



SRUC BOARD

Friday, 21st March 2025
Via Teams
09:30 – 15:30

STATUS

Approved for publication

DISTRIBUTION

SRUC Board
Published on SRUC website

PRESENT

David Bell, Saul Corbett, Craig Davidson, Jarlath Flynn, Julie Fortune, Linda Hanna (Chair), Dr Katrina Hayter, Margaret Khnichich, Fiona Larg, Andrew Peddie, Professor Wayne Powell, Professor Michael Smith

IN ATTENDANCE

Professor Caroline Argo (for Item 25.19.03), Professor Andrew Barnes (for Item 25.19.03), Andrew Kirkness (up to Item 25.17), Gavin Macgregor, Dr Mary Thomson, Professor Jamie Newbold, Devon Taylor (minutes), Gabriella De Oliveira (minutes)

25.08 WELCOME AND APOLOGIES

- a) The Board held a private session (non-executive membership and the Principal & Chief Executive) prior to the main board meeting. The Chair summarised the main points of the discussion for all attendees.
- b) Apologies were given for Jeremiah Chibueze, Jane Craigie, Dr Mia Aitchison and Professor Sir Peter Downes.
- c) The attendees were welcomed to the meeting.

25.09 REGISTER OF INTERESTS, CONFLICT OF INTERESTS, HOSPITALITY & GIFTS REGISTER

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

25.10 PREVIOUS MINUTES

25.10.01 MINUTES OF THE MEETING HELD ON 12 DECEMBER 2024

Noted that:

- a) Amendment for 24.55.03 Going Concern: To amend 'technical return to 'technical review.'
- b) The minutes were approved as an accurate record with the above amendment.

25.10.02 ACTION LOG

Noted that:

- a) The Board received the updated Action Log and a verbal update was provided by the Company Secretary.
- b) Due dates are to be provided for all actions.

Action: GD/DT

- c) MT confirmed the corporate parenting annual report will go before the Board in June, after it has gone through the EDI Committee.

[Secretary's note: June has been revised to Sept Board meeting and updated on the Action Tracker. Change reported to Board at June meeting]

- d) LH noted that since the Communications Team had been impacted by personnel changes that there is an outstanding action for the Board to see the Stakeholder Engagement Plan. It was requested that this, linked to the stakeholder engagement recommendation within the GGI report to be picked up at the strategy session in September 2025.

Action: GD/DT

25.11 MATTERS ARISING

Noted that.

- a) There were no matters arising not on the agenda.

25.12 BOARD SUB-COMMITTEE AND SUBSIDIARY BOARD MINUTES

PAPER NO: 684

25.12.01 FINANCE & ESTATES COMMITTEE

Noted that:

- a) The Chair of F&E provided highlights from the meeting.
- b) Possible Bank Facility – Was discussed by committee and will be discussed with Board under Finance section.
- c) Trusts – The Committee discussed the disbursement of funds and that work was required to get requests for funds and disburse them more efficiently. Meetings were being planned for the Joint Trust meeting and the Trust Disbursements Committee to address.

- d) Maintenance – The multi-trade contract was shortly out to tender and would start in the next financial year.

25.12.02 AUDIT & RISK COMMITTEE

Noted that:

- a) The Chair of A&R provided highlights from the meeting and thanked CD and PD for co-opting onto the committee, so the meeting was quorate. Noted the need for the NXD recruitment to address resilience and quoracy for this committee
- b) A private session was held with the committee members, the internal and external auditors and the Principal & Chief Executive. Discussed resourcing of finance team and current finance systems. The SFC representative was present at the meeting as an observer.
- c) The Board was alerted that a Risk Appetite workshop will be held to update the current risk appetite and progress this piece of work. Where possible, this will be timed with the recruitment of new non-executives.
- d) The A&R Committee received a progress update on the recommendations from the internal board effectiveness appraisals and the external governance review. They would continue to monitor progress.
- e) The Committee is awaiting the final report from the Lessons Learned audit which is now expected at the next A&R meeting. This report is later than had been anticipated due to some resource issues and the extent of audit work undertaken to ensure a comprehensive understanding of the issues to underpin appropriate recommendations.
- f) Auditors are anticipating potential partial assurance this year. It was recognised that the internal audit is the minimum and it was agreed at A&R that the internal audit plan for this FY is now 6 audits, up from 4 including follow up on FRP and the Student admissions audit will take place this year.
- g) Noted there had been a further report on procurement non-compliance breaches and this had been discussed at A&R including actions. The Board emphasised the need for the Principal & CEO and Executive to encourage and monitor compliance and ensure internal control systems are working effectively.

- h) Progress on Health & Safety was welcomed and recognised by the committee.
- i) The KPMG contract as internal auditors has been extended for further two years.

25.12.03 RENUMERATION & APPOINTMENTS COMMITTEE

Noted that:

- a) Non-executive recruitment, for up to 5 appointments, was underway and interviews were being held the last week of March. Board approval for New NXDs are likely to be sought out of Board meeting cycle to enable new members to be appointed and inducted and join the June Board meeting
- b) Work was progressing on the correct process for co-opting members onto the subsidiary boards without appointing them as full non-executive directors. Consideration was being given to liabilities, decision making powers, and how to avoid creating shadow non-executives. These same issues did not relate to co-opting members to sub-committees.

25.12.04 STRATEGIC PERFORMANCE COMMITTEE

- a) The Chair of the SPC had provided a note. This will be circulated to the Board.

Action: DT

25.12.05 SRUC INNOVATION LTD.

Noted that:

- a) A joint meeting of SRUC Innovation and Ventures Boards was held to maximise the use of time and also because there were discussions about which aspects currently under the purview of Innovations would move across the Ventures.
- b) The Vice Principal reported on developments at the meeting, including: the improved income growth and margin for SAC Consulting, the development of VET Services, commerciality with further integration into the Veterinary School and the developing the Trials Unit associated with its relocation.

- c) Financial reporting from the different business units was also discussed. Going forward they will be looking at net margin and not just the gross margin.
- d) The Innovation Chair updated the SRUC Board on the recent Agrecalc activities and that it would be brought back into SRUC Innovation.
- e) Opportunities around the Innovation Centres was discussed at the meeting and how we might maximise the assurance and site of the income generating opportunities. Also considering the idea of site visits.
- f) The SRUC Chair raised the issue of circulating minutes within the required timeframe. The Company Secretary recognised the need to address this noting it was difficult to separate the production of minutes from the rest of the servicing required around the board/committee cycle. The Company Secretary and the Assistant Company Secretary were meeting to review of the meeting schedule and all its elements and timings.

25.12.06 SRUC VENTURES LTD.

Noted that:

- a) As above.

25.13 CHAIR'S UPDATE

Noted that:

- a) The Chair would provide a verbal update today but has been reflecting on submitting a written report for the next board meeting. She has also been reflecting on board stakeholder engagement, in particular her role as Chair in external engagement and would be picking this up with the Principal & Chief Executive.
- b) There has been much ongoing discussion on with key individuals on the following topics the FRP, assurance, assurance framework and governance to ensure SRUC is working effectively as a new university and demonstrating effective governance.

- c) With new non-executives to be recruited and on-boarded shortly, now is a good time to reflect on board training and development and secure training in financial scrutiny and assurance. Finance training for Board Development is to be logged on the Action Tracker.

Action: DT

- d) Has been reflecting on governance oversight at Board level and where this sits, and confirmed this is likely in the remit of the A&R Committee.
- e) There is also recognition of the ongoing focus and increased scrutiny in the sector on finance and governance.

25.14 PRINCIPAL & GROUP CHIEF EXECUTIVE & ELT'S UPDATE

PAPER NO: 685

Noted that:

- a) The Principal & Chief Executive took his report as read and highlighted the following points.
- b) He recently hosted the Scottish Knowledge Exchange Awards. SRUC had two significant wins, the Digital Dairy Chain in place based KE and joint submission with Queen Margaret University on food innovation. A consultant is also shortlisted for the Agri-advisor of the year award.
- c) The Principal & Chief Executive welcomed Board input on stakeholder engagement noting areas of upcoming engagement.
- d) Engagement with the SFC on the FRP continues and they are content with progress being made. Management accounts are shared. The level of engagement the ELT is having with SFC at various levels was noted. The CEO of SFC is to be invited to King's Buildings to meet with the Chair and Principal and be invited to tour Green Shed, Vertical Farm, etc.

Action: LW

25.15 GOVERNANCE AND BOARD BUSINESS

25.15.01 NON-EXECUTIVE RECRUITMENT UPDATE

Noted that:

- a) The Company Secretary provided an update on progress with non-executive recruitment, noting the number of applications that had been

received and that on-line interviews would be taking place over two days the following week with an aim to on-board for the June board meeting.

25.15.02 EXTERNAL GOVERNANCE AND BOARD EFFECTIVENESS

REVIEW UPDATE

PAPER NO: 686

Noted that:

- a) The Company Secretary outlined the paper which covered recommendations from the internal non-executive appraisal process and the external governance review (GGI report) and updated on how these had been taken forward to date. The Board had last received this update in June 2024.
- b) The Board discussed current capacities of the governance office in relation to recommendation 4 of the GGI report, “increase the capacity of the governance office and the leverage of the company secretary role”, noting previous strains on resources. It was noted this is a resource question but also a demand and a prioritisation question.
- c) Dr Christine Milburn would be joining the executive in her role as Director of Strategic Delivery and Growth and would be looking at governance and assurances. A summary of her initial reflections and the resourcing and prioritisation of the governance office should be brought to the June Board meeting.

Action: CM/DT

- d) Clarification should also be provided on subsidiary governance – for example, in terms of the board assurance in commercial activity, does the F&E Committee review finances associated with commercial activity? Or the SRUC Innovation Board? Or both but avoiding duplication?

Action: DT

- e) There was discussion around the GGI report recommendation 3, “Strengthen the link and reporting between the academic board and the SRUC board”. It was clarified that this referred to links and reporting in both directions. The Provost & Deputy Principal chairs the Academic Board and noted he provides one link of communication and reporting.

The SRUC Board received Academic Board reports/minutes at each meeting and other key academic updates. It was recognised further work should be done to strengthen this link following the implementation of the new School structure. Non-executive training and development in academic assurances, as outlined in the Board Development plan, would also play a role.

25.15.03 RISK REGISTER

PAPER NO: 687

Noted that:

- a) The Chief Operating Officer introduced the updated Risk Register reflecting the Board decision to consolidate the previous two financial sustainability risk categories.
- b) Reserved section – Ref FOI(S)A, s. 30, 33**
- c) The A&R Committee would be doing a deep dive of two to three of the risks at their meetings and reviewing in-depth the mitigating actions to ensure they were sufficient.
- d) The Provost & Deputy Principal discussed risks around student numbers, recruitment, and retention were discussed. Noted connection to the FRP and that a student recruitment audit was planned.

25.15.04 HEALTH AND SAFETY REPORT

PAPER NO: 688

Noted that:

- a) The Chief Operating Officer introduced the report which had been presented to the A&R Committee by the Director of Commercial Estates and Services. The paper provides the Board with a comprehensive update on the Health & Safety review project and actions that have been taken around risk assessments, workplace safety inspections, systems and reporting and training.
- b) The Board H&S Champion confirmed that he meetings with the Director of Commercial Estates and Services and the Head of Facility Services regularly and the progress made on the H&S review was noticeable.

25.16 FINANCE

25.16.01 9+3+4 FINANCIAL FORECAST

PAPER NO: 689

Noted that:

Financial Forecast

- a) The Financial Director reported that the operating deficit has reduced to a level which is halved from last year and is better than budget.
- b) Revenue has increased and is on track with the projections and our direct people costs are below the budget. We've had a reduction of full time equivalents since the beginning of the year and our operating costs are currently below the budget. This indicates progress in our cost control measures. The Board noted and fully supported the continued focus on monitoring and managing carefully headcount numbers.
- c) Forecasting for April to July 25 as also been included, which is the four months that takes us to the new financial year end (i.e. 31 July 2025).
- d) Further recovery strategies in place as we as we go forward.
- e) The paper describes divisional performance highlights, and presents opportunities and risks and where we are today.
- f) Work progressing in the finance team to improve revenue recognition in research.
- g) The budget beyond August 2025 will presented at the Finance & Estates Committee in May.
- h) Cash balances and capital spend schedule was noted. Capital spend savings were confirmed as savings rather than delays.
- i) There was discussion regarding conditions and covenants (from either the SFC or bank) and ensuring the Board had sight that these were being met.
- j) The F&E Committee had reviewed the paper at their meeting and recommended for approval to the Board. The Board **approved** the 9+3+3 Financial Forecast.

Banking Facility

- k) Options for a banking facility had been discussed at the F&E Committee and an expression of interest letter from the bank was circulated to the Board prior to this meeting to allow further discussion.
- l) The Financial Director and the Chair of F&E had discussed the options further and outlined these for the Board in further detail.

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

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

- o) Triggers to and approval for drawing down the facility, once in place, would need to be confirmed.

Action: AK

- p) Based on the Financial Memorandum requirements, as Accountable Officer the Principal & Chief Executive would contact the SFC regarding the facility.

Action: WP

25.17 FINANCIAL RECOVERY

Noted that.

- a) The Chair asked if the Financial Director or the ELT had any follow on questions from the Strategic Operation Plan session held on the 18th March at Board. There were no questions or clarifications.
- b) The Chair highlighted that she would like to see KPIs around cashflow included in the plan.

Action: AK

25.18 ELMWOOD UPDATE

PAPER NO: 690

Noted that.

- a) The Chief Operating Officer provided an overview of Elmwood developments noting the timings and sequencing of the various consultations. Currently working through collective consultation stage, which is the first part of the consultation.
- b) The Board discussed strong negative student feedback regarding closures. It was noted a consultation is being conducted for the campus which may

provide further options. Staff and student feedback has been received as well as feedback from parents and community. These are being collated and summarised.

- c) The Board recognised their responsibilities – i.e. the long-term stewardship of SRUC from a strategic perspective, but also about thinking about the actions that we're taking in the short term.
- d) The Board discussed course completion if Animal Care were to stop at Elmwood – noting proposal to offer financial support to current students, on a case-by-case basis, to help them complete by travelling to another campus, but not taking on new enrolments in Animal Care at Elmwood campus.
- e) SRUC's commitment to a place-based agenda was reiterated. In order to aid communication and reduce anxiety around campus closures, it was recommended that the Principal & Chief Executive issue a communication to clarify this stance. There is a future at Elmwood and the Board are taking steps to support that future. There are exemplars at Elmwood, such as the golf course. It was also discussed that post consultation, there would be an opportunity to promote the future of Elmwood campus including potentially a campus 'relaunch' including industry, partner and community engagement

Action: WP

25.19 ACADEMIC BUSINESS

25.19.01 ACADEMIC REPORT

PAPER NO: 691

Noted that:

- a) The Provost & Deputy Principal discussed the updated governance structures within the report alongside the education and research strategy occurring parallel to these changes. He advised these are to be progressed through the Academic Board in May before being presented to the SRUC Board.
- b) The Board discussed being awarded TDAP and positive feedback from the Guardian rankings.

Noted that:

- a) The SRUCSA Co-President introduced the report, and noted current student elections, upcoming Speak Week, and successful food drives for students.
- b) Concern around providing longer library hours and receiving better feedback on assessments was highlighted.
- c) There has been an increase in active societies and provided an overview of recent society activities.
- d) An overview of student feedback to the proposal to stop Animal Care provision at the Elmwood campus was provided and highlighted the need for increased communication and transparency to the student body during campus decision processes, and for increased provisions for affected students during relocation. The Provost & Deputy Principal confirmed he had met with two of the SRUCSA co-Presidents the previous day to discuss Elmwood.
- e) The Board thanked the co-President for his maturity and professionalism in dealing with this difficult topic and maintaining confidentiality. The student voice was needed and it would often be a "choir" of voices, which was reflected in SRUCSA.

Noted that:

- a) The Head of Schools joined the meeting – Professors Caroline Argo and Andrew Barnes.
- b) Caroline Argo outlined new team and vision for the School of Veterinary Medicine and Biosciences. Only one senior executive role to still appoint. Noted many other experienced appointments from other Vet schools. Noted current restrictions on international student intake due to accreditation timing.

- c) Andrew Barnes outlined new team and vision for the school of Natural and Social Sciences. Taking interdisciplinary approaches and working across the sciences. No restrictions on international students. Have partnerships with other institutions.
- d) The Chair thought it would be helpful to see what courses sit where and also map to the Innovation Centres in order to see how it all fits together and collaborates, not in silos.

Action: JN/MT

- e) The Provost & Deputy Principal noted workshops are being held with staff as part of the communication plan around the new School structure.

25.19.04 KEIF STRATEGY

PAPER NO: 694

Noted that:

- a) The Provost & Deputy Principal introduced the paper noting the Knowledge Exchange and Innovation Fund (KEIF) has replaced the University Innovation Fund (UIF). Tied to research and education money
- b) SRUC was required to put a KEIF strategy together, which has gone through the Academic Board for comment and approval. Prior to this it was discussed with SFC.
- c) The Board were being asked to approve the KEIF strategy, but also willing to take Board comments to include in a redraft.
- d) The Board **approved** the KEIF strategy, noting Mike Smith would forward some comments to the Provost.

25.20 ANY OTHER BUSINESS

Noted that:

- a) Data room: The Company Secretary noted the intention to create a more digitally-operated Board, facilitated by the creation of a data room – requested advice on the documents members would like to have available.

Action: DT

- b) Thank you: The Board extended a formal thanks to Dr Susannah Bolton for her work and contributions during her time on the executive team at SRUC.
- c) Non-executive appraisals: The Chair noted the non-executive appraisal will take place in April and May and a paper on themes regarding Board development and Board effectiveness will return for discussion in June.

25.21 DATES OF FUTURE MEETINGS

12 June 2025 – location TBA, 11 September 2025, 11 December 2025

Gabriella De Oliveira
Assistant Company Secretary

Devon Taylor
Company Secretary

March 2025