

## COURT

## Minutes

In the Chair:	Lord Penrose	Date of Meeting: 1 October 2012
Present also:	Professor Nicholas Beadle Professor Steve Chapman Mr Ken Gill Mr Allan Gray Ms Laura Gregson Dr Stephen Houston Professor Julian Jones Ms Shonaig Macpherson Mr Strone Macpherson Dr Judith McClure	Ms Gill McDonald Mr Iain McLaren Mr Andrew Milligan Professor Jim Ritchie Mr David Robinson Mr Michael Ross Mr Tony Strachan Dr Ian Wall Mr Keith Wallace Professor Peter Woodward
Officers in attendance:	Ms Ann Marie Dalton	Ms Sue Collier
Others in attendance:	Professor Ursula Boser Professor David Hopkins Professor Phil John Mr Alick Kitchin Mr Richard McGookin	Professor Alan Miller Ms Fiona Waldron Professor Andy Walker Ms Lorna Kirkwood-Smith (minutes)

### 1 APOLOGIES

Apologies were received from: Professor Andrew Cairns, Dr Jock Clear and Professor David Lane.

### 2 ANNOUNCEMENTS

The Chairman welcomed Dr Stephen Houston and Ms Laura Gregson, who were attending their first meeting of the Court since joining the membership on 1 August 2012. Other new Court members who were not able to attend the meeting included Dr Jock Clear, elected by the Watt Club, and Professor Andrew Cairns, elected by the Senate.

The Secretary introduced Ms Sue Collier, Director of Governance & Compliance, who was attending her first meeting of the Court as an attending officer.

The Chairman congratulated University colleagues on Heriot-Watt's recent successes as reported through publication of the National Student Survey 2012 results and by the Sunday Times.

### 3 MINUTES OF THE PREVIOUS MEETING

The Court approved the minutes of the meeting of the Court held on 25 June 2012 with the addition in the list of individuals in attendance of Ms Fiona Waldron who had been present at the meeting.

### 4 MATTERS ARISING

#### 4.1 Government-led review of higher education governance

The Court noted an oral update provided by the Chairman of Court.

#### 4.2 New campus residences: Edinburgh and Scottish Borders Campus

The Secretary of the University updated the Court on the completion of the new campus

residences. Following a very short period of time when a number of Edinburgh Campus students were accommodated in temporary alternative accommodation, the students were now fully homed in their new accommodation.

4.3 **Director of Finance**

The Secretary of the University confirmed that the new Director of Finance, Mr Andrew Menzies, would take up his post on 26 November 2012. Arrangements will be made in due course to seek approval of the Court for the relevant changes to the University's groups of authorised signatories.

5 **APPOINTMENT OF THE CHANCELLOR: RECOMMENDATION OF THE CHANCELLOR SELECTION COMMITTEE (Paper Ct1/12/86)**

The Court received a report and recommendation which was presented by the Secretary of the University on behalf of the Chancellor Selection Committee appointed to select and recommend to the Court a successor to Baroness Susan Greenfield who will demit office on 30 November 2012.

The Court approved the recommendation of the Committee and thereby the appointment of Dr Robert Buchan as Chancellor of the University for a period of five years from 1 December 2012 until 30 November 2017.

In approving the appointment, the Court noted an accompanying report of the Committee setting out the process which had been followed in selecting the nominated candidate for Chancellorship and a brief biography of Dr Robert Buchan. The Court also received and noted a tabled report from the Senate, relating to meeting of the Senate held on 1 October 2012, which set out views expressed by members of the Senate. These had been conveyed to the Court in accordance with *Ordinance 51: Appointment of the Chancellor*. The Court noted the reported confirmed support of the Senate for the recommendation of the Committee.

6 **HERIOT-WATT UNIVERSITY – SCOTTISH FUNDING COUNCIL: PRELIMINARY OUTCOME AGREEMENT (Paper Ct1/12/87)**

The Court received, discussed and approved the 'Heriot-Watt University-Scottish Funding Council Preliminary Outcome Agreement August 2012' document which was presented jointly by the Principal and the Director of Planning. It was noted that the Agreement had been approved by the University Executive at its meeting on 27 September 2012. The Principal highlighted that the Outcome Agreement aims, as set out, were in accord with the University's new Strategic Plan.

The Court noted that the Scottish Funding Council (SFC) had introduced in 2012 a new requirement that each institution it funds should, as a condition of funding, enter into an 'Outcome Agreement' with the SFC on certain topics and in a form specified by the SFC. During May to July 2012, University and SFC officials had negotiated an initial Outcome Agreement between the University and SFC. It was noted that the Agreement had been recommended for approval at the Council meeting of SFC on 28 September, subject to approval of Heriot-Watt University Court. The Chairman of Court confirmed that tightness in the time schedule for development and approval of the Agreement in this, the inaugural year of the new process, had led to the situation where Court was last to receive the Agreement for consideration and approval; however, the schedule set in place for formulation and approval of the Agreement in the next and subsequent years will ensure correct sequence within the process.

The Court noted that the Preliminary Outcome Agreement confirmed the activities and outcomes mainly in the areas of Knowledge Exchange and Widening Access to Higher Education, in response to the SFC's indication of its interests in these areas. It was noted that these priorities were distributed across 6 Outcomes which were accompanied where relevant by metrics that the University will adopt to measure performance against Outcome aims:

- Outcome 1: Improved university/industry collaboration and more effective exploitation of research;

- Outcome 2: Enhanced the international competitiveness of research at Heriot-Watt University (for further discussion and commentary on this outcome at the next iteration of the Outcome Agreement);
- Outcome 3: Access to University for people from the widest possible range of backgrounds
- Outcome 4: Efficiency of the learner journey and improved retention (for the time-being focused exclusively on the objective of improved retention and completion rates);
- Outcome 5: Equality and Diversity: to improve and enhance equality and diversity for students and staff at the University (further iteration of this Outcome due later in 2012); and
- Outcome 6: A more coherent pattern of provision in the Higher Education sector (contributing to the objective of the SFC to deliver more coherent provision in line with the Government's 2011 Green Paper on post-16 Education).

The Chairman of Court highlighted the responsibility of the Court, following its approval of annual Outcome Agreements, to review and measure the University's performance against all Outcomes aims. It was noted that a timetable for key reports on Outcome Agreement performance would be proposed to the Court in due course.

Key comments and observations raised in the course of discussion included:

- (in response to a direct question) the area of greatest potential divergence in discussions with the SFC lay in the area of articulation of targets associated with widening access; however, the University was comfortable with the targets which had been agreed in this area;
- engagement to promote widening access needs to begin with Schools at an earlier point in students' education. By the time of School leaving age it may be considered too late. The Principal confirmed agreement in principle with the suggested enhanced level of the University's engagement with younger school pupils, but highlighted limited resources which could not be diverted at the expense of the University's student body. Additional funds to support widening access activities would be likely to come through incentive funding for FE/HE articulation and through open competition;
- it will be important to ensure that Strategic Plan / Outcome Agreement performance against target is considered in the context of the University's Risk Register. The potential for growing public interest in universities' performance against their Outcome Agreement targets should be expected; and
- student representatives will be consulted in relation to development of parts of the University's Outcome Agreement from 2013.

## **7 EQUALITY AND DIVERSITY**

The Court received and discussed a presentation delivered jointly by the Secretary of the University and the HWUSU Collective and Campaigns Co-ordinator which provided an update on development of the University's Equality & Diversity Action Plan for September 2012 to April 2013 which will provide the basis for 'Equality Outcomes' by April 2013.

The Court noted that key components of the Action Plan will be to gather, monitor and make use of relevant data; to take steps to ensure the 'protected characteristics' under the Equality Act are recognised and understood; to raise awareness, competency and accountability in relation to equality and diversity; and to report and publish relevant equality and diversity information.

The Chairman of Court drew attention to the inevitable result of the required data collection of amassing large quantities of highly sensitive personal information, and the need for the University to provide particular assurance to students in relation to information security and anonymity.

The Court discussed applicability across all campuses of the University internationally, acknowledging that, while there should be an aim to promote the Equality and Diversity agenda as fully as possible, equally across all campuses, there will be inevitable barriers to consider, for example, very different legal or cultural standpoints. In such cases, careful modifications may be required. These same issues were likely also to apply to some degree at the University's Scottish

campuses given the diverse cultural make-up of the student population.

The Court noted the potential impact of equality and diversity aims in relation to the profile of its own membership. The Secretary of the University confirmed that additional consideration will need to be given to means to achieve wider diversity in the next major campaign of recruitment of new lay members of the Court.

## **8 HEALTH & SAFETY POLICY STATEMENT AND POLICY (Paper Ct1/12/88)**

The Court received and approved a revised Health & Safety Policy Statement and Policy which was presented by the Secretary of the University. It was noted that the Statement and Policy had been approved by the University Executive at its August 2012 meeting, and that the policy was substantially revised over the current version in force since March 2010.

The Secretary of the University highlighted the responsibility of the Court, as the body with ultimate responsibility for ensuring that the University meets its health and safety obligations. The Secretary of the University reported also that considerable progress had been made by the University to improve its internal framework for managing health and safety and this would be audited in the coming year.

The Secretary of the University confirmed that the Staff Committee would receive regular reports on Health & Safety and that the Court will in future receive an annual report on the University's legal obligations as well as biannual health and safety status reports. These would include, inter alia, accident reporting. In relation to a question from a Court member about accident reporting, it was noted that due to a change in methodology in reporting, there would be no direct correlation between the next report and previous reporting (e.g. 'near misses' would be reported for the first time). This would prevent reliable trend reporting over the forthcoming few years.

In response to a point raised about the need for staff training and a change in culture, embedded from the top levels down, the Secretary of the University confirmed that there will be an extensive programme of obligatory training and linkage to the PDR process.

## **9 Reserved section (Ref Sections 30, 33, FOI(S)A).**

## **10 STUDENT APPEAL: REPORT FROM THE COURT MODERATOR (Paper Ct1/12/90)**

The Court received a report presented by the Court Moderator of an appeal submitted by a postgraduate student of the University.

The Court noted that, in terms of *Regulation 36: Student Appeals*, the recommendation of the Moderator, following review, was that the student appeal was not justified and that the appeal should therefore be refused. The Moderator reported her recommendation that there was no prima facie case for the issues to be considered further by an ad-hoc committee established by the Court.

The Court approved the recommendation of the Moderator, noting that the student would be informed of the outcome of the review in writing as soon as possible, including confirmation that there is no further internal right of appeal.

## **11 UNIVERSITY STRATEGIC PLAN (Paper Ct1/12/91)**

The Court received, discussed and approved the core elements of the Strategic Plan subject to comments, summarised below.

The Court noted that a more detailed version of the Plan would be developed for internal use only in due course, underpinned by sub-plans at the level of each of the Boards of the Executive and for the individual Schools and Professional Services. The Court noted that the Strategic Plan had been considered and approved by the UE at its meeting on 27 September 2012.

The Court approved also the proposed underpinning top-level performance indicators for the Plan, the targets within which would serve as the foundation for the operational planning process with the expectation that performance indicators will be monitored and reported to the Court at appropriate intervals.

In relation to the Strategic Plan document the following comments/ recommendations arose in the course of discussion for further consideration in the very final preparation stage of the document text:

- include a brief statement which confirms the University's intention to maintain awareness of/responsiveness to emerging new technologies underpinning learning and teaching (without pre-judging what will emerge from the developing Learning and Teaching Strategy);
- one member reported that they felt the "overall feel" of the document was a little inflated – perhaps, in some places - at the expense of clarity. It would be worth considering where further minor improvements might be made following a final reading;
- a reference to "Engineering" should be included in the University's vision statement;
- endorsement of plans for a more simply written short form summary of the Plan to be produced before the Christmas break; and
- consider replacing the word 'curate' in the proposed Mission Statement with a simpler expression.

The Principal invited Court members to submit any further comments/suggestion directly to him as soon as possible.

## 12 **HERIOT-WATT UNIVERSITY MALAYSIA: REPORT FROM THE HERIOT-WATT UNIVERSITY MALAYSIA (HWUM) PROJECT OVERSIGHT BOARD (Paper Ct1/12/92)**

The Court received and discussed a report presented by the Chair of the HWUM Project Oversight Board on behalf of the Board. This included a recent update report presented to the Board by the Senior Deputy Principal, the report of the meeting of the Board held on 27 August 2012 and the final version of the document setting out the 'Constitution of Heriot-Watt Malaysia'.

### 12.1 **Report of the meeting of the Board held on 27 August**

The Court approved the recommendation of the Board that, in the light of the continuing project status, the Board should continue an oversight role for not less than a further year, nominally until the end of 2014.

The Chair of the Board confirmed the plan of the Board in the near future to complete a review of the original assumptions underpinning the HWUM business plan so that the Board can address its concern to be assured that they are valid. This was considered of particular importance, given the criticality of delivery against the International Strategy to the University's wider Strategic Plan. Such a review would include, for example, consideration of the academic portfolio roll-out and student mix planning assumptions. It was expected that the review would lead to a refresh of the original business plan, potentially with involvement of external expertise, if deemed necessary.

The Chair of the Board confirmed the intention to: revisit the Terms of Reference of the Oversight Board; to consider what additional appointment(s) will add value to the work of the committee (for example the addition of a member of the Campus Committee); and to review whether the Board requires additional resources to conduct the planned review of business plan assumptions.

The Court endorsed plans of the Board to strengthen its current membership as the Board considers appropriate.

### 12.2 **'Constitution of Heriot-Watt Malaysia' document**

The Court, on the recommendation of the Board, ratified the constitution document with the recommendation that the document should be made gender neutral throughout. It was noted that the document had been required by the Malaysian Ministry of Higher Education to comply with the Private Higher Education Institutions (PHEI) Act, prior to HWUM being granted establishment

status.

In terms of Part VII 'Employees of Heriot-Watt University Malaysia', it was noted that, while staff Terms and Conditions may differ across campuses, University 'Values' will apply equally, as will be demonstrated, for example, through staff development opportunities.

It was noted that linkages between Scottish campuses and the Dubai Campus were under development in relation to organised student representation.

### **13 GOVERNANCE AND NOMINATIONS COMMITTEE REPORT (Paper Ct1/12/93)**

The Court received a report from the Governance and Nominations Committee (GNC) relating to the meeting of the Committee held on 27 August 2012.

#### **13.1 Court committee naming conventions**

The Court approved recommendations from the GNC that the following changes should be made to titles of Court committees with immediate effect:

- Staff Governance Committee to be renamed Staff Committee
- Campus Services Strategy Committee to be renamed Campus Committee

The Court noted that the recommendations had arisen as a result of a recent request of the Court that the GNC should review committee titles with a view to achieving consistency in style. In making its recommendation, the GNC had agreed also on the principle of simplicity.

#### **13.2 Court Effectiveness Review recommendations**

The Court discussed and approved draft recommendations presented by the GNC which had emerged following review of the outputs of the Court / Court Committee Effectiveness Reviews held in 2011/12.

The Court noted that a range of recommendations fell into the category of "house-keeping" matters. Actions against some of these were already underway with others already having been completed. A range of others were accompanied by proposed timescales for completion.

The Court noted a sub-set of recommendations which involved constitutional matters and the Court agreed that these should be held in abeyance for the time-being and be addressed in the context of a wider review of the governance and the University's constitutional framework. In relation to the proposed review of the constitutional framework, the Secretary of the University reminded the Court of plans to brief the Senate on the proposal at its meeting on 10 October 2012. The Court was advised that it will be important also at a very early stage to consult with the Privy Council for advice.

#### **13.3 Statement of Primary Responsibilities**

The Court approved the recommendation of the GNC that the Court's Statement of Primary Responsibilities be retained in its current form pending further consideration of the Charter & Statutes and underpinning Ordinances & Regulations as part of a proposed wider review. The GNC reported the view of the Committee that, without greater clarity in the governance framework set out by the Charter & Statutes and Ordinances & Regulations, it would not be appropriate to seek development of the currently standing Court Statement of Primary Responsibilities. In the meantime, the current Statement closely followed CUC generic model guidance which provided concise and useful clarification from a more general good governance perspective.

#### **13.4 Court Committee membership appointments**

The Court approved the following recommendations from the GNC in relation to appointments to Court committees with immediate effect:

- Mr Keith Wallace be invited to join the membership of the Audit and Risk Committee, his

membership to run concurrently with his Court membership; and

- Dr Stephen Houston be invited to join the membership of the Staff Committee, his membership to run concurrently with his Court memberships.

The Court approved the recommendation of the GNC that the Secretary of the University should review strong but unsuccessful candidates considered in the last major Court member recruitment campaign to ascertain whether a suitable candidate exists within that group to fill any/all of three vacancies in committee lay membership, (one in the Staff Committee and two in the Finance Committee).

The Court approved the recommendation of the GNC that no appointment be made for the time-being to fill a casual vacancy that had arisen in the Court appointed membership of the Ordinances and Regulations Committee (up until 31 July 2013).

The Court approved the recommendation of the GNC that the standard term of membership of non-Court lay members of Court committees be changed from two years with the possibility of extension of a further one year, to two years with the possibility of extension of up to a further two years. The GNC reported the view of the Committee that the additional flexibility introduced by this change could provide benefits both in relation to committee membership continuity and succession planning.

### 13.5 **Heriot-Watt University Foundation Board**

The Court approved the recommendation of the GNC for the establishment, within the Court governance structure, of the Heriot-Watt University Foundation Board. The Court approved draft proposed Terms of Reference for the Board. The GNC reported that the Secretary of the University had reviewed the governance arrangements for the current Foundation Board (as separate legal entity) and trust (HWU Foundation), noting potential for confusion between those two bodies as well as perceived breach of compliance with charity regulations. In consequence of the establishment of the Foundation Board, the trust would effectively be wound up and the Board brought wholly within the University's governance structures.

The Secretary of the University invited members of the Court who have an interest in supporting the University's fundraising activities, including in the context of the work of the Foundation Board to contact her to discuss further.

### 13.6 **Vice-Chancellor's appointment**

The Vice-Chancellor withdrew from the meeting during discussion of this item.

The Court discussed and approved a recommendation by the Chairman of Court for an extension to the appointment of the Vice-Chancellor on the basis (agreed with the Vice-Chancellor) of renewal of his appointment for a period of 5 years from autumn 2012 on revised terms and conditions. It was noted that part of the revised terms and conditions would include a notice period of 9 months on the part of the Vice-Chancellor and 6 months on the part of the Court. The Court noted that outline terms and conditions had been prepared in consultation with the Vice-Chancellor and the detail of these would be developed.

**Reserved section (Ref sections, 30, 38, FOI(S)A).**

### 13.7 **Other items presented for information**

The Court noted other items which were reported for information.

### 14 **AUDIT AND RISK COMMITTEE REPORT (Paper Ct1/12/94)**

The Court received and noted a report from the Audit and Risk Committee relating to the meeting of the Committee held on 13 September 2012. The Chair highlighted a range of matters, as reported. All items were reported for information.

The Court observed that encouraging progress had been made in relation to development of a new structure for risk management and reporting.

**15 STAFF COMMITTEE REPORT (Paper Ct1/12/95)**

The Court received and noted a report from the Staff Committee relating to the meeting of the Committee held on 12 September 2012. All items were presented for information.

The Chair of the Committee highlighted a range of issues which the Committee had considered and reported on. Attention was drawn by a Court member, expressing concern in particular over the reported Performance Development Review (PDR) completion rate in the current year. It was noted that, while the completion rate was not as high as might have been expected, it was substantially higher than had been achieved in the previous year. The Committee had discussed the further steps that would be taken to embed the process.

**16 REMUNERATION COMMITTEE REPORT (Paper Ct1/12/96)**

The Court received and noted the annual report of the Remuneration Committee which summarised the process and outcomes of the Committee's decision-making at its meeting held on 10 September 2012 to consider cases in the 2012 round of senior staff remuneration.

**17 COMMUNICATIONS FROM THE CHAIRMAN OF COURT**

The Chairman's communications were reported under matters arising.

**18 COMMUNICATIONS FROM THE PRINCIPAL / UE (Paper Ct1/12/97)**

The Court received and discussed a report from the Principal and The University Executive on a range of news topics of current interest and involvement of the University. In addition to the items included in the report the Principal provided the Court with an oral update on the outcome of the triennial valuation of the USS pension fund undertaken in 2012. It was noted that fund liabilities had increased substantially during the year to the level, at 31 March 2012, of approaching £44 billion. The value of fund assets had increased to a little over £34 billion, creating a fund shortfall of approaching £10 billion. The valuation incorporated the revised benefits scheme introduced in 2011. The Court noted the potential impact on the University's financial planning, in particular resources available for strategic investment, of any decision which causes the employers' contribution to the Scheme to increase in the future.

The Principal confirmed that he would provide the Court with a presentation on the University's National Student Survey (NSS) 2012 results at Court's next meeting in November 2012.

**Reserved sections (Ref: Section 30, FOI(S)A).**

**19 ANY OTHER BUSINESS**

**19.1 Recommendation from the Senate: Head of Institute of Petroleum Engineering**

The Court, on the recommendation of the Senate, approved the appointment of Professor Dorrik Stow as Head of the Institute of Petroleum Engineering for the period from 1 October 2012 to 31 July 2017. The recommendation was included in a report from the Senate relating to its meeting held on 1 October 2012.

**20 DATE OF NEXT MEETING**

**The next meeting of the Court will take place on Monday 12 November 2012.**

## COURT

## Minutes

In the Chair:	Lord Penrose	Date of Meeting: 12 November 2012
Present also:	Professor Nicholas Beadle Dr Jock Clear (until item 26) Professor Steve Chapman Mr Allan Gray Dr Stephen Houston Professor Julian Jones Professor David Lane Ms Shonaig Macpherson Mr Strone Macpherson	Ms Gill McDonald Mr Andrew Milligan Professor Jim Ritchie Mr David Robinson Mr Michael Ross Mr Tony Strachan Dr Ian Wall Mr Keith Wallace Professor Peter Woodward
Officer in attendance:	Ms Ann Marie Dalton	
Others in attendance:	Professor Ursula Boser Professor Bob Craik Mr Andy Downie Professor Phil John Mr Richard McGookin	Professor Alan Miller Professor John Sawkins Ms Fiona Waldron Professor Andy Walker Ms Lorna Kirkwood-Smith (minutes)

### 21 APOLOGIES

Apologies were received from: Professor Ken Gill, Ms Laura Gregson, Dr Judith McClure and Mr Iain McLaren.

### 22 ANNOUNCEMENTS

The Chairman welcomed Professor Andrew Cairns and Councillor Ricky Henderson who were attending their first meeting of the Court since taking up membership.

### 23 MINUTES OF THE PREVIOUS MEETING

The Court approved the minutes of the meeting of the Court held on 1 October 2012 with the following amendments:

- addition to minute 13.6 to reflect the Vice-Chancellor's withdrawal from the meeting during discussion of this item;
- under 12.1 change "can be assured that these remain valid" to "can address its concern to be assured that they are valid."; and
- addition of Professor Ursula Boser to the list of attendees present at the meeting;

### 24 MATTERS ARISING

#### 24.1 Government-led Review of Higher Education Governance

The Chairman of Court updated the Court on recent developments in relation to the Government-led review of higher education governance including the formation of the steering group appointed by the Committee of Scottish Chairs to oversee development of a new Scottish Code of Good Higher Education Governance. The Chairman confirmed the membership of the Steering Group which included: Lord Robert Smith of Kelvin (Chancellor University of the West of Scotland) as Chair; Dame Elish Angiolini (Principal, St Hughes College, Oxford); Simon Pepper (Former Rector, University of St Andrews); Tony Brian (Chair of Court, Glasgow Caledonian University); David Ross

(Convenor of Court, University of Glasgow); and Eric Sanderson (Chair of Court, University of Dundee).

It was noted that, in the process of developing the new Scottish Code, the Group will engage in consultation (in January 2013) with students, staff and governing body members in Scottish HEIs. The Chairman of Court advised of the aim that the Code would be sufficiently general to take into account constitutional differences between the institutions; however, it appeared that the legislation, which will follow through the Post-16 Reform Bill, could make compliance with the Code mandatory.

The Court discussed Heriot-Watt governance in the context of the external developments and, in the course of discussion, agreed:

- it will be highly desirable for the Court to develop consensus on its view of the governance issues which will be the subject of consultation;
- it was already a priority for the University to consider the international aspects of governance at Heriot-Watt and this was a particular area of interest in relation to the consultation; and
- the University should seek to commission a consultant to carry out a review of the effectiveness of the University's governance as soon as possible, even if such a review cannot be completed by the time of the consultation meetings to be held in January 2013.

The Court recommended that the Secretary of the University should draft the brief for a suitable external body to conduct a review of the University's governance. Court members were invited to submit their suggestions for appropriately experienced bodies for this commission to the Secretary of the University as soon as possible.

#### 24.2 **Installation of the new Chancellor**

The Secretary of the University informed the Court that 10 June 2013 had been confirmed as the date on which the new University Chancellor would be installed. Planning for the event and accompanying celebrations was underway on the basis of an afternoon and evening programme on that date.

#### 24.3 **Health & Safety Policy**

The Secretary of the University updated the Court on progress made in rolling out compulsory training for all University staff as part of implementation of the revised Health & Safety Policy approved by the Court on 1 October 2012. Around 50% of the training had been completed so far.

#### 24.4 **Lay membership of Finance and Staff Committees**

The Secretary of the University advised that a further review of expressions of interest submitted in the last major round of advertising for Court/Court committee members, had revealed that there were no highly suitable individuals who could be approached again specifically in relation to current vacancies in the lay membership of the Finance and Staff Committees. The Secretary advised that she was currently garnering new expressions of interest and would advise the Governance and Nominations Committee in due course.

### 25 **NATIONAL STUDENT SURVEY 2012 RESULTS**

The Court noted and discussed a presentation delivered by the Principal which summarised the University's notable achievements in the past year drawing attention in particular to the University's exceptionally good overall results in the 2012 National Student Survey. The latter had largely influenced The Sunday Times accolades in naming Heriot-Watt Scottish University of the Year for a second year running and the University's very high rank positions in the UK for the Student Experience and for Teaching Excellence.

The Principal also updated the Court on national publication of 'Key Information Sets' (KIS) as a means by which prospective students can access standardised information on courses of study across all UK universities when making their choice of where to study. The National Student Survey results were a prominent feature within KIS data.

The Principal highlighted the University's partnership approach with the student body in relation to the National Student Survey and confirmed that work was underway, working with Student Officers in Schools, to consider the results, ensure that best practice is shared more widely within the University and to address areas of weakness. A member of the Court voiced endorsement for the adoption of an action plan approach and also suggested that it would be beneficial for staff to have the same opportunities as Court members do to learn about the activities going on within different Schools through open days or visits.

**26 HERIOT-WATT UNIVERSITY: UNIVERSITY OF EDINBURGH STRATEGIC ALLIANCE (Paper Ct2/12/98)**

The Court received, discussed and approved a proposal to develop on a more formal basis the strategic relationship between Heriot-Watt University and the University of Edinburgh. The agreement, to be signed by both universities, set out the purpose and aims of the non-exclusive Strategic Alliance. This was intended to build on collaborative opportunities and many successful local arrangements that already existed between the two universities. It was emphasised that the agreement would optimise areas of synergy between the two institutions to mutual benefit, while recognising that each university has its own distinctive mission.

The Court noted that the University Executive had considered and approved the proposal at a meeting held on 2 November 2012 and that the Court of the University of Edinburgh had approved the proposal at its meeting held on 5 November 2012.

The Chairman of Court, in introducing this item of business, reminded the Court of the background to the proposal which had first been discussed in December 2011. As stipulated by the Court, confidentiality had been maintained throughout the period of developing the proposed agreement and the Court had been updated on progress throughout the year. The Chairman commended the proposal to the Court as a very positive beneficial step to develop further the effective collaboration that already existed between the two universities.

Notable comments and observations raised in the course of discussion included:

- the performance indicators which will be used to measure success. These were in accord with the University's Strategic Plan. It was noted that there was a three year review point in relation to the Strategic Alliance;
- the authority of the Principals in each institution to be the final arbiters in instances of a tied decision;
- the need for sophisticated and careful communications to ensure that misconceptions do not arise (e.g. presumption of a future merger) and that the unique and strong brands of each institution are fully promoted;
- the non-exclusivity of the agreement. Heriot-Watt and the University of Edinburgh will have/will already have strategic alliances developed with other bodies. This factor should be given appropriate emphasis in the relevant communications;
- the need for careful planning and work at project level to ensure that areas contributing to the Alliance are creating the additional value sought;
- the need for awareness of risks and opportunities that might arise in relation to the potentially higher incidence of staff transfers between the two universities as a result of expanded collaboration. It would be helpful if annual reporting included data on staff transfers; and
- there was an opportunity, through the annual reporting mechanism, to review effectiveness after 12 months.

**27 HERIOT-WATT UNIVERSITY MALAYSIA: REPORT FROM THE OVERSIGHT BOARD (Paper Ct2/12/99)**

The Court received and discussed a report presented by the Chair of the HWUM Project Oversight Board on behalf of the Board. This included a recent update report presented to the Board by the Senior Deputy Principal and the report of the meeting of the Board held on 1 October 2012.

27.1 **Membership of the Malaysia Campus Project Oversight Board**

The Court approved the recommendation that Dr Ian Wall be invited to join the membership of the Malaysia Campus Project Oversight Board with immediate effect, his membership to run concurrently with his membership of the Court. This recommendation followed Court endorsement on 1 October 2012 of the Board's stated desire to augment the current membership of the Board.

27.2 **Malaysia Campus Project Oversight Board: Terms of Reference**

The Court approved revised Terms of Reference for the Malaysia Oversight Board which were tabled by the Chair of the Board. These included, a small number of changes, most notable of which were:

- an addition to the remit statement in relation to receipt of the Board of reports from the Malaysia Project Board in relation to progress of the project and monitoring by the Oversight Board of that progress; and
- provision for attendance at meetings of the Vice-Principal (Malaysia) on a periodic basis and attendance of the Director of Campus Services when the Board considers any matter relating to the property or infrastructure aspects of the Project. It was noted that the Director of Campus Services had joined the membership of the Malaysia Project Board.

27.3 **Meeting held on 12 November 2012**

The Chair of the Board highlighted the following in relation to the meeting of the Oversight Board held on the morning of 12 November 2012:

- consideration of processes and resource requirements associated with the review of the Malaysia Project business plan;
- the agreement of the Board that terms of reference for the independent advisor to be commissioned to review the revised business plan assumptions for the Malaysia Campus Project should be prepared for approval by the Board by the Secretary of the University, the Senior Deputy Principal and the Vice-Principal (Malaysia).

The Chairman of Court invited the Court to confirm its approval of the proposal to commission an independent adviser to review the revised business plan. The Court confirmed its approval.

28 **REPORT FROM THE FINANCE COMMITTEE (Paper Ct2/12/100)**

The Court received and noted a report from the Finance Committee relating to the meeting of the Committee held on 5 October 2012. In the absence of the Chair of the Committee the report was presented by Dr Ian Wall.

28.1 **Finance Committee Terms of Reference**

The Court approved updated Finance Committee Terms of Reference.

28.2 **Other items reported for information**

The attention of the Court was drawn to other items as reported.

In the course of discussion a question arose about the extent to which the Oracle R12 had over-run the project budget. It was reported that project costs could be in the region of £2 m against the previously agreed budget of £1.2 m. The Court was advised that a report would be presented to the Finance Committee at its forthcoming meeting and that a post implementation review would be conducted with the involvement of the Audit and Risk Committee. It was also noted that it was not expected that there would be an auditor's qualification against the University's accounts in relation to this matter, neither was it expected that current problems with implementation of Oracle R12

would impact in any way significantly on implementation of the University's Strategic Plan.

In the course of discussion it was noted that the Finance Office team were working extremely hard to resolve implementation problems with a system that had been overpromised within the University from the outset. The University would be considering lessons learned including review of the project management methodology.

**29 REPORT FROM THE AUDIT AND RISK COMMITTEE (Paper Ct2/12/101)**

The Court received and noted a report from the Audit and Risk Committee relating to the meeting of the Committee held on 11 October 2012. The Chair drew attention to a variety of matters of occupying the work of the Committee, as reported.

All items were presented for information and no questions or comments were raised in relation to the report.

**30 AUTHORISED SIGNATORIES (Paper Ct2/12/103)**

The Court approved Mr Andrew Menzies, Director of Finance designate, as an authorised signatory of bank mandates for which Mr Phil McNaull was previously assigned as an authorised signatory, i.e.

- Clydesdale Bank Loan facility: Group "A" signatory
- Lloyds Dubai Mandate

The Court approved the above changes to take effect from 26 November 2012.

The Court received and noted a summary report of all other current authorised bank mandate signatories.

**31 APPOINTMENT OF HONORARY CHAPLAIN (Paper Ct2/12/104)**

The Court approved the appointment of Fr Kevin Lowry, Parish Priest of St Joseph's Church, Broomhouse, Edinburgh, as Honorary Roman Catholic Chaplain of the University.

It was noted that the previous Honorary Roman Catholic Chaplain, Fr Gianni Notariani, had left the University, having been transferred by his order to London.

**32 REPORT FROM THE SENATE (Paper Ct2/12/102)**

The Court received a report from the Senate relating to the meeting of the Senate held on 10 October 2012. All items were presented for information.

The Court discussed item 1 of the report, 'Proposed Constitutional Review'. This summarised the outcomes of Senate's discussion on the proposed review of the University's constitutional framework following a presentation at the meeting of the Senate on 10 October by the Secretary of the University. The Secretary had briefed the Senate on the proposals at the request of the Governance & Nominations Committee (GNC). The GNC had previously agreed that it would consider the views of the Senate, prior to agreeing the recommendation the Committee should make to the Court in relation to a review.

The Principal highlighted the key areas of concern which had been raised by the Senate in the course of its discussion.

The Chairman of the Court conveyed his disappointment at the negative nature of the Senate discussion as reported. The Chairman highlighted the growing level of governance accountability

and responsibility facing the Court. This included ultimate accountability for delivery of academic standards also. The Chairman emphasised that the purpose of the proposed review was to ensure that the Court can continue to meet fully its responsibilities in a wider environment within which university governing bodies can expect to become increasingly challenged.

Other members of the Court raised varying views, highlighting Senate's rationale for seeking to delay a review, while another emphasised the need to ensure that the University's governance framework is adequate to support the University's future growth and to manage risk.

The Secretary of the University confirmed that an initial review, to evaluate the extent to which any fuller review might be necessary, would take in the region of three months, with the intention that the membership of the small review group would include both Court and Senate members.

It was noted that there had not been any direct opposition by the Senate to a review, rather the concerns were based on matters of timing and fit with other University priorities. It also appeared that there had been an element of misunderstanding as to the intended balance, scale and pace of the planned work.

It was agreed that there should be a further report to the Senate, with prior consideration by the GNC, which more clearly sets out and invites discussion on the proposed balance, scale and pace of review activities following receipt by the GNC of the reported views of the Senate.

### 33 COMMUNICATIONS FROM THE CHAIRMAN

Communications from the Chairman were recorded in the context of Matters Arising, above.

### 34 COMMUNICATIONS FROM THE PRINCIPAL / UE

The Court received and discussed a report from the Principal and the University Executive on a range of news topics of current interest and involvement of the University.

In addition to the items reported the Principal updated the Court on the following items of news:

- the resignation of Dr S Reddy as Chairman of Eikon International, the University's infrastructure partner company in Dubai. **Reserved section (FOI(S)A / DPA).**
- the Principal drew the attention of the Court to a tabled paper which provided an update on the Outcome Agreement with the SFC and, in particular, the availability of a significant number of new funded places associated with Outcome Agreement widening access objectives. The Court noted the number of additional places that the University had submitted a bid for. It was noted that the University expects to be informed of the Council's allocation towards the end of November 2012. The Court noted implications of additional student numbers in terms of physical capacity. The Principal and the Vice-Principal confirmed that this matter would be considered further in the context of the learning and teaching and student experience strategy and in relation to capital investment planning;
- the Principal confirmed that he would update the Court, at its meeting in December 2012, on developments within the group of senior executive appointments made by the Principal;
- the Principal updated the Court on discussions which would continue over the next few months with the aim of hosting the stay at Heriot-Watt University of a participating country team in the 2014 Commonwealth Games;
- **Reserved section (Ref: Sections 30, 33, FOI(S)A).**

In relation to widening access and articulation, the Chairman of Court advised that it would be helpful for the Court to receive a presentation in the future which explains the different modes of teaching offered by Heriot-Watt.

In relation to University events, the Court requested that a University events calendar be made available to members of the Court.

**35 ANY OTHER BUSINESS**

No further business was raised.

**37 DATE OF NEXT MEETING**

**The next meeting of the Court will take place on Monday 17 December 2012.**

**COURT**

**Minutes**

In the Chair:	Lord Penrose	Date of Meeting: 17 December 2012
Present also:	Professor Nicholas Beadle Professor Andrew Cairns Professor Steve Chapman Professor Ken Gill Ms Laura Gregson Dr Stephen Houston Professor Julian Jones Professor David Lane Ms Shonaig Macpherson Mr Strone Macpherson	Dr Judith McClure Ms Gill McDonald Mr Iain McLaren Mr Andrew Milligan Professor Jim Ritchie Mr David Robinson Mr Michael Ross Dr Ian Wall Professor Peter Woodward
Officer in attendance:	Ms Ann Marie Dalton	Ms Sue Collier
Others in attendance:	Professor Ursula Boser Mr Andy Downie Professor Phil John Mr Richard McGookin Mr Andrew Menzies	Professor Alan Miller Professor John Sawkins Professor Andy Walker Ms Lorna Kirkwood-Smith (minutes)

**38 APOLOGIES**

Apologies were received from: Mr Allan Gray, Councillor Ricky Henderson, Dr Jock Clear, Mr Tony Strachan and Mr Keith Wallace.

**39 ANNOUNCEMENTS**

The Chairman welcomed Mr Andrew Menzies, Director of Finance, and Mr Andy Downie, Group Financial Controller who were attending the meeting to support presentation of the Annual Accounts and Financial Statements (minute item 47).

**40 MINUTES OF THE PREVIOUS MEETING**

The Court approved the minutes of the meeting of the Court held on 12 November 2012 with amendment to confirm that Professor David Lane was present at the meeting.

**41 MATTERS ARISING**

**41.1 Government-led review of Scottish higher education and development of a Scottish Code of Governance**

The Chairman and the Secretary of the University updated the Court on recent discussions in the higher education sector in relation to development of a Scottish Code of Governance. These were progressing via three representative groups incorporating Governing Body Chairs, Vice-Chancellors and Secretaries. The Secretary of the University confirmed, in relation to the recent recommendation of the Court to undertake an externally led review of governance effectiveness at Heriot-Watt, that a full review would not be achievable ahead of the planned Scottish Code consultation visit on 28 January 2013. It was proposed instead to hold an externally-led 'Consensus Workshop' on 10 January.

In response to a point raised about the likely view of the Office of the Charity Regulator (OSCR) on external governance developments, the Principal agreed that he would raise this through Universities Scotland so that there is a sector level approach to communications with OSCR. A broad consensus across the sector was envisaged with only a few outlying points of view.

41.2 **Court Induction Day held on 12 December 2012**

The Court noted the success of the Court Induction Day held on 12 December 2012. The Secretary of the University requested that, if they have not already done so, Court members who attended the event should provide their feedback on it using the form provided.

41.3 **November Court Away Day**

The Secretary of the University highlighted plans to introduce a second half-day Court Away Day in November each year (shared date with the regular November meeting of the Court). The focus on the meeting will be review of the University's performance against Strategic Plan Key Performance Indicators.

41.4 **Governance and Nominations Committee**

The Secretary of the University updated the Court on arrangements being made for a meeting of the Governance and Nominations Committee to be held in February 2013. Key topics for consideration would include: succession planning, including the process for appointing a new Chair of the Court in 2014; internal constitutional review; and external developments relating to the Scottish Governance Code.

41.5 **Court member visits to Schools / Services (Ct3/12/106)**

The Court noted proposals, presented by the Secretary of the University, in relation to the programme of visits by Court members to Schools and Services.

The Court agreed to accept the invitation of the President of the Student Union and to include a visit to the Student Union in the current session 2012/13. The Court also indicated support for other Schools and Professional Service sections, suggested as options for inclusion in the programme of visits. It was suggested by one member that a future visit to the Sports Centre might be scheduled alongside the regular meeting of the Court held within the Sports Centre facilities with a presentation on Campus Services forming part of the agenda.

The Secretary of the University invited Court members to submit any further suggestions for Court visits to her.

42 **HWU MALAYSIA UPDATE: REPORT FROM THE MALAYSIA PROJECT OVERSIGHT BOARD (Paper Ct3/12/107)**

The Court received and noted an update report on the Heriot-Watt University Malaysia (HWUM) Campus project which was presented by the Chair of the Project Oversight Board. The report comprised the minutes of the meeting of the Malaysia Project Oversight Board held on 12 November 2012 and an update report, dated December 2012, which had been prepared by the Senior Deputy Principal and the Director of International Development. The latter report summarised recent developments and planned next steps on a range of fronts.

The Chair of the Oversight Board provided a brief oral update on the meeting of the Board held on 17 December 2012 which had been attended by Mr Ian Wall and the Vice-Principal (Malaysia). The Chair confirmed that the main focus of discussion had been review of the updated Malaysia Campus business plan in progress. The Secretary of the University had agreed to advise the Board further on a suitable external company to carry out a third-party review of the revised business plan. It was intended that the external review will take place over the course of late January to late February 2013.

**43 ANNUAL REPORT OF THE FINANCE COMMITTEE (Paper Ct3/12/108)**

The Court received and noted an Annual Report of the Finance Committee. The report summarised the financial highlights in the University's Annual Accounts and Financial Statements for the financial year to 31 July 2012, and reported more generally on the business conducted by the Committee throughout 2012.

The Chair drew attention to key areas of strength and opportunity and areas of growing risk, as reported and further highlighted in the 'Conclusions' section of the report.

The Chair drew attention to the growing challenge in the coming period associated with management of the University's cash resources, its debt position and changing levels of risk, especially as the University moves from its previous position of low gearing to middle-range gearing.

The Court discussed continuing work to achieve successful implementation of the Oracle R12 system, noting that this effort was continuing to consume substantial Finance Office team resources. It was noted that the focus of the team continued to be on achieving operational stability and the production of the required key management reports.

The Secretary reported that a full post implementation review will be carried out on Oracle R12 with the outcomes of the review reported to the Court in due course. The Chairman advised that part of the focus of the review should be to consider whether and the extent to which there is any liability on the part of the contractor.

In response to a question about the reported reduction in the surplus generated by Edinburgh Business School (EBS) against the previous year, it was advised that income in the previous year had included substantial one-off investment gains. The base level contribution from the School continued to be on an overall upward trend. It was noted that surpluses generated by the School are transferred to EBS reserves.

The Court discussed growing pension scheme liabilities in particular in relation to the Universities Superannuation Scheme (USS). The Principal advised that the USS deficit had tripled over the course of the preceding year, from around £2.9 billion to £9.8 billion. A more recent slight improvement in gilt yields had reduced the level of deficit slightly. It was envisaged that it will be inevitable that the Trustees will seek an increased level of contributions, if a substantial level of deficit remains at the time of the next triennial actuarial evaluation in 2014 and further changes to the Scheme might also follow. The Principal advised that the University should anticipate potential increased contributions in its Five-Year Plan from 2015/16. It was noted; however, that HM Treasury was reviewing the wider current pensions deficit situation with prospects for ameliorative moves to smooth interest rates and asset values.

**44 REPORT OF THE FINANCE COMMITTEE: MEETING HELD ON 13 NOVEMBER 2012 (Paper Ct3/12/109)**

The Court received and noted a report from the Finance Committee relating to the meeting of the Committee held on 13 November 2012. All items were presented for information and the Chair drew attention to a range of topics, as reported.

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

**45 ANNUAL REPORT OF THE AUDIT AND RISK COMMITTEE (Paper Ct3/12/110)**

The Court received and noted an Annual Report of the Audit and Risk Committee covering the period to 30 November 2012 and addressed to the Principal and the University Court. It was noted that the report should be read in conjunction with the Annual Report of the University's Internal Auditors, which appears at Appendix 4 of the report and the 'Management Letter and Highlights

Memorandum of the External Auditors' which appearing in Appendix 5.

The Court approved submission of the Committee's Annual Report to the Scottish Funding Council (SFC) as part of the set of documents that the SFC stipulates must accompany submission to the Council of Annual Accounts and Financial Statements.

The Chair referred to a range of matters for discussion and comment, as reported in the body of the Annual Report.

**46            AUDIT AND RISK COMMITTEE: REPORT OF THE MEETINGS HELD ON 22 AND 30 NOVEMBER (Paper Ct3/12/111)**

The Court received and noted a report from the Audit and Risk Committee relating to the meetings of the Committee held on 22 and 30 November 2012. At the meeting of the Committee on 30 November the Committee had approved the University Annual Accounts and Financial Statements 2011/12, which were presented to the Court for approval jointly with the Finance Committee (Ref: minute 47 below). All other items were presented for information.

**47            ANNUAL ACCOUNTS AND FINANCIAL STATEMENTS (Paper Ct3/12/112)**

The Court received and approved Annual Accounts and Financial Statements for the year ended 31 July 2012 and the Management Representation Letter which had been approved previously by the University Executive and the Finance and the Audit and Risk Committees at their meetings held on 13 and 30 November 2012.

It was suggested for future publications to consider including a section highlighting key strategic risks in the year. Similar reporting could be found in the Annual Accounts of other universities. The Chair of the Finance Committee endorsed this suggestion.

**48            PUBLIC INTEREST DISCLOSURE POLICY (Paper Ct3/12/113)**

The Court received and approved a draft revised Public Interest Disclosure (Whistleblowing) Policy for implementation. It was noted that the updated Policy, which had been approved previously by the Audit and Risk Committee, supported the University in its compliance with the Public Interest Disclosure Act 1998. The Policy and its related procedures and guidance will apply to staff, students and members of the University Court.

The only point of discussion which arose in discussion related to provision within the Policy for anonymity of the individual making the disclosure in exceptional situations. It was accepted that, depending on the nature of a disclosure that might arise in the future, this provision was advantageous.

**49            STAFF COMMITTEE: REPORT OF THE MEETING HELD ON 14 NOVEMBER 2012 (Paper Ct3/12/114)**

The Court received and noted a report from the Staff Committee relating to the meeting of the Committee held on 14 November 2012. All items were presented for information and the Chair drew attention to a range of topics, as reported.

The Court discussed the report of new legislation on pensions (since 1 October 2012) which requires all employers to enrol their employees into a qualifying workplace pension scheme if they are not already in one. An automatic enrolment scheme applies. It was noted that the University would have to ensure full implementation for new staff by 1 July 2013 and there would be a certain financial impact resulting from the new arrangements.

**Reserved section (Ref Section 30,FOI(S)A).**

**50 AUDIT AND RISK COMMITTEE: TERMS OF REFERENCE (Paper Ct3/12/115)**

The Court approved revised Terms of Reference relating to the Audit and Risk Committee, noting that the Terms of Reference had been approved by the Committee at its meeting in November 2012.

The Chair of the Committee advised the Court that the Committee will proceed to map its schedule of activities to the updated Terms of Reference.

**51 DEFINITIONS: CONSTITUTIONAL FRAMEWORK (Paper Ct3/12/116)**

The Court received and approved for implementation recommendations, presented by the Secretary of the University, in the form of proposed definitions to be applied to key components of the University's constitutional framework.

The Court noted the background to and rationale for the development of a commonly agreed set of definitions with the aim of providing direction and support to enable good order to be achieved in the University's constitutional framework. In the shorter term the definitions would guide tidy-up work to address areas of lack of clarity and/or anomaly; however, the definitions would also serve to support any future review deemed necessary to address particular governance issues that had been raised recently by the Court.

The Court noted that the draft definitions, as presented, had previously been approved by: the Ordinances & Regulations Committee; the Senate Business Committee; the Senate; the Learning & Teaching Board; and the University Executive.

**52 COMMUNICATIONS FROM THE CHAIRMAN OF COURT**

Communications from the Chairman were recorded in the context of Matters Arising, above.

**53 COMMUNICATIONS FROM THE SENATE (Paper Ct3/12/117)**

The Court received a report from the Senate relating to the meeting of the Senate held on 5 December 2012. It was noted that two members of the Court had elected to attend the Senate meeting as observers.

**53.1 Review of Ordinances and Regulations**

The Court approved the recommendation of the Senate that the following be rescinded with immediate effect:

- *Regulation 12: Safety*. It was noted that the Court had recently approved a revised Health & Safety Policy.
- *Ordinance 28: Edinburgh College of Art*. It was noted that the agreement between Heriot-Watt and Edinburgh College of Art had ended.

The Court approved in principle the following recommendations of the Senate, subject to the necessary supporting actions, as reported, being completed.

**Ordinances:**

**Outcome:**

20: <i>The Academic Year</i>	Remove from Ordinance and transfer to Regulation
25: <i>Title of Research Fellow, Industrial Fellow and Honorary Fellow</i>	Removal of Ordinance
37: <i>Approved Teachers and Approved Tutors</i>	Transfer to a Regulation
43: <i>Approved Supervisors</i>	Transfer to a Regulation

<b>Regulations:</b>	<b>Outcome:</b>
<i>19: Standing Committees of the Court</i>	Transfer to an Ordinance
<i>20: Standing Joint Committees of the Court and the Senate</i>	Transfer to an Ordinance
<i>21: Student Union</i>	Removal of Regulation
<i>24: Common Seal of the University</i>	Transfer to an Ordinance
<i>26: Traffic Control &amp; Parking</i>	Transfer to a Policy
<i>27: Schools and Institutes</i>	Transfer to Ordinance 47
<i>28: Ordinances and Regulations Committee</i>	Transfer to Ordinance 20.
<i>29: Use of University Computing Facilities</i>	Transfer to Policy
<i>30: Sports Union</i>	Remove Regulation and replace with a Constitution
<i>42: Formation of New Companies</i>	Refer to the Research and Knowledge Exchange Board for initial consideration.

The Court noted that the above recommendations were the result of a preliminary work on the Ordinances & Regulations to resolve current anomalies and inconsistencies which had already been identified.

### **Other items reported for information**

53.2

#### Constitutional Review

The Court noted in particular the report that the Senate Business Committee had clarified for the Senate the scope of the proposed Constitutional Review, i.e. to consider the extent to which any fuller review might be necessary. The Senate had confirmed that it was content with the clarification provided.

#### Learning & Teaching Strategy / MOOCs

The Court noted and discussed the developing Learning and Teaching Strategy which had been the focus of a presentation delivered to the Senate at its December meeting.

The discussion focused in particular on international developments in (normally free) Massive Open Online Course provision (MOOCs).

It was agreed that the Court should receive a presentation on international developments in online teaching to help inform further debate over the course of the coming year about the University's current delivery and its future options/positioning against a background of rapid change in international higher education provision.

It was noted that the Deputy Principal (Learning & Teaching) would prepare a paper to support discussion at meetings of the University Executive and the Learning & Teaching Board in the near future. A further development of this paper, setting out the University's views will be presented to the Court for consideration. It was agreed that the Court would receive a brief early informative presentation on MOOCs developments to initiate Court debate.

The Court noted that The Open University (OU) had launched 'Futurelearn' as the first British MOOCs platform. This offered a range of free online courses from leading UK universities. The University expected to receive a visit and a briefing on this initiative from an OU representative in January 2013.

**54 COMMUNICATIONS FROM THE PRINCIPAL / UE (Paper Ct3/12/118)**

The Court received and discussed a report from the Principal and The University Executive on a range of news topics of current interest and involvement of the University.

The Principal updated the Court on senior academic appointments that he proposed to make within his direct-line senior executive team. These were a category of appointments that were not governed through the provisions of the Charter and Statutes; nevertheless, the Principal wished to receive Court's endorsement of the proposals.

The Court confirmed endorsement of the following:

- the appointment of Professor Gill Hogg, current Head of School of Management & Languages, as Deputy Principal for External Affairs in succession to Professor Andy Walker who will retire from the University in September 2013. The Principal advised that Professor Hogg would take on additional responsibilities, for example, in the areas of University relations, promotion boards and Athena SWAN; and
- a change of title for Ruth Moir to Assistant Principal and Director of International Development. The Principal reported that this change was appropriate in the light of the responsibilities associated with the role and in relation to external recognition, in particular overseas.

The Court noted that the Senior Deputy Principal's responsibilities for TRAC will transfer in due course to the Vice-Principal.

**55 COMMUNICATIONS FROM THE PRESIDENT OF THE STUDENT UNION**

The Court received an oral update from the President of the Student Union on matters of current interest and involvement of the Union.

The President highlighted in particular:

- the challenges of student representation with growing numbers of students in overseas campus sites. The Union was in contact with the Dubai Campus, looking at ways to formalise student representation links; and
- involvement of the Union, linking in with Shelter, in educating students on their rights in relation to illegal 'premium' or 'administration' fees charged for leased accommodation.

**56 ANY OTHER BUSINESS**

**56.1 REF 2014**

A member of the Court requested that the Court is provided with a presentation on the University's REF submission plans in the near future.

**57 DATE OF THE NEXT MEETING**

**The next regular meeting of the Court will take place on Monday 11 March 2013.**

**Other scheduled meetings:**

- **Consensus Workshop - Thursday 10 January 2013**
- **visit of Scottish Governance Code consulting team - Monday 28 January 2013**

**COURT**

**Minutes**

In the Chair:	Lord Penrose	Date of Meeting: 11 March 2013
Present also:	Professor Nicholas Beadle Professor Steve Chapman Mr Allan Gray Professor Ken Gill Ms Laura Gregson Dr Stephen Houston Professor Julian Jones Ms Shonaig Macpherson Dr Judith McClure	Mr Iain McLaren Mr Andrew Milligan Professor Jim Ritchie Mr David Robinson Mr Tony Strachan Dr Ian Wall Mr Keith Wallace Professor Peter Woodward
Officer in attendance:	Ms Ann Marie Dalton	Ms Sue Collier
Others in attendance:	Professor Ursula Boser Professor Gill Hogg Professor Phil John Professor David Hopkins Mr A Kitchin	Mr Richard McGookin Mr Andrew Menzies Professor Alan Miller Professor John Sawkins Ms Lorna Kirkwood-Smith (minutes)

**01 APOLOGIES**

Apologies were received from Dr Jock Clear, Councillor Ricky Henderson, Professor David Lane, Mr Michael Ross, Mr Strone Macpherson and Mr Steve Salvini.

**02 ANNOUNCEMENTS**

The Chairman welcomed Professor John Sawkins who would present two items (as noted under minute references 11 and 12 below).

**03 MINUTES OF THE PREVIOUS MEETING**

The Court approved the minutes of the meeting of the Court held on 17 December 2012 subject to deletion of the second paragraph in minute reference 46.

**04 MATTERS ARISING**

**4.1 Student Union elections 2013**

The Secretary of the University updated the Court on the outcomes of recent Student Union elections to office bearer positions from 1 June 2013. Key new office bearers will include:

- SU President: Brittany Brown
- SU Vice-President: Becky O'Hagan
- SU Scottish Borders Campus President: Jonathon Andrews

The Court conveyed its thanks and appreciation to Mike Ross and Laura Gregson for the excellent work undertaken so far by both representing and supporting the University's students. Members also relayed their thanks and appreciation for the hosted visit to Student Union facilities for Court members on 11 March 2013.

**05 OBITUARIES (Paper Ct4/13/01)**

The Court noted with sadness notice given of the recent deaths of the following members of staff/former members of staff of the University:

- Reverend Howard Taylor, former Chaplain of the University;
- Mr Malcolm McWilliams, Building Superintendent, School of Engineering & Physical Sciences; and
- Ms Irene Newton, Domestic Assistant, Postgraduate Centre.

**06 UNIVERSITY OUTLINE FIVE-YEAR PLANNING ENVELOPE 2013 (Paper Ct4/13/02)**

The Court received and discussed a report, presented by the Vice-Principal, which set out the outline 2013 Five-Year Plan envelope, as considered by the Finance Committee at its February 2013 meeting. It was noted that the Finance Committee, while endorsing the Plan, had done so with the proviso that higher surpluses be targeted in the Plan years 2013/14 and 2014/15.

The Vice-Principal highlighted the key revised assumptions which influenced the shape of the 2013 Five-Year Plan, as reported in the paper.

In response to a question about the robustness of core grant funding assumptions, the Vice-Principal confirmed the assumption of continuing compound 2% efficiency savings in future years and funded student places remaining constant; however, the relatively high and growing level of contingency incorporated from the middle years of the Plan reflected uncertainties over core funding, especially following the next Spending Review. The Principal confirmed current dialogue with the SFC aimed at securing, as an uppermost priority, as much stability in the formulaic funding element as possible over the years ahead.

The Court advised that it would be helpful in the next report to receive further information highlighting the upward and downward changes in budget provision across elements of the Plan and the drivers for those changes. It was also suggested that it would be helpful to receive more information about the processes for setting and releasing the contingency element of the budget.

The Chair of the Campus Committee requested that a more strategic approach should be applied to spend on building maintenance and it would be helpful to see more detailed analyses of benefits and costs in this area.

**07 HWU/SFC OUTCOME AGREEMENT 2013/14 (Paper Ct4/13/03)**

The Court received and approved, for onward presentation to the Scottish Funding Council (SFC), the Heriot-Watt / SFC Outcome Agreement for 2013/14. The Court noted feedback on the positive and productive nature of negotiations between the University and the Council with each party having gained more insight into the aims of the other through the process of developing the Agreement.

The Court discussed the somewhat subjective judgements that would necessarily apply to some objectives which are not presented in SMART target form. The Principal advised that the issue of assessment means was being addressed at sector level and raised with the Council as a priority for further consideration.

The Court noted that members would be kept informed of progress made towards meeting Outcome Agreement objectives, which varied considerably in timescales. There would be an opportunity for Court to review progress against objectives at Court Away Days.

The Court noted that, once fully approved, the Outcome Agreements with individual institutions will be made publically available by the SFC via its webpages.

**08 HWU MALAYSIA UPDATE: REPORT FROM THE MALAYSIA PROJECT OVERSIGHT BOARD (Paper Ct4/13/04)**

The Court received and noted an update report on the Heriot-Watt University Malaysia (HWUM) Campus project which was presented by the Chair of the Project Oversight Board. The report comprised the minutes of the meeting of the Malaysia Project Oversight Board held on 24 January 2013 and a regular management update report, dated February 2013 which detailed recent developments and planned next steps across a range of activities.

The Chair of the Oversight Board provided a brief oral update on the meeting of the Board held on 11 March 2013. This had focused predominantly on two key pieces of business (as noted below). Overall the project remained on track.

The Chair reported that the Board had received and considered a draft report of the Ernst & Young review of the current HWUM Business Plan. This reported on review and stress testing of the key assumptions underpinning the revised Plan. The Chair reported that E&Y, in conducting a very robust review, had undertaken and reported on more severe stress testing of the Plan's forecast assumptions (based on lower student recruitment, impact of delayed opening of the main campus and increased fit out and operational costs) than the previously presented worst case scenario. The report highlighted that, while peak cash requirements would increase in the revised plan these would remain within the headroom incorporated in the original plan. The E&Y report was not fully finalised as full review would be dependent on the University's planning processes, in particular review of the full impact on the Five-Year plan of all capital projects, and the required re-negotiation of the University's bank covenant.

The Chair also reported that the Board had considered a report from DTZ who had been commissioned to prepare a report on options to meet student accommodation needs from 2014 and 2015. The Board had inclined to the view of the desirability of a balanced portfolio of on-campus and off-campus accommodation. The Chair advised that decisions would need to be taken by September 2013 and this matter would continue to feature on the future agenda of the Board.

In response to a question raised, the Chair of the Board advised that the larger areas of risk to the project lay in the areas of completion of the main campus building, provision of student accommodation, course approval, recruitment and marketing timescales and political risks. All of these, largely inter-connected risks, were incorporated in the HWUM Risk Register.

The Principal highlighted that, while the costs associated with HWUM will be higher than set out in the original business plan, the project still represented a hugely beneficial opportunity for the University both in reputational terms - promulgating high quality Scottish education overseas, and in providing financial returns on investment.

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

**10 REPORT FROM THE FINANCE COMMITTEE: MEETING HELD ON 21 FEBRUARY 2013 (Paper Ct4/13/12)**

The Court received and noted a report from the Finance Committee relating to the meeting of the Committee held on 21 February 2013.

The Chair of the Committee drew attention in particular to the Committee's consideration of the outline envelope for the Five-Year Plan.

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

In response to a point raised about the potential helpfulness to the Court of a financial dashboard it was agreed that Mr Tony Strachan should consult further with the Chair of the Finance Committee to consider how this might best be presented.

**11 QUALITY ENHANCEMENT FRAMEWORK**

The Court received and discussed a presentation by the Deputy Principal (Learning & Teaching) which described the Quality Enhancement Framework in Scotland and key quality assurance monitoring and review processes and responsibilities within the University.

Comments from Court members highlighted interest in considering learning and teaching quality enhancement themes in further detail in the context of strategy discussion at a Court Away Day. This should include, inter alia, extended consideration of the means by which quality assurance is delivered through the University's Approved Learning Partners.

**12 MASS OPEN ONLINE COURSES (MOOCs) (Paper Ct4/13/06)**

The Court received and discussed Massive Open Online Course MOOC developments internationally, noting the content of a discussion paper which was presented by the Deputy Principal (Learning & Teaching). It was noted that the Learning & Teaching Board and the University Executive had recently discussed MOOCs in the context of the University's experience in online course delivery and potential future engagement with wider developments in MOOC activity.

Ms Shonaig Macpherson declared an interest in relation to her position as a Council member of the Open University which owned 'Futurelearn'.

**Reserved section: Ref Section 33, FOI(S)A.**

**13 REPORT FROM THE GOVERNANCE AND NOMINATIONS COMMITTEE (Paper Ct4/13/07)**

The Court received and noted a report, presented by the Secretary of the University on behalf of the Governance & Nominations Committee, which related to the meeting of the Committee held on 7 February 2013.

**13.1 Chancellor of the University**

The Secretary of the University confirmed that she would liaise with the Chancellor on his diary availability to meet with the Court in 2013.

**13.2 Review of Charter and Statutes and establishment of a Constitutional Review Group**

The Court approved recommendations of the Committee relating to:

- the establishment of a Constitutional Review Group to undertake an initial review of the University's Charter and Statutes;
- the proposed remit of the Group; and
- the proposed timeline for reporting the outcomes of the review.

The Court noted the intention that the Review Group would submit its report to the June 2013 meeting of the Court and that early soundings may be taken from the Privy Council on the Group's proposals as they develop.

The Secretary of the University advised that the proposed remit of the group would be provided to the Senate for comment and that University staff will be advised, via the Combined Joint Negotiating and Consultative Committee that the outcomes of the proposed review are not expected to impact on staff terms and conditions. However, in the event that such a situation does

arise, then the normal consultation process with staff would take place via the CJNCC.

### **13.3 Governance Effectiveness Review**

The Court noted the report of the Committee's recent discussion on next steps in relation to Court's review of its own effectiveness following the Governance Workshop held on 10 January 2013.

The Court agreed that the Action Plan relating to the 2011/12 internal effectiveness review should be expanded to incorporate the outputs of the Governance Workshop.

The Court endorsed the Chairman of Court's suggestion that the Court should note the reported views of the GNC and should consider further suggestions from the Secretary of the University on practical steps which fall within the five topical areas set out in the Governance Workshop: '*strategy*'; '*risk and control*'; '*performance*'; '*working together*'; and '*use of time*'.

### **13.4 Chair of Court appointment**

The Court approved the following recommendations of the Committee in relation to the proposed process for the appointment of a new chair of the Court in succession to Lord Penrose from 1 August 2014:

- the Chair-Designate will be appointed to the membership of the Court from autumn 2013, the appointment having been approved by the Court at its meeting on 30 September 2013;
- the process shall be led by the Secretary of the University assisted by the Deputy Chair of the Court;
- the views of individual Court members will be sought on the role of the Chair of Court. Lay members will also be invited, at an early stage, to confirm any personal expression of interest in the position;
- a suitably experienced headhunting company should be commissioned, through a tendering process, to assist in the process of selecting suitable candidates for selection; and
- the selection panel should comprise around five individuals including two lay Court members drawn from the membership of the GNC and three further members of the Court, one of whom shall be the Principal.

### **13.5 Court member succession planning**

The Court noted the report of the Committee on Court membership under certain categories:

#### Independent lay member appointments:

The Court noted that the Dr Judith McClure's membership of the Court would end on 31 July 2013.

The Court noted that the terms of six members would end in 2013/14. All were eligible to serve a further term, subject to the future recommendation of the Chair of the Court. Those members included:

- Professor Nicholas Beadle
- Professor Ken Gill
- Mr Strone Macpherson
- Mr Andrew Milligan
- Mr Tony Strachan
- Professor Ian Wall

The Court noted that the terms of three members would end in 2014/15 with no eligibility to continue for a further term. The Court noted the intention of the Committee to consider succession arrangements for this group as early as possible, given their enlarged roles including chairing of key committees of the Court. Those members included:

- Ms Shonaig Macpherson
- Mr Iain McLaren
- Mr David Robinson

Staff members by election:

The Court endorsed the appointment, through election by the staff of the University, of Mr Steve Salvini, a Professional Service member of staff. It was noted that Mr Salvini's membership will run from 1 March 2013 until 31 July 2014, filling the unexpired portion of Ms Gill McDonald's membership term. Ms McDonald had retired from the University as from 28 February 2013.

The Chairman of Court highlighted future recurrence of clustering of the end of terms of membership unless individuals volunteer to retire early from their membership period.

**13.6 Court Committee member succession planning**

Audit and Risk Committee:

The Court approved, with a restriction, the recommendation of the Committee that the two lay members of the Audit and Risk Committee (ARC) should be included in the required quoracy count of three members of the Committee. It was noted that Statute XII stipulated quoracy of Committees of Court as three members who were all members of the Court. In the case of the ARC, which was restricted in terms of its wholly external composition and total membership number, this increased the risk of inquoracy at any given meeting. It was agreed that this new arrangement should be in place for a span of two further meetings of the Committee, following which a case should be presented for further continuation of the revised arrangement.

It was noted in terms of the above arrangement that it will be important to ensure that the co-opted lay members of the Committee are fully informed of Court business on a continuing basis.

Campus Committee:

The Court approved the recommendation of the Committee that Professor Andrew Cairns be invited to join the membership of the Campus Committee, his membership to run concurrently with his membership of the Court.

The Court approved the recommendation of the Committee that the following co-opted lay members be invited to continue their membership of the Campus Committee for a further two years from 1 August 2013 until 31 July 2015:

- Mr David Maxwell
- Mr Ken Wright

Finance Committee:

The Court approved the recommendation of the Committee that the two co-opted lay membership vacancies in the Finance Committee should be considered in the context of the planned advertising campaign in 2013 for new Court / Court committee members.

Staff Committee:

The Court approved the recommendation of the Committee that Mr Richard Bailey be invited to continue his membership of the Committee for a further two years from 1 August 2013 until 31 July 2015.

Ordinances and Regulations Committee:

The Court noted retirements of all three of the Court appointed members of the Ordinances and Regulations Committee (ORC):

- Ms J Bisacre (retired in 2012) (staff member)
- Ms G McDonald retired from the University as from 28 February 2013 (Court member and staff member)
- Prof J Ritchie retiring from the Committee 1 April 2013 (Court member and staff member)

The Court noted the invitation of the GNC to the Secretary of the University to make

recommendations with a view to filling two of the vacancies. To support this process, Court members were invited to submit any notes of interest in serving on the Ordinances & Regulations Committee to the Secretary of the University.

**13.7 Court: levels of attendance at meetings**

The Court discussed the need for Court members to be able to commit to a high level of attendance at meetings throughout the year. The Chair endorsed this principle as one which should be emphasised to future incoming new Court members but also to existing members with a review undertaken of attendance levels annually by the Chair of the Court. The Court agreed that a review should be undertaken at the end of the calendar year starting in 2013.

**13.8 Advertising campaign 2013: Court / Court Committee membership**

The Court approved recommendations of the Committee in relation to an advertising campaign to be undertaken in spring 2013 with the aim of recruiting new members to the Court and Court committees to fill vacancies which will arise in coming years.

The Court approved a recommended selection process, as reported, and the membership of a selection panel to review expressions of interests comprising the Chairman of Court, two lay members of the Court, the Principal and the Secretary of the University. In terms of Statute XII, the Chancellor's Committee would make recommendations to the Court for appointments, having previously received recommendations from the GNC, while appointments to Court committees will be recommended to the Court by the GNC.

The Court noted and approved proposals in relation to advert and further particulars information and media targets, but emphasised the need to ensure that advertising coverage encourages diversity in a wider sense; cultural as well as gender focused.

**14 REPORT FROM THE STAFF COMMITTEE (Paper Ct4/13/08)**

The Court received and noted a report from the Staff Committee relating to the meeting of the Committee held on 6 February 2013.

The Chair of the Committee drew attention to the wide variety of individual areas of business considered by the committee and relayed in the report.

**15 ANNUAL REPORT FROM THE STAFF COMMITTEE (Paper Ct4/13/09)**

The Court received and noted the Annual Report from the Staff Committee for the year to 31 December 2012.

The Chair of the Committee drew attention to a variety of topics covered by the business of the Committee throughout the course of the year, as relayed in the report.

In relation to the reported 1% pay increase in 2012, the Principal highlighted that, in addition to this, many staff would have received an incremental rise within grade in the year, while some others would have received an element of performance related pay. Across the sector as a whole therefore, the average pay increase in the year had been in the region of 2.7% – 3.0%.

**16 REPORT FROM THE AUDIT AND RISK COMMITTEE (Paper Ct4/13/10)**

The Court received and noted a report from the Audit and Risk Committee relating to the meeting of the Committee held on 7 February 2013.

The Chair of the Committee drew attention in particular to the welcome development of a project support office; a revised timetable towards approval of the Annual Accounts and Financial Statements in 2013; the view of the Committee that Court discussion on the key strategic risks facing the University is necessary to support top down risk management, balanced against bottom

up processes; and the three year rolling programme of review introduced for overseas recruitment agents.

In response to the latter point, it was recommended by a Court member that further consideration be given to extending due diligence checks beyond recruitment agents to include other bodies with whom the University might form an association such as donors to the University or those who might be considered for an honorary title.

## **17 UNIVERSITY STRATEGIC RISK REGISTER (Paper Ct4/13/11)**

The Court received and discussed the University Strategic Risk Register including an Overview Update which had been prepared following the January 2013 meeting of the Risk Management Strategy Group and subsequent reporting to the University Executive and the Audit and Risk Committee.

The Court noted that the Strategic Risk Register would in future be presented to the Court at regular intervals with the University's full Risk Register being made available annually to the Court to coincide with presentation of the Annual Accounts and Financial Statements for approval. The Court noted that the full Register comprised Risk Registers from each School and Directorate as well as Registers covering each of the core strategic areas of the University's activities.

It was noted that there would be an opportunity for the Court to have a fuller debate on risk in the context of the November performance review Away Day. The opportunity to consider the impact of and responses to a substantial hit on the University's financial bottom line would be of particular value. The Chair of the Audit and Risk Committee stressed the need to supplement the University Risk Register with material external risks.

It was observed that the recently added risk relating to delivery of capital projects was essentially a risk which pertained to prioritisation across projects, "prioritisation" ought therefore to be included in a re-worded statement of this risk.

## **18 ANNUAL TRAC REPORT 2013 (Paper Ct4/13/13)**

The Court received and discussed a report, presented by the Vice-Principal, which provided:

- a summary of the University's annual TRAC return made in January 2013 for financial year 2011/12;
- a benchmark comparison report highlighting the University's 2011/12 data compared with the previous year and the most recently benchmark data available; and
- a report on the pilot project on a proposed new form of RFI in which Heriot-Watt was a participating institution.

The Vice-Principal drew attention in particular to the report of the University's higher than benchmark indirect costs. The University aimed by the end of the current five year planning period to achieve a position comparable to benchmark.

The Court noted the report of the pilot project on a proposed new form of RFI (Return on Finance & Investment), directed at replacing the current RFI calculation with a target RFI which will take into account an institution's position in its investment cycle and the cash requirements of its longer term strategy, and the draft of a possible '*Annual assessment of institutional sustainability*'.

Attention was drawn to the role and responsibilities of governing bodies in providing assurance that they monitor and review key performance metrics relating to institutional sustainability. It was noted that this proposed change to the RFI was well-aligned with the University's strategic interests; however, there will be further work to do with the full involvement of the Court in developing and integrating the appropriate sustainability measures in the University's performance monitoring and review framework.

## 19 COMMUNICATIONS FROM THE STUDENT UNION

The Court received an oral update from the Vice-President of the Student Union on recent Union plans and activities including:

- plans to be revisited in the future to expand the retail portfolio of the student shop;
- the high voter turn-out at recent Student Union and Sports Union elections;
- nominations being received for the 2013 Heriot-Watt Learning & Teaching Oscars;
- a recent delegation of Student Union Officers to Monash University to review international campus management and the student experience to learn from that university's experience;
- shortlisting in two categories of the HWU Student Union in the NUS Scotland Awards 2013; and
- the Heriot-Watt Volunteer Awards ceremony to be held on 15 March 2013.

The SU Vice-President agreed to make a copy of the report on the Monash University visit available to the Court for information when it becomes available.

Court members with an interest in attending the Volunteer Awards ceremony were invited to make contact with the Vice-President.

## 20 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

The Chairman had no matters to raise other than those covered elsewhere in the agenda.

## 21 COMMUNICATIONS FROM THE SENATE (Paper Ct4/13/14)

The Court received a report from the Senate which related to the meeting of the Senate held on 30 January 2013.

### 21.1 **Proposed revision to Ordinance 47: Schools, Institutes and Departments of Study and rescinding of Regulation 27: Schools and Institutes**

The Court approved proposals for modifications to *Ordinance 47: Schools Institutes and Departments of Study* and to rescind *Regulation 27: Schools and Institutes*. This followed approval by the Court in December 2012 to merge both, thereby subsuming Regulation 27 into Ordinance 47.

### 21.2 **Appointment of Deputy Principal (External Affairs) to the Senate**

The Court noted the appointment of Professor G Hogg as Deputy Principal (External Affairs) from 1 February 2013. The Court approved the recommendation presented by the Senate that Professor Hogg be appointed as a member of the Senate in the category of 'holders of academic posts' in accordance with *Statute XIII: The Senate* (Paragraph I(viii)).

### 21.3 **Secondary titles: Vice-Principal of the University and Deputy Principals**

The Court approved recommendations presented by the Senate for the adoption of secondary titles for the Vice-Principal of the University and Deputy Principals, as below:

- Vice-Principal of the University:- Vice-Principal and Deputy Vice-Chancellor
- The Deputy Principals:- Deputy Principal and Pro-Vice-Chancellor

The Court approved recommended modifications to *Ordinance 32: Appointment of Vice-Principal of the University* to make provision for the secondary title. Given the minor nature of the proposed change the Court approved the modification without the need for subsequent referral to the Ordinances and Regulations Committee.

**21.4 Other items presented for information**

The Court noted other items presented in the report for information.

Attention was drawn in particular to the appointment as University Dean (Science and Engineering) of Professor J Ritchie for a three year period from 1 April 2013. It was noted that Professor P John will take up office as Senior Dean from the same date.

**22 COMMUNICATIONS FROM THE PRINCIPAL / UE (Paper Ct4/13/15)**

The Court received and discussed a report from the Principal and The University Executive on a range of news topics of current interest and involvement of the University.

In addition to the items reported, the Court was advised of plans to focus on research at the May 2013 Court Away Day.

**Reserved section (Ref: Section 30, FOI(S)A).**

**23 ANY OTHER BUSINESS**

**Watt Club AGM and James Watt Debate**

A member of the Court conveyed thanks to University staff who had organised the recent Watt Club AGM and highly successful James Watt Debate.

**Scottish Borders Campus**

The Court noted and endorsed a suggestion that a Court meeting be arranged to take place at the Scottish Borders Campus to coincide with a tour of the School and the new student residences. It was suggested that a visit might coincide with graduation week.

**24 DATE OF NEXT MEETING**

The next meeting of the Court will take place on Monday 13 May 2013 (Court Away Day).

**COURT****Minutes**

In the Chair:	Lord Penrose	Date of Meeting: 13 May 2013
Present also:	Professor Nicholas Beadle Professor Andrew Cairns Professor Steve Chapman* Dr Jock Clear Mr Allan Gray Dr Stephen Houston Professor Julian Jones Professor David Lane Ms Shonaig Macpherson	Mr Strone Macpherson Dr Judith McClure Mr David Robinson Mr Michael Ross Mr Steve Salvini Mr Tony Strachan Dr Ian Wall Mr Keith Wallace Professor Peter Woodward
Officer in attendance:	Ms Ann Marie Dalton	Ms Sue Collier
Others in attendance:	Ms Brittany Brown Professor David Hopkins Professor Phil John Professor Robert MacIntosh Mr Richard McGookin	Professor Alan Miller Ms Becky O'Hagan Professor John Sawkins Professor Andy Walker Ms Lorna Kirkwood-Smith (minutes)

\*present for items 27 and 29

**25 APOLOGIES**

Apologies were received from: Professor Ken Gill, Ms Laura Gregson, Councillor Ricky Henderson, Mr Iain McLaren, Mr Andrew Milligan and Professor Jim Ritchie.

**26 ANNOUNCEMENTS**

The Chairman conveyed congratulations on behalf of the Court to Professor Ian Wall following the recent announcement confirming that he had been made a Fellow of the Royal Society of Edinburgh.

The Chairman conveyed thanks and appreciation on behalf of the Court for the excellent contributions made to the Court by Michael Ross and Laura Gregson who were attending their last meeting before the hand-over of Student Union office positions to newly elected student representatives for 2013/14.

The Chairman welcomed Ms Brittany Brown and Ms Becky O'Hagan, Student Union President and Vice-President designates respectively. Both had been invited to attend the May and the June meetings of the Court as observers before taking up membership of the Court officially from 1 August 2013.

**27 FIVE-YEAR FINANCIAL PLAN: 2013 - 18**

The Court noted and discussed a presentation, provided by the Vice-Principal, on the near final 2013 Five Year Financial Plan 2013-18.

The Court noted the underpinning planning assumptions which incorporated a range of positive and negative impacts on income over the 2012 Plan. The Plan incorporated a 3% minimum bottom line surplus, rising through the years of the Plan to meet the target of 7%. The Court noted also the proposed profile of contingency provision across all years of the Plan, aligned to identified risks in the areas of tuition fees, research (net of direct costs) and the Malaysia campus project. It was noted that the assumption underpinning the Financial Plan was the aggregated central (i.e. most likely) case, with the scale of contingency provision therefore being the indicator of the potentially "worst case" scenario.

The Vice-Principal highlighted the possibility that net interest figures may be adjusted marginally in a further minor iteration of the Plan.

The Vice-Principal highlighted provision for capital projects through the period of the Plan (including underpinning planning assumptions) and the income and expenditure impact. The Vice-Principal highlighted that this was not being presented as the definitive list of projects at this stage but was intended to demonstrate the scale of capacity built into the draft Plan.

The Vice-Principal highlighted that projects which could be accommodated within existing arrangements of available capital and able to be accommodated within the existing bank covenants included the Malaysia campus, the Centre for Earth & Marine Technology and Aptuit (up to mothballing stage) projects. Other projects awaited full analysis by the Finance Committee at its meeting in June 2013. Potential future projects, which would be the subject of detailed planning but for which capital provision had been included in the draft Five-Year Financial Plan, included the Aptuit building refurbishment costs and the National Performance Centre for Sport capital commitment (required in 2016) with income and expenditure revenue costs also included.

The Court was requested to consider the three capital projects presented for consideration by the Court at its May meeting in the context of the draft Five Year Financial Plan.

Key comments and observations raised in the course of discussion highlighted Court's view of the importance of the following:

- strategic discussion on risk / risk appetite, notably in relation to borrowing limits;
- the input of the Court to prioritisation and decision making in relation to resource allocation to support key strategic projects; and
- quarterly review of reliable revenue and cash-flow data.

## **28 REPORT FROM THE MALAYSIA PROJECT OVERSIGHT BOARD (Paper Ct5/13/17)**

The Court received and noted an update report on the Heriot-Watt University Malaysia (HWUM) Campus project which was presented by the Chair of the Project Oversight Board. The report comprised the minutes of the meeting of the Malaysia Project Oversight Board held on 11 March 2013 and a regular management update report, dated April 2013, which detailed recent developments and planned next steps across a range of activities.

The Chair of the Oversight Board provided a brief oral update on the meeting of the Board held on 8 May 2013 and reported that the main agenda item considered had been the HWUM Business Plan and Financial Model. Since completion of the review by Ernst & Young, further updates had been incorporated in the financial plan. The latest update of the plan provided the basis for the HWU element of the draft Five-Year Financial Plan which incorporated the Ernst & Young worst case scenario figures.

The Chair of the Oversight Board confirmed that the Chair of the Audit and Risk Committee and she would visit Malaysia and Dubai in the last week of May and drew attention to the Terms of Reference provided to the Court. These had been developed for the visit which would focus on assessing progress and considering international governance arrangements at the Malaysia Campus and observing operations at the Dubai Campus. Members of the Court were invited to direct any comments and suggestions on the Terms of Reference to the Chair of the Malaysia Oversight Board as soon as possible.

The attention of Court was drawn to topical issues including the recent visit to the Malaysia Campus by University management colleagues to consider student accommodation options. Efforts were also underway to minimise the impact of delayed course approvals by the Malaysian authorities.

## **29 CENTRE FOR EARTH & MARINE TECHNOLOGY (Paper Ct5/13/16)**

The Court received and discussed a paper, presented by the Principal, which set out the case for the proposed re-location of the British Geological Survey (BGS) headquarters in Scotland to the Heriot-Watt University Edinburgh Campus and co-development by both bodies of a new Centre for Earth and Marine Technology.

The Principal confirmed that the project would represent a major development in terms of the University's research portfolio. It was noted that the new space would provide purpose-built accommodation for over 200 BGS and Heriot-Watt staff, comprising dedicated and shared space and with the opportunity to develop a major new international hub for research, innovation and industry engagement at the interface of earth and marine science and technology. It was noted that there was an opportunity to utilise space in the Aptuit Building A (Ref Ct5/13/18 below) for storage of BGS archive materials.

The Court noted that the University's share of the cost of the £16-17 million capital project would be £8.5 million of which a contribution of up to £3.5 million had been sought from the Scottish Funding Council (SFC). Confirmation on the level of SFC funding available was expected to be received within in few days' time.

The Court noted that the decision to proceed with the project had been subject to consideration by BGS' parent body, the UK Natural Environment Research Council (NERC) whose Council met on 2 May 2013. The Chief Executive of NERC has since confirmed NERC's decision to proceed with the University.

The Court was requested to consider the proposal in the light of the preceding presentation on the draft Five-Year Financial Plan.

The Court approved the proposal to proceed with the co-location initiative subject to sign-off by the Finance Committee / Chair of the Committee of a detailed cash-flow analysis.

## **30 APTUIT BUILDING ACQUISITION (Paper Ct5/13/18)**

The Court received and discussed a paper, presented by the Principal, which reported on an opportunity that had arisen for the University to accept the gift of part of a building complex on the Heriot-Watt Research Park. Aptuit, who had withdrawn from the Research Park, had offered this gift on the basis of partial surrender in the ground leased on the Research Park by the company.

The Court endorsed the proposal to accept the gift of the building, provided that the Finance Committee will receive assurance of the University's capability to meet the costs of any immediately necessary expenditure (and loss of revenue) within the envelope of the provisional Five Year Financial Plan and without leading the University to exceed its current capital capacity. The Court noted that a business case for approval would be prepared over coming months for refurbishment of the building to adapt it for use as administrative space, thus freeing up space elsewhere in the University to support strategic academic expansion. The estimated costs of this project would be in the region of £4 million. A separate project proposal would be submitted to the appropriate approving bodies including the Court in due course. It was noted in the meantime relevant legal advice would be sought by the University in relation to contractual matters and associated liabilities relating to the hand-over of the property.

The Court noted that the case for acquisition of Building A would be considered by the University Executive and the Campus Committee at their meetings on 28 and 30 May 2013. The Executive intended also to consult with the Finance Committee for prior to approval being sought from the Court (via the Emergency Committee of the Court) in order that confirmation on the University's decision can be relayed to Aptuit by the end of May 2013.

It was noted that costs associated with a high quality refurbishment of the Aptuit building were estimated to be substantially less than the cost of new building.

### 31 NATIONAL PERFORMANCE CENTRE FOR SPORT (Paper Ct5/13/19)

The Court received, noted and discussed a report, presented by the Principal, which provided an update on the University's invitation to submit a Second Stage proposal to the Scottish Government to host and operate the planned National Performance Centre for Sport (NPCS). It was noted that the NPCS was expected to be opened in 2016.

The Court noted that, following success in first round bidding against five other organisations, the University had been invited, as one of three competing institutions to bid in a second round with a closing date of 5 July 2013. A decision on the preferred bidder for the project would follow in the summer. The Court noted that there would be Government funding of £25 million available for the successful bidder to establish the NPCS and there would be a further commitment of £5 million associated with the Edinburgh bid. **Reserved section: (Ref Sections 30, 33 FOI(S)A).**

The Court noted that a draft business case would be considered by the University Executive, the Campus Committee and the Finance Committee at their meetings in late May and June before being presented to the Court for approval at its meeting on 24 June 2013. The Court noted that approval in June would enable the University to confirm its acceptance, should Heriot-Watt be successful in being chosen as the preferred bidder for this project, thereby making a commitment to the agreed level of the University's cash contribution to the project.

The Court advised on the need for clear identification and quantification of financial risks. It would be helpful therefore at the June meeting of the Court to see a summary analysis of the financial pros and cons and a risk analysis as well as details of impact on the revenue and cash-flow plans (best, most likely and worst case scenarios).

The Chair of Court advised on the need to securely manage the agreed terms from the outset, in the first instance determining where the responsibilities/liabilities will lie should projected project costs rise. The Court noted that the project was being led by the Head of Sport and Exercise under the direction of the Director of Campus Services. It was noted that the Secretary of the University and the Director of Campus Services would consult as relevant with the University's solicitors to secure all the necessary legal advice and would report regularly to the relevant executive and governance committees within the University.

Dr Jock Clear offered to provide personal support and advice in relation to the project. The Court also noted the value of engaging the interest of local political figures in the University's bid. Court members were encouraged in this respect.

### 32 SCOTTISH CODE OF GOOD HIGHER EDUCATION GOVERNANCE (Paper Ct5/13/20)

The Court received and noted the draft Scottish Code of Good Higher Education Governance which was presented for discussion. The Court noted the invitation of the Scottish Code Steering Group for submissions in a last phase of consultation. It was noted that the closing date for submissions will be 11 June 2013 and that the Steering Group had specifically invited any new evidence that might have been overlooked. It was noted that the Group intended to conclude its work and approve the Code for implementation across the Scottish higher education sector with effect from 1 August 2013.

The Court were generally supportive of the draft Code, but noted that, in their current form, the University's Charter and Statutes would not support full compliance with the Code. A review of the Charter and Statutes would therefore be timely.

The Court noted the reported lack of support of the draft Code from a number of Scottish student union presidents who considered that representative student views were not adequately reflected in the draft Code. It was noted that, while the HWUSU President did not share many of the opinions of this group, the HWUSU was particularly disappointed by the lack of direct reference in the Code to student membership of governing bodies as a matter of good governance practice.

The Court agreed to respond to the last phase of consultation on the matter of this omission from the

Code, highlighting evidence of the University's own experience of the value of inclusion of student representatives on the Court.

**33 REPORT OF THE MEETING OF THE FINANCE COMMITTEE HELD ON 9 APRIL 2013 (Paper Ct5/13/21)**

The Court received and noted a report from the Finance Committee which related to the meeting of the Committee held on 9 April 2013.

In the absence of the Chair of the Committee, the Chair of Court read from a briefing note provided in advance of the meeting by the Committee Chair. In the briefing note the Committee Chair highlighted:

- the revised cash requirement base case for the Malaysian Campus being £13 m, some 50% greater than the sum approved by Court at the inception of the project in 2011;
- the downside case for this project following a review by Ernst & Young is £18.5 m and all such funds will have to come from the University's general banking facility which is currently £40 m;
- the need to simplify the Malaysian project financial model and ensure proper handover to a new owner following the retirement of the Senior Deputy Principal;
- the Management Accounts for the University's half-year to 31 January did not contain a balance sheet nor cash-flow and did not realistically reflect management's best estimate of the year end outlook;
- the work on capacity for investment has just started and needs to be significantly developed so as to allow proper assessment of the risks, covenant compliance and debt capacity of the University;
- the initial very high level work indicated the possibility of raising gearing in the medium term to the top decile of UK Universities. The Committee Chair was concerned about this, and stated the view that this emphasised the need to carry out an extremely rigorous assessment of the volume of projects which the University can undertake; and
- the need, in the opinion of Ernst & Young, to develop an integrated financial model for the University which reflects the 5 year plan in quarterly rests.

In addition, the Chair of the Committee advised in his briefing that he was hopeful, with bedding in of Oracle, a post-implementation review of the Oracle system underway and the new Director of Finance having been in place for six months, that the above issues could be addressed in short order. The Finance Committee had confirmed that, given the number of key matters to be addressed, outside help should be engaged if necessary to get the work done. The Chair of the Committee had concluded in his briefing with his view that the University was fortunate in having so many options to develop itself and simply needed the appropriate framework in place to consider these opportunities on both an individual and collective basis to ensure the financial stability and reputation of the University are not put at risk.

The Court discussed future arrangements for release of the unused portion of the University's contingency in response to a point raised by a member to the effect that the Finance Committee ought, in future, to consider a management recommendation in relation to release of contingency.

The Vice-Principal explained the normal arrangement, which involved setting aside contingency against certain eventualities. In the case of the current financial year contingency insured against shortfall against plan of tuition fee income and research contributions. The Vice-Principal, through continuous monitoring of financial performance, is able to determine the point at which a certain level of contingency budget need not be further held and may be released to fund projects in the remaining part of the financial year. In many cases the released funds would be directed to queued estates-related projects.

It was noted that the management decision to recommend release of contingency funds had been delayed in the current year due to continuing problems with the Oracle system. As a consequence the point at which release had been necessary had fallen outside of the Court timetable. The Court noted that arrangements should be reviewed for the next and subsequent years.

**34 ANNUAL REPORT FROM THE STUDENT UNION 2012/13 (Paper Ct5/13/22)**

The Court received and discussed an annual report for 2012/13 which was presented by the President of the Student Union on behalf of the Union. The report summarised work undertaken by the Union over the past year, highlighting challenges faced and yet to be faced over the future period. The President drew attention to a range of topics as reported.

The Court discussed work undertaken by the Student Union to research the implications of the University's growing internationalisation in terms of student representation and Student Union governance arrangements. The Union had proposed a model for this which was summarised in the report.

It was noted that the Union had reported it would need to invest in staff and officer resources to provide adequate support to the University's international campuses. A proposal had been developed, requiring an additional £63 k funding per annum with the aim of strengthening relationships across campuses and enhancing the student experience at the Dubai and Malaysia campuses.

Court members voiced their support for further discussion between University management and the Student Union in the context of the planning round, to the reported additional resource needs associated in particular with international governance and student representation across international campuses. It was suggested by one member that it would be helpful for the Court to consider the joint University/SU business case associated with investment to support this aim.

**35 COMMUNICATIONS FROM THE CHAIRMAN OF COURT**

The Chairman had no matters to raise other than those covered elsewhere in the agenda.

**36 COMMUNICATIONS FROM THE SENATE (Paper Ct5/13/23)**

The Court received a report from the Senate relating to the meeting of the Senate held on 27 March 2013 and the Senate Business Committee which reported on matters which had been dealt with by correspondence.

**36.1 Review of Ordinances and Regulations**

The Court approved the following recommendations for change to or further review of the following Ordinances and Regulations following a review by the Ordinances & Regulations Committee:

<b>ORDINANCE</b>	<b>RECOMMENDATION</b>
3: Student Union	For review to ensure that it regulates the provisions of the Student Union Constitution and sets out the procedures for approving the Constitution, and the remit and membership of the Student Union.
7: Graduates of Other Universities	Rescind with immediate effect.
9: Student Discipline	For further consideration in the context of wider review of student discipline procedures.
16: Appointment of Academic Staff, Professional Services Staff and of the Librarian	Further consideration of this Ordinance to be deferred until the proposed review of the Charter and Statutes has been undertaken.
17: Duties of Academic Staff	Further consideration of this Ordinance to be deferred until the proposed review of the Charter and Statutes has been undertaken.
23: Honorary Professor, Honorary Reader, Honorary Senior Lecturer, Honorary Lecturer and Honorary Research Professor	Provision for the title of Honorary Fellow to be transferred to this Ordinance.

29: Sports Union	For review to ensure that the Ordinance regulates the provisions of the Constitution and sets out the procedures for approving the Constitution, and the remit and membership of the Sports Union.
30: Appointment to the Court of Members of Staff of the University	To be considered further as part of the review of the governance. (The Committee noted that the Ordinance referred to members of 'staff of the University' and agreed that consideration should be given to whether or not 'staff of the University' should include staff of HWUM.)
Ordinance 32: Appointment of Vice-Principal Ordinance 45: Appointment of Vice-Principal (Dubai) Ordinance 56: Appointment of Vice-Principal (Malaysia)	These Ordinances to be merged.
Ordinance 38: Courses of Study	Ordinance to be transferred to a Regulation to reflect the Senate's responsibility for academic governance.
Ordinance 42: University and Court Business	Ordinance to be considered further as part of the review of the governance arrangements of the Court.
Ordinance 46: Members of the University	Ordinance to be considered further as part of the review of governance arrangements.
Ordinance 49: Honorary Degree Regulation 10: Honorary Degrees	Ordinance 49 and Regulation 10 remain unchanged.
50: Recommendations for Appointments to the Court	Ordinance to be considered further as part of the review of the governance arrangements of the Court.

<b>REGULATION</b>	<b>RECOMMENDATION</b>
11: Library	As with <i>Regulation 29: Use of Computing Facilities</i> , a Policy and Procedure should replace Regulation 11.
17: Standing Committees of the Senate	Regulation 17 to be further reviewed.
22: Inquorate Meetings	Arrangements for the Court should be considered as part of the review of the governance arrangements of the Court.  Arrangements for the removal of members should be considered as part of the review of governance.
33: Combined Studies	Review to be undertaken to determine whether this Regulation is required.
42: Formation of New Companies	The provisions contained in the Regulation to be transferred to Policy and Procedure.
44: Mixed-Mode Study - Modular First Degrees	For further consideration to determine whether a separate Regulation is required.
52: Restructuring of the Academic Year (Transitional Arrangements)	Regulation for further consideration once the review of the Ordinances and Regulations has been completed.

**36.2 Appointment of Head of School of Management and Languages**

In accordance with *Ordinance 26: Head of School*, the Court approved the recommendation of the Senate Business Committee for the appointment of Professor Robert MacIntosh as Head of the School of Management and Languages for a period of five years from 1 May 2013.

**36.3 Other items presented for information**

The Court noted other items presented in the report for information.

**37 ANY OTHER BUSINESS**

No additional business items were raised at the meeting.

**38 DATE OF NEXT MEETING**

The next meeting will be held on 24 June 2013.

## COURT

## Minutes

In the Chair:	Mr David Robinson	Date of Meeting: 24 June 2013
Present also:	Professor Nicholas Beadle Professor Steve Chapman Mr Allan Gray Professor Ken Gill Councillor Ricky Henderson Dr Stephen Houston Professor Julian Jones	Professor David Lane Ms Shonaig Macpherson Dr Judith McClure Professor Jim Ritchie Professor Ian Wall Professor Peter Woodward
Officer in attendance:	Ms Ann Marie Dalton Ms Sue Collier	Mr Andrew Menzies
Others in attendance:	Ms Brittany Brown Mr Malcolm Deans Professor David Hopkins Professor Phil John Professor Robert MacIntosh Mr Richard McGookin	Professor Alan Miller Ms Ruth Moir Ms Becky O'Hagan Professor Garry Pender Professor John Sawkins Professor Andy Walker Ms Lorna Kirkwood-Smith (minutes)

### 39 APOLOGIES

Apologies were received from: Lord Penrose, Professor Andrew Cairns, Dr Jock Clear, Mr Iain McLaren, Mr Strone Macpherson, Mr Andrew Milligan, Mr Steve Salvini, Mr Tony Strachan and Mr Keith Wallace.

### 40 ANNOUNCEMENTS

The Court noted that, for family reasons, Lord Penrose would stand back from his Chair of Court duties for the coming period and could not be present at the 24 June 2013 meeting. Mr David Robinson had agreed to act as Chair for the meeting in the absence of the Deputy Chair of Court.

The Court noted that this would be the last meeting of the Court attended by Professor Andy Walker, Senior Deputy Principal. He would retire from University in August 2013 and would take up the role of Secretary and Treasurer to the Carnegie Trust for the Universities of Scotland.

The Chair conveyed thanks and appreciation on behalf of the Court to Dr Judith McClure for her exceptional contribution to the work of the Court and to the University over the course of many years. Dr McClure was attending her last meeting of the Court, her term of membership being due to end on 31 July 2013.

### 41 WELCOME

The Chair welcomed the following:

- Ms Ruth Moir, Assistant Principal (International Development), who attended in relation to the Malaysia Campus discussions (items 46-48, below).
- Mr Andrew Menzies, Director of Finance, who will be invited to be in attendance at this and future meetings of the Court.
- Mr Malcolm Deans, Director of Campus Services, who presented item 49.
- Professor John Sawkins, Deputy Principal (Learning & Teaching) who presented items 53 and 54.

## **42 OBITUARY**

The Court noted with sadness news of the death, on 2 April 2013, of Mr Harvey Cooke, former Director of Personnel at Heriot-Watt University.

## **43 MINUTES OF THE PREVIOUS MEETING**

The Court approved the minutes of the meeting of the Court held on 11 March 2013, subject to a minor revision being made to minute 09 of the March meeting, to be agreed in consultation with the Chair of the Campus Committee.

The Court approved the minutes of the meeting of the Court held on 13 May 2013 and the notes of the 13 May 2013 Court Strategy Away Day.

## **44 MATTERS ARISING**

### **44.1 Chancellor**

In relation to item 3.1 of the March 2013 minutes, the Secretary of the University updated the Court on plans for an informal November 2013 meeting and dinner at which Court members would have the opportunity to meet with the new Chancellor.

### **44.2 Court committee member recruitment campaign 2013**

The Secretary of the University updated the Court on recent progress in relation to the current recruitment campaign to fill vacant positions in the co-opted lay membership of Court committees.

#### **Reserved section: Ref section 30, FOI(S)A.**

The Court noted that, at a meeting on 24 June, panel members had met to agree a short-list for discussions with candidates. Diary dates were in the process of being arranged for these discussions.

### **44.3 Scottish Code of Good Higher Education Governance**

The Secretary of the University confirmed that a submission had been made to the Scottish Code Steering Group in the last phase of consultation towards finalisation of the Scottish Code of Good Higher Education Governance. The University's submission accorded with the agreement of the Court at its meeting in May 2013 in relation to the omission from the draft Code of advice on the inclusion of student representation within the membership of HE governing bodies.

### **44.4 Chair of Court appointment**

The Secretary of the University updated the Court on recent progress and planned next steps in relation to the appointment of a new Chair of Court. The Secretary of the University advised that, following a formal tendering exercise, Perrett Laver had been appointed as the Recruitment consultant to assist the University to identify suitable candidates. The Court noted that work would be progressed further, working with Perrett Laver to prepare the required role description and further particulars. The Court also noted that the Secretary would update the Court on progress as the process advanced.

### **44.5 Court committee co-opted members**

The Court noted that the Governance and Nominations Committee would revisit a recent discussion, reported in the most recent report of the Committee, with a view to agreeing a recommendation on arrangements for sharing of Court information with co-opted lay members of committees and in general enhancing their knowledge of current and relevant topics of Court

business.

**44.6 March report of the Finance Committee**

In relation to item 10 of the March 2013 minutes of Court and the request for a financial dashboard, Mr Tony Strachan confirmed that he was currently waiting for proposals being developed by the Director of Finance.

**45 REPORT FROM STUDENT REPRESENTATIVES**

The Court received an oral update from the President of the Student Union on matters of current interest to the Student Union.

The President updated the Court on the Union's current financial situation, in particular steps to alleviate the Union's projected deficit position at the end of the current financial year. As reported in the Annual Report presented at the May meeting of Court, this was the result of several unbudgeted and unforeseen items of expenditure. Constraints were being placed on planned spend to mitigate impact on the budget, including reducing staff costs – along with associated support and advice services, and the Union was continuing to seek ways to increase income from its commercial activities.

It was noted that part of the over-spend related to increased pension strain and the University had agreed to assist by covering this cost. Part also related to the Union's decision not to await possible implementation of Oracle but to install and support its own software. The University's Block Grant would increase roughly at the level of inflation in the coming year. The Principal confirmed that the University will be working with the Student Union to agree a future formula driven Block Grant based on student numbers.

The Chair of the Audit Committee encouraged the Student Union and the University to continue to work together to re-establish a sustainable financial position for the Student Union. It was noted that the Union had the support of its own experienced finance professional.

**46 REPORT FROM THE MALAYSIA OVERSIGHT BOARD: MEETINGS HELD ON 8 MAY AND 13 AND 24 JUNE 2013 (Paper Ct6/13/26)**

The Court received and noted a report from the Malaysia Oversight Board, presented by the Chair of the Malaysia Oversight Board. The report related to the meeting of the Board held on 8 May 2013. It was noted that the Board met on 13 June 2013 specifically to consider the Dubai and Malaysia visit reports. The report of the Board on this meeting was therefore represented by the summary interim reports considered as item 48 below.

The Chair highlighted in particular developments relating to student accommodation; both temporary and medium term (delivery by early in 2016), which had been considered at the meeting held on 24 June 2013. The Chair highlighted the view that a five to seven year plan for student accommodation needs to be developed with various options open to the University set out for evaluation. It was noted that work would continue over summer 2013 with a view to finalising an agreement on temporary accommodation for 2014/15 and reviewing options towards a decision on accommodation in the medium term.

The Chair advised the Court that two options were being considered in more detail. These involved Putrajaya Holdings (PJH) as the developer of student accommodation. One option would include a rental guarantee from Heriot-Watt University, the other would involve a long term lease to the University. Both options could incur a level of annual cost to the University, however the level of this could vary widely depending on the University's chosen form of agreement. The Director of Campus Services had been asked to develop more detailed costings against the options. It was noted, as reported in the HWUM business plan, that the plan excluded any costs associated with student accommodation. The Senior Deputy Principal highlighted that ultimately it will be the

University's choice as to how much or how little cost it will see fit to incur in relation to student accommodation and he was comfortable that the plan as it stood was a good representation of the current known position.

The Chair also drew attention to the long length of time involved in gaining certain course approvals by the Malaysian authorities. In consequence, the period available to the University to market those courses had been reduced with a potential short-term issue therefore of missed targets on student recruitment.

**47 HERIOT-WATT UNIVERSITY MALAYSIA (HWUM): REVISED BUSINESS PLAN (Paper Ct6/13/26a)**

The Court received and approved a revised business plan relating to Heriot-Watt University Malaysia which was presented by the Chair of the Malaysia Oversight Board. The Court was asked to consider the revised plan (version 32d) in the context of the University's Five-Year Financial Plan which incorporated this final version. It was noted that the Plan included worst case figures, as recommended by Ernst & Young.

As reported with the Finance Committee report, the Chair of the Finance Committee highlighted some remaining doubts as to the achievability of the financial results in years four and five of the HWUM Plan until the University has a track record established for recruiting students onto its courses in Malaysia.

**48 REPORT FROM THE CHAIR OF THE OVERSIGHT BOARD: INITIAL FEEDBACK ON GOVERNORS' VISIT TO DUBAI AND MALAYSIA (Paper Ct6/13/26b)**

The Court received and noted summary interim reports, presented by the Chair of the Malaysia Oversight Board, on the recent visits by the Chair of Audit and Risk Committee, and the Chair of the Malaysia Oversight Board to the University's campuses in Dubai and Malaysia. The visits, which were guided by agreed terms of reference, were undertaken at the invitation of the Chairman of Court. It was noted that finalised fuller reports would be presented for management comment to the University Executive prior to being made available to the Court at its meeting on 30 September 2013.

The Chair highlighted the positive nature of both reports which covered broadly progress in the establishment and operation of HWU Malaysia and operations at the Dubai Campus. The visiting team had been very impressed overall with progress at both campuses. Most significantly this had helped to establish a new level of confidence in relation to the developing Malaysia Campus.

**49 NATIONAL PERFORMANCE CENTRE FOR SPORT (Paper Ct6/13/27)**

The Court received, discussed and approved a recommendation, presented by the Director of Campus Services, in relation to second round bidding to operate the planned Scottish National Performance Centre for Sport (NPCS).

The Court noted that the University, having succeeded in a first round bidding process, was one of three bidders shortlisted to prepare a second round bid for submission by the deadline date of 5 July 2013. The Court noted the current estimated cost of the project of £30 million of which £25 million would be funded by the Scottish Government. **Reserved section: Ref sections 30, 33, FOI(S)A).**

The Court noted a business plan summary in support of the University's case to progress with a second round bid by the deadline date of 5 July 2013. The Court was asked to note the comments of the Finance Committee on the NPCS and, contingent on these, approve the recommendation that the University should proceed to submit a second round bid to the Scottish Government.

The Court noted the report of the Finance Committee from its 17 June 2013 meeting confirming that the Committee was supportive of the venture but wished to consider a more detailed business plan in due course. The Committee reported in detail the comments raised at its meeting, highlighting aspects of the project which required more detailed consideration which the Court noted and endorsed. **Reserved section: ref section 30, 33, FOI(S)A.)**

In project planning terms, the Court noted that the NPCCS proposals were, of necessity, still work in progress. Current estimates of cost were based on a RIBA stage C level design. Were the University to be successful in being selected as the preferred site, progress would then be made to Stage D+ with design and costs set out with a higher degree of accuracy. No contractual commitment to deliver the project would be entered into before then, or without the approval of the Court.

The Chair of the Audit and Risk Committee recommended, as a general point of principle, that appropriate Risk Registers should be developed as an integral part of project business cases.

## 50 **FIVE-YEAR FINANCIAL PLAN: 2013 – 2018 (Paper Ct6/13/25)**

The Court received and discussed a final iteration of the University Five-Year Financial Plan 2013-2018, which was presented by the Vice-Principal for approval.

The Vice-Principal explained the processes through which the Plan had been developed since the first planning round meetings held in autumn 2012 and the changing external and internal factors which had influenced the final shape of the proposed Plan. The Financial Plan was believed to align with the University's Strategic Plan providing consistency with the relevant Strategic Plan Key Performance Indicators including, inter alia, the University's financial sustainability target of 7% surplus by the end of the Plan period. The Court was asked to consider the overall Plan in terms of its suitability to support the University to deliver against its key Strategic Plan objectives.

The Vice-Principal drew attention to the Infrastructure development element of the Financial Plan in which the major projects envisaged by the University over the period of the Plan were enumerated. The attention of the Court was also drawn to supplementary information provided by the Vice-Principal specifically by way of response to points raised by the Finance Committee. This highlighted that with £30 million upper limit for second phase student residences the University's borrowing would peak at £87.5 million in 2015 – some £27.5 million above current facilities. This level of borrowing would place the University approximately at the boundary between top and second quartile UK university borrowing ratio. Borrowing levels - excluding the residences project from the Plan - would position the University at approximately the boundary between second and third quartile borrowing levels, with all other infrastructure investments enumerated in the Plan achievable within the University's existing borrowing facility.

The Court noted supplementary papers tabled by the Director of Finance which set out: the Heriot-Watt Group Consolidated Balance Sheet – Forecast and Budget 2012/13-2017/18; and Professional Services expenditure by Directorate through all years of the Plan.

The Court noted research income projections in the Plan and noted the University's relatively strong income position in 2012/13 with a high current level of proposals providing a positive signal in relation to income generation over the short term. It was noted that the impact on projected research income from a post-referendum independent Scotland could not be estimated and an unknown level of potential risk was therefore associated with this income stream.

The Court approved the Five-Year Financial Plan 2013-2018 on the following basis:

- the Court was content to approve the proposed budget for 2013/14. The Court recognised that the financial planning for subsequent years up to 2017/18 will be subject to further iterations (including in the short term in response to the points raised by the Finance Committee) and as provisional - pending future planning rounds - will continue to be developed on a rolling basis;
- the Court endorsed the request of the Finance Committee for further work to be undertaken in

particular in the areas of cash-flow and investment capacity. In this regard the Chair of the Finance Committee had highlighted a potential increase in the University's commitment to the NPCPS project of £5 million and emphasised also that no provision had been made for the final settlement with the contractors on the Phase 1 Residences Project. The Chairman also drew attention to the cash-flow assumption on use of Edinburgh Business School investments and deposits on a medium term basis to offset the University's borrowings;

- no implicit approval should be assumed at the June 13 meeting of the Court for capital investment projects for which supporting business cases have yet to be developed and presented to the Court for individual approval. It was noted that such cases would be developed and presented for approval through all the relevant channels. The Chair of the Campus Committee advised that provision of full income data associated with the envisaged key capital projects would assist decision-making;
- a key decision remained to be taken in relation to funding of the Edinburgh Phase 2 residences. This, together with agreement with Barclays Bank on a repayment schedule for their existing loan in 2014 and assumptions associated with major capital investment projects and the Malaysia Campus, suggested that more detailed work will be required; and
- a sensitivity analysis should be carried out to test financial resilience in the event that interest rates start to rise in the medium term. In a written submission, a member of the Court requested that the further work should involve scenario analysis to test resilience of the Plan against a range of negative impacts.

In an initial response to the points raised by the Finance Committee, the Vice-Principal advised:

- in relation to second phase residences costs, the £30 million in the Plan was an upper limit figure with costs potentially being less, depending on delivery mode. Contingency might therefore become available to cover additional costs associated with settlement of the phase 1 Residences Project;
- an alternative balance sheet (tabled paper referred to above) highlighted a scenario for cash repayment against loans;
- in addition to very conservative assumptions having been included in the Plan, a substantial level of contingency was associated with the Malaysia Campus project. In addition, income accruing from the CEMT had not been factored into the Plan;
- pessimistic assumptions about interest rates had been included in the Plan and the Clydesdale loan was hedged. Both interest rate assumptions and hedging would be kept under constant review by the Finance Committee.

The Court agreed to authorise the Finance Committee to work with the Vice-Principal and the Director of Finance with the recommendation that the required work is concluded, approved by the University Executive and the Finance Committee preferably ahead of the first scheduled meeting of the Finance Committee in October 2013. This timetable would enable the Court to be advised of any likely changes to the Five-Year Financial Plan in the short term at its meeting on 30 September 2013.

## **51 REPORT FROM THE FINANCE COMMITTEE (Paper Ct6/13/33)**

The Court received and noted a report from the Finance Committee which related to the meeting of the Committee held on 17 June 2013. In the absence of the Chair of the Committee Professor Ian Wall presented the report. A briefing had been provided by the Committee Chair which was provided alongside the report.

The following items were presented for approval:

- National Performance Centre for Sport – submission to the Scottish Government of a second stage proposal (This item was dealt with under item 49 above, the report the Finance Committee and comments from the Chair of the Committee presented with the report being taken into consideration);
- Five-Year Financial Plan 2013-18. This item was dealt with under item 50 above, the report

the Finance Committee and comments from the Chair of the Committee presented with the report being taken into consideration);

It was noted that the Malaysia Business Plan should be considered in the context of the University Five-Year Financial Plan which incorporated the revised Business Plan and which was presented for approval.

It was noted that the recommendations of the Committee carried caveats, with the expectation that further work will be carried out over the period ahead.

The Court noted other items in the report which were presented for information.

## **52 REPORT FROM THE GOVERNANCE AND NOMINATIONS COMMITTEE (Paper Ct6/13/28)**

The Court received a report from the Governance and Nominations Committee which related to the meeting of the Committee held on 6 June 2013.

### **52.1 Chairing of Court meeting on 24 June 2013**

The Court accepted the recommendation of the GNC that, in the absence of the Chairman of Court and the Deputy Chair, Mr David Robinson would act as Chair for the meeting on 24 June 2013.

### **52.2 Deputisation for the Chairman of Court**

The Committee noted that, for family reasons, Lord Penrose would be unable to meet his Chair of Court commitments for the coming period.

In relation to the wider range of commitments of the Chair of Court, the Court approved the recommendation of the GNC that the invitation to cover these in the Chair's absence should extend beyond the Deputy Chair, as and when this might be necessary. Other lay members of the Court might therefore also be approached to provide support.

### **52.3 Chair of Court appointment**

The Court noted an update provided by the GNC on recent progress and next steps in relation to the recruitment of a new Chair of Court from 1 August 2014 in succession to Lord Penrose.

The Court noted and approved the following recommendations of the GNC:

- flexibility in the previously proposed timescale for the new appointment with an appointment on to the membership of the Court potentially by December 2013;
- acceptance by the Court that a further recommendation will be forthcoming on the Court selection panel and arrangements for supporting discussions with the candidate(s);
- preferably arrangements should be made for the appointed individual to visit Malaysia and Dubai campuses following their appointment to the membership of the Court and prior to them taking up the position of Chair in 2014.

It was noted that the first two of these three recommendations had emerged following early advice from the recently appointed recruitment consultant.

In response to a point raised in discussion relating to visits by the new Chair to Dubai and Malaysia Campuses, the Secretary of the University agreed that further consideration would be given in the Chair of Court role description to a more explicit reference to periodic visits to the University's overseas campuses.

### **52.4 Report from the Constitutional Review Group: May 2013**

The Court noted and approved the recommendation of the GNC that the report and the

recommendations of the Constitutional Review Group, established by the Court to undertake an initial review of the University's Charter and Statutes, should be accepted by the Court.

The Court noted the Review Group report and supplementary papers which were presented by the Chair of the Constitutional Review Group. The Chair of the Group drew attention to the background to the review and the supporting rationale for the recommendations of the Group. The Court agreed:

- that a detailed review of the University's Charter and Statutes should be undertaken between July and December 2013 - in accordance with the next steps and timeline, as set out in sections 4.1 and 4.2 of the Review Group report;
- the membership and terms of reference of the Review Group to undertake the detailed review and the guiding principles and aims associated with the review - as set out in section 3 of the Review Group report; and
- recommendations in relation to the Ordinances & Regulations Committee - as set out in section 3.3 of the Review Group report.

In response to a question raised by another Court member, the Chair of the Review Group confirmed that the scope of the proposed detailed review would not extend beyond the University's Charter and Statutes, e.g. the Group would not review separate constitutional arrangements relating to any subsidiary or other branch of the University. While the Charter and Statutes should be construed to be universal in their application across the University, it was nevertheless possible that the Review Group might arrive at particular recommendations aimed to ensure that the Charter and Statutes appropriately cover other constitutional provisions.

## **52.5 Court Committee succession planning**

### **52.5.1 Audit and Risk Committee**

The Court approved the recommendation that Mr Will Dick, co-opted lay member, be appointed to the Audit and Risk Committee for a further period of two years until 31 July 2015.

### **52.5.2 Campus Committee**

The Court approved the recommendation that the University's Site Conservation Committee (SCC) should be represented on the Campus Services Management Board and the Chair of the SCC should therefore be removed from the agreed composition of the Campus Committee. It was noted that this position on the Committee had fallen vacant.

### **52.5.3 Finance Committee**

The Court approved the recommendation for removal of the stipulation that one of the Court members within the composition of the Finance Committee should be the Chair of the Staff Committee ex officio. It was noted that this change would lessen the heavy burden, potentially falling on the future role of the Chair of the Staff Committee which already includes membership of several committees in an ex officio capacity.

### **52.5.4 Governance and Nominations Committee**

The Court approved the recommendation that the membership of the Governance and Nominations Committee be augmented by the following, subject to their availability to take on the commitment:

- Professor Nicholas Beadle;
- Professor David Lane (It was noted that Professor Lane had already confirmed his willingness to accept such an invitation); and
- Ms Brittany Brown, President of the Student Union 2013/14 (It was noted that the President had already confirmed her willingness to accept such an invitation).

The Court noted that augmentation of this Committee by staff and student members accorded with

guidance included in the draft Scottish Code of Good HE Governance.

#### 52.5.5 Remuneration Committee

The Court agreed in principle with the proposal of the GNC that, as a matter of good governance, in future the Chair of the Court should be included in the membership of the Remuneration Committee, but ought not to be the nominated Chair of the Committee.

The Court approved in principle the proposal of the GNC to seek augmentation of the Remuneration Committee with a co-opted independent lay member, subject to a suitable individual being identified through the current recruitment campaign and, in due course, a recommendation on membership being made.

#### 52.5.6 Staff Committee

The Court approved the recommendation that, following the departure from the Court of Dr Judith McClure, Ms Shonaig Macpherson, be appointed as Chair of the Committee, her Chairship and membership to run concurrently with her membership on the Court. It was noted that Shonaig Macpherson had intimated that she would accept such an invitation.

#### 52.5.7 Ordinances and Regulations Committee (joint committee of the Court and the Senate)

The Court approved the following recommendations:

- Professor Peter Woodward's current membership of the Committee should transfer from being a Senate appointed member to being a Court appointed member; and
- Mr Bob Kay be invited to join the membership of the committee as a Court appointed member.

It was noted that there remained a further vacancy in the Court appointed category of membership.

#### 52.5.8 Residences Oversight Board

The Court approved the recommendation that the existing Residences Oversight Board should continue to oversee the construction of the Phase 2 of new student residences build, subject to approval of this project.

#### 52.5.9 Membership of committees by the Chair of Court

The Court noted that the stipulation of inclusion of the Chair of the Court in the membership of the Campus, Finance, Staff and Ordinances and Regulations Committees would be reviewed in the context of the proposed detailed review of the Charter and Statutes.

### 52.6 **Audit and Risk Committee quoracy arrangements**

The Court approved the recommendation of the GNC that Court's recent dispensation on quoracy relating to the Audit and Risk Committee be extended through session 2013/14. Dispensation had been given in March 2013 to extend to two further meetings of the Audit and Risk Committee. Two further meeting of the Committee had since taken place without, it was noted, the need to invoke the interim arrangement.

It was noted that Court committee quoracy would be considered further in the context of the planned review of the Charter and Statutes.

### 52.7 **Court and Court Committee dates 2013/14 and 2014/15**

The Court noted and approved proposed Court and Court Committee meeting dates for 2013/14 and 2014/15, noting that minor changes to the proposed schedules would be necessary depending on the availability of committee Chairs. In addition, the Chair of the Campus Committee highlighted the prospect of the addition of a few further meetings of the Campus Committee in the annual

schedules, therefore the meeting dates were not yet considered final.

It was noted that the expected duration of Court meetings should be assumed to be at least three hours.

## **52.8 Oversight Boards**

The Court noted and discussed a point raised by the GNC for Court consideration and guidance in relation to the establishment of oversight boards as a mechanism for providing governance oversight. The GNC sought clarity on the criteria/threshold that should be applied to determine whether a formal structure for governance oversight via a board established by the Court is required in relation to a project. The Committee had not formed its own view, for example, on whether a project of the financial scale of the Centre for Earth & Marine Technology, warranted an oversight board in addition to the formal project management framework proposed for the project.

The Court acknowledged that it was not necessarily helpful to seek to establish threshold criteria for such a decision. An important check would be to ensure that individual projects have project management frameworks and controls in place which are appropriate to the particular project. The Court formed general agreement that larger scale University projects should be considered by the Court on a case-by-case basis to determine the necessity for overarching governance by an oversight board.

## **52.9 Other items presented for information**

The Court noted also update reports presented by the GNC on the Court Committee recruitment campaign and the draft Scottish Code of Good Higher Education Governance.

## **53 LEARNING AND TEACHING STRATEGY (Paper Ct6/13/29)**

The Court received and noted a draft Learning and Teaching Strategy (2013-2018) document which was presented by the Deputy Principal (Learning & Teaching). It was noted that, following a long process of consultation and engagement across the University community, the final version of the Strategy would be presented for University Executive approval at its meeting in July 2013. The Learning & Teaching Board would then be responsible for leading development of the underpinning operational plans.

The Court discussed linkage of the Strategy to Research intensification aims and associated matters of parity of esteem between teaching and research and the linkage to create research-informed teaching. It was clarified that the University's expectation was that high quality researchers would also deliver high quality teaching, both roles being undertaken by individual staff members and afforded equal value. It was noted that research informed teaching aims extended to all parts of the University including the Dubai Campus where there would be shared responsibility between Scottish and Dubai Campuses for developing the culture of research informed education.

In the 'External Environment' section, the Deputy Principal agreed to the suggestion that it would be useful to include overseas accrediting authorities, including explicit reference to those in Dubai and Malaysia.

The Deputy Principal (Learning & Teaching) agreed that the Court would be provided with an annual report on progress against the Strategy.

## **54 ANNUAL REPORT TO THE SCOTTISH FUNDING COUNCIL ON INSTITUTION-LED QUALITY REVIEW 2012/13 (Paper Ct6/13/30)**

The Court received and endorsed a draft Annual Report to the Scottish Funding Council (SFC) on Institutional-Led Quality Review 2012/13 which was presented by the Deputy Principal (Learning & Teaching). It was noted that the deadline date for submission to the SFC is 30 September and the

University was waiting for confirmation from the SFC as to whether the report can be submitted on 1 October following final sign-off of the report by the Court at its meeting on 30 September 2013. In the meantime, the draft report would be considered by the Quality Standards Committee and the University Executive.

In response to a point raised about section 2.5 of the report, the Deputy Principal agreed that this section could be developed further to emphasise positive recent and future changes associated with review format and processes.

The Deputy Principal requested that any further comments from members of the Court on the draft report be relayed to him as quickly as possible.

In the course of discussion and in response to a question raised, it was noted that the University had been developing a new policy and procedures for handling student (and general) complaints. This was in response to a legal requirement to have a policy in place by 30 August 2013 which closely reflects the model provided by the Scottish Public Services Ombudsman (SPSO), and takes account of the recently updated UK-wide QAA Code of Practice on Appeals and Complaints.

The Court noted that the new process for handling complaints would see a reduction from four stages in the University's current complaints process to two, following which complainants must be advised of their entitlement to refer their complaint for review by the SPSO if they remain dissatisfied. It was noted that the second and final investigation stage under the new regulations will involve review by senior management (in the case of academic related complaints, the Senior Dean). Therefore the new arrangements will not involve recourse (as currently) to the University's governing body as a last internal mechanism prior to any unresolved matter being referred by a complainant to the SPSO.

## **55 REPORT FROM THE EMERGENCY COMMITTEE OF THE COURT (Paper Ct6/13/31)**

The Court received and noted a report from the Emergency Committee of the Court confirming that the Committee had exercised the powers of the Court to approve the recommendation that the University may proceed towards acceptance of Building A from Aptuit. This decision, which followed discussion at the May 2013 meeting of the Court, was granted on the basis that, following the May meeting, the relevant approvals had previously been given by the University Executive, the Campus Committee and the Finance Committee.

A member of the Court requested update information in relation to the reference in the May Court minutes to relevant legal advice being sought by the University in relation to contractual matters and associated liabilities relating to the hand-over of the property. The Secretary of the University agreed to update the Court on this matter. (*Addendum: on 27 June 2013 Court members were advised that the University's solicitors had and continued to advise the University with regard to the proposed partial surrender of the APTUIT lease relating to the land and buildings associated with Building A. As at 27 June, the University had an in principle agreement with Aptuit, with a few areas of detail yet to be agreed with regard to the separation works which Aptuit will be responsible for. The solicitors were progressing the formal documenting of the lease variation.*)

## **56 REPORT FROM THE AUDIT AND RISK COMMITTEE: MEETINGS HELD ON 8 MAY AND 6 JUNE 2013 (Paper Ct6/13/34)**

The Court received and noted a report from the Audit and Risk Committee relating to the meetings of the Committee held on 8 May and 6 June 2013. At the request of the Chair of the Committee the report was presented by Professor Ken Gill who highlighted particular themes running through the Committee's recent business, as set out in the report: general approaches to risk management / risk governance; governance of projects; increasing risks associated with volume of large projects; and Dubai Campus contract with Eikon.

In response to a question raised by a member of Court, the Secretary confirmed that discussions

with Eikon were continuing.

**57 REPORT FROM THE STAFF COMMITTEE: MEETING HELD ON 15 MAY 2013 (Paper Ct6/13/340)**

The Court received and noted a report from the Staff Committee relating to the meeting of the Committee held on 15 May 2013.

The Chair of the Committee drew attention in particular to review by the Committee of international staff issues. These had been considered in the context of an annual report from Human Resource Development. The Chair highlighted information which was provided for the information of the Court which provided an overview of human resource matters, past and future, relating not only to Malaysia and Dubai Campuses but also human resource implications in other locations in which the University had operational links. The report also included update information on a review to be concluded in July 2013 on international remuneration / international reward strategy. The Chair of the Committee commended the work being undertaken by HRD, and highlighted the significant opportunities indicated by the report.

**58 REPORT OF THE MEETING OF THE SENATE HELD ON 22 MAY 2013 (Paper Ct6/13/35)**

The Court received and noted a report from the Senate which related to the meeting of the Senate held on 22 May 2013.

All items in the report were presented for information.

In relation to item 34.1 of the report on academic titles, and in response to a question raised by a Court member, it was agreed that a check would be undertaken to clarify whether the proposed rules for the introduction of the titles of Assistant and Associate Professor will apply equally to the University's overseas campuses.

**59 REPORT OF THE SENATE BUSINESS COMMITTEE (Paper Ct6/13/35a)**

The Court received and approved a recommendation, presented by the Senate Business Committee, for the following appointment in terms of *Ordinance 26: Head of School*:

- Mrs Fiona Waldron to be appointed as Head of the School of Textiles & Design from 1 July 2013.

**60 COMMUNICATIONS FROM THE CHAIR**

The Chair had no matters to raise other than those covered elsewhere in the agenda.

**61 COMMUNICATIONS FROM THE PRINCIPAL / UE (Paper Ct6/13/36)**

The Court received and discussed a report from the Principal and The University Executive on a range of news topics of current interest and involvement of the University.

The Principal highlighted items as reported and conveyed thanks to those members of the Court who had attended the recent highly successful Chancellor installation and graduation ceremony events.

In relation to a question about Athena SWAN status and the opportunity to move from bronze to silver status, the Principal confirmed that such aims are progressed at the level of academic

department, not at institutional level. Across the UK as a whole, far fewer academic departments had achieved silver status than bronze with only two or three having achieved gold status. It was noted that the planned new post-holder with responsibility for leading Athena SWAN developments within the University would work with individual Schools to develop future Athena SWAN prospects.

**62 ANY OTHER BUSINESS**

No further matters of business were raised for discussion at the meeting.

**63 DATE OF NEXT MEETING**

It was noted that the next meeting of the Court will take place on Monday 30 September 2013.