

## THE COURT

Minutes: 24 June 2024

In the Chair: Mr Bruce Pritchard, Chair of Court

Present:

|                                                 |                                                           |
|-------------------------------------------------|-----------------------------------------------------------|
| Dr Richard Armour, Lay Member                   | Professor Steve McLaughlin, Vice-Principal                |
| Mr Graeme Dickson, Lay Member                   | Dr Yvonne McLaren-Hankin, Dean of the University          |
| Mr Cameron Fields, Student Union (SU) President | Ms Morag McNeill, Lay Member                              |
| Dr Fadi Ghaith, Senate Member                   | Mr Jürgen Munz, Trade Union Member                        |
| Mr Steve Heathcote, Lay Member                  | Ms Marta Phillips, Lay Member                             |
| Dr Brian Henderson, Alumni Member               | Mr Chris Pirie, Staff Member                              |
| Professor David Jenkins, Trade Union Member     | Mr Bruce Roberts, Staff Member                            |
| Mr Gary Kildare, Lay Member                     | Mr Ian Stevenson, Lay Member                              |
| Mr Paul Lewis, Lay Member                       | Mr Mike Tumilty, Lay Member                               |
| Dr Bill MacPherson, Senate Member               | Professor Richard Williams, Principal and Vice-Chancellor |
| Ms Holly McAdams, SU Vice-President (Academic)  | Ms Dorothy Wright, Lay Member                             |

In attendance:

Ms Ruth Moir, University Secretary  
 Professor Mushtak Al-Atabi, Vice-Principal and Provost (Malaysia)  
 Professor Malcolm Chrisp, Deputy Principal (Education and Student Life)  
 Mr Richard Claughton, Global Director of HR  
 Ms Sue Collier, Global Director of Governance and Legal Services (GALS)  
 Professor Mercedes Maroto-Valer, Deputy Principal (Global Sustainability)  
 Professor Dame Heather McGregor, Vice-Principal and Provost (Dubai) *(until 10.10am)*  
 Professor Gill Murray, Deputy Principal (Enterprise and Business) *(from 9.45am)*  
 Mr Martin Pringle, Global Finance Director (GFD)  
 Ms Lisa Herlihy, Clerk to the Court

Apologies:

Ms Lucy Everest, Global Chief Operating Officer (GCOO)  
 Mr Alan Robertson, Lay Member

MINUTE  
REF

M24/43

**WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST**

The Chair welcomed all present to the meeting, including the following new members of the Court:

- Dr Yvonne McLaren-Hankin, who had been elected by the Senate as the Dean of the University on the Court from 5 June 2024 until 31 July 2027, subject to her re-appointment as Dean;
- Mr Cameron Fields, who had been elected as Student Union President from 1 June 2024 until 31 May 2025; and
- Ms Holly McAdams, who had been elected as Student Union Vice-President (Academic) from 1 June 2024 until 31 May 2025.

The apologies were noted and there were no declarations of interest.

M24/44

**MINUTES OF THE MEETINGS ON 21 MARCH 2024 AND 16 MAY 2024 AND REPORT OF THE JOINT MEETING OF THE COURT AND THE SENATE**

The Court received and approved the minutes of the meetings on 21 March 2024 and 16 May 2024 and the report of the Joint Meeting of the Court and the Senate. It was noted that the report from the Court Strategy Day on 16 May 2024 would be circulated after the meeting and would be formally presented at the October 2024 meeting.

MINUTE  
REF  
M24/45

## **REPORT FROM THE COURT INTERIM BUSINESS COMMITTEE (CIBC) (Ct5/25/20)**

The Court received and noted the report from the CIBC, presented by the Chair. The Committee had approved by correspondence the appointment of Mr Bruce Roberts to the Global College Partnership Oversight Group; the extension of Professor Julian Malins' appointment as Acting Executive Dean of the School of Textiles and Design (SoTD) until 31 July 2025; and two appointments to the Court, an appointment to the Finance Committee and an appointment to the Ordinances and Regulations Committee from 1 August 2024 until 31 July 2027.

## **M24/46 ACTIONS LOG, MATTERS ARISING AND COURT AGENDA TRACKER.**

The Court received and noted the Action Log and Agenda Tracker, presented by the Chair. The Court agreed that those items marked as complete would now be removed from the Log. This included M23/65, relating to the Net Zero Community Hub, and M23/23, which was a longstanding action relating to the Resource Efficiency SPI.

The Court received an update on a student who had been on hunger strike in May 2024. The Principal and the University Secretary had met with a group of students immediately after they had been alerted to the issue and had been informed that the student was no longer on hunger strike. There had been a helpful discussion with the students around their concerns relating to the Israel-Palestine conflict.

## **M24/47 STRATEGIC SUMMARY REPORT (PRESENTATION)**

The Court received a Strategic Summary Report, focused on current issues for the University, presented by the Principal and Vice-Chancellor.

The Principal reported that the University's Celebration Week had been very successful, with dozens of activities held. Graduations were taking place in June and July 2024 and two honorary degrees had recently been awarded.

### *Securing Sustainable Financial Operation*

### **XXX Reserved Section – Ref. FOI(S)A, s.33**

#### *Quality Enhancement and Standards Review (QESR)*

The Court noted that the QESR was a global review of academic quality and that Heriot-Watt had received the best outcome, which was a judgment of 'confidence'. The Senate had confirmed that the Court could take assurance from this judgement. Two recommendations had been made following the review and would be developed into an action plan. The Court queried whether the QESR result impacted League Tables and noted that there was no direct impact but that the areas assessed by QESR, such as the student experience, were often components of League Tables.

#### *Service Effectiveness*

The Principal reported that the Service Effectiveness Programme had used benchmarking data to address under-resourced areas, such as student-facing services. In order to streamline student enquiries, Student Advisors would be available in all Schools from September 2024. Service levels had been agreed for most areas and benchmarking data had revealed a considerable improvement in service satisfaction amongst staff.

#### *Advocacy*

The Principal reported on critical issues for Court members to be aware of, including:

1. the role of universities as a platform for developing the economy and community in addition to talent production;
2. the fact that the unit of resource for Scottish students was underfunded;

3. the desirability of more City Deal funding for Edinburgh as a priority for the new UK government; and
4. the University's leadership in sustainability via the Climate Action Framework and the Ten Commitments.

The Court discussed a recent announcement that Edinburgh City Council were proposing to sign a friendship agreement with a Taiwanese city, which had implications for Chinese student funding. The Principal confirmed that the University had not been part of the consultation but had reported to the Council that it had some concerns. *[Addendum: following the meeting, it was confirmed that the Council had paused these plans to allow for further discussion.]*

#### **M24/48 PRINCIPALS REPORT TO COURT (Ct5/24/21)**

The Court received and noted the Principal's Report, presented by the Principal and Vice-Chancellor. This included updates on delivery of the strategic themes and milestones for each of the University's SPIs, as well as cross-campus news.

#### **M24/49 GLOBAL UPDATE FROM THE STUDENT REPRESENTATIVE BODIES (SRBs) (PRESENTATION)**

The Court received and discussed a global update from the SRBs, presented by the SU President and the SU Vice-President (Academic).

The SU President reported that the global SRB team had considered recent feedback from students and had identified themes including financial pressures, loneliness, confusion and stress. To address these themes, three global priorities had been agreed.

1. Relieving financial pressures;
2. Building and empowering communities for everyone; and
3. Improving access to education and recreation

Relieving financial pressures was a continuing priority from 2023-24. In addition, students needed a wider range of communities to engage with in order to address loneliness and create a sense of belonging. Finally, access needed to be considered from a variety of angles because this meant something different to each student across the University. For example, in Dubai student facilities were largely off-campus and there were transport costs to access these. In Malaysia, some facilities were on-campus but there was a low level of satisfaction with those facilities.

It was noted that the global priorities linked well to the current Student Partnership Agreement (SPA) and would form the basis for developing the next SPA in January 2025.

During discussion, the Court encouraged the SRBs to consider specific, tangible actions to address these issues and also how the Court could assist. The Court agreed that the Global Student Life Committee would have a deep dive into fundamental issues affecting student access and satisfaction and would then report back to the Court.

The SU President reported that the future of the Community Larder, which was currently available to students at the Edinburgh Campus, was being reviewed. During the review, consideration would be given to further support that could be provided to the Borders Campus.

The Court queried whether the Campaign would seek funding for a new student life building at the Edinburgh Campus, in order to provide spaces that would support community building. The Principal reported that a multi-functional building had been planned pre-COVID but changing circumstances meant that a wider consultation regarding requirements was now needed. An update would be provided to the Court at the October 2024 meeting.

**M24/50 BRIEFING FROM THE VICE-PRINCIPAL AND THE CAMPUS VICE-PRINCIPALS AND PROVOSTS (PRESENTATION)**

The Court received and discussed the briefing, presented by the Vice-Principal and the Campus Vice-Principals and Provosts.

The Vice-Principal provided further detail regarding RMG, noting that it would use data driven analysis to inform recruitment decisions, considering staff resource costs vs. student recruitment income. Criteria would also include meeting legal requirements and the impact on frontline services. Programme level consideration was being undertaken with the Executive Deans. More widely, work was also being done to ensure clarity around the role of Executive Deans and to ensure they had thematic group discussions on key issues.

**XXX Reserved Section – Ref. FOI(S)A, s.33**

It was noted that there was connectivity between all of the GRIs and these were the areas that would drive growth and innovation. The Court agreed that future reporting would compare current data with benchmark data from business cases so that the Court could see clearly whether each GRI was on track.

The Vice-Principal (Malaysia) highlighted that Malaysia was on track to meet student recruitment targets in September 2024, with an improvement on 2023-24. The campus lease negotiation had achieved considerable savings to assist financial sustainability. There were challenges around the weakness of the ringgit against the pound, but the Malaysia Campus team were using this as an opportunity to recruit students who might otherwise have travelled to the UK to study.

The Vice-Principal (Dubai) reported that enrolment for September 2024 was slightly ahead of target. Global College recruitment was flat following significantly higher than planned recruitment in 2023-24, and all other Schools were showing increases. There were challenges around physically accommodating the recruited students and this had been addressed via a campus expansion project agreed by the Court. Heads of Terms had been signed and the layout agreed, so procurement was now beginning.

Dubai had had recent research successes, including publishing the Gulf Cooperation Council Gender Board index and signing a Memorandum of Understanding with a high-profile Emirati university to develop a Centre for Doctoral Training.

To address financial challenges, staff recruitment was being minimised where possible, including the reallocation of resource across teams. Commission for Academic Accreditation (CAA) requirements were being progressed and were on track.

In response to a question from a Court member, the Vice-Principals confirmed that there was considerable collaboration between various campuses. In particular, the marketing teams for the Dubai and Malaysia campuses worked together to address gaps arising from natural turnover. Each location acted as a regional recruitment hub for the wider University and also supported online teaching.

The Court discussed the Go Global programme and the role that this played in recruiting overseas students to each campus location. Financial reporting was currently being reviewed to ensure that the net gain to the University when students transferred between campus locations was accounted for properly. A similar exercise was being undertaken to ensure that GRI recruitment into Schools was accounted for.

**M24/51 UNIVERSITY SECRETARY UPDATE (VERBAL)**

MINUTE  
REF

The Court received and noted an update on governance matters, presented by the University Secretary.

The University Secretary reported that improvements to governance effectiveness were progressing, including shorter papers, the introduction of space in meetings for members to reflect on any further improvements, and the development of a new process for evaluating the effectiveness of the Court and of Court members. Over the summer, a review of meeting dates would be undertaken relevant to the flow of business. An action plan arising from the Joint Meeting of the Court and the Senate would also be progressed and induction for new members would be organised.

Court members were alerted that they would be asked to complete a new Register of Interests form over the summer at the request of the External Auditors.

#### **M24/52      REPORT FROM THE GOVERNANCE AND NOMINATIONS COMMITTEE (Ct5/24/22)**

The Court received the report from the Governance and Nominations Committee, presented by the Chair, and approved the revised Court Attendance and Participation Policy.

#### **M24/53      REPORT FROM THE BORDERS STRATEGIC REVIEW OVERSIGHT GROUP (BSROG) (Ct5/24/23)**

The Court received the report from the BSROG, presented by Ms Marta Phillips, Chair of the Group. The Court approved the proposal set out below.

The current lease between the University and the Borders College expired in 2026 and there was potential for substantial cost if the lease was renewed. The University had therefore considered the renewal of the lease as part of the Borders Futures Programme. Negotiations with the Borders College had identified that the best solution for both parties was for the University to locate its activities, including library space, within the High Mill, which was owned by the University. There was a cost of £2,132k associated with repurposing the High Mill to accommodate this. The Finance Committee had endorsed inclusion of this spend within the Three-Year Financial Plan. The Court approved this proposal.

The Court discussed the remaining workstreams of the Borders Futures Programme, which related to research, the programme portfolio and how design would be located within the wider institution. These workstreams would shortly be moved into business as usual, led by the Vice-Principal and the Acting Executive Dean (School of Textiles and Design). Consideration would be given to providing access to research facilities on the Edinburgh Campus to staff and students at the Borders in order to improve their experience.

The Court agreed that the BSROG would now be disestablished and the business-as-usual workstreams reported to the Court and its standing committees directly where needed. The Court thanked members of the BSROG for their contributions.

#### **M24/54      REPORT FROM THE FINANCE COMMITTEE (Ct5/24/24)**

The Court received and considered the report from the Finance Committee, presented by Mr Steve Heathcote, Chair of the Committee. The Court approved items as below.

#### **54.1          Three-Year Financial Plan (Ct5/24/24a)**

The Chair of the Committee reported that the key assumptions had been updated since the March 2024 meeting and that these had been stress-tested and considered against downside scenarios. It was vital that the University achieved the overall shape of the plan and reached a surplus cash position, particularly with some of its bonds due for repayment from 2027 onwards. The Finance Committee

would be monitoring these issues, as well as covenant compliance, via management information packs.

The Court observed that there had been an uplift in projected research income for 2026 and queried how reliant this was on GRI performance. The Vice-Principal clarified that there had considerable growth in larger research awards across the University in recent years and that the GRIs were performing well on research income. It was therefore considered that the targets were achievable.

The Court noted some concerns about the predicted level of growth and the possibility that the downside scenarios would materialise. There was comfort from the robust grip that the University now had on forecasting, the availability of management information and the contingency being built, though it was acknowledged that unforeseen circumstances might well arise. There were options available for savings, including making better use of existing resource, and the Finance Committee would monitor the position via the quarterly reforecasts. This would allow time for course correction where required, including for growth opportunities that were not performing as well as anticipated.

The Court observed that it was vital to consider the overall impact on the University as changes were made via workforce planning, using consultation to ensure these changes were fully understood. It would also be important to ensure that roles were properly designed and future-proofed when they became vacant.

The Court approved the Three-Year Financial Plan for submission to the Scottish Funding Council by the end of June 2024.

#### **54.2 Supplemental Lease Agreement for Malaysia**

The Court approved the third supplemental lease agreement for the Malaysia Campus, noting that this would provide significant savings for the University.

#### **54.3 Investment Policy (Ct5/24/24b)**

The Court noted that a working group of the Donations and Investments Committee had undertaken an interim update of the Investment Policy in order to ensure clarity around the sustainability of the University's investments. A wider piece of work on the Policy would then be completed during summer 2024, as part of a review of the Ethical Business suite of policies. However, the University felt it was important to publish an updated Investment Policy before July 2024 so that it could be considered by the People and Planet league table when they reviewed publicly available information. At present, Heriot-Watt did excellent work in the area of sustainability, but a lack of published information meant that this work was not readily apparent.

#### **XXX Reserved Section – Ref. FOI(S)A, s.30b**

The Court agreed to approve the interim update to the Investment Policy, subject to the addition of a note that the Policy was continually under review and would be enhanced in advance of the next review period because of the evolving nature of this area. The review period would be amended so that this was annual. The Court agreed that the updated Policy would be submitted for Court approval in October 2024.

The Court agreed that a communication strategy would be developed so that any queries from stakeholders could be responded to promptly following publication.

#### **M24/55 FINANCE COMMITTEE POST-MEETING ITEM: INTRA-GROUP LOAN AGREEMENT – HWUK AND HWUM (Ct5/24/25)**

#### **XXX Reserved Section – Ref. FOI(S)A, s.33, s.30b**

#### **M24/56 REPORT FROM THE AUDIT AND RISK COMMITTEE (Ct5/24/26)**

The Court received and noted the report from the Audit and Risk Committee, presented by Mr Mike Tumilty, Chair of the Committee.

The Committee had endorsed the following, which were now approved by the Court:

- the appointment of RSM as internal auditors from 1 August 2024 until 31 July 2027;
- the appointment of EY UK as external auditors for the Group from 1 August 2024 until 31 July 2027; and
- the appointment of Grant Thornton as external auditors for Dubai for a one-year contract. EY UK had noted that they were content with this appointment.

### **XXX Reserved Section – Ref. FOI(S)A, s.33**

#### **M24/57 REPORT FROM THE STAFF COMMITTEE (Ct5/24/27)**

The Court received and noted the report from the Staff Committee, presented by Ms Dorothy Wright, Chair of the Committee.

#### **M24/58 REPORT FROM THE REMUNERATION COMMITTEE (Ct5/24/28)**

The Court received the Report from the Remuneration Committee, presented by Ms Morag McNeill, Chair of the Committee. The Court approved item as below.

##### **58.1 Global Reward Policy and Senior Salary Review Procedures**

A wider piece of work was planned so that the Policy and Procedures were aligned with workforce planning and Strategy 2035. In the meantime, a policy was required for the 2024-25 remuneration process and the Court approved the existing Policy and Procedures for this purpose.

##### **58.2 Remuneration Committee Terms of Reference**

A detailed review of the Terms of Reference had been undertaken to address a lack of clarity and to take account of good practice. The Court's oversight role regarding remuneration for the most senior roles in the institution had been developed as a result. The new Terms of Reference now identified that the Court would approve the salary and remuneration of the Principal, Vice-Principal and University Secretary. The Court approved the revised Terms of Reference.

##### **58.3 Severance Payments Policy**

The Chair of the Committee reported that there had previously been a lack of clarity regarding the remit of the Remuneration Committee and of the Court, including where severance arrangements for senior staff required Court oversight. The Policy had been amended to indicate that any severance pay over £100k, or any novel and unusual request, would require approval by the Court. While the Policy was primarily for the UK campuses, this requirement would also apply to the Dubai and Malaysia campuses. In addition, the severance pay of the Principal and Vice-Chancellor, Vice-Principal and Provost, and the University Secretary would be discussed and agreed by the Court.

The Court approved the revised Severance Payments Policy.

#### **M24/59 REPORT FROM THE SENATE (Ct5/24/29)**

The Court received and noted the Report from the Senate, presented by the Principal and Vice-Chancellor, Chair of the Senate.

#### **M24/60 REPORT FROM THE GLOBAL STUDENT LIFE COMMITTEE (GSLC) (Ct5/24/30)**

The Committee received and noted the update from the GSLC, presented by Ms Marta Phillips, Chair of the GSLC.

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M24/61

**REPORT FROM THE GLOBAL COLLEGE PARTNERSHIP OVERSIGHT  
GROUP (GCPOG) (Ct5/24/31)**

The Court received and noted the report from the GCPOG, presented by Dr Richard Armour, Chair of the Group.

M24/62

**REPORT FROM THE FINANCE IMPROVEMENT PLAN OVERSIGHT GROUP  
(FIPOG) (Ct2/24/13)**

The Court received and noted the report from the FIPOG, presented by Mr Mike Tumilty, Chair of the Group.

M24/63

**DATE OF NEXT MEETING AND GOODBYE TO DEPARTING MEMBERS**

The Chair noted that the next meeting of the Court would be held on 3 October 2024, from 8.30am (UK time), 11.30am (Dubai time) and 3.30pm (Malaysia time).

The Court noted its thanks and appreciation to the following colleagues who were attending their last meeting of the Court:

- Mr Richard Claughton, Global Director of HR;
- Mr Chris Pirie, Staff elected member from 2021 – 2024;
- Dr Fadi Ghaith, Senate elected member from 2021 – 2024, previously Dean of the University on the Court from 2018 – 2021;
- Ms Morag McNeill, lay member of the Court from 2015 – 2024, previously Deputy Chair of the Court from 2018 – 2021 and 2022 – 2023, and Chair of Court from 2021 – 2022. The Chair offered personal thanks to Ms McNeill for the excellent handover she had provided after his election and for all her support and guidance.

At this point in the meeting, those who were in attendance departed and the Court members took part in an in-camera session.