

Ct3 – 20 March 2006

COURT	Minutes
In the Chair: Mr Gavin Gemmell	Date of Meeting: 20 March 2006
Present also: Principal John Archer	Dr Robert Mochrie
Mr Niall Armstrong	Dr Alan Parsley
Mr Graeme Bissett	Mr Ray Perman
Mr Michael Breaks	Mr Jim Polson
Professor Bob Craik	Mr Steve Salvini
Mr Malcolm Durie	Ms Yvonne Savage
Mr Steven Findlay	Councillor Andrew Scobbie
Mr Neil Fraser	Professor John Simmons
Professor Paul Hare	Dr John Steel
The Rt Hon Lord Johnston	Professor Adrian Todd
Mrs June Maxwell	Mr Ed Weeple
Dr Judith McClure	
Mr David Guest	
Ms Kathy Patterson	
Fr John Reid	
In attendance: Professor Andy Walker, Deputy Principal (Resources)	
Professor Denis Hall, Deputy Principal (Research)	
Professor Brian Austin, Dean of the University	
Professor Alan Prior, Dean of the University	
Mr Peter Wilson, Secretary of the University	
Mr Phil McNaull, Director of Finance	
Mr Peter Kerr, Director of Estate & Building Services	
Mr Stefan Kay, Director of Campus Services, Scottish Borders Campus	
Mr Richard McGookin, Director of Planning	
Ms Mairi Thornton, Director, CAMS	
Mr Alastair Hood, Assistant Secretary (Court)	
37 APOLOGIES	
Apologies for absence were intimated from Baroness Susan Greenfield, Mr Brew, Professor Howie, Dr Kedsle, Mr Maguire, Mr Muirhead and Mr Woods.	
38 WELCOME	
The Chairman, on behalf of the Court, welcomed to the meeting Mr Guest, Fr Reid and Ms Patterson, present for the consideration of the reports of the Collections Committee, the Chaplaincy and Student Welfare Services respectively.	
39 UNIVERSITY COLLECTIONS COMMITTEE – REPORT (Agenda Paper F)	
<ul style="list-style-type: none"> • Noted the report and a commentary by Mr Guest, citing increased use of the collection, particularly for research in the area of textiles. • Noted the importance for funding purposes of continuing accreditation by the Museums Libraries and Archives Council • Noted and approved an updated form of the University's policy on Acquisitions and Disposals revised in terms of the requirements of the Council • Noted the need for restraint by the Archive service in accepting material for conservation, and the limitations imposed by restricted space and finite resources; balanced against the importance of capturing significant records and artefacts related to the history and interests of the University 	

Ct3 – 20 March 2006

- Noted the need for succession in the convenership of the Committee which should be chaired by a member of the Court

The Chairman of Court expressed to Mr Guest the appreciation of the Court for his service to date as convener of the Committee.

40 CHAPLAINCY ANNUAL REPORT (Agenda Paper K)

- Noted the report which was introduced by Fr Reid who touched on the following aspects:
 - the emphasis on offering a welcome to overseas students
 - the teamwork and fellowship across all faiths seen in the various activities organised by the Chaplaincy
 - the role of the Chaplaincy Council in encouraging the use of the Chaplaincy premises for all appropriate religious and social purposes
 - the central yet self-effacing contribution of the Chaplain himself

Members of Court expressed their appreciation of the tolerance, understanding and sense of community promoted by the Chaplaincy and its vibrant and participative contribution to the life of the University's campuses. It was also noted that the University's reputation in this area played a discernible part in its recruitment of overseas students.

41 STUDENT AND WELFARE SERVICES REPORT (Agenda Paper M)

- Noted the report which was the first to encompass the activities of the Academic Registry, Careers Advisory Service and Student Welfare Services, reflecting the overall responsibilities of the Office of Student Services. The Report gave a succinct account of these matters and would in future be presented to the October meeting of the Court
- Noted the major developments and achievements in the academic year 2004-05 and a summary of the major strategic issues to be addressed in 2005-06, together with Performance Indicators for the Academic Registry and the Careers Advisory Service
- Noted in particular, at the instance of Ms Patterson:
 - the proposed implementation of Semesterisation and a new student registration system
 - the increased leadership and focus to be expected from the appointment of a new Director of Welfare Services
 - the introduction of Personal Development Planning to ensure the incorporation in study programmes of increasing career management skills
 - the evolution of the role of wardens towards an emphasis on guidance and counselling

Members of Court welcomed the contribution of the Careers programme, as part of the Learning & Teaching Board strategy, towards maximising the employability of Heriot-Watt students. The Chairman alluded with approval to the cohesion and integration now evident across the Student Services provision. The Secretary of the University voiced his heartfelt appreciation of the outstanding service to the wellbeing of the student community contributed by his professional colleagues with responsibilities in these areas.

42 RETIRAL OF PRINCIPAL

The Chairman formally indicated that since the last meeting of the Court, the Principal, Professor J S Archer, had given notice of his intention to retire on 31 July 2006. This topic would receive further treatment at the June 2006 meeting of the Court. The Court noted the composition and membership of the committee constituted to consider the matter of a successor to Professor Archer as follows:

Ct3 – 20 March 2006

Chairman	Chairman of Court
4 members of Court	Mr G Bissett Rt Hon Lord Johnston Dr J McClure Mr R Perman

4 members of Senate	Professor J Fernie Professor J Jones Professor R Ocone Professor G Pender
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43 OBITUARIES

Noted obituary notices relating to:

- Lady Nora MacFarlane – wife of Principal Emeritus Sir Alastair MacFarlane
- Mrs Jacqui Patten – widow of Professor Emeritus and former Acting Principal Tom Patten
- Ms Rachel Squire, MP – member of the General Convocation

44 MINUTES

The Minutes of the meeting of the Court held on 12 December 2005 were approved.

45 INSTALLATION OF CHANCELLOR

It was reported that the installation of Baroness Greenfield had been a very successful occasion, on which she had clearly stated her commitment to the University and her increasing involvement in University events.

46 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

The Chairman reported on his recent programme of direct involvement with the committees of Court to maintain his familiarity with their discussions and preoccupations. Notable among these was the issue of pension fund liabilities. The Chairman had consulted with representatives of those participating in the various schemes and was grateful for the expertise of the Convener of the Audit Committee in addressing the issues involved. The Chairman also intended to have discussions with Heads of Schools and other senior management to update his knowledge of academic aspirations and concerns.

47 COMMUNICATIONS FROM THE PRINCIPAL AND THE PLANNING & MANAGEMENT EXECUTIVE

The Principal furnished information and briefings on the following topics:

- Staff News

- i) Appointments

Professor Keith Cornwell had been appointed Head of the Dubai campus with effect from the present date (20 March 2006).

The Court noted and approved the appointment.

Professor Gavin Gibson would take over responsibility as Acting Head of the School of Mathematical and Computer Sciences from the same date.

Ct3 – 20 March 2006

Professor Brian Smart, Deputy Principal (International, Academic and Business Development) would concentrate on the development of further international opportunities for the University.

Christine Johnston had recently taken up the post of Director of Student Welfare Services.

Shirley Smillie had recently taken up the post of Executive Officer/PA to the Principal.

Mrs Mairi Thornton would shortly leave the service of the University on her appointment as Director of Communications and Development at the University of Stirling. The Chairman, on behalf of the Court, thanked Mrs Thornton for her contribution to the University and wished her success and good fortune in her new post.

- ii) Criteria relating to Research and to Learning & Teaching in the appointment and promotion of staff
PME had approved broad principles and criteria which would be integrated into the implementation of the Framework Agreement

- Policy Development

PME had accepted for onward transmission to the Staffing Strategy Committee and the Court for final approval, policies on Early Retirement, on Selection of Staff and Equal Opportunities Considerations for the Research Assessment Exercise, and on Work Life Balance (cf Minute 54 below).

PME also had under development policies on Redeployment due to Ill Health, on compliance with legislation on Smoking and Health, on the use of Purchase Cards within the University's Financial Regulations, and on Transport & Car Parking.

- Scottish Borders Campus Co-location Project (cf Minute 49 below)
- QAA Enhancement-led Institutional Review (ELIR) (cf Minute 60 below)
- Research Grants and Contracts – Proposals and Awards 2005/06

Figures summarising proposals and awards over the most recent three years and to 31 January 2006 appeared to indicate a trend of inadequate winnings, mitigated by uneven distribution in income and improved recent awards. Longer term solutions, including research pooling, were being pursued in order to develop the University's ability to attract funding and maximise its research income.

- Research Pooling
- Heriot-Watt Postgraduate Centre
- 40th Anniversary of Granting of University Charter

Plans to celebrate the anniversary were noted. It was emphasised that this would be clearly differentiated from the fundraising activities associated with the 150th anniversary of the Watt Club.

Ct3 – 20 March 2006

- Recent Events

Noted information on:

- Heriot-Watt Learning & Teaching Conference
Noted that the Conference had been highly successful and had reflected great credit on the University.
- 39th Annual Meeting of General Convocation
- Student Employability Event organised by the Learning & Teaching Board

- Recent Visits to the University

- Minister for Science & Technology – Mozambique
- Consul of India

- Funding Council News

Noted information on:

- date of main grants announcement – 21 March 2006
- annual review and report of Councils 2004-05
- sustainable development guidance for capital projects
- strategic research development grant proposals for funding support were to be submitted by end of May
- attracting research talent to Scotland
- good practice guide on addressing equality legislation

- Other External News and Reports

Noted information on:

- Universities UK Annual Review
- impact of student concentrations on local communities – UUK/SCOP report
- staff recruitment and retention in HE – UCEA survey
- Scottish Information Commissioner – Annual Report
- disability equality – duties laid on HEIs
- age discrimination awareness
- international student enrolment – UUK survey

- Summary of University events – March/April 2006

48 COMMUNICATIONS FROM THE SENATE COUNCIL

48.1 Conferment of title of Professor Emeritus

Approved the conferment of title of Professor Emeritus on

Professor P Aspinall
Professor J Wolfram

48.2 Review of Ordinances and Regulations

- Noted recommendations arising from ongoing review by the Ordinances & Regulations Committee
- Approved revisions to Ordinances as follows:

Ordinance 2: Fees, Charges, Fines and Debts

Ct3 – 20 March 2006

Ordinance 9:	Student Discipline in relation to para 4 Constitution in relation to para 5 Procedures
Ordinance 29:	Sports Union
Ordinance 38:	Courses of Study
Ordinance 41:	Grievance Procedures subject to the correction of para 6.8 to reflect that the decision is that of the Committee

- Approved amendments to Regulations as follows:

Regulation 21: Bye Laws of the Students Association

Regulation 30: Sports Union and Bye Laws

48.3 Review of Ordinances

- Noted that Ordinances 27 and 32 had been reviewed and had not required modification

48.4 Students Association Bye Laws

- Noted agreed amendments to the Bye Laws under Regulation 21: Students Association, approved by the Council of the Students Association

48.5 Conferral of Honorary Titles

- Noted the conferment of Honorary Titles as follows:

Name	Title	School/Inst	Term of Appt
Mr A H P Barclay	Honorary Professor	Life Sciences	to 31 July 2009
Professor G Pender	Honorary Research Fellow	Petroleum Eng	1 December 2005 – 31 July 2006

48.6 Conferment of Honorary Degrees

- Noted the following awards

<u>Name</u>	<u>Degree</u>	<u>Citation</u>
7 July 2006 – SBC		
Mrs Mary Quant	DLitt	In recognition of her outstanding fashion career, and continuing support and inspiration for young designers.
11 & 12 July – Edinburgh		
Professor James A Piper Department of Physics MacQuarie University New South Wales	DSc	In recognition of his distinguished academic career in laser physics.
Dr Alison Goligher Vice President, Corporate Support, Shell International Europe	DEng	In recognition of her exemplary career in the oil and gas industry and promotion of the academic progress of young engineers.

Ct3 – 20 March 2006

Mr Ian Anderson Founding member of Jethro Tull	DLitt	In recognition of his contribution to popular and rock music.
Professor Marek Belka Former Prime Minister of Poland	DLitt	In recognition of his distinguished career in the academic field of Transition Economics and public policy, and in civic service.
Professor Carmel Mothersill Research Chair in Radiobiology McMaster University Hamilton, Ontario	DSc	In recognition of her distinguished career in radiobiological research.
Professor Peter Brandon Pro Vice Chancellor University of Salford	DEng	In recognition of his distinguished career and outstanding contribution to research in the Built Environment and in sustainable development.

18 November – Edinburgh

Professor Sir Richard Friend Cavendish Professor of Physics University of Cambridge	DSc	In recognition of his outstanding scientific career bridging physics and chemistry.
Professor Peter M Grant Professor of Electronic Signal Processing University of Edinburgh	DEng	In recognition of his distinguished academic career, and championing of the Edinburgh Research Partnership.

48.7 Appointment of Principal

- Noted the appointment of Senate representatives on the Joint Committee established to consider this matter (cf Minute 42 above)

49 SCOTTISH BORDERS CAMPUS CO-LOCATION PROJECT (Agenda Paper D)

- Noted an update which had been considered by the Finance Committee and the Planning & Management Executive
- Noted the University's fear that the project, as currently structured, was becoming unaffordable. These concerns had been conveyed to the Funding Council along with a clear statement of the University's position regarding contribution of a maximum of £2m to the capital cost, and of the need for a decision
- Noted that the Funding Council had indicated that the business case, together with details and accurate costings, would require to be considered by the Council's Property and Investment Committee on 25 April
- Noted that in the interim the Chairman of the Funding Council had been made aware of the University's wholehearted support for the principle of co-location. It was also confirmed that the University remained committed to its presence in the Borders.

50 AUDIT COMMITTEE – REPORT (Agenda Paper E)

50.1 Finance Personnel

- Noted that an appraisal of present expertise and coverage had revealed gaps for which additional appointments would be sought in the forthcoming planning round

50.2 Risk Register

- Noted the operation and evolution of the Register and the issues treated by the Committee, including particularly pension obligations
- Noted and discussed the matter of a loan agreement to a maximum of £1.25m, governing the University's support for the Interactive University
- Noted the view of the Finance Committee that, while the University was exposed to the extent of its existing investment to date in the Interactive University, any further support by the mechanism of a loan must be subject to formal limits and the achievement of performance milestones
- Noted that it was not satisfactory in the longer term for the University to be the only source of loan finance for working capital, and that support would be required from other institutions, the Funding Council and the Scottish Executive
- Noted that it would be an issue for judgement, based on continuing monitoring by the Finance Committee and communications from the Interactive University board, as to whether the University continued to support the operations of the Interactive University

The Court approved the transaction to convert the existing debt into a loan on the terms discussed by the Planning & Management Executive and the Finance Committee. One member of Court, Professor Paul Hare, wished to have his dissociation from the decision, based on considerations of risk, formally recorded.

50.3 Audit Implementation

- Noted reports on progress made on topics raised by Internal Audit in the year ended 31 July 2005, and on the development of improved procedures for effective and structured project management

50.4 Internal Audit

- Noted the Committee's acceptance of the outline plan for Internal Audit coverage for 2006-07, and a proposed programme for 2005-06

50.5 External Audit

Audit plan for the year to 31 July 2006

- Noted that the Committee had received the draft plan and had noted its principal elements

50.6 Scottish Funding Council – Revised Financial Memorandum

- Noted that the Committee had received a checklist setting out measures by which the University satisfied the expectations of the Funding Council

51 EMERGENCY COMMITTEE – REPORT (Agenda Paper G)

51.1 University Overdraft Facility

The Committee had approved, on the recommendation of the Finance Committee, the formal signature by the Secretary of the University of the Facility Letter regulating the operation in calendar year 2005 of the overdraft arrangements between the University and Lloyds TSB Scotland. This letter confirmed the continuance of an existing arrangement. The University had not required to avail itself of the overdraft facility during the period in question.

The Court noted and homologated this approval. A copy of the facility letter was produced to the meeting.

Ct3 – 20 March 2006

The Court agreed to record its approval in the following terms:

“Resolved that an overdraft facility of £6,000,000 (the ‘Facility’) be arranged with Lloyds TSB Scotland plc (the ‘Bank’) and that the offer of such Facility made by the Bank in a letter dated 18 January 2005 (the ‘Facility Letter’) be accepted and that Mr Peter Wilson be authorised to make the necessary arrangements with the Bank and to sign on behalf of the University the Facility Letter which was produced to the meeting and its terms and conditions approved.”

52 ESTATE STRATEGY COMMITTEE – REPORT (Agenda Paper H)

52.1 Membership of Committee

The Court noted that the Committee had co-opted to its membership Mr John Draper, Estates Director, Scottish & Newcastle Pub Enterprises, and confirmed that he would be a full member of the Committee in terms of para 11(i) of Statute XII.

52.2 Long Term Estate Plan

- Noted the issues raised in the Committee’s consideration of the topic including:
 - outstanding planning application for the expansion of the Campus
 - conditions attaching to tenancies on the second phase of the Research Park and relations with SEEL
 - the need for further proposals to be made by SEEL

52.3 Scottish Borders Campus

- Noted the interim position reported to the Committee at its meeting on 28 February 2006

52.4 Library Redevelopment

- Noted the report

52.5 Lecture Theatre 1 – Refurbishment

- Noted the report

52.6 Postgraduate Centre

- Noted the report and tabled update (Appendix A hereto) provided to members participating in a site visit prior to the present meeting

52.7 William Arrol Building - Reinstatement

- Noted the report

52.8 Free Weights Room

- Noted the report, and that the Planning & Management Executive had approved expenditure of up to £10k to augment funding granted by Sportscotland

53 FINANCE COMMITTEE – REPORT (Agenda Paper I)

53.1 Management Accounts to 31 January 2006

Ct3 – 20 March 2006

- Noted management accounts for the period to 31 January 2006 indicating a surplus of £1328k against a budget of £239k, and including a windfall of £567k related to a change of rental contract on the Research Park, which would be further investigated by the Committee
- Noted that a full re-forecast for the second half of the financial year had been performed
- Noted, in relation to the balance sheet and remaining risk factors, that there required to be stronger balance sheet control by certain School financial controllers

53.2 Scottish Borders Campus

- The Committee had noted a summary of the project status at 10 March 2006, following dialogue between the University and the Funding Council
- The Funding Council had at that point made no commitment but had undertaken to advise the partners of its proposed course of action by mid-March
- The Committee had expressed the hope that further information might be conveyed to the Court at its present meeting (cf Minute 50 above)
- The Committee had noted, in relation to the residences project, that a feasibility study on the possible options relating to the existing residences had been authorised by the Planning & Management Executive, at a cost of £20k

53.3 Interactive University

- The Committee had noted a draft loan agreement in conditional support of cash flow for the Interactive University which provided a framework for monitoring the existing exposure to the Interactive University of c£1m, and authorised an increase to an aggregate of £1.25m
- The Committee had noted with approval the proposal to write directly to the Funding Council, the Scottish Executive and any other key parties, urging that they, and not the University alone, should be underwriting the cashflow of the Interactive University. The Committee had also noted that there was a risk that the additional funding up to £1.25m could be called down within the next 2-3 months, emphasising the need for urgent dialogue with the Executive and other parties on new funding.
- The Committee had not been provided with a sight of the most recent business plan proposed by the Interactive University which underpinned the new loan agreement, and had been assured by the Deputy Principal (Resources) that the Planning & Management Executive had been thoroughly briefed on the key sensitivities of the plan by the Deputy Principal and the Director of Finance and were supportive of the loan arrangement, which provided better control over increases in the University's exposure
- Noted that the Committee had agreed on this basis to endorse and approve the agreement as set out in its agenda paper (cf Minute 50.2 above)

53.4 Dubai Campus

- The committee had noted a statement of principles agreed between the University and the sponsors of the Dubai Campus, to be developed into a binding contract and formally executed as a matter of urgency

53.5 Fundraising

- The Committee had noted briefing documents on the Watt Club 150th Anniversary Fundraising Programme

53.6 Pensions

- Noted that actuarial advisers had been engaged to assess the exposure of the University to pension liabilities and to cost the various options

Ct3 – 20 March 2006

53.7 Corporate Financial Plan

- Noted that the Committee had received a summary of progress towards a co-ordinated plan for risk management of major projects having important risk and financial implications

53.8 Finance Office Resources

- Noted that the Committee had received a briefing paper on the potential need for a significant increase in resources in the Finance Office
- Noted that the Committee had agreed that the Director of Finance develop proposals to prioritise the elements and quantify the resources associated with each level of urgency, and to relate the request for resources to the Corporate Finance Plan exercise
- Noted that the accumulation of issues with financial implications, and the continuing concern about accounting and forecasting quality, pointed to the need for urgent resolution of these resource issues

53.9 Monitoring Institutional Sustainability

- Noted that the Committee had endorsed the terms of a report submitted to the Funding Council on performance indicators used by the University to permit the monitoring of the University's institutional sustainability
- Noted that this needed to be linked to a project also being developed to improve performance management reporting

53.10 Fees 2006-2007

- Approved fees for 2006-2007, increased by 4% from 2005-2006 in line with advice from the Scottish Executive, as set out in the schedule to the agenda paper

54 STAFFING STRATEGY COMMITTEE – REPORT (Agenda Paper J)

54.1 Pay Structure National Framework Agreement

- Noted that the Committee had received a progress report on the local implementation process for the Framework Agreement
- Noted that the integration of performance appraisal was a positive part of the new system
- Noted with satisfaction the progress achieved to date and the positive co-operative engagement by both sides in the negotiating process

54.2 AUT Industrial Action

- Noted a summary account of the action proposed by the AUT in support of their pay claim for August 2006
- Noted that all parties to the discussion of these matters within the University wished to maintain an atmosphere of constructive dialogue
- Noted that there would be a further report to the Court on this matter in May 2006

54.3 Policy on Early Retirement

- Approved the Policy as submitted in Appendix A to the agenda paper

54.4 Policy on Work-Life Balance

- Noted that the operation of jobshare arrangements was motivated by the needs of the University and represented an opportunity rather than an entitlement for the employee
- Approved the Policy as submitted in Appendix B to the agenda paper

- 54.5 Research Assessment Exercise – Selection and Equal Opportunities Policies
- Approved the Policies as submitted in Appendix C to the agenda paper
- 55 WELFARE FORUM – ANNUAL REPORT (Agenda Paper L)
- Noted the report, which touched on the following topics:
 - provision of Muslim prayer facilities and halal food
 - guidelines for dealing with student discipline cases
 - disciplinary procedures for use by wardens and residence security patrol officers
 - student excessive drinking and procedures to moderate undesirable effects
 - Students Association Advice & Support Centre
 - Tsunami Disaster and Appeal
 - staff resources to support students with Special Needs
 - safety of international students off-campus
- 56 MONITORING INSTITUTIONAL SUSTAINABILITY – REPORT (Agenda Paper N)
- Noted and approved the terms of a report, requested by the Funding Council and submitted in December 2005, which had been added by the Council to the Strategic Planning framework to be followed by institutions
 - Noted that the report developed a number of indicators figuring in past years' Key Performance Indicators report to Court, and on this occasion replaced the KPI report
 - Noted that it was evident that progress was being made by the University in relation to sustainability, and that feedback from the Council was expected which would permit the benchmarking of trends
- 57 PROCEDURE FOR APPOINTMENT OF PRINCIPAL AND VICE-CHANCELLOR (Agenda Paper O)
- Noted the appointment, by correspondence, of the Court members to serve on the joint committee of the Court and Senate (cf Minute 42 above)
- 58 GENERAL CONVOCATION – UNIVERSITY OF STRATHCLYDE (Agenda Paper P)
- Approved the appointment to this body for the period to 31 December 2008, of

Professor Ian May, School of the Built Environment
- 59 COMMUNICATION FROM GENERAL CONVOCATION
- 59.1 Membership of Court
- Noted the appointment by election from the Convocation as a member of the Court, for the period until the 42nd Annual Meeting in 2009, of Dr Judith McClure
- 60 ENHANCEMENT-LED INSTITUTIONAL REVIEW (Agenda Paper R)
- Noted with pleasure the terms of a communication from QAA Scotland setting out the key findings of the recently completed review, which were uniformly positive (cf Minute 48 above)

Reserved Business

- 61 STUDENT APPEAL TO THE COURT (Agenda Paper S)

Ct3 – 20 March 2006

[In terms of para 7(1) of Statute XII governing reserved business, the paper had been made available only to full members of the Court, with the exception of the members of the Students Association. Those persons present other than members of the Court withdrew from the meeting at this point. There remained 21 members of the Court.]

- Noted the terms of a report by the Moderator for Appeals, Mr E Weeple, on an appeal submitted to the Court by a candidate for the degree of Bachelor of Architecture.
- Noted the conclusion of the Moderator that there was no prima facie case for the issues to be further considered by an ad hoc committee of the Court, and that the appeal should be refused
- Approved the recommendation that the appeal be refused



**Heriot-Watt Postgraduate Centre
Update Report to Court
20th March 2006**

Professor Brian S. Wherrett, FRSE
Director of Postgraduate Studies
PG Centre Academic Champion
&
Maureen A. McMillan
Assistant Director of Building Services
PG Centre Project Manager

Following the European Journal publication of intent to build a Postgraduate Centre, 30 submissions were received by the November 4th 2005 deadline, indicating:

- the composition and track records of the proposed design teams
- the experience of the team in designing University buildings
- their proposed approach and project methodology, with particular reference to sustainability

A short-list of six teams was selected and these were invited to send Outline Plans and Costings by January 9th 2006.

On January 30th and 31st the six teams were interviewed by the interviewing panel, Brian Wherrett, John Ford, Peter Kerr and Maureen McMillan, with input from Peter Wilson (PME Project Champion). On 2nd February the decision was made unanimously to offer the contract to Hypostyle Architects, subject to agreement over modifications to meet the budget costs (£6 million in total of which £3.5 million is allocated to building costs) and to better meet the detailed aspirations of the users.

On February 20th BW and MM had their first meeting with the architect, Alan Robertson of Hypostyle, to discuss possible modifications. Having worked on the suggestions, revised outline plans have been provided by the architects; the external structure is now agreed and we are close to finalising the positioning of rooms within the building. The initial meeting with the full design team took place on Thursday, 2nd March.

The original programme schedule holds, with an on-site start date in February 2007 and building occupancy by staff and postgraduate research students on 1st August 2008, and by the first cohort of postgraduate taught students in September/October 2008.

The PG Centre site is located on Gait-2 of the University, a site previously part-occupied by the Temporary Union. That building had fallen into a derelict state and was demolished, along with a moribund blast-wall to the east of the chemical-engineering building, in January 2006.

Court is invited to view the current plans and artists impressions, photographs of the building model, and the site itself.

Description of the Heriot-Watt Postgraduate Centre

Heriot-Watt University currently has 1,000 on-campus postgraduate students on taught-courses and 400 postgraduates on research programmes. Growth of these numbers is a major facet of the University Strategy.

In support of this strategy a significant investment is to be made in the graduate environment, namely the construction of a Postgraduate Centre, a landmark building of circa 2,000 m² with lecture, seminar, study and social facilities.

The Centre, planned to open in 2008, will provide the facilities essential to cope with significant growth in PG numbers. It will provide flexible interactive and video conferencing facilities, have wireless-fidelity facilities throughout, and areas of fixed-terminal network access. It will enhance the environment and the experience for all on-campus postgraduates, and by releasing space elsewhere improve the undergraduate environment. The Centre will also offer opportunities for delivering a Continuing Professional Development programme. The building will be sited close to the science and engineering buildings on the northern side of the campus.

- For Research Postgraduates and Research Associates the building will provide a centre for the delivery of the University-wide transferable skills programme, and a focus for social activities. All postgraduates and RAs are expected to have out-of-hours access by swipe-card to the Centre.
- For interactive courses or video-based research meetings with other Institutions both in Scotland and globally, the building will provide an extensive and flexible suit of high-bandwidth facilities.
- For students on some PG Taught courses the Centre will provide a base for seminars and lectures, study space for individual or group study, and social space. For other PG Taught students part of their programme will be delivered in the Centre and study/social space will be available.
- For those periods during the working day when the lecture theatre is not required for postgraduate teaching it will be available for undergraduate use.
- For University staff, the building will provide a centre for staff-development sessions.
- For periods outwith the working day, and at weekends, the facility will be available for Continuing Professional Development, and Conference-Centre use.
- The ground floor circulation space, adjacent to the coffee-bar will offer an ideal exhibition area.
- For everyone on the University campus a ground-floor internet-style coffee-bar will provide the first food & snacks outlet on the northern side of the academic campus.

The Postgraduate Centre demonstrates the commitment that Heriot-Watt University has to postgraduate education and research and as such provides a strong marketing tool for the University.

Ct5 26 June 2006

COURT**Minutes**

In the Chair: Mr Gavin Gemmell

Date of Meeting: 26 June 2006

Present also: Principal John Archer
Mr Graeme Bissett
Mr Michael Breaks
Mr David Brew
Mr Neil Fraser
Professor Paul Hare
The Rt Hon Lord Johnston
Mrs June Maxwell
Dr Robert Mochrie

Dr Alan Parsley
Mr Ray Perman
Mr Jim Polson
Ms Yvonne Savage
Professor John Simmons
Dr John Steel
Professor Adrian Todd
Mr Ed Weeple
Mr David Woods

In attendance: Professor Andy Walker, Deputy Principal (Resources)
Professor Alan Prior, Dean of the University
Mr Peter Wilson, Secretary of the University
Mr Phil McNaull, Director of Finance & IS/IT
Mr Peter Kerr, Director of Estate & Building Services
Mr Stefan Kay, Director of Campus Services, Scottish Borders Campus
Mr Richard McGookin, Director of Planning
Professor Patrick Corbett, Head, Institute of Petroleum Engineering
Mr Alastair Hood, Assistant Secretary (Court)
Ms Lorna Kirkwood-Smith, Senior Executive Officer

71 APOLOGIES

Apologies for absence were intimated from Baroness Susan Greenfield, Mr Niall Armstrong, Prof Bob Craik, Mr Malcolm Durie, Mr Steven Findlay, Professor Jim Howie, Dr Moyra Kedsle, Mr James Maguire, Dr Judith McClure and Councillor Andrew Scobbie.

72 OBITUARIES (Paper A)

Noted obituary notices relating to:

- Sir Ian Morrow, an honorary graduate of the University (DLitt 1982);
- Duncan Cameron, Secretary of the Heriot-Watt College and University from 1965 to 1990.

73 QUEEN'S BIRTHDAY HONOURS

Noted with pleasure the appointment of Professor Mary Bownes, the member of the General Convocation representing the University of Edinburgh, as an Officer of the Order of the British Empire

74 MINUTES

Approved the Minutes of the meeting of the Court held on 15 May 2006 subject to amendment to Minute 68 which should record Dr Mochrie simply as a member of the HWU/AUT and not as a member of the Executive.

75 MATTERS ARISING

Minute 67: Charter & Statutes amendment

Approved proposed further modifications to the Charter and Statutes which had been considered by Special Resolution.

Noted that, following Court approval of proposed modifications in December 2005, the Privy Council Office (PCO) had been invited to consider the proposal. The PCO had subsequently raised two matters:

- the use of the word “chairman” was not accepted and should be replaced with “chair”;
- inclusion of ‘Deputy Principals’ as members of the Senate might cause problems in terms of approval of the modified statute as this post was not constituted in the Charter. A more suitable way to appoint would be under the existing membership category, “holders of academic posts to be determined by the Court on the recommendation of the Senate provided that there shall be not more than three members in this category”. By this method potential problems arising from any future changes to titles might be avoided. Greater flexibility could also be created by increasing the number specified in the category of membership from 3 to 6.

Noted that the PCO would accept as confirmation of the University’s decision the recorded minute on this item which would be approved at the meeting of Court on 2 October 2006.

The Secretary of the University confirmed that over the coming months the University would review University Ordinances and Regulations to identify remaining sections which required further amendment. The Chairman of Court encouraged this undertaking.

76 REPORT ON COURT AWAY DAY

Received and noted a report summarising the presentations and outcomes of discussions which took place at the Court Away Day on 15 May 2006.

Noted an update from the Principal confirming that PME, at its meeting on 22 June 2006, had considered the outcomes. PME had agreed that the Away Day had been very helpful, providing a shared opportunity for discussion on those areas of business which had been identified by the University as presenting significant risks and opportunities, and had been helpful in finalising the Strategic Planning documents for the Scottish Funding Council. The outcomes of the Day would also help to inform a process of review and further development of the Strategic plan which would take place over the Summer period. An updated Strategic Plan would be presented for discussion at the meeting of Court on 2 October 2006.

77 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

The Chairman updated Court on progress being made in the search for a successor to the Principal & Vice-Chancellor, Professor J Archer. Noted that the recruitment consultant would embark shortly on a programme of meetings with representative bodies in the University followed by search and research activities over the summer period. The University expected to meet the deadline of end September 2006 for making an appointment, although the subsequent lead-in time for take-up of the appointment might be several months. The Secretary of the University confirmed that the position would also be advertised in editions of the national press in late June/early July.

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

Received and noted a report from the Principal and the Planning & Management Executive.

With regard to the update on suspension of industrial action by AUT, the Principal advised Court that assessments and graduations arrangements were now on track. Thanks were due to colleagues around the University who had helped in this recovery. The Principal also advised that, in its financial plans for the forthcoming year and beyond, PME had made the assumption that the national pay offer would be accepted by the Trade Unions. This, however, was not a foregone conclusion and the results of the national ballot would be known in mid July. (addendum: it was confirmed later by national AUT that the results of the ballot would be released on 18 July).

Court discussed possible options in the event that the national pay offer is rejected, noting the very short period of time between the ballot result and the Framework Agreement implementation date of 1 August 2006, and agreed that should this scenario arise, PME be given the authority, in consultation with the Chairman of Court, to review the situation and to consider appropriate next steps, one of which could be that the University impose the UCEA offer.

79 SCOTTISH BORDERS CAMPUS (Paper C)

Received a report on the Borders Co-location Project noting the recent positive news on funding for the project.

Agreed to re-affirm the University's commitment to the project and associated conditions, and on this basis agreed to accept the offer of funding as detailed. The University would share part of a total £31.4m funding package for the Co-location Project between the University and Borders College which comprised £28m for the physical co-location at Netherdale and approximately £3.5m for the Borders College presence at Hawick.

Approved the proposed Management and Governance Structure and Committee Structure for the implementation of the project.

The following issues were raised/observations made in the course of discussion:

- in respect of Court representation on the Joint Strategy Committee for the project, the Conveners of the Finance and Estate Strategy Committees had indicated their willingness to be involved;
- consideration should be given to convening more frequent meetings of the Joint Strategy Committee in the earlier stages of implementation than the quarterly schedule indicated;
- the Chairman of Court would be involved in the review of building contracts;
- Gleeds had been re-confirmed as Project Manager for the Netherdale and Hawick projects, and the University was reassured as to the quality and rigour of project management which would support the project;
- the University was not yet in a position to quantify the impact on the financial bottom line of efficiency gains that the project would make possible. Current financial projections for the next three years assumed a roll forward without any such assumption. However, Court was reminded that the University's commitment of £2m to the project was subject, inter alia, to signing of an agreed protocol between the University and Borders College on achieving target levels of operational cost savings;
- uncertainty on options for the residencies programme would remain until a decision point is reached in autumn 2006;
- PME would make regular reports on progress to Court.

The Chairman paid tribute to colleagues at Borders College and Heriot-Watt University whose hard work over the last few years had brought the project to its current very positive position.

80 COMMUNICATIONS FROM THE SENATE AND THE SENATE COUNCIL (Paper D)

Received reports of the meeting of the Senate Council on 17 May 2006 and of the joint meeting of the Senate and the Senate Council on 22 June 2006, noting those matters reported for information.

Approved the following items presented for approval on the recommendation of the Senate and the Senate Council:

- in accordance with the terms of Ordinance 32, the appointment of Professor A C Walker as Vice-Principal from 1 August 2006 to 31 July 2008;
- in terms of Ordinance 18, the conferment of the title of Professor Emeritus upon Professor John S Archer immediately following his retirement as Principal & Vice-Chancellor of the University on 31 July 2006;
- proposed modifications to paragraphs 1, 5 and 8 of Ordinance 25 as detailed;
- in terms of Statute XIII: The Senate, the membership of the Senate for the period to 31 July 2009 of the Director of Postgraduate Studies. There would be a review at the end of this period. Noted also that the Director of Postgraduate Studies would not become a member of the Senate in terms of the Statute until such time as the proposed modifications to the Statute had been approved by the PCO.

Noted that, subject to PCO approval for proposed modifications to Statute XIII, the composition of the Senate Council will become the composition of the Senate and will be known as the Senate.

81 REPORT FROM THE AUDIT COMMITTEE (Paper E)

Received a draft report from the Audit Committee, noting those matters reported for information. The Convener drew the attention of Court to reported improvements, principally in respect of Internal Audit and the follow up review of the 2003/04 Audit Report (para 7) and in the Interim Management Report 2005/06 (para 8). The Convener also drew particular attention to the positive contribution to improving controls, cash management, reporting and analysis through new appointments in the Finance Office.

The following further observations were made in the course of discussion:

- the Dubai Post Implementation Review had been very helpful, in particular in terms of Project Management. The lessons learned should be applied to other projects such as the Scottish Borders Campus Co-location Project;
- it was pleasing to note progress being made in respect of Oracle implementation.

82 REPORT FROM THE ESTATE STRATEGY COMMITTEE (Paper F)

Received and noted a report from the Estate Strategy Committee.

The Principal confirmed that PME, at its meeting on 22 June 2006, considered in the context of the Library project, the case for future development of the Student Learning Environment. PME agreed that the University's fundraising objectives should be reaffirmed as those approved by PME on 15 February 2006, i.e. Phase 1 of the project will include, inter alia, the first stage of a phased process of Library refurbishment to provide a Learning and Knowledge Centre, a Phase 2 development should include a systematic upgrade to all teaching and learning spaces - the shape of these plans being informed initially by an audit of space usage throughout the University and broad consultation to determine the future needs of students.

83 REPORT FROM THE FINANCE COMMITTEE (Paper G)

Received and noted a report from the Finance Committee. In particular, the Convener drew the attention of Court to updates on: the Auditor's report on the Dubai Campus; volatility in financial forecasting for the current year; excellent news on SFC funding support for the Borders Co-location Project and; the budget for 2006/07 and three year financial projections. The latter item was considered in the context of the Strategic Planning Documents 2006 (Minute 85 below.)

84 STAFFING STRATEGY COMMITTEE (Paper H)

Received a report from the Staffing Strategy Committee, noting those matters reported for information.

Approved, on the recommendation of the Committee, a University 'Redeployment Policy & Procedure in Relation to Ill Health & Disability'.

Noted that good progress was being made in respect of the Framework Agreement. However, this was a very large undertaking with significant amount still to do. The job matching process was expected to commence in August with the likelihood that this exercise would continue beyond the end of the calendar year. It was unlikely that full implementation would be achievable by 1 August 2006.

The Principal highlighted the importance of securing agreement with the Trade Unions on all of the key matters on which this was sought. Any delay in this process would have an inevitable impact on the schedule for implementation.

85 STRATEGIC PLANNING DOCUMENTS 2006 (Paper I)

Received and approved, for submission to the Scottish Funding Council (SFC), Strategic Planning Documents 2006, noting small sections to be completed in Part 4 of the documentation, and with a recommendation for alteration which is recorded below. Noted that the Documents had been approved by PME at its meeting on 22 June 2006.

Court engaged in a substantial discussion and the following issues were raised in respect of the main body of the document:

- a general concern highlighted by one member that there had been relatively little time for Court members to consider the document ahead of the meeting. The schedule adopted impacted on the ability of management to achieve broad “buy-in” to the Strategy from Court members. Management should give further consideration to the schedule;
- insufficient coverage of key areas of strategy e.g. the long term estate strategy and fundraising;
- future financial challenges which were detailed for each School were absent in respect of central services.

It was confirmed that the form and content of the document had been established principally to meet the requirements of the SFC. It was the intention of management to undertake a review and further development of the Strategic plan over the Summer period including, inter alia, those areas in which there were obvious gaps, and to present an update to Court at its meeting in October 2006. The outcomes of the Court Away Day would help inform this process. The Strategic Plan evolved on a rolling basis and the current document should be accepted as the base upon which further discussion and development will take place over the course of the coming year.

FINANCIAL PLANS: 2006/07 - 2008/09

Court engaged in substantial discussion on a paper detailing Financial Plans for 2006/07, 2007/08 and 2008/09 which accompanied the Strategic Planning Document. This was presented by the DP(Resources) as an update on the Budget for 2006/07 and 3 Year Plan submission which had been previously presented to the Finance Committee. The earlier paper pre-dated the national pay offer.

Noted projected consolidated University surpluses including EBS and IU for the next three years from 2006/07 of £599K, £753K and £663K respectively. The forecasts included the impact of: implementation of the Framework Agreement; the current national pay offer, which added significantly to staff costs and; Dubai Campus operations.

The following main issues were raised/observations made:

- the Convener of the Finance Committee reinforced the message that the University was entering a period of financial challenge with an expanding cost base. Furthermore, financial risks were potentially heightened through consolidation with the University accounts of other company accounts over which the University had little control;
- the financial plans offered little comfort. They did not reflect the University’s ambitions and were not sustainable in terms of investment requirements. Further work was required over coming months to make realistic improvements to future projections;
- the forward projections did not include a significant upward swing in pension contribution liabilities although there were indications that accelerated contributions to cover pension fund deficits might be required in future. Further information on actuarial values was required and the report by consultants on the University’s options in relation to pension fund liabilities was still awaited;
- the future importance of the University’s fundraising activities;
- the amount of risk carried by the University in terms of activities outside of its Scottish campus-based “core” business. This was a concern; in particular, as projected margins for coming years were very slim. Discussion followed on the importance of overseas opportunities given the constraint through capping on “core” UK/EU numbers, and evidence that the number of overseas students coming to study in Scotland was levelling. In contrast, opportunities in overseas locations offered scope for expansion;
- opportunities to achieve an uplift in performance made possible by provisions in the Framework Agreement for managing staff performance.

Agreed that the out-turns projected for 2006/07 – 2008/09 presented an unacceptable position. While the current draft of the Financial Commentary which would be submitted to the SFC already confirmed the University’s view that this position was not acceptable, this message should be further emphasised in the covering letter from the Chairman of Court to SFC.

86 MEMBERSHIP OF COURT (Paper J)

Noted those members of Court who will demit office as members of Court after 31 July 2006:

- Professor Bob Craik (elected from the Senate);
- Professor Jim Howie (elected from the Senate);
- Mr Niall Armstrong (appointed by the Council of the Students' Association);
- Mr David Brew (appointed by the Graduates and Former Students Association of the University).

Noted that Mr Steve Salvini and Mr Andrew Muirhead had withdrawn from membership of the Court for personal and professional reasons.

The Chairman expressed to all colleagues concerned, thanks and appreciation on behalf of the University for their contribution to the work of the Court.

Noted that, following notification from the Privy Council Office of its decision on the proposals in the Special Resolution, current uncertainties relating to the categories of membership of Court and the number of members in each should be resolved.

87 ANY OTHER COMPETENT BUSINESS

PROFESSOR JOHN ARCHER

The Chairman delivered a vote of thanks to Principal John Archer, acknowledging his valuable support over the years and wishing him well in his forthcoming retirement. A dinner in honour of the Principal would be held on 2 October 2006.

88 DATE OF NEXT MEETING

Court members were reminded that the date of the next meeting is **Monday 2 October 2006**.