

## **Board of Management Development Committee**

<b>Date of Meeting</b>	<b>Monday 3 October 2016</b>
<b>Paper No.</b>	<b>DC1-B</b>
<b>Agenda Item</b>	<b>4</b>
<b>Subject of Paper</b>	<b>Committee Annual Report 2015-16</b>
<b>FOISA Status</b>	<b>Disclosable</b>
<b>Primary Contact</b>	<b>Paul Clark, College Secretary/Planning</b>
<b>Date of production</b>	<b>12 September 2016</b>
<b>Action</b>	<b>For Approval</b>

### **1. Recommendations**

1. To review the Committee Annual Report 2015-16
2. To approve the report (for noting by the Board) subject to any agreed changes.

## **2. Purpose of report**

2.1 To provide the Committee with a high-level review of the activities of the Committee throughout 2015-16 within the framework of the Committee's Terms of Reference.

## **3. Context**

3.1 In May 2014 the Committee agreed to a recommendation from the Internal Auditor to prepare "an annual report...for each sub-committee and that this is used as the basis for the preparation of the annual report for the full Board " (Ref. paper AC4-F, May 2014: "Internal Audit Report - Risk Management and Governance").

3.2 Referencing the Committee Terms of Reference, the summary schedule of work of the Committee for 2015-16, and the considerations and discussions undertaken by the Committee through the session, the attached report provides a summary report of the Committee's activities.

3.3 The benefits of such a review include the following:

- It provides a reference for progress and achievement, and an accessible update on the Committee's recent and current areas of focus, within the parameters of the Committee's areas of responsibilities. This is of value to new Committee members, other Board members, and other stakeholders.
- It provides a sound basis for the development of a College Annual Report, ensuring a robust governance framework and perspective for reportage.
- It reflects good governance practice.
- It facilitates reflection and performance improvement, thereby supporting the College's Strategic Aim 5. "With a high performance focus, be the best we can be in the way we operate and work together".

## **4. Impact and implications**

4.1 The review process comprises a thorough review of the Committees activities in the previous academic session, informing strategic direction, and facilitating development and improvement.

4.2 It will provide further reassurance to the Board and its stakeholders, including the Regional Board, that the City of Glasgow College systems of governance review are robust, and delivered to a high standard.

### **Appendices:**

**Appendix 1: Development Committee Annual Report 2015-16.**

## Board of Management



**Development Committee**

**Annual Report 2015-16**

## DEVELOPMENT COMMITTEE

**CONVENER:** Lesley Woolfries

**VICE CONVENER:** George Black

**MEMBERS:** George Galloway, Charlie Kaur, Karen Kelly, Paul Little, Stuart Patrick

## Introduction

The Development Committee has a primary focus upon the College's commercial and international activities, ensuring the alignment of such activity with the Colleges strategic priorities, and monitoring the development of new business. To this end, the Committee receives regular reports enabling the Committee to assess the business risks to the College, as well as the opportunities for significant investment and development opportunities.

The Committee has therefore a key strategic role in College governance, considering, instigating, and co-ordinating policy and strategy development or change, and any related decisions which may be of relevance to more than one Board Committee. The Committee reports to the Board on all such matters, as well as any development related matters of unusual or special interest not within the remit of another Board Committee.

It is also a key task of the Committee to consider the environmental and policy context for College development, to ensure that the College's strategic direction is informed, up to date, proactive and responsive to external priorities

## Review of 2015-16

### Standing Items

The priorities of the Committee throughout 2014-15 were represented in the Committee's agenda standing items through the session, which were:

- Performance against targets for Commercial and International activity
- Industry Academies (progress vs targets)
- Overseas Project updates
- Reputational and Fraud risks relating to International Operations (annual)
- Strategic Risk Review (every second meeting)

The Committee's commercial development focus was represented in the Corporate Development Strategy.

### Corporate Development Strategy

The new College Corporate Development Strategy, designed to take the College forward from 2016, was considered by the Committee. The Committee noted that the key drivers are the ambitions of the College, and the likelihood of a significant reduction in grant funding in the coming years, and that the balance of College funding is intended to shift towards an increase in independent income strands. It was also noted that SFC grant would not reduce as a consequence of an increase in the College's independent income. However, it was recognised that this dynamic may be a consideration within the Glasgow Region in future.

The strategy was structured around the headings of:

- Private Training Company
- Retail Operations
- Conferences and Events
- Industry Academy Developments

The Committee also noted that if there were very significant cuts to funding, it may be that independent income may have to subsidise activity previously fully-funded via grant. The Committee acknowledged the risks that may be involved in this growth, which may, from time to time, be higher than the current default Board position of low tolerance of risk. This pointed to a future adjustment in the perception of risk appetite and tolerance.

### UKVI Investigation

The Committee received a report following an investigation into the College's partnership with WMA (Bangladesh) led by J Carson and P Clark, which had threatened the College's UKVI status.

A series of findings were identified and included in the report, together with a series of recommendations. Matters concerning governance, student support, student attendance monitoring and performance, protecting the College's reputation and status, duty of care to staff, and other themes are highlighted in the report.

The Committee noted that due to early intervention, follow-up of the investigation recommendations, and close working with UKVI, the College had retained its licence to operate.

## Angola Maritime Training Centre (CFMA)

The Committee received regular reportage on developments regarding the CFMA partnership, a project inherited from a predecessor college. Through 2015-16 it was noted that CFMA owed the College £338,000 (Nov 2015) and that the Angola partner had terminated the contract. In April 2016, the Committee was advised that payment of approx.. £200,000 had been received in part payment of the funds owed to the College.

The Committee set the following priorities in dealing with the position:

1. Staff Welfare
2. Contacting the British Embassy in Angola
3. Obtaining legal advice regarding termination of the contract

## International Travel

In the interests of promoting good governance, the Committee agreed that it should be provided the opportunity to assess the cost against benefits of international travel proposals by College staff. In cases where the College is required to move quickly in response to development opportunities, the Committee accepted that a report may need to be provided to the Committee to include a retrospective analysis of the potential benefits of international travel vs the costs.

A Cost vs Benefits report for International Travel was agreed as a standing item for the Committee.

## Industry Academies

The Committee were pleased to note progress through 2015-16 in the development of Industry Academies across a wide range of curriculum areas. All Faculty Directors presented updates and case studies which were well received by the Committee, which noted rigorous PIs relating to return on investments, and benefits to students and staff.

## Commercial and International Targets

The Committee considered regular reports on commercial and international income targets, noting that the position is subject to change throughout the session, with commercial fee income above target, and international fee income below target. The exceptional performance of the Nautical Faculty was highlighted.

The Committee considered some of the wider strategic factors which influence commercial income, especially in the nautical area. The Principal provided contextual background information, for example international demand, markets, and competition from other providers.

The Committee discussed a range of approaches to ensure the future financial sustainability of the College, including the legalities of various mechanisms to deliver new income sources.

### International Projects

The Committee was pleased to note progress in international development activity in the following countries:

- India
- United Arab Emirates
- Sri Lanka
- USA
- China
- Singapore
- Nigeria

The Committee also notes the development of an International Academy project between Strathclyde University and the three Glasgow Colleges which will offer a pathway for international students through a FE College to complete a Bachelor of Master's Degree

### Risk Management Review

The Committee received regular reports from the senior management Risk Management reviews in 2015-16. All significant changes to risk assessment or management were highlighted and discussed by the Committee, via the individual Risk Management Action Plans, as well as the College Risk Register and Matrix, with due regard to reputational and fraud risks associated with international activity.

It was acknowledged that in future, given the increasing focus upon more ambitious income targets via higher risk ventures, that the College's risk appetite may not always default to "Low". It was noted that the College's risk tolerance will be set out under a range of areas of activity, and that in some cases risk appetite will increase to reflect more ambitious development strategies.

### **Attendance**

<b>Development Committee Attendance</b>				
Year	No. of Meetings	Total Possible Attendances	Total Actual Attendances	Percentage Attendance
<b>2015-16</b>	<b>3</b>	<b>15</b>	<b>14</b>	<b>93%</b>

Attendance levels were noted as excellent by the Board of Management as part of the Board evaluation exercise in June 2016.

#### **APPENDIX : COMMITTEE TERMS OF REFERENCE**

1. To conduct an ongoing strategic review of the College's commercial and international activities ensuring alignment with the College's Strategic Plan.
2. To receive and review reports on the College's commercial and international activities, to consider, assess, and manage associated risks, and new opportunities, and to oversee the implementation of new business, international and commercial activities.
3. To review and report on any significant investment opportunities, development opportunities, and associated benefits and risks to the Board of Management.
4. To provide co-ordination in respect of development related policies and decisions of relevance to more than one Committee of the Board or policies and decisions of particular significance, if deemed appropriate by the Board, and to instigate review and consideration of policy change.
5. To oversee the development and implementation of significant policy or strategic changes, if so requested by the Board of Management, and thereafter to report to the Board of Management on such matters.
6. To receive reports on and to consider the implications of relevant sectoral and non-sectoral, regional and national policy change and development to ensure that the College's Strategic direction is informed, up to date, proactive and responsive to external priorities.
7. To consider and make recommendations to the Board of Management on any development related matters of unusual or special interest not within the remit of another Board Committee.