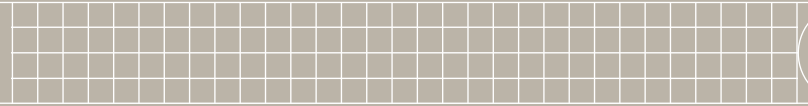


Strategic Outline Business Case





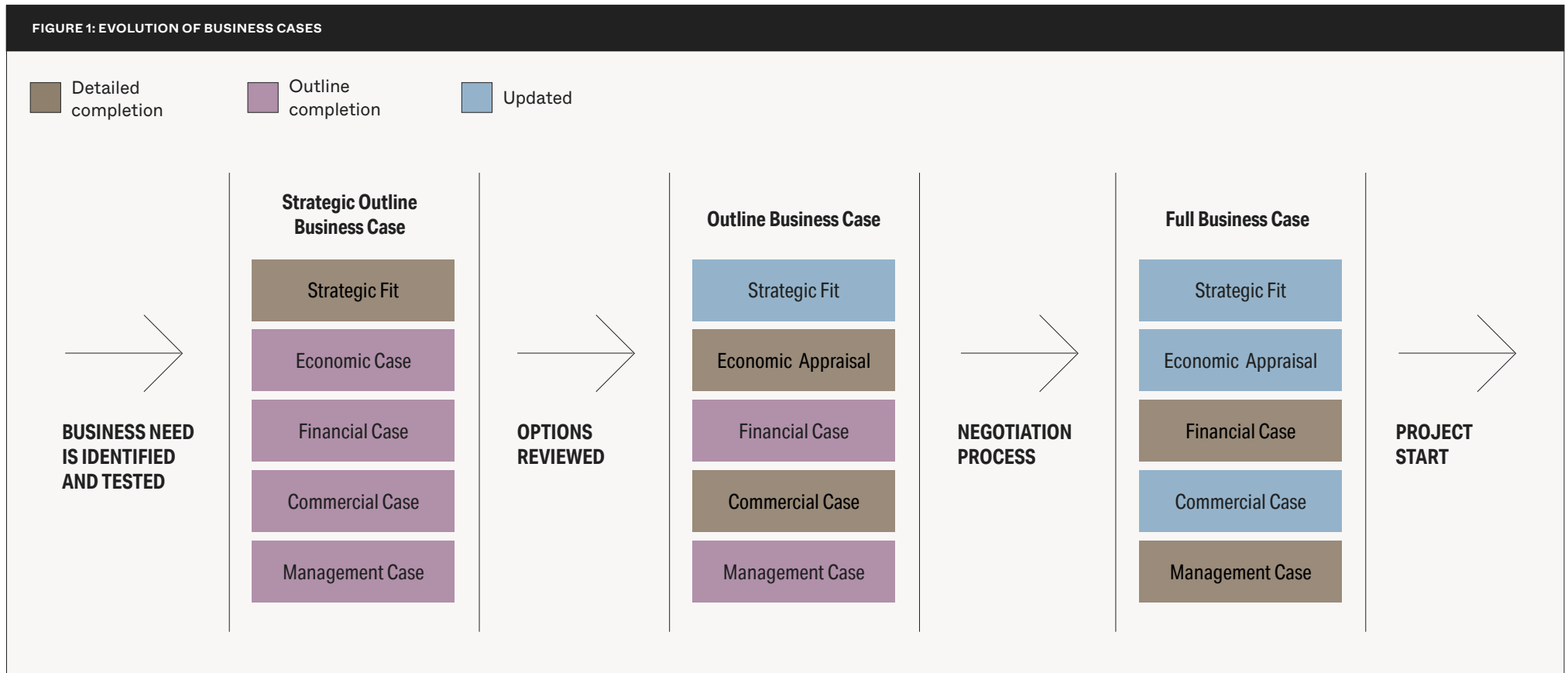
Purpose of this Strategic Outline Business Case (SOBC)



The purpose of this Strategic Outline Business Case (SOBC) is to consider and evaluate the options for The Glasgow School of Art to respond to the impact of the 2018 fire on the world-renowned Mackintosh Building.

It identifies a preferred solution, meeting the academic and institutional needs of the GSA, whilst reflecting the architectural, historical and emotional significance of the building, the expectations and aspirations of the local community, and the potential to strengthen the cultural and economic performance of the Glasgow City Region and beyond.

The focus of this SOBC is the construction of a robust Strategic Case that sets out a clear and evidence-based case for the way forward. The other four 'cases' that comprise a good practice SOBC are shown in Figure 1 and are addressed at a high level at this stage.



As the project develops, an Outline Business Case (OBC) will be required and, as indicated in Figure 1, it will focus on the economic and commercial cases while refining the financial and management cases. Finally, a Full Business Case (FBC) will be prepared prior to the award of any construction contract and will include a detailed plan for delivering the project, managing risks, and realising academic and other benefits.

The Strategic Outline Business Case was prepared by Avison Young (UK) Limited on behalf of The Glasgow School of Art from December 2020 to June 2021 (appointed February 2020). The SOBC has been prepared using the HM Treasury Green Book Guidance on Appraisal and Evaluation and the Scottish Public Finance Manual.

TEAM

A Project Development Board (PDB) led by the Director of the GSA comprising Senior Leadership, the Student President and key staff members has been established to take forward the SOBC, with Avison Young appointed as strategic advisor via HubWest Scotland. Specialist technical support has been provided by Porter Planning (planning and regeneration), Gardner & Theobald (cost consultancy), Currie & Brown (cost consultancy), and Max Fordham (sustainability). HubWest Scotland acted as the external Project Manager for the project.

LIMITATIONS

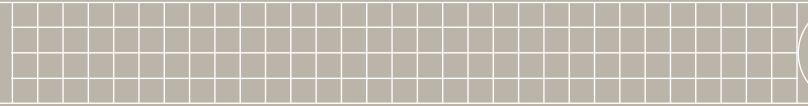
Outline costs have been identified and evaluated for the purposes of the SOBC but they will be subject to significant refinement if the project progresses. Evaluation of benefits will also be subject to further refinement at later stages of the project.

OUTPUTS

The key output from the SOBC is a preferred recommendation that will be taken forward for more detailed evaluation at the OBC stage. This is arrived at through consideration of:

- The Economic Case, which identifies and evaluates the options to deliver the Mackintosh Project against a range of assessment criteria and presents an economic appraisal of the short-listed options
- The Financial Case, which provides a preliminary consideration of the funding and affordability
- The Commercial and Management Cases that focus on the route for delivering the project
- The associated Project Management and Governance arrangements

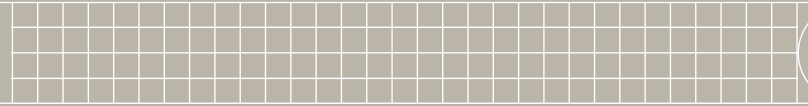
This document is a summary of the Strategic Outline Business Case presented to the GSA Board of Governors in June 2021 and details the next steps.



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Foreword – Academic Vision



CONTEXT

The Glasgow School of Art (GSA) is one of only three UK art schools to consistently rank in the top ten of the influential QS world rankings for Art and Design. The original art school building designed by Charles Rennie Mackintosh was a quintessential heritage asset and synonymous with its global brand. Today a landmark development of equal calibre, is required to support GSA in reaching its future ambitions, building on its illustrious past whilst continuing to innovate and reimagine creative practice for the future.

This iconic building will create an environment that will help boost Glasgow's position as a leading creative and cultural global city, supporting the economy by providing graduates with high level creative, digital and cultural acumen, attributes necessary for the future creative economy.

THE BUILDING

The building will be enabled by state-of-the-art digital capabilities, it will be designed and developed using the latest sustainable technologies. Having digital and sustainability at the heart of the offer will provide a new and compelling opportunity for the GSA. Whilst retaining an unequalled approach to creative enquiry, craft and making, the new facility will provide a rare opportunity to bring together the strengths of the GSA, providing both the physical and virtual interrogation of materials, artefacts and ideas. It will provide the GSA with a singular opportunity to interrogate emerging and traditional forms of practice, creative innovation and production within a world leading environment, enabling the School to develop and extend partnerships across the globe.

CONVENING POWER

This will be a building with convening power; it will attract influential figures who will collaborate with the GSA on a range of business, research and enterprise and community-led initiatives. Audience and community engagement will be transformed by the porosity of the space both through the physical and virtual domain. The iconic gallery, library and archive spaces, will enable us to reach new audiences and develop new tools for enquiry led practice, bringing opportunities from the creative, digital and tech sectors for audiences of the future. This in turn will attract investment both in terms of research and innovation funding.

The GSA has sector-leading digital research, teaching and learning expertise in the School of Simulation and Visualisation. When combined with the rapid transformation of the GSA's curriculum to meet the challenges presented by Covid-19, it means that we are well-placed to be able innovate in the space between digital and analogue enquiry. This places us in a unique position to leverage industry partnerships and research opportunities.

INCOME GENERATION

The juxtaposition of approaches that the building offers will enable us to create an additional USP in a competitive market, and help generate new income streams. The

The Mackintosh Building is an integral part of The Glasgow School of Art's future, and the Mackintosh Project will be bringing a key asset of the School to the fore, linking learning and teaching innovation, with state of the art research and innovation



approach outlined will support a range of new curriculum and research opportunities enhancing our offer and diversifying income streams, whilst creating a more agile approach to resources.

The strategic growth of the School of Simulation and Visualisation and the School of Innovation will unlock potential within our academic curriculum in new and emerging areas of enquiry. This will provide us with the opportunity to develop a distinctive cross-school offer for all of our students, together with the potential for further collaborative provision, that will support our ambitions to address the key global challenges of the day.

In addition, the development of new models of academic enquiry such as Creative MBA, Degree and M-level Apprenticeships, Executive Education and Taught Doctorates, as well as the expansion of our PhD and post-doc offer, will unlock further potential for partnership, and income generation.

ECONOMIC IMPACT

Our position as a world-leading art school allows us to influence and support important economic imperatives both for Scotland and the UK as a whole. The blend of art school creativity, innovation, sustainability and digital capabilities will support us in creating a new kind of graduate who can help to catalyse the creative economy and adjacent sectors.

By improving the supply of talent available to the creative industries in order to support growth ambitions in the wider economy. Raising the bar on skills, introducing new pathways into the creative industries and progression routes once working in them to make the sector attractive to a wider and more diverse talent pool.

THE NEXT ITERATION OF THE MACKINTOSH PROJECT

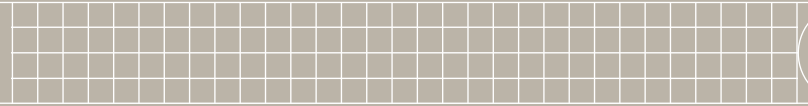
The Mackintosh Building is an integral part of The Glasgow School of Art's future, and the Mackintosh Project will be bringing a key asset of the School to the fore, linking learning and teaching innovation, with state of the art research and innovation. It is therefore essential that this project and the building are led and managed by the School to ensure the building is fully integrated into and fully harnessed to play its unique role in delivering a world class creative education and student experience for the generations of future GSA students as well as in delivering the wider ambitions of the School.

The GSA believes that the Mackintosh Project has the potential to be a catalyst for the social and economic regeneration of Garnethill and the surrounding commercial areas – in particular Sauchiehall Street. The project should not only be a sensitive response to the Mackintosh Building, but an exemplar of sustainability and a demonstrator project for world-leading place-based, co-designed, community regeneration.

– **Professor Penny Macbeth**

Director, The Glasgow School of Art

June 2021



1

The Glasgow School of Art



Glasgow is recognised as one of the UK's most successful city-economies and a leading UK creative capital alongside London and Manchester^{1,2}. The GSA and wider creative communities play an important role in this. The contribution of GSA's international students and staff – creative practitioners and academics of international and national significance – is central to the city's success. Nearly 60%³ of GSA graduates choose to remain in the city making an important contribution to the city's cultural and creative infrastructure.

The GSA's Exhibition programme also plays a part in Glasgow's creative ecosystem, contributing to the city's economic and cultural vibrancy, with GSA galleries delivering exhibitions from international contemporary artists, designers and architects, GSA staff and students, and exhibitions linked to the rich heritage, architecture, and collections of the GSA.

The Glasgow School of Art Archives and Collections, which include nationally recognised collections, still hold many of the items that were acquired as teaching tools in the School's early period, including rare plaster casts, ceramics, and metalwork. They also hold a range of artworks, architectural drawings, design work and material relating to former students and staff and continue to purchase work from student degree shows, in order to capture the changing teaching practices at the GSA and the wider art school landscape.

In 2021, the Glasgow Campus, centred in Garnethill, remains the core setting for studio-based learning, teaching, and research. A cluster of buildings is occupied by the GSA on, and within the immediate vicinity of, Renfrew Street reflecting the organic growth of the institution.

The GSA's presence and reputation belies its relatively small scale. In the UK, it is ranked alongside institutions such as the Royal College of Art and the University of the Arts London, and internationally with Rhode Island School of Design; Politecnico di Milano; Aalto University, Helsinki; School of the Art Institute of Chicago; Pratt Institute New York; and Art Centre College of Design Pasadena.

The QS World University Rankings has placed the GSA 8th in the world for Art & Design institutions for the last three years.

The GSA has also developed a strategic and forward-looking approach to learning, teaching, and research in the visual arts and creative disciplines establishing over recent years the Innovation School and the School of Simulation and Visualisation (Sim Vis).



1 NESTA Creative Nation 2019
2 EU Cultural and Creative Cities Monitor: 2019 Edition
3 HESA 2019

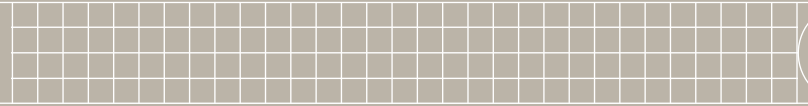


Glasgow is recognised as one of the UK's most successful city-economies and a leading UK creative capital alongside London and Manchester.

The Innovation School is a leader in research-based product design and design innovation building an enviable international network of partnerships and collaborators.

Simulation and Visualisation is growing rapidly at the interface of science, technology and the arts. It has successfully commercialised its expertise in 3D modelling and digital visualisation with academic and commercial partners.

These 'new' Schools sit comfortably alongside, and work closely with, the longer-established and successful Schools of Design, Fine Art and Architecture. The latter Schools have, over many years, built enviable reputations locally through to internationally because of their innovative and leading-edge approach to teaching and research, and in their partnerships with industry and other education institutions.



2

The Mackintosh Building



Internationally renowned and architecturally significant, the Mackintosh Building was originally built in two phases, with the central and eastern half of the building completed in 1899 and the remainder, including the world-famous library, completed in December 1909.

At this time the city and the School were particularly dynamic, embracing new artistic and educational ideas, attracting noted artists, designers and architects from all over Europe as teachers, bringing international influences to bear whilst serving the industries and communities of Glasgow.

Mackintosh did not design the building in isolation but did so reflecting his understanding of the needs of students (having been one himself) and his understanding of the developing requirements of contemporary art and design education gained through his friendship with Fra Newbery, the GSA's Director at that time, and his staff. It was a Building that perfectly responded to its purpose.

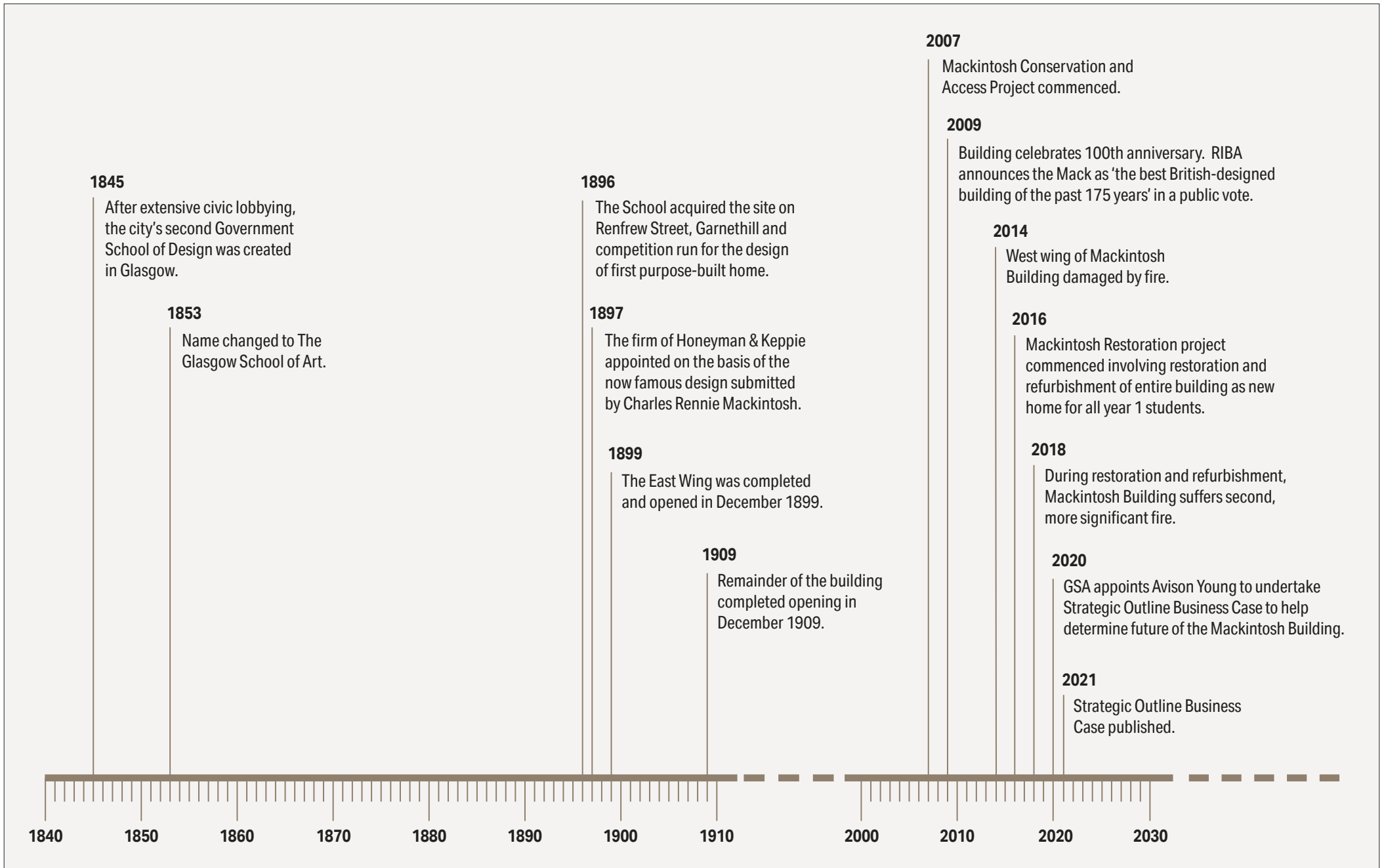
The later west wing, with its dramatic design and dominating windows, heralded the birth of a new style in 20th century European architecture. The plentiful natural light from the north flooded into the public and studio spaces and the three distinctive windows on the western façade provided light to illuminate all five floors, including most importantly both levels of the Library.

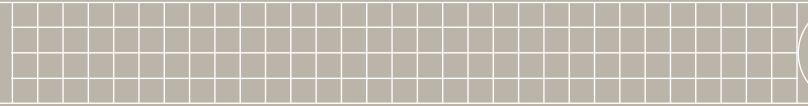
The Library has long been considered the pinnacle of Mackintosh's career displaying a subtle blend of use of natural materials, playfulness with natural light, decorative flair and the incorporation of what was then world-leading technology in the form of the futuristic electric lights.

Mackintosh's School of Art was originally designed to house the entire school community, fine artists, designers, and architects. It is synonymous with both the GSA and the City, inspiring generations of students, attracting scholars and researchers to use its Archive and Collections, and hosting over 27,000 annual visitors to the regular exhibitions and student-led tours.

It was a building that, even after 100 years, fulfilled its original purpose perfectly and generated an educational legacy which was forward thinking; innovative in research, practice, and pedagogy; international in form, reach and influence and yet still made a major contribution to Glasgow's social, cultural, and economic renaissance.







3

The Estate



The Mackintosh Project will need to align with the developing GSA estate strategy and principles - these estate principles have informed the critical success factors and options assessment criteria in the Economic Case.

THE ESTATE:

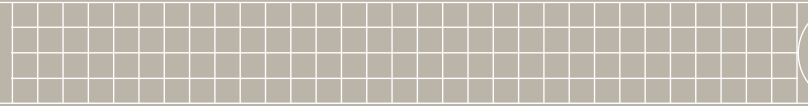
- Needs to be agile to accommodate changing academic needs over time, efficient, fit for purpose, complaint and inclusive in design and optimised to minimise its financial and environmental impact.
- Will embrace digital and technological infrastructure and solutions where this supports efficiency, effectiveness, user satisfaction and environmental objectives.
- Will be managed to be welcoming, secure and accessible to staff, students and visitors in a balanced approach.
- Will adopt a whole life approach to costing the operation, management, and development and we will systematically capture and respond to feedback on the estate to enhance the experience of students, staff, and visitors.
- Will support of the GSA's sustainability and carbon reduction objectives.
The GSA is committed to supporting the UK and Scottish Government Net Zero ambitions and has developed a specific set of sustainability principles. These principles will guide and direct investment in built assets and ensure that whole life carbon is measured and assessed when options are being considered and encourage the adoption of processes, materials and technologies that combine to allow the GSA to promote exemplar sustainable projects.

The Mackintosh Project will need to align with the developing GSA estate strategy and principles - these estate principles have informed the critical success factors and options assessment criteria in the Economic Case

The Mackintosh Project presents several opportunities to address shortfalls in the estate such as:

- Consolidate the estate.
- Raise the overall quality and fitness for purpose of the estate.
- Generation of capital to help finance any new building – and reduce running costs through consolidation.
- Provide additional teaching learning space to accommodate anticipated growth in student numbers.
- Enable the growth of the School of Simulation and Visualisation which is at or near capacity in The Hub.
- Remedy fire-damaged building at the heart of the School.
- Provision of collaborative space to support academic vision.
- Enable GSA to better compete with its UK and international peer group.

Investment in, and management of, the estate will recognise the strong link between the brand, culture and heritage of the GSA and its estate and will be managed and operated to support the local economy and the wider cultural and creative economy of Glasgow and Scotland.



4

Future Growth



Our studio-based, practice-led pedagogy bring disciplines together to explore problems in new ways to find innovative solutions. The studio, whether physical or digital, creates an environment where peer learning, critical enquiry, experimentation, and prototyping are encouraged. It provides a unique learning environment that extends beyond art school to professional practice and future careers and today, the GSA is one of the largest UK creative communities in fine art and design outside London, including a growing postgraduate community.

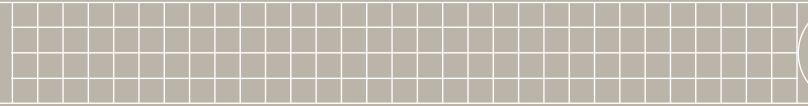
The GSA has local, national, and international significance. Whilst achieving global status exemplified in its QS ranking and international alumni reach, it remains a locally rooted, small specialist institution, that celebrates its commitment to traditional strengths and practice whilst striving to develop new and ground-breaking academic areas.

An increase in student numbers in recent years is projected to continue, placing strain on the estate as the School plans to selectively broaden its academic base while reaching out to the community and supporting the local and wider economy, achieving this in a sustainable manner and enhancing the student experience.

While there are many factors outside of the control of the GSA impacting on future student numbers and hence income, there is an understanding that the student experience is one output over which the GSA is committed to making significant improvements.

It is recognised that the estate can contribute significantly to student experience, which underpins the ability of the GSA to sustain growth in student numbers and income growth from various markets and opportunities.





5

Voice of the Stakeholder



A central part of the development of the Strategic Outline Business case were a series of meetings hosted by Avison Young to explore a breadth of views and opinions from the GSA's wider stakeholders and the GSA community including Glasgow City Council, Historic Environment Scotland, local MSPs, local councillors, local community councils, local civic groups, and the wider GSA community. A full list of those engaged is included in **Annex A**.

The Mackintosh Building - delivered much more than a learning experience to users:

- It was synonymous with the GSA and was a physical manifestation of the core values of the School.
- It's use by tourists and other visitors did not detract from its core purpose.
- It was an enormous asset to the School, the City of Glasgow, and Scotland.
- As a student at the GSA, it was not necessary to have studied in the building to have benefited from its presence and impact on student life.
- The learning experience available was unmatched elsewhere .
- It was continuously fit for purpose due in part to its simplicity of design and the perfect balance of light and space.
- The success of the Building was due to the very limited number of changes made since its construction.
- The 'lived in' nature of the Building was entirely appropriate for the studio-based curriculum.
- Work should be carried out as quickly as possible to halt any further deterioration to the remaining structure.

Future purpose - the overwhelming desire among stakeholders is to see the Building consolidate the heart of the GSA's teaching, learning and research accommodation in and around Renfrew Street and a multitude of opportunities, internal to the GSA but also outward-facing, can be realised through the Mackintosh Project.

Development of the Mackintosh Building site should be undertaken in harmony with the development of adjacent sites and buildings to maximise the overall regeneration impact for both GSA, the City and our neighbours

THE BUILDING SHOULD BE:

- Open and accessible to the community, without prejudice to the core academic purpose
- Reflective of the unique heritage of the GSA
- A contributor to the ambition of the GSA to foster collaboration across the Schools and between the Schools and their educational and industry partners.

ACADEMIC AMBITIONS:

- There is an academic requirement for additional space that will help the GSA achieve its ambitions, that are fit for purpose and commensurate with the status of the GSA, both nationally and internationally
- More space is required that brings students and staff together to study and learn collaboratively
- A 'research hub' or similar would bring not only academic benefits but would also enhance the GSA's position as a partner with industry and other education institutions spearheading innovation and commercialisation
- Space is needed to allow the GSA's extensive collections to be displayed and used as a research asset.

THE ESTATE:

- An estate-wide perspective is required to fully capitalise on the Mackintosh Project and any development of the Mackintosh Building site to meet the GSA's academic needs must be undertaken as a key component of an overall Estate Strategy. Cost savings and capital receipts can be realised through estate rationalisation enabled by the project
- Development of the Mackintosh Building site should be undertaken in harmony with the development of adjacent sites and buildings to maximise the overall regeneration impact for both GSA, the City and our neighbours
- There is a significant opportunity to address the public realm in the surrounding area

OUR COMMUNITY:

- Access to the Mackintosh Building by members of the community for short courses, tours, to visit exhibitions is invaluable.
- The GSA must build on the excellent work undertaken in recent years to engage constructively with local community groups and representatives with community benefit clauses incorporated into all relevant contracts for the project.
- The site must be developed to remove the current blight and impact to residents, local businesses, staff, students and visitors that they are living and operating in the shadow of a large building site.
- The process of planning and delivering a development on site presents a unique opportunity to deliver social value, build community wealth and have a significant community benefit.

THE OPPORTUNITIES:

- The Mackintosh Building was an essential feature on the itinerary of many visitors to Glasgow and Scotland, whether or not they had any wider interest in art, design or architecture.
- The Mackintosh Project present a unique opportunity to support and stimulate economic regeneration within Glasgow, which may include working in partnership with adjoining landowners and the ambitions of the Regional City Deal and local regeneration frameworks.
- There are exciting opportunities for the GSA to capitalise on its history and the current blend of courses and research opportunities to forge long-lasting links to industry.
- The Mackintosh Project provides a further opportunity for the GSA to showcase its digitally-enabled teaching and learning offering.
- There is an opportunity to host an integrated approach to academic activities combining research, teaching, learning and innovation.



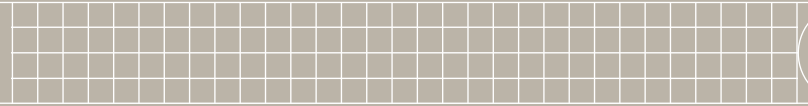
STUDENT EXPERIENCE AND PERSPECTIVE

- Students and staff were immensely proud to have used the building as a unique asset and ideally suited to learning by those who had moved on to study art and design at a higher level elsewhere.
- Functionality, accessibility and 'useability' should trump aesthetics. However, it was noted the original Mackintosh building managed to combine both.
- Any new building should capture the 'feel' of the former so far as possible, whilst also looking to the future and achieving a carbon neutral position.
- The estate at present is lacking in spaces that support collaboration across Schools, an important component of the student and researcher experience
- The former 'cohesion' of the estate, centred on the Mackintosh building and was a significant factor in supporting a positive student experience.

ONGOING ENGAGEMENT

As the Mackintosh Project develops, a comprehensive programme of engagement will take place with community groups and many other stakeholders.

- Academic leads across the GSA's Schools and key support services
- Peer group of art and design schools worldwide
- Local residential and business communities
- Existing and potential collaborators across industry and other educational institutions
- Statutory bodies such as Glasgow City Council and Historic Environment Scotland
- Experts in Charles Rennie Mackintosh and the heritage of the GSA
- Culture, arts, tourism and economic development sectors



6

SOBC – In Summary



THE PROJECT VISION

The vision for the Mackintosh Project will deliver a range of critical outcomes for the GSA enhancing its civic role locally and nationally, improving the student experience, supporting sustainability and digital infrastructure, underpinning further diversification of income streams, and engaging the local community and economy.

- **The Building** – The project should deliver a building that: reflects the significance of the GSA; projects its aesthetic and design values; contributes to the sense of place of Garnethill; and is sustainable and digitally enabled, enhancing its value to a diverse range of users and stakeholders.
- **Convening Power** – The project will provide a high profile, innovative and attractive space in which the extensive GSA networks of individuals and representatives from cultural and creative industries, business, research and enterprise, and the community can engage with the GSA.
- **Economic Impact** – The project will support long-lasting economic activity aligned to the GSA's aspirations. The impact will be felt predominantly in Glasgow and Scotland. New generations of GSA graduates will enter and energise national and international creative and wider economies
- **Income Generation** – The project should help reinforce the GSA's position as a world-leading Higher Education institution in the visual creative disciplines, helping generate new, sustainable income streams, including new courses to a broader base of students and researchers.

CONTEXT

The Glasgow School of Art (the GSA) was founded in 1845 to support the manufacturing industries of Glasgow. Ever since, it has evolved and grown to serve new industries and audiences through the delivery of world leading teaching and research in the visual creative disciplines. It is ambitious and international in outlook, but its roots and heritage remain firmly embedded in the City of Glasgow.

The impact of the 2018 fire on the Mackintosh Building significantly impacted the Garnethill community, as well as depriving the GSA of a unique and much-loved teaching and learning resource. The Mackintosh Building was at the heart of the GSA campus, and served as a highly visible convening place not only for the GSA but for the wider community and many thousands of visitors to the city.

THE MACKINTOSH PROJECT

The Mackintosh Project has been established to enable the GSA to plan an effective and appropriately consultative response to the current condition of the Mackintosh Building. It seeks to provide an effective solution to replace those facilities and functions lost as a result of the 2018 fire.

This Strategic Outline Business Case (SOBC) is framed with clear governance and reporting arrangements to examine the options and opportunities for the GSA to re-provide academic (and potentially other) facilities, in pursuit of delivering tangible outcomes to its students, researchers, alumni, the local community, economy and other stakeholders – all in the context of the future Strategic Plan.

In line with best practice, the SOBC is structured as five cases. It is a ‘high level’ document with an emphasis on the ‘business need’ for capital investment. The principal conclusions from the individual cases are summarised in turn.

STRATEGIC CASE

The Strategic Case establishes a close strategic fit between the vision for the Mackintosh Project and the ambitions of the GSA, the community, students, staff, the Scottish and UK Governments, and other statutory bodies. A powerful case is created for a project that will enable the GSA to continue to grow its special contribution to the cultural, creative and economic prosperity of Glasgow and thereby wider Scotland. In doing so, it will protect the GSA’s heritage, create a landmark sustainable, fit for purpose building, catalyse local regeneration and add to the student experience and world-class reputation of the GSA in a global competitive market.

In a rapidly changing social and economic environment, the Mackintosh Project will allow the GSA and its ‘offer’ to stay relevant to the markets within which it operates. New facilities will also enable the GSA to meet its plans for strategic and measured growth in student numbers and the generation of new income streams founded on more and deeper relationships with industry and academia.

New curriculum and research opportunities will be supported in an environment that also has the ability to attract partners from industry, academia and the community.

The case for change, which has been informed by extensive consultation and stakeholder engagement, is predicated on six core themes:

- **Academic need** – a purpose-built space of an exemplary design and quality-is needed to foster new partnerships, support the new curriculum, enhance research and innovation partnerships and enable sustainable and planned growth.
- **Estate and compliance** – the project will enable a dispersed estate in Glasgow to be consolidated and future-proofed for a sustainable and digitally-supported era. The project will increase the flexibility and agility that the GSA needs to adapt the estate to the changing needs of the many communities of interest it supports.

- **Culture and economy** – it is widely recognised that the Mackintosh Building played a vital role within the social, economic, cultural and tourist landscape of Glasgow and its absence is a significant loss nationally and internationally. There is also an urgent need to address the blight on the local community from the fire-damaged building.
- **Competitive offer** – the GSA must remain at the forefront of its disciplines if it is to retain its position as a globally-recognised art and design institution. The project is needed to allow the GSA to retain its ‘landmark’ status.
- **Legacy, heritage and regeneration** – the GSA is synonymous with the Mackintosh Building to many stakeholders, and this has helped the GSA retain its position and status. By being located in the heart of a Conservation Area that is also witnessing regeneration, the project has a unique opportunity to be a catalyst creating a significant local and also wider economic impact.
- **Student experience** – a shortfall in collaborative space and flexible, purpose-built facilities for studio-based learning and curating opportunities is impacting on the student experience and must be addressed to sustain the reputation of the GSA.

ECONOMIC CASE

The Mackintosh Project can be delivered in a variety of ways. However, the extent to which each opportunity meets the GSA’s vision or, indeed, is consistent with the desires of stakeholders or with government policies and guidance, varies considerably.

A structured approach to identifying and appraising projects allowed a long list of options to be identified, analysed and filtered to create a short list of deliverable options that have been tested for value for money. The short list of options comprises:

- **Option 1 – Do Minimum**, comprising the stabilisation of the existing structure and façade. This is included for comparison purposes only rather than a realistic option to pursue.
- **Option 2 – Faithful Reinstatement**, comprising a reinstatement of the original building yet in a manner that is compliant with all relevant legislation and digitally enabled.
- **Option 3 – Hybrid**, comprising a reinstatement of the original design ethos and the recreation of certain iconic rooms and finishes, digitally enabled with flexible space.
- **Option 4 – Modern equivalent**, comprising the demolition of the fire-damaged building and the construction of an entirely new facility on site.

It is widely recognised that the Mackintosh Building played a vital role within the social, economic, cultural and tourist landscape of Glasgow and its absence is a significant loss nationally and internationally. There is also an urgent need to address the blight on the local community from the fire-damaged building

In order to identify a preferred option, financial and non-financial criteria, such as sustainability, economic impact, planning, heritage and the cashflow generated by each option have been considered.

The Economic Case concludes that Option 2 (Faithful Reinstatement) provides the greatest overall value for money in Net Present Social Value terms.

FINANCIAL CASE

The Financial Case examines the annual costs and revenues with a particular focus on the cash flows of Option 2 (Faithful Reinstatement) which provides the greatest overall value for money in Net Present Social Value terms. The cashflow over 10 years in terms of capital and revenue is shown below confirming that year 7 marks the point at which the investment begins to generate significant net additional revenue.

It also examines the composition of the construction costs and given the non-standard nature of the proposed project, a high level of optimism bias⁴ is factored into the overall project costs; and considers potential funding sources to deliver the Mackintosh Project and support its operation. The costs will be further developed as the project progresses. At this stage these are high level estimates only for comparison purposes.

COMMERCIAL CASE

The Commercial Case ensures that a commercial strategy is put in place to deliver a viable procurement and a well-structured contract. The strategy covers the procurement of the Design Team through to the operational phase of the new building.

⁴ Optimism Bias is an allowance that is recommended by HM Treasury, through their Green Book publication, to be included in the capital cost estimates for projects that are at an early stage of design development, where it is too early for risk management and risk mitigation tools to be successfully implement. The economic appraisals used in this SOBC have assumed that the Mackintosh Project is non-standard. As a consequence, a higher rate of optimism bias has been applied.

The Green Book recommends that at the outset of each project, the upper limit for each factor is applied and then adjusted accordingly through a managed process. Contributory Factors include items such as; design complexity; degree of innovation; inadequacy of Business case; large number of stakeholders; available funding; poor intelligence; environmental; skills of design team; skills of client team; site characteristics; political; technological advancements; markets etc.

The Commercial Case has also identified the diverse range of design services required to deliver the project and the GSA will develop a clear commercial strategy to support procurement of designers, contractors, project managers through to the management of information technology solutions and facilities services.

The cost consultants to the GSA have assessed the relative advantages and disadvantages of a number of procurement routes including ‘traditional’ and ‘design and build’. Through a series of workshops facilitated by the Scottish Futures Trust.

MANAGEMENT CASE

The Management Case confirms that the GSA has established robust and comprehensive management and governance arrangements to effectively and efficiently support the delivery of the Mackintosh Project. The governance arrangements include the established Project Development Board Mackintosh and Steering Group Mackintosh together with a Project Director and Project Sponsor with clear remits and accountability. The Project Development Board Mackintosh reports to the Board of Governors via the Business and Estates Committee.

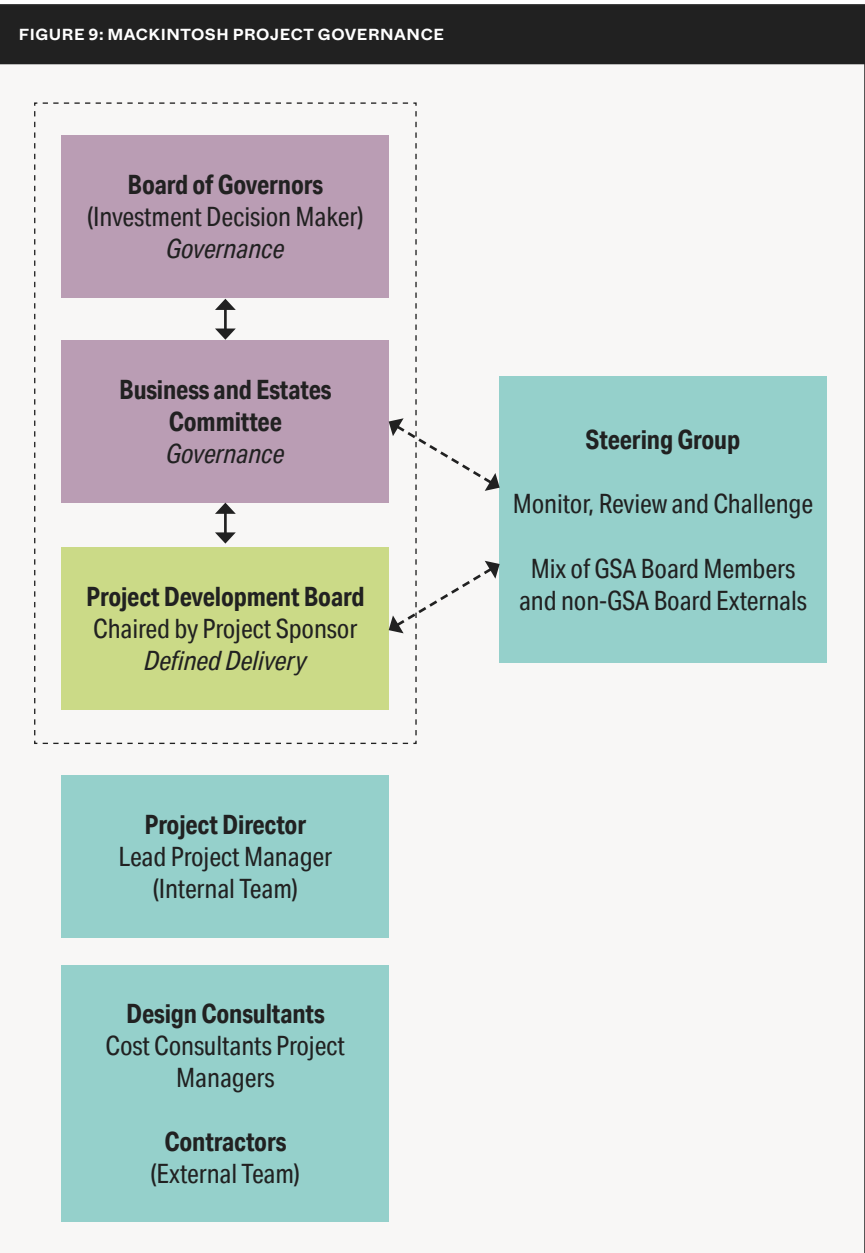
The governance structures bring together a wide range of relevant skills, knowledge and expertise and will be augmented by specialist external resources to help develop and deliver the project.

PROJECT GOVERNANCE STRUCTURE

A robust governance structure has been put in place to develop the SOBC with broad insights and experience.

The Board of Governors is the ultimate decision-making body within the GSA. In relation to the Mackintosh Project, it will receive input from and integrate its decision-making with other Board committees as appropriate, including the Business and Estates Committee.

Ongoing stakeholder engagement will be a feature of the management of the project along with strong project management, risk management and benefits management arrangements.





MACKINTOSH BUILDING FUTURE MANAGEMENT

The Mackintosh Building belongs to The Glasgow School of Art. It was built in Garnethill at the end of the 19th Century thanks to the ambition and vision of the Governors and Staff to create a building in Glasgow fit to house a world-class Art School. It became, and should again be, a central feature of the academic, civic, and cultural life of the School.

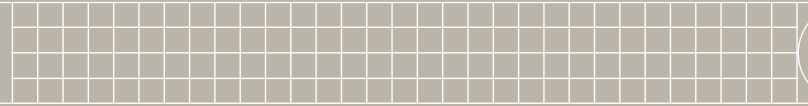
The Board of Governors has a responsibility to manage the building for the academic benefit of the School and its students.

In the life of the School and the Mackintosh Building, the challenge of responding to the 2018 fire should not overshadow the ongoing relationship between the building and its principal objective – the provision in Glasgow of a unique educational facility to support a world-class creative education. It is, in part, this continuation of the Mackintosh Building's original purpose which makes it so special, given how few of Mackintosh's creations retain their original use.

The Mackintosh Building is not a museum, albeit it is clearly a work of art.

The GSA Governors are convinced of the crucial importance of maintaining the Mackintosh Building as part of the estate of Scotland's only remaining independent Art School. They recognise their role as custodians of the building and reiterate their commitment to deliver the reconstruction of the building for the benefit of all stakeholders. They also recognise that this can best be achieved with appropriate input and guidance from stakeholders throughout the process, which led, amongst other things, to the creation of the Mackintosh Steering Group which comprises external stakeholders and expert advisors alongside the GSA Governors.

In developing this Strategic Outline Business Case, The Glasgow School of Art has begun to demonstrate how it will engage meaningfully with partners in the local Garnethill and Sauchiehall Street community, stakeholders across Glasgow, and the wider Mackintosh and architectural heritage community, to ensure that we can collectively deliver an exemplar project that will enable future generations of students, Glaswegians and visitors to enjoy and celebrate this amazing building.



Conclusion

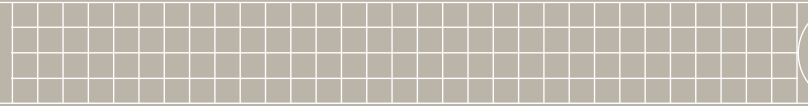


The case for a landmark development that not only reinstates, but builds upon the illustrious heritage of the original Mackintosh Building is overwhelming.

Through extensive consultation and robust economic analysis, this preliminary strategic business case demonstrates that the best value option is to undertake a faithful reinstatement, within the practical constraints of the current regulatory environment while innovating to ensure that technology and sustainability are at the building's heart.

The preferred solution addresses the key success factors in each of the five areas of the business case and will benefit the nation, students, the community, academia and the economy by:

- Delivering the GSA's academic objectives.
- Enhancing the student experience and consolidating the world-class reputation of a national institution.
- Protecting the nation's heritage.
- Creating a landmark sustainable building that catalyses local regeneration of Garnethill and Sauchiehall Street.
- Building community wealth, for example, by developing new apprenticeships in traditional and heritage crafts.
- Growing the GSA's special contribution to the cultural, creative and economic fortunes of Glasgow.
- Deepening and extending the GSA's relationships with industry and academia.



8

Next Steps



The next stage of the Mackintosh Project is to move to RIBA Stage 1 and appoint a design team to generate a Strategic Brief. At the same time, further economic and financial evaluation of the variants will need to be undertaken to assess value for money.

The GSA believe that the project is fundable and affordable - a variety of funding sources will be secured to deliver the capital project and support operation of the new building. The capital cost will be funded from a blend of the following:

- Proceeds from fire insurance claim – the GSA was insured against fire damage and negotiations with the insurance company are ongoing.
- Donations and pledges - the GSA was successful in raising funds for the post-2014 Mackintosh Campus Project. The GSA believes that there remains significant philanthropic goodwill, in particular for Option 2 (Faithful Reinstatement).
- Capital receipts from disposal of the Richmond and JD Kelly Buildings.
- Reserves.

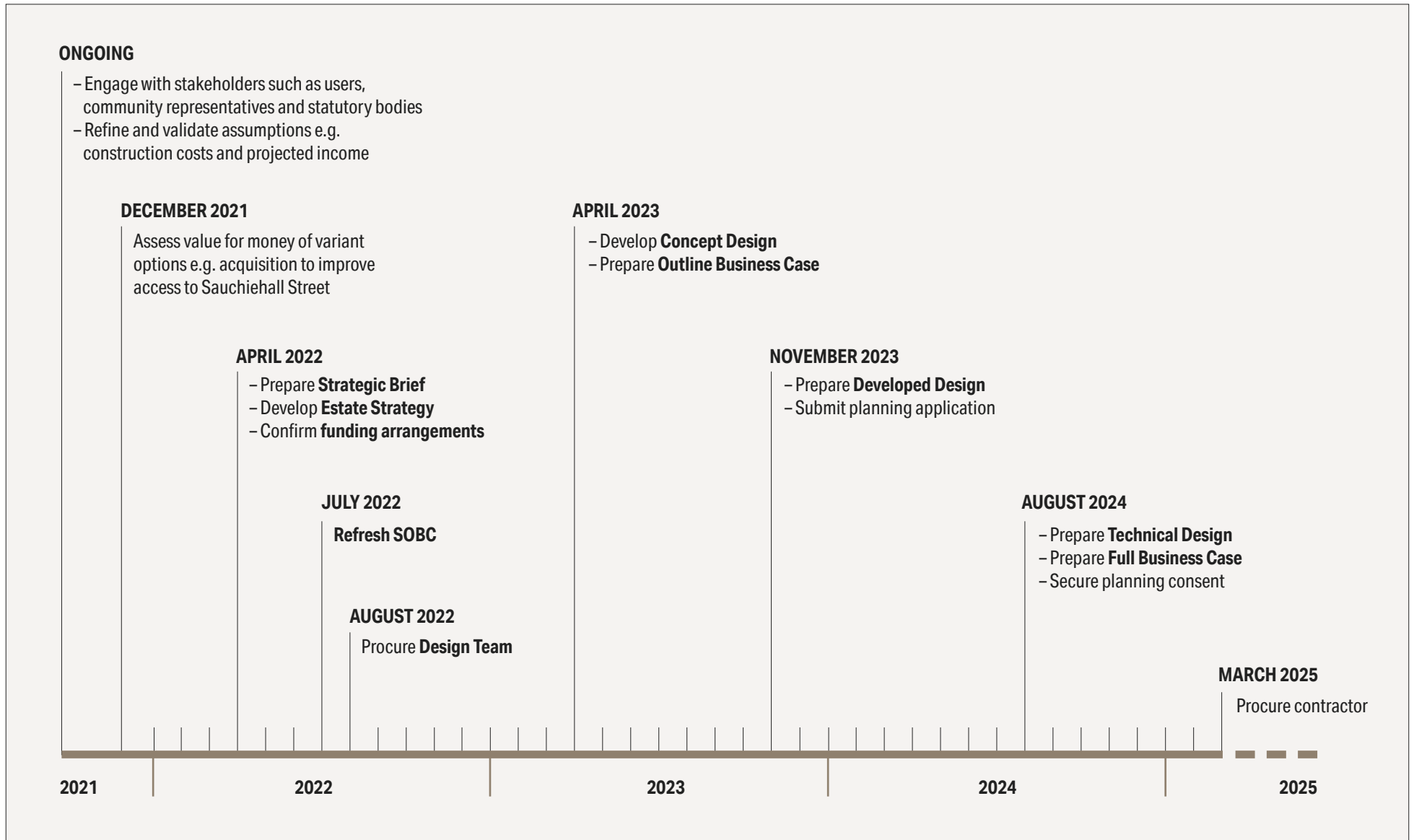
Revenue funding sources will include:

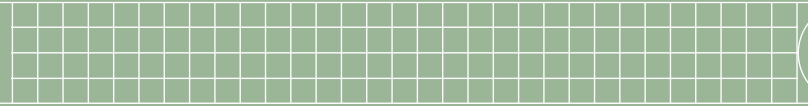
- Commercial income from visitors and the letting of space.
- Additional student revenues.
- Additional income from short term courses.
- Research activities.
- Revenue savings from the release of leased accommodation will also contribute to the net revenue position. They provide opportunities to draw on finance to pay for the construction costs.

Additional sources of income that could potentially be secured and factored into the business case for the project include:

- revenue from residential lettings associated with short courses.
- sponsorship and branding-related opportunities.
- catering allied to ad hoc events.
- on-site café.

The initial priority is to procure a multi-disciplinary team for the Mackintosh Project.





Annex A



PDBM MEMBERSHIP

Name	Position
Penny Macbeth	Director GSA
Sally Stewart	Head of School of Architecture
Scott Parsons	Director of Marketing, Communications and Strategic Planning
Alan Horn	Director of Development
Andrew Menzies	Director of Finance
Alessandro Marini	Student President
Liz Davidson	Senior Project Manager
Gordon McLoughlin	Director of IT
Eleanor Magennis	Director of Estates
John Ayers	Head of Technical Services
Irene Bell	School of Design
Justin Carter	School of Fine Art
Steve Love	School of Simulation and Visualization
Alastair Macdonald	School of Design
Eve Mallon	(Seconded) Project Manager Dept of Estates
Alan Atlee	Deputy Director GSA
Irene McAra-McWilliam	Deputy Director: School of Research and Innovation
Susannah Waters	Archives and Collections Manager
Katie Hall	(Seconded) Project Manager Dept of Estates

STAKEHOLDER ENGAGEMENT

INTERNAL STAKEHOLDERS	
Name	Position
Penny Macbeth	Director GSA
Sally Stewart	Head of School of Architecture
Scott Parsons	Director of Marketing, Communications and Strategic Planning
Alan Horn	Director of Development
Andrew Menzies	Director of Finance
Alessandro Marini	Student President
Liz Davidson	Senior Project Manager
Alistair Payne	Head of School of Fine Art
Gordon Hush	Head of School of Innovation
Patrick Macklin	Acting Head of School of Design
Paul Chapman	Head of School of SimVis
Muriel Gray	Chair of Board of Governors
Irene McAra-McWilliam	Deputy Director: School of Research and Innovation
Alan Atlee	Deputy Director of GSA
John French	Chair of Steering Group Mackintosh and GSA Governor
Michael McAuley	Vice Chair of Business & Estates Committee
Habib Motani	Chair of Business & Estates Committee
Ann Faulds	GSA Governor
Kenneth Christie	Chair of Board of Trustees

STAKEHOLDER ENGAGEMENT

EXTERNAL STAKEHOLDER ORGANISATIONS
Glasgow City Council
Historic Environment Scotland
Charles Rennie Mackintosh Society
Architectural Heritage Society for Scotland
Glasgow City Heritage Trust
Scottish Civic Trust
Glasgow Building Preservation Trust
Garnethill Community Council
Blythswood & Broomielaw Community Council
Friends of Garnethill Green Spaces
Garnethill Multi-Cultural Centre
St Aloysius College
Chamber of Commerce
Student alumni (various)
Scottish Futures Trust
The Chamber of Commerce

STAKEHOLDER ENGAGEMENT

EXTERNAL STAKEHOLDERS	
Name	Position
Sandra White	MSP
Lord Provost Philip Braat	Ward Councillor
Angus Miller	Ward Councillor
Christy Mearns	Ward Councillor
Roger Bilcliffe	Practitioner
Alan Dunlop	Practitioner
Dugald Cameron	Former GSA Director
Pamela Robertson	Former Curator of Hunterian Museum, Glasgow