

# Board of Governors Committee Minute

## Meeting Details

Minute of the meeting held on 14 December 2023 (9.00am – 1.15pm).

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

**Apologies:** J Booth and N Crawford.

**In Attendance:** J Azeem (Clerk), D Beaton, S Cameron (Item 4), Dr D Cockburn, H Simpson, Professor L Kilbride, W Somerville (Item 9), V Strachan (University Secretary) (remotely).

## Declarations of Interest:

No additional interests were declared beyond those recorded in the Governors' profiles at <https://www.rgu.ac.uk/about/our-leadership/board-of-governors>

Item	Business	Action
	<p><b>CHAIR'S OPENING REMARKS</b></p> <p>The Chair welcomed Helen Simpson as the <i>interim Director of Finance</i> to her first meeting of the Board.</p> <p>The recent graduations in the Music Hall had been very successful and the Chair and the Principal recorded their thanks to Christina and her Team, on her first graduation ceremonies and to the Communications Manager.</p>	

## 1. REMUNERATION COMMITTEE

**No members of the Executive were present for this item, and papers were circulated to Board members only.**

This item contains sensitive information and has been redacted.

**Members of the Executive joined the meeting.**

## 2. MINUTE

### 2(a) Minute

The Board **approved** the Minute of the Board of Governors Committee meeting held on 5 October 2023 for publication.

Action Publication of Minute of the Board of Governors Committee meeting held on 5 October 2023 (GOV/24/1).

GAQ

### 2(b) Action Tracker

The addition of an Action Tracker to the Matters Arising report was found helpful.

It was also noted that the Annual Declaration submission was now complete.

### 2(c) Matters Arising Report

The Board noted the updates provided by the University Secretary on the Matters Arising from the meeting held on 5 October 2023.

### 3. PRINCIPAL'S UPDATE

The Board received a report from the Principal. He also advised the Board of the Director of Finance interviews taking place tomorrow.

The REF Submission has been extended (now REF2029).

The Chair reminded members, that RGU were legally a Charity, and the Board were Trustees and should manage accounts responsibly and show prudence taking appropriate risks.

The Principal explained that each Executive lead had been given a Workstream to investigate. The Workstream Groups were meeting every Tuesday and the findings discussed at Executive meetings. Regarding staffing issues, posts were being dealt with by a special small panel who met every two weeks to consider applications for new/replacements posts. These applications were scrutinised thoroughly and if felt essential got approval, only after ensuring that nothing could be done in-house.

Communications needed to be transparent, and the Principal had spoken at Townhall event, in the Bulletin and in his monthly video.

The Principal invited Executive Leads to give a short update:

FTP1 – Vice-Principal, Research – Focus on Structural Arrangements and the need to optimise. Schools had been concentrated on at this point in time and a few options were identified.

FTP2 – Staff Costs – considering mechanisms to reduce staff costs. Developed a Voluntary Severance Scheme (VS) in advance of any potential implementation

in the future. Flexible working would also be an option where staff can reduce their hours giving small surpluses to Schools/Departments.

FTP3 - Budget Operations – All budgets were being scrutinised to identify potential savings including other admin costs, subscriptions, memberships etc.

FTP4 - Revenue generation – this is exploring alternative options to generate funds/ surplus.

FTP5 - Infrastructure – Major Projects/Investments. Workstream had reviewed and stopped some major projects which had been approved in June 2023.

Currently looking into all business needs and ensuring health and safety work is prioritised.

What are the next steps?

1. Discussions ongoing on the timelines.
2. Senior Managers coming back with costs savings/efficiencies.
3. Revenue Generation plans being assessed by Finance.

It was decided to hold a Special Board Meeting in February 2024 to consider further.

#### **4. FINANCIAL SUSTAINABILITY**

##### **4(a) Financial Transformation Project**

The Principal updated the Board on the University's Finance Transformation Project (FTP) and the external financial and policy environment in which it is being undertake. The FTP paper providing an opportunity for the Board to consider the actions, including mitigations, being taken, and planned to reduce

the University's financial deficit and read in conjunction with the financial forecast.

Approach to communication and engagement has played an important role as the University has embarked on the FTP. Communication has been categorised into messages for an all-staff forum, and separately for the University's management group. Townhall events have been used to expand on messaging.

The University's Management Group (UMG) have also been regularly engaged through detailed briefings and guidance on confidentiality and appropriate messaging. FTP has been the focus of two staff townhall sessions, including the most recent townhall held on 22nd November and was also discussed at UMG the same day as well as being communicated in the regular Principal's update to staff. Trade Unions have also been appraised on developments and their next meeting will focus on the draft VS Scheme.

Communication has been prepared for external use in the event that the University's situation is leaked into the public domain. Feedback from staff has indicated that the current level of engagement and visibility of the University's Executive has been appreciated, and many have praised the Executive for the openness and transparency.

Updates will be provided to the Chair of the Board of Governors on a six-week basis and to the Board of Governors during quarterly Board meetings. Five FTP workstreams were established in October as key components of the FTP. This paper updates the Board on each workstream and its work to-date. While the workstreams are considering proposals over the short, medium, and longer-term, there is a focus on the short-term actions that can be taken given the pressing need to both reduce costs and increase revenue to avoid eroding the University's cash position.

A project plan has been developed and is being kept under review by FTP. While membership of each workstream has been kept reasonably small so that they can be agile, the workstreams are drawing upon the expertise of others within the University, as appropriate.

Each of the Leads for the five workstreams updated the Board on the detailed work within their workstream.

#### **4(b) Financial Forecast**

The Interim Director Finance presented the Revised Financial Forecast as contained in the Board paper. This was a detailed presentation including the reasons behind the increased forecast deficit in comparison with the forecast submitted to the SFC in June 2023.

The five-year financial forecast submitted to the SFC earlier this year this included an underlying forecast deficit of £3.1m (£4.4m forecast deficit for the year). This was the last forecast formally approved by the Board and used as the baseline to compare with this revised forecast.

During October it had become clear that the forecast urgently required updating and an indicative figure of £10m was quoted at that time. In early November, this forecast was refined with an updated underlying forecast deficit of £12.8m (£12.2 forecast deficit for the year) and was presented to the Finance & General Purposes Committee. This revised forecast is based on the financial position up to 31 October 2023 and would be further reviewed to reflect mitigations and other relevant changes resulting from the FTP process.

The revised forecast shows a reduction in cash and cash equivalents at the end of 2025/26 to £1.4m. The Interim Director of Finance highlighted the importance of prompt action to address the forecast financial deficit and the

seriousness of the cash consequences if not addressed. Keeping the SFC informed and in advance of the revised forecast being submitted.

The Board were requested to review the revised forecast noting the risks identified and the additional mitigations which will be incorporated in the forecast during January. Board members were requested to note the deterioration in cash flow which requires urgent action. The final year of the revised forecast shows only a small cash and cash equivalents balances of £1.4m which is insufficient to meet operational needs.

**4(c) Schemes Options: Voluntary Severance and Compulsory Redundancy**

Board members discussed the VS scheme and it was agreed that 1.5 was the correct balance in the interim. Further discussion of the scheme will take place at Staff Governance Committee.

SGC

**5. BUSINESS PLAN**

**5(a) First Quarter Report on Business Plan 2023/24**

**5(b) Revised Business Plan 2023/24 to 2027/28**

Board members noted the Revised Business Plan for 2023/24 to 2027/28, which was previously discussed at the recent Finance and General Purposes Committee.

## 6. ANNUAL REPORT AND FINANCIAL STATEMENTS

The Board considered the Annual Report and Financial Statements for the year ended 31 July 2023, as previously considered by the Financial and General Purposes Committee. The Board also considered the following:

- External Auditors, Henderson Loggie's Audit Report Findings 2022/23; as discussed by the Audit Committee.
- Letter of Representation relating to the Annual Report and Financial Statements, it was important that all Board members read this as it went out signed from the Board.
- Confirmation from the Conveners of the Audit and Finance and General Purposes Committees of their agreement to the approval of the Annual Report and Financial Statements for the year ended 31 July 2023.

Action The Board **approved** the Annual Report and Financial Statements for the Year Ended 31 July 2023, ready for signature by the Chair, and the annual Letter of Representation.

## 7. OUTCOME AGREEMENT

The Board **approved** the Outcome Agreement Self-Assessment Report 2022/23 and Outcome Agreement 2023/24 for Submission to the Scottish Funding Council



**8. RISK APPETITE STATMENT**

This item has been deferred to the March 2024 meeting.

**9. SIR IAN WOOD BUILDING [STRICTLY CONFIDENTIAL]**

The Board considered the Sir Ian Wood Building - Progress Update report from the Director of Estates and Property Services and noted the planned actions within.

**10. ACADEMIC COUNCIL**

The Board noted the report from the Academic Council meeting held on 30 November 2023.

**11. STUDENT UNION: ANNUAL REPORT AND BUDGET**

The Board noted the report and approved the Annual Budget from the Student Union.

**12. NORTHEAST SCOTLAND COLLEGE AND ROBERT GORDON UNIVERSITY  
ANNUAL REPORT, DECEMBER 2023**

This item was deferred to the March 2024 meeting.

**14. STANDING COMMITTEES****14.1. Audit Committee**

The Board noted the appointment of new auditors:

External: Henderson Loggie for the financial years 2022/23 and 2023/24 with 2 additional one-year extensions available if required.

Internal: KPMG was appointed covering the financial years 2023/24 to 2025/26 also with 2 additional one-year extensions available.

#### **14.2. Finance and General Purposes Committee (FGPC)**

The Board noted the Minutes.

#### **14.3. Governance and Nominations Committee (GNC)**

The Board noted the Minutes.

#### **14.4 Staff Governance Committee (SGC)**

The Board noted the HR Strategy update.

The Board of Governors endorsed the measures taken in respect of health and safety governance and management, and approved the annual report. In addition, the Board of Governors endorses the SGC approval of the annual health and safety plan for year 2023/24.

#### **15. VISIT TO DIGITAL INNOVATION HUB**

The Board had a successful and insightful visit to the Hub.

#### **16. STUDENT UNION CONSTITUTION AND REGULATIONS**

The Board noted the revised Student Union Constitution and Regulations.

## 17. RGU EVENTS

The Board noted the following events:

- **Staff Carol Service** – this would be held on 14 December 2023 from 2-3pm in the Staff Common Room, Garthdee House Annex.
- **Staff Festive Reception** – this would be held on 14 December 2023 from 3-5pm in the Staff Common Room, Garthdee House Annex.
- **Board Dinner** – this will be held on 1 February 2024.
- **Boat Race** – this will take place on 24 February 2024.
- **Graduation Ceremonies 2024** – summer graduations 2-5 July 2024, winter graduations 9-10 December 2024.

## 18. BOARD OF GOVERNORS: TRAINING AND DEVELOPMENT

Patricia Innocent and Jonson Ishodi, attended 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 \(advance-he.ac.uk\)](#)

## 19. DATE OF NEXT BOARD MEETING

The meeting of the Board of Governors will be held on 21 March 2024 at 9.00am in H230, Ishbel Gordon Building.

## 20. CHAIR'S APPRAISAL

In accordance with the Scottish Code of Good Higher Education Governance a meeting of the Board members and the Board Intermediary, without the Chair present, took place to appraise the Chair's performance.

The Board confirmed that Chair was committed and productive in his role. The Chair was very dedicated to his role within RGU and dealings with the Principal and Executive. The Board Intermediary thanked those who had responded.

Dr C Hunter, C