

Board of Management

Meeting of the Development Committee

MINUTE OF 1st MEETING HELD ON WEDNESDAY 12 OCTOBER 2022 AT 1700 HRS (DC1)
VIA MS TEAMS

Present	
Lorna Hamilton (LH) (Convener)	Graham Mitchell (GM)
Douglas Baillie (DB)	
In attendance	
Michael Cross (MC)	Maddy Green (MG)
Roy Gardner (RG)	Sheila Lodge (SL)
Carla Gethin (CG)	Ann Butcher (Minute)
Apologies for absence	
Nicola Cameron (NC)	Paul Little (PL)

Item DC1-1	Apologies for Absence	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Apologies were received from NC and PL.	

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

Item DC1-3	Presentation Maddy Green	
Paper No: Presentation	Lead: M Green	Action requested: Discuss
Discussion/ Matters Arising	<p>MG provided the Committee with an overview of the historical commercial 3-year analysis and trends for the Faculty of Education and Humanities. Members were advised that the sharp decline in total income against target (25%) during 2019-20 was due to lockdown in March 2020 and suspension of new commercial activity for 4 months until 31 July 2020.</p> <p>During 2020-21, some areas providing professional qualifications were substantially reduced (ie healthcare delivery to MCA courses) whilst other areas continued at a slower pace (income in work-based learning), compensating in part for drop off in other areas.</p> <p>In 2021-22, the target was increased but the Faculty continued to work under challenging circumstances, generating less income than 2020-21. Some recovery was evident in professional and healthcare courses but remained slower than target. Income from TUED was generated however is not recognised on the SRP and work towards ESOL projects started, with</p>	

income realised in 2022-23. The reduction in work-based learning income continued to have the largest impact.

The overall commercial position for 2022-23 is currently short of target. However some areas including accounting and supply chain management; health and early years and work-based learning professional programmes are exceeding targets. Additional income opportunities (including New Scots Integration Programme, BAE Maritime Writing Course and Edusport – ESOL Provision and evening courses) are also planned.

MG provided an overview of current strengths which included the variety and volume of commercial activity provided and speed of recovery. Potential cross over of existing activity to a number of other customers was also highlighted. Communication improvements, particularly relating to development of a new commercial request tracking system, were noted. Project management has been improved through the Faculty Business Manager and the Dean of Faculty has a growth plan in place to capitalise on opportunities which include growth in professional programmes, increase in healthcare delivery and evening/Saturday short courses portfolio.

The need to change mindset to focus on commercial in addition to SFC income across all roles was advised. Regular engagement with the Business Development Officer and marketing/promotion of shorts courses will be improved and the Faculty will continue to work with Student Records to ensure the Student Recruitment Plan is accurate.

MG noted the difficulty in responding to requests for some commercial opportunities due to the lack of flexibility in permanent staffing timetables. MG additionally drew attention to Issues regarding costs of staffing resources compared with competitors, and the impact of industrial action to centres such as TUED.

The Committee was reassured that, with added support from the Faculty Business Manager, all course costings are being reviewed to ensure adequate profit margins are generated.

LH thanked MG for her detailed and informative presentation.

Decision/Noted To note the Faculty commercial update position.

Item DC1-4.1 Minute of the Development Committee Meeting held on 4 May 2022

Paper No: DC1-A **Lead:** Convener **Action requested:** Approve

Decision/Noted That the minute be approved.

Matters Arising

Performance against Target – Additional Information Request

GM thanked RG and CG for the additional information provided in the Performance Against Targets report (submitted for discussion under Item 5.3).

Item DC1-4.2 Committee Programme of Work 2022-23

Paper No: **Lead:** M Cross **Action requested:** Approve

DC1-B	
Decision/Noted	That the Committee Programme of Work 2022-23 be approved.

Item DC1-5.1	City of Glasgow International (CGI) Ltd Activity Report
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Paper No: DC1-C	Lead: R Gardner	Action requested: Discuss
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Discussion/ Matters Arising	<p>RG introduced the first report and accounts for the activity taken place since 1 August 2022 when CGI Ltd began trading. The Committee noted that due to the infancy of CGI the report covers a range of low-level introductory tasks, contained within 'Internal Task Summary'.</p> <p>RG advised members on the recent visit to Air Service Training (AST) in Perth. Operations and governance systems were explored and matters such as contracts, international business, governance including corporation tax, VAT and Profit were discussed. An invitation will be made to the CEO of AST to visit members of the Board from CGI.</p> <p>Discussions are ongoing with external companies regarding potential course opportunities. To date frameworks for supply of cadet uniforms and PPE are in place. Due to timing matters, the first transaction was processed through the College to supply starter packs for the new intake of MN cadets at Riverside Campus.</p> <p>The financial forecast for 2022-25 was noted. Details of actual income received to date will be provided at future meetings and a breakdown of year end information will also be added. Accurate presentation of the CoGC Loan details will be considered. It was also agreed that 'Expected Completion Dates' would be provided within the Task Summary information. A probability and likelihood column will be added to the Business Quotes/Frameworks table. Visual graphic information will be included within the report.</p> <p>RG reminded the Committee that College policies are automatically adopted by CGI Ltd. As such, all trading agreements with suppliers are based on compliance with ethical and sustainable sources. An Ethics Policy is being progressed by the College Process and Procedures Review (PPR) Board.</p>
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Decision/Noted	To update the activity report as agreed.
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Item DC1-5.2	Industry Academy Update (Skills Academies)
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Paper No: Verbal	Lead: R Gardner	Action requested: Discuss
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Discussion/ Matters Arising	RG updated the Committee on the work being undertaken to link Industry Academy (refreshed as Skills Academies) activity within the College Performance Framework including work not currently captured. An update paper will be provided at the next meeting.
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Decision/Noted	That an update paper be provided at the next meeting.
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Item DC1-5.3	Performance against Targets (Commercial & International)
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Paper No:	Lead: R Gardner/C Gethin/	Action requested: Discuss
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DC1-D	M Drummond	
Discussion/ Matters Arising	<p>CG provided an overview of the actual commercial income over the 5-year period from 2017-22 and projected commercial income for 2022/23. The Target Commercial Income for 2022/23 with a stretch target, over and above planned income of 7% was noted. Achievement of the 7% stretch target will be supported by the Business Development Team.</p> <p>The Committee was advised that after the drop in commercial income during 2019-20 (due to Covid) the College returned to pre Covid levels in 2020-21. However, income levels dropped during 2021-22 as a result of reduced targets to allow Faculties to focus on Covid recovery for funded programmes. It is expected that planned commercial activity for 2022-23 will return to pre-pandemic levels with a stretch target of 7% exceeding pre-pandemic income levels by 5%. Members noted that where possible, the stretched target will be further exceeded.</p> <p>Additional data showing course costs against course income and course contribution by Faculty was presented. Members noted that the course costing model will continue to be validated across the College with further reporting to be refined throughout the year. Information on relative size, scale and profitability of commercial course income was also provided. The income generated by the most profitable course programmes was highlighted, though members noted this does not reduce the importance of lower value contracts with higher course volumes.</p> <p>GM thanked staff involved in providing this greatly improved report. It was agreed that MD to provide further information on the inter-relationship across courses and their constituent costs..</p> <p>CG further highlighted the income, costs and surplus generated from the Halls of Residence over 2017/18 to 2021/22. She advised that the significant drop in income during 2019-20 and 2020-21 was due to the pandemic and the College has now returned to surplus in 2021-22. Halls of Residence staff were commended for the work undertaken particularly over the difficult restrictive Covid period.</p> <p>RG reassured members that analysis of competitor accommodation costs are undertaken to ensure affordability and competitiveness. The planned residence income for 2022/23 supported by growth in our international project activity and plans for summer schools were noted.</p> <p>The actual international student fee income by Directorate over a 5-year period from 2017/18 to 2021/22 and projected fee income for 2022/23 was also presented. The Committee noted the significant reliance on income generated by the Faculty of Nautical Science and STEM. Further diversification particularly within the Faculty of Creative Industries is being piloted.</p> <p>CG reported that the reduction in College outlet income experienced in 2020-21 had increased in 2021-22 as business re-opened . Planned efficiency savings on City Campus will have a direct impact on income generation this session; a slight increase in target for 2022-23 was noted.</p>	
Decision/Noted	To note the update report.	

Item DC1-5.4		International Projects Update	
Paper No: DC1-E	Lead: R Gardner/C Gethin	Action requested: Discuss	
Discussion/ Matters Arising	<p>CG provided an update on international project activity. The activity has seen a growth in income during 2021-22, through winning bids for funded projects such as the UK Skills for Prosperity and British Council ELT. This has also offered further brand recognition and created stronger connections with the Indonesian Ministry of Defence.</p> <p>A similar increase in income is also forecast for 2022-23 through continued engagement with international partners. Secured projects and projected income for 2022-23 were noted. Work to strengthen relationships and develop opportunities with Faculties to further grow international income streams is ongoing.</p> <p>The Committee was informed that the PPR have a partnership approval process in place. The College's appetite for risk is clearly defined and all potential partnerships and associated risks must be fully justified.</p> <p>RG reported on further potential opportunities including Saudi Arabia and BAE systems. A full update report will be provided at the next meeting.</p>		
Decision/Noted	To note the update report.		

Item DC1-5.5		Strategic Risk Review	
Paper No: DC1-F	Lead: S Lodge	Action requested: Discuss	
Discussion/ Matters Arising	<p>SL updated members on the review of the strategic risks relating to the Committee's remit (Risks 6 (AMBER), 7 (RED) and 16 (RED)). In addition, the proposed risk MAP for the new Risk 28 - <i>Failure to Manage Strategic Risks Associated with City of Glasgow International Ltd</i> was also submitted. As CGI Ltd is only recently established it was proposed that the Risk Score be Likelihood 3 x Impact 5 = 15. Given the current prospects and forecast activity, members considered the proposed score was excessive, should be reduced to an AMBER rating. This was agreed. The 'proposed' trading company reference will also be updated.</p> <p>SL confirmed that the methodology for risk assessment and review will be discussed with the new College Secretary.</p>		
Decision/Noted	<ul style="list-style-type: none"> To note the updated Risk Management Action Plans. To reduce Risk 28 Risk Score to AMBER. 		

Item DC1-6.1		Flexible Workforce Development Fund (FWDF) Update	
Paper No: DC1-G	Lead: R Gardner/C Gethin	Action requested: Note	
Discussion/ Matters Arising	<p>RG reported that delivery of training for FWDF Year 5 is still ongoing. The funding utilisation report highlighting courses scheduled for delivery by 31 12 22 and longer-term courses scheduled beyond the delivery deadline was noted. CG informed of potential clawback in funding for programmes still to be scheduled.</p>		

	Members were advised that the FWDF allocation for Year 6 has yet to be advised.
Decision/Noted	To note the update report.

Item DC1-6.2	Innovation and STEM Update	
Paper No: DC1-H	Lead: R Gardner	Action requested: Note
Discussion/ Matters Arising	Members noted that the College has retained STEM Assured Status for the next three years. RG reported on the continued work of the Scottish Institute of Innovation and Knowledge Exchange including work with IPHatch.	
Decision/Noted	To note the report.	

Item DC1-6.3	Turning Scheme	
Paper No: DC1-I	Lead: R Gardner	Action requested: Note
Decision/Noted	To note the recently secured funding to continue provision of international mobility experiences to students through the UK Government funded Turing Scheme.	

Item DC1-7	Any Other Notified Business	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Committee Meeting Start Time Members agreed that future meetings will commence at a new start time of 1500 hrs.	

Item DC1-8	Disclosability of Papers	
Paper No:	Lead: Convener/M Cross	Action requested: Note
Decision/Noted	The disclosability status of papers as described on respective cover sheets were retained with the exception of Paper DC1-C which was considered non-disclosable.	

Item DC1-9	Date of Next Meeting	
Paper No:	Lead: Convener	Action requested: Note
Decision/Noted	Wednesday 8 February 2023	

The meeting closed at 1900 hours.

ANNEX TO THE MINUTE

ACTION POINTS ARISING FROM THE MEETING

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

ACTION POINTS ARISING FROM PREVIOUS MEETINGS

Item	Description	Owner	Target Date
DC3-3.1 04 05 22	Previous Actions: Synopsis of Corporate Dev & Innovation: Submit organigrams to full Board meeting.	MC/RG	By 15 06 22 Complete
DC3-3.1 04 05 22	Previous Actions: International Projects Update: Provide updates as requested for next DC meeting.	RG/CG	12 10 22 Complete
DC3-3.1 04 05 22	Previous Actions: Faculty of Ed+Humanities to provide presentation at next meeting.	RG	12 10 22 Complete
DC3-4.3 04 05 22	Performance Against Targets: Provide additional information as previously agreed and arrange 1:1 catch up meeting with GM.	RG	By next AY 22-23/ Complete
DC3-4.4 04 05 22	FWDF Update: Provide yearly comparison figures in future reports.	RG/CG	By next AY 22-23 Complete
DC3-4.5 04 05 22	International Projects Update: Provide full breakdown of income and expenditure.	RG/CG	By next AY 22-23 Complete
DC2-4.3 09 02 22	Future Developments (Riverside Innovation Centre): Circulate background papers.	RG	Prior to next meeting Complete