Item 7

3rd December 2020

Glasgow City Council

City Administration Committee

Report by Councillor Kenny McLean, City Convener for Neighbourhoods, Housing and Public Realm

Contact: David McEwan Tel: 76000

City Building Glasgow LLP – New Training College Proposal

Purpose of Report:

The purpose of this report is to advise the City Administration Committee of the proposal to construct a new training college as part of the infrastructure at the RSBi campus in Springburn as a replacement for the current college at Queenslie Industrial Estate, and to seek approval for the funding to complete the proposal, currently estimated at £7,000,000.

Recommendations:

The Committee is asked to:

- note the report; and
- approve the agreement on the provision of funding.

Ward No(s): Citywide: ✓

Local member(s) advised: Yes ☐ No ☐ consulted: Yes ☐ No ☐

1 Background

1.1 The City Building structure is made up of two Limited Liability Partnerships (LLP) City Building (Glasgow) LLP (CBG) and City Building (Contracts) LLP (CBC). CBG is 50% owned by Glasgow City Council (GCC) and 50% owned by Wheatley Housing Group (WHG). CBC is 100% owned by GCC.

1.2 A report approved by the Council on 3rd March 2016 and WHG Board on 26th February 2016 set out the key drivers and terms to establish the 50/50 Joint Venture between GCC and WHG as equal shareholders following an Options Appraisal.

1.3 One of the key recommendations and main principles from the Options Appraisal was the securing of 2,000 jobs, providing up to 2,000 apprenticeships, as well as sustaining employment for people with disabilities at RSBi and driving future investment and the economy of the City.

1.4 The Fraser of Allander Institute in a recent study into "The Social and Economic Impact of City Building in Glasgow" concluded that:

- One in eight construction jobs in Glasgow is provided by CBG and nine out of ten employees live in the City. The report also concluded that:
- For every two City Building jobs a further 1.44 are created.
- City Building accounts for one in twenty five skilled trades in Glasgow.
- City Building delivers an estimated 27,707 employee training days per annum.
- City Building supports a key government objective of delivering sustainable economic growth.

1.5 A further independent analysis undertaken by GenAnalytics confirmed that 13% of the total workforce is made up with apprentices with 38% living within the most deprived data zones in Scotland and 54% living in the two most deprived data zones in Glasgow.

1.6 CBG currently employs 245 Craft Apprentices (13% of the entire workforce) and 4% of all craft apprentices in Scotland on behalf of Glasgow City Council.

1.7 Since 2006, almost 2,000 apprentices have gone through CBG's craft apprenticeship programme and a completion rate of 95% compares extremely well against the Scottish industry average of only 75%.

1.8 CBG's craft apprenticeship programme is one of the most successful in the UK. CBG has been awarded the Queen's Award for Enterprise on two occasions, in part due to our craft apprenticeship programme and is currently Gold accredited for Investing in Young People.

2 Existing Arrangements for Training

2.1 City Building currently operates from three facilities: Darnick Street Head Office; Royal Strathclyde Blindcraft Industries (RSBi) at Edgefauld Avenue in the north of the city, and the SQA accredited training centre based at

Queenslie Industrial Estate in the east of the city, which is owned by City Property LLP and leased to CBG. The operational and delivery costs of the apprenticeship programme is included within the CBG Business Plan which is monitored by the CBG Board.

2.2 The facility at Queenslie was constructed some 65 years ago and, since 1995, has successfully delivered craft apprenticeships for City Building. An element of the craft apprenticeship programme was, until recently, delivered from the Laurieston Skills Academy in the south of the city. Training within this facility has now been relocated to Queenslie, due to the impending closure of the Skills Academy in 2020 to accommodate the on-going housing development in the area.

2.3 The site at RSBi also houses the Health and Social Care Partnership (HSCP) Learning and Development Centre, for which an annual service charge is paid to CBG. The Learning and Development Centre was opened in June 2006 as a vocational training facility. It was designed to provide training facilitates to deliver manual handling and personal care training, utilising both the classroom environment and a virtual home to ensure trainees experienced the challenges they would face in delivering their service in homes throughout the City, including bathing, shaving, hoist use and stair lift safety. This centre is also utilised by Property and Land Services and other Council Services for the delivery of a variety of training courses, including care, first aid, food hygiene, fire safety and health and safety.

3 Key Drivers for Change

3.1 A key strategic objective and ambition for GCC within the 30 year £3.7 billion Joint Venture is the delivery of around 2,000 craft apprenticeships.

3.2 GCC currently invests over £5 million per year in the craft apprenticeship programme and has committed to continued investment over the duration of the Joint Venture. This is a substantial investment, one of the biggest in the UK, therefore the ability to sustain the existing high standards of training provision and throughput of qualified apprentices is crucial. The age and condition of the existing facilities at Queenslie and the need for significant investment, is considered prohibitive to ensuring maximum success and best value and presents a risk to the safeguarding of future provision.

3.3 The Queenslie facility is now outdated and would require considerable upgrading to reach the high standard of learning accommodation the Council has set in recent years and that is expected of a first class Training College in the 21st century. Investment will be required to upgrade the external fabric of the building including the roof, external cladding, windows and internal upgrades to mechanical and electrical services and ongoing cyclical maintenance which will have estimated costs of £4m over the next 30 years.

3.4 Apprentice workshop training is carried out in disparate locations due to a lack of space within the existing facility and classroom work is currently undertaken in temporary accommodation units. Having relocated the training formerly

delivered at the Laurieston Skills Academy to Queenslie, there is increased pressure on space within the existing training centre. This situation is not conducive for modern methods of apprentice training and the reputation of the Council's craft apprenticeship programme within the industry. Nor does it provide opportunities or benefits that could be obtained from the colocation of craft skills across the training facilities and RSBi, programmes. These opportunities include continuing to raise the ambitions of employees with disabilities on working towards apprenticeships as well as further raising awareness of our young apprentices on the challenges faced by people with disabilities. Apprentices would also benefit first hand from experiencing modern methods of construction through following the manufacturing of component parts at the RSBi factory.

3.5 The adjacent existing depot accommodation at Queenslie that housed the City Windows factory many years ago was considered for modernisation and currently accommodates electrical apprentice training, but the overall cost of this option to incorporate workshop and classroom facilities into this area was deemed to be more expensive than the proposed new build college. The cost for a complete refurbishment is estimated at £7.08m. (This excludes the ongoing site overhead costs).

3.6 The rationalisation of City Building's operational property portfolio has taken place over many years and reducing to only 3 operational areas; Darnick Street, RSBi and Queenslie Training Centre. This proposal has the potential to deliver further rationalisation, cost savings and efficiencies, matching the principles of the Council's Property and Land Strategy.

3.7 In addition, as part of its environmental strategy, CBG are actively seeking to lower its carbon footprint in support of GCC's plans towards 2030 by reducing the number of properties currently occupied. As indicated above, CBG property portfolio and service outlets has been radically rationalised over many years and by moving away from Queenslie, CBG would only occupy two main operational sites, Darnick Street and RSBi. In addition, the colocation at RSBi is better served by public transport links and is also an opportunity to encourage our apprentices to participate more fully in the City's plans for active travel to work.

3.8 A new Training College will allow young people to develop their technical and personal skills and approach to enhance future opportunities which supports GCC's strategies for inclusive growth, reducing poverty and investing in the skills of its citizens.

4 Funding, Finance, Programme & Project Governance

4.1 A number of options were considered with the preferred option being for the construction of a new training centre within the RSBi campus at an estimated cost of £7m as an entire project cost, including design, construction and other relevant costs (legal, technical, financial).

4.2 The training centre will be a Council asset and funded via prudential borrowing, with the cost of borrowing being covered by the subsequent saving of property and supplies and services costs from exiting Queenslie. The Council will work with City Property to ensure it suffers no detriment as a result of this proposal.

4.3 The project will be undertaken utilising in-house CBG LLP construction and management expertise with reporting through Property and Land Services' Asset Class Lead to the City Administration Committee.

4.4 A number of changes are required to the current lease and management agreements for the site at RSBI. These will be progressed alongside the initial phases of the works.

4.5 The governance of the project will follow the standard operating procedures for GCC capital projects and will have the appropriate risk registers, highlight reports, progress reports and other relevant project management toolkit resources.

5 Policy and Resource Implications

Resource Implications:

Financial:	The proposal will have no net effect on the current revenue funding arrangements, with the cost of borrowing being off-set by the savings generated.
Legal:	The contractual setup of the new leases and management arrangements is currently ongoing, and remains to be concluded.
Personnel:	None
Procurement:	In line with Council procedures and policy.
Council Strategic Plan:	Specify which theme(s) and outcome(s) the proposal supports - A Thriving Economy, specifically priorities: 3; 4 - Excellent and Inclusive Education, specifically priority: 28
Equality and Socio-Economic Impacts:	
Does the proposal support the Council's Equality Outcomes 2017-21	N/A at this stage

What are the potential equality impacts as a result of this report?	No equality impact has been undertaken at this stage, however, the likely outcome of any future EI would be an improvement across many of the protected characteristics.
Please highlight if the policy/proposal will help address socio economic disadvantage.	N/A at this stage

Sustainability Impacts:

Environmental:	Design and construction will be in line with the latest policies and statutory obligations in relation to energy performance and carbon reduction technologies.
Social, including opportunities under Article 21 of the European Public Procurement Directive:	The positive effect of the apprenticeship programme on the city of Glasgow is presented in detail in the attached business case.
Economic:	The economic benefits of this proposal are presented in detail in the attached business case.
Privacy and Data Protection impacts:	None

6 Recommendations

6.1 The Committee is asked to:

- note the report; and
- approve the agreement on the provision of funding.