

At Glasgow and within the Board Room of the Royal Conservatoire of Scotland on Friday 2 November 2018 at 10.00am being a meeting of the Board of Governors

PRESENT	John Hylands Mark Leishman Professor Donald MacRae Carol Main (from 6) Ed Monaghan Jasmine Munns Nicholas Olsen	Mark Paris (by telephone) Agnes Robson Caroline Roxburgh Professor Jeffrey Sharkey Professor Norman Sharp Maria Taylor Aidan Teplitzky Colleen Toomey
IN ATTENDANCE	Dr Lois Fitch Professor Hugh Hodgart Helen McVey Dr Gordon Munro	Oliver Pollard Jackie Russell Alan Smith Craig Steedman; Chiene & Tait (3)
IN THE CHAIR	Nick Kuenssberg	

The Chair welcomed Caroline Roxburgh and Jasmine Munns to their first meeting of the Board.

The Chair reflected on the long and distinguished service of Ewan Hainey, who had recently retired as Secretary, and recorded the grateful thanks of the Board to Ewan for his hard work and dedication to the Conservatoire over the past 20 years.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Sir Jonathon Mills, Professor Norman Gillies, Tari Lang, Sharon Mair and Jean Sangster.

2. DECLARATIONS OF INTEREST

There were no declarations of interest declared. 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 2017/18

The 2017/18 statutory accounts and report from the external auditors, Chiene and Tait, were received.

The Director of Finance and Estates highlighted some amendments which had been made to the Governor's Report subsequent to the circulation of the

papers. He commented on the main factors contributing to outturn for the year, an operating surplus of £473,000, which was well ahead of budget. It was noted that the unrestricted reserves stood at £22.8M. The majority of this total consisted of previous donations to fund capital projects and the pension asset with general unrestricted reserves standing at £6.5M. He also highlighted the satisfactory cash position.

3.1 Report from the External Auditors. Annual Statutory Accounts and Letter of Representation

The Chair welcomed Craig Steedman from Chiene and Tait and invited him to present the external audit report. Craig Steedman confirmed that Chiene and Tait will be issuing an unqualified audit opinion.

It was agreed to adopt the Accounts and to lay them before members at the Annual General Meeting on Wednesday 5 December 2018.

The Board also approved the Letter of Representation.

Donald MacRae, 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.'

Subsequent to the meeting the Accounts were signed by the Chairman, the Principal and the Director of Finance and Estates.

4. AUDIT COMMITTEE

4.1 Summary report from the meeting 19 October 2018

A summary report from the Audit Committee's meeting of 19 October 2018 was received.

4.2 Audit Committee Annual Report 2017/18 to the Board of Governors

The Audit Committee's Annual Report was received. John Hylands, the Convenor drew attention to the opinion of the Committee that the Governing Body's responsibilities, as described in the Responsibilities Statement in the Annual Report, have been satisfactorily discharged.

4.3 Internal Audit Annual Report

The Internal Audit Annual Report for 2017/18 was noted. The recommendations arising from the audit work had all been agreed by senior management. No Grade 4 items were found during the year. The opinion of the Internal Auditor was noted: that the Conservatoire has a framework of controls

in place that provides reasonable assurance regarding the adequacy and effectiveness of the organisation's governance, risk management, internal controls and value for money.

4.4 Strategic Risk Register

The Strategic Risk Register was received and noted. John Hylands commented that whilst the scoring methodology was altered during the year, only minor changes had occurred as a result. The main movements in risks over the course of the year were highlighted, the principal concern being the medium term potential impact of Brexit on EU student recruitment.

4.5 Risk Appetite Statement

John Hylands presented the Risk Appetite Statement to the Board for approval. The Statement had been developed in consultation with the Risk Management Group and would provide a framework against which to consider strategic decisions. John Hylands noted, in particular, the Conservatoire's stated High appetite in the category of Learning, Teaching and Research. The Statement would be regularly monitored and evolve over time. Maria Taylor was thanked for her valuable contribution in the development of the Statement.

The Board approved the Risk Appetite Statement.

4.6 Business Continuity Policy

The Business Continuity Policy was received, noted and approved.

5. CONFIRMATION OF THE MINUTE OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON 29 JUNE 2018 AND PROGRESS IN RESPECT OF PREVIOUSLY AGREED ACTIONS

The minute of the previous meeting was approved as an accurate record. All of the actions agreed at the last meeting had been actioned or were in hand. It was noted that the feasibility of creating a 'living wall' at Renfrew St was being investigated and would be reported back via the Building Committee.

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

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

7. BOARD EFFECTIVENESS

7.1 Progress report in respect of response to 2017/18 effectiveness review

The progress report and actions arising were noted by the Board.

8. REPORT FROM THE PRINCIPAL

Professor Sharkey presented his report to the Board. The senior team continued to focus on the uncertainties surrounding Brexit and the potential impact on the Conservatoire and scenario planning is ongoing. Meetings with the Cabinet Secretary for Culture, Tourism and External Affairs have been productive. It is also likely that specific mention will be made in the forthcoming Ministerial Letter of Guidance to SFC from the Education Secretary of the need to support the small specialist institutions. In addition it is possible that the funding differential between RCS and conservatoires in England will be reviewed. It was helpful that the Murphy Report into the funding arrangements for the Royal Welsh College of Music and Drama, published recently, had recommended alignment with English conservatoires.

Professor Sharkey reported on recent discussions with the International Advisory Board and commented on the pipeline of projects from 2019 – 2025 which would be located in London, New York and Edinburgh. It was also planned to develop musical theatre scholarships linked to the 40th Anniversary of *A Chorus Line*. Colleen Toomey was thanked for her efforts in driving the project on behalf of the Conservatoire.

Referring to the Statutory Accounts statistical analysis the Board enquired whether there was a cause for concern in the drop of the overall course completion rate (CCR) from 84% to 78%. It was reported that this was broadly comparable other similar conservatoires. The main reasons were: withdrawal due to personal reasons, leaving with an ordinary degree after 3rd year and deferrals for health/medical reasons, which were increasing. The use of CCR + 2 was being introduced as an additional measure to monitor completion rates over time.

The Board was pleased to note the 'Student successes' reported but observed that the individuals mentioned were largely male. The Schools would check to establish whether this particular report was anomalous. The Board was also assured that these achievements were noteworthy rather than being 'business as usual'.

9. REPORT FROM THE PRESIDENT OF THE STUDENTS' UNION

The President's report was received. The concerns surrounding the improvement of disabled access within the Renfrew St building were noted and are being progressed with the estates department. The report also highlighted the apparent attainment gap in degree classifications for Black and Minority

Ethnic (BME) students. The Director of Music responded that the reasons why this had occurred in each case was being investigated within the School and the situation would be monitored on an on-going basis.

10. ACADEMIC BOARD

Professor Sharkey thanked Aaron Shorr and Joyce Deans who had completed their tenure as elected members of the Academic Board.

10.1 Summary reports from the meetings of 20 June and 17 October 2018

The summary reports from the June and October meetings were received.

10.2 ELIR Report

The ELIR Report was received and the Board was pleased to note the overall assessment of 'Effective' which was the highest rating. The view of the executive team was that it was a fair report. The process of preparing for and undergoing the review had been a useful and collegiate experience. The commendations had been welcome and the recommendations accepted particularly with regard to feedback.

Professor Sharp commented that the institution seemed to be accurately represented in the report itself and in the Reflective Analysis which had been produced in advance.

10.3 Code of Procedure for Appeals

It was noted that Dr Fitch now heads the appeals committee of the Academic Board. Some minor amendments to the Code were being considered and would be taken to Academic Board for approval in due course.

10.4 Institution-Led Review of Quality: Annual Report to SFC – 2017/18

The report was noted by the Board. It had already been considered and approved by the Finance and General Purposes Committee on behalf of the Board and had been submitted to the SFC.

10.5 Outcome Agreement 2017/18 Self-evaluation

Dr Fitch thanked colleagues for their input into the Outcome Agreement self-evaluation for 2017-18 which was approved by the Board for submission to the SFC.

10.6 Outcome Agreement 2019/20 SFC Guidance

The SFC Guidance for 2019/20 was received and noted.

11. STRATEGIC PLAN

11.1 Progress report in respect of the Strategic Plan 2015/20

The Progress Report was noted.

11.2 Annual Plan 2018/19 derived from Strategic Plan

The Annual Plan for 2018/19 was noted.

12. FAIR ACCESS COMMITTEE

12.1 Report from the meeting of 2 October 2018

The report from the meeting held on 2 October 2018 was received.

The Report highlighted the recommendation for the Board to approve the Fair Access Annual Report for 2017-18 (12.2 below) and revisions to the objectives and targets in the Fair Access plan for 2018-19 (12.3 below).

The Convenor, Professor Sharp, highlighted the ambition to publish more Fair Access information to a wider circle as the good work of the Committee progresses.

12.2 Annual Report

The Annual Report was welcomed and complimented for its informative and detailed nature. This was **approved**.

12.3 Fair Access Plan

The Board noted and **approved** the excellent Fair Access Plan as recommended by the Fair Access Committee. It was noted that the Fair Access Manager post would be a useful addition in the effort to meet the objectives and targets.

13. FINANCE AND GENERAL PURPOSES COMMITTEE

13.1 Summary reports from the meetings of 14 September and 19 October 2018

The summary reports from the September and October meetings were received.

The Convenor, Donald MacRae, reported that the Committee continued to receive reports on the scenario planning that was being undertaken to address the potential impact of Brexit on student recruitment.

Information had been received from the Scottish Public Pensions Agency intimating the probability that, following the quadrennial review of the Scottish Teachers' Superannuation Scheme, the employer's contributions were set to increase by 30% from April 2019 which would present a considerable budgetary challenge for the institution.

13.2 Investment Policy

Donald MacRae presented the draft investment policy to the Board for approval.

It was noted that the policy committed the Conservatoire to a reduction in direct investment in oil & gas and mining to nil over 3 years from December 2018 and to invest up to 15% of the portfolio in renewables. The policy would be reviewed annually.

The Investment Policy was **approved** by the Board.

A question was raised about the Conservatoire's stance on investments held by Strathclyde Pension Fund (SPF) in oil, gas and mining stocks. It was noted that the Conservatoire paid over employee and employer contributions to SPF and had no locus in the investment management policy.

13.3 Management Accounts June/July 2018

The June/July 2018 Management Accounts were noted.

14. HEALTH, SAFETY AND WELLBEING COMMITTEE

14.1 Summary report from the meeting of 3 October 2018

The summary report from the October meeting was received.

14.2 Annual Report

The Health, Safety and Wellbeing (HSW) Committee's annual report for 2017/18 was received. The Convenor, Carol Main, commented that the Committee was working effectively with good representation from Governors, staff and students. The appointment of the new HSW manager, after a gap of several months, was welcome and would help to progress actions. The Committee believe the Conservatoire to have good HSW practices in place but it was necessary to remain vigilant about training and communication and nurturing the right culture.

15. BUILDINGS COMMITTEE

15.1 Summary reports from the meetings of 14 September and 22 October 2018

Summary reports from the meetings in September and October were received.

The Convenor, Ed Monaghan, reported that the Dunblane St development had been subject to a major setback in the programme due to the discovery of sub-standard concrete in a sizeable proportion of the foundations. The delay had been estimated at 12 weeks. The developer's team have created a recovery plan to make up the lost time, which has been considered by the Committee. Whilst tight, the programme is judged to be credible by the Committee and the project monitor.

Since the last meeting the developer has served a Notice on the Conservatoire which commits that the project will be completed by 14 September 2019. A special meeting of the Committee will be convened on 23 November 2018 to take a decision on serving notice on the Conservatoire's existing provider of student accommodation which is required by 28 November 2018.

The Committee will continue to monitor carefully the progress to completion.

16. NOMINATIONS COMMITTEE

16.1 Summary report from the meeting held on 18 October 2018

The summary report for the October meeting was received.

16.2 Annual Report

The Committee recommended the appointments/re-appointments of:

- Tari Lang as Vice Chair
- Colleen Toomey as Board Champion of Equality & Diversity
- Caroline Roxburgh as Governor

- Donald MacRae, Ed Monaghan and Maria Taylor to be re-appointed as Governors for a further term of three years

These appointments were **approved**.

16.3 Arrangements for the appointment of the Secretary

The Chair reported that the recruitment process for the post of Secretary to the Board had attracted a strong field of candidates and it was hoped that an appointment could be announced imminently

17. REMUNERATION COMMITTEE

The executive staff left the meeting.

17.1 Annual Report

The annual report from the Remuneration Committee was received. The report confirmed that all decisions taken by the Committee had been in accordance with the Board's agreed policies and processes in respect of senior management remuneration.

17.2 Senior Salaries

Senior management salaries presented in bands were noted, and the recommended salary awards were **approved** by the Board as recommended by the Nominations Committee.

18. GOVERNANCE

18.1 Higher Education Governance (Scotland) Act: 2016 and the Conservatoire's Order of Council

The Conservatoire's Order of Council requires to be updated to reflect the requirements of the Higher Education Governance Act (Scotland) 2016. The draft revised Order was received and any comments should be sent to Ewan Hainey who was still overseeing this piece of work on behalf of the Board. The Chair proposed that the convenor's group should consider the revisions prior to submission to the Scottish Government lawyers for discussion and agreement and this was agreed.

18.2 Scottish Code of Good Higher Education Governance

A report on the Conservatoire's current state of compliance with the Scottish Code of Good Higher Education Governance was received. The Conservatoire was fully compliant in all areas other than:

- Paragraph 20: Formulate rules for eligibility to stand for election as Chair
- Paragraph 59: Develop election rules for the Chair

The Convenors Group will meet to analyse further and fine tune the report. It is anticipated that the Conservatoire will be fully compliant by 31 July 2019 after changes to the Conservatoire's Order of Council.

19. DATES OF FUTURE MEETINGS

5 December 2018 – 10.45 am
1 February 2019
26 April 2019
28 June 2019
1 November 2019
4 December 2019

AGM: Wednesday 5 December 2018
Wednesday 4 December 2019 (to be confirmed)

Graduations:
Thursday 4 July 2019
Thursday 24/31 October 2019 (to be confirmed)

20. ANY OTHER COMPETENT BUSINESS

Papers relating to the Outcome Agreement 2018/19, the annual Prevent Report and the Equality and Diversity Annual Report had been circulated for information.

20.1 Student Union Constitution

The Student President sought clarification on whether the changes to the Student's Union constitution proposed in 2017 for an additional Vice President had been approved.

ACTIONS ARISING FROM THE BOARD OF GOVERNORS' MEETING OF 2 NOVEMBER 2018

Item No.	Person(s)	Action	By/when
3	Chair, Principal and Director of Finance and Estates	Sign 2017/2018 Statutory Accounts and present them to AGM on 5 th December 2018.	Tabled at AGM 5 December 2018
6	Director of Finance and Estates	Look into the creation of a 'living wall' at Wallace Studios.	February 2019
9	Director of Finance and Estates	Review disabled access at Renfrew St	February 2019
9	Principal and Directors of Schools	Establish the reasons behind the BME attainment gap in the School of Music.	February 2019
18.1	Convenors' Group	Confirm or amend the draft Order of Council before submission to Scottish Government. Review compliance with the New Code.	Item 5 of Agenda of the Board meeting 5 December 2018.
20	Chair/Secretary	Clarify whether a change to the Student's Union constitution was made to enable two Vice Presidents(one for each School)	February 2019