

**Minute of the Estates & New Campus
Development Committee Meeting
held in the Boardroom, Kilmarnock
Campus at 6.30 pm on 19 August 2014**



Present: Waiyin Hatton (Chair)
Angela Alexander
Nicki Beveridge
Julie Bradley
Heather Dunk
Robin Northcote
Alan Walker
Tom Wallace

In attendance: Brendan Ferguson (Board Secretary)
Michael Breen
Jane McKie
Eileen Mackin
Bernadette McGuire

Note by Secretary

Immediately prior to the meeting, McLaughlin & Harvey (Building Contractors for the New Build Kilmarnock Campus) hosted a visit by the Committee to the construction site of the new campus in Hill Street, Kilmarnock. Committee members were delighted with the progress made at the site since Financial Close in June 2014 and were pleased to note the forthcoming schedule of work leading to completion of the construction project scheduled for May 2016.

1 Welcome and Declarations of Interest

The Chair welcomed everyone to the meeting and declared an interest in Item 4, Ayrshire Sportsability Lease. No further declarations of interest were received.

2 Apologies

Apologies were received from Emma Hall and Willie Mackie.

3 Minute of the meeting held on 31 October 2013 (*Paper 1*)

Subject to an adjustment of the location of the meeting from Kilmarnock to Kilwinning, the minutes of the meeting held on 10 June 2014 were approved as the correct record.

4 Matters Arising

There were no matters arising

5 McLaughlin & Harvey (Building Contractor): Presentation

Michael Kiernan of McLaughlin Harvey provided an interesting and well received presentation on the background and history of McLaughlin and Harvey, together with the construction plans for the New Campus. A copy of the presentation is maintained in the record of the meeting. Topics covered included: Company History; Company Structure; Capabilities; Financial Analysis; Contracts Recently Undertaken and Completed; Progress and the Construction Schedule for the new build.

The Committee was pleased to receive and note their thanks to Michael Kiernan for his presentation.

6 Ayrshire Sportsability Lease (*Verbal Report*)

A Walker assumed the Chair for this item as W Hatton had previously expressed an interest.

M Breen reported that Ayrshire Sportsability had formally written to the College asking whether office facilities could be made available. Following discussions, Ayrshire Sportsability had taken a lease with Ayrshire College operating under the same terms and conditions as the SDS lease arrangements. It was also noted that other external groups had in the past operated from legacy College premises under lease arrangements.

The Chair (A Walker) asked if the arrangement had been scrutinised by the Chair of the Board of Management and the Principal before being agreed. The Principal confirmed that to have been the case and added that the co-location of Ayrshire Sportsability will provide further options for future programmes and the creation of opportunities for Students.

The Committee noted the above report.

7 Estates & New Campus Development Committee Terms of Reference (*Paper 2*)

B Ferguson explained that notification and consideration of the terms of reference was a standing item at the first meeting of the Committee in each academic year. Normally the Committee could take the opportunity, if appropriate, to comment on whether they wished to propose any amendments. That remained the case.

However, following approval of the revised Ayrshire College Constitution and Governance Arrangements at the June 2014 Board meeting, the Secretariat had undertaken to review the Board Committee structure and Terms of Reference over the summer of 2014. That review was now close to completion and related proposals would be brought to the Board of Management meeting on 30 September 2014. There

would be no resultant proposal to change the committee structure, however there were a number of housekeeping proposals in relation to the committee's terms of reference that would be brought forward. The Chairs of the Committees would be informed of these proposals prior to their consideration by the Board.

The Committee noted the above statement from the Board Secretary. The only issue raised was the need for some clarification within the terms of reference of the Estates and New Campus Development Committee (ENCDC) on the cross over with the Finance Committee (FC) in relation to the duty:

“Co-ordinate with the Finance Committee to establish the financial viability of proposed estates projects”

Action:

It was agreed that the Chairs of ENCDC and FC would liaise with the Board Secretary in agreeing a form of words which clarified the dual responsibilities of the two Committees in terms of proposed estates projects.

8 Ayrshire College Summer 2014 Projects (Verbal Report)

The Principal reported that following the Extraordinary Board of Management Meeting held on 8 July 2014, the planned and approved summer works programme for 2014 had been suspended and placed on hold pending re-tendering. A report on the progress to date and the review of the process leading to decision taking on the summer works programme would be presented to the meeting of the Board scheduled for the following week.

In the meantime, the Principal reported positively on a number of works not affected which had proceeded on schedule as follows:

- The co-location of curriculum staff and, similarly, support staff in order to ensure that the requirements of learners were best served and to enhance the efficiency and effectiveness of work patterns.
- Full wireless access had been installed in the Dam Park Building and staff were receiving their new laptops.
- At the Kilwinning Campus the computer suites had all been upgraded and new equipment installed.
- The floors of the Kilwinning Hair and Beauty Salons had been replaced.
- Laptops were being rolled out to all staff at the Kilwinning Campus.
- The staff previously located at the Largs Campus had been relocated to Kilwinning in the interim while works were being completed at Irvine Royal.
- There had been a general upgrades of equipment across Campuses.

The Principal added that the EMT and support staff would be moving to the Ayr Campus during the autumn of 2014.

T Wallace asked what the tangible benefits of providing curriculum staff with laptops were. The Principal replied that it was part of the strategy of making staff more portable and flexible in fulfilling their duties. It would enable staff to move around and still be connected outwith their office, encouraging a different use of technology. For

example staff could now move around within and between campuses and still be able to make full use of VLE, Moodle and Learning Technology etc. It was intended that staff would become more innovative in their use of technology and significantly enhance the students' experience. In addition, the Principal explained that laptops are used extensively in updating the College's Management Information System (MIS) e.g. recording attendance within a class environment.

Alexander stated in support of the Principal's response that, from the student perspective, she fully supported this innovation and added that the experience in other campuses where this had been introduced had been very positive. J Bradley also explained how the use of laptops had been beneficial from both the learning and teaching and course administration perspectives.

The Committee noted the above update and welcomed the positive contribution of the student perspective on the provision of laptops to staff.

9 Irvine Royal Academy

The Principal introduced Paper 3, explaining that it was an update on the paper received by the Committee at its previous meeting. The Principal continued that following the tendering process she was pleased to report that a local company from North Ayrshire, McLaughlin Construction, had been awarded the contract for the Irvine Royal Academy works programme, with Phase 1 (accommodation for sport & fitness plus ICT facilities) scheduled for completion by 22 September 2014.

Following the decision to postpone the summer works programme, the Principal had consulted with the Chair of the Board of Management regarding the impact this would have on the hospitality provision planned for the Kilwinning campus, particularly given the positive recruitment figures this provision had attracted. As a result, discussions had been opened with North Ayrshire Council (NAC) with a view to gaining access to the Irvine Royal Academy hospitality training facilities earlier than had previously been planned. NAC welcomed the proposal and this was now Phase 2 (hospitality) of the Works Programme, and was scheduled for completion by 5 October 2014.

In order to maintain a positive experience for the students, arrangements had been made for sports & fitness students to undertake a range of course related activities in external accommodation until circa 22 September. Hospitality students would be accommodated in the top floor of Si, the Italian Restaurant in Irvine, until circa 10 October, providing the students with a unique opportunity to gain a better understanding of the workings of the hospitality industry. The owner of the restaurant, Malcolm Simpson, was also keen to offer placement opportunities for students together with paid work at events.

The Principal concluded by stating that a lot of work had been undertaken in partnership with the College and the Local Authority, and that all parties had been enthused by the project and the progress being made towards its implementation.

Members warmly welcomed the above report and added their own enthusiasm both for the progress of the project and the earlier than planned introduction of the hospitality provision. A number of questions were asked and satisfactory responses

received. The Committee extended its congratulations to all parties who had been involved in the development of this project to date.

The content above paper was noted and welcomed by the Committee

10 2014/15 Capital Expenditure Position at June 2014 (Paper 4)

M Breen introduced Paper 3 and stated that as this is the first Capital expenditure paper presented to Members for the 2014-15 financial year, there had only been circa £60K of expenditure from the approved budget of £1.5 million in the period under consideration. M Breen explained that expenditure during this period is traditionally low and the next iteration of this paper, to be presented to the October meeting of the Committee, is expected to show a significant increase in expenditure.

The content of the above paper was noted by the Committee

11 Land and Properties for Sale (Verbal Report)

M Breen reported that the College had been seeking to progress the sale of the surplus land and property assets that it owned:

- *Cottages in Content Avenue immediately adjacent to the Ayr Campus* – these dwellings had been marketed by Slater Hogg and had attracted some interest. The Agents were progressing this interest and seeking to make sales based on the market value of the properties.
- *Land at Newtonhead Ayr* – no offer had resulted from the interest shown in this land.
- *Saltcoats Building* – Although interest had been shown in this building over a period, no offers had been received and none were expected in the immediate future. The Saltcoats building was a matter of concern. The building has an extremely unusual layout and was the former HQ of AT Mays. It sits in a prominent location in Saltcoats. Unfortunately its layout and deteriorating state of repair made it less attractive to potential buyers. In addition, its location within the town and evident external deterioration made it a potential reputational risk unless it was disposed of in the relatively near future.

M Breen continued that it was the College's intention to undertake an options appraisal on how best to dispose of these assets and to report back accordingly to the October meeting of this Committee.

The Committee noted the above report and challenges in finalising sales and lack of progress in the current market. A Walker revisited the possibility of putting the land and properties up for auction, as discussed at the February 2014 meeting of the Committee, and asked why this had not been further considered. M Breen replied that nothing had been ruled out and that auction would be considered among the options appraisal that was being prepared.

T Wallace asked that a paper containing the content of the above verbal report be produced for circulation to the Committee. M Breen agreed to prepare and circulate a paper.

Action: M Breen to prepare and circulate a paper summarising his verbal report, explaining that the College will now proceed with an options appraisal. In addition, the options appraisal on the methodologies available for the disposal of the above assets together with appropriate recommendations be presented to the October meeting of this Committee for consideration.

Action: For future reference Committee Papers should accompany all requests that require decisions.

12 New Campus Project (Paper 5)

Following the site visit prior to the meeting, E Mackin took members through the paper as presented. The Committee noted that, as the project is still very much in its early stages, the different agenda items under which the progress of the new campus project will be reported in the future have all been captured within a single paper, with the exception of the risk register which had been submitted under a separate paper. E Mackin explained that separate papers would be developed once the content increased as the project reached certain stages of development.

The Committee also welcomed the presence of the First Minister, Alex Salmond, who had officially performed the ground breaking ceremony on 25 June, and further welcomed the appointment of the Clerk of Works for the Project, Adam Jones.

E Mackin further reported that a Focus Group was to be established to consider how to make best use of the time made available by the Contractors, McLaughlin & Harvey, for use by Ayrshire College students.

The Committee noted and welcomed the above report.

Action: In future reports to be brought to the Committee, the progress of the New Campus Project be shown against the major milestones of the Project.

13 Non NPD Costs Financial Report at June 2014 (Paper 6)

M Breen reminded the Committee that this paper was a standard item brought to each meeting of the Committee. All relevant costs had been coded to the College's specific cost centres and the cumulative expenditure over the course of a number of financial years to date had been circa £1.2 million. Detailed breakdowns of this expenditure are regularly provided to SFC.

M Breen continued that the College would shortly meet with SFC to review the remaining expenditure in terms of expected drawdowns. At that meeting the College will also discuss with SFC the potential reallocation of the funding remaining to future costs associated with the new campus e.g. abnormal site costs.

T Wallace asked whether the profile of the NPD expenditure to date was as expected. M Breen confirmed that it was in line with expectations, and added that the College needed to maintain its dialogue with SFC to ensure that it remained ahead of projections and could seek agreement to re-profile costs where appropriate.

The Committee noted the above Report and recorded its support for the College's discussions with SFC re-profiling of remaining funding to future cost expectations.

14 New Campus Risk Register (Paper 7)

M Breen introduced the above paper as version 1 of the Risk Register for the construction Phase of the New Campus Project. This recognised the contract between "C3 Investments in Ayrshire College Education" and that many of the risks associated with the new campus development now related to obligations which resided under this contract.

E Mackin continued that the Project Team had reviewed the number and relevance of the strategic risks within V10 of the New Campus Risk Register and where these were still relevant they had been included in V1 of the Ayrshire College/C3 New Campus Risk Register (i.e. the Construction Phase). Individual headings that required alignment with the Ayrshire College Corporate Risk Register had been revised and now reflected the Corporate Risk Register as presented to the Audit Committee at its June 2014 meeting. E Mackin then took the Committee through the Generic Risks and Project Lifecycle Risks as set out in the above document.

Members noted the above report and the commentary provided by M Breen and E Mackin. Some concern was expressed at the difference in presentation between the above document and the Corporate Risk Register and the confusion that could potentially result. While it was recognised that the above document related to a construction project, it was felt that more could be done to demonstrate clearer linkages and make the relationship between the two registers more readily understandable.

T Wallace commented on cash flow under ONS and its impact on the monthly rolling funding of the College and the Project. As had been discussed at this Committee and elsewhere, cash flow requires to be managed. T Wallace asked for "timing of cash flow" to be developed under an expansion of Risk B11.

Also, under specific risks, it was agreed that under Level A "Key Themes Identified From And Linked To The Corporate Risk Register", this section would be made clearer by quoting what is stated in the Corporate Risk Register rather than stating "aligned with".

Under Risk B11 it was agreed to add under actions taken that the risk of the SFC NPD grant being exceeded is reviewed on a monthly basis.

The Committee approved the proposed Ayrshire College/C3 New Campus Risk Register (V1) and agreed that it be forwarded to the Audit Committee for information and comment.

Action: For future versions of the New Campus Risk Register the following was agreed:

- **The “Level A” risks section be made clearer by quoting directly from the Corporate Risk Register rather than using the phrase “aligned with”.**
- **The issue of “timing of cash flow” be included in an expanded version of Risk B11 as discussed above.**
- **Under Risk B11 add under actions taken that the risk of the SFC NPD grant being exceeded is reviewed monthly.**

15 Date of next meeting

Thursday 23 October 2014, 5.30 pm at Kilmarnock Campus.