

Board of Management

Meeting of the Development Committee

MINUTE OF 1st MEETING HELD ON THURSDAY 9 NOVEMBER 2023 AT 1500 HRS (DC1), ON CITY CAMPUS, ROOM C.06.106.

Present	
Lorna Hamilton (Convener)	Nicola Cameron
Dave Anderson	Paul Little
Douglas Baillie (Remote)	
In attendance	
Shelley Breckenridge	Carla Gethin
Andrew Dickson	Matt Horton
Robbie Francis	Drew McGowan
Roy Gardner	Ann Butcher (Minute)
Apologies for absence	
None	

L Hamilton extended a welcome to D Anderson and S Breckenridge at their inaugural meeting of the Committee. R Francis was also acknowledged and invited to offer guidance during item 4.3. It was noted that P Little was not in attendance at this time.

Item DC1-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	There were no apologies.	

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 18 May 2023	
Paper No: DC1-A	Lead: Convener	Action requested: Approve
Decision/Noted	That the minute be approved.	
	<p>Matters Arising Committee Remit Members noted the change to the Committee's remit which now includes oversight of proposals and plans for new developments to the College's campuses and property.</p> <p>BAE Systems Presentation R Gardner informed the Committee that due to the current contract retender</p>	

issue, a presentation from BAE would not be provided at this time. He advised that a report on the Symbiotic Business Relationships meeting would be provided at the next meeting in February.

CGI Loan Agreement & Payment Terms

R Gardner confirmed that once the appropriate governance is established, agreement on this matter will be confirmed.

Item DC1-3.2		Committee Schedule of Business 2023-24	
Paper No: DC1-B	Lead: D McGowan	Action requested: Approve	
Discussion/ Matters Arising	The Committee reviewed the Schedule of Business for 2023-24. D Baillie proposed that considering City of Glasgow International was still in its early stages, the activity report update should be submitted at each meeting. This was agreed.		
Decision/Noted	That subject to the agreed amendment, the Schedule of Business for 2023-24 was approved.		

Item DC1-3.3		Committee Annual Report 2022-23	
Paper No: DC1-C	Lead: D McGowan	Action requested: Approve	
Discussion/ Matters Arising	The Committee Annual Report for 2022-23 was submitted for review. After a discussion on the reporting period for the annual report, members agreed to approve the Committee’s Annual Report.		
Decision/Noted	To approve the Committee Annual Report 2022-23.		

Item DC1-3.4		Homologation: Qobolak Phase 2	
Paper No: DC1-C	Lead: D McGowan	Action requested: Approve	
Discussion/ Matters Arising	D McGowan outlined the recommendations and approvals made by the Committee by correspondence in May 2023 regarding the Qobolak Phase 2 programme as follows: <ul style="list-style-type: none"> • To approve the business case and revised costing model; • To approve due diligence for Umm Al-Qura University; • To approve to refer papers to the Board for noting; • To approve submission to the GCRB and SFC for authorisation. 		
Decision/Noted	The Committee unanimously ratified the decisions and approvals made.		

Item 4.3 was taken at this time. P Little entered the meeting during the discussion.

Item DC1-4.3		CGI Ltd Governance	
Paper No: Verbal	Lead: R Gardner/R Francis	Action requested: Discuss	
Discussion/ Matters Arising	R Francis provided a recap to the Committee, reminding them of the decision to establish City of Glasgow International (CGI) Ltd. The decision to establish the CGI aimed to ringfence commercial activities, shield the College from liabilities, allow CGI the freedom to engage in commercial		

activities that the College may find challenging and mitigate the risk of generating corporation tax for the College.

The lease agreement and Memorandum of Understanding (MOU) between the College and CGI sets out the clear arm's length and robust relationship. This includes the license to occupy, and a funding agreement structured on an arm's length basis, ensuring that the College does not subsidise any commercial activity.

The Committee discussed the need for governance arrangements for CGI to be finalised CGI. The MOU specifies that at least one director appointed to the CGI board should be a member of the Development Committee. Currently, R Gardner is the sole member and director of the subsidiary company board and additional directors need to be appointed to ensure comprehensive oversight and effective control of the CGI's activities.

The main areas of trading were highlighted, and the Committee acknowledged that seed funding will be received from the College and will be reconciled with the subsidiary's income. The subsidiary is currently VAT registered and will initially adopt the existing financial and procurement regulations, policies and procedures. These will be subject to modifications relative with commercial considerations once the governance arrangements are established.

The Committee noted that CGI operated independent of public sector procurement regulations. R Francis confirmed that he could offer guidance on transitioning to a different procurement regime at the next meeting.

Discussion followed on the potential implications of being a member of the CGI board, particularly regarding personal liability. R Francis explained that in general, a corporate entity (such as a company) bears liability for its actions and directors are not typically held personally liable unless through negligence or fraud. It was emphasised that an overarching personal liabilities insurance policy would be in place to provide protection against any potential litigation.

R Francis left the meeting at this time.

The Committee agreed that a minimum of two members from the Development Committee should be nominated as directors of CGI. The nominations should exclude the Convener to avoid any potential conflicts of interest. The Committee also considered the composition of the board, taking account of the gender representation. It was decided that discussions on nominations would continue out with the meeting, with the Convener making a recommendation to the Board for approval sought at the Board of Management meeting on 14 December 2023.

D Baillie additionally proposed the consideration of an independent member, unaffiliated with the College and possessing the required skills, attributes and experience, to bring added value to CGI. It was also suggested that in future, CGI board meetings be held directly in advance of Development Committee meetings.

Decision/Noted

That recommended nominations for director appointments be sought for approval by the full Board on 14 December 2023.

Item DC1-4.1 CMFA Angola (College Partnership in Africa)	
Paper No: DC1-D	Lead: R Gardner Action requested: Discuss
Discussion/ Matters Arising	<p>R Gardner presented the Committee with a comprehensive overview of the historical College partnership in Angola in preparation for upcoming contract discussions following a recent visit from Angolan representatives from Sonangol.</p> <p>The Centro De Formação Maritima De Angola (CMFA), established between Sonangol Shipping and Stena, formally opened in 2012 with the admission of Deck and Engineering trainees. The College played key roles ensuring compliancy with academic standards and overseeing operational management of all training and activities. However, in 2015-16, business operations were reprioritised by Sonangol with training being cut due to the fall in oil prices.</p> <p>Following the recent visit by CMFA representatives, discussions focused on potentially renewing the contract with the aim of presenting the Sonangol Board with a business case. It was confirmed that the College is the preferred training partner for maritime training with potential expansion into other curricular areas.</p> <p>A plan of work including business proposals, due diligence, contract details and costing proposals, along with a high-level financial benefit analysis will now be developed. An update will be provided for further consideration at the next meeting. If necessary, an additional Committee meeting may be scheduled.</p>
Decision/Noted	<ul style="list-style-type: none"> • To note the report. • That a further update will be provided at the next meeting.

Item DC1-4.2 CGI Ltd Activity Bi Annual Report	
Paper No: DC1-E	Lead: R Gardner/M Horton Action requested: Discuss
Discussion/ Matters Arising	<p>M Horton provided the Committee with an update on his involvement in key events and successful bids for inclusion in frameworks. He highlighted that sales have not met projected targets primarily due to the absence of formal promotional activities or launches which was attributed to budget constraints. Despite consistent sales, the volume was not as expected, and the company has made a small loss in its first year of trading.</p> <p>Recognising the challenges, CGI continues to gain interest from shipping and management companies for bespoke courses, retail opportunities and consultancy services. M Horton informed the Committee that he continues to actively engage with existing contacts to address their needs, fostering opportunities for both the company and the College. In addition, there are ongoing discussions regarding proposals for new short courses as well as the development of an MOU with the University of the West Indies for a range of courses. The company continues to support the College with the purchase of starter packs and uniform/PPE requirements for students.</p> <p>The Committee acknowledged the ongoing efforts however suggested a need for increased synergy between CGI and the College especially</p>

concerning work transferred to benefit the College. It was suggested that some form of success fee mechanism be implemented to establish a fair and mutually beneficial partnership.

While acknowledging the potential for increased synergy, there was a recognition that the loss of income had not been anticipated and the reasons behind this remained unclear. The feasibility of recovering this shortfall within the next two years was raised. R Gardner advised that a revised forecast would be undertaken in collaboration with A Dickson. The Committee suggested that for accounting purposes, the treatment of income generated for the benefit of the College should also be included.

The Committee also emphasised the need for growth in activity, setting marketing objectives and developing a clear marketing plan with high-value activities and targets to illustrate the potential for income growth.

Decision/Noted	Taking account of discussions and suggestions made, an update will be provided at the next meeting.
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D Baillie and D Anderson left the meeting during the following discussion. Items 4.4 and 5.1 were taken.

Item DC1-4.4	Commercial and International Performance Report
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Item DC1-5.1	Flexible Workforce Development Fund
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Paper No: DC1-G + DC1-J	Lead: C Gethan	Action requested: Discuss
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Discussion/ Matters Arising	C Gethan provided an overview of the scenarios associated with the Flexible Workforce Development Fund (FWDF) and Commercial & International activity.
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The Committee were reminded that the FWDF Year 6 (2022-23) funding allocations were significantly reduced to £10 m (from £17 m in Year 5). The Glasgow Colleges' Regional Board originally applied a blanket reduction to all Glasgow colleges resulting in a 48% reduction for Levy Payer funding and 26% reduction for Small and Medium-sized Enterprises (SMEs). Some additional funding has been allocated to the College throughout 2023 and it was noted that delivery must be completed by December 2023. No decision has been made on Year 7 (2023-24) funding from the Scottish Government and the Scottish Funding Council (SFC) however current expectation is that this funding will be removed resulting in a significant loss of income and activity undertaken by the College.

The College has also had a difficult start to AY 2023-24 due to industrial action which has impacted planned commercial activity. While the development team continue to proactively communicate with stakeholders to minimise disruption, several challenges have been experienced. Although some delivery has been undertaken online or on client premises, it is expected that at least one employer will retender their business due to current circumstances. The possibility of refunding those impacted was also highlighted. The Committee noted that the current projected commercial fee income for AY 2023-24 is below budget and target (below actual income generated in 2022-23) however the team will continue to focus on additional activity before the end of the academic year.

The International student recruitment target for 2023-24 is projected to

exceed the budget and target positions (19% above actual fee income generated in 2022-23). However, the ongoing industrial action is proving problematic, and in some cases, international students are not being taught which presents compliance challenges relating to the College Tier 4 licence. By removing the high-risk students who have not had sufficient teaching hours, international fee income would be significantly reduced.

International projects income is also projected to exceed target by 240% (321% above actual income generated in 2022-23). This provides a contingency for any slippage in dates of delivery however there is also the possibility of having to refund those students who have not been taught over the current period.

In summary, the College is forecast to achieve total commercial and international income above the budget position by 9%. The current projection is 14% below the planned target.

Decision/Noted To note the update report.

Item DC1-4.5 Charles Oakley Building Business Case Update

Paper No: DC1-H	Lead: A Dickson	Action requested: Discuss
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Discussion/ Matters Arising

The Committee acknowledged the comprehensive historical overview presented on the exploration of future options for the Charles Oakley Building (COB). Attention was given to the most recent developments, specifically in response to an approach by an external party expressing potential interest in utilising the building as site offices in 2024. This arrangement would enable the College to retain ownership of the land and building while also providing an opportunity to consider the building’s long-term redevelopment. The anticipated rental income would also help cover the necessary costs for maintaining the building.

The Committee further noted that several additional enquiries from external parties had also been received in the past few weeks. A Dickson, the new Chief Financial Officer overseeing this matter, proposed a comprehensive exploration of all incoming proposals. The Committee also suggested the possibility of engaging external professional support in this evaluation process. Members noted that an update is scheduled for the next meeting of the Committee.

Decision/Noted To further investigate the proposals for a lease agreement with external parties with the option of engaging external professional support.

Item DC1-4.6 Strategic Risk Review

Paper No: DC1-I	Lead: D McGowan	Action requested: Discuss
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Discussion/ Matters Arising

D McGowan highlighted the two proposed changes to risk scores, SR6 *Negative impact upon the College’s reputation*, from 12 (Amber) to 9 (Amber) and SR7 *Failure to achieve improved business development performance with stakeholders*, from 20 (Red) to 9 (Amber).

D McGowan advised that while the College is experiencing unprecedented organisational change which is impacted by the ongoing industrial action,

	sentiment analysis and stakeholder engagement reported by R Gardner indicate that the College's reputation is still positive and strong. In addition, post Covid-19 lockdown, the College also continues to perform well with businesses. Members agreed to the proposed risk score changes.
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| Decision/Noted | <ul style="list-style-type: none"> • To note the Risk Management Action Plans for risks reported to the Committee. • To approve the proposed risk scores for SR6 and SR7. |
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N Cameron left the meeting.

Item DC1-6	Any Other Notified Business	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	None.	

Item DC1-7	Disclosability of Papers	
Paper No:	Lead: Convener/D McGowan	Action requested: Note
Decision/Noted	The disclosability status of papers as described on respective cover sheets were retained.	

Item DC1-8	Date of Next Meeting	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Wednesday 7 February 2024	

The meeting closed at 1740 hours.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

Item	Description	Owner	Target Date
DC1-3.1 09 11 23	Matters Arising: Provide a report on the Symbiotic Business Relationships meetings.	RG	07 02 24
DC1-4.3 09 11 23	CGI Ltd Governance: Seek nominations for director appointments for recommendation to the Board.	RG/DM	Prior to 14 12 23
DC1-4.1 09 11 23	CMFA Angola: Provide update at next meeting.	RG	07 02 23
DC1-4.2 09 11 23	CGI Ltd Activity Report: Taking account of recommendations, provide update at next meeting.	RG/AD/ MH	07 02 23
DC1-4.5 09 11 23	COB Business Case Update: Further investigate proposals for a lease agreement.	AD	07 02 23

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
DC4-3.1 18 05 23	Matters Arising: Arrange BAE Systems presentation for the next meeting and consider the potential for future presentations from a relevant external education body.	RG	DC1 AY 2023-24 Closed
DC4-3.2 18 05 23	CGI Loan Agreement & Payment Terms: Arrange sign off meeting.	RG	Ongoing
DC4-4.5 18 05 23	Qobalak Update: Circulate revised costing model to members for approval by correspondence.	RG/DM	ASAP Complete
DC4-4.2 18 05 23	Performance against Targets: Provide detailed breakdown of proposed income streams over the next 12 months.	CG	Ongoing Complete
DC3-4.2 08 02 23	CGI Board Formation: Approach NC re membership.	RG/DM	Ongoing Complete
DC3-4.3 08 02 23	Performance against Targets: Invite RD to future meeting.	RG	Ongoing