

Board of Governors Committee Minute

Meeting Details

Minute of the meeting held on 05 October 2023 (1.00pm – 3.45pm).

Present: Dr C Hunter (Convener), K Gifford (Vice-Convener), A Bannister, Dr G Barron, M Clare, N Crawford, A Easton, S Elston, P Innocent, M McGinlay, Professor R Marcella, J Oshodi, Professor S Olivier, Professor N Seaton, J Strachan, T Walker, E Walton.

Apologies: J Booth, A Campbell, N Fyfe, Dr J Isaacs, P Murray.

In Attendance: F Adams (Clerk), C Baird (Item 10), D Beaton, Dr D Cockburn, Professor L Kilbride, M McCall (Item 4), W Somerville (Item 8), V Strachan (University Secretary).

Item	Business	Action
	<p>CHAIR'S OPENING REMARKS</p> <p>Members were welcomed to the first meeting of Session 2023-24. A particular welcome was extended to P Innocent and J Oshodi, attending their first meeting in their capacity as Student Governors. The apologies received were noted.</p> <p>The Chair expressed sadness in the acknowledgement of the recent passing of Margaret Buchan on 18 August 2023 who had contributed significantly to the University in her roles both as a member of staff and as a University Governor.</p> <p>The Chair led the Board in standing for a moment of silence in a mark of respect for Margaret.</p>	

The Chair acknowledged there had been no additional interests declared beyond those recorded in the Governors' profiles at www.rgu.ac.uk/about/our-leadership/board-of-governors.

The Chair informed the Board the intention to reformat the annual one-to-one discussions this year into small group discussions

Action Arrangement of Board member discussion groups.

C Hunter

1. MINUTE AND MATTERS ARISING

1.1 Minute

The committee **approved** the *Minute of the Board of Governors Committee* meeting held on 22 June 2023 (GOV/23/4) for publication.

Action Publication of *Minute of the Board of Governors Committee* meeting held on 22 June 2023 (GOV/23/4).

GAQ

1.2 Matters Arising Report

The committee noted the updates provided by the University Secretary on the *Matters Arising from the meeting held on 22 June 2023*.

Action GOV/23/4 Item 5.1- External advisor appointment to assist with preparation of the outsourcing and necessary revisions to the *Investment Policy* to be finalised.

Dr C Hunter,
K Gifford, A
Bannister, V
Strachan &
M McCall

Action GOV/23/4 Item 8 – Further consideration of the Staff survey results to be undertaken at Staff Governance Committee at its meeting on 2 November 2023.

V Strachan

Action AUC/24/1 Item 8 - Analysis of Governor and external Committee member returns to be presented to the next meeting of Governance and Nominations Committee on 22 November 2023.

V Strachan

2. CONSIDERATION OF ANY MATTERS ARISING FROM THE BOARD STRATEGY EVENT

The Chair thanked the Governors for their participation and valuable insights gathered from the preceding Board Strategy Event.

The Chair thanked the School of Engineering Presentation by Andy Chan and the visit by Board members to view research work of the School. The Board appreciated the opportunity to see the research and visualise how it relates to everyday life solutions. The Board reflected on a potential opportunity to relaunch the School of Engineering, brand, and course titles with the introduction of new Dean.

The group discussions on the opportunities and challenges facing the university in the HE Reform Agenda and the Budget Case for Universities. Opportunities for the university from the reform proposals were discussed. Challenges for the university were also discussed alongside ideas for influencing budget discussions within Scottish Government.

3. PRINCIPAL'S UPDATE

The Board received the comprehensive *Update* from the Principal.

The Principal provided an update regarding recruitment for the Director of Finance. An Interim Director of Finance has been appointed and will commence on 16 October 2023. The current Director of Finance will provide a handover

during the initial two weeks prior to undertaking specific project work. The recruitment for a permanent Director of Finance remains ongoing.

The Principal outlined additional key staffing changes:

- In September, the new Director of IT and Digital Richard Lynch joined the University.
- The new Director of Library and Learning, Jennifer Loudon, will commence on 16th October 2023.
- Dean of Gray's School of Art Libby Curtis will be succeeded by Dan Allen, who arrives from Bath Spa University where he is Head of the School of Art, Film & Media. He will commence on 1st November 2023.
- Jill Stevenson has recently been appointed as Director of Student Life with the expectation she will take up post in January 2024.

The Principal extended congratulations to Peter Exley, Dean of The Scott Sutherland School of Architecture & Built Environment for his recognition in the American Institute of Architects (AIA) Illinois Awards for Outstanding Lifetime Service and receiving a Gold Medal for his previous work on delivering an equitable and inclusive built environment for children, families, and communities.

The outcomes of significant university league tables have recently been published with The Times and Sunday Times Good University Guide 2024 placing Robert Gordon University (RGU) as one of the UK's best institutions for both teaching quality and student experience.

The University launched four new upskilling courses, Hydrogen Energy Systems, Geothermal Energy and Applications, Wind Energy Systems, and

Carbon Capture, Utilisation and Storage at Offshore Europe 2023 in September.

The Principal confirmed, as a consequence of financial challenges and the decline in international student enrolments, budgets are under pressure and the Executive have started to take steps now to control and reduce costs, so our financial position remains strong. These include recruitment control measures, university-wide budget review work, some scaling down or deferring of planned expenditures and investments, action to drive enrolments for January 2024 and further work on exploring cost reduction measures and ways to increase revenue.

Further general engagement with Politicians is planned and the Scottish Labour's Shadow Cabinet Secretary for Education and Skills is due to visit the University in October.

The Principal provided additional updates in relation to

- The increase in its Research and Knowledge Exchange income for the 12-months ending 31st July 2023, an increase of 28.2% on the previous year.
- Work being underway for the University's submission to the next Research Excellence Framework in 2028.
- Globalisation Committee, chaired by the Vice-Principal for Strategy and Planning, has been established to direct and co-ordinate international activities.
- A Sustainability Group, chaired by the University Secretary, has been established to oversee our efforts in reducing carbon emissions.
- Winter Graduation will be held on Monday 11th and Tuesday 12th December at the Music Hall.

4. STRATEGIC PERFORMANCE OVERVIEW 2022/23

4.1 2022/23 Business Plan – End of Year Report

The Board **approved** the *2022/23 Business Plan – End of Year Report* as presented by the Director of Finance.

University's positive performance against its key performance indicators in the 2022/23 academic included: the University scored significantly above its expected benchmark performance across The Times Higher analysis; achieved its highest ever total for research and knowledge exchange revenues; exceeded target (by 50%) for the number of knowledge exchange awards; launched the University's first Orkney Strategy; grew Transnational Education (TNE) activities and achieved a 93% staff commitment result in the 2022/23.

The plan highlights the future challenges for the University with regards to an uncertain public policy and public funding environment, sector wide challenges to recruit to funded places and a decline in international student numbers.

4.2 Management Accounts 2022/23

The Board considered *Management Accounts 2022/23* as presented by the Director of Finance.

The Director of Finance presented the draft consolidated *Management Accounts for the period to 31 July 2023* which were subject to final adjustment and audit.

In summary, the accounts provide a strong balance sheet with a profitability of £3m for the 2022-23 accounting year. It was acknowledged while cashflow shows a £3.6m decrease, this includes a £5 million transfer into a working

capital deposit. In this draft consolidation, the University has a surplus of £3.5 million achieved at the end of the 2022-23 financial year.

The Board discussed a review of the financial metrics may be prudent to take into account of operating increasingly in international markets.

The committee commended the strong outcomes for the 2022-23 year and positive cashflow increase to assist the University with the impact of expected deficit for 2023-24.

5. STRATEGIC PERFORMANCE 2023/24

Vice Principal for Strategy and Planning presented the *Student Recruitment Update* the preliminary overview of recruitment for semester 1.

Most significant challenges for the University are the uncertain public policy and funding environment, sector wide challenges to recruit and decline in international student numbers. The current best estimate overall is that the university is operating with lower-than-expected student numbers and will be in a clawback situation as in 2022-23.

A combination of visa dependent issue and the downturn in the Nigerian economy, the University is subject to a significant decrease in student intake from Nigeria. While other markets have increased significantly, this is not at the rate required to offset the Nigerian decrease. The establishment of a Globalisation committee will help to coordinate and drive international efforts.

The Principal added that additionally the University's cost base has increased with utilities exceeding budget by around £1.5 million. It is expected that the University will be working within the downside forecast around a year earlier than projected. To minimise the impact, there are plans to open all courses in

Aberdeen Business School, Creative and Cultural Business and Engineering for semester 2.

Early engagement with the Trade Unions has occurred and been very constructive. Further details will be presented to staff at the upcoming Townhall, and questions will be answered.

Further information, re-forecasting, and a review of assumptions of the budget scenarios will be presented at the next FGPC and Board meetings.

Action Re-forecasting of budget figures to present at the next FGPC and Board Meetings.

D Cockburn

6. BUSINESS PLAN

The Board considered and **approved** the *Business Plan 2023/24 to 2027/28* from the Vice-Principal for Strategy and Planning.

The coming academic session presents the University with significant challenges, such as: an uncertain public policy and public funding environment; sector wide challenges to recruit to funded places; and a decline in international student numbers. Cost-control activity is underway and necessary over the course of the 2023/24 academic session.

The Audit Committee approved that two risks would have their gross scores increased: the risk on tuition fees due to shortfall in student intake has been increased from 20 to 25 and the risk on the cost-of-living crisis has been increased from 16 to 20.

The Committee **approved** the *Business Plan 2022/23 End of Year Report*.

7. **QUALITY ASSURANCE**

The Board **approved** the *Annual Report and Statement of Assurance to the Scottish Funding Council (SFC): 2021-22 Institution-Led Review of Quality Enhancement* for which had been submitted to the SFC.

8. **SIR IAN WOOD BUILDING**

This item contains sensitive information and has been redacted.

9. **STANDING COMMITTEES**

9.1. **Audit Committee**

The Board noted the update provided from a Committee member from the *Audit Committee* held on 12 September 2023.

There were four Internal Audit Reports from 2022/2023 presented by representatives of the previous auditor PWC in conclusion of their service:

- *Vacancy Management, School of Nursing, Midwifery and Paramedic Practice*
- *Research pre-Award Process*
- *IT Asset Management*
- *Staff Services – Payroll*

From the four reports there were no high-risk findings, eight medium risk and seven low risk findings. Target dates for achieving the recommendations range from August 2023 to July 2024.

The final PWC Follow-Up Report commended the University's consistent position of adequacy and effectiveness of governance, risk management and control with no critical or high outcomes in 2022/23 and a number of areas of good practice found.

The meeting welcomed representatives of KPMG who are now engaged for the provision of internal audit services commencing 2023/24.

KPMG presented the *Internal Audit Plan 2023/24* as established with the University's Executive over the summer. The plan will be routinely monitored with in-year adaptations expected. The Audit committee had **approved** the *Internal Audit Plan 2023/24* and **approved** the *Internal Audit Charter*.

9.2. Finance and General Purposes Committee (FGPC)

The Board noted the *draft Minute of the Finance and General Purposes Committee* meeting held on 14 September 2023, with the majority of substantive items being covered on the Board agenda.

10. RGU FUNDRAISING

This item contains sensitive information and has been redacted.

11. BOARD OF GOVERNORS: TRAINING AND DEVELOPMENT

The Board noted an induction event was held on 29 August 2023 for the new Students Governors.

New Board members were invited to attend the *Advance HE: Governance Development Programme: New Governors of Scottish HEIs*, on Wednesday 25

October 2023 (09:30 – 13:00) virtually - [GDP: New Governors of Scottish HEIs | Advance HE \(advance-he.ac.uk\)](#)

Board Visits 2023/24, were proposed by the Governance and Nominations Committee and are as follows:

- October 2023 – School of Engineering at the Board Strategy Event
- December 2023 – Visit to the Digital Innovation Hub.

Immediately following the meeting, Board Members were invited to visit the new Digital Hub on level 9, Sir Ian Wood Building which had been completed recently.

12. COMMITTEE EVALUATION

The 2022/23 Committee Evaluation questionnaire will be issued to members shortly; the results will be discussed at the December meeting.

Action Issue of committee evaluation questionnaires.

V Strachan

13. DATE OF NEXT BOARD MEETING

The meetings for Session 2023-24 were noted as follows:

- 14 December 2023 at 9.00am in H230, Ishbel Gordon Building
- 21 March 2024 at 9.00am in H230, Ishbel Gordon Building
- 27 June 2024 at 9.00am in H230, Ishbel Gordon Building