

THE COURT

Minutes: 5 December 2024

In the Chair: Mr Bruce Pritchard, Chair of Court

Present:

Professor Paul Dalgarno, Senate Member	Professor Steve McLaughlin, Vice-Principal
Mr Graeme Dickson, Lay Member	Mr Jürgen Munz, Trade Union Member
Mr Cameron Fields, Student Union (SU) President	Ms Marta Phillips, Lay Member
Ms Hilary Hansen, Lay Member	Mr Bruce Roberts, Staff Member
Mr Steve Heathcote, Lay Member (<i>until 11.00am</i>)	Mr Alan Robertson, Lay Member
Dr Brian Henderson, Alumni Member	Mr Ian Stevenson, Lay Member
Professor David Jenkins, Trade Union Member	Ms Denise Thomas, Lay Member
Mr Gary Kildare, Lay Member (<i>except 9.15am – 10.45am</i>)	Mr Mike Tumilty, Lay Member
Mr Paul Lewis, Lay Member	Dr Laura Wicks, Staff 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
Dr Yvonne McLaren-Hankin, Dean of the University	

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)

Ms Suzie Lyons, General Counsel

Professor Mercedes Maroto-Valer, Deputy Principal (Global Sustainability)

Professor Dame Heather McGregor, Vice-Principal and Provost (Dubai)

Professor Gill Murray, Deputy Principal (Enterprise and Business)

Mr Martin Pringle, Global Chief Financial Officer (GCFO)

Ms Eve Poole, Strategy Development Coordinator (*for item M24/95*)

Ms Lisa Herlihy, Clerk to the Court

Ms Megan Morgan, Governance Officer (*observer*)

Apologies: Ms Penny McIntyre, Global Director of HR

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M24/84

WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST

The Chair welcomed all present to the meeting, making particular mention of Ms Suzie Lyons, who had recently taken up the role of General Counsel for the University and who would attend Court meetings going forward. The apologies for absence were noted.

The Chair noted that the Principal, the Vice-Principal and the University Secretary had an interest in the Report from the Remuneration Committee, which contained proposals regarding their remuneration. All three would depart prior to consideration of the Report.

The Chair noted that there was a substantial agenda for the meeting due to the approval of the Consolidated Group Reports and Financial Statements. The Court also noted that a method of tracking approvals was being developed with the aim of implementing it for the March 2025 meeting.

M24/85 MINUTES OF THE MEETINGS ON 3 OCTOBER 2024 AND 7 NOVEMBER 2024

The Court received and **approved** the minutes of the meetings on 3 October 2024 and 7 November 2024.

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M24/86

REPORT FROM THE COURT INTERIM BUSINESS COMMITTEE (CIBC) (Ct8/24/46)

The Court received and **noted** the report from the CIBC, presented by the Chair. The Court noted that CIBC had approved, on its behalf, the new Dubai Campus Lease and the extension of the Joint Education Programme with Ocean University (China). The CIBC had also agreed that it would continue to operate in its new format, with advisory meetings held in between Court meetings and formal approvals dealt with by correspondence.

M24/87 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.

The Chair noted that an update on Portfolio Modernisation would be presented to the March 2025 meeting of the Court, following discussion by the CIBC in January 2025.

M24/88 STRATEGIC SUMMARY REPORT (PRESENTATION)

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

The Principal reported on a series of enablers that would be key for the University in future, including a focus on employability; a mission-based approach with global impact; a focus on inclusion and access; empowering leaders across the global University community; and being partnership-minded. The University Executive (UE) was currently working with Executive Deans on the issue of empowering leaders. In particular, planning for Strategy 2035 was being used as an opportunity to proactively develop staff, for example via inclusion in consultation groups and through further developing a global leadership programme. Succession planning was being undertaken for all senior posts, with deputies being appointed for the Global Director of HR and the GCFO.

The Court noted that the financial context remained volatile. Whilst lobbying by Scottish Principals had resulted in the Scottish Government returning c. £12m to the student budget, there had still been a real terms cut of 0.7% and universities could not rely on Government support to ensure their sustainability.

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

During discussion, the Court noted that overall student recruitment was more positive than had been expected, including strong growth in Dubai and progress at the Malaysia Campus. International student recruitment for the January intakes could not yet be assessed and this would be critical. Even if recruitment was strong, the University would need to reduce operational costs as discussed above. In response to a question, the Principal confirmed that the increase in National Insurance could be managed within the planned deficit by balancing it against the increase in student recruitment. Fee increases for English students would be received if they attended Scottish universities, but this would be a very small increase for Heriot-Watt.

The Court observed that Strategy 2035 would need to allow flexibility so that the University could take advantage of opportunities arising. The Principal confirmed that this would be taken into account and that partnerships would be vital in allowing the University to progress opportunities where additional funding or capability was required.

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REF
M24/89

PRINCIPALS REPORT TO COURT (Ct8/24/47)

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.

M24/90

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.

The SU President reported that the Big 6 surveys had recently taken place, and considerable work had also been done on the Student Partnership Agreement. Outcomes would be reported to a future Court meeting. Locally, each SRB had been holding community building events and identifying student concerns.

The Court noted an update on statistics regarding Advice Hub cases from September to November 2024. Academic cases remained highest and, along with non-academic misconduct, took the most time to resolve due to their complex, individual nature. The SRBs were working with the University to ensure students understood the mitigating circumstances process. Financial cases were also significant due to ongoing cost of living pressures on students. The Advice Hub had had a significant number of health and wellbeing related interactions with students, but these were primarily positive with students accessing free resources available. In response to a question, the SU President clarified that staff within the Advice Hub received considerable training on supporting students and that their role was primarily to signpost students to further support available. Where serious issues arose, staff would always refer students to the relevant Professional Services team to ensure they received the correct support.

The SU President presented on the holistic student experience and its intersectional nature. The majority of influences on the student experience fell within the categories of Institutional Access, Personal Wellbeing, and Social Community and Integration. Together these impacted a students' academic experience as well as their non-academic experience because stress in other areas normally impacted on academic achievement. Currently, students' key concerns included the cost of living, job insecurity, mental health, climate change, interpersonal relationships and harassment, and the impact of the pandemic on education. It was noted that these concerns were not insurmountable but had a detrimental impact when students felt unable to resolve them.

Methods of ensuring empowered students included a holistic approach to the student experience, enhancing support systems, building a sense of community, developing greater collaboration between staff and students, and improving engagement. The Court noted, in response to a question, that these issues were global and impacted on both undergraduate and postgraduate students.

During discussion, the Court observed that the University's focus on lifelong learning would be a differentiator in a world where job security was a key concern for students. In addition, preparing students for disruptors such as AI would ensure that they could adapt to the changing job market.

The Court discussed in detail the impact that financial struggles had on student attendance, with students reporting that travel costs and the need to work meant that they were missing lectures. This would have a detrimental impact on their studies, but also on their ability to engage with other students. The Court observed that clear actions were required to address student challenges, and these must also be considered from a strategy and resource planning perspective as Strategy 2035 was developed.

The Deputy Principal (Education and Student Life) reported that Student Success Advisors (SSAs) were in place to support students with issues and academic colleagues were encouraged to put students in touch with SSAs to get them the

help they needed. The number of students accessing support was being tracked and analysis done on key issues. Both University surveys and the Big 6 surveys run by the SRBs also provided data on these issues that could be analysed. It was noted that there was limited scope for more financial support for students due to the current financial context and that the SU was working with the Deputy Principal (Education and Student Life) to ensure that classes were engaging and encouraged student attendance. It was also important that academics across all Schools and Campuses understood expectations around student attendance, particularly where these were affected by local regulatory requirements.

M24/91 UPDATE 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 provided an overview of recent activity across the University, including graduations held at the Edinburgh, Dubai and Malaysia campuses. The Court also received a summary of key topics considered at the Senate meeting on 28 November 2024, which included the holistic student experience (see M24/89 above), School Research Strategies, and how the University would advance its Learning and Teaching Strategy. Two recent prizes achieved by Dr Alessandro Sisto (the Whitehead Prize from the London Mathematical Society) and by the School of Mathematical and Computer Sciences (Athena SWAN Silver Award) were reported.

The Court agreed that it would have a future presentation and discussion relating to AI and its implications for the University, including for learning and teaching. This could be part of the May 2025 Court Strategy Day, with University colleagues invited to demonstrate how different disciplines were working together in the field of digital technology. It was noted that Information Services were doing helpful work with staff regarding how to use AI responsibly and also that one of the University's partners, Coursera, had excellent tools to help in the area of learning and teaching. Much of the group work being done by students included considering digital technologies and how these would impact industries and workplaces.

M24/92 UNIVERSITY SECRETARY UPDATE (VERBAL)

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

The Court noted that a briefing on the remit of each Court Committee had been included in the background information for the meeting, in response to survey feedback that some members were unclear on the remits of certain committees. The Court also noted that recruitment was underway for a Court member to fill the vacancy left by Dr Richard Armour and interviews would be held on 9 December 2024. The Secretary reported that Ms Fiona Kyle had recently taken up the role of Executive Director of University Operations and was currently undertaking induction within the Schools.

M24/93 REPORT FROM THE FINANCE COMMITTEE (Ct8/24/48)

The Court received the report from the Finance Committee, presented by Mr Steve Heathcote, Chair of the Committee. The Court **approved** the Committee's revised Terms of Reference, which were aligned with the new Financial Regulations, and the establishment of a new sub-group of the Finance Committee that would consider liability management and long-term financing.

The Court noted that the new sub-group would consider the University's overall financing needs and strategy, calling upon relevant expertise to ensure this was shaped in the right way. A brief set of Terms of Reference would now be developed for the sub-group.

The Committee Chair provided a brief overview of the key issues currently being considered by the Committee, including required cost savings and reshaping the University's finances to align with strategy development. The Vice-Principal and the GCFO were working together on these issues to ensure the University's financial sustainability whilst ensuring resource was available to support the student experience. The Management Information (MI) for September 2024 had indicated a slightly better position than expected but no significant differences.

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

**M24/94 REPORT FROM THE JOINT MEETING OF THE AUDIT AND RISK COMMITTEE
AND THE FINANCE COMMITTEE (Ct8/24/49)**

The Court received and **noted** a verbal update from the Chairs of the Audit and Risk Committee and the Finance Committee regarding the Joint Meeting that had taken place on 4 December 2024.

The Chairs reported that the Committees had been content to endorse, for Court approval, the Consolidated Group Reports and Financial Statements for 2023-24, subject to amendments to the narrative that would be made following Court approval. These focused on enhancements to the Principal's Introduction to ensure that the wider sector context and financial challenges being faced by universities was clear, with reference to Heriot-Watt's competitive advantages and differentiators, as well as a high-level summary of actions that were being taken to address these challenges. Related documents had also been endorsed for Court approval where appropriate.

The Court noted that there were references to Net Zero within the Strategic Report but more was needed on this topic. The Court agreed that it would have a future discussion regarding progress in meeting the University's sustainability targets. The Chairs summarised other key points that had been raised at the Joint Meeting and recognised the excellent work that had been undertaken by the GCFO, the Finance team, the UE and the External Auditors to return to the normal reporting timeline.

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

**94.1 Draft Consolidated Group Reports and Financial Statements 2023-24
(Ct8/24/49a)**

The Court received and **approved** the Group Reports and Financial Statements for 2023-24, presented by the GCFO, for submission to the SFC.

The Court noted that the consolidated Group Reports and Financial Statements included information relating to the Heriot-Watt Group and its subsidiary companies. The individual Subsidiary Company Reports were considered under 94.4. The Group Reports and Financial Statements showed an overall surplus of c. £50m but this was primarily due to the reversal of the pension liability for the Universities Superannuation Scheme (USS). The operating position was a c. £10.5m deficit, which was an improvement on the prior year and in line with the agreed Three-Year Plan which would see the University return to a surplus position by the end of 2025-26.

The GCFO reported that a summary report had been provided explaining both key matters and individual movements, each of which had been reviewed via the month-end process, the year-end close process, and then by the External Auditor. The External Auditor had confirmed that their comments were now finalised and there had been no material changes to the Audit Results Report provided under 94.3. The Group Reports and Financial Statements would be signed off following Court approval and agreement by the External Auditor.

During discussion, it was suggested that the Principal's Introduction could be adjusted so that it was framed around wider University achievements, as well as highlighting individual achievements. The GCFO reported that the additional

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narrative mentioned above partially addressed this point, and the Principal agreed to consider this when developing his introduction in future years.

94.2 Going Concern (Ct8/24/49b)

The Court received, considered and **noted** the report on going concern, presented by the GCFO. The Court noted that the report provided management analysis that had supported the preparation of the Group Reports and Financial Statements on a going concern basis. The report been rigorously reviewed by the External Auditor and at the Joint Meeting.

94.3 EY Group Audit Results Report including management responses (Ct8/24/49c)

The Court received, considered and **noted** the draft Audit Results Report for the Group, including the management responses, presented by the GCFO. The Court noted the improvement in the tone of the Report compared to recent years, particularly in relation to control systems, and congratulated the GCFO and the Finance team on this achievement.

94.4 Subsidiary Company Reports and Financial Statements (Ct8/24/49d)

- Heriot-Watt University Malaysia (HWUM)
- Heriot-Watt Services Ltd (Oriam)
- Heriot-Watt Trading Ltd

The Court received, considered and **noted** the Subsidiary Company Reports and Financial Statements, presented by the GCFO, ahead of their presentation to their respective Boards for approval.

94.5 Dubai Campus Branch Accounts including Grant Thornton Audit Management Letter (Ct8/24/49e)

The Court received and **approved** the Dubai Campus Branch Accounts, presented by the GCFO.

Ms Marta Phillips, Lead Governor for the Dubai Campus, reported that she had recently visited the Campus and been involved in the AGM required by local regulations. She had received a presentation on the Branch Accounts and had been content with that presentation. The Court thanked Ms Phillips for this confirmation.

In response to a question, the GCFO clarified that there had been a minor control issue within the reforecasting model for Dubai that had now been corrected and would not recur.

94.6 Management Representation Letters (Ct8/24/49f)

The Court received and **approved** the Management Representation Letters for the Heriot-Watt Group and the subsidiary companies, presented by the GCFO.

94.7 Letters of Financial Support for Subsidiary Companies (Ct8/24/49g)

The Court received and **approved** the Letters of Support for the subsidiary companies, presented by the GCFO.

The Court noted that Oriam was currently making a loss and that the Joint Meeting had discussed how the University, as a charity, justified its investment in that context. The social value provided by Oriam was a key factor and the Joint Meeting had been content with this reasoning, agreeing that a note would be added to the Group and HW Services Ltd Reports and Financial Statements to clarify. It had been agreed that the Finance Committee would have a discussion regarding the cost bases, structure and transfer pricing of the subsidiaries in future.

94.8 Annual Report from the Audit and Risk Committee and University Strategic Risk Register (Ct8/24/49h and Ct8/24/49i)

The Court received and **approved** the Annual Report from the Audit and Risk Committee and the University Strategic Risk Register, presented by the Chair of the Audit and Risk Committee and the University Secretary.

The Committee Chair noted that, due to improvements in the audit process and completion of the Finance Improvement Plan, there had been a reduction in the annual External Audit fee, though this had also been affected by an inflationary increase. It was anticipated that in 2024-25, the External Auditors would be able to work with the University on optimising the audit process.

During discussion, the Court observed that there was a strategic risk around bond compliance that the University intended to merge into a broader finance risk. The Court suggested that this should be considered further due to the significance of bond compliance for the University. The Court noted that the new Finance Committee sub-group would be considering the management and mitigation of this risk and any related risks.

M24/95 STRATEGY 2035 SPRINT 2: SHAPE AND SIZE (Ct8/24/50)

The Court received and **approved** the outcomes of the Strategy 2035 development sprint relating to shape and size, presented by the Vice-Principal, the University Secretary, and the Strategy Development Coordinator.

The University Secretary reported that the Strategy was being developed in the context of an employability ethos and addressing real world challenges, which would be the focus for Sprint 3 in February 2025. The two growth directions that had been considered at the Court Strategy Day were the virtual / online campus and partnerships, and feedback had demonstrated that these were the correct focus for Heriot-Watt. To develop the details for each growth direction, a named author would now draft the relevant section of the Strategy document, supported by a peer review group from amongst the UE and the Executive Deans and by a reference group that included relevant leaders from across the University. These would be presented for sign off in March 2025, with the outputs of Sprint 3 considered at the May 2025 Court Strategy Day, and Strategy 2035 then being presented for approval in June 2025.

The Court noted that the staff and student experience would be at the centre of thinking, planning and prioritisation of expenditure and actions during the development and implementation of Strategy 2035. This aligned with feedback received at the Court Strategy Day and with themes that had emerged earlier in this meeting. The Vice-Principal provided an overview of the more detailed outputs that had emerged from Sprint 2, emphasising that the University must provide good value and an excellent experience for students by ensuring accessibility and flexibility. The Court observed that the University's commitment to focusing on subject areas where it could provide excellence should be referenced more explicitly as the Strategy document was developed.

During discussion, the Court agreed that communications would be key to beginning to engage the wider University community. An early rollout would help to ensure staff were comfortable with the level of thought that had gone into the Strategy and were also familiar with the key themes that had already emerged as its basis. Members of the Executive confirmed that communications had already begun, with a new Strategy 2035 SharePoint site launched for all staff to explain the process. There would be strategic choices to be made that would prompt changes across the University and these would also need to be communicated clearly.

The Court noted that the Joint Meeting of the Court and the Senate in March 2025 would be an opportunity for the two bodies to consider Strategy 2035 together and would be held, as far as possible, in person.

The Court extended its thanks to Ms Eve Poole, Strategy Development Coordinator, for all her work in providing a roadmap for the development of Strategy 2035. Ms Poole would now be handing over to Heriot-Watt colleagues and to colleagues at Nous Group so that she could focus on other commitments.

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M24/96

HERIOT-WATT UNIVERSITY MALAYSIA GROWTH INITIATIVES (Ct8/24/51)

The Court received and **endorsed** the ambition and direction of travel for the Malaysia Campus, presented by the Vice-Principal and Provost (Malaysia).

The Vice-Principal (Malaysia) provided an overview of recruitment trends at the Malaysia Campus and projected growth from the initiatives in the report. The Court noted that a group of diverse initiatives had been identified for development in the coming years to ensure that any obstacles experienced with one initiative would not also impact the others. If the growth plans were achieved, it would be possible for the Malaysia Campus to break even in 2026/27.

The Vice-Principal (Malaysia) provided an overview of each initiative, identifying its leader, target additional headcount and target revenue. The Court noted that each initiative would be tracked by a dashboard and that detailed milestones were being developed. Progress would be reported back to the Court via the Update from the Vice-Principal and more detailed updates could be provided at Court's request.

The Court queried whether any capital investment would be required to support these initiatives and the level of risk that might be involved in locking in ongoing costs should revenue not materialise. The Vice-Principal (Malaysia) clarified that work had been done to limit additional investment and no significant spend beyond business as usual was anticipated.

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

The Court queried whether the University had considered how to align each initiative with global operations and opportunities. The Vice-Principal (Malaysia) confirmed that Executive Deans and other relevant colleagues, including UE members, had been included in planning to ensure that initiatives were progressed collaboratively. The Court observed that the University needed to complete work clarifying allocation of income between the Schools and Campuses so that additional income received from, for example, Go Global transfers was correctly allocated.

M24/97

SCOTTISH FUNDING COUNCIL (SFC) KNOWLEDGE EXCHANGE AND INNOVATION FUND SUBMISSION (Ct8/24/52)

The Court received and **approved** the University's submission to the SFC relating to the Knowledge Exchange and Innovation Fund (KEIF), presented by the Deputy Principal (Enterprise and Business).

The Deputy Principal (Enterprise and Business) reported that the Submission replaced the University Innovation Fund, which was previously included within the SFC Outcome Agreement. The framework had been provided by the SFC and was being used to ensure that enterprise and knowledge exchange were fully included in School Research and Enterprise Strategies, as well driving impact and commerciality to help ensure a financially sustainable University. The Submission focused on five Transformative Shifts and Schools were aligning resources to support these. An implementation plan was currently being developed.

The Court suggested areas for future development, including better integration of culture, skills development, social impact, and equality, diversity and inclusion throughout the text. It was noted that the Submission was constrained by the standard template and word count required by the SFC but that these items would be considered for future submissions.

M24/98

REPORT FROM THE SENATE (Ct8/24/53)

The Court received and **noted** the report from the Senate, presented by the Principal and Vice-Chancellor (Chair of the Senate).

The Court noted that the Principal would now provide identical reports to the Court and the Senate so that each received broader context on financial and academic matters. Recent meetings of the Senate had considered processes for developing the curriculum, building a sense of community for students, plans for the new Graduate School, presentation of School Research and Enterprise Strategies, and the KEIF.

In response to Court feedback, it was agreed that the report from the Senate would be developed to provide a clearer idea of discussions at Senate meetings. This would provide assurance to the Court regarding the scrutiny of Senate business.

M24/99 UNIVERSITY HEALTH AND SAFETY COMMITTEE (UHSC) ANNUAL REPORT, HEALTH & SAFETY POLICY AND POLICY STATEMENT (Ct8/24/54)

The Court received and **approved** the UHSC Report, the Health and Safety Policy and the Policy Statement, presented by the Deputy Principal (Education and Student Life) in his role as Chair of the UHSC.

The Court noted that the Policy and Policy Statement remained the same as those approved by the Court in March 2024. Within the Annual Report, which covered the campuses in Scotland, Dubai and Malaysia, work had been done to ensure consistency of the data and narrative provided. The University was now tracking accidents without injury as well as hazards and had therefore been able to predict potential problems. Injuries to staff and students were now tracking below the sector average and had decreased despite increases elsewhere in the sector. There had been two serious incidents at the Edinburgh Campus that had been reported externally, but in both cases the person injured had now returned to the University.

The Court observed that statutory training numbers amongst staff required improvement and the Chair of the UHSC clarified that this was being communicated to the UE, the Global Operations Executive and staff more widely. The Court agreed that future reports would provide more detail on the categories of fire safety incident currently being listed as 'Other', given that these formed a significant part of the overall number of incidents.

M24/100 REPORT FROM THE GOVERNANCE AND NOMINATIONS COMMITTEE (GNC) (Ct8/24/55)

The Court received the report from the GNC, presented by Mr Bruce Pritchard, Chair of the GNC.

The Court **approved** the following items that had been endorsed by the Committee:

- the renewal of Mr Steve Heathcote's membership of the Court, his role as Chair of the Finance Committee, and his related memberships of the CIBC, the GNC and the Remuneration Committee, from 1 August 2025 until 31 July 2028;
- the renewal of Mr Alan Robertson's membership of the Court, his role as Chair of the Infrastructure Committee, and his related memberships of the CIBC and the Finance Committee, from 1 August 2025 until 31 July 2026;
- the revised GNC Terms of Reference;
- the revised Court and Court Committee Standing Orders; and
- the updated Court and Court Committee Membership Policy.

The Court also received and noted the outcomes of the recent Court and Court Committee Effectiveness surveys and the outcome of the survey questions relating to the Evaluation of the Chair of Court.

M24/101 REPORT FROM THE AUDIT AND RISK COMMITTEE (Ct8/24/56)

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

The Court **approved** the following items that had been endorsed by the Committee:

- downgrading Strategic Risk (SR) 18: *Risk that student experience was not monitored, managed and maintained* from net severe to net major as a result of increased satisfaction levels across multiple student feedback mechanisms;
- the Annual Institutional Quality Report for 2023-24, which used a hybrid reporting format to meet both new SFC requirements and internal requirements for oversight of academic quality and risk. The Committee had confirmed the Senate's view that the University had effective arrangements in place to manage risks associated with academic quality and standards;
- the revised Financial Regulations, which had been updated to ensure they were user-friendly, reflected regulatory changes and the current financial climate, consolidated spend and income requirements into a single table, and provided an explicit outline for the treatment of debt; and
- the revised Fraud and Bribery Prevention Policy, which had undergone minor updates to ensure it was clear and up to date.

M24/102 REPORT FROM THE STAFF COMMITTEE (Ct8/24/57)

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

The Committee Chair reported that an update on the change management framework and approach would be presented at the Committee's next meeting. The Committee had considered actions arising from a recent Internal Audit advisory report on health and wellbeing and would continue to monitor progress with those actions. The Committee had also received updates on talent development and steps being taken to develop business partnering.

At this point in the meeting, all members of the University Executive and others in attendance, except the Clerk to the Court, departed so that the Court could discuss the report from the Remuneration Committee in private session.

M24/103 REPORT FROM THE REMUNERATION COMMITTEE (Ct8/24/59)

The Court received a report from the Remuneration Committee, presented by Mr Mike Tumilty, Chair of the Committee, and approved items as below.

The Committee Chair reported that the quality of the meeting papers had been considerably improved for the October 2024 meeting, with greater clarity and better benchmarking information.

103.1 Remuneration of the Principal and Vice-Chancellor

The Committee Chair reported that the Chair of Court had worked with the Principal to develop clear, objective performance-related criteria for the discretionary bonus element of the Principal's remuneration, based on institutional measures and personal goals. All measures had to be met in order to trigger a bonus payment. The outcome of the analysis of performance against these targets showed that the required level of performance had not been met and therefore no bonus was payable.

Based on contractual entitlement, the Principal would receive the 2.5% national pay rise. No other increases had been proposed. Benchmarking had demonstrated that the Principal's overall remuneration was above the median for the peer group and this had also been considered when developing the proposal.

XXX Reserved Section – Ref. FOI(S)A, s.30b, s.30c, s.33b and s.36b.

The Court also noted that, for the first time, wider institutional objectives impacting the entire senior executive for academic year 2024-25 had been agreed by the Remuneration Committee, including thresholds for exceptional performance. Proposals regarding senior remuneration were considered and approved by the Committee with the exception of the Principal, the Vice-Principal and the University Secretary. In 2024-25, the Principal's personal objectives would also be shared with the Committee.

The Court **approved** the proposal regarding the Principal's remuneration and welcomed the transparent and thorough process that had been undertaken.

103.2 Remuneration of the Vice-Principal

The Court **approved** the proposal that no change would be made to the Vice-Principal's remuneration because he had been appointed mid-year.

103.3 Remuneration of the University Secretary

The Committee Chair reported the proposal to award an honorarium **XXX Reserved Section – Ref. FOI(S)A, s.33** to the University Secretary whilst she took on additional responsibilities as Vice-Principal (Governance and Operations). This was in line with honorariums for other senior leadership roles in the University and was not pensionable. The Committee had recommended the proposal for Court approval, subject to the honorarium being attributed only to the additional duties, and to the objectives and targets that would be set for that role. The University's Secretary's base salary was within the benchmark and would not change.

The Court requested clarification regarding the reason for the additional role of Vice-Principal (Governance and Operations) and the Chair of Court reported that the recent departure of the Global Chief Operating Officer (GCOO) had allowed the University to consider its executive structure. The decision had been made not to replace the GCOO role because there had been a lack of clarity around the responsibilities and how these intersected with the University Secretary role. Instead, the University had appointed an Executive Director of University Operations who reported into the University Secretary. This was possible because of the wider organisational knowledge held by the University Secretary and would increase her duties and responsibilities. However, future postholders might not have the relevant skills and experience, so an honorarium was being used to ensure that the payments were not tied to the University Secretary role.

The Court **approved** the proposal as presented and agreed that the message above should be clearly communicated to staff so that the reasons for the new title were clearly understood.

M24/104 DATE OF NEXT MEETING

The Chair offered his thanks to all governors for their contribution and commitment of time in 2024 and wished all members happy holidays and best wishes for 2025.

The Chair noted that the next meeting of the Court would be on Thursday 20 March 2025 via Microsoft Teams from 8:30 – 12:30 (UK time); 12:30 – 16:30 (Dubai time); and 16:30 – 20:30 (Malaysia time).

At this point in the meeting, Court members took part in an in-camera session.