HERIOT-WATT UNIVERSITY

MINUTES of the Forty-Second Annual Meeting of the General Convocation held at Edinburgh Campus on Wednesday, 11 March 2009, attended by the following members:

In the Chair: Lord Penrose

Miss Lesley Allan  Provost Peter Mackenzie
Mr Stephen Batchen  Professor Robin Mackenzie
Mr Michael Bates  Professor L Mary MacKinnon
Councillor David Berry  Miss Sally MacLeod
Mr Michael Bottom  Mr Robert Marshall
Mrs Eileen Broughton  Mrs June Maxwell
Dr James Bryce  Ms Gill A McDonald
Ms Ruth Bush  Ms Louise Moncrieff
Mr Derek Curran  Mr Jim Murray (representing Mr David Anderson)
Professor Philippe De Wilde  Professor Anton Muscatelli
Professor Marc Desmulliez  Ms Kate Paton
Mrs Margaret Dunn  Ms Kathleen M Patrick
Mr Malcolm Durie  Rt Hon Lord Penrose
Professor Gavin Gibson  Mr Campbell Powrie
Mr M J Gilbert  Dr Neil Renton
Mr J N David Gray  Professor Brian Robertson
Mr David Guest  Mr George Smith
Mrs Valerie Hallows  Mr Stewart Smith
Mr Craig Hamilton  Mr John F Stuart
Mr William Hodder  Dr Gillian B Thomson
Professor Phillip John  Professor Adrian Todd
Professor Julian Jones  Professor Andy Walker
Principal Mhairi Laughlin  Professor Zander Wedderburn
Miss Janet Lawson  Mr Ed Weeple
Mrs Sheena Lennie  Professor Pauline Weetman
Miss June Lodder  Professor John I B Wilson

IN ATTENDANCE

Mr Peter Wilson  Ms Theresa Merrick
Mr Alexander Buchanan  Mrs Ruth Moir
Mr Alistair Donald  Mr Rob Morton
Mr Richard McGookin  Mrs Lorna Kirkwood-Smith

1. WELCOME AND APOLOGIES

The Secretary of the University introduced Lord Penrose who became a member of the Court in December 2007 and who was subsequently appointed to serve as Chairman of Court in June 2008, in succession to Mr Gavin Gemmell.

The Chairman of Court welcomed those present to the forty-second annual meeting, particularly those attending for the first time.

The Chairman of Court sought and received the approval of the Convocation for his chairmanship of the meeting in the absence of the Chancellor of the University. Convocation noted that the University’s Charter provided for the Chancellor to preside over meetings of the General Convocation, and that Statute XI of the Charter & Statutes provided that in the absence of the Chancellor and the Vice-Chancellor, the Chairman of the Court shall preside. Since the attention of the Vice-Chancellor was fixed on the presentation of the Annual Review and Accounts, chairmanship of the meeting by the Chairman of Court was a pragmatic arrangement.
The Secretary of the University, Mr P L Wilson, confirmed that apologies for absence had been received from 50 members.

Noted, as in recent years, interested members of the University who were not members of the Convocation had been invited to attend the meeting as observers.

2. **OBITUARIES**

The Chairman referred with sadness to the deaths, since the last meeting, of a number of friends and colleagues of the University:

**The Right Honorable Lord Thomson (Lord George Thomson)**

The University learned with great sadness of the death, on Friday 3 October 2008, of the Right Honorable Lord George Thomson of Monifieth. Lord Thomson was awarded an Honorary degree of Doctor of Letters in 1973. He was created a life peer as Lord Thomson of Monifieth in 1977 and Chancellor of Heriot-Watt University in the same year. In 1981 Lord Thomson was created a Knight of the Most Ancient and Most Noble Order of the Thistle. He retired as Chancellor of the University in 1991.

**The Right Honorable Lord Johnston (Alan Charles MacPherson Johnston)**

The University learned with great sadness of the sudden death, on 14 June 2008, of the Right Honorable Lord Johnston. Lord Johnston served on the University Court from 1991 until 1997 and again from 2001 until 2007, and was appointed as convenor of the Court Staffing Strategy Committee in 2004. He was awarded an Honorary degree of Doctor of the University in 2001, in recognition of his distinction in the law of Scotland and his contribution to the governance of Heriot-Watt University.

The University was also saddened to learn of the deaths in the past year of the following honorary graduates:

The Rt Hon Lord Clyde (DUniv, November 1991), died 5 March 2009.

3. **HONOURS CONFERRED**

The Chancellor referred with pleasure to the following honours conferred since the 41st annual meeting:

**New Year Honours 2009**

The University noted with pleasure the conferral of Honours as undernoted on the following Honorary Graduates:

Sir Chris Hoy MBE (DSc 2005) Knights Bachelor (Kt)
Sir Trevor Soar OBE (DEng 2005) Order of the Bath: Knight Commander (KCB)

4. **MINUTES**

The minutes of the 41st Annual Meeting of the Convocation in March 2008 were circulated with the agenda, and were approved.
5. MATTERS ARISING

PRINCIPAL & VICE-CHANCELLOR

The Chairman communicated to the Convocation news of the resignation from the University of Principal Anton Muscatelli. Professor Muscatelli had been appointed as the new Principal & Vice-Chancellor of the University of Glasgow and would take up his new position in October 2009.

The University had been immensely appreciative of the contribution to Heriot-Watt that Anton Muscatelli has made since he joined the University in February 2007. The past two years had been pivotal ones for the University as, under his strong leadership, it has developed, and was now implementing its new ‘Focus on the Future’ strategy.

The Chairman Confirmed that, under the terms of the University’s Charter & Statutes, a joint committee of the Court and the Senate will make a recommendation to the Court on his successor. Recruitment processes are currently underway and a recommendation was expected to be made in mid May 2009.

6. COMMUNICATIONS FROM THE COURT

The Chairman referred to the information set out in Agenda Paper A for the meeting, relating to additions to the membership of the Convocation.

The Secretary of the University announced two new members who have been confirmed since 1 February 2009:

- in terms of Statute XI, para 1(4)(i), under the category of Heads of Educational Institutions in Scotland, Mr Brian Lister (Principal, Stevenson College);
- in terms of Statute XI, para 1(4)(n), under the category of religious and cultural bodies, The Rev Lezley Kennedy (Minister, Currie Kirk).

7. MEMBERSHIP OF CONVOCATION

The Chairman referred to the information set out in Agenda Paper B for the meeting, relating to changes in the membership of the Convocation other than by election or co-option. These changes were embodied in the list of members as at 1 February 2009 which had been circulated with the agenda.

The Secretary of the University announced two new members who had been confirmed since 1 February 2009:

- in terms of Statute XI, para 1(4)(e), under the category of appointments by the Courts of other universities in Scotland, Dr Neill Renton (Lecturer, University of Aberdeen) and Professor Robin Mackenzie (Vice Principal Research & Knowledge Transfer, Napier University).

The Secretary of the University announced members elected by the Graduates’ Association, in terms of Statute XI, para 1(4)(b), whose electees were confirmed after 1 February 2009. New representative members elected by the Graduates’ Association and ratified at The Watt Club Annual General Meeting on 25 February 2009, for the period 1 August 2008 to 31 July 2011 were:

- Mr Gregor Colville
- Mr Craig Hamilton
- Mrs Elspeth King

Renewal of membership for members elected by the Graduates’ Association for the period 1 August 2008 to 31 July 2011 included those of:

- Mr Oddi Aasheim
- Mr David Brew
- Miss Janet Lawson
8. **ELECTION OF MEMBERS OF CONVOCATION TO COURT**

The Chairman referred to the information set out in Agenda Paper C for the meeting including the vacancy in this category of membership of the Court following the expiry of the period of office of Dr Judith McClure. Dr McClure was not eligible for re-appointment.

The Secretary of the University reported that, at the closing date for receipt of nominations, no nominations had been received.

The Secretary of the University sought and gained the approval of the Convocation for the Nominating & Review Committee of the Court to consult further with a view to securing nomination of a suitable representative member to serve on the Court. Approval of any such nomination would be sought from the General Convocation by means of correspondence with the membership, rather than waiting until the next annual meeting in 2010.

*(addendum: The nomination of Shonaigh Macpherson, CBE, FRSE, was approved by the Convocation by means of correspondence on 24 July 2009.)*

9. **CO-OPTION TO MEMBERSHIP OF CONVOCATION**

The Chairman referred to the information set out in Agenda Paper D for the meeting, regarding the vacancies in this category of membership of the Convocation.

Present members in this category were reported:

- Ms S Macpherson, co-opted for the period to 31 July 2011
- Professor E Brown, co-opted for the period to 31 July 2011
- Mr G Bissett, co-opted for the period to 31 July 2010
- Dr J McClure, co-opted for the period to 31 July 2010
- Mrs E J M Broughton, co-opted for the period 31 July 2009
- Mr D H Guest, co-opted for the period to 31 July 2009

There were therefore 5 vacancies to be filled.

The Secretary of the University reported that, at the closing date of 25 February 2009 for receipt of nominations, no eligible nominations had been received.

10. **REVIEW OF CHARTER & STATUTES**

Convocation noted a paper presented by the Secretary of the University on the matter of deregulation of governance arrangements in relation to higher education institutions. The paper highlighted that, at present, all amendments to the Charter & Statutes required the consent of the Privy Council. Through discussions between government officials and representatives of Universities Scotland it had become clear that the Scottish higher education sector was supportive of adopting a lighter touch control from the Privy Council in respect of their governance arrangements in areas where there was no significant public interest. The Scottish Government Cabinet Secretary for Education & Lifelong Learning had provided a summary of areas where control should be retained by the Privy Council and areas where Privy Council control could be removed. Institutions had been invited to submit suitable amendments to current governance documents with a view to applying to the Privy Council to remove certain provisions.

The Secretary of the University drew attention to the proposal in the paper that provision relating to the Convocation, which is currently contained in Article 7 of the Charter and in Statute XI, should be transferred to an Ordinance. This was part of a wider package of proposals being developed by a Working Group which had been convened within the University to review the Charter & Statutes and to identify where provisions therein should be transferred to the Ordinances & Regulations.

Convocation noted the proposal that the Charter should include the clause relating to the University’s engagement with the wider community: “The University shall engage with its broader communities. The University may, from time to time, prescribe in the Ordinances, the conditions of such engagement.” The view relayed in the paper was that there may be a more effective way that
the University could engage with the wider community than the Convocation in its current form and
given its low level of attendance and that, in due course, it would be appropriate to review the
purpose and functioning of the Convocation. Moving the relevant provision from the Charter and
Statutes to the Ordinances would free the Court to move forward to address the issue of how
community engagement might best be achieved.

Attention was drawn by one member of the Convocation to the relationship between Convocation
and the Court whose membership included a category of members nominated by the Convocation.
The Secretary of the University acknowledged that a review of the membership composition of the
Court would have to take place in parallel with any review of the Convocation.

Attention was also drawn by one member to the need to ensure that Court continues to benefit from
a good cross-section of the community in its lay membership, maintained at least at the current
level. The Secretary of the University confirmed that it was the intention that this would be
preserved.

The Secretary of the University requested and gained the endorsement of the Convocation that a
full proposal be developed over coming months for the consideration and approval of the Court with
a view to the proposal being presented for consideration by the Convocation at its meeting in March
2010. In the meantime Convocation members were invited to feed in any thoughts on the subject to
the Secretary of the University.

11. ANNUAL REVIEW OF THE UNIVERSITY 2008

BACKGROUND

Principal Muscatelli presented the Annual Review and Accounts for 2007/08, highlighting that, as in
previous years, the report presented was in part retrospective and in part forward looking. The
Principal highlighted in his presentation:

- an eventful past year for the University. Events in the wider HE environment were bringing their
  own challenges and opportunities;

- the outcome for higher education of the Comprehensive Spending Review had been
disappointing, with an allocation vastly short of the £168 m that Universities Scotland had
submitted in its bid. In the period following the announcement, the Joint Future Thinking Task
Force on Universities had been established to consider the contribution to Scotland of higher
education over a 20-year horizon. The Task Force had recently published its ‘New Horizons’
report;

- a Tripartite Advisory Group, chaired by the Cabinet Secretary for Education and Lifelong
Learning, would consider future levels of investment, the effectiveness of funding arrangements
and the effectiveness of the SFC in managing its relationship with institutions through a lighter
touch approach. A new structure for SFC funding would be put in place, including a General
fund for mainstream activities and a development and capacity building Horizon fund;

- in December 2008 the University had learned of the results of RAE 2008. The results were
critical to the University's ambitions as a “research-led” university, able to compete in an
environment of ever increasing concentration of funding. Overall the University had done well in
the RAE with the proportion of research assessed in the top two grades 3* and 4* i.e.
internationally excellent more than doubling to 50% and with one of the highest staff submission
rates in the RAE in Scotland. The University had yet to learning what the results would mean in
terms of future share of formulaic research funding from the Scottish Funding Council (SFC);

- the Scottish Government, in its pre-budget report, had confirmed that it expected to see £500 m
  of efficiency savings in the budget in each of the next two years. This was expected to impact on
higher education. Institutions expected to receive the SFC announcement on funding for
2009/10 early in April;

- as a result of a policy change by the SFC to relax the consolidation policy on full-time UK/EU
undergraduate student numbers, the University had been able to grow its Scottish campus-
based student population in this category. The University had also seen very encouraging
growth in student numbers at the Dubai Campus, where it had been a strong year for recruitment, and the University’s portfolio of courses had further expanded during the year;

- the current global economic environment presented a much higher degree of risk and uncertainty than usual and it was clear that the University could not plan on the assumption of quick recovery from the current downturn. Public sector funding was expected to become very constrained in the medium-term with increased competition among sectors for available funding. Meanwhile the University was involved with ongoing dialogue with the Scottish Government on higher education funding. While it did not necessarily follow that recession would lead to a marked reduction in student applicants, nevertheless, the risks and uncertainty in all of the University’s key markets were significant in the period ahead and the University was planning accordingly;

- the pension fund issue was an area of risk which was escalating rapidly for all sectors. Due to reducing investment performance and increasing costs of funding current schemes the University would face additional pension costs of £1.2m in the coming year;

- it was hoped that the Annual Review publication would leave Convocation members with the sense that, while there were significant external challenges, against this background the University was playing to its strengths and succeeding.

ANNUAL REVIEW AND ACCOUNTS 2007/08

The Principal provided an overview of income and expenditure activity in the year. The consolidated out-turn position was a modest surplus.

Net capital investment rose strongly from £1.3 m in 2006/07 to £8.5 m in 2007/08. This included investment in construction of the Postgraduate Centre, refurbishment of lecture theatres, completion of the co-location project at our Scottish Borders Campus and development of a new Student Administration System. The University’s fundraising programme has contributed £1.8m towards capital investment.

The University had acknowledged that the relatively modest annually returned surpluses did not represent a sustainable position for the University in the longer term. This recognition was a key driver for a fundamental strategic review and development the Focus on the Future Strategy.

STRATEGIC DIRECTION

The Principal highlighted:

- growth of 7% in admission of students to Scottish campuses;

- the University’s relative strength in terms of the proportion of graduates finding graduate-level jobs;

- the University’s comparatively strong international focus, reflected in the make-up of its student body and the scale of its world-wide distance and distributed learning activities. The University’s strengths in relation to international education provision and support for international students had been recognised in recent times through SCDI and Times Higher Education awards;

- two significant building projects had recently been completed providing new facilities to support and enhance the University’s student learning and teaching: the Scottish Borders Campus co-location development in Galashiels and a new Postgraduate Centre, due to open at the end of March 2009;

- active participation in Scottish research pooling initiatives which underpinned some of the University’s research successes in the RAE;

- the University’s ‘Focus on the Future’ strategy which was publicly launched by Scotland’s First Minister in November 2008. As well as defining the University aspirations, the strategy defined the approach by which it would set the quantifiable targets for future academic and financial
performance – looking to the 94 Group universities as our benchmark group. The Principal explained that the 94 Group membership comprised a membership group of research-intensive universities with a similar excellent profile in learning and teaching;

- key aims were for the University to grow its academic capacity as a research led university; to define clearly its academic profile and positioning; to evaluate academic assets and opportunities; and to enable the University to identify areas of strategic potential that need additional investment. £2 m had been set aside in our budget for strategic investments in the current year to support five academic themes: energy; environment & climate change; the life-physical sciences interface; risk and modelling; and infrastructure and transport. This investment would support new high quality academic appointments from a world-wide field;

- the University had developed a new planning framework for identifying, evaluating and investing in new opportunities, and for identifying and managing those areas in which it needed to grow income, increase efficiency or enhance academic performance;

- a Voluntary Severance Scheme had been implemented to help enable transfer of financial resources to make planned strategic investments and to grow the University’s academic base.

The Principal confirmed, in response to a question about measures to improve learning and teaching quality, that the University focused on key performance measures such as student retention rates, the results of the National Student Survey and the quality of degrees awarded (proportion of First/2.1 class), monitoring progress in each on a programme by programme basis.

The Principal confirmed, in response to a question about cost control, that efforts were being made by the employers’ (UCEA), through the national negotiation framework, to achieve a pay settlement that would be affordable for the sector. In terms of internal management of the University’s finances, the Focus on the Future Strategy was centred on achieving financial sustainability as well as academic excellence in all areas. The University reviewed cost v income generation at the level of individual academic activities and had set firm targets to reduce costs and to divert resources into new income-generating areas of activity.

The Convocation adopted and unanimously approved the Review and Accounts.

RAE 2008

The Deputy Principal (Research & KT) gave a presentation to the Convocation on RAE 2008 results, outlining what these would mean to the University in terms of its strategic research aims and ambitions.

12. CONCLUSION

There being no further business in the formal agenda for the meeting, the Chairman concluded the proceedings.