completion of construction. It was confirmed that work had started on laying out of the site plan for the project immediately after financial close on 4 June 2014. A useful feature over the lifetime of the construction would be the project website and webcam to communicate the progress of construction to College staff & students and the general public. It would also provide an excellent learning and monitoring tool for construction students who will be able to view the progress of the project.

The Principal stated that during the construction period the Project team would offer drop in sessions and other engagement opportunities to keep Staff and Students updated on progress.

The Committee welcomed the above presentation and the progress being made. In particular, the Committee welcomed the willingness of McLaughlin & Harvey to engage with the College in knowledge sharing and the provision of modern apprenticeships & learning opportunities for construction students.

The Committee endorsed the intention of the College to keep staff and students informed and updated across the campuses

The Committee also recorded their appreciation of the detailed and meticulous work undertaken by the Project Team at Ayrshire College in ensuring financial close and congratulated all involved in reaching this stage.

7 New Campus Development

- (i) New Campus Project General Update – Presentation. (A paper copy of the presentation is contained within the records of the meeting)

E Mackin began the presentation by confirming that Financial Close for the Kilmarnock New Campus Development was reached on 4 June 2014. The signatories on behalf of Ayrshire College were Willie Mackie, as Chair of the Board of Management, and Heather Dunk, as Principal of Ayrshire College. Work started on the new campus site immediately afterward and the target service commencement date was 19 May 2016, a total countdown of 102 weeks. E Mackin confirmed the intention of McLaughlin and Harvey, as the main contractor, to appoint modern apprentices from among the building students at the college. The first appointment had already been made and was identified as Rachel Kyle who will undertake an apprenticeship in Construction Site Management. E Mackin added that in selecting Rachel, the site management had stated how impressed they had been with the quality of her application and interview.

E Mackin listed Ayrshire College's partners in the new build project as:

C3 – Investment in Ayrshire College Education.

3i Infrastructure plc – Sponsor.

McLaughlin and Harvey – Building Contractor.

SPIE – Facilities Management Contractor.

E Mackin also pointed to the savings that had been made between the Tender Stage Financial Model and the Financial Close Model. A total saving in the Scottish Government contribution of c £500K had been achieved as a result of robust negotiation of the contract arrangements. This represented real value for money for the public purse.

In closing her presentation, E Mackin invited the Committee to consider the proposed agenda items in relation to the new build project (listed in the presentation) for consideration at future meetings of the Estates and New Campus Development Committee.

The Committee welcomed the presentation and its content. In particular, the Committee welcomed the progress towards financial close and congratulated the College Team. In considering the proposals for agenda items in relation to the new build for future consideration by the Committee, members commented

that it was not for the Committee to take over the role of the New Campus Project Board in scrutinising the detailed level of the progress being achieved. Rather it would be the role of this Committee to maintain the overview of governance in relation to the progress of the project. The Chair summarised the Committee's discussion by stating that the Committee would wish to receive reports on: BREEAM Standards; Community Benefits; the Risk Register and general updates, including items by exception raised by the Project Board.

The Committee noted and welcomed the above presentation and congratulated the College on:

- I. So rapidly achieving the first of its modern apprenticeships on site with McLaughlin and Harvey.**

In setting the agenda for future meetings of this Committee in relation to reporting on the new build project, the Committee would wish to see reports on:

- I. BREEAM Standards.**
- II. Community Benefits**
- III. The Project Risk Register**
- IV. A General Update Report and any matters raised by exception by the Project Board.**

- (ii) Non NPD Costs Financial Report at 31 March 2014 (Paper 6)

M Breen stated that Paper 6 represented the regular reporting to the Committee on the cumulative non NPD costs for the New Campus Project against the Capital Grant and Budgets made available by the Scottish Funding Council (SFC). M Breen took members through the paper as presented and reported that in moving into the construction phase of the Project the College will review with SFT the remaining c £4m of expenditure with SFC in terms of expected drawdowns. In addition, it will review and discuss with SFC the possible re-allocation of the c £500K of site abnormal cost funding remaining from the initial phase of the project.

M Breen added that there will be a significant cost attached to the migration from the Holehouse Road site to the new build campus and it is the intention to work with colleagues across the College in the planning and implementation of the move. M Breen reminded Members that a budget has been identified within the SFC grant. In addition, consideration is being given to the provision of an appropriate countdown clock, possibly incorporating the webcam, to provide a visual interpretation of the progress of the new build. This will be part of the embedding of the culture of migration to the new building in the minds of staff and students.

The Committee noted the content of the above paper.

8 Current Ayrshire Estate

(i) Summer Estates Developments – Verbal Report

M Breen reminded members of the discussions on the summer Capital Work Programme which had taken place at this Committee, the Finance Committee and the Board of Management prior to approval of the proposals on 27 March 2014. Since then detailed planning had been in progress. All of the tenders were out for bidding. In addition there had been a high level of engagement between Duncan Baird and his team and the wider curriculum and support staff in the arrangements to be made while work is underway, and the Portakabins to accommodate decanted staff were all in situ at the Ayr Campus. The Principal, Chair of the Board and EMT had attended meetings on all of the main campuses to explain to staff what was occurring, what the impact of these significant upgrades would mean in practical terms and how this dovetails with the Organisational Review. The reaction of staff to these meetings had been enthusiastic. The works at the Kilwinning Campus, though smaller in scale, are still very significant. These works will go through a different process because of the PFI arrangement inherited with the Kilwinning Campus and will be progressed through the PFI contractors. M Breen added that because of the proximity of private housing to the Ayr Campus, the College was seeking to engage and communicate with the local residents to keep them up to date with the work in progress during the summer.

D Baird stated that although the programme was ambitious and challenging, the College was confident of its progress and delivery. Most of the work in relation to planning and the preparation of tenders had been completed and local authority planning permission had been received. In addition, two design teams were in place to provide professional support as the works progress. The responses to the tenders with all prices would be received by 23 June 2014 and all contractors would be mobilised to begin work shortly after that date. D Baird added that he and his team had developed a good working relationship with the PFI contractors at the Kilwinning Campus who will be managing the Kilwinning Development.

The Principal thanked D Baird and his team for all of the hard work that had been put into preparing for and progressing the summer works programme and liaising with College staff. The Principal added that she had been impressed by the enthusiasm shown by staff during the recent information and Q&A sessions held at the main campuses. As staff see the nature of the developments and the intended quality of the finish their enthusiasm has grown and they will be impressed when the outcome is revealed. Although the programme at Kilwinning is comparatively smaller, staff and students will see a marked improvement in facilities and will find they are able to do things not previously possible e.g. host receptions after graduation ceremonies.

The Committee noted and welcomed the above verbal update and looked forward to a report on the progress of the works at its meeting in August 2014. The Committee also thanked D Baird and his team for the progress they had achieved to date.

(ii) Ayrshire College Foundation – College Funding Applications (*Paper 2*)

M Breen informed members that this paper was to bring members up to date with the submission and consideration of the capital funding applications made to the Ayrshire College Foundation. The Foundation had met on 7 May 2014 and had considered in detail the proposals made by the College. In approving these proposals, the Foundation had congratulated the College on the quality of the papers and the business cases submitted. These papers had now been brought to this Committee for information, the completion of governance and to ensure that the Committee is fully aware of the progress that has been made.

The Committee noted the content of the above paper and were pleased to note the successful funding applications made to the Ayrshire College Foundation.

(iii) Irvine Royal Academy Proposals (*Paper 3*)

The Principal introduced this paper by stating that the Committee would be aware of the very rapid process that Ayrshire College had been through with North Ayrshire Council (NAC) in seeking to secure new premises for the course provision located at the Largs Campus. As a result, it has been determined that the HND students will complete their course at the Vikingar Centre in Largs. While there will be some costs associated with this transfer, this solution is only necessary for one year and the costs will be limited by the timescale.

It was also necessary to find an immediate home for the National Certificate and HNC Courses and future location for the HND Course. A number of options/sites were explored. Irvine Royal Academy was identified because of the available space and the quality of the sporting facilities. However, during discussions with NAC, the parallel agenda with the outcomes of the Wood Commission started to become apparent. It became clear that the proposal to locate the sports programmes in Irvine Royal Academy would provide the basis of a Skills Centre of Excellence as envisaged by the Wood proposals. Both the College and NAC were delighted by this outcome which would provide returning school pupils with opportunities not currently available to them. The Principal went on to say that the proposal was about tackling inequalities and raising the aspirations of young people, the local communities and employers in one of Ayrshire's most deprived areas. It was felt that this would be a solution which would benefit all and provide a pilot of how to implement the Wood proposals in practice. The sports provision will be the first subject area provided in the new centre, with the other subject areas being rolled out in a phased implementation during 2014/15.

The parents of pupils attending Irvine Royal Academy had been consulted by NAC and had been very supportive of the proposed project, which will provide a mix of students from 4th year pupils through to Adult Learners. In addition, there has been an enthusiastic response to the proposals from industry. All parties felt that this was an ideal solution which would provide significant educational and employment related benefits for North Ayrshire.

The Principal went on to state that in terms of Finance for the implementation of the Skills Centre, NAC has committed a large capital sum towards enhancing the facilities at Irvine Royal Academy in preparation for launch. In addition, Ayrshire College will commit £350K to the start-up of the project from within existing approved resources and this figure will be matched by the SFC. In response to questions, it was noted that the revenue costs would be contained within the current cost envelope. The Principal added that East Ayrshire and South Ayrshire Councils had also shown great interest in establishing Skills Centres of Excellence in association with local secondary schools and preliminary discussions are already underway.

The Committee noted and welcomed the above report and approved the proposals put forward in relation to relocating the sports provision from the Largs Campus to Irvine Royal Academy.

In addition the Committee enthusiastically welcomed the movement towards establishing a Skills Centre of Excellence at Irvine Royal Academy in line with the recommendations contained within the conclusions of the Wood Commission Report. It was considered that this solution will ultimately prove transformational for the individuals benefitting from the project.

The Committee was also pleased to note that discussions are already underway on the establishment of similar projects in East and South Ayrshire.

- (iv) 2014/15 Capital Expenditure Programme (Funded by SFC Grant)
(Paper 4)

M Breen introduced the above paper and stated that it would have been presented to the Committee regardless of the Irvine Royal Academy Development. The paper built on previous papers considered by members in February and March 2014 and following the successful funding applications made to the Ayrshire College Foundation to support Estates Developments on the Ayr and Kilwinning Campuses. These successful applications, in addition to the emerging proposals in relation to Irvine Royal Academy, had resulted in a requirement to review the utilisation of the SFC Capital Grant of £1.5 million. The paper presented set out the budget for the Capital Spending Programme, however, under ONS regulations, there is now a requirement to review priorities on spending of the SFC Capital Grant in response to changing circumstances e.g. capital receipts.

M Breen added that the proposals were only for SFC capital grant, as set out in the papers, and do not presume the sale of land as a contribution to capital funds. However, the two houses owned by the College on Content Avenue adjacent to the Ayr Campus, and previously used to house overseas students, have been valued at circa £130K each by an Estate Agent. The revised proposal contained in the paper is that £350K within the budget is set aside for the Irvine Royal Academy Development. It is also proposed the College seek

to sell the properties in Content Avenue at the market rate. If and when the sales occur, then a further review of capital funding will take place and further proposals may be presented to the Committee.

Having reviewed the proposals contained in the above paper and considered the comments of M Breen above, the Committee approved the updated proposals for the 2014/15 Capital Expenditure Programme funded by the SFC Capital Grant.

(v) Capital Expenditure Final Position at 31 March 2014 (Paper 5)

M Breen stated that the above paper provides the breakdown of the spending agreed by the Estates & New Campus Development Committee on 17 September 2013 and details the funding mix between the SFC capital allocation and the funding required from College reserves. M Breen reminded members that because of the change in the close of the financial year from 31 July to 31 March 2014, resultant on ONS re-classification, the sum available to spend had to be revised proportionately. The above paper reports the expenditure at Financial Year close on 31 March 2014. M Breen also reminded members that the SFC had exceptionally agreed that, for one year only, the unspent SFC Capital Grant allocation could be transferred to the Ayrshire College Foundation.

The total capital expenditure to 31 March 2014 had been £1.5 million, more than half of which had been spent on ICT equipment. A further £340K had been spent on upgrading facilities, in particular at the Nethermain Campus. Excellent feedback had been received by both staff and students on the improvements in facilities and resources resultant on the overall expenditure.

The Committee noted the Capital Expenditure position at 31 March 2014.

The Committee warmly thanked S Fegan and M Palmer for their valued contributions throughout the year.

AOCB

S Fegan, on behalf of the Students Association, thanked the Committee for the support it had shown over the year towards improving the environment, facilities and resources available to support students towards the successful completion of their studies. As this was his and final attendance at this Committee, S Fegan also thanked the Committee for supporting the role that the student representatives play as part of the Committee.

9 Date of Next Meeting

Tuesday 19 August 2014, at 5.30 pm, Ayr Campus