

Board of Management Finance & Physical Resources Committee

Date of Meeting	Wednesday 21 September 2016
Paper No.	FPRC1-K
Agenda Item	15
Subject of Paper	New Campus 2 :Strategic Business Case Update
FOISA Status	Disclosable
Primary Contact	Janis Carson – Vice Principal & Project Sponsor
Date of production	13 September 2016
Action	For Noting

1. Recommendations

The Committee is asked to note the response received from the Scottish Funding Council in response to the submission of the New Campus 2 Strategic Business Case.

2. Purpose of report

The purpose of this report is to provide brief update to the Committee on our request to the Scottish Funding Council that they consider the submission of the College's Strategic Business Case for a second phase of development at Riverside Campus and the Funding Council's subsequent response.

3. Context

In early June 2016 and following the agreement of this Committee, the College submitted a Strategic Business Case proposing a further development on the Riverside campus site to provide specialist facilities to support the STEM and Nautical curricula. It was proposed to SFC that this development be funded via the proceeds from disposal of surplus properties. The Principal and Vice Principal/Project Sponsor met with senior officers of SFC on 25th May 2016 prior to submitting our Business Case. Several follow up calls to SFC were placed following our submission. SFC advised initially that Scottish Government were undertaking a policy review with respect to the use of disposal receipts across the sector. During June and July SFC indicated that a response to our Business Case would await the outcome of that process.

The College further requested that the more modest sum of £45,000 be made available to allow the momentum towards development to continue pending a final outcome. In keeping with the decision of the Finance & Physical Resources Committee it was requested that this funding be offset against the future proceeds of disposals. SFC however, via letter on 23rd August appended here, provided their decision that the Council was unable to provide approval for our Business Case at this stage and that we should proceed to achieve value for money in securing the optimum value for the disposals which should as per conditions of grant be returned to the Council.

4. Impact and implications

As noted within the Disposal paper on this agenda the Funding Council's decision on the Strategic Business Case precludes us from further progressing our proposals for additional development on the Riverside campus funded via this route.

The risk that existing demand for fire-fighting and extended health and safety provision cannot be provided based on Riverside site has a detrimental impact on the student experience and/or leaves the College exposed to other competition.

The risk that the College is unable to further extend its STEM provision and specialist commercial simulator based provision.

In addressing the above it is suggested that the College SMT/ELT should consider whether a more modest development may be possible via the Foundation source of funding and if so bring back any future proposals to the Committee.

Attached: SFC Letter 23 August 2016



Scottish Funding Council

Promoting further and higher education

Comhairle Maoineachaidh na h-Alba

A' brosnachadh foghlam adhartach agus àrd-ìre

Janis M G Carson
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City of Glasgow College
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23 August 2016

Dear Janis,

Thank you for your letter of 8 June to my colleagues Stuart Fancey, Martin Kirkwood and Linda McLeod, following your meeting with them on 25th May. I am responding on their behalf.

The Council now has copies of the College's Strategic Business case for a proposed Centre for STEM Innovation and Excellence. Your letter to my colleagues asked that SFC approve the continuation of the development of your College's plans for the Centre through the use of some of the disposal proceeds anticipated from the sites now being sold as part of the College's NPD projects in the city centre.

The Council cannot provide any such approval at this stage. Our position remains as it was in 2014 when SFC provided £4.9M towards the College's non-NPD costs. A condition of that offer of grant was that 'the College will return all disposal receipts arising as a result of its estate redevelopment to SFC – having sought to achieve value for money in terms of securing the optimum value for the disposals'.

Yours sincerely

John Kemp
Interim Chief Executive