

STRICTLY PRIVATE AND CONFIDENTIAL

**At Glasgow and within the Board
Room of the Royal Conservatoire
of Scotland on Friday 25 October
2013 at 10.30am**

**Being a meeting of the Board of
Governors**

PRESENT

Mr Matthew Chinn	Miss Eileen Mackay
Sir Sandy Crombie	Mr Donald MacRae
Professor Norman Gillies	Mr James Miller
Mrs Joyce Goodwin	Mr Gavin Reid
Mr John Hylands	Mrs Agnes Robson
Dr Steve Inch	Professor Norman Sharp
Dr Paul Jourdan	Dr Cindy Sughrue
Mr Iain Jennison	Professor John Wallace
Professor Maggie Kinloch	
Mr Mark Leishman	

IN ATTENDANCE Mr Ewan Hainey
Mr Alan Smith
Mr Hugh Hodgart
Mrs Jackie Russell

IN THE CHAIR Lord Vallance of Tummel

The Chairman welcomed Mrs Agnes Robson and Mr Mark Leishman to their first meeting of the Board.

1. APPOINTMENT OF NEW PRINCIPAL – JEFFREY SHARKEY

Governors noted that Jeffrey Sharkey would take up post as Principal on the retiral of Professor Wallace in September 2014.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Sir Brian McMaster and Mr Mark Saunders.

2. STATUTORY ACCOUNTS 2012/13

The previously circulated draft accounts and report from the external auditors, Grant Thornton LLP, were noted.

The Chairman welcomed Mr Gary Devlin from Grant Thornton LLP and invited him to present his report and opinion on the accounts. Mr Devlin confirmed that he was content to sign an unqualified audit report. Mr Devlin commented that the pre-audited accounts had been of a high quality and that the Conservatoire was in a healthy financial position. Mr Devlin also noted the highly competitive environment in which the Conservatoire operated and he identified student recruitment as a key challenge.

Mr Hylands presented the Audit Committee's Annual Report to the Board, which was taken as read. The report concluded with an assurance that, in the opinion of the Audit Committee, the Board's responsibilities as described in the Responsibilities Statement in the Annual Report had been satisfactorily discharged. Mr Hylands highlighted that neither the Board nor any member of the Executive had received *pro-bono* advice from either the internal or external auditors.

Mr James Miller, Chairman of the Finance Committee, drew Governors' attention to the minutes of the meetings of the Finance Committee of 13 September and 11 October 2013 in respect of the Statutory Accounts for 2012/13. Mr Miller 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.

It was agreed to insert a statement into the Accounts prior to their publication confirming that the search for the new Principal had been concluded successfully.

It was agreed to adopt the Accounts and to lay them before members at the Annual General Meeting to be held on 11 December 2013. In particular, Governors confirmed that they were content with the Report of the Governors.

Subsequent to the meeting, the accounts were signed by the Chairman, the Principal and the Director of Finance and Estates on behalf of the Board of Governors.

4. SFC OUTCOME AGREEMENT

4.1 Outcome Agreement Guidance

Governors noted the nature of the Outcome Agreement process and the Conservatoire's approach to it. The Secretary clarified that the

Conservatoire's position was that the Outcome Agreement should be derived from the Strategic Plan. Governors agreed with that approach.

The timetable for approval of the 2014/15 Outcome Agreement was noted. The final draft would be considered for approval by the Board at its meeting of 25 January 2014. It was agreed that the penultimate draft as agreed between Conservatoire management and the SFC would be considered by the Board through a circulation of papers. It was also agreed that any particularly contentious issues would be brought to the attention of the Board if and when they arose.

In general terms, it was noted that the 2014/15 Outcome Agreement would not be significantly different from that of 2013/14. The impact of the long-term absence of the Director of Research and Knowledge Exchange on developments in her areas of responsibility was noted.

Governors supported the position of both the Conservatoire's management and of the Academic Board that the Conservatoire should not agree to specific targets in respect of the admission of undergraduate students from areas with SIMD 20/40 postcodes.

4.2 2012/13 Outcome Agreement: Self-Assessment

Governors noted that, in order to bring the 2012/13 Outcome Agreement process to a conclusion (and in common with all higher education institutions), the Conservatoire was required to submit a self-assessment in respect of that Outcome Agreement to the SFC by 31 October. The SFC required that that self-assessment 'should be signed off by the Principal or head of institution on behalf of the governing body'. Accordingly, a partially completed draft self-assessment was received. Noting that SFC officers had indicated that they were content with that draft as far as it went, Governors approved it. However, it required the inclusion of an analysis of various statistical data and it was therefore agreed that final approval prior to its submission to SFC should be granted through Chairman's action on the advice of the Principal.

4.3 2013/14 Outcome Agreement: Progress Report

Governors noted progress in respect of the Conservatoire's current Outcome Agreement and, in particular, the approval of the Transitions 20/40 programme.

4.4 Brief presentation and discussion with SFC Outcome Agreement Team

The Conservatoire's SFC Outcome Agreement Team was welcomed to the meeting. SFC colleagues provided Governors with a helpful

summary of the Outcome Agreement process and, in doing that, emphasised that they, and the SFC as a whole, recognised the distinctiveness of the Conservatoire within Scottish higher education. Governors acknowledged SFC's past and continued support for the Conservatoire and looked forward to a constructive dialogue through the Outcome Agreement process.

5. CONFIRMATION OF THE MINUTE OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON 5 JULY 2013

The minute of the meeting of 5 July 2013 was approved, subject to the removal of Sarah Buckley's name from the list of those in attendance.

6. MATTERS ARISING FROM THE MINUTE

6.1 Governors' Declarations of Interest

It was noted that all Governors had been asked to update the Board's Register of Directorships and Business Interests.

7. MEMBERSHIP AND APPOINTMENT OF SENIOR INDEPENDENT GOVERNOR

The current membership of the Board was noted.

Sir Sandy Crombie reminded Governors that the Scottish Code of Good Higher Education Governance suggested that governing bodies should appoint a Senior Independent Governor from amongst lay Governors to act as a sounding board for the Chairman and to serve as an intermediary for other Governors who might wish to raise concerns about the Chairman and, more particularly, the quality of the relationship between the Chairman and the Principal. On behalf of the Nominations Committee, Sir Sandy recommended that Mr John Hylands should be appointed to that role. Governors approved that recommendation.

The Chairman reminded Governors that the Scottish Code of Good Higher Education Governance precluded the Chairman chairing the Remuneration Committee. The Chairman therefore proposed that that role should be assumed by Vice Chair, Miss Eileen Mackay. Governors approved that recommendation.

Governors noted that Mrs Agnes Robson had agreed to join the Audit Committee.

In the context of the Scottish Code of Good Higher Education Governance, the Nominations Committee would consider the balance of skills, attributes and experience required for membership of the Board and how best to achieve a balanced membership in terms of equality and diversity and would make recommendations to the Board in that regard.

8. REPORT FROM THE PRINCIPAL

The Principal reported on his recent visit to a number of conservatoires and colleges in the United States, which had confirmed his view that the Conservatoire had a uniquely attractive offer in its undergraduate curriculum.

9. REPORT FROM THE STUDENTS' UNION

The report from the President of the Students' Union was received. Governors wished Mr Jennison well in his year in office.

10. GOVERNANCE

10.1 Scottish Code of Good Higher Education Governance (the Code)

Governors noted that the Code had now been accepted by the SFC as meeting the principles of good practice in relation to governance and therefore it was assumed that, once the relevant section of the Post-16 Education (Scotland) Act came into force, the Code would be cited by SFC in meeting the requirements of the Act in that regard.

It was also noted that the Minister for Education and Lifelong Learning, whilst welcoming the publication of the Code, had indicated his intention to further develop some of the detail of the Code and clarify aspects of it through further consultation with stakeholders. Governors noted that the Post-16 (Education) Scotland Act dealt solely with 'principles of governance' and not detail.

Miss Mackay reported that the Committee of Scottish Chairs intended to monitor compliance with the Code across the sector and it was agreed that the Conservatoire should cooperate in that initiative.

The Secretary reminded Governors that a preliminary assessment of where the Conservatoire stood in relation to full compliance with the Code had already been considered by the Board. On that basis, it was not anticipated that there would be any significant difficulty in complying

with all of the Code's key aspects. The Secretary would bring any proposed amendments to the Board's various policies and procedures to the Board (via a sub-committee where appropriate) as he worked his way through the Code.

Compliance with the Code would be considered as part of the Board's effectiveness review discussed at 10.4 below.

10.2 Statement of Primary Responsibilities

The Secretary reminded Governors that he had been asked to identify how the Board met each of the responsibilities identified in the Statement of Primary Responsibilities as provisionally approved at the Board's previous meeting. Although that work had been completed, Mr Hainey had inadvertently included the original paper in the papers circulated for today's meeting and not the developed paper which identified how the Board's responsibilities were met (and which also identified any gaps). That paper would be circulated to Governors immediately following this meeting and would feature as part of the effectiveness review of the Board discussed at 10.4 below.

The Secretary reported that the Conservatoire's lawyers had confirmed that the adoption of the Statement of Responsibilities as provisionally approved by the Board at its previous meeting would not impose any additional duties upon the Board as an employer beyond those that it already had.

The Chairman and the Secretary had also considered the point raised at the last meeting in respect of staff welfare and considered that the Board's responsibility in respect of the welfare of its employees was addressed adequately in the Statement as currently drafted. The Statement of Primary Responsibilities was therefore approved.

10.3 Amendment to Statutory Instrument

Governors noted the process for the approval of the now confirmed amendments to the Royal Conservatoire's Statutory Instrument. Whilst the process for approval was clear, Scottish Government lawyers were unable to give an indication of time-scales.

10.4 Board Effectiveness Review

The Secretary confirmed that Mr Kevin Clarke, former Secretary to the University of Stirling and one of the two individuals who had been commissioned by the Committee of Scottish Chairs to draft the Code referred to at 10.1 above, would undertake an effectiveness review of the Board. It was anticipated that that review would conclude with a

report to the Board, which would be made immediately following its meeting of 23 January 2013.

11. COMPLAINTS HANDLING PROCEDURE

Governors approved the complaints handling procedure, which had been introduced across Scottish higher education at the behest of the Scottish Public Services Ombudsman. The procedure became effective at the beginning of this current session.

12. STRATEGIC PLAN

12.1 Strategic Plan: Progress Report

Governors noted progress towards achieving the aims set out in the current Strategic Plan. A more detailed progress report in relation to each operational objective had been circulated electronically.

12.3 Précis of Recruitment Strategy

Governors noted the précis of the Recruitment Strategy. It was acknowledged that student recruitment represented one of the Conservatoire's key challenges. Reflecting that level of priority, the Financial Sustainability Group would be meeting with the Vice Principal to discuss detailed plans to improve student recruitment on all fronts. In the meantime, it was confirmed that the outcome of a decliners' survey would inform this year's recruitment cycle and that the proposed pre-entry English language programme, which would be offered jointly with the University of Glasgow, would be available for applicants for admission in 2014/15.

13. SCOTTISH DRAMA TRAINING NETWORK

The report from the Scottish Drama Training Network was noted. The Vice Principal reported that a part-time Technical Theatre Skills Officer had now been appointed. That appointment would clearly enhance the Network's work in that area.

14. REPORT FROM THE ACADEMIC BOARD

The minutes of the extraordinary meeting of 23 August 2103 and the meeting of 16 October 2013 were received.

14.1 Annual Report to the SFC regarding review activity in the previous session

Governors retrospectively approved the annual report to the SFC regarding review activity in the previous session. Noting that the timing of the submission of this report could make Board approval prior to its submission to the SFC difficult, it was agreed that, for next year, the draft report should be submitted to the Finance and General Purposes Committee (see item 15 below) in advance of its submission to the SFC.

14.2 Critical Evaluation of the Implementation of the New Curriculum and Trimesterisation

The evaluation of the first year of the 'new' undergraduate curriculum was noted.

14.3 Annual Quality Assurance and Enhancement Report

The outcome of discussions regarding Academic Board's report to the Board of Governors in respect of quality assurance and enhancement was noted. The report would be presented to the Board's next meeting.

14.4 Transitions 20/40

The outcome of the approvals event for the Transitions 20/40 programme was noted. Governors were aware that such reports would not usually come to the Board. However, because of the strategic importance of this project the Board would, via Academic Board, receive regular updates regarding its progress. It was confirmed that recommendations included in the report were being addressed by the Transitions 20/40 Taskforce.

15. REPORT FROM THE FINANCE COMMITTEE

The minutes of the meetings of 13 September 2013 and 11 October 2013 were received. Mr Miller highlighted the following:

- The complexities of the Conservatoire's pension arrangements.
- The arrangements for, and implications of, auto enrolment.

- The more positive surplus on the 2012/13 accounts than previously anticipated.
- 2013/14 budgets were being re-visited in view of student under-recruitment in both Schools.

Governors approved an extended remit for the Finance Committee and, in order to reflect that extended remit, it was also agreed to change the name of the Committee to the Finance and General Purposes Committee (the Convenor of the Audit Committee should be included in those attending).

Governors noted that this was Jimmy Miller's last meeting of the Board. Jimmy had been Convenor of the Finance Committee since becoming a Governor in 2006 and, in that capacity, he had given outstanding service to the Conservatoire. On behalf of the Board, the Chairman thanked Jimmy for his efforts and offered him the distinction of Companion Emeritus, to be conferred at the Graduation/Fellowship Ceremony of 14 November, which Jimmy graciously accepted.

16. REPORT FROM THE AUDIT COMMITTEE

The minutes of the meeting of 11 October 2013 were received. Mr Hylands highlighted the following:

- Arrangements for enhanced communication between the Convenor and the Internal Auditors.
- Revised arrangements for the management of risk, which involved the CSMT assuming the role of the Risk Management Group.
- The divergence from the timetable for the appointment of external auditors, leading to a proposal to appoint both internal and external auditors for a further year, which Governors approved.

17. HEALTH AND SAFETY COMMITTEE

The minutes of the meeting of the Health and Safety Committee of 3 October were received. Dr Sughrue highlighted the following:

- The Director of Human Resources would prepare a rota for Governors' health and safety 'tours'.

18. REPORT FROM THE BUILDINGS COMMITTEE

The minutes of the meetings of 13 September 2013 and 11 October 2013 were received. Dr Inch highlighted the following:

- There had been various unforeseen construction issues in relation to Phase 2 at Speirs Locks, which had put the timetable back by five weeks. Costs would, however, be contained within the previously approved budget of £5m.

19. REPORT FROM HUMAN RESOURCES

The report from the Director of Human Resources was received. Governors particularly noted the outcome of the staff survey; the CSMT's response to it and arrangements to promote the Conservatoire's Child Protection Policy.

The Director of Human Resources reported that a complaint made to the Scottish Public Services Ombudsman on behalf of a former student about the way in which a complaint made by that former student had been dealt with by the Conservatoire had been upheld by the Ombudsman. The Conservatoire was in the process of preparing a request to have that decision reviewed by the Ombudsman. If the Ombudsman did not change his decision, then the Conservatoire could seek a Judicial Review. It was agreed that the Board's agreement would be sought should that route be recommended.

19.1 Whistleblowing Policy

Governors retrospectively approved the Conservatoire's whistleblowing policy.

20. ANY OTHER COMPETENT BUSINESS

There was no other business although Governors noted that, as previously agreed, Strategy Days originally scheduled for 9/10 January 2014 would not take place.

Dates of Future Meetings

24 January 2014

25 April 2014

4 July 2014

Graduation/Fellowship: 14 November at 6.00pm.

AGM 11 December 2012 at 12noon