

BOARD OF MANAGEMENT

Finance & Property Committee



Tuesday 10 September 2019 at 5.00pm
Room Y150, Gardyne Campus

AGENDA

1. WELCOME
2. APOLOGIES
3. ESRC RESEARCH PROJECT – INFORMED CONSENT Paper A for information
4. DECLARATIONS OF INTEREST
5. MINUTES OF PREVIOUS MEETING Paper B for approval
6. MATTERS ARISING
 - 6.1 End of Year Cash Holding Verbal update JC
 - 6.2 WiFi Upgrade Verbal update SH
 - 6.3 D&A Strategy for Foundation Verbal update GR
7. BUDGET MONITORING REPORT AND UPDATE Paper C for noting JC/BF
8. GOOD TO GREAT MONITORING SCHEDULE Paper D for noting JC
9. FINANCIAL FORECAST RETURN Paper E for noting JC
10. PROCUREMENT UPDATE Paper F for noting / approval JC
11. ESTATES DEVELOPMENT UPDATE Paper G for approval JC
12. ESTATES UPDATE Paper H for noting BG
13. STRATEGIC RISK REGISTER & RISK DELEGATION TO COMMITTEES Paper I for approval ST
14. VP CORPORATE SERVICES REPORT Paper J for noting / discussion / approval JC
15. DATE OF NEXT MEETING - Tuesday 26 November 2019, Y150 Gardyne Campus (Joint Meeting with Audit & Risk Committee)



FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2019

ESRC Research Project – Informed Consent

PAPER A

Processes and practices of governing in FE colleges in the UK

Note to Board of Management to ensure ongoing informed consent

Dundee and Angus College is one of a select number of colleges participating in a four nations study of the processes and practices of governing in FE colleges. Funded by the Economic and Social Research Council (ESRC), this project is led by a team of highly regarded and experienced investigators from the Universities of Stirling, Birmingham and Cardiff (further details available on the project website <https://fe-governing.stir.ac.uk/>).

The main focus of the study is to observe and video meetings of the College Board of Management held between January and December 2019. In addition, a select number of committee meetings may be observed, but not recorded. Observational studies of governing bodies, whether in the public or the corporate sphere, are rare so by agreeing to have your board meetings videoed you are supporting leading-edge research in this area.

In order to be funded, the research has been through a highly rigorous process of review by the ESRC. It has also been closely assessed and approved by research ethics committees at the three universities. Working to the highest ethical standards, the researchers will ensure that confidentiality is maintained, that sensitive information is not shared, and that individuals are not identifiable (unless they have explicitly agreed otherwise) in any communications, presentations or publications. Furthermore, all data will be deleted within a year of the project ending.

All participants in the meetings that are videoed and/or observed are required to complete a participant consent form to confirm that they understand the nature of the research and are aware of their right to withdraw (and have any contributions disregarded) at any time without consequence. They are also encouraged to speak to a member of the research team should they have any questions or concerns. The contacts for Scotland are Dr Helen Young, Research Fellow (01786 467748, h.l.young@stir.ac.uk) and Professor Cate Watson, Principal Investigator (01786 467626 cate.watson@stir.ac.uk).



FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2019

Minutes of the Previous Meeting – 21 May 2019

PAPER B



BOARD OF MANAGEMENT FINANCE AND PROPERTY COMMITTEE MEETING

Minute of the Finance and Property Committee meeting held on Tuesday 21 May 2019 at 5.00 pm in Y150, Gardyne Campus.

PRESENT: S Mill (Chair) A McCusker
G Bisset G Ritchie
B Carmichael

IN ATTENDANCE: J Carnegie (Vice Principal) S Hewitt (Vice Principal)
S Taylor (Vice Principal and Secretary to the Board)
W Grace (Head of Estates) B Ferguson (Head of Finance)
A Ross (Head of ICT)
T D'All (PA to Principal & BOM Chair)

1. WELCOME

S Mill welcomed members to the meeting along with Jaki Carnegie the new Vice Principal Corporate Services and Barry Carmichael newly appointed to represent Academic staff on the Board.

2. APOLOGIES

Apologies were received from: D Fordyce, D Mackenzie, N Lowden, and C Clinksale

3. DECLARATIONS OF INTEREST

There were no declarations of interest.

4. ESRC RESEARCH PROJECT – INFORMED CONSENT

S Mill noted that this was for information.

5. MINUTES OF FINANCE AND PROPERTY COMMITTEE MEETING 12 MARCH 2019

The Minute of the Finance and Property Committee meeting held on 12 March 2019 was approved as an accurate record with a slight change of date required to two Action Points (change to March 2019).

6. MATTERS ARISING

6.1 Pay 360 Business Case

A Ross noted that procurement had taken longer than expect but a purchase order had been submitted in early May 2019 and the College should soon have a Project Manager in place through Pay 360 to progress roll out.

6.2 Forfar Lease

B Grace intimated that the Forfar Lease was still with the legal team but that the building would be ready in August for the start of Academic Year 2019/20.

6.3 Outreach Costs

G Ritchie explained that the Finance & Property Committee had asked for a comparison of property costs per Campus including the current Forfar Outreach.

G Ritchie noted that the higher cost for the Forfar Outreach Centre would come into line with the other centres once the move to new premises was complete and intimated that this would be kept under review in relation to activity levels and full-time streams. The low costs for the Montrose centre were noted and that these were owned by the college compared with Forfar's rental.

S Hewitt noted work progressing to review the curriculum offer at outreach to ensure that this continued to meet local demand.

7. BUDGET MONITORING REPORT AND UPDATE

S Mill introduced the budget monitoring paper, highlighting that the forecast had improved to a £2,146 cash backed surplus. This represents a net increase of 56K since the last report to the Committee.

J Carnegie noted that the good work and efforts had paid off in relation to the efficiency of course delivery, reduced course streams, and other one-off factors, to realise the positive cash surplus.

Discussion took place on the potential options available to the College to best utilise cash relative to the needs of the Financial Strategy. It was noted that most of these could be dealt with by operationally but, if required, a paper on future options in respect of the Gardyne loan would be brought to the June Board meeting. **J Carnegie to progress.**

S Mill noted the positive forecast for a break-even outturn for the Gardyne Theatre Limited, noting that this was a significant shift and an improvement on the projected budget deficit.

The report and positive movement was welcomed.

7.1 Good to Great Monitoring Report

S Mill noted that the expenditure for the G2G Project was sitting at £537K and was in line with the budget. B Ferguson intimated that this was on track for Quarter 7.

S Hewitt confirmed that a meeting of the G2G Project Group had taken place and that a run through of each line on the budget had been undertaken. S Hewitt noted that the G2G Group were confident that each project and related spend was on schedule, with minor virements between a small number of project lines.

G Bisset enquired if there were still project submissions being made and S Taylor confirmed that a further 3 bids had been received for relatively small amounts, one of which was to support developments in training on hybrid & electrical vehicle maintenance.

8. 2019 / 20 DRAFT BUDGET

S Mill confirmed that the Finance & Property Committee were asked to approve the 2019/20 Draft Budget for submission to the Board of Management Meeting on 11 June 2019.

S Mill noted that the big move was in pay costs, with the last element of harmonisation funded by SFC along with anticipated funding of 50% toward pension costs. Any increases arising in respect of cost of living awards would not be funded.

J Carnegie noted that the final grant-in-aid announcement did not have any significant changes from the indicative figures, but noted that the starting point for the 2019/20 budget was improved as a result of the efficiency improvements continuing from the 2018/19 position.

It was noted that it was very likely that the Child Poverty Fund would be confirmed, with money from the Scottish Government via SFC.

Discussion took place regarding commercial activity and the challenges for D & A College in growing this. The need to better define what is commercial activity and expectations was noted, and S Hewitt outlined plans for the review and development of a new commercial strategy.

The link between the current budget outturn forecast, the 2019/20 draft budget, and the financial strategy were discussed. It was agreed that the high level assumptions within the financial strategy would be updated to allow forward years' savings requirements to be reassessed. This high level forecast would be brought to the next meeting of the Board.

J Carnegie/B Ferguson to progress.

J Carnegie intimated that when the new academic structure was in place it was the intention to undertake a revised budget exercise during the autumn which would be presented to the November meeting of the Committee.

Broader budget development arrangements were discussed, and the challenges of finalising a budget whilst still early on in the process of student recruitment was noted. J Carnegie noted her wish to explore this further as the new structure and budgeting arrangements developed. This was welcomed.

The Committee approved the Draft Budget for submission to the full Board. **J Carnegie to progress.**

8.1 Savings Plan

G Ritchie intimated that, given the more positive cash position, work was progressing on a more systematic (rather than reactive) approach to future savings and that conversations were progressing, looking at changes to some areas for implementation over the coming year.

This approach was welcomed.

9. 2019 FINANCIAL FORECAST RETURN (FFR)

B Ferguson noted that the SFC's intention was to have FFR guidance available for the end of May, with further discussion planned with the Finance Directors group during June. Given this, it was anticipated that the planned submission date for College FFRs (End June 2019) would be moved again, potentially to end September 2019.

S Mill asked if the submission of the FFR could be required before the next Finance & Property Committee in September 2019. It was agreed that, if this was the case, S Mill and A McCusker be given authority to agree final FFR details prior to full Board approval.

10. D & A FOUNDATION – ENGAGEMENT STRATEGY

G Ritchie summarised his recent meeting with the D & A Foundation trustees to discuss the relationship with D & A College. G Ritchie also summarised discussions and proposals in respect of the need for the College to develop a strategy on how it would best seek to work with the foundation and plan future bids for funding, recognising the independent status of the Foundation. The importance of this alongside the College estates strategy and developing capital plans was noted.

G Ritchie requested that the Chairs Committee meet to further discuss this relationship. This was agreed. **A McCusker to progress.**

11. CAPITAL

11.1 Estate Annual Report

B Grace noted several highlights from the Estates Annual Report including the Estate Strategy; pride in the sector leading sustainability projects; and the College's year on year reduction in carbon emissions. The Estates Team had a number of awards successes during the year including the LOcHER Project.

B Grace noted that Dundee City Council had been very generous in allocating the College approximately £300K for 10 new electric vehicles, allowing the College to replace old vehicles from its fleet and improve sustainability.

S Mill commended the work of the Estates team particularly in respect of driving forward the sustainability agenda through recycling and CO2 reduction initiatives.

11.2 Kingsway Campus Tower Redevelopment

G Ritchie explained that the Board of Management had previously approved the Estates Strategy for the Kingsway Campus with funds potentially from the D & A Foundation and SFC. The blueprint would allow the tower building to be modernised in a series of smaller projects to improve outdated facilities, including better social space for students.

Discussion took place in relation to various options considered previously, including a STEM facility at Kingsway Campus and potential opportunities at the Michelin site in Dundee. G Bisset noted possible options developing for the Michelin site with a variety of funding streams emerging and G Ritchie confirmed that these would be discussed further to inform potential STEM centre developments.

The impact of these developments on the overall Kingsway campus and tower developments was discussed in detail and it was agreed that a Business Case for development of the Tower building be progressed at the same time as progressing discussions around the STEM centre options and consideration of future bids to the D&A foundation and SFC. It was agreed that this business case would detail its alignment with future curriculum requirements. **B Grace & G Ritchie to progress.**

12. BUSINESS CASE – Wi-Fi ENHANCEMENT

S Mill explained that the ICT Resource Plan noted that a number of issues had been identified with the College Wi-Fi.

A Ross gave a brief background to the current Wi-Fi available in College with older access points that perform poorly by modern standards, and were a limiting factor in respect of digital strategy developments for students.

A Ross summarised the three options appraised and noted that the preferred option was to migrate towards a cloud managed solution. A Ross explained there were 3 potential providers of a cloud solution. It was noted that this approach was consistent with the overall ICT resource plan and strategic direction towards cloud hosting.

It was noted that the project could not be funded from the current ICT infrastructure budget, and a discussion took place around the best option to fund the Wi-Fi Enhancement Project.

The Committee approved the business case and agreed that the Executive Leadership Team determine the best way to fund the work. **A Ross & J Carnegie to progress**

13. VP CORPORATE SERVICES REPORT

J Carnegie informed the Committee that she was now in the middle of her 3rd week in post and was getting to meet the Teams she will be working with. J Carnegie noted the importance of the Colleges Financial Sustainability, commercialisation and the Estates Strategy.

14. DATE OF NEXT MEETING

Tuesday 10 September 2019, 5.00pm, Room Y150, Gardyne Campus

Action Point Summary

Action	Responsibility	Date
Review cash holding and bring paper on proposals for Gardyne Loan repayment as required	J Carnegie	11 June 2019
High-level Financial forecast review of the Financial Strategy (bottom-line cash position) to be undertaken	J Carnegie & B Ferguson	11 June 2019
Draft budget to be finalised for Board approval	J Carnegie	11 June 2019
Chairs Committee to consider D&A Foundation engagement strategy	A McCusker	10 September 2019
Business Case for the Tower Building to be progressed	G Ritchie & B Grace	10 September 2019
Wi-Fi Enhancement Project (and funding options) to be progressed	A Ross & J Carnegie	10 September 2019



FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2019

Budget Monitoring Report and Update

PAPER C

Finance and Property Committee

Tuesday 10 September 2019



Budget Monitoring Report and Update

Paper for noting

1. Introduction

This report brings to the Committee's attention the draft outturn for 2018/19 and highlights adjustments that will affect the 2019/20 revised budget exercise, which will be presented to the November 2019 meeting of the Committee.

2. Recommendations

Members are asked to note the contents of this paper.

3. Draft Outturn for the year to 31 July 2019

The draft Outturn has been prepared in order to give an early indication of the likely financial outturn. Consequently, it may be subject to revision ahead of the external audit commencing later this month.

It is anticipated that the cash-backed surplus for 2018/19 will be just under £2.5m. This represents a substantial improvement upon original budget and an increase of £325K since last reported to Committee at Month 8. Significant changes are summarised below:

Month 8 Forecast	£000's	2,146
Flexible Workforce Development Fund (delivery scheduled for 2019/20)		(83)
CITB & other managing agents		107
Skills Development Scotland and other public sector contracts		132
Corporate Lets		56
International activity		37
Voluntary Service Scheme		81
Academic pay award		200
Other pay movements		(28)
Staff travel		(26)
Student personal support		31
Accelerated spend		(291)
Consumable/materials		82
Other overhead movements		27
Projected Outturn 2018/19		2,471

Income

Although income has reduced from the previous forecast, a substantial portion of this is matched by reduction in costs, most notably from SFC estates maintenance funding and in respect of the drawdown for Good to Great from the Foundation. Shortfalls here, together with Flexible Workforce Development Funding from SFC, are scheduled to be carried forward and delivered in 2019/20.

Pay costs

The reduction from forecast has been primarily due to the settlement of the back-ended academic cost of living pay award, reducing prior costs prudently accrued whilst increasing costs from April 2019.

The Voluntary Severance Scheme charge is less than forecast, with fewer suitable applicants. There is consequently a negative impact upon budgeted savings.

Non-Pay costs

Overall, non-pay costs are lower than previously forecast although efforts were made to accelerate spend in areas such as ICT in particular, in order to protect the 2019/20 budget.

The precise timing of property works undertaken over the summer months is invariably difficult to predict and this is below both budget and forecast. Associated SFC funding has been deferred to cover additional costs that will now fall into 2019/20.

Subsidiary Company – Gardyne Theatre Limited

Gardyne Theatre is reporting a draft surplus of £3K, slightly above the last forecast and substantially better than budget. A draft Service Level Charge has been included.

Cash Flow Forecast

Balances held at 31 July are just over £2.1m, which includes the additional loan repayment of £1m.

4. Budget for the Year to 31 July 2020

As has been advised previously, a re-budgeting exercise will be presented to the November 2019 Committee. As a heads up, there are some established adjustments and/or early indicators that will be incorporated into the re-budgeting exercise.

The most significant movements are summarised below:

Increased Flexible Workforce Development Fund *	73
Reducing Child Poverty grant *	223
SFC confirmation of full funding for the increase in the Scottish Teachers Superannuation Scheme pension costs	380
Other SFC grants	(33)
Impact of salary costs previously forecast to have been saved as a result of Voluntary Severance	(155)
Impact of the National Bargaining Academic pay award	(92)
Accelerated spend in 2018/19	291
Reduction in Loan Interest	17
Potential reduction in HE recruitment, impacting Tuition Fees	(200)

* The delivery of these initiatives will incur associated costs

Author: Brian Ferguson, Head of Finance

Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

Income and Expenditure Report

£000's	2017/18	2018/19				2019/20
	Actual	Budget	Forecast at Month 8	Projected Final Outturn	Variance	Board Approved Budget
SFC Credit income	24,929	26,412	26,768	26,768	-	27,112
SFC ESF Credits	1,243	1,154	1,250	1,250	-	1,162
Other SFC grants	1,970	2,129	2,591	2,303	(288)	2,669
SFC Total	28,142	29,695	30,609	30,321	(288)	30,943
Tuition Fees	3,699	3,893	3,740	3,658	(82)	3,791
Non-Core income	2,986	2,229	2,926	3,197	271	2,795
Catering & other income	1,906	2,092	2,253	2,163	(90)	1,695
Commercial Income Stretch Target	-	126	-	-	-	-
Total Income	36,733	38,035	39,528	39,339	(189)	39,224
Teaching Pay - established	12,976	13,231	12,817	12,596	221	13,858
Teaching Pay - variable	2,705	3,682	2,893	2,833	60	3,215
Part-time variable savings	-	(250)	-	-	-	-
Invoiced Staff Costs	224	158	254	218	36	217
Teaching Support Pay	1,506	1,553	1,962	1,971	(9)	2,086
Support pay	10,423	10,238	9,915	9,962	(47)	10,132
Apprenticeship Levy	95	100	95	90	5	100
Voluntary Service Scheme	391	-	300	219	81	-
Unfunded pension payments	402	408	408	398	10	404
Total Pay Costs	28,722	29,120	28,644	28,287	357	30,012

£000's	2017/18	2018/19				2019/20
	Actual	Budget	Forecast at Month 8	Projected Final Outturn	Variance	Board Approved Budget
Staff related costs	382	457	430	475	(45)	485
Consumables & Equipment	1,412	1,492	1,458	1,440	18	1,392
Exam fees	798	742	835	817	18	835
Student related costs	219	318	401	352	49	345
Property cost	2,414	2,530	2,630	2,526	104	2,739
ICT & Telephony	937	1,056	1,215	1,371	(156)	1,085
Insurance	135	141	113	111	2	119
Marketing	54	65	68	61	7	65
Professional fees	164	129	176	134	42	179
General Overheads	347	387	342	319	23	320
Interest & Charges	214	191	198	183	15	173
VAT	748	814	873	796	77	838
Total non-pay costs	7,824	8,322	8,739	8,585	154	8,575
Cash-backed surplus/(deficit)	187	593	2,145	2,467	322	637
Add: subsidiary profit/(loss)	(3)	(23)	1	3	2	-
Consolidated Cash-backed surplus	184	570	2,146	2,470	324	637

Cashflow Forecast

	2017/18	2018/19			2019/20
£000's	Actual	Budget	Forecast at Month 8	Projected Final Outturn	Board Approved Budget
Cash backed surplus/(deficit)	184	570	2,146	2,470	637
Loan repayment	(571)	(571)	(571)	(1,571)	(571)
Working capital movements	(754)	-	(600)	78	-
Net Movement in cash balances	(1,141)	(1)	975	977	66
Opening cash balances	2,313	213	1,172	1,172	2,147
Closing cash balances	1,172	212	2,147	2,149	2,213

SFC Student Support funds

	2017/18	2018/19			2019/20
£000's	Actual	Forecast at Month 8	Projected Final Outturn	Variance	Board Approved Budget
Core allocation (including in-year distribution)	7,541	7,648	8,250	602	8,957
ESF allocation	96	-	-	-	-
Total income	7,637	7,648	8,250	602	8,957
Expenditure	(7,620)	(7,848)	(7,950)	(102)	(8,657)
Excess/(shortfall)	17	(200)	300	500	300



FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2019

Good to Great Monitoring Schedule

PAPER D

Finance and Property Committee

Tuesday 10 September 2019



Good to Great Monitoring Schedule

Paper for noting

1. Introduction

This report includes information on the Quarter 8 claim that will be made to the Dundee and Angus Foundation against the Good to Great Project.

2. Recommendations

Members are asked to note the claim.

3. Drawdown

The Quarter 8 claim of £58K has been prepared, as per the attached monitoring schedule. The next Trustee meeting is taking place in November 2019. We have been advised that this Quarter 8 claim will be consider outwith the meeting cycle.

4. Forecast

The Good to Great project is due to complete at the end of the calendar year. The full balance of the remaining funding available will be spent in accordance with the agreed themes.

Author: Atif Ashraf, Project Accountant

Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services

Project	Original Budget	Quarters 1-7 Claimed	Quarter 8 Claim	Revised Forecast	Balance
Funding Focus	1	1		1	-
Help Points	100	75		100	25
Learn 2 Learn (Prepare Me)	12	12	1	19	6
Schools Engagement	37	22		37	15
Recruitment	150	110	1	157	46
Escape Room	9	10	1	15	4
Wellbeing	62	30	8	62	24
Government Retention Project	50	44		50	6
Retention	121	84	9	127	34
Digital Community	40	39	1	40	-
Digital Curriculum	40	23	4	37	10
Digital Environment	75	8	8	75	59
Data project	15	-		5	5
Digital	170	70	13	157	74
Gateway programmes	10	2	2	10	6
IIIR Curriculum Portfolio Review	67	49	12	67	6
Curriculum Resources	40	42	14	70	14
Career Coach	37	37		37	-
CommuniTAY STEM bus	25	2		2	-
Learning & Teaching	179	132	28	186	24
Customer Charter	15	-		5	5
College Website	65	69		70	1
SA/SU Website	1	1		1	-
Customer Experience	81	70	-	76	6
Service Design Training	30	21	1	25	3
Support review	25	-		25	25
Project Manager	67	50	6	67	11
Project Administration and material	22	-		25	25
General	144	71	7	142	64
Total	845	537	58	845	250



FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2019

Financial Forecast Return

PAPER E

Finance and Property Committee

Tuesday 10 September 2019



SFC Financial Forecast Return – Briefing Note

Paper for noting

1. Introduction

At the May Committee meeting Members were alerted that we were expecting revised guidance regarding the requirements and submission timescales for the Financial Forecast Return (FFR). It was agreed that if the submission date did not enable consideration by this Committee that the Chair of the Committee and the Chair of the Board would review the draft final FFR prior to consideration by the Board.

At the end of June, Colleges were advised of the format of the Financial Forecast Return (FFR) and the deadline for submission to SFC; Friday 27th September 2019.

As the Committee is aware, our intention is to undertake a revised budgeting exercise, for submission to the Committee (November) and the Board (December). The timing is therefore not ideal in terms of aligning the two exercises. In light of that, the FFR will be based upon the approved 2019/20 budget, incorporating known adjustments.

The intention is to present the FFR to the Board at the September Board.

2. Recommendations

Members are asked to note:

- a) the requirements of the FFR
- b) that arrangements will be made to enable the Chair of the Committee and the Chair of the Board to consider the draft FFR before presentation to the Board in September.

3. Context

Members will recall the Audit Scotland report published in June 2019, based on 2017/18 accounts, advised that Colleges should agree and submit financial plans with mitigating actions to ensure future financial sustainability. SFC use the FFR as part of their financial health monitoring framework to support this Audit Scotland recommendations.

4. Summary

The following summarises the requirements of the FFR

- Current year plus 5 years (to 2023/24)
- The paper presented to the Board should accompany the FFR submission to SFC
- The FFR commentary should include details of the mitigating actions that will be put in place to ensure the Organisation's financial stability
- Alternative forecast scenarios are encouraged
- Cash Flow and Pensions Assumptions are additional requirements this year
- Commercial income should be reference within the submission
- Commentary on staffing assumptions should include future pay awards and "utilisation of National Bargaining harmonisation/Job evaluation funding"
- Risks should correspond with our Risk Register with corresponding strategies and corrective actions.
- No funding for inflation – annual efficiency savings of 3% are expected to continue.
- Teaching grant to be assumed at 2019/20 level of £28,947,218 through to 2021/22, and dropping £650,733 (2.24%) to £28,296,485 for both 2022/23 and 2023/24.
- From 2022/23 our Credit Target is reduced by 3,350, from 19/20 level of 107,735 to 104,385. We are encouraged to consider an activity and cost reduction to match funding.
- Capital & Maintenance funding is to be assumed at 19/20 levels (£1,646K) throughout.
- Organisations should project non-SFC income based on individual college circumstances
- Some National Bargaining harmonisation and Job Evaluation costs are subject to change.
- Current Public Sector Pay Policy should be assumed beyond current pay deals.
- Full funding for additional Scottish Teachers Superannuation Scheme contributions should be assumed.
- Plans for any donations of commercial surplus to the Foundation should be clearly articulated in the cash flow return and will continue to be subject to high levels of scrutiny.

5. Conclusion

The FFR is an important SFC requirement that will support SFC's, Audit Scotland and Scottish Government's understanding of the financial position of individual college's and the sector as a whole.

Author: Brian Ferguson, Head of Finance
Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services



FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2019

Procurement Update

PAPER F

Finance and Property Committee

Tuesday 10 September 2019



Procurement Update

Paper for noting / approval

1. Introduction

In line with protocols agreed at the Finance and Property Committee in November 2018, the information below details the expected and recurring contract renewals for the upcoming calendar year which exceed the delegated authority limit of £50k (inclusive of non-recoverable VAT).

This list includes framework agreements from which we call-off that are due to be let by other authorities, such as APUC and Scottish Procurement, where the aggregated spend over the contract term is likely to exceed £50k.

Planned procurement activity remains dependent on appropriate budget allocation as part of the annual budget approval process.

The latter section of the report also provides information on the contracts that have been awarded during the period from April to July 2019. This information is also available online here: <https://dundeeandangus.ac.uk/about-us/procurement/contracts/>

2. Recommendation

Members are asked to:

- a) note the upcoming PCIP review
- b) approve the anticipated procurements over £50K (inclusive of VAT) for 2019-20
- c) note the recently awarded contracts

3. Procurement & Commercial Improvement Programme (PCIP)

Members will be aware that we are subject to an external biannual review of procurement. We are scheduled to undergo our next review in November 2019, which will focus on the policies and procedures driving procurement performance and the results delivered.

Specifically, it will cover the following areas: Leadership and Governance; Tendering Activity including spend/market analysis and sustainability; Contract Management and Key Purchasing Process.

We are currently graded in the Bronze category with a score of 55%. The range is:

<u>Band</u>	<u>% Score</u>
Non-conformance	<25%
Blue	26-40%
Purple	41-50%
Bronze	51-60%
Silver	61-75%
Gold	75%+

As a reminder the last PCIP lite review commented “*This PCIP assessment shows and improvement from the previous one carried out in 2016. The score has increased and the college has moved into the Bronze performance band. It is clear that sound procurement processes have been embedded and adopted, as evidenced in the Development and Tender section. Procurement has continued to engage with stakeholders and is becoming more and more embedded in the day to day running of the college, particularly as budgets are becoming squeezed. There is a clear commitment from the college on procurement. Contract and Supplier Management was highlighted as a development area but this is a longer term aim.*”

4. **Planned Contracting: September 2019 – December 2020**

All values are exclusive of VAT.

Contract name	Water and Waste Water Services
Incumbent Supplier	Anglian Water Business
Annual Value (2018/19)	£115K
Estimated Contract Value	£500K (over 4 year term)
Owner	Scottish Procurement
Original Start Date	01/03/2016
Route to Market	National Cat A Contract
Contract Start Date	01/03/2020
Contract Period	It is likely that this will be a 3 year initial contract term with optional extensions to a maximum of 6 years
Rationale	<p>This framework provides water and waste water services including automated meter reading services across the public sector.</p> <p>Overall the contract offers significant discounts against market pricing estimated at £5-£10 million per year cost saving for the duration of the contract across the public sector. There are also significant community benefits due to the overall value including apprenticeships and education opportunities within schools.</p> <p>This is a fully compliant contract, with good customer service support.</p>

Risks	No significant risks. The risks would be considerably greater moving away from this framework agreement.
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Contract name	Natural Gas
Incumbent Supplier	Total Gas & Power
Annual Value (2018/19)	£160K
Estimated Contract Value	£600K (over 4 year term)
Owner	Scottish Procurement
Original Start Date	01/04/2014
Route to Market	National Cat A Contract
Contract Start Date	01/04/2020
Contract Period	It is likely that this will be a 3 year initial contract term with optional extensions to a maximum of 6 years
Rationale	<p>The national contract is designed to address the following key objectives:</p> <ul style="list-style-type: none"> • best value for money in the purchase of natural gas for public sector organisations using a collaborative framework • appropriately governed risk management strategy • minimise price risk associated with a volatile commodity market • continually improve customer service
Risks	No significant risks. The risks would be considerably greater moving away from this framework agreement.

Software Licences and Maintenance

Contract name	FE Licence Originality Checker
Incumbent Supplier	Turnitin
Annual Value (2018/19)	£11K
Estimated Contract Value	£44K
Owner	Dundee & Angus College
Original Start Date	Not known
Route to Market	Call-off from APUC Framework
Contract Start Date	01/08/2020
Contract Period	4 years
Rationale	<p>We have been using Turnitin for originality checking for a number of years. This is a recurring spend, contracted on an annual basis.</p> <p>However, aggregated spend is approaching the level at which we either require to mini competition under the framework, or the requirement has to be openly tendered.</p>
Risks	Compliant route to market exists. Minimal procurement risk.

Contract name	ePortfolio Software
Incumbent Supplier	Paperfree E-Portfolio Solutions Ltd
Annual Value (2018/19)	£12K
Estimated Contract Value	£48K
Owner	Dundee & Angus College
Original Start Date	Not known
Route to Market	Call-off from APUC or SP Framework
Contract Start Date	01/08/2020
Contract Period	4 years
Rationale	This has not been openly competed and with the spend level approaching regulated contract threshold when aggregated over 4 years, it would be appropriate to consider this.
Risks	Compliant routes to market exist, with a range of frameworks through which this could be purchased.

Contract name	SUN Finance System Licence Maintenance
Incumbent Supplier	Castle Computer Services Ltd
Annual Value (2018/19)	£20,060
Estimated Contract Value	£100K
Owner	Dundee & Angus College
Original Start Date	Not known
Route to Market	Proposed 5 year extension of existing contract
Contract Start Date	01/07/2020
Contract Period	5 years
Rationale	Core business system embedded within organisational business processes.
Risks	<p>Not upgrading to latest version potentially leaves software unsupported and as a result there are associated security risks.</p> <p>Change costs associated with full procurement exercise potentially resulting in a different solution.</p>

Contract name	Payroll System
Incumbent Supplier	MHR
Annual Value (2018/19)	£22K
Estimated Contract Value	£120K
Owner	Dundee & Angus College
Original Start Date	10/06/2015
Route to Market	APUC Framework for finance, HR and payroll systems
Contract Start Date	10/06/2020
Contract Period	5 years
Rationale	<p>Implementation of integrated HR/payroll system has recently been successfully undertaken.</p> <p>Core business system embedded within organisational business</p>

	Business case for contract to be negotiated for a further 5-year term.
Risks	Change costs associated with full procurement exercise potentially resulting in a different solution.

Contract name	Student Records System
Incumbent Supplier	Capita Business Systems Ltd
Annual Value (2018/19)	£43K
Estimated Contract Value	£43K
Owner	Dundee & Angus College
Original Start Date	01/08/2014
Route to Market	Call-off from Framework
Contract Start Date	01/08/2020
Contract Period	1 years
Rationale	<p>Core business system embedded within organisational business</p> <p>Roadmap required to address some of the underlying issues with the system. Annual renewal recommended until such time as this is in place and a longer contract can be negotiated.</p>
Risks	Potential risk in relation to Capita's reported financial difficulties. This will require to be monitored on an ongoing basis.

Contract name	Microsoft Campus Licence Agreement
Incumbent Supplier	Pugh Computers
Annual Value (2018/19)	£37K
Estimated Contract Value	£130K
Owner	Dundee & Angus College
Original Start Date	Not known
Route to Market	Call off from Scottish Procurement framework
Contract Start Date	01/12/2019
Contract Period	3 years
Rationale	<p>Core licence for staff and student access to Microsoft applications.</p> <p>MS have recently changed site licencing arrangements which may incur additional costs, however framework overs -1% on MS pricing.</p>
Risks	None identified

Contract name	Adobe Creative Cloud Licence
Incumbent Supplier	Eduserv
Annual Value (2018/19)	£25K
Estimated Contract Value	£25K (12 month renewal only)

Owner	Dundee & Angus College
Original Start Date	Not available
Route to Market	Call off from framework
Contract Start Date	14/08/20
Contract Period	12 month licence renewal
Rationale	Core licence for staff and student access to Adobe applications. Current licence to be checked for renewal terms and conditions and options appraised based on framework options. There may be savings to be achieved through commitment to a longer term contract.
Risks	None identified

Goods and Services

Contract name	Fixed Wire Telephony
Incumbent Supplier	BT/O2
Annual Value (2018/19)	£53K
Estimated Contract Value	£60K
Owner	Dundee & Angus College
Original Start Date	Not known
Route to Market	Scottish Procurement Dynamic Purchasing System
Contract Start Date	01/10/2019
Contract Period	2 years
Rationale	Legacy contracts with 2 suppliers from pre-merger days. Consolidation to single supplier to build resilience enabling fail-over.
Risks	None identified

Contract name	Desktop Client Devices (PCs)
Incumbent Supplier	Hewlett Packard UK Ltd (HP)
Annual Value (2018/19)	Demand-led ad-hoc purchase/planned replacement
Estimated Contract Value	c£800K over 4 year contract term (combined spend on laptops and PCs – see below)
Owner	Scottish Procurement
Original Start Date	01/01/16
Route to Market	National Cat A Contract
Contract Start Date	01/01/2020
Contract Period	12 month extension within existing contract
Rationale	Spend levels exceed regulated contract threshold. The Framework has secured a diverse range of products, which offer Scottish public sector organisations choice, at market leading prices. In addition, there is a range of

	<p>competitively priced upgrades, accessories and services, which complement the core devices.</p> <p>See above for other benefits of framework use.</p> <p>Consistency of device across all sites provides benefits in terms of ICT support and technician familiarity.</p>
Risks	Single supplier presents a continuity of supply risk, however this has been mitigated within the contract through business continuity planning processes managed by Scottish Procurement as the contracting authority.

Contract name	Mobile Client Devices (Laptops)
Incumbent Supplier	Hewlett Packard UK Ltd (HP)
Annual Value (2018/19)	Demand-led ad-hoc purchase/planned replacement
Estimated Contract Value	c£800K over 4 year contract term (combined spend on laptops and PCs – see above)
Owner	Scottish Procurement
Original Start Date	16/11/15
Route to Market	National Cat A Contract
Contract Start Date	16/11/19
Contract Period	12 month extension within existing contract
Rationale	<p>Spend levels exceed regulated contract threshold.</p> <p>The Framework delivers significant cash savings and environmental benefits, including a reduction in carbon emissions through the inclusion of latest environmental and energy efficiency certification.</p> <p>The Framework addresses Scottish public sector organisations' aspirations with regards to ethical, social, economic, environmental and sustainability issues – this is an area with significant ethical supply chain issues.</p> <p>Central point for ordering and contract management covering warranty, insurance and general supply enquiries.</p>
Risks	Single supplier presents a continuity of supply risk, however this has been mitigated within the contract through business continuity planning managed by Scottish Procurement as the contracting authority..

Contract name	Audio Visual Equipment (Supply only)
Incumbent Supplier	GV Multi-Media
Annual Value (2018/19)	£74K
Estimated Contract Value	£150K
Owner	Dundee & Angus College
Original Start Date	01/03/2019

Route to Market	Call-off from APUC Framework
Contract Start Date	01/10/2019
Contract Period	2 years
Rationale	<p>Original contract undertaken within a mini competition under framework was for interactive whiteboards for installation during Easter and Summer vacations.</p> <p>This contract has now expired and will require a further mini competition exercise to be undertaken to remain compliant, particularly given the high spend levels.</p>
Risks	There is particular interest in this contract given the highly competitive nature of the local market and an robust and transparent procurement process will reduce the risk of challenge.

Contract name	IT Related Accessories and Parts (ITRAP)
Incumbent Supplier	Various
Annual Value (2018/19)	£16K
Estimated Contract Value	£64K
Owner	SUPC
Original Start Date	01/06/2016
Route to Market	SUPC Sectoral framework agreement
Contract Start Date	01/06/2020
Contract Period	4 years
Rationale	<p>Multi-supplier agreement covering a range of IT product categories that are otherwise unavailable under collaborative agreements.</p> <p>Provides maximum flexibility with minimal requirement for further competition.</p> <p>Brings together a range of experienced suppliers offering competitive pricing delivered through a cost-plus model with net profit margins and cost to serve charges capped for the duration of the agreement.</p>
Risks	None identified

Contract name	Supply and Delivery of Library Books, Educational Textbooks and Multimedia Supplies 06-17
Incumbent Supplier	Kelvin Books
Annual Value (2018/19)	£25K
Estimated Contract Value	£50K
Owner	Dundee & Angus College
Original Start Date	Not known
Route to Market	Call-off contract from Scotland Excel framework agreement
Contract Start Date	03/09/2020
Contract Period	Extension within existing framework for further 2 year period.

Rationale	Existing Scotland Excel Framework due to be extended for up to 2 more years.
Risks	None identified

Contract name	Fresh Bakery Produce
Incumbent Supplier	D McGhee & Sons
Annual Value (2018/19)	£15K
Estimated Contract Value	£60K
Owner	Dundee & Angus College
Original Start Date	7/9/2015
Route to Market	Call-off from APUC Framework due to be relet September 2019
Contract Start Date	07/09/2019
Contract Period	4 years
Rationale	Ranked agreement with geographical lots enabling straightforward call off.
Risks	None identified

Contract name	Fresh Dairy Produce
Incumbent Supplier	Grahams The Family Dairy
Annual Value (2018/19)	£14K
Estimated Contract Value	£56K
Owner	Dundee & Angus College
Original Start Date	Not known
Route to Market	Call-off from APUC Framework due to be relet October 2019
Contract Start Date	25/10/2019
Contract Period	4 years
Rationale	Single supplier appointed to geographical lots enabling straightforward call off.
Risks	None identified.

Contract name	Fresh Fish & Seafood
Incumbent Supplier	Campbell Prime Meat
Annual Value (2018/19)	£13K
Estimated Contract Value	£42K
Owner	Dundee & Angus College
Original Start Date	08/01/2019
Route to Market	Call-off from APUC Framework due to be relet April 2020
Contract Start Date	14/04/2020
Contract Period	4 years
Rationale	Compliant route to market. Geographical lotting with ranked suppliers and option of desktop evaluation offering straightforward call off.
Risks	None identified.

Contract name	Confectionery, Snacks, Soft Drinks, Cakes and Ancillary Products
Incumbent Supplier	Taylor Vending & Stanley Henderson (Part of Sugro Group)
Annual Value (2018/19)	£180K
Estimated Contract Value	£300K
Owner	TUCO
Original Start Date	Not known
Route to Market	Call-off via TUCO Framework
Contract Start Date	16/11/2019
Contract Period	3 years
Rationale	End of national framework agreement term.
Risks	None identified.

Contract name	Hot Beverage Dispensing Equipment and Ingredients
Incumbent Supplier	Coffee Conscience
Annual Value (2018/19)	£17K
Estimated Contract Value	£51K
Owner	TUCO
Original Start Date	Not known
Route to Market	Call-off via TUCO Framework
Contract Start Date	04/01/2020
Contract Period	3 years
Rationale	End of national framework agreement term.
Risks	None identified.

Contract name	Vending Equipment (Supply and Distribution of)
Incumbent Supplier	Excel Vending
Annual Value (2018/19)	£45K
Estimated Contract Value	£180K
Owner	TUCO
Original Start Date	Not known
Route to Market	Call-off via TUCO Framework
Contract Start Date	04/01/2020
Contract Period	4 years
Rationale	End of national framework agreement term.
Risks	Established relationship with supplier through which we have leased reverse vending machines on a 3 year term.

Contract name	Hair and Beauty
Incumbent Supplier	Various
Annual Value (2018/19)	£59K
Estimated Contract Value	£250K
Owner	APUC
Original Start Date	15/02/2016
Route to Market	National framework agreement with various lots enabling calls offs for specific requirements.

Contract Start Date	15/02/2020
Contract Period	4 years
Rationale	End of national framework agreement term. Scope is being widened to include specialist nail products and photographic and theatrical make-up.
Risks	Any known risks have been mitigated by DAC representation on UIG for the re-let of this framework.

Contract name	Cleaning Materials and Disposable Paper Products
Incumbent Supplier	Bunzl
Annual Value (2018/19)	£75K
Estimated Contract Value	£75K
Owner	APUC
Original Start Date	03/04/2018
Route to Market	National framework agreement with various lots enabling calls offs for specific requirements.
Contract Start Date	03/04/2020
Contract Period	12 month extension within existing contract
Rationale	Straightforward extension of call off from existing contract.
Risks	None identified

Contract name	Industrial Gases
Incumbent Supplier	BOC
Annual Value (2018/19)	£23K
Estimated Contract Value	£69K
Owner	Dundee & Angus College
Original Start Date	01/11/2017
Route to Market	Call off from LUPC Lab Gases Framework
Contract Start Date	01/11/2020
Contract Period	3 years
Rationale	No further extensions available under existing contract.
Risks	None identified.

Contract name	Electrical Sundries Supply of
Incumbent Supplier	Various
Annual Value (2018/19)	£57K
Estimated Contract Value	£171K
Owner	APUC
Original Start Date	25/04/2017
Route to Market	National framework agreement with various lots enabling calls offs for specific requirements.
Contract Start Date	25/04/2020
Contract Period	12 month
Rationale	Extension within existing contract
Risks	None identified.

Contract name	Provision of Teaching Qualification: Further Education (TQFE) Programme
Incumbent Supplier	University of Aberdeen
Annual Value (2018/19)	£25K
Estimated Contract Value	£100K
Owner	Dundee & Angus College
Original Start Date	29/06/2016
Route to Market	Open tender required
Contract Start Date	29/06/2020
Contract Period	4 years
Rationale	<p>This is a collaborative contract let by Dundee and Angus College and used by a number of institutions.</p> <p>To be established whether this should in fact be an APUC-led collaborative framework.</p>
Risks	None identified.

Contract name	Graduation Services
Incumbent Supplier	Ede and Ravenscroft
Annual Value (2018/19)	£12K
Estimated Contract Value	£48K
Owner	Dundee and Angus College
Original Start Date	02/09/2016
Route to Market	Possible use of LUPC framework agreement, however key players such as Success Photography, Ede and Ravenscroft did not participate in this framework so a local contract may be a more appropriate action.
Contract Start Date	02/09/2020
Contract Period	4 years
Rationale	End of contract term. No further extensions available.
Risks	Exclusion of key players through use of framework is a potential risk. Contract strategy to consider all available options with a view to securing best value for money

Contract name	Internal Audit
Incumbent Supplier	Henderson Loggie
Annual Value (2018/19)	£26K
Estimated Contract Value	£100K over 5 year term
Owner	Dundee & Angus College
Original Start Date	01/10/2015
Route to Market	Mini competition via APUC framework for Audit Services
Contract Start Date	01/10/2020
Contract Period	5 years
Rationale	End of contract term. No further extension options available.
Risks	None identified.

Contract name	General Stationery and Office Paper
Incumbent Supplier	Lyreco
Annual Value (2018/19)	£55K
Estimated Contract Value	£200K
Owner	Scottish Procurement
Original Start Date	01/06/2016
Route to Market	Call-off from SP Framework agreement
Contract Start Date	01/06/2020
Contract Period	4 years
Rationale	End of contract term. No further optional extensions available.
Risks	None identified.

Contract name	Fuel Cards and Associated Services
Incumbent Supplier	Allstar
Annual Value (2018/19)	£25K
Estimated Contract Value	£90K
Owner	Dundee & Angus College
Original Start Date	01/11/2016
Route to Market	Mini competition from Crown Commercial Services Framework
Contract Start Date	01/11/2020
Contract Period	4 years
Rationale	This requirement may need to be reviewed in light of the move to electric and hybrid vehicles.
Risks	None identified.

Contract name	Student Transport
Incumbent Supplier	Stagecoach / Xplore Dundee
Annual Value (2018/19)	£400K
Estimated Contract Value	£800K
Owner	Dundee & Angus College
Original Start Date	07/08/2017
Route to Market	Direct award with publication of VEAT notice
Contract Start Date	07/08/2020
Contract Period	24 month extension within existing contract
Rationale	Extension of existing contract.
Risks	None identified.

Contract name	Personal Protection Equipment (PPE) and Clothing
Incumbent Supplier	Arco
Annual Value (2018/19)	£13K
Estimated Contract Value	£52K
Owner	CPC
Original Start Date	09/05/2016

Route to Market	To be decided.
Contract Start Date	09/05/2020
Contract Period	4 years
Rationale	Possible local contract due to availability of local suppliers. To be considered at contract strategy stage. Staff clothing/PPE as well as student PPE should be under one contract maximising potential for savings through volume purchases.
Risks	None identified.

Contract name	Road Surfacing
Incumbent Supplier	J Sives
Annual Value (2018/19)	£150K
Estimated Contract Value	£300K
Owner	Dundee & Angus College
Original Start Date	29/9/2015
Route to Market	Call-off from APUC framework agreement currently being re-tendered
Contract Start Date	01/10/2019
Contract Period	3 years
Rationale	Backlog maintenance requirements.
Risks	Any known risks to date have been mitigated by Head of Estates participation in Framework UIG.

Contract name	Plumbing Consumables and Commercial Heating Products
Incumbent Supplier	Various
Annual Value (2018/19)	£16K
Estimated Contract Value	£32K
Owner	APUC
Original Start Date	10/08/2018
Route to Market	National framework agreement with 4 suppliers enabling calls offs for specific requirements.
Contract Start Date	10/08/2020
Contract Period	24 month extension within existing contract
Rationale	Extension within existing contract. 4 suppliers available offering range of products to meet requirements.
Risks	None identified.

Contract name	Legal Services
Incumbent Supplier	Thorntons Law
Annual Value (2018/19)	£15K
Estimated Contract Value	£30K
Owner	Dundee & Angus College
Original Start Date	01/05/2018

Route to Market	Call-off from APUC Framework for legal services
Contract Start Date	01/05/2020
Contract Period	24 month extension within existing contract
Rationale	Extension within existing contract.
Risks	None identified.

Contract name	Waste Management
Incumbent Supplier	Dundee City Council
Annual Value (2018/19)	£25K
Estimated Contract Value	£75K
Owner	Dundee & Angus College
Original Start Date	Not known
Route to Market	Mini competition under APUC framework agreement collaboratively with Abertay University under TRPT.
Contract Start Date	04/11/2019
Contract Period	3 years with 2 optional extensions each of 12 months
Rationale	Collaborative opportunity with Abertay potentially offers savings through consolidation of spend. Spend exceeds the level at which the requirement should be openly competed.
Risks	Risk of challenge if the requirement remains with DCC and is not openly competed.

Contract name	Printing of Full-time Prospectus
Incumbent Supplier	McAllister Litho Group
Annual Value (2018/19)	£13K
Estimated Contract Value	£39K
Owner	Dundee & Angus College
Original Start Date	Annual contracting
Route to Market	Mini competition under SP Framework for printing and associated services
Contract Start Date	1/11/2019
Contract Period	3 years with 2 optional extensions each of 12 months
Rationale	Leverage savings through potential of 5 year contract.
Risks	Volatility of paper pricing and rapidly changing marketplace.

Contract name	Student Hospitality Kits
Incumbent Supplier	Russums
Annual Value (2018/19)	£9K
Estimated Contract Value	£150K
Owner	Dundee & Angus College
Original Start Date	Not known
Route to Market	Open tender
Contract Start Date	01/03/2020
Contract Period	3 years

Rationale	As hospitality now purchase on behalf of the students, this needs to be openly tendered, given the annual and recurring spend. Limited supply base who can fully meet requirement. No framework agreement available for this.
Risks	None identified other than change costs associated with possible change of supplier.

5. Awarded Contracts: April – July 2019

Contract name	Mobile Phones
Route to Market	Collaborative call off from Crown Commercial Services Framework
Successful Bidder	EE (2 compliant bids received)
Annual Value	£18.5K
Estimated Contract Value	£74K
Award Date	28/01/2019
Start Date	01/04/2019
Contract Period	2 years with 2 optional extensions, each of 12 months

Contract name	Supply of Electricity (HH, NHH and Domestic)
Route to Market	Scottish Procurement National Framework Agreement
Successful Bidder	EDF Energy
Annual Value	£500K
Estimated Contract Value	£3M
Award Date	
Start Date	01/04/2019
Contract Period	2 years initial contract term with 3 optional extensions, each of 12 months

Contract name	Secure Payment Solution
Route to Market	Direct award via Managed Services for Business Framework Agreement - Y16018 awarded by KCS Professional Services
Successful Bidder	Capita Business Services Ltd
Annual Value	£35,287 (Year 1 includes set up and professional services)
Contract Value	£55,287
Award Date	10/05/2019
Start Date	01/06/2019
Contract Period	4 years

Contract name	Wifi Upgrade
Route to Market	Direct Award under Lot 1 Enterprise Level ICT Solutions for IT Hardware Products, Software, Programs, Applications, Associated Products, Services and Support – 2015, Healthtrust Europe FW

Successful Bidder	Insight Direct (UK) Ltd
Estimated Contract Value	£148,364
Award Date	28/05/2019
Start Date	03/06/2019
Contract Period	One off purchase of equipment with 10 year support plan

Contract name	Replacement Firewall
Route to Market	Open Tender (8 bids received)
Successful Bidder	Ping Network Solutions
Estimated Contract Value	£51,495
Award Date	24/05/2019
Start Date	10/06/2019
Contract Period	3 years

Contract name	Travel Services
Route to Market	Direct award under TRA4027 SU Lot 1 SUPC Travel and Student Travel Services
Successful Bidder	Key Travel
Estimated Annual Value	£60K
Estimated Contract Value	£180K
Award Date	03/06/2019
Start Date	24/06/2019
Contract Period	3 years

Contract name	AV Installation, Repair and Maintenance
Route to Market	Open Tender (3 bids received)
Successful Bidder	GV Multi-Media
Estimated Annual Value	£25K
Estimated Contract Value	£125K
Award Date	10/04/2019
Start Date	01/07/2019
Contract Period	3 years with 2 optional extensions, each of 12 months

Contract name	Sports Hall Flooring Replacement
Route to Market	Open Tender (8 bids received)
Successful Bidder	Jack Carmichael Flooring Ltd
Estimated Contract Value	£55,028
Award Date	15/07/2019
Start Date	14/07/2019
Contract Period	2 months

Contract name	Mini-bus Purchase
Route to Market	Non-Competitive Action*
Successful Bidder	Car Van and Minibus World Ltd
Estimated Contract Value	£65K
Award Date	22/07/2019

Contract Period	One-off Purchase
Comment	*Whilst this has been recorded as a non-competitive action, the Crown Commercial Services Framework for vehicle purchase was investigated first. The suppliers were unable to deliver within the timescale required, therefore NCA was approved by the Principal.

Contract name	EMSI Career Coach Portal and API/Analyst
Route to Market	Non-competitive Action (Sole Supplier Status)
Successful Bidder	EMSI
Annual Value	£15.5K
Estimated Contract Value	£46.5K
Award Date	20/08/2019
Start Date	02/09/2019
Contract Period	3 years

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 Billy Grace, Head of Estates

Executive Sponsor: Jaki Carnegie, Vice Principal - Corporate Services



FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2019

Estates Development Update

PAPER G

Finance and Property Committee

Tuesday 10 September 2019



Estates Development Update

Paper for approval

1. Introduction

This report provides an update on progress over the summer months with regards to the development of our Kingsway Estate.

2. Recommendations

Members are asked to approve the approach proposed to support progressing Estates developments. In particular, Members are asked to approve:

- the development of the Kingsway Tower to full design stage
- funding of up to £100K to appoint consultants to produce a full design for the Kingsway Tower
- sharing our vision for the Kingsway Campus with Dundee and Angus Foundation and developing a future funding bid to support the Kingsway Tower development
- working with SFC to progress work for a funding bid for the STEM centre
- active engagement on the development of the Michelin site

3. Background

The Board approved the Estates Strategy in March 2019 that confirmed the vision of “three campuses, one College”. The Board supported the prioritisation of the development of the Kingsway Campus. The outline for the development of the Kingsway Campus in stages was agreed as follows;

- Progressing the redevelopment of the Tower through a package of projects
- Building the case for major funding for a new-build STEM centre

The critical factor in enabling any of the developments on the Kingsway Campus was access to capital funding and the prioritisation of the use of any capital funding that could be secured. The Board were also unwavering in their commitment to delivering a quality learning environment for students, with the driver for any developments being a future-focussed curriculum.

In June 2019 the Board agreed that the Business Case for development of the Tower building be progressed at the same time as progressing discussions around the STEM centre options and consideration of future bids to the D&A foundation and SFC. It was

agreed that this business case would articulate its alignment with future curriculum requirements. (Appendix 1)

4. Progress

Following an exceptionally positive meeting in August, SFC has provided very encouraging indications of the likelihood of being able to support the implementation of our Estates Strategy, which included:

- New build STEM Centre on the Kingsway Campus
- Kingsway Tower refurbishment
- Backlog maintenance of Arbroath, Gardyne and the Kingsway Campus
- Potential impact of the development of the centre of excellence on the Michelin site.

STEM Centre

The Scottish Government, as part of their Programme for Government, are committed to support major capital infrastructure projects. Financing of major investment projects has always been a challenge and a model currently being used in Wales, Mutual Investment Model (MIM), is anticipated to be introduced into Scotland. The model, which is very like PFI, is described as an innovative way to invest in public infrastructure development to finance major capital projects. MIM schemes will see private partners build and maintain public assets. In return, the Government will pay a fee to the private partner, which will cover the cost of construction, maintenance and financing the project. At the end of the contract the asset will be transferred into public ownership.

For a project to qualify as a MIM it must be a **new build** and the contract worth at **least £20-£25M**.

For the purposes of the development of the Kingsway Campus SFC were strongly supportive of the College's Estates Strategy and the 'hybrid' Outline Business Case that was commissioned by the SFC and presented to the Board and the SFC in 2016.

The SFC advised that we should consider the development of our STEM centre as a MIM funded project. In terms of the impact on the College's finances, any annual revenue costs associated with the contract are paid by Scottish Government and would not impact the College's accounts.

Kingsway Tower

SFC confirmed their support of the development of the Kingsway Tower and recognised fully that it was not currently a fit for purpose learning environment. SFC understood and accepted the urgency of having a plan in place to refurbish the Kingsway Tower. SFC confirmed that there are no funding models currently available that would support the development of the Kingsway Tower. SFC recommended that we approach the Dundee and Angus Foundation to support this development. The SFC confirmed that securing financial support from the Foundation to undertake Phase 1 of the Kingsway Tower development would be regarded favourably by the SFC. They were clear that

progressing on this basis would enhance, rather than detract, from the opportunities for future major capital funding.

Understanding that there were two phases of the Kingsway Tower development, SFC would seek to identify future financial options to support the College to undertake Phase 2.

SFC also suggested that longer term (c.10 years) the College could consider submitting a further MIM funding bid for a new build of the Kingsway Tower. They advised that a new build for both the Kingsway Tower development alongside the STEM development at the same time was not recommended.

Backlog Maintenance

The College attracts annual Backlog Maintenance monies from SFC in the region of £1.6M which aim to address the shortcomings in the fabric of all our Estate; Arbroath, Gardyne and Kingsway Campuses. As part of the requirements of the Kingsway Tower development, an element of the Backlog Maintenance monies may be used legitimately to support redevelopment works.

Michelin

SFC were advised of the aspirations for the Michelin site development, including the key partners that have already committed to supporting this initiative. The College was encouraged to involve SFC and Dundee and Angus Foundation in the future plans to support the role of the College within this multi-faceted project. SFC advised that any contribution required from the College for this project may be eligible for strategic funds and considered separate from broader capital plans.

Funding Models

In summary, the possible funding options available to enable the delivery of the Estates Strategy are;

- Backlog maintenance monies that SFC allocate the college on an annual basis continue to be used to support the required maintenance in Arbroath and Gardyne Campuses.
- Part of the existing business case for the development of the Kingsway Tower includes infrastructure upgrades that could be part-funded by SFC backlog maintenance monies.
- The elements of the proposed Kingsway Tower developments that cannot be legitimately funded through backlog maintenance would form the basis of a substantive bid to Dundee and Angus Foundation.
- The STEM centre is presented as a bid to SFC for full funding under the proposed MIM funding model.
- As the strategy for the development of the Michelin site progresses, SFC and Dundee and Angus Foundation are considered to support the development.

5. Timelines

STEM

SFC have identified an indicative timeline for the development of MIM funded projects;

September 2019	The College submits a bid to SFC to support the development of a business plan
January 2020	The College submits the business plan
June 2020	The SFC approves the package of sector-wide MIM funded projects for submission to Scottish Government
Autumn 2020	Scottish Government agree their proposed Infrastructure investment priorities as part of the Comprehensive Spending Review.
2020-2022	Preparations and planning for the development
2022-2025	Construction

Kingsway Tower

September 2019	The Finance and Property Committee approves expenditure of up to £100k to develop the Kingsway Tower develop to full design.
November 2019	The College presents the plans for the Kingsway Tower developments, within the overall context for the Kingsway Campus.
March 2020	The Finance and Property Committee/Board receive/approve the fully costed design proposals for the Kingsway Tower. The Finance and Property Committee/Board receive/approve bid to be made to the Dundee and Angus Foundation for the Kingsway Tower Development, including the design costs incurred to date.
April 2020	Dundee and Angus Foundation consider the bid for funding.
Summer 2020	Contract awarded and work starts.

Backlog Maintenance

October 2019 onwards - works are scheduled to align with potential Kingsway Tower developments and maximise value of spend from funding available.

Michelin

September 2019 onwards – continue active engagement and involvement in the development of the options for the Michelin site.

6. Conclusion

The options presented by SFC appear to provide a very palatable way in which the College can navigate through the many challenges that we are faced with in providing a state of the art, future-proofed curriculum in a high quality learning environment.

Whilst we cannot guarantee that any funding bids will be successful, there is undoubted recognition and support from SFC. SFC consider that it is not satisfactory for the Kingsway Campus to continue indefinitely without major investment and that the proposals for the short to longer term solutions are very credible.

Authors: Executive Team

Finance and Property Committee

Tuesday 10 September 2019



Appendix: Kingsway Tower Development

Executive Summary

Dundee and Angus (D&A) College came into existence on 1 November 2013, combining a large urban college in Dundee with a smaller rural community college in Angus.

The College works across all areas of the region (including the Mearns, north Fife and parts of Perthshire) supporting changes in the regional environment, working with partners to support new and established industries, providing the skills and services required to support the economy of our diverse communities; and addressing issues of social inclusion and economic deprivation.

There are strong links with both Dundee City Council and Angus Council Education Departments and the College's provision includes an extensive programme of school link activity (c.5,500 credits) and support for activity under the Developing the Young Workforce initiative.

The College supports local economic growth and social regeneration by operating in close collaboration with a wide range of strategic partners. Staff are pro-active members of a number of local and national committees and the College is a key contributor to both Angus and Dundee Community Planning Partnerships.

The College's revenue budget in 2017/18 was around £35m, with grant in aid from the SFC accounting for around 75% of the total. The College employs just over 1,000 staff and was targeted to deliver 108,962 credits in 2017/18. Actual credits exceeded this funded total at c.110,000, with total enrolments of c.5,500 full-time and c.15,500 part-time.

Learner retention and attainment levels for the College have been significantly above the sector average for both FE and HE programmes on a consistent basis since merger.

Seventeen percent of learners within the College (30% in Dundee campuses) come from the 10% most deprived postcode areas in Scotland and successful outcomes for these learners are consistently above sector averages. A high proportion of Arbroath campus enrolments are from rural postcode areas.

The combined regional estate consists of three main campus buildings, two in Dundee, (Gardyne and Kingsway) and one in Arbroath, providing a total estate of 59,612m². Further

provision is delivered in outreach centres in the main towns in Angus. Sustainability is at the heart of all aspects of our estate management.

The College delivers a range of further and higher education programmes between SCQF levels 1 to 10. The focus of the College is to align the curriculum to the local and regional economy.

Current and future regional developments include:

- The growth of the construction, retail, hospitality and tourism economy stimulated by the Tay waterfront regeneration and the ongoing development of the V and A museum
- The growth in renewable energy and decommissioning developments in the off shore coastal waters
- The demand for skilled workers within the health and care industries, particularly around the projected growth in childcare
- Local developments in food and drink and life sciences
- The continued demand for digital industries, with a particular focus on cyber security and data analytics
- The College is a major player in a number of developing themes making up the Tay cities deal currently being negotiated with the Holyrood and Westminster governments. The specific areas of interest for the College are in advanced manufacturing and clean energy, biotech skills and engineering.

On a daily basis, the college also works with a range of strategic partners including the local authorities, the NHS, Scottish Enterprise, Skills Development Scotland, the chamber of commerce, community and employers' associations, the local Universities and other Colleges. The College is a key partner with the local Community Planning partnerships and has staff at all levels involved in various committees and working groups.

Kingsway campus

Before merger, Dundee College had completed a major rationalisation of its estate at Gardyne and Kingsway. In the main, there is no duplication of curriculum on these two campuses: technical and practical courses are delivered on Kingsway and classroom-based courses on Gardyne.

The courses that are delivered at Kingsway attract learners from across the city and, where there is no equivalent provision on the Arbroath campus, from across Angus as well.

The curriculum delivery at Kingsway therefore complements delivery on the other campuses and is central to the '*three campuses: one college*' estate. A rejuvenated Kingsway campus will allow Dundee and Angus College to play a full part in the regeneration of the region brought about by the Tay Cities Deal and the Waterfront development.

In considering the outline business case for Dundee and Angus College it was essential that the approach was based around reviewing all of the options regarding construction

and site potential, including the “do nothing”. The overwhelming conclusion is that Kingsway Campus requires immediate action to address the issues relating to the Estate.

Kingsway was originally the local trades college and is still occasionally referred to in the city as ‘Kingsway tech.’ Many skilled tradespeople in the city spent part of their apprenticeship in the building and its history tells the full story of the city’s industrial past. Apprentices from the Robb Caledon shipyard, from Timex, from NCR, and from Veeder Root all learnt their trade at the Kingsway, and that history continues.

The campus has kept continuity in many other curriculum areas and for several decades has produced the painters and decorators, plumbers, electricians, hairdressers, chefs and hospitality staff for the city.

In 2002 the campus acquired a cultural dimension with the construction of the Space, a purpose built dance training and performance venue that hosts the Scottish School of Contemporary Dance. It is a unique, prize winning facility.

In contrast, however, the majority of the facilities on the campus are now in need of serious upgrading. Built in 1963, the buildings are generally perceived as beyond their effective life and this was confirmed in the 2008-Watts Survey and again in the Gardner Theobald survey in 2017. The cost of completing the required backlog maintenance is estimated to be in the region of £6.2m, with further significant investment required to provide consistently high quality learning spaces.

Continuing investment by the College over the years in specialist areas has maintained their currency but the general fabric and infrastructure of the campus is now severely limiting the potential to modernise the learning areas and is prohibiting the college from providing the types of learning spaces and the student experience to which modern learners are entitled to and expect. The infrastructure such as toilets, corridors, social space, general classrooms are no longer fit for purpose. ICT infrastructure is limited and stretched beyond capacity, and whilst a recent upgrade to the windows has helped significantly, the roofs and many other services require replacement.

Even with the above challenges Dundee and Angus College was the best performing college in Scotland for both full time FE and full time HE learners in the 2017/18 academic year. Dundee and Angus College, however, recognises that to continue this progress and to improve the learning experience, the redevelopment of the Kingsway Campus is a priority. The current detrimental impact on the experience of student and staff has been evident in the post-merger evaluation report carried out by the College and is a recurring theme in our own student and staff surveys.

Future Ambitions

The college has an excellent reputation and, in 2017, embarked on a new transformation strategy geared towards pushing the standards of teaching, employer engagement, and student experience higher than they have ever been. Our Good to Great strategy was recognised by receiving the Campbell Christie award for Public Service reform for 2018. As part of this, we wanted to offer enhanced and inspiring opportunities for all our learners,

with state-of-the-art facilities and cutting edge technologies. However, we are severely restricted in providing an equitable experience for all our learners by the limitations imposed by the Kingsway estate.

There are specific examples of areas of work where we make a real difference to the local economy but we are being held back by our facilities.

Our digital strategy is also developing and providing new learning experiences and transformed access and delivery for many of our learners but, despite a recent Wi-Fi upgrade, the Kingsway learners are not able to enjoy the same quality of digitally enhanced learning.

Our gas workshops are sponsored by Worcester Bosch and we train their apprentices, although the workshops are a cramped space as part of our construction block. With a modern campus, we will be able to expand and meet growing demand.

Similarly, with our hospitality, retail & tourism, and hair, beauty & complementary therapy programmes, the Tay waterfront development is bringing substantial hotel and leisure businesses to the area and we want our students to be learning in conditions that reflect the modern industry.

We secured substantial ERDF funding to purchase a large-scale pipefitting and pressure rig to support the chemical and engineering sectors. Glaxo Smith Kline are interested in us training their technical apprentices, and we are keen to develop appropriate space in order to realise this exciting opportunity.

What we need in Kingsway is a transformed space that allows us to continue to supply all the trades people and service sector staff that the region needs and at the same time raise the profile of STEM education for all our communities. It will also allow us to showcase our facilities to employers, engage school pupils and young people a distance away from the labour market with an environment and an experience that will lift their ambition, and fire their imagination to get involved with the world of science, engineering and technical training.

College Vision

The Senior Leadership Team at Dundee and Angus College has a shared vision and commitment to provide excellence in facilities and service, thus enhancing the working and learning experience of our staff and students. The physical environment will be such that students will be motivated to engage and learn and staff will continue to feel proud to be associated with the College.

State-of-the-art facilities will be developed and the use of new and emerging technologies will be maximised. Specialist centres of skills excellence will be provided, promoting an environment that encourages ambitious, confident and successful learners.

College Objectives

The College's Regional Outcome Agreement sets out the framework for the College to meet the Scottish Government's Post 16 Education reform programme.

SFC has identified six outcome areas to assist colleges in meeting this:

1. Efficient Regional Structures
2. High Quality & Efficient Learning
3. Access for People from the Widest Range of Backgrounds
4. Right Learning in the Right Place
5. A Developed Workforce
6. Sustainable Institutions

It is a framework that will outline the College's aspirations for the estate and will focus on the long-term strategic aims and objectives of the College rather than a prescribed short-term plan of action. It will address key estates management issues and inform the development of the Capital Works and Planned Maintenance Programmes.

In order to achieve this vision the College aims to:

- Create enhanced and inspiring learning opportunities for all
- Achieve excellence in every aspect of our learning, teaching and services
- Be recognised as the key Skills Development Centre for Dundee and Angus
- Develop national and international Centres of Excellence to support Scotland's strategic industries
- Make a major contribution to the economic success of the region
- Be regarded as a high value and trusted asset by our regional and national partners
- Engender an ethos of pride and belonging amongst staff and students
- Be international, national, regional and local in our outlook
- Develop a physical estate which provides state-of-the-art facilities and maximises the use of new and emerging technology
- Maximise opportunities for students, encouraging them to enjoy their learning, develop their employability skills and achieve their aspirations
- Become a sustainable, confident, dynamic and vibrant organisation which thrives on opportunity and challenge

Provision

In the main, there is no duplication of curriculum on these two campuses: technical and practical courses are delivered on Kingsway and classroom-based courses on Gardyne. The only exceptions are Performing Arts, Retail & Tourism and Access, which are delivered across both campuses.

There are curriculum areas that are delivered on the Arbroath campus which are also delivered on either Kingsway or Gardyne, although this may not be the full range of qualification levels.

The courses that are delivered at Kingsway attract learners from across the city and, where there is no equivalent provision on the Arbroath campus, from across Angus as well. In addition, there are small numbers of students who travel from outwith the College area, particularly North-East Fife and Perthshire.

The curriculum delivery at Kingsway therefore complements delivery on other College campuses and is vital to the College providing learning opportunities and support to employers in these technical and practical industries.

Curriculum Challenges at Kingsway

In relation to our other campuses, the overall learning and teaching environment within the Kingsway Campus is dated, inflexible and not designed for modern teaching approaches. The exterior of the campus is not welcoming and is hard to navigate, while the interior classrooms and workshops are dated with a wide-ranging mix of old and new resources.

There is a distinct lack of central, social spaces and learning resources such as the library are dated and uninspiring. This leads to students spending little or no additional time on campus after class hours. The current spaces on campus are not designed for modern learning approaches such as group work, cooperative learning and independent study.

The lack of suitable and inspirational social space at Kingsway has been highlighted at Education Scotland reviews and also regularly by our student body via the student satisfaction survey process.

Kingsway Campus Overview

The Kingsway Campus is located in the north of the city of Dundee and is located on approximately 5 hectares of freehold land owned by the College.

The curriculum delivered at this campus falls mainly into STEM areas, such as construction, building services, engineering, land-based and science, or service areas, such as hospitality and hair and beauty. Along with these STEM and service areas, performing arts and retail and tourism are based at Kingsway.

There are eight buildings on the Kingsway Campus, most built in 1963, with a total gross internal area of 20,750m²:

- Main Tower
- Library and Learning Centre
- Catering and Hospitality
- Gymnasium
- Construction Trades
- Engineering
- Science and Horticulture
- The Space

Of the three campuses, Kingsway has the greatest estates need. There are a number of buildings in poor condition, some of which require immediate attention. The general condition and layout of the campus presents an unacceptable public face to students, staff and visitors alike.

The existing campus has circa 20,750m² of accommodation and over 250 car park spaces. The site is fragmented, there is poor connectivity between the existing buildings, the Campus lacks identity, it is difficult to navigate and there is no campus heart.

The site has good orientation and there is good aspect to the east from the tower block. Current vehicle routes into the site are well located but need improvement and there is heavy traffic to the south of the site on Kingsway. Whilst the majority of the site is flat, there is a level difference between the site at large and the Kingsway edge to the south.

Kingsway Condition Summary Main Tower

The tower accommodates a range of academic and support functions. Levels ground, 1 and 2 house support functions including the Executive, HR, Registry, Quality, External Relations Group and Finance. Level 2 also houses the main IT hub as well as the IT technical support team. Levels 3, 4 and 5 are a mix of general-purpose classrooms, specialist classrooms and IT classrooms. Level 6 is the location of the hair and beauty department.

The general condition of the tower is poor, however, replacement double glazed windows were installed in 2018 and this has enhanced the learning environment in terms of heating and eliminating draughts and water ingress.

Replacement insulated rain screen cladding would further enhance it aesthetically and significantly improve the operating efficiency of the building. The cladding was identified as a medium to long term priority within the recent condition survey commissioned by SFC in 2017.

The majority of the teaching facilities are uninspiring and do not promote a learning environment that meets the aspirations of our learners and staff. The location of our hairdressing department is also an issue and requires to be relocated from the top two floors of the Tower block to a ground floor site to improve public access.

Library, Open Learning Centre, Lecture Theatre

This area comprises a large open plan library and learning hub along with a 2-storey building that houses an IT classroom and some staff offices. There is also a 120-seat lecture theatre.

The general condition of the building fabric is poor, however, replacement double glazed windows were installed in 2018 and this has enhanced the learning environment in terms of heating and eliminating draughts and water ingress. The learning environment is dated and uninspiring.

Refectory, Hospitality and Tourism Departments

This building is single storey and is attached to the main tower. It houses 3 large teaching kitchen facilities along with specialist and IT classrooms, staff workroom and student and staff changing facilities. The College refectory kitchen and seating areas are co-located here. There has been significant investment in this area in recent years with a new roof which has aesthetically enhanced the building and replacement double glazed windows. The teaching facilities have been completed to a high standard. The existing Training Restaurant is somewhat dated and there is a lack of natural light within the facility. There is an aspiration to relocate the Training Restaurant to a more suitable location. Ongoing maintenance issues will also be a consideration in the medium term.

Kingsway Gym

This building that originally was a single storey gym facility was redeveloped in 2014 into a 2-storey facility which now houses a state of the art dance studio and toilet and storage facilities on the ground floor and an additional dance studio on the upper floor. The original changing facilities have been adapted into office space for technical staff as well as a wardrobe department. A replacement roof was completed in early 2016, but external condition of the brickwork is deteriorating and consideration should be given to installing cladding or an insulated render.

Construction Trades Workshops

The building houses classrooms and workshops for the trowel, joinery, plumbing and electrical trades, with associated academic staff workrooms. There has been some investment in this area in recent years with the creation of more flexible space for some departments, but more still needs to be done. A replacement roof was installed between 2011-13 and some of the mechanical and electrical infrastructure has also been upgraded during this time. The external condition of the brickwork is deteriorating due to extensive spalling.

Engineering Workshops

The building houses classrooms and workshops for the motor vehicle, mechanical and electrical engineering and welding trades, with associated academic staff workrooms. The building fabric is in very poor condition – the structure is concrete framed with concrete flat roof slabs, which are covered by mineral felt. The roofs incorporate steel framed north light details, which are single glazed and which incorporate a corrugated, asbestos fibre cement sheet cladding to the upper mono-pitched roof slopes. External walls are formed in cavity brickwork with facing brickwork to the external elevation.

The building is operationally inefficient and there is significant spalling to the external brickwork. While a large proportion of the equipment within the workshops is industry standard, the learning environment is inflexible and hinders innovative learning and teaching techniques.

Science Annexe

This is a three storey building, and houses Science labs, IT classrooms and general purpose classrooms. The learning environment is in the main satisfactory but is not developed to a standard conducive to modern learning and teaching approaches. It is also isolated from other elements of the existing campus, which limits the ability of collaborative working and cross disciplinary working across other STEM subjects. The roof and cladding are categorised as Condition D.

Horticulture Block

This is a single storey building which houses a potting shed, 3 greenhouses, IT lab/classroom and staff offices. The learning environment is satisfactory and the recent installation of double glazed windows has enhanced the operational efficiency of the building. However, the heating infrastructure requires investment and the cladding is Condition D.

The Space

This 3 storey building was built in 2002 and houses a theatre with a 180 seat auditorium, 3 large dance studios, dressing rooms, general purpose classrooms and staff workrooms. The facilities are mainly in good condition with one or two areas showing signs of wear and tear where refurbishment will be required. Some of the mechanical and electrical infrastructure is also reaching the end of its life. We would envisage using our formula grant allocation to address these issues along with other ongoing maintenance issues in the short to medium term.

Existing Estate Summary:

- Kingsway has a number of outdated buildings in very poor condition
- The condition of the Kingsway building stock is affecting student use and perception of the Campus
- The nature of the space at Kingsway is not conducive to modern learning approaches
- Kingsway Campus is difficult to navigate around and is inefficient in its layout
- The condition of Kingsway Campus is hampering other initiatives (sustainability measures etc.)

Aspirations for Kingsway Campus

Creating a positive learning environment in the classrooms and workshops will allow students to feel comfortable, safe and engaged. In a classroom or workshop where values and roles remain constant and focus is placed on the positive aspects of learning, students will be more open to actively participating in class.

One of the principal aspirations will be to develop flexible learning and digitally enhanced study spaces to improve the learners' experience and to allow the development and delivery of new curriculum that will meet the changing needs of both our community and industry, as seen with the Learning Hubs at Gardyne

Key aspirations:

1. Fully align the curriculum to local needs and create Centres of Excellence with satellite provision as required (e.g. Engineering / consideration of access levels).
2. Consider commonalities between curriculum areas and create shared facilities that are flexible depending on industry demand. This should include looking at the current STEM provision and resources and combining this into a centre of excellence.
3. Relocate curricular areas with commercial potential (e.g. Hairdressing) to ensure high visibility and high quality facilities.
4. Ensure better utilisation of facilities all year round by creating centralised flexible learning spaces that are open to the public (including potential opportunities for national and international markets).
5. Maximise sharing and reciprocal use of facilities (schools, universities, community) and look for complementarity.
6. Further develop mutually beneficial industry partnerships to facilitate
7. Workplace based learning and sustainable enterprise experience.

Curriculum Summary:

- The type of space available at Kingsway is not designed for modern learning approaches.
- The College aspires to develop flexible learning and study spaces to enhance the learners' experience and allow development and delivery of new curriculum.

The Way Forward

In March 2019 the Board of Management approved an Estates Strategy for the five-year period 2019 – 2024. The strategy sets out the strategic context and external environment, along with the curriculum requirements which drive it. It describes the existing estate in detail, providing a clear assessment of its current physical condition and the suitability of accommodation for our learners and for staff. Finally, it sets out a master plan to be followed during the five-year period and how this plan will be implemented.

The condition of our existing estate is mixed, with the requirement for an extensive range of critical backlog maintenance across all three main campuses and major redevelopment of one of these. The last condition survey commissioned by SFC identified a funding requirement of £26m in order to bring all the buildings on these campuses to a minimum condition standard. This has been the focus of limited capital funding over the period of this strategy.

In addition, the learning spaces at the Kingsway Campus in Dundee require significant redevelopment in order to provide acceptable accommodation to meet the needs of the curriculum. While options exist for some buildings at Kingsway to be redeveloped to address these issues, other parts of the Campus require to be replaced in their entirety.

The key parameters for the master plan as set out in the Strategy are as follows:

1. Confirmation of our vision of “three campuses, one College”.
2. An assessment of the Arbroath and Gardyne campuses that confirms that accommodation is generally of a high quality but with backlog maintenance challenges, particularly at Arbroath.
3. Prioritisation of redevelopment of the Kingsway Campus.

Work to tackle the backlog maintenance associated with each campus began in April 2018 and the College has received ‘ringfenced’ funding of £1.3m for the April 2018-March 2019 period and a further £1.1m for the April 2019-March 2020 period.

This funding has enabled the college to tackle some ‘big ticket’ backlog maintenance projects like replacing the Kingsway Tower windows, extensive mechanical and electrical infrastructure replacement and significant road and car park resurfacing projects across all 3 campuses.

It is expected that this type of ‘ringfenced’ funding to tackle the capital backlog maintenance projects across the whole college estate will continue for at least the next 3-4 years.

The master plan for the Kingsway Campus will be implemented by:

1. Following a hybrid model, with redevelopment of the Tower and a new build STEM centre
2. Progressing redevelopment of the Tower through a package of projects
3. Building the case for major funding for a new-build STEM centre

This Kingsway Tower Project Plan sets out initial thoughts on the second bullet point above. The intention is to build consensus for these initial thoughts and develop them into a comprehensive business case in order to secure external funding.

This Plan is structured as follows:

1. Two main sections on each of the main projects, which make up the Tower redevelopment, with a third section outlining our ambitions for the creation of a STEM centre.
2. Within each of these sections, there is a brief description of the work involved at each project stage.
3. These are followed by sources of funding and approvals, and consultation.

PROJECT A

Project A involves the creation of a new hair and beauty facility in the location currently occupied by the Kingsway library. This in turn will enable the library and learning hub to be relocated and the intention is to create a new facility on Level 2 of the tower block. Level 2 is currently occupied by a range of support services and they would be relocated to Level 6 which was the original location of the hair and beauty department.

This project would have 8 stages. These would be undertaken in the following order and could commence at any point in the year.

An outline of the works and other actions required at each stage is set out below.

1. Decant External Relations Team

Temporary relocation of the External Relations team. The temporary relocation would likely be for a period of around 9 months.

2. Move Library to space vacated by External Relations Team

As the existing library space is proposed to house the new Hair and Beauty department, a temporary library facility will be created in the existing External Relations facility on Level 2 of the tower block. The existing power and data infrastructure in this area is extensive and so capable of accommodating a high number of PCs and learning spaces for students. The temporary relocation would likely be for a period of around 9 months.

3. Carry out enabling works for new space in ex-Library

To facilitate the creation of the new Hair and Beauty learning space, enabling work will be required to strip the existing facility back to a shell. Prior to the commencement of the strip out a **Type 3 asbestos survey** will be carried out: A Type 3 survey is normally carried out prior to a building's demolition. This type of survey is similar to type 2, however all areas must be inspected if there is a risk of asbestos content. This could mean inspection in cavity walls, below floors or above ceilings if the surveyor believes that there is a risk of asbestos being present.

Another element of the enabling works will include the removal of existing mechanical and electrical infrastructure. The installation of new heating and hot and cold water supplies and the installation of replacement electrical sub-main cabling will also be included as part of the enabling works.

Depending on the outcome of the Asbestos Type 3 survey, the enabling works should take around 6 weeks to complete.

4. Create new space in ex-Library

The existing library space has the capacity to accommodate 2 floors which will be required to facilitate the curriculum needs of the Hair and Beauty department.

A feasibility survey has been carried to establish if the creation of a 2 storey facility is possible and it has been confirmed that it is.

Initial consultation has been conducted with the Hair and Beauty staff to develop an early vision of what the facility could look like along with establishing the footprint that is required to support and maintain the future curriculum demands. This vision has been translated in to initial draft drawings.

Next steps will involve wider consultation with students and staff to fully develop the vision for state of the art facilities. This consultation would begin as part of progressing to the full design stage.

The creation of this facility will require full planning and building warrant consent and so the assistance of the Professional services – Quantity Surveyors, M&E Consultants and Structural Engineers will be required to fully develop the plans for this project.

The projects should take 16-20 weeks to from to complete once the enabling works have been completed.

It should be noted that this project could be carried out during term time.

5. Move Hair & Beauty to ex-Library

On completion of the project Hair and Beauty would move in to the new facility which could be mid-term if necessary.

6. Carry out M&E and other works on Level 6

Once Hair and Beauty relocate to their new facility, work would commence on stripping the existing facilities on the 6th floor back to a shell. Once this is completed, work would begin on creating a suite of offices to house Finance, HR and ERG staff from level 2 of the tower block.

Prior to the commencement of the strip out a **Type 3 asbestos survey** will be carried out.

There will be a consultation with staff to fully develop the vision for the new office facilities.

All of the mechanical and electrical infrastructure on the floor will be replaced and depending on the timeline, the intention is for the majority of these works will be completed by the in-house team of electricians, heating engineer and plumber with some assistance from external contractors. This approach will ensure that costs to replace the mechanical and electrical infrastructure will be kept at a minimum. All other building works around construction, flooring, suspended ceilings and decoration will be carried out by external contractors.

The design and project management for the creation of the new office facilities will be provided by the in-house Estates management team which will again mitigate costs normally associated with architects, quantity surveyors and M&E consultants.

7. Move External Reslations, Finance and People Team to Level 6

On completion of the new office suites on Level 6, staff from level 2 would move to their new accommodation. It would be our intention to use the majority of the existing office furniture from level 2 for the new offices on level 6.

8. Move Library to whole of Level 2

It is not envisaged that the layout of the existing level 2 will be change significantly for the creation of the new library and learning resources facilities. However, a consultation will be conducted with key staff and students to develop an early vision of what the facilities could look like and to establish whether the existing layout is fit for purpose.

The existing finance area provides a large open plan space with 2 rooms that could be used as break out spaces for staff and students. The existing HR space also provides a large open plan space with 2 breakout spaces for staff and students and the 2 ERG spaces provide very large flexible learning spaces. There is also a good sized space in A214 which is used currently as a meeting room and there are also 2 small offices. There are both male and female toilet facilities on this floor.

The main IT server for the tower is also located on this floor and this is also the location of IT technical support team. The intention is for this arrangement to be maintained, although there is an opportunity to create an IT help desk facility.

The main works associated with this project will involve minor structural changes, along with replacement flooring, decoration and lighting. New library furniture will be required although existing library furniture will also be used.

The following sections provide a description of the new spaces that could be created, and the commentary is provided by staff currently working in these areas.

Hair and Beauty

As a department we are certain that with a training centre that is recognisable at industry standard, appropriate and competitive we could prospect and attract several commercial enterprises. We believe that the regional industry would view us as a serious option for future training and inspirational centre.

If we have an environment that matches the “look and feel” of our a modern work environment, we can attract and retain the right learners on the right training programmes. Potential learners should view the new training centre as a viable and appealing option where they will gain a valuable qualification. We will be able to create shorter learning journeys for many learners in the region, compared to industry, and subsequently be recognised by those entering the industry, as a centre of excellence.

This new training area will allow an opportunity for centralised distribution of resources, encourages a higher level of student responsibility concerning reception duties, care of visitors and makes integrated learning a much more viable prospect for practical teaching by all staff. By changing the current environment, the “traditional” learning and teaching methods can be developed in a more innovative way which will also address solutions to staffing pressures, economic challenges, resource budgeting and personal responsibility can be realised. An awareness and responsibility will be spread across the department regarding the modernisation of learning and teaching within these areas with long term benefits.

Beauty Salons

Salons proposed and designed for specific areas of specialisms with hidden storage for equipment with a different visual experience in each salon to reflect services.

Each salon would have 9 beds and 1 demo bed – 10 in total

1. Complementary suite (ITEC, massage, Indian Head)
2. Electrical suite
3. Nail and pedicure suite (level 1 and 2 units and with commercial opportunities)
4. General Purpose Beauty Therapy salons
5. Each bed space to have bespoke unit with small sink, storage and mood lighting with enough space to move around freely
6. Demo bed in each salon with camera/video facilities for recording demonstrations enhancing the digital strategy
7. Sound proofing for Beauty salons

Spa Facilities

1. Steam, sauna and Jacuzzi with wet walls,
2. Shower treatments, water/spa experience
3. Shower suite with showers off set from the Spa and Salons to capture multiple use
4. Relaxation room next to these areas above creating a commercial environment fit for purpose

Hairdressing Salon

Large open plan Hairdressing salon with glass frontage with smart storage with zoning for areas with a U shaped idea

1. Air-conditioning throughout
2. Lift for upper floor
3. Modern Reception and Retail area
4. Separate entrance for clients to enable out of college working hours and commercial opportunities
5. Laundry room with towel storage – where students can gain work experience
6. Storage rooms for stock and equipment
7. Cold storage system for products extending shelf life
8. ICT suites
9. Study pods
10. Lockers for all students with smart storage, using beauty bespoke stations with a lockable cupboard for coats and bags – then no need for taking up huge amount of locker space
11. Specialist cleaners for spa and service areas

Specialist Barbering Salon – As above, area glass frontage in populated area to generate clients and income

Separate Make Up Suite – to accommodate state of the art facilities for Fashion Make Up, Artistry, Theatre and Film

Photographic studio – to accommodate and complement all of the practical areas in the same environment which will enhance collaborative learning

Library and Learning Resources

Feedback from the Learner Survey consistently highlights the inadequate nature of the existing library space, with a particular focus on the lack of mixed use areas and the noise issues this causes.

Modern libraries need to be flexible and multi-zoned to suit the plethora of learning styles and tools. Therefore, having the opportunity to create a modern Learning and Digital Resources area will allow us to design a space to meet our students current and future needs through the creation of a positive, safe learning environment.

The area would be designed to include:

1. Individual Study Booths
2. Two ICT Group Study Rooms
3. A Learning Lab
4. A Learning Hub
5. A Fixed PC Zone
6. Groups Study Areas
7. Staff Office
8. Accessible Service Desk
9. ICT Help Desk

Careful consideration will also be given to the flow of the area, with it being designed so that the quiet study area would be located furthest from the service desk and access points. Lighting and smart furniture would also be used to help define spaces and create flexible working zones.

A key part of our Digital Strategy is to create a 'Robust, Flexible Digital Environment' where students are encouraged and supported to 'Bring Their Own Device'. Therefore, the space and furniture would include multiple data and power

Creating this space will also bring Kingsway campus into line with the facilities currently on offer at Gardyne and Arbroath campus, ensuring a consistency of service to all our students.

Level 6 Support Area

Activity Based Working – 6th Floor Development Kingsway

At Dundee and Angus, Activity Based Working (ABW) means creating the best circumstances for people to be able to perform to the best of their ability. To achieve this,

bringing together the Estates, ICT and Organisational Development visions and goals to ensure an effective balance between culture, resources and environment is key.

ABW brings together the right place (culture and expectations) with the right resources (technology, software, materials) with the right environment (location, heat, light, connectivity etc.). The expected benefits of this approach are increased productivity and satisfaction and better collaboration, as well as maximised space utilisation.

An opportunity to pilot ABW principles is presented in the 6th floor development at Kingsway Campus. Research has been undertaken into best practice around ABW, with visits to colleges and universities in Sweden and the Netherlands, as well as through engagement with Veldhoen Company who are sector leaders in this area. The combined research suggests that simple and often inexpensive changes to the space utilisation planning process and subsequent layout can have a significant impact on both productivity and satisfaction.

By developing the 6th floor utilising examples from the good practice research, there is a genuine opportunity to create an environment which allows staff to work to full potential, in a supportive and functional environment that meets the needs of a wide range of occupiers. Working with the staff involved and drawing on real life examples, simple changes to the planning approach and layout should provide a full and thorough pilot of these principles and how they can be effective at D&A.

PROJECT B

Project B involves the creation of a new social space for students and staff and also the relocation and creation of a new Training Restaurant.

This project would have 3 stages. These would have to be carried out in the following order and the two main stages could only be carried out over the summer.

An outline of the works and other actions required at each stage is set out below.

10. Move Travel & Tourism (and decant Energise if required)

There is a plan to transform the areas currently occupied by the Travel and Tourism team and also Energise to create a new Training Restaurant. If alternative accommodation can be identified for T&T and Energise, work to create the new Training could commence quickly.

11. Move Training Restaurant to space vacated by Travel & Tourism and Energise

The existing Training Restaurant facilities are dated and uninspiring and the environment lacks the benefit of natural light.

The creation of a new Training Restaurant in the areas vacated by Travel & Tourism and Energise will provide a south facing outlook and the opportunity to create an modern and inspiring restaurant fit for the 21st century.

There will be a consultation with students and staff to fully develop the vision for the new restaurant facilities, and this should be extended to the existing clientele who regularly use the restaurant facilities.

The work to create the new restaurant will involve a complete stripping out of existing facilities – there would be no requirement to carry out a Type 3 Asbestos survey as these areas have undergone modernisation not that long ago and this would have been previously done.

The main works associated with this project will involve structural changes, along with replacement mechanical and electrical infrastructure, creation of a bar, general construction, flooring, decoration. New restaurant furniture will be required throughout.

These works should take around 8 weeks to complete.

12. Create student social space

The creation of a new student social space is a significant project that can only be carried out during non-term time and given the area that is to be developed, it would be a real challenge to complete it all in a single phase.

Initial steps will involve consultation with students and staff to fully develop the vision for the new social space.

The creation of this facility will require full planning and building warrant consent and so the assistance of the Professional services – Architects, Quantity Surveyors, M&E Consultants and Structural Engineers will be required to fully develop the plans for this project. Students and staff will be heavily involved in the design process.

The new social space will comprise of the areas around the main reception into the upper Dine@ facility and conservatory space along with the 2 lower Dine@ seating spaces, existing training restaurant and KC Café Bar. The intention is to completely open up all of these spaces ensuring as much natural light as possible is captured to replicate the atrium space we already have at Gardyne.

The work to create the new social space will involve a complete stripping out of existing facilities – there would be no requirement to carry out a Type 3 Asbestos survey as these areas have undergone modernisation not that long ago and this would have been previously done.

The main works associated with this project will involve significant structural changes, along with replacement mechanical and electrical infrastructure, general construction work, flooring, decoration. New social space furniture will be required throughout.

As already stated, transforming such a big area during non-term time in the summer will be extremely challenging, but that will be established once the planning process has been completed.

SOURCES OF FUNDING AND APPROVALS

The total indicative costs are £7.087m, which is based on high level estimates from our retained quantity surveyors, Christies, and includes construction costs, professional fees (10%), project risk (10%) and VAT (20%). These costs are detailed in the tables below.

The estimates for construction costs are regarded as generous and therefore it is estimated that the project could be delivered for a value closer to £6.5m inclusive of VAT and fees.

Project A

Description	Quantity	UOM	Rate	Sub-total	Total
Level 2 - Temporary Library	177	m2	250	44,250	44,250
Level 2 Conversion - South (Minimal M&E)	231	m2	600	138,600	138,600
Level 2 Conversion North (Minimal M&E)	176	m2	600	105,600	105,600
Level 6 Conversion (Full Electrical and Partial Mechanical)	708	m2	1,000	708,000	708,000
Library Redevelopment (Full M&E)	1,146	m2	1,300	1,489,800	1,489,800
New Upper Floor	400	m2	250	100,000	100,000
				Total	2,586,250

Project B

Description	Quantity	UOM	Rate	Sub-total	Total
Creation of Social Space - Ground Floor (Full M&E)	1,266	m2	1,300.00	1,645,800	1,645,800
Restaurant Relocation (Full M&E)	169	m2	1,150.00	194,350	194,350
				Total	1,840,150

Professional & Associated Fees - Allow 10%	442,640
Fittings and Furnishings	500,000
Project Risk – Allow 10%	536,904
Total	1,479,544

Total for Project A	2,586,250
Total for Project B	1,840,150
Fees, Fittings and Risk	1,479,544
Total	5,905,944
VAT @ 20%	1,181,188
Total for Building including VAT	7,087,132

A significant part of the Mechanical & Electrical infrastructure could also be captured under the SFC Backlog Maintenance budget to the tune of around £500k which would further reduce the overall funding required to complete both projects.

CONSULTATION

The intention would be to involve learners and staff in co-creation of the design for each of the new spaces. They would also be consulted fully on the timing and logistics of the various moves.



FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2019

Estates Update

PAPER H

Finance and Property Committee

Tuesday 10 September 2019



Estates Update

Paper for noting

1. Introduction

This paper provides an update on estates related activity since the last report to the committee.

2. Recommendations

Members are asked to note the report.

3. Summer Projects

Tackling the backlog maintenance across our three campuses has been the main focus over the summer with a number of projects completed.

Kingsway

- Upgrade of the mechanical infrastructure with a range of pumps replaced in all plant rooms and installation of a X-POT cleaning system in all plant rooms that will enhance the performance and efficiency of our different heating systems. Also upgrade/replacement of domestic hot water systems.
- Large number of LED light fittings installed.
- Significant painting and decoration completed across all buildings.
- A number of floorcoverings replaced.

Resurfacing of Car Park and Walkway at Kingsway

The cobbled car park area and the cobbled walkway at the bottom of the tower block were lifted and a new surface was installed using a product that uses recycled waste plastic that replaces a significant part of the bitumen. A fantastic example of the circular economy. This is the fourth resurfacing project that we have completed using this product. It is likely that we will undertake some aesthetics works to the walkways over the year.



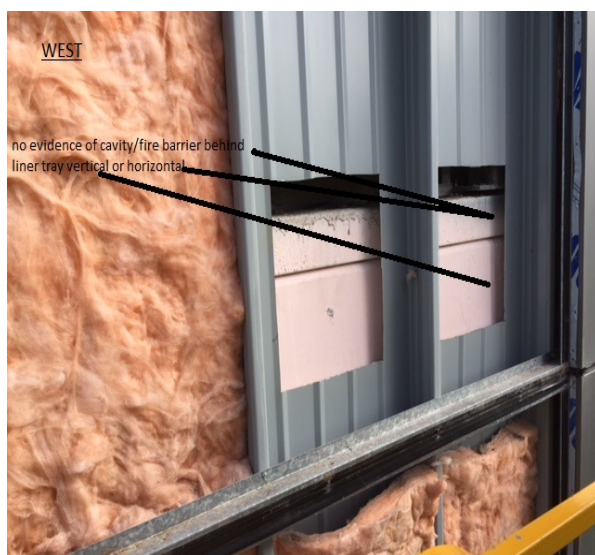
Arbroath

- The upgrade of the electrical infrastructure in Arbroath started with 20 electrical distribution boards replaced in the Clova, Esk and Isla buildings.
- Upgrading of the mechanical infrastructure with a range of pumps replaced in all plant rooms and installation of a X-POT cleaning system in all plant rooms that will enhance the performance and efficiency of our different heating systems.
- Large number of LED light fittings installed.
- Significant painting and decoration completed across all buildings.
- Refurbishment of the Nursery.

Replacement Cladding on the CALC Building

There have been significant problems with the integrity of the cladding on the CALC building since it was built in 2004. There has been a lot of water ingress in a number of areas within the building, in particular around the windows.

We removed an area of the cladding for inspection recently and this identified that a number of seals, fire barriers, insulation and other aspects were missing.



Work will commence shortly to address these issues with one elevation being tackled at a time. Internal repairs will be delayed until next year. The costs to rectify the issues will be covered by the backlog maintenance fund.

Gardyne

- Upgrade of the mechanical infrastructure with a range of pumps replaced in all plant rooms and installation of an X-POT cleaning system in all plant rooms that will enhance the performance and efficiency of our different heating systems.
- Large number of LED light fittings installed.
- Significant painting and decoration completed across all buildings.
- A number of floorcoverings replaced.

There are still a number of backlog maintenance projects to be started and completed up until the 31 March 2020 and I will keep the committee up to date with progress at future Finance and Property Committee meetings.

Improvement Works

In addition to the backlog maintenance works, a number of new learning and teaching facilities have been created across the 3 campuses. These include –

- A new Learning Hub in the CALC building in Arbroath
- 2 new classrooms created in the North Annexe in Gardyne
- Refurbished classrooms in the main Gardyne Campus
- Creation of IT suite in Kingsway Tower

Special mention to the Estates team – tradesmen and women, caretakers and cleaners who have worked tirelessly throughout the summer to enhance the facilities in time for our learners returning.

New Forfar Outreach Centre

The move to the new outreach facility in William Wallace House – Orchardbank, has been completed and looks fantastic.

Staff and students are delighted with their new facilities.



Once again, the College Estates and ICT teams have worked miracles to get the facility operational in time for the students starting.

4. Sustainability and the Environment

Dundee and Angus College Introduces the Deposit Return Scheme

The Scottish Government are committed to implementing the Deposit Return Scheme in Scotland in 2020. The introduction of the Deposit Return Scheme in Scotland means that a deposit of 20p will be added to the purchase of all plastic bottles and aluminium cans, and the only way to recoup the deposit will be by recycling the bottles and cans using Reverse Vending Machines that will be installed across the country.

Deposit Return Schemes are designed to increase recycling rates and reduce littering. Dundee and Angus College have worked extremely hard to reduce the amount of single use plastics it generates and so have made a conscious and socially responsible decision to introduce the Deposit Return Scheme in our Kingsway and Gardyne campuses from the beginning of the 2019/20 academic session. It was our intention to install a machine in our Arbroath Campus, but have decided to delay this until 2020.

The introduction of the Deposit Return Scheme means that staff and students will pay a deposit of 20p on all **plastic bottle and aluminium can** purchases in all of our Kingsway and Gardyne catering outlets and vending machines.

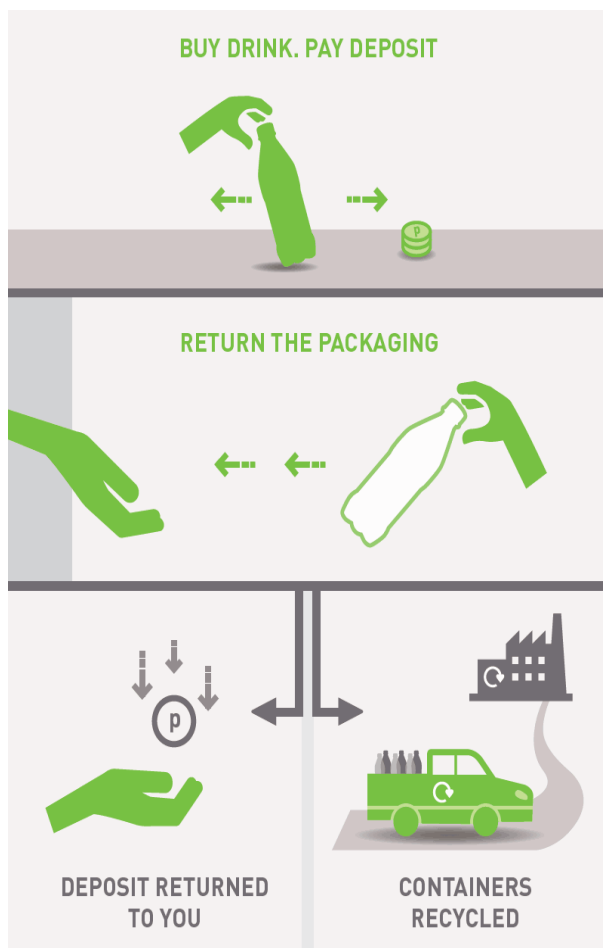
When students and staff return their bottles and cans by disposing them in the Reverse Vending Machines, they will receive a 20p off voucher that can be redeemed when they next make a purchase.

Vouchers are only issued for bottles and cans purchased at the College and only one voucher can be used per future purchase.

The Reverse Vending Machines have been installed in the following locations –

- Kingsway – within the Construction Block
- Kingsway – outside the shop
- Gardyne – within the main atrium

The image below details how the Deposit Return Scheme works.



This is a fantastic opportunity for Dundee & Angus College to lead the way and demonstrate once again its commitment to tackling the scourge of single use plastic, which has had such a catastrophic impact on our environment locally, nationally and globally.

Electric Vehicle Funding Secured

The College has secured funding via **Transport Scotland's Switched on Towns and Cities Project** for the outright purchase of 5 electric cars and 5 electric van. Additional charging points will also be installed in all 3 of our campuses as part of the project.

This equates to over £250k of funding over 2 years and will allow us to significantly increase our green fleet at the same time as removing the grey fleet from our vehicle stock.

Green Gown Award Finalists

The College has been shortlisted in 2 categories for the prestigious Green Gown Awards. The Green Gown Awards recognise the exceptional sustainability initiatives being undertaken by universities and colleges. With sustainability moving up the agenda, the Awards have become established as the most prestigious recognition of best practice within the further and higher education sector, not only in the UK, but also across the world.



To be finalists in 2 categories is a fantastic achievement and testament to the College's commitment to tackling the climate emergency and promoting social responsibility.

We have been shortlisted in the following categories –

CAMPUS HEALTH, FOOD AND DRINK

STUDENT ENGAGEMENT

Author: Billy Grace, Head of Estates
Executive Sponsor: Jaki Carnegie, Vice Principal – Corporate Services



FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2019

Strategic Risk Register & Risk Delegation to Committees

PAPER I

Finance and Property Committee

Tuesday 10 September 2019

Strategic Risk Register Update



Paper for approval

1. Introduction

Following discussion at the Audit and Risk Committee and Board of Management in March, May and June 2019 it was agreed that the Strategic Risk Register be reviewed, and that consideration be given to the allocation of groups of risks for oversight to the relevant Board Committees. This paper summarises proposals for the Committee in respect of these changes.

2. Allocation of Risks to Board Committees

The enclosed Strategic Risk Register highlights the proposed delegation of risk areas across the range of Board Committees.

In identifying these delegated risks, it has been agreed that each Committee consider (and amend/update as appropriate) the key risk areas within their responsibility as a standing item at each future meeting.

Proposed changes arising from this consideration will be brought back to the next appropriate meeting of the Audit & Risk Committee for final approval.

In making these changes, it is important to reinforce that the overall responsibility for risk management will remain with the Board of Management, with delegated authority for the implementation and review of this to the Audit & Risk Committee. The further allocation of areas of risk oversight to Board Committees is intended to improve the awareness, oversight and consideration of risk, rather than amend the terms of the Board of Management scheme of delegation.

3. Consideration of Risks to Board Committees

In making these changes, each Committee should consider how it is informed around the areas of key risk and assure itself that the regular reporting and information, updates and opportunities for scrutiny within the operation of the Committee are reasonable and sufficient in respect of this.

4. Approvals

In respect of the above information approval for the following actions is sought.

- Approval by the Committee to accept oversight of the relevant risks as identified on the Strategic Risk Register.
- Adoption of Risk as a standard agenda item on future meetings.

5. Information

Further information in respect of Governance matters is available for Board members by contacting Steve Taylor, Vice Principal People & Performance, s.taylor@dundeeandangus.ac.uk.

Author & Executive Sponsor: Steve Taylor, Vice Principal – People and Performance



STRATEGIC RISK REGISTER

2018 - 2019

As at May 2019

Post Holders	ELT	Executive Leadership Team	PRIN	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	HoICT	Head of ICT	2	Minor	Unlikely
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates	3	Significant	Possible
	VPCS	Vice Principal Corporate Services			4	Major	Probable
	VPCA	Vice Principal Curriculum & Attainment			5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
1	Strategic and Structural									
1.1 LT&Q	Failure of College strategy to meet the needs of the D&A Region and/or national priorities (eg Employability, DYW, attainment, articulation)	4	4	16	<ul style="list-style-type: none"> Robust strategic planning Effective environmental scanning Strong partnerships Clear links between strategy and practice Concerted demands for increased activity levels 	4	1	4	<ul style="list-style-type: none"> Robust monitoring via ROA Clear performance metrics Amendment of strategic direction/ plans Rolling curriculum review 	Board, ELT
1.2 Board	College may be disadvantaged by changes to either UK or Scottish Government policies	4	3	12	<ul style="list-style-type: none"> Effective environmental scanning Negotiation/influence at national level 	4	2	8	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans Financial strategy sensitivities 	ELT
1.3 Board	College disadvantaged by changes arising from UK leaving European Union	5	4	20	<ul style="list-style-type: none"> Negotiation/influence at national level Review of activities/ projects Responsiveness to new opportunities 	5	2	10	<ul style="list-style-type: none"> Review of changes and amendment of strategic direction/plans/ curriculum Financial strategy ESF sensitivity Workforce planning 	ELT

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders	ELT	Executive Leadership Team	PRIN	Principal	Score	Impact	Likelihood
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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
2	Financial									
2.1 F&P	Change in SFC Funding Methodology and Allocation – Reduction in Funding	3	3	9	<ul style="list-style-type: none"> Negotiation/influence at national level Contingency plans for reduced funding 	2	3	4	<ul style="list-style-type: none"> Advance modelling of new funding methodologies and allocations Monitoring impact of changes Amendment of strategic or operational direction/plans Financial strategy sensitivities 	ELT
2.2 F&P	Failure to achieve institutional sustainability	5	4	20	<ul style="list-style-type: none"> Protection of funding through dialogue with SFC Robust annual budget-setting and multi-year financial strategic planning Effective budgetary control Where required, swift action to implement savings 	4	3	12	<ul style="list-style-type: none"> Monthly monitoring of budgets Regular review of financial strategy and non-core income sensitivity Detailed monitoring of savings programmes 	ELT
2.3 F&P	National outcomes on salaries and conditions of service outstrip ability to pay	4	4	16	<ul style="list-style-type: none"> Influence within Employers Association Management of staffing expenditures 	4	3	12	<ul style="list-style-type: none"> Expenditure modelling On-going discussions with staff Financial strategy sensitivities 	VPP&P, VPCS

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
2	Financial (cont)									
2.4 A&R	Financial Fraud	4	3	12	<ul style="list-style-type: none"> Strong financial controls: segregation of duties and review of transactions. Review of impact of any changes in structure or duties Whistleblowing arrangements 	3	2	6	<ul style="list-style-type: none"> Continuous review of financial controls Internal Audit programme 	VPCS
2.5 F&P	D&A Foundation refuses/withholds funding for key College priorities	5	3	15	<ul style="list-style-type: none"> On-going dialogue with Foundation Trustees Appropriate bid arrangements in place 	3	2	6	<ul style="list-style-type: none"> Monitor and advise Board of Management 	VPCS

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	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
3	People and Performance									
3.1 LT&Q	Failure to reach aspirational standards in learning, teaching and service delivery	4	3	12	<ul style="list-style-type: none"> Clear quality arrangements and priority actions Continuous self-evaluation and action planning Rigorous CPD arrangements in place Regular classroom observation and learner feedback arrangements 	3	2	6	<ul style="list-style-type: none"> Comprehensive monitoring of key PIs and student/staff feedback Regular Stop and Review events External review and validation findings 	VPC&A, VPP&P, DirC&A
3.2 LT&Q	Failure to achieve/maintain compliance arrangements, e.g. contracts; awarding bodies; audit.	4	3	12	<ul style="list-style-type: none"> Robust strategic planning and monitoring Effective environmental scanning Strong partnerships Clear links between strategy and practice Concerted demands for increased activity levels 	2	2	4	<ul style="list-style-type: none"> Effective internal monitoring/review/verification arrangements External review findings 	SLT, VPP&P
3.3 A&R	Legal actions; serious accident; incident or civil/criminal breach	4	5	20	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management development programmes 	3	2	6	<ul style="list-style-type: none"> Monitoring and reporting in key areas – eg H&S, equalities, employee engagement Continuous professional development Internal audit programme Staff surveys 	ELT

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS				TREATMENT	POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
3	People and Performance (cont.)									

3.4 Board	Reputational Risk – Loss of reputation with key stakeholders	4	3	12	<ul style="list-style-type: none"> Marketing strategy Reputation plan Positive marketing approaches 	4	2	8	<ul style="list-style-type: none"> Stakeholder engagement Social media monitoring arrangements 	VPCS
3.5 HRD	National bargaining outcomes impact adversely on College operations, activity and flexibility	4	4	16	<ul style="list-style-type: none"> Influence within Employers Association Management of bargaining outcomes and implementation 	4	3	12	<ul style="list-style-type: none"> Positive union relations and staff communication On-going discussions with staff Innovation in approaches 	VPP&P, VPC&A
3.6 HRD	Industrial Relations Problems (including industrial action)	4	5	20	<ul style="list-style-type: none"> Adherence to legislative and good practice requirements Positive Union relations and staff communication Effective management development programmes Industrial action continuity planning 	4	3	12	<ul style="list-style-type: none"> Regular union/management dialogue Regular employee engagement monitoring Open communication with staff Industrial action continuity planning 	VPP&P

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

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Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT	POST MITIGATION EVALUATION					
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
3	People and Performance (cont.)									

3.7 A&R	Breach of data security / data protection	5	4	20	<ul style="list-style-type: none"> Effective management of GDPR compliance Mandatory staff CPD and awareness raising on data protection (relative to role) 	4	2	8	<ul style="list-style-type: none"> Active data protection monitoring and auditing Effective information and data security policies in operation Regular data security monitoring/testing GDPR Action Plan Staff CPD 	VPC&A, HolCT, Data users
3.8 HRD	Failure to meet Prevent and related obligations	5	3	15	<ul style="list-style-type: none"> Prevent training Staff awareness and contingency planning Engagement/practice sharing with local agencies 	5	1	5	<ul style="list-style-type: none"> Business Continuity Plan including scenario testing Information sharing with local agencies 	VPC&A, VPP&P
3.9 HRD	College arrangements do not minimise risk associated with Modern Slavery	4	3	12	<ul style="list-style-type: none"> Clear and compliant procurement arrangements and procedures Staff identity checking arrangements and use of PVG. 	4	1	4	<ul style="list-style-type: none"> Annual procurement monitoring/reporting Regular employee engagement monitoring Open communication with staff 	VPC&A, VPP&P

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk

Post Holders	ELT	Executive Leadership Team	PRIN	Principal	Score	Impact	Likelihood
	SLT	Senior Leadership Team	DirC&A	Directors of Curriculum & Attainment	1	Routine	Remote
	Board	Board of Management	HolCT	Head of ICT	2	Minor	Unlikely
	VPP&P	Vice Principal People & Performance	HoE	Head of Estates	3	Significant	Possible
	VPCS	Vice Principal Corporate Services			4	Major	Probable
	VPCA	Vice Principal Curriculum & Attainment			5	Critical	Very Likely

Risk Number & Committee	POTENTIAL CONTRIBUTING FACTORS			TREATMENT		POST MITIGATION EVALUATION				
	Risks	Impact	Likelihood	Score	Mitigation Actions	Impact	Likelihood	Score	Monitoring	Responsibility
4	Infrastructure									
4.1 A&R	Disasters – eg Fire, MIS Failure, Failure of Emergency Procedures	5	4	20	<ul style="list-style-type: none"> Sound systems of administration Clear fire and disaster recovery arrangements Staff CPD 	5	1	5	<ul style="list-style-type: none"> Business Continuity Plan including scenario testing 	VPCS, VPP&P, HoE, HolCT
4.2 F&P	Failure to achieve ambitions of ICT strategy; strategy and development is ineffective	4	4	12	<ul style="list-style-type: none"> Planning, careful phasing of changes to processes and systems Effective management of ICT arrangements Clear investment plan 	4	2	8	<ul style="list-style-type: none"> Regular review/reporting on milestones, systems effectiveness etc Regular CPD 	VPC&A, HolCT
4.3 A&R	Breach of ICT/Cyber security	4	3	12	<ul style="list-style-type: none"> Effective management of ICT arrangements Active ICT/data security monitoring and cyber security policy 	4	2	8	<ul style="list-style-type: none"> Staff CPD on cyber security issues Regular security monitoring/testing Cyber resilience plan 	VPC&A, HolCT
4.4 A&R	ICT infrastructure fails to support effective data security / data protection	5	3	15	<ul style="list-style-type: none"> Effective infrastructure and systems design and implementation Effective management of ICT arrangements and GDPR compliance 	4	2	8	<ul style="list-style-type: none"> Active data protection monitoring and auditing Effective information and data security policies in operation Regular data security monitoring/testing 	VPC&A, HolCT, Data users

Key to Risk Estimation/Score based on scale of 1 – 5 for impact/likelihood: Green (1-8) = Minor Risk; Amber (9-15) = Significant Risk; Red (16-20) = Major Risk; Purple, (>21 - 25) = Fundamental Risk



FINANCE & PROPERTY COMMITTEE

Tuesday 10 September 2019

VP Corporate Services Report

PAPER J

Finance and Property Committee

Tuesday 10 September 2019



Vice Principal Corporate Services Report

Paper for noting / discussion / approval

1. Introduction

This report brings to the Committee's attention matters, which are not covered by other agenda items.

2. Recommendations

Members are asked to note the contents of this paper, with the exception of paragraphs 8. and 11. where Members input would be appreciated.

3. Supporting Our New Learners

Members will recall that the June Board meeting received a Good to Great progress report that advised that Help Points would now become a permanent fixture in each of the campuses. This new approach to supporting learners through their journey in college has resulted in some excellent work over the summer;

- 87% of our applicants with an unconditional offer completed their registration prior to starting college
- Over 4,700 student cards were available for collection for the first day of term
- 1,500 students scheduled to receive their first bursary payment on 4th September, an increase of over 100 students from last year.

A reduction in part-time recruitment is a concern and the team are focused on trying to maximise this as much as possible by contacting all applicants that have not submitted their application. Continued focus for the Help Point staff will be to contact the remaining 1,000 bursary students that have yet to submit their application or appropriate supporting documentation.

In support of the new academic structure I am also pleased to report that the appointment of the Sector Co-ordinators is now complete and they are already working well to support the new Curriculum and Quality Leaders in their new role.

4. SFC Core Credit Target

In June 2019 SFC asked colleges to confirm they anticipate meeting their 2018/19 Core Credit Activity target. We confirmed we expect to achieve our target of 109,308 credits. We also intimated that if there was any possibility of reallocation of 2019/20 Core Credit Activity targets that we would be keen to be considered for a further allocation on top of our existing target of 107,735 credits.

5. National pay bargaining

Following confirmation in June 2019 of the Academic staff salaries and conditions agreement, the pay elements of this agreement were processed alongside the July 2019 pay run.

The terms and conditions elements of the agreement took effect from 1st August 2019 and the conditions outlined in the new 'National Working Practices Agreement' will be incorporated into contracts and replace any equivalent D&A terms for Academic staff.

6. Gardyne Loan

In June 2019 the Board approved the early repayment of up to £1m of the Gardyne long term loan. Based on a healthy forecast cash outturn, £1m was repaid to Santander on 18th July. As you will have seen from earlier agenda discussions the final cash balance as at 31st July 2019 was £2.149m.

7. Service Design Academy

As previously reported, a Short Life Working Group involving three Board members, working with officers over the winter/spring, supported the creation of an ambitious business plan for the Service Design Academy. It is clear from early conversations with the members of the Board involved that the development of the Service Design Academy was recognised as having valuable commercial potential. Significant work has continued at a pace to take advantage of the potential of the Service Design Academy portfolio including:

- The appointment of a Lead Consultant, two Consultants and a Business Development Executive.
- A review of the infrastructure required to support a high quality delivery of the Service Design Academy portfolio. This includes a review of the rooms/catering facilities, booking systems and how the Service Design Academy is positioned within a business-focused marketplace.
- A review and further development of the portfolio to offer pick 'n' mix options that continue to enable progression to the full PDA.
- A review of priority markets where there is already demand for a service design approach as a solution to business problems.
- Securing a number of pieces of business with noteworthy organisations.
- Continuing to develop synergies and opportunities for growth within the service design community.

The further development of the Service Design Academy business plan will continue over the autumn with a view to sharing more widely with the Board. Any potential commercial sensitivities will be managed as part of that process.

8. Financial Regulations

The Vice Principal - Corporate Services report in March 2019 indicated that it was appropriate to hold off from reviewing the Regulations to enable me to undertake this on my appointment.

There are some key factors that I propose should influence potential changes to the Regulations, particularly the Delegated Budget Authority Thresholds;

- embedding the new academic structure, including titles
- the responsibilities and accountabilities that are appropriately allocated to senior appointments
- the phasing of the Continuous Professional Development programme that supports the “understanding” and “developing” budget management competences
- efficient working practices
- financial stability
- governance culture

Based on a mature, professional and competent organisation the current delegated limits appear to be low in comparison to the other responsibilities expected from those senior appointments. As a reminder the thresholds are:

- Up to £1,000 - Team Leaders/Supervisors
- Up to £3,000 - Heads of Learning and Support Department Managers
- Up to £5,000 - Relevant member of Senior Leadership Team (i.e. Directors of Curriculum & Attainment, Heads of Sector, Head of Estates)
- Up to £25,000 - Relevant Vice Principal
- Up to £50,000 - Senior Leadership Team, subject to approval from the Principal and the Vice Principal

It would be helpful if Board members could share their thoughts on these thresholds before I explore further the review of the Financial Regulations.

9. HMRC PAYE Visit

You will recall from the March 2019 report that HMRC were undertaking a compliance review of our payroll records. This compliance review covered:

- | | |
|-----------------------------------|----------------------------|
| • Payroll | • Expenses |
| • Awards | • Credit/Procurement Cards |
| • Salary Sacrifice | • Entertaining |
| • Pensions | • Relocation Expenses |
| • Employment Status | • Company/Pool Vehicles |
| • Office Holders | • Accommodation |
| • Redundancy/Termination Payments | • Benefits |
| • Petty Cash | • Loans |
| | • Apprenticeship Levy |

The HMRC tax specialist advised “Following my review of the records and information provided I am of the opinion that the systems and general governance put in place by the College are at present robust enough to meet with HMRC requirements”.

This is a very satisfactory outcome and a credit to both the Finance and People teams.

10. Forfar Outreach Centre

Members will recall from the business case presented to the March 2019 Finance and Property Committee that it was agreed to relocate our outreach activity to William Wallace House. I am pleased to report that from the start of the new academic session we are now operational in William Wallace House. Negotiations around the dilapidation costs associated with our exit from the High Street premises are ongoing.

11. Handover Actions

As part of my induction, actions from previous Finance and Property Committee meetings have appropriately transferred to me. A number of the actions form part of the regular reporting to this Committee and others may be regarded as being superseded or less relevant over time. The list below identifies those actions with corresponding narrative. It would be helpful if members could agree, or otherwise, the proposed approach.

Action	Proposed Frequency	Comment
Bad Debt Reporting and Write-Off	Each Committee, by exception	Report only where any individual loss exceeds the reporting threshold of £3K
Capital Expenditure update		Provided as part of the Budget Monitoring Reporting at each meeting
ONS Reclassification Update		Proposed as no longer necessary
Banking Facilities Contracts		Proposed as no longer necessary as this would be captured through Procurement reporting.
Financial Benchmarking and Unit Costs		Proposed as no longer necessary as benchmarks are reported as part of the Audit Scotland's colleges report and SFCs analysis and comparisons of sector-wide data. Despite previous time-consuming attempts there are no other alternative sector-wide accepted methodologies.
Insurance Arrangements		Proposed as no longer necessary as would be captured through Procurement reporting.
Estates Strategy	Annually or more frequently as necessary	This task was originally scheduled annually in March. Currently there is significant discussion around the Kingsway Tower and therefore papers presented to each meeting. Proposed as being as and when appropriate, at least annually.

Action	Proposed Frequency	Comment
Gardyne Theatre Ltd Report		<p>Provided as part of the Budget Monitoring Reporting.</p> <p>Gardyne Theatre Board receive separate reports at each Board meeting.</p> <p>Report where required on any significant changes/plans.</p>

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