

- In the Chair: Mr Bruce Pritchard, Chair of Court
- Present: Dr Richard Armour, Lay Member
 Professor Scott Arthur, Dean
 Professor Lynne Baillie, Trade Union Member
(until 12.00pm)
 Professor Mark Biggs, Vice-Principal and
 Provost
 Professor Marc Desmulliez, Staff Member *(until*
11.45am)
 Mr Graeme Dickson, Lay Member
 Dr Fadi Ghaith, Senate Member
 Mr Steve Heathcote, Lay Member
 Mr Brian Henderson, Alumni Member
 Mr Gary Kildare, Lay Member *(until 12.00pm)*
 Ms Molly Knight, Student Union Vice-President
 (Education)
 Dr Bill MacPherson, Senate Member *(until 10.45am)*
 Ms Morag McNeill, Deputy Chair of Court
 Mr Cameron Millar, Lay Member *(until 10.30am)*
 Mr Jürgen Munz, Trade Union Member
 Ms Marta Phillips, Lay Member
 Mr Alan Robertson, Lay Member
 Mr Mike Tumilty, Lay Member
 Mr Graham Watson, Lay Member
 Professor Richard Williams, Principal and Vice-
 Chancellor
 Ms Dorothy Wright, Lay Member
- Mr Sanjit Krishnakumar, Student Union
 President
- In attendance: Ms Ruth Moir, University Secretary
 Professor Mushtak Al-Atabi, Vice-Principal and Provost (Malaysia)
 Professor Malcolm Chrisp, Deputy Principal (Education and Student Life)
 Mr Richard Claughton, Global Director of HR
 Ms Sue Collier, Global Director of Governance and Legal Services (GALS)
 Ms Lucy Everest, Global Chief Operating Officer (GCOO)
 Mr Andrew Jefferson, Global Chief Financial Officer (GCFO)
 Professor Heather McGregor, Vice-Principal and Provost (Dubai)
 Professor Steve McLaughlin, Deputy Principal (Research and Impact) *(until 10.20am)*
 Ms Lisa Herlihy, Clerk to the Court
- Invited: Professor Julian Jones, Senior Deputy Principal (for item M22/87)
 Ms Ruth O'Hanlon, Campaign Fundraising Manager (for item M22/89)
- Apologies: Mr Paul Lewis, Lay Member
 Professor Mercedes Maroto-Valer, Deputy Principal (Global Sustainability)
 Dr Gill Murray, Deputy Principal (Enterprise and Business)
 Mr Chris Pirie, Staff Member
 Ms Sue Clark, Chair Transition (EBS Advisory Board)

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M22/82 WELCOME, APOLOGIES AND DECLARATIONS OF INTEREST

The Chair welcomed all present to the meeting, making particular mention of Professor Heather McGregor, Vice-Principal and Provost (Dubai), who was attending her first meeting of Court since taking up the role.

The apologies for absence were noted and no Declarations of Interest were reported. The Chair noted that membership matters would be considered under item M22/93 *Report from the Governance and Nominations Committee* and that the relevant members would exit whilst their memberships were considered.

M22/83 MINUTES OF THE MEETING HELD ON 29 SEPTEMBER 2022

The Court received and approved the minutes of the meeting of 29 September 2022.

M22/84 COURT ACTIONS LOG AND MATTERS ARISING

The Court received and noted the Court Actions Log. The Chair reported that a short formal business meeting would be held on 7 December 2022, prior to the Court Strategy Day, to deal with a small number of items that required consideration before the end of 2022.

Study World Court Case

The Court noted that, as previously advised, the Dubai courts had made a final judgement against Study World and had upheld the University's counterclaim in the sum of approximately £9m plus interest. All routes of appeal by Study World had been exhausted. Mediation had been unable to resolve the dispute and was formally terminated in February 2022. The University's Legal Oversight Group had met on 3 November 2022 to provide a steer on future actions after reviewing the current position. **XXX Reserved Section – Ref. FOI(S)A, s.33**

A member of the Court noted that Study World's website continued to use the logo of the Department of International Trade and queried whether the Department should be informed of the court case. The University Secretary agreed to take advice from CMS on this point.

M22/85 REMARKS FROM THE CHAIR OF COURT (VERBAL UPDATE)

The Chair noted that he was his sixth week in the role and that the induction process was ongoing. The Chair offered thanks to all members of the Court and the executive team for their welcome and assistance with his induction. The Court noted that the Chair would be travelling to Dubai in late November 2022 to attend the Graduation ceremonies and meet colleagues at the Dubai Campus.

M22/86 REPORT FROM THE STUDENT UNION (Ct8/22/49)

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

The SU President reported that the SU continued to prioritise assisting students through the semester, noting that the return of students to campuses created a very vibrant student life but there were also considerable challenges. In particular, the cost-of-living crisis was having a significant impact and work was being done to remove barriers for students.

The Court noted that 'Find Your Feet' accommodation was being provided, ensuring that emergency accommodation was available to those students who had yet to find any, particularly those arriving late and international students. Additional steps were also being considered for the winter period when more support was likely to be required.

The SU President reported that the Student Partnership Agreement (SPA) between the global Student Associations and the University had recently been approved by the Senate. The SPA set goals in relation to the themes of academic, community, wellbeing and sport, to ensure a better experience for students.

In relation to wellbeing, a solution to the backlog of misconduct and appeals cases had been identified but there remained considerable stress for students who were awaiting decisions, particularly those whose visas were affected. The SU was keen that the process should be streamlined as far as possible and that communication with students identified the timeline for receiving a decision to help manage their anxiety. The SU would continue to work with the University on this issue, as well as the anxiety that some students were experiencing around upcoming in-person exams, which were occurring for the first time since the start of the pandemic.

The SU President also reported that:

- the SU had partnered with the University to run events for Sustainability Week, and there had been excellent engagement from societies to help educate students;
- the SU were providing a community larder that students could access when needed and this was seeing high usage. The SU had received a £500 grant from Sainsburys to help support the larder and were considering future plans to run the larder sustainably; and
- a substantial January intake was expected, and the SU would be working with the University to support these students from the start of the semester. The SU President confirmed that a range of activities would be run during Refreshers Week to welcome these students to the University and induction sessions would also take place.

The Court queried what support was available at the Dubai and Malaysia campuses for students affected by the cost-of-living crisis. The SU President clarified that there were hardship schemes at these campuses which provided assistance to students and that the resource provided on the University website had been compiled with the assistance of colleagues in Dubai and Malaysia. The Presidents of the Student Associations were working together to develop support. The Vice-Principal (Malaysia) confirmed that the Student President in Malaysia was working closely with the executive team on relevant issues, though the price increases in Malaysia had been more modest and students were generally in a better position.

The Court discussed the impact of late arrival on students, noting that some students had arrived in Week 8 this year and there had been an impact on their studies. The SU President identified that the key issues reported by these students were a lack of access to recorded lectures and the proximity of exams. The SU and the University were considering how this matter could be addressed in future. The Deputy Principal (Education and Student Life) clarified that there had been unusual circumstances this year which had meant that some students arrived after the normal Week 3 cut-off point. In particular, some international students had had difficulty obtaining visas from their home countries. All students had received access to online materials before their arrival and the University would be working to avoid such late arrivals in future years, balancing the tension between ensuring a good student experience and securing the University's income.

The GCOO reported that the Student Experience Group met on a fortnightly basis to consider non-academic matters and had introduced a number of initiatives that were now being used to support students, including provision of two free meals each week.

M22/87 REPORT FROM THE FINANCE COMMITTEE (Ct8/22/50)

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

The Chair of the Finance Committee reported that the Finance team continued to work to resolve the issues with the ERP system and to monitor the University's finances in the absence of management accounts. The ERP Oversight Group (ERPOG) would be meeting on 16 November 2022 to consider all related issues, including a detailed communications plan. **XXX Reserved Section – Ref. FOI(S)A, s.33**

Finance Assurance Report

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

The Finance Committee had considered the impact of turnover and recruitment difficulties in the Finance Team and the related stress and pressure on staff, and had noted that the GCFO was working hard to manage these impacts. The Finance structure was fit-for-purpose but recruitment and retention remained a challenge. The Court discussed the reasons for recent turnover and noted that personal circumstances played a key role, though these were often exacerbated by the current issues with ERP and workload.

The Court considered issues related to RGF, noting that a new Head of RGF was currently being appointed. Meetings would shortly be held with Principal Investigators to provide updates on progress and address questions and concerns. It was noted that many of the current issues were due to poor interface between the ERP system and other systems used within the University. Future communication would work to provide a rounded view, explaining both the benefits of ERP and the larger issues affecting the implementation, as well as the work being done to resolve legacy systems. The GCFO reported that it was crucial to identify benefits in order to build engagement and that the Senate had recently received an update on the current situation.

Global College

The Court noted that the Global College business case had been deferred from the Finance Committee meeting in November 2022 so that further work could be completed on key commercial issues. The University was working with the preferred partner to ensure that the contract provided an appropriate level of control over the partnership. The Finance Committee remained fully supportive of the rationale for developing the Global College but wished to consider the final contracts and business plan once available to ensure concerns about the implementation had been addressed. These would then be presented to the Court for approval. The Court noted that the Finance Committee had provided very valuable challenge to the executive around the business plan and contract negotiations, with particular thanks offered to the Deputy Chair of Court and the Chair of the Finance Committee for their insights. The Global College rationale also had the continued support of Court members.

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

The Court noted that the updated paper to the Finance Committee would include a summary narrative which showed the trajectory of the work undertaken since November 2021, as well as relevant advice received from CMS and tax consultants.

The Court agreed that a separate update on student accommodation at the Edinburgh Campus, which was wider than the work on the Global College, would be reported to the Court at the Strategy Day in December 2022.

Terms of Reference

The Court approved the revised Finance Committee Terms of Reference, noting that the remit of the Committee had been extended to include Environmental, Social and Governance (ESG) reporting. The Court agreed that the Governance team would consider whether aspects of ESG reporting should also be included in other Court Committee Terms of Reference.

Update on Global Research Institutes (GRIs)

The Court noted the update on the GRIs, including the ongoing work to ensure consistency of reporting to the Finance Committee in future. The Court noted an action from the Finance Committee meeting, which had agreed that targets within the GRI business plans would be included in the future Annual Reports and used as benchmarks. This would be progressed by the Deputy Principal (Research and Impact).

M22/88 BORDERS CAMPUS (Ct8/22/51)

The Court received and considered an update report regarding the Borders Campus, presented by the Vice-Principal and the Senior Deputy Principal.

XXX Reserved Section – Ref. FOI(S)A, s.33**M22/89 UPDATE FROM THE PRINCIPAL AND VICE-CHANCELLOR (Paper: Ct8/22/53)**

The Court received and discussed the Update from the Principal and Vice-Chancellor, presented by the Principal.

The Principal reported that the usual update to the Court had been augmented by a foreword which focused in on the University Strategy, current priorities and the outcomes of the Executive Away Days in August 2022.

The key outcomes of the Executive Away Days had been:

- confirmation that Strategy 2025 remained fit-for-purpose, with a clear focus on achieving the Strategic Performance Indicators (SPIs) and underpinning enablers;
- agreement that the upcoming fundraising campaign would focus on supporting agreed plans;
- agreement that capital planning needed to be better aligned to the Strategy; and
- agreement that Strategy 2025 would formally end in July 2026, the end of the 2025-26 financial and academic year.

The Court noted that the University's growth plans extended beyond the end of July 2026 and the University would use these to inform development of the next strategy.

The Principal provided a further overview of outcomes from the Executive Away Days, based around the themes of purpose and people; research and impact; global sustainability; the physical and digital estate; and financing the University's future. The Court noted that, in order to progress these areas and mitigate the range of uncertainty currently affecting both staff and students, the Executive had decided to focus on the framework of 'Stabilise and Support, Transform, and Grow' in 2022-23. This would simplify the message for the University community.

Stabilise and Support

Within this section of the framework, the University would ensure that underlying systems and processes were working effectively in order to enhance efficiency and staff satisfaction. In addition, work would continue to regain the excellence of the student experience at all campuses and to ensure that the correct resource was in place for both business as usual and income development initiatives.

Transform

The key elements of the Transform section of the framework were the Global College, which would drive improved student numbers and income; clear global sustainability plans, which were an area of interest for both students and staff; and the global Service Effectiveness Programme, which would ensure effective support across the University.

Grow

The Court noted that the University would work to grow the positive flexible education agenda, including raising awareness of Impact Statements and the Go Global programme. Portfolio development for the Heriot-Watt Online project would also continue, as would development of the existing four GRIs.

To support all of this work, the University had evolved the Vacancy Management Group into a Resource Management Group, which would allow an agile response to in-year resource requirements, within the context of the annual planning process (AP2.0). The Group had recently, for example, provided additional resource to recruit 20 new academic staff in areas that required additional support for academic delivery.

The Court noted the Strategy 2025 milestones, as reported in the paper, and that regular updates would continue to be provided. The Court agreed that it would receive a final report on the 2021-22 milestones to assess the final position reached, and that this backward look would be provided annually. The Principal reported that the majority of strategic priorities for 2022-23 were currently ongoing.

The Court discussed the digital resources that were required to underpin Strategy 2025 and the digital strategy that was under development. The Court agreed that the digital strategy would, at a future meeting, be reported to the Court for information.

The Court considered the strategic focus on communication and the decision to undertake more town hall sessions to improve communication with staff. The Court queried whether the University had a sense that staff found town halls effective and valuable, and the Principal clarified that it had been some time since town halls were held due to the pandemic. The aim was to allow dialogue about staff concerns at a local level and the success of the town hall approach would be assessed once feedback had been received.

The Court discussed the Service Effectiveness Programme and how it linked to workforce planning. The GCOO confirmed that the key workstreams of the Programme were agreeing service priorities, considering processes and a single way of working, and developing a working model between the Schools and Professional Services based on the results of benchmarking. This work had strong links to both workforce planning and AP2.0.

The Court observed that considerable work had been done around strategic risk in recent years and that it had previously been agreed that proposals would be framed against these risks. The Principal confirmed that this framework would be applied to future proposals.

The Court queried the rationale behind choosing 2030 as the target date for achieving Net Zero, and whether there would be a taskforce to manage achievement of the target. The Principal clarified that the choice of 2030 as a target date provided the University with a concrete goal and that definition of the workstreams would now take place. The Deputy Principal (Global Sustainability) would steer the work to ensure that sustainability was embedded in all University activities.

The Court discussed the importance of Oriam (the National Performance Centre for Sport) for both wellbeing and educational opportunities, noting that considerable work was being done to develop the educational portfolio, sponsorships and partnerships, and active wellbeing across all campuses. An item on the strategy for sport in the academic portfolio was scheduled for the Court meeting on 2 February 2023.

M22/90 THE CAMPAIGN FOR HERIOT-WATT UNIVERSITY – PROGRESS UPDATE (Ct8/22/52)

The Court received and considered an update on the Campaign for Heriot-Watt University, presented by the Principal and the Campaign Fundraising Lead.

The Court noted that the University had previously contracted a fundraising consultancy to assess its readiness for a campaign and had used the assessment to develop its activities in this area. The current campaign would build on the work of the 1821 Appeal and was in the preparatory phase, with foundational activities taking place in 2023. The aim was to raise £30m by the end of 2025-26, working against the roadmap presented in the report, in order to support flagship projects.

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The Campaign Fundraising Lead reported that the role of the Court was to endorse and support the campaign through advocacy and encouraging interest in the University and the flagship projects.

The Court welcomed the upcoming campaign and noted that there would be opportunities for staff engagement, including networking. The intention was that the campaign would be for the whole of the institution. The Court noted that the Donations and Investments Committee would continue to have oversight of the campaign going forward and had recently discussed the progress that had been made. As a result of that discussion, some further work was being done on restricted and unrestricted giving.

M22/91 REPORT FROM THE AUDIT AND RISK COMMITTEE (Ct8/22/54)

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

The Court approved the one-year extension of EY as the University's external auditors, noting that this was the first of two one-year extensions permitted. The Chair of the Audit and Risk Committee reported that this proposal had the support of the Committee and of the University Executive.

Work on the External Audit continued, with the second audit visit to commence on 28 November 2022. The University maintained a positive working relationship with the External Auditors as the work progressed. As mentioned in M22/80, the Audit and Risk Committee and the Finance Committee would shortly receive an update on progress.

The Court noted that the Chair of the Audit and Risk Committee and the Chair of the Staff Committee were in discussion about framing a Strategic Workforce Planning risk, and that a risk around Student Welfare was also being framed. Other business considered at the Committee's meeting on 2 November 2022 included the Annual Procurement Report and the Annual Report on Information Systems Security. The Court noted that the Annual Procurement Report received on this occasion had been primarily a statutory report covering the Scottish campuses and that a global report was under development and would be presented to the Committee in May 2022.

XXX Reserved Section – Ref. FOI(S)A, s.30 and s.33**M22/92 REPORT FROM THE REMUNERATION COMMITTEE (Ct8/22/55)**

The Court received and noted the report from the Remuneration Committee, presented by the Deputy Chair of Court (Chair of the Committee). The Court approved the Terms of Reference and Assurance Check, noting that there had been only minor amendments to the Terms of Reference.

The Court noted that the Assurance Check had highlighted two issues that required resolution, including engagement with the Trade Unions regarding senior remuneration which would take place via the Deputy Chair of Court. The Committee were content that these items would be resolved in the coming year.

M22/93 REPORT FROM THE STAFF COMMITTEE (Ct8/22/56)

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

The Chair of the Committee reported that the University and College Union (UCU) branch representatives had attended part of the meeting on 27 October 2022 to discuss the local relationship against the background of the current national disputes. It was noted that local partnership working relationships remained positive, with workload and staff wellbeing discussed as key areas for the coming year.

The Committee had also considered an annual report on attraction and recruitment, noting that the ERP system was working well in this area and that the recruitment team were developing more responsive ways of working in order to manage an average of 200 vacancies per month. Work on the employer brand would be presented to the next meeting of the Committee in March 2023. The Court queried the arrangements that were being made to onboard staff as they joined the University, and the Chair of the Committee clarified that this was a live discussion with considerable work currently being done on the University's induction process. Activities had been arranged this month to welcome staff who had joined during the pandemic and provide opportunities to build relationships. The Global Director of HR reported that the Recruitment team were ensuring they remained in contact with candidates at all stages of the appointment process, including between shortlisting, interview and taking up their role.

The Court noted that the Committee had considered the work being undertaken around wellbeing and queried the assistance being provided during the cost-of-living crisis. The Chair of the Committee reported that support with financial wellbeing was part of the University's offering. Staff had been offered the opportunity to sell some annual leave and receive the money in their November 2022 pay, and additional hours had been offered to staff in some areas where there were vacancies, rather than searching for new staff. Both of these initiatives had been well received. The Court discussed the selling of annual leave and how this fit with the University's wellbeing activities. The Global Director of HR clarified that the University was aware of the balance to be struck in order to ensure staff were taking their annual leave, and the ability to sell leave had been limited to five days per year. HR had identified staff who had not been taking annual leave as expected and had followed up in the relevant areas.

The Global Director of HR reported that the national pay negotiations for the year had now closed and had resulted in industrial action across the sector. The University continued to work with the Universities and Colleges Employers Association (UCEA) on the pay offering. A number of universities had provided their staff with additional lump sum payments; the University did not consider that it was the right time for such a payment. However, the possibility was being kept under review by the University Executive, amongst a range of potential options, and the financial implications were being considered. The Court noted that a review of the pay and grading structure was being undertaken to address longer-term issues around mapping the grade structure onto the national pay spines.

M22/94 REPORT FROM THE GOVERNANCE AND NOMINATIONS COMMITTEE (Ct8/22/57)

The Court received the report from the Governance and Nominations Committee, presented by the Deputy Chair of Court. Items were approved as below.

The Court noted that comments had been invited in advance on the Subsidiary Companies Review Group Terms of Reference, the Court Equality and Diversity Statement (which included a minor amendment) and the Committee's Terms of Reference and Assurance Check. No comments had been received and these items were approved by the Court.

The Court also approved the proposals that:

- Mr Mike Tumilty should be appointed to the Board of Heriot-Watt Services Ltd, which oversaw the business transacted by Oriam, and also to the EBS Advisory Board. The appointment to the EBS Advisory Board was an interim appointment until 28 February 2023, by which point the transition to a new arrangement should be complete;
- Ms Dorothy Wright's Court membership should be renewed for three years until 31 July 2026, along with her role as Chair of the Staff Committee and related memberships of the Court Interim Business Committee, Governance and Nominations Committee and Remuneration Committee;
- Professor Angus Laing should be appointed to the Board of the dormant EBS subsidiary company;
- Mr Cameron Millar should be renewed as a member of the Infrastructure Committee for two years up to 31 July 2025;
- Professor Fiona Waldron should be renewed as Chair of the Ordinances and Regulations Committee for three years up to 31 July 2026; and
- Ms Morag McNeill should be renewed as Deputy Chair of Court for a further six months up to 31 July 2023.

The Court noted that a process to appoint a new Deputy Chair of Court from 1 August 2023 would commence early in 2023.

EBS Advisory Board Future Arrangements

The University Secretary provided an update on behalf of the Chair Transition of the EBS Advisory Board. A very constructive meeting had recently been held with the new Executive Dean regarding future plans for the School. The Executive Dean would continue to develop a strategy for the School in the coming months and would then advise on the appropriate skills mix for a new Advisory Board. The current plan was that this would be in place in Q2 of the academic year. The Court would receive an update on these matters in early 2023.

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M22/95 COURT FORWARD AGENDA PLAN (Ct8/22/58)

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

The Chair of Court reported that discussions were ongoing with the Watt Club regarding their planned amendments to the Watt Club Constitution. This included the timeline for reporting to the Court.

M22/96 DATE OF NEXT MEETING

Court Strategy Day and Dinner, 7 December 2022 (full day session with short session of regular business).