

Board of Management

Meeting of the Development Committee

MINUTE OF 1st MEETING HELD ON WEDNESDAY 4 NOVEMBER 2020 AT 1500 HRS (DC1)
VIA MS TEAMS

Present	
Sarah Erskine (SE)	Paul Little (PL)
Lorna Hamilton (LH) (Convener)	
In attendance	
Paul Clark (PC) (Minute)	Roy Gardner (RG)
Robbie Francis, Thorntons (RF) (Item 4.1 only)	Carla Murray (CM)
Apologies for absence	
George Galloway (GG)	Graham Mitchell (GM)

LH chaired the meeting in the absence of GG. LH welcomed RF to the meeting.

Item DC1-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were received from GG and GM. SP was not in attendance.	

Item DC1-2	Declarations of Interest	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	There were no declarations of interest.	

Item DC1-3.1	Minute of the Development Committee meeting held on 22 April 2020	
Paper No: DC1-A	Lead: Convener	Action requested: Approve
Decision/Noted	That subject to one additional point of clarification, the minute be approved.	
	<p>Matters Arising Provision of Online Anti-bribery and Corruption Training RG confirmed that this has now been provided to all members of appropriate staff considered to be at risk. Subject to legislative changes, additional training will be provided.</p>	

Item 4.1 was taken at this time.

Item DC1-4.1	College Company Proposal	
Paper No: Verbal	Lead: R Gardner/R Francis	Action requested: Discuss
Discussion/ Matters Arising	RG reported that the draft Terms of Operations and Conditions was submitted at the June meeting of the Performance and Nominations	

Committee. Legal discussions have continued and RF was invited to attend the meeting to further address any areas of concern.

RF informed members that Thornton's has now set up a commercial subsidiary company wholly owned by the College to undertake delivery of training and other related commercial services and activities. This has received approval in principle, and governance arrangements relating to the control and oversight of the operations of the new company are now required. Whilst the subsidiary is not subject to the same level of governance compliances as the College, it does require a Board of Directors who will be responsible for the overall management and strategy of the company. The degree of oversight may be exercised by Senior Management and Board members. There is also an expectation that a level of Board scrutiny of activities be maintained, however a balance of control would be required in order to allow the subsidiary company to operate in a commercial manner. RF considered that, depending on its remit, the Development Committee would be the natural reporting line for the business and commercial activities of the new company.

SE stated her concern that discussions had taken place at the PNC, and decisions taken forward, but that the Development Committee should have greater oversight from this point on. Greater clarity was now required, particularly regarding the governance arrangements relating to the College's Charitable status (including arrangements for the transfer of profits). SE further considered that two Board members should serve on the company Board to ensure that links are made more robust.

PL responded to a query about employment through the company, pointing out that when making provision for commercial maritime and other projects, it may be deemed necessary to employ people for assessment and instruction delivery purposes.

PL understood the perception that decisions had bypassed the Committee, however due to the nature of the recent lockdown and the tight timing schedule involved, discussion had been referred to the PNC. Whilst the broad direction of travel was agreed by PNC, it was intended that a full report would be provided to the Development Committee. He agreed that the attendance of two Board members would be appropriate and suggested that he would be in attendance as an ex officio member. He further added that there was no intention that the company would operate privately.

PC further clarified that PNC has the remit to act on behalf of the full Board and had scheduled additional meetings to meet this responsibility over the period of emergency, ie through the summer months.

RF advised that profits made by the subsidiary company could either be reinvested or transferred to the 'parent' company by dividend. He reassured members that these are well-recognised procedures and are considered as standard practice. He further added that the subsidiary would be a commercial entity rather than a charity, which would mean that the College, as a charity itself, would need to adopt a robust, arm's length approach to financial decisions relating to the subsidiary and how it operates.

LH enquired that should the subsidiary fail to function effectively i.e. by operating at a loss or enter into receivership, would the College be liable?

RF replied that currently, if commercial activities suffer losses or attract liabilities, these would be borne directly by the College. By transferring these activities to a subsidiary, this would offer some protection to the College.

LH stated that for the avoidance of any doubt, the Committee was fully supportive of the set-up of a commercial company however members were keen to have an overview of its structure and how it would operate and interface with the College. The Committee also wished to retain a degree of oversight on its activities and performance.

RG reminded that final governance arrangements and a MOU have yet to be established. The method of capitalising the subsidiary will also need to be considered. This may be by way of a loan from the College which would require full Board approval. He further confirmed that future discussion on the new company activities would remain a standing item for consideration by the Development Committee.

PC suggested that if appropriate, further reportage could be provided at the Board meeting on 11 11 20. LH welcomed this suggestion which would provide the Committee with added reassurance and comfort on the issues raised.

SE referred to potential profits generated by the company and queried how this would be used to the benefit of the College. PL advised that any initial profit made may be reinvested to further develop the company and provide additional staff training. Profits could also be top-sliced for a central commercial income pot with some funding ring-fenced for reinvestment into additional Faculty resources, or developments at Riverside Campus. He further reminded the Committee that the Company would recruit new staff for the delivery of its commercial work. This would not replace current activity and existing staff would not be disadvantaged.

LH indicated that absent Committee members may have some additional questions. It was suggested that these be collated and forwarded on to RF to respond.

LH thanked RF for his attendance and input.

Decision/Noted

- To note the update report.
- To provide a further update report at the next meeting of the Board on 11 11 20.

RF left the meeting.

Item DC1-3.2		Committee Annual Report 2019-20	
Paper No: DC1-B	Lead: Paul Clark	Action requested: Approve	
Discussion/ Matters Arising	PC advised that the Report provides an overview and level of transparency of the activities undertaken by the Committee over 2019-20. Items considered, including those impacted by the Covid-19 crisis and the risks exposed as a consequence, were noted. It was agreed that the title of the new Company be included within the document.		
Decision/Noted	To approve the Committee Annual Report 2019-20.		

Item DC1-3.3		Committee Programme of Work 2020-21	
Paper No: DC1-C	Lead: Paul Clark	Action requested: Approve	
Discussion/ Matters Arising	The Committee Programme of Work 2020-21 was reviewed and it was agreed that the College Company, City of Glasgow International Ltd., be included as a standing item at future meetings. Review of the Corporate Development Strategy will also be moved to the February 2021 meeting.		
Decision/Noted	Subject to agreed amendments, the Programme of Work for 2020-21 was approved.		

Item DC1-3.3		Corporate Development Strategy	
Paper No: DC1-D	Lead: Roy Gardner	Action requested: Discuss	
Discussion/ Matters Arising	<p>RG provided an update on the RAG rated Corporate Developments Strategy outturns for 2019-20. Areas such as commercial income from business development and strategic events held on campus have been detrimentally impacted by the Covid crisis, with the level of Industry Academy (IA) development also showing a decline. RG reported that as the level of new partnerships/business engagement has now increased, these will be further aligned with Faculty Associate Deans and will help to further develop the IA model.</p> <p>LH recognised the considerable impact of Covid but stressed the need to ensure that no other underlying factors have affected these downturns. She further suggested that as work and industry practices have changed as a result, further new activities and metrics would need to be considered and put in place.</p> <p>The various Strategy outturn targets will be submitted for update in line with revised supporting Strategies at the Board Planning Event on 11 11 20.</p> <p>Members agreed that the Commercial Income should be RAG rated RED.</p>		
Decision/Noted	<ul style="list-style-type: none"> To note the report. To update the RAG rating status as agreed. 		

Item DC1-4.3		Performance against Targets (Commercial & International)	
Paper No: DC1-E	Lead: R Gardner	Action requested: Discuss	
Discussion/ Matters Arising	<p>RG reported on the progress made towards the Commercial and International income targets. As previously reported, the Covid-19 health crisis has resulted in the postponement and cancellation of some commercial training programmes from March-July 2020. This has had a significant impact on the ability to meet the commercial and international student recruitment target however with much effort the final income figure of £3m was higher than anticipated.</p> <p>The Committee noted that the target for session 2020-21 was reduced by 40%. At this stage, the forecasts indicate that the College will achieve its</p>		

	<p>overall income target of £3.6m.</p> <p>The value of commercial tenders and proposals for secured, active and unsecured business undertaken by the Business Development team and Faculties to the end of October 2020 was noted at £1.7m. Including commercial income secured from tenders/proposals not recorded on the SRP (£37 310) the total commercial income secured as at 31 October 2020 was estimated at £1 814 489.</p> <p>Members commended the team’s agility to adapt but considered that longer term plans and targets would also be required.</p>
Decision/Noted	To note the update report.

Item DC1-4.4 Flexible Workforce Development Fund Update	
Paper No: DC1-F	Lead: R Gardner/C Murray Action requested: Discuss
Discussion/ Matters Arising	<p>RG reported that the Scottish Government have now increased the year 4 FWDF allocation from £10m to £20m for 2020-21 with. £13m has been released to run through Colleges, with £7m dispersed for SMEs. CM updated the Committee on the planned increase in delivery over session 2020-21. The intention to recruit an additional three Business Management lecturers, to manage this increase in delivery, was noted.</p>
Decision/Noted	To note the update report.

Item DC1-4.5 International Projects Update	
Paper No: DC1-G	Lead: R Gardner/C Murray Action requested: Discuss
Discussion/ Matters Arising	<p>RG reminded members of the significant impact on projected international income for 2019-20 due to the Covid-19 crisis. The actual income secured for 2019-20 shows a £16% drop in the revised projected income however the overall target for International Project Income was exceeded by 18%.</p> <p>A breakdown of the projected international income for 2020-21 (RAG rated for likelihood of delivery) and associated costs (assuming future opportunities to travel before the financial year end) were provided.</p> <p>CM updated the Committee on significant projects currently in the pipeline. The College has been approached by the International Labour Organisation (ILO) to commence initial discussions around the skills needs for logistics training with two Polytechnics in Indonesia. Having engaged directly with the ILO and both Polytechnics, the College is now in a strong position to submit a tender bid for funding through the Skills for Prosperity Programme. Delivery of a similar model, both in country and online, is also being discussed with another partner in China.</p> <p>A ‘Letter of Intent’ with the West Java Government to support the development of Indonesia’s maritime capacity has now been signed and a three year work plan is being developed.</p> <p>Initial discussions to expand programme delivery in Latin America and the Caribbean have also been undertaken. This will require initial investment by</p>

Decision/Noted

the College and a final proposal will be provided at the next meeting. PL requested that a detailed pipeline of both commercial and international work also be provided. This was agreed.

SE raised some concern with regard to the risks involved in with continued online delivery to the Chinese market, particularly in terms of future worldwide competition and suggested that any potential risks also be included within pipeline document. CM advised that the College engages with overseas governments which limits the pool of competition.

SE also sought reassurance that high levels of quality education and delivery are maintained overseas. CM informed that the College follows internal verification procedures and continue to ensure that full due diligence processes are undertaken. These provide assurance that all quality standards are being met. PL added that periodic checks on the quality of delivery and assurance procedures are carried out overseas by College quality professionals.

- To note the update report.
- To provide a commercial and international pipeline document at the next meeting.

Item DC1-5.1	International Travel Costs v Benefits Update	
Paper No: Verbal	Lead: R Gardner	Action requested: Note
Decision/Noted	This item was not taken.	

Item DC1-5.2	Innovation and STEM Update	
Paper No: DC1-H	Lead: R Gardner	Action requested: Note
Decision/Noted	To note the update report.	

Item DC1-5.3	Industry Academy Update	
Paper No: Verbal	Lead: R Gardner	Action requested: Note
Discussion/ Matters Arising	RG referred to previous discussion and reiterated that the Industry Academy model will now be resumed with Associate Deans. The College will utilise the increased partnerships formed as a result of enhanced engagement with industries over the recent period of adjustment.	
Decision/Noted	To note the update.	

Item DC1-5.4	Strategic Risk Review	
Paper No: DC1-I	Lead: P Clark	Action requested: Discuss
Discussion/ Matters Arising	The strategic risks which most closely relate to the Committee’s remit were reviewed.	
	Risk 6 - <i>Negative impact upon College reputation</i> : As agreed by PNC, the Risk Score was reduced from 15 (RED) to 12 (AMBER). This was endorsed	

	by the Committee. Risk 7 - <i>Failure to achieve improved business development performance with stakeholders</i> : This Risk Score 25 (RED) was retained for further review. Risk 16 - <i>Failure to maximise income via diversification</i> : This Risk Score 25 (RED) was also retained for further review.
Decision/Noted	To note the updated Risk Management Action Plans and agreed Risk Scores.

Item DC1-6	Any Other Notified Business	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Development Committee Meeting The requirement for an additional ad hoc meeting will be considered as required.	

Item DC1-7	Disclosability of Papers	
Paper No:	Lead:	Action requested: Note
Decision/Noted	No changes proposed at present.	

Item DC1-8	Date of Next Meeting	
Paper No:	Lead:	Action requested: Note
Decision/Noted	Wednesday 3 February 2021.	

Meeting closed at 1655 hours.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
DC1-4.1	College Company Proposal: Provide a further update report at the next meeting of the Board.	RG	11 11 20 Complete
DC1-4.5	International Projects Update: Provide a commercial and international pipeline document at the next meeting.	RG/CM	03 20 21

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
DC3-4.6	International Projects Update: Provide more detailed reportage to include details on staff costs.	RG/CM	04 11 20 Complete
C2-3.2	Anti-Bribery & corruption Policy: Provide mandatory online anti-bribery and corruption training to all staff.	ST	ASAP Complete
DC2-4.3	College Company Proposal: Provide a full proposal for approval at the next meeting.	RG	Ongoing
DC1-3	Matters Arising (from Previous Minute): Provide additional narrative within Performance against Targets paper.	RG/CM	29 01 20
DC1-13	Business Development/International Activities: Include course participant variance analysis within a future report.	RG	Ongoing
DC3-7	International Projects Update: Provide an outline international activity business case.	RG	Ongoing Complete
DC3-7	International Projects Update: Provide an international activity brochure/leaflet.	RG	Ongoing Complete