

Board of Management

Meeting of the Development Committee

MINUTE OF 3rd MEETING HELD ON WEDNESDAY 28 APRIL 2021 AT 1600 HRS (DC3) VIA MS TEAMS

Present	
Lorna Hamilton (LH) (Convener)	Graham Mitchell (GM)
Sarah Erskine (SE)	
In attendance	
Alisdair Barron (AB)	Stuart Thompson (ST)
Paul Clark (PC)	
Roy Gardner (RG)	Ann Butcher (Minute)
Apologies for absence	

Item DC3-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	PL was not in attendance.	

Item DC3-2	Declarations of Interest	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	There were no declarations of interest.	

Item DC3-3.1	City of Glasgow International	
Item DC3-3.1.1	Lease Agreement and Memorandum of Understanding	
Paper No: DC3-A	Lead: R Gardner	Action requested: Approve
Discussion/ Matters Arising	<p>The Lease Agreement and Memorandum of Understanding (MoU) procured from APUC were submitted for review. The documents were based on templates used by other institutions with operational College subsidiaries. These have been adapted to incorporate CGI and provide an indication on the operational relationship between CGI and CoGC.</p> <p>Members reviewed the documents in detail. The following issues were raised:</p> <p>Lease Agreement Clarification on the total sum of Licence Fee will be amended. The rateable value should also be included acknowledging that this is likely to fall below chargeable rates. A detailed list of all-inclusive facilities ie Electricity, Heating, Cleaning and other ancillary support services will be added. This should also include potential provision of car parking facilities. Expansion of</p>	

'property' to include City Campus will also be considered. A mechanism for responsibility of planning obligations and statutory notices will also be investigated. Dilapidation costs on exit of premises will be included. Interest rate at 4% per annum was considered appropriate.

Provision of a unitary charge was discussed however a more detailed and defined commercial approach was considered more appropriate.

SE raised some concern regarding the short notice period for date of entry ie 1 June. RG confirmed that this date was flexible.

Memorandum of Understanding (MoU)

A MoU between the Board of Management and City of Glasgow International Ltd was deemed accurate.

Discussion followed on the proposal that a member of the Board of Management should hold the Office of Chair of the Board of Directors. Recognising the need for assignment without continued recourse to the Board, it was agreed that a Non-Executive member hold the Office of Chair. The Board of Directors shall consist of a minimum of two Directors who are members of the Board of Management. Proposed changes will be legally ratified through the College solicitors.

SE suggested that a period of 'easing in' should be allowed for the start-up period, particularly in relation to actions listed which may require the approval of the Board of Management, given that a summary of information would be reported to the Development Committee. This will provide a clear outline of the financial and operational position of CGI.

Members agreed that CGI Ltd should initially operate within the framework provided by the Financial Regulations adopted by the Board of Management (unless mutually agreed in writing to do otherwise) acknowledging that areas of the Regulations would not be applicable. More appropriate and streamlined regulations will be developed over time.

Decision/Noted

That the Lease Agreement and MOU be updated as agreed for final review by the College solicitors (Thornton's). Final papers will be submitted at the next meeting of the full Board in June.

Item DC3-3.1.2	Draft Business Plan, Loan Agreement Form and Terms & Conditions/Employment Contract	
Paper No: DC3-B	Lead: R Gardner	Action requested: Approve
Discussion/ Matters Arising	An outline Business Case was submitted, including a financial forecast, projected to cover the first 6 months of operations, and detailing fixed costs, income, and profit. This forecast forms the basis of the seed funding request for the subsidiary. If approved, it was expected that the sum of monies would be taken from Colleges commercial revenues and loaned to City of Glasgow International Ltd. A loan template (provided by Thornton's) which sets out the parameters for such a loan was also provided. The proposed repayment period of 24 months, taking account of financial projections, was considered.	

**Draft Business Plan
Loan Agreement**

It was reported that the scope of activities covering four areas - Training, Research, Consultancy and Retail - had been discussed in detail by ELT. Members agreed they provided a degree of flexibility for future expansion.

Start-up costs required prior to trading were reviewed. In general, members considered that additional ancillary costs may need to be included. It was agreed that the proposed total borrowing requirement from CoGC (which provides initial cashflow and funds for the start-up costs) should be increased with a draw down facility and longer term repayment agreement (to be agreed). Clear parameters should also be provided should the company require to cease trading. A clear mechanism for longer term profit dispersal will also need to be included with appropriate advice to be sought from the External Auditor.

Pt 10 – Price point under Profiling Customers will be clarified.
Pt 16 – Desk Space cost will be updated.

AB raised some concern over the ‘loan’ agreement and suggested that this should be considered as an investment.

A core Business Plan for wider publication will be produced.

The Committee reviewed Terms & Conditions as set out in the employment contract. The following matters were raised:

Terms and Conditions/Employment Contract

To ensure consistency, it was agreed that HR will provide a one-page appendix providing details of staff Terms and Conditions. Additional legal advice on the provision of Occupational sick pay will also be sought.

AB highlighted the need for fixed and flexible term contracts which should not infringe on the rights of existing College employee.

Profit and Loss Forecast

ST assured that a separate financial reporting and recording system and separate costing model will be put in place. The overall performance and annual budget will be kept under close review.

Decision/Noted

- That the draft Business Plan, Loan Agreement and Terms and Conditions/Employment Contract be updated as discussed for submission to the full Board.
- To provide a core Business Plan for wider publication.
- To note the Profit and Loss Forecast.

Item DC3-4

Any Other Notified Business

Paper No:

Lead: Convener

Action requested: Note

Decision/Noted

None.

Item DC3-5

Disclosability of Papers

Paper No:

Lead: Convener

Action requested: Note

Decision/Noted	No changes proposed at present.	
Item DC3-6	Date of Next Meeting	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Wednesday 5 May 2021	

The meeting closed at 1750 hours

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
DC3-3.1.1	Lease Agreement & MOU: Update Lease Agreement and MOU as agreed for final review by Thornton's.	RG/PC	BoM 16 06 21
DC3-3.1.2	Business Plan, Loan Agreement + T&Cs/Employment Contract: Update as agreed.	RG/ST	BoM 16 06 21
DC3-3.1.2	Business Plan: Provide core Plan for wider publication.	RG	ASAP

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
DC2-4.1	College Company Proposal: RG to ensure that the Development Committee is first privy to the full business case prior to Board review.	RG	Complete
DC2-4.2	Corporate Development Strategy 2020-30 (Draft): changing the title Workforce Development, as that exists elsewhere in the organisation (workforce planning).	RG	05 05 21
DC2-4.3	Performance against Targets (Commercial & International): Provide an update on the projected fees.	RG	05 05 21