

THE COURT

Minutes: 3 October 2024

In the Chair: Mr Bruce Pritchard, Chair of Court

Present: Professor Paul Dalgarno, Senate Member
Mr Cameron Fields, Student Union (SU) President
Ms Hilary Hansen, Lay Member
Mr Steve Heathcote, Lay Member (*until 11.30am*)
Dr Brian Henderson, Alumni Member
Professor David Jenkins, Trade Union Member
Mr Gary Kildare, Lay Member
Dr Bill MacPherson, Senate Member
Ms Holly McAdams, SU Vice-President (Academic)
Dr Yvonne McLaren-Hankin, Dean of the University

Professor Steve McLaughlin, Vice-Principal
Mr Jürgen Munz, Trade Union Member
Ms Marta Phillips, Lay Member
Mr Bruce Roberts, Staff Member
Mr Alan Robertson, Lay Member
Ms Denise Thomas, Lay Member
Mr Mike Tumilty, Lay Member
Dr Laura Wicks, Staff Member
Professor Richard Williams, Principal and Vice-Chancellor
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)
Ms Sue Collier, Global Director of Governance and Legal Services (GALS)
Professor Dame Heather McGregor, Vice-Principal and Provost (Dubai) (for M24/75)
Ms Penny McIntyre, Global Director of HR
Mr Martin Pringle, Global Chief Financial Officer (GCFO)
Ms Andrew Sill, Chair of the Heriot-Watt University Malaysia Board (for M24/74)
Ms Lisa Herlihy, Clerk to the Court

Apologies: Mr Graeme Dickson, Lay Member
Mr Paul Lewis, Lay Member
Professor Mercedes Maroto-Valer, Deputy Principal (Global Sustainability)
Professor Gill Murray, Deputy Principal (Enterprise and Business)
Mr Ian Stevenson, Lay Member

MINUTE
REF
M24/64

WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST

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

- Ms Hilary Hansen, appointed as a lay member of the Court, the Audit and Risk Committee and the Ordinance and Regulations Committees from 1 August 2024 until 31 July 2027;
- Ms Denise Thomas, appointed as a lay member of the Court and of the Finance Committee from 1 August 2024 until 31 July 2027;
- Dr Laura Wicks, elected as a staff member of the Court from 1 August 2024 until 31 July 2027 and appointed to the Staff Committee;
- Professor Paul Dalgarno, elected as a Senate member of the Court from 1 August 2024 until 31 July 2027 and appointed to the Infrastructure Committee.

The Court noted its congratulations to Dr Bill MacPherson, who had been re-elected as a Senate member of the Court for a further year from 1 August 2024 until 31 July 2025.

The apologies were noted. Mr Jürgen Munz and Dr Yvonne McLaren-Hankin noted an interest in M24/79 *Report from the Staff Committee* where it touched on the voluntary redundancy process being undertaken in the School of Social Sciences (SoSS). Mr Munz and Dr McLaren-Hankin were staff members in SoSS.

MINUTE
REF

M24/65

MINUTES OF THE MEETING ON 24 JUNE 2024 AND REPORT OF THE COURT STRATEGY DAY ON 16 MAY 2024

The Court received and approved the minutes of the meeting on 24 June 2024 and the report of the Court Strategy Day on 16 May 2024.

M24/66

REPORT FROM THE COURT INTERIM BUSINESS COMMITTEE (CIBC) (Ct6/24/33)

The Court received and considered the report from the CIBC, presented by the Chair. Revised Terms of Reference were presented and approved. The Court noted that CIBC had approved, on its behalf, the Media Planning and Buying Proposal and a series of appointments to Court Committees.

M24/67

ACTIONS LOG, MATTERS ARISING AND COURT AGENDA TRACKER

The Court received and noted the Actions Log and Agenda Tracker, presented by the Chair. The Court agreed that those items marked as complete would now be removed from the Log.

In relation to actions 24/32, 24/33, 24/04 and 24/05, the GCFO reported that there were a number of areas relating to finance governance that the University wished to improve and that a project had been formed to ensure these improvements were well-managed. The results would be presented to the Finance Committee regularly via the GCFO Report, and then onwards to the Court. The Court actions noted above would now be closed.

It was noted that the University would consider the governance track for the outstanding internal and external audit actions, ensuring that oversight was clearly divided between the Finance Committee and the Audit and Risk Committee.

In relation to action 24/24, the Court agreed that the simplified version of the sustainability scorecard would be presented to the Court for information. The Court would then decide whether it wished to receive this as routine background information.

The Court agreed that, based on the 2023-24 agenda tracker, it was content that the Statement of Primary Responsibilities had been fulfilled in 2023-24. The University Secretary reported that she was working with the executive to identify significant items for 2024-25, so that these could be added to the current agenda tracker. The Court agreed that items on the tracker would be turned green once they had been presented, so that Court could easily see what was complete.

M24/68

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 noted that the semester had started well, with a positive energy noticeable at all campuses. During a recent visit to China, there had been significant concern from students about studying abroad following reports on the riots that had taken place in the UK and the Principal had offered reassurance.

The Principal summarised the process of developing Strategy 2035, reporting that this would be a progressive transition building on the University's strengths. The central pillars of the new Strategy would be a flourishing and purposeful global University community; growing the purpose-drive education model to focus on students' personal development as well as their educational outcomes; and an increased emphasis on the importance of the University's people.

An output from the recent University Executive (UE) Aways Days had been a new visualisation for the Strategy. This focused on community, with a strong purpose, strategic anchors and strategic themes. The Institutional Impact Statement

(M24/73) would feed into this work. This visualisation would be considered as part of upcoming Strategy 2035 workshops.

Following a detailed discussion regarding current issues and opportunities, the Court observed that the Strategy development process would need to clarify:

- i. how the University was going to differentiate itself from others in the sector;
- ii. future opportunities, the investment that would be required to leverage these, and obstacles that would need to be addressed;
- iii. the lines between the charitable and commercial aspects of the institution; and
- iv. the changes that would be required to deal with the challenging environment, and how these would be led and managed.

The Court received an update on the future shape of the Higher Education (HE) sector, noting the likely reduction in core Scottish Funding Council (SFC) funding over time and that universities would need to ensure their own financial success.

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

The Court noted that research funding via the Research Excellence Framework was redistributed by the Scottish Government and there was some concern in the sector that this could be used as general capital to replace the 25% reduction in capital funds available. Universities were lobbying the government on this point.

The University was also monitoring University policy in England. A recent Higher Education Policy Institute paper had explored four potential models for English HE, each of which would impact on Scottish universities in different ways. Any changes would take place in a context of lower international growth to the University's Scottish campuses, though higher growth was possible for the Dubai and Malaysia campuses.

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

M24/69 PRINCIPALS REPORT TO COURT (Ct6/24/34)

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.

M24/70 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 and SU Vice-President Academic provided a thorough update on recent activity at the Scottish, Malaysia and Dubai Campuses, including the success of welcome week events, and on initiatives to support students.

Emerging global issues were highlighted, including the need for full time Vice-President (Academic) roles at the Dubai and Malaysia campuses; the need to improve transportation to and from the Edinburgh Campus; and low engagement with postgraduate (PG) students. The Court queried the reasons for low PG engagement and the SU President clarified that PG students had different modes of student and so engaged differently. Improvements were being undertaken in conjunction with the Vice-Principal because the University had a key role to play in reaching these students, many of whom studied online alongside working. Online students were not covered by the SU due to the SU's funding structure, but advice was being offered regarding representative structures that could be used.

The SU President also presented data from the Advice Hub demonstrating that housing and UK tuition fees had been key issues at the beginning of the semester. The issue with UK tuition fees had now been resolved and the Court agreed that

data on issues that were not being resolved in a timely manner would be provided as part of future updates. Academic appeals, complaints and mitigating circumstances generally took the longest to resolve due to their complex nature.

Housing was a wider concern and a report had been developed on quality, conditions, price and the wider housing market, based on 300 responses from Heriot-Watt students, as well as other reports into housing. The results showed that high rents were leading to student sacrifices, with 9% of those surveyed left with £50 per month once rent had been paid. 30% had considered dropping out of university due to the cost of rent. Housing was also poor quality in many areas, with demand considerably higher than supply in Edinburgh. The SU President had met with the UE to begin fixing the issues identified and a short follow up survey for on-campus students would be undertaken to identify progress. National lobbying on this issue would continue.

The Court welcomed the information on these key student issues and discussed in detail the transportation issues at the Edinburgh Campus. The Vice-President (Academic) reported that the SU were working with student officers at other Edinburgh universities to identify whether new routes or express routes could resolve the length of journeys and reliability of buses. The SU would also work with the Deputy Principal (Education and Student Life) and the University Secretary on this matter. Consultation with students at the Borders Campus would shortly be undertaken to determine whether they had similar issues.

The Court agreed that the Chair of the Global Student Life Committee would organise deep dives on these key issues of concern and report back to the Court.

M24/71

BRIEFING FROM THE VICE-PRINCIPAL WITH INPUT FROM THE CAMPUS VICE-PRINCIPALS AND PROVOSTS (PRESENTATION)

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

The Vice-Principal reported that there were three key objectives to address financial pressures: continuous cost management in 2024-25 and beyond; strategic re-shaping with the aim of making £12 – 20m of savings; and identifying priorities to drive growth at margin via Strategy 2035. These would be supported by identifying the University's target shape and size via the second sprint of the Strategy 2035 development and then managing investment and disinvestment to reach this target. The sprint would be discussed at the Court Strategy Day in November 2024, with work concluding by the end of the year.

In relation to the Dubai Campus, student recruitment targets had been exceeded and Commission for Academic Accreditation (CAA) accreditation was progressing well. Recently, a new research fund had become available in Dubai and 15 bids had been submitted by colleagues, as part of the campus' drive to increase its research focus.

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

M24/72

UNIVERSITY SECRETARY UPDATE (VERBAL)

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

The Court received a brief update on the recent Court and Senate induction sessions, noting that a further hybrid Court session would take place on 28 October 2024. The Secretary thanked all members for completing the recent Court and Court Committee Effectiveness Surveys and noted that the outputs would be considered by the Governance and Nominations Committee on 14 October 2024 and would then be reported to the Court. Work to implement recommendations from the external effectiveness review continued.

MINUTE
REF

The Court noted that there would be a Court dinner on 6 November, facilitated by the Nous Group and focusing on horizon scanning. The Court Strategy Day (CSD) on 7 November would focus on the outcome of the Strategy 2035 sprint on size and shape, as well as ensuring Heriot-Watt's professional services and academic structures were efficient and effective.

M24/73 INSTITUTIONAL IMPACT STATEMENT (Ct6/24/35)

The Court received and approved the Institutional Impact Statement, presented by the Vice-Principal (Malaysia).

The Statement approved by the Court was: *We are future shapers. Our Purpose is to empower leaders to build an equitable, sustainable, and enriching society. Our community will leverage its global presence and focused expertise to provide applied learning and research to transform lives and address real-world challenges.*

M24/74 ANNUAL REPORT FROM THE MALAYSIA CAMPUS (Ct6/24/36)

The Court received and considered the Annual Report from the Malaysia Campus, presented by the Chair of the Heriot-Watt University Malaysia (HWUM) Board and the Vice-Principal (Malaysia).

The Chair of the Board observed that HWUM held an important place in tertiary education in Malaysia and the Campus now needed to build on that foundation to grow its student numbers and revenue base. The Board would shortly receive the Campus management team's plan for how this could be achieved.

The Court recommended two improvements for future reports:

- i. ensuring the clarity of financial graphs provided; and
- ii. developing templates from the GCFO that would ensure alignment in presentation of financial information between the Malaysia, Dubai and Oriam annual reports.

M24/75 ANNUAL REPORT FROM THE DUBAI CAMPUS (Ct6/24/37)

The Court received and noted the Annual Report from the Dubai Campus, presented by the Vice-Principal (Dubai).

M24/76 ANNUAL REPORT FROM HERIOT-WATT (HW) SERVICES LTD (ORIAM) (Ct6/24/38)

The Court received and considered the Annual Report from HW Services Ltd (Orium), presented by the Chair of the HW Services Ltd Board, Mr Mike Tumilty.

The Chair of the Board reported that:

- i. in 2023-24, Oriam was enhanced by a new world-class tennis facility;
- ii. Oriam did not make a positive financial contribution, though it did work within the budget set by the University. There was more work to do to maximise value, whilst continuing to develop a community space for students and the wider community;
- iii. a positive financial contribution would be supported by developing new partners; and
- iv. the Board intended to recruit a new member with commercial experience in sport and leisure to support this work.

The Court observed that Oriam was a differentiator for the University, and it would be helpful to capture the social value being provided to the community in future reports, including via procurement processes.

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

MINUTE
REF
M24/77

REPORT FROM THE FINANCE COMMITTEE (Ct6/24/39)

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

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

M24/78

REPORT FROM THE AUDIT AND RISK COMMITTEE (Ct6/24/40)

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 Transnational Education (TNE) Framework; and
- the Audit and Risk Committee Terms of Reference.

The Court noted that the TNE Framework would now be implemented, ensuring clear due diligence and consistent application of ethics and values. Continuous improvements would take place as use of the Framework developed; members suggested providing clear criteria or benchmarks to support the qualitative rows on the Framework. The Court agreed that the Audit and Risk Committee would receive a future report on use of the Framework and would identify any required improvements at that point.

The Court noted that the University was on track to produce audited accounts by the end of December 2024.

M24/79

REPORT FROM THE STAFF COMMITTEE (Ct6/24/41)

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

The Chair reported that the Global Director of HR had attended her first meeting and had begun to outline strategic priorities, a holistic approach to workforce planning, and how HR would be developed to deliver these.

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

The Court discussed staff-student ratios (SSRs), how these were calculated and how they were used internally and externally. The Vice-Principal clarified that SSRs were calculated using a standard sector format provided by the Higher Education Statistics Agency (HESA). The University was considering the impact of changing models of education delivery (e.g. online) on SSRs, for discussion with the Staff Committee at its November 2024 meeting.

The Court noted that the Staff Committee Terms of Reference were undergoing a thorough review and would be presented to the Court in December 2024 for approval.

M24/80

REPORT FROM THE GLOBAL STUDENT LIFE COMMITTEE (GSLC) (Ct6/24/42)

The Committee received and considered the update from the GSLC, presented by Ms Marta Phillips, Chair of the GSLC. This included a presentation from the Deputy Principal (Education and Student Life) regarding student surveys.

The Chair reported that the GSLC had discussed the development of the Student Partnership Agreement (SPA), which was timed to allow the newly appointed student officers to input their own objectives. The SPA now clearly demonstrated the activity of each campus against its pillars. The GSLC had also considered a change to the timing of its first meeting of the year to improve reporting, and would make a decision that balanced timely inputs and outputs.

