

CONSERVATOIRE FOR DANCE & DRAMA

MEETING OF THE BOARD OF GOVERNORS

Wednesday, 20 November 2019

The Penton Room at Lift, 45 White Lion Street, London N1 9PW

MINUTES

Present:	James Smith (Chair)	Chair	Independent
	Dr Roderick Clayton	RCl	Independent
	Richard Cooper	RC	Nominated, Rambert
	Pete Dunleavy	PD	Elected Staff
	Emily Fletcher	EF	Independent
	Janice French	JF	Independent
	Martin Halliwell	RJ	Independent
	Prof David Halton	DH	Nominated, BOVTS
	Rabia Harrison	RH	Independent
	Derek Hicks	DHi	Nominated, LCDS
	Mindy Kilby	MK	Independent
	Rebecca Laschetti	RL	Independent
	Alison Morris	AM	Independent
	Lesley Payne	LP	Independent
	Julian Roskill	JR	Independent
	David Ruebain	DR	CEO
	Matthew Slater	MS	Elected Staff
	Guy Stobart	GS	Nominated, BOVTS (alt)
	Tamas Wood	TW	Nominated, CSB
In attendance:	Carolyn Braby	CB	Finance Director, CSB
	Jill Leigh	JL	CDD
	Kathryn Martindale	KM	Finance Director, LCDS
	Caragh Merrick	CM	Chair Designate
	Vanessa Penzo	VP	CDD
Clerk:	Emma Swift	ES / Clerk	

1. Welcome, Apologies & Quorum

1.1 The Chair opened the meeting at 11:00, welcoming the members of the Board of Governors, Principals and others in attendance and extending a particular welcome to Caragh Merrick, Chair Designate.

1.1.2 The Board noted the resignations of Principals Heidi Hall, Paul Rummer and Janet Smith who will be leaving their respective schools after the spring term and acknowledged their phenomenal contribution to CDD.

1.2 Apologies were **received** and **accepted** from the following governors unable to attend:

Brian Brodie	BB	Nominated, NSCD
Matthew Lloyd	ML	Nominated, NCCA
Elyssa Sena	ESe	Elected, Student

1.2.1 It was **noted** that the following Principals had also notified the Clerk that they would be unable to attend the meeting:

Amanda Britton	AB	Principal, Rambert
Clare Connor	CC	Principal, LCDS
Heidi Hall	HH	Principal, CSB
Janet Smith	JS	Principal, NSCD

- 1.3 The Chair noted that the business of the meeting comprised four central themes: sound business control; ensuring the institution gives a true, fair and informative account of itself through the annual report; ensuring the effectiveness of Board committees; oversight of the work of Senate.
- 1.3.1 It was agreed that some items would be taken in a different order from the agenda to ensure instrumental business could be dealt with effectively before proceeding to strategic matters.
- 1.4 It was **acknowledged** that the meeting was quorate. The meeting proceeded to business.
- 2. Declarations of Interest**
- 2.1 There were no interests declared.
- 3. Minutes of the Previous Meeting**
- 3.1 The minutes of the meeting of the Board of Governors held on 9 October 2019 (**BG19/52**) were **reviewed** and **confirmed** as a fair and accurate record of the meeting.
- 4. Matters Arising from the Minutes**
- 4.1 Matters arising from the minutes of the previous meeting (**BG19/53**) were **reviewed**. There were no outstanding matters.
- 5. Matters Relating to Annual Report, Audit and Financial Statements for 2018/19**
- 5.1 The Annual Report of the Board of Governors and Financial Statements for 2018/19 (**BG19/61**) was **reviewed**.
- 5.1.1 VP reported that the Conservatoire had completed the year with a significant surplus rather than the budgeted deficit. This was due to a number of issues including postponement of the SMS project to 2019/20; the Conservatoire holding restricted reserves of around £100k on behalf of partners in the Virtual Conservatoire consortium; and staffing vacancies during the year. All outstanding audit queries had been resolved.
- 5.1.2 NSCD had given notification of its formal resignation to CDD on 4 November 2019 with a departure date of July 2023. The external auditor had advised NSCD's resignation should be highlighted as a post balance sheet event. This had been documented in agreement with the auditor in note 15 of the Notes to the Financial Statements.
- 5.1.3 The Members Agreement signed in November 2017 committed member schools to a 4-year period from the point of signature and members were required to give at least 2 years notice subsequently. NSCD were therefore giving early notice of the 2 years required from 2021. Any negotiation of the leave period would be as a result of "exceptional circumstances subject to discussion" as outlined in the Members Agreement.
- 5.1.4 The Chair reminded the Board that CDD had also held conversations with LCDS with regards to the school's future plans. JS invited DHi to clarify LCDS's position where it was relevant to the Conservatoire's accounts and its assumption as a going concern.
- 5.1.5 **[part redacted]** LCDS would continue to keep CDD informed of its plans through DHi and the Board.
- 5.1.6 MK reported that the Finance Committee had monitored financial reconciliation throughout the year and had thoroughly reviewed the financial statements at its meeting on 30 October. AM reported that the Audit Committee had undertaken a similar exercise and had reviewed the annual report at its meeting on 6 November. AM confirmed that the positions of both NSCD and LCDS had been discussed at the Audit Committee with the auditors present and that the auditors had been fairly appraised of the situation. Finance and Audit Committee recommended the annual report and financial statements to the Board for approval.

- 5.1.7 The Board **approved** the annual report and financial statements subject to the approval of the going concern paper.
- 5.2 The draft External Auditor's Report (**BG19/56**) and the draft Letter of Representation to the External Auditor were **reviewed**.
- 5.2.1 AM reported that this was the first year BDO had conducted the external audit. BDO had completed their planned work and all items outstanding at the Audit Committee had now been cleared. The audit had run smoothly and it had been healthy for the institution to have a new set of auditors challenging and questioning where appropriate. AM noted the areas of significant risk and control points which had been raised by the auditors and the measures implemented to resolve these. BDO was comfortable that CDD was a going concern for this year but noted that going concern would be a risk to focus on for the future.
- 5.2.2 AM reported that the Letter of Representation used a standard wording with no additional content. It was noted that the reference to university would need to be amended as the Conservatoire did not have University title.
- 5.2.3 The Board **approved** the Letter of Representation subject to the above amendment.
- 5.3 The Board **considered** the 'Going Concern' Statement (**BG19/57**).
- 5.3.1 It was noted that the going concern paper gave the necessary assurances to the Board and the auditors for approval of the financial statements. VP reported that the paper showed 2 years of financial modelling based on an approved operational budget for 2019/20 and an estimated budget for 2020/21. The opinion of going concern had considered the impact of LAMDA and RADA's departure and the impact of NSCD's resignation. At the request of the auditors, modelling had been provided for two scenarios: continuation and non-continuation of ISTA funding in 2020/21. Due to the General Election, the OfS specialist funding consultation had been postponed to the new year which increased the likelihood of a rollover for 2020/21. Appendix 2 demonstrated cash flow in both scenarios and showed that in the event of non-continuation of ISTA, CDD reserves could meet the deficit for the period modelled.
- 5.3.2 AM confirmed that the Audit Committee was comfortable to use the going concern assumption but that this would need to be kept under review and taken into account in next year's audit.
- 5.3.3 A minor amendment to the cashflow reserves shown in the executive summary was **noted**.
ACTION: VP to amend the executive summary section of the Going Concern paper to correct the cashflow reserves from £1.2K to £1.2M.
- 5.3.4 It was noted that CDD would need to present 5-year forecasts to Office for Students based on the going concern modelling and that there would be a decision as to whether an assumption of ISTA funding should be included in this return.
- 5.3.5 It was confirmed that CDD reserves had been depleted prior to the current financial year due to commitments to projects such as the SMS and TDAP and that the decision had been taken to restore reserves to the current levels as a result. It was agreed that the Board should return to the issue of how best to utilize CDD reserves once there was further information regarding ISTA funding from 2020/21.
ACTION: The Board to review analysis of CDD's budget and reserves following further information from OfS regarding future ISTA funding.
- 5.3.6 **[part redacted]** The paragraph regarding NSCD's departure in 2023 in the going concern paper was **discussed**.
- 5.3.7 The going concern paper was **agreed**.
- 5.4 The Internal Auditor's Annual Report for 2018/19 (**BG19/55**) was considered.
- 5.4.1 AM reported that this was KCG's second year as internal auditor and that their experience working with the sector had been helpful in identifying areas for review. The report flagged areas of good practice and those of concern and KCG was comfortable action was being taken in response to the points raised. The auditors had given a satisfactory assurance for CDD and the schools and this informed Audit Committee's report to the Board.
- 5.4.2 The Internal Auditor's Annual Report for 2018/19 was **approved**.

- 5.5 The draft annual report from the Audit Committee for 2018/19 (**BG19/58**) was **considered**.
- 5.5.1 AM confirmed that the report was still in draft and the outstanding issues awaiting final confirmation would be resolved ahead of submission to OfS. The Committee's opinion in paragraph 50 was consistent with previous years and confirmed that adequate and effective arrangements had been in place for governance, VfM and data. The single outstanding matter for 2018/19 was the SMS tender and the internal auditors would review this as part of their 2019/20 audit process.
- 5.5.2 The annual report from the Audit Committee was **agreed**.
- 5.6 The minutes of the Audit Committee meeting held on 6 November 2019 (**BG19/59**) were **received** and **accepted**.
- 5.7 The Audit Committee Terms of Reference (**BG19/60**) were **approved**.
- 5.7.1 The Chair confirmed that AM's third term of service would end in November 2020 and thanked AM and members of the Audit Committee for their work on this year's audit cycle. AM noted thanks to VP and her team for the smooth process of this year's audit.
- 6. Report of the Finance Committee**
- 6.1 The annual report of the Finance Committee for 2018/19 (**BG19/62**) was **received** and **accepted**.
- 6.1.1 DR noted that there were a number of errors in the report with regards to attendance at committee meetings and these would be updated.
- 6.1.2 MK reported that there had been substantial changes in the membership of Finance Committee with three new independent governors joining the committee this year. MK thanked VP and her team for their excellent work on the audit.
- 6.2 The minutes of the Finance Committee meetings held on 18 September and 30 October 2019 (**BG19/63**) and (**BG19/63a**) were **received** and **accepted** subject to one typographical amendment.
- 6.2.1 MK noted that the SMS project was now a standing item on the agenda.
- 6.3 The Finance Committee Terms of Reference (**BG19/64**) were **approved**.
- 6.3.1 The Chair thanked MK for taking over the role of Chair of Finance Committee and the new members of the committee for taking on this responsibility.
- 7 Nominations Committee**
- 7.1 A recommendation of the Nominations Committee to appoint a new Chair of Audit Committee (**BG19/65**), Colette Wilson, was **considered**.
- 7.1.1 It was noted that CW would be invited to join the Conservatoire Board initially as an Independent Governor but with a view to taking over as Chair of Audit Committee when AM stepped down in November 2020. It was noted that CW could be in attendance at Audit Committee meetings in the remainder of the 2019/20 academic year.
- 7.1.2 The Board **approved** the appointment of CW as an Independent Governor subject to her acceptance.
- 7.1.3 It was noted that CDD had received two strong applications for the role and that the candidate not appointed had expressed an interest in any future opportunities with the Conservatoire Board.
- 7.2 The minutes of the Nominations Committee meeting held on 30 September (**BG19/66**) were **received** and **accepted**.
- 7.2.1 It was noted that RCI had agreed in May 2019 to serve a third term of service with effect from November 2019.
- 7.2.2 The appointment of RCI to a third term of service was **approved**.

7.3 The Nominations Committee Terms of Reference (**BG19/67**) were **approved**.

8 Remuneration Committee

8.1 A proposal for the membership of the Remuneration Committee (**BG19/68**) was **taken as read** and **approved**.

8.2 The Remuneration Committee Terms of Reference (**BG19/69**) were **approved**.

9 Annual Report from Senate to the Board on Quality and Standards

9.1 The annual report on quality standards (**BG19/70**) was **considered**.

9.1.1 It was noted that the report informed the Board of the academic health of the Conservatoire as the higher education provider and therefore did not focus on individual school achievements or weaknesses. The report covered the four areas of regular Senate business: regulation and compliance, quality and standards, enhancement, and other business.

9.1.2 It was noted that OfS had not required institutions to submit a quality and standard statement in December 2019, which potentially allowed for a more flexible timetable to produce the annual report in future years, in order to incorporate annual programme monitoring. JL would bring a proposal to the next Board meeting to establish how the Board can assure itself of the quality and standards of provision throughout the year.

9.1.4 It was noted that the longitudinal Graduate Outcomes survey replacing the Destination of Leavers' of Higher Education survey had the potential to impact upon the Conservatoire's TEF metrics, although benchmarking might offer some mitigation.

9.1.5 Initial headlines from the graduate destinations survey were discussed. The survey had been developed with the Careers Research & Advisory Centre and piloted over the summer. It was anticipated that a second iteration of the survey would be repeated in a few years' time. JL congratulated the schools on the high response rate with 753 surveys completed. The research had been undertaken in part to contextualise other success measures, such as the LEO data on graduate earnings, and to articulate effectively what we do to counter these narratives. It was noted that metrics considering impact were likely to give a more accurate picture of the contribute of graduates to their artform.

9.1.6 Initial outcomes from the survey indicated high rates of satisfaction and confidence among Conservatoire graduates. It was noted that research of this kind should seek to demonstrate the differences between graduates of Conservatoire schools and those studying the same subject at another institution. It was noted that the transferable skills developed in training such as self-discipline and teamwork also made Conservatoire graduates ideal candidates for jobs in other areas, including the management of an independent career, but there was not always an understanding of this in the early stages of working life. JL confirmed that the researchers would produce a full report with more granular analysis, including differences between art forms, which would be considered at the next Senate.

9.1.7 The report was **accepted** as an accurate reflection of the academic year. The Chair noted thanks to Senate for its work over the year.

9.2 The OfS Annual Accountability Return template (**BG19/71**) was **received** and **considered**.

10. Prevent Annual Monitoring Report

10.1 The annual report on the Prevent Duty which included the Annual Accountability Statement and risk assessment (**BG19/72**) was **considered**.

10.1.1 Final updated figures for the OfS submission were **tabled**. No particular issues had been raised. It was noted that providers were now asked to include figures for incidents of welfare and safeguarding. The Conservatoire's figure of 215 was high and increasing and predominantly reflected an increase in mental health issues. JL confirmed that mental health was a high priority on Senate's action plan.

10.1.2 The annual report was **approved** for submission to OfS.

11. Minutes of the TDAP Sub-Committee

- 11.1 The minutes of the TDAP Sub-Committee held on 1 October 2019 (**BG19/73**) were **taken as read**.
- 11.1.2 DH reported that Keith Bartlett was no longer acting as a consultant for TDAP following JL's appointment as Academic Registrar. An application for TDAP remained at the heart of the Conservatoire's Strategic Plan and the ambition was to submit in summer 2020. The committee would continue to move forward with drafting the governance handbook and producing a first draft of the critical self-assessment. The area requiring most work remained governance and management and the Operating and Financial Agreement would need to be completed ahead of submission.
- 11.1.3 JR reported that the TDAP HR report had been prepared. No serious issues had been identified and opportunities for collaboration had been identified. JR acknowledged the cooperation of the schools in helping prepare the report.
- 12 Minutes of Senate**
- 12.1 The minutes of the Senate meeting held on 2 October 2019 (**BG19/74**) were **taken as read**.
- 13 Statutory and Data Returns**
- 13.1 The report on CDD's statutory and data returns (**BG19/75**) was **taken as read**.
- 13.2 VP reported that there had been a change in the regulatory requirements of the December financial return, including the five-year forecast, and that OfS now required that this return is approved by the Board prior to submission. The return was due on 2 December.
- 13.3 It was noted that NSCD's expected departure date in 2023 would fall within the timescale of the five-year forecast and the projections would need to reflect this.
ACTION: VP to update the five-year forecast for OfS to reflect NSCD's departure in 2023 and circulate to the Board for approval before submission.
- 14 Office for Students letter**
- 14.1 The OfS letter reminding HEPs to adhere to OfS deadlines (**BG19/76**) was **noted**.
- 15 Charities Commission Information**
- 15.1 The letter from the Charities Commission with election information (**BG19/77**) was **noted**.
- 16 Report of the Chief Executive Officer [part redacted]**
- 16.1 The report of the CEO on developments at the Conservatoire since the last meeting of the Board (**BG19/54**) was **noted**.
- 16.1.2 DR noted that this paper had been deferred to the end of the meeting to allow an opportunity to reflect and start the process of considering next steps.
- 16.1.3 DR noted staff changes within the central team and confirmed that ES would be taking on the role of Conservatoire Secretary. DR intended to develop a distinct function for business development work which would incorporate administration of existing income streams such as HEIF and other areas of development to help ensure the financial viability of the organization going forward. DR anticipated that this role would fall within the existing funding envelope for staffing.
- 16.1.4 DR noted that the postponement of the OfS specialist funding review due to the General Election meant that a decision on ISTA funding for 2020/21 was now unlikely before May or June.
- 16.1.5 DR noted that LCDS would be sending comments on the Operating and Financial Agreement; following receipt of these DR would convene a meeting to resolve final outstanding issues. School Finance Directors would be meeting separately to agree a resourcing model which would determine Schedule 9 of the OFA. DR hoped to reach a consensus which would be acceptable to all parties.
- 16.1.6 DR noted the significance of NSCD's resignation and confirmed that he had notified OfS of this event as a reportable matter.
- 16.1.7-9 *[Redacted]*
- 16.1.10 The impact of NSCD's resignation upon TDAP was debated.
- 16.1.11 JS invited CM to comment. CM noted that the whole sector was in a period of transition but that this presented as many opportunities as risks. CDD needed to create a new vision based on its

strategy and with TDAP as part of the offer. As Charity Trustees the Board had an obligation to obtain clarity around long-term sustainability. NSCD's decision would accelerate this thinking. CM endorsed the proposed for a small working group to take this work forward and bring tangible proposals to the Board for discussion.

- 16.1.12 CM confirmed that she and DR would be meeting with Principals and Chairs of School Boards before the end of the year and noted that she wished to explore the question of value added within these conversations. It was important to clarify what each school saw as value added currently and what additional value they required to ensure their long-term commitment to membership of CDD.

17. AOB

17.1 DR noted that CDD graduates had received 9 nominations for the 2020 National Dance Awards.

17.2 DR noted that this was JS's last Board meeting and acknowledged the significant time he had devoted to the organization as Chair. DR noted his appreciated for JS's complete support and his commitment to CDD over 9 years and thanked him for his service.

17.3 JS expressed his admiration for the leadership of the Principals, the staff and Boards of the schools, and the staff of CDD. JS noted that the greatest part of his time as Chair had been attending student performances and seeing the energy, creativity and dreams of students; it was this that made the work of the Board valuable. JS wished CM, the Board, staff and students all the best for the future.