



Queen Margaret University
EDINBURGH

UNIVERSITY COURT

Confirmed Minutes of the meeting held on 27 June 2018

PRESENT

Dr Frances Dow CBE (Chair)	Ruth Magowan
Dr Richard Butt	Melanie Moreland
Professor Graham Caie CBE	Robert Pattullo
Colin Duffus	Sarah Phillips
Dr Anthony Falconer OBE	Stewart Sands
Cynthia Guthrie	Dr Andrew Scott
Frank Lennon	Professor Petra Wend
Jackie Macdonald	Rebecca Wilson
Ken McGarrity	Dr Laura Young MBE
Linda McPherson (Vice Chair)	

IN ATTENDANCE

Professor Fiona Coutts	Dean of School of Health Sciences
Gordon Craig	Head of Planning
Malcolm Cutt	Director of Operations and Finance
Irene Hynd	University Secretary (Secretary)
Fraser Rudge	Policy Adviser (Minute Secretary)
Steve Scott	Director of Campus and Commercial Services

1. WELCOME AND APOLOGIES

The Chair welcomed members to the meeting of the University Court. Apologies were noted from Elaine Acaster OBE, Carolyn Bell, Margaret O'Connor, and Dr Eurig Scandrett.

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

The Chair reported on her recent attendance at the Committee of University Chairs (CUC), and in particular on the Committee's discussion of the recently published HE Senior Staff Remuneration Code, the provisions of which were not binding in Scotland. Members were reminded that the SMRC working group, convened by the Vice Chair of Court, was concluding on its revision of the University's Senior Management Remuneration Review policy (Minute 11.3 below refers).

Members were informed that Universities Scotland was developing a sector vision for higher education in Scotland, which had been discussed at the recent meeting of the Committee of Scottish Chairs (CSC) attended by the Vice Chair of Court. The Vice Chair advised that the meeting had been well attended and that there had been general agreement that a vision was required. However, the draft vision presented did not attract wide support from those present on the grounds that it did not adequately demonstrate the dynamism and capabilities of the Scottish higher education sector, or achieve sufficient differentiation from other nations' higher education sectors. A further meeting would be held in October 2018.

5. PRINCIPAL'S REPORT

Members received a detailed written report from the Principal on recent strategic developments within the University, and within the higher education sector generally.

Members were advised that UK-wide pay negotiations were ongoing, with an Employers' final pay offer of a 2% increase for staff on spine point 16 and above, and £425 for staff on spine point 15 and below, being subject to ballot by the Trade Unions. The majority of unions would be recommending rejection of the offer.

Members received an oral update on the Scottish Government's recent cabinet reshuffle, and noted a number of student and graduate success stories. The Chair extended Court's congratulations to all those listed for their achievements.

6. MINUTES

6.1 (a) Minutes of the meeting held on 4 April 2018

The Unconfirmed minutes of the meeting held on 4 April 2018 were APPROVED as an accurate record.

(b) Matters arising

Members NOTED the discussion at Minute 7, Strategic Plan QM150, concerning the inclusion within the Plan of 'financial sustainability' as an overarching goal or a key enabler. In response to a suggestion, members were advised by the Principal that a statement on achieving financial sustainability was included within the Plan currently.

Court was advised that a full investigation into the allegations reported at Minute 5 had concluded, and that the allegations had not been substantiated.

6.2 Minutes of the Extraordinary Meeting held on 23 May 2018

The Unconfirmed minutes of the Extraordinary meeting of the University Court held on 23 May 2018 were APPROVED as an accurate record, subject to noting that Sarah Phillips had not been present, having not received notice of the meeting. The University Secretary undertook to investigate the notice arrangements for the meeting.

Secretary's Note: it was established that there was an error of transposition in the email address to which meeting correspondence had been sent. The email distribution list has been updated with appropriate contact details.

7. SCOTTISH FUNDING COUNCIL

7.1 Outcome Agreement Funding Announcement 2018-19

Members RECEIVED details of the confirmed Scottish Funding Council Outcome Agreement funding announcement for 2018-19. The Head of Planning summarised the key funding changes from that advised in the indicative funding allocation and reported to the Court previously. An additional £78k had been allocated for teaching, while the allocation received in relation to the Research Excellence Grant had reduced by some £36k. There remained potential for further research funding, the details of which it was hoped would be available by the start of the academic session.

Members noted the inclusion of 14 additional funded places for the BSc (Hons) Nursing programme. The Dean of Health Sciences advised that sector level funding for nursing had increased by 10.8%, and that the University would be lobbying hard to receive a greater proportion of the funded places on the basis of its strong performance in national indicators, including the NSS and employability. It was noted that two other higher education institutions had entered Clearing for their nursing programmes, and that QMU was on course to over-recruit.

In discussion of gender representation within the nursing profession, members were informed that approximately 9% of nursing students were male, and that the University would be collaborating with the University of Dundee on a programme to encourage more men to apply to Nursing. Members were informed of sector level work to increase pathways into nursing, and advised that degree apprenticeships were not being utilised in Scotland due to outstanding funding issues.

7.2 QMU Outcome Agreement

Court NOTED the published Queen Margaret University Outcome Agreement with the Scottish Funding Council, previously approved by the Chair under powers delegated by the Court.

8. THIRD QUARTER REVIEW TO 30 APRIL 2018

8.1 Management accounts for the nine months to 30 April 2018

Members RECEIVED the Management accounts for the nine months to 30 April 2018. The Director of Operations and Finance explained that current forecasts suggested that overall income would be around £545k below the initial budget and that staff costs expenditure was anticipated to show an overspend of around £400k against the budget

as a result of the level of savings being lower than forecast. Non-staff costs were projected to be £250k below budget, largely as a result of non-expenditure or deferral of expenditure on strategic investments. The combined variances were expected to lead to an adverse variance of £695k in the outturn position, reduced from £750k in quarter 2.

8.2 KPI update: third quarter 2017/18 report

Members RECEIVED an update on progress against 2017/18 key performance indicators.

It was noted that the expected tuition fee shortfall, which had been estimated at £600k, had been revised to £545k. The amount of new funds and cash income from fundraising and development were both expected to be above target. As advised to Court previously, the University had achieved a rating of “effective” in the recent Enhancement-led Institutional Review (ELIR). It was noted that staff absence had increased marginally, and that the increase was attributable largely to a small number of staff members on long term absence.

MINUTE REDACTED – the record of discussion under Minute 8.2 is exempt from disclosure under Section 33 (1) (b) of the Freedom of Information (Scotland) Act 2002.

9. FINANCIAL FORECASTS AND BUDGET FOR 2018/19

MINUTE REDACTED – the record of discussion under Minute 9 is exempt from disclosure under Section 33 (1) (b) of the Freedom of Information (Scotland) Act 2002.

10. LAND DEVELOPMENT STRATEGY

Court CONSIDERED a paper and supporting appendices that updated members on the land development strategy and related developments, including the Edinburgh Innovation Park proposal and proposed bid for City Deal funding. The paper also invited Court to AGREE to the University’s continued participation as a partner in the Edinburgh & South-East Scotland City Region Deal.

Members were advised that the Local Development Plan (LDP) had been adopted by East Lothian Council (ELC) on 29 May, with final confirmation from the Scottish Government expected in July. The first meeting of the Edinburgh Innovation Park Project Steering Group had taken place on 30 May under the formal governance arrangements for the City Deal. The outline business case (OBC) developed jointly by ELC and the University had formed part of the bid for funding from the Edinburgh & South-East Scotland City Region Deal (the City Deal). The Executive Summary of the OBC had been included as an appendix to the discussion paper (Appendix A), the full version having been made available to members electronically.

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.

Members noted that £30 million of grant funding had been confirmed for the Edinburgh Innovation Park proposal by the UK government under the Innovation strand. The initial proposal had been scaled down to reflect the reduced level of funding available. It was expected that the City Deal main deal document would be agreed and signed in early to mid-July, with partners wishing to benefit from funding being required to sign off

agreement of their participation by the end of June. The four documents that constituted the Deal had been received by the University on 20 June, and had been circulated to Court members electronically, on a strictly confidential basis.

In order to be eligible to apply, in due course, for the capital grant of £30 million, Court agreement to the University's continued participation in the City Deal process (in partnership with ELC) was required. Elected members of East Lothian Council had agreed to the Council's participation in the City Deal process (in partnership with QMU) at the Council meeting held on 26 June. The governing bodies of the other participating Edinburgh universities had also provided agreement, having identified this stage as a 'gateway' stage. The paper under discussion, and its appendices, set out the potential risks to which the University might be exposed, together with potential mitigating actions and subsequent decision 'gateways'. 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.

There was a clear path in terms of decision making from the point of authorising signing to the development of the Full Business Case and receipt of the grant letter.

Having discussed at length, the University Court AGREED to authorise the Senior Vice Principal of Edinburgh University to sign the main deal document as the designated representative of the universities and colleges of the region, accepting that there might be evolution of the deal documents, but that no material change was expected.

11. GOVERNANCE

11.1 Higher Education Governance (Scotland) Act 2016

The University Secretary provided a brief oral report on progress with revision to the University Statutory Instrument to accommodate requirements of the HE Governance (Scotland) Act regarding membership of the Court.

A meeting had been held with representatives of the Scottish Government to discuss planned revisions agreed by the Court, and to establish a timeline for concluding the legislative and parliamentary processes. The Scottish Government Legal Directorate would draft the necessary revisions on the basis of the University's instructions, with such revisions then being forwarded to the Privy Council, supported by a Scottish Government briefing note. To allow for an April 2019 enactment, it was hoped that Court would receive a draft revised statutory instrument by December 2018. Much would depend on the capacity of the Scottish Government to meet the challenge of amending the governing instruments of all HEIs in Scotland.

11.2 Scottish Code of Good HE Governance 2017

Members CONSIDERED a detailed paper produced by the Short Life Working Group established to benchmark the University's compliance with the revised Scottish Code of Good HE Governance 2017. The Group had considered a detailed mapping of the University's compliance against each of the Code expectations, and now made recommendations in a number of areas as set out in detail in the paper presented to Court. A number of areas of compliance were tied directly into the University's compliance with the Higher Education Governance (Scotland) Act, full compliance with which was required by December 2020.

The Chair advised that the Group's work had benefited from parallel work being undertaken by the Short Life Working Group reviewing the Senior Management Remuneration Review policy. The Group also benefited from comments provided to it by the elected Academic staff member of Court, whose input had been sought concerning arrangements for the appointment to the Court of TU nominated members. In relation to this particular provision, the Working Group would wish its work to be extended to include discussion with relevant trade union representatives concerning the process for nominating TU members onto the Court. Members AGREED that the Working Group should hold exploratory discussions with the trade unions in relation to the mechanism for appointing trade union members to Court.

Members discussed the provisions of Clause 43 of the Code, which provides an expectation that the institution holds an annual stakeholder meeting in public at which representatives of the governing body, including the Principal, are expected to give an account of the Institution's performance. A number of possible ways to ensure full compliance was considered, including extending the AGM by introducing an open event, arranging for Court member participation in the annual community forum, and holding a stakeholder event following an Ordinary meeting of Court, or as part of the Court Away Days. Members agreed that the University should comply with the provision through an extension of an existing event.

Members discussed the provisions of Clause 80 and the expectation that the remuneration committee seeks the views of representatives of students and staff of the Institution, including representatives of recognised trade unions, in relation to the remuneration package of the Principal and the senior executive team. Members noted that this requirement may be implemented in part through relevant members of the governing body serving as members of the remuneration committee or attending its meetings, or may be achieved through separate consultation with representatives of the student and staff communities. Members AGREED with the Working Group's recommendation that this provision be met through the Senior Management Remuneration Committee inviting the staff, student and trade union members of the Court to meet with the SMRC and contribute to the Committee's assessment of performance against stated objectives.

11.3 Senior Management Remuneration Review Policy

With the exception of the Secretary and Minute Secretary, those listed as in attendance at the meeting withdrew from the meeting for this item.

Members CONSIDERED a revised Senior Management Remuneration Review Policy developed by the Short Life Working Group. Members were reminded that such review had been recommended by the Senior Management Remuneration Committee (SMRC), and approved by the University Court at its meeting on 6th December 2017. The original timescale for completion of the review had been extended with the agreement of the University Court to allow the Group to take account of the draft Committee of University Chairs (CUC) Remuneration Guidance (now published). The Working Group had also taken into account sector governance and good practice requirements represented by the Scottish Code of Good HE Governance 2017 (the Scottish Code).

In line with its Terms of Reference, the Working Group had agreed that its review would take into account:

- a. That senior management should be fairly rewarded for their individual performance and contribution to QMU's performance overall.
- b. That annual performance objectives for members of the Senior Management Team were designed to encourage the highest level of performance, based on individual and where appropriate team-based KPIs, linked to the Strategic Plan for QMU.
- c. The relationship between Senior Management Remuneration and related award schemes and the remuneration and related award schemes for other employees of QMU.
- d. Any other benefits granted to members of the Senior Management Team.
- e. The effect of any recommended changes to salary arrangements on the pension provision enjoyed by members of the Senior Management Team.
- f. How the SMRC proposals for members of the Senior Management Team at QMU related to other comparable universities in the sector in Scotland.
- g. Sector Governance and Good Practice requirements represented by the Scottish Code of Good HE Governance 2017 (the Scottish Code) and the Draft CUC Remuneration Guidance.

Speaking to the Paper, the Vice Chair extended her thanks to the members of the Working Group and to the Secretary. Members were advised that the policy presented was very much a 'living' document that would be subject to further review and revision in light of any further guidance issued to the Scottish Higher Education sector, eg by the Scottish Funding Council. Members were invited to discuss the draft policy, and a number of topics were identified.

There was extensive discussion around section six, bonus payments, with a number of members suggesting that the introduction of the term 'bonus' did not sit comfortably with the rest of the policy. It was noted that the term 'one-off payment' was used in the University's Reward and Recognition policy. The Vice Chair of Court explained that such payments were included to provide some flexibility to recognise achievement where a consolidated increment was not available. The Working Group would review the nomenclature and criteria in light of the discussion.

The extent to which it would be possible for eligible members to meet the 'compound' levels of exceptionality demanded of the policy was queried. Members were advised that exceptional performance would be evidenced where an individual performed above and beyond the expectations of the role. This could include an individual's handling of emergent issues during the year under review. In response to a query, it was agreed that assessment of performance should incorporate behavioural aspects ie the 'how' as well as the 'what'.

The Vice Chair agreed that the Working Group would revisit the draft policy in light of the discussion, and circulate the revised version to Court members for consideration and, as appropriate, approval

12. SENATE

12.1 Minutes of the meeting held on 28 March 2018

Members RECEIVED the minutes of the Senate meeting held on 28 March 2018. A number of items had been drawn to the attention of Court, including the appointment of the Principal to the Universities Scotland Strategy Group on funding of HE; the Scottish

Government's public statement on the development and delivery of ITE provision at QMU; the publication of the SFC indicative main grant letter for 2018-19; and the establishment of programme viability thresholds, developed as part of the portfolio sustainability review.

12.2 Minutes of the meeting held on 9 May 2018

Members RECEIVED the minutes of the Senate meeting held on 9 May 2018. A number of specific items of importance had been drawn to the attention of Court, as set out on the Cover sheet to the Minutes.

13. FINANCE AND ESTATES COMMITTEE

Members RECEIVED the minutes of the Finance and Estates Committee meeting held on 13 June 2018.

Members HOMOLOGATED action taken by the Chair of Court to authorise the Principal to raise an order to the value of £502k for remedial works to the campus roof. There were no other specific items drawn to the attention of the University Court that did not appear elsewhere on the Court agenda.

14. AUDIT AND RISK COMMITTEE

Members RECEIVED the minutes of the Audit and Risk Committee meeting held on 23 May 2018. There were no specific matters brought to the attention of Court.

Members NOTED that that the Research audit would be undertaken in quarter 4 of 2017-18, and that the audit of the University's preparedness for the General Data Protection Regulation was in progress. In response to a query, the University Secretary advised of a number of specific actions to ensure compliance.

15. HEALTH AND SAFETY COMMITTEE

Members RECEIVED the minutes of the Health & Safety Committee meeting held on 14 June 2018. There were no specific matters brought to the attention of Court.

16. DATES OF FUTURE MEETINGS

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

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