



Queen Margaret University
EDINBURGH

UNIVERSITY COURT

CONFIRMED Minutes of the meeting held on 4 April 2018

PRESENT

Dr Frances Dow CBE (Chair)
Elaine Acaster OBE
Jim Bradshaw
Carolyn Bell
Dr Richard Butt
Professor Graham Caie CBE
Colin Duffus
Dr Anthony Falconer OBE
Frank Lennon OBE
Jackie Macdonald

Ken McGarrity
Linda McPherson
Ruth Magowan
Melanie Moreland
Margaret O'Connor
Stewart Sands
Dr Eurig Scandrett
Dr Andrew Scott
Professor Petra Wend
Dr Laura Young MBE

IN ATTENDANCE

Professor Brigid Daniel	Dean of School, Arts, Social Sciences and Management
Professor Fiona Coutts	Dean of School, Health Sciences
Gordon Craig	Head of Planning
Malcolm Cutt	Director of Operations and Finance
Irene Hynd	University Secretary (Secretary)
Gerry O'Hare	Governance Adviser (Minute Secretary)
Steve Scott	Director of Campus and Commercial Services

1 WELCOME AND APOLOGIES

The Chair welcomed members and those in attendance to the meeting. Apologies were noted from Sarah Phillips and Cynthia Guthrie.

Members were advised that Students' Union elections had taken place in mid-February. Stewart Sands had been re-elected as Student President and Rebecca Wilson, a 4th year Speech & Language Therapy student, as Vice-President. Members noted that recent Student Vice-President, Megan Richardson, had stepped down from the role, having secured a role with Scottish Student Sport. Warm congratulations were extended to Megan on behalf of the Court.

2 CONFLICTS OF INTEREST

There were no conflicts of interest declared.

3 DETERMINATION OF OTHER COMPETENT BUSINESS

- (a) There was no other competent business determined.
- (b) There was no business arising from the Items for Information.

4 CHAIR'S REPORT

In view of the number of items on the agenda that merited focussed attention, the Chair would not provide her customary Chair's report. The focus of the meeting would be on progress in the development of the University's Strategic Plan, and further consideration of the University's financial sustainability and Land Development Strategy.

5 PRINCIPAL'S REPORT

Members RECEIVED a detailed written report from the Principal on recent strategic developments within the University, and within the HE sector generally (COURT (18) 08),

Sectoral matters advised included confirmation from the Scottish Government that eligible EU students commencing undergraduate study in 2019 would have their tuition fees costs met by the Scottish Government for the full duration of their degree programme.

There had been formal announcement that the University was launching a four-year undergraduate degree to produce the next generation of primary school teachers in Scotland, as well as a PG Diploma in Home Economics to develop teachers for vital posts in secondary schools. Portfolio development work was ongoing, with a continued focus on graduate employability and entrepreneurship. Representative of this was the securing of twenty undergraduate places in Business Management through a successful bid to participate in the Government's Graduate Apprenticeship scheme. Staff across the University were finalising operational plans for 2018/19, with developments being progressed in line with the portfolio review recommendations.

Industrial action had taken place at nine Scottish universities in response to proposed changes to the Universities Superannuation Scheme (USS) pension scheme. Although QMU had a number of USS scheme members, the scheme was not one of the University's primary pension schemes.

In addition to the matters highlighted in the written report, the Principal provided an oral report on recent press coverage arising from comments reported as having been made publicly at a recent UCU conference. Members were advised that the University had started a full investigation into the reported allegations.

6 MINUTES

- 6.1** The Unconfirmed minutes of the meeting held on 7 February 2018 (COURT (18) MINS 01) were APPROVED as an accurate record. There were no matters arising.
- 6.2** Members RECEIVED the notes of the Court Away Days held on 7 and 8 February 2018

7 STRATEGIC PLAN QM150

The Principal introduced Court Paper (18)10, which was a biennial review of progress in delivery of the University Strategic Plan QM150. The review paper was supported by two Annexes: Annex A - Key points and overarching goals, and Annex B - commentary on progress with the nine overarching goals

Members were reminded that the Strategic Plan had been approved by the University Court in December 2015, and published early in 2016, having been shaped through discussion with a significant number of internal and external stakeholders. Supporting and enabling sub-strategies had been developed thereafter, with progress against the plan's objectives being reported through a number of institutional KPIs.

The QM150 Strategy held true to the principles and values on which the University had been founded. This was reflected in its focus on supporting students, in serving the community, creating meaningful partnerships, promoting impactful knowledge exchange and enshrining social justice. It built upon the University's track record in research, which was an essential element of the University's mission to foster intellectual capital with both a theoretical and practical focus.

Members were invited to discuss Annex B, which set out progress to date in delivering on each of the plan's nine overarching goals, ie:

1. An excellent student experience.
2. A highly visible and strongly promoted academic portfolio.
3. A strong research culture.
4. An increased international reach.
5. A culture of knowledge exchange and commercialising which embraces and supports entrepreneurialism.
6. A university without borders.
7. Significant fund raising and development.
8. A vibrant campus with attractive facilities.
9. Motivated, confident, engaged and inspiring staff.

In discussion, members commented variously as follows:

- Congratulations should be recorded on the improvement in graduate employment evidenced by the relevant KPIs; this represented one of the University's USPs.
- The plan was in many ways what one would expect from a University, but also portrayed the University's distinctiveness.
- While the direction of travel was clearly positive, the plan, and the KPIs, would benefit from further quantification.
- The lack of an explicit goal relating to financial sustainability was an omission, with the suggestion that enshrining this as a 10th goal was required in order to achieve the other 9 goals.
- The review would benefit from description of the work undertaken on the portfolio review, as this work was key in terms of how the University positioned itself in future.
- The plan might benefit from a review of original timescales, particularly given the speed in which the HE environment had changed over the last 2 years.
- It would be helpful in future if such a review were incorporated into the programme for the Away Days; it would have been particularly useful had the paper and presentation been available to members prior to the Away Day discussions.

Summarising the discussion, the Chair suggested that there was agreement that the overarching goals set out in the plan were still relevant, but care should be taken not to lose sight of the University's distinctiveness and strengths. Generally, there was a need to be alert to, and respond to, change in the HE environment, including in terms of demographics and funding policy. The KPIs continued to be relevant and useful in providing Court members with a means to track progress in the achievement of targets. Members' understanding would be helped further were there a strategic item for discussion at each meeting of the University Court.

8 SCOTTISH FUNDING COUNCIL

8.1 SFC Outcome Agreement Funding – Indicative Allocations

The Scottish Funding Council had released details of indicative funding allocations for 2018/19 on 27 February 2018. Members NOTED that overall funding for teaching and research was £509k higher than that allocated in 2017/18. The 3.6% increase represented the highest percentage increase in funding in the sector. The University would also receive an increase of £62k in Capital Maintenance funds.

Members NOTED that, although SFC had stated the previous year that it intended to make a technical adjustment by reducing its tolerance bands from 2% to 0%, it had not done so. SFC had recognised that, to do so, would have introduced significant perturbation to funding, and had agreed that further work be undertaken. Had SFC proceeded with this change, it could have had a negative impact on the University of up to £300k.

8.2 Outcome Agreement

Members RECEIVED a further iteration of the Queen Margaret University Outcome Agreement (OA) being negotiated and developed with the SFC for 2017-20 (COURT (17) 54).

Members NOTED that the final version, with only minor amendment to the version circulated to the Court, would be submitted to the SFC by the required deadline of 30 April and published on the SFC website in May.

Members AGREED to provide the Chair of Court with delegated authority to approve on behalf of the University Court the final version for submission to SFC.

9 SECOND QUARTER REVIEW TO 31 JANUARY 2018

9.1 Management Accounts for the six months to 31 January 2018

Members RECEIVED the Quarter 2 management accounts for the six months to 31 January 2018 (Court (18) 16).

The Director of Operations & Finance informed members that the overall shortfall in tuition fee income, initially estimated at £1 million, was now forecast to be £600k. Most of the invoicing for on-campus student fees had been completed, including second-semester starts, which had been in line with forecast. Invoicing of fees for collaborative partners had reached the forecast level. Some further income could arise from this source during the remainder of the financial year, which would reduce further the shortfall figure of £600k. Income from

student accommodation, originally forecast to be £50k below budget, was now forecast to be on budget.

MINUTE REDACTED – the record of discussion under Minute 9.1 is exempt from disclosure under Section 33 (1) (b) of the Freedom of Information (Scotland) Act 2002.

No further expenditure had been committed against the strategic investment fund budget of £500k. It was recognised that a level of investment was likely to be required during the remainder of the financial year in order to respond to the recommendations arising out of the portfolio review exercise. It was anticipated that this would result in an underspend of £250k against the budget allocation.

The Convener of the Finance and Estates Committee advised that the Committee had scrutinised the management accounts carefully, and that the Committee was reasonably confident that the budget projections could be achieved.

9.2 KPI update: second quarter 2017/18 report

Members RECEIVED an update on progress against 2017/18 KPIs.

As reported in the quarter 2 financial update, tuition fees were forecast to be £600k below budget. Overall, student numbers were forecast to be close to target, with intake forecast to be lower than in 2017/18, conversion of offers to places being down on previous years. As reported previously, an Admissions taskforce had been established to optimise entry numbers in 2018/19

While the percentage of students recruited from SIMD20 postcodes was below the target established for 2017/18, it was above the Government's requirement that all Universities have at least 10% of their entrants from SIMD20 postcodes by 2021. The percentage of first and upper second-class degrees awarded was above target.

The number of research active staff was slightly below target, the figure having changed from quarter 1 due to staff turnover.

10 FINANCIAL FORECASTS

MINUTE REDACTED – the record of discussion under Minute 10 is exempt from disclosure under Section 33 (1) (b) of the Freedom of Information (Scotland) Act 2002.

11 LAND DEVELOPMENT STRATEGY

Members RECEIVED an update on recent activity and progress with the Local Land Development strategy and the City Deal process (Court Paper (18) 16).

The Scottish Government's examination of the proposed East Lothian Local Development Plan (LDP) had concluded, and its report issued. Recommendations had been made for modifications to the LDP, but these were not material for the development area around the University.

Following submission of the draft Outline Business Case (OBC) in December, a meeting had been held with both Governments to discuss feedback received. MINUTE REDACTED – the record of discussion under Minute 11 is exempt from disclosure under Section 33 (1) (b) of the Freedom of Information (Scotland) Act 2002.

Members noted that a Project Steering Group, chaired jointly by the Chief Executive Officer ELC and the Principal, had been formed. Invitations to serve on the Group had been issued to a number of different stakeholders, including representatives from the food and drink sector. Two Lay members of the University Court, Carolyn Bell and Ken McGarrity, were being recommended for membership of the Group by the Nominations Committee (Minute 18 below refers).

12 GOVERNANCE

12.1 Higher Education Governance (Scotland) Act 2016

Members RECEIVED an update on the University's compliance with the Higher Education (Governance) Scotland Act 2016 (Court Paper (18) 17).

As part of the legislative approval process, Scottish Government officials had provided post '92 institutions with a template to assist individual institutions in their determination of amendments necessary to their Governing Orders. A copy of the template completed on behalf of the University, which set out in detail amendments sought by the University to its Statutory Instrument, had been circulated to Court members for consideration and approval.

Members were advised that, as the University's governing Order provided for the Chair of Court to be appointed by the Court 'in accordance with its rules and procedures from time to time'; there was a need to update the University Court Standing Orders to clarify those rules and procedures. Draft Amendments to the Standing Orders at Section 11, Appointment of the Chair, were presented in the Appendix to paper.

Members were asked to note in particular the provision set out at Section 11.17, where two possible statements had been included. These statements were important as they determined to different degrees when a 'vacancy' occurred for a Chair, and therefore, when an election must be held. The first statement provided for the appointing Committee to recommend to the Court the period of appointment, while the second statement made the period of initial appointment, and possible further appointment, explicit. The former reflected the current provision in the Standing Orders, while the latter reflected current arrangements for appointment as a Lay member. The Chair's appointment brought with it simultaneous appointment as a Lay member. Members were advised that there remained uncertainty as to whether or not a vacancy would arise in 2019, on which external advice was being sought. A number of other HEIs were in a similar position, but independent legal advice received had not been consistent. Further advice would come forward to the June 2018 meeting.

Members were advised that the Act set out a number of requirements in terms of the composition of the governing body. A number of the requirements were accommodated currently within the University's Order of Council, which provides for 24 members, including 2 persons elected by staff (1 academic and 1 'other than' academic), one person appointed by the Senate, and 2 elected students (represented by sabbatical officers of the Students' Union). As advised to members previously, the University's Order of Council required to be amended to provide for the additional category of membership of '2 persons by nomination of a TU'. Specifically, an amendment was required to Article 4(2)(d) of the University's Order of Council to provide for the provisions in Sections 10 (c) and 10 (d) of the Act.

The maximum membership of the University Court would need to be amended from 24 to 26 to accommodate the addition of 2 TU nominated members, and Court's approval previously of the retention of the category of Senate appointee (paragraph 5, Paper Court (16) 50 refers).

Advice would be sought concerning Section 10.1 (e) of the Act, which referred to ‘2 persons appointed by being nominated by a students’ association of the institution from among the students of the institution’. The intention would be not to seek amendment to the current provision in the University’s Order, which provides for 2 student members, ‘being the president of the students’ association representing the student body of the University approved from time to time by the Court for this purpose, and one other office-bearer of the association to be selected by the association’. It was noted however that Section 22 of the Act stated the following in terms of students: ‘In this Act, a reference to the students of a higher education institution includes all persons holding sabbatical office in a students’ association of the institution (whether or not they remain as students of the institution during their period of office).

Noting the above, the University Court APPROVED the matters on which advice would be sought from Scottish Government officials in relation to the drafting of a revised governing order for the University.

12.2 Scottish Code of Good HE Governance 2017

Members RECEIVED an update on the University’s compliance with the Revised Scottish Code 2017. A benchmarking exercise had been undertaken, as a result of which particular provisions of the Code were being brought to the Court’s attention as requiring a policy decision.

In order to progress this work, it was proposed that Court establish a short-life task group to consider current policy and/or practice and make recommendations to the Court. Membership of the Group was suggested as including the following Court members:

- Dr Frances Dow, in the capacity as Chair of Court (to Convene).
- Elaine Acaster, Lay member, on the basis of previous experience in University governance.
- Professor Graham Caie, on the basis of Convenership of the Audit and Risk Committee, which Committee had undertaken a previous audit of compliance with the Scottish Code.
- Linda McPherson, Vice-Chair, on the basis of Convenership of the SMRC, and the implications of the revised Code on the work of that committee.

The University Secretary would support the Group in its work.

Members APPROVED the establishment of a short-life task group, with membership as detailed above, such group to report and make recommendation to the June meeting of the Court.

12.3 Senior Management Remuneration Committee – Short-Life Working Group

Members were reminded that, at its meeting on 6 December 2017, the University Court had approved the formation of a Short Life Working Group to review the University’s Senior Management Remuneration Review policy. While the revised policy was in a near final form, it was suggested that its development might benefit from discussion taking place at the meeting of the Committee of University Chairs being held on 23 April. The final draft policy would be brought to the June Court meeting for approval.

12.4 Gender Representation on Public Boards (Scotland) Act 2018

Members NOTED the requirements established for Court Lay membership under the provisions of the Gender Representation on Public Boards (Scotland) Act.

13 ANNUAL SUMMARY REPORT ON COMPLAINTS

Members NOTED the annual report on complaints investigated under the University's model complaint scheme in 2017.

14 ENHANCEMENT LED INSTITUTIONAL REVIEW

Members received an update on the arrangements for the University's participation in the QAA Enhancement-Led Institutional Review process (ELIR).

15 SENATE

Members RECEIVED the minutes of the Senate meeting held on 21 February 2018. Four specific items of importance had been drawn to the attention of the Court, namely, Initial Teacher Education, Enhancement-led Institutional Review (ELIR), Scottish Funding Council Outcome Agreement 2018-21, and Portfolio Sustainability Review.

16 FINANCE AND ESTATES COMMITTEE

Members RECEIVED the minutes of the Finance and Estates Committee meeting held on 14 March 2018 (FEC (18) MINS 01). There were no items brought to Court's attention that were not covered elsewhere on the Court's agenda.

17 HEALTH AND SAFETY COMMITTEE

Members RECEIVED the minutes of the Health and Safety Committee meeting held on 15 March 2018 (HSC (18) MINS 01). There were no items brought to Court's attention.

18 NOMINATIONS COMMITTEE

Members APPROVED the following recommendations for Appointment agreed by the Nominations Committee at its meeting held on 26 March 2018:

- a) *Appointment of a Candidate to the Lay Court membership:* Robert Pattullo, CA
- b) *Appointment of 2 members to the EIP Project Steering Group:* Ken McGarrity, Convener Designate, Finance and Estates Committee; Carolyn Bell, Member, Audit and Risk Committee.

19 MEMBER RETIRAL

The Chair advised members that the meeting would be the final Court meeting attended by Jim Bradshaw. On behalf of the University Court, the Chair thanked Jim formally for his significant contribution to the Court during his seven years of service, and in particular, for his insight, judgement and careful stewardship of the Finance and Estates Committee.

In response, Jim thanked members for their support and counsel, and wished the University every future success.

20 **DATES OF FUTURE MEETINGS**

Court will meet on the following dates in 2018 and 2019:

27 June 2018 at 3.00 pm
3 October 2018 at 3.00 pm
5 December 2018 at 3.00 pm
6-7 February 2019 (Court Away Days)
3 April 2019 at 3.00 pm
26 June 2019 at 3.00 pm