

Heriot-Watt University

THE COURT

Minutes: 2 February 2023

In the Chair: Mr Bruce Pritchard, Chair of Court

Present:

<p>Dr Richard Armour, Lay Member (<i>until 10.30am</i>) Professor Scott Arthur, Dean Professor Lynne Baillie, Trade Union Member Professor Mark Biggs, Vice-Principal and Provost Professor Marc Desmulliez, Staff Member Mr Graeme Dickson, Lay Member Dr Brian Henderson, Alumni Member Dr Fadi Ghaith, Senate Member Mr Steve Heathcote, Lay Member (<i>from 9.15</i>)</p> <p>Mr Gary Kildare, Lay Member Ms Molly Knight, Student Union Vice-President (Education) Mr Sanjit Krishnakumar, Student Union President</p>	<p>Mr Paul Lewis, Lay Member Ms Morag McNeill, Deputy Chair of Court Mr Cameron Millar, Lay Member Mr Jürgen Munz, Trade Union Member</p> <p>Ms Marta Phillips, Lay Member (<i>until 11.30am</i>) Mr Chris Pirie, Staff Member Mr Alan Robertson, Lay Member Mr Mike Tumilty, Lay Member Professor Richard Williams, Principal and Vice-Chancellor Mr Graham Watson, Lay Member (<i>until 9.50am</i>) Ms Dorothy Wright, Lay Member</p>
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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)
 Ms Lucy Everest, Global Chief Operating Officer (GCOO)
 Mr Andrew Jefferson, Global Chief Financial Officer (GCFO)
 Professor Dame Heather McGregor, Vice-Principal and Provost (Dubai)
 Professor Steve McLaughlin, Deputy Principal (Research and Impact)
 Professor Gill Murray, Deputy Principal (Enterprise and Business)
 Ms Lisa Herlihy, Clerk to the Court

Invited: Professor Julian Jones, Senior Deputy Principal (*for item M23/05*)

Apologies: Dr Bill MacPherson, Senate Member
 Professor Mercedes Maroto-Valer, Deputy Principal (Global Sustainability)

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 M23/01**

WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST

The Chair welcomed all present to the meeting and offered the Court's congratulations to Professor Dame Heather McGregor, who had been made a Dame of the British Empire in the New Year's Honours List.

The apologies for absence were noted and no declarations of interest were reported.

M23/02 MINUTES OF THE MEETINGS HELD ON 16 NOVEMBER 2022, 7 DECEMBER 2022, AND 21 DECEMBER 2022

The Court received and approved the minutes of the meetings held on 16 November 2022, 7 December 2022, and 21 December 2022.

The Court agreed an amendment to the minutes of 16 November 2022, under M22/86. The minute indicated that the normal cut off point for student arrivals was Week 5, and this would be corrected to Week 3.

The Chair of Court reported that the Court Strategy Day Report from 7 December 2022 was currently in draft. This would be circulated to all attendees once it had

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been approved by the Chair and would then be presented to the Court for approval at its meeting on 23 March 2023.

M23/03 ACTIONS LOG AND MATTERS ARISING

The Court received and noted the Actions Log, presented by the Chair of Court. The Court agreed that actions marked as complete would now be removed from the Log.

Study World Court Case

The University Secretary provided a brief update on the status of the legal dispute with Study World (the University's former partner at the Dubai Campus).

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

The Court noted that the Deputy Chair of Court would shortly review the final business case and contracts for the Global College and confirm whether the changes were non-material. If so, this would be presented to the Court Interim Business Committee (CIBC) for approval, as previously agreed by the Court. The Court agreed that narrative would be provided to assist the CIBC in their consideration.

M23/04 BUSINESS REPORTED BY THE CHAIR**Deputy Chair of Court**

The Chair reported that the process to appoint a new Deputy Chair of Court from 1 August 2023 would shortly be underway. Independent Lay Members of the Court were eligible to be nominated for the role of Deputy Chair, and Court members would shortly receive a communication with further details of the nominations process. The Chair of Court would review Court and Court Committee succession planning in February 2023, particularly where long-serving members were reaching the end of their terms.

Timing of the Financial Statements

The Chair confirmed that work was progressing to finalise the papers for the Court meeting on 6 February 2023, which would consider the Annual Accounts and Financial Statements. The University expected to issue papers by close of play on 3 February. A revised narrative section had been provided to Court members on 1 February to allow further time for review. The Financial Statements were currently being finalised and the GCFO would circulate a report on any final adjustments on 3 February. The Chair noted his thanks to all those involved in the preparations. The Court noted that the meeting on 6 February would provide an opportunity for more fulsome discussion of going concern and the University's financial projections. These matters would not, therefore, be considered at this Court meeting.

Chair of Court Induction and Court operation

The Chair of Court briefly reported on themes from his recent induction discussions with Court members. The Court noted that the informal meetings for Chairs of Court Committees would be reinstated from February 2023, to ensure clear communication across Court Committees. Based on the induction discussions, the Chair would work with Chairs of Court Committees and the executive to reduce the volume of papers and ensure precision.

M23/05 BORDERS CAMPUS REVIEW REPORT (Ct1/23/01)

The Court received the proposals within the Borders Campus Review Report, presented by the Vice-Principal and the Senior Deputy Principal and, following comprehensive discussion, agreed further actions as noted below.

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

Finally, the Court recommended establishment of an oversight group to work alongside the Review team as they prepared the relevant plans.

M23/06 PRINCIPAL'S REPORT TO THE COURT (Ct1/23/02)

The Court received and noted the Principal's Report, presented by the Principal and Vice-Chancellor.

The Principal reported that the University Executive continued to progress the framework of Stabilise and Support, Transform and Grow, with a focus on being empathetic and collaborative during a difficult period.

Current key areas for consideration included:

- enhancing the student experience, including the postgraduate (PG) experience;
- continuing to progress the implementation of the Enterprise Resource Planning (ERP) system and keeping external stakeholders, such as the Scottish Funding Council, apprised of the impact on finance and regulatory governance. The external stakeholders were comfortable with the current position;
- the national pay negotiations in the UK, in which the Universities and Colleges Employers Association (UCEA) had recently provided an improved offer amounting to 8% at the bottom of the pay scale and 5% for the remainder of staff, with half to be implemented in February 2023 and half in August 2023. The University supported this offer. Reviews of pay were taking place for the Malaysia and Dubai campuses, and a review of the pay structure was being undertaken for the Scottish campuses. Financial provision had been made for any changes that resulted;
- the upcoming consultation on the Universities Superannuation Scheme (USS) pensions valuation as at March 2023. Views would be sought from staff, and the executive would also be grateful to receive advice from Court members;
- the upcoming 18 days of strike action which had been announced by the University and College Union (UCU). The University respected the right of staff to join industrial action and would work to minimise the impact on students; and
- new partnerships which had been agreed. This included the UK Government's Islands Deal, which would bring further resource to the Orkney Campus, and an agreement regarding targets for the University's strategic relationship with Tata Consultancy Services (TCS). TCS would assist the University in defining its digital future.

M23/07 REPORT FROM THE STUDENT UNION (Ct1/23/03)

The Court received and discussed the Report from the Student Union (SU), presented by the SU President.

The SU representatives reported that the community larder had been very successful in supporting students at the Edinburgh and Galashiels campuses with the cost-of-living crisis. The SU were grateful for the University for funding the continuation of this initiative. There had been significant uptake from students and the SU wished to consider further mitigation measures in collaboration with the University.

Students had indicated that they wanted further opportunities develop their sense of community and this placed pressure on SU resources and facilities, as well as requiring an understanding of precisely what was desired. The Court discussed the pressure on University facilities at the Edinburgh Campus and requested that

the University Executive progress the Campus Masterplan that had originally been targeted for completion in late 2021. The Campus Masterplan would be presented to the Infrastructure Committee in the first instance and should consider the future of the Campus in the next 20 years, how to incorporate sustainability, how to maximise the land available and how to align any future developments with the University's Vision and Strategy. There was potential for student facility requirements to be supported by the fundraising campaign currently being developed and this would also be considered.

The Court requested that future SU Reports included sections on the student experience at the Dubai and Malaysia Campuses, so that Court could be informed of relevant issues. The Court noted that reports from the Global Student Life Committee (GSLC) provided updates on the global student experience and were presented to the Court after each GSLC meeting.

M23/08 STUDENT RECRUITMENT UPDATE (Ct1/23/04)

The Court received and noted the Student Recruitment Update, presented by the GCOO.

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

M23/09 UPDATE ON RESEARCH STRATEGIES (Ct1/23/05)

The Court received and noted the approved Research Strategies for the Schools and the Malaysia Campus, presented by the Deputy Principal (Research and Impact).

The Deputy Principal reported that Research Strategies had been developed for each School to ensure that they reflected on their previous pre-award performance and identified future targets. KPIs had been produced by each School and the Deputy Principal would meet with the Executive Deans on a quarterly basis to consider progress. Schools had identified where they would interact with the Global Research Institutes (GRIs). In response to a query, the Deputy Principal confirmed that the same level of challenge and equivalent KPIs had been included within GRI business cases. These would be measured using the ERP system once this was functional, including their efforts to drive income within the Schools.

The Court discussed the University's patent strategy and how the ability to patent research was balanced with requirements to publish that research. The Court queried whether there were KPIs around leveraging the commercial potential of patents. The Deputy Principal clarified that the University's leading researchers were actively involved in spinout companies and that patents were sought where the University was sure it could benefit from them. The focus was on small, high-quality patents which would develop into spinout companies.

The Court considered the variation in ambition between each School and the Deputy Principal confirmed that there were natural differences in research intensity and scale for each School. Schools which were less research intensive would be supported to scale up their activity in the coming years. Each School was also in a different place in its understanding of excellence. Work was ongoing with staff to determine what a culture of research excellence looked like and what support would be required to develop this culture. The Court noted that the development of a Graduate School would be key to improve the research culture for PG students.

The Court queried whether R&D investment possibilities were reflected within the strategies. The Deputy Principal clarified that UKRI was the predominant provider of funding in the UK and that the University was well-aligned with their mission. The University was also seeking to grow the proportion of funding accessed from InnovateUK. There was a very competitive marketplace and so the University's focus was on excellence and on developing partnerships with industry, particularly around part-time study for employees of industry partners.

A draft strategy was in development for the Dubai Campus and the Court noted that there were different markets and funding for research in Malaysia and Dubai. These campuses had been asked to focus on mechanisms that would allow them to deliver research excellence without being onerous. There would be consideration of the infrastructure and capacity required at each campus in order to progress research.

M23/10 REPORT FROM THE REMUNERATION COMMITTEE: MEETING HELD ON 18 NOVEMBER 2022 (Ct1/23/06)

The Court received and noted the Report from the Remuneration Committee, presented by the Deputy Chair of Court (Chair of the Remuneration Committee).

The Court requested clarity regarding the decision noted in M22/39 of the Report, relating to the Remuneration of the Principal and Vice-Chancellor. The Deputy Chair of Court confirmed that, following consideration of benchmark data, the Committee had identified that the Principal's remuneration was below benchmark and had agreed that an appropriate adjustment should be made. The Global Director of HR advised that the benchmark for this role included Principals (or equivalent) at institutions within the UK sector which were of comparable complexity and scale. There was some reference to international markets due to the University's global nature.

The University Secretary agreed to provide a note for Court members which clarified the process for the delegation from Court to the Remuneration Committee and to confirm that this process had been followed.

M23/11 COURT FORWARD AGENDA PLAN (Ct1/23/07)

The Court received and noted the Forward Agenda Plan, presented by the Chair of Court.

M23/12 DATE OF NEXT MEETING

6 February 2023, 8.30am (UK time), 12.30pm (Dubai time), 4.30pm (Malaysia time) – additional meeting for approval of the Annual Accounts and Financial Statements.

23 March 2023, 8.30am (UK time), 12.30pm (Dubai time), 4.30pm (Malaysia time) – regular meeting