

MINUTES



SRUC Board Meeting

Date: 3 September 2019

Place: SAC Commercial Board Buildings

Status: Strictly Private & Confidential

Distribution: SRUC Board
SAC Commercial Board
ELT

Present: Mr S Cumming (Chairman), Ms K Allison, Mrs A Bruton, Miss H Colbert, Mr F Dinning, Ms K Dubarry, Mr J Hume, Mrs M Khnichich, Mr A Marshall, Professor S McDaid, Mrs C Millar, Mrs E Murray, Professor W Powell, Dr K Richards, Mr I Ross, Mr S Thomson, Professor C Williams, and Mr B Wood.

In attendance: Mr H Anderson, Mrs C Bysh, Mr Paul Geoghegan (from Morton Fraser, for item 19.36.02), Mr C MacEwan, Mr G Macgregor, Professor J Newbold, Mr C Peebles, Professor S Skerratt, Mrs D Taylor (Minutes Secretary).

19.30 Apologies and Welcome

Noted that:

- a) No apologies were received and all were in attendance.
- b) Annette Bruton, Hayley Colbert, and Elma Murray were welcomed to their first meetings as Non-executive Directors.

19.31 Annual Accounts

19.31.01 Annual Financial Accounts

The SAC Commercial Board (paper 385).

Noted that:

- a) The Director of Finance wished to thank the Head of Finance, the Financial Controller, and the Finance Team for all their work in preparing the annual accounts. He especially wished to thank the Head of Finance who would be leaving SRUC in October.
- b) The Board received the accounts to 31 March 2019 for SRUC, SAC Commercial Ltd, SAC Corporate Trustee, The SAC Foundation, Roland Sutton Trust, Cruickshank Trust, and WJ Thomson Trust.
- c) The Finance & Estates and the Audit & Risk Committees had reviewed the full suite accounts on 12th and 22nd August, respectively. Their recommendations had been incorporated into the final versions being reviewed by the Board.

SRUC

- d) These unavoidable adjustments do not take away from the underlying positive position which is also reflected in the narrative.
- e) The Chair of the F&E Committee confirmed that the Committee spent time reviewing the figures and the cash position and recognised the underlying profitability as well as the strategic journey. The Committee were content with the accounts.
- f) The Chair of the A&R Committee confirmed that the Committee reviewed the accounts with Ernst & Young present. The Committee recognised that long term sustainability is the focus and that the success of the transformation programme is key.
- g) The Board **approved** the SRUC accounts for signing.

SAC Commercial Ltd

- h) The SAC Commercial Board had reviewed and approved the SAC Commercial accounts at their meeting on 29th August. Their comments had been included in the final version which they recommended to the SRUC Board for approval.
- i) Farms adversely impacted the profitability of SAC Commercial. The operating margin was also lower due to a change in the cost reallocation methodology of staff costs which all sit within SRUC. The new methodology is believed to be more robust in capturing the impact of administrative staff in particular. The auditors have reviewed it and are comfortable with the approach. A note has been added to the SACC accounts to reference the change.
- j) The Board **approved** the SAC Commercial Ltd accounts for signing.

SAC Corporate Trustee Ltd and the SAC Foundation

- k) The above accounts were considered together and both were **approved** by the Board for signing.

The Cruickshank Trust, Roland Sutton Trust, and WJ Thomson Trust

- l) The Trustees of the Three trusts had met and approved their respective accounts prior to the F&E and A&R Committees meeting.
- m) The Board had no further comment on the three Trust accounts.

19.31.02 Letters of Representation

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Noted that:

- a)

b) The Letters were recommended for approval by the F&E and A&R Committees.

Agreed that:

a) The Letters of Representation were approved by the Board.

19.31.03 Annual Audit Report

Agreed that:

- a) The Board approved and accepted the Going Concern Report and thanked the Director of Finance and team for compiling the accounts and thanked the ELT for delivering the current financial position.

19.32 Register of Interests, Conflict of Interest, Hospitality Register

Noted that:

- a) No Conflicts of Interest or items for the Hospitality Register were declared.
- b) Any updates to the Register of Interests should be forwarded to the Assistant Company Secretary.

19.33 Minutes of Previous Meetings

19.33.01 Minutes of Meeting held on 13 June 2019

Noted that:

- a) The minutes of the meeting held on 13th June 2019 were approved as an accurate record of the meeting.

19.34 Matters Arising (*not elsewhere on the agenda*)

19.34.01 REF 2021 Information and Update (minute 19.22, noted d)

The Academic Director (paper 389).

Noted that:

- a) The REF data will be submitted in November 2020 and is composed of three components (60% outputs published by staff, 25% impact/difference to society, and 15% research environment).
- b) In contrast to the previous REF, we are now required to submit all eligible research staff and teaching staff. The identification of eligible staff is outlined in our Codes of Practice, which have been reviewed by the SFC. PhD students are not eligible for the REF.
- c) The Academic Director outlined that SRUC currently estimates that 89 staff (83.4%) are eligible for the REF. This is a significant uplift from the last submission (57 staff) and with potential new appointments could still increase to close to 100 staff.
- d) The new rules outline that at least one paper (no more than 5) must be submitted per eligible staff. Current estimates are that 82% of our eligible staff have at least one paper in the highest two categories.

- e) Impact case studies are an important part of the total REF score and SRUC current estimates for the joint SRUC/UoE submission is out of 12 case studies, 6 will be based on SRUC research, 5 based on joint SRUC/UoE research and 1 based on UoE research.
- f) The output from the Mock REF exercise with UoE should be received within the next 3 months.
- g)

- b) The HEG(S) A requires that the governing body approves the election rules for student membership.

Agreed that:

- a) The Board approved the election rules for student membership on the Academic Board.

19.37 Items for Information

**19.37.01 Knowledge Partnership and Skills Development Scotland
(confidential, closed business)**

19.37.02 Financial Update 2019/20 (confidential, closed business)

19.37.03 Public Meeting

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of Policy Enhancement would follow this up in her role as chair of the Equality, Human Rights and Inclusion Committee.

Noted that:

- a) The 2020 Board and sub-committee meeting schedule had been circulated to the Board and Board members were asked to add the dates to their diaries.

19.41 Private Non-executive Director Session was held

Devon Taylor
Assistant Company Secretary
3 September 2019