

Court

Minutes

In the Chair: Mr Gavin Gemmell

Date of Meeting: 22 September 2003

Present also: Principal John Archer
Mr Graeme Bissett
Mr David Brew
Dr Doug Clark
Professor Bob Craik
Mr Jim Dignan
Professor Chris Eilbeck
Mr David Guest
Professor Jim Howie
The Hon Lord Johnston
Dr Moyra Kedsle

Ms Katy Lavery
Ms Janet Lowe
Mr James Maguire
Mr Andrew Muirhead
Professor John Simmons
Dr Ian Steel
Professor John Swaffield
Mr Tony Taylor
Mr David Woods
Dr Stan Zachary

In attendance: Professor Andy Walker, Deputy Principal, Resources
Professor Denis Hall, Deputy Principal, Research
Professor Brian Smart
Mr Peter Wilson, Secretary of the University
Mr Robert Fraser, Director of Finance
Mr Peter Kerr, Director of Estate & Building Services
Mr Richard McGookin, Director of Planning
Mrs Mairi Thornton, Director of Corporate Affairs
Mr Martin McCrindle, Director of Human Resources
Mr Alastair Hood, Assistant Secretary

Mrs Roni Bamber, Director, Staff Learning & Development

1 WELCOME

The Chairman welcomed to the meeting those new members present for the first time. The Court noted changes to the membership of the Court since the last meeting in June 2003 as follows:-

Elected to membership of the Court for a period of 3 years from 1 August 2003:-

From Senate

Professor Bob Craik, School of the Built Environment
Professor Jim Howie, School of Mathematical and Computer Sciences

From Full-Time Staff other than Academic and Academic- Related

Mr James Maguire, School of the Built Environment

From the Graduates Association

Dr Moyra Kedsle

Co-opted Membership

Mr Andrew Muirhead
Mr Ray Perman
Mr David Woods

Mr Stefan Kay had stepped down from membership on being appointed Director of Campus Services, Scottish Borders Campus.

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Presidency of the Students Association

The President of the Students Association from 1 July 2003 to 30 June 2004 was

Ms Katy Lavery

who was ex officio a member of the Court until 31 July 2004 in terms of clause (7) of paragraph 6 of Statute XII.

2 APOLOGIES

Apologies for absence were intimated from the Rt Hon The Lord Mackay of Clashfern, Professor Austin, Mr Jobson, Professor Jowitt, Dr McClure, Mr Perman, Ms Savage, and Councillor Scobbie.

3 MINUTES

The Minutes of the Meeting of the Court held on 30 June 2003 were approved.

4 MATTERS ARISING FROM THE MINUTES

4.1 Sports Academy

With reference to Ct 110/02-03 the Court received up-to-date information, from the Director of Estate and Building Services and from the Secretary, on the progress of the project and on the costs entailed, as set out in Appendix A hereto.

4.2 ICIT Orkney

With reference to Ct 112/02-03 it was noted that, after a tendering exercise, an existing contract for the provision of hyperbaric facilities had been awarded to a third party. This had occasioned discussion, alongside a review of academic priorities and opportunities, on the continuation of certain activities at Orkney and on the pattern of course provision to be maintained. The Senior Officer dealing with these issues was Mr P L Wilson

4.3 Revision to Ordinance 4 and Ordinance 25

With reference to Ct 113.1 and 113.2/02-03, the Court confirmed, in terms of Article 22(2) of the Charter, the amendments to Ordinance 4 and to Ordinance 25.

5 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

5.1 Graduations

The Chairman referred in positive terms to his experience over the Summer of the graduation ceremonies, held in Edinburgh and in Galashiels, which had been successful occasions graced by the participation of the Chancellor.

5.2 Scottish Manufacturing Institute

The Chairman had participated in the launch ceremony for the Scottish Manufacturing Institute and had been impressed by the range of organisations represented with which the University had research and commercial links.

5.3 Boards of Management

The Chairman reported that he had attended meetings of the Boards of each of the Edinburgh Business School and the Interactive University, which he had found both instructive and encouraging in relation to business progress. The relationships between the University and these bodies had not yet been finalised.

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6 COMMUNICATIONS FROM THE PRINCIPAL AND THE PLANNING & MANAGEMENT EXECUTIVE (Agenda Paper A)

The Court received information and briefing from the Principal on the following areas:-

- **Staff Appointments**
Following the retirement on 31 July 2003 of Professor D Gareth Owen, Dr Roger Wardman had been appointed Acting Head of the School of Textiles for an interim period from 1 August 2003.

The appointment of Mr Stefan Kay as Director of Campus Services, Scottish Borders Campus for one year from 1 September 2003 (cf Minute 1 above) would provide a platform for the interface and integration between Scottish Borders Campus and the Edinburgh Campus.
- **Strategy Working Group**
- **SBC and Borders College Partnership Proposal**
- **ICIT Orkney**
- **Student Recruitment For 2003-04**
- **Activity Based Costing**
- **Research – SRIF 2 -- £5m Funding**
- **Energy Coordination**
- **Capacity Building Programme – Syrian Universities**
The University had recently won a tender to host around 80 Engineering PhD students from Syria's 4 universities over the next 7-8 years. The initial value of the scheme was some £2m over 5 years.
- **Higher Education Policy – Consultations**
The University would respond to consultation papers recently issued in the following areas:-
 - the impact on Scottish Universities of the introduction of top-up fees in England.
 - reform of parts of the Dual Support System
 - Roberts review of the future form of research assessment exercise processes

The Principal briefly outlined the issues for the University, in terms of resources for equipment, staff and student support, attendant on these measures.
- **SHEFC and SFEFC Joint Executive**

The Principal also made reference to the following

- **Scottish Manufacturing Institute**
The Institute had been launched by Jim Wallace, Deputy First Minister and Minister for Enterprise, bringing together existing strands of work in a greater critical mass and promoting new development in intelligent manufacturing systems and technology. The Institute had received £4.2m in initial funding from the EPSRC under the Innovative Manufacturing Research Centre Project.
- **Sunday Times League Table and Employability**
The university had moved up from its position in 2002 into the top third of University institutions, as a result of better performance, and improved data and methodology in the conduct of the survey. The University had also derived good publicity from the accompanying narrative. The University had also received favourable mention in a survey of employers' views on the desirability of Heriot-Watt graduates, in which the University had been ranked 18th of 96 institutions.
- **Conference of European Schools for Advanced Engineering Education and Research**
The University's application for membership of CESAER had been formally approved.

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7 Appointment of Deputy Principal (Academic Development)

The Court approved the appointment, on a part-time (50%) basis for a period of 5 years from 1 September 2003, as Deputy Principal (Academic Development), of Professor Brian Smart.

8 Appointment of Head Of Institute of Petroleum Engineering

The Court approved the appointment of Professor Patrick Corbett as Head of the Institute of Petroleum Engineering for a period of 3 years from 1 September 2003.

9 Conferment of The Title of Professorial Fellow

The Court agreed that the title of Professorial Fellow be conferred on the following with effect from 1 August 2003:-

- Dr J T Ford, Institute of Petroleum Engineering
- Dr G Martin, Edinburgh Business School

10 COMMUNICATIONS FROM THE SENATE (Agenda Paper B)

10.1 Promotion to Professor

The Principal & Deans Committee acting on behalf of Senate had considered recommendations from the Academic Promotions Board (Senior Promotions) and had agreed to recommend to the Court that the following promotions to Professor be conferred with effect from 1 August 2003:

- Dr D P Hand, School of Engineering & Physical Sciences
- Dr A J G Cairns, School of Mathematical & Computer Sciences
- Dr B Tohidi-Kalorazi, Institute of Petroleum Engineering

The Court approved the recommendations.

REPORTS FROM COMMITTEES

11 AUDIT COMMITTEE – REPORT (AGENDA PAPER C)

The Court noted information on the following topics arising from a meeting of the Committee on 4 September 2003.

11.1 Internal Audit – Appointment

As a result of the tendering and interview procedure Deloitte & Touche had been reappointed for a further 3 year period from 1 August 2003.

11.2 Financial System

The University, in partnership with the consultants, was well advanced in the development of the software configuration for the new system and this process was under close scrutiny by the Director of Finance and his colleagues.

11.3 Sports Academy

The University was continuing to seek to progress the time-sensitive aspects of the project in consultation with the receiver. The Committee had noted that the receiver in this case was Ernst & Young, who also acted as the University's external auditor.

The Committee had considered the implications for Heriot-Watt of these circumstances and had agreed that the case would be met by the device of appointing a separate auditor for the accounts of Heriot-Watt Sports Village Ltd, which would be withdrawn from the scrutiny of Ernst & Young.

The Court noted that Baker Tilly had been appointed.

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11.4 Management Letter 2001-02

The Committee had received the Management Letter and management responses relating to the year 2001-2002 which had been presented in partially incomplete form to the meeting of the Committee in November 2002. In the period since initial consideration of the letter, issues relating to Edinburgh Business School had received attention, but that certain aspects remained outstanding.

The Committee had requested from Ernst & Young an assessment of the extent to which the University had followed the guidelines regarding the operation of related companies, set out in the 1996 HEFC-Commissioned report on this topic. It was suggested that clearer lines of responsibility were needed, together with documentation specifying the obligations to be met, the conditions for their satisfaction and the identification of an individual officer of the University to ensure their performance.

11.5 Research Grant Processing

The Committee had received and discussed a report by Internal Audit on Research Grant processing, together with management responses to the observations and recommendations contained in the report.

12 FINANCE COMMITTEE – REPORT (Agenda Paper D)

The Court noted information on the following topics, arising from a meeting of the Committee on 8 September 2003.

12.1 Management Accounts

The Committee had received management accounts for the full year to 31 July 2003 and had noted:

- the group accounts, now including Heriot-Watt Properties Ltd, reported a surplus in the year of £0.8m, an improvement of £1.2m on the budgeted loss of £0.4m.
- the inclusion of Heriot-Watt Properties had entailed a deficit in that area of £208k, mainly in irrecoverable VAT.
- the Catering & Residences operation was on budget after volatile patterns throughout the year, and gave evidence that the figures were now more reliable than before.
- provisions were in general adequate, but the level of control over student debt was not yet satisfactory, and was being pursued. A further review would be undertaken of the level of conservatism in debtor provisions, which might change the outturn result for the year just ended
- the underlying position, before the influence of exceptional items, was a surplus of £1.8m.

13 STAFFING POLICY COMMITTEE – REPORT (Agenda Paper E)

13.1 Policy on Maternity Leave

The Committee had received a draft policy document on maternity leave. It was noted that the agreement set out in the document made provision for benefits at a higher level than the legal minimum. After discussion it was agreed to recommend the policy, as set out in the Appendix to Agenda Paper E, to the Court for approval.

The Court approved the Policy, subject to the amendment of the title to include reference to adoption.

13.2 Annual Report To Court

The Court received a presentation from Mr McCrindle and Mrs Bamber similar in its terms to that made to the Committee at its last meeting. This covered the activity, organisation and reshaping of the Human Resources section over the past year, together with a prospective of possible developments in the immediate future. Prominent among these was the institution, with the encouragement of the Learning & Teaching Board, of a structured Educational Development Unit.

[The material on which the Presentation was based forms Appendix B hereto.]

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The Court noted the issues treated in discussion by the Committee and set out in Agenda Paper E for the meeting. In addition, the Court noted with approval the following:-

- the educational development unit would seek to foster a research-led ethos in the promotion of teaching and learning, and to meet the requirements of the QAA for systematic enhancement of provision by raising the status of teaching and learning
- the unit would expand its small resource base by forming networks with staff in Schools
- the more active role conferred on the Human Resources section by legislation, and by participation in the development and implementation of University policy, would bring about a different level of involvement to that of previous years
- analysis and debate on the national framework for pay structure would continue with a view to managing the inevitable increases in resources and staff costs which would result from the changes proposed
- there would be a critical survey of the processes relating to staff review boards and appeals
- there was an awareness of the need to provide training and support in the management of stress at all levels
- support was reiterated for the concept of Key Result Areas as an evolution of former preoccupations with Performance Indicators
- it was entirely appropriate that measures of performance be closely linked to the University's core activities in teaching, learning and research, and ideally there should be some element of student-based indicators to establish benchmarks.

13.3 Staff Survey

The Committee had received and noted a summary of the findings of the report from the staff survey. A working group was considering the actions which should be taken arising from the survey. The information would be disseminated by publication in Network and on the intranet. Information sessions would be held in each School and Section. The working group would identify and apportion responsibility for follow up action and would identify priorities among the detailed feedback in the report.

The Committee had noted in particular the management issues raised by the negative perceptions of the review board and promotion procedures. Other issues eliciting a polarised response in the survey might have been influenced by the restructuring process recently completed, and it would be important to seek evidence on this in any future survey. It was noted that the survey might be repeated in two years' time and that in the interim the locally arising problems would be addressed. As the survey represented a learning and development process for management, the level of participation by managers in the feedback sessions would be vital.

The Court noted that the survey had drawn a 46-48% participation rate among staff.

It was suggested that in responding to the survey the University might usefully take an initiative on a focused number of relevant individual areas. It was recognised that the Scottish sector did not have the advantage of earmarked HR resources offered by the Leadership Foundation currently being set up in England. The Chairman commended the report of the Joint Working Group on Leadership and Management in Higher Education, established by the Committee of Chairmen of Scottish Higher Education Institutions with SHEFC and Universities Scotland and entitled Staffing Challenge, as a source of guidance on such targeted action.

It was noted, in response to a question, that the University's current arrangements for the allocation of resources to HR purposes entailed a fully consultative process with Schools at budget planning stage.

14 VACATION COMMITTEE – REPORT (Agenda Paper F)

14.1 Conferment Of Title Of Professor Emeritus

The Vacation Committee had approved that the title of Professor Emeritus be conferred upon Professor Gareth Owen with effect from 1 August 2003. Professor Owen had retired from the University on 31 July 2003 after 31 years' service.

15 COURT AGENDAS – STRATEGIC ISSUES

The Court received and noted a tabled paper setting out the main strategic issues to be addressed at each meeting as detailed in Appendix C hereto.

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Court**Minutes**

In the Chair: Mr Gavin Gemmell

Date of Meeting: 3 November 2003

Present also: Principal John Archer
Professor Brian Austin
Mr David Brew
Professor Bob Craik
Mr Jim Dignan
Professor Chris Eilbeck
Mr David Guest
Professor Jim Howie
The Hon Lord Johnston

Dr Moyra Kedsle
Ms Katy Lavery
Mr James Maguire
Dr Judith McClure
Mr Andrew Muirhead
Professor John Simmons
Dr Ian Steel
Professor John Swaffield
Mr Tony Taylor

In attendance: Professor Andy Walker, Deputy Principal, Resources
Professor Brian Wherrett, Dean of the University
Professor Ian Mason, Dean of the University
Dr Roger Wardman, Acting Head, School of Textiles & Design
Mr Peter Wilson, Secretary of the University
Mr Robert Fraser, Director of Finance
Mr Peter Kerr, Director of Estate & Building Services
Mr Richard McGookin, Director of Planning
Mrs Mairi Thornton, Director of Corporate Affairs
Mr Alastair Hood, Assistant Secretary

Mr Paul Gregory, Director of Planning & Development, Scottish Borders Council
Mr Francis Reay, University Health & Safety Adviser (for item 24)
Mr Billy Sada
Ms Bodine Johnson

16 WELCOME

The Chairman welcomed to the meeting as observers Mr Sada and Ms Johnson, delegates to the International Youth Summit recently held in Edinburgh who were being hosted by Heriot Watt University.

17 MEMBERSHIP OF COURT

It was noted that the Council of the Students Association had elected as their representative on the Court for the period until 31 July 2004, Mr Graham Brown.

18 APOLOGIES

Apologies for absence were intimated from The Rt Hon The Lord Mackay of Clashfern, Mr Bissett, Mr Brown, Dr Clark, Mr Jobson, Professor Jowitt, Ms Lowe, Mr Perman, Ms Savage, Councillor Scobbie, Mr Woods and Dr Zachary.

19 OBITUARY (Agenda Paper A)

Noted an obituary notice relating to Professor William Cochran, an Honorary Graduate of the University.

20 MINUTES

The Minutes of the meeting of the Court held on 22 September 2003 were approved.

21 MATTERS ARISING FROM THE MINUTES

21.1 Sports Academy

With reference to Ct 4.1/03-04 the Court received from the Secretary an outline report on progress to date (cf also Minute 27.2 below). The costs were nearing finalisation, having been delayed by legal issues including the novation of agreements relating to consultants. The figures were approaching a position where the

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expenditure would match the sums available within the approved total project sum. The Performance Bond was secure and should be wholly available to the University. There were likely to be contested claims to the sums retained by the University and viewed by the receiver as being due to Melville Dundas. The Court was assured that everything was being done to secure the University's interests, and it was agreed that a quantified counter claim against the retention moneys be developed and submitted to the receiver without delay. The Court was also made aware that, if the receiver opted to go to arbitration, it was estimated that the risk to the University could be to a maximum of £300,000. The Court acknowledged this risk.

21.2 Orkney

It was reported that staff had been informed of the relocation from academic year 2004-5 of the Masters level environmental courses to the Edinburgh campus. The Court also noted that discussions were continuing on the development of alternative programmes relating to sustainable energy.

21.3 Staff Survey

It is reported that the Secretary of the University would join the implementation group charged with taking forward the Funding Council's initiative on Leadership and Management.

22 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

22.1 Visits to Schools

The Chairman expressed his appreciation to Schools to which he had recently paid individual visits, which he had found greatly enjoyable and encouraging in terms of the breadth of activity and positive staff morale revealed. Schools were encouraged to seek the help and expertise of lay members of Court where this could be of assistance in furthering School or departmental business either directly or through the Secretary's office.

It was also noted that details of the background and interests of Court members were held on the University's intranet and this would be updated in consultation with members.

22.2 Committee of University Chairmen

The Chairman alluded to a meeting of the Committee of University Chairmen which he had attended and at which there had been discussion of top-up-fees, collaboration in training, and the e-University.

23 COMMUNICATIONS FROM THE PRINCIPAL AND THE PLANNING & MANAGEMENT EXECUTIVE (Agenda Paper B)

The Court received information and briefing from the Principal on the following areas:

- Staff Appointments

Mrs Kathy Patterson had been appointed as Registrar and Director of Student Services with responsibility for Student Welfare Services and the Careers Advisory service in addition to the Academic Registry.

PME had approved a remit for a student champion. This role would be fulfilled by extension to the current responsibilities of Mr Michael Breaks, University Librarian and Chairman of the Welfare Advisory Group.

- Student Numbers

- Educational Development Unit

Ms Roni Bamber, Director of the Unit, had become a member of the Learning & Teaching Board to provide a strategic link between the Unit and the Board.

- CESAER

The Deputy Principal (Academic Development), Professor B G D Smart, would be the University's principal representative for CESAER.

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- Sports Academy
- Freedom of Information (Scotland) Act
- Scottish Health at Work (SHAW)
- Reviews and consultations on HE policy

Two key issues south of the border were top-up-fees and the concentration of research. The Scottish sector was opposed to both of these possibilities, but they informed the debate and consultation on strengthening the competitiveness of basic research in Scottish higher education and on reforming parts of the Dual Support System. Other issues were the maintenance of the diversity and level of research and their economic advantage to Scotland; research careers and training; and the extent of possible research collaboration.

It was noted that the Principals and Chairmen of Scottish institutions had expressed their wish that SHEFC convey to government the concerns of the sector.

Lay members of Court had also been invited by SHEFC and the Committee of Chairmen of Scottish HE Institutions to participate in a conference on the future of higher education in Scotland.

The Principal also made reference to the following:

- Alumni relations

The Principal had made visits to fledgling alumni groups in New York and Toronto as part of continuing fundraising efforts in North America, and would shortly visit Hong Kong, Singapore and Malaysia where he would preside at a graduation ceremony for Distance Learning MBA candidates in Kuala Lumpur.

- Edinburgh College of Art

The College had intimated its desire to withdraw from the present, recently instituted, validation agreement and to embark on a similar relationship with the University of Edinburgh. PME would consider the implications for the University and would report back to the Court.

24 OCCUPATIONAL HEALTH AND SAFETY – REPORT (Agenda Paper B²)

The Court received the report which was presented by Professor Austin and Mr Reay and noted the content. In a brief discussion the following points were highlighted:

- an improvement notice served on the University in relation to radiation safety had been rescinded
- there was evidence of a real reduction in accidents as consistency was attained in the reporting process and meaningful comparisons became possible
- there remained a need to tighten up on fire alarm testing
- work to replace gas mains already in hand would be accelerated to meet the timescale imposed by HSE
- the Court was encouraged by the position achieved by the University, particularly in view of its very complex and varied environment
- the University's ongoing relationship with the HSE in providing diploma level courses for the inspectorate was gratifying, as was the good attendance and appreciative response elicited by the most recent of the HSE lecture series

The Court noted and approved the appointment of Dr Judith McClure as the University's champion for safety matters in terms of the University's Health & Safety Management Code of Best Practice.

25 COMMUNICATIONS FROM THE SENATE COUNCIL (Agenda Paper C)

25.1 Senate Council

Noted the establishment by the Senate of a Committee which, in terms of Statute XIII, would have the full delegated authority of the Senate and would meet in place of the Senate during academic year 2003-4.

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25.2 Financial Information

Noted that the Senate Council would find it useful to receive from time to time from the Court a summary of the financial position of the University.

25.3 Honorary Appointments

Noted the appointment/re-appointment of honorary professors and one honorary lecturer, all with effect from 1 August 2003.

25.4 Academic Promotions

Noted that the Senate Council had been notified of the senior promotions approved on its behalf by Principal & Deans Committee and ratified by the Court at its meeting in June (Ct 112) and September (Ct 9 and 10.1) 2003.

25.5 Honorary Degree of Doctor of Engineering

Noted the award of DEng to Datuk Dr Bernard Wang, for conferral at the Kuala Lumpur graduation ceremony in November 2003.

25.6 Chair Selection Committee – Applied Design

Noted the composition of the above committee.

25.7 Students Association Regulations and Bye Laws

Approved proposed amendments to Regulation 21 and to the Bye Laws of the Students Association.

25.8 Revision to Ordinance 3 – Students Association

Approved a proposed revision to Ordinance 3 Students Association to confer on registered students the right to opt out of the Students Association.

25.9 Revision to Ordinance 12 – Deans of the University

Approved proposed revisions to Ordinance 12 setting out modified procedures and duties in relation to the election of Deans and the appointment of Sub-Deans.

25.10 Title of Professor Emeritus

Approved the conferral, with effect from 7 November 2003, of the title of Professor Emeritus, on Professor D Mollison, School of Mathematical and Computer Sciences.

26 ESTATE STRATEGY COMMITTEE – REPORT (Agenda Paper D)

26.1 Project Group Reports

Noted progress reports on the Sports Academy and on a feasibility study relating to building and estate implications of outline proposals for joint working with Borders College.

26.2 Estate Office Annual Report

Noted the report of the Estate Office for the period 1 August 2002 – 31 July 2003, together with observations by PME on the longer term purposes and objectives to be served by the reporting process.

Noted the fundamental influence of three factors:

- i) long term maintenance and resourcing for this
- ii) staffing issues within the Estate Office
- iii) Health & Safety issues stemming from the demands of ongoing risk-assessment-based legislation

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Noted issues relating to accelerated replacement of gas pipelines; funding to take account of temperature differentials as between the North and South of the UK; and measures to obtain satisfaction from contractors in relation to James Watt Centre 2 and the Student Union at the Scottish Borders Campus.

Discussed the longer term issue of maintenance expenditure and the competing demands, addressed from year to year in the planning and budgeting round, for priority in funding. In this respect many of the choices made were merely an acknowledgement of unavoidable obligations. The position had been aggravated by the recent University deficits which had made internal resource allocation particularly problematic. The more positive financial situation offered some prospect of improvement, but there was still a need to generate more income to give scope for investment, both in the estate and in new initiatives. The notional 5% of replacement value to be devoted to maintenance of the University's buildings and estate would remain an aspirational target, although PME would continue to address urgent needs as they arose. The process of determining priorities and allocating resources, familiar to Schools in the bidding process for budget-setting, might be more clearly communicated to the Court by PME.

The Chairman, on behalf of the Court, expressed thanks to the Committee and to the staff of the Estate Office for the contribution to the University revealed in the report.

27 FINANCE COMMITTEE – REPORT (Agenda Paper E)

The Court received information on the following topics, arising from a meeting of the Committee on 13 October 2003.

27.1 Financial Management System

Noted a report on progress in the project to replace the finance system. On present evidence there would be a one month delay to early February in the line implementation date. Close monitoring by the Steering Group would continue.

27.2 Sports Academy

Noted a report on progress and interim cost position as set out in Appendix A to the agenda paper (cf also Minute 21.1 above).

27.3 Management Accounts

The Committee had received management accounts for the one month period to 31 August and had noted:

- analysis of performance against budgets revised from those submitted to SHEFC to produce a better outturn
- a deficit for the month of £836k, which was better than the revised budget by £438k, and better than the original budget by £572k
- the projected year end outturn of £1942k surplus was believed by the Finance Office to be conservative
- comparative statements of performance against original (SHEFC) and revised (domestic) budgets would be presented month by month to the Committee, which would monitor achievement against the revised, improved, budgeted year-end surplus of £1659k, and would report to the Court.

The Court also noted:

- the revised budget target, which the University was successfully meeting to date, had been set in the light of actual performance in 2002-3 and was a realistic target going forward
- the outturn for 2002-3 was confirmed at £0.8m surplus
- SHEFC had taken the University off its quarterly reporting and monitoring schedule

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27.4 Edinburgh Business School

The Committee had received a report by the Deputy Principal (Resources) on progress in rationalising the relationship between the University and EBS, and had noted issues for the University which would continue to receive attention.

27.5 Interactive University

The Committee had noted a summary of recent developments in the operations of the Interactive University and in negotiations between IU and the University relating to possible structures for the operation of future contracts, and patterns for the sharing of revenues.

27.6 Capital Budgets

The Committee had noted and approved a schedule of capital projects which had been approved in principle by PME.

28 NOMINATING COMMITTEE – REPORT (Agenda Paper F)

The Committee had proposed the names of 15 MSPs for appointment to the General Convocation of the University under the new Clause 4(N) of paragraph 1 of Statute XI as set out in Agenda Paper F.

The Court approved the appointments for the period to 31 July 2006.

29 COST SAVINGS WORKING GROUP – REPORT (Agenda Paper G)

The Court received and noted a report for 2002-3 on the achievement in savings from within the University's non-pay expenditure, under the heads of:

- sustainability campaign
- energy efficiency
- utilities trends
- water consumption
- waste removal
- telephones
- printing and photocopying

The total value of savings measures amounted to £76k per annum. New investment in waste removal and improved heating systems should permit further savings of around £100k per annum. These measures would be pursued and the programme would be aligned with the University's environmental agenda.

30 AUT/JNCC REPORT 2002-2003 (Agenda Paper H)

The Court received and noted a report on the operation of the Joint Negotiating and Consultative Committee over the past year.

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Court**Minutes**

In the Chair: Mr Gavin Gemmell

Date of Meeting: 15 December 2003

Present also: Principal John Archer
 Professor Brian Austin
 Mr Graeme Bissett
 Mr David Brew
 Mr Graham Brown
 Professor Bob Craik
 Mr Jim Dignan
 Professor Chris Eilbeck
 Mr David Guest
 The Hon Lord Johnston

Dr Moyra Kedslie
 Ms Katy Lavery
 Mr James Maguire
 Mr Andrew Muirhead
 Mr Ray Perman
 Ms Yvonne Savage
 Professor John Simmons
 Professor John Swaffield
 Mr Tony Taylor

In attendance: Professor Andy Walker, Deputy Principal (Resources)
 Professor Denis Hall, Deputy Principal (Research)
 Professor Ian Mason, Dean of the University
 Mr Peter Wilson, Secretary of the University
 Mr Robert Fraser, Director of Finance
 Mr Peter Kerr, Director of Estate & Building Services
 Mr Richard McGookin, Director of Planning
 Mr Alastair Hood, Assistant Secretary

Mr J Millard
 Mr B Roberts

31 WELCOME

The Chairman welcomed to the meeting Mr Perman attending his first meeting since co-option to membership by the Court; and Mr Millard and Mr Roberts, Vice-Presidents of the Students Association with responsibility for Education & Welfare and for the Association's activities at the Scottish Borders Campus respectively.

32 APOLOGIES

Apologies for absence were intimated from The Rt Hon The Lord Mackay of Clashfern, Dr Clark, Professor Howie, Mr Jobson, Professor Jowitt, Dr McClure, Councillor Scobbie, Dr Steel, Mr Woods and Dr Zachary.

33 STUDENTS ASSOCIATION – REPORT (Agenda Paper E)

The Court received the report which was presented by the President, Ms Lavery and her colleagues, and noted the content.

In introducing the report Ms Lavery drew attention to the important role played by the Association's voluntary staff in providing advice and support to the student body, and the increasing financial pressures on the Association in their trading activities; and acknowledged the difficulties faced by the Association in funding the desirable level of services on the Scottish Borders Campus.

In response to questions, the following points were also noted:

- the Association had a good level of collaboration with its counterpart bodies in other Universities, mainly in the area of lobbying and campaigning on issues of mutual concern. This was complementary to similar activity within the University and did not pose undue time demands on those involved
- the issue of top-up-fees in England was a source of concern to the Association and was viewed as a potential cause of greatly increased competition for places at Scottish Universities. It was also not inconceivable that the Scottish Executive might be persuaded of the benefits of such a scheme
- fees would be an additional problem for students already burdened by debt
- the over-riding issue for the government was how to get more money into the higher education system and how to get the beneficiaries of the system to contribute

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- in Scotland, there was concern that underfunding might lead to a serious decline in the higher education sector, with corresponding ill-effects on the economy
- the problems facing the SBC Union had so far proved intractable despite widespread cost-cutting; and reduced trading and bar revenues posed difficulties in meeting even modest budget targets
- although the association with Borders College had introduced a welcome admixture of mature students to the Border Campus during working hours, it had no effect on trading or on social patterns. There would in due course be a positive effect through agreed funding adjustments between the University and the College
- the Association participated actively in the operation of the University's Disciplinary Committee and the Convener, Professor Simmons, expressed appreciation of the contribution made by student members, which was a very positive asset to the process
- the extent to which the Association was successful in recruiting volunteers to advance the work of the Association was extremely welcome, and was founded on a wide base spanning education and welfare, a wide range of societies, entertainments and charitable activity. This level of involvement was proportionally the largest of any Scottish University, and offered valuable skills training to the participants

The Principal conveyed the thanks of the University to the executive team of the Student Association and to their colleagues for the constructive dialogue and rapport which they enjoyed with the University and which played a very positive part in shaping policy.

34 MINUTES

The Minutes of the meeting of the Court held on 3 November 2003 were approved.

35 MATTERS ARISING FROM THE MINUTES

35.1 Sports Academy

With reference to Ct 21.1/03-04, it was reported that a quantified counter claim against the retention monies had been submitted to the Receiver as agreed.

35.2 Revision to Ordinances 3 and 12

The Court confirmed the revisions to the Ordinances, which had been publicly displayed for the required period and had not provoked any observations or objections.

36 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

The Chairman referred to his recent attendance at the November graduation ceremonies, which he had found a very successful and happy occasion, with a great emphasis on family involvement.

37 COMMUNICATIONS FROM THE PRINCIPAL AND THE PLANNING & MANAGEMENT EXECUTIVE (Agenda Paper A)

The Court received information and briefing from the Principal on the following areas:

- Student Numbers Planning
 - Issues included recruitment of part-time and overseas numbers which were not subject to restriction by SHEFC and raising of entry standards to improve retention rates and provide a better basis for planning.
- Online Registration of Students
 - Matters for attention included co-ordination with Freshers Week and the provision of advice by Schools to enable informed subject choice by students.
- Edinburgh College of Art Validation Agreement
- Heriot-Watt University Travel Plan to 2010
- Policies on Conflict of Interest and on Computing & Telecoms Usage

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- Graduations in Edinburgh and Malaysia
- Alumni Events in Hong Kong, Singapore and Kuala Lumpur
- Naming of new MACS Building

The building had been named the 'Maclaurin Building' in commemoration of Professor Colin Maclaurin, 1698-1746, Scottish mathematician and natural philosopher.

- Conference on the Future of Higher Education in Scotland

The conference had highlighted the need to address the prospect of a major funding gap due to reduction in the share of the Scottish Executive's budget to be devoted to higher education.

38 COMMUNICATIONS FROM THE SENATE COUNCIL (Agenda Paper B)

38.1 Financial Information

Noted that the Senate Council had received an outline update by the Deputy Principal (Resources) and would receive a more detailed presentation from the Director of Finance at its next meeting.

38.2 Honorary Appointments

Noted the appointment of honorary professors and of one research fellow.

38.3 Leave of Absence/Sabbatical Leave

Noted a proposed revision of procedures.

38.4 Edinburgh College of Art

Noted receipt of formal notice from the College of their intention to enter into a validation agreement with the University of Edinburgh from October 2004 and that discussions regarding termination of the agreement with Heriot-Watt and the protection of students' interests would be undertaken.

38.5 QAA Enhancement-Led Institutional Review

Noted that the Senate Council had received a presentation on the recently introduced enhancement-led approach to institutional review, and that Heriot-Watt would be reviewed in 2005-6.

38.6 Chair Selection Committee – Computer Science

Noted the composition of the above committee.

38.7 Regulation 21 – Students Association

Noted a modification to the Regulation regarding the right of students to opt out of membership of the Association agreed by the Senate Council.

38.8 Review of Ordinances and Regulations

Noted the intention of the Ordinances & Regulations Committee to embark on a systematic review of the University's Ordinances and Regulations and the introduction of an updated website setting out the definitive version of the Ordinances and Regulations.

38.9 Proposed Revision to Ordinance 37 – Approved Teachers and Approved Tutors

Approved a revised draft Ordinance 37 incorporating reference to procedures for the approval of Approved Teachers (off Campus) as set out in Appendix A to Agenda Paper B.

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38.10 Proposed Ordinance 43 – Approved Supervisors

Approved a draft Ordinance 43 embodying the policy on Approved Supervisors approved by the Senate Council, as set out in Appendix B to Agenda Paper B.

39 AUDIT COMMITTEE – ANNUAL REPORT (Agenda Paper C)

The Court received and noted with satisfaction a report on the operation of the Audit Committee for the period January 2003 to December 2003 including the annual report of the Internal Auditors, Deloitte & Touche.

40 FINANCE COMMITTEE (Agenda Paper D¹)

The Court received information on the following topics arising from a meeting of the Committee on 24 November 2003.

40.1 Membership of the Committee

Noted with satisfaction that both Mr R Perman and Mr D Woods recently appointed to membership of the Court, had been co-opted to membership of the Committee.

40.2 Management Accounts

The Committee had received Management Accounts for the two-month period to 30 September 2003 and had noted:

- a deficit for the two months of £1445k which was better than the self-imposed revised budget, discounting timing differences, by £115k
- a consolidated budgeted balance sheet and cash flow to July 2004
- that a comparison of actual performance with the SHEFC budget would be presented to the Court for comparative purposes (Appendix A to Agenda Paper D¹)

40.3 Sports Academy

Noted an update on progress on the contract which was proceeding satisfactorily and should be complete by the end of March 2004. The financial position was as set out in Appendix B to Agenda Paper D¹.

Noted that all the University's costs had been quantified and had been notified to the Receiver.

40.4 Financial System

Noted a progress report on the Oracle Financial System (cf also Minute 41 below).

40.5 Annual Financial Accounts

Received, in a joint meeting with the Audit Committee, draft annual accounts and financial statements for the year ended 31 July 2003; a report on audit results for the period prepared by the external auditors Ernst & Young; and recommendations to management together with actions thereon agreed with management.

Noted the audit results, and the unqualified opinion of the auditors on the draft accounts, together with the issues raised in the management letter.

Agreed, with the concurrence of the Audit Committee, to recommend to the Court approval of the draft annual accounts (cf Minute 41 below).

41 FINANCE COMMITTEE – ANNUAL REPORT (Agenda Paper D²)

The Court received and noted the annual report of the Finance Committee, accompanying the submission for approval of the annual accounts to 31 July 2003.

The Convener, Mr Bissett, referred in introducing the report to the trend of improvement in the University's finances over the last few years, and the validation accorded by SHEFC in removing the University from its

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quarterly monitoring and reporting schedule. The Committee had overseen the completion of the restructuring process, and had given particular attention in the course of the year to:

- relations with the Edinburgh Business School
- negotiation and agreement with the Interactive University
- the Sports Academy and its attendant risk of unbudgeted expenditure
- the management and long term stabilisation of debt and cash flow

The Court noted:

- the current year had started well, with the more challenging budget being adhered to
- there would be continuing vigilance in relation to the Sports Academy project
- the implementation of the new financial system would proceed according to agreed process, with training for users in January and the support team remaining in place to monitor users' experience

In discussion, the Court agreed to amend the second paragraph of the statement on corporate governance accompanying the accounts, of which the second sentence should state

“The Court also regularly reviews its governance provisions in line with any recommendations made by SHEFC and with the exception of the number of Court members, discussed below, complies in all material respects with the recommended practices set out in the Guide for Members etc”

The Court agreed to approve the draft accounts and financial statements for signature and submission to SHEFC, subject to the above amendment.

42 SCOTLAND'S HEALTH AT WORK AWARD

The Court noted the appreciation of the Occupational Health & Safety Committee for the participation in its work of Dr J McClure, appointed at the meeting of the Court on 3 November 2003 as the University's champion for safety matters.

It was also reported that the Gold Award of the Scotland's Health at Work scheme, already held by the University, had been renewed for a period of three years.

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Court

In the Chair: Mr Gavin Gemmell

Present also: Principal John Archer
Mr Graeme Bissett
Mr David Brew
Dr Doug Clark
Professor Bob Craik
Mr Jim Dignan
Mr David Guest
Professor Paul Jowitt
Ms Katy Lavery

In attendance: Professor Andy Walker, Deputy Principal (Resources)
Professor Denis Hall, Deputy Principal (Research)
Professor Brian Smart, Deputy Principal (Development & Learning)
Professor Ian Mason, Dean of the University
Professor Brian Wherrett, Dean of the University
Dr Roger Wardman, Acting Head, Scottish Borders Campus
Mr Peter Wilson, Secretary of the University
Mr Peter Kerr, Director of Estate & Building Services
Mr Richard McGookin, Director of Planning
Mrs Mairi Thornton, Director, CAMS
Mr Martin McCrindle, Director, Human Resources
Mr Stefan Kay, Director of Campus Services, Scottish Borders Campus
Mr Alastair Hood, Assistant Secretary

Mr Paul Gregory, Director of Planning & Development, Scottish Borders Council

Minutes

Date of Meeting: 9 February 2004

Ms Janet Lowe
Mr James Maguire
Dr Judith McClure
Mr Andrew Muirhead
Mr Ray Perman
Ms Yvonne Savage
Professor John Simmons
Dr Ian Steel
Dr Stan Zachary

43 APOLOGIES

Apologies for absence were intimated from The Rt Hon The Lord Mackay of Clashfern, Professor Austin, Mr Brown, Professor Eilbeck, Professor Howie, Mr Jobson, The Hon Lord Johnston, Dr Kedslie, Councillor Scobbie, Professor Swaffield, Mr Taylor and Mr Woods.

44 MINUTES

The Minutes of the meeting of the Court held on 15 December 2003 were approved.

45 MATTERS ARISING FROM THE MINUTES

45.1 Proposed Ordinance 43 and revision to Ordinance 37

With reference to Ct 38.9 and 38.10/03-04, it was reported that the Ordinances had been publicly displayed for the period of 28 days required, and that no objections or observations had been received.

The Court confirmed the new and amended Ordinances.

46 OBITUARY (Agenda Paper A)

Noted an obituary notice relating to Dr Wilhelmina Barns-Graham, an Honorary Graduate of the University.

47 NEW YEAR HONOURS

Noted with pleasure the conferral of the undernoted Honour:

Rt Hon Menzies Campbell PC MP, Member of Convocation
– Knight Bachelor

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48 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

The Chairman alluded to his recent attendance at the University's Anniversary Service and at the Chaplaincy Lecture, both of which had been well attended and greatly enjoyable, and which he commended to members of the University community for future years.

49 COMMUNICATIONS FROM THE PRINCIPAL AND PLANNING & MANAGEMENT EXECUTIVE

The Court received information and briefing from the Principal on the following areas:

- Directorship of Human Resources

The Director of Human Resources, Mr Martin McCrindle, would be leaving the University shortly to take up the equivalent post at the University of Stirling. The Principal, on behalf of the Court, expressed to Mr McCrindle the thanks of the University for his contribution to the University, and best wishes for the future.

- Provision of Legal Services
- Opening of Graduate School, Kazakhstan

The Principal and colleagues had attended the opening of a new Graduate School in the Kazakh-British Technical University where the University's MSc programme in Petroleum Engineering would be offered and which would provide future opportunities for Heriot-Watt in both teaching and research.

- Annual Meeting of the General Convocation - 17 March 2004
- HE Policy and Consultations

Issues included the debate on the proposed introduction in England of variable tuition fees and a Graduate Contribution Scheme as embodied in the Higher Education Bill, which had proceeded to a second reading by a narrow margin in a Commons vote on 27 January. Universities UK strongly endorsed the Bill, and Universities Scotland had called for additional funding in Scotland. There remained variations of opinion as between HEIs, the Scottish Parliament Enterprise Committee and public reports of statements by the First Minister and his deputy on the provision to be made,

- Funding Council's Joint Corporate Plan
- New SHEFC/SFEFC Director of Funding – Ms Riona Bell
- Research Pooling

The University was involved with partner institutes in submitting by late March a proposal for the pooling of research resources in Physics.

- Joint Research Institutes between Heriot-Watt and Edinburgh

A framework of collaborative institutes between the two universities was under development, aimed at the creation of a greater critical mass of high quality research in key areas, and at gaining more favourable Research Assessment ratings and more internationally adjudicated grants.

- Returns submitted to Funding Councils 2003-04 in support of recurrent funding

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50 COMMUNICATIONS FROM THE SENATE COUNCIL (Agenda Paper D)

50.1 Title of Professor Emeritus

Approved the conferment of title of Professor Emeritus on Professor R G Harrison, School of Engineering & Physical Sciences, with effect from 11 February 2004.

50.2 Revision to Ordinance 1, Admission and Matriculation

Approved the revised draft Ordinance detailed in Appendix A to Agenda Paper D.

50.3 Report on the Financial Position of the University

Noted that the Senate Council had received a presentation on this topic by the Director of Finance.

50.4 Honorary Appointments

Noted the appointment of Honorary Research Fellows (3) and of one Honorary Lecturer and one Honorary Professor.

50.5 Validation Agreement with Edinburgh College of Art

Noted that negotiations were in hand to assure the quality of courses and arrangements for the benefit of existing students.

50.6 Congregation – Moscow – January 2004

Noted that a Congregation for the Conferment of Degrees and Diplomas had taken place on January 29 2004 at the British Embassy Residence, Moscow at which the Degrees of MSc and Postgraduate Diplomas in Petroleum Engineering had been awarded, and the Honorary Degree of Doctor of Letters conferred upon the British Ambassador to the Russian Federation, Sir Roderic Lyne.

50.7 Honorary Degrees 2004

Noted that the Honorary Degrees Working Group, with the delegated authority of the Senate, had approved the award of honorary degrees in 2004 to the undernoted individuals. All had accepted the proposed award:

<u>Date</u>	<u>Award</u>	<u>Recipient</u>	<u>Citation</u>
29 January Moscow	DLitt	Sir Roderic Lyne British Ambassador to the Russian Federation	Distinguished career in public service and promotion of international educational opportunity
9 July SBC	DLitt	Mr Jasper Conran Designer	Outstanding contribution to design
13 and 14 July Edinburgh	DLitt	Mr John Houston Painter	Distinguished artistic career
	DSc	Sir Brian John Stewart CBE Chairman, Scottish & Newcastle Breweries	Distinguished career in the brewing industry
	DLitt	Ms Susan Rice CEO, Lloyds TSB	Distinguished business career
	DSc	Ms Anna Kajumulo-Tibaijuka Director, UN HABITAT	Distinguished contribution to welfare economics and women's rights

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DUniv	Councillor Eric Milligan Lord Provost of Edinburgh 1996-2003	Distinguished record of public service
DUniv	Mr Philippe Busquin European Commissioner for Research	Distinguished record of public service and promotion of academic research
DLitt	Ms Tanni Grey-Thomson Paraplegic Athlete	Outstanding career as an athlete and role model to young people
DSc	Professor Sir Keith O’Nions Chief Scientific Adviser, Ministry of Defence	Distinguished academic career and contribution to science policy formation.

Noted further that replies were awaited from two individuals who had been offered awards to be presented at the November ceremonies.

51 FINANCE COMMITTEE – REPORT (Agenda Paper E)

The Court received information on the following topics arising from a meeting of the Committee on 26 January 2004.

51.1 Financial System

Noted a progress report on the Oracle Financial System.

51.2 Management Accounts

The Committee had received Management Accounts for the four month period to 30 November 2003 and had noted:

- a deficit for the period of £1009k which was better than budget by £226k
- a comparison of performance to date with the original SHEFC budget
- an expected outturn surplus of £1622k which was £37k worse than the revised budget
- that pressure would be put in the budgeting round on all Schools to achieve operating surplus

51.3 Edinburgh Business School

Noted a report arising from a meeting of the Board of Edinburgh Business School, setting out matters discussed and agreed by the Board.

51.4 Sports Academy

Noted a summary report on progress.

Noted updated information from the Secretary of the University indicating a slight delay due to staffing levels deployed by the contractor, and to technical problems relating to the drains which would entail some extra cost. Any overspend would be traded off against other savings and subventions from donors, including the Alumni Fund. The Secretary also alluded to the possible extra cost which might arise from the adjudication of an arbiter on the monies withheld from Melville Dundas.

51.5 Interactive University

Noted an update on the progress and financial position of the Interactive University, currently in negotiation with Scottish Enterprise-Network regarding a second round of funding. A proposal and revised business plan would go to the SE-N board in March.

Noted that SCHOLAR England was being piloted in Cumbria and promised a good return on investment.

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Noted that the arrangements for secondment of Heriot-Watt staff to the Interactive University had 18 months to run for those who had not taken contracts with the Interactive University or moved to other employment.

51.6 Scottish Borders Campus – Future Options

Noted that the Committee had considered a confidential briefing on this topic, and that the Planning & Management Executive had undertaken an assessment of the resources and commitments associated with a scenario for future development which appeared most likely to attract the support of the Funding Council (cf also Minute 52 below).

51.7 Catering & Residences and Conferences

Noted proposals for the reorganisation of the University's conference activity and the Catering & Residences operation into two wholly owned subsidiary companies, and issues considered by the Committee.

Noted further points raised by Court members including:

- the need for better explanation of the business plans
- the need for the Audit Committee to be satisfied as to the mechanisms for operation, control and risk management
- the need for clarity in the allocation of assets between the University and the companies as proposed
- the need in any event for a high-level appointment in the area of conference management
- the need to ensure that commercial success did not entail any countervailing reduction in Funding Council support

Noted that the Finance Committee recommended in principle that the proposals be approved and further developed, subject to further scrutiny at a later date.

The Court agreed that the proposals be taken forward.

52 SCOTTISH BORDERS CAMPUS – CO-LOCATION PROJECT

The Court received from Professor Simmons an update on the current position with respect to the possible co-location with Borders College, setting out information relative to the various options and the position likely to be adopted by the Funding Councils.

The Court agreed to authorise the Vice Principal to advise the joint Property & Investment Committee of the Funding Councils at its meeting on 13 February 2004 that the University supported in principle the options outlined.

It was noted that further work would be required before any final decisions could be made either by the University or by the Councils. The Court further noted and concurred with the Chairman's request for the exercise of confidentiality in this matter pending any public comment by SHEFC.

53 STAFFING STRATEGY COMMITTEE (Agenda Paper F)

The Court received information and recommendations from the Committee on the following matters:

53.1 Catering & Residences and Edinburgh Conference Centre

Noted the proposal for restructuring Catering & Residences and the Conference Centre (cf Minute 51.7 above) as they affected existing and future members of staff.

53.2 Appraisal and Performance Review

The Committee had noted progress in the implementation of pilot schemes.

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53.3 Pay Structures

The Committee had noted progress in negotiations, but that the AUT was balloting its membership on possible industrial action.

53.4 Treatment of Disclosure Information

The Court approved and adopted a policy document on this matter as set out in Appendix A to the agenda paper, subject to the observation that the University would not act on behalf of third parties in relation to seeking disclosure.

53.5 Computing & Telecommunications Usage

The Court approved and adopted a policy document on this matter as set out in Appendix B to the agenda paper.

53.6 Conflict of Interest

The Court approved and adopted a policy document on this matter as set out in Appendix C to the agenda paper.

54 KEY PERFORMANCE INDICATORS (Agenda Paper G)

Noted that the major Boards reporting to the Planning & Management Executive had undertaken a programme of work to develop key performance indicators of main activities of the University. Noted, as set out in the Paper, a summary of 16 indicators grouped under four main headings – Student Recruitment/Student Numbers; Learning & Teaching; Research & Knowledge Transfer; Finance/Resources.

Received commentary on the relevant areas from Professor Craik, Professor Hall and Professor Walker.

Noted with approval that the indicators presented, or developments thereof, would inform future editions of the University's strategic plan.

The Court concurred in the Principal's expression of thanks to Mr McGookin and Ms Kirkwood-Smith for their extensive work in support of the production of the Indicators.

55 DATES OF COURT MEETINGS

Noted that the next meeting would take place on 22 March.

Agreed to postpone the September 2004 meeting by one week to Monday 4 October to suit the other obligations of both the Principal and the Chairman.

Court

In the Chair: Mr Gavin Gemmell

Present also: Principal John Archer
Professor Brian Austin
Mr Graeme Bissett
Professor Bob Craik
Mr Jim Dignan
Professor Chris Eilbeck
Mr David Guest
Professor Jim Howie
Professor Paul Jowitt
Ms Katy Lavery

In attendance: Professor Denis Hall, Deputy Principal (Research)
Professor Brian Wherrett, Dean of the University
Mr Peter Wilson, Secretary of the University
Mr Robert Fraser, Director of Finance
Mr Peter Kerr, Director of Estate & Building Services
Mr Richard McGookin, Director of Planning
Mrs Mairi Thornton, Director, CAMS
Mr Stefan Kay, Director of Campus Services, Scottish Borders Campus
Mr Alastair Hood, Assistant Secretary

Dr Victor de Lima, University Health Service
Dr Janette Clinkenbeard, University Health Service
Revd Howard Taylor, University Chaplain
Mr Nick Thow, Director, Careers Advisory Service

Minutes

Date of Meeting 22 March 2004

Ms Janet Lowe
Mr James Maguire
Mr Ray Perman
Ms Yvonne Savage
Councillor Andrew Scobbie
Professor John Simmons
Dr Ian Steel
Professor John Swaffield
Mr David Woods
Dr Stan Zachary

56 APOLOGIES

Apologies for absence were intimated from The Rt Hon The Lord Mackay of Clashfern, Mr Brew, Mr Brown, Dr Clark, The Hon Lord Johnston, Dr Kedslie, Dr McClure, Mr Muirhead and Mr Taylor.

57 OBITUARIES (Agenda Paper A)

Noted obituary notices relating to

- Professor Sir Robert Boyd – an honorary graduate of the University and pioneer of space physics
- Dorothy, Lady Ross – a friend of the University and wife of the former Chairman of Court, Lord Ross

58 HEALTH SERVICE ANNUAL REPORT (Agenda Paper K)

The Court received and noted the twenty ninth Annual Report of the University Health Service. It was noted, in relation to the conclusion of a lease in terms of the details required, that this was to be finalised within the next week.

Dr de Lima reported that the entry into force of the new contractual arrangements between General Practitioners and the National Health Service would have an unpredictable but negative effect on most University health services. In the case of Heriot-Watt this might be mitigated by the presence of local community members on the practice list to a level of some 17%. It would be necessary to await experience of the new system to judge the overall effect.

It was noted that the report revealed no material departures from patterns in previous years, and that the professional staff of the medical and dental practices regarded their operation and relationship with the University to be satisfactory and successful.

Dr de Lima referred to the forthcoming retirement of Dr Clinkenbeard, and paid warm tribute to her contribution to the development of the practice and to the welfare of student and other patients over the years.

The Chairman, in thanking both Dr de Lima and Dr Clinkenbeard for their excellent and clear report and service in the past year, echoed these sentiments on behalf of the Court.

59 CAREERS ADVISORY SERVICE – ANNUAL REPORT (Agenda Paper L)

The Court received and noted the report of the Careers Advisory Service relating to the academic year 2002-2003, and received supplementary information from Mr Thow on the discernible trends both in the provision and uptake of careers advice, and in the availability of suitable employment for graduating students, whose numbers nationally were increasing.

The service was concerned to encourage final and penultimate year students to engage in the process of career choice and job application as early as possible in the academic year, rather than deferring this until after graduation, principally because the recruitment cycle was most active between October and December.

Mr Thow indicated that the apparent trends emerging in this and recent years were the gradual reduction of the traditional 'Milkround' of attendance at the University by large companies and a greater engagement with small to medium sized enterprises. There was also a move towards the use by students of electronic media in all their communications, which entailed a move away from direct personal contact, but widened the range of interaction. This, together with the integration of careers and personal development strands into coursework brought a real enhancement of graduands' employability.

In response to a question it was reported that, whereas the Service's main formal responsibility in terms of student destinations was the provision of information on UK students to HESA, the growth in overseas student numbers prompted a corresponding increase in efforts to track their career progress.

60 UNIVERSITY CHAPLAINCY – ANNUAL REPORT (Agenda Paper M)

The Court received the report of the Chaplaincy for the year to February 2004 and noted the positive and inclusive ethos of all the activities described. There was some discussion of the function, at University occasions such as graduations, of public prayer, and it was noted that this was invariably couched in terms calculated to welcome and embrace those of non-Christian faiths or purely secular persuasion.

The annual Chaplaincy Lecture, which had most recently taken place in February 2004, drew particularly favourable comments as being both successful in its own terms, and popular, drawing a large audience.

61 WELFARE FORUM – REPORT (Agenda Paper N)

The Court received a summary report on the issues discussed by the Welfare Forum since its establishment, in the process of restructuring, as the successor body to the Welfare Committee, formerly a joint committee of the Senate and the Court.

It was noted that the Forum reported regularly to the Support Services Board.

62 MR P GREGORY – COURT OBSERVER

It was reported that Mr Gregory, a former governor of the Scottish College of Textiles who, since the merger of the College with the University in 1998, had regularly attended the Court and participated in its discussions, faced a strong likelihood of a conflict of interest arising between his association with the Court and his professional obligations as a senior official of the Scottish Borders Council, in relation to the discussions and negotiations surrounding the Scottish Borders Campus Partnership Project.

In recognition of this situation, it had been amicably agreed between the Secretary of the University and Mr Gregory that he would renounce his participation in Court business, and Mr Gregory had written to the Secretary in these terms.

63 MINUTES

The Minutes of the meeting of the Court held on 9 February 2004 were approved.

Ct5 – 22 March 2004

64 MATTERS ARISING FROM THE MINUTES

64.1 Revision of Ordinance 1, Admission and Matriculation

It was reported that the revised draft Ordinance had been publicly displayed for the period of 28 days required by Article 25(1) of the Charter, and that no objection or comment had been received.

The Court confirmed the amended Ordinance.

65 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

65.1 Procedure for the appointment of Chancellor of the University (Agenda Paper Q)

The Chairman introduced a Paper intimating that a successor to Lord Mackay would require to be identified to take up office in November 2005, and proposing a procedure to be implemented.

The Court agreed that a joint committee of the Court and Senate be appointed to pursue this matter, and with the following composition:

Chairman of Court ex officio (Convener)
Principal ex officio
3 members of Court
3 members of Senate

65.2 Transport Initiative Edinburgh

The Chairman intimated that he was involved in the TIE project and that there was to be a public inquiry and referendum on the issue of congestion charging. The Court concurred with the view expressed by the Chairman that the University had an interest in promoting discussion of the whole transportation infrastructure, and that public involvement and proper consultation were indispensable to this process.

66 COMMUNICATION FROM THE GENERAL CONVOCATION (Agenda Paper B)

66.1 Election of Member of Convocation to Court

Noted the election to Court for the period until the fortieth annual meeting of the Convocation in 2007 of

The Hon Lord Johnston.

Noted one remaining vacancy in this category of membership of the Court.

Noted a résumé by the Chairman of the meeting of the Convocation held on Wednesday 17 March 2004, which had attracted a modest but closely attentive audience who had enjoyed informative and encouraging presentations on the University's work and prospects.

67 COMMUNICATIONS FROM PRINCIPAL AND PLANNING & MANAGEMENT EXECUTIVE (Agenda Paper C)

The Court received information and briefing from the Principal on the following areas:

- Fellowship of Royal Society of Edinburgh
Professor John Swaffield and Professor Alan Welch had been elected Fellows of the Society on 1 March 2004.
- Staff Pay
Universities Scotland had made a forthright submission to the Scottish Executive's spending review.
- Current AUT dispute
It was hoped that the dispute was moving gradually to a conclusion.
- Undergraduate Student Applications

Ct5 – 22 March 2004

Application numbers had levelled off after two particularly positive years but remained encouraging due in great measure to the efforts of schools liaison and recruitment staff.

- Strategic Planning
- Personal Development Planning
- Teaching and Learning Board Strategy Away Day
- Edinburgh Research Partnership
Submissions were to be made to SHEFC and OST for the establishment of a graduate School and Joint Research Institutes between Heriot Watt and the University of Edinburgh.
- Carnegie Trust Centenary Chair 2006
The 2006 chair would be held at Heriot-Watt University by Professor Jim Piper in the area of laser physics and photonics.
- Brewing Reunion
- HE Policy Consultations
Publication of Higher Education Review Phase 3 by the Scottish Executive.
- Timing and Conduct of Research Assessment Exercise 2008
- Higher Education – Business Interaction Survey 2001
- SHEFC Main Grant Funding 2004/05
The University's core recurrent grant for teaching, research and knowledge transfer would increase by 5.3% marginally above the sector average of 5%. Particularly encouraging was an increase of 150% in the knowledge transfer element, a new area of grant with potential for growth.

68 COMMUNICATIONS FROM THE SENATE COUNCIL (Agenda Paper D)

68.1 University Strategy Review Group

Noted that the Senate Council had received a presentation on the strategic development of the University and that members of the Senate Council had been invited to comment on the development of the Strategic Plan.

68.2 Scottish Borders Campus

Noted that the Senate Council had been advised by the Vice-Principal of the requirement of the Funding Council to look at a range of issues bearing on the needs of students, the protection of the School of Textiles as a centre of excellence, the provision of Higher Education in the Borders, and the resource implications of various options. The Senate Council had noted that the University would be working with interested parties in a period of consultation, and that staff might if they wished consult the Vice-Principal on the matter.

68.3 Revision to Regulation 21

Noted that the Senate Council had approved modifications to Regulation 21 for onward transmission to the Court (cf Minute 73.1 below).

68.4 Honorary Appointment

Noted the conferment of the title of Honorary Professor in the School of Life Sciences on Dr J Bates-Gaston for the period to 31 July 2007.

68.5 Election of Dean

Noted that nominations had been sought for the appointment of a Dean of the University in the areas of Arts, Humanities or Social Sciences from 1 October 2004 in succession to Professor Ian Mason.

Ct5 – 22 March 2004

68.6 Review of Operation of Senate Council

Noted that, as foreseen at the constitution of the Senate Council, a review of the role and operation of the Council would be conducted in June 2004.

69 AUDIT COMMITTEE REPORT (Agenda Paper E)

Noted that the Committee had received briefing on the following topics and would undertake follow-up action as necessary:

- Finance System
- Risk Management
- Edinburgh Business School
- Interactive University
- Internal Audit Reports on Payroll and Expenses; Contracting; and Transparent Approach to Costing

70 COLLECTIONS COMMITTEE REPORT (Agenda Paper F)

The Court received the report of the Collections Committee for the 12 months to March 2004.

The Court noted with interest and gratification progress, since the last full report of the Committee, in the following areas:

- award of Registered Museum Status
- opening of University Museum and Archive Centre in November 2003
- award of £128k for pilot project, Scottish Textile Heritage Online, towards a database of textile collections throughout Scotland
- gallery space for staff and student work at Scottish Borders Campus
- care and conservation of University collections
- research use of the collections
- management and development of holdings in line with the approved acquisition and disposal policy

The Court noted with particular interest the imminent publication of the history of the University, written by Professor Patrick O'Farrell.

The Committee also drew to the attention of the Court three linked areas for action and development to be pursued in consultation with University management:

- the effect of Freedom of Information legislation on the management of records and archives
- the practical issue of increased demand for physical storage accommodation, to be the subject of a storage review
- the need for an electronic archive preservation strategy and for the allocation of resources to develop a pilot electronic records management system, and procedures for digital archive preservation

71 ESTATE STRATEGY COMMITTEE REPORT (Agenda Paper G)

Noted that the Committee had received information on the following matters:

- road infrastructure issues including influences on parking and bus routes
- innovation centre – SBC
- project group reports including application of SRIF funding
- gas and water infrastructure replacement

72 FINANCE COMMITTEE REPORT (Agenda Paper H)

The Court received information on the following topics arising from a meeting of the Committee on 8 March 2004:

72.1 Scottish Borders Campus – Future Options

Noted the Court's position as at its meeting on 9 February and that in the interim the University was engaged in option appraisal among the scenarios under discussion.

72.2 Management Accounts

The Committee had received Management Accounts for the six month period to 31 January 2004 and had noted:

- a surplus for the six months of £113k which was better than budget by £644k
- that all authority to incur expenditure was now regulated by the planning round and budgetary procedures through Schools
- that cash flow patterns were modelled to take account of the lumpy distribution of income and expenditure, and that the most exposed period in the remainder of the financial year was adequately covered by overdraft facilities

72.3 Finance System

Noted a progress report on the implementation of the Oracle Finance System, which indicated:

- some delay occasioned by security considerations
- the expectation of the Committee that the IT Steering Group would pursue with Oracle the issue of responsibility and the limitation of any extra costs occasioned by this delay
- the concern of the University to bring the project to a close and have the system operation with minimal further delay

72.4 Edinburgh Business School

Noted:

- that the EBS Board would receive at the end of March a business plan for the next five years prepared by the Director, Professor Lumsden
- that the University would wish to derive reassurance from the plan as to any potential impact on the University, and the extent of alignment with the University's expectations
- the need for EBS to participate in the immediate planning round
- that Vice Principal Simmons would be a member of the nominating committee for the appointment of a successor to Professor Lumsden as Director
- that Mr G Bissett would replace Mr S G Kay as the Court appointee on the Board of the Business School

The Court noted and approved these appointments.

72.5 Sports Academy

Noted a summary report on progress.

Noted that all evidence indicated that the receiver would be unable to sustain a claim either on the money retained from Melville Dundas or on the Performance Bond.

72.6 Interactive University

Noted the terms of a summary statement of the University's position in relation to the immediate future funding of the IU, and the possibility of second-phase support from Scottish Enterprise Network to be considered by the Board of Scottish Enterprise Network in April.

Noted that the IU Board had yet to agree the final details of contracts with the University, and that this would be pursued by University management as a matter of urgency.

73 ORDINANCES & REGULATIONS COMMITTEE – REPORT (Agenda Paper J)

73.1 Revision to Regulation 21: Students Association

Approved amendments to Regulation 21 as set out in Appendix A to the agenda paper.

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73.2 Ordinance 41: Grievance Procedures – Review

Approved a proposed procedure for the review of Ordinance 41 as set out in Appendix B to the agenda paper.

74 SCOTTISH BORDERS CAMPUS PARTNERSHIP PROJECT (Agenda Paper P)

With reference to Ct 52/03-04 the Court received a further update from Professor Simmons on the consultation being undertaken with interested parties on the possible co-location with Borders College on the University's Borders Campus. The Court had received, as agenda paper P, full details of the paper submitted to the Planning & Management Executive which had underpinned the Vice- Principal's presentation to the Court on 9 February 2004.

The feedback from the Funding Councils, also outlined in agenda paper P, had indicated support in principle for partial co-location, with the possible move of the School of Textiles & Design to the Edinburgh Campus, but subject to further detailed investigation.

The Vice- Principal also outlined to the Court the substance of the second evaluation carried out by SHEFC on the merger between the University and the former College of Textiles (Appendix A hereto) which acknowledged that the issues now to be addressed by the University were broader than the original context of merger, and took account of the University's internal review of the Borders Campus, the staffing recruitment issues and student number trends.

It was noted that a confederation of interested parties in the Borders was urging the University to adopt an alternative approach. It was agreed that the University should engage as far as possible with this group in an attempt to explore the scope for accommodation with their viewpoint. It would require to be made clear that this dialogue would be in parallel with the ongoing discussions within the University and with the Funding Council, and without prejudice to the timescale imposed by meetings already scheduled. The dialogue should seek ways of respecting and recognising the heritage of higher education provision in the Borders, combined with an emphasis on the new opportunity to deliver a University-College appropriate to the needs of the community, and on the continuing commitment of Heriot-Watt to the area. These discussions would be pursued within the authority of PME, with any resultant proposals being referred for consideration as appropriate by the Finance and Estate Strategy Committees prior to the meeting of the Court on 24 May.

Court

In the Chair: Mr Gavin Gemmell

Present also: Principal John Archer
Mr Graeme Bissett
Mr David Brew
Mr Graham Brown
Professor Bob Craik
Professor Chris Eilbeck
Mr David Guest
Professor Jim Howie
Professor Paul Jowitt
Ms Moyra Kedslie

In attendance: Professor Denis Hall, Deputy Principal (Research)
Professor Andy Walker, Deputy Principal (Resources)
Professor Ian Mason, Dean of the University
Mr Peter Wilson, Secretary of the University
Mr Robert Fraser, Director of Finance
Mr Richard McGookin, Director of Planning
Mrs Mairi Thornton, Director, CAMS
Professor Patrick Corbett, Head of Petroleum Engineering
Dr Roger Wardman, Acting Head, School of Textiles
Mr Stefan Kay, Director of Campus Services, Scottish Borders Campus
Mr Alastair Hood, Assistant Secretary

Minutes

Date of Meeting 24 May 2004

Ms Katy Lavery
Ms Janet Lowe
Mr James Maguire
Dr Judith McClure
Mr Andrew Muirhead
Mr Ray Perman
Professor John Simmons
Professor John Swaffield
Mr Tony Taylor

75 APOLOGIES

Apologies for absence were intimated from The Rt Hon The Lord Mackay of Clashfern, Professor Austin, Dr Clark, Mr Dignan, The Hon Lord Johnston, Ms Savage, Councillor Scobbie, Dr Steel, Mr Woods and Dr Zachary.

76 OBITUARY (Agenda Paper A)

Noted an obituary notice relating to

- Patrick Nuttgens - an honorary graduate of the University and first director of Leeds Polytechnic

77 MINUTES

The Minutes of the meeting of the Court held on 22 March 2004 were approved subject to the connection of cross-reference in Minute 68.3 regarding Regulation 21 to relate to subsequent Minute 73.1.

78 MATTERS ARISING FROM THE MINUTES

78.1 Health Centre

It was reported that the terms of the lease were undergoing final legal checks and should be finalised shortly. It was noted that the lack of a formal lease had not impeded the payment of rent to the University by the Practice since taking up occupancy of the building.

78.2 Sports Academy

It was reported that an additional contribution of £150k from Sportscotland, which had been expected, would not now be forthcoming. Efforts continued however to identify elements of the overall project which might be individually funded from various sources.

79 COMMUNICATIONS FROM THE PRINCIPAL AND PLANNING & MANAGEMENT EXECUTIVE (Agenda Paper B)

The Court received information and briefing from the Principal on the following topics:

- Directorships of Human Resources and of Finance

The University had appointed Ms Margaret Cook, Director of Human Resources at Bell College, Hamilton, to the post of Director of Human Resources.

It was reported that Mr R M Fraser had been appointed from September 2004 as Finance Director of the University of Glasgow. The Principal paid tribute to the contribution made by Mr Fraser to the management of the University's resources.

- Convenership of Universities Scotland

The Principal had been elected Convener of Universities Scotland from 1 August 2004 for a period of 2 years. The Court welcomed this appointment.

- Recently approved University policy statements

Planning & Management Executive had approved policy statements, to be taken forward and implemented by the relevant Committees and Boards in the areas of

- Risk Management
- Confidential Information, Intellectual Property and Commercialisation
- Disclosure of Information about Students

- Student Applications and Acceptances

A key aspect of the pattern reported was a gratifying increase in the numbers of potential overseas postgraduates undertaking taught courses.

- Strategy Development

The Principal alluded particularly to the aspect of continuity and progressive development in the setting of the University's strategy; building on current directions and the broad measure of agreement on the important strands to be pursued. These included partnering arrangements with commercial and research dimensions; preparedness for the next Research Assessment Exercise; and the natural extension of the context for research collaboration and funding to a European-wide stage. In parallel to the research issues the University would also be concerned to maintain the flexibility and quality of its teaching provision, recognising that some 80% of its income was teaching-related. **International strategies and their coordination were significant and to this end a new Forum under the chair of the Deputy Principal (International Academic and Business Development) had been set up. The priority opportunities for the university in student expansion would likely be in overseas student numbers and in post graduate taught programmes. In these contexts the modes of delivery would be both full time and part time and on campus as well as off campus.**

- Freedom of Information

The University's Freedom of Information project team was actively preparing for the University's compliance with the Freedom of Information (Scotland) Act.

- Forthcoming University Events

- Consultations and Publications relating to HE Policy and Funding

Court **strongly endorsed** the concerns expressed by Universities Scotland on the proposed merger of funding authorities for Higher and Further Education in Scotland fearing dangers of the submersion of identity of the two sectors, and a greater degree of prescription prejudicial to institutional autonomy. There was a clear preference for consensual collaboration between the sectors rather than an imposed regime driven by the preoccupation with unit cost.

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80 COMMUNICATIONS FROM SENATE COUNCIL (Agenda Paper C)

80.1 Appointment of Chancellor

Approved the recommendation of the Senate Council that the Senate members of the joint committee constituted to consider this matter should be

Professor J E L Simmons, Vice Principal
 Professor J D C Jones, School of Engineering & Physical Sciences
 Dr U Böser, School of Management & Languages
 (cf Minute 86 below)

80.2 Scottish Borders Campus (SBC)

Noted that the Vice Principal had advised the Senate Council of the consultations shortly to take place with Scottish Borders Council and other interested parties (cf Minute 81 below).

80.3 Honorary Appointments

Noted honorary appointments approved by Principal & Deans Committee as follows

Dr G A V Leaf, Honorary Professor, School of Textiles & Design
 Dr W E Lindsell, Honorary Reader, School of Engineering & Physical Sciences
 Dr P N Preston, Honorary Reader, School of Engineering & Physical Sciences

80.4 Election of Dean

Noted that in an election for the Office of Dean in succession to Professor I Mason to be held on 1 June 2004 the following candidates would stand for election

Dr C B Grant, School of Management & Languages
 Professor P G Hare, School of Management & Languages
 Professor A A Prior, School of the Built Environment

(noted that subsequently Professor Prior was elected Dean)

80.5 Honorary Degree

Noted the award to Sir Nicholas Grimshaw, the distinguished architect, of the Honorary Degree of Letters to be conferred on 1 July 2004 along with degrees in courses offered by Edinburgh College of Art.

80.6 Review of Senate and the Senate Council

Noted that the outcome of the review of the functioning of the Senate Council would be conveyed to the Senate at a joint meeting on 16 June. The Senate Council would express to the Senate its view that the composition of the Senate should be modified to conform to the composition of the Senate Council, and that Regulation 47 (Senate Council) should be rescinded.

It was suggested that the intended proposal by the Senate Council, that the process of election to the Senate and from the Senate to the Court be suspended in the interim period until final decisions on the constitution of the Senate had been made, could not be reconciled with the Charter & Statutes of the University.

81 SCOTTISH BORDERS CAMPUS PARTNERSHIP PROJECT

With ref to Ct74/03-04 the Court received a further update from Professor Simmons on the consultation being undertaken with interested parties on the possible co-location with Borders College on the University's Borders Campus. Whereas at its March meeting the Court had confirmed its position of support for a business plan assuming some need of relocation of activity in Textiles and capital support for the FE funding Council, the issues had been exhaustively debated since then and progress made in the setting up of working groups to pursue

- the objectives for the future development of Textiles and Design

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- the platform for FE and HE provision in the Borders
- the financial implications of the various scenarios

Arising from a meeting with the Funding Councils and representatives of Scottish Borders Council on 19 May, it was reported to the University that SFHEFCs had indicated their endorsement of co-location, and their lack of objection to the development of Textiles and Design wherever might be the most appropriate and suitable location.

SFHEFCs was however engaged in a review of FE/HE provision which was scheduled to be completed for report in September. It was also noted that, in contrast to signals given earlier at officer level, the SFEFC full Council appeared likely to indicate material restriction in any funding for the SBC redevelopment in the short to medium term.

The Court was reminded of its initial expectation that it might be in a position to make a decision at its June meeting. In view of the number and diversity of issues still requiring resolution, the SFHEFCs had also indicated that a delay to September would in their view be desirable to allow a thorough review of national provision in the Textile, Fashion, Clothing and Design area and the criteria for international excellence in higher education teaching and research in that field.

The Court was also made aware of significant personal concerns of staff and students on many of the issues.

The attitude to be adopted by Borders College remained undefined and was also being elaborated by a working party whose work remained at an early stage.

After discussion the Court agreed

- to review developments again in June but with the likelihood, if progress were being made, to defer to September 2004 a decision on the pattern of development in Textiles and Design
- to receive from New Ways Partners, should they so wish, a presentation on their viewpoint, to be made at the June 2004 meeting of the Court
- to invite the Vice Principal to formulate further the academic vision for international excellence in Textiles, Fashion, Clothing and Design and the possible future articulation of other subject provision with the FE environment in the Borders

82 FINANCE COMMITTEE REPORT (Agenda Paper D)

The Court received information on the following topics reported to the Committee since the last meeting of the Court.

82.1 Management Accounts

The Committee had received management accounts for the 8 month period to 31 March 2004 and had noted

- a surplus for the 8 months of £1449k which was better than budget by £837k
- the forecast outturn was worse than budget by £523k, and was equivalent to the position reported in January 2004, representing a surplus of £1136k.
- the underlying position remained healthy despite the absorption of exceptional non-budgeted items.

82.2 Oracle Finance System

The Committee had noted an update on the implementation process and had noted that the Planning & Management Executive had agreed a strategy for the implementation of the system, and the minimisation of difficulties encountered during the earlier stages of the process. This had no adverse effect on the implementation budget but did entail some additional recurrent staffing costs.

83 BUDGET DEVELOPMENT 2004-2005

- received a presentation by the Deputy Principal (Resources), Professor Walker, on progress to date in developing the budgets for Schools and other units, for incorporation in the overall University budget to be adopted by the Court at its meeting in June 2004

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- noted the budget planning process, together with initial budget proposals which had been rejected as being unsustainable, and factors contributing to the setting of an overall target budget of a surplus of £1.8m - £2.0m
- noted examples of Schools' progress in developing positive outturns and the prospect of maintaining these in future
- noted an overall trend summary projecting relatively modest progress and emphasising the need to continue to grow the surplus figure and particularly income
- noted performance indicators and targets relating to both income and expenditure (Appendix A)
- noted the three year projection currently aiming at a surplus of around £3m
- noted that capital expenditure plans were being assembled within a maximum cash outflow for 2004-05 of £4m
- noted in relation to Interactive University that a stable business platform and royalty stream together with second stage funding from Scottish Executive-Network should bring budget improvement for the University, which had deferred income in the current year

[At this point the meeting became inquorate. The members of Court remaining noted the following matters which would be reported for decision where necessary to the next meeting of the Court.]

- noted that measures for the control of debt and the maximum acceptable level or proportion of debt would be included in the final budget presentation

84 NOMINATING COMMITTEE – REPORT (Agenda Paper E)

84.1 Court Committees

- noted recommendations for the amendment of membership of Court committees and that certain nominees had not yet indicated whether or not they could accept the invitation to serve

84.2 Membership of Court

- noted recommendations relating to the co-opted membership of the Court and the intention of the Committee to include, among measures to identify new members of Court and its committees, public advertisement of the possibility of service to the University in this fashion

84.3 Membership of Convocation

- noted proposals for the appointment of members to vacancies in those categories of membership to which the Court was entitled to appoint. The Committee would approach the individuals concerned.

85 STAFFING STRATEGY COMMITTEE – REPORT (Agenda Paper F)

The Committee had noted information on the following matters at a meeting held on 3 May 2004.

85.1 Catering & Residences and Edinburgh Conference Centre

With reference to Ct51.7/03-04, noted progress on recruitment, union consultation and timescale.

85.2 Pay Structure and Implementation Plan

- noted that AUT and EIS had voted in favour of accepting a 2-year, 2 part offer from August 2003, totalling 6.44%
- noted the action required of the University in implementing the single pay spine on which the agreement was founded and to which the University was now committed
- noted that the scheme entailed certain risks for the University which would be addressed and minimised

85.3 Equal Opportunities Working Group

- noted a review of the activities of the Equal Opportunities Working Group in 2003, and progress made against the agreed Action plan

85.4 Grievance Procedure

- noted that the Chairman of the Committee would draft a new procedure and guidelines in this area

85.5 Strategy Development

- noted that a group had been put in place to develop, in consultation with Heads of Schools and Institutes, proposals for the continuing evolution of the University's high level strategy
- noted that there would be a need for different and possibly increased staffing levels to match and implement the elements contributing to strategic development. The Committee would have the opportunity to monitor the implications of the various projects and their alignment with the thrust of corporate strategy.

86 VACATION COMMITTEE – REPORT (Agenda Paper G)

- noted that in exercise of the delegated powers of the Court, the Committee had agreed to appoint to the Joint Committee the undernoted members of the Court

The Hon Lord Johnston
Dr Judith McClure
Mr David Brew

- noted that proposals from members of the Court for the consideration of the Joint Committee would be welcomed, and should be communicated to the Secretary of the University

87 ELECTION TO COURT

- noted that in an election to identify one member of Court to serve in terms of Clause (Viii) of paragraph 1 of Statute XII (full time staff other than academic or academic related) the undernoted person had been elected to serve from 1 August 2004 to 31 July 2007

Ms June Maxwell – School of Mathematical and Computer Sciences.

Court

In the Chair: Mr Gavin Gemmell

Present also: Principal John Archer
 Professor Brian Austin
 Mr Graeme Bissett
 Mr David Brew
 Mr Graham Brown
 Dr Doug Clark
 Professor Bob Craik
 Mr Jim Dignan
 Professor Chris Eilbeck
 Mr David Guest
 Professor Jim Howie
 The Hon Lord Johnston

In attendance: Professor Denis Hall, Deputy Principal (Research)
 Professor Brian Smart, Deputy Principal (Educational Development)
 Professor Andy Walker, Deputy Principal (Resources)
 Professor Ian Mason, Dean of the University
 Professor Brian Wherrett, Dean of the University
 Mr Peter Wilson, Secretary of the University
 Mr Robert Fraser, Director of Finance
 Mr Richard McGookin, Director of Planning
 Mrs Mairi Thornton, Director, CAMS
 Professor Patrick Corbett, Head of Petroleum Engineering
 Dr Roger Wardman, Acting Head, School of Textiles
 Mr Stefan Kay, Director of Campus Services, Scottish Borders Campus
 Mr Alastair Hood, Assistant Secretary

Mr Jamie Alexander, President 2004-05 Students Association
 Mr John Campbell, Scottish Borders Council
 Mr David Killean, Borders College
 Mr Glenn Rodger, Scottish Borders Council
 Mr Nigel Sargent, Scottish Enterprise (Borders)

Minutes

Date of Meeting 28 June 2004

Ms Katy Lavery
 Ms Janet Lowe
 Mr James Maguire
 Dr Judith McClure
 Mr Ray Perman
 Ms Yvonne Savage
 Professor John Simmons
 Dr Ian Steel
 Mr Tony Taylor
 Mr David Woods
 Dr Stan Zachary

88 APOLOGIES

Apologies for absence were intimated from The Rt Hon The Lord Mackay of Clashfern, Professor Jowitt, Dr Kedslie, Mr Muirhead, Councillor Scobbie and Professor Swaffield.

89 WELCOME

The Chairman, on behalf of the Court, welcomed Mr Alexander, the new president of the Students Association, who would be a member of the Court ex officio from 1 August 2004 to 31 July 2005.

The Chairman also extended a welcome to Messrs Campbell, Killean, Rodger and Sargeant, present for the discussion of Item 90 below.

90 SCOTTISH BORDERS CAMPUS

The Court received a presentation on the progress to date in developing proposals for the consideration of the University on the topic of future co-operation and potential partnership.

[The material on which the presentation was based is set out in Appendix A hereto]

The concluding section laid emphasis on the concerted nature of the work being pursued by all parties to the discussion and stakeholders in the possible scenario being developed. There was an emphasis on the progress being made and the unity of purpose among the various working groups.

In an exchange of views between the members of Court and the New Ways Partners group the following were among the issues raised:

- the need by the Court for a quantified basis on which to found any decisions
- the parallel need for a prospective vision for the pattern of development to be undertaken
- the expected further investigation of the scenario embodied in the Crichton Campus
- the acknowledgement of the curbs imposed by funding limitations
- the establishment and maintenance of sustainable HE and FE links
- the question of recruitment to niche specialisms and centres of excellence, locally, nationally and from overseas
- the University's disappointment at the lack of documentation to date, including the fact that the report of the principal consultants contained no quantified data
- the desire of the University to be in a position by early September to undertake meaningful discussion towards decisions

After the withdrawal of the New Ways representatives the Court discussed the position noting inter alia the following points:

- centres of excellence were subject to nationally defined parameters which the University would require to apply
- there was a crucial opposition between the acknowledged difficulties of timescale and the ongoing financial pressure on the University
- there was a need for clearer input regarding the contribution to be made by the Funding Councils
- the future role of the Borders College was not yet defined
- there was a need for a coherent outcome among the three working groups if positive progress was to be made

It was agreed that the University would pursue the goal of obtaining from all concerned by late August the basis of further discussion of outstanding points with a view to being in a position to make decisions at the next full meeting of the Court.

91 QUEENS BIRTHDAY HONOURS

The Court noted with pleasure the following awards:

Professor David Wallace – an honorary graduate of the University
and Vice-Chancellor of Loughborough University – **Knight Bachelor**

Professor Bill Stevely, Principal of Robert Gordon University – **CBE**

92 OBITUARIES (Agenda Paper A)

Noted obituary notices relating to:

Robert David MacDonald – an honorary graduate of the University
(DLitt 1987)

Professor Gordon Nicoll – Professor Emeritus of Electrical Engineering and
Dean of the Faculty of Engineering 1973-1976

93 MINUTES

The Minutes of the meeting of the Court held on 26 May 2004 were approved.

94 MATTERS ARISING FROM THE MINUTES

94.1 Health Centre

It was noted that the final form of the Lease was presently with the Practice's legal advisers for final scrutiny.

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94.2 Directorship of Finance

It was noted that Finlayson Wagner Black had been retained to assist in the process of recruiting a successor to Mr Fraser as Director of Finance.

94.3 Confirmation of Decisions

The Court noted and confirmed those matters recorded in Minutes 84 to 87, discussed after the meeting had become inquorate. In relation to the Estate Strategy Committee, the Court confirmed, with his assent, the appointment as member and convener of the Committee, with immediate effect, of Mr David Guest.

The Court also noted and approved, on the recommendation of the Chairman of the Audit Committee, the appointment of Mr A Muirhead to membership of the Nominating Committee.

95 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

95.1 Consultative Meetings

The Chairman reported briefly to the Court on meetings of the Chairmen of Court of the Scottish Universities, and of this group with officers of the Funding Council, at which reference had been made to the structure and composition of governing bodies (cf Minute 100 below). It was also reported that the First Minister had expressed an interest in the issue of governance in publicly funded bodies and institutions.

95.2 Progress in University projects

The chairman referred to recent University events which he had attended, and which had signified meaningful progress in the University's work in various areas. These included the opening of the Sports Academy; the degree exhibition of the work of students in the School of Textiles which had displayed excellent content and disciplined structure; and the SCHOLAR Conference.

96 COMMUNICATIONS FROM THE PRINCIPAL AND THE PLANNING & MANAGEMENT EXECUTIVE (Agenda Paper B)

The Court received information and briefing from the Principal on the following topics:

- Policy Development

Minor amendments approved by Support Services Board and PME to policy documents on Grievance Procedures relating to Harassment and Bullying; on Dignity at Work; and on Capability to reflect legislative changes. These matters would in future be dealt with by Support Services Board on behalf of PME.

- International Academic and Business Development Forum

The new Forum would support the University's strategy for further steady internationalisation of the University through increased recruitment and enhanced international research development.

- Link Programme

The collaborative programme between the University and ten FE colleges in Scotland would provide a fast track to a degree for HND students.

- Opening of the Sports Academy

- Academic Staff Congress – 31 May

- Creative Scotland Fashion Show – Paris

- SCHOLAR Conference

- UK Bologna Seminar – 1 & 2 July

Representatives from 22 European countries had registered to attend the Seminar to be held at the Edinburgh Campus on the topic of Using Learning Outcomes and aimed at furthering the Bologna process of convergence in the recognition and, to some extent, structure, of European qualifications.

- Illustrated History of the University
- External Policy Consultation/Publication

Recently received documentation included:

- 1) briefing on the proposed merger of funding councils for higher and further education
- 2) Higher Education Partnership for Sustainability publication entitled 'Learning and Skills for Sustainable Development'
- 3) second call for proposals under the SHEFC Strategic Research Development Grant

97 COMMUNICATIONS FROM THE SENATE (Agenda Paper C)

97.1 Review of the Senate and the Senate Council

The Senate Council had been constituted in June 2003, as a standing committee of the Senate in terms of Regulation 17, to discharge the functions of the Senate for a provisional period of one year and to report to the Senate on its operation over that period, with a recommendation as to future arrangements.

The mode of operation of the Senate and its standing committees during academic year 2003-2004, together with the terms of reference, composition and electoral procedure for the Senate Council were contained in a new Regulation 47 approved by the Principal & Deans Committee on behalf of the Senate in September 2003.

The Senate had agreed, on the basis of the report of the Senate Council, that the current arrangements should continue for a further year to enable the Charter & Statutes Committee to draft proposals for the consideration of the Privy Council for the amendment of Statute XIII (Senate) to reflect Regulation 47.

The Senate had agreed to recommend to the Court that the appropriate Statutes be modified accordingly and that a Charter & Statutes Committee be constituted and charged by the Court with preparing recommendations to take effect from October 2005.

Elections to the Senate and from the Senate to the Court for vacancies arising on 1 August 2004 would be held shortly.

The Court noted these matters and approved the recommendation of the Senate.

97.2 Title of Professor Emeritus

The Court approved the conferral upon Professor D Mair, School of Management & Languages, of the title of Professor Emeritus, with effect from 1 October 2004.

97.3 Re-appointment of Vice-Principal

The Court approved the recommendation of the Senate, in terms of Ordinance 32, that Professor J E L Simmons be re-appointed Vice-Principal for a further term of two years from 1 August 2004.

97.4 Honorary Appointments

The Court noted honorary appointments and re-appointments approved by the Principal & Deans Committee as follows:

<u>Name</u>	<u>Title</u>	<u>School/Institute</u>
Professor R Graves	Honorary Professor	The Built Environment
Professor F M Russell	Honorary Professor	Mathematical and Computer Sciences
Dr P D Smith	Honorary Professor	Life Sciences
Dr I C Walker	Honorary Senior Lecturer	Engineering and Physical Sciences

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Professor A D Wilkie Honorary Professor Mathematical and Computer Sciences

97.5 Election of Dean

The Court noted that the Senate, in accordance with the outcome of the election held on 1 June 2004, had appointed Professor A A Prior as Dean for a period of 3 years from 1 October 2004.

97.6 Structure of the Academic Year

The Court noted that possible options for the amendment of the academic year, including semesterisation, were being widely discussed and would be considered further at the October meeting of Senate.

97.7 Revision to Bye Laws of the Students Association

The Court was satisfied on the advice of the Senate, that proposed modifications to Regulation 21 regarding the location and circumstances required for the election of office bearers, were not repugnant to the provisions of the Charter, the Statutes or the Ordinances and Regulations of the University and should take immediate effect.

98 FINANCE COMMITTEE REPORT (Agenda Paper D)

Information on the following matters had been noted at the meeting of the Committee on 14 June 2004.

98.1 Oracle Finance System

The Committee had noted a further update on the implementation process and projected timescale which had been subject to substantial delay. Despite this, the end product was expected to be a high quality system, although there remained risks which would require careful management over the remaining implementation period.

98.2 Management Accounts

The Committee had received management accounts for the 9 month period to 30 April 2004 and had noted:

- a surplus for the 9 months of £1887k, which was better than budget by £1102k
- the forecast outturn surplus of £1362k remained rather conservative, and improvements in accuracy would be targeted to provide the most reliable figure feasible at the deadline for the submission of plans to SHEFC and the finalisation of the University's budget

98.3 Edinburgh Business School

- noted that the Board of the Edinburgh Business School had met on 30 March and had noted an outline 5-year prospective
- noted that the School no longer had a clear cut advantage over other providers but it was hoped that a modest downturn in sales would shortly be reversed

98.4 Sports Academy

- noted that the academy had been formally opened on Monday 31 May
- noted that the cost was likely to be some £120k above the budget of £6.05m
- noted that there had been no further contact with the receiver

98.5 Interactive University

- noted the provision of a further £1.2m of grant funding over 2 years from Scottish Enterprise-Network
- noted that legal agreements between the University and Interactive University would be signed shortly, subject to final scrutiny by Scottish Enterprise-Network

98.6 Scottish Borders Campus

The Committee had received a summary update and had noted that the Court would receive a presentation (cf Minute 90 above).

98.7 Catering & Residences

- noted that the University's intentions continued to be the creation of two separate companies, and that the immediate priority was to identify a director for Edinburgh Conference Centre Ltd.
- noted that Heriot-Watt Services would continue to fulfil the University's obligations to staff and students

98.8 Budget 2004-05 and Forward Financial Plan

- noted, in Appendix B to Agenda Paper D, the Committee's assessment and comment on the proposed budget
- noted an updated presentation by Professor Walker on the budget development process and financial projections
- noted the continuing upward cost pressures
- noted that the level of debt, and its percentage proportion relative to income would reduce
- agreed to recommend to the Court approval of the budget and financial plan (cf Minute 99 below)

99 STRATEGIC PLAN

- received, as Agenda Paper E, Strategic Planning documents comprising:
 - 1) profile and environmental analysis setting out key themes
 - 2) planning statements and analytic planning framework
 - 3) strategy statements on Research, Knowledge Transfer, Human Resources, including equal opportunities and race equality
 - 4) Indicative Performance Measures
 - 5) Financial Commentary and Financial Plan consistent with the budget and forecasts scrutinised by the Finance Committee
- noted in particular aspects emphasised by the Principal in presenting the document:
 - a) research competitiveness balanced by collaborative and pooling strategy in a coherent national framework
 - b) the University's particular strengths in taught postgraduate provision and international recruitment
 - c) centres of excellence including textiles
 - d) fundraising
 - e) key performance indicators
- agreed to approve the Planning Documents, including financial commentary, financial plan and budget.

100 STRUCTURE OF COURT MEMBERSHIP

The Court received, as Agenda Paper F, proposals developed by PME for the reform of the membership structure and pattern of meetings of the Court; and for modifications in the title and role of its executive committees.

The Court agreed after discussion to take steps to reduce its total membership to 25 persons, recognising that proposals to this end would require to be made to the Privy Council for the modification of the relevant Statutes.

- it was agreed that the number of meetings of the Court during the academic year be limited to five, of which one would be a full day meeting held outwith the University for consideration and review of the University's strategic vision.
- that the Nominating Committee (Court) should additionally have the role of reviewing the effectiveness of Court and of Committee members, and should be re-titled Nominating & Review Committee
- that the Vacation Committee be re-titled the Court Emergency Committee

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101 DATES OF COURT MEETINGS

The Court agreed dates for meetings in academic year 2004-05 and to December 2005 as follows:

4 October 2004
13 December 2004

21 March 2005
16 May 2005
27 June 2005
3 October 2005
12 December 2005

102 RETIRAL OF MEMBERS OF COURT

The Chairman, on behalf of the Court, expressed thanks and appreciation for their service to those members of the Court who would have demitted office before the next scheduled meeting in October 2004, namely:

Professor P W Jowitt	Served from 1 August 2001 to 31 July 2004 as a member elected from the Senate
Professor J Swaffield	Served from 1 August 1998 to 31 July 2004 as a member elected from the Senate
Mr J Dignan	Served from 1 August 2001 to 31 July 2004 as a member elected from the full time staff other than academic or related
Ms Katy Lavery	Served from 1 August 2003 to 31 July 2004 ex officio as President of the Heriot-Watt University Students Association
Mr G Brown	Served from October 2003 to 31 July 2004 as a member appointed by the Council of the Students Association
Mr A B Taylor	Served from 1 August 1998 to 31 July 2004 as a member of the Court co-opted by the Court, and from 1 August 2003 as Convener of the Audit Committee

103 APPOINTMENT OF HONORARY CHAPLAIN – QUAKER

The Court approved the appointment, as Honorary Chaplain (Quaker) and a member of the Chaplaincy Team with immediate effect, of

Ms Juliet Balfour
Centre for Sport & Exercise