



Queen Margaret University

EDINBURGH

UNIVERSITY COURT

CONFIRMED Minutes of the meeting held on 3 April 2019.

PRESENT

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

Ken McGarrity
Linda McPherson (Vice Chair)
Melanie Moreland
Robert Pattullo
Stewart Sands
Dr Eurig Scandrett
Dr Andrew Scott
Professor Petra Wend
Rebecca Wilson
Dr Laura Young MBE

IN ATTENDANCE

Malcolm Cutt	Director of Operations and Finance
Professor Fiona Coutts	Dean of School of Health Sciences
Professor Brigid Daniel	Dean of School of Arts, Social Sciences and Management
Irene Hynd	University Secretary (Secretary)
Chiara Menozzi	Student President (elect) (Observer)
Fraser Rudge	Governance Adviser (Minute Secretary)
Steve Scott	Director of Campus and Commercial Services
Andy White	Student Vice-President (elect) (Observer)

1. WELCOME AND APOLOGIES

The Chair welcomed members to the meeting of the University Court. Special welcome was extended to Chiara Menozzi, Student President (elect) and Andy White, Student Vice-President (elect). Apologies were noted from Cynthia Guthrie and Sarah Phillips.

Members were informed that Margaret O'Connor had resigned from membership with immediate effect. Members were informed also that it was the final meeting for Colin Duffus, Stewart Sands, and Rebecca Wilson. Special thanks were extended by the Chair on behalf of the Court to each member for their invaluable contribution to the work of the Court and of its standing committees.

2. CONFLICTS OF INTEREST

The Chair reminded members that she was a member of the Universities and Colleges Employers Association (UCEA) Board, and that she would excuse herself should any discussion arise on the current national pay negotiations.

3. DETERMINATION OF OTHER COMPETENT BUSINESS

There were no items of other competent business determined, and there was no business arising from the items provided for information.

4. CHAIR'S REPORT

In the interests of progressing the ordinary business of the Court within the allotted timeframe, the Chair would not provide an oral report.

5. PRINCIPAL'S REPORT

Members received a detailed written report from the Principal on recent strategic developments, both within the University and within the higher education sector generally (COURT (19) 07). Matters covered included the achievement of planned levels of savings arising from the Transformation Project and the commencement of the New JNCHEs 2019/20 pay negotiating round.

Members were advised of two recent ministerial visits. Jeanne Freeman, Cabinet Secretary for Health and Sport had visited the University on 7 March, while Joe Fitzpatrick, Minister for Public Health, Sport and Wellbeing had delivered the welcome address at the "Biting Back: transforming food experiences for Scotland's children" conference, held on 20 March in partnership with Children in Scotland.

Commenting on the report, Professor Caie highlighted to members the importance of supporting the University in its detailed preparations for the Research Excellence Framework (REF) 2021, evidenced most recently at the REF Impact Case Study Strategy Day held on 1 April.

The Chair extended members' congratulations to the staff and students mentioned within the Principal's Report for their achievements, and to the Campus and Commercial Services team on the successful renewal of its Customer Service Excellence (CSE) award for a further three year period.

6. MINUTES

6.1 The Unconfirmed minutes of the meeting held on 6 February 2019 (COURT (19) MINS 01) were APPROVED as an accurate record.

6.2 Under Matters Arising, the Chair advised that the detailed arrangements for the recruitment of a Principal and Vice Chancellor were progressing as planned and to schedule (Minute 8 referred).

7. FINANCE AND KEY PERFORMANCE INDICATORS

7.1 Q2 Update and Management Accounts to 31 January 2019

Members received an update on the University's financial performance for the six months to 31 January 2019, and on the forecast outturn position (Paper COURT (19) 08). Members NOTED the following key points, as set out within the paper:

- Overall tuition fee income forecast had a favourable variance of £285k, arising from favourable variances on on-campus undergraduate, postgraduate and international fees. Collaboration fee income was broadly in line with the budget.
- Staff costs (excluding restructuring costs) were projected to be £515k higher than originally budgeted, due mainly to the delay in implementing the Transformation Project, and estimated restructuring savings not being fully achieved within the 2017-2018 financial year. There were increases to employers' pension contribution rates, which were unknown when the budget was prepared. Members were informed that the University had received notice that it might receive support for up to 50% of the additional pension costs.
- The total (non-recurrent) cost of restructuring was around £850k against a budget in year of £300k. The original budget of £600k was split over two financial years (17/18 and 18/19), but due to the delayed start to the Transformation Project, full costs would fall within the 2018-19 financial year. This would result in the target level of recurrent savings in salary costs of £1.668 million being achieved from 2019/20 onwards.
- The updated forecast outturn suggested that overall income would be around £335k above the initial budget. Taken together with the variances advised above, an adverse variance of £730k was projected in the outturn position against the original budget.

7.2 Q2 2018-19 Key Performance Indicator Update

Members RECEIVED paper (COURT (19) 09), and noted the following in particular:

- Tuition fee income was forecast to be above target for both campus based and collaborative activity as reported in 7.1 above. The full range of tuition fee discounts applied across the University was being captured more effectively.
- While the applications per place ratio was below target, sitting at 6.1:1 against a target of 7:1, this benchmarked strongly against the sector average. The Admissions team would continue to work to optimise recruitment via a streamlined admissions decision making process.
- Net income from physical facilities was forecast to be slightly below target, but when combined with term time student accommodation, the overall net forecast was above target.

7.3 2019-20 budget setting and future financial forecasts process

Members NOTED the process and timetable for the production of the 2019-20 budget and financial forecasts (Paper (COURT (19) 10 refers). The budget model would incorporate all aspects of the University, including revenue and capital budgets.

Discussions had been held with budget holders throughout March, and further iterations and analysis of sensitivities would take place during April, with a first draft budget for review planned for the end of April. The proposed budget and financial forecasts would be considered by the Finance & Estates Committee on 17 June, and submitted to the Court for approval at its meeting on 26 June.

The most recent review meeting with the SFC, held on 13 March, noted that the University had achieved its targets in relation to the recurrent financial position. There was discussion around the additional challenges brought about by the cash-terms reduction in SFC funding, and the increased level of employer pension costs. SFC members had sought reassurance that the Court was aware of these matters, and that the financial forecasts process would include consideration of sensitivities and risks.

As reported at the February Court meeting, a further meeting would be held with Barclays to discuss draft forecasts, with a view to agreeing a level of covenant from 2019/20 onwards that would be achievable in light of the University's future plans.

8. LAND DEVELOPMENT

Members RECEIVED an update on the Land Development Project (Paper COURT (19) 11 refers). The adoption of the East Lothian Local Development Plan, award of planning approvals within the MH1 site, and submissions to the Edinburgh and South East Scotland City Region deal were suggested as having moved the land development project from a concept to a delivery position. The University and East Lothian Council were in the process of developing a revised timeline of activity that would extend the time available to prepare and submit the full business case, but retain the existing project completion date. A draft Heads of Terms (HoT) agreement was also being developed jointly, which would form the basis of a Joint Venture agreement. The HoT identified the requirement for the inclusion of a third party commercial partner, which would enable preliminary discussions to progress.

East Lothian Council was undertaking preliminary investigations in relation to developing north and south bound A1 access roads, with planned construction work commencing in 2019.

Members noted that the amount of the infrastructure contribution due to be received from Persimmon Homes Ltd was likely to be clarified within the next six months.

9. SCOTTISH FUNDING COUNCIL

9.1 SFC Indicative Funding Announcement 2019-20

Members NOTED the analysis of the SFC Indicative Funding Announcement 2019/20 (Paper COURT (19) 12 refers). Based on the available figures, funding for teaching and research would be 0.3% (£47k) less than in 2018/19, and 1.3% (£187k) below that assumed in the June 2018 financial forecasts. Capital maintenance funding would be 8.5% (£31k) below the 2018/19 level, and below the amount assumed in financial forecasts.

Total funded places for Initial Teacher Education had not been announced, although the Scottish Government had provided assurance that the 2019/20 intake target of 120

undergraduate and 20 postgraduate places would be fully funded. The Scottish Government was also expected to announce additional funded places for Nursing.

It was NOTED that fully funded places for taught postgraduate skills provision had been removed. However, the £182k removed under that heading had been allocated under an 'Upskilling/Skills shortages' heading to support programmes designed to upskill people already in work, or address skills shortages. The SFC would engage with the sector on ways that this could be achieved.

Members noted that Universities Scotland was lobbying the Scottish Government to pass on £18m of additional funding received through the Barnett formula as a result of increased spending on research in England.

9.2 Revision to the Queen Margaret University Outcome Agreement 2017-20: Version 2019-22

Members RECEIVED the near-final draft of the Queen Margaret University Outcome Agreement (OA) (Paper COURT (19) 13 refers). The University Secretary advised that the draft had been presented to a number of Committees, including the Senate and the Equality and Diversity Committee, and shared with stakeholders, including the Students' Union and the Campus TUs. No substantive comments had been received, which meant that the version presented for approval had not changed materially from the version provided in February.

Noting that further editing and updating was required, members AGREED to provide the Chair with delegated authority to sign off the final version of the Agreement on behalf of the University Court. The final version would be submitted to the SFC by the deadline of 30 April 2019.

9.3 Higher Education Governance (Scotland) Act 2016

Members considered the Queen Margaret University, Edinburgh (Scotland) Amendment Order of Council 2019.

Members were reminded that, to be compliant with the requirements of the Higher Education Governance (Scotland) Act 2016, the University was required to amend a number of the provisions currently incorporated within 'The Queen Margaret University, Edinburgh (Scotland) Order of Council 2007', commonly referred to as the University Statutory Instrument.

The University Court had agreed previously the amendments necessary to bring the University into full compliance with the Act, and had received regular updates on progress in agreeing those amendments with the Scottish Government.

A copy of the Draft Statutory Instrument prepared by the Scottish Government Legal Directorate, and a version of the 2007 Order of Council, annotated to incorporate the proposed draft amendments, were considered by members.

Members were advised by the University Secretary that she was content with the advice and clarification provided subsequently by the Scottish Government, and captured in the revisions presented to members.

Having considered the papers, the University Court APPROVED the amendments as set out in the documents presented, subject to clarification and further advice on some outstanding matters. A request to provide the Chair with delegated authority to approve the final Amended Order was also APPROVED.

The University Secretary advised that there were outstanding points of clarification in relation to the rules governing the nomination of trades union members to the University Court, and that paper (COURT (19) 15) was not available. Members APPROVED delegated authority to the Chair of Court to approve such rules once clarification had been received.

9.4 Court Effectiveness Review

Members CONSIDERED the Annual Court Effectiveness Review (Paper COURT (19) 16 refers), and APPROVED the recommendations arising from the review as set out in the paper. The University Secretary advised that there would be an externally facilitated review of the Court's effectiveness in 2020.

For the benefit of members, the Chair of the Audit and Risk Committee provided a brief summary of a number of helpful points arising from attendance at two recent training events for Non-Executive Directors, including one provided by Scott Moncrieff, Internal Auditors. Key messages included the need for all committees of the Court to have assurance that systems and processes are effective and efficient; assurance was a matter for the full Court, not just the Audit and Risk Committee.

10. ANNUAL SUMMARY REPORT ON COMPLAINTS

Members NOTED the annual report on complaints investigated under the University's model complaints scheme (COURT (19) 17). Members APPROVED the template SPSO report for publication on the University's website.

11. FINANCE AND ESTATES COMMITTEE

Members RECEIVED the Unconfirmed minutes of the Finance and Estates Committee meeting held on 18 March 2019 (FEC (19) MINS 01). The Convener advised that much of the business had been reported earlier in the agenda, but highlighted the Committee's discussion concerning the various income streams available to the University (Minute 5.1 referred), and the suggestion that a project should be established to coordinate efforts to grow income from non-SFC funded sources. A discussion had also taken place in relation to FEC's receipt of enhanced financial information at the programme level. This would be taken forward at the next meeting of the Committee in June.

12. HEALTH AND SAFETY COMMITTEE

Members RECEIVED the Unconfirmed minutes of the Health and Safety Committee meeting held on 6 March 2019 (HSC (19) MINS 01). No items had been drawn to the attention of the Court.

13. AUDIT AND RISK

Members RECEIVED the Unconfirmed Minutes of the Audit and Risk Committee meeting held on 30 January 2019 (Audit (19) MINS 01). The Convener updated Court on the University's submission to the SFC of Transparent Approach to Costing and Transparent Approach to Costing (Teaching) returns, and in relation to the work of the University's internal auditor.

14. NOMINATIONS COMMITTEE

Members RECEIVED the Unconfirmed minutes of the Nominations Committee meeting held on 7 February 2019.

Members were advised that four Lay Court members would come to the end of their initial three-year period of membership on 30 September 2019, and would be eligible for re-appointment. One member had advised that they would not be seeking re-appointment.

Court APPROVED the recommendation that the following Lay members be reappointed for a second period of tenure for the period 1 October 2019 to 30 September 2022:

- Carolyn Bell
- Francis Lennon
- Ken McGarrity

Members were advised that the Committee had revised its Members' Skills Matrix on the basis of an updated assessment Lay Court members skills and expertise. This had informed the particular skills and experience being sought in the current Lay member recruitment round.

Court RECEIVED a tabled summary of a proposed shortlist of candidates for interview. Members discussed a potential conflict of interest in relation to one candidate, which would be explored at interview.

Members noted that the Appointed for Scotland website was now restricted to Ministerial appointments, and that this development had very likely impacted on advertising reach. Members were asked to circulate details of the vacancies within their organisations and networks as appropriate.

15. STRATEGIC PLAN QM150: REVIEW SESSION

Members RECEIVED notes of the Strategic Planning Workshop held during the Away Day on 6 February 2019 (Paper COURT (19) 18), such notes having been provided as background to further review and discussion of the Strategic Plan at the strategic discussion session allocated on the meeting agenda.

To support that strategic discussion session, members had been provided with a discussion paper, supporting data on trend KPIs over the period 2014-2018 (projected forward to 2022 where possible) and a supporting table designed to prompt discussion, and confirm the status, of the nine overarching goals within the Strategic Plan.

In the review session, facilitated by Court member Carolyn Bell, members were invited to review and discuss detailed final outcomes expected (as set out in the strategic Plan), as well as progress towards final outcomes from start date, based on KPIs, and management opinion as to the likelihood of achieving the goal by 2025. Members were also encouraged to consider whether or not the overarching goals remained valid in light of factors including: internal consistency, consistency with the external environment, appropriateness in the light of available resources, satisfactory degree of risk, appropriate time horizon and 'workability'.

In discussion, members focussed particularly on the continued relevance of current KPIs in terms of determining progress, recognising nevertheless that achievement of quantitative KPIs should not over-influence strategic priorities to the detriment of other factors and measures.

Members AGREED that a further session should be conducted at the June 2019 meeting of Court, with a view to the confirming the status of the Strategic Plan as published, and establishing a hierarchy of priorities for Session 2019/20. Details of the discussion would be provided to the Head of Planning and would inform further development or consolidation of the Strategic Plan and its supporting KPIs.

On behalf of members, the Chair thanked Carolyn Bell for her contribution to the paper and for facilitating the review session.

16. DATES OF FUTURE MEETINGS

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

26 June 2019 at 3.00 pm
2 October 2019 at 3.00 pm
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