

**At Glasgow and within the Board Room of the Royal Conservatoire of Scotland on Friday 28 June 2019 at 10:00am being a meeting of the Board of Governors**

<b>PRESENT</b>	Prof Norman Gillies (NG) John Hylands (JH) Tari Lang (TL) Mark Leishman (ML) Prof Donald MacRae (DM) Carol Main (CM) Sharon Mair (SM) Nicholas Olsen (NO) - elected staff representative Agnes Robson (AR) Caroline Roxburgh (CR)	Jean Sangster (JS) - Academic Board Representative Professor Jeffrey Sharkey (Principal) Prof Norman Sharp (NS) Maria Taylor (MT) Aidan Teplitzky (AT) VP of the Students' Union Colleen Toomey (CT) (by telephone)
<b>IN ATTENDANCE</b>	Dr Lois Fitch Janette Harkess Professor Hugh Hodgart  Helen McVey Gordon Munro Jackie Russell Lindsey Shields Alan Smith Alastair Work  Suzanne Daly	(Assistant Principal) (Director of External Relations) (Director of Drama, Dance, Production and Film) (Director of Business Development) (Director of Music) (Director of Human Resources) (Secretary) (Director of Finance and Estates) (AW), Board Effectiveness External Reviewer - Agenda item 14.2 (SD), Academic Registrar – Agenda item 5
<b>IN THE CHAIR</b>	Nick Kuenssberg	

The Chair referred to the strategy sessions the evening before and prior to the Board meeting and how productive they had been.

The Chair greeted CT by telephone and introduced SD and AW.

The Chair acknowledged (i) the Strategic Dialogue with SFC, the hard work from the senior management team to input to this what a success this was for the RCS; and (ii) the Creative Conversation on 26 June 2019 "Shaping Scotland's Place in the 21st Century Through Higher Education and the Arts" and the important advocacy work the Principal and his team are doing.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Jasmine Munns, Ed Monaghan and Sir Jonathan Mills

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest declared.

**3. MINUTE OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON 26 APRIL 2019**

The minutes of the previous meeting **were approved** as an accurate record. All actions agreed at the last meeting had been actioned or were in hand, the REF report being deferred to the next board meeting.

#### **4. MATTERS ARISING FROM THE MINUTE NOT ELSEWHERE ON THE AGENDA**

None

#### **5. REPORT FROM THE PRINCIPAL**

The report from the Principal was received and the following points were highlighted:

- the recent meeting with Susan Aitken, leader of Glasgow City Council, at the RCS was positive. It was agreed that Renfrew Street is to be the next avenue of focus and the Savoy Bridge to be removed. This will have an impact on traffic around the RCS and potential access to City Deal funds.
- thanks were extended to CT in connection with the successful production at The Crazy Coqs involving Donna McKechnie, Andrew Panton and RCS students. The scholarship appeal in Donna McKechnie's name will be followed up by the fundraising team.
- the RCS is in His Royal Highness's mind following the curated performance at Buckingham Palace involving RCS musicians, dancers and alumni in honour of the Prince's Foundation.
- graduation is imminent on 4 July 2019 and the RCS has three impressive Honorary Doctorates.
- SD was invited to go through the student recruitment figures in connection with the School of Music and reported on the over target figures and the within target figures. There was general discussion around the minus figures for the MAs and SD explained that these figures, particularly for DDPF, are normal for this time of year as they are still in progress. It was acknowledged that international recruitment is still going up and agreed that the Scot/EU figures should be split to show further detail and potential Brexit implications. There was further discussion to confirm that the staff can cope with the additional figures and that the minus figures raise no concern at this stage.
- the Chair drew attention to the extraordinary successes and awards of students this year.
- the Board congratulated NO on being "Graduate of the Month" in June.

#### **6. REPORT FROM THE PRESIDENT OF THE STUDENTS' UNION**

In the President of the Students' Union's absence, AT reported that:

- the Student Constitution has now been formally approved;
- it has been agreed that the AGOS foyer space can be used for more Student Union events. JS acknowledged how crucial the space in the AGOS is for student activities, how positive this for collaboration, innovation and inspiration amongst students and that this should continue to be supported and encouraged;
- the Summer ball of last week was a great success and it was acknowledged how helpful the production staff were in supporting this; in the future a more communal approach will be adopted to get more student involvement in Student Union events;
- the President of the Students' Union has worked with the Finance department on the previous year's accounts and on the budget with a view to having both approved by September; and
- Student Experience Forum: the Assistant Principal updated the Board on this forum which is jointly convened by the Assistant Principal and President of the Students' Union in order to solicit feedback from students about the student body in a safe space. There have been four sessions mainly focusing on feedback and assessment and transparency of communication. In the future the forum will involve more staff and the student partnership agreement will be revisited to make it a student charter in student focused language. AT reported on (i) the forum picking up on poor communication on occasion to students in connection with events ; the election of Zweyla Mitchell Dos Santos as Vice President of the Students' Union would help to address this for Drama, Design, Production and Film; (ii) feedback and assessment in the school of Music and how this could be improved; and (iii) concern amongst some students about the complaints process and the potential impact on grades and opportunities. Governors discussed the potential fear around the complaints process being vindictive rather than helpful and noted the creation of the forum as a safe space, with a two-way dialogue between senior management staff and students, as a good and positive way forward in alleviating these underlying fears.

## 7. REPORT FROM THE ACADEMIC BOARD

The summary report of the meetings of 8 May and 19 June 2019 was received, noted and reference was made to this being adequately detailed.

The Principal reported (i) that significant time had been spent on the Code of Practice with thorough and productive consultation and the Code of Practice had been approved; (ii) that the Equal Pay Review this year has been finalised; (iii) on the Academic Board's Annual Effectiveness Review, the summary report, and the effort to make this more meaningful and hence effective.

The Assistant Principal reported on the last Academic Board meeting and the approval of (i) changes to the rules and regulations specifically regarding degrees. It was noted that the 5-day late penalty has caused confusion and stress to students and staff resulting in its removal, and that processes will be reviewed to make them more user friendly; and (ii) narrowing the discretionary borderline honours classification band. Narrowing the band will support the decision making of the Exam Board to be more effective and efficient, provide more clarity to students' expectations and bring the RCS into line with the rest of the sector. It was noted by the Assistant Principal that background work had been undertaken by SD to ensure that very few, if any, students in the last 5 to 10 years would have been negatively affected by narrowing the band and that no student in their final year of an honours programme would be affected by this change as the change will be imposed in the Academic Year 2021.

## 8. REPORT FROM THE FAIR ACCESS COMMITTEE

The summary report of the meeting of 15 May 2019 was received with NS highlighting the following:

- The plenary discussion was on the diversity and drama and was well received.
- The Transitions Programme is now full for next year and has a full cohort of 121 students. It was noted that this cohort covers the diversity which is being targeted and that staff put in a lot of hard work to achieve this.
- The revised Outcome Agreement targets were noted and will be revisited in detail to achieve them in 1920.
- The next meeting on 1 October 2019 will be NS's last meeting and will focus on students from estranged families.

The Chair acknowledged the Fair Access leaflet in the RCS and the impressive figures achieved.

## 9. REPORT FROM THE FINANCE AND GENERAL PURPOSES COMMITTEE

9.1 The summary report of the meetings of 10 May and 14 June 2019 was received and noted.

9.2 The Final Budget 2019-20 was received **and approved**. DM reported on the large number of forecasts and estimates and that this is a much improved position from the first draft the Finance & General Purposes Committee received. Thanks were extended from the Committee to the Principal and staff who had to make some challenging decisions.

It was noted that there (i) is a surplus of £52,000 which is a third of what is expected for this current year; (ii) there remains a contingency of £295,000 which gives a total of £347,000; and (iii) there are still several uncertainties in various areas but overall the Committee believes that this is a reasonable and achievable budget.

9.3 The Financial Forecasts 2018-19 to 2021-22 were received **and approved** for submission to the Scottish Funding Council. DM reported on the modest surplus this year and the forecast for next year of a slightly smaller surplus. It was noted that the projections show a deteriorating financial position going from a surplus of £52,000 in 19/20 to a deficit of £371,000 in 21/22. DM drew the Governors' attention to the Financial Forecasts have always shown deterioration over the years but not in the same degree as this and it was emphasised that this is serious given the issues on EU students, SFC funding prospects, pensions and pressure on scholarships.

- 9.4** The Management Accounts as at April 2019 were received and noted. DM reported that:
- the increase in staffing costs for both the School of Music and the School of Drama have been offset by the increase in tuition costs. It was noted that the RCS still has a contingency in tuition fees of £241,000. The projected outturn is a surplus £149,000 which, together with the contingency, gives £390,000 projected for this current year. This is quite small in relation to the £23.5 million turnover but if this provides the opportunity to repay some of the funds received from the RCS Trust.
  - a very significant increase in the pension scheme deficit of the Associated Board of the Royal Schools of Music (ABRSM) means that the annual amount they give to the RCS Trust could be reduced and have a knock on effect on the amount of RCS scholarships awarded. The Director of Finance and Estates updated the Board on the two potential issues affecting the income streams to the ABRSM and the potential knock on effect on the RCS Trust and hence on future scholarship funding.

## **10. REPORT FROM THE AUDIT COMMITTEE**

- 10.1** The summary report of the meeting of 31 May 2019 was received and noted.
- 10.2** The Strategic Risk Register was received and noted. JH reported that a draft of the Internal Audit Plan was discussed and would come back in Autumn for approval and that the External Audit Plan had been approved. It was noted that the Augar report had been discussed and would figure in the Risk Register. Attention was drawn specifically to:
- the Risk Register and that the Audit Committee being happy with the much improved risk reporting received and the succinct focused one page report highlighting the key developments within the risk environment.
  - cyber security and the environment we operate will be included on the Strategic Risk Register.
  - The funding position following SFC strategic dialogue meeting under financial sustainability, the annual ABRSM dividend to the Trust to fund scholarships and the potential for delay on the completion of the student accommodation are also on the Strategic Risk Register.

The Board agreed that the one page on risk was a very helpful presentation to have. There was general discussion around (i) managing risk going forward which the CSMT are constantly looking at and (ii) the RCS's ability and structure to bring in more funds which would need more investment and should be looked at in a broader and more ambitious context.

## **11. REPORT FROM THE HEALTH SAFETY AND WELLBEING COMMITTEE**

The Summary Report from the meeting of 12 June 2019 was received and CM reported that:

- online training is much improved;
- items 3 and 4 of the Summary Report show that the RCS is operating effectively;
- item 5 of the Summary Report and noted the retention of the Healthy Working Lives Bronze Award;
- the updates for the Health and Safety Action Group are streamlined and efficient;
- the noise hazard has been discussed and addressed.

## **12. REPORT FROM THE BUILDINGS COMMITTEE**

The summary report of the meetings of 8 May and 12 June 2019 was received. The Director of Finance and Estates reported in EM's absence and drew attention to:

- the review of energy provision funding bid by Mott MacDonald to Scottish Government to save money on consumption of utilities is underway.
- Dunblane street; remains a week behind schedule but the contractor is confident that this will be made up. The mock studio should be finished today and students are encouraged to have a look. 100 rooms out of 160 have been booked to date. The Governors discussed potential financial exposure in the event that all 160 rooms are not fully taken up; the Buildings Committee and the Finance and General Purposes Committee had considered this risk at the time and assessed that it was low.

The Principal noted that, despite financially restrictive times, it should still be possible to consider a capital campaign and the extension of the RCS building for which a Working Group would be established to consider the requirements to have a Conservatoire fit for the 21<sup>st</sup> Century.

### 13. RECOMMENDATIONS FROM THE NOMINATIONS COMMITTEE

- 13.1 The recommendations report from the Nominations Committee was received. The Chair had great pleasure in submitting to the Board approval for the Award of Fellowship to Professor Norman Gillies for his 9 years of service to RCS overall. The Board approved this and the fellowship will be awarded at the forthcoming October Graduation Ceremony.
- 13.2 The Chair reported on the renewal of the appointment of three current Governors, all of whom have served the Board well and want to continue. On the recommendation of the Nominations Committee, Governors approved the renewal of the appointments for a further three years of:
- Tari Lang
  - Agnes Robson; and
  - Mark Leishman.
- 13.3 On the recommendation of the Nominations Committee, Governors **endorsed** that the following shortlisted candidates be invited to join the Board from 1 November 2019:
- Andrew Butcher
  - Morag Campbell
  - Stuart Cross,
  - Dorothy Miell and
  - Philip Rodney

The Chair noted that all are extraordinarily good candidates and would bring their own particular skills and experience to the Board. The Board approved the nominations.

There was general discussion amongst the Governors as to committee membership. The Chair reported that, as a result of the Governors' appraisals and feedback and with five new members on the Board, he would speak to each of the new Governors and revert to the Committee Convenors with proposals for revising committee membership. It was noted that the recommendations from the Committee Convenors including any variations on committee structure would be reported at the November Board meeting and this was **approved**.

The request from CR to circulate the up to date skills matrix to Governors was noted and will be actioned. There was discussion around more diversity on the Board; however although the advertisement appealed for new Governors from all sectors of the community, such applications were not received. It was noted that the focus is diverse and different mind-sets. JH reported that, in taking diversity in its broadest sense, he was very impressed at the quality of the candidates including those that were unsuccessful.

### 14. GOVERNANCE

- 14.1 The Secretary reported that the draft amendment Order of Council was received from Scottish Government on 27 June 2019 and that there are some final points to be checked and agreed. Consequently it would not be possible to approve the amendment Order of Council at this Board meeting. However it was noted that the Secretary would continue to liaise with the previous Secretary in order that the amendment Order of Council is finalised in time for approval at the November Board meeting and that a new timeline is requested from Scottish Government. The Chair proposed that if there are any major issues with the amendment Order of Council, these could be taken to the Convenors' Group before the next Board meeting
- 14.2 **External Effectiveness Review – interim report and presentation from external Reviewer**

AW introduced the presentation by reiterating the requirement of Governing Boards to be reviewed every five years with external facilitation. Following the survey and one to one meetings with committee convenors and other Governors, the tabled report is interim and there

is still the opportunity for Governors and the Senior Management Team to have one to one sessions with AW. It was noted that:

- The RCS is a small, specialist and personable institution with a very passionate Board membership and that the Board is a large group. All of these factors are beneficial and also create potential risks.
- There is a distinction between technical compliance and actual safety for the governing process which is beyond being technically compliant. The review identified a habit of reflective practice that it collectively thought about and queried in order to challenge how the RCS is governed. A further risk is the risk of the maverick which is potentially damaging and this has not been found at RCS.
- (i) there is a high level of confidence in the RCS's self-reflective capabilities and compliance; (ii) the feedback on the finance procedures was very positive; (iii) the improving relationship between the Academic Board and the Board had already been noted; (iv) induction is good for new Governors but those already in the organisation and coming into the governing process find it harder in terms of the separation of roles.
- in overall terms, the RCS is compliant, the habit of self-reflection is evident and there is good communication; however and there are some aspects RCS may want to attend to which will be reported on in more detail in the final report.

The Chair reminded the Board of the intention that each committee produce an annual self-appraisal report and indicated that he would re-instate this requirement. There was general discussion amongst Governors with regard to the Interim Report review which highlighted:

- change happening after reflection and that reflection leads to change e.g. the Academic Board;
- Governors' involvement in strategic planning , AW emphasising the importance of: (i) both side pushing and pulling as the boundary between governing and managing the institution is always blurred and (ii) transferring particular skills of Governors into systemic practice and dissemination across an institution. The Chair noted that responsibility should sit with the Chair as to whether the Board works properly and effectively.
- being more granular about the problems found elsewhere and how they were dealt with. AW reported on examples of (i) Principals/Chairs being overbearing and personally dominating proceedings and the impact this can have on lay Governors; (ii) staff and student Governors being pigeon holed in student/staff matters rather than wider role of the governing body; and (iii) business being transacted outside of the room so that when matters come to the Board everything appears resolved.
- Failure of governance mechanisms to manage the above point. AW reported that some institutions make great play of having the mechanisms there but do not use them in practice and that there appears to be no evidence of this in the RCS.

## **15. Renunciation of RCS power to appoint trustees to the RCS trusts**

The Chair reported that the Board at the start of the year had been invited by the Chair of the RCS Trust, Lord Gill, to accept changes to the appointment procedures of Trustees and to renounce its rights to appoint Trustees. The Chair informed the Governors: (i) of the meeting with Lord Gill re RCS being the sole beneficiary in the Trust Deed; (ii) that a number of "what ifs" had been explored and that he stressed that the Trustees have the interest of the RCS at heart; (iii) that he was very pressing on the potential financial implications vis-à-vis HMRC, OSCR and SFC. The Chair was persuaded that the Board should accept the proposal from the RCS Trust and that the letter of reassurance promised by Lord Gill should be received in the near future.

The Director of Finance and Estates made reference to the Trust Deed and RCS not being the sole beneficiary. Reference was drawn to the objects being for educational and charitable purposes and 'in particular' the RCS, which is boiler plate wording enabling, in the event that the RCS went into liquidation or was destroyed by fire, the Trust to fulfil its charitable purpose by giving the funds to a similar education institution. The Principal stressed that: (i) in today's charitable scrutiny, the Trust's legal advice to keep a distance from the RCS makes sense; and (ii) the Trust is very supportive of the RCS. Following discussion and questions, Governors agreed that (i) the letter of reassurance should be signed by all Trustees and (ii) this should be subject to legal advice to confirm the position.

## **16. DATES OF FUTURE MEETINGS**

Dates of Future Meetings

### **Board**

1 November 2019

4 December 2019

31 January 2020

24 April 2020

26 June 2020

### **AGM**

Wednesday 4 December 2019

### **Graduations**

Thursday 4 July 2019

Thursday 24 October 2019

## **17. ANY OTHER COMPETENT BUSINESS**

- 17.1** NO queried what had happened to the “blue sky thinking” at the end of Board meetings; the Chair noted that this would be re-introduced at the December Board meeting.
- 17.2** CT referred to the relationship with the Governors on the International Advisory Board and the Fundraising team in RCS and how well this has worked and appealed to any Governor to pass on potential contacts to TL, CT and ML. The Chair noted that in respect of expanding horizons and the London group, it is anticipated that some of the new Governors would reinforce this.
- 17.3** The Chair reminded Governors to pass on any potential funding contacts to the Head of Fundraising.
- 17.4** The Director of External Relations provided an update on the Royal Society of Edinburgh and the liaison with them in August 2019. This is the first year and it is hoped that the RCS will expand this connection in future years in order to establish a meaningful ongoing physical presence in Edinburgh during the Festival.

**ACTIONS ARISING FROM THE BOARD OF GOVERNORS' MEETING OF 1 FEBRUARY 2019**

<b>Item No.</b>	<b>Person(s)</b>	<b>Action</b>	<b>By/when</b>
13	Secretary	To provide Governors with the updated skills matrix for the Board	July 2019 – will be circulated with the draft Minute
14.1	Secretary	Finalised Amendment Order of Council	To report to the November Board
14.2	Chair	Self-appraisal report to each committee convenor	To be circulated at the start of July 2019
15	Chair	Letter of reassurance from the RCS Trust	To report to the November Board