

**In the Board Room of the Royal
Conservatoire of Scotland on Friday 21
June 2024 at 10:00am being a meeting
of the Board of Governors**

PRESENT

Jo Buckley (JB)	Alexander Lee (AL)
Andrew Butcher (AB)	Sharon Mair (SM)
Ruth Calder (RC)	Ed Monaghan (EM)
Morag Campbell (MC)	Philip Rodney (PR)
Stuart Cross (SC)	Prof Matthew Rooke (MR)
William English (WE)	Caroline Roxburgh (CR)
Ken Fairbrother (KF) (SUP)	Jean Sangster (JS)
Dr Lois Fitch (LF) (Dep Principal)	Prof Jeffrey Sharkey (PJS) (Principal)
Dr David Hare (DH)	John Taylor (JT)
Elizabeth Jenkinson (EJ)	Ulysse Tonnele-Verjus (UTV)
Dr Robert Laidlow (RL)	

IN ATTENDANCE

Prof Stephen Broad (SB)	(Director RKE)
Lydia Demaison (LD)	(Director of Human Resources)
Prof Vicky Gunn (VG)	(Academic Registrar and Board Secretary)
Janette Harkess (JXH)	(Director of External Relations)
Prof Aaron Shorr (AS)	(Director of Music)
Dr Marc Silberschatz (MS)	(Director of DDPF)
Alan Smith (AS) (DFE)	(Director of Finance and Estates)

IN THE CHAIR

Prof Dorothy Miell (DM) (Chair)

1.	<p>Welcome, Introductions, Apologies for absence and Declarations of Interest</p> <p>The Chair welcomed everyone attending in person and opened the meeting by:</p> <p>Apologies were recorded from Nacim Pak-Shiraz.</p> <p>There were no new declarations of interest submitted.</p>
2.	<p>Confirmation of the minutes of the meeting of the Board of Governors held on 26 April 2024</p> <p>The minutes of the previous meeting were APPROVED as an accurate record.</p>
3.	<p>Actions Log and Matters Arising not elsewhere on the agenda</p> <p>The Board reviewed the rolling action plan.</p>
4.	<p>Chair's Update</p> <p>The Chair updated the Board on the process of Chair's meetings with the Governors over the summer.</p>
5.	<p>Discussion Topic: The Conservatoire's Investments</p> <p>The Chair welcomed Fiona Gillespie and Euan MacDonald, the Head of Charities (Scotland) and Euan MacDonald Chartered Financial Analyst respectively of Rathbones to lead the Board's discussion. They highlighted the primary restrictions on investments for the RCS (Oil & gas; coal mining; arms; tobacco), the rate of return in the first year since inception of the new relationship with Rathbones, and the changes they had made to the investment portfolio that was transferred to them. The Board undertook a brief discussion regarding stewardship of the investments and requested that Rathbones make explicit how the returns from ethical investment differ from those achieved by an unconstrained portfolio.</p>

	<p>The Board asked the representatives to outline how they manage their own internal governance, particularly with regards to equality, diversity and inclusion.</p> <p>The SUVP requested a full list of companies/ trusts in which the RCS invests. [Secretary to follow up]</p> <p>The Board noted that recent external events illustrated the need for organisations to be prepared to justify their investment policy to an external audience.</p> <p>Board agreed that it was generally reassured by the presentation, acknowledged the need to maintain vigilance regarding investment governance, and looked forward to further discussion.</p>
6.	<p>Report from CSMT</p> <p>The Board considered and noted the CSMT report prior to the Rathbones presentation. The Principal thanked CSMT colleagues for their contributions to the work of this academic year, to all the staff, and to those involved in the current range of performances especially given the simultaneous demands of other necessary operational activity.</p> <p>The Chair asked that the Board's thanks to all those involved in the work of the institution over this last year be passed on by the Principal.</p> <p>Discussion focused on:</p> <ol style="list-style-type: none"> Options appraisal of 55 Renfrew Street was raised by the Board, who were reassured that the appraisal project would be independent with formal oversight. Potential changes emerging in the Conservatoire sector regarding the funding streams for pre-HE educational provision and the ripples of concern amongst CUK caused by the Royal Welsh College of Music and Drama's decision to withdraw from pre-HE delivery. The Principal emphasised that juniors is an important national statement for RCS, a critical part of the nation's performance arts ecosystem, and a way of talent pool building. Scholarship development and the RCS position in relation to some of its key competitors, recognising that institutions with richer scholarship pools were deploying bigger resources to recruit and secure students. The continued funding issues as ABRSM re-establishes their place in the scholarship economy <p><i>[Following this discussion Rathbones arrived and the Board moved to the discussion agenda item 5. After the Rathbones presentation Board returned its attention to the CSMT report.]</i></p> <p>The DP drew attention to amount and quality of curriculum review activity that had occurred since the last Board meeting, asking the Board to note that the associated external scrutiny that accompanies curriculum review has explicitly aired the worthiness of our reputation and the quality work of the programme teams. The DP asked the Board to note that, in the next academic year, there would be double the amount of programme validation.</p> <p>The Chair suggested that the positive comments from externals might be used in marketing material.</p> <p>The Board also noted that central timetabling reworking had been raised by Academic Board with the DP and noted that a more effective timetabling system was essential to enable planned growth.</p> <p>6.1 RCS Budget 2024-25 (Board agreed to bring this item forward on the agenda to be item 6.1 from its original placing as agenda item 9.1).</p> <p>The DFE introduced the budget, noting:</p> <ul style="list-style-type: none"> - Budget position movements for current year and next year, recognising income generation limits and potential savings that could be folded into next year's budget;

- The importance of strengthening recruitment position;
- Preparations for meeting with the Trust on 8 July, with a focus on effective deployment of scholarship funding;
- BASE fully booked, now building a waiting list to minimise voids
- Challenges of forecasting student numbers
- Reporting requirements to SFC.

It was noted that F&GP gave a conditional recommendation to Board of the budget as described and the Board acknowledged the intensity of discussion that had occurred at F&GP regarding RCS's financial situation and the work that had been undertaken in a short space of time, but also:

1. challenged management around further deficit reduction choices
2. raised confidence in the longer term trajectory regarding a clear pathway out of deficit
3. noted cash reserve buffer challenges
4. asked for transparency regarding the relationship with and ask to the Trust as well as reflection on whether the current arrangement with the Trust remained fit for purpose in the current financial context
5. recognised the work staff were engaging in whilst also raising the implications of both demographic and disciplinary change in the way forward

The F&GP Convenor reiterated the recommendation that Board approve the budget, but the Board asked F&GP to maintain close supervision of the financial position, continuing to work with and challenge management on how RCS reduces costs and increases income in order to pursue the path to a sustainable surplus.

Members were not unanimous in their confidence, with one expressing concern about the outlined path to viability and the current operating model, another asking that the annual plan be expanded to explicitly include the financial path to viability being achieved through the workpackages described, and another expressing less concern about the outlined path to viability than the ability to deliver the recruitment targets and annual plan outcomes.

ACTION: CSMT to add how the activity outlined in the Annual Plan enables achievement of the budget and moves the institution into a stronger financial position..

The Principal noted his thanks to F&GP and the Trust for their deliberations and support asking the Board to take into consideration:

- the increasing targeted activity in recruitment work across the institution and specifically in AAS;
- improved planning and strengthened distinctiveness in the academic portfolio;
- enhanced interrogation of other commercial activity opportunities (Business Development).

The Chair commended the quality of discussion, emphasised that there was the necessary ambition in the Strategic Plan but that clarity about and evidence of delivery need to be prioritised and that this required direct explicit alignment between the Strategic Plan, annual plans, and management control of financial implications. The Chair proposed that the Board give approval subject to the outcome of the meeting with the Trust.

The Board **APPROVED** the budget with a simple majority (two governors abstained) subject to the outcome of the meeting with the Trust on 8 July.

Post Meeting Note: Update following the meeting with the Trust on 8 July attended by Jeff, Alan and Andrew:

Following a presentation from Jeff, Alan and Andrew, the RCS Trust agreed to provide the Conservatoire with the requested £1.5 million to be taken into our accounts for the 23-24 fiscal year. Follow up items include the timing and amount of payments that comprise the £1.5 million and a

	<p><i>mechanism for the RCS board to keep the RCS Trust board informed of progress against student recruitment and financial targets during 2024-25.</i></p> <p><i>[Following conclusion of the budget agenda item, Board returned to the CSMT report.]</i></p> <p>The Director of Music highlighted the recruitment challenges faced by his school, the interlinked space and instrument access issues raised by such ambitious targets and the importance of maintaining the institution's reputation for the unique quality of its students. The Director of DDPF raised concerns about the effectiveness of some of the systems in place, particularly given the need for closer scrutiny of business planning and evaluation.</p> <p>The Board asked whether current methods of delivery were sustainable and what role a digital strategy could play. The Board were asked to consider the work on curriculum that had been effected over the past year to make the model more sustainable</p> <p>The successful doctoral programme completions and the progress of the People and Culture Committee were also highlighted.</p> <p>Board asked that they be kept up to date regarding the Leverhulme bid submission outcome as well as any feedback from the Holyrood Magazine article that featured the Principal and Deputy Principal.</p>
7.	<p>Strategic Plan</p> <p>7.1 Annual Plan 2024-25 The Board received, considered and APPROVED the Annual Plan for next academic session following deliberation and recommendation by the Academic Board (subject to the action outlined in 6.1).</p> <p>7.2 KPI Summary Dashboard The Board received and noted the KPI summary dashboard presented. Board requested a more user friendly explanation of fundraising income in relation to the financial sustainability KPIs.</p>
8.	<p>Student Recruitment</p> <p>8.1 Student Recruitment Strategy The Board received and discussed the paper which set out the student recruitment strategy to AY28-29. Board welcomed the clarity of student targets across the life of the Strategic Plan, but requested that the academic vision behind the size and scope implied by these numbers be included explicitly in the Student Recruitment Strategy, with a rationale explaining how the modelling of the shape of the cohorts aligns with future proofing to 2040.</p> <p>The Board AGREED the direction of travel and targets for the entirety of the Strategic Plan prior to final approval in October subject to above.</p> <p>ACTION: Student Recruitment Strategy to be completed, including articulation with the academic vision and rationale of cohort design before returning to the October 2024 Academic Board prior to coming back to the October Board of Governors for final approval.</p> <p>8.2 In-cycle student recruitment update The Board received and noted the updated institutional in-cycle HE student recruitment progress to end of May 2024. The Chair requested regular updates regarding the in-cycle recruitment numbers over July and August.</p> <p>ACTION: Recruitment and Admissions Team to provide weekly updates of in-cycle recruitment to the Principal and Chair</p>

9.	<p>Approval requests:</p> <p><i>[9.1 shifted to 6.1]</i></p> <p>9.2 From the Finance and General Purposes Committee: Investment Policy The Board considered and APPROVED the updated investment policy recommended by the Committee, noting the main changes that had been highlighted.</p> <p>9.3 From the Audit & Risk Committee: Reviewed policies The Board considered and APPROVED updates to the Anti-Fraud, Anti-Bribery and Whistleblowing policies following annual review as recommended by the Committee.</p> <p>9.4 From the Audit & Risk Committee: Risk Management Group Terms of Reference The Board considered and APPROVED the revisions that would ensure alignment with the UK Corporate Governance Code as recommended by the Committee.</p> <p>9.5 From the Nominations Committee: Honorary Fellowship of RCS The Board received and APPROVED the Committee's recommendation, following a cross-referral from Academic Board.</p>
10.	<p>Report from the Students' Union The Chair recorded the Board's thanks to Ken Fairbrother for serving as Student Union President over the past two years and wished them well in all future endeavours. Gratitude was also expressed to Ulysse Tonnele-Verjus for their year as Vice President and the Board looked forward to them taking over the reigns as President next session.</p> <p>The Board received and noted the extended report from Students' Union which provided an overview of the work undertaken and the changes and major projects and events that had taken place over the last two academic sessions. KF gave his thanks to the Board and to Marie Green, Lois & Helen for their support.</p> <p>The success of the inaugural Student-led Awards was noted.</p> <p>10.1 Students' Union Constitution The Board received and considered the amendments to the Constitution which had been approved by students at a General Meeting on 11 June 2024. The Board was content to APPROVE the Constitution as presented.</p>
11.	<p>Report from the Finance and General Purposes Committee</p> <p>11.1 Summary report of the meetings held on 3 May and 7 June 2024 The summary report of the meetings covering the last two meetings was received and noted. The Convenor asked Board to note the requirement regarding the US Federal Student Aid surety and guarantee.</p> <p>11.2 Management Accounts The management accounts to end April 2024 were received.</p> <p>11.3 CiAnywhere Status Report The Board received and noted that progress over the period since the April meeting had been focussed on continued testing, resolving resourcing issues with the IT Team and re-planning HR and Payroll workstreams which had been affected by this resource issue. DFE asked Board to note the tightness of the go-live date for finance in August, with potential delay to be aligned with HR go live if necessary. Board reiterated that it was better to extend the deadline if necessary.</p>
12.	<p>Report from the Audit and Risk Committee</p> <p>12.1 Summary report of the meeting of 7 June 2024</p>

	<p>The summary report of the meeting held on 7 June was received and noted, asking Board to note the auditing of readiness to go live with CI Anywhere.</p> <p>Board were also referred to the Internal IT assurance report for cybersecurity and systems control, showing resource challenges. It was recorded that external cyber-positioning was good enough but more cyber-resilience will be needed going forward.</p> <p>12.2 Strategic Risk Register The Strategic Risk Register was received and noted.</p>
13.	<p>Report from the Academic Board</p> <p>13.1 Summary report of the meetings held on 1 May and 12 June 2024 The Board received and noted the summary report of the meetings held on 1 May and 12 June 2024.</p> <p>13.2 Student Facing Policies Annual Update The Board received and noted revised and new student-facing policies produced for implementation next academic session.</p>
14.	<p>Report from the Infrastructure Committee The summary report of the meeting held on 3 May 2024 was received and noted. The Convenor asked Board to note the initial feasibility outcomes from 55 Rnefrew Street, the costs likely to be involved and the timing of being able to use the building for education. The convenor noted that as informed decisions would emerge over the next 4 months, a process was needed for Board level discussion between today's meeting and the one in October. It was also clear that the Board needed an objective third party to undertake further investigation for viability.</p>
15.	<p>Report from the People and Culture Committee</p> <p>15.1 Summary report of the meeting of 5 June 2024 The Board received and noted the Committee's quarterly summary report. The Committee's Convenor explicitly noted thanks to Lydia and her team for all the work that they have achieved over the months since the PCC was instigated. Board asked CSMT to note the importance of responses to the staff survey going forward.</p> <p>15.2 Institutional Safeguarding Policies and associated Procedures The Board received and considered a new suite of institutional safeguarding policies, noting that these had already been approved by the People and Culture Committee.</p>
16.	<p>Report from the Fundraising Committee The summary report of the meeting held on 21 May 2024 was received and noted.</p>
17.	<p>Report from the Nominations Committee The summary report detailing approval secured by email was received and noted as follows:</p> <ul style="list-style-type: none"> • Honorary Fellowship (Arts Education) The Board supported the Committee's recommendation that Dr. Karen McAuley be awarded an honorary fellowship to be give at the October 2024 Graduation. • AdvanceHE proposal to provide external Quinquennial Governance Review process The Board noted and supported the Committee's recommendation that RCS should commission Option 1 as proposed, with a request that the Board meeting to be observed should be the January Board and that the Secretary advise AdvanceHE of this.
18.	<p>Governance and Statutory Instruments</p> <p>18.1 Quinquennial Governance Review Schedule progress The Board was given an oral update on progress made by the Senior Independent Governor.</p>

	<p>18.2 Chair's Review process The Senior Independent Governor outlined the proposed review process and assessment areas for the appraisal of the Chair's performance.</p>
19.	<p>Any other business:</p> <p>19.1 Board were asked to note that the Financial forecast to SFC would come to the Board and be taken to the 2 July Convenor's Group for approval.</p> <p>Following a note of thanks to Alan and the team for progressing with the budget under the current time pressures and there being no other business, the Chair brought the meeting to a close.</p>
20	<p>Dates of future meetings:</p> <p>Next meeting: 21 June 2024</p> <p>Graduations: Thursday 4 July 2024 Thursday 31 October 2024</p> <p>Academic Year 2024/25:</p> <p>Board: 25 October 2024 31 January 2025 AGM: 4 December 2024 (<i>provisional date</i>) 24 April 2025 (Strategy Planning Day) 25 April 2025 27 June 2025</p> <p>Graduations: Thursday 3 July 2025 Thursday 30 October 2025</p>
22	<p>Paper for Information:</p> <p>22.1 Tertiary Quality Enhancement Framework and Assurance and Accountability Framework The Board received and noted a short guide prepared by the Deputy Principal that set out changes in Quality Assurance and Outcome Reporting for Scottish HEIs for information.</p>