

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
HELD ON 19 JUNE 2017 AT 2.00 PM

Present: Clare Hudson (Chair)
Hilary Boulding (Principal)
Michael Lowe (SU President)
Professor Julie Lydon (Vice Chancellor)
Jon Frost
Jemma Terry
Brian Weir
Mark Taylor (by Skype)

William Callaway (Company Secretary)

In Attendance: Scott Allin, Dr John Cranmer, Sean Crowley, Lloyd Pearce,
Stephanie Williams

PRELIMINARIES

As the Board was currently without a permanent Chair, directors were asked to nominate a director to Chair the meeting. Clare Hudson was nominated to act as Chair and the directors agreed to this.

The Company Secretary reported that Lloyd Pearce had been elected as the new Student Union President for 2017/18 and asked the Board if they were content for him to join the meeting ahead of him being becoming President. The Board agreed to this request and welcomed the Student President elect to the meeting.

DAMEHOOD FOR PRINCIPAL IN QUEEN'S BIRTHDAY HONOURS

On behalf of the Board, the Chair congratulated Hilary Boulding on being awarded a Damehood in the Queen's Birthday Honours for her services to performing arts education.

DECLARATIONS OF INTEREST

General and specific declarations relating to the relationship between the USW and RWCMD and the papers to be considered at this meeting in particular were made by all directors who were USW governors and members of staff, and directors who were employed by the College and the RWCMD Students' Union.

Jemma Terry declared an interest in respect of her company, Odgers Berndtson, which had carried out work for the University of South Wales and other universities.

1. MINUTES

1.1 Minutes of Meeting held on 3 April 2017

The Board received the minutes of the meeting held on 3 April 2017. It was noted that the fourth paragraph of the 'Preliminaries' had been added by the nominated Chair, Mark Taylor and indicated that the directors at the meeting had agreed that Brian Weir as Staff Director should be seconded onto the sub group of the Board. However, the Company Secretary explained that this was not the case; the Staff Director had been invited to *attend* meetings of the sub group, not as a member, would receive copies of the papers for information and be copied into relevant correspondence, as was the case for the other directors who were not on the sub group.

Subject to the third paragraph of the 'Preliminaries' being amended to clarify the position and to the fourth paragraph being removed, the Board APPROVED the minutes of the RWCMD Board meeting held on 3 April 2017.

1.2 Matters Arising from the Minutes of 3 April 2017

1.2.1 At the meeting held on 3 April 2017, the Board noted that as the meeting was not quorate, the Vice Chancellor would be asked for her feedback/approval on the decisions made.

1.2.2 It was noted that the Vice Chancellor had subsequently confirmed that she was happy to support the Board's recommendations on the following items:

- Minute 1.1 – approval of the minutes of 23 January 2017
- Minute 4.2 – RSD Awards Business Plan (approval of phase 1)
On the basis that was agreed at the Board i.e. no financial risk to the College, the Vice Chancellor supports taking this forward with the other colleges. The Vice Chancellor and the Principal recognise that this will mean that senior managers in the College will need to work on this; however, the securing of funding will determine the immediate future of the venture.
- Minute 6.1 – approval of student fees 2018/19
- Minute 8.1 – approval of schedule of RWCMD Board meetings in 2017/18
- Minute 9.1 – approval of Risk Register
- Minute 10.3 – endowment funds – College's appetite for risk (approval of two recommendations)

2. **APPOINTMENT OF CHAIR AND NON-EXECUTIVE DIRECTORS**

2.1 Update on the Appointment of the Chair and Non-Executive Directors

The Board received an oral update on the appointment of the Chair and Non-Executive Directors. The discussion of this item is contained in a confidential appendix to these minutes.

2.2 Board Membership of the College

The Board received a paper from the Company Secretary on Board membership of the College. It was noted that it was considered good practice to have at least one director who had no connection to the University or the College other than being a director of the College.

It was noted that the University had intentionally not made appointments this year to allow the incoming Chair the chance to influence the composition and size of the Board. The Search Agents, Odgers, had been employed to assist with the appointment of at least two directors as part of the search process for the Chair. The Board noted that the Chair would not now be appointed until July 2017.

The Board noted that Mark Taylor had been a director of the RWCMD Board since 1 August 2011 and would complete his maximum, six-year term of office on 31 July 2017. In order to allow for continuity and to proceed with at least one independent director, the Board discussed the possibility of Mark Taylor remaining a director (exceptionally) beyond the end of his second three-year term until the end of the calendar year, 31 December 2017. This would allow time for new independent directors to be appointed by the University in consultation with this Board and its new Chair. Mark Taylor confirmed that he had agreed to this extension to his term of office.

The Board AGREED to recommend to the Board of the University that Mark Taylor be reappointed as a director of the College for an exceptional extension until 31 December 2017.

3. APPOINTMENT OF PRINCIPAL

[The Principal left the meeting for this item and rejoined the meeting for item 4].

- 3.1 The Board received an oral update on the appointment of a new Principal. The discussion of this item is contained in a confidential appendix to these minutes.

4. REPORT FROM PRINCIPAL

4.1 Principal's Report

The Board received a report from the Principal which covered a number of items including the following strategic issues: league tables; funding; opera school; CPIs; Junior Conservatoire 20th Anniversary; UCAS Conservatoires application system (formerly CUKAS); and Chair of Conservatoires UK. The report also contained details of profile-raising events, performance programme, academic matters, and student successes.

4.1.1 League Tables

The Principal highlighted the excellent result for RWCMD Drama as 1st out of 87 institutions listed in the 'Drama and Dance League Table'. Good progress was also being made in Music, where some administrative changes were being made to strengthen several aspects.

4.1.2 Diversity Article in The Stage Magazine

It was noted that in a survey of UK drama schools conducted by The Stage in April, RWCMD had come out at the lowest percentage of BAME students on drama courses (just under 7% BAME students with 44 students out of 297 not disclosing their identity). The Principal reported that the College did well on social diversity and social mobility in younger students and was undertaking a lot of work to increase its percentage of BAME students.

4.1.3 Opera School

The Board noted that the RWCMD Opera School had been launched in February 2017. The discussion of this item is contained in a confidential appendix to these minutes.

4.1.3 College Aims and CPIs

The Board received an update on the CPIs, including a summary assessment of institutional performance and proposals for change. The Board noted the College's four key aims as agreed in the last five years. It was reported that the CPIs were slightly out of date and targets would be rewritten when the strategic plan was revised.

It was noted that there were no 2017/18 targets on the report. It was AGREED that the Vice Principal (Resources) would update the report to include targets for 2017/18 and request the Board's agreement via electronic circulation.

4.2 Report on Strategic Initiatives

The Board received a report on Strategic Initiatives – succession arrangements. It was noted that as part of the Principal's handover activity, she had sought to allocate all 'live' strategic workstreams – many of which formed a core part of her day-to-day activity – to individual members of staff. These workstreams were central to the strategic development of the Conservatoire: many were developments that required planning over

a number of years; several involved external partnerships; many had interdependencies that needed to be aligned; several had specific fundraising requirements.

It was noted that in order to manage these key initiatives, the Principal had established a Project Board that met fortnightly. The Board noted a table setting out these strategic projects and identifying the member of staff who had been allocated as the project leader going forwards.

The Principal reported that she had thought it important for the Board to have a full understanding of these arrangements. The Board AGREED that an update on this activity should be received at the next meeting.

5. RISK REGISTER

- 5.1 The Board received the College's updated risk register, which had also been considered by the Audit Committee at its meeting on 12 June 2017. The Board noted a coversheet, which included a table outlining the most significant risks of the quarter, as agreed by the SMT.
- 5.2 It was noted that the risk register had been reviewed since the last quarter and no significant new amendments had been made apart from minor updates.
- 5.3 It was reported that there were a high number of critical (red) risks on the register, the reasons for which were linked to the current situation regarding the lack of a Chair, skills gap on the Board, reduction in premium funding etc. As soon as action was taken to alleviate these risks, for example, the imminent appointment of a Chair, the risks would be removed. The College considered it necessary to keep the high level of risk in place for now even though the Audit Committee had expressed discomfort with this approach.

6. BUDGET FOR 2017-2018 & FINANCIAL FORECASTS FOR 2018-19 TO 2021-22

- 6.1 The Board received and considered proposals on the budget for 2017/18 and the financial forecasts for the period 2018/19 to 2021/22. The Vice Principal (Resources) reported that the paper had been written before the 2017/18 HEFCW Funding Allocations circular had been published.
- 6.2 It was noted that the figures forecast that the College would report a surplus of around £240k for 2016/17, which reflected the £1.1m one-off funding allocated by the Welsh Government. It was reported that although the formal letter had not yet been received, HEFCW had confirmed that this £1.1m funding would be provided. However, the forecasts also showed a significant deficit of £1,648k in 2017/18 onwards, with the results triggering the bank covenants in 2017/18.
- 6.3 The Board noted that the decision to set a deficit budget continued to be taken in the knowledge that the reviews by Murphy and Diamond were ongoing and were likely to change the nature of conservatoire and HE funding in the future.
- 6.4 Noting the forecast deficit, the Board APPROVED the budget for the 2017/18 year, pending the outcome of the Murphy Review. The budget would also be considered for approval by the Finance and Resources Committee at its meeting on 26 June 2017.
- 6.5 The Board NOTED the draft forecasts for the period 2018/19 to 2021/22. The 2017/18 budget and forecasts would be reviewed following the outcome on the Murphy Review and any changes brought for approval.

7. STUDENTS' UNION BUDGET

7.1 The Board received the Students' Union projected budget for 2017/18. It was noted that the budget for the financial year ending 31 July 2018 had been considered by the current Students' Union Executive Committee but remained subject to ratification by the Students' Union Executive Committee for the academic year 2017/18, once they commenced their positions on 1 August 2017. The Board noted that this was a very good budget.

7.2 The Board APPROVED the Students' Union projected budget for 2017/18.

8. 2017 PAY AWARD

8.1 The Board received and noted a progress report on the latest position of the 2017 pay negotiations for Higher Education, which had also been considered by the Human Resources Committee.

8.2 It was noted that the five recognised trade unions were consulting their members about the final offer but no formal response was expected until late June.

8.3 The Board of Directors AGREED to recommend the implementation of the pay award to employees of RWCMD Ltd once agreed, from 1 August 2017, subject to the approval of the Board of Governors (or the Chair of the Board and the Chair of the HR Committee).

9. VICE PRESIDENTS

9.1 The Board received a report on the appointment and reappointment of the President and Vice Presidents.

9.2 It was noted that four of the nine Vice Presidents were appointed until either July 2018 or July 2019.

9.3 The Board APPROVED the following proposals:

- that Captain Sir Norman Lloyd Edwards and Rhodri Talfan Davies be invited to continue to serve as Vice Presidents for a further term to July 2019;
- that Sir Anthony Hopkins, Dame Gwyneth Jones and Michael Sheen be invited to continue to serve as Vice Presidents for a further term to July 2020.

9.4 It was noted that the paper also proposed that a request be made of the Board of the University to renew the President's appointment as a Pro Chancellor of the University until July 2018. The Board AGREED that if the President's reappointment as Pro Chancellor had not already been approved until July 2018, then the Company Secretary would take the request forward for Board of Governors' approval at its meeting on 3 July 2017.

10. ANNUAL WORK PLAN 2017/18

10.1 The Board received and APPROVED the annual work plan for the Board of Directors in 2017/18, subject to the addition of the following items:

- Appointment of the Principal
- CPIs

11. TRUST FUNDS

11.1 Valuation of Trust Funds to 30 April 2017

The Board received a report from Brewin Dolphin on the valuation of trust funds to 30 April 2017, where it was reported that a 2.74% yield had been achieved.

11.2 Report on the Recommended Awards for 2016-2017

The Board received a report on the financial performance of the Trust Funds for the year to date and the proposed distribution of prizes.

The Board APPROVED the proposed distribution of prizes for 2016/17 in the sum of £43,810.

12. FINANCE REPORTS

12.1 Management Accounts to 30 April 2017

The Board received the management accounts to 30 April 2017. The Board noted a summary of variations to the original budget, and it was reported that the overall forecast outturn for 2016/17 had improved from an original deficit budget of £928k to £860k and now to a £240k surplus. The Board noted the reasons for this improvement.

The Board noted the financial position for the year to 30 April 2017.

12.2 Report on Development

The Board received a report on Development. Members noted progress against key campaign targets for 2016/17.

13. AUDIT REPORTS

13.1 Internal audit reports for the 2016/17 programme

The Board received the following internal audit report:

13.1.1 Key Financial Controls

The audit had received a 'Substantial' rating for Payroll and a 'Moderate' assurance rating for Purchasing and Payments. The key findings from the audit were discussed, and it was noted that one medium and four low priority recommendations had been raised and accepted by management. It was reported that the necessary actions were being implemented.

13.2 Draft Report of the Internal Auditors for 2016/17

The Board received and noted the draft report of the Internal Auditors for 2016/17.

13.3 Draft internal audit programme for 2017/18

The Board received and noted the details of the draft internal audit programme for the University of South Wales Group for 2017/18, noting in particular the sections relevant to the College on pages 8 and 9.

14. HEALTH AND SAFETY MATTERS

14.1 Health and Safety Report

The Board received and noted a report on Health and Safety matters, including an update on: accident/incident reporting; fire drills from February to April 2016; Display Screen Equipment (DSE); H&S training; Risk Assessment; COSHH Assessment; University Health and Safety Audit; procedures; and USW Health and Safety Committee.

14.2 Minutes of the Health and Safety Committee 16 May 2017

The Board received and noted the minutes of the Health and Safety Committee held on 16 May 2017.

14.3 Safeguarding Report

The Board received and noted a report of the Safeguarding, Welfare & Prevent Group dated 6 June 2017. It was noted that a review of safeguarding procedures would be undertaken over the summer.

15. REPORTS FROM COMMITTEES OF UNIVERSITY BOARD

15.1 The Board received and noted the following:

- **Audit Committee:** minutes of the meeting held on 27 March and a report of matters considered at the meeting held on 12 June.
- **Finance & Resources Committee:** minutes of the meeting held on 27 February.
- **Human Resources Committee:** minutes of the meeting held on 22 May.
- **Board of Governors:** minutes of the meeting held on 13 March.

15.2 It was noted that Minute 4.4 of the Board of Governors minutes implied that an immediate change had been approved to the College Articles to coincide with the appointment of the new Staff Director. The Company Secretary reported that the intention had been to wait until the new Chair had been appointed before making any changes to the Articles as it was possible that a number of other changes may be required, which could then all be made at the same time. The Company Secretary would check this matter and request an amendment be made to the minutes if necessary at the USW Board meeting on 3 July.

16. RWCMD PRINCIPAL – HILARY BOULDING

16.1 The Chair reported that this would be the last meeting of the Board for Hilary Boulding DBE as she stepped down from her post as Principal of RWCMD to take up her new appointment as the next President of Trinity College, Oxford, from 1 August 2017. The Chair highlighted the Principal's outstanding achievements at the College during the ten years since her appointment. On behalf of the Board, the Chair thanked Hilary for her inspirational leadership and exceptional contributions, and wished her well for the future.

16.2 The Principal thanked the Board and College staff for their support during her time at the College, which she considered to be a very special institution.

RESERVED ITEMS

17. REMUNERATION OF SENIOR STAFF

17.1 The Board considered a paper on remuneration of senior staff from 1 August 2017. The discussion of this item is included within a confidential appendix to these Minutes.

18. CONFIDENTIALITY

18.1 The Board agreed that the following papers received at the meeting gave rise to issues of confidentiality and should remain confidential for at least six months:

- Item 4.1 – Report from the Principal including CPIs
- Item 4.2 – Report on Strategic Initiatives
- Item 5.1 – Risk Register
- Item 6.1 – Budget for 2017/18 and Financial Forecasts for 2018/19 to 2021/22
- Item 7.1 – Students' Union Budget
- Item 9.1 – President/Vice Presidents
- Item 11 – Trust Funds
- Item 12.1 – Management Accounts to 30 April 2017
- Item 12.2 – Development Report

The meeting ended at 4.50 pm.