

MINUTES



SRUC Board Meeting

Date: 7 December 2017

Place: Lecture Theatre H, King's Buildings, Edinburgh

Status: Draft - Strictly Private & Confidential

Distribution: SRUC Board
SAC Commercial Board
ELT

Present: Mr S Cumming (Chairman), Mr F Dinning, Mr J Hume, Miss G Jones, Mr A Marshall, Professor S McDaid, Ms C Millar, Mr N Miller, Mr I Ross, Professor S Skerratt, Professor W Powell, Professor C Williams, and Mr B Wood.

In attendance: Mr C MacEwan, Mr G Macgregor, Mrs N McGowan, Professor J Newbold, Mr M Wijnberg and Mrs D Taylor (Minutes Secretary).

17.39 Apologies and Welcome

Noted that:

- a) apologies were received from Dr K Richards.
- b) the Board were thrilled that SRUC was the winner of the 2017 Queen's Anniversary Prize for Higher and Further Education and congratulated all staff who had been involved in SRUC's success.

17.40 Register of Interests and Conflict of Interest

Noted that:

- a) Nigel Miller declared a conflict of interest for item 17.44.04, Transformation Programme – Strategic Capital Investment (paper 293), and would leave the room for the Mid-Lothian Laboratory development (Appendix A) discussion.
- b) any updates to the Register of Interests are to be forwarded to the Assistant Company Secretary.

17.41 Minutes of Previous Meetings

17.41.01 Minutes of Meeting held on 6 October 2017

Noted that:

- a) the minutes of the meeting held on 6 October 2017 were **approved**.

17.42 Matters Arising (not otherwise covered on the agenda)

17.42.01 Farms

Noted that:

- a) item 17.32.01, noted (m) from the 6 October 2017 minutes, noted that a Farms Report would be brought to the December 2017 Board meeting after discussion at the Finance & General Purposes Committee in November 2017.
- b) it had been agreed that the purpose of the farms is to support teaching and research. Therefore the academic structure and strategy need to be clarified before a full review of the farms is to take place and brought to the Board.

17.42.02 CIEL

Noted that:

- a) item 17.32.03, agreed (a) from the 6 October 2017 minutes, noted that a risk management/contingency plan update on CIEL and the AgriTech Centres would be brought to the December 2017 Board meeting.
- b) the Commercialisation & Innovation Director outlined that this would be discussed as part of the ASRC poultry unit development, under item 17.44.04, Strategic Capital Investment.
- c) the Commercialisation & Innovation Director confirmed he had met with the new Chief Executive of CIEL, an asset register had been shared, and he was comfortable with SRUC's involvement.

17.42.03 Policy Engagement

Noted that:

- a) item 17.33.03, agreed (a) from the 6 October 2017 minutes, noted that an update on policy engagement should be brought to the Board at the appropriate time.
- b) the Principal & Chief Executive confirmed that the Executive Leadership Team (ELT) had discussed policy engagement at their meeting on 5 December and were taking this forward at an operational level and therefore Board involvement was not required at this time.

17.43 Principal and Chief Executive Update

The Board received an update paper from the Principal and Chief Executive (paper 289).

Noted that:

- a) following on from the Governance Workshop held with Jan Polley and the Board this morning (7 December 2017) the Principal & Chief Executive confirmed his support for short-life working groups, workshops and transparency going forward.

- b) the Principal & Chief Executive was pleased to announce that Hugh Anderson had been appointed to the role of Finance Director and his start date would be announced shortly. His biography would be circulated to the Board.
Action: GM
- c) interviews for the Company Secretary post had been held and a successful candidate would hopefully be announced soon.
- d) the ELT were getting out and about to meet staff and students at all campuses and were finding these visits helpful and informative. There was agreement that ELT visibility and consistency in communication were welcomed by staff.
- e) there was much energy around the recently announced strategic partnership between SRUC and Moredun. Cross-disciplinary collaborative teams in areas of strength will be established over the coming months. The SAC Consulting veterinary team based at Bush Estate will also relocate to shared facilities at Moredun in 2018. Details of this partnership (e.g. shared RESAS funding) will be confirmed as discussions progress.
- f) following on from SRUC's recent evidence session at the Environment, Climate Change and Land Reform (ECCLR) Committee meeting, follow-up questions have been received and the response will be submitted today (7 December).
- g) the Chair confirmed the Board's appreciation for the quality of the written and oral report provided at the ECCLR Committee meeting and for the staff who contributed to the preparation.
- h) the Principal & Chief Executive attended the Cross Party Group on Rural Policy meeting at the Scottish Parliament on 5 December. The range of stakeholders in attendance was impressive and demonstrated the convening power of the Rural Policy Centre, who are fantastic ambassadors for SRUC.
- i) the Principal & Chief Executive has continued to give a number of lectures, internally and externally, and is currently part of two international research grant applications.
- j) winning the Queen's Anniversary Prize was a great achievement for SRUC. It was a prestigious award with a diligent assessment process.

17.44 Strategic Business Items (for approval)

- 17.44.01 Academic Strategy (Confidential, closed business)**
- 17.44.02 Commercialisation & Innovation Strategy (Confidential, closed business)**
- 17.44.03 Estates Strategy (Confidential, closed business)**
- 17.44.04 Transformation Programme – Strategic Capital Investment (Confidential, closed business)**
- 17.44.05 External Governance Review Follow-up**

The Board had a discussion on “External Governance Review Follow-up” facilitated by the Chairman.

Agreed that:

- a) the Governance Workshop, facilitated by Jan Polley, which had been held prior to the SRUC Board meeting had been worthwhile and spurred on some important discussions.
- b) a workshop with all Board members would be arranged for January 2018 to work through the details of the recommendations.

Action: DT

17.44.06 Project Balance Accounts

The Board received a “Project Balance Accounts” paper from the Head of Finance (paper 294).

Noted that:

- a) the Head of Finance outlined that due to SRUC’s Public Body status we are required to use Project Balance Accounts (PBAs) for construction projects valued over £4m.
- b) the Royal Bank of Scotland (RBS) are the sole provider of PBAs under the Scottish Government’s Framework Agreement.
- c) in order to set-up a standard current account with RBS they require a resolution to be passed by the Board.
- d) the ELT reviewed the need to establish PBAs at their meeting in September 2017. The Finance & General Purposes (F&GP) Committee confirmed their support for PBAs at their meeting in November 2017 and recommend the resolution to the Board.

Agreed that:

- a) the Board approved the set-up of PBAs and for the Principal & Chief Executive to sign the resolution on behalf of the Board.

Action: NM

17.45 General Business Items (for information)

17.45.01 South-West Scotland Region Outline Business Case

The Board received a “South-West Scotland Region Outline Business Case” paper from the Professional Services Director (paper 295).

Noted that:

- a) the Scottish Funding Council (SFC) has provided funding (up to £50k) to support the development of an Outline Business Case (OBC) for provision in the South

West of Scotland, which has been identified jointly by SRUC and SFC as a priority region for action.

- b) the project team, which is sponsored by the Academic Director, will include representation from all sites in the region and all divisions. SRUCSA will also have input and professional advisors will be involved.
- c) the OBC will be presented to the Board and the SFC Capital Investment Committee in early 2018. This may require a special meeting of the Board to be convened at short notice in order that the OBC be approved and allow the strategy to move forward.

17.45.02 Finance update

The Board received a "Finance update" from the Head of Finance (paper 296).

Noted that:

- a) the Finance update paper had been received and discussed by the F&GP Committee at their meeting on 13 November 2017.
- b) the surplus to 30 September 2017 was ahead of budget and ahead of last year. However, the forecast for the year end was below the approved budget surplus.
- c) the F&GP Committee had emphasised the importance that efforts are made to achieve budget.
- d) the ELT reviewed the Finance update at their meeting on 5 December 2017 and agreed they would meet with the Groups to communicate the need to maintain momentum and actively stay below budget.
- e) the Academic Director recognised that the shortfall in student numbers is an issue and that the development of the academic strategy must not negatively effect current student numbers or experience.
- f) the content of the Finance update was accepted by the Board.

17.45.03 Research and Education update

The Board received a "Research and Education update" from the Academic Director (paper 297).

Noted that:

- a) the Academic Director highlighted that student numbers remain an issue and urgent action is required by the academic departments to offset enrolment being below target.
- b) potential actions include offering additional courses, and maximising work based learning and short course delivery.

Agreed that:

- a) the Academic Director would investigate where apprenticeships fit in with student numbers reporting.

Action: JN

- b) the Student Numbers audit report is to be forwarded by the Academic Director to Non-executive Directors who request it.

Action: JN

17.45.04 SRUCSA update

The Board received a verbal “SRUCSA Update” from the SRUCSA President.

Noted that:

- a) the bi-elections had been held and two new campus officers had been elected at Oatridge and Elmwood.
- b) sports and societies remain a focus for SRUCSA and society workshops have been held and well received.
- c) there has been an increase in attendance at the campus councils which demonstrates an increase in student engagement with SRUCSA.
- d) the Black Dog project (part of the Healthy Body Healthy Mind initiative) was well received and has contributed to an increase in mental health awareness.
- e) progress continues to be made on the Outcome Agreement and the Student Partnership Agreement.
- f) SRUCSA has grown in popularity and has expanded its membership and offerings. This has impacted on the Student President and Vice President’s workloads. Therefore another student appointment is being considered.
- g) an SRUCSA clothing shop has opened with 20 items chosen by the students.
- h) SRUCSA is hosting another “Speak Week” with post-it boards made available to allow for student input.
- i) the ERASMUS guide for 2018/19 has been completed and hard copies were provided for the Board.
- j) SRUCSA are working with the Academic Director to improve student feedback.
- k) communication with students regarding Information Services queries has improved greatly.
- l) Key items worth highlighting from the Student Report are: 1) rural funding feedback, and 2) branding and identity.
- m) the Glasgow Horticulture students have raised some facilities concerns.
- n) SRUCSA are looking to raise funds to reopen the bar at the Oatridge Campus in order to improve campus life and foster community.
- o) students have raised concerns regarding the term dates at the Craibstone campus.

- p) a Student Liaison Committee report will be circulated at the March 2018 Board meeting.

Action: DT

17.45.05 Audit & Risk Committee Annual Report for the Board

The Board received a paper on the "Audit & Risk Committee Annual Report" from the Assistant Company Secretary (paper 298).

Noted that:

- a) the Audit & Risk Committee Annual Report for the Board (2016/17) was reviewed by the Audit & Risk Committee at their meeting on 16 November 2017 who agreed to recommend it to the Board.
- b) the annual report forms part of the SRUC Annual Return to the Scottish Funding Council (SFC).
- c) the Board noted the content of the report and was content it be submitted to the SFC.

Action: NM

17.45.06 Annual Health & Safety Report

The Board received the "Safety, Health & Wellbeing Annual Report" from the Head of Environment, Health & Safety (paper 299).

Noted that:

- a) Landex benchmarking data had been included in the report at the request of the Audit & Risk Committee. The results of the benchmarking exercise shows that SRUC is doing well.
- b) next years annual report would link to the Healthy Learning and Wellbeing Strategy which had been discussed at the Board meeting on 6 October 2017. It had not been possible to do so this year due to the timing of the strategy launch and the reporting period.
- c) the Head of Environment, Health & Safety was thanked for all his and his teams work in proactively pursuing a good Health & Safety standard at SRUC.

17.45.07 Board Governance and Committees

Agreed that:

- a) the Committee minutes should be added to VirtualBoardroom (VBR) to ensure that all Board members can see the minutes. The draft minutes should also be emailed to all Board members once approved by the Committee chair.

Action: DT

17.45.07(a) Finance & General Purposes Committee – 13 November 2017

The Board received a verbal update from Professor S McDaid, the Chair of the Finance & General Purposes (F&GP) Committee.

Noted that:

- a) the ongoing EU projects repayment issue has been finalised and a payment agreed. Thanks was extended to the Finance team for their efforts to mitigate the amount of the payment. The political support received was also noted. Lessons have been learned and all projects with matched funding now comply with the requirements.
- b) the legal view is positive on the Craibstone CPO, which is going to the Land Tribunal. Once a date has been received from the Land Tribunal a further update can be given.
- c) the Committee received a Farms Report, which focused on the farm financials. There is a need to see what the costs are exactly for (i.e. costing system) and to link to a long term Farms Strategy.
- d) the Committee received a Finance Update and pressed on the divisional budgets until they were content with them.
- e) the second CIEL payment has been received and there is no outstanding debt.
- f) there is a need to improve the mechanisms for estimating student numbers.

17.45.07(b) Audit & Risk Committee – 16 November 2017

The Board received a verbal update from Mr A Marshall, the Chair of the Audit & Risk Committee.

Noted that:

- a) a Pension Review would be taking place once the new Finance Director was in post and the updated actuarial valuations are received in December.
- b) the Committee reviewed a Status Update from the internal auditors and agreed that the proposed Research Commercialisation and the Quality Assurance audits would be put on hold for the moment while the Academic and Commercialisation Strategies were formed.
- c) a TRAC Reporting audit and a Payroll Transactional audit would take place instead.
- d) it was also agreed that the Research Commercialisation audit should be expanded to cover commercialisation across the organisation and not just within Research.
- e) the Committee agreed that a schedule of delegation for the Principal & Chief Executive should be implemented.
- f) the Committee recognised the importance of the upcoming General Data Protection Regulation (GDPR) and that a Data Protection Officer (DPO) would be required and that GDPR responsibility would rest with the Company Secretary once appointed.

- g) Miller McLean had been recommended as the potential new co-opted external member of the Committee. The Appointments & Remuneration Committee had discussed and supported his appointment at their meeting on 7 December 2017.

Agreed that:

- a) the Board fully supported and approved the appointment of Miller McLean as the co-opted external member of the Audit & Risk Committee and welcomed his expertise and future contributions.

17.45.07(c) Appointments & Remuneration Committee – 7 December 2017

The Board received a verbal update from Mr S Cumming, the Chair of the Appointments & Remuneration Committee.

Noted that:

- a) this was C Williams first Appointments & Remuneration Committee after being appointed to the Committee in October 2017.
- b) the Committee had received a Severance update and agreed to receive a further update at an extraordinary meeting, if required, in order to finalise the policy.
- c) the Committee received a Pay Claim update and supported the actions taken to date.
- d) a Governance Review session was held with Jan Polley.
- e) the Chair of the SRUC Board is currently the Chair of the Appointments & Remuneration Committee. This is an interim situation and will be discussed, along with the membership of the Committee, at their meeting in March 2018.

17.46 Any Other Business

Note that:

- a) the Chair thanked everyone for their contributions and wished everyone Happy Holidays.

17.47 Dates of Future Meetings

2018

- Extraordinary meeting - Late January/ early February date tbc
- Thursday, 15 March
- Tuesday, 5 June
- Thursday, 4 October
- Thursday, 13 December

**Devon Taylor
Assistant Company Secretary
7 December 2017**