Top universities to spend £9bn on estates by 2017

The UK’s top universities are expected to spend over £9bn on capital projects between now and 2018/19 according to a report published on behalf of the Russell Group of Universities, written by Tim Clark.

The group, which comprises 34 research-led universities, asked consultant Xigara Economics to assess the economic impact that capital investment within the higher education group would have to the UK economy.

The report found that over a 25-year period the gross added value to the UK economy from capital projects would total over £14.8bn and support around 90,000 jobs.

The report estimated that a total of 11,080 construction jobs would be created over the five years to 2017, with a CVA of £2.8bn to the industry.

Included in the report were 67 significant projects including seven "major developments", 17 research facilities, and 12 medical research facilities. Spending totalled £1.6bn on major developments, £760m on science, technology, engineering and maths facilities; £543m on student accommodation; £475m on IT facilities, £174m on teaching facilities; and £100m on business schools.

The scale of the investment is more than the £1.2bn spent on the London Olympics and is planned to help the UK’s leading universities keep pace in international rankings as well as attract the best international research opportunities and students.

Earlier this week Oxford University announced plans to spend £2.6bn over the next decade to compete with international rivals. Projects include a Big Data institute and an increase in the size of the estate by 38%.

Cambridge University also recently gained planning permission for a £100m mixed-use biomedical campus called The Forum. The development includes a 500-seat conference centre, a 90-bed private hospital and a four-star hotel.

Speaking about the report, Dr Wendy Platt, director general of the Russell Group, said: "The Russell Group universities are engines of growth for the British economy.

"Not only do they lead the way in teaching and research - but they’re also a driving force behind the creation of new jobs, new opportunities for start-up companies and urban renewal in our cities."

"The government has recognised much of this contribution but we would urge them to step up big capital investment in our universities."

Blacklist firms unlikely to be barred from public work

The government has said it is ‘unlikely’ that construction firms linked to blacklisting could be barred from bidding for future public work if they do not pay compensation to blacklisted workers.

In the government’s response to the Scottish Affairs Select Committee’s report on blacklisting, employment minister Jenny Willott all but ruled out the possibility of requiring construction firms with links to blacklisting to pay compensation or face being excluded from public sector work. The recommendation to ‘blacklist the blacklisters’ was in a report by the committee, which set out how firms linked to the blacklisting organisation The Consulting Association (TCA) can make amends through ‘self-cleaning’, which includes paying compensation. The committee suggested that any firms that did not take the appropriate steps should be barred from gaining publicly-funded work.

Blacklisting came to light in 2009 when the Information Commissioners Office (ICO) seized a TCA database of 3,223 construction workers used by 44 companies to vet new recruits.

But in response to the committee’s report, Willott said it was unlikely that the government would be able to require construction companies to make a pre-condition of ‘self cleaning’ and particularly where there has been no legal finding or other admission of liability, and/or no compensation has been ordered by the courts.

She added “I do not believe that the blacklist or its clients should be excluded from public sector work simply because they can only be used as a way to force companies to address past misuse of information if they are not doing so. It cannot be used as a punishment”.

However, she said that current UK legislation did provide that a firm “may be treated as ineligible to bid for public sector work” where it has committed as act of gross misconduct in the course of its business or profession. “Blacklisting may arguably fall within this definition”.

Len Davidson, Scottish affairs select committee chair, said the committee was “very disappointed” by the government’s response.

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