

COURT

In the Chair:	Dame Frances Cairncross
Present also:	Dr Richard Armour Ms Aoife Clarke Professor Patrick Corbett Mr Graeme Dickson Professor Fadi Ghaith Dr Amos Haniff Mr Steve Heathcote Dr Paul Hopkinson Mr Grant Innes Professor Julian Jones Ms Morag McNeill (absent from the meeting for one hour)
Officer in attendance:	Ms Sue Collier Ms Ann Marie Dalton-Pillay Professor Gill Hogg Professor Ammar Kaka Mr Andrew Jefferson
Others in attendance:	Mr Hugh Mitchell, EBS Advisory Board Ms Lorna Kirkwood-Smith (minutes)

Minutes

Date of Meeting: 7 February 2020

Dr Amanda Lyness
Mr Roger Murray
Professor Máiréad Nic Craith
Ms Marta Phillips
Mr Alan Robertson
Mr Kieran Robson Renner
Ms Dawn Skidmore
Ms Jandy Stevenson
Mr Mike Tumilty
Mr Graham Watson
Professor Richard Williams

Dr Gillian Murray (for part of meeting)
Professor Garry Pender (for part of meeting)
Professor John Sawkins

M20/01 WELCOME AND ANNOUNCEMENTS

The Chair welcomed:

- Mr Hugh Mitchell, who attended the meeting in place of Lord Vallance; and
- Mr Andrew Jefferson, Global Chief Finance Officer, attending his first meeting of the Court.

M20/02 APOLOGIES AND SUSPENSION OF MEMBERSHIP

- 2.1 Apologies were received from Ms Tracey Ashworth Davies and Lord Iain Vallance, who had been invited to be in attendance.
- 2.2 The Secretary of the University reported on the absence of Mr Cameron Millar due to illness. She relayed a recommendation, which was approved by the Court, that Mr Cameron's membership of the Court should be suspended for one year from 15 January 2020. This arrangement was agreed on the understanding that he would be free, if he so desires and health permitting, to attend some meetings during that period. The Court relayed the good wishes of all members to Mr Millar.

M20/03 MINUTES OF THE LAST MEETING

The Court approved as accurate records the minutes of the meeting of Court held on 13 December 2019 and the notes of the Court Strategy Day held on 1 November 2019.

M20/04 DECLARATION OF INTERESTS

The Chair of Court invited declarations of interest. No interests were declared with the exception of an interest declared by Dr Richard Armour recorded under M20/08, below.

M20/05 MATTERS ARISING

- 5.1 The Court noted, with reference to M19/94, that in December 2019 it had been requested that the Court receive a financial planning update report in advance of its meeting on 7 February 2020. The Vice-Principal reported that work is under way and the finance team is close to having robust figures to provide to the Court; however, these were not yet available. The Chair of Court requested that a report be provided to the Court at its meeting in March 2020.

- 5.2 The Secretary of the University reminded Court members that, because of the schedule of graduation ceremonies in 2020, the date of the Court meeting in June had been changed from 22 June to 29 June 2020. The Secretary invited members of the Court to report to her any problems that a member might have arising from this change in date.
- 5.3 The Secretary of the University updated the Court on measures/advice the University is taking in relation to the Coronavirus outbreak. She reported that the situation continued to change rapidly and that staff and students were being kept regularly updated. The student portal, FAQs, and partnership working with the Student Union were being used to support communications. She reported on the University's advice not to travel to China currently and that no staff are based there at the moment (although non-employee student recruitment agents are). Staff and students at all campuses were being advised to follow local advice from the relevant authorities and to focus on their own wellbeing as the uppermost priority. The Court noted that the students most impacted at present were Go Global students and students from China who may be constrained in their travel. Those students would need particular support and the financial implications of this were being assessed. The Principal confirmed that one-to-one communications were being undertaken with students most affected.
- 5.4 The Principal reported that University colleagues were looking forward to the joint meeting of the Court and the Senate due to take place on 26 February 2020. The theme of the discussion would be '*Building Flourishing Communities through Partnership Working*', focusing on and celebrating the role of the Student Partnership Agreement (SPA) and the roles of the Senate and the Court to support the second cycle SPA.

M20/06 COURT ACTION LOG

The Court received and noted the Court Action Log which had been updated as of February 2020.

- 6.1 In relation to action item M92.5, the Secretary of the University reported that the report being produced by Morag Ross QC is in its final stages of completion.
- 6.2 In relation to action item M19/97 and a forum for staff discussions, the Deputy Principal (Staff Development & Engagement) confirmed that the first of a series of Executive Briefing staff open meetings had recently taken place. The Secretary of the University reported also that the Global Director of HR is planning to reinvigorate the existing Global Employee Engagement Forum.

The Deputy Chair of Court asked that the reported arrangements should be reviewed in time to check their efficacy as solutions to the issue raised in discussion at the December 2019 Court meeting concerning the provision of an open forum for staff to raise matters/concerns for discussion.

It was noted that a plan of staff engagement and communications would be tailored specifically to the pensions issue; however discussion on this may also be included in one or more of the Executive Briefing meetings. The Principal reported that arrangements would be made to share communications plans with the Court. He reported also that a communications group led by the Global Director of HR would have responsibility for ensuring that concerns and new opportunities for improvements in staff communications and engagement are picked up and acted upon.

The Chair of Court asked that this matter be included as a future agenda item for discussion by the Staff Committee.

- 6.3 In relation to action item SD/19/11 (specifically item 11.7) and outputs of the portfolio modernisation project it was agreed that it would be helpful if information could be circulated to the Court as soon as possible which sets out the proposed timeline for future receipt by the Court of information/reports.

M20/07 UPDATE FROM THE PRINCIPAL (Paper Ct1/20/05)

- 7.1 The Court received and discussed an update report from the Principal. The Court was invited to take the report as read, and the Principal invited any questions arising from it. He also drew attention to two topics which were raised for discussion. Observations arising from the report included:
- reassurance sought on the workload impact on staff members with secondary part-time roles, such as Associate Principals; and
 - the proportion of student applications from China and the current risks to this part of the market. The Principal reported that all universities were reviewing this risk at the current time. Heriot-Watt

would continue to give this matter particular attention also. The level of concern among Chinese students and their parents about travel, including Go Global arrangements had not been quantified.

The Principal raised two topics for discussion: targets for Global Environmental Sustainability and core funding.

7.2 **Global Environmental Sustainability**

The Principal highlighted in particular the aims to:

- comply with legislative campus requirements embedding compliance in “business as usual”, and to set goals for decarbonising the University;
- demonstrate the impact of research and innovations on carbon reduction;
- provide leadership in the debate on key issues and actions and demonstrate effective organisational change; and
- establish terms of reference which establish the University’s position in terms of its contributions, working with the Associate Principal (Global Sustainability) , the Environment & Energy Manager and the Chair of the Infrastructure Committee.

The following observations / points were raised in discussion:

- recognising the wider contribution made by Heriot-Watt graduates;
- support for investment and critical mass developed around the technological contributions;
- the importance of engaging and setting challenges for students and including the student voice;
- the value of education delivered through partnerships;
- support for a leadership position for Heriot-Watt within Scotland, while working across its different locations;
- opportunities to embed sustainability aims in the new Dubai Campus building; and
- it was recommended that a statement of intent outlining the University’s approach to environmental sustainability should be created whilst the detailed strategy is still under development.

The Principal reported that a repository of useful information / articles would be created via Teams which Court members could share.

7.3 **Core funding**

The Principal reported on newly announced Scottish Funding Council grant allocations for 2020/21 which amounted to an allocation for higher education of £1,044m. As a 1.83% increase, this would be a zero increase in real terms. The Court noted that this outcome accorded with the University’s budgeting although actual institutional outturns and the timeline for this confirmation are not yet clear.

The Principal reported that he is advocating for an extension of EU student provision and for the funding to be retained within higher education, where graduate apprenticeships and other key initiatives would require future resource. Court members were encouraged to lobby for this approach if and when such opportunities arise.

In relation to UK Research & Innovation (UKRI), The Principal reported on exploratory work he is involved in in relation to potential areas of research investment.

M20/08 RESEARCH EXCELLENCE FRAMEWORK (REF 2021) PREPAREDNESS (Paper Ct1/20/01)

Dr Richard Armour declared an interest due to his involvement in the work of Research England and the UKRI Council. He did not contribute to the discussion on this agenda item.

The Court noted and discussed a report which described progress towards the University’s submission to REF 2021, including the state of readiness of all Units of Assessment (UoA) that the University plans to make submissions in. It was noted that readiness had been measured as at October 2019; and a good deal of progress had been made since. Monthly meetings are being held to monitor progress.

XXX Reserved section (Ref: Section 33, FOI(S)A).

It was agreed that information on the University's submission in summary form should be provided to the Court in autumn 2020.

It was agreed that the Deputy Principal (Research & Innovation) would share information on the dates of future internal Unit of Assessment meetings with an invitation to any interested Court member to attend.

M20/09 ANNUAL REPORT FROM THE MALAYSIA CAMPUS (Paper Ct1/20/02)

The Court received and discussed an annual report for 2018/19 from the Malaysia Campus. In the absence of the Provost and Vice-Principal Malaysia, the report was presented by the Chair of Court Designate, who highlighted the key matters of note in the report of an overall successful year.

In the course of discussion, the following suggestions were made:

- it would be helpful to receive more information alongside graphic representations;
- further discussion is needed on the audience / purpose of the report. The Court will be naturally more interested than a general audience of risks and performance against goals etc; and
- work should be undertaken to build more commonality between the annual reports from the Dubai and Malaysia Campuses.

It was agreed that a check would be undertaken to ensure alignment of the information flow from the outputs of Malaysia Financial Opportunities work to the Finance Committee.

M20/10 ANNUAL REPORT FROM THE DUBAI CAMPUS (Paper Ct1/20/03)

The Court received and discussed an annual report for 2018/19 from the Dubai Campus which was presented by the Provost and Vice-Principal (Dubai) who highlighted the success of the pivotal year reported.

In the course of discussion the following comments / observations were made:

- the staff data provided represented a snap-shot in time and further staff appointments had been made and are still planned. This would impact positively on the still challenging area of staff:student ratio;
- the imperative to closely monitor developments in the provision of close competitors in the area;
- the need for careful review and decision-making in relation to UAE level accreditation. An analytical report would be provided for discussion by the University Executive in the near future.

M20/11 DUBAI AND MALAYSIA CAMPUS ANNUAL REPORT ROUND UP (Oral)

The Court discussed future changes to the annual reports from the Dubai and Malaysia Campuses that should be considered for the future. It was noted that the Malaysia Campus report was more of a marketing document in style, while the Dubai Campus document was set in a more management reporting style.

It was agreed that there should be a further discussion on the most useful style and content of the reports for the Court, including the balance between performance data and more general market focused reporting. Alternative complementary information sources should be considered as part of this further review and the Global Director of Marketing, Recruitment Admissions and Communications should be included in the discussions.

As an aside, Court members were also encouraged to provide their views on future changes to the style of the University Annual Report and Financial Statements publication to the Global Chief Financial Officer.

M20/12 REPORT FROM THE FINANCE COMMITTEE (Paper Ct1/20/04)

The Court received an extract minute from the meeting of the Finance Committee held on 29 January 2020. The Committee Chair summarised the discussion of the Finance Committee leading to the Committee's recommendation to the Court for approval of the second of two business cases for implementation of an Enterprise Resource Platform (ERP). The Committee had considered the impact

of the increased cost project on the overall capex budget over a three year period acknowledging the need to flex other projects, the intended benefits of the platform supporting the implementation of Strategy 2025 and the savings that the platform is projected to deliver to revenue budgets over coming years. The Chair of Court reported on the confidence in the key stakeholders involved in leading the ERP project and the governance arrangements in place to monitor its implementation.

12.1 **Enterprise Resource Platform**

The Court was invited to consider and approve the business case (second business case of two) for a new cloud-based infrastructure platform to support HR, Payroll and Finance Functions (The Enterprise Resource Platform or 'ERP') to replace the current platform which would be decommissioned in 2021.

The Court noted that the first business case, considered by Finance Committee and subsequently approved by the Interim Business Committee of the Court in November 2019, secured the right to utilise cloud-based infrastructure platforms on the University's chosen solution (Oracle Cloud) during and post-implementation. This second ERP business case sought approval for a technology partnership which would cover the turn-key supply, implementation, maintenance and support for the University's requirements.

The Court noted the total budget request for release from existing capital funds for delivery of the necessary process improvements and recovery of quantified projected cashable benefits over five years. The Court also noted the reported uplift on total costs compared with the numbers presented in November 2019 and the reasons for the increase. However the largest change in figures was in the forecasted cashable benefits modelled on a five year term commencing in February 2020 and giving an Internal Rate of Return of 11%.

The Court noted that commencement of implementation from the first week of February 2020 is a key dependency to achieve the first milestone to support the Dubai Campus transition in August 2020.

The following points were raised / agreed in the course of discussion:

- it would be helpful to engage an independent lay individual with relevant experience to engage with and be able to advise on the implementation of the project, subject to willingness and availability of time. The Secretary of the University agreed to talk to a recent appointee to the Infrastructure Committee;
- it was agreed that a further paper should be produced which more clearly articulates milestones, costs and benefits; and
- it was agreed that the Infrastructure Committee and the Finance Committee should receive regular reports and review progress and deliverables of the project at the end of 2020. The business case should be updated in one year's time with renewed clarification of vision and benefits (financial and non-financial).

The Court approved the business case for the Enterprise Resource Platform.

12.2 **Treasury Management Policy**

The Court received and noted the University's Treasury Management Policy which had been reviewed by the Finance Committee at its meeting on 29 January 2020 as part of the regular cycle of review. The Committee had agreed that no changes to the Policy were required.

M20/13 REMARKS FROM THE CHAIR OF COURT (Oral)

The Chair of Court thanked the Deputy Chair of Court for chairing the last meeting of Court in December 2019. The Chair also reported that she will be overseas for one month from mid-February 2020, but she would make arrangements to join some committee meetings during that time by video link.

M20/14 REPORT FROM THE DEPUTY CHAIR (Oral)

The Deputy Chair of Court updated the Court on matters discussed at the most recent Chairs' meeting:

- plans to advance the portfolio review project. The Principal further reported that major activity is under way in each School, focused on both undergraduate and postgraduate provision, to assess agility, market appeal, content etc. Update reports would be provided at forthcoming meetings of the Senate and the Court when the Court should expect to receive some quantitative information;
- progress made with financial planning for 2020/21;
- Bicentennial celebration plans for 2021;
- the Cubane Consulting report and its impact on long term planning. The Secretary of the University further reported that a first draft report from Cubane is due in around 10 days' time based on a benchmarked review of professional service provision across the University. The outputs of this benchmarking exercise will be factored into relevant future communications to the Court; and
- the Dubai Transition Project.

M20/15 REPORT FROM THE SENATE (Paper Ct1/20/06)

The Court received and noted a report from the Senate which related to the meeting of the Senate held on 12 December 2019. It was noted that matters that had required approval by the Court had been dealt with under separate cover.

The Court noted in particular the report of work being led by a working group convened by the Deputy Principal (Learning & Teaching) to review the structure of the academic year. This had been re-titled as a "re-engineering of the academic architecture" of the University to convey more accurately the radical nature of the changes under development to create a structure that facilitates flexibility, responsiveness and accords with the University's global make-up. In response to a question raised by a Court member, it was reported that Professional Services would be fully represented in this major project, as would the student body.

The Court noted that the scale of this project which would involve liaison and agreement with external regulatory bodies would demand a lead in time of a few years.

M20/16 UPDATE FROM THE STUDENT UNION (Paper Ct1/20/07)

The Court received an update report from the President of the Student Union on work completed or under way by the Union since the last meeting of the Court in December 2019.

The President of the Student Union drew particular attention to positive changes in the structure of full time officers and academic representation structures; and plans to introduce enhancement-led software which would dramatically improve interaction and engagement with representation structures. A report would be made to the Senate in the near future and software demonstrations arranged.

Thanks were relayed for the very positive work by the Student Union to improve the student experience at the Scottish Borders Campus.

It was noted that invitations to attend the Court Strategy Day in May 2020 would be relayed to the elected new student members of the Court even if their Student Union appointments and their Court membership will not begin until 1 June 2020. The Court noted that the results of the elections would be announced on 13 March 2020.

M20/17 REPORT OF 2019 EFFECTIVENESS REVIEW WITH ACTION PLAN (Paper Ct1/20/08)

The Court received and discussed a report presented by the Deputy Chair of Court on the outputs of the Court Effectiveness Review which was undertaken in 2019. The Court noted that the report should be considered in conjunction with the report from the Court Papers Review Group (Paper Ct1/20/09, below).

The Deputy Chair of Court summarised the key outputs of the Review as reported. She confirmed in relation to plans to procure software to support paper free meetings, that a meeting would take place with the Director of Information Services in the afternoon of 7 February to review board pack software used by two members of the Court. The Court noted the intention to undertake a tendering exercise in March 2020.

Court members were invited to relay further thoughts on the functionality / attributes of board pack software to the Deputy Chair of Court or to the Director of Information Services, Kathy McCabe.

The Global Chief Finance Officer reported that consideration will be given to the development of integrated financial reporting, although it would not be feasible to embed this in the current ERP project, as this would delay the project and increase implementation costs.

Court members discussed the narrative on page 6 of the report on trust and reporting from the executive to the Court, while the observation was made that positive progress was being which is not reflected in the snapshot views recorded. It was acknowledged that the issue reported was more one of values and behaviours rather than processes. The Court agreed that there remains a clear issue to address and while the regular Chairs' Group meeting is helpful the Chairs of Committees need a more effective way of raising the right kind of questions. To enable this it will be important for Court members to have early sight of issues coming over the horizon, both positive and negative. The Court agreed the following approaches to be integrated into new processes:

- confirmed pact of confidentiality on the part of all when sensitive issues are to be given an early airing; and
- regular financial reports provided to the Court which cover emerging issues/risks or major initiatives, even while thoughts are still being formed.

The Group noted that a watching eye would be kept on the forthcoming action plan which combines the outcomes of the Court Effectiveness Review and the Court Papers Review Group. The Group is keeping an open mind on whether it should be reconvened in one year's time to review progress achieved.

The Court wished also to reflect the values of the University in its papers and processes.

M20/18 REPORT FROM THE COURT PAPERS REVIEW GROUP (Paper Ct1/20/09)

The Court noted and endorsed a report on the outputs of a meeting of the Court Papers Review Group which took place on 24 January 2020. The Court had been asked to consider the report in the context of the outputs of the 2019 Effectiveness Review reported under M20/17, above.

M20/19 REPORTS FROM THE GOVERNANCE AND NOMINATIONS COMMITTEE (Paper Ct1/20/10)

The Court received and considered a report from the Governance and Nominations Committee on business dealt with by the Committee since the last meeting of the Court in December 2019.

19.1 Court appointments

The Court approved the recommendation that an advert be placed to appoint a Court member who provides the skills and experience which will be lost when Jandy Stevenson leaves the Court from 31 July 2020 (i.e. has extensive experience in the areas of audit and risk management and qualified as a Chartered Accountant). Court members were invited to suggest via the Head of Corporate Governance the names of suitably qualified individuals who might be interested to apply for the position.

The Court noted that the Committee would discuss further its recommendation in relation to the vacancy which will arise on the Court when Mr Grant Innes becomes the new Chair of Court from 1 August 2020.

19.2 Ordinance J1: Appointment of the Vice-Principal of the University

It was noted that the Court had been invited to and had approved modifications to Ordinance J1: Appointment of the Vice-Principal of the University on 4 February 2020. The changes would enable to Chair of Court to nominate another person to take their membership place on the joint Court and Senate selection committee.

19.3 Membership of the Governance and Nominations Committee

The Court approved a change to composition of the Governance and Nominations Committee with the inclusion of: "One member who is a co-opted independent lay member, or who is a member of Staff of the University and has experience and expertise which is relevant to the work of the Committee." This change would enable Professor Angus Macdonald to be appointed to the membership of the Committee from 1 August 2020.

M20/20 DONATION TO HERIOT-WATT UNIVERSITY, PANMURE HOUSE (Paper Ct1/20/11)

XXX Reserved section (Ref section 33, FOI(S)A).

M20/21 COURT ROLLING PROGRAMME OF BUSINESS (Paper Ct1/20/12)

The Court noted a report of the planned rolling programme of Court forward business as at 31 January 2020. Court members were invited to direct any comments or suggestions on the plan to the Secretary of the University or the minute clerk.

M20/22 DATE OF THE NEXT MEETING

It was noted that the next scheduled meeting will take place on Friday 27 March 2020.

Date

Signature