

**Minute of the Estates & New Campus
Development Committee Meeting
held at the Kilmarnock Campus on 19 May
2016**



Present: Alan Walker (Vice Chair)
Angela Alexander
Holly Bates
Julie Bradley
Heather Dunk
Willie Mackie
Tom Wallace

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

1. Welcome and Declarations of Interest

The Vice Chair, A Walker, welcomed everyone to the meeting and explained that the newly appointed Chair, Gordon James, was disappointed that he could not attend this meeting as he had a scheduled work related commitment which pre-dated his appointment to this Committee. G James had forwarded his comments on the papers to the Board Secretary and A Walker.

There were no declarations of interest.

2. Apologies

Apologies were received from committee members Gordon James and Juliana Pyper-McFarland. Apologies were also received from EMT member Jackie Galbraith.

3. Minute of the meeting held on 5 November 2015 and Record of Discussions Held By Those In Attendance At The Inquorate Meeting of 18 February 2016 (*Paper 1*)

The minute of the meeting held on 5 November 2015 was approved as a correct record.

Proposed: Willie Mackie
Seconded: Angela Alexander

The record of the inquorate meeting held on 18 February 2016 was approved as accurate:

Proposed: Willie Mackie
Seconded: Heather Dunk

And the subsequent action by circulation, as set out below, homologated into the record of this meeting.

Those present at the inquorate meeting on 18 February 2016 noted the non NPD Costs position, the related requests and the reason for their urgency. As the meeting was inquorate, it was not possible for those present to reach an agreed position. It was agreed that an explanatory case should be circulated to all Members of the Estates and New Campus Development Committee seeking member's views as follows:

Is the Committee content that the budget be split as described?

Is the Committee content that the Principal's delegated authority for signing off the procurement documentation for ICT equipment in support of implementing the New Campus ICT Strategy be temporarily increased up to 31 March 2015 as requested?

It was agreed that the above questions be circulated immediately to the committee membership with a view to reaching a decision in sufficient time to allow the appropriate spending to be committed.

As a result of the position described above being adopted, and following circulation to Committee members, the following was agreed within a week:

An amount of £1,457,000 was delineated to meet the implementation of the New Campus ICT Strategy.

The remaining amount of £1,128,000 was delineated to meet the costs of other furniture, fittings and equipment.

As a result of the time constriction involved, the Principal was given delegated authority to 31 March 2016 of up to £850K. This in order to sign procurement documentation and enter into contracts related to the £825K of capital spend in furtherance of the new campus ICT strategy which had to be committed by that date.

4. Matters Arising

There were no matters arising which were not already covered on the agenda for this meeting.

5. Proposed Capital Expenditure Programme April 2016 to March 2017

H Dunk reported that no Capex proposals could be brought to this meeting as a result of the very late funding notification received from the Scottish Funding Council. As this notification had only very recently been received the EMT had been unable to undertake any planning based on the funding being made available. In addition, it had been very disappointing to learn that the amount of Capex funding to be made available to the College had been reduced by 29% from 2015/16 and amounted to a 50% reduction on the funding received for 2014/15. In the circumstances the position would require to be fully reviewed by EMT, which will prepare proposals based on the available funding set against identified priorities. The resultant proposals would be brought forward to the August 2016 meeting of the Committee.

H Dunk further reported that despite a request for assistance in meeting the legally required annual PFI payments of £1.2M for the Kilwinning campus, a legacy requirement inherited from the former James Watt College over which Ayrshire College had never had any control, SFC had responded that no support would be made available. The College found this position surprising given the support provided elsewhere in the sector to legacy legal requirements which had to be met. A meeting had been arranged with SFC, which would be attended by the Chair of the Board and the Principal, at which it was intended to discuss this matter further.

H Dunk concluded by stating that over the summer period the work of the College would be very much focussed towards the preparations for occupying the new Kilmarnock Campus.

The Committee noted the content of the above verbal report with disappointment. In particular the Committee was disappointed with the action of SFC in delaying the 2016/17 funding announcement until so late in the year, thereby depriving the College of the opportunity to prepare, at the appropriate time in the planning cycle, and put into place arrangements for 2016/17.

The Committee were very supportive of the planned meeting with SFC, at which the requested support for the annual PFI payment to meet legacy legal requirements in relation to the Kilwinning Campus would be further discussed, and very much hoped that a mutually acceptable agreement could be reached.

The Committee looked forward to receiving the 2016/17 Capex proposals at its scheduled August 2016 meeting

6. Advanced Materials Laboratory (*Paper 2*)

D Vallance took members through the above paper and confirmed that the requirement to replace the existing facility, which was no longer fit for purpose, was the No. 1 curriculum priority for 2016/17. Normally this would have been contained within the Capex proposals, but as result of the delay, as reported above, it was proposed that the funding for this proposal be provided from the income received from the sale of surplus property.

Members discussed the proposal contained in Paper 2 and agreed that, given the clear strategic priority, the new Advanced Materials Laboratory be approved for completion in time for the start of the 2016/17 academic year.

The Committee approved the proposal for the development of an Advanced Materials Laboratory.

The Board Secretary to contact the Finance Committee and confirm that this Committee had approved the proposed development of a new Advanced Materials Laboratory. The Finance Committee be asked to consider the associated funding arrangements for the project with a view to the final position being reported to Board of Management at its June 2016 meeting. The Chair of the Finance Committee, T Wallace, who was also a member of this Committee, indicated his support for these proposals.

8. New Campus Risk Register V15 at April 2016 (*Paper 4*)

D Vallance introduced the New Campus Risk Register and stated that it had been updated to reflect the content of the Independent Tester tracker.

The Committee considered and approved the New Campus Risk Register V15 at April 2016

9. Capital Works Programme April 2015 – March 2016: Update on Completed Works (*Paper 5*)

D Vallance took members through Paper 5 as written and confirmed the completion of the proposed programme within the cost envelope available. In particular members noted the completion of the installation of the new doors in the Aeronautical Building.

In response to a question D Vallance confirmed that roof of the Dam Park Building in Ayr was secure and currently on a care and maintenance basis. Further work on the roof would be prioritised within proposed Capex programmes in the future as appropriate.

The Committee noted and welcomed the Update Report on the completion of the approved Capex programme April 2015 to March 2016.

10. Surplus Land and Properties Update (*Paper 6*)

D Vallance introduced the above paper as written. The Committee was pleased to note the completion of the sale of the land at Newton on Ayr, the progress of which had been reported at the last meeting of the Committee and confirmed in the email circulation to members. The Committee also noted the position with respect to the Moffat House Campus and the progress being made.

The Committee noted the content of the above paper and welcomed the sale of the land at Newton on Ayr. The Committee looked forward to hearing of the progress being made on the sale of the Moffat House Campus.

11. Campus Leases Update (*Paper 7*)

D Vallance took members through the attached paper. A number of questions were asked and satisfactory responses received. The Committee discussed in particular the proposed one year extension of the lease at Nethermains and were supportive of the rationale provided.

The Committee noted the above paper and supported the proposed one year extension of the existing Nethermains lease.

12. Non NPD Costs Financial Report at March 2015 (*Paper 8*)

M Breen took the Committee through the above paper and noted that SFC had approved the deferral of £500K into FY 2016/17 and that the budgets are progressing as expected. M Breen also noted the split in budgets had been completed as reported under item 3 above.

The Committee noted the above report and welcomed the decision by SFC to permit the deferral of £500K to FY 2016/17.

13. 2015/16 Risk Register at May 2016: Estates Extract

M Breen reported that the above extract represented the position of the risks owned by this Committee at May 2016. Further work was currently being carried out on the Risk Appetite section of the Risk Register and would be included in the Risk Register with effect from 2016/17.

The Committee noted the above extract and agreed that in light of the reported decrease in the capital budget allocated for 2016/17, Risk ENC1 be raised from 16 to 20.

14. Date of Next Meeting.

The next meeting of the Committee would take place on Thursday 18 August 2016 at the Kilmarnock Campus.