

, At Glasgow and within the Board Room of the Royal Conservatoire of Scotland on Friday 1 November 2019 at 9:30am being a meeting of the Board of Governors

PRESENT	Andrew Butcher (AB) Morag Campbell (MC) Stuart Cross (SC) John Hylands (JH) Tari Lang (TL) Prof Donald MacRae (DM) Carol Main (CM) Sharon Mair (SM) Ed Monaghan (EM) Jasmine Munns (President of the Students' Union) Susan Lee Kidd (SLK) - elected staff representative	Dorothy Miell (DXM) Agnes Robson (AR) Philip Rodney (PR) Caroline Roxburgh (CR) Jean Sangster (JS) Academic Board Representative Professor Jeffrey Sharkey (Principal) Maria Taylor (MT) Aidan Teplitzky (AT) VP of the Students' Union Colleen Toomey (CT)
IN ATTENDANCE	Dr Lois Fitch Janette Harkess Jackie Russell Lindsey Shields Alan Smith Jeremy Chittleburgh Andrew Comrie	(Assistant Principal) (Director of External Relations) (Director of Human Resources) (Secretary) (Director of Finance and Estates) Chiene + Tait (Agenda item 3) (AC), Director of Fair Access – (Agenda item 10)
IN THE CHAIR	Nick Kuenssberg	

The Chair opened the meeting by thanking retiring Governors Norman Gillies and Norman Sharp who were recognised at the graduation ceremony on 24.10.19. He welcomed new Governors Andrew Butcher, Morag Campbell, Stuart Cross, Susan Lee Kidd, Dorothy Miell and Philip Rodney to their first meeting of the Board.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mark Leishman, who had indicated his support for all proposed board resolutions, and Sir Jonathan Mills.

2. DECLARATIONS OF INTEREST

Stuart Cross advised that he is a Board member of the Office of the Scottish Charity Regulator. The Chair advised that he is one of two Vice Chairs of the Committee of Scottish Chairs. No other declarations of interest were received, and the Chair reminded Governors to provide updated information as necessary to the Secretary in order to keep the Register up to date.

3. STATUTORY ACCOUNTS 2018-19

The 2018/19 Statutory Accounts and Audit Summary Report from the external auditors, Chiene + Tait, were received.

3.1 REPORT FROM THE EXTERNAL AUDITORS AND LETTER OF REPRESENTATION

The Chair welcomed Jeremy Chittleburgh from Chiene + Tait and invited him to present the External Audit Summary Report and opinion on the Statutory Accounts. Jeremy Chittleburgh extended thanks to the Finance team for the quality of information and, subject to the approval of the Statutory Accounts, gave an unqualified audit opinion.

JH referred to the draft Letter of Representation which the Audit Committee recommends to the

Board for approval. JH noted that in the Internal Audit Annual Report, the Conservatoire has an internal framework of controls in place that provides “reasonable assurance” which is the top mark for an audit report.

The Director of Finance & Estates commented that he was pleased with the solid financial performance last year, better than the year before, and that the Conservatoire is continuing to generate cash from operations.

The Board agreed to adopt the Statutory Accounts and to lay them before members at the Annual General Meeting on 4.12.19.

The Board also approved signature of the Letter of Representation. JH extended thanks on behalf of the Board to Jeremy Chittleburgh, the Audit team, the Director of Finance & Estates and the Finance team for the production of the accounts.

DM, as Convenor of the Finance and General Purposes Committee, reported that ‘No Governors received remuneration in their capacity as Governors, other than out of pocket expenses, with the exception that Directors and Officers Liability Insurance cover is provided for all Governors.’ Governors confirmed that they were content with that statement.

Subsequent to the meeting the Statutory Accounts were signed by the Chair, the Principal and the Director of Finance and Estates and the Letter of Representation was signed by the Chair.

4. REPORT FROM THE NOMINATIONS COMMITTEE

The annual report from the Nominations Committee was received and the Chair reported that the composition had changed to provide a lay Governor majority as now required by law. The Chair acknowledged the six new Governors to the Board, the changes to the Board committees’ matrix, the additional Vice President of the Students’ Union (who will attend Academic Board and the Fair Access Committee), and the decision to reduce the attendance of the Senior Management Team at Board meetings for pragmatic reasons with the exception of the Director of Human Resources, the Director External Relations and the Director of Finance and Estates. It was noted that the Assistant Principal currently attends Board meetings and, once the Amendment Order of Council is in force, will be a member of the Board.

CR asked whether the composition of the Board conforms with the Order of Council and the Chair advised that the two Trade Union nominated Governors are not currently in place. There was general discussion around compliance and the difficulty the Conservatoire faces with recognised Trade Unions compared to other Scottish institutions. JH reported on attending the Committee of Scottish Chairs meeting and advised that the Conservatoire is seemingly unique in not having this representation. The Secretary advised that she is aware, through the Secretaries’ Group, that other institutions have had issues with Trade Union representation and that she would speak to Scottish Government about the implications if the Conservatoire is unable to comply.

JS raised the absence of an academic staff Governor and the scope for an acting replacement. The Chair advised that this suggestion would be explored after the meeting.

5. CONFIRMATION OF THE MINUTE OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON 28 JUNE 2019

The minute, subject to TL being included as present and a small amendment, was approved. The Chair referred to the AOB section of the minute: (i) item 17.3, and thanked EM for initiating the forthcoming networking meeting of potential donors and noted the positive result in terms of Governors passing on contacts, suggesting that this could be an exemplar for future such events; and (ii) item 17.4, and the forthcoming meeting with the Royal Society of Edinburgh to plan for next year’s Edinburgh festival.

The Chair noted that Actions arising from the last Board meeting are up to date. With regard to the RCS Trust, the Chair advised that detailed legal advice had been received and this would be presented to the Convenors’ Group for review prior to the next Board meeting in December.

6. MATTERS ARISING FROM THE MINUTE NOT ELSEWHERE ON THE AGENDA

There were no other matters arising not elsewhere on the agenda.

7. REPORT FROM THE PRINCIPAL

The Principal commented that recent press coverage of the Conservatoire was concerning and that managing the dangers of social media is challenging for an open, inclusive, forward leading institution like the Conservatoire. The Principal advised that there would be an external review of the Conservatoire processes and key areas of concern raised by the student community, which Governors would be kept informed about. There was general discussion around the sensitivity of the issue, supporting students and staff and it was noted that any engagement with the press is to be done exclusively through the Director of External Relations.

The Principal presented his report to the Board and the Chair acknowledged that the Conservatoires UK Biennial Conference hosted by the Conservatoire in October, particularly the student performances, displays and the various contributions, was extremely successful and boosted the Conservatoire's reputation in the sector.

The issue of the NSS and the RCS low result was raised and the Principal advised of discussion at the Academic Board, the monitoring of the Schools of Music and Drama, Dance, Production and Film and that the new Head of BMus will bring useful experience in this area.

There was a request to use fewer acronyms and/or to use a key in future.

8. REPORT FROM THE STUDENTS' UNION

The report from the Students' Union was received. The President of the Students' Union reported on the first Students' Union Council meeting which was very positive. It was noted that a new pro-Scottish Independence society had been formed; the President of the Students' Union clarified that the society was aware that the Conservatoire would not be linked to any of its advertising. The Students' Union approved a motion for the Students' Union to pay a base rate for musicians at future events and AT advised that they are looking at a similar rate for the School of Drama, Dance, Production and Film.

The President of the Students' Union commented on (i) the application to the Think Positive Small Grant Scheme, which is a new initiative funded by Scottish Government, for up to £250 to fund events for a wellbeing week and the new student mental health agreement to be translated into British Sign Language; and (ii) the meeting with a union development consultant from the National Union of Students to grow the Students' Union and representation from the Post Graduate School of Learning and Teaching.

The Principal reported on his discussion with the Director of Finance and Estates and the injection of limited funding for the Students' Union specifically for events and activities.

DM thanked the Students Union for producing the Students' Union accounts. AT advised that the Students' Union is setting up better training in this regard and thanked the Finance team for their assistance with the accounts.

9. REPORT FROM THE ACADEMIC BOARD

9.1 The summary report of the meeting of 23 October 2019 was received and noted and attention was drawn to the expanded, more detailed report as previously requested. The Principal acknowledged that the external annual effectiveness review will be undertaken next year.

9.2 The Institution-Led Review of Quality: 2018-19 Annual Report to SFC was received. The Assistant Principal explained that, due to the approval deadline, a draft version of the Report had previously been approved by the Finance & General Purposes Committee; however subsequent feedback from the Scottish Funding Council has led to a more self-critical report. CM commented on the student groups in the report and it was noted that it should reflect that these are not the same students. The updated report **was approved**.

DM queried (i) the approval process for the report in the future and (ii) reference to School

Directors formulating robust and targeted action plans in paragraph 6 of the Report. The Assistant Principal confirmed that she is responsible for all academic interaction with the Scottish Funding Council and the report would be written in early Summer for Academic Board approval. The Principal confirmed that these would come to the Board via the Academic Board.

9.3 The ELIR4 Follow-up Report and action plan was received and noted.

10. REPORT FROM THE FAIR ACCESS COMMITTEE

10.1 The summary report of the meeting of 1 October 2019 was received and noted. The Director of Fair Access drew attention to (i) the Conservatoire continuing to do well against the Scottish Funding Council targets in the Outcome Agreement especially in the priority areas of SIMD 20, care experienced backgrounds and BAME students; and (ii) the Conservatoire is already ahead in meeting the undergraduate targets and national targets set by Scottish Government. The Chair commented on how well the Conservatoire is doing in this area, commended the work under AC and Norman Sharp as Convenor and welcomed the new convenor DXM.

DXM noted that the Conservatoire is seen as sector leading in Fair Access and that its wonderful work is fragile too by its dependency on Scottish Funding Council funding. There was general discussion around the demographics of transition students and 57% coming from outside Glasgow, targeted intervention in recruitment and a particular type of learner, for example, through MCR pathways and the collaboration with Scottish Youth Theatre: *Now You See me*. The Principal commented on the partnership with the Princes Foundation and the focus on Edinburgh through Holyrood Palace and Edinburgh City Council. There was general discussion around targets. DM referred to page 24 of the Annual Report and the acronyms' glossary which would be useful to Governors too.

10.2 The Fair Access Annual Report 2018-19 was received and approved.

10.3 The Fair Access Plan objectives and targets 2019/20 was received and approved.

11. REPORT FROM THE FINANCE AND GENERAL PURPOSES COMMITTEE

11.1 The Summary Report from the meeting of 13 September and 18 October 2019 were received and noted.

DM noted (i) the Associated Board of the Royal Schools of Music's pension fund deficit which would impact on RCS scholarships; (ii) the Local Government Pension Scheme increased service charge cost will reduce the budgeted surplus outturn for 2019/20; (iii) student numbers for this current year are below budget which means the contingency fund is a third used up already; and (iv) the low completion rate for Cyber Security training in the Conservatoire stands at 38%, it was noted that all of the Senior Management Team have completed this and are encouraging colleagues to do likewise.

11.2 The Management Accounts to July 2019 were received and noted. DM congratulated all management involved in achieving the surplus in 2018/19 but drew attention to the modest amount even although this does compare well across the Scottish HE sector. DM noted the good cost control over the year with total expenditure being only marginally up..

11.3 The Investment Policy was received **and approved**. DM commented that this had been revised only to take account of the new improved environmental, social and governance rating system which the RCS fund managers use.

11.4 The SFC Outcome Agreement 2018/19 Self Evaluation Report was received **and approved**.

11.5 The Strategic Plan Update 2015/20 was received and noted. DM commented on the strategic plans (current and forthcoming) and input from the Governors. The Chair confirmed that the next Board meeting would be a single item agenda to focus on the Strategic Plan 2020-25.

The Director of Finance and Estates reported on the recent kick-off meeting between the outcome agreement team and the Scottish Funding Council and discussions regarding a review of the Conservatoire funding. It was confirmed that the Funding Council have had an internal review of this and there should be an update to report to the January Board meeting.

12. REPORT FROM THE AUDIT COMMITTEE

- 12.1 The summary report of the meeting of 18 October 2019 was received and noted.
- 12.2 The Audit Committee Annual Report 2018/19 was received and Governors **approved** the appointment of Chiene + Tait as external auditors for a further year.

JH drew attention to (i) the Audit Committee's opinion that the Governing Body's responsibilities have been satisfactorily discharged; and (ii) the Pre-HE Deep Dive issues discussed at the Audit Committee on 18 October and followed up with an Audit Committee that morning, were now well recognised and that the Audit Committee is more confident that these are being taken seriously and properly addressed by management.

- 12.3 The Internal Audit Annual Report was received and noted. JH reported that (i) the internal audit follow up status report is that good progress has been made but there are still outstanding audit recommendations and the focus should be on closing these down by the end of the academic year and (ii) in terms of the internal audit plan for next year, the three areas are: (a) research (b) student experience (including but broader than NSS); and (c) cyber security.
- 12.4 The Strategic Risk Register and Annual Report to Audit Committee from the Risk Management Group were received and noted. JH drew attention to: (i) the new risk on Research Excellence Framework 2021 due to the changed criteria on how the Institution is to be assessed; (ii) the increase in short term financial sustainability risk due to the pension service cost; and (iii) a reduction in the Dunblane Street accommodation risk.

13. RECOMMENDATIONS FROM THE HEALTH, SAFETY AND WELLBEING COMMITTEE

- 13.1 The annual report from the Committee was received and noted. CM thanked Norman Sharp for his support and the Director of Human Resources for appointing a Health, Safety and Wellbeing Manager who has been a big help. CM reported on full compliance across the different departments and is delighted to have two Governors join the committee. Attention was drawn to the concern about the mental health of staff and students regarding the recent publicity and this would be taken up separately with the Director of Human Resources.
- 13.2 The Summary report of the meeting held on 2 October 2019 was received and noted

14. REPORT FROM THE BUILDINGS COMMITTEE

The summary report of the meetings held on 13 September and 18 October was received and noted. EM reported that the Dunblane Street completion was a key aspect of the report and that Governors will see the benefit of this with the tour of Base Glasgow following the Board meeting. EM acknowledged that the contractor/developer pulled out all stops to achieve completion on time and that there were inevitable snagging items but that the building had been well received. The President of the Students' Union reported that the feedback had been largely very positive. The Board extended thanks and congratulations to EM, the Director of Finance and Estates, the external communications team and the Academic Registrar for their hard work with Dunblane Street.

The Chair drew attention to the forthcoming working group meeting to explore space and potential estate developments. EM reported on the Mott Macdonald technical feasibility report on sustainability initiatives; it was envisaged that the tender process should commence in the Spring.

15. REPORT FROM THE REMUNERATION COMMITTEE

The staff members left the meeting.

- 15.1 The annual report from the Remunerations Committee was received and noted. AR reported that the Committee unusually met twice last year, taking extra time to look at (i) the structure of salaries, especially the potential impact of pay compression on senior management salaries. It was noted that information from other HE institutions, together with benchmarking information from the rest of the conservatoire sector was considered and that there was no firm basis for

senior management salaries not being competitive; and (ii) the remit and a couple of policies to make some tweaks to reflect the HE Code of Good Practice, changes in job titles and an increase to the cost of legal advice for staff in the Severance policy. AR drew attention to no longer differentiating between governors and lay governors for membership in the Committee. There was general discussion around paid non-executive board membership, permission being given on a case by case basis, and the approval process for this being Principal to Chair to Remunerations Committee.

- 15.2** The tabled Appendix was circulated by AR and the committee's recommendation to the Board to approve the 1.8% uplift to senior management, in line with the national pay award, **was approved**.

The staff members re-joined the meeting

16. DEVELOPMENT AND FUNDRAISING COMMITTEE

- 16.1** The proposal for a Development and Fundraising Committee was received and the Chair noted that (i) the reduction in income for scholarship due to the Associated Board of the Royal Schools of Music's pension fund deficit; and (ii) the potential for flat or reduced Scottish Funding Council income means that the Conservatoire needs to diversify its revenue streams. The Chair reported that the Board should be involved and proposed a mixed Committee chaired by TL with the membership outlined in paragraph 3 and others engaged in due course. It was also proposed that the Committee will agree terms of reference, core mission, overarching strategy and report back to the Board on 31 January 2020. **The Board approved** the proposal for a Development and Fundraising Committee.

There was general discussion around fundraising, arrangements to promote giving at events, the International Advisory Board and improving its position in New York and London, sharpening ambition and professionalism in donor cultivation, the ambition of the unrestricted income figure the committee's intended focus on the best and most effective ways to fund-raise; and the need to start activity for any capital.

- 16.2** The International Advisory Board Report was received and noted. The Chair advised that Mark Paris has now formally left the Board and the International Advisory Board (although he is still involved on the periphery). CT drew attention to the members of the Board and the contribution they could make in terms of donation and participation and the need through the Development and Fundraising Committee, for the International Advisory Board to make formal reports on New York. There was general discussion around the International Advisory Board's accounts and these being available to the Board as part of the proposed quarterly report.

17. GOVERNANCE

- 17.1** The final draft of the Conservatoire's Amendment Order of Council 2020 (Amendment Order) and updated Articles of Association were received. The Chair reported that the previous Secretary together with the current Secretary have worked with Scottish Government on the amendments to the Amendment Order and that the Convenors' Group had undertaken a final review of the documentation. The recommendation from the Convenors' Group was to approve the Amendment Order together with the updated Articles of Association.

It was noted by the Board that a draft of the Amendment Order of Council had been passed to the members of the Company and that a written resolution of the members had been passed as a special resolution in terms of which the members approved the form of the Order and its submission to the Privy Council.

The terms of the Amendment Order and the updated Articles of Association were carefully considered, discussed and **approved by the Board**. It was resolved that it was necessary to comply with the provisions of the Higher Education Governance Act (Scotland) 2016 and that it was in the best commercial interests of the Conservatoire for the Secretary to submit the Amendment Order to the Privy Council for approval. It was further resolved that any Governor and/or the Secretary was authorised to do all other acts which they may deem necessary and/or desirable in connection with the subject matter of the Amendment Order, and its submission to the Privy Council, on behalf of the Conservatoire.

- 17.2** The Effectiveness Review Final Report Summary of Recommendations was received, discussed and accepted. The Chair drew attention to the actions taken following the recommendations. A request for the full report by two Governors was noted and would be sent to them by the Secretary.

18. DATES OF FUTURE MEETINGS

Board

4 December 2019 (after AGM)

31 January 2020

24 April 2020

26 June 2020

30 October 2020

9 December 2020 (after AGM)

29 January 2021

23 April 2021

25 June 2021

AGM

Wednesday 4 December 2019

Wednesday 9 December 2020

Graduations

Thursday 2 July 2020

Thursday 29 October 2020

19. ANY OTHER COMPETENT BUSINESS

There was no other competent business.

20. PAPERS FOR INFORMATION

The papers for information were received and noted. The Chair commented on the raft of activity in Research and Knowledge Exchange and that the Director of Research and Knowledge would give a presentation at the January Board meeting.

The Chair drew attention to the Degree Classification Summary, the increased number of firsts and disappearance of thirds being an HE issue and there was general discussion around how this affects the Conservatoire. The Assistant Principal noted (i) the graph usefully showing the uneven pattern and the Academic Board potentially looking at the variant between the programmes; and (ii) the Conservatoire has undertaken the amendment of the degree algorithm which may change how the graph looks in the future. DM commented that this should go to the Academic Board to explore and comment and that whilst there is talk of “grade inflation”, a huge amount of work has been undertaken across the HE sector to improve the level of teaching and that this needs to be accounted for in performance of students too. DMX commented that the issue of “grade inflation” was perhaps exaggerated as there had undoubtedly been an improvement in teaching recent years which would have an impact.

ACTIONS ARISING FROM THE BOARD OF GOVERNORS' MEETING OF 1 NOVEMBER 2019

Item No.	Person(s)	Action	By/when
5.	Chair	Review of legal advice re the RCS Trust by the Chair, the Principal, the Secretary and the Director of Finance and Estates for onward transmission to the Convenors' Group.	To report to the Board meeting in December.
17.1	Secretary	Submission of the Amendment Order of Council to the Privy Council Office for approval; put resolution re the updated Articles of Association to members at the next AGM on 4 December.	To report to the Board meeting in January.