

## **Board of Management**

Meeting	LONGMAN DISPOSAL PROJECT BOARD			
Date and time	Thursday 17 August 2017 at 10.30 a.m.			
Location	Board Room, 1 Inverness Campus			

College Secretary 10 August 2017

#### AGENDA

#### Welcome and Apologies

#### **Declarations of Interest**

- 1. TERMS OF REFERENCE AND BOARD MEMBERSHIP Report by Board Secretary
- 2. GOVERNANCE ARRANGEMENTS AND FUNDING MODEL Covering Report by Director of Organisational Development
- 3. PROJECT MANAGER'S REPORT Report by Gardiner & Theobald
- 4. LEARNING RESOURCE CENTRE: GRANT OBLIGATION MILLENNIUM COMMISSION Report by Chief Operating Officer and Secretary, UHI
- 5. COLLEGE INSURANCE COVER FOR DEMOLITION Report by Director of Finance
- 6. DATES FOR FUTURE MEETINGS



#### **BOARD OF MANAGEMENT**

Subject/Title:	Project Board	Terms of Reference and Membership
Meeting and date:	Longman Disp	osal Project Board – 17 <sup>th</sup> August 2017
Author:	Fiona Ambros	e, Secretary to the Board
Link to Strategic Plan:		
Cost implications:	No	
Risk assessment:	Yes If yes, please sp Financial: Operational: Organisational: re	ecify: equired for the proper Governance of the College
Status – Confidential/Non confidential	Non Confidential	
Freedom of Information Can this paper be included in "open" business	Open	
If a paper should <b>not</b> be inclu	ided within "open" b	pusiness, please highlight below the reason.
Its disclosure would substant prejudice a programme of res		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)
Its disclosure would substant the commercial interests of a organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)
Its disclosure would constitut of the Data Protection Act (S		Other (please give further details)
For how long must the paper either as the time which need which needs to be met.)		

#### Recommendation

The Project Board is asked to note the final version of the Terms of Reference and the Membership of the Project Board.

#### Purpose of report

To present to the Project Board the final version of the Terms of Reference.

### Background

Members will be aware that at the last meeting of the Board of Management on 20<sup>th</sup> June 2017, the Board agreed

"to the establishment of a Project Board to oversee the disposal and demolition of the Longman Building and further agreed that the membership should mirror the membership of the New Campus Project Board. Board approval would be sought by e mail on the draft terms of reference".

E mail approval was sought from all board members and a number of comments were received. The proposed final version of the Terms of Reference, which show the amendments made by way of tracked changes is shown at Appendix 1.

The Board of management at its meeting in October 2017 will be asked to formally ratify the final version of the Terms of Reference.

The Membership of the Project Board, as agreed at the Board meeting is as follows:-

Neil Stewart (Chair) John Wilson Brian Henderson (F&GP Committee member) Hazel Allen (Audit Committee member) Chris O'Neil (Project Sponsor) Student President Fiona Larg, Chief Operating Officer and Secretary, UHI Vacancy

The Project Board may wish to consider if a further Board member should be appointed to fill the vacancy

#### Longman Disposal Project Board – Terms of Reference

The Project Board shall continue to conduct business only for so long as is considered necessary after the project has been completed and a post implementation review is provided and reported to the Board of Management.

#### Membership

Chair of the Board of Management (Chair) Principal (Project Owner) Five other Board members\* Chief Operating Officer and Secretary of UHI \*To include one member from the Audit Committee and one member from the Finance and General Purposes Committee

#### Quorum

Three members entitled to vote upon the items before the meeting.

#### **Frequency of Meetings**

The Project Board shall meet not less than four times per year and in accordance with business requirements and the project deliverables.

#### Reporting

The Project Board will provide regular progress reports on the Project to the Audit Committee and Finance and General Purposes Committee as required.

#### Remit

The Project Board will monitor progress on the Project on behalf of the Board of Management, provide advice and support to the Project Steering Group as required and make decisions within the Project Board's delegated authority.

#### Responsibilities

- Overseeing the progress of the Project on behalf of the Board of Management. The Project Board will operate in an advisory capacity and concern itself with the efficient and effective management and organisation of the Project.
- Maintain visible and sustained strategic commitment to the delivery of the Project.
- Appoint the Project Sponsor and approve the key appointments to the Project Team.
- Review reports from the Project Steering Group and Project Manager.
- <u>Maintain</u> Oversight of the implementation of the Disposal Strategy for the Longman Road site, including any demolitions prior to marketing.
- Ensure that communication and consultation strategies are in place for the Project.
- Monitor the risk register established for the Project.
- Monitor regular budget reports.
- To consider any necessary changes to the Project and make recommendations to the Board of Management. In particular,

• A<u>a</u>t each approval stage, evaluate the proposed strategy and related actions to ensure that it is satisfied that risks associated with the Project are being managed effectively and that the Project meets the objective of disposing of the site in a manner that seeks to minimise timescale and maximises receipts In the event that any review identifies serious deficiencies, risks, difficulties or budget concerns in respect of the Project, the Project Board shall determine the appropriate means of addressing and remedying such serious deficiencies, difficulties or budget concerns.

- Review and cerutinise the performance of each of: the Project Sponsor; the Project Manager; and the Project Team against their respective responsibilities all as set out in the Project Implementation Plan. In the event that the Project Board considere that: the Project Sponsor; the Project Manager; and/or the Project Team have failed to meet any such responsibilities, the Project Board shall determine the appropriate means of addressing and remodying such failure.
- Ensure that a post-implementation review is provided and reported to the Board of Management.

#### **Delegated Authority**

The Project Board shall have authority to make commitments on behalf of the Board of Management, including matters that have received Board approval in principle.

This would include specifically, but not exclusively:

- Confirmation of any demolitions required prior to marketing the site.
- Selection of a preferred bidder following marketing of the site.
- Conclude any contracts of sale or purchase as previously approved by the Board.
- Review and scrutinise the performance of each of: the Project Sponsor; <u>the Project Manager; and the Project Team against their respective</u> <u>responsibilities all as set out in the Project Implementation Plan. In the</u> <u>event that the Project Board considers that: the Project Sponsor; the</u> <u>Project Manager; and/or the Project Team have failed to meet any such</u> <u>responsibilities, the Project Board shall determine the appropriate means</u> <u>of addressing and remedying such failure.</u>

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**Commented [FA1]:** Fiona Neilson - My only comment relates to the extent of delegated authority. It might be clarified whether that is intended to extend beyond those matters approved in principle by the Board (by adding after "including" the words "but not limited to") or to be limited to such matters.



#### **BOARD OF MANAGEMENT**

Subject/Title:	Governance	Arran	gements and Funding Model
Meeting and date: Longman		sposal	Project Board – 17 <sup>th</sup> August 2017
Author: Lindsay Ferrie			rector of Organisational Development
Link to Strategic Plan:			
Cost implications:	No		
Risk assessment:	Yes If yes, please s Financial: Operational: Organisational:		: ed for the proper Governance of the College
Status – Confidential/Non confidential	Non Confidentia		a for the proper dovernance of the conege
Freedom of Information Can this paper be included in "open" business	Open		
If a paper should <b>not</b> be inclu	uded within "open'	' busine	ess, please highlight below the reason.
Its disclosure would substant prejudice a programme of res			Its disclosure would substantially prejudice the effective conduct of public affairs (S30)
Its disclosure would substant the commercial interests of a organisation (S33)			Its disclosure would constitute a breach of confidence actionable in court (S36)
Its disclosure would constitut of the Data Protection Act (S			Other (please give further details)
For how long must the paper either as the time which need which needs to be met.)			

#### Recommendation

The Project Board is asked to consider the contents of the report by Anna Tozer, Scottish Futures Trust and the comments from Martin Kirkwood of the Scottish Funding Council

#### Purpose of report

To present to the Project Board the governance arrangements and funding model for the Longman disposal project.

## Background

The proposed governance and financial arrangements for the disposal of the Longman Road site have been discussed and agreed between Inverness College and the Scottish Funding Council with input from the Scottish Futures Trust.

An e mail of 8<sup>th</sup> August, Martin Kirkwood made the following points in relation to the report by Anna Tozer of Scottish Futures Trust and clarifies the role of SFC in terms of funding.

 pre-disposal technical work will be the responsibility of the college and will be funded from the £108,000 already made available to it from SFC
 project management costs are Gardiner and Theobald and will be managed and funded by SFC

- demolition contract costs, holding costs and marketing and legal costs are the responsibility of the college.

Until we know whether the demolition work is to proceed we won't have a budget for the demolition costs. This is expected around September, contingent on resolution of the LRC and the mobile phone box. Once we do have a budget the funding will be drawn down and expended by the college against an agreed profile, to be funded by SFC from previous disposal proceeds.

#### LONGMAN ROAD SITE DISPOSAL, INVERNESS REPORT TO LONGMAN DISPOSAL PROJECT BOARD 17 AUGUST 2017

#### **GOVERNANCE ARRANGEMENTS AND FUNDING MODEL**

This paper sets out the proposed governance and financial arrangements for disposal of the Longman Road site. These have been discussed and agreed between Inverness College and the Scottish Funding Council with input from the Scottish Futures Trust.

#### A. GOVERNANCE

The College remains responsible for disposal of the Longman Road site on behalf of the SFC/Scottish Ministers, as was the case for disposal of the Midmills and Burnett Road site, which have already been disposed of. In March 2015, following discussion with the Scottish Government and Scottish Courts Service, the college suspended activities on the Longman Road site due to an embargo on marketing the site.

The Scottish Courts and Tribunal Services have subsequently acquired the car park frontage element of the site (circa 0.9 acres) for development of the new Inverness Justice Centre.

It is in the interest of both the College and the Scottish Funding Council for the remainder of the Longman Road site to be disposed of as soon as possible in the context of a disposal strategy that seeks to maximise the capital receipt whilst

minimising timescales. The net receipt is returned to the Scottish Funding Council (as discussed below in relation to funding) to be reinvested in further education.

Inverness College has put in place internal Governance via the Longman Disposal Project Board. The Scottish Funding Council has procured and directly appointed Gardiner and Theobald to act as project manager on its behalf to manage the appointment of a contractor through to completion of the demolition, working jointly with the college.

In relation to the demolition contract with the selected contractor, it will be necessary for the College to appoint the contractor and act as the Employer, with the demolition costs underwritten by the SFC as discussed in section B below. Gardiner and Theobald will work with the College and SFC to ensure that the detail of the contract provides appropriate comfort to the college and SFC under this arrangement.

### **B. FUNDING**

The areas of cost to be covered in relation to the disposal are as follows;

- a. Pre-disposal Technical Work
- b. Project Management and other professional costs associated with demolition
- c. Demolition Contract costs
- d. Holding costs
- e. Marketing agent and legal costs

The proposed approach to funding for each of these is outlined below.

### a. Pre-disposal Technical Work

An Enabling Funding budget of £108,000 was previously made available to the college by SFC (as part of a wider college disposals initiative) for approved spending on technical work required to prepare the surplus sites for marketing and disposal. This budget included work related to disposal of the Midmills and Burnett Road sites, which have now been completed. The college has drawn down a total of £52,080 of the enabling funding to date (principally used for planning, highway and site-specific survey work) leaving a balance of £55,980. It is proposed that further technical work required on the Longman Road site (e.g. detailed asbestos surveys) is paid for via this budget. A short approval paper will be used for items of expenditure from this budget, to be signed off by the College, SFC and SFT.

## b. Project Management and other professional costs associated with demolition

The cost of employing Gardiner and Theobald at Project Managers for the demolition project and all relevant sub consultants cost (e.g. specialist engineering input) will be managed and paid for directly by the SFC.

#### c. Demolition Contract costs

The final cost of demolitions will not be clarified until the tender process and review of tenders has been completed by Gardiner & Theobald as per the project programme. The SFC will at that point make a final decision on the cost/benefit of the demolition and will commit to paying the demolition costs on the basis that this is progressed. The SFC has confirmed that funds to pay for the demolition at Longman are available from sale proceeds following disposal of the other Inverness College properties (Midmills and Burnett Road).

#### d. Holding costs

Inverness College is responsible for paying the holding costs (principally security related) for the existing Longman Road site and buildings. Relevant holding costs will be deducted from the gross receipt received for disposal of the site before the net amount is returned to the Scottish Funding Council. The holding costs will need to be properly recorded by the college and the detail of the deductions confirmed with SFC.

When the Scottish Government placed an embargo on marketing the site in March 2015, it was agreed that the Scottish Government would reimburse the college for holding costs resulting from the delay. These are being calculated by the college and will be reimbursed following submission of the relevant information to the Scottish Government.

#### e. Marketing Agent and Legal Costs

Marketing agents and legal advisors were procured by the college to assist on disposal all the surplus site. These fees will be deducted from the gross receipt for the site before the net amount is returned to SFC.

Anna Tozer Scottish Futures Trust



REPORT NO 1 LONGMAN ROAD DEMOLITION PROJECT MANAGER'S PROGRESS REPORT

August 2017 By: Gardiner & Theobald LLP For: Inverness College

### **CONTENTS**

1. EXECUTIVE SUMMARY / KEY ISSUES	1.	EXECUTIVE SUMMARY /	<sup>/</sup> KEY ISSUES	3
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## **APPENDICES**

APPENDIX A	Site Plan
APPENDIX B	Programme
APPENDIX C	Petrol Storage Hazard
APPENDIX D	Golf Shop Plan
APPENDIX E	Sub-station / SSE Location Plan
APPENDIX F	THUS IT Room

## **1. EXECUTIVE SUMMARY / KEY ISSUES**

## **1.1. RAG SUMMARY**

This report reflects the period up to 8 August 2017. It is based on a number of meetings and site visits with the overall project team.

Lack of progress could impact the project deliverables, focus required				
Some concerns on progress of item, to be monitored				
Progressing as expected				

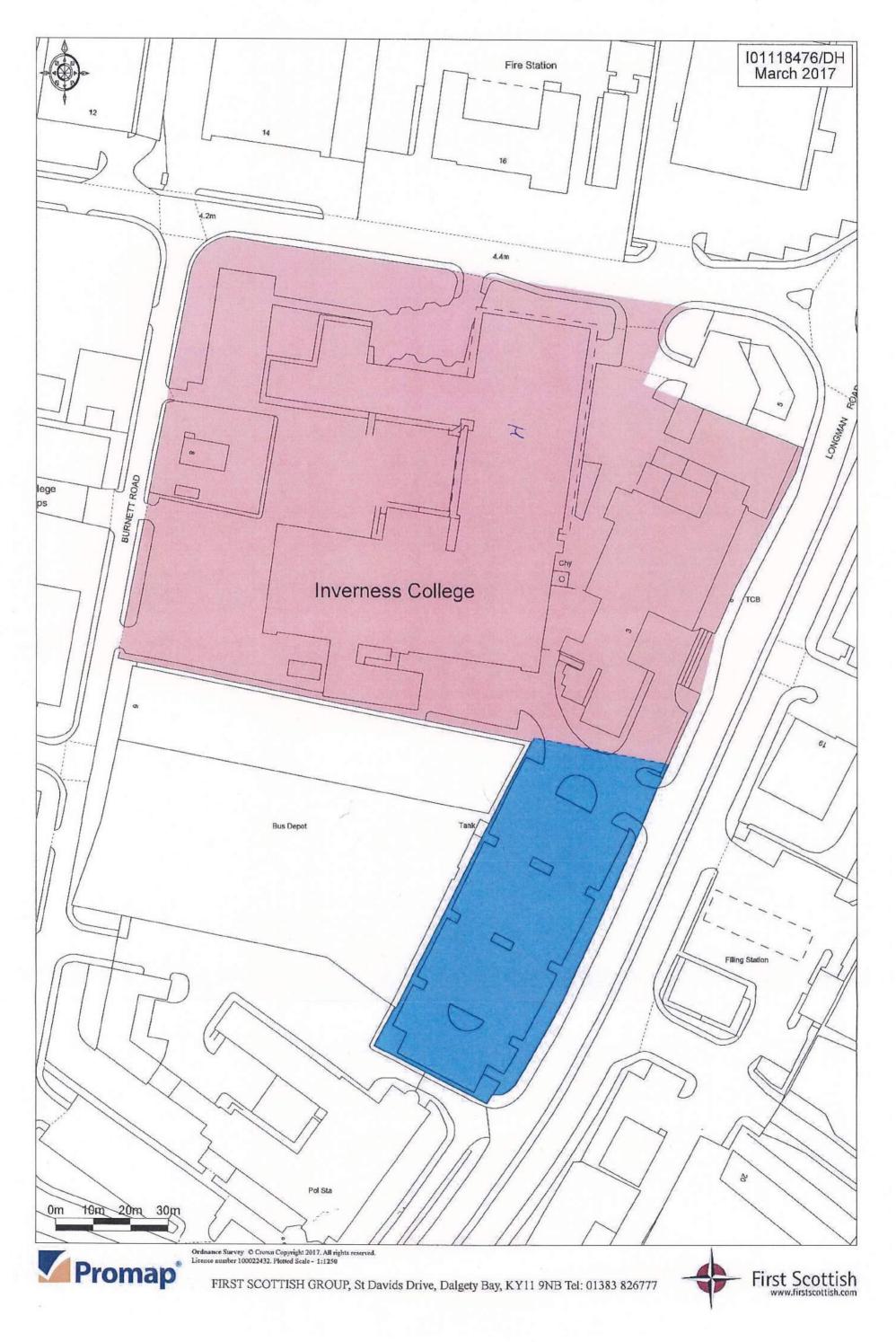
STATUS

DELIVERABLE	COMMENTARY	STATUS				
	<ul> <li>Asbestos survey contractor procured and recommendation made to the College and SFC for approval.</li> </ul>					
Procurement	<ul> <li>Strategy for the main contract to both remove the asbes and demolish the building discussed and agreed.</li> </ul>	tos				
	Contract to be used will be JCT form.					
Programme	<ul> <li>Revised programme produced and attached as Appendix This reflects the key decision part of the board meeting of August 2017.</li> </ul>					
	• Key programme dates are to be identified as follows: -					
	<ul> <li>Board Meeting</li> <li>17 August 2017</li> </ul>					
	<ul> <li>Asbestos Survey Commences 24 August 2017</li> </ul>					
	– Tender Issued 21 September 20	017				
	<ul> <li>Contractor Appointed</li> <li>14 November 20</li> </ul>	017				
	– Site Start 30 November 20	017				
	<ul> <li>Works Complete 10 May 2017</li> </ul>					
	<ul> <li>These dates are dependent upon a number of factors relating to planning, demolition warrant, issues relating to the LRC, THUS and SSE sub-station being remedied.</li> </ul>					
	<ul> <li>Programme identifies site marketing commences 2 November 2017.</li> </ul>					
	<ul> <li>Planning application lodged for the demolition of the con on site.</li> </ul>	ttage G				
Consents	• Demolition Warrant to be lodged upon instruction from College.	the A				
	<ul> <li>Consent discussions to be held with Gold Shop owner to agree principles of demolition.</li> </ul>	A				

COMMENTARY	STATUS
<ul> <li>Red-line boundary reviewed and identified, final check to be carried out by legal team.</li> </ul>	A
<ul> <li>Lease agreement to be reviewed with regards to THUS, SSE sub-station and to check on wayleaves.</li> </ul>	A
• Finalisation of current insurance arrangement to be identified by IC and provided to GTMS to allow review.	A
<ul> <li>Meeting held with Inverness Justice Centre to discuss their timescales for the project.</li> </ul>	G
<ul> <li>Finalisation on the legal position of the LRC to be agreed and the strategy going forward.</li> </ul>	R
<ul> <li>College have produced the proposed Governance structure for the project.</li> </ul>	
• GTMS appointed by the SFC to provide a project team via the SFC framework to procure a demolition contractor for the Longman Road buildings, and manage the demolition on site.	
<ul> <li>GTMS role is split into two phases, timeframes are currently under review with the latest programme included in the appendices.</li> </ul>	G
• 3 <sup>rd</sup> party consultation with statutory authorities i.e. planning and building control will be by GTMS. Other parties, namely agents, adjoining the sites will be by the building owners' agent for the project.	
<ul> <li>IC have discussed the sale of the property and strategy with Graham and Sibbald.</li> </ul>	
	<ul> <li>Red-line boundary reviewed and identified, final check to be carried out by legal team.</li> <li>Lease agreement to be reviewed with regards to THUS, SSE sub-station and to check on wayleaves.</li> <li>Finalisation of current insurance arrangement to be identified by IC and provided to GTMS to allow review.</li> <li>Meeting held with Inverness Justice Centre to discuss their timescales for the project.</li> <li>Finalisation on the legal position of the LRC to be agreed and the strategy going forward.</li> <li>College have produced the proposed Governance structure for the project.</li> <li>GTMS appointed by the SFC to provide a project team via the SFC framework to procure a demolition contractor for the Longman Road buildings, and manage the demolition on site.</li> <li>GTMS role is split into two phases, timeframes are currently under review with the latest programme included in the appendices.</li> <li>3<sup>rd</sup> party consultation with statutory authorities i.e. planning and building control will be by GTMS. Other parties, namely agents, adjoining the sites will be by the building owners' agent for the project.</li> <li>IC have discussed the sale of the property and strategy with</li> </ul>

DELIVERABLE	COMMENTARY	STATUS
	• Existing site restriction to be agreed, namely THUS, SSE Substation and wayleaves.	R
	• Existing LRC funded by the Big Letter Fund to be addressed and whether this building can be demolished.	R
	<ul> <li>Insurance cover for the existing services on the site to be fully investigated and discussed with the College insurers.</li> </ul>	A
	<ul> <li>Asbestos survey identified extensive asbestos compared to the current report, delaying overall progress.</li> </ul>	A
Key Risks	<ul> <li>Site boarding issues with adjoining neighbours delaying the ability to commence (refer to Appendix D Golf Shop), conversation held with owner.</li> </ul>	G
	<ul> <li>Insurance requirement for the contractor fails to produce a competitive tender.</li> </ul>	A
	• Existing blast zone plan (Appendix C) affects the monetary value of the site. To be investigated by IC with their lawyers.	A
	<ul> <li>Access arrangements to the contractor restricted, delaying the overall project.</li> </ul>	G

# APPENDIX A Site Plan

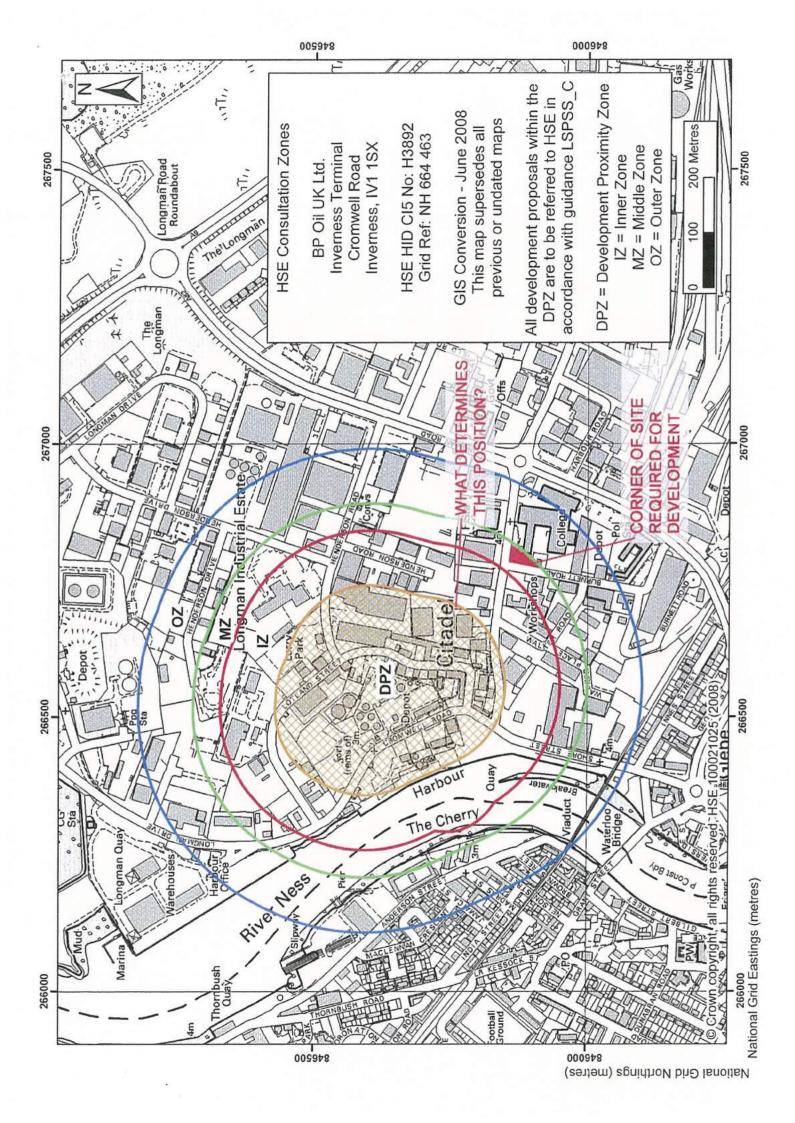


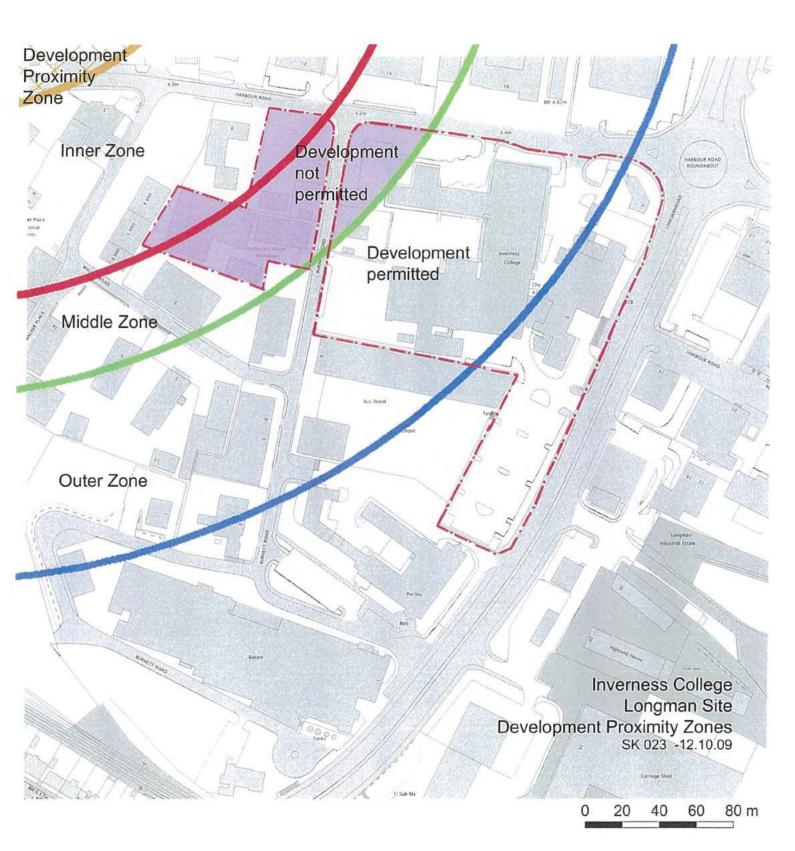
Car Park, Lonhman Road, Inverness, IV1 1SA

# APPENDIX B Programme

Status	ared by: Gardiner & Theobald s: DRAFT 08 August 2017					INVERNESS COLLEGE UH1 - LONGMAN ROAD DOMOLITION Scottish Funding Council			G	Ţ	GA &TI	RD HEC	INER )BALD
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	nalise Agreement	4w 4u 8w 1d	Fri 12/05/17	Fri 07/07/17									
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	eview of Asbestos Survey	1w	Mon 19/06/17	Fri 23/06/17			++						
	esolution of Insurance Requirements	4w	Mon 19/06/17	Fri 14/07/17					11				
8 Re	solution of LRC Legal Studies	10w	Mon 19/06/17	Fri 25/08/17			$\square$		!				
9 Ag	ent Advises on Demolition Strategy	10w	Mon 19/06/17	Fri 25/08/17			$\square$						
10 Re	eview Overall Legals by IC	10w	Mon 19/06/17	Fri 25/08/17									
11 Pla	anning Application for Cottage to be Lodged	10w	Mon 19/06/17	Fri 25/08/17									
12 De	emolition Warrant to be Lodged	8w	Mon 19/06/17	Fri 11/08/17									
	eint Project Meeeting	1d	Wed 19/07/17		7								
	ient Confirms Phase 2 Commencement		Thu 17/08/17	Thu 17/08/17	7				<u>i    </u>				
	e Investigation by Asbestos Surveyor Instructed	-	Thu 17/08/17	Wed 06/09/17	7				<u>i    </u>				
16 Upc	date Report produced by Asbestos Surveyor	1w	Thu 07/09/17	Wed 13/09/17	7			_					
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29 Der	molition Warrant	8w	Thu 17/08/17	Wed 11/10/17	·								
30 De	emolition Warrant Submitted		Thu 17/08/17	Thu 17/08/17	7								
31 De	emolition Warrant Determination	8w	Thu 17/08/17	Wed 11/10/17	7		$\square$		1				
32 De	emolition Warrant Approved		Wed 11/10/17	Wed 11/10/17	7								
	nning Application (Cottage)	10w	Mon 03/07/17										
	anning Application Submitted		Mon 03/07/17		7								
	anning Application Determination	10w	Mon 03/07/17	Fri 08/09/17									
36 Pla	annning Application Approved		Fri 08/09/17	Fri 08/09/17				$ \rightarrow $					
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	bestos Removal	-		Wed 24/01/18 Wed 25/04/18									<u>++++</u>
	ain Building Demolition	16w 4w		Wed 25/04/18 Wed 09/05/18			ŦŦ-						╧╧╅┼┼┼╴
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# APPENDIX C Petrol Storage Hazard

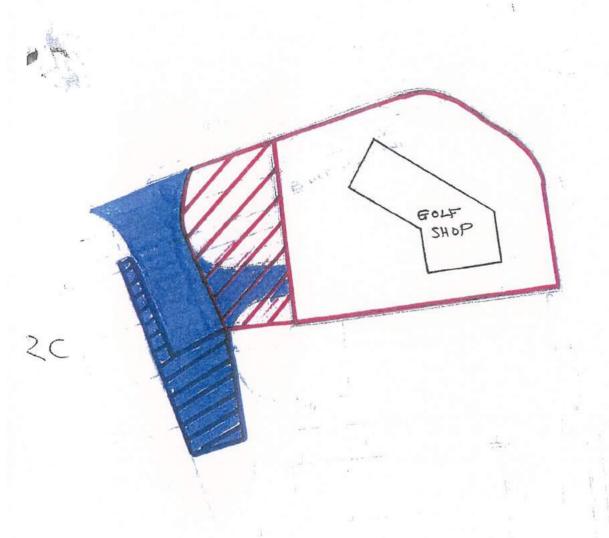




# APPENDIX D Golf Shop Plan



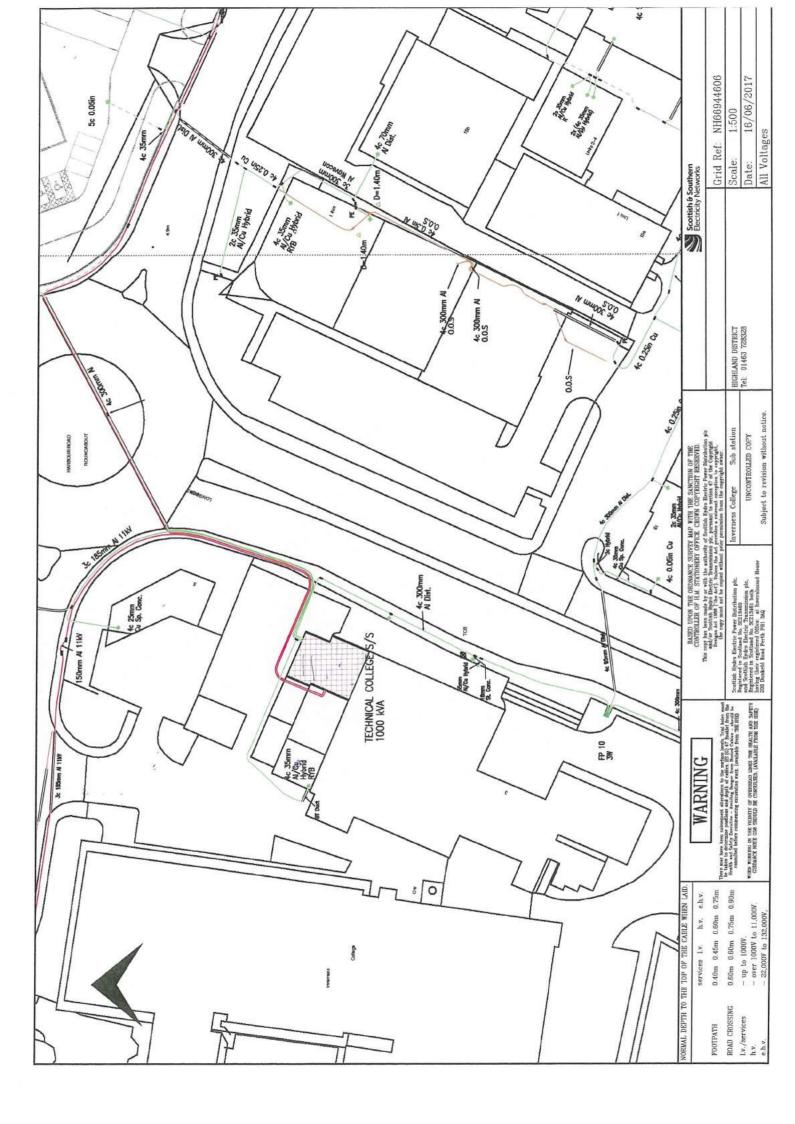
HALFORDS



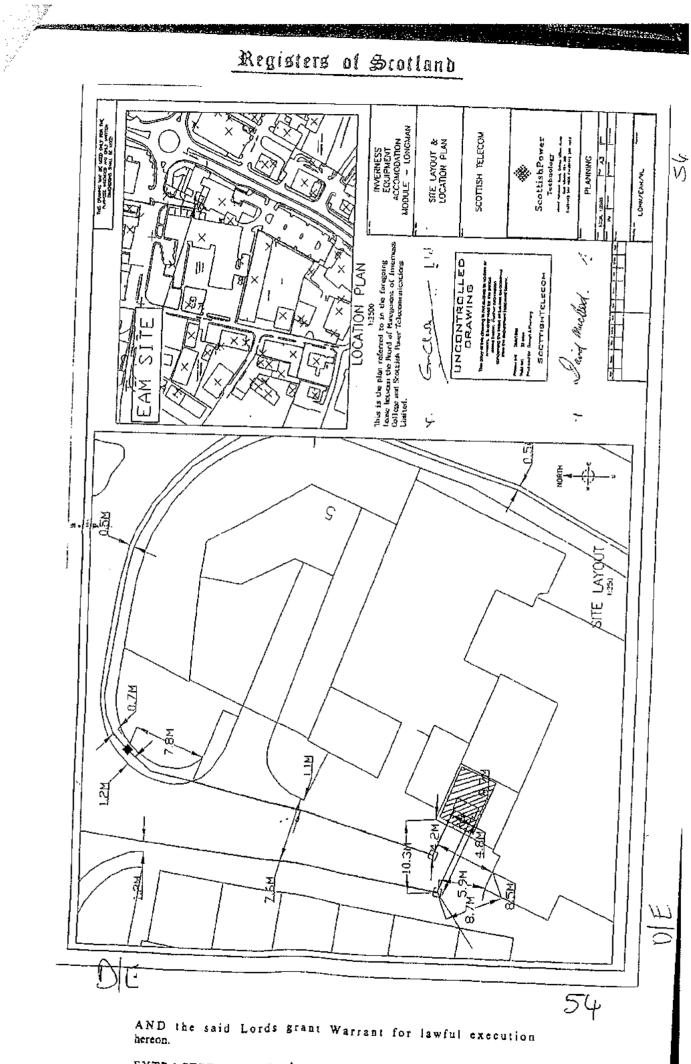
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PLAN NO.1 SHOWING THE PROPOSED AREA OF LAND TO BE SOLD TO ME ATTIONAPSON

# APPENDIX E Sub-station / SSE Location Plan



## APPENDIX F THUS IT Room



EXTRACTED by me having commission to that effect from the Keeper of the Registers of Scotland,

Committee	Longman Disposal Project Board
Subject	Grant Obligation – Millennium Commission
Action requested	
Current Position	<ul> <li>In May 1997 Inverness College was beneficiary of a grant of £2,995,000 towards the cost of the learning resource centre and front of house at the Longman site. This was part of a much larger Millennium Commission (MC) grant to UHI. The grant represented some 53% of cost.</li> <li>The obligations attached to the grant were very onerous and required all grant to be repaid at any</li> </ul>
	<ul><li>stage in the future if a building was sold, disposed of or use changed.</li><li>As the Millennium Commission no longer exists, responsibility for monitoring and oversight of these grants now rests with the Big Lottery Fund (BLF).</li></ul>
	A number of buildings, funded by MC grant, elsewhere in the partnership have now been disposed of or their use changed and the Big Lottery Fund have relaxed the conditions to an extent. For a large grant, such as the one provided to Inverness, BLF now accept that a 40 year obligation period is appropriate with obligations reducing on a pro rata basis. The registration date of completion was April 2000 and the obligation period runs from that date.
	On that basis, as of August 2017, £1,697,166.40 is due to be repaid to BLF.
	<ul> <li>For some time we have been in discussion with BLF as the Longman disposal is unusual in that:</li> <li>There is likely to be little or no intrinsic value in the building funded</li> <li>The site may be worth more after the building has been demolished</li> <li>The facility (i.e. the LRC) is still provided to students, albeit at the new campus.</li> <li>The funding of the new college building was through an NPD project so no proceeds for Longman are due to Inverness College.</li> </ul>

	Longman Project Board 17 August 2017 So far, the BLF have agreed that funds do not need to be repaid as long as these funds are ringfenced for future developments at the campus but cannot be used to repay the Scottish Government for the costs of the new college building. The NPD funding mechanism makes this solution very challenging so Inverness College have commissioned Graham and Sibbald, chartered surveyors, to carry out a valuation of the Longman site once the building has been demolished and a valuation of the Learning Resource Centre as a	
	stand alone building that could be sold off in its own right. Once the outcome of the valuations are known (hopefully in the next couple of weeks), further discussions can take place with BLF. It is important that no decision is taken on the demolition/disposal of the Longman site is concluded until agreement has been reached with the Big Lottery Fund as this could trigger a major repayment. None	
Resource implications		
(If yes, please provide detail) <b>Risk implications</b> (If yes, please provide detail)	Agreement with Big Lottery Fund required before disposal/demolition otherwise full grant repayment of <b>all</b> Millennium Commission funding could be triggered.	
Date paper prepared	7 <sup>th</sup> August 2017	
Date of committee meeting	17 <sup>th</sup> August 2017	
Author	Fiona Larg	
<b>Link with strategy</b> Please highlight how the paper links to, or assists with:	Capital Projects	
<ul> <li>compliance</li> <li>partnership services</li> <li>risk management</li> <li>strategic plan/enabler</li> <li>other activity (eg new opportunity) – please provide further information.</li> </ul>		
•	Not applicable	
Equality and diversity	Onen	
Status (eg confidential)	Open	
Freedom of Information	Yes	

Can this paper be included in	
"open" business? *	
· ·	Opening discussion with Big Lattery Fund to ansure
	Ongoing discussion with Big Lottery Fund to ensure
Consultation	that they are regularly updated on disposal.
	that they are regularly updated on disposal.
How has consultation with	
partners been carried out?	
Summary of response should	
be included in the paper)	



## **Board of Management**

Subject/Title:	Insurance Arrangements for Demolition				
Meeting and date:	Longman Disposal Project Board, 17 August 2017				
Author:	Fiona Mustarde, Director of Finance				
Link to Strategic Plan:					
Cost implications:	Yes / No (delete as applicable) If yes, please specify:				
Risk assessment:	Yes / No <i>(delete as applicable)</i> <b>If yes, please specify:</b> Financial: Operational: Organisational:				
Status – Confidential/Non confidential	Non Confidential				
Freedom of Information Can this paper be included in "open" business	Yes				
If a paper should <b>not</b> be inclu	ded within "open	" busine	ess, please highlight below the reason.		
Its disclosure would substantially prejudice a programme of research (S27)			Its disclosure would substantially prejudice the effective conduct of public affairs (S30)		
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)			
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)			
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			1		

### Recommendation(s)

To discuss the contents and approve further insurance policies to be entered into where appropriate.

### Purpose of report / Summary

To inform the Board of advice received in respect of the appropriate insurance arrangements to protect the College throughout the potential demolition project.

### Background

The Longman campus is the only remaining estate to be disposed of following the move to the new campus at Beechwood. Parts of the Longman site have already been sold, these being the Training Workshops on Burnett Road and the student car park for the Longman campus.

The remainder of the Longman campus is in a prime location within the Longman Industrial Estate. However, the main building itself is of little value and it is likely that we will attract more interest in the site if the buildings are demolished.

#### Main body of information

In order to protect the College during any demolition works, it is anticipated that we will require to take out additional insurance covers.

The College has entered discussions with both Gardner & Theobald, Project Manager, and Marsh UK who act as our insurance broker, to determine the covers required. The main points that have arisen from these discussions are as follows:

- 1. Contractor should indemnify the College against damage and liability and must carry adequate Public Liability insurance.
- 2. Thus/Vodafone existing insurance arrangements re cabling to be established.
- 3. Marsh will review the College Public Liability once in receipt of programme of works and risk management plans. Best option may to be arrange a further policy rather than increasing the existing Education programme.
- 4. Dilapidations surveys of adjoining properties to be undertaken by contractor with Project Manager in attendance. Consider whether non negligent cover is required. Primary concern here would be the Golf Shop.
- 5. Consider whether Environmental Impairment Insurance is required.

With regards to points 1 and 2, normal practice would be for the contractor to carry this cover. However, the existing tenancy of the communications room complicates the requirements. The Project Manager has advised that the College should ascertain the existing levels of cover by Thus/Vodafone in respect of the cabling. Depending on the level of cover required in respect of this, the risk may not be manageable for a contractor and therefore a different approach may be required. This could lead to the College insuring this directly and recharging the premium cost.

Our main points of contact at Marsh UK are Education practice specialists. Once further information is available we will deal with a Construction practice specialist from Marsh to ensure that we have the correct levels of cover in place, in conjunction with our Project Manager.

The Project Manager will undertake photographic surveys of the surrounding properties however it would be a reasonable precaution for the contractor to undertake dilapidations surveys, particularly in respect of the golf shop. No matter how much care is exercised during the demolition works there is always the possibility that such property will suffer damage. Nobody has been negligent but nevertheless the owner has suffered a loss for which there is almost certainly no cover under their material damage insurance. It is to cover circumstances such as these that non-negligent insurance would be prudent.

Marsh UK have suggested that we should consider Environmental Impairment Insurance, particularly if we have no knowledge of what was on the site prior to the College being built. This is to protect against costs arising from contamination of the site but may be a cover that the College determines is not required.