

THE GLASGOW SCHOOL OF ART
BOARD OF GOVERNORS

Minutes: 11th October 2012

Present:	Mr Philip Rodney	Chair
	Ms Kerry Aylin	Support Staff Representative
	Ms Sharon Bamford	
	Ms Alison Lefroy Brooks	Vice-Chair
	Mr Douglas Brown	
	Mr Bob Downes	
	Professor Linda Drew	Deputy Director
	Mr Douglas Kinnaird	
	Dr Ken Neil	Academic Council Representative
	Mr Nicholas Oddy	Academic Staff Representative
	Ms Christa Reekie	
	Professor Seona Reid	Director
	Mr Ken Ross	
	Sir Muir Russell	Vice-Chair
Mr Sam De Santis	President, Students Association	
Attending:	Mr Eliot Leviten	Director of Finance and Resources
	Mr Craig Williamson	Head of Academic and Student Services
	Mr John Martin	Assistant Company Secretary

1. Apologies for Absence

Dr Janet Brown, Ms Roberta Doyle, Mr Simon Groom, Mr Daniel Ibbotson, Mrs Linda McTavish, Professor Alison Yarrington

2. Declarations of Interest

The Director declared her position as Chair of the Heritage Lottery Fund's Committee for Scotland.

3. Welcome

The Chairman welcomed Sam De Santis, President of the Students' Association, and also Craig Williamson, Head of Academic and Student Services, attending for professional development.

4. Confirmation of Agenda

It was confirmed that no items from the 'B' section of the Board's agenda need be discussed under Part 'A'. It was noted that a paper on Student Recruitment would come to the next Board's next meeting and it was suggested that this paper should include student numbers by type (undergraduate/postgraduate, home/overseas) and subject, showing actual performance relative to target numbers and fee income.

[Action: SP]

5. Report from the Chairman

.1 Retirement of the Director

The Chairman had recently announced to staff and students that the Director would be retiring at the end of August 2013. There would be opportunities later in the academic year for the School to acknowledge the many considerable achievements of the Director during her period in office. A Search Committee had been convened by the Chairman, and executive search firms would be interviewed shortly.

.2 Staff Governors

The process for appointment of Staff Governors had taken place during the summer months. Nicholas Oddy (representing academic staff) and Kerry Aylin (representing support staff) had both been reappointed for further terms (October 2012 – September 2015).

.3 Blair Jenkins

Blair Jenkins had recently taken up a political appointment and had decided to stand down as a Governor of the School. Thanks for his contribution to the work of the Board and two of its committees would be extended to Blair on behalf of the Board by the Chairman and Director.

.4 Douglas Brown and Bob Downes

Following consultation with the Nominations Committee, the Chairman recommended that Douglas Brown and Bob Downes be reappointed as Governors for further three-year terms (October 2012 – September 2015). The Board warmly welcomed this recommendation and resolved that Douglas Brown and Bob Downes be reappointed on this basis.

.5 Governor Training and Awareness

As signalled in the recent Review of Board Effectiveness, opportunities for training and awareness events for Governors were being sought. A workshop on Equalities Legislation had been arranged for the afternoon of 14th December 2012, which would be led by Simon Fanshawe, an authority in this field who was also active in HE Governance.

6. Report from the Director

The Director introduced her report (Paper 5), drawing attention to the following items:

.1 U.S. Department of Education: Federal Student Loans

The School had been notified in early September 2012 by the United States Department of Education that federal loans would be withdrawn with immediate effect for students at GSA on the grounds that the School was no longer an eligible institution because it did not have direct degree-awarding powers. This notification had been wholly unexpected, neither the School nor the affected students having received any earlier direct notification. Fifteen current students were affected and were being supported in the short term by the School. Three prestigious English institutions were in the same position as the School. An appeal was being made to the U.S. Department of Education, with strong support from numerous sources, including the Scottish Government, Scottish Funding Council, Universities Scotland and Universities UK, all emphasising that, while the School's degrees were

accredited by the University of Glasgow, the School was in all other respects a fully recognised Higher Education Institution. A Washington DC firm of lawyers, also utilising local lobbying services, had been appointed to assist the appeal. Should the appeal not be successful, the School would consider the continuing position of existing students affected by the ruling, the financial impact being of the order of £100k in student support costs and £140k in tuition fees. There might be an impact on future student recruitment from the USA, although the federal government was not the only source of financial support for U.S. students.

.2 Industrial Action

The higher education trades unions had recently held ballots on industrial action in support of an increase in pay, having rejected the offer by the Universities and Colleges Employers Association (UCEA) of an increase of 1% across all pay bands in 2012/13. Three of the unions (UNISON, UCU and EIS) had voted in favour of industrial action, either in the form of strike action or action short of a strike. These unions had yet to notify employers of the exact form of action to be taken, but the School's Executive Group had established a sub-group which would seek to mitigate as far as possible any negative impact on students in the event of industrial action taking place. *(Note: further to the above note, only one union – EIS – decided to proceed with industrial action. A one-day strike was held on 23rd October, followed by further action short of a strike, including a call for EIS members to work only contracted hours).*

.3 National Student Survey/Postgraduate Taught Experience Survey 2012

The School's performance in the National Student Survey (NSS) for 2012 had again improved, with the overall satisfaction rate increasing from 73% to 77%. The Mackintosh School of Architecture had achieved a particularly high increase, rising by 19% to 87%. The School still remained, however, in the bottom quartile of the UK and Scottish groupings. While a number of other visual arts institutions also continued to fare badly in the NSS, the School's Executive Group was continuing to address areas in which shortcomings had been identified, notably in the 'organisation and management' category. Participation in NSS would be compulsory from 2013, so it would be important for the School to make every effort to improve its showing, aided by continuing efforts to achieve a higher response rates from graduates. Similar issues to those associated with the NSS were apparent in the new Postgraduate Taught Experience Survey (PTES), administered by the Higher Education Academy. The School's low level of taught postgraduate student numbers (spread over a number of courses) would make it difficult to avoid statistical distortion in PTES outcomes, but the School would, again, take this exercise seriously and respond fully to any shortcomings identified by the surveys.

.4 Research Success

The Director's report outlined a number of research successes, including a major book award for Professor Florian Urban (Architecture) and the successful International Conference on Zero Energy Mass Customised Housing. The Digital Design Studio had recently hosted a Fulbright Visiting Professor and had signed a Memorandum of Association with the *(name withheld from website version of minutes for reasons of commercial confidentiality)*. The School of Design was participating in a major bid (in collaboration with the University of Edinburgh) to the Funding Council for a Technology Innovation Grant to establish a Digital Health Institute.

.5 Venice Biennale

Three GSA Fine Art alumni (Duncan Campbell, Hayley Tompkins and Corin Sworn) would represent Scotland at the 2013 Venice Biennale.

.6 Singapore

The School's collaborative venture with the Singapore Institute of Technology had been formally launched in September 2012 and had attracted significant coverage from the Singaporean media. The academic programme in Singapore was progressing well under the leadership of Frazer Macdonald Hay, Programme Director. It was agreed that a presentation on the Singapore initiative be arranged for the Board's next meeting.

[Action: JM for agenda]

.7 Digital Design Studio

Further to the information on the Digital Design Studio (DDS) contained in the Director's Report, it was also reported that the Business Committee's next meeting would consider an extensive report on the funding of DDS, including consideration of all funding streams (including income generated through the last Research Assessment Exercise) and reputational benefits.

.8 Graduate Degree Show

The inaugural Graduate Degree Show, held at the Lighthouse in September, had been a great success, attracting over 4,000 visitors.

7. Director of Development: Annual Report 2011/12

The Board welcomed Alan Horn, Director of Development, who introduced his Annual Report (Paper A7). The Development Office had been significantly restructured during 2011/12 and the new team was now well established and working effectively. Fundraising towards the 'Revenue' category was progressing well, with above-target donations received towards such activities as scholarships and sponsorship of exhibitions, including the Degree Show. Performance in the 'Capital' category, including the major campaign to raise funds towards Phase Two of the Garnethill Campus redevelopment, was, however, below target thus far. It had taken longer than anticipated to launch the GSA Trust, although the launch event and associated materials had been well received, which augured well for 2012/13 and beyond. An approach to the *(name withheld from website version of minutes for reasons of commercial confidentiality)* to be the 'benchmark donor' had not been successful, although the Trust might still contribute to the campaign. The Robertson Trust, another likely supporter, was about to move premises and it was confirmed that the School had already offered assistance in the Trust's relocation.

It had also been difficult in the present financial climate to secure the final donations required to meet the target for the Fire Suppression system for the Mackintosh Building, although it was reported that Estates Development was now exploring possible ways of securing this system at a cost low enough to be covered by donations already secured.

8. Garnethill Phase One Loan Agreement

- .1 As previously reported to the Board, it had been agreed that half of the sum required to fund the Garnethill Phase One development would be provided through a bank loan, with repayments guaranteed by the Scottish Funding Council. Prior to discussion of the detailed arrangements for this loan, the Chairman noted that notice of the meeting had been given to each Governor, that the meeting was quorate and that no declarations of interest had been received in relation to matters under consideration by this meeting of the Board, the Governors having been reminded of their obligations under the Companies

Act 2006, the Further and Higher Education (Scotland) Act 1992 and the Glasgow School of Art (Scotland) Order of Council 1996 (the "Acts") and the constitutional documents of the School.

The Chairman noted that the purpose of this agenda item was to consider and, if thought fit, to approve the substance and execution of documents to be entered into by the School in order to finance the redevelopment of the School's campus at Garnethill (the "Development"). The Chairman reported that the meeting had further been convened to consider and approve the entry by the School into a loan agreement (the "Loan Agreement") to be entered into with Barclays Bank plc (the "Bank") relating to a £25,000,000 revolving credit facility (converting to a term loan facility in accordance with the terms thereof) to be applied by the School towards funding the Development. This was required because the capital grant being provided by the Scottish Further and Higher Education Funding Council (the "SFC") was now to be provided partly by direct capital grant and partly by loan support.

The Chairman further explained that certain of the School's obligations to the Bank pursuant to the Loan Agreement would be guaranteed by the SFC by way of a guarantee by the SFC in favour of the Bank (the "Guarantee") and that Eliot Leviten, Director of Finance and Resources, had advised that there were some issues of concern as to the way in which the Loan Agreement and the Guarantee would interact. These concerns were outlined to the meeting.

The Chairman proposed that a sub-committee of the Governors (the "Sub-Committee") be appointed to oversee the negotiation on these issues and, when the final form of the Loan Agreement and the Guarantee were available, consider, and if thought fit, approve the terms of the Loan Agreement and the execution of the same (together with all related documentation) on behalf of the School.

It was unanimously resolved that the following Governors be appointed to the Sub-Committee:

- Philip Rodney
- Alison Lefroy Brooks
- Christa Reekie
- Kenneth Ross

and that the Sub-Committee would have full power to oversee the negotiation of the Loan Agreement and the Guarantee and, when the final form of the Loan Agreement and the Guarantee were available, consider, and if thought fit, approve the terms of the Loan Agreement and the execution of the same (together with all related documentation) on behalf of the School.

[Action: PR/ASL/CR/KR/ESL]

- .2 As the above loan agreement involved Barclays Bank, it would also be necessary for the Board to approve a "letter of variation" in relation to an existing (far smaller) loan from Barclays already held by the School. The form of this letter had been scrutinised by the School's lawyers and the Board further resolved that the Director and the Director of Finance and Resources be authorised to sign the letter of variation on behalf of the School.

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9. Students' Association

.1 Report from the President of the Association

The President introduced his report to the Board (Paper A6.1). The Board was pleased to note the range of activities being provided and the improved financial performance early in 2012/13.

The President's paper included the proposed formation of an 'Engaged Student Group', which could be called upon to act as a focus group or provide a student presence for internal or external consultations. It was agreed that a high level of student engagement in the affairs of the School was to be desired and discussions would now take place with the Director and Deputy Director on the form this might take to avoid duplication or confusion with the formal student representative and consultative structures and processes already in place.

The Association had drawn the School's attention to some GSA students no longer being able to use the sports facilities at Glasgow University, the facilities being severely congested, or to join Glasgow University Student Association clubs and societies. The Director was in communication with the University on this matter.

.2 Future Business Operation of the Students' Association

The Business Committee had formed a sub-group to consider the future financial basis on which the Students' Association should operate and the sub-group's report had been provided to the Board for information (Paper A6.2). The central recommendations of the report were that the Association should become a Scottish Charitable Incorporated Organisation (SCIO) and that the Association's commercial activities should be run through a wholly-owned limited liability trading company. The Business Committee had accepted these and other associated recommendations, rejecting only the suggestion that the General Manager of the Association might routinely attend meetings of the Business Committee. The Board noted the report and thanked the members of the sub-group.

10. Scottish Funding Council Outcome Agreement 2012/13

The Board had been provided with a copy of the Outcome Agreement for 2012/13, as submitted to the Scottish Funding Council. As reported at previous meetings, this agreement had been prepared at short notice and with limited guidance. Thanks were conveyed to the Deputy Director for her efforts in co-ordinating initial preparation of the agreement. Future agreements would seek closer alignment with the School's strategic plans. The Funding Council was likely to seek continuing emphasis in future on wider student access and collaboration with industry. It was not yet clear how Outcome Agreements might influence institutions' funding allocations in future, although adjustment to funded student numbers was one likely mechanism.

The Board endorsed the School's Outcome Agreement submission for 2012/13.

11. Strategic Plan 2012-15: Key Performance Indicators

The Board approved the GSA 2025 Strategic Planning Key Performance Indicators (Paper A10).

12. Risk Assessment

In view of the lateness of the hour, it was agreed that the Director's paper on Risk Assessment (discussion of current risks) be held over until the Board's next meeting.

13. Estates Development Update

The Board noted the Estates Development report and appendices (Paper A12). The building programme on the Phase One site was progressing well. The timetable remained tight, however, and it was now accepted that the five weeks lost to unforeseen asbestos and piling difficulties would now not be retrieved. Options for adjustment to a later completion date were being assessed and decisions would be taken no later than March 2013, one certain adjustment being extension of the decant occupancy at Skypark. Use of the contingency funds held by both the School and the Funding Council were under constant review and the Funding Council was fully aware of the position.

14. Corporate Governance 2012/13, Committee Remits 2012/13 and Board membership 2012/13

The Board:

- i) approved the School's Statement of Corporate Governance for 2012/13;
- ii) approved the remits and procedures of the Board Committees for 2012/13 (including the Academic Council);
- iii) noted the Board's initial membership for 2012/13.

15. Management Accounts to 31 July 2012

The Board noted the Management Accounts for the period to 31st July 2012 (Paper B2).

16. Minutes of Previous Meeting

The Minutes of the Board meeting held on 11th June 2012 (Paper B3) were approved.

17. Action Points

The Board noted its list of Action Points (Paper B4)

18. Legislative Update

The Board noted a summary of significant recent legislation (Paper B5), including legislation relating to Human Resources and Health and Safety.

19. Annual Report to the Scottish Funding Council on Institution-Led Review of (Academic) Quality

The Board endorsed the School's annual report to the Funding Council on Institution-Led Review Activity 2011/12 (Paper B6).

20. Reports from Academic Council and Board Committees

The Board noted the Minutes of the following meetings:

- Academic Council, 19th September 2012
- Business Committee, 3rd September 2012
- Estates Committee, 3rd September 2012
- Audit Committee, 14th September 2012
- Museum and Archive Committee, 7th September 2012

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21. Report from the Human Resources Committee and Approval of Policies

The Board noted the Minutes of the meeting of the Human Resources Committee held on 13th September 2012 and, as recommended by that committee, approved the following policies:

- Grievance Policy and Procedure
- Redeployment Policy and Procedure

22. Report from the Investment Committee/Statement on Socially Responsible Investment

The Board noted the Minutes of the meeting of the Investment Committee held on 14th September 2012 and, as recommended by that committee, approved the School's Policy on Socially Responsible Investment.

23. Dates of Remaining Meetings 2012/13

Monday	17 December 2012
Monday	18 February 2013
Monday	15 April 2013
Tuesday	11 June 2013

(All at 1.30pm)

JM