

COURT

Minutes

In the Chair:	Dame Frances Cairncross	Date of Meeting: 24 June 2019
Present also:	Ms Aoife Clarke Professor Patrick Corbett Mr Graeme Dickson Dr Fadi Ghaith Dr Alicia Greated Dr Amos Haniff Professor Julian Jones Dr Amanda Lyness Ms Morag McNeill Mr Cameron Millar	Mr Andrew Milligan Professor Máiréad Nic Craith Ms Marta Phillips Dr James Richards Ms Jandy Stevenson Dr Tony Strachan Professor Ian Wall Mr Graham Watson Professor Richard Williams
Officer in attendance:	Ms Sue Collier Ms Ann Marie Dalton-Pillay Professor Ammar Kaka Mr Andrew Menzies	Dr Gillian Murray Professor Garry Pender Professor John Sawkins
Others in attendance:	Ms Lorna Kirkwood-Smith (minutes)	

M19/41 WELCOME AND ANNOUNCEMENTS

The Chair:

- welcomed Ms Aoife Clarke, who was attending her first meeting of the Court since taking up the elected position as the Student Union Vice-President (Wellbeing);
- relayed thanks and appreciation to the following members who would retire from their positions in summer 2019: Mr Andrew Milligan, Professor Ian Wall, Professor John Perkins, Ms Alicia Greated and Dr Tony Strachan. The Chair of Court also relayed congratulations to Dr Strachan, who received a Heriot-Watt honorary degree of Doctor of the University on 20 June 2019; and
- reminded members of the need to treat information provided and discussed by the Court in strict confidence.

M19/42 APOLOGIES

Apologies were received from Ms Tracey Ashworth-Davies and Professor Mushtak Al Atabi, who had been invited to be in attendance.

M19/43 MINUTES OF THE MEETINGS OF THE COURT HELD ON 22 MARCH AND 17 MAY 2019

The Court approved as accurate records the minutes of the meetings of Court held on 22 March and 17 May 2019, noting in the 17 May minutes that a reference on page 7 had been changed from "Online Advisory Board" to "EBS Advisory Board" for clarity.

M19/44 DECLARATION OF INTERESTS

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

M19/45 MATTERS ARISING

45.1 Single VLE and E-Portfolio Solution (Paper Ct4/19/47)

The Court approved a recommendation that the University should make a capital commitment of a total of £1.134 million over a period of three years to support procurement of a new single VLE and E-Portfolio IT solution. The approval was subject to endorsement by the Court of a satisfactory business case and strategy later in December 2019, to be presented on the recommendation of the Finance Committee. It

was noted that the University Executive had recently approved an initial tranche of £250k to allow this phased project to proceed quickly. While the financial commitment in each phase is less than the £1m threshold which requires Court approval, it was noted that each planned instalment would support this single capital investment project.

The Principal and the Deputy Principal (Learning & Teaching) explained the rationale for the new investment in the world-leading *Canvas* system, proposed for implementation by 2020/21.

The outline business case explained a range of benefits of the system and the Deputy Principal (Learning & Teaching) explained the limitations of the current VLE platform which is not easy to use and is considered lagging in the field. The Court noted that substantially more time had been invested in consultations with staff on the planned new system than in the current system, with the expectation that learning and teaching delivery will be substantially strengthened through University-wide implementation, supported by appropriate staff training.

In response to questions raised, the Deputy Principal and the Director of Finance confirmed: the intention that the *Canvas* system will involve build arounds which meet all of EBS needs; funding for the new system is included in the Three-Year Plan; and that *Canvas* holds a strong market position. The Court noted also that the Dubai and Malaysia Campuses had been fully involved in the consultation and decision-making process, and that all parts of the University will continue to be supported equally in terms of teaching platform provision available 24/7 and contingencies against any point of failure. In this sense, the system will not occupy a Scottish Campus "hub".

The Court noted work being taken forward by the Principal and other senior colleagues to consider future opportunities for the Scholar programme in the context of the new platform.

It was requested that the full business case returning to the Court in December 2019, via the Infrastructure Committee and the Finance Committee, should include the costs of all plug-ins / add-ons, training and support, operating costs, and also enumerates the effort required to carry out all the necessary transfer of data. A member of the Court requested also that the business case includes a measure of the expected impact on staff wellbeing.

45.2 Ordinance J2: Appointment of the Vice-Principal (Dubai) (Paper Ct4/19/48)

The Court noted and approved the following recommendations:

- the extension to the appointment of Professor Ammar Kaka as Vice-Principal (Dubai) for a period (to be determined) of up to three years from 1 August 2020;
- amendments should be made to *Ordinance J2: Appointment of the Vice-Principal (Dubai)*, in order to facilitate the extension through new provisions for an additional third term of appointment;
- the extension and the modification to *Ordinance J2* shall be conditional upon agreement by the Senate and the Ordinances and Regulations Committee, including agreement that the Ordinance shall be reviewed again in 2021.

The Court noted the rationale supporting the case for the extension at a time when the Dubai Campus will undergo a critical phase of transition and embedding of new contractual and operational arrangements, during which time continuity in the senior leadership of the Campus will be vital.

45.3 Other matters reported under matters arising

The Court received the following reports from the Secretary of the University:

- the planned late July /Early August interviews of candidates for the recently advertised Court and Court Committee vacancies might be postponed until September 2019; and
- consultation is under way to schedule an extra meeting of the Court in the third week of July 2019. The Court noted that the purpose of the meeting will be to consider business cases for the unified Business School and the Dubai Campus contract, and the lease agreement for the Dubai Campus.

M19/48 REPORT FROM THE PRINCIPAL (Paper Ct4/19/31)

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

M19/46 OPENING REMARKS FROM THE CHAIR OF COURT (oral report)

46.1 The Chair reported on two items of business dealt with by the Interim Business Committee of Court which were reported in Paper Ct4/19/45.

46.2 The Chair thanked Court members for their participation in the recent highly successful graduation ceremonies which took place at the Scottish campuses and praised the quality of the contributions of colleagues made to those events, especially those of student representatives and the Director of Music. It was agreed that a letter of thanks should be relayed to all contributors on behalf of the Court.

The Court noted that graduation ceremonies for the Dubai and Malaysia Campuses would take place in early July 2019.

M19/47 REPORT FROM THE DEPUTY CHAIR OF COURT (oral report)

The Deputy Chair of Court reported on discussions at the recent informal Chair's Group. These had focused largely on the Three-Year Financial Plan and the work that will progress over summer 2019 led by the Financial Opportunities Group. Discussions had also included the Dubai Campus transition project and USS pension developments.

M19/49 REPORT FROM THE SENATE (Paper Ct4/19/32)

The Court received and noted a summary report from the Senate which related to the meetings of the Senate held on 11 April and 12 June 2019.

49.1 Modifications to Ordinances

The Court approved modifications to the following Ordinances on the recommendation of the Senate:

- *Ordinance A1: Definitions and Interpretation*, to ensure consistency with the revised Charter;
- *Ordinance P5: Approved Service Units*, to reflect the establishment of the Learning and Teaching Academy;
- *Ordinance P8: Heads of Primary Academic Units*, to specify that "The Heads of Primary Academic Units shall be ex-officio members of the Senate";
- *Ordinance G1: Appointment and Duties of the Chancellor*, to take account of the requirement for removal;
- *Ordinance G2: Appointment and Duties of a Pro-Chancellor of the University*, to take account of the requirement for removal; and
- a new *Ordinance G3: Removal of the Chancellor or a Pro-Chancellor* to provide for removal.

The Court also approved a recommended addition to the preamble to the Ordinances, such that from enactment of the new Charter and Statutes, all references in the Ordinances to "Schools" shall be read as references to "Primary Academic Units".

49.2 Effectiveness Review

The Court noted that actions arising from the 2018 Court and Senate Effectiveness Review would be progressed over the summer period and that an update report would be provided to the Court in autumn 2019.

The Chair asked that a joint meeting of the Court and the Senate (an action arising out the Effectiveness Review) be organised to take place in the early part of 2020.

It was agreed that the dates of Senate meetings in the year ahead should be shared with Court members.

M19/50 UPDATE FROM THE STUDENT UNION (Paper Ct4/19/33)

The Court received and discussed a report from the Student Union The Vice-President (Wellbeing) drew attention to the following in particular:

- the Student Union Strategic Plan 2019 – 2025 which was appended to the report, and the main project streams that would be delivered within the Plan;
- continuing work on the student experience at the Scottish Borders Campus;
- successes in the 2019 Heriot-Watt Oscar awards; and
- the 2019 student volunteer awards and celebration event which incorporated two new Principal's Awards: for 'Outstanding Contribution to the Student Community' and 'Outstanding Contribution to the Local Community'.

The Principal commended the Student Union for their achievements and their professionalism over the past year. The Student Union President returned thanks to the Court and to senior executive colleagues who had helped facilitate the step change seen in the Union's work across the University.

The Student Union President reported that the detailed version of the Strategic Plan would be shared with the Court at the end of the summer. The document would illustrate the alignment that exists between the Student Union Strategy and Strategy 2025.

The Court noted that Dr Stefan Kay would retire from his position as the Chair of the Student Union Trustee Board in September 2019. The Court noted that he had served as the University's first Student Union President from 1966 and had served the University and the student body in many capacities since that time. The Court agreed that a letter of thanks should be relayed to Dr Kay on behalf of the Court.

M19/51 DELIVERING STRATEGY 2025 IN DUBAI (Paper Ct4/19/34)

The Assistant Principal (International Development) joined for discussion on this item.

51.1 Summary

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

M19/52 EDINBURGH BUSINESS SCHOOL/HERIOT-WATT INTEGRATION (Paper Ct4/19/35)

The Court received and discussed a report on the progress being made in the project to achieve integration of the Edinburgh Business School and Heriot-Watt in a single charity structure by 1 August 2019. Court members noted information provided in the following reports:

- a report which provided an update on staff transfers and terms and conditions under TUPE (Transfer of Undertakings); finance, accounting and related matters; and legal due diligence;
- documents which set out the agreed operational principles that should apply to the Edinburgh Business School; and the Terms of Reference for the proposed EBS Advisory Board; and
- a report on recent legal advice received on the matter of the transfer of assets and liabilities.

52.1 Update report on staff, finance and legal due diligence report and business transfer

The Court noted the intention that the EBS 'company shell' left behind by the EBS/HWU business combination would become dormant, for the purposes of protecting the EBS brand.

The Court noted that the wish of the EBS Board (which had met on 14 June 2019) had been to agree a transfer the School's assets by way of a "gift" – with an accompanying recommendation to amend the Articles of Association to permit EBS to gift the assets to the University (as opposed to transferring the assets for consideration deemed proper). However legal advice gained since the EBS Board meeting

had determined that this option would not be possible without winding up the EBS business, or triggering tax liabilities, including in relation to the transfer of Panmure House. The Governance and Nominations Committee at its meeting on 17 June had discussed the concern raised that the EBS plans would be a “disguised distribution” incurring liabilities under the Companies Act. The Court was not therefore being asked to consider changes to the Articles of Association at this time as the proposed change was not expected to deliver the desired result. Further discussions would be needed by the EBS Board, as the key decision-making body, and with the University’s lawyer.

The Court noted that the University’s lawyers had prepared a draft Business Transfer Agreement (BTA) which provides that the Consideration for the transfer shall be “Aggregate Consideration” where “3.1 The aggregate consideration for the Assets shall be the payment, in accordance with the provisions of clause 4 (Completion), by the Purchaser to the Seller of the Consideration and the assumption by the Purchaser of the Assumed Liabilities.” The Court noted that the BTA will be further developed as the due diligence exercise concludes.

The Director of Governance & Legal Services reported on the discussion held by the GNC on 17 June which discussed the impact of the transfer of the business on EBS staff. It had since been confirmed in legal advice that, in theory, staff transfers could take place by the currently agreed date while the transfer of the business is delayed.

The Court noted that, at its special meeting in July 2019, it would receive a full due diligence report, including advice from the University’s lawyer alongside the business case for the integration of EBS and the University.

52.2 Operational principles

The Court noted that the purpose of the Operational Principles to provide the Business School with the necessary level of independence in order to successfully achieve accreditation.

A Court member queried the reporting line of the Head of the Centre for Doctoral Training (CDT) to the Executive Dean of EBS, rather than the Head of the School of Social Sciences (SoSS). The Principal highlighted the provisions under 6.3 and emphasised the mutual agreements underpinning the planned arrangements, in order to facilitate effective ways of working, without undermining University processes. He reported that the SoSS Director of Research would be the Head of the CDT, their duties and responsibilities would dovetail with the Academic Regulations and they would be the SoSS representative on the University Research Degrees Committee. The Court noted clarification that there was no single central University governance model for CDTs, whose structural arrangements were consistent with their varying conditions of grant.

An observation was made, in reference to section 4.2 in the Operational Principles document, that there could be significant operational and interactional differences between the options of appointing Directors or Deputy Directors, and it is unclear which option might be adopted; the wording could also be interpreted as their being two appointments for each of learning and teaching and research.

It was agreed that references to the Centre for Doctoral Training ought to be modified if its position within the University organisational strata is different from other CDTs; and the Principal would liaise with the relevant Court and executive colleagues to agree any required minor further amendments to the document.

52.3 Terms of Reference for the EBS Advisory Board

The Court noted that the primary purpose of the EBS Advisory Board is to provide additional external expertise in a purely advisory capacity. Comments arising in the course of discussion included:

- it should be made clear that attendance at meetings of the Court by the Chair of the Advisory Board is during the transitional period. Section 1.2 of the report confirmed that the nature and role of the Board will be reviewed after a period of two years; and
- appropriate research expertise ought to be represented in the membership of the Board.

M19/53 THREE-YEAR FINANCIAL PLAN (Paper Ct4/19/36)

The Court noted and discussed the draft Three-Year Financial Plan 2019-2022, which was presented for approval following further revision since the Court Strategy Day in May 2019.

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

The Court agreed that the Three-Year Financial Plan should form the statutory submission made to the Scottish Funding Council by the end of June 2019.

The Court noted that there would be opportunities to review performance against Strategy 2025 in terms of investment and returns in November 2019 and January 2020.

M19/54 REPORT FROM THE FINANCE COMMITTEE (Paper Ct4/19/37)

The Court received and noted a report from the Finance Committee which related to the meetings of the Committee which took place on 9 April and 10 June 2019.

54.1 Orkney Campus lease

The Court approved the recommendation of the Committee that the University should agree a new lease for refurbished premises at the Orkney Campus for a ten year term with a five-year break clause. The Court noted that the current five year lease will expire on 30 September 2020.

The Court noted that the space is being re-developed and re-branded by the landlord, Orkney Island Council and Highlands, and Islands Enterprise, as the Orkney Research and Innovation Campus (ORIC). The new development would provide an opportunity to expand the number of industry and academic partners on the Campus, could potentially provide a catalyst for new opportunities, and accords strongly with Strategy 2025. The Court noted that the landlord had provided a firm commitment that a low carbon heating system would be provided within the first five-years of the lease. The costs associated with the new agreement are incorporated in the Three-Year Financial Plan.

54.2 Group Financial Summary Dashboard and Management Accounts

The Court received and noted Group Financial Summary Dashboard and Management Accounts for the period to 30 April 2019 (Quarter 3). **XXX Reserved section (Ref Section 33, FOI(S)A).**

54.3 Other items presented for information

The Chair of the Finance Committee highlighted a range of matters provided in the report for information.

M19/55 REPORT FROM THE REMUNERATION COMMITTEE

The Court received and noted a report from the Remuneration Committee which related to meeting of the Committee held on 20 May 2019.

55.1 Global Reward Policy and Senior Staff Pay Review Procedures

The Court approved the Global Reward Policy and Senior Staff Pay Review Procedures as the basis for the Remuneration Committee's deliberations and decision making at its meeting to consider senior staff reward in September 2019.

55.2 Terms of Reference

The Court approved proposed revisions to the Terms of Reference of the Remuneration Committee, subject to reinstatement of the standard clause which enables participation by audio-visual means. The Court noted that the revised Terms of Reference reflected the recommendations presented to the Court as set out in Paper Ct4/19/40.

55.3 Other matters

The Deputy Chair of Court highlighted a range of matters provided in the report for information.

M19/56 CHARTER AND STATUTES (Paper Ct4/19/39)

The Secretary of the University reported that confirmation had been received by Order from the Privy Council of the approval of the University's revised Charter and Statutes with the revised versions enacted from 12 June 2019. (Posted at: <https://www.hw.ac.uk/about/profile/governance/charter-and-statutes.htm>)

The Chair of Court relayed thanks and appreciation on behalf of the Court to the Deputy Chair of Court and other colleagues involved in the work of the Constitutional Review Group which led the review of the Charter and Statutes. The Court also noted the valuable contribution of Professor Angus Macdonald who, though his chairship of the Ordinances and Regulations Committee, would continue to lead work required on the supporting Ordinances to the new Charter and Statutes.

M19/57 REPORT FROM THE GOVERNANCE AND NOMINATIONS COMMITTEE (Paper Ct4/19/40)

The Court received and noted a report from the Governance and Nominations Committee which related to the meeting of the Committee held on 2 May 2019 and an item of business conducted by correspondence on 3 June 2019.

57.1 Pro-Chancellor appointment

The Court approved the appointments of Ms Jandy Stevenson and Mr Grant Innes to the membership of the Pro-Chancellor Selection Committee.

57.2 Court appointments

The Court endorsed the appointment of Ms Dawn Skidmore, Accreditation Manager in the Academic Registry to the Court from 17 August 2019 to 31 July 2021, noting that she would replace Dr Alicia Greated as staff member elected by the staff to the Court having come runner-up in the same election.

57.3 Court Committees

The Court approved the recommendations that:

- Ms Tracey Ashworth-Davies should continue in her position as the Chair of the Staff Committee from 1 August 2019 until 31 July 2021, for as long as she remains a member of the Court. It was agreed that she would remain designated as the Court Equality and Diversity Champion;
- Mr Grant Innes should continue as a member of the Staff Committee from 1 August 2019 until 31 July 2022, for as long as he remains a member of the Court;
- Mr Gerard Cassels should continue as a co-opted member of the Finance Committee for a further two years from 1 August 2019 until 31 July 2021;
- Ms Marta Phillips should be appointed to the Global Student Liaison Committee for a further period of two years from 1 August 2019 until 31 July 2021 as member and Chair, for as long as she remains a member of the Court; and
- a second co-opted lay member place should be created on the Global Student Liaison Committee with immediate effect.

57.4 Ordinances and Regulations Committee

The Court approved the appointments of Professor Fiona Waldron and Ms Dawn Skidmore to the membership of the Ordinances and Regulations Committee from 1 August 2019. Dawn Skidmore will be appointed under the Court member category of membership.

57.5 Dubai Non-Executive Advisory Group

The Court approved the continued appointment of Mr Grant Innes as member and Chair of the Dubai Non-Executive Advisory Board from 1 August 2019, for as long as he remains a member of the Court and the Group remains active.

57.6 HWU Malaysia Board

The Court approved the continued appointment of Mr Grant Innes to the HWU Malaysia Board from 1 August 2019 until 31 July 2022, for as long as he remains a member of the Court.

57.7 2018 Effectiveness Review and Court Papers Review Group action plan

The Court received and noted a joint action report including progress notes of the actions arising out of the 2018 Court and Senate Effectiveness Review and the Court Papers Review Group recommendations.

57.8 2019 Court Effectiveness Review Questionnaire

The Court endorsed draft questionnaires for Court and Court committees to be used for the purpose of carrying out the annual Effectiveness Review in 2019.

57.9 Lead Governor Scheme

The Court approved proposals to establish a Lead Governor Scheme including principles underpinning the Scheme and pairings between individual Court members and executive heads of Schools and Campuses. The pairings in the Scheme for immediate implementation include: Dubai Campus (Mr Grant Innes); Malaysia Campus (Mr Grant Innes and Ms Marta Phillips); Scottish Borders Campus / School of Textiles & Design (Ms Jandy Stevenson); Orkney Campus (Mr Roger Murray); School of Engineering & Physical Sciences (Mr Cameron Millar); School of Social Sciences / Edinburgh Business School (Mr Graeme Dickson); School of Energy, Geosciences, Infrastructure & Society (Ms Tracey Ashworth-Davies); and School of Mathematical & Computer Sciences (Ms Marta Phillips).

57.10 Diversity (Gender) statistics: Court and Court Committees

The Court noted an annual report on the gender composition trend of Court and Court Committees over the period 2017/18 to 2019/20. The Chair of Court encouraged work to continue to improve the gender balance across the elected Court positions.

57.11 Remuneration Committee: staff member

The Court approved recommendations in relation to membership of the Remuneration Committee, agreeing that a staff Court member should be appointed who should remain independent in their view and their contribution. The Court agreed that trade union membership shall not be a requirement for this member and that the required consultation with trade union representatives (via the Combined Joint Negotiating and Consultative Committee) should be undertaken at the level of the Committee through its Chair. The Court agreed that an invitation, together with a clear statement on the role, should be issued to serving staff members of the Court inviting self-nominations for consideration.

The Court approved proposed revisions to the Remuneration Committee Terms of Reference (as provided with the Report from the Remuneration Committee). The amendments to the Terms of Reference in relation to membership of the Committee were consistent with the principles set out above and recommended by the Governance and Nominations Committee.

57.12 Global Student Liaison Committee Terms of Reference

The Court received and noted revised Terms of Reference for the Global Student Liaison Committee. The Chair of the Committee reported that one aspect of the role of the Committee, namely interpretation of the nature of the Committee's oversight of academic matters, remained for agreement and would be discussed at the next meeting of the Committee in autumn 2019. The Terms of Reference were therefore withdrawn from consideration by the Court at this time.

57.13 Endowment Committee Terms of Reference

The Court approved proposed amendments to the Terms of Reference of the Endowment Committee.

M19/58 ANY OTHER BUSINESS

58.1 Court rolling programme of business (Paper Ct4/19/41)

The Court noted a report of the planned rolling programme of Court forward business, as at June 2019. The following suggestions were made by Court members, and members were invite to provide any further suggestions to the Chair or the Secretary of the University: institutional development ought to be a discussed at a Court Dinner Meeting in autumn 2019; environmental sustainability should be added as a Court Dinner Meeting topic; and a Court Dinner Meeting should be arranged at Panmure House.

58.2 IT support for Court meetings

The Secretary of the University reported that new microphones would be considered during summer 2019 and that at future meetings a further moveable screen would be provided in the Craig Room.

M19/59 REPORTS FOR RECEIPT AND INFORMATION

59.1 Report from the Audit and Risk Committee (Paper Ct4/19/42)

The Court received and noted a report from the Audit and Risk Committee, which related to the meeting of the Committee held on 30 May 2019.

59.2 Report from the Staff Committee (Paper Ct4/19/43)

The Court received and noted a report from the Staff Committee, which related to the meeting of the Committee held on 20 May 2019.

59.3 Report from the Global Student Liaison Committee (Paper Ct4/19/44)

The Court received and noted a report from the Global Student Liaison Committee, which related to the meeting of the Committee held on 29 April 2019.

59.4 Report from the Interim Business Committee of Court (Paper Ct4/19/45)

The Court received and noted a report from the Interim Business Committee of Court, which related to items of business approved on 20 May and 3 June 2019.

59.5 Obituary (Paper Ct4/19/46)

The Court noted with sadness notice of the death of Dr David Sturgeon, former Registrar and Deputy Secretary and honorary graduate of the University.

M19/60 DATE OF FUTURE MEETINGS

60.1 It was noted that the next scheduled meeting will take place on Friday 27 September 2019. It was noted that an additional meeting of the Court will take place on 23 or 24 July (to be confirmed).

60.2 The Court noted proposed Court meeting dates up until the end of 2023, noting that the dates will be checked against the diary of the new incoming Chair of Court in due course.

Date

Signature