

PRIVATE AND CONFIDENTIAL

**CITY OF GLASGOW COLLEGE FOUNDATION
(Registered Charity Number: SC044620)**

(the “Foundation”)

MINUTES OF A MEETING OF THE BOARD OF THE FOUNDATION

**held at Sutherland House, 149 St Vincent Street, Glasgow
on 11th August 2014 at 11am**

Present: Steven Watson (Chairman)
Alistair Carmichael
Brian Filling
Alastair Martin
Malcolm McCaig
Maire Catherine Whitehead
Tom Duguid on behalf of Turcan Connell Company Secretaries Limited
Alexis Graham on behalf of Turcan Connell Company Secretaries Limited

1 Apologies and Quorum

- 1.1 Steven Watson tendered an apology on behalf of Roderick Livingstone.
- 1.2 Roderick had reviewed the papers and submitted his comments to the Chair in advance of the meeting.
- 1.3 The meeting was quorate.
- 1.4 Steven Watson acted as Chair of the meeting.

2 Declaration of interests

No interests were declared.

3 Minutes of the previous meeting and matters arising

- 3.1 The Trustees approved the minutes of the previous meeting held on 10th June 2014 which had been circulated in advance of the meeting (subject to item 4.1 being reworded).
- 3.2 The following action points arising from the minutes were noted:-

- 3.2.1 A representative from City of Glasgow College would be invited to attend the next meeting (on the current Agenda at item 4).
- 3.2.2 Further information would be obtained from Capita re Treasury Management Services (on the current Agenda at item 5).
- 3.2.3 Deposit accounts to be opened on behalf of the Foundation – Tom Duguid confirmed that these had now been opened however the process had been extremely administratively burdensome and time consuming.
- 3.2.4 Corporate Identity (on the current Agenda at item 8).
- 3.2.5 Chairman’s role to be added to the Operational Framework – Tom Duguid confirmed that this had now been done.
- 3.2.6 The Risk Register would be a recurring agenda item (on the current Agenda at item 7).
- 3.2.7 The OSCR entry would be updated – Tom Duguid confirmed that this had now been done and that the Main Operating Location was noted as Glasgow on OSCR’s website.
- 3.2.8 Financial Review papers would be prepared and circulated in advance of the next meeting (on the current Agenda at item 6).

4 Grant Request from City of Glasgow College

- 4.1 A formal Grant Request had been received from the City of Glasgow College on 14 July 2014 and had been circulated to the Trustees in advance of the meeting for consideration. The application requests £3,163,606 (to be phased over 2014-2018) and covers the following three specific areas:-

Governance Structures/costs (£414,846)

Ship simulation and working engine room facilities (£1,998,760)

Contingency fund (£750,000)

- 4.2 Janis Carson (Project Sponsor/Vice Principal of the College), Stuart Thompson (Executive Finance Director) and Iain Marley (Project Director) had been invited to attend today’s meeting. The Chair invited comments from the Trustees in advance of the representatives from the College joining the meeting.
The following specific points were noted:-

- 4.2.1 The application and supplementary documents are lacking in detail. The application relates more to the overall campus project rather than to the specific funding request. The Trustees felt that more detail regarding the specific project should be obtained.
- 4.2.2 The Trustees would like more information regarding the specific engine project and indeed the specific benefit it would have to the College/Students. There was some concern that technological advances could make the engine obsolete by the time the project funding had been completed. Clarification should be obtained.
- 4.2.3 Further details should be requested in relation to the proposed contingency fund. Specifically (1) how the figure had been arrived at; (2) what the College envisaged it being used for; and (3) the mechanism for funds to be released/repayment if appropriate.
- 4.2.4 The Trustees require clarification regarding the proposed Governance costs. Specifically it was queried why this sum should be met by the Foundation rather than as a normal expense of the College. The Chair advised that it was his understanding that additional appointments had been made specifically for the New Campus Project.
- 4.2.5 The Trustees required further information on how the project would be monitored. In order to put an appropriate monitoring process in place the Trustees would require greater clarity/detail regarding the specific project and its particular milestones.
- 4.2.6 Specific dates for payment of funds should be incorporated in the application, rather than reference to years (to avoid any confusion with the various Accounts periods).
- 4.3 Thereafter Janis Carson, Stuart Thompson and Iain Marley joined the meeting. The Trustees each introduced themselves and a short film was shown detailing the overall vision for the City of Glasgow College. The following was noted in relation to the specific project/application and in response to specific questions raised by the Trustees:-
- 4.3.1 **Engine Room**
- The working engine room/simulator suite will be installed in the Riverside Campus and will provide students with a unique opportunity to

access a real working engine. The engine is a re-conditioned diesel model which represents an example of an engine presently in commercial use and will be installed next year. The funding request covers the purchase of the engine, installation, training and a two year support and maintenance contract. The engine is designed to be maintained over its operational life and it was felt that it will place the College and its students at a significant practical advantage.

4.3.2 **Contingency**

The Project Board, Finance Committee and Board of Management all scrutinise the release of any portion of the contingency fund. The fund is not designed to pay for a change in the project scope, but rather to cover unknowns in relation to the specific project. The figure in the application represents 30% of the total estimated contingency for the entire campus project. It is hoped that the Foundation will make a further £1.7m contingency available in respect of further applications. Consideration needs to be given as to how a return of funds would be treated by the Auditor.

4.3.3 **Governance**

The sum relating to Governance Costs mainly covers physical items, but there is an element of staff costs which relate specifically to the delivery of the project.

4.3.4 **Monitoring**

There is an internal Project Board in place at the College. Reports are made to them annually detailing how the funds have been used and providing a general project update. A Gateway Review will also take place in February 2015. These reports could be made available to the Trustees if required.

4.3.5 **Future Projects**

Janis also advised that further funds may be requested in October 2014 to streamline their document management process and introduce smart cards for the students.

- 4.4 Following the presentation, it was agreed that the Chair, Maire Whitehead and Tom Duguid would meet with a representative of the College to request that the

application be resubmitted and to address some the specific concerns which were not covered in the presentation. It was felt that the College needed a better understanding of the Trustees duties and that the Trustees needed more information in relation to the specific internal controls in place at the College.

5 Treasury Management

- 5.1 Alan George of Capita had been asked to attend the meeting to provide further details of the service Capita could offer to the Foundation.
- 5.2 The following was noted:-
- 5.2.1 Capita provide Treasury Management Services to various Local Authorities and Charitable Organisations. The purpose of Treasury Management is to optimise returns bearing in mind the individual client's risk profile and commitments.
- 5.2.2 The service Capita provides includes (1) a weekly list of credit ratings; (2) email alerts; (3) general economic information; (4) inflation forecasts; (5) base rate forecasts; (6) regular reports; and (7) advice tailored to the specific client's needs/risk profile.
- 5.2.3 Capita's service can be tailored to match the specific requirements of the Foundation and the proposed fee will reflect the service required.
- 5.2.4 It was agreed that the Trustees would only require to meet with Alan George annually, but that reports should be obtained and circulated to all Trustees by email monthly. Email alerts should be sent to Turcan Connell to review on behalf of the Foundation.
- 5.2.5 Turcan Connell will liaise with Alan George re the specific requirements of the Foundation and request a fee quote. Alan George should be provided with full details of all commitments made by the Trustees and where the funds are presently held. **(Action Point: Tom Duguid)**
- 5.2.6 The Trustees will consider delegating certain powers pertinent to Treasury Management to Turcan Connell. **(Action Point: Trustees)**
- 5.3 It was agreed in relation to the accounts already opened by Turcan Connell that the following investments be made:-
- 5.3.1 £3.19m to be placed on a 35 day notice account with Barclays;
- 5.3.2 £3.19m to be placed on a 95 day notice account with Santander; and

5.3.3 that the balance of funds would be held pending recommendations from Capita.

6 Financial Review

6.1 Financial papers had been circulated in advance of the meeting. The format of the Cash Flow Projection and Budget Forecast was approved and it was agreed that Transaction Report would be presented in a similar format at future meetings.

6.2 It was agreed that the Foundation's year end should be changed to 31 March (subject to it not affecting the Auditor's fee). **(Action Point: Tom Duguid)**

7 Risk Register Review

7.1 The Trustees reviewed and approved the Risk Register and noted that no further updates or changes were required.

7.2 The Risk Register will remain on the Agenda for future meetings.

8 Corporate Identity

The Actions Points contained in the meeting note dated 10 June 2014 will be carried forward to the next meeting.

9 Date of next meeting

Tuesday 16 September at 10am was provisionally set as the date of the next meeting. Malcolm McCaig will attend via telephone.

10 Any other business

No further business was noted.