

**ROYAL WELSH COLLEGE OF MUSIC AND DRAMA LTD
COLEG BRENHINOL CERDD A DRAMA CYMRU CYF**

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS
HELD ON 23 JANUARY 2017 AT 2.00 PM**

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

William Callaway (Company Secretary)

In Attendance: Scott Allin, Dr John Cranmer, Sean Crowley, Lucy FitzGerald, Brian Weir (for item 6.1)

PRELIMINARIES

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

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 24 October 2016

The Board received and APPROVED the minutes of the meeting held on 24 October 2016.

1.2 Matters Arising from the Minutes of 24 October 2016

1.2.1 Report on the Provisional 2015/16 Year-End Positions (Min 8.2)

At the RWCMD Board meeting on 24 October 2016, the RWCMD Board agreed to ask USW to provide a 'Letter of Comfort' to the auditors that noted that it would support the College during the period of uncertainty. The RWCMD Board had noted that USW was unlikely to agree to this but had requested that confirmation be provided on whether or not the letter would be provided.

At its meeting on 12 December 2016, USW Board received the report and accounts for RWCMD Ltd for the 2015/16 financial year. The USW Board confirmed that the University would not be providing the Letter of Comfort to the auditors. The USW Board of Governors also noted that the RWCMD Board had looked at pursuing five different options, one of which was the Letter of Comfort referred to above being

provided. The RWCMD Board noted that the College accounts had been signed off on a 'going concern' basis, with an 'Emphasis of Matter' note highlighting the risk.

1.2.2 **Report and Accounts 2015/16 (Min 8.3)**

The USW Board received the RWCMD report and accounts for 2015/16 at its meeting on 12 December. It was reported that the RWCMD report and accounts were signed off by Clare Hudson (Chair) and William Callaway (Company Secretary) on 14 December 2016.

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

2.1 Appointment of Chair and Principal

The Board received an update from the sub-group on the appointment of the Chair and the Principal. It was reported that presentations from three firms had taken place in London on 18 January to members of the Search Committee for the Chair and the Company Secretary. It was noted that the Principal, College Executive and the Student Director had all had the opportunity to comment on the paper submissions from the search agents for the recruitment of the Chair.

The members of the Search Committee had agreed on the suitability of the firms to assist with the searches for the Chair and Principal. In relation to the search for the Chair of the Board of Directors, it was reported that two firms would now be considered for appointment by the Search Committee.

In relation to the search for the Principal, it was reported that additional search agents would be asked to attend a shortlisting interview at the College, along with the agents already interviewed on 18 January.

2.2 **Academic Board Representation on the Board of Governors (min. 5)**

The Board received a letter from the Chair of the University Board to the College Academic Board dated 19 December 2016 and a reply from the Academic Board dated 12 January 2017, regarding Academic Board representation on the Board of Governors.

The letter from the Academic Board dated 12 January 2017 requested that Chair's action be taken on behalf of the Board of Governors to appoint the Academic Board's nominee to the College Board of Directors now, rather than by summer 2017. It was the Academic Board's view that this would allow the views of staff to be formally taken into consideration at Board level during the recruitment of a permanent Chair and Principal. It would also allow those views to be considered in Board discussions and responses to Lord Murphy's Review concerning the future of the College.

It was reported that this request would be submitted to the Board of Governors electronically, prior to the next meeting in March, and the Academic Board would be informed of the outcome in due course.

The Board of Directors endorsed the Academic Board's request for a nominee of the Academic Board to be reinstated as a full member of the Board of Directors now. The Principal was authorised by the Board to inform the Academic Board of the Board of Directors endorsement of their request.

The Board also discussed possible amendments to the College Articles, and it was noted that the new Chair of the Board may want to make changes to its composition, so scope should be left to do this.

3. APPOINTMENT OF PRINCIPAL

The Principal left the room for the consideration of this item.

The Board received an update from the sub-group on the appointment of a new Principal.

It was noted that meeting dates for the sub-group had been set, and it was hoped that one of the pre-arranged dates could be used to interview potential search agents. It was noted that a quorum for the sub-group had been established of at least three; Clare Hudson, the Vice Chancellor and either Michael Lowe or Mark Taylor. It was noted that the dates would need to be shared with the Academic Board nominee, subject to the approval of their appointment by the University's Board of Governors.

In terms of timescales for the appointment of search agents, it was hoped that the search agent for the Chair would be finalised by the end of January, and the search agent for the Principal confirmed by February.

The Company Secretary informed the Board that the HR department was considering the various versions of the Principal's job description that were available, and that the College Executive (Vice Principal) may be asked to provide information about the College to include in the documentation.

The importance of involving the new Chair in the appointment of the new Principal was noted, and it was noted that two external advisors had also been appointed. The possibility of including a third external advisor with direct conservatoire experience was currently being considered for the search for the Chair. It was noted that no decision had yet been reached on external advisors in the search for the Principal, and the sub-group would welcome any suggestions from the Board.

Details of the process for advertising the post were noted, and it was suggested that the Executive, Academic Board and the student body could be asked to consider the type of person needed for the role, including any required 'soft skills'. It was noted that when the current Principal was appointed, there was a strong focus within the job description regarding the capital development.

It was suggested that members of the Board could be invited to attend the next College staff meeting to provide an update on the appointment of the Principal.

4. REPORT FROM PRINCIPAL

The Board received a report from the Principal which covered a number of issues within strategic and operational areas, including the performance programme and the College being shortlisted for 'School of the Year' at The Stage Awards 2017.

The Board received a tabled paper relating to the College's draft submission to the HEFCW Strategic Change Fund. It was noted that although the College would be bidding for £374k, this would not solve the College's financial issues and long term sustainability.

The Board discussed the reduction in premium funding, in year cuts and possible future cuts and the impact on the College.

Members of the Board suggested some areas of the submission that may need to be reworded, including the final paragraph. It was agreed that the Principal would liaise with the University to finalise the document prior to submission.

The Board received an update on the Royal Schools of Drama business plan, and noted that the business plan would be received by the Board in April.

5. REPORT AND ACCOUNTS

The Board were informed that the Report and Accounts for the year ended 31 July 2016 had been signed off by the external auditors, and had included an 'Emphasis of Matter' note.

6. STUDENTS' UNION

The Chief Executive of the Students' Union joined the meeting for the consideration of this item.

The Board of Directors received the consolidated financial statements and accounts of the RWCMD Students' Union for the financial year ending 31 July 2016. It was reported that the Students' Union had had a successful year, with increased turnover and a strong cash position.

7. RISK REGISTER

The Board considered the College's updated risk register. It was noted that the Audit Committee also receives the risk register and had highlighted the high residual impact and likelihood scores on some risks, and it was suggested that a general review was needed in light of the risk matrix. The Vice Principal noted that the College focused more on the colour of the risk rather than the individual scores.

It was queried why risk 993 relating to the appointment of the Chair had the Principal as the risk owner. It was reported that this was due to the requirements of the risk software, and the need to allocate an individual to each risk rather than a group.

TRUSTEE BUSINESS

8. TRUST FUNDS

The Board received a report on trust fund accounts to 30 November 2016. It was noted that discussions would be held with the University regarding a tender process for the management of the College's trust funds.

FOR INFORMATION

9. FINANCE REPORTS

9.1 Management accounts

The Board received the management accounts to 30 November 2016. In particular the Board discussed Brexit, and possible implications with regard to investments and endowments. The Board asked for advice from the Finance and Resources Committee in regard to this.

It was noted that the tender document in relation to trust funds would revisit the College's appetite for risk. It was suggested that the Board should receive a paper on this at the next meeting.

9.2 Development report

The Board received a report on developments, including an update on new funds secured and applications and proposals for support that are currently under consideration. The Board discussed ways in which the Directors could support the College, in particular through regular attendance at public performances and joining the Connect Contribution scheme.

9.3 Treasury management report

The Board received and noted the treasury management report for the year ended 31 July 2016.

10. HEALTH AND SAFETY MATTERS

10.1 Health and Safety

The Board received a report on health and safety matters, including accident and incident reporting, an update on recent fire drills, training and a University audit. It was reported that a health and safety operations group meets fortnightly. The number of RIDDOR reports was queried, and it was noted that this was a normal amount for the College.

The Board noted that thought needed to be given to specifying a Board member to be the nominated Board member for health and safety issues.

The minutes of the Health and Safety Committee held on 15 November 2016 were received and noted.

10.2 Safeguarding

The Board received a report on Safeguarding, and noted that the College held a monthly meeting of the Safeguarding, Welfare and Prevent Group. It was reported that the College had seen an increase in the use of counselling services, as was common across the sector. The University's counselling facilities were used and it was noted that the counselling staff had developed an understanding of the specific issues that may be affecting conservatoire students, such as performance anxiety.

11. AUDIT REPORTS

The Board received and noted the Audit Committee's Annual Report and the Internal Auditor's report for 2015/16.

12. REPORTS FROM COMMITTEES OF UNIVERSITY BOARD

The Board received and noted minutes from the following University Committees:

- Finance and Resources Committee 21 November and 5 December 2016
- Joint meeting of the Finance and Resources Committee and Audit Committee 21 November 2016

- Audit Committee 21 November 2016
- Human Resources Committee 7 November 2016
- Board of Governors 12 December 2016

13. CONFIDENTIALITY

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 [16/081]	Appendix to Principal's report re HEFCW Strategic Change Fund
Item 7 [16/085]	Risk Register
Item 9.1 [16/087]	Management Accounts to 30 November 2016 and revised budget for 2016/17
Item 9.2 [16/088]	Development report
Item 9.3 [16/089]	Treasury Management Report 2015/16

14. NOTE

After the end of the meeting the Company Secretary gave a quick demonstration of Board software, BoardPacks by eShare, which was being implemented by the University. Directors were positive about considering implementation for 2017/18 academic year.

The meeting ended at 5.00 pm