

Court

Minutes

In the Chair: Professor E Brown

Date of Meeting: 25 September 2000

Present also: Principal J S Archer
Mr G Bissett
Mr D A Brew
Mr D A M Brown
Mrs S G Charlesworth
Professor C W Davidson
Dr C G Greig
Mr D H Guest
Mr S G Kay
Ms J Lowe
Mr M Lyden
Mr A Morrison

Ms G McDonald
Professor D G Owen
Hon Lord Penrose
Mr C P Robinson
Mr N R Rudd
Mr J A Scott
Professor B G D Smart
Mr G Stuart
Dr R Summers
Professor A C Todd
Professor C Viney

In attendance: Professor C M Brown, Deputy Principal
Professor D R Hall, Assistant Principal
Professor R R Leitch, Assistant Principal
Professor P N O'Farrell, Assistant Principal
Professor J E L Simmons, Dean, Engineering
Professor I Mason, Dean, Economic and Social Studies
Mr P L Wilson, Secretary of the University
Mr S L L Paterson, Director of Finance
Mr R V Parkinson, Senior Assistant Secretary
Mr P G Kerr, Director of Estate and Building Services
Mr W R McGookin, Director of Planning Office
Mrs M Thornton, Director of Corporate Communications
Mr A G Hood, Assistant Registrar

1. WELCOME

The Chairman, on behalf of the Court, welcomed to the meeting those newly appointed or reappointed to membership of the Court:

Senate members :	Mrs Charlesworth, Mr Rudd, Professor Todd and Professor Viney;
member of full-time staff :	Mr Brown;
members of the graduates and former students association :	Mr Brew, Mr Morrison and Mr Stuart;
new Honorary President of the students association :	Mr Robinson;
and co-opted members :	Dr Greig, Mr Kay, Lord Penrose and Dr Summers.

2. APOLOGIES

Apologies for absence were intimated from The Rt Hon The Lord Mackay of Clashfern, Sir Peter Heatly, Mr Martin, Mr Polson, Professor Swaffield, Mr Taylor and Dr Zachary.

3. MINUTES

The Minutes of the meeting of the Court held on 27 June 2000 were approved.

4. COMPLAINTS PROCEDURE AND PUBLIC INTEREST DISCLOSURE

With reference to Ct 102/99-00, it was reported that at a recent meeting of Secretaries of Scottish Universities, it had become clear that Scotland was moving towards an approach on externality whereby one or more persons would be identified by the Faculty of Advocates as being suitable for complaints to be referred to in the event of a student's being dissatisfied with a decision of the governing body. This matter would be brought back to the Court for discussion in the light of more detailed advice.

5. ESTATE STRATEGY – PARK AND RIDE

With reference to Ct 102/99-00, it was reported that plans had been submitted to the City of Edinburgh Council relating to a park and ride facility next to the entrance to the University's Research Park. These plans did not include a roundabout on the A71 but sought to use the existing junction of Riccarton Mains Road and the A71 using multiple traffic lights. The University had lodged strong complaints against current proposals as being prejudicial to future development by the University, and was in consultation with the City authorities and with the operator. Alternative proposals were being developed by another developer for the siting of the facility on the north side of the A71.

6. INSTITUTE OF MATHEMATICS

With reference to Ct 104/99-00, it was noted that because there was still no certainty over funding it had not been possible to proceed immediately with the project for the Institute, a decision which had occasioned acute disappointment to the project group. The project would however retain its priority in the context of the University's continuing development.

7. COMPUTING AND INFORMATION TECHNOLOGY

With reference to Ct 106/99-00, it was reported that the University had appointed a Director of Information Services as recommended in the recently completed external audit of the University's provision in this area.

The appointee was Mrs Lynne Berrie.

8. INTERNAL AUDIT CONTROL

With reference to Ct 107.2/99-00, it was reported that further evidence on the responsibilities to be laid on institutions had emerged from recent communications from SHEFC on internal control mechanisms and on requirements for risk appraisal.

9. Communications from the Principal and the Principal's Management Committee

9.1 STUDENTS RECRUITMENT

The Principal reported that the vigorous efforts of all colleagues concerned with recruitment had yielded good results despite the unwarranted difficulties in attracting students to science and engineering disciplines. The University had met its overall SHEFC target of home and EC students with certain variations in individual departments. Self-imposed targets for higher numbers in certain areas had not quite been attained, although there were a number of individual departmental successes. Overseas student recruitment was holding up well.

9.2 CONSEQUENCES OF SCOTTISH QUALIFICATIONS AGENCY DEFICIENCIES

The Principal reported that the repercussions for the University of the recent failures by the SQA to provide reliable results to candidates seeking entry to Higher Education had been serious. The response from admissions tutors in terms of advice and counselling had been beyond the call of duty and the Principal praised their efforts. The University had exercised some measure of judgement in relation to those students affected, and all staff concerned had acquitted themselves admirably in countering the effects of the disruption.

9.3 FUNDRAISING

The Principal reported that the University was seeking to identify and develop a well-founded scheme for raising funding for the infrastructure required to underpin the University's strategic development, and to this end advice on possible options had been sought and a market testing exercise was underway through the agency of consultants, Brakeley Europe. This process was complicated by the desire of the University to make progress with urgent projects, such as the Institute of Mathematics.

9.4 SCHOLAR PROGRAMME

The Principal gave an updated report on the progress made in developing and distributing the supported open learning materials to schools and other users. This programme had enjoyed the support and

assistance of Scottish Knowledge and of the Scottish Executive and had been achieved according to the agreed timetable.

The Chairman of the Court expressed the hope that effective publicity might be gained from the feedback and evaluation of the scheme, which also offered major opportunities for overseas student recruitment.

9.5 EDINBURGH COLLEGE OF ART

The Principal reported that the College had set aside merger discussions in favour of pursuing Small Specialist Institution Status. Certain issues regarding quality assurance processes and the cost implications of their remediation had recently arisen. These related to documentation submitted to the QAA by the College in respect of a forthcoming visit by the Agency to the Department of Architecture, coupled with concerns raised in a recent and continuing internal audit by the University's quality unit. The Principal and Deans Committee had discussed these matters and had referred them to the Board of the Faculty of Environmental Studies for review and report. The Principal emphasised that the University's continuing concern was for the academic welfare of the students and that satisfactory answers were therefore required to the audit issues. The Principal also reported the intended retiral in December 2000, of Principal A J Rowan.

In responding to the Principal's report, members of Court raised the following concerns:

- the issue of quality was of primary importance and should take precedence over any merger negotiations
- the University had to protect its academic reputation and might need to invoke the formal procedures relating to withdrawal of recognition for individual courses as a mechanism to encourage the College to take remedial action
- it would be preferable, given the length of the association and the value placed on the relationship with the College by the University, that the issue of course quality be addressed without recourse to the provisions of Statute 28 regarding withdrawal of recognition
- the University would require to be satisfied that the issues of resourcing raised in relation to academic courses in the College would not impose an unreasonable financial burden on the University in the event of responsibility passing to the University under amended arrangements

The Court would await with interest further information on the issues raised and on the position adopted by the Governors of the College.

9.6 SCOTTISH BORDERS CAMPUS – REVIEW OF ARRANGEMENTS

The Principal reported that Assistant Principal Maddox would shortly undertake, on behalf of the Principal's Management Group, a review of the effectiveness of lines of communication and of management and administrative processes at the Scottish Borders Campus, and between that location and the Edinburgh Campus.

9.7 STUDENTS ASSOCIATION – REPORT

At the invitation of the Principal, the President of the Association, Mr Lyden, presented a report on the activities of the Association over the past year and in prospect for the year ahead, which had been circulated as agenda paper A for the meeting. This was set out, in four main sections devoted respectively to Representation; Volunteer activity and funding for societies and interest groups; Welfare issues including student finance, equal opportunities and health; and Services, notably the development of new Union facilities at the Scottish Borders Campus.

Mr Lyden laid emphasis on the training of class representatives to foster effective participation in staff-student and consultative committees, in which process the Association had been aided by NUS help. In relation to welfare he indicated that the Association would seek to involve the maximum numbers of participants in forthcoming campaigns, especially in the emphasis to be given to mental health awareness.

On behalf of the Court, the Chairman thanked Mr Lyden for a very encouraging report, and expressed appreciation of the activities outlined, and interest in the proposed updates to be provided over the course of the year.

9.8 PATENT APPLICATIONS

The Court had received an analysis of patent applications filed by Scottish Universities in the period January to June 2000. It was accepted that this represented a snapshot of the current progress of the commercialisation programme, and that future analyses would be required to show their effective use. The Court noted with gratification however that the picture was very encouraging and that the University was making good use of partnership arrangements in exploiting its Intellectual Property.

9.9 PAY NEGOTIATIONS

It was reported that the employers and the unions had not reached agreement on the level of increase to be awarded from 1 April 2000, but that, in common with other institutions, the University proposed to make a payment of 3% on account pending the final outcome of negotiations. The Court approved this proposal, which would be implemented at the pay date in October.

10. Audit Committee – Report

10.1 DISASTER RECOVERY PLAN

The Secretary of the University had reported to the Committee that in the light of experience gained from the Y2K exercise, complete documentation of possible risk and disaster areas was being compiled. This would be in place in a few months; the intention was to present the plan to the Court in February 2001.

Disposal: Noted.

10.2 COSTING ISSUES: JCPSG INITIATIVE

In relation to the sector-wide initiative on costing, the remit of the Audit Committee and Internal Audit would include an overview of costing and time recording methods and records used by the University. It was envisaged that comment on research costing issues would support the argument that publicly sponsored research was underfunded.

Disposal: Noted.

10.3 GOOD PRACTICE BENCHMARKS/CORPORATE GOVERNANCE IN THE PUBLIC SECTOR

The Committee had noted papers on these matters issued by SHEFC, and Good Practice Benchmarks would be adopted where applicable. On Corporate Governance, the External Auditors had confirmed the University's good practice and compliance, except that the University had 34 members of Court: SHEFC had recommended 25. The University however considered the size of Court to be appropriate for its purposes.

Disposal: Noted.

10.4 EXTERNAL AUDIT

The External Auditors had presented to the Committee their interim progress report, stating that there were no major issues arising on internal control systems. A presentation on the completed final audit would be made to the Audit Committee on 24 November. The Auditors had also observed that the University's financial infrastructures were more advanced, focussed and business-like than those of other Universities of which they had experience. The lack of detailed reconciliation of data between Payroll and Personnel systems, raised by previous auditors, had been addressed.

Disposal: Noted.

10.5 INTERNAL AUDIT: INTERIM REPORT

The most significant project had been the Purchase Order Process System with the Internal Auditors working with the Finance function in the roll-out of POP into departments and sections.

Disposal: Noted.

10.6 EXTERNAL AUDIT: RISK MANAGEMENT WORKSHOP

Mr James Scott, attending the workshop on behalf of the Committee, had been impressed by the comprehensive and open way in which the staff had analysed and discussed past and future risk issues, how controls could be put in place to assess and reduce these risks, and how the University sought to get the 'niche' activities right. A recurrent theme had been how to ensure that all staff concerned were made aware of the risks involved.

The Committee had noted the importance of monitoring by the Principal's Management Group of the key strategic risks identified by the Workshop, and the priority to be assigned to the issues raised, and for risk issues to be disseminated to all appropriate staff.

Disposal: Noted.

10.7 AUDIT COMMITTEE MEMBERSHIP

Mr James Scott was leaving the Audit Committee but would continue to chair the Estate and Building Services Committee. The Chairman had thanked Mr Scott for his services to the Committee.

Ms Janet Lowe, Principal of Lauder College, would join the Committee for the next meeting subject to Court approval (cf Minute 11.2 below).

Disposal: Noted.

11. Nominating Committee – Report

11.1 MEMBERSHIP OF COURT

Statute XII paragraph 1 (xii)

Such other persons not exceeding eight in all as may be co-opted by the Court

The present membership was seven, and there would be three vacancies by the expiry of period of office of Dr Greig, Lord Penrose and Dr Summers. The Committee had agreed to recommend that the following be co-opted to membership of the Court for a period of three years from 1 August 2000:

Dr C G Greig
Mr S G Kay
The Hon Lord Penrose
Dr R Summers

Disposal: Approved.

11.2 MEMBERSHIP OF COMMITTEES

The Committee had given consideration to the membership of the Committees of Court, and of Joint Committees of Court and Senate, and had agreed to recommend the following changes with effect from 1 August 2000:

<u>Committee of Court</u>	<u>Delete</u>	<u>Add</u>
Audit	Mr J A Scott	Ms J Lowe
Estate Strategy	Mr J Grant-Wood	Mr E M Walker
Finance	-	Professor C Viney

The Committee had also noted and approved the co-option to the Finance Committee with effect from 1 October 1999 of Mr G Bissett.

The Committee had further noted the membership of the Purchasing Committee, formally recognised in March 2000 as a sub committee of the Finance Committee (Ct 79.5/99-00), as follows:

Mr R Hill	Mr S L L Paterson
Mr R L Allardyce	Professor A C Walker
Professor B C Cavenett	Mr P L Wilson
Mr D Moodie	

Convener: Mr R Hill Clerk: Mr T Newjem

Staffing Strategy	Professor K J Brown	Mrs S G Charlesworth
AUT/JNCC	Professor K J Brown	Professor A C Todd
Welfare Committee	-	Professor A C Todd

Disposal: Approved.

11.3 MEMBERSHIP OF GENERAL CONVOCATION

In terms of Statute XI, the Court was empowered to make certain appointments to the General Convocation and to determine, within limits, those outside bodies which might be invited to make appointments to the General Convocation. The relevant paragraphs of the Statute are detailed below:

(a) Paragraph 1(4)(h)

"One representative of the Royal Society of Edinburgh and of each of such Learned and Professional Societies, Research Institutes and other bodies as the Court may from time to time determine but so that the total of all such persons shall not exceed ten."

The current membership, representation and date of expiry of periods of office were as follows:

<u>Present Members</u>	<u>Date of Expiry of Period of Office</u>
Royal Society of Edinburgh Professor B Proudfoot	31 7 2002
The Engineering Council Professor C W Davidson	31 7 2000
The Faculty of Actuaries R H J Milne	31 7 2000
The Royal Academy of Engineering F G Johnson	31 7 2000
The Institute of Bankers of Scotland J S Lindsay	31 7 2000
The Institute of Chartered Accountants of Scotland Professor J P Percy	31 7 2001
The National Engineering Laboratory Dr F Kinghorn	31 7 2000
The Royal Incorporation of Architects in Scotland Ms S Stephen	31 7 2000
Royal Society of London Professor Sir Michael Atiyah	31 7 2002

The Textiles Institute
G Raven

31 7 2001

There were six vacancies in this category. It had been agreed to recommend that the Royal Academy of Engineering, the Faculty of Actuaries, the Institute of Bankers and Royal Incorporation of Architects in Scotland continue to be represented for a period of three years from 1 August 2000, and that Scottish Financial Enterprise be represented for a similar period.

The Committee would give further consideration to the remaining vacancy.

There was a supplementary proposal by the Chairman of Court that the Engineering Council continue to be represented until 31 March 2001.

(b) Paragraph 1(4)(j)

"The Heads of such Educational Institutions in Scotland as the Court may from time to time determine but so that the total of such persons shall not exceed five."

<u>Present Members</u>	<u>Date of Expiry of Period of Office</u>
Mrs J S R Johnston Principal Fife College of Further and Higher Education	31 7 2001
R B Murray Principal Borders College	31 7 2001
Ms J Lowe Principal Lauder College Dunfermline	31 7 2000
Dr R Harris Principal Stevenson College	31 7 2000
M A Webster Principal Perth College	31 7 2001

There were two vacancies in this category.

It had been agreed to recommend that Stevenson College and Telford College be represented for a period of three years from 1 August 2000.

(c) Paragraph 1(4)(k)

"Such Headmasters and Headmistresses of Schools not exceeding ten in all, as may be appointed by the Court."

<u>Present Members</u>	<u>Date of expiry of period of office</u>
W M Brown Bo'Ness Academy	31 7 2000
A Hector George Heriot's School, Edinburgh	31 7 2000
D Meek Queen Anne High School	31 7 2000

Dr J McClure St George's School for Girls	31 7 2000
D Sillar Stromness Academy, Orkney	31 7 2000
R Mackenzie Balerno High School	31 7 2001
J Irvine Bathgate Academy	31 7 2001
T W Dalglish Boroughmuir High School	31 7 2001
J Fraser Craigmount High School	31 7 2001
C McAteer Dumfries Academy	31 7 2002

There were five vacancies in this category. It was recommended that the following be represented for a period of three years from 1 August 2000:

Strathallan School
 Merchiston Castle School
 Beeslack High School
 Musselburgh Grammar School
 George Heriot's School

(d) Paragraph 1(4)(l)

"One representative of the Royal Scottish Academy, one representative of the Royal Scottish Society of Arts and one representative of each of such Associations and other organisations in Scotland as the Court may from time to time determine but so that the total of such representatives shall not exceed six."

<u>Present Members</u>	<u>Date of expiry of period of office</u>
Royal Scottish Academy Professor G W Scott	31 7 2002
Royal Scottish Society of Arts Dr A D C Simpson	31 7 2002
Scottish Design D Robson	31 7 2002
Scottish Software Federation R Dunn	31 7 2002
Scottish Electronics Forum J Echols	31 7 2000
Scottish Enterprise Edinburgh & Lothian D Crichton	31 7 2000

There were two vacancies in this category. It was recommended that SEEL and the Scottish Electronics Forum continue to be represented for a period of three years from 1 August 2000.

(e) Paragraph 1(5)(b)

"Such other persons not exceeding six in all as may be appointed by the Court."

There were two vacancies in this category.

<u>Present Members</u>	<u>Date of expiry of period of office</u>
C Rutherford	31 7 2002
D W Martin	31 7 2002
Sir George R Mathewson	31 7 2001
A C Paton	31 7 2001

The Committee would give further consideration to these vacancies.

Disposal: Approved.

[A list of the membership of Court Committees as at 1 August 2000 is set out in Appendix A hereto]

12. Staffing Strategy Committee – Report

12.1 ANNUAL REPORT AND PERFORMANCE INDICATORS

The Committee wished to draw the attention of the Court to the following:

- Revised Appraisal Scheme

Work on the appraisal scheme was still in progress, following negative comments from AUT, which were requiring, among other things, that all academic appraisals should be carried out by the head of department (not feasible in very large departments).

- Statute XXV

Due to the very cumbersome procedures detailed in Statute XXV: Removal from Office, imposed on Universities by the Commissioners, the University had found it difficult to operate, and was considering an approach to the Scottish Parliament, through COSHEP, in an attempt to have it amended.

Disposal: Noted. The Court also received a stimulating commentary on the reports from the Convener of the Committee, Mr Kay.

In discussion of the two main issues raised by the Committee, it was noted that the whole area of staff appraisal continued to be subject to review with the aim of instituting appropriate structures to permit systematic follow up of appraisal and its consolidation as primarily a staff development function. It was suggested that this should not however divorce appraisal from the promotions procedure. The Court expressed support for the efforts of the Committee in seeking solutions to the issues regarding the responsibility for appraisal, noting as an alternative to the strictly hierarchic structure the mentoring systems applied in organisations which had flat or lattice management structures.

The Court approved the suggestion that the Secretaries of the Scottish Universities pursue the possibility of petitioning the Scottish Parliament for amendments to the model statute on removal from office. The Court was also gratified to note the progress made in implementing the recently codified policies on Equal Opportunities and Disability.

It was noted that the Director of Personnel, Mr H W Cooke, would take early retirement on 30 September 2000 after 25 years' distinguished service. Mr Cooke would retain consultancy links with the University. The post of Director of Personnel would be filled by the promotion of Mrs A Roberts, currently senior personnel officer in the University.

13. Vacation Committee – Report

13.1 STATUTE XI : THE CONVOCATION

The Court had received a report from the Vacation Committee, setting out changes to be made to the recommendation made to the Privy Council, in the name of the Convocation and the Court, for amendment of the terms of Statute XI. These changes related to the placing, within the relevant paragraphs, of clauses embodying the desired amendments, and were set out in agenda paper F for the meeting.

It was suggested by certain members of the Court that the procedure adopted was inappropriate, and risked being invalidated as being ultra vires, in the light of the requirements of the Charter relating to Special Resolutions for the amendment of the Charter or the Statutes.

It was agreed that the Secretary of the University consult with the office of the Privy Council as to a mechanism acceptable to the Privy Council for attaining the objectives agreed by the Convocation and the Court.

14. CONFERMENT OF TITLE OF PROFESSORIAL FELLOW

In terms of Ordinance 25 a committee consisting of the Principal and four professors of the University had consulted the undernoted external referees and had agreed to recommend that the title Professorial Fellow be conferred upon Professor William Keogh. Professor Keogh was currently the holder of the Brisco Chair in Entrepreneurial Studies at Robert Gordon University and the appointment would coincide with the commencement of his full-time appointment in the University as Enterprise Co-ordinator on 1 December 2000. The Principal's Management Group invited the Court to approve the recommendation from the Principal and Deans Committee on behalf of the Senate, that the title of Professorial Fellow be conferred on Professor Keogh.

External referees

Professor David Smallbone
Head of Centre for Enterprise and Economic Development Research
Middlesex University

Mr Allan Gibb
Chairman
University of Durham Foundation for Small and Medium Enterprise Development

Disposal: Approved.

Court

Minutes

In the Chair: Professor E Brown Date of Meeting: 30 October 2000

Present also: Principal J S Archer Professor D G Owen
 Mr G Bissett Hon Lord Penrose
 Mr D A Brew Mr J D Polson
 Mr D A M Brown Mr C P Robinson
 Mrs S G Charlesworth Mr N R Rudd
 Mr B Drury Councillor A Scobbie
 Dr C G Greig Mr J A Scott
 Mr D H Guest Dr R Summers
 Sir Peter Heatly Professor J A Swaffield
 Mr S G Kay Mr A B Taylor
 Ms J Lowe Professor A C Todd
 Mr A Morrison Professor C Viney
 Ms G A McDonald Dr S Zachary

In attendance: Professor C M Brown, Deputy Principal
 Professor D R Hall, Assistant Principal
 Professor R R Leitch, Assistant Principal
 Professor P N O'Farrell, Assistant Principal
 Professor A C Walker, Deputy Assistant Principal
 Professor J C Eilbeck, Dean, Science
 Professor J E L Simmons, Dean, Engineering
 Professor I Mason, Dean, Economic and Social Studies
 Mr P L Wilson, Secretary of the University
 Mr S L L Paterson, Director of Finance
 Mr R V Parkinson, Senior Assistant Secretary
 Mr P G Kerr, Director of Estate and Building Services
 Mr W R McGookin, Director of Planning Office
 Mrs M Thornton, Director of Corporate Communications
 Mr A G Hood, Assistant Registrar

Mr P Gregory, Director of Planning & Development, Scottish Borders Council
 Professor B Austin, Convener, Occupational Health & Safety (for item 26)
 Mr F Reay, University Safety Officer (for item 26)

15. WELCOME

The Chairman, on behalf of the Court, welcomed to the meeting Councillor A Scobbie, the representative of the City of Edinburgh Council, and Mr B Drury nominee of the Council of the

19. DISASTER RECOVERY PLAN

With reference to Ct 10.1/00-01, it was reported that Napier University was well advanced in the development of disaster recovery plans similar to those envisaged by the University, and that it had been agreed that the two institutions co-operate in devising appropriate documentation and investigating the scope for mutual assistance in the event of an emergency situation arising. In due course the possibility would be investigated of engaging the University of Edinburgh and Queen Margaret University College in this planning process.

20. INDUCTION TRAINING FOR COURT MEMBERS

It was noted that induction training for newly appointed members of the Court had been scheduled for early December. Members had also received information on seminars being arranged by the Committee of University Chairs on specialist areas of University management, including Indicators of Financial Health; and Managing the Estate.

21. CHAIRMEN OF AUDIT COMMITTEES

It was noted that among the agenda of the Chairs of the Courts of the Scottish Universities was the possible formation of a forum of the Chairmen of the Audit Committees across the sector. It was suggested that, should this take place, full advantage should be taken of the knowledge and expertise of the professional accounting firms already engaged in audit services and evaluation of risks.

22. Communications from the Principal and Principal's Management Group

22.1 HE FUNDING 2001/02 TO 2003/04

In September 2000 the Scottish Executive had announced the spending settlement for higher education for the years 2001-02 to 2003-04. The details were as follows:

Year	Total SHEFC Grant	Cash increase on previous year	% increase on previous year
2001/02	£659.6m	£50m	8.2
2002/03	£676.1m	£16.5m	2.5
2003/04	£697.6m	£21.5m	3.2

The figure for 2001/02 also represented a 2.8% increase on the planned expenditure under the previous Comprehensive Spending Review. The intention was to provide a significant real terms increase in the first year and to sustain this with the slight real terms increases in the following two years. Most of the additional spending would go to 'core' funding.

Key elements included:

- 28% increase in cash terms (14% in real terms) over 3 years to FE
- 14% increase in cash terms (6% in real terms) over 3 years to HE

ALL STUDENTS: ALL SUBJECTS

	% change	2000/01 estimated population	Notes
Undergraduate	+2%	ca 4,824	Incl.: -increased nos in 6 departments -reduced nos in 7 departments
Postgraduate (teaching)	-17%	ca 475	No department with increased nos
Postgraduate (research)	+10% estimate	ca 440	Still based on projections because PGR students register more slowly.

Within this analysis three significant features emerged:

- figures for Home and European Union students at all levels in SHEFC “Priority Areas” highlighted a shortfall of ca 70 FTEs below funded numbers. This was probably just within the margin of tolerance allowed by SHEFC before withdrawal of funded places
- an increase of Overseas fee-paying student numbers of 12% to 685. This is a very encouraging recovery that the University must seek to maintain
- significant concerns about numbers of taught postgraduate students which must be considered more fully

Disposal: Noted.

22.3 EDINBURGH COLLEGE OF ART

At a Board of Governors meeting at the College on 9 October, the College had decided formally to disengage from merger talks.

The following University statement had been issued following announcement of that decision:

“The Governors’ decision is disappointing, but not a surprise, as merger talks were already on hold while ECA explores Small Specialist Institution status. In fact Heriot-Watt has offered to assist the ECA with its application for this status.”

Students at ECA study for Heriot-Watt degrees so the needs of students and the University’s responsibilities for academic quality are the priority”.

The College had stressed the value of its academic association with Heriot-Watt. The University Senate and Court would be considering the best way forward for the relationship between the two institutions in light of the decision by the College regarding merger talks.

Proposals

99/00	£34.645 m
98/99	£25.620 m
97/98	£22.899 m
96/97	£29.748 m
95/96	£24.731 m

Awards

99/00	£10.750 m
98/99	£9.589 m
97/98	£15.795 m
96/97	£11.069 m
95/96	£14.259 m

It was expected that the record proposals level of the previous year 1999/2000, would show through in the value of new awards in the current year, and there was already some early evidence of this. Overall around 75% of the level of activity in 1999/2000 was already on the books as work in progress in the current year. This reflected the recent investment in staffing regeneration.

The Principal laid emphasis on the importance of the level of overhead recovery, where there was presently highly variable performance in recovery rates, with unacceptably low rates being achieved in some departments.

Disposal: Noted.

22.5 SCHOLAR PROGRAMME

The Scholar Programme had been officially launched in the summer, and throughout autumn materials been distributed to participating schools and colleges. There were currently 760 registered students in 40 schools and 6 FE Colleges. The Scholar Forum was expected to grow rapidly as Scholar was opened up to other areas of Scotland in the next few years.

Arrangements were also proceeding for the marketing and delivery of the Scholar Programme in Malaysia through the Malaysian Open University in partnership with Scottish Knowledge.

In the context of future development of the Scholar Programme, a working group had been established to consider *inter alia*, issues relating to appropriate partnerships to help deliver investment, marketing, systems support, language translation capability, sustainability and returns.

Disposal: Noted.

22.6 DISTRIBUTED LEARNING PROGRAMME: BA IN MANAGEMENT EDUCATION

Plans were proceeding regarding an agreement with the University of Malaya and Scottish Knowledge for the marketing and delivery of the Programme in Management Education in Malaysia. The forthcoming graduation ceremony to be held in Kuala Lumpur would offer the opportunity to advance this agreement and to promote alumni relations and fundraising activity.

Disposal: Noted.

22.8 FUNDING BIDS

Institute of Mathematical Sciences

In September the University had submitted supplementary evidence in a bid for funding to support plans for an Institute of Mathematical Sciences building under the SHEFC Research Development Grant scheme. This scheme was designed to support high quality bids which were not affordable under the Joint Infrastructure Fund, and the University expected to hear the outcome in November.

Joint Infrastructure Fund bids

In November the University expected to learn the outcome of JIF bids for the following:

Centre for Industrial Photonics – Department of Physics.

This project had been very highly rated in the June round, but had been deferred for further consideration in November.

Centre for Biomimetic Design and Synthesis: Pharmaceuticals and Materials for the 21st Century – Department of Chemistry.

Disposal: Noted. The Chairman of Court voiced concerns, shared by those involved in developing and submitting these bids, at the lack of transparency in the process.

22.9 FUNDRAISING PLANNING FEASIBILITY STUDY

Working with fundraising consultants Brakeley Europe Ltd, the University was progressing with a fundraising feasibility study and fundraising document which would form the basis of medium- to long-term fundraising activity.

Additionally, a study aimed at identifying the potential for raising funds from the University's real estate and other assets was underway.

Disposal: Noted.

22.10 EUROPEAN CENTRE FOR MARINE BIOTECHNOLOGY

Plans were being developed for a European Centre for Marine Biotechnology at Dunstaffnage near Oban, due for completion in 2002/03. This would provide, *inter alia*, research facilities and space for start-up companies in a new scientific discipline. Initial funding had been provided by Highlands and Islands Enterprise. Funds had also been committed by the Natural Environmental Research Council. It was anticipated that a funding application by Highlands and Islands Enterprise would be made to the EU in Spring 2001.

The Director of Technology & Research Services and the Assistant Principal (Research) would work

Engineering, and bringing the possibility of interdisciplinary and collaborative research. This was the first award of its kind in Scotland under the Personal Research Chair Scheme. Funding for the chair would be provided for a period of five years.

Disposal: Noted.

22.13 STAFF APPOINTMENTS

In recent weeks the following senior appointments had been made:

- Deputy Assistant Principal (Resources) – Professor Andy C Walker
- Director of Information Services – Mrs Lynne Berrie
- Director of Personnel – Mrs Angela Roberts

Disposal: Noted.

22.14 HEFCE PERFORMANCE INDICATORS FOR HE (1997-98, 1998-99)

The University had recently received copies of Performance Indicators for HE (1997/98, 1998/99). This publication was the second annual volume published by the UK HE Funding Councils and based on national data collected and compiled by HESA.

Figures for Heriot-Watt showed that in most areas the University was comparable with benchmark performance, or outperformed benchmark. The University had performed significantly above its benchmark for learning efficiencies. This was a complex technical measure which compared 'the 'time students should ideally take' to complete their programme – in an ideally efficient system – to projected actual study time. The University had also performed better, to a statistically significant degree, in a number of indicators concerning student access and social inclusion.

Disposal: Noted.

22.15 CORPORATE IMAGE OF THE UNIVERSITY

The Court noted examples of a redesigned logo and corporate image for the University, arising from the need, identified at the Open Space Event earlier in the year, to raise the profile of the University and to project a modern vibrant institution. The new style would be introduced progressively from the New Year.

23. Communications from the Senate

23.1 ACADEMIC PROMOTIONS BOARD (SENIOR PROMOTIONS) FOR EDINBURGH COLLEGE OF ART

On the recommendation of the Academic Promotions Board (Senior Promotions) for Edinburgh College of Art, the Senate had agreed to recommend to the Court that the proposed promotions be

The Committee had agreed to recommend to the Principal's Management Group that it recommend to the Court that the proposal be approved.

Disposal: Noted.

23.3 NEW ORDINANCE 15: ACADEMIC CONGRESS

The Senate had considered a draft new Ordinance 15 which had been prepared in accordance with Statute XVIII: Academic Congress which stated "The procedure for the appointment of the Chairman of the Academic Congress shall be prescribed in the Ordinances".

The Senate had noted that the proposed draft had been considered and approved initially by the Principal's Management Group, which had invited the Ordinances and Regulations Committee to consider the detailed wording.

The Senate had agreed to recommend to the Court that the proposed new Ordinance detailed in Appendix A to agenda paper B_i be approved.

Disposal: Approved, subject to the amendment of para 5.4 to read "may be convened at any time by the Chairman or by the Principal".

23.4 ORDINANCE 18: PROFESSOR EMERITUS

The Senate had noted that the Principal's Management Group had agreed that Ordinance 18 should be amended to make the same provision for the conferment of the title 'Professor Emeritus' for professorial fellows as it did for professors. The Ordinances and Regulations Committee considered a revised Ordinance 18 which made provision for the title Professor Emeritus to be conferred upon professorial fellows. The Senate had agreed to recommend to the Court that the revised Ordinance 18 detailed in Appendix B to agenda paper B_i be approved. The Senate had pointed out that the reference to decisions by the Senate and the Court contained in square brackets in that document would be amended in due course when the revised ordinance was approved.

Disposal: Approved.

23.5 ORDINANCE 25: TITLE OF PROFESSORIAL FELLOW, RESEARCH FELLOW, TEACHING FELLOW AND INDUSTRIAL FELLOW

The Senate had noted that in February 2000 the Court had approved a revised Ordinance 25, which had been extended to include the conferment of the titles Research Fellow, Teaching Fellow and Industrial Fellow. In making the revisions a paragraph which had been in the original ordinance enabling a person upon whom the title Professorial Fellow had been conferred to style themselves professor, had been omitted. In addition the paragraph stating that conferment of a title did not ipso facto entitle the person to membership of any statutory body or the exercise of any administrative function had also been omitted.

important to appreciate the range of services for which the Estate Office was responsible, and the high proportion of its expenditure which was devoted to recurrent issues. It was gratifying that the University's estate strategy was now clearly set out, albeit influenced in its implementation by many factors. These included:

- planning authority issues, both general and particular
- the absence of consistently available funding
- the need to address issues of space utilisation
- the funding implications of choices to be made on the standard of maintenance provision to be undertaken
- utilities costs and the increasing consumption of water
- the maintenance of adequate levels of staffing to respond to continuing expansion
- the need for environmentally sustainable transport arrangements for the campus community
- the question of how the University's estate and assets might contribute to the requirements of operational cashflow

In discussion the following were among points noted:

- concerns about the very large amounts of maintenance spend required to bring the Estate up to a desirable state
- maintenance issues relating to compliance with statutory requirements would clearly take priority
- there was a need to identify a level of long-term maintenance provision which was affordable and which would be undertaken as a minimal baseline, with augmentation when possible
- there was a strong argument for undertaking, on a consistent basis, maintenance projects which made discernible contribution to the quality of student life
- while the issue of long-term maintenance was a concern for all institutions, this did not relieve the University of the responsibility for making its own dispositions to meet the situation as soon as possible
- sectoral comparisons regarding space utilisation rates were instructive, but in-house measures such as space audit and the use of software to allocate and monitor space would offer useful guidance on potential areas for improvement
- the Estate Office would continue to seek the most advantageous rates for the supply of utilities, whether on a consortium basis as hitherto or as an individual organisation. Increased prices for water supply and especially sewerage were a particular challenge
- the greatest benefits were to be derived from efficient use and conservation of energy and natural resources
- the Estate Office would maintain close surveillance of the pattern and individual implications of planning submissions to the local authority, and of initiatives by the council, which might impinge on the Estate Strategy of the University

The Court expressed appreciation of the work of the Estate Office and of the Committee, represented in the report, and providing the basis of a planned approach by the Court and the officers of the University to the Estate Strategy issues.

involvement in the Council's Edinburgh West District Plan and of the University's own Estate Masterplan (cf Ct 13.4 and Ct 26/99-00).

The Court resolved to approve the proposal and the associated expenditure.

25. Finance Committee – Report

25.1 FUNDRAISING

- noted, with reference to Minute 4 of 15 June 2000, that Brakely Europe had provided general guidance on the first phase of external fundraising envisaged as relating to the Maths Institute, and had advised on the setting up of a framework for pursuing this
- noted that projects other than the Maths Institute should be limited in number in terms of specific fundraising approaches
- noted that the next stage would be to plan the campaign and to take further advice on the formulation of appeals relating to the sports village, the cultural and social centre and development of global learning
- noted also a review of the University's assets by Arthur Anderson, to identify possible ways of releasing cash and to assess all the options available to the University

Disposal: Noted.

25.2 FINANCIAL PERFORMANCE 1999-2000

a) Heriot-Watt Trading

- noted a material fall in consultancy turnover
- noted a more positive rôle for Technology Research Services in promoting and monitoring consultancy, continuing professional development education and the Scottish Director Centre in the coming year

b) Edinburgh Conference Centre

- following the opening of the second hall, noted that the Centre was not yet performing to the levels envisaged in the business plan and that the market place was now much more competitive. It was reported to the Court that in the first two months of the current financial year the Conference Centre had achieved a 50% increase in turnover

c) Edinburgh Business School

- noted drop in royalties from sales of course texts, due to business conditions in the Far East and actions by the agents FTK
- agreed to require a marketing and business plan from FTK

- noted that work currently in progress for 00/01 totalled £9.1m, nearly 80% of the total for 1999-2000 with the bulk of the year still to come

Disposal: Noted.

25.4 INVESTMENT PORTFOLIO

- noted a statement of the value of holdings in spin-out companies (Appendix 1 to agenda paper D)

Disposal: Noted.

25.5 UNIVERSITY MANAGEMENT ACCOUNTS

- noted that the actual deficit was close to that planned but was only achieved by the one-off release of excess endowment funds (Appendix 2 to agenda paper D)
- noted a combination of income fall and cost overruns in relation to the budgeted levels
- noted that better controls were needed for some areas e.g. scholarship spend and improved monitoring of the rate of inflow of income
- noted that the need for cost reductions should be addressed in the University's departmental planning process which would commence in November
- noted that the cost-base of departments could be reduced to match their income possibly only by means of restructuring
- agreed that the budgets for 2000-2001 be reviewed for consideration by the Committee at its next meeting

Disposal: Noted. In discussion the Court also noted the following:

- the figures were part of a rolling programme of investment and review
- the high proportion of fixed costs meant that margins for adjustment were narrow and offered only modest scope for compensatory action
- those areas where budget assumptions had not been fulfilled were already subject to changed strategic management
- the release of endowment funds was a mechanism similar to drawing down of general provisions under former University accounting practice. Such provisions were however no longer permissible, and the University would not in future be able to make similar adjustments
- the planning round meetings and their outcome would be crucial in redressing the pattern of spend
- the continuing measures to achieve a balance between income and expenditure would be informed by the outcome of the budget review to be presented to the next meeting of the Finance Committee at the end of November

25.6 PROGRAMME OF MEETINGS

Professor Austin, in presenting the report, drew attention to the University's success in obtaining the Silver Award of the Scotland's Health at Work scheme, and indicated that in the next year efforts would continue towards the standards required for the Gold Award. In response to questions, Professor Austin and Mr Reay indicated that

- the trends over the past year had been positive in terms of awareness of safety issues
- this awareness was promoted by a positive culture of reporting of relevant incidents
- the safety record of the Estate Office showed an improvement, which was attributed to the influence of an active departmental safety committee
- the introduction of training and practical exercises had had a positive effect in containing accident rates
- the pattern of reported incidents was moving towards increased notification of minor issues, reflecting the awareness noted above
- the strategy of seeking the SHAW Gold Award would give rise to a number of detailed measures over the next year

The Chairman, on behalf of the Court thanked Professor Austin and Mr Reay and the Committee for their efforts in the interests of safe working practices, and offered particular congratulations in respect of the SHAW Silver Award.

27. STATUTE XI: THE CONVOCATION

With reference to Ct 94/99-00 and to Ct 13.1/00-01 the Privy Council had been consulted about the mechanism which would be acceptable to the Council to allow the University to attain amendments to the Charter and to relate these measures to the correct clauses of Statute XI.

The Court was invited to consider a revised proposal which placed representation from MPs and MSPs as sub-clauses (m) and (n) of clause (4) of paragraph 1 of Statute XI and the proposed paragraph on religious representatives as clause (o) of clause (4).

In addition, as a consequence of adding the three new categories of representative members in (m), (n) and (o), the following amendment was necessary to paragraph 3 (3) of Statute XI.

“

- (3) The Members of Convocation referred to in sub clauses (b), (c), (d), (f), (g), (h), (j), (k), (l), (m), (n) and (o) of clause 4 of paragraph 1 of this Statute shall hold office for a period of three years commencing on the first day of August in the year in which they are appointed, and shall be eligible for re-appointment:

Provided that such members who, in terms of clause (4) of paragraph 1 of this Statute, are required to hold a particular qualification or appointment shall be members of the Convocation only as long as they hold that qualification or appointment.”

(The amended section is underlined)

Court

Minutes

In the Chair: Professor E Brown

Date of Meeting: 5 February 2001

Present also: The Rt Hon The Lord Mackay of Clashfern

Principal J S Archer

Mr G Bissett

Mr D A Brew

Mr D A M Brown

Professor C W Davidson

Mr B Drury

Mr D H Guest

Sir Peter Heatly

Mr S G Kay

Mr R B Martin

Mr A J Morrison

Ms G A McDonald

Professor D G Owen

The Hon Lord Penrose

Mr J D Polson

Mr C P Robinson

Mr J A Scott

Mr G Stuart

Dr R Summers

Professor J A Swaffield

Professor A C Todd

Professor C Viney

In attendance: Professor D R Hall, Assistant Principal
 Professor R R Leitch, Assistant Principal
 Professor C E R Maddox, Assistant Principal
 Professor P N O'Farrell, Assistant Principal
 Professor J C Eilbeck, Dean, Science
 Professor I Mason, Dean, Economic and Social Studies
 Mr P L Wilson, Secretary of the University
 Mr S L L Paterson, Director of Finance
 Mr R V Parkinson, Senior Assistant Secretary
 Mr P G Kerr, Director of Estate and Building Services
 Mr W R McGookin, Director of Planning Office
 Mr A G Hood, Assistant Registrar

Professor K J Cornwell, Director of Quality

46. WELCOME

The Chairman expressed particular pleasure at the presence of the Chancellor of the University who would chair the discussion on the topic of the effectiveness of the Court (item 61 below) and welcomed Professor Cornwell, present for item 62.

47. VISIT TO DEPARTMENT OF COMPUTING AND ELECTRICAL ENGINEERING

The Chairman, on behalf of the Court, expressed appreciation of the stimulating visit to the Department undertaken before the present meeting, during which the great variety of the Department's activity had been evident. It was particularly noted that the new five-year Masters programme in IT included a requirement for industrial placement which would in due course involve around 30 students per annum, and that these were proving difficult to establish.

48. APOLOGIES

Apologies for absence were intimated from Mrs Charlesworth, Dr Greig, Ms Lowe, Mr Lyden, Mr Rudd, Councillor Scobbie, Professor Smart, Mr Taylor and Dr Zachary.

49. MINUTES

The Minutes of the meeting of the Court held on 11 December 2000 were approved.

50. EDINBURGH COLLEGE OF ART

With reference to Ct 33/00-01, the Chairman conveyed to the Court that the Governors of the Edinburgh College of Art had appointed, as Principal of the College from June 2001, Professor Ian Howard, presently professor of Fine Art at Duncan of Jordanstone College, University of Dundee.

51. STATUTE XI: THE CONVOCATION

With reference to Ct 36/00-01, it was noted that this matter was currently with the Privy Council who had taken further advice from the University secretariat and would advise the University in due course on the outcome of its petition.

52. NEW YEAR HONOURS

The Court noted with pleasure the following awards conferred in the New Year Honours.

David McMurtry CBE DEng (Knight Bachelor) – Honorary Graduate of the University

Steven Redgrave CBE (Knight Bachelor) – Honorary Blue and Honorary Graduannd – November 2001

Ivor M Sutherland DLitt (CBE) – General Teaching Council for Scotland – Honorary Graduate of the University

53. Communications from the Chairman of Court

53.1 SCOTLAND'S HEALTH AT WORK SCHEME

With reference to Ct 26/00-01, the Chairman reported that the University had now attained the SHAW Gold Award, and paid tribute to those whose efforts had led to this success, principally Professor Austin, Dr de Lima and the University's Catering and Residences service. It was agreed that the congratulations of the Court be conveyed to those involved.

53.2 MERGER OF INSTITUTIONS – EQUITY IN RESOURCING

The Chairman reported that he had raised with the Scottish Higher Education Funding Council the question of equity in the treatment of mergers between academic institutions, in the light of apparent large scale gains by the University of Edinburgh from property disposals subsequent to merger with Moray House Institute, in addition to the provision by the Council of strategic change funding.

54. Communications from the Principal and the Principal's Management Group

54.1 BUDGETS 2000-2001

At its meeting on 31 January 2001 the Principal had reported to the Senate that the Court had met in December and had accepted the financial report for 1999/2000. The Senate had noted the agreed revised budget for 2000/2001, based on an operating deficit of £1.84m, and continuing the University's investment in research, learning and infrastructure.

54.2 CONSULTATIVE MEASURES

The Principal had instituted a regular monthly meeting with heads of academic departments and centres focussed on strategic issues.

In preparation for the Strategic Planning weekend on February 9 and 10, the Principal had initiated a number of seminars with senior colleagues. The first of these had been devoted to progress over the last year and targets for the future. The second had been on 23 January when Ms Lynne Berrie had spoken about the Information Strategy. The third would be on 6 February when Mr Stephen Paterson and Professor Charlie Brown would speak on Risk Management.

The Staff Development Unit had held a Human Resource Development Workshop for Heads of Department and senior colleagues on the topic of conflict resolution, and the rôle of the Personnel Office as a source of professional guidance for Heads dealing with conflict resolution had been welcomed.

54.3 SHEFC FUNDING REVIEWS

The University was in the process of responding to two important consultation papers, on Research and on Teaching, from SHEFC. The outcomes would have significant impact on the University through the process of resource allocation, and the topics had been the subjects of discussion at the Senate meeting.

In the Research consultation the main issues concerned preservation of the unit of resource for RAE Grade 5*, 5 and 4 at the expense of RAE Grade 3 and below.

The increased pressure on lower-graded departments would stem from the increasing numbers of departments attaining grade 5 status but an absence of additional resources to fund them. It was however noted that the increase from 69% to approximately 84% in research-active staff in Heriot-Watt should lead to a volume-related increase in funding for the University.

In the Teaching consultation, resource shifts which would disadvantage engineering (other than IT) and business/management in order to fund clinical medicine and veterinary science had been proposed by SHEFC. Further proposals included the funding of present fees-only students. Initial modelling of the outcome showed substantial benefit to institutions with medical schools with a potential loss of income of nearly 1 million pounds a year for Heriot-Watt. Indicative figures were set out in agenda paper Ai for the meeting.

The Teaching review had aroused particular disquiet across the Scottish University sector, and Universities Scotland would formally contest deficiencies in procedure by the Funding Council. It was not clear whether the consultative proposals were intended to influence efficiency in the use of resources or the balance of subject provision, but there would be a sector-wide protest to the Funding Council, together with representations at a political and executive level.

55. HONORARY DEGREES 2001

The Senate had noted that the Honorary Degrees Committee, with the delegated authority of the Senate, had agreed that the undernoted be awarded an honorary degree:

Date/Venue of Congregation	Honorary Graduand	Degree
Friday, 6 July 2001 Scottish Borders Campus	Dr R W Gore Chief Executive Officer W L Gore Associates	DEng
	In recognition of his outstanding innovative contributions to textile technology	

The Senate had agreed to report the award to the Court for information.

Disposal: Noted. It was particularly noted that the dates of the Graduation ceremonies had now been confirmed as follows:

Friday, 6 July	Scottish Borders Campus
Tuesday, 10 July	am Faculty of Economic and Social Studies pm Faculty of Science Combined Studies
Wednesday, 11 July	am Faculty of Engineering pm Faculties of Edinburgh College of Art

56. Audit Committee – Report

56.1 PURCHASE ORDER PROCESSING SYSTEM

Introduction of the system to all areas was scheduled by May 2001. There was continuing discussion on whether Estate and Building Services could adopt POP. The Audit Committee sought commitment accounting within Estates, preferably using POP, but a suitable specialist system could be used provided it could interface with existing systems.

The generation of management reports was achieved by means of Business Objects software which was not yet available to departments. When departments had full facilities, the existing shadow financial systems would be discontinued. The Chairman of the Committee laid particular importance on the adoption of POP by Estates given the benefits of scale entailed.

Disposal: Noted.

56.2 RESPONSE TO EXTERNAL AUDIT MANAGEMENT LETTER

Management responses stressed the importance of the presentation of monthly financial reporting, 'bottom line' figures, cash flow forecasting and in specifying basic assumptions. This information was to be regularly reported at the Finance Committee and PMG. The University must be able to demonstrate that it had appropriate and secure systems, IT security and restoration of facilities. The external auditors had assigned a category 1 importance to IT and their final report would show stages and dates for achieving the action points.

Disposal: Noted.

56.3 INTERNAL AUDIT

- Annual Report 2000

The Committee had received and noted the Annual report of internal auditors Deloitte and Touche, of which the Executive Summary was set out in Annex A to agenda paper C for the meeting. Issues noted by the Committee were risk management, the implementation of POPs, and cost savings by means of purchasing and stock controls, particularly by collaboration between the Estate and Supplies offices.

- Annual Plan 2001

The Committee had considered and approved the Annual Plan for internal audit for 2001, as set out in Annex B to agenda paper C. In respect of the Value for Money content of the Plan it had been agreed that any measures offering material improvements be vigorously pursued.

Disposal: Noted. It was also noted that, as recommended in the report, dual control had been instituted over access to BACs files. In relation to POPs, the cost in terms of purchase and users' time commitment had to be balanced against the benefits of more precise management information in the form of commitment accounting feedback.

56.4 PERFORMANCE INDICATORS

The Committee had received for comment a range of performance indicators relating to the operations of the University, proposed by the Secretary of the University for consideration by the Committee prior to submission to the Court. The Committee saw its rôle as overseeing the process of production and application of PI's rather than taking executive responsibility for the activity being reviewed.

Disposal: Noted.

57. COLLECTIONS COMMITTEE – REPORT

The Court had received, as agenda paper D for the meeting, the annual report of the University Collections Committee, together with a draft plan for the management and development of the University Collections. The Court noted progress in collections management arrangements since the last full report of the Committee, as set out in the first section of the report. The Convener, Mr Guest, drew particular attention to the issue of registration with Resource (formerly the Museums and Galleries Commission) and the imposition of a deadline for all provisionally registered museums to achieve the minimum standard for full registered status by the end of 2001.

In order to address this issue, the Committee

- requested, as an interim measure, that a strategy be implemented to increase the number of collections items on display to enable the University to meet the minimum standard for Registration, through the provision of a museum room/exhibition space in an appropriate location

near the James Watt Centre, and consolidation of existing displays throughout the campus to form a museum trail on the lines of the existing sculpture, trees, birds and historic garden trails

- commended and urged the University to support initiatives to secure external funding for two exciting projects:

At the Edinburgh campus, the provision of a dedicated museum and gallery within a prestigious art and cultural centre, and performance space for the University Orchestra and Choir. Visitors introduced to the University at this “gateway” would be impressed by a sense of purpose and identity, thus promoting student recruitment and encouraging benefactors.

At the Scottish Borders Campus the development of a visitor and research centre on the lines of the proposed Textilia project, a unique and ground breaking combination of archive, gallery and Virtual Catwalk, establishing the University as an international centre of excellence in textile research and development.

Disposal: The Court was sympathetic to the Committee’s case for the provision of museum and gallery space, although it was unlikely that funds provision could be made in 2001. It was agreed that a strategy of seeking to comply with the stipulations of Resource over time, and of investigating possible extension of the deadline be pursued by the Committee.

The Court also approved the Collections and Development Plan.

58. Finance Committee - Report

58.1 COST SAVINGS EXERCISE 2001

- noted information on the progress to date of the cost savings exercise for the current financial year (Appendix A to agenda paper E)
- noted that certain of the savings to be made were non-recurrent and would not be forthcoming in future years
- noted assurances from the Director of Finance that the savings arising from actions agreed to date were robust if the departments concerned acted properly within their agreed revised budgets
- noted the need for further savings both in the current year and subsequent years
- noted the need to grow the University’s income base
- noted that the accepted need for restructuring would be addressed in the 2001 updating process for the University’s rolling strategic plan
- noted assurances from the Director of Finance that the newly introduced tracking and monitoring of budget performance should give the necessary reassurance that the University’s revenue was under control, with key indicators being monitored monthly
- agreed to report to the Court the position so far, confirming the urgency of the continuing efforts of the Principal’s Management Group to constrain the 2000-01 deficit to the level presented to Court in December 2000 (c£1.84m), in full recognition that this might require difficult decisions within the current financial year

Disposal: Noted.

58.2 MANAGEMENT ACCOUNTS

The Committee had received management accounts for the University and for its subsidiaries for the five months to 31 December 2000

a) University (Appendix Bi to agenda paper E)

- noted deficit at five months of c£2m reflecting material influence of £0.5m of forward spend on non-pay costs. This compared with a revised budget of £1.8m deficit for the period
- noted that funding council grants were increased, but were matched by directly linked expenditure
- noted the increase in operating income reflected full residences
- noted that effective treasury management had produced an increase in interest receivable
- noted that staff costs were lower than expected due to delay in employing research-related staff and unfilled posts
- noted increased expenditure on research resources and new distance learning materials
- noted areas on which the efforts of the Principal's Management Group and the Finance Office would be targeted to improve the situation as follows:
 - i) Distance Learning numbers and fees
 - ii) Continuing Professional Development courses
 - iii) control of discretionary fund spending
 - iv) pursuit of outstanding financial obligations to the University
 - v) subvention from the Scottish Executive for development costs of SCHOLAR

b) Subsidiaries (Appendix Bii to agenda paper E)

- i) Edinburgh Business School
overall performance ahead of budget
- ii) Heriot Watt Trading
influenced by written-off costs of Scottish Directors Centre and losses incurred by Textile Testing Centre
- iii) Edinburgh Conference Centre
well ahead of budget on turnover and profit

Disposal: Noted.

58.3 FUNDRAISING

a) External

- noted that the Institute for Mathematical Sciences was likely to be delayed for at least a year by the failure of the JIF bid
- noted advice of fundraising consultants that £5-£6m might be achievable from commercial sponsors for this project
- noted that the overall target for University fundraising had been revised to £15-£20m relating to the Sports Village, the performing arts centre and the promotion of flexible learning over 4-5 years

b) Internal

- noted that the consultants had suggested a focus on strategic partnerships to develop the estate
- noted that a dialogue was underway with advisors Jones Lang La Salle and with SEEL as to potential partners

Disposal: Noted.

58.4 CASHFLOW

- noted the possible need to fund infrastructure spend of c£2m in 2001-2002 relating to the expansion of the campus to the south of the main driveway but without a related revenue stream
- noted the possibility of setting the proceeds of sale of the SEPA building against these infrastructure costs

Disposal: Noted.

58.5 RESEARCH ACTIVITY

- noted a considerable increase in proposals and awards not yet reflected in work performed and overheads earned

Disposal: Noted.

58.6 VALUATION OF PATENT PORTFOLIO

- noted an initial valuation of the patents held by the University prepared by Technology Research Services, together with an assessment of c£1m potential income arising from these (Appendix C to agenda paper E)
- noted that Technology Research Services was also active in exploiting the commercial potential of Distance Learning activity
- agreed that a more explicit statement of information set out in the paper was needed. Noted related paper presented last year by TRS showing 'spin-out' equity investments and an assessment of their potential value (c£2.5m)

Disposal: Noted.

58.7 CAPITAL EXPENDITURE PLANS – FOOTBALL ACADEMY

- noted proposed cost plans for the Football Academy and Centre for Sports Science and Sports Medicine, and a budget of £5.43m recommended for acceptance by the Principal's Management Group (Appendix D to agenda paper E)
- agreed to recommend to the Court that the scheme be approved on a 30/70 basis with Heart of Midlothian Football Club on the premise that the University's commitment would be a maximum of £1.63m

[In discussing this item the Court noted the interest of Mr Robinson as Chief Executive of HMFC]

The Court considered the following issues:

- the period of amortisation for the infrastructure costs (30-40 years)
- the balance between running costs and rental income
- the need to fund facilities for courses in sports science and sports medicine
- the earmarked nature of the funding from HMFC in terms of support from Scottish Media Group
- the safeguards regarding liability for developmental costs should the project encounter insuperable difficulties

Disposal: Approved.

59. Staffing Strategy Committee – Report

59.1 AMENDMENT TO PROBATIONERS' CONTRACT

The Committee had noted that the existing wording of paragraph 5 of a probationer's contract stated

“5. He or she attends a course designed for new lecturers organised by the Staff Development Unit. It is expected that attendance at this course will lead to membership of the Institute for Learning and Teaching”.

With the introduction of a course leading to the Postgraduate Certificate in Academic Practice, approved by the Senate in Autumn 2000, the Committee had accepted a recommendation of the Board of Studies for this course and had agreed to recommend to the Court that paragraph 5 be amended as undernoted:

“5. He or she attends the course leading to the Postgraduate Certificate in Academic Practice. It is expected that successful completion of this course would lead to membership of the Institute for Learning and Teaching in Higher Education”.

Disposal: Approved.

60. PERFORMANCE INDICATORS

The Court had received, as agenda paper G for the meeting, performance indicators relating to six major aspects of the University's activity, namely Finance, Staffing, Staff Development, Safety, Research, and Student Affairs (recruitment, retention and careers). It was also noted that equivalent measures relating to Estate and Building Services had been considered at the meeting of the Court on 11 December 2000, and that the PI's applicable to the work of the Collections Committee and Archive services were included in the report of the Committee (agenda paper D). It was noted that the development and presentation of these measures was an evolutionary process, and that the content and format might vary within the parameters of providing meaningful comparisons year on year.

The staff development action plan drew favourable comment, and the Court was aware that further attention to staffing trends would be needed over the next few years to ensure that a clear view could be taken over a medium term period.

Disposal: Noted.

61. REVIEW OF EFFECTIVENESS OF COURT

[The Chancellor assumed the Chair for this item only]

As a basis for the review, first undertaken in the current year, members of Court had been invited to complete a questionnaire based on topics suggested by the Committee of Chairmen of UK Universities. An analysis of the responses of the members of Court had been prepared by the Secretary of the University and had been circulated as agenda paper H for the meeting. The Court noted the tenor of the responses under the five main sections of the survey, and agreed in relation to each:

a) Conduct of Court business

- that the relationship between meetings of Committees and of the Court be adjusted to permit more time for the distribution and perusal of Court papers

b) Institutional Strategy

- that members should be made aware of long term strategic issues with as much detail and clarity as possible early enough for their views to be factored in to the development of policy
- that members should be given the opportunity of participating in the work of the strategic committees with a view to continuity of experience and effective participation either as full members or advisers

c) Relationships/Communication

- that as visits by Court were regarded as valuable in promoting awareness among members of the various academic strengths of the University and of the staff involved, it would be particularly advantageous to hold at least one meeting of the Court per academic year at the Scottish Borders Campus

d) Composition of Court and recruitment of members

- that although there were no particular shortcomings in this area, the procedures for identifying and enlisting individuals willing to undertake the commitment required of members should be kept under review

e) Monitoring the performance of the University

- that the Court's ability to fulfil its obligations in this regard depended largely on the extent and quality of information made available, and that the observations of members relating to the conduct of Court business related equally to this topic

It was also noted that in addition to the range of responses summarised in the survey, there had been a number of individual comments, also set out in the paper, which would receive attention in the process of seeking to improve the effectiveness of the Court.

62. QAA CONTINUATION AUDIT – UNIVERSITY RESPONSE

The Court had received, as paper J for the meeting, the text of the response by the University to the QAA, setting out progress made by the University, in the year since the audit, on issues raised by the Agency relating to quality management.

The Director of Quality, Professor K J Cornwell, provided a commentary on the points made to the Agency regarding the discontinuation of the University's relationship with Limerick Institute of Technology; the continuing issues in the relationship with Edinburgh College of Art, particularly as regards the control of quality; the issues of mentoring, staff student committees and questionnaires; and the developments in quality management set in train by the University.

The Court noted the information contained in the paper and in Professor Cornwell's observations with approval, and the Chairman expressed to Professor Cornwell and to the Quality Unit the appreciation of the Court for their successful efforts in enhancing quality processes in the University.

63. APPEAL TO COURT

The Moderator for appeals to the Court, Sir Peter Heatly, had considered an appeal by a part-time candidate in the Department of Planning and Housing for the postgraduate diploma in Housing, against the decision of the board of examiners not to allow him to proceed with the diploma, in the light of his having failed a number of modules.

The appeal had been considered at first instance by the Vice-Principal, who had determined that due procedure had been followed and that there was not a prima facie case to answer, and had refused the appeal. The student had subsequently appealed to the Court.

In terms of Regulation 36, the matter was referred to the Moderator who had examined the case, and all the associated documentary evidence.

The Moderator had determined, after studying all the correspondence:

- a) that the appeals procedure had been observed throughout
- b) that the decisions had been unanimous at all stages of the appeal
- c) that all the circumstances referred to in the documentation, including an issue raised in mitigation, had been given due weight by all involved
- d) that there were no grounds for the University to pursue the matter
- e) that the appeal be dismissed

Disposal: Noted.

64. AMENDMENT TO CREDIT FACILITIES

The Court received and noted proposals for the amendment of Credit facilities agreed between the University and Clydesdale Bank plc, as set out in a letter dated 31 January 2001 and circulated as agenda paper L for the meeting.

The Court noted that the effect of the proposal was to switch credit facilities in the sum of £1,500,000 from Heriot-Watt Properties to Heriot-Watt University, on the termination of the leasing scheme hitherto operated for VAT purposes by Heriot-Watt Properties.

The Court accepted and approved the terms of the letter.

65. MEMBERSHIP OF COURT

It was noted that the period of appointment of Professor Davidson and Mr Martin as members of the Court elected by the Convocation would expire at the date of the thirty-fourth meeting of the Convocation on 16 March 2001 prior to the next scheduled meeting of the Court.

[Professor Davidson had been obliged by other responsibilities to leave the meeting before this point]

The Chairman expressed appreciation of the contribution made by both to the work of the Court. Mr Martin spoke of his longstanding association with the Court including as president of the Students Association, and his pleasure and satisfaction in participating in the process of modernisation in practice and procedures over his several periods of membership.