

City of Glasgow College Foundation  
(Scottish Charity Number SC044620)

Meeting on Monday 11 August 2014 at 11am

at Turcan Connell, Sutherland House, 149 St Vincent Street, Glasgow G2 5NW

1. Apologies, quorum and appointment of Chair
2. Declarations of Interests
3. Minutes of the previous meeting and matters arising (*minutes enclosed*)
4. Grant request from City of Glasgow College Foundation (*papers enclosed*). *Janis Carson and colleagues to join meeting at 11.20am.*
5. Treasury management (*papers enclosed*). *Alan George of Capita to join meeting at 12 noon.*
6. Financial Review (*papers enclosed*)
7. Risk Register Review (*risk register enclosed*)
8. Corporate identity
9. Trustee Rotation (*paper enclosed*)
10. Dates of next meetings
11. Any other business

**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 10th June 2014 at 9.30am

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

**1. Apologies and Quorum**

- 1.1 There were no apologies.
- 1.2 The meeting was quorate.
- 1.3 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 29th April 2014 which had been circulated in advance of the meeting.
- 3.2 The following matters arising from the Minutes of the previous meeting were discussed:-
  - 3.2.1 The Company Secretary confirmed that the Zurich trustee indemnity insurance policy has been put on risk and the premium paid.
  - 3.2.2 The anticipated level of grant requests from the City of Glasgow College is to be discussed as item 4 of the agenda.

3.2.3 The Trustees approved the revised versions of the Operational Framework and other written policies as circulated in advance of the meeting.

3.2.4 The corporate identity of the Foundation is to be discussed as item 7 of the agenda.

3.2.5 The rotation policy for trustees not appointed by the City of Glasgow College is to be carried forward to the next meeting (**Action Point: Tom Duguid**)

#### 4. **Anticipated Grant Requests from City of Glasgow College**

4.1 Stuart Thompson, Director of Finance at City of Glasgow College, anticipates that the College will request up to £1.6m from the Foundation in the coming year by the beginning of July. Funds are expected to be required from September.

4.2 It is understood that the City of Glasgow College now holds no cash reserves. It transferred all of its cash reserves to the Scottish Colleges Foundation and to the Foundation prior to 31 March 2014. The Scottish Colleges Foundation has approved grants to the College to meet the main NPD contract costs. It is anticipated that the College may request from the Foundation a further £4m-£5m in respect of ancillary matters relating to the new campus project up to completion. The Riverside Campus is scheduled to be completed by August 2015. The City Campus is expected to be completed by August 2016. It was noted that there could be unanticipated costs that require funding at unexpected times.

4.3 It was agreed that representatives of the City of Glasgow College, most likely Stuart Thompson and Janis Carson, Vice Principal and Project Sponsor of the Campus Project, would be invited to attend the next Trustees' meeting to update the Foundation. (**Action Point: Tom Duguid**)

#### 5. **Treasury Management**

5.1 The Foundation's Investment and Cash Management Policy approved at the previous meeting notes that, at least initially, the assets of the Foundation may be required for the payment of grants within the short to medium term. Until such time as the Foundation is able to determine from potential recipients of grants the possible quantum and timing of grant requests, the Trustees considered it prudent to retain the Foundation's assets as cash to meet potential liquidity requirements.

5.2 The Policy also records that, in the event that the Foundation determines that it holds a material level of funds that will not be required in the short to medium term (i.e. within

the next three to five years) or receives more significant assets, the investment policy of the Foundation will be reviewed accordingly. The Foundation at that time will consider the appointment of an investment manager.

- 5.3 The Policy also records that the Foundation's cash should be held among at least three banks with a maximum in one bank of no more than 33.3% of the total. The banks are to have a UK banking licence and a credit rating of at least A2/BBB+. At the previous meeting of the Foundation, the Trustees agreed that the Company Secretary should explore the appointment of a treasury manager to advise the Foundation on the placing of the Foundation's cash on that basis.
- 5.4 The Company Secretary has contacted around a dozen investment managers, nearly all of which no longer provide treasury management functions due to the very low margins available given the low prevailing base rate. Thomas Miller, Cornelian and Lombard Odier still provide treasury management services. Their fees are usually in the range of 0.1% to 0.125% of cash under management. Each of those investment managers voluntarily pointed out that it is difficult for them to provide added value while interest rates remain so low.
- 5.5 An alternative option would be for the Foundation to seek advice from Capita Asset Services which provides financial advice on a different model. For a fixed fee of approximately £5,000 per annum, Capita will provide regular updates to the Trustees on interest rates available from various banks and the credit ratings of various banks. Capita also seeks to project ahead to possible changes in interest rates and credit ratings so that these can be factored into the placing of term deposits. Capita Asset Services provides advice to most of the colleges in Scotland together with other local authority bodies.
- 5.6 A third option would be for the Trustees to review the interest rates available and credit ratings of the main clearing banks and place cash funds according to those figures on a quarterly basis. This option was discounted.
- 5.7 It was agreed that the Company Secretary would obtain further information from Capita Assets Services in particular as well as the treasury managers already approached. Capita Asset Services would be asked to attend the next meeting of the Trustees. **(Action Point: Company Secretary)**
- 5.8 In the meantime, the Trustees noted the schedule of deposit account rates circulated by the Company Secretary the day before the meeting. At present, the Foundation's cash is held in a Bank of Scotland deposit account paying interest at 0.2%.
- 5.9 The Trustees resolved to place the Foundation's cash as follows:-

- 5.9.1 one third on a one month term deposit with Barclays (0.54% interest)<sup>1</sup>;
  - 5.9.2 one-third on a 90 day notice account with Santander (0.8% interest);
  - 5.9.3 one-third less £500,000 on a 185 day account with Bank of Scotland (0.9% interest); and
  - 5.9.4 £500,000 to be retained on the Foundation's instant access Bank of Scotland account (0.2% interest).
- 5.10 The Company Secretary is to arrange for the relevant deposit accounts to be opened  
**(Action Point: Company Secretary)**

## 6. Ethical Policy

- 6.1 The Trustees noted the terms of the legal advice contained in the "Ethical Investment Policy Considerations" as circulated in advance of the meeting. The Company Secretary summarised that advice as being that charity trustees are able to adopt an ethical policy, but they must seek appropriate investment advice and weigh any potential loss of income and capital return against the ethical policy adopted. It is generally easier for charities with particular charitable objects to adopt an ethical policy if the investment would be contrary to that charitable object (such as cancer research charities choosing not to invest in tobacco stocks).
- 6.2 The Trustees noted that the ethical policy is largely a matter of reputational risk and should be considered in more detail if and when the Trustees are in a position to appoint investment managers for longer term funds.

---

<sup>1</sup> Post meeting note: the Barclays account paying 0.54% is in fact a 35 day notice account.

## 7. Corporate Design/Identity

- 7.1 The trustees noted the terms of the “Corporate Design/Identity” paper circulated in advance of the meeting.
- 7.2 The paper proposes that the Foundation’s corporate design/identity be developed in two stages:-
- 7.2.1 The first stage would be to have a student project or competition to develop a corporate design for the Foundation. This would cover the Foundation’s logo and supporting guidelines that would govern how the design is applied and confirm approved colour palettes, typefaces, page layouts etc.
- 7.2.2 Once the Board has selected the preferred corporate design, the second stage would be to set a specification for the website presence and a further student project or competition would take place to design the website.
- 7.3 The trustees approved this proposal and authorised the Chairman to make the necessary arrangements with the City of Glasgow College (**Action Point: Chairman**).
- 7.4 The Chairman noted that it would be helpful in due course for the Trustees to provide a short biography for inclusion in the Foundation’s website (**Action Point: Trustees**).

## 8. Role of the Chairman

- 8.1 The Trustees noted the terms of the “Role of the Chairman” paper circulated in advance of the meeting. The paper has been prepared in accordance with guidance from the Institute of Directors and the Office of the Scottish Charity Regulator.
- 8.2 It was agreed that an additional role should be added for the Chair to ensure that the board keeps track of its risk register. Subject to that addition, the Trustees approved the terms of the paper which is to be added as a schedule to the Operational Framework (**Action Point: Company Secretary**).

## 9. Risk Register

- 9.1 The Trustees reviewed and approved the risk register and noted that no further changes or updates were required.
- 9.2 The risk register should be added as a standing agenda item. (**Action Point: Company Secretary**).

10. **Date of next meeting**

Friday 1st August at 9.30am was provisionally set as the date of the next meeting of the Trustees subject to the availability of the City of Glasgow College representatives and Capita Asset Services.

11. **Any Other Business**

11.1 Malcolm McCaig noted that the entry for the Foundation on OSCR's register still notes its main operating location as being Edinburgh. The Company Secretary previously asked OSCR to correct this but it still has not been carried out. The Company Secretary will write to OSCR again. **(Action Point: Company Secretary)**

11.2 Malcolm McCaig asked that a proposal be put forward for the type financial information to be circulated with the papers for each meeting. It is anticipated that the financial papers should include a cash flow statement, bank account statement and a schedule outlining the budgeted against actual position. The Company Secretary tabled a cash statement for the Foundation which records the only transactions since 31st March as being the donation by City of Glasgow College of £10m being placed on deposit, the payment of a Turcan Connell fee of £3,540 including VAT, the credit of £2,158.83 in gross interest and the payment of the trustee indemnity insurance premium of £597.34. The Chairman and Company Secretary are to discuss the financial papers to be circulated for future meetings **(Action Point: Company Secretary)**.

.....  
Chairman

.....  
Date

# CITY OF GLASGOW COLLEGE

14<sup>th</sup> July 2014

Mr Steven Watson  
Chair of City of Glasgow College Foundation  
C/O Turcan Connell  
Princes Exchange  
1 Earl Grey Street  
Edinburgh EH3 9EE

Dear Steven,

On behalf of the Board and Executive Leadership Team of City of Glasgow College, I attach our application for Project Funding in support of City of Glasgow College's New Campus NPD Project.

The amount of funding of £3,163,606 phased over the period 2014-2018 is requested to meet contractual and other payments in the context of the construction of our new twin campus college estate and specifically payments in relation to the ongoing management and governance of the project and the College- led procurement of fit out and specialist marine/engineering simulators and Working Engine Room.

Our Board of Management have given full consideration and endorsement to this approach and to our application to cover these costs.

We would welcome the opportunity to support our application and respond to any questions or clarifications required through attending the next meeting of your Board.

I look forward to hearing from you in due course.

Yours sincerely



Janis MG Carson (Vice Principal & Project Sponsor) on behalf of  
Paul GK Little  
Principal & Chief Executive

cc: Tom Duguid

Principal & Chief Executive: Paul Little | BA (Hons), ATD, PGCM, PG DipM, MSc, MCIPR, MEd, MNI, FRSA

City Campus Charles Oakley  
300 Cathedral Street  
Glasgow G1 2TA  
t: +44 (0)141 552 3941  
f: +44 (0)141 553 2368

City Campus North Hanover Street  
60 North Hanover Street  
Glasgow G1 2BP  
t: +44 (0)141 566 6222  
f: +44 (0)141 566 6226

Riverside Campus  
21 Thistle Street  
Glasgow G5 9XB  
t: +44 (0)141 565 2500  
f: +44 (0)141 565 2599



<p>City of Glasgow College Foundation ("the Foundation") Sutherland House 149 St Vincent Street Glasgow G2 3NW Scottish Charity Number SC044620</p>	<p style="text-align: center;"><u>Grant Request Application Form</u></p> <p>Transmitted electronically and by registered mail to the offices of Turcan Connell Edinburgh as requested.</p>
<p><b>Application Date:</b></p>	<p>15<sup>th</sup> July 2014</p>
<p><b>Applicant:</b></p>	<p>Principal Paul Little, on behalf of City of Glasgow College</p>
<p><b>Project/Funding Title:</b></p>	<p>City of Glasgow College New Campus Project</p>
<p><b>Contact Person:</b></p>	<p>Janis Carson, Vice Principal/Project Sponsor</p>
<p><b>Contact Details:</b></p>	<p><u>Janis.carson@cityofglasgowcollege.ac.uk</u> 0141 271 6501</p>
<p><b>Risk Assessment Details:</b></p>	<p>The Project maintains a full risk register which is regularly reviewed. A risk report if submitted to and reviewed by the New Campus Project Board; the College's Finance &amp; Physical Resources Committee and full Board of Management. The Project Risk Register is cross referenced to the College's full Risk Register. A copy of the</p>



budget delivery of the project in the context of known and unforeseeable risks

**How does the project meet the objectives of the Foundation?**

**The Articles of Association of the City of Glasgow College Foundation** establish that, "the objects of the Foundation are to advance the charitable purposes of City of Glasgow College to include the advancement of education by making grants and providing financial support for projects and activities being carried out by and supported by City of Glasgow College".

The College's new campus project clearly fulfils this objective not only through the provision of excellent new facilities and resources but by means of the root and branch review of learning and teaching strategy and key business processes which underpin the development. Hence the creation of the new twin campus college estate in addition to improving the learning environment, efficiency and effectiveness, is fully geared towards the 'advancement of education' and with the specific aims of improving educational attainment, successful outcomes, employability and enhancement of the student experience.

The College's Strategic Plan (2013-2017) clearly establishes its Strategic Themes and Priorities with underpinning Aims. The delivery of a world class new College campus for Glasgow features clearly in this context and is closely associated with necessary curriculum and business objectives and targets. (Copies of the Plan are enclosed/attached for Trustees' information). The College's Board of Management have reviewed and fully endorsed the delivery strategy, programme and budget for the new campus project and support this application to the College Foundation.

**Projected impact/outcome:**

The new campus will provide the college with a very high quality accessible, flexible and sustainable estate which offers unrivalled facilities for learners. The new campus also represents a catalyst for, and enabler of, the College's new learning and teaching strategy and it will provide the capacity for the College to deliver the curriculum brief that has been agreed with the SFC.

The new campus also supports a wide range of priorities and policies for the Scottish Government, the Scottish Funding Council, the Glasgow Region and Glasgow City Council. These include:

- The Scottish Government's priority for "Colleges as highly effective, world-class organisations; with high-quality buildings, facilities and equipment contributing to enhancing the experience for learners."

<ul style="list-style-type: none"> <li>• In <i>Skills for Scotland: Accelerating the Recovery (Oct 2010)</i>, the Scottish Government highlights the role of Scotland's colleges: "Scotland's colleges make a significant contribution to the range of training opportunities open to employers of all sizes across Scotland. A substantial part of the investment in colleges goes toward supporting this. Scotland's economic geography will change over the next decade. As businesses seek to take advantage of new Economic opportunities, colleges will play a fundamental role in developing the skills and expertise that will be required to exploit them"</li> <li>• The Scottish Funding Council's Strategic Outcomes (a set out in their Strategic Plan for 2012-2015 in particular:       <ul style="list-style-type: none"> <li>- Outcome 1: efficient and effective regional college structures</li> <li>- Outcome 2: access for people from the widest possible range of backgrounds</li> <li>- Outcome 3: the right learning in the right place</li> <li>- Outcome 4: high quality, efficient and effective learning</li> <li>- Outcome 5: a developed workforce</li> <li>- Outcome 6: sustainable colleges and universities</li> </ul> </li> <li>• Supporting Glasgow's Economic Strategy which places 'Education at the heart of the economy'.</li> </ul>	<p style="text-align: center;">£228,000,000 (Project Capital Value) - see 'sources of funding' for breakdown.</p>
<p>Estimated total project cost: (inc. full breakdown of estimated costs e.g. employee costs/property costs/supply &amp; services)</p>	

Amount of funding requested:

	2014/15	2015/16	2016/17	2017/18	Total
Governance and Project Office	159,113	110,307	104,509	40,917	414,846
Simulators and WE Fit Out	143,376	1,749,518	93,215	12,651	1,998,760
Contingency	125,000	250,000	250,000	125,000	750,000
<b>Total</b>	<b>427,489</b>	<b>2,109,825</b>	<b>447,724</b>	<b>178,568</b>	<b>3,163,606</b>

**Governance and Project Office costs** -comprise salary and other employment costs and general office costs associated with the Project Sponsor office.

**Simulator and Working Engine (WE) costs** - comprise amounts payable to Transas and GLQ under contracts that have been let (Transas - Simulators) and which are in the final stage of negotiation (GLQ Working Engine Room). These costs include associated professional fees which are payable directly to the College's advisers.

**Contingency** - represents an allowance for costs associated with known and unknown risks. Known risks include changes that may be required as part of the detailed design of the new campus to align the building and specialist fit out designs with the College's operational requirements and also movements in costs prior to concluding negotiations with GLQ in relation to the Working Engine room installation. Unknown risks include unforeseen essential changes in scope and factors that are outwith the control of the College that may create grounds for GLQ to claim compensation. It is important that the College has access to funding at short notice in order to manage such risks and avoid cost escalation and programme delay.

This application represents only some aspects of the anticipated College/Foundation funded elements of the development. The total Board approved projected budget for project, infrastructure, transition, migration and associated equipment is as set out below. It is therefore anticipated that further applications will follow to request funding in line with this projection.

	<table border="1"> <tr> <td data-bbox="256 510 325 1505">Total Funds deposited in CoGC Foundation projected for New Campus Project</td> <td data-bbox="256 266 325 510">5,272,651</td> </tr> <tr> <td data-bbox="325 510 363 1505">July 14 Application</td> <td data-bbox="325 266 363 510">3,163,606</td> </tr> <tr> <td data-bbox="363 510 400 1505">Potential Balance available for future claims</td> <td data-bbox="363 266 400 510">2,109,045</td> </tr> </table>	Total Funds deposited in CoGC Foundation projected for New Campus Project	5,272,651	July 14 Application	3,163,606	Potential Balance available for future claims	2,109,045
Total Funds deposited in CoGC Foundation projected for New Campus Project	5,272,651						
July 14 Application	3,163,606						
Potential Balance available for future claims	2,109,045						
<p>Amount of funds requested elsewhere and the sources of that possible funding:</p>	<p>GLQ provides capital funding for the majority of capital development costs (£191M). GLQ obtains this funding from its own resources (£24M) and through long term loans (totalling £167M) from three commercial banks (European Investment Bank, KfW and Helaba).</p> <p>Following occupation of the new campus, annual service payments made by the College provides GLQ with funding to meet its debt repayment obligations.</p> <p>The College benefits from guaranteed financial support from the Scottish Government and SFC to help it fund the annual service payments.</p> <p><b>Other sources of capital funding:</b> SFC Capital Grant Funding - £16.5M has been confirmed. To date £3.45M has been drawn down by the College. SFC funding is required to meet other commitments that are separate from the subjects of this application.</p> <p>The College has been successful in its application to the Scottish Colleges Foundation and an award of £11.7M has been confirmed to fund NPD contract commitments. These are separate and discrete from the subjects of this application.</p>						
<p>Date funds required by:</p>	<p>For fiscal year 2014/15 - by 31 August 2014 For fiscal years 2015/16 and 2016/17 - between 1 and 30 April in each of the respective years.</p>						
<p>Project timescale:</p>	<p>Construction commenced June 2013. Phase completion dates are: - Riverside accommodation - August 2015 - Halls of Residence - November 2015</p>						

	<ul style="list-style-type: none"> <li>- City accommodation - August 2016</li> <li>- External works - September 2017.</li> </ul> <p>The latest position is that the project is on track for on time completion of all phases.</p>
<b>Additional supporting information:</b>	<p>In support of this application and to provide further information and context, we enclose:</p> <ul style="list-style-type: none"> <li>• The College strategic plan</li> <li>• 'Building our Future Together' - A briefing paper which was produced for our recent Scottish Parliamentary Reception</li> </ul> <p>Should Trustees find it helpful, we will be happy to provide other presentational or illustrative material at the meeting to assist in visualising the finished facilities and estate.</p>
	This section to be completed for supplementary funding for a previously approved project
<b>Additional funding requested:</b>	£ Not/Applicable
<b>Reason for supplementary funding:</b>	Not/Applicable

*To be completed City of Glasgow College Foundation:*

<b>Additional information for Grant Applications</b>	
<b>Amount approved:</b>	<b>Grant £</b>

Approved by Board or Delegated Authority:	Date:	Contact:
Additional Information if necessary:		
Funds Released (completed by Foundation Administration)	Date:	Contact: