

MINUTES

SRUC Board Meeting

Date: 30 March 2023

Place: Oatridge Campus

Status: Strictly Private & Confidential

Distribution:

SRUC Board
ELT

Present: Mrs L Hanna (Chairman), Mr D Bell, Mrs J Craigie, Mr C Davidson, Prof Sir P Downes, Mr J Hume, Mrs M Khnichich, Mrs E Murray, Mr A Peddie, Prof W Powell, Mr Z Reilly, Mr I Ross, Mr C Sayers, Prof M Smith, and Mr B Wood.

In attendance: Mr H Anderson, Dr S Bolton, Mrs C Bysh, Mr G Macgregor, Prof Jamie Newbold, Mr A Lacey, Dr M Thomson, Mrs D Taylor (minutes secretary), Mrs K Wilson, Mrs J Volk (for item 23.11), Dr K Black (for item 23.09.03), Mrs L Armstrong (for items 23.12.01 and 23.12.02).

23.01 Welcome and Apologies

Noted that:

- a) Kimberley Wilson, the Governance Support Officer, was welcomed to her first meeting.
- b) Apologies were received from Mia Aitchison, Roz Asli, Alison Boyle, Claire Williams.

23.02 Register of Interests, Conflict of Interest, Hospitality Register

Noted that:

- a) No conflicts of interest were raised.
- b) The Chair declared hospitality she had recently received. A reminder on how to declare hospitality so it is included on SRUC's register will be circulated.
- c) The Chair outlined work she will be doing for the University of Glasgow which will be added to the Register of Interests.
- d) Any updates to the Register of Interest should be forwarded to the Governance Support Officer.

23.03 Minutes of Previous Meetings

23.03.01 Minutes of Meeting held on 15 December 2022

Noted that:

- a) The minutes from the 15 December 2022 were approved as an accurate record.

23.04 Matters Arising (*not elsewhere on the agenda*)

Noted that:

- a) Minute 22.47.05, SACC Board, noted g: The Director of Finance and the F&E Chair confirmed work had started to provide clarity on what sat within SRUC finances versus SAC Commercial.
- b) Minute 22.52.01, Agrecalc, agreed a: The Chair asked that a name be put against the action that “The spin out structure / process would be reviewed as part of the Governance SLWG”. It was agreed the Chief Operating Officer and the VP Commercial would be named against spin out structure and process.

Action: GM/AL

23.05 Board Sub-Committee and SAC Commercial Board updates (from committee chairs) (paper 567).

Noted that:

- a) The SRUC Chair outlined the reports would be taken as read and the committee Chairs were asked to only provide highlights as key items from committee meetings were on the agenda as separate items.

23.05.01 Finance & Estates Committee

Noted that:

- a) The Chair of the F&E outlined that Estates is discussed at the F&E Committee. Given the financial situation the committee strongly advised that there was a need to start pushing for rationalisation without delay.

23.05.02 Audit & Risk Committee

Noted that:

- a) The Chair of the A&R Committee highlighted that the report listed the agreed audits for 2023/24 and the audits received at the meeting. It was noted the financial controls audit had been extended after the alleged fraud incident and a positive report received.

23.05.03 Remuneration & Appointments Committee (including board development for approval)

Noted that the Chair of the R&A Committee highlighted the following points.

- a) EDI Lead joined meeting to discuss Equality Outcomes Reporting.
- b) Corporate Parenting and the Board’s role in this. The VP Skills & Lifelong Learning confirmed she could provide an update on what Corporate Parenting work is taking place for the R&A and Board.

Action: MT/LB

- c) The Athena Swan SLWG met in Feb and a workshop was held in March. A report will go to the EDI Committee for consideration.

- d) Chair Appraisal Process – Jim Hume will be leading this as the Independent Intermediary member of the board. The Board noted the process and timings as outlined in the paper.
- e) Non-executive appraisals – The annual non-executive appraisal process was complete and the SRUC Chair had produced a paper with recommendations. The R&A had considered the paper and supported the recommendations for Board approval. The Board **approved** the Board development plan as outlined in the paper, which will be monitored quarterly by the R&A Committee.
- f) Skills Matrix and Board recruitment – A summary of the Skills Matrix results was provided to the Board. It was noted that there was potential to recruit up to 4 non-executives by the end of the year. The recruitment pack and process would be considered and finalised over the next few months. Terms of appointment were noted in the External Governance Review by the Good Governance Institute (GGI) as an area for consideration.
- g) Board / Committee membership – The Board **approved** the appointment of Jane Craigie to the Audit & Risk Committee.

23.05.04 Transformation Steering Group (TSG)

Noted that:

- a) The Chief Operating Officer outlined that the TSG received update presentations at their meeting on the following projects – Vet School, TDAP, Dairy Nexus. The written report shows progress in many areas.
- b) There was discussion about the Dairy Nexus funding shortfall and potential implications. A solution will need to be found and meetings are taking place with key individuals (e.g. Under Secretary of State for Scotland) and organisations (e.g. SOSE are supportive). The demands around infrastructure and net zero are considerable, however the Dairy Nexus is not just a building but needs to deliver strategic outcomes. There is reputational risk if not delivered. There was discussion around value re-engineering and also the potential for philanthropy. The Board asked for an update at the next meeting.
Action: GM
- c) The Chief Operating Officer confirmed that the TSG update reflects the agreed programme of works for digital. Some are underway and being taken forward internally while other elements are going out to contract / consultants.

23.05.05 SAC Commercial Board

Noted that:

- a) The VP Commercial highlighted the following points from the report:
 - i. Eve Hanks attended the meeting and provided an update on Mi:RNA.
 - ii. Eurofins due diligence is underway. Will have good idea of what potential agreement will look like by end of April.
 - iii. Agrecalc transfer has taken place. Currently working through last pieces of shareholding. Actively looking for investment.
 - iv. SAC Consulting rural offices are experiencing unprecedented workloads with farmers seeking to take advantage of some short-term government backed incentives while expecting SAC Consulting to fulfil other work.

- v. Margin is increasing year on year.
- b) The VP Commercial clarified the point under section 5 of the report on labour shortages. Last year it was very difficult to employ staff at the Poultry Evaluation Centre. Now have 20 employees but difficulty will be to keep them. The trials and consulting staffing issues referred to in the report relate to skills shortages. Solution has been to grow our own. It was noted it can take 18-20 months for a graduate / trainee to become a consultant. This is done in a managed way where the trainee starts on small projects then gradually moves towards more bespoke work. This can put strain on the local offices and therefore training needs to be managed. The shortages in Forestry skills was also noted.
- c) In response to questions about the health and wellbeing of consultants, the VP Commercial told the Board much had been put in place SRUC-wide during covid but that RSABI is about to be rolled out.

23.05.06 Student Liaison Committee (SLC)

Noted that:

- a) The Chair of the SLC outlined that SLC's had been held at Edinburgh, Elmwood, Craibstone and Oatridge. Barony's was scheduled for April. Four to twelve students attended the meetings and staff fielded many of the questions.
- b) Recurring issues raised were:
 - i. Online learning – some students find this difficult to do.
 - ii. Mobile phone signal at Oatridge – The Estates & Strategy Manager is aware of this ongoing issue and is in discussion with Vodaphone and exploring other options to improve the signal.
- c) The Chair of the SLC confirmed he is also meeting with the SRUCSA reps regularly.

23.06 Chair's update (verbal)

Noted that:

- a) The Chair outlined that at the UK level and in context of UKG funding (e.g. UKRI) there is a reemphasis on "place". Inclusive growth and demonstrating delivery in real time are important. In terms of levelling up, there is an opportunity to engage with appropriate councils to understand the role and delivery of SRUC to achieve council ambitions and meet funding requirements.
- b) From the Scottish perspective, items to consider include:
 - i. The SNP leadership election – what does this mean for SRUC? First Ministers new agenda and priorities to be considered.
 - ii. "Wellbeing economy" – what does this mean to SRUC?
 - iii. Innovation Strategy – when will this be published?
 - iv. Meeting newly appointed ministers and cab secs etc relevant to SRUC agenda
- c) Reflection on the recent convening dinner is that now is the time to do more of this and visibly position SRUC impact and value in the UK and Scottish perspectives.

23.07 Principal & Group Chief Executive and ELT's update (paper 568)

Noted that:

- a) The Principal & Chief Executive took his report as read but highlighted the following points:
- i. TDAP – pivotal point for SRUC. Will know outcome soon and will require increased engagement.
 - ii. Agenda setting – connection to Westminster important. Hosting Lord Trees at Kirkton Farm this week.
 - iii. Place based agenda – must shift relationship from transactional to strategic.
 - iv. Horizon Europe – The Provost & Deputy Principal, the VP Enterprise & Knowledge Exchange, and Martin Scholten from Wageningen University & Research are creating a paper. Focus on Scotland’s brand getting recognised in Europe.
 - v. Political roundabout – new and consistent faces after leadership election and reshuffle. SRUC can help deliver agenda, for example, on food security and reimagined economy. He would like to have the First Minister visit SRUC at the Royal Highland Show and engage with the Carbon Secretary. Engagement around the Vet School remains pivotal. Also need to engagement with Scottish Labour Party. Relationship with Scottish civil service was recognised as important as they provide the continuity.
 - vi. Polarisation of rural vs urban communities – SRUC’s role needs to be considered. Skills potential area which can help address this.
- b) There is a new convener of the Rural Affairs and Climate Change Committee, and with Henry Dimpleby’s departure from the Department of Environment, Food, and Rural Affairs leaves a void in sustainable food leadership.

23.08 Branding Discussion and Presentation

Noted that:

- a) The VP External Relations & Student Experience gave a presentation on strategic branding options, with contributions by Jane Craigie.
 - b) Branding is not just a logo but is the essence of who we are and who we will be. This is a good point in SRUC’s development to consider branding with TDAP and the Governance review taking place.
 - c) The purpose of the presentation was to: 1) set out the narrative and rationale supporting the evolution of the SRUC brand, 2) Propose some options for consideration, and their benefits and limitations, and 3) Open up conversation to narrow down the options for further exploration.
- d) to i) reserved section – Ref FOI(S)A, s. 30.**

23.09 Academic Business

23.09. 01 Academic Board Report (paper 569)

Noted that:

- a) The Provost & Deputy Principal highlighted the following points from the Academic Board Report:

- i. Academic Board elections – now complete and 11 staff members and 2 student members have been welcomed to the Academic Board.
 - ii. Academic Board effectiveness review – analysis of results in final stage. Will report back to Board.
 - iii. Quality Enhancement Plan (QEP) - The Academic Board were pleased to note the significant progress that had been made on the timelines for assessment and feedback. Work is ongoing regarding refining policy work placement and industrial engagements and the Academic board noted the need to update and refine this. There was significant discussion on recruitment, retention and progression and the need to establish clear KPIs in regard to diversity, equality and inclusion.
- b) It was clarified that the “governance structures” referenced on page 57 in the board paper pack as part of the Academic Board minutes were linked to plans for Research Degree Awarding Powers (RDAP) and a paper on this topic discussed at the Academic Board. The Provost & Deputy Principal confirmed that SRUC’s relationship with UoG and UoE was collaborative and not competitive.

23.09.02 Postgraduate Provision (paper 570)

Noted that:

- a) The Provost & Deputy Principal outlined that as part of our PhD programme development, SRUC needs to have a set of Postgraduate Research regulations in place.
- b) The Board noted the paper which outlines the proposed regulates agreed at the Programme Approvals & Academic Standards Committee and then the Academic Board in February 2023.

23.09.03 SRUC’s Outcome Agreement 2022/23 for SFC (for approval) (via Academic Board)

Noted that:

- a) The Registrar joined the meeting to discuss the Outcome Agreement and the process around pulling it together. It was noted this is an important Scottish Funding Council (SFC) document and the format is prescriptive. A draft had been shared with SFC in December 2022 for their comment and resubmitted in January 2023. SFC were complementary and have given their support.
- b) Due to the prescriptive nature of the report, the Board found it difficult to clearly understand the outcomes. It was **agreed** a summary document would be provided to the Board.

Action: KB/JN

- c) Under section 7, the sentence “Within FE, particular highlights of the target include our aim to deliver 6.3% of credits to 10% of the most deprived postcode areas” is to be clarified to state “the 10% most deprived...”

Action: KB

- d) The Registrar confirmed that she makes the point annually to SFC that SRUC do not believe SIMD is a useful indicator of deprivation in remote and rural areas.

- e) The Principal & Chief Executive noted that University Innovation Fund (UIF) is a key source of income for SRUC and proportionally we get a significant portion compared to other institution.
- f) The Board **approved** SRUC's Outcome Agreement 2022/23.

23.09.04 SRUC Annual Report to University of Edinburgh (to note) (via Academic Board) (paper 572)

The Board **noted** the Annual Report to UoE.

23.09.05 SRUCSA Update (to note) (apologies received from student members) (paper 573)

The Board **noted** the SRUCSA update.

23.09.06 SRUCSA Follow-Up Paper (to note) (paper 574)

Noted that:

- a) The Provost & Deputy Principal outlined that since the December Board meeting he had reviewed the arrangements in regard to SRUCSA and compared them to arrangements in similar organisations. The Student Partnership Agreement (SPA) and the SRUCSA Co-President job description were reviewed. Comparison of these with comparator organisations suggest these are in essence fit for purpose. However, there are deficiencies in how they have been implemented.
- b) that the SPA has not been actively updated in recent years, while it has become obvious that the job description was not shared either during the election process nor at appointment. As such there has been a lack of clarity in terms of purpose which when combined with a somewhat sub- standard induction process has led to a disbalance in terms of expectations on both sides.
- c) Going forward we will ensure the SRUCSA and SRUC engage in the continuous development of the SPA and that job descriptions for the SRUCSA Co-President are shared prior to elections and are discussed during induction to ensure coherence of expectations.
- d) There were no nominations for the co-President roles during the recent student elections. These will be rerun in May and it is likely 2-3 people will stand for election.

23.10 Finance

23.10.01 22/23 9+3 Forecasts (for approval) (via F&E / A&R) (paper 575)

Noted that:

- a) The Chair outline that she would like to have a conversation about seeking assurance on internal controls based on the 9+3 forecast. The scale of shift in the financial forecast since December Board meeting is concerning particularly as key known costs increases were already factored in. It will also be critical to understand and apply lessons learned to ensure this is not repeated in the future.

- b) The Director of Finance understood the sentiments and challenges that have been received and recognised the bottom line deficit of £3.5M is disappointing versus the 6+6 projection. He highlighted that it had been a team effort by ELT to rally round and address the issue.
- c) **reserved section – Ref FOI(S)A, s. 30.**
- d) **reserved section – Ref FOI(S)A, s. 30**
- e) Two material areas for us to manage are staff costs (biggest element of cost base) and Contract research (area for growth).
- f) The Director of Finance outlined that while there was nothing in the January and February that indicates a deviation from the current financial position and testing has been taking place in all areas with the ELT, the caveat is that March is a significant month with much to drawdown and stock valuations to take place.
- g) The Chair asked for confirmation about the controls and decision making around recruitment. The Director of Finance confirmed that the process is robust with a weekly panel who meet to review requests which then go to ELT for final approval. Challenge has been data visibility. Controls are strong and focus of improvement has been on visibility of data. Work has been done there is now visibility of structures, headcounts and FTEs. Each area has a budget for recruitment and posts must be within budget. The Chair sought further assurance that responsibility and accountability of decision making and control of recruitment levels and associated costs continues to be a high priority at ELT as whilst there is recognition controls are in place, this hasn't been sufficient to manage costs.
- h) Earlier discussions had indicated that it is difficult to recruit and hold staff in certain areas (e.g. SAC Consulting) and it was questioned how this impacts staffing numbers. The Director of Finance outlined that there are always historic vacancies, some of which need to be deleted and only strategic / required vacancies filled.
- i) While it was commendable to see an increase in income it was recognised that growth is good but not all growth is equal on impact to the organisation. There is a need to monetise reputation and target growth.
- j) The need for robust systems and for real budget responsibilities within groups to be owned.
- k) The Director of Finance confirmed that the cash position is good and reserves strong. The deficit is funded by the reserves. This was discussed and the Board emphasised that whilst in this case using reserves to cover this deficit is now unavoidable, going forward this would not be seen as acceptable by the Board. Given the ambitions plans SRUC has for growth, using reserves to achieve those plans is the priority.
- l) In research there is a need for better visibility of pass through versus long term growth.
- m) The Chair of the Audit & Risk Committee outlined that the external auditors have had full view of the financial position and did not see an issue for the Going Concern Report.

Agreed that:

- a) The 9+3 forecast was approved.

- b) Actions and lessons learned on financial systems, controls and reports will be applied and owned by ELT.

23.10.02 23/24 budget (for approval) (via F&E) (paper 576)

Noted that:

- a) The Director of Finance noted that the 23/24 budget was still a deficit budget and that the ELT had spent two days off-site to discuss and consider the position with a view to creating an action plan to remedy the situation and produce both a pragmatic short-term budget and a series of medium to longer-term options to progress.
- b) An income growth analysis was provided and discussed. Challenges in managing the cost base were also noted (e.g. energy)
- c) **Reserved section – Ref FOI(S)A, s. 30, 36**
- d) Discussions are continuing with the ELT and also the Senior Leadership Team (SLT) to make sure delivery of the budget is doable, although challenging. An indepth analysis will take place in April.
- e) The operating model for Estates has been considered and factored into the budget. We cannot keep sustaining a deficit and we know estates costs are challenging and must be managed carefully. The Board recognised the important of the Estates Strategy and that difficult decisions were likely to be made. All agreed now was the time to act. The Estates Strategy will come to the Board in May/June with adequate time for a full discussion to understand the complexities of this issue which include fit to strategy, local community impact, political elements.

Action: GM
- f) The Principal & Chief Executive highlighted the role that Scottish Government will play in the Estates Strategy considering no capital support was provided for the merger in 2012.

Agreed that:

- a) The budget was approved in principle. Once high-level plan is complete and testing has taken place in April, the budget is to be recirculated to the Board if it is materially different to what has been presented today.

Action: HA

23.11 Board Business

23.11.01 Balanced Scorecard (paper 577)

Noted that:

- a) Jennifer Volk, Business Intelligence Manager, joined the meeting and asked for the Boards feedback on the Balanced Scorecard (BSC). There was discussion around the following areas.
- b) How do we defend all of the measures/objectives – e.g. top 30 University in UK, since many HEIs say this. A narrative is needed on why these are achievable.

- c) It was questioned how we track success and measure bottom items (targets and actuals) to top rows of BSC. The Business Intelligence Manager outlined that the focus is at the bottom of the BSC and not a 1:1 ranking but a proxy measure. There was discussion about considering changing an objective if it is not measurable.
- d) Ratings/measures are still needed for two items; 1) Policy - because different ways to measure them in different areas. Need to baseline. 2) Sustainability rating – linked to University/TDAP status. The Business Intelligence Manager is keeping an eye on this.
- e) It was questioned whether the ELT's more detailed document links to the Board BSC, and whether these are right measures of success. It was confirmed the documents do link but the BSC are the items the Board have indicated they would like reporting on. The Business Intelligence Manager outlined that it would be helpful for the Board to highlight if these are no longer the correct measures or what they would like reported on.
- f) It was suggested quality of teaching at FE/HE and resources provided could be drawn out / shown/ measured. The Provost & Deputy Principal clarified that these are in NSS (benchmarked), and the Academic Board gets a report which could be shared with the Board for information.

Action: JN

Agreed that:

- a) Comments are to be forwarded to Jennifer.Volk@sruc.ac.uk by the end of April for inclusion in the updated BSC that will go to the June Board.

23.11.02 Governance SLWG (for approval) (via SLWG) (paper 578)

Noted that:

- a) The Chair of the Governance SLWG, Chris Sayers, introduced the paper noting the governance model had gone through a few iterations and the SLWG has considered alignment to Principles, future fit, and TDAP during discussions.
- b) The Chair of the Governance SLWG brought three items to the Board's attention:
 1. Committee structure has been considered noting the recommended Strategic Performance Committee.
 2. Stronger link with Academic Board to be ingrained.
 3. Rationalisation on commercial side. Remove overlap of Boards, Chair of SRUC Commercial to sit on SRUC Board.
- c) Today the Board was being asked to give approval to move to a more detailed phase of scrutiny with this governance structure.
- d) The Chief Operating Officer noted this was a good step forward but still at a high level. Much work is still required to bottom out the details - e.g. fiscal, legal, regulatory, other. He emphasised the need for clarity on the commercial side (profit making and commercialisation) and clarity on enterprise and innovation and role in an Enterprise University. There is also the need to keep the governance model proportionate to SRUC's size and requirements.
- e) The following recommendations and points of consideration were shared:

1. SRUC Commercial formulated via transfer of shares. Simplest method.
2. Support for SRUC Commercial Chair to sit on SRUC Board/Court.
3. If R&A Committee responsible for appointing to SRUC Commercial then the SRUC Commercial Chair should be a member of the R&A Committee.
4. SAC Corporate Trustees would need to take their own legal advice.
5. Two student liaison groups? Different remits and purposes and important for student liaison and voice to be a Board/Court level.

Agreed that:

- a) The Board approved moving to a more detailed phase of scrutiny on the recommended governance structure. A work programme will be developed and an updated report brought back to the Board.

Action: GM/DT

- b) The Governance SLWG is to stay in place and be involved in this next detailed phase of the process.

23.11.03 Risk Appetite (for approval) (via A&R) (paper 579)

Noted that:

- a) The Chair of A&R Committee outlined the background work that had gone into reaching this point in the Risk Appetite, noting the A&R had reviewed the current draft and recommends for adoption.
- b) The Chair of A&R Committee outlined that while the risk appetite for institutional reputation was "cautious", SRUC did not want to be viewed as adverse to risk. The context wording had been updated to clarify this distinction.

Agreed that:

- a) the Risk Appetite was approved for adoption. Next developments should include adding subjective and qualitative examples, and showing how cultures and behaviours impact each risk.

Action: GM/DT

23.11.04 Risk Register (for approval) (via A&R) (paper 580)

Noted that:

- a) The Risk Register had reviewed through Audit & Risk Committee, ELT and the operational risk sub-group.
- b) Chief Operating Officer outlined the request to remove Risk 15 – Covid-19 Pandemic Risk from the Corporate Risk Register and transfer it to the operational level risk register, noting operational risk monitoring via the SLG risk sub-group continues to work well.
- c) The Chair of the A&R Committee noted the first meeting of Scottish Universities Audit & Risk Committee Chairs had taken place. Top of the list of topics was cyber security followed by finances and recruitment.

- d) The Principal & Chief Executive and the Chief Operating Officer confirmed that SRUC's cyber security plan was being tested and the Group Manager IDS, Belinda Haig, was taking this forward following the departure of the Chief Digital and Information Officer.

Agreed that:

- a) The risk register was approved and it was agreed Risk 15 – Covid-19 Pandemic Risk should be transferred to the operational level risk register.

Action: GM

23.12 Items for Approval

23.12.01 RaVIC Change request (via F&E) (paper 581)

Noted that:

- a) The Senior Project Manager, Libby Armstrong, joined the meeting

b) Reserved section – Ref FOI(S)A, s. 36

- c) The Director of Finance clarified that the funding gap is currently being funded by reserves, however mitigating actions are in place so reserves are not necessary.
1. Re-use of existing furniture and equipment wherever possible.
 2. Funding of certain specialist items for the necropsy suite and labs from other available vet or research budgets.
 3. Sourcing further funding.
 4. Continued tight cost control

Agreed that:

- a) The Board approved the increase in budget for RaVIC.
- b) Papers such as this should include where the funding gap is currently being funded from (e.g. reserves) and what financial year the spend will fall in.

Action: HA

23.12.02 King's Building Business Case (via F&E) (paper 582)

Noted that:

- a) The Provost & Deputy Principal outlined that SFC funding of £8M of Scottish Funding Council (SFC) transactional funding was secured in March 2022. The bid identified several capital projects that would enable SRUC to modernise its Edinburgh Campus whilst addressing key actions within the Climate Change Action Plan.
- b) Projects included in this funding are Vertical Farm, ASD, Quad at KB, Enabling Works, and Student Experience. Today the Board are being asked to approve funding for the Enabling Works (£1.5m) and the Student Experience Projects (£3m).
- c) Enabling Works – Poor accessibility issues at KB. This work will allow DDA issues to be addressed while being consistent with KB master plan. Works include:

- Installation of two new passenger lifts to serve the lecture theatre areas AB/FG and CD/GH & the 2nd floor – this will involve modifications to the existing stairways.
 - Modifications to the existing accessibility compliant lift from the lower lobby & install new accessways into the Administration wing at each level.
 - Installation of new fire escape staircases at the west end of the Administration wing and possibly at the C&S research/Edinburgh University areas.
 - Creation of additional “Refuge” zones (if required)
- d) Student Experience – This project will provide fit for purpose lecture theatres, more flexible teaching spaces, a teaching laboratory, digitally enhanced spaces, and reduce heat loss through the windows.
- e) There is a risk of some or all the funding being recovered by the SFC. The funding has a strict timeline for spend and carbon payback which must be reported as each project develops. The consultants who manage the monitoring of spend have indicated that they require evidence of approval of business cases for the spend by early April.
- f) There was discussion about the lifespan of the Peter Wilson Building (PWB) and UoE’s future plans for the building. It was confirmed a condition survey of PWB shows there is still life in the building and there is open dialogue with UoE about their estates planning.
- g) It was confirmed that a student survey has taken place to get their input which has gone through SRUCSA. There is also the Head of Learning and Teaching’s work on student experience underpinning the plan.
- h) In terms of timeline, building works would need to take place outside the teaching schedule.

Agreed that:

- a) The business cases for the Enabling Works and Student Experience were approved.

23.13 Items for Information / Annual reports

23.13.01 Climate Change Action Plan (CCAP) annual review (paper 583)

Noted that:

- a) The report was noted by the Board and that any comments should be forwarded to sean.gillespie@sruc.ac.uk.

23.13.02 Complaints Annual Report (paper 584)

Noted that:

- a) The report was noted by the Board and that any comments should be forwarded to Kyrsten.Black@sruc.ac.uk.

23.14 Any Other Business

Noted that no AOB was raised.

23.15 2023 Dates of Future Meetings

Noted that the remaining 2023 SRUC Board meeting dates are 15 June (Barony), 14 September, 14 December.

23.16 Private Session for Non-Executive Directors

Noted that a private session for non-executive directors plus the Principal & Chief Executive was held.

Devon Taylor
Interim Company Secretary
30 March 2023

MINUTES

SRUC Board Meeting

Date: 15 June 2023

Place: Barony Campus

Status: Strictly Private & Confidential

Distribution:

SRUC Board
ELT

Present: Mrs L Hanna (Chair), Miss R Asli, Mr D Bell, Mr C Davidson, Prof Sir P Downes, Mr J Hume, Mrs M Khnichich, Mrs E Murray, Mr A Peddie, Prof W Powell, Mr Z Reilly, Mr I Ross, Prof M Smith.

In attendance: Mr H Anderson, Dr S Bolton, Mrs C Bysh, Prof Jamie Newbold, Mr A Lacey, Dr M Thomson, Mrs D Taylor (minutes), Mrs K Wilson (minutes), Mr A Reynolds (for Item 23.24.02), Dr J Laird (via teams) for Item 23.24.03, Mr M Butler & Ms L Le Faou (via teams) for Items 23.26.01, and Mrs J Volk (via teams) for Item 23.26.02

23.17 Welcome and Apologies

Noted that:

- a) Apologies were received from Mia Aitchison, Alison Boyle, Jane Craigie, Gavin Macgregor, Chris Sayers, Claire Williams, Bruce Wood.
- b) Julie Fortune was welcomed to the meeting. She was invited to stand-in as the union representative in the absence of Alison Boyle.
- c) The Chair sincerely thanked Roz Asli and Claire Williams for their significant input into the Board in their roles as student representatives and co-Presidents of SRUCSA. The Board congratulated them in their new roles and wished them the best of luck.

23.18 Register of Interests, Conflict of Interest, Hospitality Register

Noted that:

- a) There was potential conflict of interest for some non-executives with the committee membership recommendations included in the Remuneration & Appointments Committee update (paper 586). The Board agreed they were content for the non-executives named in the paper to stay in the room during discussion and confirmation of committee/role appointments.
- b) No other conflicts of interest were declared.
- c) Any updates to the Register of Interest or Hospitality Register should be forwarded to the Governance Support Officer.

23.19 Minutes of Previous Meetings

23.19.01 Minutes of Meeting held on 30 March 2023

It was **noted** that the minutes were approved as an accurate record of the meeting.

23.19.02 Action Log

The Following updates were received on the Action Log.

Noted that:

- a) 23.04, Agrecal – **Reserved section – Ref FOI(S)A, s.33**
- b) 23.05.03, The Corporate Parenting – Mrs E Murray noted that she will catch up with the VP Skills & Lifelong Learning.
- c) 23.05.04, Dairy Nexus– The Provost & Deputy Principal noted that progress is being made but the funding gap remains.
- d) 23.08, Branding – work is ongoing.
- e) 23.09.03, SRUC’s Outcome Agreement – A summary document for the Board of the outcomes listed in the OA was still to be produced.
- f) 23.10.02 (e), Estate Strategy – It was noted that a meeting was held on the 2nd June 2023 to discuss Elmwood and a further meeting is to take place at a later stage to discuss other elements of the Estates Strategy. Date to be confirmed.
- g) 23.11.01 (f), The Provost & Deputy Principal noted that the reports will be coming in July and will report back to the Board once received.
- h) 23.11.03 (a), Risk Appetite – The Company Secretary noted this is ongoing and the need to embed.
- i) Any further comments /actions to be forwarded to the Company Secretary or the Governance Support Officer.

23.20 Matters Arising (*not elsewhere on the agenda*)

Noted that:

- a) All Matters Arising were covered in the Action Log.

23.21 Board Sub-Committee and SAC Commercial Board updates (from Committee Chairs) (paper 586).

Noted that:

- a) The SRUC Chair outlined the reports would be taken as read and the Committee Chairs were asked to only provide highlights.

23.21.01 Finance & Estates Committee

Noted that:

- a) The Chair of F&E outlined that the report noted the key points from the meeting, which were covered in more detail later on the agenda, but acknowledged that the outturn figure was disappointing. She highlighted that there was good news on the academic side but this had been offset. She noted a typo which stated the loss forecast had been £3.5M – this should read £2.4M.
- b) The SRUC Chair questioned whether Vet Services was a true commercial operation and growth in the England consulting offices. These would be discussed later on the agenda.

23.21.02 Audit & Risk Committee

Noted that:

- a) In the absence of the A&R Chair, the Non-executive H&S Champion (Ian Ross) who sits on the A&R Committee presented the paper to the Board.
- b) He highlighted that the finance papers, including the budget, had been reviewed by the Committee from the risk aspect.
- c) A H&S training courses had recently been sent to all Non-executives and the H&S Champion encouraged all to complete the course. It should be clarified whether this training was mandatory for non-executives.

Action: DT

23.21.03 Remuneration & Appointments Committee

Noted that:

- a) The Chair of R&A noted the committee had welcomed the announcement of the Principal's student hardship fund and highlighted that the Committee had received and update on EDI and the Equality Outcome Report, Gender Pay Gap Report, and the People Strategy.
- b) The Committee had considered committee membership. The following recommendations were agreed for submission to the Board for approval:
 - To appoint Elma Murray as Chair of Audit and Risk Committee and Vice-Chair of the Board, when Bruce Wood steps down in September;
 - To appoint Sir Pete Downes as Chair of the New Strategic Performance Committee with immediate effect. Pete will stand down from Remunerations and Appointments Committee;
 - To appoint Professor Michael Smith as Chair Remuneration and Appointments Committee when Elma Murray assumes the Audit and Risk Committee Chair;
 - To appoint Chris Sayers to the Finance and Estates Committee and the new Strategic Performance Committee with immediate effect;
 - To appoint Linda Hanna to the new Strategic Performance Committee with immediate effect;
 - To appoint Chris Sayers, Jane Craigie and Dave Bell for a second 3-year term when their first terms comes to an end in December 2023
 - **All above agreed by Board.**

- c) The Committee held an extra meeting on 7 June to discuss Board recruitment. It was recognised that non-executive recruitment was linked to the TDAP process at this time and therefore was paused for the moment. This would be discussed further by the Principal & Chief Executive during his update.

23.21. 04 Transformation Steering Group (TSG)

Noted that:

- a) There was discussion about the Digital Strategy and how this was not clearly outlined in the paper or where the risks are. Individual digital or cyber projects could be seen but not a holistic view of the strategy.
- b) The Director of Finance outlined that from the financial perspective they were working closely with the IDS Group Manager to ensure priority projects were budgeted for and progressed/implemented – e.g. cyber security measures/projects, student journey and CRM system.
- c) It was recognised that a holistic view of the Digital Strategy was prudent and required. It was **agreed** this should come to the Board.

Action: GM

- d) The non-executive TSG members confirmed that very detailed discussions take place at TSG, especially around cyber security, and are briefly outlined in the Board's report.
- e) The F&E Chair questioned the status of the Vertical Farm development. The Provost & Deputy Principal confirmed that there was a funding issue which was currently being discussed with the Scottish Government. An update would be provided to the F&E/Board and approvals sought, if required. Currently not at the financial level requiring Board approval.

Action: JN

23.21.05 SAC Commercial Board

Noted that:

- a) The VP Commercial updated the Board and highlighted the progress AgreCalc has made noting the change in % share distribution as raised by Scottish Enterprise which had been discussed by the SAC Commercial Board. Investors were actively being sought by the AgreCalc team. The CRM system shows a healthy pipeline of activity.
- b) Eurofins is a positive story and is progressing well. The SAC Commercial Board received a presentation and update on the Eurofins partnership. The VP Commercial confirmed that SRUC's branding was noticeable in the Eurofins deal including on building and billing.
- c) The SAC Commercial Board contributed to a discussion on capitalising on the work coming out of the Governance SLWG and how to get the right relationship with the private sector.
- d) In terms of services in England, the VP Commercial highlighted that while we run the programme, ADAS controls the drawdown of funds, which have been slow and delayed.
- e) In terms of Vet Services, it was noted that they currently sit under the academic umbrella but with commercial elements. The Provost & Deputy Principal and the VP Commercial

outlined that staff in this area see themselves as “Vet Services” and an integrated academic and commercial team, which is their strength.

23.21.06 Student Liaison Committee (SLC)

Noted that:

- a) The Chair of the SLC noted that there was an upcoming meeting at Oatridge planned. No other update as the other SLC’s will not meet until the new academic year.

23.22 Chair’s update (verbal)

Noted that:

- a) The Chair outlined her observations on the political and funding environments in Scotland. The political priorities from the cabinet are focused on health, poverty, education and social issues and appears less on economy. The public sector funding environment is becoming much more challenging and there is an increasing sense for universities to do more to absorb their costs.
- b) The Scottish Government’s Innovation Strategy has been launched and lacks an overt focus on agri-food, agri-tech, etc. Opportunity for SRUC to be more visible and reach out to new Cabinet Secretary and Ministers to share ideas, expertise and show opportunities.

23.23 Principal & Group Chief Executive and ELT’s update (paper 587)

Noted that:

The Principal & Chief Executive highlighted the following points:

- a) Engagement – given the political environment both in Scotland and UK, SRUC should ensure engagement is strong across all parties.
- b) There has never been a more important time for the SRUC Board as there is now and this will require high level, strategic, complex thinking. Complexity brings the need for sound judgement and we must consider how we synthesis to get best judgement. Cannot be trapped by yesterday’s assumptions. Currently at a thriving Barony campus with successful Strength in Places funding.
- c) Universities of the future will require more radical thinking. Past funding models will not be available. Need to seek out more diverse investment and income streams.
- d) Innovation Strategy – opportunity to harness critical mass and scale. Digital is important to achieve this.
- e) REF Criteria – new criteria released soon. There will be an increased significance on environment and impact, which are beneficial for SRUC’s submission.
- f) TDAP – The Principal & Chief Executive emphasised the importance of achieving TDAP. Without TDAP SRUC will be submerged by others and not achieve goals. The pace and intensity of the TDAP process will increase from this point forward. There is potential for a faster approval route which will also bring more visibility. With this in mind, the Chief Executive & Principal announced that a light touch review of Board remuneration, led by

the Company Secretary, would take place over the next few months for reporting back to the Board in September. During this time, the Board recruitment exercise would be paused.

- g) The Company Secretary highlighted that the consultation process would involve the circulation of information, the opportunity to have a discussion/ask questions (on Teams), and the opportunity to provide confidential, individual feedback. Further details would follow. As Accountable Officer, the Principal & Chief Executive would use the information gathered during the consultation to help reach a conclusion.

Action: DT

23.24 Academic Business

23.24.01 Academic Board Report (paper 588)

Noted that:

- a) The Provost & Deputy Principal highlighted that the Intellectual Property Committee (ToRs) would come to a future Board meeting.

Action: JN

- b) As noted in the Principal & Chief Executives update, changes to the next REF submission have been announced and will benefit SRUC. The Academic Board discussed the new criteria.

- c) The annual Academic Board Effectiveness Review was received and discussed. One outcome of the review is for better communication with the SRUC Board. An Action Plan to address the recommendations from the review is being developed for submission to the Academic Board at their next meeting.

- d) The Provost & Deputy Principal highlighted that SRUCSA had proposed a forum for discussion around residences involving colleagues from both academic and professional services. This was supported by the Academic Board.

- e) The SRUC Chair suggested that clarity and remits of Academic Board sub-committees was required, noting the Innovation & Knowledge Exchange Committee in particular. The VP Enterprise and Knowledge Exchange noted that she was Chair of the Innovation & Knowledge Exchange committee and work had started to review the remit and how to communicate better. The revised remit would be brought back to the Board.

Action: SB

- f) The SRUC Board had found it helpful to hear the Research Strategy pre-REF. The Provost & Deputy Principal confirmed he would bring the Research Strategy back to the Board.

Action: JN

23.24.02 Student Mental Health & Wellbeing Strategy (paper 589)

Noted that:

- a) Alex Reynolds, the Academic Liaison Manager (SW Faculty), presented the Student Mental Health & Wellbeing Strategy and the process that was used to develop it. He noted that this had been led by Alison Boyle, the Academic Enhancement Lead (Student Journey) and himself and backed by the Provost & Deputy Principal.

- b) It was important for students to be given the opportunity to be heard and provide input into the strategy. The impact of Covid and the National Student Survey results were also important factors in developing this strategy.
- c) SRUCSA have played a big part in the transformation. They have set up a survey via questionnaires and face to face meetings. They also set up a roadmap workshops. There has been good engagement from students in the process.
- d) Students have been listened to. Items they highlighted include: belonging, engagement, communication, staff development, and guidance.
- e) The Academic Liaison Manger clarified that this document was the strategy and not the procedure side of student mental health and wellbeing.
- f) The Board highlighted that people usually seek support in their local communities / with people they know. There was discussion around staff training and staff support. The Academic Liaison Manger clarified that Student Support Staff all receive regular and relevant CPD training and that reception and academic administrators are also getting the training. He also highlighted the importance on the vocabulary on Mental Health and the right wording to address students and staff so they feel they are in a safe space and can come forward.
- g) The Academic Liaison Manger was thanked for his presentation and the Board were asked to forward any follow up questions.

23.24.03 Education Scotland Annual Engagement Visit Report (paper 590)

Noted that:

- a) Dr John Laird joined the meeting via teams and summarised the report. He noted that he had also been in regular contact with Dr Krysten Black, Registrar, and the report is based on his visit and his discussions with the Registrar.
- b) He emphasises that SRUC has many areas of good practice, and the Registrar has helped many other College colleagues improve their processes.
- c) He wanted to recognise that SRUC has received one of the strongest reports in the sector and he has confidence in quality of staff and processes.
- d) Areas for development noted in the report are:
 1. Ethnicity and Gender Balance – this is an annual issue
 2. Student Survey Returns – this has now been addressed
 3. Successful completion for FE provision – data suggests a dip, but this is not significant because the whole sector has, and SRUC has been above sector average the past 3 years
- e) The Provost & Deputy Principal noted that work is being done with Advance HE to draw up a plan to address ethnicity and gender balance issues, and the Student Survey Return eventually reached 44% response rate which is in the top quartile.

23.24.04 SRUCSA Update (paper 591)

Noted that:

- a) The Board thanked Roz Asli and Claire Williams for their significant input and important work as the student members on the Board. The SRUC Chair noted she would offer to meet with the new Co-Presidents ahead of attending their first Board meeting.
- b) Roz Asli thanked the Board and noted that while it had been a steep learning curve at times it had been worthwhile and a good experience. She had learned a lot from being a Board member and would take this away with her. She also encouraged the Board to have a look at the lit-up path on Barony Campus that was part of one of their projects they had worked hard to complete during their tenure as co-Presidents.
- c) There was a discussion on the induction process for student members and if lessons have been learned. The Provost & Deputy Principal confirmed that exit interviews had been held with himself, the Principal & Chief Executive, and the co-Presidents. It was recognised that the induction process had been lacking in some areas. For example, board paper writing will be included and the SRUCSA service agreement will be reviewed annually.

23.24.05 Strategic student recruitment & academic offering discussion (to note)

Noted that:

- a) The Provost & Deputy Principal outlined the process that goes into developing SRUC's academic offering. This includes:
 - 1. Ongoing review of curriculum – i.e. How we teach. Detailed and structured self-assessments, which take place in cycle (not all at once). Drives the action plan that goes to the Advisory Board.
 - 2. Portfolio group – i.e. What we teach. Gap analysis which leads to picture of new degrees SRUC would like to develop. What can TDAP allow us to do that we can't do now.
 - 3. Target Setting – In January the Deans meet and go through each course and look at student engagement. They map courses from FE and HE and also map out a 10 year plan. Targets are estimated and minimum and maximum numbers set.
- b) The VP External Relations & Student Experience highlighted:
 - 1. The external environment for recruitment
 - 2. JN and CB's roles and collective leadership
 - 3. Student recruitment funnel – how it looks and timescales
 - 4. Strategic items in play – e.g. digital areas
- c) The VP External Relations & Student Experience also highlighted that she sees the CRM system as more of a risk than brand at the moment. On average, it takes 45 comms to convert applications to acceptances. Current CRM system does not give required visibility of all stages of recruitment process and student experience.
- d) The VP External Relations & Student Experience highlighted that although pre-pandemic levels of applications are being reached the student recruitment market behaves differently.
- e) The significant investment made in the Irish market a few years ago is coming through now. There are now recruitment officers in Northern England linked to the consultants.

- f) The VP External Relations & Student Experience noted that subject areas and domains are being sold, not necessarily specific programmes. She would like to see more work done in this area so it is more structured and can be used to battle into competitor markets.
- g) The Provost & Deputy Principal noted the impact that having a January intake date would have.
- h) There was a discussion on targeting International Students. There were a significant number of Chinese students via our links to University of Edinburgh (UoE) and also online provision. The VP External Relations & Student Experience recognised that we rely on opportunistic international marketing via our links with UoE and University of Glasgow and noted the potential to develop other methods to reach other markets. These would need to be designed and infrastructure costed.
- i) Points regarding online conversion courses and partnerships were noted.

23.25 Finance

23.25.01 Supplementary paper: FY23/24 Budget Update (paper 592)

Noted that:

- a) The Finance Director noted that the updated budget for the current FY 23/24 is as proposed in the separate paper “FY 22/23 Year End Draft Financial Result and Budget Update” (paper 593) under item 23.25.02. This has been recommended by the F&E and A&R committees and the Board will be asked for their approval under item 23.05.02.
- b) This supplementary paper seeks to update the Board on progress since the committees and the latest position. The proposed bottom line of a deficit of £2.4m is unchanged for the 23/24 Budget, but there are important factors to consider alongside this figure as outlined in the paper.
- c) The final out-turn for FY 22/23 of a deficit of £3.9M was clearly a disappointing result but in terms of income, top-line growth, and staff costs it was actually very close to the original budget. However, this was offset by level of inflation in operating costs and the macroeconomic environment.
- d) It is also recognised that the position presented at the 6+6 was very ambitious and the expectations set at this time were not realistic. A number of factors which contributed to this are outlined in the paper and have been addressed since, such as new recruitments to the Finance team.
- e) Sectoral wise, SFC have verbally stated that 7 out of 19 institutions are forecasting deficits in the current year. In addition, Universities UK has published data showing that the proportion of English universities reporting an in-year deficit has increased from 5% in 2015/16 to 32% now.
- f) SRUC must have a growth agenda and the high operating cost model needs fixing.
- g) The need to have stakeholder buy-in to the budget process was noted and much work and communication had taken place to improve this. Having stakeholders accountable for budget delivery was an important shift.

- h) Significant budget reductions in two areas were noted. This was being done with much consideration and planning in order to balance the need to manage costs with delivering a growth agenda.
- i) The Chair thanked the Finance Director for his update and the work that had been put into the updated budget and analysis of lessons learned. The concern with the financial position and the previous budget was the surprise of being so far off at the 6+6 and the need to improve control of elements, that can be, that impact budget.

23.25.02 FY22/23 Year End Draft Financial Result & Budget Update (paper 593)

Noted that:

- a) The Finance Director reiterated the key points which had been discussed under item 23.25.01, previous paper (no. 592), in regards to the 22/23 draft year end and the budget update.
- b) The Board **approved** the draft financial results and updated budget.

23.25.03 23/24 Capital budget and cashflow update (paper 594)

Noted that:

- a) The Finance Director noted that the list of capital projects included in the paper have all been seen by the Board previously and shows the amount of activities that are taking place.
- b) The paper sets out approval for the overall annual capital budget, approval for individual projects within it require separate approval in their own right in line with the SRUC Authorisation Policy.
- c) The Finance Director noted that marrying activities to cashflow was key for cashflow management.
- d) The Finance Director also highlighted the capital projects link with SFC FT funding. Much of it had been approved and allocated and business cases were being worked through.
- e) The bigger Estates questions remain and were not mapped out or included in the figures in the paper.
- f) There was discussion about Agrecalc and it was noted the loan had been drawn down.
- g) The Board **approved** the capital budget for 2023/24 for approval in the context of the medium term cash flow forecast.

23.26 Board Business

23.26.01 GGI report (paper 595)

Noted that:

- a) Mark Butler and Lucie LeFaou from the Good Governance Institute (GGI) joined the meeting via Teams. Mark outlined the context within which the review took place (i.e.

shortly after Chair elected and at time of change for SRUC) and the methodology used. He noted that the scope of the report did not include looking at commercial governance as this was being reviewed by the Governance SLWG.

b) The following **headlines** from the report were highlighted:

1. SRUC board business is currently well organised with clearly developed and effective processes at board and committee level for transacting formal business.
2. The commitment of individuals to the board and to the direction for the organisation is impressive and provides a strong basis on which to build future effectiveness.
3. The overall governance structure is robust but there are legitimate concerns about its agility and responsiveness among members of the board and the executive.
4. The board will need to focus more effectively on a small number of strategic issues that only pertain to its own role, if SRUC is to achieve its ambitions - including more time on culture, sustainability, partnerships and influence, innovation and learning, impact and risk.
5. The board is made of high level of experienced individuals, but the ability of all members to contribute effectively needs further consideration, as the value of student and staff voices is felt sufficiently in the board as it will need to be in future.
6. Value in taking a rigorous look at the types of skills and experience needed for each phase of the transition planned over the next few years and for succession planning for both the board and the leadership of the organisation. - *We understand this is a matter in hand, but we did not have an opportunity to assess whether emerging plans were sufficiently rigorous and objective.*
7. The responsibilities of the SRUC board in respect of commercial activities requires attention in order to achieve shared understanding and clarity on individual and collective responsibilities.
8. The overall effectiveness of the board would be enhanced by a structured programme of development and further investment in the capacity of the core governance support, especially in view of the demands that will be placed on it during the transition.

c) The following **key recommendations** were provided by GGI and expanded upon in the full report:

1. Restructure the board agenda to focus rigorously on strategic priorities and risk, progress on direction and key future development areas, performance and sustainability and learning and innovation.
2. Clarify and increase the SRUC board's oversight on commercial activities.
3. Continue strengthening the link between the academic board and the SRUC board.
4. Increase the capacity of the governance office and the leverage of the company secretary role.
5. Adopt a development programme, separate to formal board business, to focus on transformation of the key relationships, contributions and working arrangements which will ensure the board has time and space to reflect and grow as it needs to, in light of its ambition to become an enterprise university.

d) The following questions were recommended for **further consideration** by the Board.

1. What are the core narratives for SRUC as a future enterprise university, an employer, a civic partner, that have been agreed by the board?

2. What would be the signs of a unified and successfully governed SRUC in a year's time?
 3. Are we clear about individual roles and responsibilities to support the transition to a degree-awarding organisation and then university – and about the implications for governance?
 4. Are we comfortable with the culture of the organisation and clear whose responsibility it is to nurture and support the development of its culture in future?
 5. How do we make ourselves more open to external influence and challenge as a board?
 6. How do we make sure all voices have equal status?
- e) The floor was open for discussion and the Chair confirmed that the Board were comfortable with the report. The Chair suggested there were messages in the report for consideration at the Board Strategy Session in autumn.
- f) The difference between the current Balanced Scorecard versus the recommended Board Assurance Framework was questioned. GGI clarified that the Assurance Framework provides a holistic view and all elements together in a transparent way.
- g) The comments about greater prominence of staff and student on the Board was noted. GGI clarified that this was also about whether the Board felt connected to these areas. Do they have access to all views from across these areas? Is it possible to get better data analysis of the variety of views? GGI felt there was scope for the Board to see a broader spectrum of staff and student views.
- h) There was discussion about non-executive stakeholder engagement as outlined in the report. GGI clarified that this needs to be systematic and linked to strategy. Who would you like to influence and who is responsible? Not about operational elements but about helping the organisation grow and expand with a focus on collective intent. Clear stakeholder mapping, intent, and outcome are required. The VP External Communication & Student Experience noted the communications plan had been circulated to the Board last June. The Chair asked for an update on this be brought back to the Board with a link to stakeholders.
- Action: CB**
- i) The Chair of the SRUC Board thanked Mark and Lucie for their presentation and comments. She noted that she would like to have further discussions on the items raised in the GGI report at the Autumn Board Strategy Session. It will be useful for the report to inform how the Board prepares for its focus and role going forward including any updates on ways of Board working
- Action: DT**
- j) There was mention of the Report being too long, and the need to pick up on the recommendations. The Company Secretary noted that the idea was to action recommendations (5 recommendations) and that the rest would be for discussion and reflection as a Board.
- k) The report should not be published publicly yet. The Company Secretary noted that she would check the requirements on publishing the report and whether this needed to be the full report or the action plan to address the recommendations.
- Action DT**

Noted that:

- a) Jennifer Volk, Business Intelligence Manager, joined the meeting via Teams. She noted that the requested changes to the format had been implemented as well as the ability to see if an item had increased, decreased or was in steady state. She highlighted the following points from the BSC:
- The SSES results had been included for student satisfaction but not the NSS results yet.
 - Digital transformation was showing a mixed picture due to resource issues in some areas but was generally on track.
 - Staff engagement – a new staff engagement survey was due to be issued in September, the results of which will be added to the BSC.
- b) The Chair asked what progress had been made on determining commercial revenue at gross contribution level. The F&E Chair questioned whether the bottom up budget would show this information. The Finance Director outlined that the full budget does this but noted it was a work in progress to make gross commercial contribution more visible and easier to get a report on. The Chair noted the importance of this information for the Board to make decisions.
- c) It was agreed that better oversight of commercial activity would be helpful. A non-executive questioned if it would be possible to reduce the commercial contribution/margin to SRUC so it can be invested into commercial growth. The Chair noted this is an important discussion, but data needed to make this decision.
- d) The Principal & Chief Executive highlighted the role of culture and what was needed to support a commercial culture and an academic structure was needed. The VP Commercial noted the conflict of trying to invest for growth on the commercial side while contributing to margin. The need to attract outside investment into commercial was also noted.
- e) It was questioned whether the measures of success on the BSC were linked to the objectives. The Business Intelligence Manager confirmed that this was not always possible as the wasn't a 1:1 relationship measures and objectives. Some measures linked to a number of objectives. It was requested that this be mapped out.

Action: JV

23.26.03 Governance Structure update (paper 597)

Noted that:

- a) Chris Sayers, the Chair of the Governance SLWG, was unable to attend the meeting but had seen the update paper in advance of distribution. The Board noted the paper and the update.
- b) A meeting with the SLWG to review progress and any further advice from Morton Fraser would be arranged for late summer/early autumn.
- c) An update, with recommendations, will be brought to the September Board meeting.

Action: CS

23.26.04 Risk Register (paper 598)

Noted that:

- a) The Company Secretary noted that the Risk Register was discussed by the ELT and the Audit & Risk Committee at their most recent meeting and recommended to the Board for approval.
- b) The Chief Operating Officer had provided a written update as he was not able to attend the meeting. The update highlighted the following items:
 - One compounding issue is that the Bank of England stretched out the inflation projections rather than dipping quickly as forecasted by Q3 this year, so pay and potential industrial action remains a key risk.
 - We have also undertaken work on cyber security including a facilitated cyber attack session with JISC. So we have improved cyber mitigation with work ongoing on segregated network, next generation antivirus, immutable back up etc.
 - Identified risk is business continuity planning – i.e. if systems out for 6 weeks, how do you operate on the ground? Many areas progressed, but slow in some areas. The Group Manager for Information & Digital Services is following up.
- c) The Board noted the updates and **approved** the Risk Register.

23.27 Items for Information / Annual Reports

23.27.01 H&S Annual Report (via A&R) (paper 599)

Noted that:

- a) It was noted that the Health and Safety Report was taken as read.

23.28 Any Other Business

Noted that no AOB was raised.

23.29 2023 Dates of Future Meetings

14 September, 14 December

23.30 Private Session for Non-Executive Directors

Noted that no private session for non-executive directors plus the Principal & Chief Executive was held.

Kimberley Wilson
Governance Support Officer
June 2023

Devon Taylor
Interim Company Secretary

MINUTES

SRUC Board Meeting

Date: 14 September 2023

Place: Norton House Hotel

Status: Strictly Private & Confidential

Distribution:

SRUC Board
ELT

Present: Linda Hanna (Chair), Damson Ellen, Dave Bell, Craig Davidson, Julie Fortune, Jim Hume, Margaret Khnichich, Andy Peddie, Prof Wayne Powell, Zach Reilly, Ian Ross, Chris Sayers, Prof Mike Smith, Catherine Stewart, Bruce Wood.

In attendance: Hugh Anderson, Dr Susannah Bolton, Caroline Bysh, Gavin Macgregor, Prof Jamie Newbold, Andrew Lacey, Dr Mary Thomson, Devon Taylor (minutes), Kimberley Wilson (minutes), Libby Armstrong (for item 23.38) and Prof John Newbold (for item 23.38).

23.31 Welcome and Apologies

Noted that:

- a) Apologies were received from Dr Mia Aitchison, Jane Craigie, Prof Sir Pete Downes.
- b) Damson Ellen and Catherine Stewart were welcomed to their first Board meeting and congratulated on being elected SRUCSA co-Presidents.
- c) The Chair announced that Elma Murray has resigned from the SRUC Board and thanked her for all her contributions.

23.32 Register of Interests, Conflict of Interest, Hospitality Register

Noted that:

- a) No conflicts of interest were declared.
- b) Any updates to the Register of Interest or Hospitality Register should be forwarded to the Governance Support Officer.

23.33 Minutes of Previous Meetings

23.33.01 Minutes of Meeting held on 15 June 2023

It was **noted** that the minutes were approved as an accurate record of the meeting.

23.33.02 Action Log

The following updates were received on the Action Log.

Noted that:

- a) Vertical farm – Funding issues were raised at the last Board meeting. The F&E were made aware at their meeting in May that they would receive a Vertical Farm update outside the meeting cycle. They approved by email on the 11 July the change of Vertical Farm build location which brought the project back within funding. This action was now closed.
- b) External Governance Review reporting – The Interim Company Secretary reported that she had followed up with a number of HEIs who confirmed they publish the results of their external governance reviews on their website and in annual reports, and in some cases their response to the report. The transparency of the external governance reviews was noted by the Board.

23.34 Matters Arising (*not elsewhere on the agenda*)

Noted that:

- a) All Matters Arising were covered in the Action Log or on the agenda.

23.35 Board Sub-Committee and SAC Commercial Board updates (from Committee Chairs)

Noted that:

- a) The SRUC Chair outlined the reports would be taken as read and the Committee Chairs were asked to only provide highlights.

23.35.01 Finance & Estates Committee

Noted that:

- a) The F&E Chair outlined that all key F&E Committee items were on the agenda.
- b) There were no comments or questions from the Board at this time.

23.35.02 Audit & Risk Committee

Noted that:

- a) KPMG's annual audit opinion would be "Significant reassurance with minor improvements". The A&R Chair noted that this was good news, and it was the best outcome for many years.
- b) The Committee discussed the changes to the Fire Services call out rules, and asked for clarification on premises that were largely vacant at night and premises that were occupied by animals. This would come back to the Committee.
- c) The external auditors, RSM, had now been in post for three years of financial accounts, following their appointment at tender. In terms of that appointment, SRUC had the option to continue their appointment for a further two years without further tender. The Committee agreed to recommend this to the board.

Agreed that:

- a) The Board approved the recommendation from the A&R Committee to continue RSM's appointment for a further two years.

23.35.03 Remuneration & Appointments Committee

Noted that:

- a) The Chair updated the Board on key items from the R&A Committee meeting outlining:
 - a. There had been a good EDI discussion.
 - b. The Board Development Plan would be progressed and brought to the December Board meeting.
 - c. There was discussion about transitioning to a Court post TDAP.
- b) The R&A Committee discussed membership and recommend Dave Bell as the Health & Safety Champion and Jane Craigie as the Independent Board member following the retirements of Ian Ross and Jim Hume respectively.

- c) The R&A Committee were aware of gaps in Board and Committee membership and the non-executive recruitment process would start as a matter of priority.

Agreed that:

- a) The Board approved the recommendation from R&A Committee to appoint Dave Bell as the H&S Champion and Jane Craigie as the Independent Board member.

23.35.04 Transformation Steering Group (TSG)

Noted that:

- a) The Chief Operating Officer outlined that the Dairy Nexus funding gap was the main topic of discussion at TSG. A solution has been identified and is scheduled for discussion later on the agenda (minute 23.38).
- b) The Board discussed the Digital transformation programme and noted there has been much progress on infrastructure (e.g. systems and cyber security requirements) but requested greater understanding on the full digital investment and a holistic view how it linked with and impacted other areas/projects – e.g. recruitment, student experience and journey. Potential topic for Board strategy session.

Action: GM

- c) There was brief discussion on the titles “Senate” and “Court” and what SRUC’s future structure should be as a enterprise university. The current KPMG audit looking at academic governance and assurances to Court/Board was noted. Agreed this should be a topic at the Board strategy session.

Action: GM/DT

23.35.05 SAC Commercial Board

Noted that:

- a) The VP Commercial outlined that the SACC Board had discussed incentivisation and the completion of the Eurofins deal.
- b) Some staff had been TUPE-ed as part of the Eurofins process and the VP Commercial wished to recognise their contributions.

c) Reserved section – Ref FOI(S)A, s.33

23.35.06 Student Liaison Committee (SLC)

Noted that:

- a) The SLC Chair outlined that he had completed one round of SLC meetings and had time to reflect on the meetings.
- b) He outlined the following issues: 1. Low turnout and attendance, 2. Not strategic issues being raised, focusing on campus based issues, 3. There is a Student Liaison Group that focuses on operational items, which causes confusion with purpose of SL Committee.
- c) The SLC Chair outlined the need to have more discussions to clarify the purposes of the SL Group versus Committee and how they run. SRUCSA will be involved and the SLC Chair will bring back recommendations to the Board.

Action: Chair of SLC

- d) The importance of having a student centric system was discussed. Need to talk to students about this and see how to engage in strategy.

23.36 Chair's update (verbal)

Noted that:

- a) The Chair reported that SAC Corporate Trustees had agreed to reappoint Dennis Overton, Kate Richards, and Bruce Wood to the SAC Commercial Ltd Board to the 31 March 2024.
- b) The Chair had been reflecting on the landscape and environment SRUC is operating in and what needs to be thought about. She highlighted the following:
 - i. Policy – New priorities coming through from Government, SRUC should focus on what we'd like to be involved in or know more about.
 - ii. Entrepreneurial Campus – SRUC could be a leader on this.
 - iii. Skills landscape – Changing. What does this mean for SRUC.
 - iv. Alignment to market demand – Eurofins is a good example. Horizon scan.
 - v. Internally – Operating models and role of digital. Links to culture and brand.

- c) Strategy session – Investing much in building. Should look to leverage reputation, knowledge centres, etc. Suggested this be discussed at the strategy session.
- d) The Chair reflected on the Royal Highland Show and the SRUC Graduations. Both positive representations of SRUC and successes.

23.37 Principal & Group Chief Executive and ELT's update

- a) The Principal & Chief Executive confirmed that the outcome of the TDAP application is still unknown, but that this does not detract from the effort that has gone into this collective report which is the work of colleagues from across SRUC.
- b) Much progress has been made on creating a student centric culture but there is more to do moving forward. For example, our investment in it, how we function and the structure that supports it.
- c) Internationalisation remains very important. The opening of Horizon Europe provides massive opportunities for SRUC. Also, SME based investment. Important to build these relationships. The Principal & CEO outlined that the Provost & Deputy Principal would outline a strategic drive to international masters later in the meeting.
- d) The Principal & CEO noted that SRUC must strike a balance of fulfilling its place-based agenda, which requires facilities and being geographically present, with leveraging reputation and enterprise opportunities.
- e) The Board noted that the Government's budget had to go back into parliament, which was unprecedented. There was also reflection on the Government's focus on tackling cost of living and deprivation.
- f) SRUC needs to be visible and engaged with Government and seen to be providing solutions, e.g. skills and jobs. At the same time, SRUC must not lose its distinctiveness, grow non-academic income and look beyond Scotland.

23.38 Project for Approval

23.38. 01 Dairy Nexus Business Case

Agreed that:

- a) Any further comments or questions be forwarded to the Transformation Senior Project Manager within the next two days.

- b) The revised FBC did not need to be brought back to the Board.
- c) The Board **approved** the FBC for initial review by Borderlands PMO and key Scottish and UK government representatives in readiness for formal submission to Borderlands by October 5th.

23.39 Finance

23.39.01 FY23/24 Q1 and Budget Update (paper 603)

Noted that:

- a) The Director of Finance outlined that the decision was taken to not do a 3+9 forecast this year due to delays in budget setting. Focus has been on finalising the “bottom up” budget and providing better visibility and control around numbers.
- b) This will still be a challenging year and there are questions around, 1) strategically what does operating model need to look like now and in the future, and 2) in current year, what actions can be taken to mitigate risks.
- c) Estates remains a risk and operational costs are being reviewed. Need to optimise staffing without compromising growth strategy.
- d) The Board recognised the uncertainty of the macro economic environment but emphasised the need to control the costs and mitigate the risks we can.
- e) There was discussion about encouraging the acceleration of strategic elements so their benefits are seen sooner.
- f) The Chair of the F&E Committee recognised there were difficulties across the sector and was encouraged by the improvement in visibility. However farms remained a concern, although good to see decisions and an action plan in place. She noted this will be a difficult budget.
- g) The Board recognised that there would be tough decisions ahead and the ELT would require backing and support.
- h) The paper was approved.

23.40 Annual Accounts

23.40.01 Annual Financial Statement to 31 March 2023

Noted that:

- a) The Board received the year end accounts for SRUC, SAC Commercial Ltd, SAC Corporate Trustee, SAC Foundation and Agrecalc Ltd.
- b) The Cruickshank Trust, Roland Sutton Trust and WJ Thomson Trust accounts were also shared for information. It was noted that they had previously been approved by the Trustees.

SRUC

- c) The A&R Chair noted that the auditors had attended the A&R Committee meeting and had confirmed that the audit process had been good and praised the quality of the finance team's deliverables to the auditors and their presentation.
- d) **Agreed** – The SRUC accounts were approved.

SAC Commercial Limited

- e) **Agreed** – The SAC Commercial Limited accounts were approved.

SAC Corporate Trustee Limited

- f) **Agreed** – The SAC Corporate Trustees approved the SAC Corporate Trustee Limited accounts.

The SAC Foundation

- g) **Agreed** – The SAC Corporate Trustees approved the SAC Foundation accounts.

Agrecalc Limited

- h) **Reserved section** – Ref FOI(S)A, s.33
- i) **Reserved section** – Ref FOI(S)A, s.33
- j) **Reserved section** – Ref FOI(S)A, s.33
- k) **Agreed** – Agrecalc accounts approved.

The Cruickshank Trust, Roland Sutton Trust, WJ Thomson Trust

- l) The three trust accounts were noted.

23.40.02 Letters of Representation

Noted that:

- a) All letters of representation had been reviewed by the F&E and A&R Committees and recommended for approval.
- b) **Agreed** – The letters of representation for SRUC, SAC Commercial Ltd, SAC Corporate Trustee Limited, SAC Foundation and Agrecalc Limited were approved.

23.40.03 Going Concern Report

Noted that:

- a) The Director of Finance outlined that the Going Concern Report was based on budget and cashflow, had been compiled in June, and signed off by the auditors.
- b) **Agreed** – The Going Concern Report was approved.

23.41 Academic Business

23.41.01 Academic Report, including rankings presentation

Noted that:

- a) The Provost & Deputy Principal noted that the Academic Board had not met since the last SRUC Board meeting, therefore no minutes available. He noted that the new academic year work, such as Boards of Study had started.
- b) The Provost & Deputy Principal gave a presentation on student satisfaction highlighting the following points:
 - i. NSS – Satisfaction results have improved. Good student engagement now.
 - ii. Organisation and management theme – about how we get information to the student body, such as cancelled lectures, canteen closures. Working with colleagues to improve and embed

- in feedback and that it sits with all staff, not an individual. Digital solutions, such as apps have been discussed.
- iii. Guardian University Guide – SRUC in teaching only but making progress. Ranking just behind Harper Adams due to some data not being submitted.
 - iv. Times Higher – Research and Teaching. Ranked (joint) 48th. When looking at young universities SRUC ranks in top 10. For small universities we are 22nd globally.
- c) The following were highlighted as steps to improving rankings:
- i. Staff Productivity – noted need to look at refining return on this since should not include FE.
 - ii. Reputational Survey – Board were asked for help in circulating and promoting amongst their networks.
 - iii. Doctorate Graduates – Will get more for names SRUC degree.
- d) The importance of ranks for student recruitment, especially international students was noted.
- e) Students look at subject specific league tables, so was good to see these.
- f) The Provost & Deputy Principal confirmed the Academic Board monitors rankings. He also clarified that our FE/HE status impacts SRUC's reporting – for example, staff student ratios include all staff but only HE students, but all included in HESA system. The Head of Research is modelling different outcomes.
- g) The Student Board members confirmed the presentation reflects their experiences.

23.41.02 Student recruitment / numbers update

Noted that:

- a) The Provost & Deputy Principal outlined that until two weeks ago student numbers were based on applications and projections. Data now based on registrations and the data presented today is based on figures from Monday 11th September. He noted that the numbers were FTE so included decimals.
- b) Reserved section – Ref FOI(S)A, s. 33, 36.**
- c) HE numbers – expected vs last years numbers were reviewed. Predicting more. Noted good recruitment in Environmental Management.

- d) There was discussion around housing difficulties for students. This was very concerning last year but better this year with a private provider (400 room on campus).
- e) PG numbers – The Provost & Deputy Principal reported on SRUC PG numbers (did not include UoE numbers). There is concern over visas because one of the English exams is no longer accepted.
- f) Reserved section – Ref FOI(S)A, s. 33, 36**
- g) The Provost & Deputy Principal confirmed that the recruitment target was not met last year but outlined that there has been an improvement in continuing student recruitment. They were contacted earlier and messages were personalised. New courses have also been started. Will be much closer to target this year.
- h) Post TDAP planning is underway with the Vet School being a priority, so there is a programme ready to go when the Privy Council confirms TDAP.
- i) The Provost & Deputy Principal outlined plans for international recruitment to an MSc in Business and Project Management. The Provost is responsible for course development, the Chief Operating Officer is responsible for contracts with recruitment company, and the VP External Relations & Student Experience is responsible for Promotion.
- j) The VP External Relations & Student Experience outlined that this is a market led model and step towards financial buoyancy which will allow us to build targeted programmes and specialties.
- k) It was recognised that resourcing would need to be considered for the above plan, including bringing in teaching resource, and this would be included in the financial model.
- l) Programme approval process includes industry analysis and what impact on / outcome for students.
- m) There was discussion around the Doctoral College and the role it would play in widening access and strategic allegiance.
- n) The VP Skills & Lifelong Learning presented on other growth opportunities in non-traditional academic routes. There is evidence that these are growth areas. Increased enrolment and high stakeholder engagement were noted. Partnerships to give apprenticeships qualifications is being looked at.

23.41.03 Intellectual Property Committee Terms of Reference

Noted that:

- a) The Board received a paper which proposed the inclusion of the terms of reference for the newly formed Intellectual Property Committee in the SRUC Academic Governance Handbook as a subcommittee of the Innovation and Knowledge Exchange Committee and the amendment of the Academic Governance Structure.
- b) This was approved at the Academic Board on 10 May 2023 and is now presented to main Board for approval.
- c) **Agreed** – the Board approved the terms of reference for the Intellectual Property Committee and the amendment of the Academic Governance Structure.

23.41.04 SRUCSA report

Noted that:

- a) Damson Ellen, Central Co-President and HND Environmental Management graduate, noted that the start of year welcome events at all the campuses had gone well and she had visited all campuses. This year she is aiming to encourage student engagement with societies and Liberation Officer roles within SRUCSA. She is working with careers support staff on career days and fairs for students. She will also be looking to increase environmental awareness across campuses, targeting sustainable student travel.
- b) Jeroen van Herk is the new Student Community Coordinator and Jeremiah Chibueze, a distance learner, is the new North Co-President.
- c) Damson highlighted that she has been working closely with Elmwood students and providing moral support on the back of the residential and golf closure announcements.
- d) Catherine Stewart is the South and West Co-President and was studying the BSc (Hons) Veterinary Nursing course before this role and plans to continue with the degree following this. This year she is aiming to encourage more of a community campus through societies and events. She will also be looking to improve food options, make the main road to campus safer for everyone and increase availability of resources to maximise student potential.

- e) It was questioned whether the closure of the Elmwood residence has an impact on student numbers. The VP External Relations & Student Experience confirmed that this was considered carefully and students who wanted accommodation were worked with directly on the best option (e.g. private nearby or transfer to Oatridge).
- f) The Board thanked SRUCSA for their report.

23.41.05 SFC Report on Institution Led Review

Noted that:

- a) The Provost & Deputy Principal outlined that SRUC's Institution-Led Review (ILR) process operates on a six-year schedule, with subjects with similar focus being grouped together for review. Being a small, specialist institution, usually no more than two subject groups are reviewed each year, allowing full support of teams undergoing the process.
- b) 2022/23 saw two Boards undergo ILR: Agriculture and Business Management (ABM), and Student Support Services (SSS).
- c) The Board were asked to endorse and sign off the annual report of the Institution Led Review (ILR) for the SFC. The Board endorsement statement in the report was noted.
- d) **Agreed** – the Board endorsed the ILR report.
- e) The Provost & Deputy Principal outlined other key reviews, assessments and documents that provide academic scrutiny and quality assurance.
- The Quality Assurance Agency for Higher Education (QAA) engagement report, Enhancement-Led Institutional Review (ELIR), on 4-year cycle.
 - Education Scotland Report – went to June Board meeting

23.42 Board Business

23.42.01 Chair's Appraisal Update

Noted that:

- a) As outlined in the Scottish Code of Good HE Governance (75) "the governing body is expected to appoint one of its lay members to serve as an intermediary for other members who might wish to raise concerns

about the conduct of the governing body or the Chair. Led by this lay member, the members of the governing body are expected to appraise the Chair's performance at least annually, without the Chair present. Prior to this, all governing body members should be offered the opportunity to provide relevant feedback individually and in private. Like other members, the Chair should be assisted to identify professional development needs in relation to governance responsibilities and seek opportunities to address them"

- b) Jim Hume is the Independent Intermediary Board member and gave a verbal update on the completed Chair's Appraisal process, which had included the opportunity for non-executives to provide feedback via a questionnaire and a Teams discussion.
- c) A summary of the appraisal outcomes had been circulated to the Board via email.
- d) A questionnaire was circulated to all non-executives. It included 10 questions and the opportunity to provide a rating. 12 out of a potential 14 responses were received. The results were confidentially collated and anonymised. Themes from the questionnaire were discussed at a Teams meeting which all non-executives were invited to and 9 attended.
- e) The Independent intermediary board member then followed up with a 1:1 discussion with the Chair where feedback was provided.
- f) The Independent intermediary board member confirmed that due process had been followed.
- g) The Chair thanked all for their participation in the process and stated that it was good to get calibration of the Board.

23.42.02 Governance SLWG Update

Noted that:

- a) The Chair of the Governance SLWG outlined the progression from the high level model agreed in March by the Board to the "single company" / "two company" approaches discussed at the last SLWG.
- b) The SLWG had discussed pulling out knowledge exchange & innovation (KEI) items versus commercial items. It is clear where some items would sit, KEI or commercial, but for other items further consideration would be needed and input from key individuals was required.

- c) The SLWG had also discussed that KEI would report up through the Academic Board, and the commercial freedom/agility that would be required.
- d) The SLWG has discussed the pros and cons of both the “single company” and “two company” models. A proper detailed analysis is required.
- e) The SLWG had agreed to progress detailed work around what would sit in each company, legal, tax, and accounting questions. A detailed analysis would take place and a recommendation brought to the December Board meeting.

Action: CS/SLWG

- f) It was recognised that there was not perfect answer. A decision would be driven by, 1. the extent to which we can be sure we can delineate what is KEI versus commercial, 2. How many companies are required? What is efficient?, and 3. SAC Commercial could have a name change which doesn't require contract changes etc.
- g) The Principal & Chief Executive emphasised that it was important to grow KEI and commercial revenue streams and it was important to design the best governance architecture to do this.
- h) A date for the next SLWG is to be set as soon as possible.

Action: DT/KW

23.42.03 Risk Register

Noted that:

- a) The A&R Chair confirmed that this was the Risk Register paper the committee had seen and commented on.
- b) The Chief Operating Officer acknowledged the RAAC note which had been circulated and confirmed he would provide an update if required.
- c) **Agreed** – the Board approved the Risk Register.

23.42.04 Balanced Scorecard

Noted that:

- a) Jennifer Volk joined the meeting and highlighted the following points on the BSC:

- Impact rankings have now been included
 - No movement on the financial information
 - New NSS information included
- b) The VP External Relations & Student Engagement outlined that the Policy Work item remained blank on the BSC but that she was discussing about devising better measure for this.
- c) The Chair outlined that the new Strategic Performance Committee was being set-up and terms of reference being drafted. They will be looking at BSC and KPIs.
- d) International was not listed on the BSC but there has been a clear shift in Board focus to international. Student culture was also potentially missing.
- e) This was Jennifer Volk's last presentation at the Board before leaving SRUC. The Board thanked Jennifer for her contribution to the BSC.

23.42.05 H&S Q1 Report (including summary from outgoing H&S Champion)

Noted that:

- a) Ian Ross, the H&S Champion noted that the Q1 H&S report did not contain much detail. The Q2 report will have more information once the systems change over.
- b) The H&S Champion highlighted the engagement and do not attend (appointments) figures were not good. He would like to see improvement and hoped the new management module will be a game changer and create better focus on management responsibilities. He recognised that some items are done but have not been recorded so show up as non-compliant. He encouraged update on the management unit.
- c) The Chair noted the Board has completed the H&S training and felt this culturally sends a message institutionally. The Board supports the H&S drive and agenda.
- d) The H&S Champion role should be referenced in the annual accounts and further details added for next year.
- e) This was the H&S Champion's last Board meeting. He personally had found this to be a rewarding and enjoyable role. He extended his

congratulations to David Bell, the incoming H&S Champion. Ian Ross reflected that his approach had been to act within the non-executive boundary, which had not been difficult since he was not a technical expert, while others at SRUC are. Ask questions and objectively challenge. He noted that there was an effective communication route to A&R and Board, and he had had regular meetings with the H&S Lead Business Partner. He had set himself aims when he took on the role: 1. Increase recognition of H&S at SRUC, 2. Move beyond compliance, 3. Support the H&S and wellbeing of staff, students and wider community. Much has been accomplished but more to be done in terms of full adoption of responsibilities.

23.43 Items for Information / Annual Reports

Noted that there were no items under this category for this meeting.

23.44 Any Other Business

23.44.01 Chancellor

Noted that:

- a) There was a brief discussion about whether SRUC would want a Chancellor post TDAP.
- b) If done correctly, it could enhance SRUC.
- c) There was no process in place to make such an appointment at this time.
- d) No decision was taken at this time.

23.44.02 Dumfries House

Noted that:

- a) There was a brief discussion about Dumfries House and whether it was competition for SRUC.
- b) The VP Skills & Lifelong Learning concluded that it was not competition.

23.44.03 Thank you

Noted that:

- a) This had been the last meeting for Ian Ross, Jim Hume, and Bruce Wood who were all retiring from the SRUC Board.
- b) The Board sincerely thanked them for all their contributions over a number of years.

23.45 2023 Dates of Future Meetings

14 December 2023. 2024 dates to be circulated soon.

23.46 Private Session for Non-Executive Directors

Devon Taylor
Interim Company Secretary
September 2023

SRUC Board Minutes

Date and time:	14 December 2023
Location:	Oatridge Campus and Teams 0930hrs-1600hrs
Status:	Draft as of 05 January 2024

Members Attendance:	Linda Hanna (LH) (Chair), David Bell (DB), Jane Craigie (JC), Craig Davidson (CD), Professor Sir Pete Downes (PD), Damson Ellen (DE), Julie Fortune (JF), Margaret Khnichich (MK), Andy Peddy (AP), Chris Sayers (CS), Professor Mike Smith (MS), Professor Wayne Powell (WP)
Apologies:	Mia Aitchison (MA), Catherine Stewart (CS)
Non-members in attendance	Bruce Wood (BW), Hugh Anderson (HA), Dr Susannah Bolton (SB), Caroline Bysh (CB), Andrew Lacey (AL), Gavin Macgregor (GM), Professor Jamie Newbold (JN), Dr Mary Thomson (MT), Devon Taylor (DT) (minutes), Kimberley Wilson (KW) (minutes), Peter Smyth (PS) (for item 23.50), Mike Lawson (ML) (for item 23.56.01), Fiona Mackay (FM) (for item 23.59)
Distribution:	SRUC Board, ELT

23.47 Private Session Non-executive Directors

- a) The Non-executive Directors and the Principal & Chief Executive (Executive Director of SRUC Board) attended a private session at the start of the meeting.

23.48 Welcome and Apologies

- a) LH welcomed all to the meeting.
- b) Apologies from Mia Aitchison and Catherine Stewart were noted.

23.49 Register of Interests, Conflicts of Interests, Hospitality & Gifts Register

- a) Conflicts of interest were declared for item 23.58.01, Agrecalc, by JN, HA, AL, WP, BW, and MS, due to their membership on the SAC Commercial Board (HA, AL, JN, WP, MS, BW), and the Agrecalc Board (HA, AL, MS, BW) (note: at time of SRUC Board meeting, MS was no longer Chair or a Non-exec of Agrecalc).
- b) LH, SRUC Chair, outlined that people with declared interests would be asked to leave the meeting during the Agrecalc discussion. They would be permitted to remain for the initial factual discussion of the Agrecalc paper but not for the Board decision discussion. This did not apply to WP as Principal & Chief Executive of SRUC and accountable officer.
- c) LH declared a new Register of Interest as she had been appointed as an Interim Board member at the Scottish Funding Council.
- d) Any further updates to the Register of Interest or Hospitality Register should be forwarded to the Governance Support Officer.

23.50 Branding, Strategy, TDAP

Presentation

Reserved section – Ref FOI(S)A, s.36, 30

23.51 Approval of Minutes

23.52.01 Minutes of Meeting held 14 September 2023

Noted that:

- a) The minutes were approved as an accurate record of the meeting.

23.52.02 Action Log

Noted that:

- a) Ref 1506202308, Research Excellence Framework (REF) – JN updated the Board that the REF date has been moved back so he has not brought an REF update to this Board.

- b) Ref 30003202311, Risk Appetite – LH asked for a date for the Risk Appetite work to be completed.

ACTION: DT confirmed December 2024.

23.52.03 Notes from Strategy Session held 01 November 2023

Noted that:

- a) The notes from the Strategy Session would be circulated to the Board via email the following day.

ACTION: DT to circulate to Board.

23.52 Matters Arising

Noted that:

- a) There were no matters arising not on the agenda.

23.53 Board Sub-committee and SACC Commercial Board updates (Sensitivity: Sensitive (closed))

Paper 615

23.53.01 Student Liaison Committee

Noted that:

- a) The SLC Chair confirmed he had met with SRUCSA co-presidents. Conclusion of discussion was that they do value SLC and therefore they will work together to improve attendance.

23.53.02 Finance & Estates Committee

Noted that:

- a) The F&E Chair confirmed that all key items discussed by the Committee are on the agenda. Nothing to add.

23.53.03 Audit & Risk Committee

Noted that:

- a) The A&R Chair highlighted the following:

- i. Health & Safety discussed by Committee and is on the Board's agenda.
- ii. KPMG presented their internal audit report on Workforce Costings. This had resulted in a good outcome – significant assurance with minor improvements required.
- iii. The Committee supported the recommendation that business cases for new staff engagement needed to be robust and scrutinised.

23.53.04 Remuneration & Appointments Committee

Noted that:

- a) The Chair of R&A took the paper as read. The following items for approval were highlighted:
 - i. Vice chair appointments/ deputising options and recommendations. Option 1 recommended by R&A – i.e. “A single Vice/Deputy Chair is not appointed. Instead members of the newly revived Chair's Group would undertake the role of Deputizing for the Chair, as required from time to time”. – **APPROVED**
 - i. Use term “Deputy chair” vs “Vice chair” – **APPROVED**
 - ii. Formally co-opting Bruce Wood as A&R Chair as outlined in the paper – **APPROVED**
 - iii. Support the intention to appoint a non-executive Board member with audit and risk experience who could take over as Chair of A&R, during the upcoming non-executive – **APPROVED**
 - iv. Proposal that the vacant R&A post be filled by a new Board member from the upcoming non-executive recruitment process, who has EDI experience. – **APPROVED**

- b) Equality, Diversity & Inclusion (EDI) is an item on R&A agenda and included in the committee's remit. The R&A Chair confirmed this will be reviewed to consider the roles the R&A committee vs the Board's role in EDI matters.

23.53.05 Transformation Steering Group

Noted that:

- a) The Chief Operating Officer noted that the TSG had not met the past quarter due to quorum issues and a pause while it was determined if the TSG should continue as a separate group or combine with the F&E or Strategic Performance Committee.
- b) A Transformation Portfolio update was provided in the papers for the Board.

23.53.06 SAC Commercial Board

Noted that:

- a) The SAC Commercial Board update was taken as read.

23.53.07 Strategic Performance Committee (SPC)

Noted that:

- a) Pete Downes, Chair of the SPC outlined that it was a new sub-committee and will report to the Board.
- b) The SPC met the day before the Board meeting and therefore the SPC Chair gave a verbal update outlining the following items from their meeting.
- c) Meetings have been fixed for the coming year. Members of committee are Pete Downes (chair), Chris Sayers, Linda Hanna, [vacant non-exec space], Wayne Powell.
- d) Discussed vacant role – for someone with relevant experience, possibly also strong commercial background, discussed external co-opting in attendance – external view to test commercial elements of our strategy.
- e) Discussed purpose of the committee noting it was important it doesn't replicate work taking place in other areas/committees but also supports the Board, Chair and Principal & Chief Executive.

- f) Discussed ToR which are briefly summarised below.
 - i. Monitor the delivery of strategy against BSC – can make updates and new measure requests etc. Keep BSC relevant. Provide assurances through detailed scrutiny. Report on this to Board.
 - ii. Provide updates to the board on strategic delivery. More nuanced. Not about KPIs. Considered discussion.
 - iii. Received reports and updates on key deliverables of strategic plan. Forum for more detailed discussion. E.g. international strategy and recognition, other items of this level of complexity.
 - iv. Forum for advice and discussion for the environment we are operating in. Bring to board for appropriate decisions.

- g) Formal ToR will be finalised and brought to the Board for decision.

ACTION – SPC

23.54 Chair's update
(Sensitivity: Sensitive (closed))

Verbal update

Noted that:

- a) The Chair discussed the sectoral policy environment we are working in.

- b) Deputy First Minister letter shared in advance with the Board.

- c) Ministerial statement – things that impact SRUC
 - i. Moving Skills portfolio.
 - ii. Emphasis of apprenticeships and role of colleges in apprenticeships. What role does SRUC play.
 - iii. Changes in funding landscape. Must keep an eye on this. What does this mean for SRUC? Relationship with SFC?
 - iv. Careers services – what students come out of SRUC?

- d) LH not sure who is leading on these changes between government, funders, education sector. Not joined up yet. SRUC could give some solutions.

- e) Limited detail in what Ministerial letter means. More info will come out e.g. upcoming budget. In the meantime, we know there is rising costs in the sector.

- f) SRUC needs to be clear on what we think our opportunities are.
- g) Principal & Chief Executive annual appraisal has been completed. Summary has been circulated. Thanks to all for inputting.

**23.55 Principal & Chief Executive and ELT's update
(Sensitivity: Sensitive (closed))**

Paper 616

Noted that:

- a) The Principal & Chief Executive took his report as read but highlighted the following items.
- b) Letter from Graeme Dey that has been circulated.
- c) World outside Scotland and importance of it based on what we're heading into. Not to abandon Scotland but look outside too.
- d) Domestication of agriculture took place during stable time. Food and agriculture prominent at COP28 because not in stable system now.
- e) Mike Lawson at COP28 representing SRUC and met First Minister.
- f) Food systems must be addressed in order for governments to meet their climate change targets. SRUC has strength and depth in these areas. There is good funding in this area – e.g. Gates and Besos funds on low emission livestock.
- g) Transparency in supply chains – change in private sector. All focused on low emission supply chains.
- h) The Principal & Chief Executive emphasised that SRUC's strategic direction is correct but there is a need to do faster and pivot more.

23.56 Academic Business

**23.56.01 International recruitment presentation and discussion
(Sensitivity: Sensitive (closed))**

Presentation

Reserved section – Ref FOI(S)A, s.33, 30

**23.56.02 Academic Board report and minutes
(Sensitivity: Sensitive (closed))**

Paper 617

Noted that:

- a) The Provost & Deputy Principal took the paper as read but highlighted the following points: 1. Development of distance learning masters; and 2. Student survey results which highlighted the need to concentrate on communicating with students on small things – e.g. lecture cancelled, noise outside room, etc.

**23.56.03 SRUCSA update
(Sensitivity: Standard (open))**

Paper 618

Noted that:

- a) The SRUSA co-president agreed with the point raised by the Provost & Deputy Principal regarding feedback from students and the needs to communicate on the “small things”.
- b) Speak week was a success with about 200 responses received. In person and online options were available. SRUCSA were on campuses that whole week to improve visibility.
- c) Focus of SRUCSA has been on building relationships with staff, helping them understand what student needs are outside of lectures.
- d) Welcome weeks were a success.
- e) Three Liberation Officers are now in place. There was a good voting turnout. Training is being developed for the officer roles with a focus on developing them for the roles, engagement with other students.
- f) A focus of the Central Faculty Co-President has been apprenticeships. Noted some not being paid minimum wage and being taken to Parliament.

- g) The South West Faculty Co-President continues to lead on events at Barony. Noted over 110 people at Barony bbq! Litter pick-ups and safe access to campus off a busy road have been focuses.
- h) Travel survey to staff and students: One thing that came out was that 50% of students not interested in active travel. Working with climate team to address this.
- i) 10 new societies have been developed which adds to community on campus. Big success to date this year.
- j) The Board reiterated to the co-President how much they enjoy the SRUCSA Reports. They are always complete, well written, and clearly have a strategic approach.
- k) The Board questioned how students are doing with cost of living increases, hardship funds etc. The co-President reported that this is a continuous worry for all students. The winter warmer initiative has ended but do still have clothes rail at Edinburgh for winter coat swap, and a hat/scarf box that goes out. The end of free breakfast was felt. It was good initiative which made students come to campus early and have a hot breakfast.
- l) The co-President is speaking with campus and estates team on implementing a microwave and kettle. [Chief Operating Officer confirmed a location has been confirmed]
- m) There is still lots of talk about food price increases on campus. SRUCSA feedback not included in process. SRUCSA co-Presidents are working to get food packages for students – working with grocery stores e.g. Morrisons have track record of this.
- n) The Board asked how the above is impacting on health and anxiety levels with students. The co-President noted it is preventing some students from coming onto campus due to travel costs and food costs on campus. Increase in talk amongst students on cost of living.

- o) The Chief Operating Officer outlined the difficult balance between the cost of food on campus and contracting with a provider across all campuses. The loss in catering was £800k last year. He is currently looking at a service that is affordable and sustainable. Cannot stay on loss making model. Happy to engage with SRUCSA on food costs.
ACTION. GM to invite SRUCSA to the catering contract discussions.

23.57 Finance

23.57.01 6+6 Forecasts (Sensitivity: Sensitive (closed)) Paper 619

Noted that:

- a) The Director of Finance summarised the current year position noting it is very challenging. Difficult environment that requires managing.
- b) Scottish graduate numbers have held which is good news. Continues to be difficult to get visibility of research and some other data.
- c) Research numbers and farms costs still challenging.
- d) Need to consider how to mitigate risks without impinging grow leavers. Need to address operating cost issues while protecting growth e.g. vet school. Decisions need to be made around estates and staff costs.
- e) The paper contained a list of long-term strategic change items.
- f) The Chair of F&E questioned why the budget is never met. The Director of Finance outlined that systems, data visibility, culture, and processes all impact on budget delivery. E.g. The upcoming changes in time recording in research reporting will be important – a much simpler system based on milestones.
- g) It was questioned whether the recent cap on wages announcement (from 1st April 2024) would have an impact. The VP Commercial confirmed it would impact some consulting staff and could potentially be an issue from a recruitment perspective. The Director of Finance did not see it as an issue from a materiality perspective.

23.58 Board Business

23.58.01 Agrecalc (approval) (Sensitivity: Sensitive (closed))

Paper 621

- a) The SRUC Chair reiterated the conflicts of interest that had been declared under item 23.49 at the start of the meeting. She noted all with stay in the room for the paper introduction but leave for the substantial discussion and / decision.

b) to z) Reserved section – Ref FOI(S)A, ss.33

23.58.02 SLWG Governance (approval) (Sensitivity: Sensitive (closed))

Paper 620

Noted that:

- a) The Chair of the Governance SLWG, Chris Sayers, introduced the paper and talked through the proposed group structure.
- b) The SLWG had discussed what could sit in which “box” and decided it was for the executive to determine further details.
- c) The SLWG also discussed the 1 or 2 company model. Working on the basis of 2 companies at this time. Further testing will take place and if the executive feel it should be 1 company then will progress 1 company model.

APPROVED The proposed governance structure and testing the 2 company model further.

23.58.03 H&S Q2 Report (to note) (Sensitivity: Sensitive (closed))

Paper 622

Noted that:

- a) The Chief Operating Officer recognised compliance issues and have looked at longer term compliance at ELT.
- Noted fire compliance – ranking of these and some are just admin.
 - Overall non-compliance trend is down
 - ELT training will be completed by June
 - The COO and the Lead Health & Safety Business partner will be meeting regularly with The Board H&E Champion.
- b) The A&R Chair outlined that compliance moves from red to green on the Risk Register because of the new system, which also allows escalation to managers. It was discussed at A&R what would follow if a manager doesn't escalate, and the committee thought it needed to be clearer that disciplinary consequences follow. System in place whereby we are trying to achieve as much compliance as possible and there are consequences if ignore escalations.
- c) The Board H&S champion outlined that he would like to see non-compliances reduced noted his main issue is with statutory non-compliance. Concerned that lots of little accidents to lead to big accidents. He requested that all executives and non-executives complete the H&S training.
- d) GM and SY would like to go through data with DB.
- e) The SRUC Chair noted that areas of SRUC are not low risk environments. She noted legal responsibility of Directors under H&S Act and would like to see this embedded at Board.

ACTION DT to share the SRUC's H&S commitments from her completed H&S training.

23.58.Q4 Risk Register
(Sensitivity: Sensitive (closed))
Paper 623

Noted that:

- a) The Board H&S Champion asked for H&S to be considered as a separate line on the Risk Register.

ACTION: DT/GM

**23.58.05 Balanced Scorecard (BSC)
(Sensitivity: Sensitive (closed))**

Paper 624

Noted that:

- a) The Chief Operating Officer noted that this was a condensed BSC. It will be reviewed by the Strategic Performance Committee and then brought back to Board.

**23.58.06 A&R Committee Annual Report for the Board
(Sensitivity: Sensitive (closed))**

Paper 625

Noted that:

- a) The Chair of A&R noted that this was a standard report that goes to the Scottish Funding Council and was recommended by the A&R Committee for approval.

APPROVED by Board.

**23.59 Strategic Estates presentation and discussion
(Sensitivity: Sensitive (closed))**

Presentation

Noted that:

- a) Fiona Mackay, Head of Commercial Estates, joined the meeting.
- b) She highlighted her background and the following estates examples.

c) Reserved section, Ref FOI(S)A, s. 33

- d) AWPR Compensation claim

- 2011 approval was granted
 - 2013 land CPO
 - Initially said no value to this land, so SRUC management disputed this
 - History of appeals outlined
 - Settled out of court this summer
- e) Other strategic projects
- Riverside move
 - Cala at craibstone
 - RAVIC – land
 - Purchase
 - Seedpod / foodhub
 - Eurofins
 - Oatridge Golf Club
- f) Tennent Partnerships – not just commercial business, they are in our premises and work with us in partnership
- ONE
 - Aviagen
 - Forest Research
 - Agrecalc
 - Nature Scot
 - South Ayrshire Council
 - Eurofins
 - MIRNA
 - Binny Golf Club
- g) **Reserved section, Ref FOI(S)A, s. 33**
- h) **Reserved section, Ref FOI(S)A, s. 30, 33**
- i) The Board thanked the Head of Commercial Estates for her insightful presentation.

23.60 Items for Information / Annual Reports
None

23.61 Any other business

The Board noted that this was Caroline Bysh's last Board meeting and extended a big thank you to her for her input and contribution to SRUC.

23.62 2024 Dates of Future meetings

27 March, 13 June, 12 September, 12 December

Noted that:

- a) The SRUC Chair proposes moving to 2 meetings online and 2 in person next year and asked the Board for their thoughts.

ACTION Board to share their views with the Chair so a decision can be confirmed after the March 2024 meeting.