

**At Glasgow and via MS Teams of the Royal Conservatoire of Scotland on Friday 30 October 2020 at 10:00am being a meeting of the Board of Governors**

<b>PRESENT</b>	Andrew Butcher (AB) Morag Campbell (MC) John Craig (JC) (President SU) Stuart Cross (SC) Dr Lois Fitch (LF) (Assistant Principal) Susan Lee Kidd (SLK) Professor Donald MacRae (DM) Sharon Mair (SM) Carol Main (CM)	Dorothy Miell (DXM) Zweyla Mitchell Dos Santos (VP SU) Ed Monaghan (EM) Agnes Robson (AR) Philip Rodney (PR) Caroline Roxburgh (CR) Jean Sangster (JS) Professor Jeffrey Sharkey (PJS) (Principal) Maria Taylor (MT)
<b>IN ATTENDANCE</b>	Janette Harkess (JXH) Lindsey Shields (LS) Alan Smith (AS) Jeremy Chittleburgh (JC)	(Director of External Relations) (Secretary) (Director of Finance and Estates) Chiene + Tait (Agenda item 4)
<b>IN THE CHAIR</b>	Nick Kuenssberg (NK) (Chair)	

The Chair opened the meeting by welcoming JC as the external auditor and thanked staff and students for their extensive work at the RCS at this difficult time. It was acknowledged that retiring Governor John Hylands, would be recognised at the next physical graduation ceremony for his invaluable contribution to the RCS.

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Jackie Russell (in attendance member).

**2. DECLARATIONS OF INTEREST**

Stuart Cross advised that he would be, from 1 December 2020, a Governor of Edinburgh Napier University.

**3. NOMINATIONS COMMITTEE**

The Annual Report from the Nominations Committee was received. **The Board approved** the appointments of:

- AR as Vice Chair; and
- SM as a member of the Development & Fundraising Committee.

The Chair drew attention to the possibility of recruiting up to six lay governors and the focus on finding three to four governors in the next recruitment drive with a significant emphasis on diversity. It was noted that there was no immediate hurry and this would be done internally, with help from the Director of External Relations, and externally by using the recruitment company Nurole.

It was noted that the rules for the election of the next Chair should be available for the next Board.

**4. STATUTORY ACCOUNTS 2019/20**

The 2019/20 Statutory Accounts and Audit Summary Report from the external auditors, Chiene + Tait, were received.

The Chair welcomed CR as the new Audit Committee Convenor.

**4.1 REPORT FROM THE EXTERNAL AUDITORS AND LETTER OF REPRESENTATION**

CR explained the procedure for the thorough review of the accounts and invited JC to present the External Audit Summary Report and opinion on the Statutory Accounts. JC advised that the year had been unique, the main focus being on the wider implications of Covid-19 and reported that, with the support of the Finance team and Audit Committee and subject to the approval of the Statutory Accounts, they provided a “clean” audit report.

CR summarised that the outturn was a sound outcome for a difficult final quarter to the year and drew attention to the:

- (i) narrative and commentary around how Covid has affected the RCS in terms of the outturn and outlook for the future;
- (ii) risks and uncertainties for the RCS in the strategic report; how the Risk Management Group had expressed the emerging risks to the RCS in the accounts; and
- (iii) the going concern evaluation and the more detailed disclosures for the RCS to remain liquid for at least one year had been carefully scrutinised by the external auditors, the Audit Committee and the Finance and General Purposes Committee (FGP).

AS drew attention to the:

- revised budget, which although still in deficit, was significantly better than forecast at the beginning of summer, due to better than forecast student numbers. The most substantial factor causing the budget deficit was the substantial pension charge which, while non-cash, would erode the RCS reserves; and
- reserves in total considered by FGP in October meant that they were comfortable for the year ahead to sign off on the going concern.

The Chair drew attention to the KPIs in the report and that the RCS has done extraordinarily well, in particular with the improvement on the National Student Survey figure.

**The Board agreed** to adopt the Statutory Accounts and to lay them before members at the Annual General Meeting on 9 December 2020.

**The Board also approved** signature of the Letter of Representation by the Principal and the Chair. CR extended thanks on behalf of the Board to the Finance team and to JC for the production of the accounts in the most extreme circumstances.

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

Post meeting note: it was 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’ and that Governors were content with that statement.

## **5. CONFIRMATION OF THE MINUTE OF THE MEETING OF THE BOARD OF GOVERNORS HELD ON 26 JUNE AND 19 OCTOBER 2020**

The Minutes of the previous two meetings **were approved** as an accurate record and it was confirmed that all of the actions agreed at the last meetings had been actioned or were in hand.

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

None.

## **7. REPORT FROM THE FINANCE AND GENERAL PURPOSES COMMITTEE**

7.1 The summary reports of the meetings held on 18 September and 16 October were received and noted. DM drew attention to a number of matters to note:

- the Annual Quality Report had been approved for submission to the Scottish Funding Council (SFC);
- congratulations were due to the Principal and Senior Management Team on the result for the year in spite of the pandemic;
- the level of the budgeted loss was not sustainable in the medium and longer terms;

- the provisional budget showed a loss of £3.8M in summer but, due to better student numbers, the loss has reduced to £2.1M.

AS commented on the revised budget that the:

- student numbers at matriculation were a creditable result given the challenges;
- Trustees of the RCS Trust were supportive of the plight regarding scholarships due to the position with the Associated Board of the Royal Schools of Music;
- anticipated voids in accommodation in student residences had not materialised;
- main additional cost was the contract cleaning costs required for the campus; and
- majority of the deficit was the non-cash service charge on the local government pension scheme.

7.2 The Management Accounts to July 2020 were received and noted.

7.3 The Budget for 2020/21 was received **and approved**. DM commented that:

- the budget was an improvement but that it was not sustainable in the medium term;
- a revised forecast up to 20-21 had to be submitted to SFC by the end of November; and
- a financial sustainability workshop involving a sub-group of FGP and CSMT had been held with Frontier Economics and the output report was awaited.
- financial planning scenarios were being developed and would be considered shortly by the FGP.

The Chair acknowledged Governors' and the Executive team's thanks to DM for the time and effort he had put into this area over the past months.

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

8.1 The summary report from the meeting held on 16 October 2020 was received and noted.

8.2 The Audit Committee Annual Report 2019/20 was received and noted.

8.3 The Internal Audit Annual Report from Azets (formerly Scott Moncrieff) was received and noted. CR reported that, in spite of the large number of outstanding recommendations linked to strategic planning, the internal auditors had reached the conclusion that the RCS was small and had a robust set of governance and internal controls. It had been agreed that the Senior Management Team and internal auditors would work to reframe these in the context of the environment in which the RCS now operates.

8.4 The Strategic Risk Register and Annual Report to Audit Committee from the Risk Management Group were received and noted. CR commented that it was a dynamic, well developed process and drew attention to the significant red items reflecting the Covid world around financial sustainability and the need to take detailed actions to address safety, security, health and wellbeing.

The Chair acknowledged the input of MT to the Strategic Risk Register.

## **9. REPORT FROM THE PRINCIPAL**

The report from the Principal was received and noted. PJS highlighted the following:

- The importance of Governors and their support of the RCS, especially during a pandemic, and RCS working in a partnership with students;
- although the strategic plan has been deferred, there was intense strategic thinking going on in the RCS;
- the Frontier Economics data analysis and help with RCS focus on undergraduates;
- pushing international engagement
- the possibility of a partnership with South Korea; and
- fundraising and working with the More Partnership.

The Principal invited the Assistant Principal to comment; LF commented on:

- the current uncertainty was a big challenge as, despite having access to campus, the constant press articles and changing Scottish Government (SG) restrictions made it difficult to plan which had increased staff and student anxiety;
- against this backdrop the RCS was working on a "no detriment policy" for students to provide them with options on how they are assessed;

- the RCS robust arguments to SG and SFC on the current offer to students of “restricted blended learning”;
- the particular help received from the Interim Director of Dance, Drama, Production and Film in providing stability for this year, the Interim School Manager for the preparation of the informative report and the School of Music;
- the constructive Student Forum meeting during the week; and
- how the new President SU’s approach made it easier to work with students as partners.

Governors discussed the constant oscillation between positions and the impact on stress and mental health at the RCS, the inspiring reports and the quality of pastoral care and support to students and staff. It was noted how the RCS had come together and that, although it needed to maintain its effort on international recruitment, this had been successful.

## **10. REPORT FROM THE STUDENTS’ UNION**

The Student Union President’s report was received and commended. JC drew attention to:

- the importance of a united front at this time showing respect for both students and staff;
- sports and wellbeing classes being free initially for students;
- representing the RCS as a specialist institution at NUS Scotland and SG to advocate, for example, for the RCS campus to stay open;
- the increased interest in cultural diversity and mental health within the SU Council, the additional committee to promote Equality, Diversity and Inclusion and working with the National Autistic Society of Scotland to gain full Autistic Awareness Accreditation.
- creating the digital hub for students together with an online shop; and
- the Student Union’s Strategic Plan for the academic year being innovative and forward thinking.

Governors discussed how best to reach and connect with all students especially from a wellbeing perspective.

## **11. REPORT FROM THE ACADEMIC BOARD**

11.1 Summary reports of the meetings of 19 August and 14 October 2020 were received and noted. PJS drew attention to:

- the Academic Board had showed flexibility in quality and standards and would continue to do so to deliver learning outcomes;
- Graduation in July 2021 would be a series of in-person ceremonies in a larger space, potentially at the Theatre Royal.

11.2 The Annual Complaints report for 2019/20 was received and noted. LF advised that the RCS was working to resolve complaints informally and was more efficient in complaints handling and internal processes.

## **12. SFC OUTCOME AGREEMENT 2019/20 SELF EVALUATION**

The Outcome Agreement Self-Evaluation report for 2019/20 was received and noted. The Assistant Principal drew attention to:

- the data required in the self-evaluation and the struggle to reach young people in a pandemic being an existential challenge; and
- the sustainability review in Phase 1 would include the RCS in discussions with the SFC leading to Phase 2.

The 2019/20 Outcome Agreement Self-Evaluation report was commended and approved by the Board for submission to the SFC.

## **13. REPORT FROM THE FAIR ACCESS COMMITTEE**

13.1 The summary report of the meeting of 6 October 2020 was received and noted. DXM commented on:

- the impressive pivot the Fair Access team had made in moving online during the pandemic and creating online material;
- the range of outreach managed through online methods to reach people all round the country;

- the recognition of digital poverty and attempts to increase the diversity of applicants to the RCS;
- confirmation of the continuation of SFC funding which was very helpful; and
- the new plan to prioritise and focus on different areas, for example, targets around recruiting more young people from diverse backgrounds into the RCS.

13.2 The Fair Access Annual Report 2019/20 was received and approved.

13.3 The Fair Access Plan objectives and targets 2020/21 was received and approved.

#### **14. REPORT FROM THE HEALTH, SAFETY AND WELLBEING COMMITTEE**

The Annual Report from the Committee and the October summary report were received and noted. CM prefaced the report by reaffirming how “wellbeing” was more important than ever and acknowledged reference in the meeting to “anxiety” and “exhaustion” at this time. CM drew attention to:

- the whole RCS community coming together during the pandemic and the conscientiousness of the Health, Safety and Wellbeing Committee;
- the report looked at wellbeing in connection with the move to blended learning, working from home and return to the premises;
- her attendance at the RCS Risk Management Group meeting in September;
- the work of the Health Safety and Wellbeing Manager;
- the Healthy Working Lives Bronze Award and development work towards the Silver award.

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

The summary report of the meetings held on 18 September and 16 October was received and noted. EM thanked the Head of Estates and team for the great work to make the campus and facilities Covid-compliant and acknowledged that this was:

- ongoing in response to new regulations and restrictions; and
- fundamental in making the blended learning experience for students a success.

EM reported that the committee was ready to respond to the emerging Strategic Plan when the RCS looks to the future.

#### **16. REPORT FROM THE REMUNERATIONS COMMITTEE**

*The staff members left the meeting.*

- 16.1 The Annual Report from the Remunerations Committee was received and noted. AR reported that:
- the Remunerations Committee had met once in September to consider the senior salaries;
  - the heroic work by the Senior Management Team and staff this year was appreciated;
  - the Director of Drama, Dance, Production and Film had retired and the role had merged with the Director of Business Development as an interim role until the end of the academic year 2021.
  - benchmarking salaries information from the conservatoire sector in the UK was considered;
  - the Committee (i) agreed that under the current circumstances there would be no pay award to the Senior Management Team including the Principal in line with the national pay award; and (ii) noted the no increment award for any RCS staff;

The Chair provided a verbal report on the Principal’s outstanding performance.

- 16.2 The tabled Appendix was shared with Governors by the Secretary and the Committee’s recommendation of no uplift to the Senior Management Team salary levels **was approved by the Board.**

*The staff members re-joined the meeting.*

#### **17. REPORT FROM THE DEVELOPMENT AND FUNDRAISING COMMITTEE**

The annual report from the Development and Fundraising Committee (DFC) was received and noted. PR reported that:

- the DFC had not formally met since August but there had been constructive discussions with the Director of External Relations and the Head of Fundraising;
- he was delighted to welcome SM to DFC;

- the More Partnership work in the RCS had started which would impact on targets and methods rather than objectives and the DFC would refocus and simplify the agenda; and
- DFC would move on to a regular cycle of meetings and report to the Board.

#### **18. UPDATED RCS-BBC SCOTLAND MEMORANDUM OF UNDERSTANDING**

SM and JXH provided an overview to Governors on the updated RCS-BBC Scotland Memorandum of Understanding (MOU). SM reported that:

- the MOU was amended to reflect the digital and challenging world and would focus on five themed areas: Education; Developing Audiences; Digital; Professional Development; and Diversity;
- the MOU was with British Broadcasting Corporation (BBC), operating as BBC Scotland, which would benefit the RCS; and
- BBC Scotland and the RCS were both keen to develop special projects of mutual interest especially with significant anniversaries coming up (175 years for the RCS and 100 for the BBC).

#### **19. DATES OF FUTURE MEETINGS**

##### **Board**

**Wednesday 9 December 2020 (after AGM) 10:45**

29 January 2021

23 April 2021

25 June 2021

##### **AGM**

**Wednesday 9 December 2020 (before Board) 09:30**

##### **Academic Year 2021/22:**

29 October 2021

8 December 2021 (10.45am)

28 January 2022

22 April 2022

24 June 2022

##### **AGM**

Wednesday 8 December 2021

##### **Graduations**

Thursday 1 July 2021 tbc

Thursday 28 October 2021 tbc

#### **20. ANY OTHER COMPETENT BUSINESS**

None

#### **21. PAPERS FOR INFORMATION**

The papers for information were received and noted. NK reported to Governors the joint lobbying by the Principal and the Chair.

**ACTIONS ARISING FROM THE BOARD OF GOVERNORS' MEETING OF 30 OCTOBER 2020**

<b>Item No.</b>	<b>Person(s)</b>	<b>Action</b>	<b>By/when</b>
3.	Secretary	Draft rules for the election of the Chair and other rules emerging from the RCS Amendment Order of Council	To report to the Board meeting in January
4.	Chair, Principal and Director of Finance and Estates	Signing of the Statutory Accounts and Letter of Recommendation	The week following the October Board meeting