



Queen Margaret University

EDINBURGH

UNIVERSITY COURT

CONFIRMED Minutes of the meeting held on 2 October 2019.

PRESENT

Elaine Acaster OBE	Ruth Magowan
Carolyn Bell	Chiara Menozzi
Dr Richard Butt	Ken McGarrity
Professor Graham Caie CBE	Linda McPherson (Vice Chair)
Colin Cox	Melanie Moreland
Karen Cullen	Robert Pattullo
Dr Maria Giatsi-Clausen	Sarah Phillips
Sir Paul Grice	Elizabeth Porter
Cynthia Guthrie	Dr Eurig Scandrett
Dr Arturo Langa	Dr Andrew Scott
Frank Lennon OBE	Andy White

IN ATTENDANCE

Gordon Craig	Head of Planning
Malcolm Cutt	Director of Operations and Finance
Professor Brigid Daniel	Dean of School of Arts, Social Sciences and Management
Irene Hynd	University Secretary (Secretary)
Fraser Rudge	Governance Adviser (Minute Secretary)
Steve Scott	Director of Campus and Commercial Services

1 WELCOME AND MEMBERSHIP

Members were advised that, due to the incapacity of the Chair, the Vice-Chair would preside at the meeting, as provided for by the Court Standing Orders. The Vice-Chair welcomed members to the meeting of the University Court, and extended a special welcome to the following members attending their first meeting:

- Colin Cox, Trade Union appointed member
- Dr Maria Giatsi-Clausen, Trade Union appointed member
- Dr Arturo Langa, Lay Member
- Elizabeth Porter, Lay Member
- Andy White, Student Vice-President

On behalf of the Court, the Vice-Chair welcomed Sir Paul Grice, Principal and Vice-Chancellor, who had taken up his position with effect from 1 October 2019. Apologies were noted from Dr Frances Dow CBE (Chair), and Dr Andrew Scott. On behalf of the University Court, the Vice-Chair wished the Chair all good wishes for a speedy recovery.

2 CONFLICTS OF INTEREST

No conflicts of interest were declared.

3 DETERMINATION OF OTHER COMPETENT BUSINESS

No other items of competent business had been identified, and there was no business arising from the items provided for information.

Members noted the adoption of standard cover sheets for Court papers as an action arising from the annual effectiveness review conducted earlier in the year.

4 Court Standing Orders

Members ADOPTED revised Standing Orders (Court (19) 32), previously approved by the Court at its meeting of 26 June 2019, subject to one further amendment advised at Standing Order 11.11 (Appointment of Chair).

5 CHAIR'S REPORT

The Vice-Chair advised that there were no matters to report that were not listed already on the agenda.

6 PRINCIPAL'S REPORT

The Principal thanked members for their warm welcome, and expressed his delight at being appointed to the role. In the period since his appointment, he had been impressed immensely by the enthusiasm and commitment of the staff and students with whom he had met.

The Principal indicated that, for future Court meetings, he would be pleased to receive members' suggestions concerning matters to be reported under this item, but for this first meeting, he would report briefly on a number of external and internal developments.

Members were advised that the on-going uncertainty around the UK departure from the EU continued to present significant challenges to the sector. The implications of Brexit, in so far as these could be anticipated, had been added to the University's risk register, and contingency plans were in place to mitigate against the short, medium, and longer term challenges arising. This would continue to be a matter of focus for the Audit and Risk Committee in particular.

The funding climate remained extremely challenging, with there being no expectation beyond a flat cash settlement in the 2020 funding round and beyond. Universities Scotland continued to lobby the Scottish Funding Council (SFC), but the SFC was itself in a difficult position given the delay to the Spending Review. The University would remain alert to any emerging opportunities for strategic funding.

Notwithstanding the above, the Principal retained a healthy balance between optimism and realism in terms of the University's position. This would be reflected in the further development of the University Strategy, early thoughts on which were discussed with members (Paper Court (19) 33 refers).

Members were advised that it was proposed to build on the review of the University's Strategy undertaken by the Court earlier in the year by conducting a further refresh of the document. The Principal suggested that the refresh would be an evolution of the current strategy, with the expectation that much of the current content, focus and values would remain. However, it was likely that a number of changes would be introduced to reflect the extent and pace of change internally and externally since the existing strategy was developed in 2015. This would include more explicit recognition of the need to secure the University's financial sustainability. The number of objectives were likely to be reduced, and the plan would be supported by a delivery plan, with identified priorities for action.

The refresh development process would seek views from across the University. As the document would be an evolution of the existing strategy, the review would be undertaken over a reasonably short timescale, while providing sufficient opportunity for meaningful feedback. The Executive Board would meet shortly to develop an early outline draft of the Strategy, and it was hoped that, by providing a worked-up draft, meaningful discussion would be stimulated with staff and students. The detailed project plan provided for an interactive intranet site, open forum events, as well as discussion at Senate and Court. There would be early opportunity for Court members to discuss the strategy at the December meeting of the Court, followed by the opportunity to discuss a 'first cut' version at the Court Away Days in February 2020, before final sign off by the Court in April.

Members welcomed the development, and looked forward to engaging in the discussion at the next meeting.

7 MINUTES

The Unconfirmed minutes of the meeting held on 26 June 2019 were APPROVED as an accurate record.

There were no matters arising.

8 FINANCIAL UPDATE

8.1 Draft financial outturn for 2018-19

Members received paper Court (19) 34, which provided an update on the draft financial outturn for 2018-19.

Members were advised that work was continuing to complete the year end processes and to ensure that financial statements were available for the start of the external audit exercise commencing on 7 October. Until the audit work was complete, it was not possible to confirm the final outturn position for 2018/19, but it was expected that the variances reported in the paper would result in a final underlying outturn position showing a lower deficit than the position reported in the Q3 accounts.

Members were advised in particular that the overall year-end position would be impacted by a large revaluation gain of the student accommodation residences. The accounting treatment, and the possibility of a requirement to make prior year adjustments, was currently the subject of discussion with the auditors. The outturn position would also be affected by large pension provisions as a result of the updated valuations of the USS and LGPS schemes. Final figures were awaited from the respective actuaries in relation to these adjustments.

A full analysis of the final out-turn position, and of the main variances against budget, would be provided to the Finance and Estates Committee at its meeting on 5 November, and to the Court at its meeting on 27 November 2019

8.2 Income strategy

Members received paper Court (19) 35, which provided an analysis of the various categories of income currently generated by the University, and identified areas that could be prioritised for future income growth. The paper had been considered by the Finance and Estates Committee at its meeting on 24 September 2019, and the Committee had asked that a copy be made available to Court.

In discussion of the paper, members were advised that international student recruitment was likely to be affected positively by the re-introduction by the UK government of the Post Study Visa scheme, with applicants from India being particularly responsive to this development. International recruitment activity was being refocused over the next few months to reflect this. It was suggested by one member that the recruitment targets were ambitious and their achievement was likely to require a 'step-change' in marketing and promotion. It was suggested also that it would be important to understand the 'net contribution' of the additional income streams.

Members were advised that the paper was a 'work in progress' and that the helpful observations would be accommodated in the review of the Strategy, and in particular, within the delivery plan.

8.3 Student numbers and tuition fee income for 2019/20

The Director of Operations & Finance updated members on the position regarding the 2019-20 financial position, and in particular, a potential shortfall in student number intake and a corresponding shortfall in tuition fee income. The financial impact of that shortfall was estimated currently to be between £500k and £750k in income. A detailed analysis of factors underlying the shortfall, including any 'lessons learned' was being conducted, and arrangements were also in place to address some of the shortfall through recruitment to programmes in the second semester. A further update on the shortfall would be provided to Court at the November 27th meeting.

8.4 Letter of variation with Barclays Bank plc (Court (19) 37)

There was produced to the meeting a letter of variation (the Letter of Variation) from Barclays Bank PLC (the Bank) to the Borrower, as accepted for and on behalf of the Borrower by Irene Hynd, University Secretary and Malcolm Cutt, Director of Operations & Finance (the Signatories) on 22 July 2019 (the Acceptance), setting out the amendments to a facility agreement dated 17 December 2014 (the Facility Agreement) pursuant to which the Bank has offered to Borrower the Facility (as defined in the Letter of Variation).

It was resolved:

1. That the amendments set out in the Letter of Variation were at the time of the Acceptance, and continue to be, in the interests of and for the benefit of the Borrower and most likely to promote the success of the Borrower for the benefit of the members as a whole and that such amendments and the terms and conditions of the Letter of Variation be and are approved and accepted with retrospective effect;

2. That the Acceptance by the Signatories of the Letter of Variation and all the terms and conditions thereof and all of the amendments made to the Facility Agreement thereby are hereby ratified and confirmed with retrospective effect: and
3. That the Bank is authorised to act in all matters concerning the Facility (as defined in the Letter of Variation) as amended by the Letter of Variation upon instruction from the Borrower, in its capacity as Borrower of the Facility, signed in accordance with the Bank's mandate for any of the accounts of the Borrower held with the Bank current from time to time and any such instructions given prior to the date of this meeting are hereby ratified and confirmed with retrospective effect.

Further information was requested on the implications of resolution number three.

(Secretary's note – it was confirmed that Resolution 3 replicates the substantive position set out in the main Facility Agreement, and that the purpose of the resolution is simply to confirm that the effective date of the variation to the Facility Agreement is 22 July 2019 for the purposes of any instructions issued to the Bank by the University).

8.5 Homologation of Chair's Action

Members HOMOLOGATED Chair's action taken to approve the appointment of a contractor to undertake the replacement of roof copes to the student residences (paper Court (19) 37).

9 SCOTTISH FUNDING COUNCIL

Members HOMOLOGATED Chair's action taken to approve the Annual Report to the Scottish Funding Council on Institutional Review Activity 2018-19 (Paper Court (19) 38).

Members HOMOLOGATED Chair's action taken to approve the University Court Statement of Assurance to the Scottish Funding Council (Paper Court (19) 39).

10 ENHANCEMENT LED INSTITUTIONAL REVIEW

Members HOMOLOGATED Chair's action taken to approve the One Year Follow-on Report to the Quality Assurance Agency (Paper Court (19) 40).

11 KEY PERFORMANCE INDICATORS

11.1 Quarter 4 report on Key Performance Indicators 2018-19

Members received paper Court (19) 41, which reported on the quarter four 2018-19 key performance indicators. Members NOTED that some of the year-end figures had not been available at the time of writing, and would be included in the Quarter 1 (2019-20) report.

Members were asked to NOTE in particular that, while the general satisfaction score for the 2019 NSS results was unchanged from 2018, the University had experienced a relative improvement in the majority of the scores forming the basis of league table performance, and when compared to the rest of the sector.

11.2 Proposed Key Performance Indicators for 2019/20

Members CONSIDERED the proposed Key Performance Indicators for 2019-20, detailed within paper Court (19) 42. Members agreed that, pending the review of the strategic plan,

no new key performance indicators would be introduced, but that the current suite would continue to be monitored so as to ensure that there were no gaps in understanding of the University's performance.

11.3 National Student Survey (NSS) 2019

Members received paper Court (19) 43, which reported on performance in the National Student Survey (NSS) 2019. Members NOTED that:

- The overall response rate was 81%, which represented the highest response rate to date for the University.
- The score for overall satisfaction remained at 82%, which was marginally below the Scottish and UK averages (both 84%) and 1% off QMU's benchmark of 83%.
- Scores for each of the survey categories had increased or remained at the same level for all but one category (learning community). The largest increases were in learning resources (+ 4%), assessment and feedback (+ 4%), academic support (+ 3%) and student voice (+ 3%). The 'Overall Satisfaction' Score was a stand-alone score ie it was not an average of the scores for each of the individual categories.
- There were notable increases in scores for the individual categories of: 'marking and assessment has been fair' (+ 6.7%); 'IT resources and facilities' (+ 6.1%); and 'advice and guidance in relation to my course' (+ 6.1%). There were decreased scores in five out of the twenty seven category questions, with none reduced by more than 1.6%.
- The NSS Results Working Group had analysed the results, and had produced an action plan for the 2020 Survey.

Members discussed briefly the approach taken to presenting the benchmark scores. Recognising that detailed scrutiny of the results was a matter for the Senate and the Student Experience Committee, there was nevertheless a request for greater depth and clarity in the results presented.

12 Appointment to the vacancy for a Chair

12.1 Regulations for the Election and Appointment of the Chair.

Members RECEIVED paper Court (19) 44, which summarised the outcome of the recent consultation on Regulations for the Election and Appointment of the Chair.

Members NOTED that the regulations had been subject to consultation with staff, students and members of the University Court during the period 19 August to 20 September 2019. At the close of the consultation period, responses had been received from four members of staff, and from the Students' Union. Revised regulations, along with a summary and accompanying brief commentary on the consultation responses, were presented to the Court for discussion and approval.

Having discussed the regulations in some depth, members APPROVED the revised regulations as presented, subject to the following:

- *Rule 16:* Members accepted the amendment that the Chair must not have an 'unspent conviction for an offence involving dishonesty or an offence under the Charities and Trustee Investment (Scotland) Act 2005'. Revised wording would be provided in relation to the provision relating to a *pending criminal conviction*.

- *Rule 18*: Whilst recognising the point regarding potential conflict of interest, members agreed that appointment to the Chair of Court should be restricted only to those holding a *senior* position with any other *higher* education institution.

12.2 Recruitment to the vacancy.

The University Secretary reported on progress in relation to the recruitment to the vacancy for a Chair. The Appointing Committee would meet on Monday 7 October 2019 to review applications received.

13 APPRAISAL OF THE CHAIR

Introducing this item, the Vice-Chair thanked members for their feedback in support of the annual appraisal of the Chair of Court. All feedback received had been shared with the Chair of Court, but no individual contributions had been attributed, in line with the confidentiality of the exercise.

The Vice-Chair reported that members had expressed confidence in the Chair's performance in the role, with a number of members commenting in particular on the Chair's conscientiousness and commitment, professional and diligent performance of the duties required of the post, and responsiveness to previous feedback on the efficient conduct of Court business meeting. Points for reflection had included the extent to which sessions at the recent Court Away Days had met intended outcomes in terms of promoting strategic discussion, and the extent to which the Court agenda could be managed so as to provide sufficient time for discussion of more strategic issues, and less time on briefing of paper content.

Members were advised that the Chair had expressed her appreciation of the comments made, and would take all comments on board for the remainder of her tenure.

14 SENATE

Members NOTED the Unconfirmed minutes of the Senate meeting held on 26 June 2019 (SEN (19) MINS 03).

15 FINANCE AND ESTATES COMMITTEE

Members NOTED the Unconfirmed minutes of the Finance and Estates Committee meeting held on 24 September 2019 (FEC (19) MINS 03).

16 AUDIT AND RISK COMMITTEE

Members NOTED the Unconfirmed Minutes of the Audit and Risk Committee meeting held on 10 September 2019 (Audit (19) MINS 03). The Convener of the Audit and Risk Committee updated Court on the work of the Committee in relation to the budget setting and monitoring, student experience, and information security.

17 HEALTH AND SAFETY COMMITTEE

Members RECEIVED the Unconfirmed minutes of the Health and Safety Committee meeting held on 17 September 2019 (HSC (19) MINS 03). No items had been drawn to the attention of the Court.

18 SENIOR MANAGEMENT REMUNERATION COMMITTEE

Members RECEIVED the Unconfirmed minutes of the Senior Management Remuneration Committee meeting held on 25 September 2019 (SMRC (19) MINS 01), which had been tabled at the meeting.

Members APPROVED the recommendation from the Committee concerning an amendment to the University Severance Pay Policy to bring it in line with the Scottish Funding Council Accounts Directive.

Members NOTED that the Committee had considered it important that the in-coming Principal was provided with the opportunity to establish objectives for the senior team in line with a refreshed University strategy. The Convener of SMRC would meet at an early stage with the Principal to progress. Once established, the Convener would meet with staff, student and TU members of the Court to seek comment on objectives proposed.

In line with the Committee's Terms of Reference, the Committee had considered written recommendations in relation to the performance and remuneration of members of the Executive Board. Such consideration included review of the achievement of objectives established for individuals included in the scope of the review, and members' eligibility for the National Annual Pay Award, as applied to all members of staff within the University.

The University Court APPROVED the Committee's recommendation that each member subject to the provisions of the Senior Management Remuneration Review policy was eligible for the National Annual Pay Award under the provisions of the Policy.

19 EQUALITY AND DIVERSITY COMMITTEE

Members RECEIVED the Unconfirmed minutes of the Equality and Diversity Committee meeting held on 7 June 2019 (EDC (19) MINS 02).

20 DATES OF FUTURE MEETINGS

Court will meet on the following dates in 2019 and 2020:

27 November 2019 at 3.00 pm
5-6 February 2020 (Away Days)
1 April 2020 at 3.00 pm
24 June 2020 at 3.00 pm