

COURT

Minutes

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| In the Chair: | Dame Frances Cairncross | Date of Meeting: 22 March 2019 |
| Present also: | Ms Tracey Ashworth-Davies Professor Patrick Corbett Mr Graeme Dickson Dr Fadi Ghaith (Skype) Ms Lucy Graham Dr Alicia Greated Dr Amos Haniff Professor Julian Jones Dr Amanda Lyness Ms Morag McNeill | Mr Cameron Millar Mr Andrew Milligan Professor Máiréad Nic Craith Ms Marta Phillips Dr James Richards Ms Jandy Stevenson Mr Tony Strachan Professor Ian Wall Mr Graham Watson Professor Richard Williams |
| Officer in attendance: | Professor Mushtak Al Atabi (Skype) Ms Sue Collier Ms Ann Marie Dalton-Pillay Professor Ammar Kaka (skype) | Mr Andrew Menzies Dr Gillian Murray Professor Garry Pender |
| Others in attendance: | Ms Lorna Kirkwood-Smith (minutes) | |

M19/18 WELCOME AND ANNOUNCEMENTS

The Chair:

- welcomed those members who were joining the meeting via Skype;
- reported that the following individuals would attend for discussion on single agenda items: Lynda Johnstone, Global Director of Estates and Facilities (Paper Ct2/19/17), Mr Richard McGookin, Director of Planning (Paper Ct2/19/19) and Lord Iain Vallance (Paper Ct2/19/20); and
- relayed congratulations to Mr Rahul Singh who had recently been re-elected as President of the Student Union.

M19/19 APOLOGIES

Apologies had been received from the following members: Mr Grant Innes, Professor John Perkins and Mr Rahul Singh (who joined via skype for the discussion on Paper Ct2/19/15), and from the following who had been invited to be in attendance: Professor Gill Hogg and Professor John Sawkins.

M19/20 MINUTES OF THE MEETINGS OF THE COURT HELD ON 31 JANUARY AND 1 FEBRUARY 2019

The Court approved as accurate records the minutes of the meetings of Court held on 31 January and 1 February 2019, subject to a change in the second bullet point of Minute 19/14 of 1 February, clarifying that the arrangement is intended to apply to all staff and not just academic staff members.

M19/21 DECLARATION OF INTERESTS

The Chair of Court invited declarations of interest. No interests were declared.

M19/22 MATTERS ARISING

The following were reported by the Secretary of the University under matters arising:

- the Court was updated on progress made by the Chancellor Selection Committee at its meeting on 20 March 2019;

- the Court was advised that the first meeting of the Chair of Court Selection Committee will take place after the Court meeting on 22 March 2019 at which the Committee would consider matters such as criteria for shortlist selection, advertising arrangements and the format of interviews;
- independent lay members of the Court who had not yet responded to a request from the Secretary of the University to confirm in confidence whether they have an interest in applying for the Chair of Court role were invited to do so, including both affirmative and negative confirmations.
- the Court was updated on the results of the Chair of Court election process at the University of Dundee on a voter turnout of 2.2%. Meanwhile, the University of Aberdeen would hold its four-candidate election in the forthcoming week; and
- the Court congratulated Dr Alicia Greated on her new appointment as Chief Executive Officer of the Knowledge Transfer Network, noting that she will leave the University in August 2019.

M19/23 OPENING REMARKS FROM THE CHAIR OF COURT (oral report)

The Chair of Court drew attention to the very positive discussion on 'Wellbeing' which took place at the Court Dinner Meeting on the previous evening. This had followed a similarly excellent presentation and discussion on Health and Safety at the January Court Dinner Meeting.

M19/24 REPORT FROM THE DEPUTY CHAIR OF COURT (oral report)

The Deputy Chair of Court reported on the key topics discussed at the last informal Chairs' Meeting which had taken place on 21 March 2019. Matters discussed included:

- pension issues in the light of the recent Universities UK consultation which had recently been undertaken under pressure of time. It had been noted that Heriot-Watt's response had been fairly typical of those in the wider sector, with recognition that a reform and restructuring of the USS pension scheme will be required in the future;
- the Dubai Campus which would be discussed at the Court meeting on 22 March 2019;
- **Reserved section (Ref Section 33, FOI(S)A);**
- the proposal that the suggested 'lead governor scheme' which had emerged from the recommendations of the 2018 Court Effectiveness Review should be accelerated with pairings between governors and Schools/Campuses. The Court agreed with this proposal and it was agreed that contact would be made with Schools, Campuses and independent lay governors to establish the scheme;
- Strategy 2025 related financial opportunities; and
- plans under way for the Deputy Chair of Court and the Chair of the Global Student Liaison Committee to visit the Malaysia Campus in April 2019. This visit will involve meetings with students and staff, and an opportunity to visit a nearby competitor university, such as Monash or Nottingham.

M19/25 REPORT FROM THE PRINCIPAL (Paper Ct2/19/16)

The Court noted and discussed a report from the Principal, who summarised key matters reported for information and interest. The Principal reported on positive recent developments including the short-listing for two Guardian newspaper awards in competitive areas which recognised the University's work in renewable energy in rural arid communities and in the Dornoch environmental restoration project. This news supplemented other positive news stories about awards and staff/team successes included in the report.

The Principal commented on three particular topics:

- Strategy 2025, including its successful launch and the process of bringing the strategy to life and reporting on the progress of projects through the Strategy 2025 microsite. The first major review point for the Court would be at the November 2019 Court Strategy Day;
- **Reserved section: ref Section 33, FOI(S)A.**

M19/26 REPORT FROM THE SENATE (Paper Ct2/19/14)

The Court noted the report from the Senate which related to its meeting held on 27 February 2019 and at which Mr Andrew Milligan had been an observer. All matters were in the report were provided for information and the outputs of the Senate discussion on the 2018 Effectiveness Review were reported within Paper Ct2/19/25.

M19/27 UPDATE FROM THE STUDENT UNION PRESIDENT (Paper Ct2/19/15)

The Court noted a report provided by the President of the Student Union who attended the meeting via Skype for discussion on this particular item.

It was reported that Mr Rahul Singh had been re-elected to the position of Student Union President in 2019/20. Following an initial lack of nominations at SBC in the recent student elections, a nominations process had been re-opened with elections scheduled to take place at the end of March 2019.

The President reported that Ms Aoife Clarke, Vice-President (Wellbeing) had been announced as the Student of the Year in the NUS Scotland Awards on 21 March 2019.

The Court noted that the Student Union is continuing to work with the University executive, in particular the Principal, the Deputy Principal (Learning & Teaching) and the Secretary of the University, to resolve the issues at the Scottish Borders Campus (SBC) which were reported at the meeting of the Court on 1 February 2019. The Vice-President (SBC) reported on the difficulties experienced by the Student Union in running events and engaging the student body, given the constraints associated with the space available for students at the SBC. Occasionally use is made of facilities available in the wider Galashiels community.

In response to a question about the top three things that the Student Union considered important in relation to the National Student Survey, the President relayed the view that these included: student feedback and the timing of this; students' sense of community and belonging on campus; and student input to the design of curricula and study pathways.

The Student Union President invited Court members to provide any thoughts they might have on the future content of the regular report to the Court, which tended to fall outside of the cycle of Student Union business.

M19/28 DELIVERING STRATEGY 2025 IN DUBAI (Paper Ct2/19/17)

- **Reserved section (Ref: Sections 30, 33, FOI(S)A).**

M19/29 ANNUAL REPORT FROM THE MALAYSIA CAMPUS (Paper Ct2/19/18)

The Court noted and discussed an Annual Report from the Malaysia Campus for the year 2017/18. The Vice-Principal (Malaysia) in his presentation of the report confirmed that the format of the report had been designed for the reference of the broad base of stakeholder bodies. Associated with this, the Vice-Principal (Malaysia) drew particular attention to the very positive relationship that Heriot-Watt Malaysia had with governmental stakeholder bodies.

In response to questions raised by Court members in the course of discussion it was confirmed that:

- work is being undertaken to ensure that the six strategic "Thrusts" described in the report are adapted to integrate seamlessly with Strategy 2025; and
- a new group, chaired by Mr Grant Innes, to consider future financial opportunities for the Malaysia Campus will meet from 9 April 2019. Over the next three months, it will work to identify and risk-assess initiatives and projects designed to strengthen the Campus's financial position. The Vice-Principal (Malaysia) reported that positive outcomes were expected, and the Chair of the Finance Committee confirmed that this project is of particular interest to the Committee.

The Court agreed that further consideration should be given to the format and content of this and similar such reports and how these might be adapted for different audiences and different purposes. The Deputy Chair of Court reminded the Court that this accorded with an action on the Deputy Chair to review the format of reports made to the Court which had emerged from the Court Papers Review Group.

It was suggested that the University Values should feature strongly in reports.

M19/30 HWU/SFC OUTCOME AGREEMENT 2019 (Paper Ct2/19/19)

The Court noted and discussed a draft Outcome Agreement document between the University and the Scottish Funding Council (SFC) for the years 2019/20 to 2021/22. The Court was reminded of the statutory requirement for Scottish HEIs to negotiate and publish an annual Outcome Agreement (OA) which describes how the institution is addressing identified policy priorities of the Scottish Government. The Director of Planning confirmed that university/SFC agreement on the OA document forms part of the institutional conditions of grant, with an expectation of delivery against targets, or an adequate explanation why delivery had not been possible.

The Director of Planning explained that, as in all earlier years the OA, as presented, aligned with the University's strategy. The Court noted that a significant change over previous years' OAs lay in the change from step-change aims in relation to widening access targets (which had led to past additional funding overly proportionate to the University's size) to steady and sustained progress. The targets currently set were designed to be ambitious while achievable with increased support within a competitive market.

The following suggestions were made in relation to the draft document:

- consider reordering so that the 6-10 things that the University should most wish to bring to attention are ranked in high positions (within the Principal's Statement or immediately following that). This group should include lengthened text on the Safezone development;
- consider opportunities for further family outreach in the SIMD 20/40 populations;
- provide an explanation of the positive steps being taken to address the recent dip in performance in the National Student Survey;
- say more about the positive impact achieved in the area of SIMD widening access and the cross-over in this area with other types of widening access initiatives;
- a question arose as to whether the University keeps its pay-scales and practices aligned with the Living Wage Foundation. The Secretary of the University confirmed that it did so, but this was not always the case within the University's supplier network;
- the document could include more information about students who have been in care;
- consider in future including pay-gap information in the document, even although it is not an explicit requirement to include this currently.

Observations were made that it would be useful for the Court to understand more about the Armed Forces Covenant, and that the Court should discuss the kinds of opportunities that can be created for mature students which do not feature significantly in the OA.

In response to a question about likely future areas of OA development, the Court noted that the learner journey / articulation agenda as well as the skills' agenda and equalities monitoring were likely to have greater prominence.

The Court agreed that it would be useful if a dashboard report could be developed and shared with the Court which tracks progress against the targets.

Court members were invited to submit any further comments on the draft document by 1 April 2019.

(Addendum: a member submitted questions and points for clarification and suggested that TEF Gold ambition might be included in the OA. The submission was passed to the author for consideration.)

M19/31 EDINBURGH BUSINESS SCHOOL (Paper Ct2/19/20)

- **Reserved section (Ref: Sections 30, 33, FOI(S)A).**

M19/32 RESEARCH EXCELLENCE FRAMEWORK 2021 READINESS (Paper Ct2/19/21)

The Court noted and discussed a paper provided by the Deputy Principal (Research & Innovation) which described the changes being made to the Research Excellence Framework (REF) for REF 2021 and Heriot-Watt's level of preparedness in the light of a review undertaken by the University in 2018. The submission date for the Exercise will be 27 November 2020 with the outcomes of the REF determining the level of funding that the University receives from the Scottish Funding Council Research Excellence Grant (REG) for 2020/21 and beyond based on quality profile outcomes. The Court noted that the University receives approximately £10.2 m per annum in REG funding as a result of the outcomes of REF2014.

The Court noted the Units of Assessment (UoAs) within which the University proposed to make submissions (some joint with the University of Edinburgh) and the particular REF rule changes, key of which will be the required submission of all staff on research-only or research and teaching contracts (estimate of around 400 FTE staff), a different approach to research outputs per member of staff, and use of the outputs of staff members who have left during the census period providing outputs were published while a staff member was employed by the University.

The Court noted that work would proceed to develop a Code of Practice, to review REF performance, including a mock exercise, and to make preparations towards approval of the University's REF2021 submission by the Senate and the Court in 2020.

In response to questions arising in the course of discussion, it was confirmed that:

- the University intended, at the appropriate time, to commission someone with the relevant skills and expertise to write up its submissions for impact;
- the non-linear attribution of funding against 5*, 4* and 3* results is expected to steepen further with a continued wide variance in the share of REG funding across the Scottish sector, and increased polarisation across the UK;
- efforts will be optimised to win assessments as far as possible at least at the substantially more highly weighted 4* rather than 3* level;
- some staff based at the Dubai and the Malaysia campuses may be submitted as long as it can be demonstrated that they are engaged in research which is associated with the University's Scotland based activity;
- the University's performance will influence its placing in international university league tables, which, in turn, have an influence on international student recruitment;
- strength is to be gained through the achievement of critical mass where possible in partnership with others; and
- while REF rule changes mean that the risks associated with staff leavers are not the same as they used to be; nevertheless, the University does utilise an agile system to reduce the risk of losing high quality staff.

M19/33 REPORT FROM THE FINANCE COMMITTEE (Paper Ct2/19/22)

The Court received and noted a report from the Finance Committee which related to the meeting of the Committee held on 26 February 2019. Three matters were presented for Court approval and all other matters were reported for information.

33.1 Travel and Transport Strategy

The Court approved an Edinburgh Campus and Research Park Travel and Transport Strategy 2018/19 to 2022/23, subject to any comments which Court members were invited to submit by 1 April 2019.

(Addendum: feedback was subsequently received from one member suggesting that the Strategy should include a short section clarifying the intent in relation to provision of charging points in

response to the expected massive increase in electric vehicles. The submission was passed to the author for consideration.)

33.2 Investment Policy

The Court noted and approved a draft Investment Policy recommended by the Committee which is designed to ensure that donated funds are managed appropriately so that the objectives of the funds are met in accordance with the intentions of donors.

A member of the Court encouraged the University to monitor areas of investment which have the potential to become controversial in the future.

33.3 Scottish Funding Council Financial Transactions Funding

The Court noted and approved the Committee's recommendation that the University should draw down loans amounting to £2m through the Scottish Funding Council (SFC) 'Financial Transactions Funding' initiative to replace High Voltage Transformers, within a process of phased modernisation, and to cover a phased programme of window replacement on the Edinburgh Campus, where many windows are original to the buildings, inefficient and difficult to repair. The Court noted that the University had existing permission from the SFC to take on the additional borrowing, and that the overall borrowings would remain comfortably within the University's banking covenants.

The Court noted that increasingly, capital funding from government is likely only to be provided through "Financial Transactions" funding: a programme to provide loans at low interest/no interest, with repayments matched to the payback associated with the scheme. The University had lodged an expression of interest in relation to the above initiatives in August 2018.

33.4 Group Financial Summary Dashboard Report and Management Accounts

The Court received and note the Group Financial Summary Dashboard report for the period to 31 December 2018 (period 5) and full Management Accounts for the same period.

The Chair of the Committee drew attention to the forecast end of year slim surplus figure and the consequent particular need for continuing vigilance.

M19/34 REPORT FROM THE STAFF COMMITTEE (Paper Ct2/19/23)

The Court noted a report from the Staff Committee which related to the meeting of the Committee held on 4 March 2019. The Court also received a summary report of the outcomes of the 2018 Employee Engagement Survey, noting that the Court would have an opportunity at the May 2019 Strategy Day to discuss actions being taken by the University to address the Survey findings.

It was recommended that the survey results be shown split down and considered additionally in gender terms.

The Chair of the Committee summarised other matters which were included in the Committee's report for information.

M19/35 CHARTER AND STATUTES UPDATE REPORT (Paper Ct2/19/24)

The Court noted an update report on progress made towards approval of the final draft revised Charter and Statutes. The Deputy Chair of Court reported that approval by the Scottish Government and the Privy Council is anticipated in the very near future. (Court members had been provided with copies of the final draft versions of both documents showing all proposed changes).

M19/36 REPORT FROM THE GOVERNANCE AND NOMINATIONS COMMITTEE (Paper Ct2/19/25)

The Court noted and discussed a report from the Governance and Nominations Committee which related to the meeting of the Committee held on 4 March 2019. A number of items in the report were presented for approval with the remainder reported for information.

36.1 Chair of Court Appointment Brief

The Court approved the draft Appointment Brief subject to the widening of the reference to networks to incorporate an international dimension.

36.2 Chair of Court remuneration

The Court approved the recommendation that the Chair of Court Remuneration should be set at the NDPB Chair rate, currently at £321 per day, presented as an annualised figure based on a nominal 60 days per annum.

36.3 Court appointments

The Court approved the following appointments recommended by the Committee:

- the extension of the appointment of Mr Grant Innes in a second term of appointment for a further three years from 1 August 2019 until 31 July 2022; and
- the extension of the appointment of Ms Tracey Ashworth-Davies in a final term of appointment for a further two years from 1 August 2019 until 31 July 2021.

(The Court noted that both members had confirmed that they would be happy to accept such an invitation.)

36.4 Court and Senate Effectiveness Review report

The Court noted and approved a summary report for publication purposes of the outcomes of the Court and Senate Effectiveness Review undertaken in 2018, noting that consent would be sought from the authors, the Good Governance Institute, for use of text quotes.

(Addendum: The Good Governance Institute confirmed its consent on 3 April 2019 for the University's use of the material.)

The Court noted and approved a summary report of Effectiveness Review outcomes as a basis for further work to firm up action points arising, subject to removal of the "mixed views" reference associated with recommendation 4, as the Senate was supportive overall. The Court noted the intention that the Effectiveness Review action plan would form a discussion theme for the Court on 16 or 17 May 2019 and should be amalgamated with the actions agreed against the 2018 Court Papers Review Group recommendations.

The Court agreed that an Action Log should be established to document and track actions emerging from meetings of the Court.

36.5 Court and Court Committee Membership Policy

The Court approved proposed revisions to the Court and Court Committee Membership Policy which had been updated to reflect recent changes to the new *Ordinance 10: Appointment of the Chair of Court*; the recently introduced Court Equality and Diversity Statement and Monitoring Form; and a minor requirement which had disappeared from the Scottish Code of Good Higher Education Governance.

36.6 Ordinance B6: Delegation by the Court

The Court approved, for onward presentation to the Ordinances and Regulations Committee, proposed modifications to Ordinance B6: Delegation by the Court, noting that the modifications include additions for clarity and proposed changes which accord with components in the draft Chair of Court Appointment Brief.

36.7 Remuneration Committee co-opted lay member

The Court approved a proposed approach to ensure the continued high level of "independence" of any co-opted lay member appointed to the membership of the Remuneration Committee. This will be

achieved through augmentation of the relevant parts of the Court and Court Committee Membership Policy.

36.8 Terms of Reference: Finance Committee and Ordinances and Regulations Committee

The Court approved proposed changes recommended by the Committee to the Terms of Reference of the Finance Committee and the Ordinances and Regulations Committee.

M19/37 ANNUAL REPORT OF UNIVERSITY COMPLAINTS (Paper Ct2/19/26)

The Court noted an annual summary report of complaints received for the academic year 2017/18, including analysis of complaint categories, outcomes, response times and actions taken. The Secretary of the University tabled a supplementary note which confirmed that, in addition to the two stage two cases submitted to the Scottish Public Services Ombudsman (SPSO), the report should have identified two complaints submitted to the SPSO in the previous academic year which were completed in 2017/18 and which were upheld in part. Three outcomes had been published on the SPSO website for 2017/18, including one which had been an academic appeal rather than a complaint.

It was reported that the Academic Registrar is considering better ways of managing the complaints process, including transition of reporting to a new database. Standard turn-around time for complaints will also be considered. In response to a question from a Court member the Secretary of the University also confirmed that staff grievances are captured and managed within an entirely different process.

M19/38 COURT ROLLING PROGRAMME OF BUSINESS (Paper Ct2/19/27)

The Court noted a report of the planned rolling programme of Court forward business, as at March 2019.

M19/39 REPORTS FOR RECEIPT AND INFORMATION (starred items)

39.1 Report from the Audit and Risk Committee (Paper Ct2/19/28)

The Court received and noted a report from the Audit and Risk Committee, which related to the meeting of the Committee held on 28 February 2019.

39.2 Report from the Global Student Liaison Committee (Paper Ct2/19/29)

The Court received and noted a report from the Global Student Liaison Committee, which related to the meeting of the Committee held on 18 February 2019.

39.3 Report from the Interim Business Committee of Court (Paper Ct2/19/30)

The Court received and noted a report from the Interim Business Committee of Court and a report jointly from the Finance Committee and the Interim Business Committee on matters which were agreed by correspondence:

- on 12 February 2019, the Interim Business Committee approved the appointment of Professor Malcolm Chrisp as Head of the School of Energy, Geoscience, Infrastructure and Society for a period of five years from 1 March 2019; and
- on 11 March 2019, the Finance Committee and the Interim Business Committee agreed on the response to be made by the University in relation to a consultation undertaken by Universities UK on proposals relating to the conclusion of a new 31 March 2018 valuation of the Universities Superannuation Scheme (USS).

M19/40 DATE OF NEXT MEETING

Friday 17 May 2019 (Court Strategy Day).

Date

Signature