

## Board of Management

### Meeting of the Performance and Nominations Committee

MINUTE OF THE 2<sup>nd</sup> MEETING HELD ON MONDAY 21 SEPTEMBER 2020 AT 1500 HRS  
(PNC2) VIA MS TEAMS VC

| Present                                    |                                    |
|--|------------------------------------|
| Lesley Woolfries (LW) (Convener)           | Alisdair Barron (AB) (Board Chair) |
| Karen Kelly (KK)                           | Audrey Sullivan (AS)               |
| Paul Little (PL)                           |                                    |
| In attendance                              |                                    |
| Paul Clark (PC) (College Secretary/Minute) | Roy Gardner                        |
| Apologies for absence                      |                                    |
| George Galloway (GG)                       | Jim Gallacher (JG)                 |
| Graham Mitchell (GM)                       |                                    |

| Item PNC2-1    | Apologies for Absence   |                        |
|----------------|---|------------------------|
| Paper No:      | Lead: Convener  | Action requested: Note |
| Decision/Noted | Apologies for absence were received as indicated above. It was noted that AS would be temporarily replacing JG on the Committee as JG has taken temporary medical leave from the Committee and Board. |                        |

| Item PNC2-2    | Declarations of Interest               |                        |
|----------------|--|------------------------|
| Paper No:      | Lead: Convener                         | Action requested: Note |
| Decision/Noted | There were no declarations of interest |                        |

| Item PNC2-3.1                  | Minute of the Performance & Nominations Committee meeting held on 5 August 2020 |                           |
|--------------------------------|---|---------------------------|
| Paper No:<br>PNC2-A            | Lead: Convener  | Action requested: Approve |
| Discussion/<br>Matters Arising | The minutes of the previous meeting were reviewed.                              |                           |
| Decision/Noted                 |   |                           |

| Item PNC2-3.2       | Committee Annual Report 2019-20                                       |                           |
|---------------------|---|---------------------------|
| Paper No:<br>PNC2-B | Lead: P Clark   | Action requested: Approve |
| Discussion/         | PC introduced the Committee Annual Report for 2019-20, which provides |                           |

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| <b>Matters Arising</b> | <p>the Committee and the Board with a high-level review of the activities of the Committee throughout 2019-20 within the framework of the Committee's Terms of Reference.</p> <p>The reports includes reference to the Committee's activities in the face of challenges presented by the Covid-19 pandemic, with associated lockdown, buildings closure, remote working, assessment, and learning and teaching, through to scenario planning and reopening of the College buildings.</p> <p>The Report also details other significant undertakings of the Committee in session 2019-20, including:</p> <ul style="list-style-type: none"> <li>• Renewal of Board members tenures, including that of the Board Chair</li> <li>• Monitoring of gender balance on the Board</li> <li>• Strategic Planning review</li> <li>• College performance</li> <li>• Board evaluation and development</li> <li>• Risk Management</li> <li>• Governance oversight</li> </ul> <p>It was noted that Committee attendance in 2019-20 was a significant improvement on previous years at 91%.</p> |
| <b>Decision/Noted</b>  | Approved  |

|  |   |
|--|---|
| <b>Item PNC2-3.3 Committee Programme of Work 2020-21</b> |   |
| <b>Paper No:<br/>PNC2-C</b>                              | Lead: P Clark                      Action requested: Approve  |
| <b>Discussion/<br/>Matters Arising</b>                   | PC introduced the Committee to the Committee Programme of Work for 2020-21. It was noted that the College PIs would be confirmed at a later date, once the new Director of Performance had taken up his post (October 2020). It was agreed that a report on Student Destinations would come from L&TC to the PNC for noting around January. |
| <b>Decision/Noted</b>                                    | Approved  |

|   |  |
|---|--|
| <b>Item PNC2-3.4 Self Evaluation Report 2019-20: Board Committees and Conveners</b> |  |
| <b>Paper No:<br/>PNC2-D</b>   | Lead: P Clark                      Action requested: Approve   |
| <b>Discussion/<br/>Matters Arising</b>  | <p>PC presented the Committee Self-evaluation Report. The Committee noted the benefits of a robust peer-led self-evaluation as part of the process of governance, such as:</p> <ul style="list-style-type: none"> <li>• It meets the requirements of the Code of Good Governance 2016.</li> <li>• It has been considered good practice in the sector for some years.</li> <li>• It is a recommendation of the UK Corporate Governance Code for FTSE 350 companies</li> <li>• It reflects the College's Strategic Priority 5: "To deliver excellence in performance" (College Strategic Plan 2017-18)</li> <li>• It follows the EFQM excellence model in respect of ongoing assessment and refinement.</li> </ul> <p>The Report identified a number of strengths, including an overall significant improvement in attendance levels. In addition, members</p> |

expressed satisfaction with the levels of experience and expertise within the respective Committee memberships, regulatory compliance, administrative support and meeting management, and good practice in terms of internal control.

In terms of improvement actions, it was recognised that some Committees would benefit from training specific to their Committees remit, such as Finance and Equalities.

PC will include these development areas within the revised Board Development Plan for 2020-21.

PC confirmed that the external evaluation procurement process has commenced, due for completion by Feb 2021, in advance of the deadline of end April 2021, as determined by the sector Good Governance Steering Group (which reports directly to the Scottish Government).

**Decision/Noted**

Approved

**Item PNC2-4.1 College Company Proposal**

**Paper No:  
PNC2-E**

Lead: R Gardner

Action requested: Discuss

**Discussion/  
Matters Arising**

RG introduced the paper which includes 2 appendices relating to legal advice, and the loan agreement template for the new commercial subsidiary company of the College. This company has been named City of Glasgow International Ltd. (CGI).

Legal advice has been obtained regarding the type of activity that CGI can be involved with. G Galloway from the Board will be a Director of the Company, with RG as a second Director. RG outlined the possible involvement and control relationship of the Board in terms of governance. The Committee requested clarity regarding the potential conflict of interest in respect of GG's directorship of CGI.

RG outlined an estimate of the value of business that has been missed recently by not having CGI in operation. The future relationship of the College with Glasgow Maritime Academy was outlined, and the relative position of past and current competitors was also discussed.

KK raised a point of discussion with regard to the operation of approvals and decisions relating to the role of the Board. PL emphasised the need to keep both Boards separate.

Another issue was discussed with regard to the recruitment of Company employees, as opposed to College employees, and the variance in terms and conditions which is designed to enhance the financial viability of the Company. RG highlighted that there are no redundancies planned at the College, and there is no suggestion that the activities of the Company would replace College activity. CGI will be a wholly-owned subsidiary of the College. The Committee noted that the College is advised to seek separate advice on VAT implications.

AB described the long period over which the idea of a commercial

enterprise had been discussed. Employees of the Company would be training professionals, proving greater flexibility and responsiveness in terms of delivery subjects and location of delivery. To begin with, the aim is for CGI to be a sectoral training leader in the maritime sector. It is envisaged that there will, in time, be opportunities to develop a Digital Training bank, which the College would be unable to resource.

The Committee was asked to agree funds drawn from the College commercial income to invest in the delivery of a proposed contract opportunity that had recently emerged with CGI, relating to the provision of uniforms. While the level of funds was relatively small, it was recognised that it was in the interests of good governance to ensure oversight of any proposed “seed funding” for CGI at this set up stage. The Committee raised a number of issues concerning assurances that such an investment was auditable, appropriate, correct in terms of the use of funds, generated from commercial enterprises. It was agreed that a business case be prepared, and assurances obtained, before a final decision is made.

It was also agreed that RG should prepare and circulate a “10 point checklist” for consideration by the Committee, which will include assurances that all critical matters in the legal advice had been addressed satisfactorily.

The Committee considered the proposed areas of activity for GCI, as distinct from the College. It was noted that CGI activity would involve new contract opportunities only, and that no existing contracts would be transferred from the College to CGI.

The Committee approved the proposal.

**Decision/Noted**

Action: RG to circulate business case to PNC by 23 September.  
Action: RG to prepare and circulate an assurances checklist as above (asap).

| Item PNC2-4.2       | Principal’s Report   |                           |
|---------------------|--|---------------------------|
| Paper No:<br>Verbal | Lead: P Little, Principal  | Action requested: Discuss |
|                     | <p>PL reported on his understanding of the current position with regard to forthcoming Scottish/UK Government responses to the Covid-19 crisis. It was recognised that there would be changes to the level of restrictions applied by the Scottish Government in response to the increased level of Covid-19 infections, and that these would be very likely in the coming days.</p> <p>PL indicated that the College’s financial position is further improved for 2019-20, which has produced a final loss now under £600k. This final figure of loss for 2020-21 is considerably less than the figure of £1.6m estimated a few months previously, prior to measures being taken to address this. The College’s cash reserves are also healthy. The Principal reported that the College has spent £315k on Covid precautions within the College buildings.</p> <p>PL reported that there are now 4 cases of Covid within the staff and student complement. One staff member and 3 students are now in</p> |                           |

|                       |  |
|-----------------------|--|
|                       | <p>isolation. PL reported that the maximum number of people on Campus, on any one day in the current circumstances would be 2/2.5k.</p> <p>PL also reported on positive enrolment figures which are not significantly different from the usual levels. However, there is the possibility of a loss of enrolled students to University recruitment, in the next few weeks, which is difficult to estimate. 322 students are currently in the Halls of Residence. PL highlighted that the College has enrolled students from 142 different nationalities for this session.</p> <p>PL reminded the Committee that this is the College's 10<sup>th</sup> Anniversary year, a momentous milestone which would be marked appropriately.</p> <p>RG added that further funding will be available through various channels in support of upskilling/reskilling, although the College's share of this is as yet undetermined.</p> <p>AB enquired as to the readiness of the College to respond to demand from industry for short courses, which RG reported. AB emphasised that the College should be prepared to respond to extraordinary need at short notice.</p> |
| <b>Decision/Noted</b> | Noted  |

| <b>Item PNC2-5.1</b>                   |  | <b>Strategic Risk Review</b> |  |
|--|--|------------------------------|--|
| <b>Paper No:</b><br>PNC2-F             | Lead: P Clark  | Action requested: Note       |  |
| <b>Discussion/<br/>Matters Arising</b> | <p>PC presented the latest Risk Review, as presented to the Audit Committee on 16 September 2020. PC highlighted the change to the Risk Score for Failure to achieve taught degree awarding powers (TDAP), with a consequent reduction from 15 to 12 (Red to Amber) as agreed by the Audit and Assurance Committee.</p> <p>The Committee further agreed that the Risk score for Risk 27 be increased to 4x4 = RED (likelihood increased from a score of 3 to 4).</p> |                              |  |
| <b>Decision/Noted</b>                  | Risk score for Risk 27 to be adjusted as above. Paper noted.   |                              |  |

| <b>Item PNC2-6</b>                     |  | <b>Any Other Notified Business</b> |  |
|--|--|------------------------------------|--|
| <b>Paper No:</b><br>Verbal             | Lead: Convener   | Action requested:                  |  |
| <b>Discussion/<br/>Matters Arising</b> | <p>PC highlighted the scheduled Board Planning event, on 21 October, suggesting that the all-day format would require to be changed in the light of remote working.</p> <p>PC also reported that a highly respected trainer in antiracism, Gillian Neish, is available to provide a development session for the Board. This would be an appropriate follow-up to the Principal's signing of the sector Anti-Racism declaration on behalf of the sector, and his contribution to the seminar on this topic in August 2020. PC will look into Gillian's availability for 21 October in the first instance via the College ED&amp;I team.</p> |                                    |  |
| <b>Decision/Noted</b>                  | PC to arrange anti-racism session for the Board. (21 October)  |                                    |  |

| <b>Item PNC2-7</b>                     |   | <b>Disclosability of Papers</b> |  |
|--|---|---------------------------------|--|
| <b>Paper No:</b><br>Verbal             | Lead: Convener  | Action requested: Note          |  |
| <b>Discussion/<br/>Matters Arising</b> | The disclosability status of the papers remains as described for the present. |                                 |  |
| <b>Decision/Noted</b>                  | Noted   |                                 |  |

| <b>Item PNC2-8</b>    |  | <b>Date of Next Meeting</b> |  |
|-----------------------|--|-----------------------------|--|
| <b>Paper No:</b>      | Lead: Convener   | Action requested: Note      |  |
| <b>Decision/Noted</b> | Monday 18 January 2021 (further meeting to be arranged for October). |                             |  |

**ANNEX TO THE MINUTE**

**ACTION POINTS ARISING FROM THE MEETING**

| <b>Item</b> | <b>Description</b>                                    | <b>Owner</b> | <b>Target Date</b>          |
|-------------|---|--------------|-----------------------------|
| PNC2-4.1    | Circulate business case                               | RG           | 23.09.20                    |
| PNC2-4.1    | Prepare and circulate an assurances checklist         | RG           | Asap                        |
| PNC2-5.1    | Risk Score for Risk 27 to be adjusted as above        | PC           | Asap                        |
| PNC2-6      | Arrange anti-racism development session for the Board | PC           | 21.10.20                    |
| PNC2-8      | Arrange additional meeting of PNC                     | PC           | October 2020<br>(Date tbc.) |

**ACTION POINTS ARISING FROM PREVIOUS MEETINGS**

| <b>Item</b> | <b>Description</b>   | <b>Owner</b> | <b>Target Date</b>          |
|-------------|--|--------------|-----------------------------|
| PNC1-4.1    | Revise Risk 6 Score  | PC           | 26.08.20<br><b>Complete</b> |
| PNC1-4.2    | Present Positioning Paper to Board   | PL           | 26.08.20<br><b>Complete</b> |
| PNC1-4.6    | Develop narrative to Workforce Planning Report   | JGr          | 21.09.20<br><b>Ongoing</b>  |
| PNC5 3-2    | Forward information to include narrative on legal advice, profitability/due diligence, and financial impact of sales | ST           | ASAP<br><b>Complete</b>     |
| PNC4-4.1    | Director of Excellence and Director of Communication posts to be recruited   | PL           | Asap<br><b>Complete</b>     |
| PNC3-5      | Check timing of accounts submission and audit  | PC/ST        | Asap<br><b>Complete</b>     |