



SRUC BOARD

Wednesday, 27 March 2024
Lecture Theatre Room, RAVIC, Inverness
09:00 - 15:00

STATUS

Strictly Private & Confidential

DISTRIBUTION

SRUC Board

PRESENT

Linda Hanna (Chair), Dr Mia Aitchison, Dave Bell, Aileen Brown, Craid Davidson, Prof Pete Downes, Damson Ellen, Julie Fortune, Katrina Hayter, Margaret Khinichich, Fiona Larg, Andy Peddie, Chris Sayers, Prof Mike Smith, Prof Wayne Powell.

IN ATTENDANCE

Dr Susannah Bolton, Andrew Kirkenss, Andrew Lacey, Gavin Macgregor, Jamie Newbold, Devon Taylor (minutes), Dr Mary Thomson, Kimberley Wilson (minutes), Andrew McCallum and Peter Smyth Aspect (for item 24.03), Mike Lawson (for item 24.09.01), Belinda Haig (for item 24.10)

24.01 WELCOME AND APOLOGIES

Aileen Brown, Katrina Hayter, and Fiona Larg were welcomed to their first SRUC Board meeting. Mia Aitchison was welcomed back to the SRUC Board following her maternity leave.

Apologies were received from Jane Craigie, Catherine Stewart, Bruce Wood (Chair of A&R)

24.02 REGISTER OF INTERESTS, CONFLICTS OF INTERESTS, HOSPITALITY & GIFTS 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.

24.03 BRANDING PRESENTATION (FOR APPROVAL), AND STRATEGY DOCUMENT UPDATE (FOR INFORMATION)

Speaker: Peter Smyth, Andrew McCallum from Aspect

Noted that:

- a) **Reserved section – Ref FOI(S)A, s. 30, 33**
- b) **Agreed** – the Board **approved** the direction of travel for the branding, noting the next steps.

24.04 MINUTES

24.04.01 MINUTES OF MEETING HELD ON 14 DECEMBER 2023

Noted that:

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

24.04.02 ACTION LOG

Noted that:

- a) The Company Secretary noted that all open items on the Action Log were on the agenda except for the following two items. All other items were closed.
- b) Corporate parenting (ref 3003202302) – this action remained open and would come to the Board at appropriate time.
- c) Risk Appetite (ref 3003202311) – the due date for the Board risk appetite work was Dec 2024.

24.05 MATTERS ARISING (NOT ELSEWHERE ON THE AGENDA)

Note that:

- a) All matters arising were on the agenda.

24.06 BOARD SUB-COMMITTEE AND SAC COMMERCIAL BOARD UPDATES (FROM CHAIRS) (PAPER 629)

24.06.01 STUDENT LIAISON COMMITTEE

Speaker: Chair SLC

Noted that:

- a) There have been two meetings of the SLC committee since the last Board meeting.
- b) There had been open discussion about behaviour issues with students. It was recognised this was linked to post-covid fallout, cost of living and financial stresses, some never having sat an exam in person. Academic staff are aware and supporting fully.
- c) Working to get a meeting at Elmwood campus.

24.06.02 FINANCE & ESTATES COMMITTEE

Speaker: Chair F&E

Noted that:

- a) A full financial discussion will be taking place later on the agenda. The F&E Chair highlighted the following items.

- b) Golf course – The Chief Operating Officer confirmed that offers had been received and SRUC was currently working with Savilles through the conditions of each offer.
- c) Maintenance tender – Out for process through procurement.
- d) **Reserved section – Ref FOI(S)A, s. 33**

24.06.03 AUDIT & RISK COMMITTEE

Speaker: In the absence of the Chair A&R, the Chief Operating Officer and the Provost & Deputy Principal spoke to the A&R update.

Noted that:

- a) A Farms Group had been created to advance and monitor the delivery of the Farms model and action plan. The urgency of this was noted by the Farms Group.

24.06.04 REMUNERATION & APPOINTMENTS COMMITTEE

Speaker: Chair R&A

Noted that:

- a) The Chair of R&A outlined the discussion at the R&A meeting and asked the SRUC Board to approve the following recommendations:
 - i. Fiona Larg- appoint to Audit & Risk Committee, Chair from May A&R meeting – **APPROVED**
 - ii. Aileen Brown – appoint to Finance & Estates Committee – **APPROVED**
 - iii. Katrina Hayter – appoint to Strategic Performance Committee – **APPROVED**
- b) Dennis Overton would be joining the SRUC Board in June.
- c) There remained a non-executive vacancy. Although candidates with EDI experience had been shortlisted at the time of interview the panel were unable to make an appointment with expertise in this area. However one applicant who could not attend the interviews in person is being reviewed, plus a number of applications who were potentially appointable, but who were not initially shortlisted.

- d) The Chair of R&A has met with the EDI Lead and the VP Skills & Lifelong Learning, who chairs the EDI Committee, to consider EDI reporting to the Board and what currently sits with R&A.
- e) The R&A Committee also reviewed the Principal & Chief Executive's salary, which is a contractual obligation which had not been done before. The Committee recommended moving towards the benchmark but asked for follow-up work before bringing a final recommendation.
- f) There was discussion about the Transformation Steering Group (TSG) and if it should amalgamate with the Finance & Estates or Strategic Performance Committees. The SRUC Chair and R&A Committee concluded the TSG should remain a separate group but it should be chaired by a non-executive. They recommended the Board approve Chris Sayers as the Chair – **APPROVED**

24.06.05 TRANSFORMATION UPDATE

Speaker: Chief Operating Officer

Noted that:

- a) The COO highlighted that the ground works at Dairy Nexus had started. This was the last piece of major infrastructure work.
- b) The reception, lecture theaters, and Vertical Farm work at King's Buildings were all progressing.
- c) Much of the Transformation team's time is spent on operational implementation and business change, not infrastructure at this time.
- d) In terms of costs and potential overspends, the COO confirmed that Dairy Nexus received more SOSE funding, and all other project costs were on track.

24.06.06 SAC COMMERCIAL BOARD

Speaker: VP Commercial / SACC Executive

Noted that:

- a) The SAC Commercial Board had received a presentation on the governance structure and provided their feedback. They agreed with having external input and stressed the need to not lose pace.
- b) Other items discussed included the Agricultural Knowledge Innovation Systems (AKIS), and the Head of Veterinary Diagnostic Services and Livestock Health Schemes gave a presentation and update on Veterinary Services.
- c) The Principal & Chief Executive thanked the team and all involved in FAS, which sits at the epicentre of changes in agri-food systems in UK and international. Shows why Consulting needs to be integrated with SRUC Group. He noted the governance structure is a response to TDAP and part of the critical self-analysis. It is important to consider how FAS will look going forward in AKIS. The VP Skills & Lifelong Learning confirmed that she has been interacting with the Consultants about what the future holds and where the CPD and skills elements sit.
- d) Agreed – the AKIS paper that went to the SAC Commercial Board is to be circulated to the SRUC Board for visibility.

Action: DT

24.06.07 STRATEGIC PERFORMANCE COMMITTEE (INCLUDING BALANCED SCORECARD)

Speaker: Chair SPC

Noted that:

- a) The Board was asked to approve the SPC's remit – **APPROVED**
- b) The Chair of the SPC emphasised the different roles the SPC vs the Board play – i.e. SPC has a longer timescale/horizon scanning, SPC looks at alignment of strategic perspective (overseen by the Board) ensuring pace matches achieving strategic delivery.
- c) Remit will be reviewed annually.
- d) It had been proposed that the SPC could own the Balances Scorecard. This was discussed by the committee and it was agreed that the SPC would review it to ensure it delivers strategy, but the Board should

maintain ownership of it. The other committees should also review their elements of the BSC.

24.07 CHAIR'S UPDATE (VERBAL)

Speaker: Linda Hanna, SRUC Chair

Noted that:

- a) SRUC's innovation is evident in the location of the Board meeting – i.e. RAVIC building – and in the presentations at the opening earlier in the day.
- b) Worthwhile and informative to have Mike Cantlay, Chair of SFC, speak at the Board dinner.
- c) There is a growing understanding at the University and College Chair's Groups of the governing bodies responsibilities. Need to be clear on what actions the SRUC Board is going to take.
- d) The Chair emphasised the importance of Board readiness, getting the Committees right and functioning.
- e) The completion of the recent successful non-executive recruitment round.
- f) The internal annual board effectiveness appraisals were almost complete. Non-executives were reminded to return their completed forms if they had not yet done so.

24.08 PRINCIPAL & GROUP CHIEF EXECUTIVE AND ELT'S UPDATE (PAPER 630)

Speaker: Prof Wayne Powell, Principal & Chief Executive

Noted that:

- a) The report was taken as read. The Principal & Chief Executive made the following additional comments.
- b) It had been helpful and informative to have Mike Cantlay, Chair of SFC, at the Board dinner and it was important not to lose sight that SRUC punches above its weight.

- c) Financial situation across the sector – need to be diligent but cannot get overwhelmed by it and remain focused on SRUC’s purpose, what we do and why we do it.
- d) Narrative around research and SRUC’s contribution to public good via research is important.
- e) Need to consider how we sustain excellence, across all areas of SRUC, in an environment that is becoming more competitive. Also being prepared for unexpected opportunities.

24.09 ACADEMIC BUSINESS

24.09.01 INTERNATIONAL RECRUITMENT UPDATE (FOR INFO) (PRESENTATION)

Speaker: Mike Lawson

Noted that:

- a) The Board received an update on international student recruitment and were provided with the recruitment brochure.
- b) There was discussion about what provision was being put in place to support the additional needs of this new cohort of student. It was noted that these costs had been built into the recruitment model, and someone had been brought in on the admissions side as part of this work. More consideration was required.
- c) Reserved section – Ref FOI(S)A, s 33, 30**
- d) It was recognised that a small increase in international students would have a significant financial impact at SRUC. Need to ensure they are supported appropriately.

24.09.02 ACADEMIC BOARD REPORT AND MINUTES (FOR INFO) (PAPER 631)

Speaker: Prof Jamie Newbold

Noted that:

- a) The Provost & Deputy Principal took the report as read but highlighted the following items:
 - i. Change in boards of study to be based on academic domains.
 - ii. The Quality Enhancement Plan

- iii. Have reached over 40% response rate on the Student Survey, to date, and FE involvement has been key to this.
- iv. Widening access group has been meeting. Noted that SRUC's progression is mostly internal, which is different to other institutions, due to the tertiary model.

24.09.03 SRUCSA UPDATE (FOR INFO) (PAPER 632)

Speaker: Damson Ellen

Noted that:

- a) Communication with students and SRUCSA visibility on campus has carried on and improved since the last report.
- b) Cost of living –Much focus on impact of cost of living on students. Food bank and food parcels programme have been set up. SRUCSA have been working with Campus & Estates on the catering model. A microwave and kettle are now available for students at KB and looking to expand this across all campuses. It was **agreed** that this should be accelerated across all campuses.

Action: GM

- c) Co-president elections results – There was a good number of students who came forward for election. Catherine Stewart was re-elected but moves from the South & West faculty to the North. Jeremiah Chibueze was re-elected but moves from the North faculty to the South & West. Saul Corbett has been newly elected as Co-president of the Central Faculty.
- d) Speak week – results are being collated from the annual speak week.
- e) Digital poverty – sharing of best practices and areas for improvement. Damson Ellen contributed to a report on blended and hybrid learning which is available on the QAA website.
- f) Barony Gym – Catherine Stewart has been working to get the gym at Barony opened and there has been exciting progress. Continuously holding successful events at Barony that are attended by staff and students.
- g) Elmwood – Catherine Stewart has been involved in discussion with unions and students.

- h) SRUCSA website – new website is being developed with engagement from students.
- i) There was discussion about the planned increase in international students and if SRUC was prepared and had the resources to provide for their specific needs. It was noted that SRUCSA has a planned piece of work on this, led by Jeremiah Chibueze, next year.

24.09.04 REF UPDATE (FOR INFO) (PAPER 633)

Speaker: Prof Jamie Newbold

Noted that:

- a) The report was taken as read.
- b) The Provost & Deputy Principal confirmed that TDAP does not put the University of Edinburgh REF partnership at risk, but is an opportunity for discussion and to also consider other potential partners.

24.10 CYBER AND DIGITAL STRATEGY

Speaker: Belinda Haig, Group Manager Information and Digital Services

24.10.01 CYBER SECURITY UPDATE (PAPER 634)

Noted that:

- a) All relevant information on SRUC cyber security maturity were included in the paper.
- b) SRUC is assessing our cyber posture against industry standards by using the Scottish Government Cyber Resilience Framework and are supported in this work by HEFESTIS.
- c) Business Continuity planning and cyber response testing activity is being progressed.

24.10.02 DIGITAL TRANSFORMATION UPDATE (PAPER 635)

Noted that:

- a) The Board were updated on progress made on the Digital Strategy. Priorities for the Information and Digital Services Team have been Digital

transformation as part of the student journey, Customer Relationship Management, Business Systems Review, Data, HR iTrent system implementation.

- b) The culture shift (staff and students) and leadership required for digital transformation was recognised. Student work is going well.
- c) The Digital Transformation Board have also been looking at Artificial Intelligence and highlighted the importance of being proactive about AI and identifying risks and opportunities.

24.11 FINANCE

Speaker: Andrew Kirkness, Chief Financial Officer

24.11.01 FY 24/25 BUDGET POSITION (PAPER 636)

24.11.02 FY 24/25 9+3 FINANCIAL FORECAST (PAPER 637)

Noted that:

- a) The above papers were taken together in a wider financial risk and recovery discussion.
- b) The Chair outlined that the financial position was continuing to deteriorate and there was a need for clarity on the assumptions included in the papers, the timeline for the actions, and what is being asked of the Board.
- c) It was recognised that not all activities can be funded and difficult decision would need to be made.
- d) More granularity was included in these papers as comments received from the F&E and A&R committees had been included. The Principal & Chief Executive noted that he would be looking to harness the knowledge and expertise of the non-executives and for support in the difficult decisions.
- e) There was discussion about farms plan (and implementation), estates (Elmwood), utility prices/opex, staff/headcount and pay claim, which all significantly impacted on SRUC's financial position.

- f) The Finance team has been working to get better data and test assumptions in specific areas. This will provide further granularity and insights.
- g) It was recognised that action needed to be taken now with a sense of urgency – e.g. implement parts of Farms Plan that could be now with other elements to follow.
- h) There was discussion about financial recovery and a balanced budget within the context of reputation and strategy and avoiding unintended consequences – i.e. some important research did not make a profit or contribute to bottomline but contributed reputationally – e.g. Langhill herd won Queen’s Anniversary Prize and was an important biological resource.
- i) The significance and issue of a cash shortfall was recognised. This needed to be monitored closely and mapped month by month as cashflow was not linear and times of risk needed to be identified.
- j) **Agreed** – A detailed recovery plan would be brought to the June Board meeting.
- k) **Agreed** – The F&E Committee would be asked to input/comment on the plan, as required, as it developed.
- l) **Agreed** – The Board would be available between Board meetings if urgent approvals associated with the recovery plan were required. An online meeting would be called.

24.12 BOARD BUSINESS

24.12.01 GOVERNANCE STRUCTURE UPDATE (PAPER 638)

Speaker: Devon Taylor, Company Secretary

Noted that:

- a) The two-company model had been progressed since the December 2023 Board meeting as agreed by the Board.

- b) It had also been agreed that the executive would continue to determine which activities sat within which subsidiary company. There was discussion at the Board about these details and the purposes of the Innovation and Ventures companies. Board member and Chair recruitment to the subsidiaries could progress once these details were matured.
- c) The reporting lines via the Senate (Innovation Co) and to the SRUC Board (Ventures Co) were noted.
- d) Timings were still on track to have the legal requirements of the new governance structure in place by the end of June. The application to dissolve the SAC Foundation would be submitted to OSCR shortly.
- e) An important step was to have the revised SRUC Articles of Association approved by the SRUC Board. They would then go for OSCR and ministerial approval.
- f) **Agreed** – the SRUC Board **approved** the SRUC Articles of Association.

24.12.02 RISK REGISTER

Speaker: Gavin Macgregor, Chief Operating Officer

Noted that:

- a) Finance risk had been discussed at length by Board under the Finance agenda items. Cyber security was also included as an update on the agenda.

ITEMS BELOW ARE TAKEN AS READ. COMMENTS / QUESTIONS CAN BE RAISED WITH AUTHORS.

24.13 ITEMS FOR INFORMATION/ANNUAL REPORTS

24.13.01 Q3 H&S REPORT (640)

Noted that:

- a) The Board received the Q3 Health & Safety report for noting as it had been discussed in detail at the A&R Committee.
- b) The Board H&S Champion highlighted the need for non-compliance to be progressed internally by managers.
- c) The Board H&S Champion highlighted the need for non-executives to complete the required online H&S training (7 currently complete, 3 started, 8 not started).

24.13.02 CLIMATE CHANGE ACTION PLAN ANNUAL REVIEW (641)

Noted that:

- a) The Board received the Climate Change Action Plan Annual Review. Any questions should be directed to the Group Manager Campus & Estates.

24.14 ANY OTHER BUSINESS

Noted that:

- a) The Board thanked Andrew Lacey, VP Commercial, for his significant contribution to SRUC as this was his last meeting before moving on to a new opportunity.
- b) Thanks were also extended to Bruce Wood, who had been unable to attend the meeting as Chair of A&R for his contribution to SRUC and SAC Commercial Boards. This was his last meeting as the Chair of A&R would be transferring.

24.15 2024 DATES OF FUTURE MEETINGS

13 June (in person), 12 September (in person, accounts), 12 December (online)



SRUC BOARD

Thursday, 13th June 2024
Kings Buildings, Edinburgh, Lecture Theatre H
09:30 - 15:00

STATUS

Strictly Private & Confidential

DISTRIBUTION

SRUC Board
SRUC website (redacted)

PRESENT

Linda Hanna (LH) (Chair), Mia Aitchison (MA) (online), David Bell (DB), Aileen Brown (AB) (online technical issues), Jane Craigie (JC), Craig Davidson (CD), Professor Sir Pete Downes (PD), Julie Fortune (JFo), Jarlath Flynn (JFI), Katrina Hayter (KH), Margaret Khnichich (MK), Fiona Larg (FL) (online), Chris Sayers (CS), Professor Mike Smith (MS), Catherine Stewart (CS) (online), Professor Wayne Powell (WP)

IN ATTENDANCE

Dr Susannah Bolton (SB), Andrew Kirkness (AK), Gavin Macgregor (GM), Professor Jamie Newbold (JN), Dennis Overton (DO), Dr Mary Thomson (MT), Devon Taylor (DT) (minutes) (to item 24.28), Kimberley Wilson (KW) (minutes)

24.16 WELCOME & APOLOGIES

- a) Apologies were received from Andy Peddie & Damson Ellen.
- b) The Board thanked Damson for her full contribution she has made at Board and in Committees, wish her all success in the future.
- c) Welcomed Jarlath Flynn, non-academic staff member, to his first Board meeting, and Dennis Overton who was observing today and will be joining in July.

24.17 REGISTRAR OF INTERESTS, CONFLICT OF INTEREST AND HOSPITALITY REGISTER

- a) The Principal and Chief Executive will be the Chair of Interface from the 1st August.
- b) The SRUC Chair is now the Vice Convener of the Estates Committee at the University of Glasgow.
- c) The Committee were reminded to contact the Company Secretary with any updates to the Register of Interests or Hospitality Register.
- d) No conflicts of interest were raised.

24.18 MINUTES OF PREVIOUS MEETING

24.18.01 MINUTES OF MEETING HELD ON 17 MARCH 2024

Noted that:

- a) The minutes were approved as an accurate record.
- b) Items for actioning:
 - 1. Item 24.06.06, SAC Commercial Board Update: The Company Secretary to circulate the AKIS paper to the SRUC Board.
Action: DT
 - 2. Item 24.11, Finance: Need to amend wording, depth of discussion been downplayed.
Action: DT

24.18.02 ACTION LOG

Noted that:

- a) The Board received an update on the open actions.
 - Corporate Parenting – still live, and will be taken forward to R&A Committee at appropriate time.
 - Risk Appetite – this will be picked up by DT/GM/FL.
 - Cost of living – kettles/microwaves now available for students at all campuses, as requested.

24.19 MATTERS ARISING

Noted that:

- a) No matters arising not on the agenda.

24.20 BOARD SUB-COMMITTEE AND SAC COMMERCIAL BOARD UPDATES (FROM CHAIRS) (PAPER 642)

24.20.01 STUDENT LIASION COMMITTEE

Noted that:

- a) The SLC Chair was an apology – report noted and taken as read. No comments.

24.20.02 FINANCE & ESTATES COMMITTEE

Speaker: Chair F&E

Noted that:

- a) Report taken as read. Main items on agenda later.

24.20.03 AUDIT & RISK COMMITTEE

Speaker: Chair A&R

Noted that:

- a) Report taken as read.

- b) It was clarified that the Financial Recovery Plan would be shared with the F&E and A&R Committees as they had different roles to play in its development and monitoring.

24.20.04 RENUMERATION & APPOINTMENTS COMMITTEE (VERBAL UPDATE)

Speaker: Chair R&A

Noted that:

- a) EDI Update – full report on EDI will come to December Board, including all aspects of EDI in the organisation.
- b) In the process of looking at CV's for a Non-Executive Board Member with EDI expertise.

24.20.05 TRANSFORMATION STEERING GROUP (VERBAL UPDATE)

Speaker: Chief Operating Officer

Noted that:

- a) This was the first meeting in its repurposed form, with the agenda split into two parts: 1. Looking at items of strategic importance, their impact and delivery. Business case reviews to check if projects delivering what had been indicated, what return are we getting, what are revenue generating, and what are strategically important. Discussed reshaping some investments, and 2. move forward with operational projects.
- b) The Chair of the Strategic Performance Committee noted that SPC and TSG need to be complementary. Need to establish lines of accountability in implementation of projects and consider looking at investments in a systematic and consistent way – feed through to SPC and TSG.
- c) Important to have the right people in the room for the discussions. Also consider how to account for non-financial benefits of investments.

24.20.06 SAC COMMERCIAL BOARD

Speaker: SACC Executive

Noted that:

- a) Report taken as read.

- b) The Provost and Deputy Principal clarified the pig and dairy plans and outlined that a briefing will be going out to staff, students and external stakeholders.
- c) Work continues to grow consultancy skills to enhance earnings per consultant. The VP Skills & Lifelong Learning clarified that support for colleagues was required to get this right as different approaches and pricing strategies were needed in different areas of the business. Not a blanket approach.
- d) The good news on the FAS contract was recognised and the team congratulated. There was discussion around the profitability of FAS. While the contract was for approximately £11m over 3 years + 1 and the top line income was understood, it would be helpful to understand the bottom-line figures for FAS.
- e) In terms of Agrecalc, the outgoing SAC Commercial Chair outlined that performance to plan is what had been monitored and discussed at the meeting.
- f) Andrew Bauer, Head of Service SAC Consulting, is now on the Agrecalc Board. The Chief Financial Officer also attends as an observer.
- g) Potential reputational risk associated with Agrecalc was discussed at the Audit & Risk committee.

24.20.07 STRATEGIC PERFORMANCE COMMITTEE (VERBAL UPDATE)

Speaker: Chair SPC

Noted that:

- a) Purpose of committee is to monitor and challenge our strategic performance over a long timeframe (i.e. 10 years). Three stages to this, and the framework the committee will work within, are:
 1. Setting basecamp/stable platform
 2. Sustainable growth – appropriate balance of reputation vs revenue/surplus generating
 3. Visionary position – achieve strategic long-term goals

- b) Decisions taken at Board, no matter how difficult, are linked to the long-term strategy. Need to remain clear on what our strengths are, build on them, and keep our distinctiveness.
- c) The committee also discussed the current sector context and the strategy for international students. Noted need to ensure students have a positive experience and the opportunity to contribute to atmosphere and culture of SRUC. Must find a mechanism to boost our international reputation in all areas.
- d) Tertiary model was also discussed and if it was a positive or hindrance.

24.21 CHAIR'S UPDATE (VERBAL)

Speaker: Linda Hanna, SRUC Chair

Noted that:

- a) In a state of flux in many areas including students, elections, awaiting decision on Withers review from Scottish Government, new Interim Chief Executive at SFC. Must stay focused and not get side tracked by this.
- b) Today's agenda is about: 1. future growth, how to increase revenue, long term growth and opportunities and, 2. Financial Recovery, cashflow, getting to a sustainable model.
- c) Updated the Board on meeting with SFC the day before. Outlined that the tone of meeting was very helpful. SFC looking for practical actions to support SRUC. They also want to see detail and not just high level. Looking for confirmation SRUC is on top of this with good recovery plan. Need to get a plan in place, understand the assumptions behind it, timings of plan, implementation of plan. Manage any reputational risk.

24.22 PRINCIPAL & GROUP CHIEF EXECUTIVE & ELT'S UPDATE (PAPER 643)

Speaker: Prof Wayne Powell, Principal & Chief Executive

Noted that:

- a) The Principal & Chief Executive agreed that the tone of the SFC meeting was that they wanted to be helpful. They also discussed transactional funding and repurposing, and deferring interest loans and final payments. Will be having a follow-up meeting with SFC shortly.
- b) SRUC plays an important role in demonstrating a tertiary education model in Scotland.
- c) The SFC questioned the Vet School and how to make it work in a deficit situation when UoE and UoG struggle. Noted that SRUC began the Vet School planning in 2019, looked at MoU with Aberdeen which didn't work, and then set up working group that created business plan. This was shared with previous SFC Chief Executive. With changes at SFC it is important to communicate the plan and narrative of a disruptive integrated model.

24.23 OPPORTUNITIES DISCUSSION – INCLUDING POST-TDAP AND NON-TRADITIONAL REVENUE AREAS (PAPER 644)

24.23.01 TDAP OPPORTUNITIES POST-TDAP, VET SCHOOL, EDUCATION PORTFOLIO INCLUDING INTERNATIONAL

24.23.02 GROWTH TARGET AREAS BEYOND TRADITIONAL REVENUE STREAMS CONSULTING, KE, INNOVATION.COMMERCIAL

Speaker: Prof Jamie Newbold, Dr Susannah Bolton, Dr Mary Thomson

Noted that:

- a) The above agenda items were taken together.
- b) The Provost & Deputy Principal updated the Board on TDAP progress noting it had been delayed due to elections but would hopefully be granted in late October/early November.
- c) SRUC seeks to be a tertiary enterprise university that leverages activity across its education, research and knowledge exchange/consultancy activities to be a global leader in powering the natural economy.
- d) With the availability of TDAP we will develop programs to allow those leaving at the end of year 2 and year 3 to rejoin their studies at SRUC within a defined period. In developing the new degree portfolio, we will ensure that every course offers live or stimulated work-experience opportunities. Work experience is meant as either work based (i.e. work placements) or

work related (i.e. virtual simulations, employer led project work, supporting new enterprises etc) which will support learners to develop the enterprising skills required in an enterprising university. We will where appropriate to the subject area introduce integrated masters allowing learners to exit after 4/5 years with a masters degree.

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

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

g) In February 2025 we will launch our 1st tranche of micro credentials, these master's level stand-alone 20 credit courses are aimed at those in employment and will be delivered through distance learning. These will be stackable qualifications in that learners will be able to combine them to build to formal qualifications in terms of

- Postgraduate Certificate
- Postgraduate Diploma
- Masters Degree

and in time this will also lead to the development of professional doctorates as part of the SRUC educational portfolio.

h) Floor open for discussion – the Chair noted that prior to the finance discussion it would be helpful for the Board to consider what makes SRUC distinctive, where opportunities are, and what we need to protect.

i) The enterprise pathway was well received but it needed to be clarified what ties them all together. Currently fragmented delivery, but focused on pulling together into one pathway.

j) When considering the number of Schools and hubs in the model outlined, there is a question about distributed leadership, resources to deliver and accountability. The Provost outlined that at ELT Level but looking at other leadership, work in progress.

k) Scale of ambition on one hand and deliverability on the other is a theme. Must focus on core elements and not be distracted by others. Emphasis on importance of reputations as linked to strategy and delivery on strategy.

l) The Principal and Chief Executive outlined that all of the presentation is dependent on TDAP.



24.24 FINANCE WITH A FOCUS ON FINANCIAL RECOVERY

24.24.01 YEAR END UPDATE (PAPER 645)

Speaker: Andrew Kirkness, Chief Financial Officer

Noted that:

- a) The Chief Finance Officer outlined the operating result of £8.8M deficit, which is a £3.2M variance to 9+3 forecast and £6.4M variance to original budget.
- b) The following was highlighted:
 - i. Education – £1.7M variance in education to the previous forecast. Better understanding and visibility of student numbers was required. Need systems in place that give accurate number.
 - ii. Research – Much work has been done to identify income in research, but outlined the potential risk on research programme accrual – i.e. work ongoing to get more accurate data on outstanding projects as regards contribution and timing.
- c) There was a full and challenging discussion around confidence in the numbers and systems/reporting changes to improve visibility and accuracy of numbers (short and long-term actions) – e.g. recognising cost at point Purchase Order raised, not when invoice received.
- d) New company structures must have clarity of reporting/monitoring and communication between entities.
- e) The Board asked for substantial assurances on a deliverable recovery plan to address the £8.8m deficit. The recovery plan would be important for the going concern and the Board must have confidence in this position.
- f) There would be further discussion and agreement, during the next agenda items (Capital & Cashflow, and 24/25 update), on the assurances the Board required as well as the methodology and timeline for feedback on the recovery plan.

24.24.02 CAPITAL & CASHFLOW (PAPER 646)

Speaker: Andrew Kirkness, Chief Financial Officer

Noted that:

- a) The Chief Financial Officer outlined that SRUC's cash balance. **Reserved section – Ref FOI(S)A, s. 33**
- b) The Board were asked to consider the short term cashflow position, regarding FT Loans, financial transformation scenarios and capital spend profile.
- c) The SRUC Chair emphasised the point that all cash was loan money and restricted funds, noting SRUC had spent own money on capital projects.
- d) Treatment of cashflow has been discussed with the Scottish Funding Council (SFC) and they are supportive.
- e) There was discussion about revisiting and repurposing some investment spend to utilise restricted funding rather than our own cash reserves, effectively freeing up the latter as unrestricted cash. As Accountable Officer, the Principal & Chief Executive confirmed there would be no further capital spends until there was clarity on this point.
- f) The SFC has agreed to defer the loan interest on their loans.
- g) The Board understood the severity of the cashflow position, expressed their concern and support moving forward.

24.24.03 24/25 UPDATE (PAPER 647)

Speaker: Andrew Kirkness, Chief Financial Officer

Noted that:

- a) The Chief Financial Officer introduced the paper noting it suggests a staff cost position of £65m. However, since the paper was published the ELT has identified mitigating actions to reach a staff cost position of £60m. This has been discussed with business partners. **Reserved section – Ref FOI(S)A, s. 30, 33.**
- b) It was confirmed that there was not a recruitment freeze but control measures are in place to achieve the £60m budget for this year, with further work to be done to target potential for [**Reserved section – Ref FOI(S)A, s. 30, 33.**] next FY.
- a) Financial Recovery Group also doing work to consider operational expenditure /cost management and developing ways to test and adopt an

optimal delivery model, versus a temporary hiring freeze. Need a target operating model that will be sustainable.

- b) The Principal & Chief Executive emphasised that the ELT is very focused on reducing the deficit in this financial year and are looking at all areas (including staff and operational costs) in a way that will not stifle our strategy and ambitions. A real challenge will be answering how we build a sustainable specialist institution within the confines of the Scottish system? How do we draw in funding from outside Scotland? Confident we will get to a sustainable/viable SRUC but there will be tough decisions to be made to ensure this.
- c) There was discussion about ensuring the timeline and implementation of the recovery plan. Also important for Board to see the impact of the recovery plan on the cashflow.
- d) **Agreed** – Board, or agreed sub-group, content to meet as required (i.e. late June/early July) outside the usual board cycle. Draft plans should also be shared with SFC for their comment and feedback as required.
- e) **Agreed** – The Finance & Estates Committee and the Chief Financial Officer would meet to look at the impact of the recovery plan on the cashflow.
- f) The Board discussed the importance of communication and a clear narrative – internally and externally. It would also be beneficial to collate the actions that had been taken as soon as the financial situation had been fully understood and the impact of these actions. This could help with narrative.
- g) The Board discussed resources to deliver the plan and the impact on staff health and wellbeing. The Staff Board members noted there was much worry amongst staff and morale needed to be considered. The Principal & Chief Executive recognised that the discretionary energy of staff, and staff going above and beyond, was a big part of SRUC's success and was required now. Communication with staff needed to be empathetic and considered. The SRUC Chair emphasised the importance of leadership and the importance of leading through this with appropriate transparency and showing people what they can do to help.

24.25 GOVERNANCE

24.25.01 SUBSIDIARY COMPANIES – SRUC INNOVATION LD & SRUC VENTURES LTD (PAPER 648)

Speaker: Devon Taylor, Company Secretary

Noted that:

- a) The Board were asked to approve the following documents in order that the Group Governance Structure, including the two subsidiary model, be in place by 1st July 2024.
1. SRUC Ventures Articles of Association
 2. SRUC Ventures Remit
 3. SRUC Ventures director recommendations
 4. SRUC Innovation Articles of Association
 5. SRUC Innovation Remit
 6. SRUC Innovation director recommendations
- b) It was highlighted that the key points to note from the Articles of Association for SRUC Innovation Ltd and SRUC Ventures Ltd were:
- Clause 4: The Objects (purpose) of each company
 - Clause 6: the parent company (SRUC) appoints directors
 - Clause 7: there shall be no maximum number of directors and the minimum number of directors shall be three
 - Clause 26: Directors are not remunerated
- c) The Articles of Association are purposefully broad in order to allow for future fit. More detail is found in the remits about how the two subsidiary boards function. It was noted remits are approved by the SRUC Board and are reviewed annually by the respective subsidiary boards.
- d) There was a question regarding Clause 6.1, overriding provisions, and why it stated "For as long as the holder of not less than 90% of the shares in the Company is SRUC" as the assumption was that it would be 100% SRUC.
(Secretary's note: It has been clarified that it is 100% SRUC shareholding, but this clause allows for up to a 10% partnership in the future, if this decision is taken).
- e) **Agreed** – Conclusion of the membership of the subsidiaries is to be delegated to the SRUC Chair, the Principal & Chief Executive and the R&A Committee to confirm.
- f) **Agreed** – Further discussion and finalising the remits of the subsidiaries is to be taken offline.
- g) **Agreed** – The SRUC Innovation Ltd and the SRUC Ventures Ltd Articles of Association were **approved**. Typos will be corrected in final version. The SRUC Chair queried if there were any risks – outlined that there was no risk as only changing name.

24.25.02 COMMITTEE STRUCTURE (PAPER 649)

Speaker: Devon Taylor, Company Secretary

Noted that:

- a) The Board discussed the current committee structure and if it was still fit for purpose or required adjustments.
- b) **Agreed** – current committee structure should remain in place. No changes at this time.

24.25.03 SRUC INTERNAL BOARD EFFECTIVENESS APPRAISAL 2024, BOARD DEVELOPMENT PLAN & EXTERNAL GOVERNANCE REVIEW FOLLOW UP (PAPER 650)

Speaker: Linda Hanna, SRUC Chair, and Devon Taylor, Company Secretary

Noted that:

- a) The Board received and noted a paper from the SRUC Chair summarising the results of the Internal Board Effectiveness Appraisals.
- b) **Agreed** – The Board **approved** the Board Development Plan.
- c) The Board received an update on the five main recommendations from the Good Governance Institute's (GGI) external governance review.

24.26 ACADEMIC BUSINESS

24.26.01 ACADEMIC BOARD REPORT AND MINUTES (PAPER 651)

Speaker: Prof Jamie Newbold

Noted that:

- a) Paper was taken as read.
- b) The SRUC Chair queried if there were any questions from the Board – None.

24.26.02 SRUCSA UPDATE (FOR INO) (PAPER 652)

Speaker: Catherine Stewart

Noted that:

- a) Paper taken as read.
- b) There is much more student engagement with SRUCSA this year, and more social events. Contacting all students was a good idea.

24.27 BOARD BUSINESS

24.27.01 RISK REGISTER (TO NOTE) (PAPER 653)

Speaker: Gavin Macgregor, Chief Operating Officer

Noted that:

- a) Working on a project to exit from Local Government Pension Schemes (LGPS).
- b) The Chair outlined that a decision would need to be made in a committee structure. The Company Secretary noted went to F&E for decision, and A&R would only look at it from a risk impact.

ITEMS BELOW ARE TAKEN AS READ. COMMENTS / QUESTIONS CAN BE RAISED WITH AUTHORS.

24.28 ITEMS FOR INFORMATION/ ANNUAL REPORTS

24.28.01 Q4 & ANNUAL H&S REPORTS (PAPER 654)

Noted that:

- a) The Board received the Q4 and Annual Health & Safety reports.
- b) The Board H&S Champion highlighted Riddors had 4 over the last year. HSE came out and found nothing wrong.
- c) 100% increase on non-work-related accidents, this was due to recording.
- d) Management training assessments at 32%, some are credits from former Board Members and Executives, credits have been transferred over to new

members. The Board H&S Champion encouraged all line managers and ELT to take this on and complete training.

- e) Discussion around disciplinary on not completing training, the H&S Board Champion outlined that this was discussed at the Audit & Risk Committee meeting and is being looking into for better enforcements and better understanding in HR.

24.29 ANY OTHER BUSINESS

Noted that:

- a) Shift in Executive Portfolio's – The SRUC Chair requested that an updated chart be distributed for the Board to get a better understanding and to be sure of roles.
- b) The SRUC Chair outlined that
 - i. the next Board meeting in September would be in person
 - ii. an additional recovery plan meeting will be scheduled in July and would be online.

Action: DT/KW

24.30 DATES OF FUTURE MEETINGS – 2024

12 September (in person, accounts), 12 December (online)

24.31 PRIVATE BOARD SESSION RE: RENUMERATION

Noted that:

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

Kimberley Wilson
Governance Support Officer

Devon Taylor
Company Secretary



SRUC BOARD – DRAFT MINUTE

Thursday, 12th September 2024

Seminar Room B.006, The Roslin Institute Building, Easter Bush

09:30 – 15:00

STATUS

Strictly Private & Confidential

DISTRIBUTION

SRUC Board

SRUC website (redacted)

PRESENT

Linda Hanna (LH) (Chair), Dr Mia Aitchison (MA) (online), David Bell (DB), Jeremiah Chibueze, Saul Corbett, Craig Davidson (CD) (online for parts of the meeting, between teaching commitments), Professor Sir Pete Downes (PD), Julie Fortune (JFo), Jarlath Flynn (JFI), Dr Katrina Hayter (KH), Margaret Khnichich (MK), Fiona Larg (FL), Dennis Overton (DO), Professor Mike Smith (MS), Professor Wayne Powell (WP)

IN ATTENDANCE

Dr Susannah Bolton (SB), Andrew Kirkness (AK), Gavin Macgregor (GM), Professor Jamie Newbold (JN), Dr Mary Thomson (MT), Devon Taylor (DT) (minutes), Professor Eileen Wall (EW) (for items 24.39.01 and 24.39.02)

24.32 WELCOME & APOLOGIES

- a) Apologies were received from Jane Craigie and Craig Davidson. Noted Craig would join online between teaching commitments where possible. Apologies were also received from Mary Thomson who was required to join a Ministerial meeting but would join the Board meeting as soon as possible.
- b) Welcomed the new SRUCSA co-presidents and student members to the Board – Jeremiah Chibueze and Saul Corbett.
- c) The Chair extended her thank you to Dennis Overton and congratulated him on his appointment as Chair of the Scottish Food Commission, noting this would be his last SRUC Board meeting.
- d) The Chair reminded the Board of the confidentiality of the meeting and their role as directors and charitable trustees.

24.33 REGISTRAR OF INTERESTS, CONFLICT OF INTEREST AND HOSPITALITY REGISTER

- a) The Chair noted she had been appointed to the SFC Board.
- b) The Committee were reminded to contact the Company Secretary with any updates to the Register of Interests or Hospitality Register.
- c) No conflicts of interest were raised.

24.34 MINUTES OF PREVIOUS MEETING

24.34.01 MINUTES OF MEETING HELD ON 14 JUNE 2024

Noted that:

- a) The minutes were approved as an accurate record.
- b) The Board requested that the draft minutes be issued within the month.

Action: DT

24.34.02 ACTION LOG

Noted that:

- a) The Board received an update on the open actions.
- Corporate parenting – still live and will be taken forward to R&A Committee at appropriate time.
 - Risk Appetite – DT and GM have meeting in the diary with KPMG to advance.
 - Stakeholder engagement – The action tracker would be updated to show Tom Maxwell, Chief Communications Officer, as the owner of this action.
 - FAS – An update has been provided by Mary Thomson and will be circulated to the Board. **Action: DT**

24.35 MATTERS ARISING

Noted that:

- a) Agriculture Knowledge and Information System (AKIS) – Report is to be circulated to the board.
Action: DT
- b) Transformation Steering Committee – Role of committee and chair is to be determined. Gap in structure with departure of STC chair.
Action: DT
- c) Subsidiary Boards membership – recommended memberships and chairs for SRUC Ventures and SRUC Innovation were presented in a paper at the June SRUC Board meeting. These recommendations had now been appointed on Companies House and both boards met in September. This is the initial memberships and appointment process is via Remuneration & Appointments Committee and SRUC Board, as outlined in their respective Articles of Association.
- d) The SRUC Chair asked for the conflicts of interest, especially regarding the executive directors on the subsidiaries, be confirmed.
Action: DT
- e) A nominations process for appointing co-opted members on the subsidiary boards is to be formalised.
Action: DT
- f) Further work is being done on the operational structure of the subsidiaries (i.e. what activity sits within which entity) and a paper will come back to the SRUC Board. It was noted both SRUC Innovation and SRUC Ventures boards asked the Executive Leadership Team to give this further thought.

24.36 MINUTES/UPDATES FROM BOARD SUB-COMMITTEES AND SUBSIDIARY BOARDS (PAPER 655)

24.36.01 FINANCE & ESTATES (F&E) COMMITTEE

Noted that:

- a) The F&E Chair had no additional comments as all substantial F&E committee items were on the Board agenda.

24.36.02 AUDIT & RISK (A&R) COMMITTEE

Noted that:

- a) The A&R Chair confirmed that the meeting had not been quorate, and decisions will be ratified retrospectively.
- b) Fiona O'Neill from the Scottish Funding Council (SFC) attended the meeting. Paul Gray, the external advisor on the Financial Recovery Programme Board, attended for part of the meeting.
- c) Re: the payroll audit, the Chief Financial Officer confirmed that SRUC will not incur any costs, including the audit, as payroll provider was at fault.
- d) Re: procurement controls, the SRUC Chair confirmed this will be picked up later on the agenda as part of financial recovery discussions.

24.36.03 REMUNERATION & APPOINTMENTS (R&A) COMMITTEE

Noted that:

- a) The R&E committee met pre-TDAP announcement and agreed to go out for recruitment of 2 non-execs.
- b) An out of cycle R&A meeting will be required to advance non-exec recruitment. The Board **agreed** with this recommendation.
- c) The following committee membership recommendations were **agreed** by the Board – 1. Mike Smith to step down from R&A chair and join the F&E Committee; and 2. Jane Craigie to chair R&A.

Action: DT

24.36.04 STRATEGIC PERFORMANCE COMMITTEE (SPC)

Noted that:

- a) The SPC chair confirmed they had met on the 9th Sept and draft minutes were being finalised and would be circulated to the Board the following week.
- b) The SPC meeting focused on long term strategic goals and when implementing the strategic plan, the footprint is one for growth and long-term ambitions. Financial recovery not just breakeven but allows for surpluses for future investment in growth.
- c) The SPC discussed what sustainable growth looks like and getting the balance of activities right – i.e. contribution to reputation, might not make profit and revenue generating activities. The Financial Recovery Plan references both revenue generation as well as reputational and strategic objectives.
- d) The SPC discussed difficulty in maintaining morale in staff during financial recovery. There is a need to develop a positive understanding of where we're going in the future. The committee agreed to develop a coherent version of the growth plan, which will be its focus over the next few meeting cycles.
- e) Some of the projects in the Financial Recovery Plan are growth projects and this needs to be clear in the narrative around them – i.e. Vet School, international recruitment.

24.36.05 SRUC INNOVATION LTD BOARD

Noted that:

- a) The SRUC Innovation Chair outlined that the Board had met for the first time the previous week (4th Sept 2024). The focus of the meeting was on practical matters. A report on Agrecalc was also received.

24.36.06 SRUC VENTURES LTD BOARD

Noted that:

- a) The SRUC Ventures Chair outlined that the Board had met for the first time the previous week (4th Sept 2024). Fiona Mackay, Director of Commercial Estates and Services, and Malcolm Hosie, Head of Service SAC Consulting,

joined the meeting. It was good to get their perspectives and the assurance they provided. The Chair has a follow up meeting with both.

24.36.07 TRANSFORMATION PORTFOLIO UPDATE

Noted that:

- a) As noted under Matters Arising, the SRUC Chair reiterated that there was a need to confirm how the Transformation Steering Committee moved ahead since the retirement of the committee chair.
- b) In the interim period, an update on the transformation portfolio was provided to the Board.
- c) It would be beneficial to link the Transformation Portfolio Report to the Financial Recovery Plan. Assumption in the report is that all projects contribute, but is there merit in deferring some activities? The Chief Financial Officer confirmed he is working with the Transformation team on this information.

24.37 CHAIR'S UPDATE (VERBAL)

Noted that:

- a) The Chair outlined that recent focus has been in relation to internal work at SRUC, committees, recovery work, and Chairs' group meetings.
- b) The Scottish Government's consultation on post-school education and skills reform, closes in September. The Provost & Deputy Principal confirmed that SRUC's response is being pulled together by the VP Skills & Lifelong Learning.
- c) The Chair highlighted changes in government and what this potentially could mean.
- d) Public sector funding is very challenging. There was discussion about spending reviews in Westminster and Scotland, noting some funding is cross border.

24.38 PRINCIPAL & GROUP CHIEF EXECUTIVE & ELT'S UPDATE (PAPER 657)

Noted that:

- a) The Principal & Chief Executive highlighted that the green industrial strategy had been published this week, with a focus on Scotland's natural capital, which sits well with SRUC's focus and expertise. There is strong focus on energy and circularity. Need to consider how SRUC taps into this and how energy fits into our remote and rural aspect.
- b) The Dairy Nexus is coming along well. **Agreed** that the Board should have a meeting at Barony (possibly March 2025).
Action: DT
- c) The Principal & Chief Executive shared a few points of reflection. The level and scale of change SRUC has been through the past few years, and the change around us, has been significant. This is reflected in the correspondence with SFC who see SRUC as an HEI. We need to be confident about this. He emphasised that a key point is creating a culture of change and supporting and sustaining this culture.
- d) There was discussion about the student market in Scotland. Expectation was that students would come to Scotland/stay in Scotland, which is no longer the case. Need good understanding of how the market is operating.

24.39 ACADEMIC BUSINESS RELATED TO FINANCIAL RECOVERY (PAPER 658)

24.39.01 RESEARCH EXCELLENCE FRAMEWORKS (REF) UPDATE

Noted that:

- a) Eileen Wall, Head of Research, joined the meeting and presented SRUC's strategy for REF 2029.
- b) The 2029 REF will be different because: 1 Expanded definitions of research excellence to include interdisciplinary work, 2. change in component weighting (outputs and impact case studies down, while environment is up), 3. Institution submitted, not individuals, 4. Greater focus on research culture and impact beyond academia, and 5. SRUC will lead its own submission.

- c) **Reserved Section – Ref FOI(S)A, s. 30(b), 27, 33(1)(b)**
- d) Integration across SRUC is critical to success. Focus on quality, policy & practice impact, and building a supportive research culture. On track to improve our Power and Quality Rankings while becoming a leader in the research landscape.
- e) The Head of Research confirmed that the change in REF weightings favoured SRUC. It was also confirmed that the UoE were supportive of SRUC submitting on its own. This is the right time for SRUC to do so, but does not mean we will not partner in the future.
- f) **Reserved Section – Ref FOI(S)A, s. 30(b), 27, 33(1)(b)**
- g) There had been investment in Fellows and world leading Professors as part of REF2029 planning.

Agreed that:

- a) The Provost & Deputy Principal and the Head of Research would join a Strategic Performance Committee to discuss the REF and the integration of teaching and research.

Action: JN/EW

24.39.02 ACADEMIC MODEL

Noted that:

- a) The Provost & Deputy Principal gave a presentation on the Academic Model, titled Integration, Innovation, and Impact.
- b) The Academic Model matters because: 1. Using and benefiting from TDAP, 2. Agile in the face of external factors, 3. Improving financial efficiency, 4. Encouraging and leveraging integration, and 5. Providing the headspace for growth.
- c) The purpose of the Academic Model is to develop a financially sustainable model for academic function. This will be done by: 1. rationalise education offer for Scottish students to increase cohort sizes & reduce staff workloads, 2. expand rUK and international UG, PGT, and CPD programmes to drive new income streams, 3. Reimagine student support and library

services for equitable access, including distance learners, 4. Optimise student recruitment strategies within financial recovery goals, 5. Restructure research to maximise recent infrastructure investments and generate margins, 6. Integrate education, research, and extension for improved REF 2029 submissions and higher rankings.

- d) Micro credential recruitment, MSc launch, and the new Schools structure were outlined. A timeline for delivery was outlined.
- e) It was clarified that fees for international and micro credentials were benchmarked.
- f) In terms of resources for delivery, the Provost & Deputy Principal confirmed that staffing requirements were factored into delivery and service provision.
- g) The Academic Model has impact on the Estates Model.

24.40 FINANCE (CONFIDENTIAL, CLOSED BUSINESS)

24.40.01 FY 24/25 PERIOD 1 – 4 (PAPER 658)

Noted that:

- a) The Principal & Chief Executive updated the Board on the most recent correspondence with the Scottish Funding Council (SFC), progress and effort to date, and the next steps needed to answer the “exam question”. SFC have recommended that external input from someone with HE experience in transformational change be sought. He will follow up on this recommendation.
- b) The Financial Recovery Plan must consider the requirements of the Board, SFC, and external auditors. The Chair of A&R outlined that the auditors were looking for: 1. assumptions in recovery plan and whether they are reasonable, and 2. sensitivity analysis – need worst, best, and likely scenarios against each project. If worst case, auditors would like to see a bank facility in place or support from the SFC.
- c) The SRUC chair reiterated confidentiality at the Board. She noted this was not a final plan for approval but for comment today.
- d) **Reserved section – Ref FOI(S)A, s. 30, 33.**

- e) Detail behind these numbers is demonstrating early indications of financial turnaround and recovery. Savings are built into cost centres and can track to them. Currently tracking to budget and keeping an eye on potential timing issues.
- f) Staff saving costs are being realised and build in P5. **[Reserved section – Ref FOI(S)A, s. 30]**. Controls are in place and are working. Recognise still some issues with systems.
- g) Opportunities and risks are included in the pack. Sensitivity analysis to be developed further with leadership.
- h) There was discussion about purchase orders and how the system allows a large number of staff to raise requisitions and approvals too. Now budget holders have to approve POs.

24.40.02 FINANCIAL RECOVERY PLAN (PAPER 659)

Noted that:

- a) The Chief Financial Officer introduced that the Financial Recovery Plan outlines a strategic approach to restoring SRUC's financial stability and long-term sustainability. The Plan incorporates detailed financial data, including actual results from general ledger cost centres, individual payroll costs, and transaction analyses, while also accounting for transformation costs and income.
- b) The Chief Financial Officer referenced the spreadsheet of 30 actions, with risk referenced to impact if not delivered. Majority of actions are green.
- c) **Reserved section – Ref FOI(S)A, s. 30**
- d) **Reserved section – Ref FOI(S)A, s. 30**
- e) There was discussion about the need to invest in digital transformation and systems in order to support growth, efficiencies and financial recovery.

Agreed that:

- a) The Board supported the work to progress the Financial Recovery Plan presented today.
- b) The Board would come together (Teams) for an urgent meeting regarding Financial Recovery Plan support and approval if required out of cycle. Failing that, it would be submitted to the next Board meeting for support and approval.
- c) Further work on worst case scenario planning should take place. This is not clear in the Plan.

Action: ELT

- d) Important for Financial Recovery Plan to include the information being requested by SFC, auditors, and Board.

Action: ELT

24.40.03 FINANCIAL RECOVERY GOVERNANCE (PAPER 660)

Noted that:

- a) The Chief Operating Officer introduced the Financial Recovery Governance paper noting the governance model is similar to the one used by the Transformation project. This had previously been discussed at the Finance & Estates and Audit & Risk Committees.
- b) The PERT chart shows the interdependencies of the projects and the Dashboard will be populated to show and track key risks, mitigating actions, deliverables, and financials.
- c) The initial Financial Recovery Programme Board (FRPB) has taken place. It was noted Paul Gray was an external member.
- d) The governance reporting diagram now showed both the Finance & Estates and the Audit & Risk Committees being reported to by the FRPB (F&E for finance, A&R for risk).
- e) There were questions around delegated authority and it was clarified that the Financial Recovery governance structure was inline with SRUC's scheme of delegation.

- f) FRPB is operational delivery board with F&E and A&R Committees providing scrutiny. Dashboard also allows for accountability of delivery.
- g) The Chair suggested it would be helpful to have a list of decisions made by ELT for transparency. The Principal & Chief Executive confirmed he was ok with proposal but commented on the need to allow work to progress. A timeline for collating the list was not confirmed.

Action: ELT

24.40.04 FY24/25 BUDGET (PAPER 661)

Noted that:

- a) The F&E Committee had scrutinised the paper at their recent meeting and recommended it to the Board for approval.
- b) The Chair recognised that much work has been done on financial recovery to date, and there was still much work to do.

Agreed that:

- a) The Board approved the FY 2024/25 Budget paper.

24.41 ACADEMIC BUSINESS

24.41.01 ACADEMIC BOARD REPORT (PAPER 662)

Noted that:

- a) The Provost & Deputy Principal took the paper as read as much was outlined in the earlier Academic Model presentation.
- b) On behalf of the Board the Chair thanked and recognised the contributions of Professors Neil Foster and David Hopkins who were stepping down as Deans of the North and the Central Faculties respectively.

24.41.02 SRUCSA UPDATE (FOR INO) (PAPER 663)

Noted that:

- a) Saul Corbett, SRUCSA co-President, introduced the SRUCSA update paper outlining the plans for this academic year.

- b) The overview of plans for the year includes:
- Jeremiah Chibueze, Co-President for South & West Faculty, plans to expand his monthly face-to-face interactive meetings with the students thereby offering students an opportunity to voice their concerns about any issues that are affecting them.
 - Saul Corbett, the new Central Co-President, aims to connect students with value-aligned organisations, promote unity through the LGBT+ Rainbow Network, host inclusive events, and support student societies.
 - Catherine Stewart, Co-President for North Faculty, is focussed on creating community-oriented campuses by enhancing social engagement, wellbeing, resources, study spaces, and course offerings, especially at Elmwood.
- c) SRUCSA also have a new Active Campus Coordinator, Jeroen van Herk, who will create opportunities for students to participate in physical activity. This post is funded by Sports Scotland.
- d) SRUCSA's new website recently launched and will bring significant changes to how students manage their clubs and societies.
- e) Welcome week was a success with co-Presidents getting out to campuses as much as possible, setting up stalls and getting the SRUCSA name out there. Pizza parties were a success.
- f) Confirmed there were no structural changes required at SRUCSA due to TDAP.

24.41.03 SRUCSA CONSTITUTION (FOR INO) (PAPER 664)

Noted that:

- a) The SRUCSA budget is part of the CELT budget part of the Academic budget, which is what the F&E Committee/Board see during the budget approval process.
- b) Discussions take place between SRUCSA and CELT (the Head of Learning & Teaching) when setting the budget.
- c) The Provost & Deputy Principal confirmed that a benchmark exercise took place a few years ago when SRUCSA was restructuring to confirm budget was inline with sector.

Agreed that:

- a) It needs to be clearer in the SRUCSA constitution that its budget sits within CELT and the process.

Action: SRUCSA (J Bamkin)

- b) The SRUCSA budget setting, benchmarking information, should be brought to F&E/Board on occasion to allow for visibility and transparency at Board level and ensure student voice being supported.

Action: JN

- c) Board approved the SRUCSA constitution.

24.42 BOARD BUSINESS

24.42.01 RISK REGISTER (TO NOTE) (PAPER 665)

Noted that:

- a) The Chief Operating Officer introduced the updated Risk Register noting it had been scrutinised at the A&R committee meeting.
- b) A new risk, "Risks relating to development and implementation of a Financial Recovery Plan (FRP)" had been added.
- c) There was discussion about whether it was necessary to have this as an extra category or if it was overlapping and actually the outcome of an earlier financial risk category. A&R Committee felt it was important to have as separate risk at this time to ensure appropriate monitoring.
- d) The Board noted the updated Risk Register and additional financial risk category.

24.42.02 Q1 H&S REPORT (PAPER 666)

Noted that:

- a) The H&S Board champion outlined the following points from the report:
 - i. Types of accidents that had increased – e.g. horses, cars (not on campuses, but reported).
 - ii. Cost of ill health and injuries – Number of Lost Working Days through Injury April to June 2024 was nil.

- iii. Occupational Health appointments – attendance is up.
 - iv. Work place safety inspection audits – Concern over these not being done and a significant percentage from the previous year not even being started. Need to follow up with staff who are required to complete these and ensure compliance.
- b) The H&S Board champion raised the issue of H&S non-compliance and the culture surrounding non-compliance. Questioned whether students and staff are being put at risk and suggested this was a management issue that needed to be addressed.
- c) The Provost & Deputy Principal clarified that there was a timing issue when some calls for H&S inspections/audits were being put out – i.e. when campuses closed/out of academic year cycle. Has discussed with the Lead Health and Safety Business Partner to see if there was a solution to this.
- d) The Chief Operating Officer outlined that the Lead Health and Safety Business Partner attended the ELT meeting following the A&R Committee meeting to discuss H&S compliance. A list with named individuals has since been circulated to ELT members to follow up in their areas.
- e) The Chair emphasised the Board's firm belief and expectation that compliance needs to be improved. This is for ELT to lead and set expectations to improve and management to follow up. An update on H&S compliance is to be brought to A&R (then Board).
- Action: SY/GM**
- f) There was discussion about whether H&S compliance should be strengthened in employment contracts. It was clarified that H&S is not a Human Resource issue but a line management issue, with sanctions being applied by line managers.
- g) A staff non-executive Board member gave the perspective that no member of staff takes H&S lightly and are managing many priorities and delivering large workloads. The system can be difficult to navigate and requires clarification/training/communication. They cautioned against sanctions at the moment during this period of change at SRUC.
- h) The H&S champion noted the Health & Wellbeing site for staff on the intranet to support staff.

ITEMS BELOW ARE TAKEN AS READ. COMMENTS / QUESTIONS CAN BE RAISED WITH AUTHORS.

24.43 ITEMS FOR INFORMATION/ ANNUAL REPORTS

Noted that:

- a) There were no items in this category for this meeting.

24.44 ANY OTHER BUSINESS

24.44.01 AGRECALC

Noted that:

- a) **Reserved section – Ref. FOI(S)A, s. 33.**

24.44.02 THANK YOU

Noted that:

- a) On behalf of the Board, the Chair wishes to record thanks to Aileen Brown and especially Chris Sayers, who had recently left the Board, for their input, contributions, and challenges.
- b) The Chair reiterated her earlier thank you and congratulations to Dennis Overton who was attending his final SRUC Board meeting.

24.45 DATES OF FUTURE MEETINGS – 2024

12 December (online). The March 2025 Board meeting should be held a Barony, with a Dairy Nexus visit, if possible.

24.46 PRIVATE BOARD SESSION

Noted that:

- a) A private session was not held.

Devon Taylor
Company Secretary
September 2024



SRUC BOARD –MINUTE

Thursday, 12th December 2024
Pentland Suite, Oatridge Campus. With Teams option.
09:30 – 15:00

STATUS

Strictly Private & Confidential

DISTRIBUTION

SRUC Board
SRUC website (redacted)

PRESENT

Linda Hanna (LH) (Chair), Dr Mia Aitchison (MA), David Bell (DB), Jeremiah Chibueze (JCh) (online), Saul Corbett (SC) (online), Jane Craigie (JCr) (online), Professor Sir Pete Downes (PD), Julie Fortune (JFo), Jarlath Flynn (JFI), Dr Katrina Hayter (KH) (online), Margaret Khnichich (MK), Fiona Larg (FL), Professor Mike Smith (MS), Andy Peddie, Professor Wayne Powell (WP)

IN ATTENDANCE

Andrew Kirkness (AK), Gavin Macgregor (GM), Professor Jamie Newbold (JN), Dr Mary Thomson (MT), Devon Taylor (DT) (minutes), Gabrielle de Oliveira (GdO), Wendy Smith (WS), Fiona Mackay (FM) (online) (for item 24.54), Stewart Rogerson (SR) (for item 24.54) (online).

24.47 WELCOME & APOLOGIES

- a) Apologies were received from Craig Davidson and Susannah Bolton.
- b) Welcomed Wendy Smith, Chief People Officer, who would be attending Board meetings due to the level of transformational change.
- c) The Chair reminded the Board of the confidentiality of the meeting and their role as directors and charitable trustees.

24.48 REGISTRAR OF INTERESTS, CONFLICT OF INTEREST AND HOSPITALITY REGISTER

- a) The Committee were reminded to contact the Company Secretary with any updates to the Register of Interests or Hospitality Register.
- b) No conflicts of interest were raised.

24.49 MINUTES OF PREVIOUS MEETING

24.49.01 MINUTES OF MEETING HELD ON 12 SEPTEMBER 2024

Noted that:

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

24.49.02 ACTION LOG

Noted that:

- a) The Company Secretary updated the Board on open actions.
- b) Transformation Steering Committee / Group – Discussion around reporting of these items since the TSG has not reconvened. Agreed a proposal should go to the Audit & Risk Committee with suggestions. (Action log ref: 1209202403)

Action: DT

- c) Appointment of co-opted members to subsidiaries – The Remuneration & Appointments Committee had reviewed and recommended a paper on the appointment of non-executives and co-opting members to the

subsidiary boards. The SRUC Board agreed with the process for appointing non-executives but asked that further work be done on the appointment of co-opted members to subsidiary boards, specifically the issue of creating “shadow non-executives”. (Action log ref: 1209202405)

Action: DT

- d) Conflicts of Interest, subsidiaries – Register of interest is to be shared with Chairs of Subsidiaries. A benchmarking exercise of other HEI subsidiary company membership is to be done and taken to R&A Committee. (Action log ref: 1209202404)

Action: DT

- e) List of decisions – A list of key decisions made by the ELT linked to the Scheme of Delegation is to be produced by the March 2025 board meeting. (Action log ref: 1209202411)

Action: DT

24.50 MATTERS ARISING

Noted that:

- a) There were no other matters arising not covered under the Action Log item or on the agenda.

24.51 MINUTES/UPDATES FROM BOARD SUB-COMMITTEES AND SUBSIDIARY BOARDS (PAPER 667)

24.51.01 FINANCE & ESTATES (F&E) COMMITTEE

Noted that:

- a) The F&E Chair noted that substantial items from the F&E meeting were on the Board agenda, but highlighted the following points.
- b) The F&E Committee received a verbal update on Agrecalc. Options were being developed and would come to the Board for decision.
- c) The Financial Recovery Programme Board (FRPB) was discussed and the Committee agreed that they would like to see better fit for purpose tracking and implementation plan.

- d) Year End accounts were reviewed and the F&E Chair noted that the SRUC Innovation Ltd accounts were subject to Agrecalc.
- e) The Trust Management section of the F&E Committee remit would be updated.

24.51.02 AUDIT & RISK (A&R) COMMITTEE

Noted that:

- a) The A&R Chair noted that substantial items from the A&R meeting were on the Board agenda, but highlighted the following points.
- b) There is an urgent need to appoint more non-executives to the A&R Committee. Meeting quorum is becoming an issue.
- c) The Committee discussed Health & Safety compliance, which will be discussed as main Board agenda item.
- d) The A&R Committee echoed the F&E Committee's FRPB comments regarding better operational tracking at Board level.
- e) Partially compliant audit reports have been received this year. There was discussion around board wanting better internal controls and faster action on audit points.

24.51.03 REMUNERATION & APPOINTMENTS (R&A) COMMITTEE

Noted that:

- a) The R&A Chair noted that the reports from the Principal & Chief Executive's and the Chair's annual appraisals had been circulated to the Board. She asked that the Board read them.
- b) The Chair's annual appraisal report noted unanimous support for a second term. Noted first 3-year term ends on 6th April 2025.
- c) The R&A Committee discussed recruitment and the skills matrix noting gaps on the A&R and F&E Committees in particular. The following skills were identified for recruitment: financial, change and transformational change and implementation, HR/people/EDI experience (i.e. human aspect). Greens skills, aquaculture, veterinary, and food were also

identified as key areas we are moving into. Commercialisation and new business development were also identified.

- d) The upcoming non-executive recruitment would target the above skills and we will be recruiting for 4 people.
- e) **Agreed** – the R&A Committee recommended, and the Board agreed that the non-executive recruitment would be managed in-house and not via a recruitment firm.

24.51.04 STRATEGIC PERFORMANCE COMMITTEE (SPC)

Noted that:

- a) The SPC Chair outlined that the Committee had a strategic discussion debating the elements of the long-term strategy.
- b) While the Committee remained primarily discussion based at this time, the agenda would be developed, and papers will come in the future. They agreed a set of Strategic Performance Indicators would be helpful for the Committee to monitor.
- c) They had a general and broad discussion on what an enterprise university is, linked to Innovation and Ventures discussion. There must be a holistic approach with innovation in all we do and imbedded in staff and student culture.
- d) The Committee also discussed partnerships and who we partner with.

24.51.05 SRUC INNOVATION LTD BOARD AND SRUC VENTURES LTD BOARD

Noted that:

- a) to e) **Reserved section – Ref FOI(S)A, s. 33**
- f. Joint meeting – a Joint SRUC Innovation and SRUC Ventures Board was held in order to review and discuss what areas of business sit within which subsidiary company. This table is to be circulated to the SRUC Board.

Action: DT

Agreed that:

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

24.52 CHAIR'S UPDATE (VERBAL)

Noted that:

- a) The SRUC Chair outlined her thoughts on the changes across the sector including relationships across the sector.
- b) Most institutions are financially challenged, and the National Insurance (NI) change will have a significant impact.
- c) Research and Knowledge Exchange is key.
- d) College sector is very difficult at the moment. Particularly apprenticeships. Ministers are keen to promote the employability agenda.
- e) The reform agenda has not been announced yet.
- f) There is a lack of funding in the public sector. Need to think beyond Scotland and where our partnerships sit.

24.53 PRINCIPAL & GROUP CHIEF EXECUTIVE & ELT'S UPDATE (PAPER 668)

Noted that:

- a) The Principal & Chief Executive took the report as read, and highlighted the following points.
- b) Sir Paul Grice took on the role of Interim Convener at Universities Scotland. Francesca Osowska has been appointed as the new Chief Executive of the SFC. Collective leadership will be a key in the sector moving forward.
- c) Many areas of the recent budget are relevant to SRUC, not just HE, which speaks to our differentiation. We must build on our business model. Ministerial engagement across many portfolios is important, as well as how we engage.
- d) There is a changing appetite around education and need for micro credentials. Going forward part of our portfolio.

- e) The Chair asked the Chief People Officer to speak to staff engagement. It was noted it has been difficult across the sector, particularly the past 6 months because of the flux in leadership – i.e. reduction in ELT size at same time developing the models. Critical in January to reestablish the Senior Leadership Team (SLT). People are under pressure due to recruitment controls, which has been difficult but the right thing to do. Allowing time to match strategic direction with Financial Recovery Plan. Have been more open with staff during this time. A whole staff survey was undertaken in early 2024 and was delivered by Advance HE.
- f) **Reserved section – Ref FOI(S)A, s. 30.**

24.54 HEALTH AND SAFETY (PAPER 669)

Noted that:

- a) The Director of Commercial & Estates Services and the Head of Facilities Services joined the meeting and the Board H&S Champion outlined that they have been having regular discussions and while he is pleased with progress in some areas he would like to see more done.
- b) The Director of Commercial & Estates Services provided an update focusing on H&S areas that are going to change/are changing.
- i. Operating model – This will be more proactive and service focused. Helping line managers in all areas with their differing needs. This involves RAG rating the different work environments, not using a blanket approach, and focusing on high risk areas (e.g. farms, welding).
 - ii. Training – There is currently a single approach. Working with HR colleagues to create job families.
 - iii. External input – An external consultant is being brought in to review the operating model.
- c) There were questions regarding creating a culture of compliance. The Director of Commercial & Estates Services confirmed that this is part of the Training section. There needs to be clarification on what training managers have to help facilitate compliance and support them. Also, communication and relationship building is important. Need to understand why they are being asked to do the training. Alongside this also reviewing what training is actually required.

- d) The Board supported the use of sanctions and would expect them if non-compliant. Emphasises compliance is important to the Board.
- e) The reported “no work days lost” data was questioned. The Director of Commercial & Estates Services confirmed that the data comes from HR and it is up to managers to reflect lost days on the HR system. However, if you look at the actual accidents during this time they were all low level, no Riddors. Also, some of the accidents were students or contractors which would not result in lost work days.
- f) The Chief People Officer outlined that what she sees on the ground and what she hears from people is that staff do take H&S seriously, however, there are pockets of excellence and other more challenging areas. Who, what and why required needs to be considered in compliance and culture section. If we get to a sanction then we’ve failed.
- g) The Board H&S Champion recognised and fully supported the direction of travel but expressed frustration that it has taken a year to get to this point. Scrutiny of H&S and compliance will continue as trust rebuilt.

24.55 YEAR END (CONFIDENTIAL, CLOSED BUSINESS)

24.55.01 ANNUAL FINANCIAL STATEMENTS (PAPER 670)

Noted that:

- a) The Chief Financial Officer introduced the SRUC Year End Accounts. He outlined that the auditors were awaiting the final technical review and would then provide their final input. He thanked the Financial Controller and the Finance Team for their efforts in getting the accounts to this stage.
- b) The Chief Financial Officer highlighted that a clawback adjustment had been made, noted the deficit against an operating surplus.
- c) The Year End accounts had been scrutinised by the Finance & Estates and Audit & Risk Committees. The SRUC Innovation Board had also reviewed their accounts and approved them for onward submission.
- d) The A&R Chair recommended that the accounts be approved by the Board subject to the final outcome of the technical review. A meeting with the Board could be called if required, or approval provided by email,

depending on the technical review. Noted this would be the date of signing on the accounts.

- e) A draft of the Agrecalc Ltd accounts had been reviewed by the A&R Committee, noting they were not material to the group accounts. The SRUC Innovation chair noted that the SRUC Innovation Ltd accounts reflect the Agrecalc position.

Agreed that:

- a) The Board approved the SRUC Annual Accounts subject to the outcome of the technical return and agreed to meet online or approve via email as required the following week.
- b) The SRUC Innovation Ltd Annual Accounts were approved.

24.55.02 LETTERS OF REPRESENTATION (PAPER 671)

Noted that:

- a) Draft Letters of Representation had been reviewed at the F&E and A&R Committees.
- b) The A&R Chair raised concerns over point 6, under the 'Information Provided' header, that states, "We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements".
- c) This concern was in regards to restricted funding discussions that had taken place with SFC.

Agreed that:

- a) The wording, meaning and our compliance should be checked with the auditors, for both the SRUC and the SRUC Innovation Ltd letters of representation. Letter of Representation can then be circulated with final accounts as noted in above minute.

Action: AK/JNovak

(Secretary's Note: The Financial Controller confirmed wording, meaning and our compliance with this statement in the Letters of Representation with the auditors who confirmed SRUC and SRUC Innovation were compliant, and the statement could remain in the letters of representation.)

24.55.03 GOING CONCERN (PAPER 672)

Noted that:

- a) Going Concern was subject to the final technical return as noted in the above minute.
- b) The Going Concern Report should be checked for continuity with the annual accounts.

Action: JNovak

24.56 FINANCE (CONFIDENTIAL, CLOSED BUSINESS)

24.56.01 FY 24/25 TO PERIOD 7 YTD AND 6+6 FORECAST (PAPER 673)

Noted that:

- a) The Chief Financial Officer introduced the paper and outlined the work that has been undertaken between Finance colleagues and the Head of Departments. On target for set budget.
- b) The FY24/25 to P7 YTD and 6+6 Forecast paper had been reviewed by the F&E and A&R Committees and was recommended to the Board. The P7 Financial Management pack had also been shared with the Committees.
- c) The following points were highlighted: Reserved section – **Ref FOI(S)A, s. 30, 33.**
- d) There was discussion around staff loses and the areas these have occurred in and if manageable. The Vice Principal reported it can be difficult to find skilled replacements for senior consultants. The Provost & Deputy Principal noted the new academic model is being introduced and working with colleagues to find solutions. The Staff Union representatives highlighted pressures on staff to deliver more with less and the need for them to feel Board and ELT support.
- e) The Principal & Chief Executive acknowledged the good work going on but also the pressure on staff. Significant reduction in headcount, increased pressure on staff.

Agreed that:

- a) The Board supported increasing communication with staff. The SRUC Chair is to issue a note staff following Board meetings in order to aide communication and Board visibility.

Action: LH

- b) The Board approved the paper.

24.57 FINANCIAL RECOVERY (CONFIDENTIAL, CLOSED BUSINESS)

24.57.01 FINANCIAL RECOVERY PLAN (PAPER 674)

Noted that:

- a) The Chief Financial Officer introduced the paper and recognised Phil McNaull's input (external consultant). Detailed financial information complements the plan.
- b) The F&E and A&R Committees reviewed and discussed the Financial Recovery Plan (FRP) at their recent meetings. Looking for Board approval and support today.
- c) The SRUC Chair recognised the improvements in this FRP to earlier versions but felt there was too much narrative at front. There is a subsequent "back end" piece of work required on implementation so the entirety of the plan can be seen.
- d) The SRUC Chair noted that the FRP has been requested by the SRUC Board in March 2024 and requested this be corrected in the narrative.

Action: AK

- e) The Chief Financial Officer provided the Board with an update on the recent meeting with SFC.

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

Agreed that:

- a) The Board approved the FRP but monitoring/delivery requirements need to be determined.
- b) An implementation plan that sits behind the FRP needs to be developed. The Chief Operating Officer is to circulate previous examples of strategic

operating plans/KPI trackers to the Board. He asked for their feedback and guidance on what they would like to see.

Action: GM/SRUC Board

- c) A Strategic Operating Plan is to be developed and discussed with the Strategic Performance Committee, prior to a Board session in March to finalise and approve.

24.57.02 FINANCIAL RECOVERY GOVERNANCE (PAPER 675)

Noted that:

- a) The paper was noted by the Board. There was no discussion as it was superseded by the FRB discussion under item 24.57.01.

24.58 ELMWOOD OPTIONS DISCUSSION (PAPER 676) (CONFIDENTIAL CLOSED BUSINESS)

Noted that:

- a) The SRUC Chair and the Chief Operating Officer reiterated the closed and confidential nature of this agenda item.
- b) The Board were being asked to approve a 'decision in principle' to allow a move to a formal consultation process on future proposals for Elmwood Campus.
- c) The Chief Operating Officer outlined the background and what has led to this discussion. Balance of financial impact (building survey results and student numbers), academic delivery, and reputation.
- d) Four options were presented in the paper and Option 3, Removal of Animal Care (i.e. decommissioning main building) and utilisation of Elmwood House and Horticulture, was put forward as the recommended option for approval in principle today.
- e) There was discussion about the figures and assumptions presented in the FRP (full closure) compared to Option 3, noting there is a £1m variation in these options.

f) **Reserved section, Ref FOI(S)A, s. 30**

g) Concerns were raised over Option 1 being present in the FRP but Option 3 being recommended now and the impact this could have on the auditors position and the Going Concern.

h) By show of hands, the Board were asked to vote and confirm their support in principle for Option 3:

- Supportive – 12
- Unsupportive – 3
- Not present – 1

Agreed that:

- a) Option 3 was supported in principle by a majority of voting Board.
- b) The auditors are to be contacted and informed of this change in the FRP and their advice is to be taken on potential impact on Going Concern. Option 3 to be reflected in the FRP (£1m shortfall and risk profile).

Action: AK

24.59 ACADEMIC BUSINESS

24.59.01 ACADEMIC BOARD REPORT (PAPER 677)

Noted that:

- a) The Provost & Deputy Principal took the report as read but highlighted the following points:
 - i. the new Head of School Posts had been appointed
 - ii. the Academic Board discussed and received a report on how the restrictions on recruitment are impacting the staff and the unintended consequences and pressures on staff.

Agreed that:

- a) The Provost & Deputy Principal is to circulate information on the new Schools and structure to the Board.

Action: JN

24.59.02 SRUCSA UPDATE (PAPER 678)

Noted that:

- a) Saul Corbett, student board member, took the report as read but outlined key points.
- b) He has previously outlined lack of student support and has since met with the Principal & Chief Executive and the Provost & Deputy Principal to discuss. They agreed to provide benchmarking information and the SRUCSA co-President sat on the interview panel for the Student Support post.
- c) Student panel meetings have been reinstated to encourage candid discussions.
- d) The Active Campus Plan, supported by SportScotland, is being rolled out and aims to increase student engagement by being inclusive and accessible.
- e) Catherine Stewart is balancing her responsibilities as a part-time co-President and her vet nursing studies. Her reduced hours has provided the opportunity to fund and support activities for students in the North Faculty.
- f) SRUCSA have successfully restocked the Glasgow Queens Park food bank. The food bank and the fortnightly fruit deliveries have been well received.
- g) Catherine Stewart attended a meeting with NUS regarding the Student Mental Health Agreement and the changes being implemented by the Scottish Government. She has met with the Head of Learning and Teaching to discuss the agreement currently in place at SRUC.
- h) Jeremiah Chibueze represented SRUC at the NUS Scotland Housing Rally and gave a compelling speech.
- i) SRUCSA continues to meet with Edinburgh University Students' Association representatives to foster good partnership at King's Buildings.
- j) The Student Liaison Committee Chair, Andy Peddie, confirmed that all five campuses were visited in November and meetings SLC meetings held. Two ongoing issues were Oatridge mobile phone connectivity and uncertainty around Elmwood.

24.60 RISK REGISTER (PAPER 679)

Noted that:

- a) The Chief Operating Officer introduced the Risk Register.
- b) The A&R Committee had reviewed the Risk Register at their meeting and agreed with the following recommendations:
 - i. Remove from Risk 15, Failure to achieve TDAP, as this had been achieved, and
 - ii. Combine Risk 1, Risks impacting long-term financial sustainability, and Risk 20, Risks relating to development and implementation of a Financial Recovery Plan (FRP), as having two financial sustainability risks causes confusion.
- c) The Provost & Deputy Principal confirmed that Research Degree Awarding Powers (RDAP) was not yet at corporate level and therefore should not replace the TDAP risk on the Risk Register. He confirmed that it is on the appropriate Operation Risk Register and work is being advanced.

Agreed that:

- a) The Board approved the recommendations as outlined above and the Risk Register will be updated accordingly.

Action: GM

ITEMS BELOW ARE TAKEN AS READ. COMMENTS / QUESTIONS CAN BE RAISED WITH AUTHORS.

24.61 ITEMS FOR INFORMATION/ ANNUAL REPORTS

Noted that:

- a) There were no items in this category for this meeting.

24.62 ANY OTHER BUSINESS

Noted that:

- a) There were no AOB raised.

24.63 DATES OF FUTURE MEETINGS - 2025

2025 date have been circulated and diary invitations sent.
There will be an online board meeting in March and an in person session at Barony in March to discuss the Strategic Operating Plan.

24.64 PRIVATE BOARD SESSION

Noted that:

- a) A private session was held.

Devon Taylor
Company Secretary
December 2024