



# Queen Margaret University

EDINBURGH

## UNIVERSITY COURT

CONFIRMED Minutes of the meeting held on 27 November 2019.

### PRESENT

Dr Frances Dow CBE (Chair)	Ken McGarrity
Elaine Acaster OBE	Linda McPherson (Vice Chair)
Carolyn Bell	Melanie Moreland
Dr Richard Butt	Robert Pattullo
Professor Graham Caie CBE	Sarah Phillips
Karen Cullen	Elizabeth Porter
Cynthia Guthrie	Dr Andrew Scott
Dr Arturo Langa	Andy White
Ruth Magowan	

### IN ATTENDANCE

Gordon Craig	Head of Planning
Malcolm Cutt	Director of Operations and Finance
Irene Hynd	University Secretary (Secretary)
Dawn Martin	Assistant Secretary, Governance and Quality Enhancement (Minute Secretary)
Ian Robertson	Head of Finance
Steve Scott	Director of Campus and Commercial Services

### 1 WELCOME AND MEMBERSHIP

The Chair welcomed members to the meeting of the University Court.

Apologies had been received from Colin Cox, Dr Maria Giatsi-Clausen, Sir Paul Grice, Francis Lennon, Chiara Menozzi, and Dr Eurig Scandrett.

### 2 CONFLICTS OF INTEREST

There were no conflicts of interest declared. In the interests of transparency, the Chair declared her membership of the Board of Universities and Colleges Employers Association (UCEA). She advised that her representative role on that Board was on behalf of the Committee of University Chairs, rather than Queen Margaret University.

### 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.

## **4 CHAIR'S REPORT**

The Chair reported on meetings of the Committee of Scottish Chairs (CSC) with the Minister for Further Education, Higher Education and Science, and separately with the Chair and Chief Executive Officer of the Scottish Funding Council, held on 13 November 2019. The funding climate, which remained extremely challenging, had been an important focus of both meetings. The Scottish Chairs would continue to advocate for funding for higher education in general, and specifically that the quantum of funding currently devoted to the payment of EU students fees be retained within the overall budget available to higher education. The expectation remained that there would be a 'flat cash' settlement in the next funding round.

The Chairs had also discussed with the Minister and the SFC the contribution of HEIs to the Scottish economy and skills agenda. The Muscatelli Report on Driving Innovation in Scotland, which was being published on 27 November 2019, would provide a further important reference point for the sector. The Chair noted that the University was well placed to respond to the challenges of the skills agenda. The Outcome Agreement between QMU and the SFC demonstrated commitment to the post-16 learner journey, in line with the Scottish government's aspirations for cohesive pathways through tertiary education and into positive graduate destinations.

## **5 PRINCIPAL'S REPORT**

As the Principal had been unavoidably detained, the Deputy Principal reported the following matters on his behalf.

### **5.1 Fire safety**

The Deputy Principal provided a report on fire safety at QMU. Following a number of recent serious fires, including several at HEIs, the National Union of Students had raised renewed concerns and questions about fire safety standards. In addition to this, the UK government Department for Education had requested that the HE sector review fire safety compliance in all university buildings.

Members were advised that the University had conducted a thorough review of the estate following the Grenfell fire in 2017. Further reviews had been undertaken following the publication of government and construction industry body investigation outcomes. These reviews confirmed that there were no known issues within the Academic Building. Some necessary remedial works had been identified within the residential accommodation. These works were not of an extent where they were considered to present a risk to life. However, they did potentially present a risk to the asset in event of a fire. As such, the Long Term Maintenance plans had been adjusted, with the intention that the works would be completed over the next three years.

Following the buyback of the student accommodation in 2014, the University no longer had any nominations or direct lease arrangements with any third party providers. However, an unknown number of students were housed within private sector developments. The University would continue to monitor the sector position, and discussions were in progress with colleagues from other HEIs regarding liability for third party operators.

Members welcomed the update, which provided important reassurance on fire safety. The Deputy Principal advised that a shortened version of the report to Court had been made available to students and other stakeholders.

## **5.2 Industrial action**

The Deputy Principal provided an update on the industrial action arising from the University and College Union (UCU) having secured a mandate for strike action and action short of a strike in a ballot on pay, equality, casualisation and workload. The strike action would take place between 25-29 November and 2-4 December 2019. Continuous action short of strike had commenced on 25 November 2019. Examples of the latter included working to contract, not covering for absent colleagues, not sharing materials relating to lectures or classes cancelled as a result of the strike, not rescheduling lectures or classes, and not undertaking voluntary duties.

Communications had been issued to staff and to students in advance of this action, reiterating the University's priority to minimise disruption to learning and teaching throughout this period. The communications to staff had emphasised that the University management team understood the strength of feeling amongst staff. The University had made significant progress around pay, equality, casualisation and workload, and this had been recognised in a communication from the local UCU branch to all staff. The Deputy Principal noted that the University remained committed to working with the unions to address these areas further. However, this commitment had to be balanced against the challenging economic environment facing the UK HE sector as a whole. As Court members were aware, pay was negotiated by a UK-wide body on behalf of universities across the sector, meaning that individual HEIs could not resolve the dispute independently.

Members were advised that the reported disruption to teaching had been minimal. As QMU had two academic unions, only one of which was participating in the industrial action, the number of staff on strike was perhaps lower than on previous occasions. The level of disruption to students was also minimised due to the timing of the strike towards the end of teaching and prior to the examination period. Exam preparations and marking would not be affected.

## **5.3 Student Recruitment shortfall**

Members received an update on actions to address the recruitment shortfall, reported to the Court at its October meeting. The specific financial implications of the shortfall were set out in the Quarter 1 financial update paper under item 8 (Paper Court (19) 50 refers).

As noted in that paper, the Executive Board had established an action plan arising from a detailed investigation and analysis conducted by the Deputy Principal and University Secretary into reasons for the student number shortfall. The report included an overview of student recruitment for the current academic session, together with an analysis of the potential impact of the recruitment shortfall on University finances, an assessment of the likely cause or causes, and proposed mitigating actions. The latter included action in the short-term to recruit above target for entrants in the second semester. The Deputy Principal had been tasked with taking forward agreed action, as set out in the Project Initiation Document (PID), which identified five work streams. Regular updates on progress against the PID would be provided to the Court.

## **6 MINUTES**

### **6.1 Minutes of the previous meeting**

The Unconfirmed minutes of the meeting held on 2 October 2019 were APPROVED as an accurate record, subject to amendment of a minor typographical error. The Chair extended thanks to the Vice-Chair for convening the meeting in her absence.

### **6.2 Matters arising: Recruitment to the vacancy for a Chair (minute 12.2 refers)**

The University Secretary provided an update on recruitment to the vacancy for a Chair of the Court. The closing date for applications had passed, and the Appointments Committee would meet on 10 December 2019 to shortlist for interview early in 2020. It was expected that the election would be scheduled for late January/early February 2020. At this stage, it was not known how many applications had been received through the search company appointed. The University Secretary reminded members that, under the provisions of the Higher Education Governance (Scotland) Act 2016, a minimum of two candidates were required to stand for election. Should the number of candidates fall below two, the election would be postponed and the role re-advertised.

## **7 ANNUAL ACCOUNTS**

### **7.1 Strategic Report and Financial Statements**

Members CONSIDERED the Strategic Report and Financial Statements for the year ended 31 July 2019 (paper Court (19) 45). The Report and Statements had been considered and endorsed by the Finance and Estates Committee and the Audit and Risk Committee, and both Committees had recommended to the Court that it should approve the Report and Statements.

Members were advised that the results (excluding the costs of the Transformation Project) demonstrated an underlying position of a deficit of £2.1 million. This compared with an underlying deficit in 2017-18 of £2.7 million, and a forecast underlying deficit at Quarter 3 of £3.2 million. The main movements from the previously reported Quarter 3 position related to additional tuition fee income and lower staff and non-staff costs than had been forecast. Additional pension costs were also reported. The underlying position including the costs of the Transformation Project was a deficit of £3.193 million, compared with a Quarter 3 forecast deficit of £4.020 million. The accounting policies used in the 2017-18 statutory accounts had been reviewed, and had been retained for the 2018-19 accounts.

Having NOTED the above, members formally:

- ENDORSED the accounting policies used in the preparation of the accounts;
- NOTED the recommendation that the Financial Statements should continue to be prepared on a “going concern” basis, taking into account the outcome of discussions with the SFC and Barclays and the annual review of key financial performance indicators; and
- APPROVED the Strategic Report and Financial Statements for the year ended 31 July 2019.

## **7.2 Letter of Representations**

Members CONSIDERED the Letter of Representations to Ernst and Young (COURT (19) 46) and AUTHORISED the Chair to sign on behalf of the Court. The Principal had provided a letter to the Court providing assurance to enable Court approval.

## **7.3 External audit report from Ernst and Young**

Members NOTED the external audit report from Ernst and Young for the year ended 31 July 2019 (COURT (19) 47). It was confirmed that the matters identified as outstanding in the report had been addressed to the auditors' satisfaction, and that this had been communicated in writing to the Director of Operations and Finance.

## **7.4 Internal audit report from Scott Moncrieff**

Members NOTED the internal audit report from Scott Moncrieff for the year ended 31 July 2019 (COURT (19) 48). The Chair of the Audit and Risk Committee advised members that the majority of actions identified in the report as 'partially complete' had now been completed, having simply required documentary evidence of such completion. High level control objectives remained in place for just one internal audit review and were being addressed. The Transformation Project had been removed from the Risk Register, following its conclusion earlier in 2019.

## **8 FINANCIAL UPDATE**

Members RECEIVED a report on financial performance for the quarter to 31 October 2019 (COURT (19) 49).

Members' attention was drawn to a minor inconsistency between the hard copy papers issued in advance of the meeting and the papers circulated electronically. The inconsistency took the form of two missing sentences from the hard copy papers, which had inadvertently been omitted as a result of a printing error.

The previous estimate of a shortfall in tuition fee income of between £500k and £700k remained. The current estimate was around £620k, this being a worsening of £334k against budget. There were multiple factors identified as contributing to the student number shortfall, including a significant reduction in some programmes in the percentage of firm offer holders converting to entrants. As set out in minute 5.3 above, a review had been undertaken to identify factors and implement actions for future recruitment and admission cycles. Members were advised that there was scope to recover part of the shortfall through second semester recruitment and additional income from collaborative provision. The financial position was ameliorated to an extent by a favourable variance in staff costs, due to the national pay award and USS pension costs being slightly lower than forecast, and staff turnover savings. Other expenditure had been reduced where possible to bring the net position back into line, and to ensure covenant compliance. The position had been discussed with SFC and Barclays.

In discussion, it was suggested that, while there was an improved underlying operating deficit, challenges remained in terms of financial sustainability, particularly given the extent to which costs had been taken out. The focus would need to shift to income growth, and the development of the income strategy. In response to a specific query, the Deputy Principal advised that student recruitment was heavily influenced by a range of factors, including fluctuation in the number of school leavers. In recent years, the Scottish

economy had experienced significant growth in areas outside QMU's portfolio. However, there were recent positive developments with the launch of Initial Teacher Education in 2018-19 and the planned development of degrees in Paramedic Science and Advancing Clinical Practice, both of which were designed to address workforce planning. It was noted that QMU performed well against Outcome Agreement targets and also that the shortfall in recruitment had been mitigated to some extent by improved retention.

## **9 KEY PERFORMANCE INDICATORS**

Members RECEIVED paper Court (19) 50, which reported on the Quarter 1 2019-20 key performance indicators. Key points highlighted in the paper were as follows:

- It was too early to provide full details on forecast tuition fee income for 2019-20. However, early indications were that income from fees would be below target (as reported at Minute 8 above).
- Overall student numbers were predicted to be below target for 2019-20, with postgraduate and research international numbers looking particularly challenging.
- Initial analysis indicated that 13.5% of the 2019-20 intake was from the 20% most deprived data zones.
- There were currently 40 graduate start-ups (above the target of 30).
- The percentage of research active staff remained above target, and there was an increase in the number of female staff eligible for submission to REF.

## **10 RISK MANAGEMENT**

Members RECEIVED the University's updated Corporate Risk Register (paper Court (19) 51). The Risk Register had been most recently reviewed by the Audit and Risk Committee in November 2019, and would be reviewed by the Executive Board in December 2019.

Members NOTED that, given the ongoing uncertainty associated with the UK leaving the EU, Brexit had been included as a specific and separate risk. The risk of not meeting tuition fee income had been assessed as high. As set out in minute 5.3 above, efforts were being made to maximise recruitment for January 2020, and the risk would be reassessed once the January intake had matriculated.

The specific risk of the Transformation Project failing to deliver the required savings had been removed, on the basis this had now been achieved. The leadership risk had also been removed following the appointment of the Principal.

The Audit & Risk Committee had suggested that environmental risks should be incorporated in the Register. This was an area identified for priority action within the draft refreshed Strategy for the University, currently out for consultation. The suggestion would be taken forward in parallel with the development of the refreshed strategy.

The Audit and Risk Committee had agreed also that a more fundamental review of the risks facing the University should be undertaken, to include an assessment of risk appetite. This would likely take place in spring 2020.

## **11 LAND DEVELOPMENT UPDATE**

Members RECEIVED an update on the University land development project, and a summary of progress against key activities (paper Court (19) 52).

Feedback received on the demand analysis into the current and projected activities of the Scottish Centre for Food Development and Innovation (SCFDI) had been positive, but suggested that a broader approach was required. The final report would be a key consideration in the University's approach to the Full Business Case. Discussions were underway with East Lothian Council's (ELC) Planning department to enable market testing of the commercial zone to progress. Discussions and agreement on phased payment to QMU under the Infrastructure Agreement also continued to progress well.

A recent meeting between the Principal and Chief Executive of ELC had resulted in a number of actions. These related to the following key areas: production of an overall masterplan development programme; the identification of project planning processes within the Memorandum of Understanding between ELC and QMU; the selection of a suitably qualified adviser to support the production of a full business case for phase one; and the promotion of a joint approach to the City Deal Project Management Office to provide an update on the project and present revised timescales.

A meeting with the incoming ELC Chief Executive would be scheduled once an appointment had been made to the vacant post.

## **12 SCOTTISH FUNDING COUNCIL**

### **12.1 Outcome Agreement Self-evaluation 2018-19**

Members NOTED the Outcome Agreement Self-Evaluation (2018-19) (paper Court (19) 53).

Members were reminded that the report, which had been submitted to the SFC on 31 October 2019, was structured in line with the SFC guidance. The narrative reflected the specific outcomes for the University established for the period 2018-19. The evaluation provided important context for the next iteration of the University's Outcome 2020-23, the final version of which was due to be submitted to SFC by 30 April 2020. The self-evaluation and Outcome Agreement Guidance would also inform the ongoing QMU strategy refresh.

In response to a specific query, it was agreed that it would be informative to gather further information on the number of start-up businesses established through the Business Gateway that remained operational.

### **12.2 Outcome Agreement Guidance 2020-21**

Members NOTED the SFC Guidance for the Development of Outcome Agreements: 2020-21 and 2022-23 (paper Court (19) 54).

The Guidance reaffirmed the key messages from previous iterations, with institutions invited to 'show their ambitions for Scottish Government and SFC priorities over the coming three year period, and 'to provide baselines, milestones and aspirations for each of the national measures for the same period'. There was explicit expectation that there would be 'continued and rapid progress' with the implementation of the recommendations made by the Commission on Widening Access.

A number of cross-cutting themes were identified. Some of these, including duties and expectations around Equality and Diversity, Gender, and Mental Health and Wellbeing, had been included in previous guidance and were well represented in QMU's Outcome

Agreement for 2019-20. There was particular focus on HEIs adopting the Equally Safe Toolkit as part of their commitment to addressing Gender-based Violence.

Court members would have the opportunity to discuss the development of the Queen Margaret University Outcome Agreement at the meetings on 5 February and 1 April 2020.

### **13 UNIVERSITY STRATEGY 2020-25**

The Deputy Principal provided an update on progress with the on-going Strategy Refresh.

A draft Strategy had been issued for consultation on 1 November 2019. The format and content of the draft aimed to strike a balance between being clear on direction and overall structure, and leaving room for genuine engagement and improvement. Communication channels included the opportunity for discussion with Executive Board members at staff team meetings, and two world café strategy events. The first of the world café events had been well attended, with representation from a range of areas, including academic and professional services colleagues. The second was scheduled for 28 November 2019 and appeared to have a similarly good mix of attendees. A dedicated Intranet site had also been established through which written comments could be submitted. Responses to date had been positive, with staff having suggested a number of constructive changes making good use of the various routes for communication.

Court members were invited to engage in the consultation through discussion at the meeting. Members broke into two groups for this item, with groups chaired by the Vice-Chair and the Convener of the Finance and Estates Committee. Detailed notes were taken and subsequently provided to the Head of Planning to inform the on-going development of the strategy. In the plenary session that followed, high level feedback was provided as detailed below.

Both groups welcomed the more streamlined approach and introduction of the delivery plan. One group suggested that a single page summary could be useful to communicate the key messages in a succinct and visually more appealing format. There was extensive feedback on the language, which members considered would benefit from further review to be more positive and less verbose in places. In making these recommendations, members were mindful of the multiple audiences for the strategy and the need to tailor language and content accordingly.

The groups had considered, at some length, the draft purpose, the features identified as distinctive to QMU, and the core values. Members welcomed the more explicit emphasis on financial sustainability, noting that this was essential to underpin and enable the delivery of other aspirations. There was suggestion that a number of objectives within the current strategy were under-represented within the revised draft. This included the focus on internationalisation, employability, the staff experience, and being a 'University without borders'. It was suggested that the University's distinctiveness could be captured more explicitly throughout the strategy as a whole. Further consideration might be given to the beneficial impact of the campus size, for example, in terms of availability of support.

Whilst unique to QMU, the identification of the predominantly female student population was not thought to be useful, and would benefit from being rephrased and included in the context of the Outcome Agreement aspirations to improve the gender balance in some subjects. It was suggested also that, given the very positive working relationships established with East Lothian Council and other local partners, it would be desirable to capture both the benefits and impact of the campus location in Musselburgh and its proximity to Edinburgh.

The Chair thanked members for their helpful contributions to the discussions. The Court would receive a well-developed draft of the strategy at its next meeting in February. There would be significant opportunity for further discussion over the course of the Away Days with a view to final sign-off at the April meeting. Further comments at this stage could be submitted in writing to the Head of Planning by the preliminary feedback deadline of 16 December 2019.

#### **14 FREEDOM OF INFORMATION: ANNUAL REPORT**

Members NOTED the annual compliance report on Freedom of Information, Environmental Information Regulations, Data Protection and Records Management activity (COURT (19) 56).

Members were advised that mechanisms for collecting and presenting data were subject to ongoing development to ensure a timely response to all requests, whilst also reducing the resource burden on the University.

#### **15 SENATE**

Members NOTED the Unconfirmed minutes of the meeting of the Senate held on 30 October 2019 (SEN (19) MINS 04).

Members' attention was brought to the discussions around the refreshed University Strategy and the Senate Effectiveness Review.

#### **16 FINANCE AND ESTATES COMMITTEE**

##### **16.1 Minutes**

Members NOTED the Unconfirmed minutes of the Finance and Estates Committee meeting held on 5 November 2019 (FEC (19) MINS 04). There were no matters arising.

##### **16.2 Annual Report**

Members RECEIVED the Annual Report from the Finance and Estates Committee for 2018-19 (COURT (19) 57).

#### **17 AUDIT AND RISK COMMITTEE**

##### **17.1 Minutes**

Members NOTED the Unconfirmed minutes of the Audit and Risk Committee meeting held on 12 November 2019 (AUDIT (19) MINS 04). There were no matters arising.

##### **17.2 Annual Report**

Members RECEIVED the Annual Report from the Audit and Risk Committee for 2018-19 (COURT (19) 57).

#### **18 EQUALITY AND DIVERSITY**

Members NOTED the Unconfirmed Minutes of the Equality and Diversity Committee meeting held on 17 October 2019 (EDC (19) MINS 03).

Members' attention was brought to the Committee's action plan and progress report. The Chair thanked staff and student members and the wider University community for their contributions to the Action Plan, and in particular the significant progress that had been made towards policy development and bystander training for Sexual Harassment and Violence.

There was a vacancy on the Committee for a Court member, and members were invited to contact the University Secretary to express interest.

## **19 DATES OF FUTURE MEETINGS**

Court would meet on the following dates in 2019-20:

5-6 February 2020 (Away Days)

1 April 2020 at 3.00 pm

24 June 2020 at 3.00 pm

Dawn Martin,  
Assistant Secretary, Governance and Quality Enhancement  
December 2019