



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

**PRIVATE AND CONFIDENTIAL**

**MINUTES OF A MEETING OF THE BOARD OF THE FOUNDATION**

held at Sutherland House, 149 St Vincent Street, Glasgow  
on 12<sup>th</sup> May 2015 at 9.30am

Present: Steven Watson (Chair)  
Brian Filling  
Roderick Livingston  
Alastair Martin  
Maire Whitehead  
Tom Duguid on behalf of Turcan Connell Company Secretaries Limited

In attendance: David Welsh on behalf of Turcan Connell  
Allison Gibson on behalf of Scott Moncrieff (for part of meeting)  
Benedetto Bordone on behalf of The Loft (for part of meeting)

**1. Apologies and Quorum**

1.1 Malcolm McCaig and Alistair Carmichael sent their 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. Previous Minutes and Matters Arising**

3.1 The Trustees approved the minutes of the meeting held on 17<sup>th</sup> February 2015.

3.2 A schedule of matters arising from the previous minutes had been circulated with the meeting papers. It was noted that all matters arising from the previous minutes have been completed.

#### 4. **Review of Accounts**

4.1 Draft accounts and financial reports had been circulated with the meeting papers.

4.2 Allison Gibson spoke to the accounts and financial statements. It was confirmed that, because of the amounts of cash held by the Foundation, the accounts were prepared in line with the SORP for large charities. This is a requirement despite the Foundation's activities being relatively limited.

4.3 It was confirmed that the draft accounts comply with the SORP and that, all necessary information had been included. It was noted that future payments approved by the Foundation were included in the account as funds expended and this is in accordance with the relevant accounting rules. It was noted that "designated funds" relates to funds that have been ring fenced for a particular purpose.

4.4 Allison Gibson confirmed that the Foundation was effective in ensuring it is independent from City of Glasgow College. The Foundation has robust processes in place to ensure this continues.

4.5 Allison Gibson was asked to comment on the need for a figure for unrestricted funds. It was noted that this was a standard way of ensuring that the Foundation was able to meet anticipated expenditure. It was explained that at least 12 to 18 months of operating costs should be stated as being the limit beneath which the funds of the Foundation would not be allowed to fall. This would be sufficient to cover the winding down costs of the Foundation in the event that it was no longer financially viable.

4.6 Narrative will be inserted into the accounts in relation to £50,000 being set aside to cover 2 years' running costs. These funds do not need to be split out and kept separate from the Foundation's funds.

4.7 It was noted Alistair Carmichael is spelt with an 'i' rather than with an 'a' and Allison will arrange for this to be updated (**Action Point: Scott Moncrieff**).

4.8 Allison Gibson noted that it would be helpful for minutes of the Trustees to be passed to her on an ongoing basis once they have been signed off. The Trustees resolved that

Turcan Connell should arrange for this to happen following each meeting (**Action Point: Turcan Connell**).

4.9 It was confirmed that there is no need for an internal audit. Allison Gibson confirmed that the policies put in place following the advice of Turcan Connell mean that all areas have been considered and there are good systems in place in terms of the administration of the Foundation. It was confirmed that no weaknesses had been found in the Foundation's administrative procedures.

4.10 The Trustees resolved to approve the accounts and the letter of representation which is to be printed on Foundation headed paper (**Action Point: Turcan Connell**) and authorised any Trustees to sign on behalf of the Foundation. Draft wording for the reserves narrative should be emailed to the auditor (**Action Point: Turcan Connell**).

Allison Gibson left the meeting.

## 5. Update re Website Development

5.1 This section has been redacted

5.2 The prices that were put forward by the companies were a little higher than had been expected by the Chair so it was thought necessary for the costs to be brought back for full consideration by the Board of Trustees.

5.3 The Chair is very keen to ensure that website security is considered alongside design.

5.4 The Foundation is closely linked to the College and there may be some confusion about which website an individual has reached if this is not considered carefully. It will be important for the Foundation's website not to reflect badly on either the Foundation or on the College and potential reputational damage must be considered.

Benedetto Bordone from The Loft joined the meeting.

5.5 **This section has been redacted**

5.6 The Chair noted that added value for the Foundation is important and it is necessary to avoid criticism about the way in which the funds are spent. With that in mind, the Trustees are obliged to consider the extent to which the expenditure incurred by the Foundation is necessary and in the interests of the Foundation.

5.7 Benedetto's opinion is that high quality photography is central to the design of the website. He confirmed that the pricing structure was the same across all clients and that the photographer that he uses regularly, Malcolm Cochrane, has a reputation for providing high quality and commercial photography. Benedetto confirmed that The Loft would use Word Press to create the website and would be happy to provide training to the Trustees on the use of the programme at no extra cost if required. This would likely take the form of one half day of training.

5.8 It was confirmed by Benedetto that facilities to make the website as accessible as possible can be integrated into the website. He has been researching and trialling a programme called Browse Aloud. This is currently in trial so Benedetto was not entirely familiar with the intricacies of the programme but he is confident that it would be a useful addition to the website in allowing visually impaired browsers to have the content of the website read to them.

Benedetto left the meeting.

5.9 The cost of adding each project supported by the Foundation to the website would be close to £1,500. This seems expensive. The Trustees resolved that assistance from the College with regard to updating the website (including photography where appropriate) should be built into the standard grant conditions in order to save on costs.

5.10 It was resolved that the website committee, consisting of the Chair and Maire Whitehead, should aim to spend a maximum of £4,000 for the web design and copyrighting, bearing in mind the requirements of security, access and confidentiality. The website committee will further consider the proposals and will discuss with Benedetto if and how the cost of the website design can be reduced (**Action Point: Website Committee**).

## 6. **Update regarding donations from City of Glasgow College**

- 6.1 It was noted that £3.1m had been transferred by the College to the Foundation on 31<sup>st</sup> March 2015. No further donations have been received since then.

## 7. **Update re Grant Requests from City of Glasgow College**

- 7.1 No Grant requests were received for consideration at this meeting of the Trustees.
- 7.2 The Chair suggested that the net income raised within the Foundation (i.e. investment income less the administration costs) could be used by the Foundation in a more proactive way. The Chair will raise this with the College during his next discussion with the College (**Action Point: Chair**). It was agreed that the Trustees should think about the kinds of activities and uses to which the funds could be applied. It was noted that the net income received by the Foundation is likely to be in the region of £40,000. The Trustees undertook to consider this and to bring ideas to the next meeting of the Trustees (**Action Point: Trustees**).
- 7.3 There was a discussion about whether student applications could be made directly to the Foundation but the Trustees agreed that such applications should be made through heads of department or through some other filtering committee at City of Glasgow College. The Trustees would not want all applications coming directly to the Board but they would like the visibility of the Foundation to be increased within the College.

## 8. **Updated Grant Application Form**

- 8.1 An updated Grant Application Form was circulated in advance of the meeting with the meeting papers. The Trustees were broadly happy with the updated form but, having discussed the website and the possibility that City of Glasgow College might assist with the administration of the website, the Trustees resolved to include on the application form the requirement that the College supports the Foundation's website and provides an update for the particular project in question including the provision of images etc.

## 9. **Financial Review**

- 9.1 A forecast of the income and expenditure of the Foundation for the next financial year was circulated with the meeting papers in advance of the meeting. This was considered

carefully by the Trustees. It was noted that the website design costs are likely to be lower than currently suggested in the forecast.

9.2 It was noted that there is net income of approximately £40,000.

## 10. **Presentation from Capita re Review of Investment Strategy**

Alan George of Capita joined the meeting.

10.1 Alan George suggested to the Board of Trustees that, other than simple cash deposit accounts, the Trustees may also wish to consider Certificates of Deposit. These have a guaranteed capital value unless the issuing bank collapses. The benefit of Certificates of Deposit is that they can be sold mid-term if the funds are required as they are a marketable asset in their own right and prices for them will fluctuate during the course of the certificate's term.

10.2 Certificates of Deposit are usually held in a nominee account, operated by the broker. It was confirmed that, even though the Certificates of Deposit are held in a nominee account, legally the funds remain the property of the Foundation.

10.3 Alan George mentioned that bonds are generally not showing good rates of return at the moment except for some corporate bonds which carry significantly higher risk.

10.4 Alan George confirmed that, until the Foundation knows that some of the funds can be set aside for at least 5 years, investment in equities should be avoided.

10.5 In relation to possible policy changes, Alan George spoke about using different rating methods (i.e. adopting the rating methods used by Capita), considering the use of foreign banks, considering longer terms and considering Certificates of Deposit. Alan George commented that the investment policy should be perhaps be more flexible but noted that it still needed to be within the comfort zone of the Trustees.

10.6 Capita's nominee account is with RBS. It is possible that Capita could arrange for a single payment to be made to Capita's nominee account with them placing the funds on deposit with chosen counterparties if required. The Trustees noted that their principal concern was the reduction of the administrative burden but they also wanted to be sure that they were getting some added value from Capita at the same time.

10.7 The Trustees resolved to form a working group comprising the Chair, Maire Whitehead and Malcolm McCaig. The committee will meet to discuss the amendment of the existing policy. Alan George confirmed that he would be happy to attend that meeting if it was thought useful and Tom Duguid also confirmed that he would be able to attend the meeting if required.

10.8 The Chair requested that the presentation given by Alan be circulated to the Trustees (**Action Point: Turcan Connell**).

Alan George left the meeting.

10.9 The Trustees considered the content of the presentation that had been given by Alan George. Some Trustees were concerned that the management of the risk by Capita may not be worth what Capita will charge for the service. The investment policy was originally drafted in the existing manner because interest rates are universally low at the moment meaning that taking an increased risk does not necessarily result in an increased return. The Trustees discussed whether the Foundation was comfortable with longer terms or the use of foreign banks. It was resolved that the working group should consider these issues and report back to the Trustees (**Action Point: Investment Working Group**).

10.10 The Chair will inform the College that the Foundation is considering term deposits of up to 2 years. It is hoped that this might encourage the College to inform the Trustees if there are any anticipated Grant requests in the short to medium term (**Action Point: Chair**).

## 11. **Review of Risk Register**

The Risk Register was considered and approved by the Trustees. It was resolved that no changes are necessary at the moment.

## 12. **Date of Next Meeting**

12.1 The next meeting will be held at the end of July. The Chair will suggest dates to the Trustees and fix a date as soon as possible.

13. **Any Other Business**

The Chair noted that he would like to discuss and review the training needs of the Foundation Trustees at the next meeting of the Trustees and this should be included as an agenda item (**Action Point: Turcan Connell**).

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Chairman

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Date