

## Board of Management

### Meeting of the Development Committee

MINUTE OF 3<sup>rd</sup> MEETING HELD ON WEDNESDAY 8 FEBRUARY 2023 AT 1500 HRS (DC3), ON CITY CAMPUS, ROOM C.06.106.

Present	
Lorna Hamilton (LH) (Convener)	Paul Little (PL)
Douglas Baillie (DB)	Graham Mitchell (GM)
In attendance	
Roy Gardner (RG)	Drew McGowan (DM)
Carla Gethin (CG)	Ann Butcher (Minute)
Apologies for absence	
Nicola Cameron (NC)	

Item DC3-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were received from NC.	

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	Minute of the Development Committee Meeting held on 12 October 2022	
Paper No: DC3-A	Lead: Convener	Action requested: Approve
Decision/Noted	That the minute be approved.	

Item DC3-3.2	Minute of the Development Committee Meeting held on 22 December 2022	
Paper No: DC3-B	Lead: Convener	Action requested: Approve
Decision/Noted	That the minute be approved.	
	<p><b>Matters Arising</b>  <b>Committee Presentations</b>            To consider Committee presentations from relevant external education bodies and industry parties eg Scottish Government International Department; Department of Trade and Industry, etc.</p>	

Item DC3-3.3		Committee Terms of Reference Review	
Paper No: DC3-C	Lead: D McGowan	Action requested: Approve	
Discussion/ Matters Arising	<p>The Committee terms of reference were reviewed, and the following amendments were agreed:</p> <ul style="list-style-type: none"> <li>• Point 4 – To be updated reflecting that the College Company is now established.</li> <li>• Point 7 – To include innovation ie ‘To provide strategic oversight of College <i>innovation</i>, research and related matters, referring to the Learning and Teaching Committee as appropriate’.</li> <li>• Point 8 – To be updated to encourage active engagement.</li> </ul>		
Decision/Noted	Subject to the above amendments, the Committee Terms of Reference were approved.		

Item DC3-4.1		CGI Ltd Update Report – Activity Update	
Paper No: DC3-D	Lead: R Gardner	Action requested: Discuss	
Discussion/ Matters Arising	<p>RG provided an overview of activity through CGI Ltd from August to December 2022. The task summaries have been RAG rated and the list of activities undertaken to date was noted. The Head of Partnerships &amp; Operations continues to network with contacts to discuss needs and opportunities and engage with companies. Six procurement frameworks have been established with additional agreements in the process of being developed.</p> <p>Financial forecasting for 2022-23 is on track with the year-end forecast showing a profit margin of 9% in the first year of operation. A fixed Management Fee has been agreed upon with the College and a breakdown of services was provided. Salary costs are being kept to a minimum with one employee to date and any additional personnel will be subject to agreement by CGI Ltd Board of Directors. It was noted that seed funding will be received from CoGC and will be reconciled with income.</p> <p>The four main areas of trading were highlighted and it was agreed that the report be amended to reflect that the current focus would primarily remain within the maritime sector; however, this will not preclude activity from other areas.</p> <p>PL reminded that all set targets must be met and stressed that CGI Ltd would need to be more revenue driven. He further considered that increased ambition must be demonstrated and that projected targets must be stretched. Whilst acknowledging the preparatory work required particularly during year one of trading and also the loss of business at the start (which to an extent, was beyond control), the Committee agreed with the expectation to significantly increase revenue.</p> <p>It was agreed that additional financial information and analysis of current work in the pipeline both to the year-end and in future will be included within the report. It was also agreed that M Horton will be invited to the next meeting to provide the Committee with an update report.</p>		

<b>Decision/Noted</b>	<ul style="list-style-type: none"> <li>To note the expectations of the Committee in terms of increased revenue.</li> <li>To provide additional financial information as discussed.</li> <li>That M Horton to provide an update at the next meeting.</li> </ul>
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<b>Item DC3-4.2</b>	<b>CGI Ltd Board of Management Formation</b>	
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<b>Paper No: DC3-E</b>	Lead: R Gardner	Action requested: Discuss
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<b>Discussion/ Matters Arising</b>	<p>RG updated the Committee on the governance arrangements required for the formation of the CGI Board of Directors. As set out in the Memorandum of Understanding (MoU), the Nominated Officer is the Vice Principal for Corporate Development &amp; Innovation and the Chair of the GCI Ltd Board is the Chair of the Development Committee and accountable officer for GCI to the Board of Management of the College. As a minimum requirement, one vacancy would now need to be filled from other Committee members. Due to current circumstances (including the legal status of co-opted members) and future commitments, members present were unable to commit to this role. It was agreed that DM and RG approach and discuss this matter with NC. This vacancy may be filled on a pro tem basis in advance of new memberships (likely to be confirmed after June 2023).</p> <p>It was agreed that meetings of the CGI Board would be held directly following future meetings of the Development Committee.</p> <p>GM raised concern with regard to the wording contained within the MoU, in particular the timeframe of service for the role of Directorship on CGI Board (following retirement from CoGC Board) and the lack of reference to a grievance policy and procedure. DB considered that whilst the Articles of Association and Financial Memorandum set out the vital rules that companies must be run and administered, policies would be developed by the CGI Board for approval by the Development Committee. It was noted that the matter will be addressed by the CGI Board within an appropriate timeframe.</p>	
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<b>Decision/Noted</b>	<ul style="list-style-type: none"> <li>That RG and DM approach NC regarding membership of CGI Ltd Board.</li> <li>That CGI Ltd Board develop relevant policies for approval by the Committee.</li> </ul>	
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<b>Item DC3-4.3</b>	<b>Performance against Targets (Commercial &amp; International)</b>	
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<b>Paper No: DC3-F</b>	Lead: R Gardner/C Gethin	Action requested: Discuss
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<b>Discussion/ Matters Arising</b>	<p>CG provided an update on the commercial income summary and projection at 31 December 2022. Estimated fees (at Dec 2022) indicate 85% of the stretch target has been met and current projections (to July 2023) indicate the College will exceed the stretch target by 34%. The overall projected income levels have increased in comparison with last year which represents a 44% increase in projected commercial income.</p> <p>The commercial income breakdown by Faculty was reviewed and members noted the projected increase in income within 3 Faculties (including City Enterprises). CG informed that the significant increase within Nautical Science and STEM is due to the reclassification of some international</p>	
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student recruitment income and DB suggested that the target within this Faculty should be adjusted proportionately. CG confirmed that this was in progress. It was noted that income via Qobalak had yet to be included under Hospitality and Leisure. Faculty Deans and Business Managers continue to work with the Development team to consider additional income generation.

The projected course contribution for 2022-23 reflects an overall increase compared to the actual course contribution achieved in 2021-22. The Committee commended the improved commercial course costing and comparison model which will continue to be enhanced and refined.

The income, costs and surplus generated from the Halls of Residence for 2022-23 was highlighted and the increase in projected income level (2%) compared to 2021-22 was noted. CG confirmed that the budget for Security Services includes security services for St Luke's which is recharged back to the landlord. The Projected Expenditure for Security Services is therefore reduced (for Riverside Security Services). Projected costs for 2022-23 have increased which will have a direct impact on surplus levels (a reduction of 6% compared to 2021-22). RG provided an update on occupancy rates and potential future developments with St Luke's. It was agreed that R Daye, Head of Student Accommodation, be invited to provide an update at a future meeting of the Committee. GM suggested that a budget against actual trend analysis be provided within further reports. This was also agreed.

The projected income against target for College outlets was noted. Current projections (to July 2023) indicate that overall, outlet targets will exceed by 177%. The Bistro and Bakery significantly exceed last year's income due to recovery from Covid with Amethyst and Scholars projecting slightly lower income levels than 2021-22 (due to restricted opening hours and use as a training restaurant respectively). Potential adaptations and increased growth are currently being considered by the Business Manager and through discussions by SMT.

**Decision/Noted**

- To provide additional information as discussed in future reports.
- To invite R Daye to a future meeting of the Committee.

<b>Item DC3-4.4</b>		<b>Flexible Workforce Development Fund (FWDF) Update</b>	
<b>Paper No:</b> DC3-G	Lead: R Gardner/C Gethin	Action requested: Discuss	
<b>Discussion/ Matters Arising</b>	<p>CG reported that applications for Year 5 fully utilised the funding provided to CoGC however some full year delivery is still ongoing. The College was unable to deliver all courses by the deadline (due to companies unable to accommodate timelines and release staff) and the overall total funding to be received is 3% under the year 5 allocation.</p> <p>CG reported that liaison with stakeholders on the shape and composition of Year 6 FWDF funding for 22-23 is ongoing. Due to the current economic situation and budget revisions, funding allocations were only confirmed on 18 01 23 and were significantly reduced from Year 5 funding (ie 10 m for 22-23 compared with 17 m for 21-22). Despite this delay, timelines for application and completion of training, etc remains unchanged. Noting that this reduction will have an impact on staffing, use of bank lecturers and associate training will be reduced with training to be provided by the core</p>		

	team and additional support from Faculty staff as required.
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<b>Decision/Noted</b>	To note the update report.
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<b>Item DC3-4.5 Strategic Risk Review</b>	
<b>Paper No: DC3-H</b>	Lead: D McGowan      Action requested: Discuss
<b>Discussion/ Matters Arising</b>	<p>The Risk Register as at 24 01 23 and MAPs for high scoring risks 7 and 16 were submitted. Following the quarterly review, no changes to Risk Scores were proposed. Due to ongoing national and global uncertainties it was agreed that the Risk Scores both remain unchanged ie RED.</p> <p>The difficulty with reviewing Risk Scores beyond the gross risk score (25) was highlighted. DM confirmed that risk scales and terminology, are currently under consideration as part of a wider review of strategic risk reporting.</p> <p>With reference to Risk 16, CG provided clarity on the breakdown in SFC funding received by the College (ie the percentage provided within the report excludes educational contracts).</p> <p>Referencing Risk 26, PL provided an update on the progress being made against achieving taught degree awarding powers. Whilst good progress is being made against each criterion, the criteria relating to staff profile and development is now challenging particularly given current financial uncertainties. The working timeframe has been extended and alternative options to attain tDAP are being explored.</p>
<b>Decision/Noted</b>	<ul style="list-style-type: none"> <li>• To approve the Risk Register as at 24 January 2023.</li> <li>• To note the MAPs for high scoring Risks 7 and 16.</li> </ul>

<b>Item DC3-5.1 Qobalak – Tourism Taster Programme Update</b>	
<b>Paper No: Verbal</b>	Lead: R Gardner      Action requested: Note
<b>Discussion/ Matters Arising</b>	RG provided an update on the arrangements and challenges experienced in securing approval to engage with Qobalak and highlighted the significant risk of losing a critical future income source (including the contract secured with King Abdulaziz University).
<b>Decision/Noted</b>	To note the update report.

<b>Item DC3-5.2 Innovation and STEM Update</b>	
<b>Paper No: DC3-I</b>	Lead: R Gardner      Action requested: Note
<b>Discussion/ Matters Arising</b>	PL provided an update on the development of the Riverside Innovation Centre project. Funding options for the development of a full Business Case are being considered.
<b>Decision/Noted</b>	To note the update report.

<b>Item DC3-5.3</b>	<b>International Projects &amp; International Student Recruitment</b>	
Paper No: DC3-J	Lead: R Gardner/C Gethin	Action requested: Note
Decision/Noted	To note the update report.	

<b>Item DC3-5.4</b>	<b>International Travel Costs v Benefits Update</b>	
Paper No: DC3-K	Lead: R Gardner/C Gethin	Action requested: Note
Decision/Noted	To note the update report.	

<b>Item DC3-5.5</b>	<b>Skills Academy Activity – January Update</b>	
Paper No: DC3-L	Lead: R Gardner	Action requested: Note
Decision/Noted	To note the update report.	

<b>Item DC3-6</b>	<b>Any Other Notified Business</b>	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	None.	

<b>Item DC3-7</b>	<b>Disclosability of Papers</b>	
Paper No:	Lead: Convener/M Cross	Action requested: Note
Decision/Noted	The disclosability status of papers as described on respective cover sheets were retained.	

<b>Item DC3-8</b>	<b>Date of Next Meeting</b>	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Wednesday 3 May 2023	

*The meeting closed at 1755 hours.*

## ANNEX TO THE MINUTE

### **ACTION POINTS ARISING FROM THE MEETING**

<b>Item</b>	<b>Description</b>	<b>Owner</b>	<b>Target Date</b>
DC3-3.2 08 02 23	<b>Matters Arising:</b> To consider Committee presentations from external education bodies and industry parties.	RG/DM	Ongoing
DC3-3.3 08 02 23	<b>Committee ToR Review:</b> To update as agreed.	DM	ASAP
DC3-4.1 08 02 23	<b>CGI Activity Update:</b> Provide additional financial information as discussed.	RG	03 05 23
DC3-4.1 08 02 23	<b>CGI Activity Update:</b> Invite M Horton to attend next meeting.	RG	03 05 23
DC3-4.2 08 02 23	<b>CGI Board Formation:</b> Approach NC re membership.	RG/DM	ASAP
DC3-4.3 08 02 23	<b>Performance against Targets:</b> Provide additional information as discussed.	RG/CG	03 05 23
DC3-4.3 08 02 23	<b>Performance against Targets:</b> Invite RD to future meeting.	RG	ASAP

### **ACTION POINTS ARISING FROM PREVIOUS MEETINGS**

<b>Item</b>	<b>Description</b>	<b>Owner</b>	<b>Target Date</b>
DC1-5.1 12 10 22	<b>CGI Activity Report:</b> Update as agreed.	RG	08 02 22 <b>Complete</b>
DC1-5.2 12 10 22	<b>Industry Academy Update:</b> That an update paper be provided at the next meeting.	RG	08 02 22 <b>Complete</b>
DC1-5.5 12 10 22	<b>Strategic Risk Review:</b> Reduce Risk 28 Risk Score to AMBER.	RG/SL	ASAP <b>Complete</b>