

**THE GLASGOW SCHOOL OF ART
BOARD OF GOVERNORS MEETING: 25 MARCH 2025**

Governors:	Ms Ann Priest (Chair), Dr Kate Lampitt Adey (via zoom), Ms Kristen Bennie, Ms Alicia Bickerstaff, Professor Graham Caie, Mx Rachel Dennis, Ms Jacquie Coyle Dow, Mr Thomas Greenough, Professor Stephen Hodder, Mr Craig Laurie, Ms Sarah Lavers, Dr Simon Learoyd, Professor Penny Macbeth, Ms Jane Morrison-Ross (via zoom), Mr Digger Nutter, Mr Harry Rich, Mr James Sanderson, Professor Adrienne Scullion, Mr Andrew Sutherland, Ms Marion Venman, Mr Tsz Wu (via zoom).
GSA Attendees:	Professor Rachel Dickson, Professor Irene McAra-McWilliam, Mr Peter Baxter (for items 2425.56 and 2425.57), Ms Julie Grant (for item 2425.62.4), Ms Nicola Gordon, Mr Alan Horn, Mrs Eleanor Magennis, Ms Morag McElhinney (for item 2425.62.4), Mr Scott Parsons, Professor Sally Stewart (for item 2425.56 and 2425.57), Mr Alistair Storey, Ms Emma Williams.
Secretariat:	Ms Pauline Eadie, Ms Kirsteen Faulds (Corporate Governance Office).

PRELIMINARY BUSINESS

2425.48 WELCOME AND APOLOGIES

The Chair welcomed members and attendees.

A warm welcome was extended to Sarah Lavers, Jane Morrison-Ross and Marion Venman, new Independent Governors and to Nicola Gordon, Head of Corporate Governance on attendance at their first formal meeting of the Board of Governors.

Apologies were noted from Professor Andrea Siodmok and Professor Anne Trefethen.

2425.49 DECLARATIONS OF INTEREST

The following professional relationships were noted for the record: Scottish Funding Council (Professor Irene McAra-McWilliam)

Members confirmed that they had sufficient time to scrutinise the papers, including those hyperlinked in the meeting pack.

2425.50 PREVIOUS MINUTES

1. Minutes of Board of Governors Meeting held on 10 December 2024

[Paper BOG2425-MAR-001]

The minutes from the meeting of 10 December 2024 were **approved**.

2. Summary paper of the Away Day Meeting held on 6/7 February 2025

[Paper BOG2425-MAR-002]

The Board **noted** the helpful summary paper from the Away Day meeting held on 6/7 February 2025.

The Director and Principal reported that the matters considered at the Away Day would help

inform future work around the Strategic Plan. Following a deep dive into the comprehensive notes of the day's discussions by the Senior Leadership Group (SLG), the Board would be advised of next steps.

[Action: **Director and Principal**]

Following the presentation at the Board Away day meeting, the Board was directed to the recent article in The Herald by Professor Mark Logan on 'superclusters' and the creative industries in Glasgow.

Members noted that some minor amendments would be made to the summary paper under the heading 'Discussion Group: Estates and Infrastructure' to clarify the measuring of and reporting on carbon emissions by the GSA.

[Action: **Head of Corporate Governance**]

2425.51 BOARD ACTION POINTS [Paper BOG2425-MAR-003]

The Board **noted** the updates set out in the Board Action Points.

The Secretary and Registrar reported that the meeting on risk appetite referenced in the Action Points had required to be rearranged. A report would be provided to the June meeting of the Board of Governors in this regard.

[Action: **Secretary and Registrar**]

The Board also noted that following the positive feedback from SLG attendees of the Board Intelligence Effective Report-Writing workshop, that a complimentary session for members of the Board of Governors would possibly be incorporated into the October Away Day agenda.

CORE ITEMS

2425.52 REPORT FROM THE CHAIR

The Board **noted** the Chair's verbal Report which incorporated the following matters:

1. The Chair reiterated a warm welcome to the Independent Governors who had recently joined the Board.
2. The Chair reported that the Board's condolences had been extended on the sad news of the passing of Robert McLean, a valued member of the School and Janitorial Team and on the passing of Wendy Fish, a distinguished library, archives and museums professional and former external representative on the Museum and Archive Committee.
3. The Chair reported on a particularly busy period again for the School, staff, governors and Committees and thanks were extended to everyone for their efforts and achievements over the last period. Particular thanks were extended to all those involved in the arrangements for, and delivery of, the recent excellent Away Day.
4. The Chair referenced the current challenging external environment and ongoing news of difficulties across the sector. Noting that the GSA was not immune to the risks and difficulties presenting themselves, the Chair reported that the Director and Principal and wider Senior Leadership Group's reports on activities to the Board would help maintain resilience, ensure that the Board was alert to the risks and could be assured of appropriate activity. Following the excellent discussions at the Away Day, the Board meeting provided an important

opportunity for the Board to ensure they felt informed and comfortable with current progress and plans. In this regard, the Finance Workshop to be held during the afternoon session of the Board meeting was timely and welcomed.

5. The Chair reported that several discussions had taken place in respect of the Mackintosh Strategic Outline Business Case (SOBC) Addendum, which would be considered in more detail later in the meeting.
6. The Chair reported her regular meetings with the Director and Principal, Secretary and Registrar and individual governors continued, and thanks were extended to Dr Simon Learoyd in respect of several meetings held to discuss environmental challenges and the GSA's strategic response in matters of finance.
7. The Chair also reported her attendance, with the Director, at the Universities UK (UUK) Chancellors Reception at the House of Lords, which briefed Chancellors, Chairs, Vice Chancellors and Principals on UUK work in highlighting the role and contribution of universities in the industrial strategy and growth agenda. Members were encouraged to visit the UUK website for further information in this regard.
8. The Chair reported that a meeting would take place later in the week between the Chairs of Higher Education Institutions in Scotland and Mr Graeme Dey, Minister for Further Education, to discuss the current Higher Education environment.

2425.53 BOARD OF GOVERNORS AWAY DAY SURVEY FEEDBACK [Paper BOG2425-MAR-004]

The Chair extended thanks to those members who had responded to the Away Day survey and acknowledged the helpful feedback. The Board was advised that the survey remained open for those members who wished to provide additional feedback.

2425.54 REPORT FROM THE DIRECTOR AND PRINCIPAL – INCORPORATING AN UPDATE ON STUDENT RECRUITMENT TARGETS [Paper BOG2425-MAR-005]

The Board **noted** the Report from the Director and Principal which incorporated an update on student recruitment targets. Members were informed that this report focused on finances and challenges, which was timely given the current context for the sector. The following key points were highlighted:

1. The current challenges and financial pressures facing the higher education sector.

The Board noted that, following the aforementioned Chairs' meeting, the Principals of Scottish Higher Education Institutions would also meet with Mr Graeme Dey, Minister for Higher and Further Education, to discuss the current Higher Education environment, including the reputation of the sector. Members were informed that the Director and Principal emphasises at all opportunities the need for the Scottish Government to recognise creative and cultural industries as growth industries, noting the important link between Scotland's creative and digital and technology industries.

2. GSA's continuing success in the Widening Access to Higher Education sphere. If of interest, a workshop could be arranged to highlight activities in this area.
3. GSA's retention of its position within the top 20 institutions based on QS World rankings, moving back up to 12th, which bodes well for attracting international applications.
4. The update provided on Recruitment and Admissions. The Board noted that increased targeted recruitment and conversion activity in the rUK space was under consideration. The

approach currently taken in this area would be adapted to include, among other things, the development of purposeful relationships with appropriate partners and a more vigorous approach to active rUK recruitment.

5. The Board noted that a meeting had been held between the Director and Principal, interim Director of Finance and the Scottish Funding Council (SFC), to keep the latter apprised of the delay in payment of the interim Mackintosh insurance payment and its consequent possible future effect on liquidity. SFC was informed that GSA had expected to receive this £8m payment by the end of 2024 but the payment remains outstanding.

It was made clear to the SFC that this matter did not relate to GSA's operating environment, but to the insurance position only.

Members noted that SFC had appreciated early notification of this issue and had responded that there may be various funding options available to provide short term support. The Board was informed that the Director and Principal had not sought funding intervention from SFC on this issue and had informed SFC that the Board of Governors would be made aware of the discussion before any next steps were taken.

One option would be short term loan funding by the SFC. The interim Director of Finance would explore this, while also considering other possible finance options, and would keep the Board suitably updated.

The Board agreed that it would be appropriate to follow up formally with SFC to seek a letter of comfort that the financial support discussed at the meeting could be called upon within an agreed timescale.

[Action: **Director and Principal**]

The Director and Principal confirmed that that an update would be provided to the Board at an appropriate time in respect of the Tertiary Education and Training (Funding and Governance) (Scotland) Bill to ensure co-ordination of appropriate engagement in this important matter.

2425.55 REPORT FROM THE PRESIDENT OF THE STUDENTS' ASSOCIATION

[Paper BOG2425-MAR-006]

The Board **noted** the Report from the President of the Students' Association, which summarised key GSASA activities, events and representative work.

The key elements from the Report were highlighted and the Board was delighted to see the increased engagement from students in the Sabbatical election process and congratulated the Student Governors and the wider team on their efforts in this regard and on the impactful work undertaken throughout the session.

STRATEGIC ITEMS

2425.56 STRATEGIC OUTLINE BUSINESS CASE (SOBC) ADDENDUM: UPDATE ON SCENARIOS

[Paper BOG2425-MAR-007]

The Director and Principal welcomed the Pre-construction Strategic Adviser and Head of the School of Architecture, in their capacity as members of the Project Development Board Mackintosh, to the meeting for this agenda item and introduced the paper on the SOBC

Addendum: Update on Scenarios. The strict confidentiality of this item was emphasised; in particular, the confidential nature of the indicative costs that would be shared to support the discussion.

It was explained that a presentation on costs and programmes would be made, following which members would be asked to consider and approve the recommendation from the Finance and Resources Committee, that only five of the eight scenarios outlined be taken forward to evaluate in detail in the SOBC Addendum.

The Director of Estates and Infrastructure provided an outline of the eight options noted in the paper and thereafter presented slides to the Board which set out the indicative costs and programmes for each of the undernoted scenarios:

<u>Scenario 1:</u>	Mackintosh Faithful
<u>Scenario 1a:</u>	Mackintosh Faithful – West Wing and Core
<u>Scenario 1b:</u>	Mackintosh Faithful – East Wing and Core
<u>Scenario 2:</u>	Mackintosh Studio
<u>Scenario 3:</u>	Full stabilisation and repair
<u>Scenario 4:</u>	High level living lab (now referred to as ‘Consolidation High Level’)
<u>Scenario 5:</u>	Low level living lab (now referred to as ‘Consolidation Low Level’)
<u>Scenario 6:</u>	Status Quo/Interim Stage

The Board was advised that members of the Finance and Resources Committee had received a briefing on optimism bias in relation to the projected costs.

The Director and Principal explained that approval was sought from the Board, on the recommendation of the Finance and Resources Committee, to remove scenarios 1a, 1b and 4 from the SOBC Addendum, as these had not proved to be a cost-effective way of proceeding. The Chair clarified that the Board was not being asked at this stage to approve final costs or decide on a single option. The decision to be taken related only to which options to include within the SOBC addendum now, to protect the opportunity for the future of the building.

Members discussed scenarios 5 and 6. The convenor of the Finance and Resources Committee explained that the committee’s recommendation to include these options at this stage was to preserve options for the future of the building, pending the outcome of the insurance arbitration process, and emphasised that these were not seen as the preferred long-term options for the Mackintosh building. Acknowledging this, members highlighted the importance of the communication strategy around these scenarios when the SOBC Addendum was publicised in due course.

In the event of a successful resolution of the arbitration claim, Student Governors enquired whether there would be any discussion around whether ‘full reinstatement’ would be the most appropriate way to proceed with the funds that would be available for rebuilding, in the context of the wider challenges within the Higher Education environment. The importance of improved communications to and with the student population on the current financial position of the project was also highlighted by Student Governors.

In considering the various scenarios, members discussed the exploration of partnerships and

funding. The maintenance of the building as a heritage asset and community space was also discussed though its importance as a teaching space environment, for staff, future students, and the wider community, was also highlighted. Members recognised the opportunities that partnership working could provide and that planning consent would be required. Given the current financial environment, pragmatism would form part of detailed options appraisal. Members understood that in recognising the Mackintosh building as one of the world's best examples of architectural practice, this was through a pragmatic rather than a nostalgic lens, with the future practical use of the building being at the core of the scenarios.

The Chair sought confirmation from all members that they understood the scenarios for which they were being asked to take a collective decision.

Following full discussion, the Board **approved** the recommendation from the Finance and Resources Committee that only the following five of the eight scenarios be taken forward in the SOBC Addendum:

- Scenario 1: Mackintosh Faithful
- Scenario 2: Mackintosh Studio
- Scenario 3: Full stabilisation and repair
- Scenario 5: Low level living lab (now referred to as 'Consolidation Low Level')
- Scenario 6: Status Quo/Interim Stage

The Director and Principal thanked members for their helpful input and reported on next steps. Members noted that, before taking the finalised SOBC Addendum for consideration by the Board, further work would be carried out in relation to scenarios 5 and 6, with cost benefit analysis and value proposition finalised for all options; all of which would form part of the SOBC Addendum report. Separately, scenario plans would also be set out in relation to the possible outcomes of the insurance arbitration.

Planning on the wider project would continue meantime to include consideration of funding; planning requirements; building regulations; communication strategy and stakeholder engagement.

The Board heard that views on the proposed future options for the reinstatement of the Mackintosh building would be invited in due course from students, staff, Scottish and UK Governments, heritage organisations and other relevant stakeholders. Consideration would be given to the appropriate timing for engagement and GSA talking publicly about the SOBC Addendum.

It was recognised that the level, depth and intensity of the Mackintosh project work for the existing staff team was considerable and that this 'crunch moment' in the project was timely for considering the future shape and structure.

2425.57 MACKINTOSH INSURANCE UPDATE [Paper BOG2425-MAR-008]

The Board **noted** the update on progress regarding the Mackintosh OCIP Insurance Claim and associated legal actions, as set out in the paper.

The Director of Development highlighted key aspects of the paper regarding Establishment of Cover, Interim Payment to Account and Subrogated Actions.

It was highlighted that it was positive that the legal test had been conceded at this stage of the arbitration.

Regarding the £8m Interim Payment to Account, the Director of Development explained to the Board that this was the 'uncontested' element of the claim, which GSA had reasonably expected to receive by now without ongoing delay.

The Board was advised that, while final confirmation of the arbitration hearing date was awaited, it would most likely take place in September 2026, which would be the earliest date all parties involved would be available for the full hearing. It was expected that a seven-day hearing would take place, at which the decision would be final.

Members noted that a meeting would take place on 26 March 2025 with GSA's King's Counsel (KC) to provide an update on the current position to the Chair of the Board, the Director and Principal, the Director of Development and Dr Simon Learoyd who would all be in attendance.

ACADEMIC COUNCIL MATTERS

2425.58 PREVIOUS MINUTES AND REPORT

1. Minutes of the Academic Council Meetings of 27 November 2024 and 5 March 2025

[Paper BOG2425-MAR-009]

The Board **noted** the minutes from the meetings of the Academic Council held on 27 November 2024 and 5 March 2025. The Director and Principal and Deputy Director Academic highlighted the key matters considered at each meeting, with the November meeting focussed mainly on Research and Innovation and the People Strategy and the March meeting focussed on Education and Student Experience matters.

Thanks were extended to the Academic Quality Office for their preparations for both meetings.

2. GSA Annual Report to University of Glasgow Senate 2023-24

[Paper BOG2425-MAR-010]

The Board **noted** the GSA's Annual Report to the Senate of the University of Glasgow on Academic Session 2023/24 and commended the work involved in the preparation of this valuable report. It was noted that a considerable amount of work had been done to build a positive, reciprocal relationship with the University.

FINANCIAL MANAGEMENT

2425.59 FINANCIAL REPORTS

.1 Financial Performance Report [Paper BOG2425-MAR-011]

The interim Director of Finance highlighted the key points from the Financial Performance Report to 31 January 2025, the terms of which were **noted** by the Board.

.2 Report from the Interim Director of Finance [Paper BOG2425-MAR-012]

The Board **noted** the terms of the Report by the interim Director of Finance.

In the context of the current financial environment in the sector, the interim Director of Finance, by way of reminder, provided a helpful outline of the Board financial scrutiny procedures currently in place at the School:

- Financial Reporting and Monitoring: governance route via SLG, Finance and Resources Committee (FRC) and Board.
- Annual Budget: recommended by FRC to Board.
- Management Accounts: submitted monthly to SLG and quarterly to FRC.
- Cash Flow Report: submitted monthly to SLG and quarterly to FRC.
- Audit and Assurance: Internal and External auditors in place appointed by the Board.
- Financial Forecasting Plan: recommended by FRC to Board.
- Capital Investments: Business cases come to Board in line with delegated authority levels.
- Appropriate staff training provided.

The Board thanked the interim Director of Finance for this helpful outline and acknowledged the importance of these processes in providing sufficient assurance to the Board.

A discussion ensued in respect of cash reserves and liquidity and the offer of loan from the SFC referenced above (2425.54). Board members acknowledged that liquidity varies for GSA through the annual cycle.

Members discussed what would be conveyed formally to SFC to set out the Board's position regarding the liquidity forecast for end of July 2025, which was outside the agreed KPI. Members noted that the discussion with SFC had included the liquidity forecast if the Interim Payment remained unpaid, and that SFC had not expressed any concern at this. The Board agreed that its position was that it would welcome clarity from SFC on how quickly funds could be released if called upon and on what terms.

The Board agreed that the Director and Principal and interim Director of Finance should continue to work proactively with the SFC in this regard and to ensure that the Board was kept appropriately updated on developments.

[Action: **Director and Principal and interim Director of Finance**]

RISK MANAGEMENT

2425.60 QUARTERLY INSTITUTIONAL RISK REGISTER BOARD ASSURANCE FRAMEWORK [Paper BOG2425-MAR-013]

The Board considered and **endorsed** the quarterly Institutional Risk Register Board Assurance Framework which was presented by the Director of Strategy and Marketing.

Members **noted** that risk B in respect of 'Financial Sustainability' would be reviewed in advance of the next meeting and adjusted appropriately given the current sector environment.

[Action: **Director of Strategy and Marketing**]

GOVERNANCE MATTERS

2425.61 REPORT FROM THE SECRETARY AND REGISTRAR [Paper BOG2425-MAR-014]

The terms of the Secretary and Registrar's Report were **noted** by the Board. The main items in the Report were highlighted and, in addition, the Board considered the following:

.1 Governance Effectiveness Working Group

On the recommendation of the Governance Effectiveness Working Group the Board **approved**:

- The transfer of oversight of the Effective Governance programme of work and action plan from the Governance Effectiveness Working Group to the Governance and Nominations Committee (GNC) from the next cycle of 2024-25 committee meetings in May 2025, and
- The winding up of the Governance Effectiveness Working Group following Board approval of the change in oversight outlined above.

[Action: **Secretary and Registrar**]

The Chair of the Board acknowledged the valuable contribution of the Working Group and noted, in the current operating environment, the helpful and timely nature of the outputs from the External Board Effectiveness Governance Review. Members noted that the continued development of the Board Assurance Framework process would also be a valuable step in the effectiveness process.

.2 Recruitment of Independent Governors

On the recommendation of the Governance and Nominations Committee and, subject to completion of the required appointment formalities, the Board **approved** the appointment of the new Independent Governors to Board Committees as follows:

- Audit and Risk Committee - Sarah Lavers
- Finance and Resources Committee - Jane Morrison-Ross
- Governance and Nominations Committee - Marion Venman
- People and Culture Committee - Catriona Campbell

.3 The Robert Hart Trust

The Board **noted** that the Robert Hart Trust had now been wound up and that payment of GSA's share of the funds had been received. The Secretary and Registrar extended thanks to Dr Simon Learoyd for his assistance in this regard.

2425.62 COMMITTEE REPORTS

.1 AUDIT AND RISK COMMITTEE, 3 MARCH 2025 [Paper BOG2425-MAR-015]

The Board **noted** the Convenor's Report and minutes of the Audit and Risk Committee meeting held on 3 March 2025.

.2 FINANCE AND RESOURCES COMMITTEE, 24 FEBRUARY 2025 [Paper BOG2425-MAR-016]

The Board **noted** the Convenor's Report and minutes of the Finance and Resources meeting held on 24 February 2025.

.3 GOVERNANCE AND NOMINATIONS COMMITTEE, 20 FEBRUARY 2025

[Paper BOG2425-MAR-017]

The Board **noted** the Convenor's Report and minutes of the Governance and Nominations Committee meeting held on 20 February 2025.

The Board **approved** the amendments to the:

- Academic Council Student Election Rules. [Paper BOG2425-MAR-018]

.4 PEOPLE AND CULTURE COMMITTEE, 25 FEBRUARY 2025 [Paper BOG2425-MAR-019]

The Chair welcomed the Director of Human Resources and the Head of Student Support and Development to the meeting for consideration of this agenda item.

The Board **noted** the Convenor's Report and minutes of the People and Culture Committee meeting held on 25 February 2025.

The Board also:

- **Approved** the GSA Gender Pay Gap Report 2025 [Paper BOG2425-MAR-020]
- **Approved** the GSA Mainstreaming and National Equality Outcomes Report 2025 [Paper BOG2425-MAR-021]
- **Noted** the Annual Workforce Diversity Report 2024 [Paper BOG2425-MAR-022]

.5 REMUNERATION COMMITTEE, BY CORRESPONDENCE CONVENOR'S REPORT [Paper BOG2425-MAR-023]

The Board noted the Convenor's Report in respect of the by correspondence matter considered by the Committee.

2425.63 RESERVED BUSINESS

There was no reserved business.

2425.64 ANY OTHER BUSINESS

None reported.

2425.65 FUTURE MEETINGS OF THE BOARD

- Tuesday 17 June 2025

2425.66 FORTHCOMING GSA EVENTS OF INTEREST TO GOVERNORS [Paper BOG2425-MAR-024]

The Board **noted** the list of forthcoming GSA Events due to take place between March 2025 – November 2025.

2425.67 BOARD DEVELOPMENT

Members **noted** that an HE Finance Workshop would take place during the afternoon session of the Board meeting.