

COURT

Minutes

In the Chair: Principal Professor Anton Muscatelli **Date of Meeting: 1 October 2007**

Present also: Mr Graeme Bissett
Mr Liam Burns
Mr Malcolm Durie
Mr Neil Fraser
Mr James Maguire
Dr Judith McClure
Dr Alan Parsley

Mr Ray Perman
Mr Jim Polson
Ms Jane Queenan
Dr John Sawkins
Professor Adrian Todd
Mr Ed Weeple

The Rt Hon Lord Johnston

In attendance: Mr Peter Wilson, Secretary of the University
Mr Phil McNaull, Director of Finance & IS/IT
Professor Julian Jones, Deputy Principal (Strategy & Resources)
Professor Gavin Gibson, Deputy Principal (Research & Knowledge Transfer)
Professor Bob Craik, Deputy Principal (Learning & Teaching)
Professor Phillip John, Dean of Science and Engineering
Professor Patrick Corbett, Head of Institute of Petroleum Engineering
Mr Richard McGookin, Director of Planning

Professor Bob Reuben, Director of Learning and Teaching EPS
Mr Craig Pender, Health and Safety Manager
Mrs Kathy Patterson, Academic Registrar & Deputy Secretary
Dr Victor R F De Lima, Physician in Charge
Mr Peter Kerr, Director of Estates and Building Services
Ms Theresa Merrick, Director of Communications
Mrs Margaret Cook, Director of Human Resources

Ms Lorna Kirkwood-Smith, Senior Executive Officer
Mr Alastair Hood, Assistant Secretary (Court)

1 APOLOGIES

Apologies: Baroness Susan Greenfield, Mr Gavin Gemmell, Councillor Tim McKay, Dr Robert Mochrie, Mr Andrew Muirhead, Ms Yvonne Savage, Dr Gillian Thomson, Professor Andy Walker and Mr David Woods.

The Court noted that in the absence of the Chairman of Court, the Principal would Chair the meeting in terms of paragraph 10.2 of Statute X11.

2 OBITUARIES (PAPER A)

Noted with sadness obituary notices relating to the deaths of Ian Scullion, Laboratories Superintendent, School of Engineer and Physical Sciences, and of Dr W Scott Bell an Honorary Graduate of the University (DLitt 1997) and latterly Group Managing Director, Standard Life Insurance Company. Intimation was also received of the death of Professor Ali Danesh, Institute of Petroleum Engineering, which would be more fully reported to the next meeting.

3 WELCOME

The Principal welcomed to the meeting Professor Reuben, Dr de Lima, Mr Pender, Ms Patterson and Mr Kerr who would present annual reports to the meeting, and Professor Gibson and Professor John, newly appointed as Deputy Principal (Research and Knowledge Transfer) and as Dean of Science and Engineering respectively.

A welcome was also extended to Ms Merrick, newly appointed Director of Communications and to Mrs Cook who was to make a presentation on the National Framework Agreement.

4 MINUTES

Approved the Minutes of the meeting of Court held on 25 June 2007.

5 DUBAI CAMPUS

It was confirmed that further to the visit to Dubai by the Principal and the Secretary of the University, Knowledge Village had confirmed, on the basis of their review, that the Academic Infrastructure Provider currently appointed was entirely satisfactory. In relation to student recruitment it was noted that the Secretary would bring a full report on enrolment numbers and financial consequences to the next meeting of the Court. It was however reported that the current position was encouraging and that it was realistically hoped that numbers would be close to the planned levels.

6 DISCIPLINARY TRIBUNAL

Noted with satisfaction that the issue potentially giving rise to the need for a disciplinary tribunal had been satisfactorily resolved without recourse to the formality of a tribunal.

7 BUSINESS TRANSACTED SINCE THE LAST MEETING (PAPER B)

Noted that in August 2007, by correspondence, the Emergency Committee of the Court had approved, on the recommendation of the Principal & Deans Committee, the following appointments of Head of School:

- Professor Brian Austin, School of Life Sciences from 1 August 2007
- Professor Douglas Greenhalgh, School of Engineering & Physical Sciences from 2 November 2007.

8 COMMUNICATIONS FROM THE PRINCIPAL AND THE PLANNING AND MANAGEMENT EXECUTIVE (PAPER C)

Received and noted report from the Principal and the Planning and Management Executive. The Principal highlighted:

- Significant externally recruited appointments to key positions enhancing the University's strengths in leadership.
- The personal and professional contribution made by Professor JEL Simmons in the successive roles which he had discharged, including specifically in the interim leadership of the School of Engineering & Physical Sciences, where he had strongly promoted the process of recruitment. The Principal also testified to the personal support and guidance afforded him by Professor Simmons on his appointment to the University.
- The very encouraging picture recorded by the end of year report on the value of Research Grants and Contracts for the period to the end of July 2007, which displayed a gratifying competitive edge over many other institutions.
- A creditable performance in the National Student Survey, whereby the University was placed 41st out of 137 higher education institutions, with the Civil and Chemical Engineering grouping doing particularly well. These figures appeared reliable, being founded on good feedback elicited by the Students Association whose wholehearted participation had been invaluable. The data would be further analysed by the Learning and Teaching Board and particular attention focussed on areas where improvements in support appeared necessary.
- The opportunity taken, thoroughly to inform the Permanent Secretary, Scottish Government, Sir John Elvidge, who had visited the University, and Secretary of State for Scotland, Des Browne, who had visited Seebyte a spinout company of the University, on the University's strategic goals and ambitions and certain detailed aspects of its leading edge work. A similar visit was planned by Fiona Hyslop, Cabinet Secretary for Education and Lifelong Learning. The Principal also alluded to the Comprehensive Spending Review being undertaken by the Government to a November 2007 horizon, which was likely to prove tighter than those of previous years.
- The review of the University's committee structure with particular reference to a question posed on the mechanism for overview by the Court of Teaching and Learning. The Secretary confirmed that the review would include both existing and prospective arrangements.

9 UNIVERSITY STRATEGY REVIEW

Received a presentation by the Deputy Principal (Strategy & Resources) on the progress to date in prosecuting the review. Noted that this information was confidential in part; represented work in progress, and had the status of a briefing only. A copy of the presentation, edited for confidentiality, is attached as Appendix A hereto.

The Deputy Principal drew attention to the following inter alia:

- The various strata/ groupings of University types, each with its own complexion.
- The importance of the correlation between Research based and Teaching based resources.
- The consistency of the groupings revealed by the quality measures adopted.
- The aspiration of the University towards a profile matching that of the 1994 Group of Universities.
- Characteristics of the University's performance review, including measurement by activity rather than by management unit.
- The comparisons chosen and the importance of normalisation.
- The metrics chosen for the academic profile and the importance of citation rates in evaluating research output.
- The acknowledged difficulty in meeting the target for growth while maintaining quality.
- The current status of the Opportunities Study, which had elicited over 100 outline proposals with some 50 further expressions of intent to submit
- The organisation of a workshop for PME and Court members to permit participation in the review and development of protocols and their integration where appropriate in the outline strategic plan.

The Court noted with gratitude the effort represented by the Deputy Principal's report. In the course of a brief discussion the following points were noted:

- The study to date had yielded mainly encouraging information on a varied and successful range of activity.
- Proposals which were at present inadequately costed would be subject to progressive quantification as part of the next phase of scrutiny.
- Proposals would be assessed against strategic criteria including the element of perceived risk, a criterion on which the Court would expect to have an input. Attention would be given to alignment between proposals and the institutional score card.
- The process of evaluation, on the basis of an unprecedented dataset and depth of analysis, would be expected to enhance both the University's academic profile and accountability.
- The redeployment of resource and the issue of efficiency savings would be crucial.
- Existing connections, and integration resulting in cohesive patterns should be maintained, particularly where relevant to the developmental ethos of the study.

10 REPORT FROM THE AUDIT COMMITTEE (PAPER D)

Received and noted a report from the Audit Committee. In the absence of the Convener of the Committee, the report was presented by Dr Parsley, a member of the Committee, who drew the attention of the Court to the following:

- A proposed special meeting of the Committee to consider the SFC Code of Practice and specifically the issue of Fraud Risk.
- The broad confirmation, furnished by the SFC circular on Institutions' financial statements, of the appropriateness of the University's risk assessments.
- The usefulness of the sharing of knowledge through the good offices of the Council.
- The welcome reduction in recommendations for improvement arising from Audit reports.
- The intention to close out in a justifiable fashion longstanding and virtually expired audit issues.
- Action to be undertaken to satisfy the requirements of the Office of the Scottish Charity Regulator (OSCR), including the institution of an Endowments Committee.

Noted that the University would take advantage of all available advice from the OSCR.

11 REPORT FROM THE ESTATE STRATEGY COMMITTEE (PAPER E)

Received and noted a report from the Estate Strategy Committee together with the Annual Report of the Estate Office. The Convener highlighted in particular:

- The welcome completion of the Condition and Compliance Survey which would provide a good basis for future work and prioritisation in addressing maintenance issues.
- The apparent possibility of action on capital funding within the ambit of the forthcoming public spending review.

12 REPORT FROM THE FINANCE COMMITTEE (PAPER F)

Received and noted the report from the Finance Committee. The Convener highlighted in particular:

- The preoccupation of the Committee with the major topic of funding and management approach in

- relation to provision of residential accommodation at both SBC and Edinburgh
- The comprehensive spread of issues reviewed by the Committee in discussing this question.
- The full awareness by the Committee of the magnitude of the potential investments being contemplated.
- The need for further detailed advice on cash flow and on the attitude of the Funding Council.
- The need to scrutinise the interrelation among the various possible uses of the University's debt capacity.

Noted, in relation to interest rate swaps, a recommendation by the Committee that the total value of borrowings protected by swaps be increased from £15 million to £20 million, and that the period for which the protection is in place be extended from 9 years to a maximum of 30 years.

Noted that professional advice would be sought as to the most favourable mechanism in terms of value for money to effect these amendments.

Approved the recommendation, and delegation to the Finance Committee of authority to authorise the final terms of the updated swap arrangements.

13 REPORT FROM THE NOMINATING COMMITTEE (PAPER G)

Noted and approved the recommendation for appointment to Committees and to the General Convocation as set out below:

<u>Committee</u>	<u>Appointee</u>	<u>Period of Appointment</u>
Ordinances & Regulations	Ms J Bisacre	To 31 July 2010
	Ms S Walker	
Staffing Strategy	Mr M L Breaks	Full member to 31 July 2010
Audit	Mr A Muirhead	To 31 July 2010
Convocation		
Statute XI para I clause 4	Chinese consulate – one representative	To 31 July 2010
	Bangladeshi Consulate – one representative	To 31 July 2010
Statute XI para I clause 5b	Dr Wali Uddin	To 31 July 2010

14 REPORT FROM STAFFING STRATEGY COMMITTEE (PAPER H)

Received a report from the Committee, together with the annual report of the Committee for the year to September 2007.

Approved recommendations by the Committee in respect of

- Appointment to the Committee of Mr M L Breaks (cf Minute 13 above)
- Approval and implementation of the Gender Equality Scheme as proposed in the report.

Noted the annual Report.

Received and noted the presentation by the Director of Human Resources, Mrs M Cook, on the agreement reached on the National Pay Framework, as set out in appendix B hereto.

Noted that the most labour intensive aspect of the negotiation had been the accommodation of variations local to the University. Noted a detailed commentary on the harmonisation of terms and conditions. Noted that the second phase was now commencing with the consideration of appeals on the matter of grading of jobs and would continue with further negotiation with the unions.

Noted issues raised by Court Members as follows:

- Certain deficiencies and anomalies had been noted in the notification and outcome of the job matching exercise, which would be addressed.
- The agreement embodied the recognition of the need to modernise coupled with the desire of the management to adopt the most favourable arrangements feasible for staff. Individual issues would be dealt with once the structural elements were firmly in place.
- The scheme for Performance and Development Review would require to be adequately resourced if it were to be effective.
- The principal benefit for both sides was seen as introduction of performance review without a direct

link to pay, which would permit effective management and the possibility of positive development and improvement for staff.

The Court formally noted with approval the current position and that the second and subsequent phases would now be taken forward.

The Court also noted the appreciation expressed by the Committee for the efforts and achievements of the Human Resources section in relation to the Agreement.

15 COLLECTIONS COMMITTEE – ANNUAL REPORT (PAPER I)

Received and noted the Annual Report of the Committee. The Convener alluded to the difficulties and stresses imposed by the relocation of the University's holdings at the Scottish Borders Campus due to the ongoing construction works. In general however the year had seen improved accessibility and curation of the collections, attributable to the efforts of Ms Jones and her team. It was acknowledged that this area presented particular difficulties in procuring support from outside sources.

Noted in an appendix to the report, the Collections Management and Development Plan Forward Plan Summary.

16 OCCUPATIONAL HEALTH AND SAFETY COMMITTEE – ANNUAL REPORT (PAPER J)

Received and noted the Annual Report of the Committee from which the Court drew reassurance on the implementation and effectiveness of the University's Health and Safety Policy. Noted with approval the recent appointment of a full time Health and Safety Manager, Mr C Pender, and the authorisation granted to appoint a deputy manager in this area with specific expertise in fire safety practice.

Noted that a five year rolling plan of policy development and monitoring would be developed, including more systematic provision of training in safety issues.

Noted that while it was difficult to discern any clear trend in the cyclical pattern of fire alarm activations, the University had adopted, with the active endorsement of the Students Association, a clearly defined disciplinary approach to this issue. Members were appreciative of the contribution of the wardens and Security Patrol Officers in minimising needless disruption due to false alarms.

Noted that the provision of training in Health & Safety Procedures, such as fire alarms in teaching accommodation, should be systematically extended to academic and supervisory staff. Noted that these issues had been the subject of awareness training recently and the cover was under review.

Noted that students would be kept aware of the programme of replacement and disposal of older smoke alarms containing sealed radioactive sources.

17 UNIVERSITY HEALTH SERVICE – THIRTY THIRD ANNUAL REPORT (PAPER K)

Received and noted the report of the Health Service. Dr de Lima highlighted in particular:

- The detailed information by category of the type of cases occasioning hospital admission.
- The increasing incidence of psychological problems among students, who were drawn from a wider spectrum of backgrounds and included increasing numbers subject to learning disabilities.
- It was important to be aware and address more serious conditions such as bipolar disorder.
- The Mental Health Policy introduced through the Welfare Forum in the past year had provided a helpful strategy to address some of these issues, in association with Student Welfare Services.
- The occupational health provision tied back into the work of the Occupational Health and Safety Committee.

Members of Court also made observations on:

- The difficulty of recognising potential mental health issues in the absence of self-disclosure by students. In this connection it was noted that the return of individual questionnaires was optional, and there was an emphasis on offering an unencumbered and fresh start to incoming students.
- Out of hours consultation service, and recognition of the need for good communication among

the healthcare professionals involved.

18 WELFARE FORUM : ANNUAL REPORT (PAPER L)

Received and noted the annual report of the Welfare Forum. In the absence of the Convenor, Mr M L Breaks, the Academic Registrar and Deputy Secretary introduced the report and alluded to the following:

- Alcohol Policy – clear and consistent messages are being conveyed to the student body and their attitudes surveyed and observed in an active process of consultation.
- Mental Health – the case conference approach referred to in the Health Service report was particularly useful in managing risks in this area.
- Hardship Funds – a report would be made to the next meeting of the Forum.
- Prayer Room Provision – this was recognised as a longer-term issue to be addressed in the context of campus development.

Noted that the Forum would in future report through the Infrastructure Board.

Noted an expression of appreciation of the utility of the recently published Mental Health Guide.

19 APPEAL TO COURT (PAPER M)

The Court considered the report and recommendations of the Moderator for Appeals on the appeal submitted by a candidate in the School of Life Sciences for the degree of Doctor of Philosophy against the requirement of the Postgraduate Studies Committee and of the Senate that she be not permitted to continue in registration for the degree, but should have the option to register as a candidate for the degree of Master of Philosophy. The Moderator had recommended that the appeal be rejected. The Court approved the report and the recommendation. The Court recognised issues associated with supervisory expertise, and the support to be provided in this area by the University to its staff, in order to ensure their ability to discharge their obligations.

20 COURT SCHEDULE OF BUSINESS – STRATEGIC ISSUES (PAPER N)

Noted and approved a schedule of Court business dealing with key strategic issues for 2007/08.

21 DATE OF NEXT MEETING

Noted that the date of the next meeting was Monday 10 December 2007

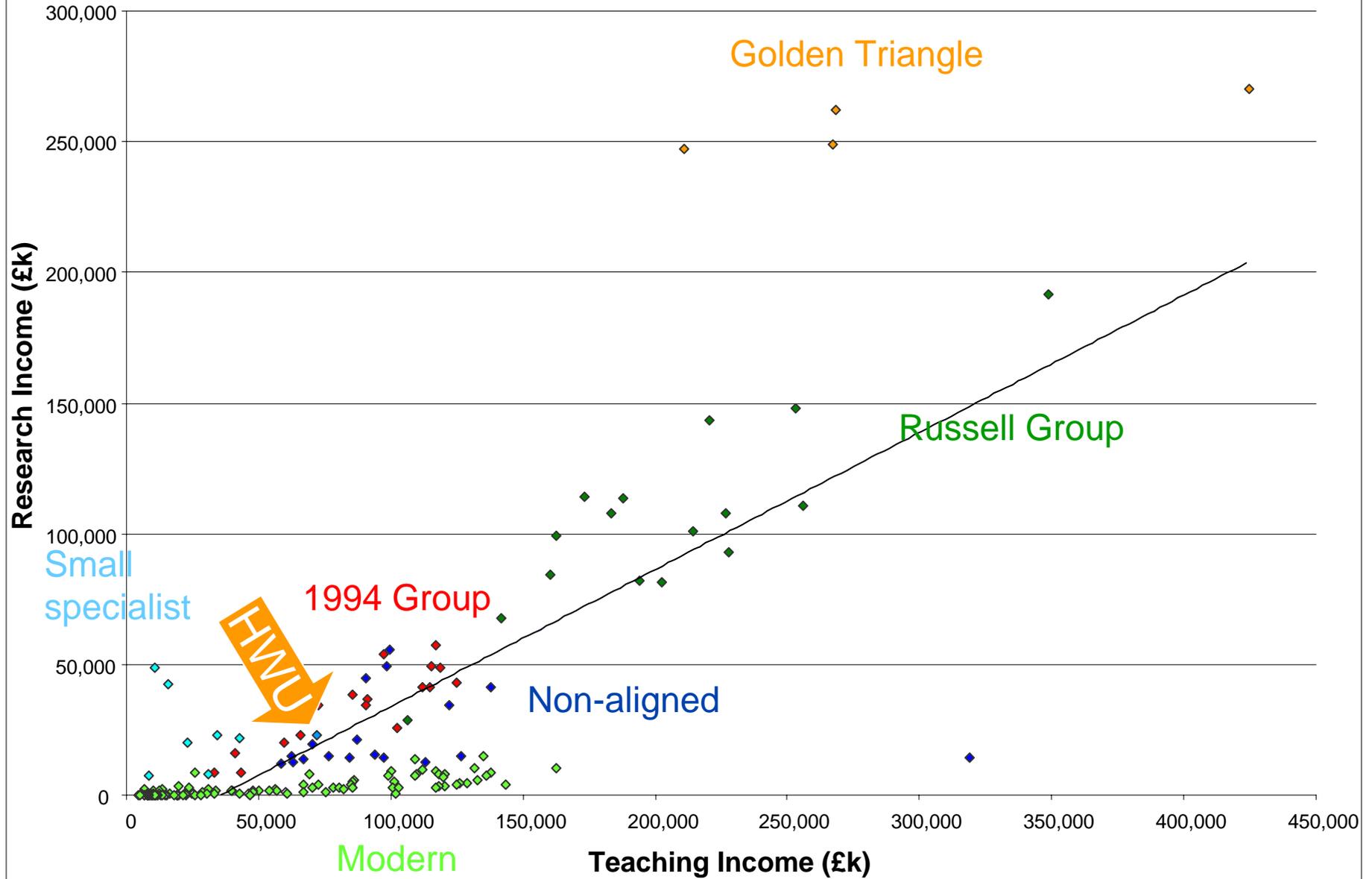
Strategy Review

An Update for Court, October 2007

Overview

- Reminder of the objectives
- Review of the timeline
- Performance Review: Quality indicators and an Institutional 'Scorecard'
- The Opportunities Study
- Next steps

UK HEIs 2004/5



A Destination Statement

- To achieve the profile of a 1994 Group University

Outline Plan



Performance Review

- Measuring our performance:
 - For Teaching, Research, Knowledge Transfer, and all other income generating activities—measurement by *activity* not by management unit
 - Financial performance *and* academic profile
- Three comparisons:
 - Trends over time
 - Between cognate activities at HWU
 - Against comparable activities in benchmark institutions
- All performance statistics appropriately normalised, e.g. per staff FTE and against norms for the discipline

Metrics: Academic Profile

- Teaching
 - Student numbers (for normalisation)
 - Entry qualifications
 - Progression rates
 - Exit qualifications
 - Employment statistics
 - Satisfaction survey
- Research
 - Numbers of students, RAs ...
 - Research grants/contracts
 - Publications: volume and citations
 - Mock RAE data

HWU Academic Profile: Teaching



Trend		a) Mean UCAS Entry Tariff Score of Home UGs p.a., 2002-6
		b) Non-continuation of Home Freshers to next year p.a., 2001-4
		c) 1st+2.1s as % of classified degree awards p.a., 2002/3-2005/6
		d) % of Home graduates in Employed/Further Study 6 months post-graduation, 2003-6
		e) NSS 2007 score v. 1994 Group (& UK & Scottish) Average
Relative to Benchmarks		a) Mean UCAS Entry Tariff Score of Home UGs p.a., 2002-6
		b) Non-continuation of Home Freshers to next year p.a., 2001-4
		c) 1st+2.1s as % of classified degree awards p.a., 2002/3-2005/6
		d) % of Home graduates in Employed/Further Study 6 months post-graduation, 2003-6
		e) NSS 2007 score v. 1994 Group (& UK & Scottish) Average

	significantly positive trend / significantly above average
	no trend or progress / at or around average
	significantly adverse trend / significantly below average

HWU Academic Profile: Research



Trend		a) Research Grants & Contracts income p.a., 2001/2-2006/7 (Income)
		b) Research Grants & Contracts income p.a., 2001/2-2006/7 (Order book)
		c) PhD awards p.a., 2001/2-2006/7
		d) Volume of peer-reviewed publication p.a., 2001/2-2006/7 (WOK or equivalent)
		e) Volume of citations p.a., 2001-2006 (WOK or equivalent)
Relative to Benchmarks		a or b) cumulative per Academic fte v. 94G Average
		c) cumulative per Academic fte v. 94G Average
		d) cumulative per Academic fte v. 94G Average
		e) cumulative per Academic fte v. 94G Average

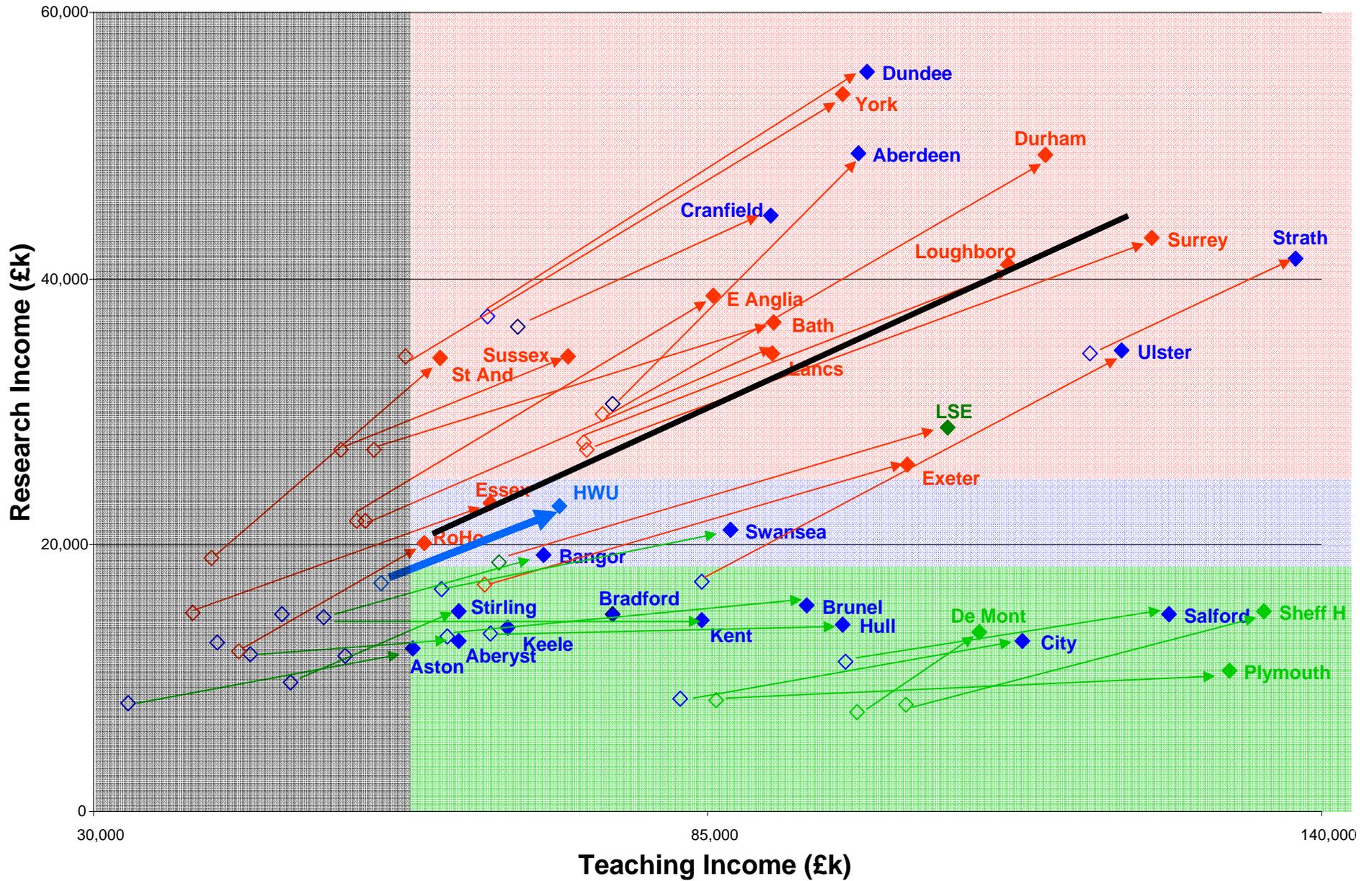
A Target for Growth

... To achieve a scale typical of the 1994 Group?
 ... balanced with measures of academic quality

- Achieve *median* 1994 Group Performance
- Over a period of 10 years from 2008-2009
- In 2005-2006 = £140 M turnover (Bath)
- Research income trend line = 28% of turnover
- cf HWU £99.5M (HESA), 26% R
- Assume 1994 Group continue to grow at historical rate

	1994	HWU
Required turnover growth rate	8%	12%

TREND & AMBITION, GROWTH 1998-2005



Performance Review: Financial

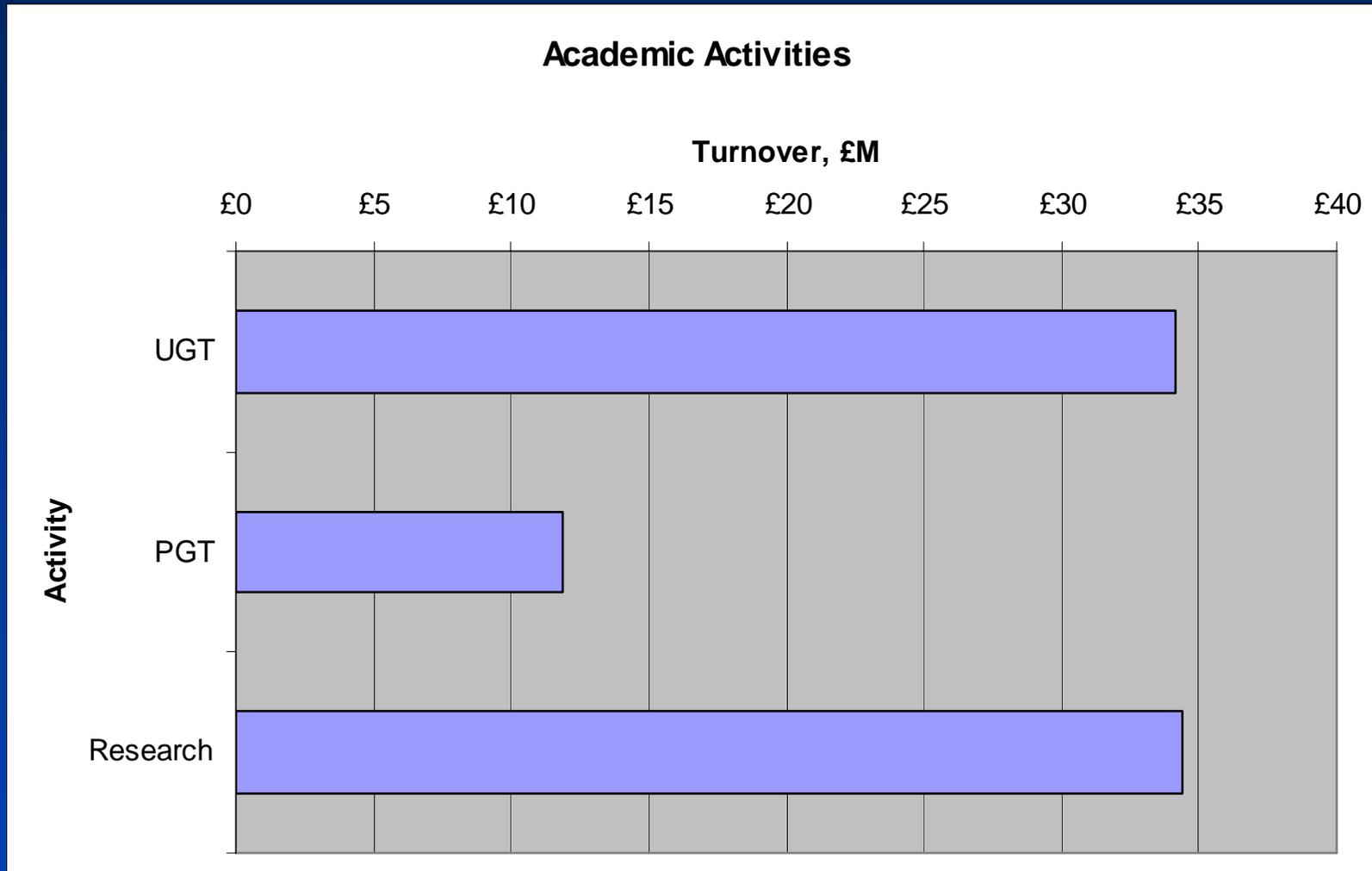
- Expenditure

Academic Staff fte
Academic Staff £cost
Other School Staff fte
Other School Staff £cost
TOT STAFF COSTS excl DIRECTLY Res G&C-funded staff
Research Associates fte
Est. £ Research Grants & Contracts Direct Staff Costs
TOTAL STAFF COSTS incl est. Direct RG&C-funded staff
TOTAL STAFF fte
Sch T non-pay ex share of CTA
Sch T non-pay share of CTA
Sch R non-pay
Allocation of Other Costs
TOTAL School Non-Pay £cost
Space m2
Cost-weighted space m2
Space £cost
£ Est Allocation of Central Costs
£ TOTAL COST

- Income

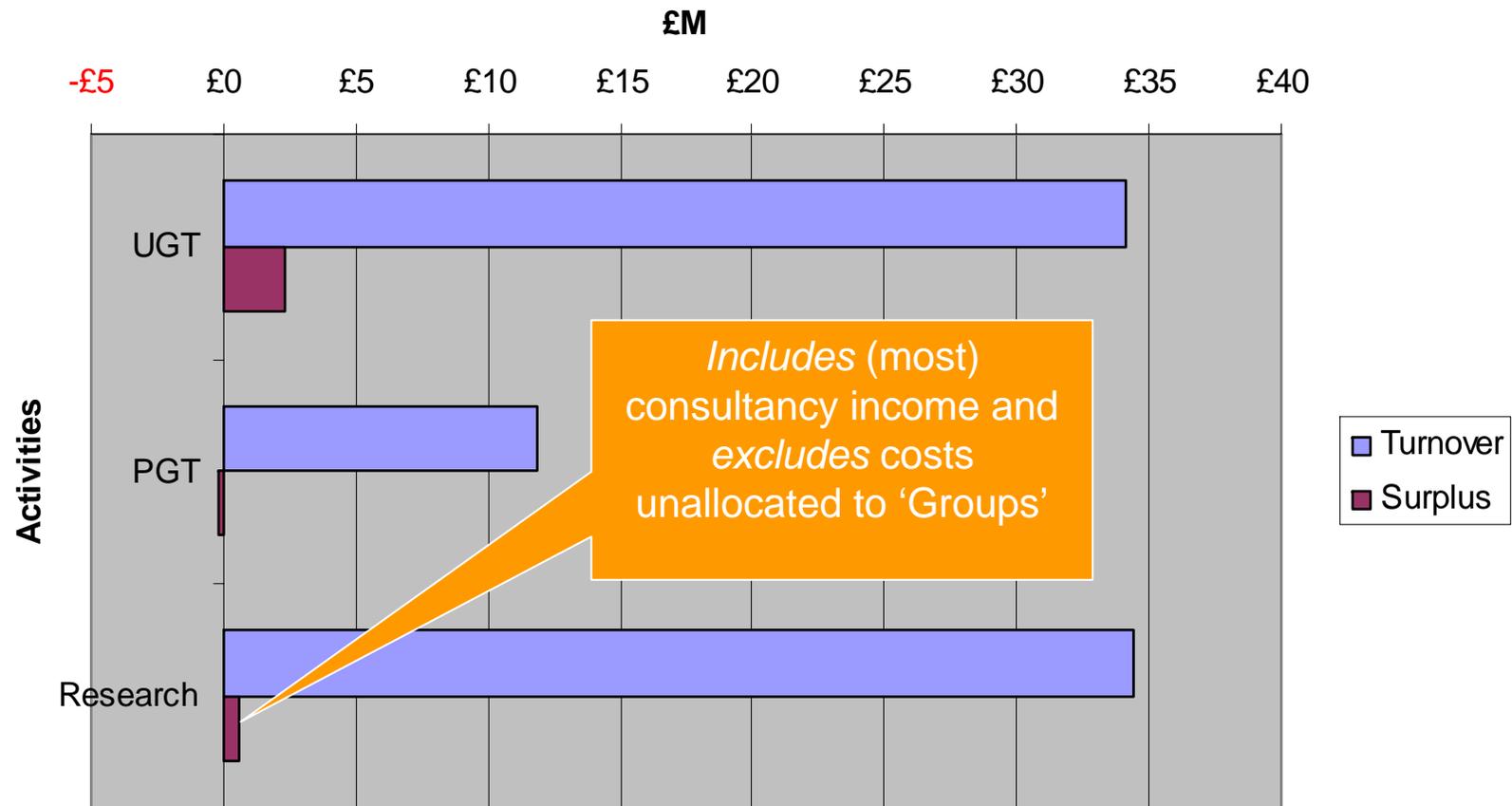
FTE Student Nos. HEU
FTE Student Nos. OS
TOTAL ON-CAMPUS STUDENTS FTE
FTE Student Nos Dubai/DDL
FTE TOTAL STUDENTS
£ SFC T Grants
£ (Main) Tuition Fees
£ Misc Tuition Fees
£ TOTAL Tuition & Related Fees
£ SFC QR Grant
£ SFC PGR Grant
£ SFC KT Grant
£ Other KT Income
£ SFC Misc Grants1
£ SFC Misc Grants2
SFC Misc TOTAL
£ Other Income
£ Research Grant & Contracts
£ TOTAL INCOME

Financial Aspect of Academic Activities

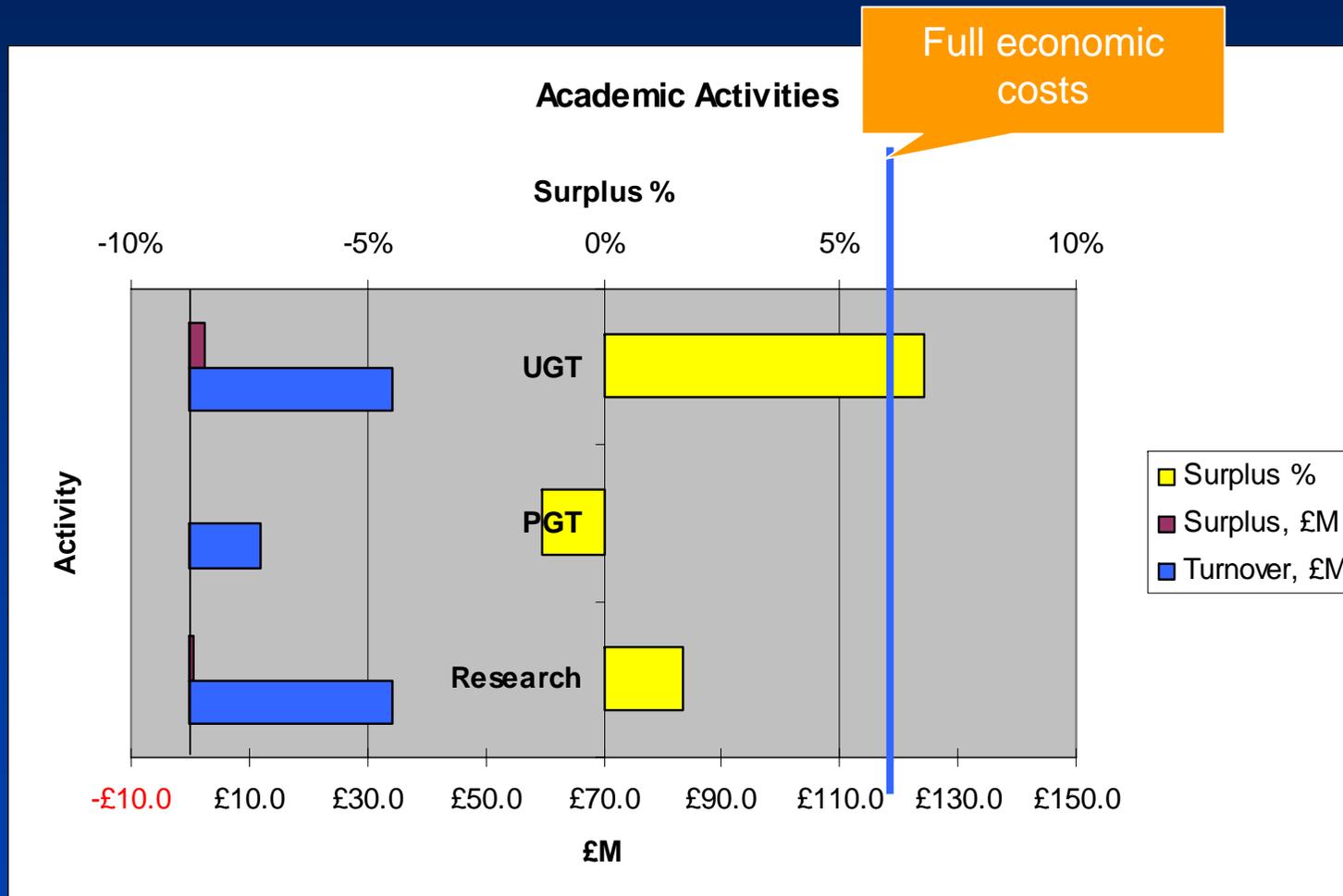


Financial Aspect of Academic Activities

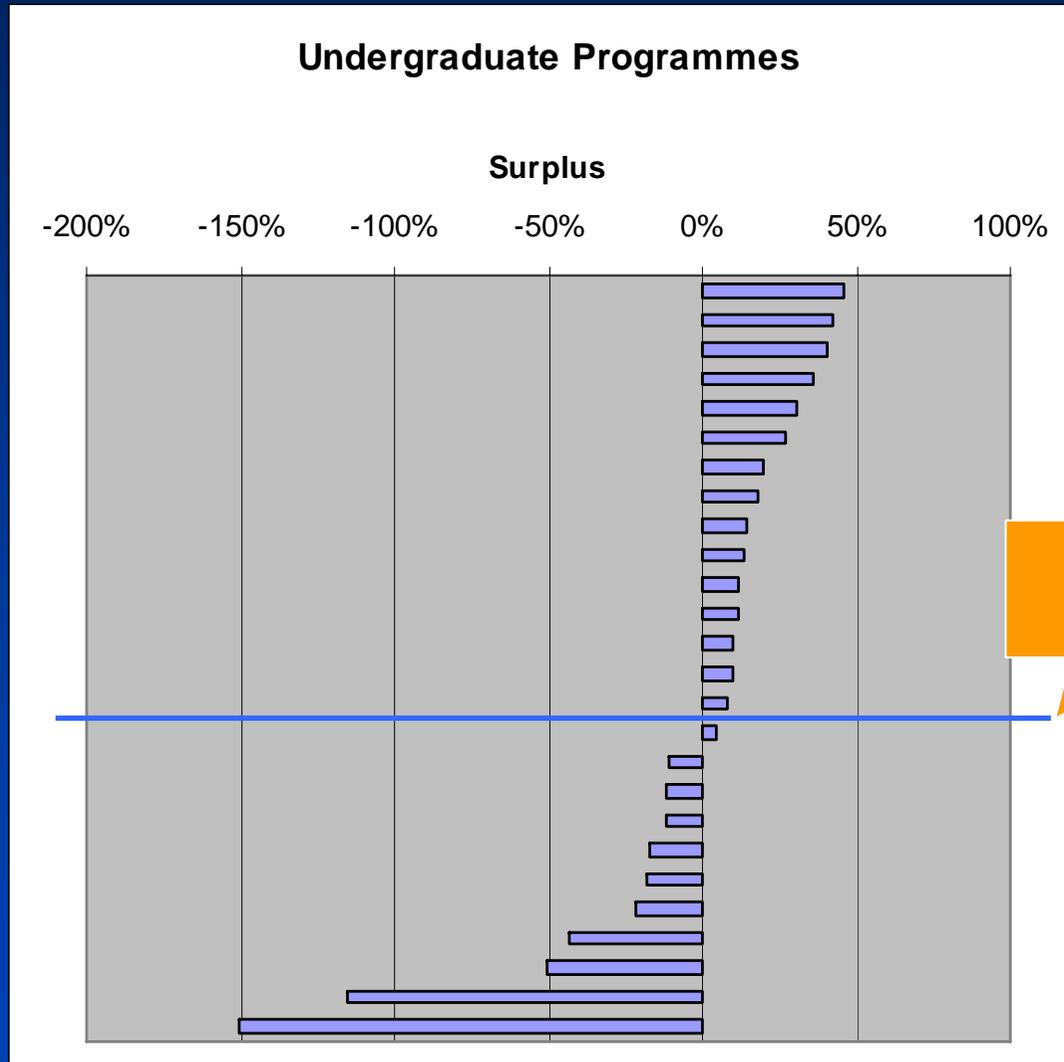
Academic Activities



Financial Aspect of Academic Activities

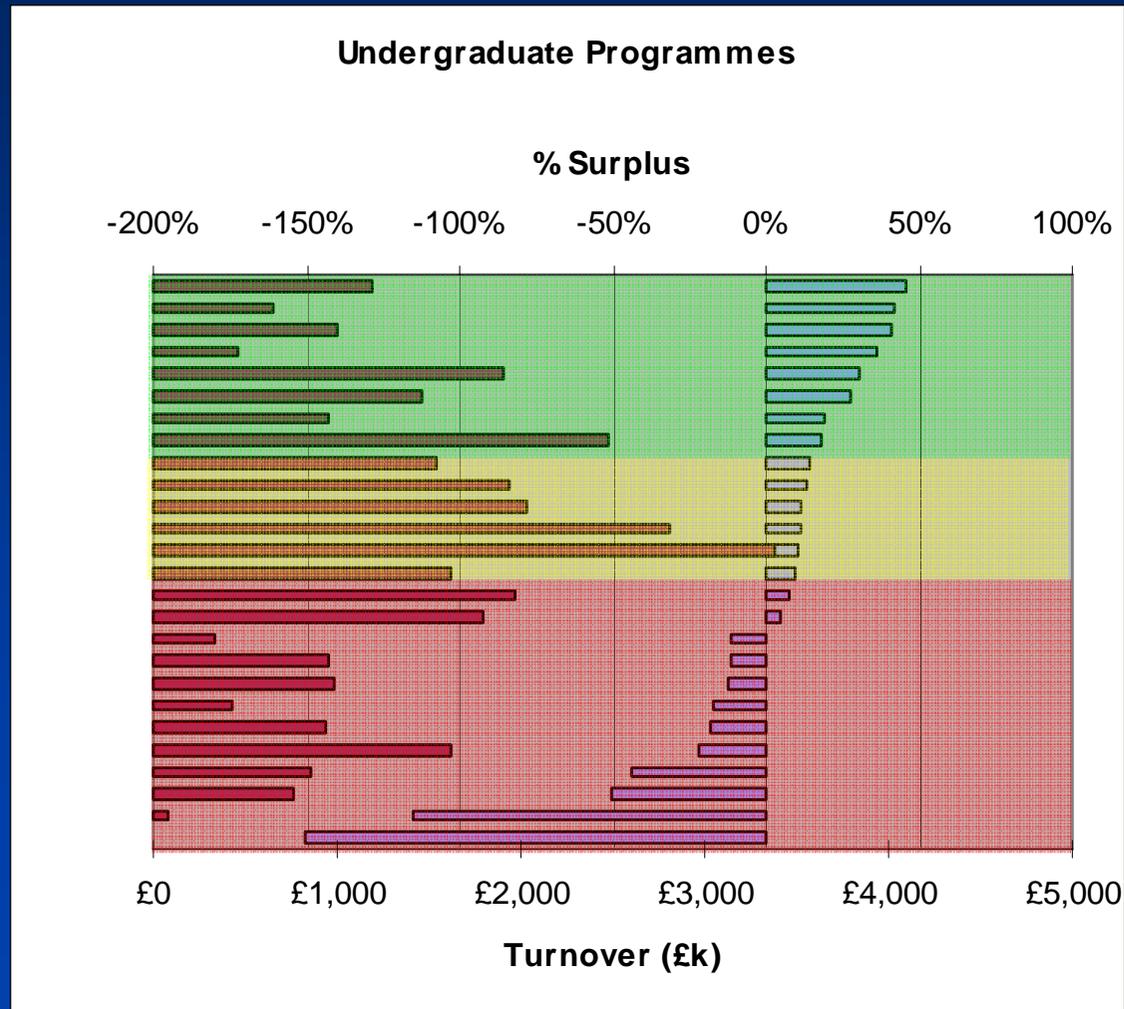


Undergraduate Teaching

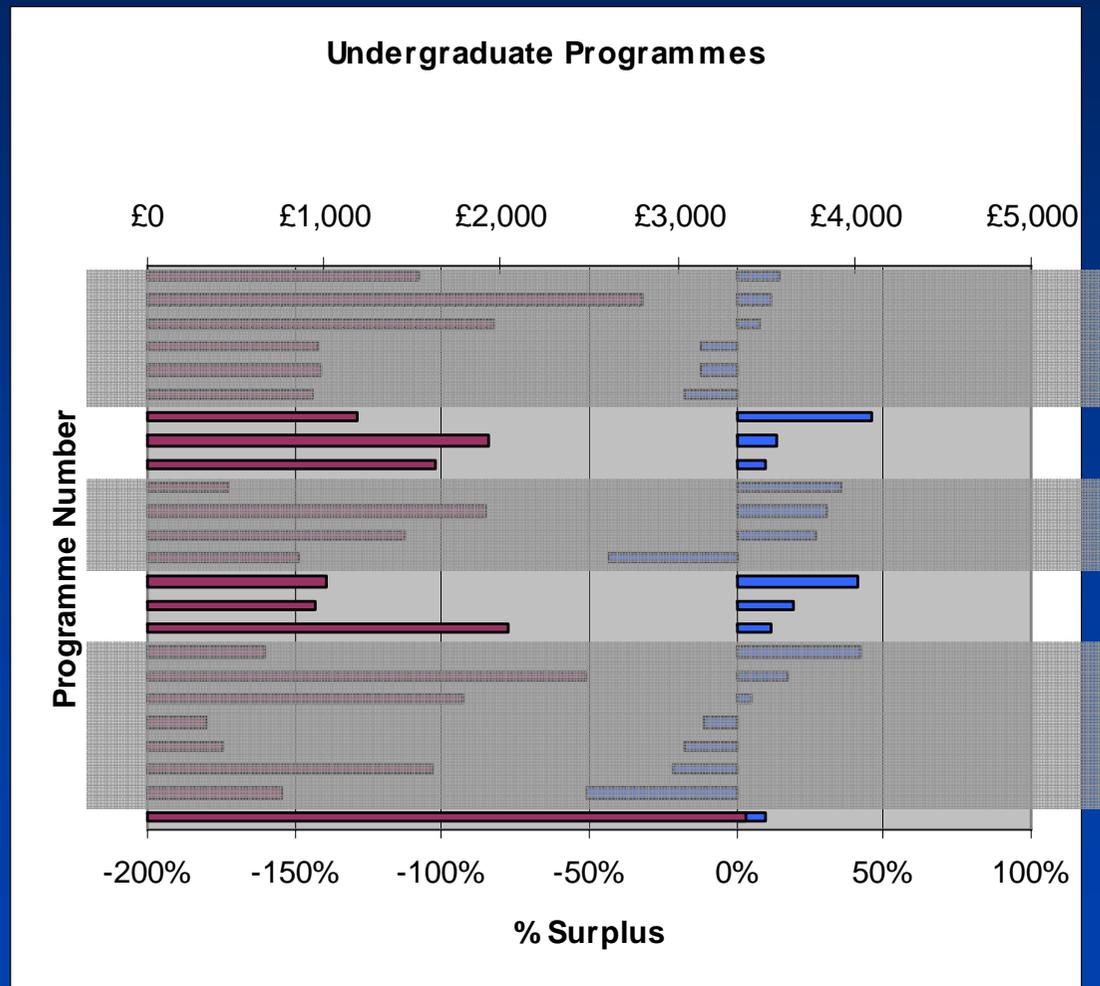


Full economic costs

Undergraduate Teaching

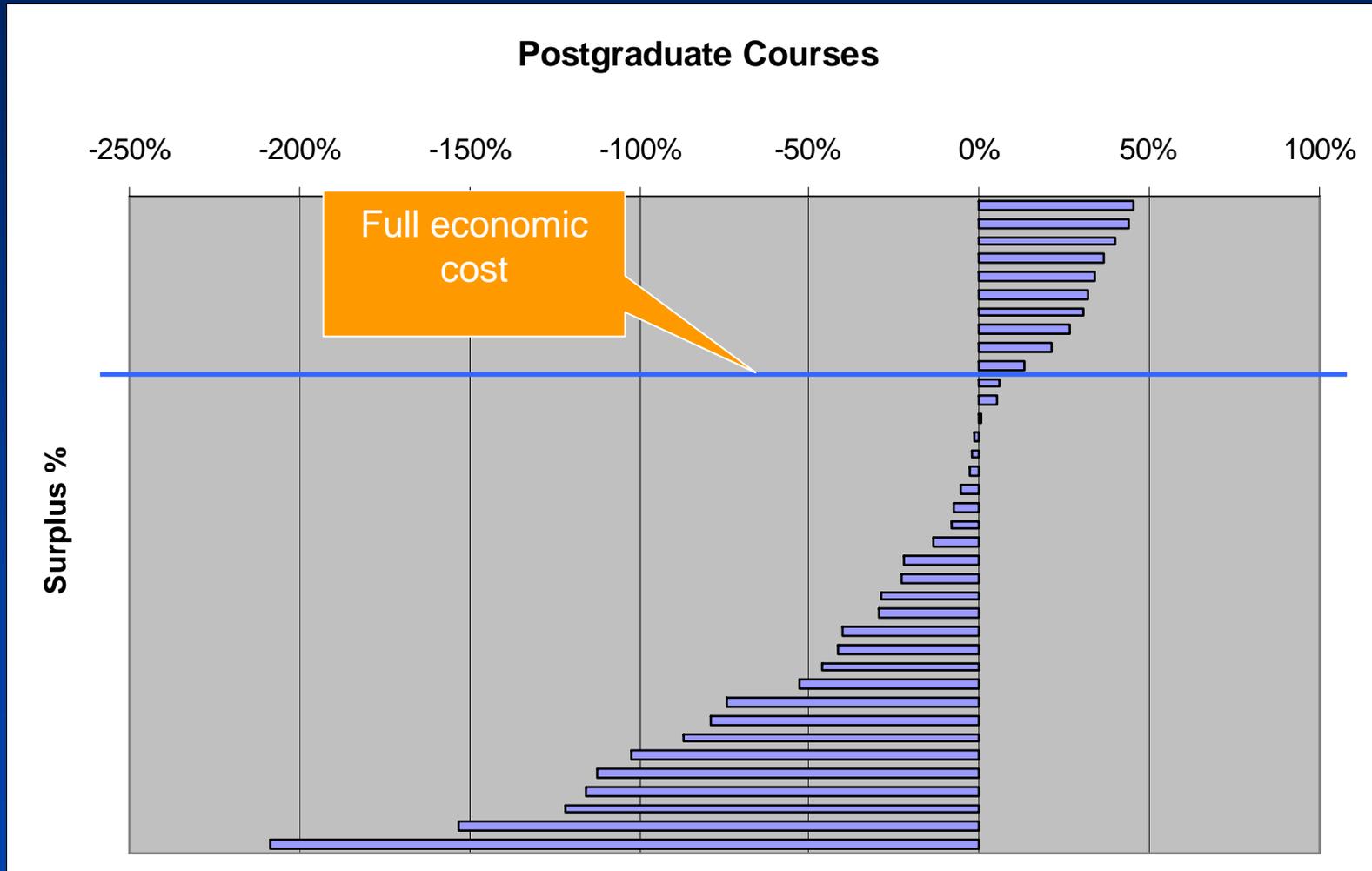


Undergraduate Teaching

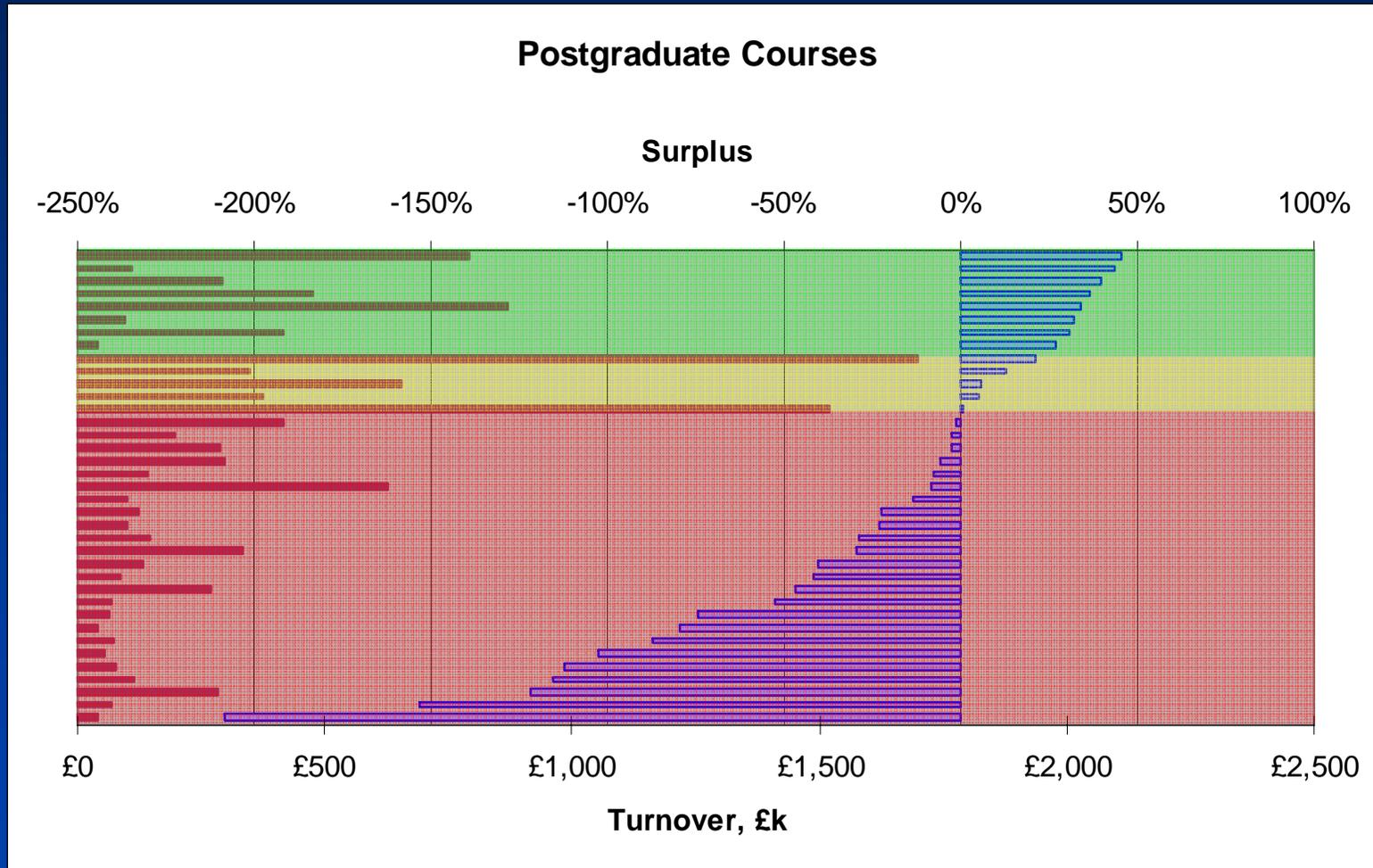


EPS
MACS
SBE
SLS
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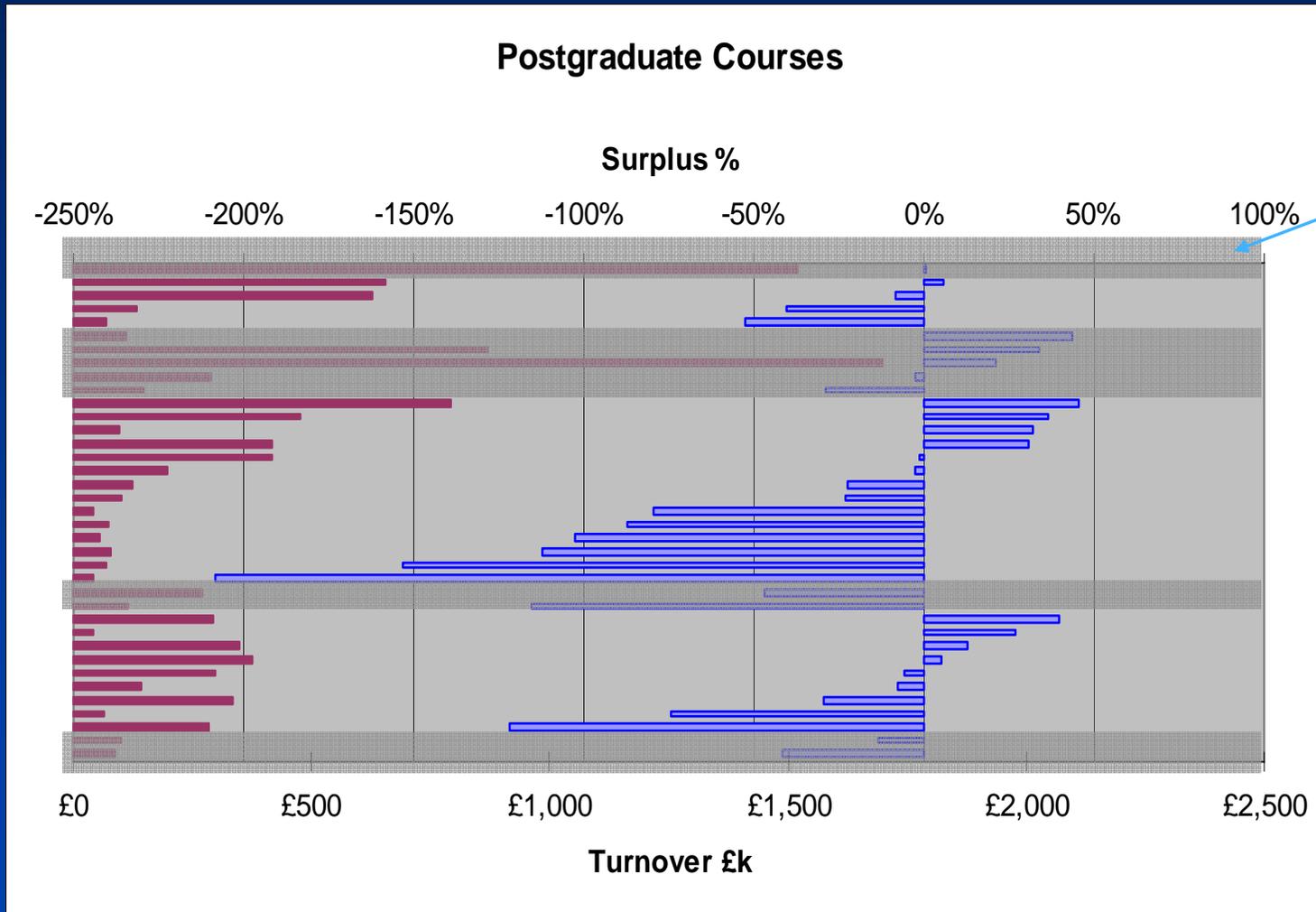
Postgraduate Teaching



Postgraduate Teaching



Postgraduate Teaching



EPS

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PET

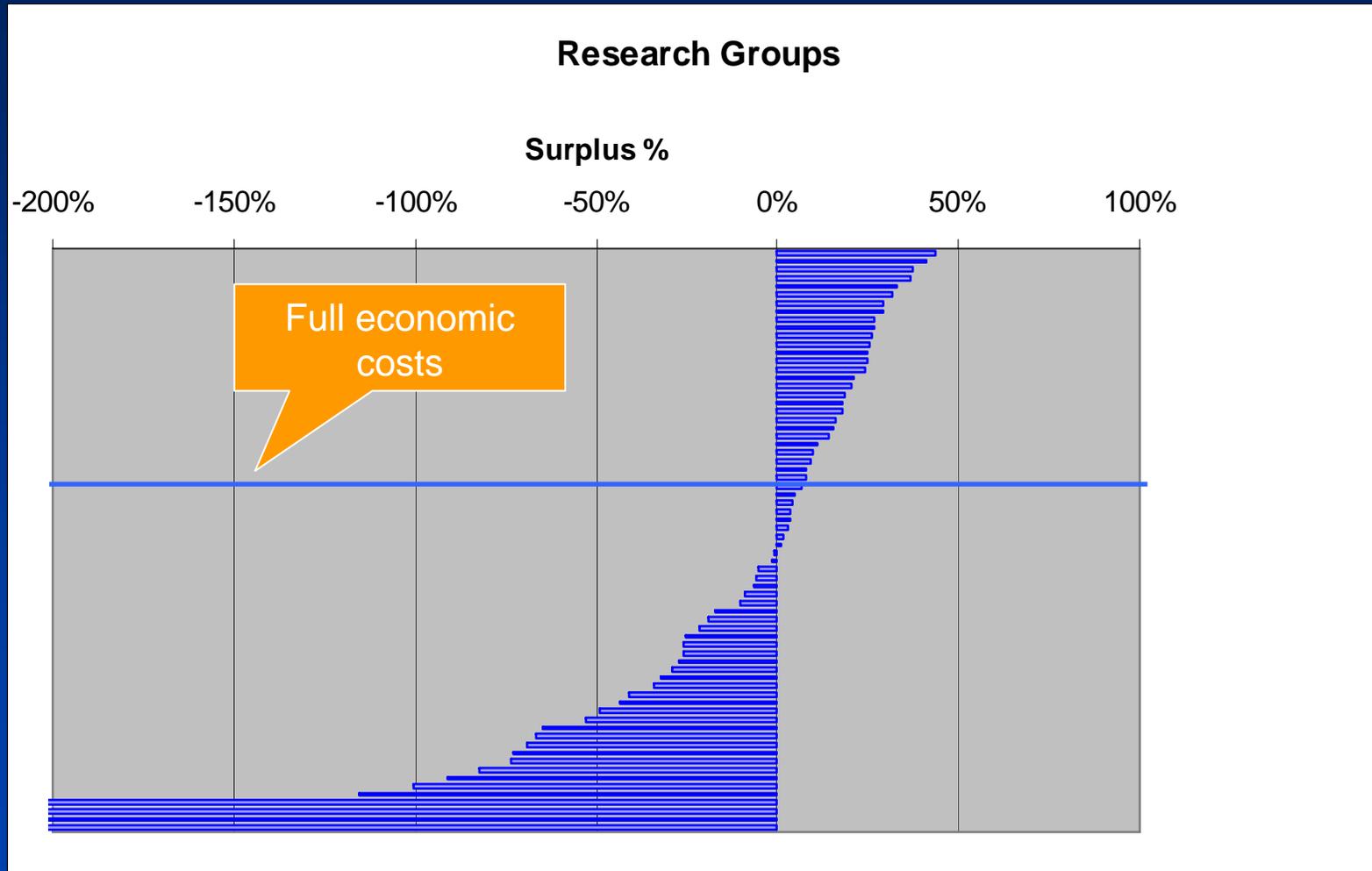
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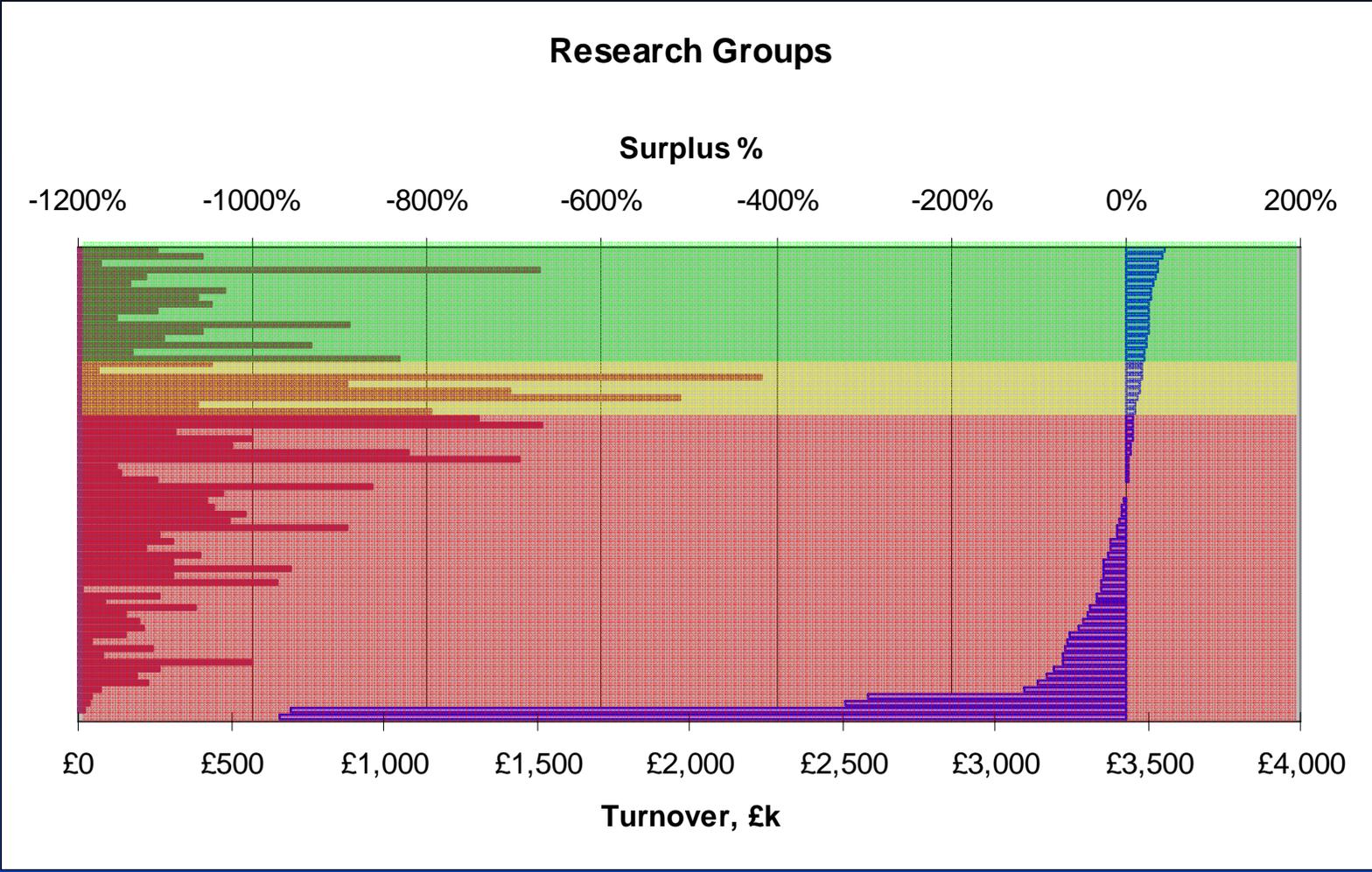
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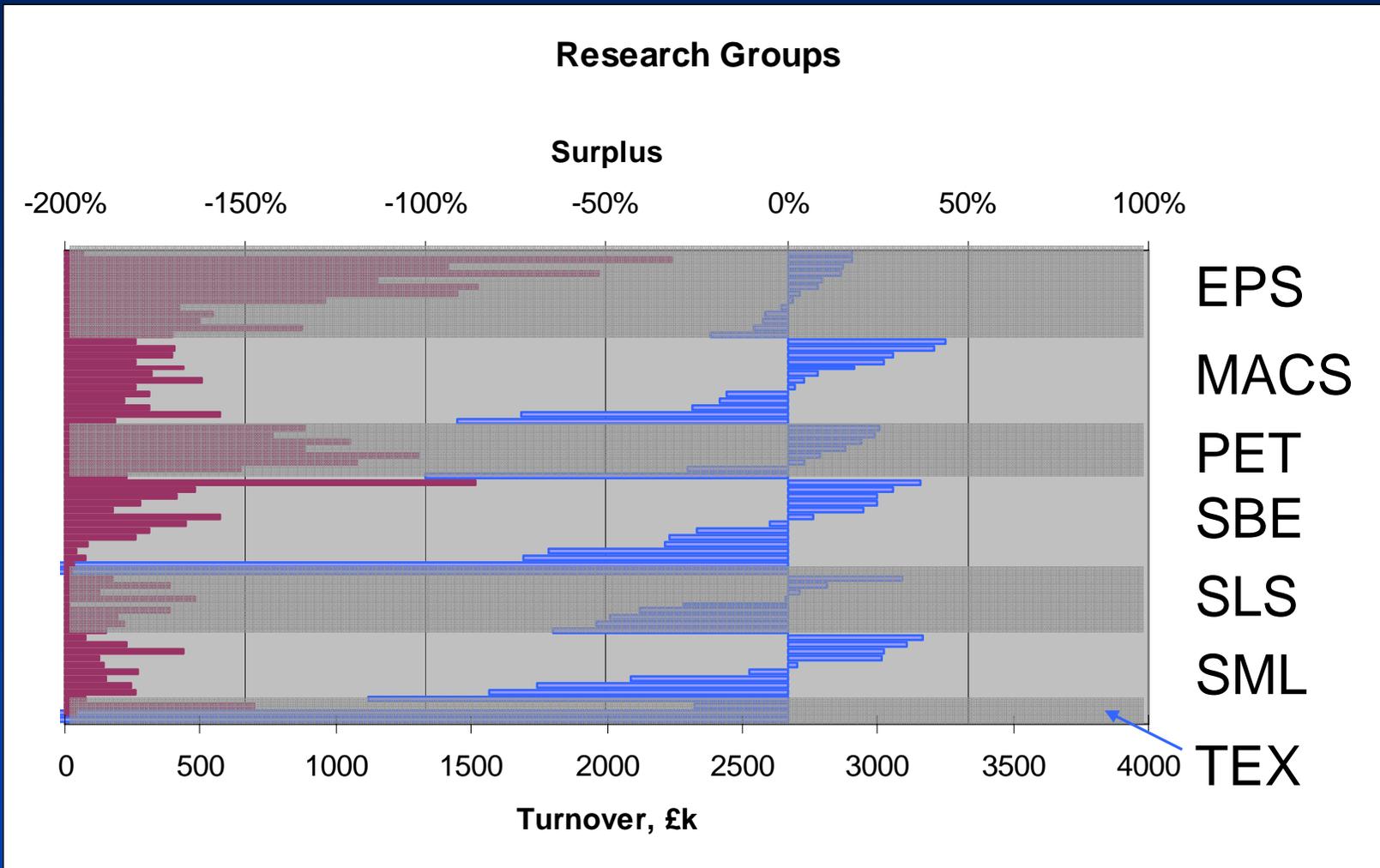
Research



Research



Research



Opportunities Study: August/September+



- Submission of outline proposals
- Solicited from all
 - Boards of PME
 - Schools/Departments
 - Individuals
- 107 submitted by September 28
- ~50 more promised 'imminently'
- Equally distributed between Schools/support departments
- Many span more than one School/department

Opportunities Study: End October to Beginning December



- Review/development of proposals
- Forums for wider engagement
 - Stakeholder groups: Court, Senate, staff, students, PME/managers, external
 - 3 workshops (~25 participants at each)
 - Some interviews
 - Web discussion
- Definition of outline strategic plan
 - Workshop for PME/Court members

Next Steps

- End 2007
 - Outline Draft Strategic Plan delivered to Court
- Early 2008
 - Strategic Plan reported to SFC
 - Version available for public dissemination
 - Embedding of Strategic Plan in operational plans

CT01-10-07
Appendix B

The National Framework Agreement



Presentation Outline

- Background to the National Framework
- Features of the Agreement
- What is changing at Heriot-Watt (including grade structure)?
- Harmonisation of Terms and Conditions of Employment
- What do the changes mean for me?
- Timing of Changes
- What are the next steps ?
- Questions

Background to the National Framework

JNCHES (2001):

- Joint Negotiating Committee for Higher Education Staff set up
 - Sub committees set up - Pay and conditions for Academic and Support Staff
 - Set objective to replace the 10 separate national pay scales with one single pay spine
 - Ensure equal pay for work of equal value
 - Covers majority of staff in Heriot Watt University

Features of National Framework Agreement

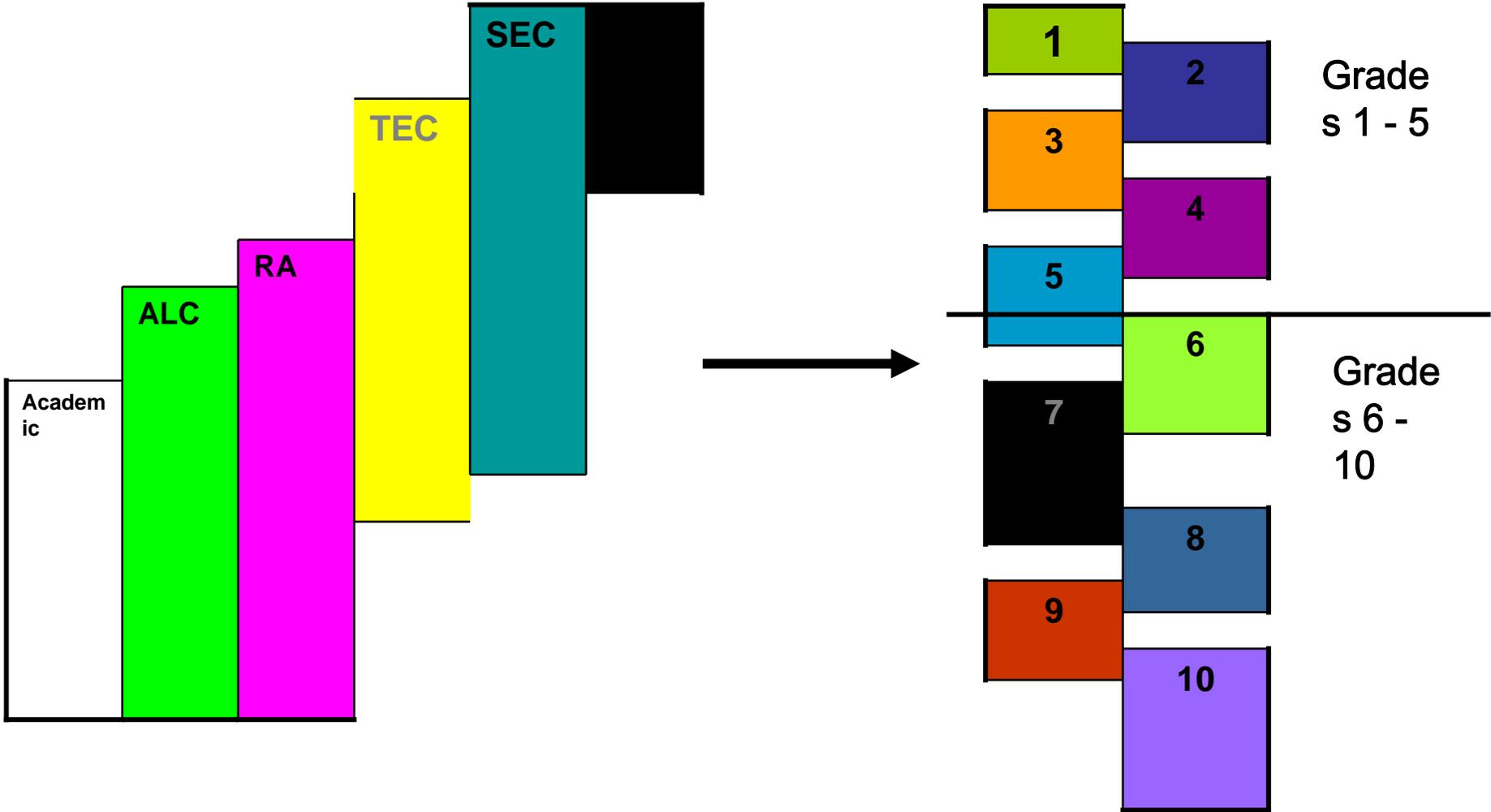
- 51 point pay spine
- Individual Universities can have local variation
- All Grades based on job evaluation
- Introduction of Development and Review for all staff
- Progression within and between grades to be transparent
 - rewarding  nce *and* contribution
- Harmonisation of standard working week for

What exactly is changing at Heriot-Watt?

There will be:

- New grade structure
- 10 grades on Single Pay Spine
- Increments/contribution points for all staff covered by the National Framework
- New HERA Job Evaluation Scheme for all staff
- Introduction of Level Descriptors
- Introduction of Market Supplements Policy
- Harmonisation – terms and conditions within grade
- Promotion Boards including Contribution Pay for all staff
- Performance and Development Review for all staff

Grade Structure



Impact of Job Evaluation on Salary

Current (example) Grading Structure

Grade 5	£28,000
	£27,000
	£26,000
	£25,000
	£24,000
	£23,000

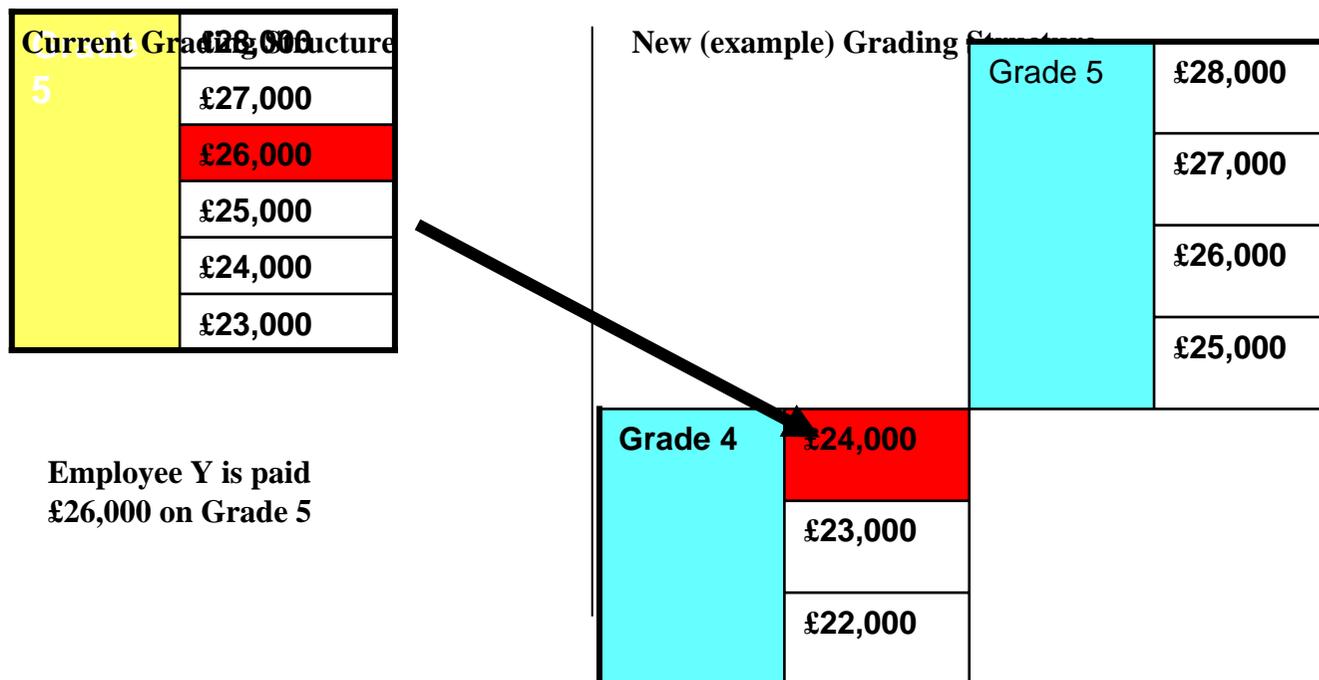
Employee X is paid £24,000 on Grade 5

New (example) Grading Structure

Grade 5	£29,000
	£28,000
	£27,000
	£26,000
	£25,000
Grade 4	£24,000
	£23,000

The HERA score for Employee X places them in Grade 5, the lowest spine point for which is above £24,000. New salary = £25,000

Impact of Job Evaluation on Salary



Employee Y is paid £26,000 on Grade 5

The HERA score for Employee Y places them in Grade 4, the top spine point for which is lower than £26,000. New salary = £24,000

Harmonisation

- Grades 1-5
 - Annual leave to increase from 25 days to 30 days after 5 years service
 - Standard working week of 35 hours
 - Updating/Modernising Allowances
 - Overtime
 - LGSS pension scheme
 - April increment date for all staff to be phased in

Harmonisation

- Grades 6-10
 - Notional working week of 35 hours
 - Annual leave of 30 days without qualifying period
 - USS pension scheme
 - April increment date for all staff to be phased in
 - Consultancy
 - Sick Pay

Timing of changes

- Assimilation to single pay spine took place in August 2006 in addition to 3% cost of living pay award
- Further pay awards agreed this year:
 - February 2007 1%
 - August 2007 3%
- Any increases to salary will take effect in September 2007 pay, backdated to 1 August 2006
- Pay protection will be effective from 1st September 2007
- Annual leave entitlement backdated to 1st August 2006

What are the next

STAGE 1

steps?

- Trade unions are currently balloting members
- Personal letters to be sent out to all staff including new terms and conditions in September 2007
- Opportunity to discuss with your line manager
- Appointments available for discussion with Head of Section
- Appointments available with your HR Adviser
- Appeals procedure

STAGE 2

- Continuation of implementation e.g , Promotion Boards, Performance and Development Review, Flexi-time, Hourly paid staff, Secondary contracts, Call Out Payments

Questions?

COURT**Minutes**

In the Chair: Mr Gavin Gemmell **Date of Meeting: 10 December 2007**

Present also: Principal Professor Anton Muscatelli
 Mr Graeme Bissett
 Mr Liam Burns
 Mr Malcolm Durie
 Mr Neil Fraser
 Mr James Maguire
 Councillor Tim McKay
 Dr Robert Mochrie
 Dr Alan Parsley

Mr Jim Polson
 Ms Jane Queenan
 Dr John Sawkins
 Professor Adrian Todd
 Professor Andy Walker
 Mr Ed Weeple
 Mr David Woods
 Ms Talat Yaqoob

The Rt Hon Lord Johnston

In attendance: Mr Peter Wilson, Secretary of the University
 Mr Phil McNaull, Director of Finance & IS/IT
 Professor Julian Jones, Deputy Principal (Strategy & Resources)
 Professor Gavin Gibson, Deputy Principal (Research & Knowledge Transfer)
 Professor Bob Craik, Deputy Principal (Learning & Teaching)
 Professor Phillip John, Dean of Science and Engineering
 Professor Doug Greenhalgh, Head of Engineering and Physical Sciences
 Mr Richard McGookin, Director of Planning
 Mrs Kathy Patterson, Academic Registrar & Deputy Secretary
 Ms Theresa Merrick, Director of Communications
 Mrs Margaret Cook, Director of Human Resources

Rev Howard Taylor, Chaplain to the University
 Ms Delia Lomax, President, Heriot-Watt UCU

Ms Lorna Kirkwood-Smith, Senior Executive Officer
 Mr Alastair Hood, Assistant Secretary (Court)

22 APOLOGIES

Apologies: Baroness Susan Greenfield, Dr Judith McClure, Mr Andrew Muirhead, Mr Ray Perman, Ms Yvonne Savage, Dr Gillian Thomson.

23 OBITUARIES (PAPER A)

Noted with sadness obituary notices relating to the deaths of Professor Ali Danesh, Institute of Petroleum Engineering, who had died in service: Dr Farquhar Macintosh, renowned educationalist and public servant in Scotland: and The Very Reverend Thomas F Torrance, theologian and ecumenist. Dr Macintosh and Dr Torrance were both Honorary Graduates of the University.

24 WELCOME

The Chairman welcomed to the meeting Councillor McKay and Ms Yaqoob, attending their first meeting since appointment to membership.

A welcome was also extended to Ms Merrick, to Ms Lomax and to Mrs Cook, present for items 28, (media coverage) 35 (JNCC) and 41 respectively, and to Rev Mr Taylor who would present the Annual Report of the Chaplaincy.

25 MINUTES

Approved the Minutes of the meeting of the Court held on 1 October 2007.

26 DUBAI CAMPUS

Received and noted an update report on the Dubai Project, prepared and tabled by the Secretary of the University, in which were set out the background issues, the current circumstances and the future plans for the project. The Secretary drew attention to the following matters:

- licensure and accreditation for the University's courses
- the forecast surplus, albeit small, forecast for 2007-08
- patterns of recruitment, and the role of the Degree Entry Programme
- measures taken to meet the concerns of Internal Audit regarding operational controls, including staffing structure
- review of course content and costs where appropriate
- marketing and brand building

27 COMMUNICATIONS FROM CHAIRMAN OF COURT

The Chairman reported to the Court on the following matters:

- a. Appointments to the Order of the Thistle
The Court noted the appointments with pleasure.

- b. Succession to Chairmanship of Court.

Court was reminded that an open process of consultation, proposal and application had been instituted in connection with the identification of a successor to Mr Gemmell on his demission of office as Chair of the Court in July 2008. A group drawn from the Nominating and Review Committee, and including the Chair of another University, had assessed the potential candidates, and on their advice it was recommended that the Rt Hon Lord Penrose be co-opted to membership of the Court in terms of clause (xii) of Paragraph 1 of Statute XII with immediate effect, with a view to his being elected as Chair. The Court approved the recommendation.

The Court noted that the range of activities which the Chair would hope to undertake increasingly extended beyond the arena of the University itself, with national consultations among Chairs, and group meetings with Principals and with the funding council. Mr Gemmell also referred to the pleasure which he derived from University events such as graduations, lectures, musical performances, and the opening of buildings which embodied the University's successes.

The Court noted that it had also been agreed to designate a deputy Chair to provide for flexibility in the performance of representative duties falling upon the Chair. This matter was in hand.

28 COMMUNICATIONS FROM THE PRINCIPAL AND THE PLANNING AND MANAGEMENT EXECUTIVE (PAPER B)

- Received and noted a report from the Principal and the Planning and Management Executive on a range of news topics of recent and current interest and involvement by the University.

The Principal highlighted:

- Scottish Government Comprehensive Spending Review which was disappointing, particularly in respect of the first of the three years' budget plans set out in the announcement, being based on the current settlement and the rate of RPI.
Discussions were continuing within Universities Scotland to consider how best to maintain the sector's lobbying position. Thanks to Heriot-Watt's cautious forecasting, the immediate consequences for the University would be a slight shortfall but within manageable limits. Noted that a joint panel between the government and Universities Scotland would undertake a review of the needs of Higher Education in Scotland to inform HE Strategy.
- The inclusion of the University in the assessment of institutions undertaken by the THES-QS Top 500 Universities ranking survey, which would apply a full set of key indicator measures to derive its rankings, to be published in autumn 2008.

29 UNIVERSITY STRATEGY REVIEW

Received and discussed a presentation by the Deputy Principal (Strategy & Resources) on the outputs of the Court/PME workshops to consider the strategic themes emerging from the Opportunities Studies, and the planning implications of the Performance Review. Noted that this information was confidential. A copy of the presentation is attached as Appendix A to the file copy of these Minutes.

The Court reaffirmed its commitment to the strategic emphasis of the policy espoused in May 2007, and developed in the intervening period. It was agreed to proceed to the next stage by the adoption of the directions and processes, together with the targets for recovery and growth, set out in the presentation; and by the formation of theme teams to be charged with producing the necessary plans, to be co-ordinated with School, Service Department and capital operational plans, with a view to incorporation in the University's Strategic document by February 2008. It was recognised that this would continue to pose considerable challenges in relation to the step changes required in recruitment both of students and academic staff and in process improvement in service provision, but was entirely consistent with the impetus towards research intensity which permeated the University's aspirations. Key points arising from the presentation follow:

The Deputy Principal drew attention to the following inter alia:

- the objectives and institutional destination agreed by the Court in May 2007; being the achievement of an academic profile comparable to that of the 1994 Group of institutions, in terms of academic growth, research intensity, and an emphasis on the quality of student and staff experience
- the challenges of stratification and the danger of being consigned to a mediocre position by failure to meet the performance targets linked to financial sustainability and strategy aspirations
- the process of performance review, opportunity study and open meetings undertaken in the last 7 months and the statement of current academic and financial profiles derived from these activities
- the identification of themes for the grouping of opportunities proposals the potential linkages both among them and with research pools, and mapping to the School structure
- learning and teaching developments, including expanding Continuing Professional Development provision
- the encouraging total of over 60 opportunity studies proposals for enhancement of service and support processes and for infrastructure development
- the linkages and cross-fertilisation needed between strategic and operational planning in the yearly cycle, to ensure rational development from the University's existing portfolio of operations to a new pattern of activity
- the proposed process of planning in relation to the identification and development of strategic themes, including financial and academic coherence, and the coordination of these processes with operational planning
- explicit planning assumptions relating to:
 - (i) quality enhancement and efficiency savings in areas requiring recovery
 - (ii) investment via strategic themes in terms of staff appointments, enhanced service provision, and appropriate infrastructure development
 - (iii) 30% per annum average recovery target in activities currently incurring deficit
 - (iv) income assumptions relevant to the business plan of each developmental theme, and research grant (including QR) and teaching income levels
- projected institutional performance and comparison with the 1994 Group in terms of income and proportion of research funding, particularly important in terms of closing the gap between the University and the target group
- procedures and schedule for the development of theme plans

The Deputy Principal, with the support of the Strategy Working Group, the PME and the evidence from the workshop sessions, recommended that the measures and methodology outlined in the presentation be progressively implemented; based on academic expansion around strategic themes; and funded by investments stemming from efficiency gains and performance improvements and new income from the expansion. He also outlined the criteria by which the success of the venture should be assessed, in terms of consistent academic growth reflected in:

- staffing increases

- the academic profile achieved
- growth in teaching and research funding streams and redeployable financial surplus

The Court, many of whose members had participated in the development of the recommendations through the workshop sessions, discussed the proposals, and the following issues were raised:

- a material step up in research quality would be required, with implications for staff recruitment and payroll costs
- the reduction in deficit in those areas currently underperforming would be a significant challenge
- the need to sustain activity currently successful in academic and financial terms, but which might not map onto the new thematic groupings. This would be addressed in year on year reviews
- the need dramatically to increase the University's share of national research funding.
- the potential implications of the themed approach for the University's existing school structure, which could encompass the developments presently envisaged, but which should evolve to the needs of the University as it developed
- the need to remain alert to future developmental opportunities in addition to the currently identifiable themes, which might offer the University scope to contribute on a national or global scale. This should be assessed in the light of ongoing performance review and external evidence such as the outcome of the Research Assessment Exercise. It was hoped that the process now being undertaken would bring greater resilience and the facility to respond to developing circumstances
- the need to make available to all students the benefits of flexible learning as a means of increasing student numbers to the levels required
- the need to achieve the synergy between teaching and research enjoyed by the 1994 Group institutions
- the need successfully to capture the ambitions of all sections of the University to maximise the impact of the plans by the responsive management of staff engagement
- it was recognised that the 30% deficit reduction target for the first year posed a particular challenge, and that decisions would be required to effect the necessary concentration of resources
- the need for clear mechanisms for consultation with outside bodies including industry and commerce in shaping thematic plans, to mirror the growing importance and proportion of resources to be derived from Knowledge Transfer.

30 COMMUNICATIONS FROM THE SENATE (PAPER C)

Received a report from the Senate relating to meetings of the Senate held on 24 October and 28 November 2007.

30.1 Conferment of title of Professor Emeritus

In terms of Ordinance 18, approved the conferment of the title of Professor Emeritus on the following:
 Professor K J Cornwell, Head of Dubai Campus
 Professor G G Stewart, School of Life Sciences
 Professor J E L Simmons, School of Engineering and Physical Sciences

30.2 Revision to Ordinance 30 and rescinding of Ordinance 31

Approved a recommendation that Ordinance 30: Appointment to Court Members of the Academic and Academic-Related Staff be amended to broaden its context and that its title be changed as detailed in Appendix A to the Paper.

Approved a further recommendation that Ordinance 31: Appointment to the Court of Members of Staff other than Academic and Academic-Related Staff be rescinded, as it was no longer required.

30.3 Proposed Revision of relevant Ordinances to reflect change in name of Principal and Deans Committee

Noted that the Senate had approved the retitling of the Principal and Deans Committee as the Senate Business Committee more accurately to reflect the remit and composition of the Committee. Noted that changes had been approved by the Senate to Regulation 40 Principal and Deans Committee, to reflect the change in title.

Approved the recommendation of the Senate that the required changes to the Ordinances relating to the change in name of the Principal and Deans Committee be approved.

30.4 Proposed Term to Describe Chair of a Committee of the University

Approved a recommendation by the Senate that to reflect recently amended terminology in the Charter and Statutes, all references within the Charter and Statutes, Ordinances and Regulations to Convener, Convenor, Chairman or Chairperson be changed to Chair.

30.5 Procedure for Approval of Professorial Titles

Approved, on the recommendation of the Senate, procedures for the approval of titles of Professor and Professorial Fellow, incorporating areas of academic subject discipline, as set out in Agenda Paper C.

30.6 Items Presented for Information

- Noted other items reported to the Court for information, as set out in Agenda Paper C for the meeting

31 REPORTS FROM THE AUDIT COMMITTEE (PAPER D)

Received and noted reports from the Audit Committee comprising:

- reports from meetings of the Committee held on 31 October and 19 November 2007
- an Annual Report from the Committee for the year ended 19 November 2007 including favourable internal and external audit opinions for 2006-07

The Chair of the Committee drew attention to the consideration given to the Code of Audit Practice, and to a self assessment undertaken by the Committee.

The Committee had considered revised terms of reference for its operation, and had agreed to include in the Annual Report the recommendation that they be approved.

The Court noted and approved the Annual Report, and approved the revised terms of reference as set out in Appendix C to the Annual Report.

The Chair, on behalf of the Court, expressed appreciation of the energy and application devoted to the work of the Committee by its members.

32 REPORT FROM THE ESTATE STRATEGY COMMITTEE (PAPER E)

- Received and noted a report from the Estate Strategy Committee relating to its meeting on 28 November 2007

The Chair of the Committee drew the attention of the Court to the close monitoring being devoted to the rate of drawdown of the contingency funds within the Scottish Borders Campus Co-location Project.

33 REPORT FROM THE FINANCE COMMITTEE (PAPER F)

Received and noted reports from the Finance Committee relating to a meeting of the Committee held on 19 November 2007; and a meeting held jointly with the Audit Committee also on 19 November. At the joint meeting, the Committees had noted a report on the progress at that stage of the Strategic Review (Paper F, supplementary) and matters also treated at the meeting of the Finance Committee. In relation

to the review, the Committee noted:

- The difficulty of generating surpluses despite added activity. The presence of inherent cost factors made caution desirable
- Robust financial modelling would be required, given the scale of development and potential capital expenditure envisaged
- The difficult environment which would inevitably impinge on proposals arising from the review and which imposed the need to marry the detail of developments to the overall thrust of strategy

The Court approved recommendations by the Committee for the level of tuition fees to be levied in academic year 2008-09 as set out in Appendix A to Agenda Paper F.

The Court approved a proposal for the institution of an Endowment Committee as a Committee of the Court to be chaired by the Vice-Principal ex officio and reporting directly to Court, as set out in Appendix B to Agenda Paper F.

34 ANNUAL REPORT FROM THE FINANCE COMMITTEE

The Court received and noted the Annual Report of the Finance Committee and accompanying submission, for approval, of the Annual Accounts of the University for the year ending 31 July 2007.

Approved the Annual Accounts for the year ending 31 July 2007 for signature and submission to the Scottish Funding Council.

35 REPORT FROM STAFFING STRATEGY COMMITTEE (PAPER G)

Received and noted a report from the Staffing Strategy Committee.

Noted concerns among University staff relating to slippage in the timescale for the progressive introduction of agreed procedures under the National Framework Agreement.

Noted that the rollout of personal and development review processes would depend, as regards timescale, on HR resources, and that the resolution of appeals relating to grading would rely on the goodwill and availability of appeals panels. Noted that any delays, while undesirable, were less serious in their consequences than the need for consistency. Noted that there was widespread appreciation of the benefits to all staff of the eventual implementation of the Agreement.

Noted, in relation to the JNCC reports, that the unions were actively developing their role, and that a more holistic single-table negotiation process was evolving.

36 ANNUAL REPORT OF THE UNIVERSITY CHAPLAINCY (PAPER H)

Received and noted an Annual Report from the Chaplain on the work of the Chaplaincy.

Noted that the Chaplaincy played a vital role in building and promoting good relations both within the student community and between the Student Body and the University authorities.

Noted that the University had been voted top in a recent survey of support provided to students through the medium of Chaplaincy services. The vibrant atmosphere of the Chaplaincy also transmitted itself to members of staff and visitors attending Chaplaincy events.

37 ANNUAL REPORT OF THE OFFICE OF STUDENT SERVICES (PAPER I)

Received and noted a summary Annual Report from the Office of Student Services. The Academic Registrar and Deputy Secretary alluded to:

- the continuing preoccupation of the service with the major topics of Restructuring the Academic Year and the Student Administration System
- the growing impetus towards internationalisation and the provision of services to all categories of students based both in Scotland and abroad, with funding from the Prime Minister's

- Initiative

- the promotion of industrial/external involvement in the delivery, by the Careers Advisory Service, of career related workshops as part of academic studies.

38 REPORT ON THE STRATEGIC REVIEW OF STUDENT SERVICES (PAPER J)

Received and noted a report on a review undertaken of student services provided by the University and the Students Association.

Noted that PME had agreed that the Working Group responsible for the review, reporting through the Infrastructure Board, should develop more detailed proposals for the further consideration of PME, who had been supportive in principle of the initial recommendations of the Group.

Noted that the structure and approach of the Working Group had won the approval and support of the student body.

39 ANNUAL REPORT OF THE STUDENTS ASSOCIATION (PAPER K)

Received and noted an Annual Report from the Heriot-Watt University Students Association. Noted that work continued between the officers of the Association and the University, to address the financial issues acknowledged in the Report.

40 SUMMARY OF FORMAL STUDENT COMPLAINTS AND APPEALS (PAPER L)

Received and noted a summary report on formal student complaints brought forward to the Student Complaints Officer in academic year 2006-2007, and managed in accordance with the University's Student Complaints Policy, together with a summary of student appeals to the Senate and referrals to the Court. This information was brought forward for consideration in accordance with the advice on good practice of the Scottish Public Services Ombudsman. The report was the second such report to be made to the Court.

Noted that in the period under review a single case had been referred to the Office of the Ombudsman, and that the University's procedures had been characterised by the Ombudsman as being robust and fair. Noted that one appeal and one complaint were currently in process of adjudication by the Ombudsman.

41 SCOTTISH BORDERS CAMPUS – SHARED SERVICES PROVISION (PAPER M)

Received and noted a paper setting out issues associated with the shared services model entailed in the implementation of the Co-location Project at the Scottish Borders Campus.

Noted a proposal and recommendation that all staff potentially affected by rationalisation of provision should have access to a single consistent package in the event of redundancy or retirement compensation becoming payable.

Noted that these issues would form part of the process of negotiation with the trade unions. Agreed that a modified statutory scheme, on the pattern of that currently available to staff of Borders College, be implemented for all staff affected by this aspect of the Co-location Project, subject to negotiation with the recognised trade unions.

42 DATE OF NEXT MEETING

Noted that the date of the next meeting would be Monday 17 March 2008

COURT**Minutes**

In the Chair:	Mr Gavin Gemmell	Date of Meeting: 17 March 2008
Present also:	Principal Professor Anton Muscatelli Mr Graeme Bissett Mr Neil Fraser Mr James Maguire Dr R Mochrie Dr Alan Parsley Mr Ray Perman Mr Jim Polson The Rt Hon Lord Johnston	Ms Jane Queenan Dr Gillian Thomson Professor Adrian Todd Professor Andy Walker Mr Ed Weeple Dr David Woods Ms Talat Yaqoob The Rt Hon Lord Penrose
In attendance:	Mr Peter Wilson, Secretary of the University Mrs Margaret Cook, Director of HR Professor Bob Craik, Deputy Principal (Learning & Teaching) Professor Gavin Gibson, Deputy Principal (Research & Knowledge Transfer) Professor Douglas Greenhalgh, Head, Engineering and Physical Sciences Professor Phillip John, Dean of Science and Engineering Mr Richard McGookin, Director of Planning Ms Theresa Merrick, Director of Corporate Communications	

43 APOLOGIES

Apologies: Baroness Susan Greenfield, Mr Liam Burns, Mr Malcolm Durie, Dr Judith McClure, Councillor Tim McKay, Mr Andrew Muirhead, Ms Y Savage and Dr John Sawkins.

44 OBITUARIES (PAPER A)

Received and noted with sadness the obituary notice relating to the death of Professor John Archer, Vice-Chancellor of the University from 1997 to 2006. The Chairman updated Court on the recent well attended funeral and memorial services for Professor Archer, and the recently received news of the birth of two further grandchildren in February 2008. The Head of the Institute of Petroleum Engineering confirmed that Professor Archer had gifted his books to the Institute where a library had been established in his name.

45 WELCOME

The Chairman welcomed The Rt Hon Lord Penrose who was attending his first meeting of Court.

46 MINUTES

Approved the minutes of the meeting of Court held on 10 December 2007.

47 MATTERS ARISING

47.1 Revision to Ordinance 30 and rescinding of Ordinance 31.

With reference to Ct 30.2, it was reported that the revisions had been publicly displayed for the period of 28 days required, and that no objections or observations had been received.

The Court therefore confirmed the revised and rescinded Ordinances.

48 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

The Chairman reported to the Court on the following matters:

- a) recent events that he had attended including the Memorial Service held at the University for Professor John Archer, the Annual Anniversary Service held at Currie Kirk and the recent Chaplaincy Lecture;
- b) with regard to earlier discussions on the potential appointment of a Deputy Chair of Court, it was anticipated that the new Chairman of Court and the Principal would confer further on this matter;
- c) (Reserved section: Ref Sections 30, 33, FOI(S)A).

49 COMMUNICATIONS FROM THE PRINCIPAL AND THE PLANNING & MANAGEMENT EXECUTIVE

Received and noted a report from the Principal and the Planning and Management Executive on a range of news topics of recent and current interest and involvement by the University.

The Principal also highlighted the following recent news:

- the intention of the Chief Executive of the Scottish Funding Council to retire at the end of April 2008;
- the Scottish Funding Council announcement of main grants for 2008/09 was expected on 19 March 2008. A headlines summary of the details of the announcement would be provided to members of Court in due course;
- the recent very positive news of a unique triple set of awards won by a Knowledge Transfer Partnership (KTP) between Heriot-Watt University and Caledonian Alloys. The Heriot-Watt/Caledonian Alloys partnership was awarded a Winning Partnership Award, the Engineering Excellence Award sponsored by the Royal Academy of Engineering and also the Best Partnership Programme;
- recent very positive public quotes on the University's newly published Strategic Plan by the Chairman of the Scottish Council for Development & Industry;
- work ongoing to develop a media strategy for the University aimed at heightening the profile of the University in the media.

50 COMMUNICATIONS FROM THE SENATE (PAPER C)

Received a report from the Senate relating to the meetings of the Senate held on 30 January and 5 March 2008.

50.1 For approval: recommendations from the Academic Promotions Board (Senior Promotions)

Approved the following senior academic promotions recommended in terms of Ordinance 16: Appointment of Academic Staff, by the Senate Business Committee acting on behalf of the Senate:

Name:	School/Institute:	Appointment:	From:
Dr A Harvey	Engineering and Physical Sciences	Professor	1 August 2007
Dr A Kar	Engineering and Physical Sciences	Professor	1 August 2007
Dr S Macgregor	Engineering and Physical Sciences	Professor	1 August 2007
Dr J Ritchie	Engineering and Physical Sciences	Professor	1 August 2006
Dr A Powell	Engineering and Physical Sciences	Professor	1 August 2006
Dr D Adams	Engineering and Physical Sciences	Professor	1 August 2006
Dr R Christie	Textiles & Design	Professor	1 August 2007
Dr D Potter	Petroleum Engineering	Professor	1 August 2007
Ms I Perez	Management and Languages	Professorial Fellow	1 August 2006
Dr Y Petillot	Engineering and Physical Sciences	Reader	1 August 2007

Dr W Lu	Engineering and Physical Sciences	Reader	1 August 2007
Dr D Brown	Management and Languages	Reader	1 August 2007
Dr B Richards	Engineering and Physical Sciences	Reader	1 August 2006
Dr P Trinder	Mathematical and Computer Sciences	Reader	1 August 2006

50.2 Items presented for information

Noted other matters reported to Court for information on which no comments were raised.

51 REPORT FROM THE AUDIT COMMITTEE (PAPER D)

Received and noted a report from the Audit Committee relating to its meeting held on 4 March 2008.

The Chair of the Committee invited any questions on the report. No questions were raised.

52 REPORT FROM THE ESTATE STRATEGY COMMITTEE (PAPER E)

Received and noted a report from the Estate Strategy Committee relating to its meeting held on 25 February 2008.

The Chair of the Committee highlighted the following:

- completion of the High Mill building. Any remaining snagging issues were being addressed;
- delay on the Main Campus building had moved the expected completion date to mid-February 2009;
- work on the New Hawick Campus project had been delayed due to bad weather but was now progressing. Risk had been identified in relation to receipt of full ERDF funding. Full funding would be dependent on the project being finished on time as set out in the funding application, with the danger that a pro-rata element of funding relating to the completed part the project only might be received. Mediation was ongoing with contractor with the aim of reaching certification level in June 2008, the originally agreed date for completion of the project;
- work underway on branding;
- best practice in collaborative use of space informed by Scottish Funding Council commissioned research;
- four options under consideration in respect of student residences (Edinburgh and SBC) with three notes of interest tendered by providers in respect of Third Party Provision of Residences. Two subgroups had been established to finalise facilities management/service levels/specifications etc and financial details;
- with regard to development of the Estate Strategy, consultants Driver Jonas has been commissioned to work with the University to develop its Estate Strategy and to embed this in the Strategic Plan of the University;
- delay in work on the Postgraduate Centre. Work was ongoing with the contractor to mitigate the impact of the delay with a view to enabling the September 2008 deadline for opening of the building to be met;
- the Edinburgh Core Paths Plan.

With regard to the Edinburgh Core Paths Plan, the Secretary of the University confirmed that, since initial consideration of the suggested route through the campus which had given rise to health and safety concerns, the University had proposed an alternative route around the perimeter space of the campus. This had been accepted by Edinburgh City Council.

The Chair of Court asked for clarification on next steps in relation to the Student Residences (item 2) and Estate Strategy Development (item 3).

The Principal confirmed in relation to both the Student Residences and the wider Estate Strategy that proposals would be presented for consideration and approval through the Finance Committee.

The Chair made an observation on the wider financial climate and the inevitable impact of this on

future options.

53 REPORT FROM THE FINANCE COMMITTEE (PAPER F)

Received and noted a report from the Finance Committee relating to its meeting held on 29 February 2008.

The Chair of the Committee highlighted the following:

- evident strain on the SBC co-location project budget. While the project was currently within budget, there was a realistic probability of overspend given the delay on the completion date to February 2009. Any overspend was likely to be of a manageable scale and was not a major issue of concern;
- agreement of the Finance Committee that the most appropriate locus of responsibility for monitoring and reviewing the University's Financial Regulations lay with the Audit Committee. Following further discussion by the respective Committees, the approval of Court would be sought on the proposed change at its next meeting;
- an improvement in the University's current financial position as evident in the Management Accounts for the period to 31 January 2008 (mid-year).

54 REPORT FROM THE STAFFING STRATEGY COMMITTEE (PAPER G)

Received and noted a report from the Staffing Strategy Committee relating to its meeting held on 3 March 2008.

The Chair of the Committee highlighted the following:

- the appeals process was on track with the majority of these now complete in respect of stage 1 of the appeals process;
- the intention to carry out an equal pay review across the University in early summer;
- planned implementation of the PDR process over the course of 2008. The Director of HR confirmed that implementation of PDR would be a very significant activity in terms of HR resources and staff training;
- sensitivity associated with the Voluntary Severance Scheme in terms of the University's communications.

With regard to the Voluntary Severance Scheme, the Principal confirmed that discussions had been initiated with the relevant Trade Unions. Through a series of recent presentations to all staff led by the Principal, staff had also been informed of the plan to offer a Voluntary Severance Scheme. In the light of these communications, the University had considered it expedient to issue a statement on its plans to the press, embargoed until 12 March. The press coverage which followed had been fairly positive on balance, with the issue of redundancies set correctly in the context of reshaping of the University in a managed process aimed at achieving overall growth.

55 REPORT FROM THE UNIVERSITY COLLECTIONS COMMITTEE

Received and noted a report from the University Collections Committee on the recent receipt of the Committee of confirmation from the University Archivist that the Museums, Libraries and Archives Council Accreditation Panel had awarded Full Accreditation to Heriot-Watt University Museum and Archive under the Accreditation Scheme for Museums in the UK.

The Chair of the Committee emphasised the importance of the accreditation in terms of future funding support and public confidence in the standing of the museum collection. This positive result was a tribute to the University Archivist and her colleagues.

The Chair also highlighted other recent and forthcoming events including: the recent publication of a guide to the University's art collection which he commended; and the participation of the University in the Edinburgh Festival of Libraries involving a series of events held during November 2008.

The Chairman of Court highlighted the desirability of greater awareness of the value of the University's archives and collections, and the potential of these to attract fundraising support.

The Chair of the Committee and the Secretary of the University also updated Court on the matter of a statue of James Watt owned by Heriot-Watt University and held on long term loan by the Scottish National Portrait Gallery. The University had been offered the opportunity to house the statue for a period of two years while the Gallery undergoes a programme of refurbishment. The Secretary of the University confirmed that, due to the weight of the piece, no suitable indoor space within the University could be identified and negotiations with the Gallery were underway to agree a storage arrangement.

The Secretary of the University agreed to arrange dissemination of the Guide to the University's Art Collection to members of Court and to the Fundraising Campaign Council.

56 STRATEGIC PLAN AND STRATEGY REVIEW UPDATE

Received and approved the Strategic Planning document 'Focus on the Future', which was presented by the Principal. This had been published as a public short version of the University's Strategic Plan which had been informed by earlier input and endorsement of members of Court.

The Principal in his introductory presentation reminded Court members of the ambitions overarching the Strategic Plan, and the features and measures that would define future success, most notably likeness to the profile of the 94 Group of universities.

The Deputy Principal (Strategy & Resources) highlighted in his presentation:

- the features of the University's financial and academic performance which had been the drivers for change, and the goals that had been established through the strategy review process;
- the themes that had emerged to form the basis of the plan, including, inter alia, support service themes emerging from the ongoing review of support services;
- the development of the Estates Strategy. A report was due in April 2008 and the Strategy would be integrated with Theme Plans in the wider Strategic Plan and incorporated into budgets in May for 2008/09;
- progress made in academic and financial planning, human resources issues and underpinning communications plan;
- the Strategy Working Group would be in a position soon to make recommendations to PME on academic recovery plans;
- the development of a Voluntary Severance Scheme. This was currently under negotiation with the Trade Unions and anticipated termination dates would run from August until December 2008. The Scheme would enable a change in pattern of staff resources to support overall growth;
- financial planning targets/timescales for Schools and Support Services and associated planning structures and processes;
- the University's academic profile for research;
- planning assumptions in relation to growth in academic staff, associated income growth and recovery/efficiency savings;
- projected institutional performance over the period of the Strategic Plan in terms of growth/financial performance and against the benchmark 1994 group;
- The Academic Key Performance Indicators that the University would adopt to monitor performance over the future period. Historically, KPIs had been reported to Court in the spring of each year; however, it was recommended that an autumn period pattern of reporting be adopted from autumn 2008. Consultations were underway with the aim of tying other KPI sets into the same reporting pattern. Strategic development would take place over the autumn/winter period being finalised in spring, while evaluation of progress would take place over the summer to autumn period. It was intended to present future KPIs in a scorecard form.

A number of questions were raised in discussion and the following points were made in response to these:

- targets set for academic members of staff would not interfere with academic role profiles but would provide the quantitative data which the PDR process would require to measure performance and progress;

- in response to a point raised about guarding against risk of losing current staff, it was emphasised that the new strategy was intended to build upon a current strong base and that staff retention was therefore very important. This was especially true in areas which were dependent on already small numbers of staff;
- in response to a question about the fit and balance between the research strategy and the international teaching strategy, it was emphasised that research intensity was a significant enabling factor in delivery of learning and teaching, both financially and in terms of influencing the quality of teaching. It was also emphasised that the external policy environment was increasingly polarising universities on the basis of their research activity. International league tables were weighted heavily towards research quality and activities as an indicator of a university's standing;
- the 3* rating for incoming new academic staff was an average measure and it was not intended to prevent recruitment of younger, less experienced individuals with potential;
- in response to a point made about quantitative targets for non-academic staff, it was confirmed that while it was far less easy to apply these to administrative staff, once the objectives of the service had been identified through the support service review, it might be possible to identify sensible metrics. However, it was not intended to focus only on quantitative metrics at the level of any individual member of staff. Targets for academic staff would be set with reference to normalised benchmarks, the overall objectives of the University/School/Section/Group and the different patterns of contribution that can be made by individuals;
- although quantitative targets could not easily be attributed to learning and teaching experience and expertise, the University would continue to place significant emphasis on performance and experience when recruiting academic staff;
- in response to a point made about the absence of Review Boards for non-academic staff for the last three years, the Director of HR confirmed that the Framework Agreement job evaluation process had backdated appropriate promotions to 2006. Following agreement with the Trade Unions on Review Board processes for non-academic members of staff, a Review Board round could address cases relating to 2007/2008;
- the University was aware that there may be a small element of research protected by confidentiality and therefore less easily measured in terms of publications/citations.

57 NEXT MEETING: COURT AWAY DAY

Noted that the next meeting would be the Court Away Day on Monday 12 May 2008 at the Marriott Dalmahy. Noted that there would be an opportunity to deal with any business that cannot wait until the meeting on Monday 23 June 2008 at the close of the Away Day event.

The Chair invited members of Court to direct any proposals for topics that they would specifically like to see included in the Away Day agenda to the Secretary of the University.

The Chair confirmed that the dress code for Away Day was smart/casual.

COURT**Minutes**

In the Chair:	Mr Gavin Gemmell	Date of Meeting: 12 May 2008
Present also:	Principal Professor Anton Muscatelli Mr Graeme Bissett Mr Liam Burns Mr Malcolm Durie Mr Neil Fraser Dr Alan Parsley The Rt Hon Lord Penrose	Mr Jim Polson Ms Jane Queenan Dr Gillian Thomson Professor Adrian Todd Professor Andy Walker Mr Ed Weeple
In attendance:	Mr Peter Wilson, Secretary of the University Professor Bob Craik, Deputy Principal (Learning & Teaching) Professor Gavin Gibson, Deputy Principal (Research & Knowledge Transfer) Professor Douglas Greenhalgh, Head, Engineering and Physical Sciences Professor Phillip John, Dean, of the University Professor Julian Jones, Deputy Principal (Strategy & Resources) Mr Richard McGookin, Director of Planning Professor John Sawkins, Dean of the University Ms Ruth Bush, Incoming President of the Students' Association	

58 APOLOGIES

Apologies: Baroness Susan Greenfield, The Rt Hon Lord Johnston, Mr James Maguire, Dr Judith McClure, Councillor Tim McKay, Dr Robert Mochrie, Mr Andrew Muirhead, Mr Ray Perman, Ms Yvonne Savage, Dr David Woods and Ms Talat Yaqoob.

59 MATTERS ARISING

There were no matters arising.

60 MINUTES

Approved the minutes of the meeting of Court held on 17 March 2008.

61 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

The Chairman advised Court members that he was continuing to attend Scottish CUC meetings and monitoring the situation with the UCU in terms of negotiations on the USS pension scheme. He expressed his view that university management teams need to have greater input into USS discussions to ensure that pension rules met the needs of employers and members, and kept abreast of the wider policy issues.

62 COMMUNICATIONS FROM THE PRINCIPAL AND THE PLANNING & MANAGEMENT EXECUTIVE

Received and noted a report from the Principal and the Planning and Management Executive on a range of news topics of recent and current interest and involvement by the University.

The Principal highlighted also:

- in connection with the Strategy Review, that the budget plan would be presented to Court for approval at its meeting on 23 June 2008;
- in connection with central funding, the Scottish Funding Council had recently placed an advert for a new Chief Executive.

In response to questions about administrative support costs within Schools, the Principal confirmed that some

indication of (significant) costs had been revealed in the academic performance review. It was not possible to draw reliable comparisons of support service costs at Heriot-Watt with the wider university sector as data was drawn from HESA and the methods used by institutions in their returns to HESA were inconsistent. The University was however communicating with a few other selected benchmark institutions to share mutually beneficial knowledge on support service costs. The results of this work would support some meaningful benchmark evaluations.

63 ACADEMIC PROMOTIONS (SENIOR PROMOTIONS)

Approved, in terms of Ordinance 16, Appointment of Academic Staff, Academic-Related Staff and of the Librarian, recommendations from the Academic Promotions Board (Senior Promotions) 2007 as detailed below. Noted that the recommendations had been approved by the Planning & Management Executive.

SURNAME	FIRSTNAME	SCHOOL	PROMOTION	EFFECTIVE FROM
Arrighi	Dr Valeria	School of Engineering & Physical Sciences	Senior Lecturer	1st August 2007
Arthur	Dr Scott	School of the Built Environment	Senior Lecturer	1st August 2007
Gardiner	Dr Andrew	Institute of Petroleum Engineering	Senior Lecturer	1st August 2006
Kamenou	Dr Nicolina	School of Management & Languages	Senior Lecturer	1st August 2007
Lansdown	Dr Terry	School of Life Sciences	Senior Lecturer	1st August 2007
Lawson	Dr Mark	School of Mathematical & Computer Sciences	Senior Lecturer	1st August 2007
Lewis	Dr Helen	Institute of Petroleum Engineering	Senior Lecturer	1st August 2006
Stewart	Dr Mary	School of Life Sciences	Senior Lecturer	1st August 2007
Zheng	Dr Shi-Yi	Institute of Petroleum Engineering	Senior Lecturer	1st August 2006
Al-Hajj	Dr Assem	School of the Built Environment	Senior Teaching Fellow	1st August 2007
Marchant	Mr Clive	School of Management & Languages	Senior Teaching Fellow	1st August 2007
Smith	Mrs Jayne	School of Textiles & Design	Senior Teaching Fellow	1st August 2007

64 ANY OTHER COMPETENT BUSINESS

The Chairman thanked colleagues who had participated in the Court Away Day.

65 DATE OF NEXT MEETING

Noted that the next meeting would take place on 23 June 2008.

COURT

Minutes

In the Chair: Mr Gavin Gemmell Date of Meeting: 23 June 2008

Present also: Principal Professor Anton Muscatelli Mr Jim Polson
Mr Graeme Bissett Ms Jane Queenan
Mr Neil Fraser Dr Gillian Thomson
Mr James Maguire Professor Adrian Todd
Dr Judith McClure Mr Ed Weeple
Dr Alan Parsley Dr David Woods
Mr Ray Perman Dr John Sawkins

In attendance: Professor Julian Jones, Deputy Principal (Strategy & Resources)
Mrs Kathy Patterson, Academic Registrar & Deputy Secretary
Professor Bob Craik, Deputy Principal (Learning & Teaching)
Professor Gavin Gibson, Deputy Principal (Research & Knowledge Transfer)
Mr Phil McNaull, Director of Finance & IS/IT
Professor Phillip John, Dean of Science and Engineering
Mr Richard McGookin, Director of Planning

66 APOLOGIES

Apologies: Baroness Susan Greenfield, Mr Liam Burns, Mr Malcolm Durie, Councillor Tim McKay, Dr R Mochrie, Mr Andrew Muirhead, The Rt Hon Lord Penrose, Ms Y Savage, Professor Andy Walker and Ms Talat Yaqoob.

67 OBITUARIES (PAPER A)

Received and noted with great sadness the obituary notice relating to the death of Lord Johnston (Alan Charles MacPherson Johnston). Noted that a memorial service held on 23 June 2008 at the Canongate Kirk would be attended by Lord Penrose, the Secretary of the University and other University colleagues.

Agreed that the condolences of Court members and their great appreciation and thanks for the long-standing and highly valued service to the Court of Lord Johnston, should be relayed to his family along with a copy of the obituary notice presented in the papers for the meeting on 23 June.

68 MINUTES

Approved the minutes of the meeting of Court held on 12 May 2008.

Approved the notes of the outcomes of the Court Away Day held on 12 May 2008.

69 MATTERS ARISING

There were no matters arising.

70 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

NEW CHAIRMAN OF COURT

On the invitation of the Chairman, Court confirmed the election of The Rt Hon Lord Penrose to the Chairmanship of Court for three years from 1 August 2008. The nomination was proposed by Professor Adrian Todd and Seconded by Mr David Wood.

The Chairman of Court invited the University to seek institution of Lord Penrose to the Chair under the category of membership of the Court 'Chancellor's nominee' (Addendum: this was confirmed in July 2008 and Lord Penrose advised by the Secretary of the University of his election to the chairmanship.)

COURT PAPERS

The Chairman highlighted the unsatisfactory late delivery of some of the papers for the meeting. There was however an appreciation of the large volume of work associated with preparation of papers, in particular the financial papers.

71 COMMUNICATIONS FROM THE PRINCIPAL AND THE PLANNING & MANAGEMENT EXECUTIVE

Received and noted a report from the Principal and the Planning and Management Executive on a range of news topics of recent and current interest and involvement by the University.

The Principal congratulated colleagues who had recently been elected/re-elected to membership of the Court from 1 August 2008: Professor Adrian Todd, Mrs Jane Queenan, Mr Malcolm Durie and Professor Dugald Duncan.

The Principal also highlighted the following:

- the University did not expect a significant late upturn in the value of research grants and contracts awards won in the year, as had been the case last year; nevertheless, income to date had closely tracked the previous year's relatively strong pattern;
- the Joint Future Thinking Task Force for Universities interim report was due to be released on 24 June 2008. The Principal confirmed that he would welcome any comments that Court members might have on the report. In the course of discussion Court members highlighted the need to publicise the contribution made by the University towards meeting the Government's strategic objectives.

72 COMMUNICATIONS FROM THE SENATE (PAPER C)

Received a report from the Senate relating to its meetings held on 7 May and 18 June 2008.

For approval:

72.1 Appointment of Vice-Principal

Approved, in accordance with the terms of Ordinance 32, the reappointment of Professor A C Walker as Vice-Principal of the University from 1 August 2008 to 31 July 2010.

72.2 Conferment of the Title of Professor Emeritus

Approved, in accordance with the terms of Ordinance 18, the conferment of the title of Professor Emeritus on the following:

- Professor I Mason, School of Management & Languages (from 7 December 2007)
- Professor F G Priest, School of Life Sciences (from 21 September 2008)
- Professor M Paul, School of Life Sciences (from 30 September 2008)
- Professor C Brotherton, School of Life Sciences (from 30 September 2008).

72.3 Proposed modification to Ordinance 26: Heads of Departments

Approved proposed modifications to Ordinance 26: Heads of Schools. Noted that the modifications would be introduced to ensure that the Ordinance reflects the University's current requirements for the appointment of Head of School and the ethos of inclusiveness in the consultation process.

Items reported for information:

72.4 Election of Dean

Court congratulated Professor P John on his re-election as Dean for a further three years from 1 October 2008.

Noted other matters reported to Court for information on which no comments were raised.

73 REPORT FROM THE AUDIT COMMITTEE (PAPER D)

Received and noted a report from the Audit Committee relating to its meeting held on 9 June 2008.

The Chair of the Committee highlighted that a number of critical Internal Audit Reports had been presented concurrently for consideration by the Committee at its June meeting.

The Committee had acknowledged that appropriate management responses had been submitted to the Auditors in response to issues raised in the Reports.

The Chair confirmed that he would have further discussions with the Director of Finance and the Secretary of the University on associated resource issues. The Director of Finance also confirmed that a fundamental review of processes across the University was planned with the aim of optimising use of current resources through efficiency gains. This would help to address some of the issues concerned.

Court discussed the involvement of Court members in assessing key risks and agreed with the suggestion that a register of risk should be made available to Court members on a regular basis via the Audit Committee. The Academic Registrar & Deputy Secretary agreed to convey this request to the Secretary of the University.

74 REPORT FROM THE ESTATE STRATEGY COMMITTEE (PAPER E)

Received and noted a report from the Estate Strategy Committee relating to its meeting held on 11 June 2008.

The Chair of the Committee highlighted the following:

- the current position vis-a-vis the schedule for completion of the Postgraduate Centre. Delays in the project meant that the Centre would not be open by September 2008 as hoped. A £9K "worst case" overspend scenario had been reported. Specific issues relating to site management had been identified and the current financial and legal position of the project was being assessed;
- ongoing development of the Estate Strategy. The Strategy would need to tie in with Theme Team projects, address issues of fitness for purpose and sustainability; utilities costs and environmental "green" issues. The Secretary of the University emphasised that there was no imperative to submit the Estate Strategy to the SFC by the end of June. Work would continue on the plan over the summer and it was likely that following approval by PME, the Estate Strategy Committee and Court, the Strategy would be presented to the SFC in the autumn;
- progress made in the SBC Co-location Project. Noted, as regards the Hawick Project and ERDF funding, that permission had been granted by the funders to reallocate the grant over other areas of the project;
- setbacks with regard to negotiations with 3rd parties on residencies. The current financial climate had invalidated much of the earlier cost modelling work; however, it was intended to make progress with a view to a recommendation being presented to Court in the autumn.

75 REPORT FROM THE FINANCE COMMITTEE (PAPER F)

Noted that the Report from the Committee took the form of the financial planning forecast and budget. See Minute 79 below.

76 REPORT FROM THE STAFFING STRATEGY COMMITTEE (PAPER G)

Received and noted a report from the Staffing Strategy Committee relating to its meeting held on 16 June 2008.

Approved proposals presented by the Committee for procedures, eligibility and payments relating to a Voluntary Severance Scheme intended to be in place, in the first instance, from 1 July to 31 December 2008. It was emphasised that the Scheme would be applicable in targeted areas of the University where there was a clear evidence of potential efficiency gains or where there was evidence of failure of recovery plans: therefore, the actual number of Voluntary Severance packages was not known currently, though a realistic figure had been used in the cost model for the Scheme. Noted that a committee chaired by the Vice-Principal would consider applications for Voluntary Severance on a case-by-case basis.

Dr John Sawkins, who presented the report on behalf of the Committee, also highlighted:

- proposed revisions to Statute XXV on which further consultation would take place over the summer period. Other pre-92 institutions, with whom the University was engaged on a collective basis, were considering, with funding support from the Scottish Funding Council, how best to bring about modernisation of the Statute;
- progress reported to the Committee in respect of implementation of the Framework Agreement.

77 REPORT FROM THE NOMINATING & REVIEW COMMITTEE (PAPER H)

Received and approved the recommendations detailed in a report from the Nominating & Review Committee relating to its meeting held on 28 April 2008.

Noted that a further meeting of the Nominating & Review Committee would be convened ahead of the September 2008 meeting of Court to consider membership matters outstanding.

78 STRATEGY REVIEW PROGRESS REPORT (PAPER I)

Noted a presentation on Strategy Review achievements, work in progress and next steps together with a summary background report on the 'Focus on the Future' strategy and Financial Plan 2008/09-1010/11, presented by the Deputy Principal (Strategy & Resources). A copy of the presentation is appended to the minutes.

Points raised in the course of discussion included:

- high quality research did not in itself guarantee income generation; however, there was a high degree of correlation between the two. High quality research also tended to impact positively on quality of teaching;
- the same proportion of savings could not be identified in every individual support service, therefore an element of grouping could be anticipated;
- sponsorship income could be an option worth investigating in relation to a few Support Services;
- some highly achieving teams fall outside of the Topical Theme Team structure;
- Review of new opportunities and development of the themes was part of the Strategy Review process to identify appropriate areas for investment and to grow the academic base. The University is committed to investing in its strategic themes, and will therefore reduce expenditure in other areas if it is required to compensate for income shortfalls. The University had a clear understanding of the academic activities to which recovery planning applied and where these involve planned additional income through growth in student recruitment, progress will be monitored closely over the coming two months. Research recovery plans will be informed by the outcomes of the RAE;

79 FINANCIAL PLANNING FORECAST AND BUDGET FOR 2008/09 (PAPER J)

Received, discussed and approved a 3-year Plan (2008-10) and Financial Commentary for onward presentation to the Scottish Funding Council, and a 5 year Financial Plan (2008-13).

The Chairman of the Finance Committee highlighted the complexity of the budget planning process in the current year. While there had not been an opportunity for the Finance Committee to re-convene to review the considerable amount of iterative work on the budget over the period since its meeting on 9 June, there had, nevertheless, been significant dialogue with senior management throughout the period towards finalisation of the Plan.

The Chairman of the Finance Committee highlighted:

- the forecast surplus of £0.6m highlighted this year (before any HE SORP accounting adjustments) would provide a good basis for moving into the next financial year;
- Catering & Residence and Conference business was performing significantly below budget and a Working Group was reviewing these areas of operation with a view to re-developing the business;
- implementation of the SAS system had been delayed for one year and the project would cost significantly more than the originally agreed budget;
- significant additional elements would impact on the budget from next year. These included increased utilities costs, new accounting guidelines which would increase depreciation costs, higher than anticipated pay award costs reflecting rising inflation, and group provision to take into account the level of risk associated with Schools' planned income projections in the coming year. In addition, Voluntary Severance Scheme costs, as an extraordinary additional item, would impact over the next two years, though this would release staff cost savings later;
- after making provision for Theme investments, the Group budget for 2008/09 was a deficit of £1.348m. As this figure was roughly equal to the net cost of the Voluntary Severance Scheme, the underlying budget was break-even.

The Chairman of the Finance Committee also highlighted:

- the overall trend in the financial plan was to reduce dependency on central grants and to increase overseas and research income sources;
- a process of significant change was implicit in the plans. There was shared confidence that the

plans were the right ones for the University and while there were significant risks, particularly with regard to student number projections, these were clearly understood by the senior management and there were mechanisms in place for managing these, including acting quickly to re-balance the budget against potential income shortfalls with cost cutting measures. Court emphasised the need for a rigorous approach in this regard and noted plans for senior management to discuss risk assessment with individual Schools over the next few months;

- improved high quality management reporting would be important in supporting the University to monitor progress.

Court noted also:

- a reminder from the Director of Finance of the history of the SAS system procurement. Based on initial information from the supplier, the University overestimated its capability to deliver the project. The costs would total £4.2m over the period. Associated increased capex and depreciation costs were reflected in the final plan;
- the results for the earlier years of the Plan were heavily dependent on delivery against recovery plan targets, signs of which would only become apparent over time;
- while student numbers projections were challenging, senior management considered that these remained credible;
- growth opportunities in Overseas student recruitment, Study Group, Dubai Campus and in DDL provision. Success of Dubai operations was discussed as one of the key drivers for success of the wider strategy;
- the PDR process would play a central role in addressing skills' needs of existing staff and optimising performance;
- commitments in the plan against the University's £40m revolving credit facility;
- a SFC financial health categorisation score that reduced to 54 in year three of the plan. While the University remained in the "secure" category, the score reflected increased risk;
- Court members were invited to submit any further comments on the financial plan to the Director of Finance and were reminded that the plan should be submitted with a covering letter from the Chairman of Court to the SFC by 30 June 2008.

Agreed that the SFC should be supplied with sufficient information in support of the plan to enable the Council to understand the University's aims and objectives. Noted also that the Director of Finance would be pleased to discuss the Plan with the relevant colleagues in the SFC once the final submission has been made.

80 ACADEMIC PROMOTIONS BOARD (SENIOR PROMOTIONS) 2007 (PAPER K)

Approved, in terms of Ordinance 16, a recommendation from the Academic Promotions Board (Senior Promotions) 2007, for the promotion of Dr E Owens, School of the Built Environment from 1 August 2006. Noted that the recommendation had been previously approved by the Planning & Management Executive.

81 MEETING DATES FOR 2008/09 (PAPER L)

Noted a reminder of meeting dates of Court in 2008/09.

82 NEXT MEETING

Noted that the next meeting of Court would take place on Monday 29 September 2008.

83 ANY OTHER COMPETENT BUSINESS

MR GAVIN GEMMELL

The Principal, on behalf of the University, conveyed thanks and appreciation to Mr Gavin Gemmell for his valuable contribution to the support and welfare of the University through his Chairmanship of Court. The Principal reported that:

On assuming the Chair of Court in 2002, Mr Gemmell had become much involved in seeing through the major restructuring exercise that had just commenced at that time. By 2006 he had instigated a major restructuring of Court membership resulting in reduction of the membership from 34 to 25, at the same time overseeing a substantial revision to the remits for Court Committees. A comprehensive review of the effectiveness of Court was carried out in 2006 and feedback from the review had been very favourable. In 2006 Mr Gemmell had chaired the selection committee to appoint a new Principal and Vice-Chancellor.

Throughout his period as Chairman, he had been very active in supporting and representing the University in all spheres of its operation including fund-raising activities, where he had been extremely successful in encouraging major donations. Throughout his period as Chair Mr Gemmell had committed extensive time for meetings with Scottish Chairmen of Court, CUC and SFC meetings and had been influential in directing their progress.

Mr Gemmell thanked Court and staff members for their help and support during his time as Chair.

MR JIM POLSON

Court noted that Mr Jim Polson would retire in June 2008 and that the meeting on 23 June would be his last. The Court wished Mr Polson well in his retirement and thanked him for his valuable contribution to its work.