

Item	
Committee	Finance and General Purposes Committee
Date paper prepared	12/08/2024
Date of committee meeting	21/08/2024
Subject	Estates CAPEX Plan 2024-25
Author	Doug Rattray
Action requested	<input type="checkbox"/> For Information <input type="checkbox"/> For Discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For Endorsement <input checked="" type="checkbox"/> For Approval
Purpose of the paper	The purpose of this paper is to present a prioritised list for approval of capital projects planned to be undertaken in 2024-25. Approval will indicate agreement to proceed with these works within the bounds (scope/cost) indicated in this paper.
Brief summary of the paper	The projects presented herein are those major works required to sustain the safe and efficient operation of our estate. The projects are prioritised based on college needs and cost estimates are provided for each project. Capital projects are funded through the annual allocation of capital grant funding from SFC.
Consultation How has consultation with partners been conducted?	Consultation has been ongoing within the estates team, APUC and with staff / functions affected by the planned works.
Resource implications What are the risks with this proposal?	<p>Estates team and APUC staff time will be required for scoping works, engagement of professional services and facilitating and overseeing on-campus works once underway.</p> <p>Note that it is assumed that the planned role of Estates Team Leader (West) will be filled to provide local oversight and PM support to those works located in Fort William and/or surrounding campuses.</p>
Risk implications	<p>Failing to maintain the college estate and undertake essential works in a timely manner has a range of consequences, affecting the college staff, the student body and other users. These include but are not limited to:</p> <ul style="list-style-type: none"> • Safety risks associated with structural issues • Increasing costs of deferred works due to developing issues • Deferred costs being unaffordable at a future date alongside newly emerging works • Estates team being understaffed to manage deferred works programmes.

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	<ul style="list-style-type: none"> • Energy inefficiency of outdated systems • Aesthetic degradation of buildings and eventual loss of functionality • Reputational damage where deterioration is visible
Link with strategy	These works link directly to the draft Infrastructure Strategy and Delivery Plan.
Equality, Diversity and Inclusion	It has been assumed that these works will have no direct equality, diversity and inclusion impact other than by enabling the planned normal operation of the college.
Island Community Impact	It has been assumed that these works will have no direct impact on Islands Communities other than by enabling the planned normal operation of campuses based in the Islands.
Paper status	<p><input checked="" type="checkbox"/> Open – the paper may be circulated to non-members of the committee and published online without restriction.</p> <p><input type="checkbox"/> Restricted – the paper must not be circulated to non-members or published online until after the committee meeting.</p> <p><input type="checkbox"/> Confidential - the paper must not be circulated beyond the committee members and should not be published online. [Please note papers may still be subject to Freedom of Information requests, as specified in the next section].</p>
Freedom of information (FOI)	<p><input checked="" type="checkbox"/> Open</p> <p><input type="checkbox"/> Closed – disclosure would substantially prejudice a programme of research.</p> <p><input type="checkbox"/> Closed – disclosure would substantially prejudice the effective conduct of public affairs.</p> <p><input type="checkbox"/> Closed - Disclosure would substantially prejudice the commercial interests of any person or organisation.</p> <p><input type="checkbox"/> Closed - Disclosure would constitute a breach of confidence actionable in court.</p> <p><input type="checkbox"/> Closed - Disclosure would constitute a breach of the Data Protection Act.</p> <p><input type="checkbox"/> Closed - Other, please specify.</p>
Freedom of information (FOI) disclosure date	<p>If closed/ withheld is selected above, enter the date when this will become 'open':</p> <p>Click or tap to enter a date.</p>

F&GP Report

Estates CAPEX Plan 2024-25



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Introduction

This paper is seeking F&GP approval to proceed in procuring and implementing a subset of the projects listed on the 2024-25 planned capital works programme presented herein. Approval will indicate agreement to proceed with these works within the bounds (scope & cost) indicated in this paper. Planned works are those capital works required to sustain the safe and efficient operation of our estate. The projects are presented in a prioritised list with those works most urgent clearly highlighted. Approval is being sought for those projects listed as Priority 1: those that are considered both high severity and urgent. The full schedule of planned works is listed for information; separate approval shall be sought for any further works.

A brief summary of each project will be presented to illustrate the anticipated scope of works. Cost estimates are provided for each project alongside a discussion of how these estimates have been derived for confidence setting. It is anticipated that actual costs for projects will vary as works are procured. This schedule of planned works will contain contingency, which can be available to call upon to deal with unplanned cost increases or unforeseen emergent works that are deemed urgent. Where projects costs are quoted at significantly greater values than those estimated (>10% estimated cost and not greater than £10k) further F&GP approval will be sought prior to award of contract.

Note on Funding Availability and Eligibility

Capital grant funding from the Scottish Funding Council (SFC) to Scottish colleges is the financial mechanism designed to support capital projects within the further education sector. Particularly infrastructure projects, such as the construction or refurbishment of college buildings, the purchase of major equipment, and other capital expenditures that are essential for maintaining and enhancing the facilities and learning environment.

For 2024-25 the allocation of capital grant funding from the SFC to UHI NWH is:

£803,514.00

Eligibility for access to these funds is currently restricted to works categorised as CDEL; and not those categorised as RDEL. Note, in previous years this restriction has been partially relaxed allowing this funding to be used more broadly but current indications are that the 2024-25 allocation shall be for CDEL works only. This implies that the funding is for *capital* expenditure: typically including investments in infrastructure, buildings, equipment and other assets. CDEL works have the characteristic of creating or acquiring long-term assets as opposed to the day-to-day repair or maintenance of existing assets. This change in the SFC policy from last year has still to be formally confirmed and although the advice from the SFC and the RSB is to budget on the basis that none of the grant will be eligible for RDEL spend, high-level discussions are still ongoing with the college sector and it is hoped that some capital grant flexibility will be allowed for 2024-25. This paper, and the projects presented for approval, has been prepared on the basis that sufficient funds are held back as uncommitted to allow for flexibility in the event that the SFC do confirm that an element of the capital grant can be used against RDEL spend.

Project Schedule

The Estates Major Works plan for 2024-25 is presented below. Note that those items highlighted in *green* indicate works planned for implementation in 2024-25; those greyed-out are works that are on the horizon but are not currently included in the budgeted works for 2024-25.

Table 1: 2024-25 Planned Capital Works Programme

Project	Campus	For Approval	Planned 2024-25	Est. Value (£ inc. VAT)	Priority*
E-Block Roof Sectional Replacement	Stornoway	Y	Y	210,450	1
Window Replacement / Façade Repair	FW	Y	Y	96,000	1
Boiler Replacement ^x	Stornoway	Y	Y	96,000	1
ROV Centre ⁺	FW	Y	Y	125,000	1
CAFM	ALL	N	Y	14,400	2
Roof Repair (Fort William)	FW	N	Y	156,000	2
Asbestos Removal and Reinstate Admissions Windows	Thurso	N	Y	55,000	3
<i>Drain Repair (Fort William)</i>	<i>FW</i>	N	N	30,000	4
<i>Structural Repair (Benbecula)</i>	<i>Benbecula</i>	N	N	60,000	4
<i>Roof Repair (Broadford)</i>	<i>Broadford</i>	N	N	22,000	4
Total Value of Projects for Approval (Priority 1)				527,450	
Total Value of Planned Works				752,850	
SFC Capital Grant Fund				803,514	

^x Subject to availability of alternative sources of funding (discussed in project summary)

⁺ Subject to board approval for project

*** Priority Grading:** 1: High Priority & Urgent / 2: High priority OR time sensitive / 3: Mid priority & less time sensitive / 4: Assigned to future works

In priority grading, scores for severity and urgency have been garnered through internal discussion with our estates team staff who have long-term experience of maintaining these assets. In general, projects have been selected that align with the (unpublished) Infrastructure Strategy in that we are pursuing a fabrics-first approach, prioritising improving our building's envelopes (walls, roof, windows, and floors) to ensure building integrity, maximize energy efficiency and minimize heat loss or gain.

Appendices – Works Summaries

E-Block Roof Sectional Replacement

Campus: Stornoway. **Status:** In procurement for preliminary scoping exercise.

Value: £210,450. approved estimated value. Awaiting survey works.

Summary: This roof in question is located above E-Block, which has recently seen significant internal redevelopment (approx. £1.6M) as part of the OH Campus Redevelopment project. The newly named Technology and Innovation Centre is positioned to be a major attractor for students seeking to study in sectors including engineering, renewable energy, hydrogen technology, robotics, advanced manufacturing and houses our engineering apprenticeship students in Stornoway. During the construction works, significant water ingress was detected, which has been a recurring issue for many years. Temporary repairs and mitigations are deemed to no longer be suitable (particularly with the high value assets constructed below). Water ingress into the area is currently being redirected away using temporary measures, though it is felt that more robust protection is required before the winter season.

A replacement of damaged areas of the roof has been proposed and estimated at £210,450.00 by Marsh & Riddel based on a description and photographs of the damage (conducted remotely). Following approval of this project by F&GP in June, we are currently in procurement for a detailed site survey to be undertaken by a roofing specialist, where they will be able to fully assess the damage and provide us with the necessary information for us to procure against.

Window Replacement / Façade Rebuild

Campus: Fort William. **Status:** Survey works completed. Ready to enter procurement.

Value: £96,000. Estimated value following survey.

Summary: The windows along the long-facing aspect of the building have seen damage accumulating year-on-year. These windows have experienced failures to maintain protection since near inception and as they are approaching 30 years old the damage has continued to worsen. The full window façade is experiencing some degree of deterioration, with particularly bad areas in executive offices. A replacement is required for windows along the full loch-facing aspect of the building. Survey works have been completed and the value presented here represents pre-procurement estimate of the costs.

Boiler Replacement

Campus: Stornoway. **Status:** Need identified; preliminaries not completed.

Value: £96,000. Estimated value pre-scoping

Summary: Backlog condition surveys note that the oil boiler system at our Stornoway campus is ageing. The system requires a high level of maintenance and is energy inefficient. A system replacement will enable reductions in energy use costs, will be more energy efficient (enabling net-zero transition), will enable zoning of the building (currently unavailable) and will reduce the maintenance burden. These works are pre-scoping and so the replacement may take the form of an efficient modern boiler system or perhaps an industrial air source heat pump (ASHP). Additional funding may be available to support this project through the Scottish Green Public Sector Estate Decarbonisation Scheme (GPSEDS).

ROV Centre

Campus: Fort William. **Status:** In early planning

Value: £125,000. Estimated value pre-scoping

Summary: Establish an ROV training centre in Fort William through the development of specialist course materials and the purchase of equipment to address the shortage of skilled personnel in the subsea industry and capitalize on the growing demand for trained ROV technicians. This project enables partnership working with 3rd parties for the delivery of training courses. This project is being proposed to the board for separate approval and the capital costs are listed here for budgeting purposes on the assumption that the funds are ring-fenced pending Board approval.

CAFM

Campus: ALL. **Status:** Pre-procurement/early market engagement stage

Value: £14,400 pa.

Summary: A CAFM software package is essential for the estates team as it centralises all facilities management data, streamlining the management of buildings, assets, and maintenance schedules. The system would also enable the automation of preventative maintenance work reducing the risk of statutory non-compliance, or asset degradation. The system could be used to optimise resource allocation in the team and space utilisation for the college, leading to more efficient use of staff, energy and space. The value presented here has been derived from early engagement with a single provider of CAFM. The value represents approximately £8,000 annual subscription fee + £4,000 onboarding costs (excl. VAT). Onboarding costs include system setup, training and consultation costs and would be required for year 1 only. The system would represent an intangible asset, licenced over several years, that would provide long-lasting benefit to the college and in this sense would be eligible for capital investment. Implementation costs (configuration, integration, training, etc.) can likewise be capitalised as they are directly attributable to getting the software ready for use.

Roof Repair (Fort William)

Campus: Fort William. **Status:** Survey works completed. Ready to enter procurement.

Value: £96,000. Estimated value following survey.

Summary: Water ingress has occurred in several places due to the fabric of the building's waterproofing system on its flat roof beginning to degrade. Numerous repairs have been undertaken over the years but are not deemed to be suitable for the long term. Survey work has been undertaken and the estimated value here represents the replacement of the flat roof's existing waterproofing system and, i.e., relining the existing roof.

Asbestos Removal and Reinstate Admissions Windows

Campus: Thurso. **Status:** Need identified; preliminaries not completed.

Value: £55,000. Estimated value pre-scoping

Summary: During the Summer of 2024, significant asbestos removal works were conducted at the Thurso, Ormlie Road campus (main building). Further work is required to remove additional asbestos containing materials (ACM) in the wall above and around the admissions windows. This will require removal of the existing windows and rebuild. Due to the high footfall in this area of the building, management of ACM in this area is considered a priority.

Drain Repair (Fort William)

Campus: Fort William. **Status:** Need identified; preliminaries not completed.

Value: £30,000 Estimated value pre-scoping

Summary: The system of drains around the Fort William main building are not functioning properly and it is expected that there may be a collapse in some area(s). A drainage survey is required initially to scope out the works followed by drain system repair/replacement.

Structural Repair (Benbecula)

Campus: Benbecula. **Status:** Survey works completed. Ready to enter procurement.

Value: £60,000. Estimated value pre-survey.

Summary: Water ingress has been experienced on the gable end of the Benbecula campus with structural damage (cracks) being suspected as having compromised the fabric of the building. A site survey is required initially to scope out the works followed by reparatory works.

Roof Repair (Broadford)

Campus: Broadford. **Status:** Survey works completed. Ready to enter procurement.

Value: £22,000. Estimated value following survey.

Summary: Water ingress has occurred in several places due to the fabric of the building's roof beginning to fail. Minor repairs have been undertaken but are not deemed to be suitable for the long term. Survey work has been undertaken and the estimated value here represents the re-roofing cost of the small building.