

## Heriot-Watt University Court

### RESPONSIBILITIES OF THE COURT AND SCHEDULE OF DELEGATION

#### 1. Background

The [Scottish Code of Good Higher Education Governance](#) requires institutions to establish a Schedule of Delegation which defines authority delegated by the governing body; in the case of Heriot-Watt University, this is the Court. The following provides information about the responsibilities and powers of the Court and describes the means through which the Court delegates authority and the bodies involved.

#### 2. The Court

The University [Charter and Statutes](#) prescribe the powers and authority of the Court. *Statute 4: The Court* describes the powers and functions of the Court in detail.

In addition, the Court has published its [Statement of Primary Responsibilities](#) in compliance with the Scottish Code of Good Higher Education Governance.

#### 3. Powers that cannot be delegated by the Court

Article 7.4 of the University's Charter stipulates those powers that the Court **may not** delegate. These include powers:

1. to determine the Objects of the University;
2. to make final decisions on issues of corporate strategy;
3. to appoint and dismiss the Chancellor, the Pro-Chancellor(s), the Principal, the Vice-Principal and/or the Secretary and to approve their terms and conditions of appointment;
5. to approve the annual business plan of the University and each member of the Heriot-Watt Group;
6. to review and approve the annual budget of the University and annual report of the University;
7. to amend the Charter under the provisions of Article 17;
8. to make, amend or revoke University Statutes or Ordinances;
9. to adopt the University's annual accounts;
10. to appoint or remove the University's External Auditor;
11. to decide the remuneration of the Chair of the Court and any other external and independent members of the Court under the terms of Article 4.8; or
12. to decide whether there should be a reduction in the Academic Staff as a whole or of any constituent part of the University or any member of the Heriot-Watt Group by way of compulsory redundancy.

#### 4. Delegated authority to the Senate

The University's Charter prescribes that there shall be a Senate, and that, subject to the terms of the Charter and the Statutes and to the powers reserved to the Court, the Court delegates to the Senate all of its powers in relation to (a) academic work and standards so that the Senate is the body responsible for the academic work and standards of the University, (b) Programmes of Study, (c) teaching and research, and (d) the regulation and superintendence of the education and discipline of the Students. The delegation requires that the Senate takes such measures and acts in such manner as shall appear to it best calculated to promote the interests of the University and/or any member of the Heriot-Watt Group as places of education, learning and teaching, research, knowledge exchange and scholarship. The powers and functions of the Senate are prescribed in more details in *Statute 5: The Senate*.

The Court receives reports from the Senate at each of its ordinary business meetings and is responsible for ensuring that the Senate undertakes its own annual reviews of the effectiveness of the Senate and a full five-yearly externally facilitated effectiveness review. The Court receives reports of the outcomes of all effectiveness reviews.

#### 5. Delegated authority to the Chair of the Court

*Ordinance B6: Delegation by the Court*, prescribes the authority delegated by the Court to the Chair of Court. The Ordinances can be accessed [here](#).

The Court delegates to the Chair of the Court the following authority:

1. authority to lead the Court and to develop strategic level proposals so that the Court fulfils its obligations to ensure that the University is run in accordance with the decisions of the Court and ensure that those decisions are implemented;
2. authority to promote well-being and efficiency in the operation of the Court, to ensure that members work together effectively in fulfilment of the Court's responsibilities, as laid down in the Statement of Primary Responsibilities and with a shared confidence in the procedures which underpin the conduct of University business;
3. authority to ensure that the Court observes the principles of public life and conducts itself in accordance with expected standards of behaviour to ensure that business is conducted and reported on appropriately by the Court and all of its committees, and that safeguards are in place to guard against conflict of interest situations arising;
4. authority to ensure that the Court exercises efficient and effective use of the resources of the University for the furtherance of its charitable purposes, maintains its long term financial viability, safeguards its assets, and that proper mechanisms exist to ensure financial probity and for the prevention of fraud;
5. authority to ensure that the University is well connected with its stakeholders, including Staff and Students;
6. authority to ensure that effective induction, training and development opportunities and succession planning are in place to support the membership and work of the Court and its committees, and that there are appropriate financial resources available to support governor development in accordance with criteria established by the Court;
7. authority to conduct an annual review of the performance of the Court as a whole, and to ensure that parallel reviews of the Senate are undertaken, in accordance with the requirements of the Scottish Code of Good Higher Education Governance;
8. authority to chair meetings of the Court and meetings of committees of the Court (subject to the terms of reference of the relevant committee);
9. authority to act on behalf of the Court between Court meetings in respect of routine matters which would not merit discussion at a meeting of Court;
10. authority to act as an ambassador for the University and to represent the University externally;
11. authority to review the performance of the Principal annually in accordance with agreed objectives, and to monitor compliance with the Principal's terms and conditions of employment; and
12. authority to further delegate any of the responsibilities of the Chair of the Court to the Deputy Chair of Court.

## **6. Deputy Chair of Court**

The role and responsibilities of the Deputy Chair of Court are prescribed in *Ordinance B4: Deputy Chair of Court Role and Responsibilities*, which can be read [here](#):

The Chair of Court may delegate, as and when appropriate, their day-to-day responsibilities as the Chair. The Deputy Chair of the Court exercises these delegated responsibilities on behalf of the Chair of the Court.

The Court delegates authority to the Deputy Chair of Court to assume the role, as required by the

'Scottish Code of Good Higher Education Governance', of "intermediary" for other members of the Court.

## 7. Delegated authority to the Principal

*Ordinance B6: Delegation by the Court* prescribes the authority delegated by the Court to the Principal. The Ordinances can be read [here](#).

The Ordinance prescribes that the Principal is the Vice-Chancellor of the University, the Chief Accounting Officer and the Chief Executive Officer. In accordance with the Charter and the Statutes, the Principal is responsible for the effective working, management and good order of the University.

The Court delegates to the Principal the following authority:

1. authority to lead development of the University's vision, mission, Strategic Plan and values, ensuring the support and engagement of the Court in the relevant processes;
2. authority to lead development of a rolling Five-Year Operational Plan of the University, including the budget for the coming year, ensuring the support and engagement of the Court in the development process;
3. authority to lead development of strategic key performance indicators, against which University performance will be measured at least annually, ensuring the support and engagement of the Court in the relevant development and review processes;
4. authority to provide the academic leadership of the University in such a way as to ensure delivery of excellence in learning and teaching, scholarship, research and the student experience;
5. authority to lead the Senate as its Chair in fulfilment of the role and responsibilities of the Senate;
6. authority to determine the optimum operational structure of the University and to organise the distribution of all required staff and other resources in the delivery of the strategic objects of the University;
7. authority to take all necessary steps to ensure that the University has policies and procedures and other controls in place to support delivery of the objects of the University and to ensure compliance with all relevant legislation, constitutional rules and legal and contractual agreements with which the University must comply;
8. authority as the designated officer in respect of Scottish Funding Council funds for compliance with the Scottish Funding Council Financial Memorandum. In accordance with the Scottish Code of Good Higher Education Governance, the Principal shall be formally responsible for alerting the Court if any action or policy is incompatible with the terms of the Financial Memorandum;
9. authority to represent the interests of the University externally, engaging with stakeholders as a strong advocate and ambassador for the University;
10. authority to advise the Chair of Court in respect to any matters where conflict, actual or potential, may occur between the Court and the Secretary in their role as Secretary to the Court;
11. authority, on behalf of the Court, to carry the prime responsibility for health and safety throughout the University;
12. authority to review the performance of the Principal's direct reports in accordance with agreed objectives and to establish and maintain an equivalent system of staff performance review;
13. authority to undertake such other responsibilities as may be determined by the Court from time to time which are commensurate with the role of Principal & Vice-Chancellor and Chief Accounting Officer and Chief Executive Officer of the University;
14. the Principal may further delegate, in writing, to the senior global finance director such powers are necessary to open and close bank accounts;

15. the Principal may also delegate, in writing, such authority as may be required, by way of Power of Attorney or otherwise, to the Vice-Principal and Provost (Dubai), the Vice-Principal and Provost (Malaysia), and the Heads of Finance of the Dubai and Malaysia campuses to undertake such responsibilities as are commensurate with the role of Chief Accounting Officer, but limited to circumstances where such authority is required to be exercised by persons meeting residence requirements of the territories of Dubai or Malaysia; and
16. The Principal may at any time revoke, in writing, any delegations made in accordance with paragraphs 8.2.14 and 8.2.15.

Under the terms of the Ordinance the Court shall regularly review the delegated authority of the Principal, and any sub-delegations as specified in paragraphs 14 and 15.

## **8. Delegated authority to the Secretary**

*Ordinance B6: Delegation by the Court* prescribes the authority delegated by the Court to the Secretary of the University. The Ordinances can be read [here](#).

*Ordinance B6* stipulates that the Secretary is responsible for the administration of the University, compliance with all procedures and the provision of governance and administrative services for the Court and the Senate in accordance with the Charter and Statutes. In providing governance services for the Court, the Secretary is the Secretary to the Court and in that role carries out the duties and has the responsibilities of the secretary to the governing body in accordance with the Scottish Code of Good Higher Education Governance. The Secretary, in carrying out her or his role as secretary to the Court, is solely responsible to the Court and, acting independently, has a direct reporting link to the Chair of the Court for the conduct of Court business.

The Court has delegated to the Secretary the following authority:

1. authority to advise the Court and to take steps to ensure compliance of the Court with all applicable internal constitutional documents, codes, policies and procedures, and all applicable external legislation, governance codes, memoranda and grant conditions etc. The latter shall include the Scottish Funding Council Financial Memorandum, where the Secretary shall be responsible for assisting the Principal to fully discharge his or her responsibilities, as the designated officer in respect of Scottish Funding Council funds, for compliance with the Scottish Funding Council Financial Memorandum, and for alerting the Court if any action or policy is incompatible with the terms of the Financial Memorandum;
2. authority to advise the Court on all matters relating to the terms of reference of Court committees and joint committees of the Court and the Senate, ensuring that those committees conduct business appropriately within the defined limits of their terms of reference;
3. authority to ensure that members of the Court are supplied with appropriate information in such a form and of such quality as to enable the Court to discharge its duties;
4. authority to maintain a register of interests of all members of the Court and senior officers of the University and to publish on the University's web pages the Court member register of interests and the register of interests of any senior officer who is closely associated with the work of the Court;
5. authority, in their role as Secretary to the Court, to advise the Chair of Court in respect to any matters where conflict, actual or potential, may occur between the Court and the Principal;
6. authority to be solely responsible for providing legal advice or for obtaining it for the Court and advising the Court on all matters of procedure;
7. authority to advise the Chair of Court and the Governance and Nominations Committee on, and to administer all aspects of the Court's membership and succession planning for the Court, Court committees and Court appointments to joint committees of the Court and the Senate. The responsibilities shall extend to cover arrangements for the recruitment of new members and maintenance of the register held on the skills and experience of Court and Court committee members;

8. authority to advise the Chair of Court and the Governance and Nominations Committee on, and to administer all aspects of the development and delivery programmes of induction and development for all members of the Court;
9. authority to report to the Court on any conflict of interest, actual or potential, on any matter between the Secretary's managerial responsibilities within the University and his or her responsibilities as the Secretary to the Court;
10. authority to sign any contract or agreement or other legal instrument on behalf of the University, subject to the University Financial Regulations, or to delegate such authority to an appropriate individual in writing; and
11. authority to undertake such other responsibilities, as may be determined by the Court from time to time, to support the proper and effective operation of the Court in accordance with its responsibilities.

## **9. Delegation to Committees of the Court or Oversight Boards**

- i. In the event of delegation of authority by the Court to a committee of the Court or an oversight board, the delegated authority applies to the committee or oversight board in accordance with its terms of reference and not to any individual member of that committee or oversight board.
- ii. The Court has delegated to each standing committee of the Court listed in Ordinance B8 all of the functions in relation to the terms of reference of that committee and any decision, minute etc. of the Court which makes a delegation to that committee.
- iii. Subject to Article 7.1.2 of the University Charter, the Court may delegate any of its powers under the Charter, Statutes and Ordinances to a committee of the Court or an oversight board with the exception of those powers which may not be delegated to any other body as described in Article 7.4 of the Charter.
- iv. The Court gives delegated authority to the Court Interim Business Committee to undertake Court business on behalf of the Court other than matters which are described in Article 7.4 of the Charter. It is at the discretion of the Chair of Court, as and when business needs might arise, to determine if an item of business should be considered between meetings of the Court, and whether an item of business for the Court Interim Business Committee can be dealt with by correspondence
- v. The authority of the Court Interim Business Committee is as described in that Committee's terms of reference. In accordance with the provisions of the Standing Orders of the Court, a decision of the Committee shall be operative and binding until the Court agrees to rescind or vary that decision. A decision to rescind or vary any decision made by the Committee may be accepted as long as the rules set out in the Standing Orders of the Court which pertain to quoracy requirements for such a decision, or a reported material change in circumstances are followed.

The Ordinances can be read [here](#). The Terms of Reference of Court Committees can be found [here](#).

## **10. Delegation to Joint Committees of the Court and the Senate**

*Ordinance B6* stipulates that, in the event of delegation of authority by the Court to a joint committee of the Court and the Senate, the delegated authority applies to the committee in accordance with its terms of reference and not to any individual member of that committee.

The Court has delegated to each joint committee of the Court and the Senate listed in *Ordinance B8* all of the functions set out in the terms of reference of that committee, and any decision, minute etc. of the Court which makes a delegation to that committee.

The Ordinances can be read [here](#).

## **11. Delegation to Heriot-Watt University Dubai and Wholly Owned Subsidiary Companies**

**Heriot-Watt University Dubai**

1. Under the licensing regulations of the Dubai Development Authority (DDA) a foreign university may only take the form of a branch office. Entities registered with the DDA are governed by the Dubai Creative Clusters Companies Regulations 2016 . A branch office is an extension of its parent overseas company and is not a separate legal entity. Therefore, the parent company remains liable for the branch's obligations.
2. Branch offices in the DDA must have an authorised representative and under the Dubai Creative Clusters Companies Regulations 2016 a foreign company is required to provide a Power of Attorney in favour of the authorised representative (the Provost and Vice-Principal Dubai)
3. The nature and extent of the powers delegated by the Court to the Provost and Vice-Principal Dubai are set out in the Power of Attorney.

#### **Heriot-Watt University Malaysia**

1. Heriot-Watt University Malaysia Sdn. Bhd. is a company duly incorporated in Malaysia (company number 967 165-K). The University is the sole shareholder. By a Shareholder Agreement dated 27th September 2012 (the Agreement), the parties have set out the terms governing their relationship.
2. No action or decision relating to any of the Prescribed Matters (set out in The Schedule to the Agreement) can be taken by the Company without prior consultation with the University. If any provision in the Agreement conflicts with or limits the delegations set out in *Ordinance B6*, then this Ordinance shall prevail as between the parties.

#### **Heriot-Watt Services Ltd (Oriam)**

1. Heriot-Watt Services Ltd is a private limited company (company number SC271030). The University is the sole shareholder.
2. The Directors Powers and Responsibilities and the Shareholder's Reserve Power are set out in the Articles of Association (dated 4th March 2015).

#### **Heriot-Watt Trading Ltd**

1. Heriot-Watt Trading Ltd is a private limited company (company number SC 132919). The University is the sole shareholder.
2. The Directors Powers and Responsibilities are set out in the Memorandum and Articles of Association (dated 8th July 1991).

## **12. Delegations prescribed in the Financial Regulations**

The Court approves the University's [Financial Regulations](#), and in so doing expressly approves any and all sub-delegations contained therein. The Court also approves the University's Treasury Management Policy which sets out a strategy and policies for cash management, long-term investments and borrowings. The Global Chief Financial Officer has delegated responsibility by the Court for implementing and monitoring treasury management policies and practices and the execution and administration of treasury management decisions.

#### **Remuneration policy**

The Remuneration Committee with delegated authority from the Court will determine salaries and other benefits for senior management.

#### **Budgetary controls**

The Financial Regulations set out the limits of the value of expenditure that may be made by authorised Budget Officers and allows for schemes of delegation for expenditure below that level. The senior global finance director is responsible for ensuring that all delegated authorities are properly recorded in the University's e-procurement system.

#### **Authorisation of purchase orders and contracts**

The Financial Regulations direct the delegated authorisations in place (individuals/bodies) for purchase orders and contracts. Purchase orders and contracts between the value of £500,001 and £5,000,000 require the prior minuted approval of the Finance Committee. Purchase orders and contracts above the value of £5,000,000 require the prior minuted approval of the Finance Committee and of the Court. Where expenditure commitments are established that commit beyond the Financial Year in which they are entered, the value of the commitment across financial years shall be aggregated when applying these limits.

The Chair of Court or the Chair of the Finance Committee may escalate any purchase order or contract above the value of £500,000 to the Court for approval if they feel that there are issues arising that sit outwith the University's Risk Appetite, need to be tolerated, and should be considered by the Court. These could be related to the potential partner (reputational and compliance risks, concerns regarding sources of funding); location of a potential partner (reputational or geopolitical risks including possible sanctions or travel bans); the subject matter of the proposed agreement (reputational risk e.g. oil and gas). The Chair(s) may also escalate where it is deemed that the Court would benefit from a further discussion of the strategic imperative that has led to this contract being prioritised over other projects. This list is not intended to be exhaustive but to provide guidance as to when an escalation may be appropriate.

### **Authorisation of capital expenditure projects**

The Financial Regulations direct the delegated authorisations in place (individuals/bodies) for capital expenditure projects. Although a proposed capital expenditure project may have been included in the capital expenditure programme approved by the Court or in the Estates Strategy, such inclusion does not constitute approval for its commencement. Specific written approval for the commencement of capital expenditure projects that have been included in the Court approved Capital Plan in Scotland and Dubai will be in accordance with the following schedule:

- i. £1,000,000 - £5,000,000: with the prior minuted approval of the Finance Committee;
- ii. over £5,000,000: with the prior minuted approval of the Court.

Where a capital project is promoted that wasn't included in the Court Approved Capital Plan then approval will follow the limits above and will be reported for noting to Finance Committee where approved by University Executive and to Court where approved by Finance Committee.

### **Budget Management**

Any variances over £500K need to be referred to the senior global finance director who will report to the University Executive and over £1M reported to the Finance Committee. Any expenditure out with the agreed revenue and capital budgets with a value between £1M and £5M must be approved by the Finance Committee. Any expenditure out with agreed budgets more than £5M must be approved by Court. As delegated by Court, Finance Committee must approve additional expenditure on approved projects within a tolerance threshold of up to the lower of 10% or £1m. Approval for additional expenditure more than the tolerance threshold must be approved by Court.

### **Land, buildings, plant or equipment**

A Real Estate Transaction must only take place with the authorisation of the Court. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset. Court has delegated its authority to Finance Committee to approve the disposal, sale or leasing of University Assets with a market value of between £1m and £5m and to University Executive for values of less than £1m. Above £5m specific approval of Court is required.

### **Lease of land, property, plant or equipment**

Where the university leases assets that would otherwise have met the definition of a capital expenditure, in preference to creating or purchasing them, the same provisions for programming, approving and monitoring shall apply as if this was a capital expenditure. The capital value will be calculated to be the sum of all committed payments over the terms of the lease, including any period of permitted extension. Where such value is greater than £1m, approval will be sought from Infrastructure Management Committee prior to transmission to Finance Committee.

### **Spin-Outs**

The decision surrounding the creation, investment in and disposal of spin-out companies are overseen by the Deputy Principal (Enterprise and Business). Written approval for such will be given by the University Executive and, where the investment or disposal value exceeds £1m, Finance Committee.

### **Debt Write-Off**

The following additional authority shall be required for the write-off of debts in Scotland and Dubai with the following value:

- £100,001 - £250,000: the Budget Officer and the Principal and either the Vice Principal or the COO and with the prior minuted approval of the Finance Committee (unless the Principal and Chair of that Committee agrees to this requirement being waived in instances where urgent action is required);
- over £250,001: the Budget Officer and the Principal and with the prior minuted approval of the Finance Committee and Court (unless the Chair of the Court agrees to this requirement being waived in instances where urgent action is required).

### 13. Key individuals

Information about members of the **Court including the Chair** can be found [here](#).

The **members of the Committees of Court** including the names of the **Committee Chairs** can be accessed via the [Committee Terms of Reference](#) (Committees of Court include: Audit and Risk, Court Interim Business, Finance, Global Student Life, Governance & Nominations, Remuneration and Staff Committees. The Infrastructure Committee and the Donations and Investments Committee are currently sub-committees of the Finance Committee).

Information about the University's governance structure including **executive management** led by the Principal can be found at: <https://www.hw.ac.uk/uk/about/profile/governance.htm>.