

# Court

# Minutes

In the Chair: Professor E Brown

Date of Meeting: 4 February 2002

Present also: Principal J S Archer  
 Mr G Bissett  
 Mr D A M Brown  
 Mrs S G Charlesworth  
 Mr H Collis  
 Mr J Dignan  
 Mr B Drury  
 Mr G J N Gemmell  
 Dr C G Greig  
 Mr D H Guest  
 Professor P W Jowitt  
 Mr S G Kay

Ms J Lowe  
 Ms G A McDonald  
 Mr J D Polson  
 Mr N R Rudd  
 Councillor A Scobbie  
 Professor J E L Simmons  
 Professor J A Swaffield  
 Mr A B Taylor  
 Professor A C Todd  
 Professor C Viney  
 Dr S Zachary

In attendance: Professor D R Hall, Assistant Principal  
 Professor R R Leitch, Assistant Principal  
 Professor P N O'Farrell, Assistant Principal  
 Professor D G Owen, Assistant Principal  
 Professor I Mason, Dean, Economic & Social Studies  
 Professor B S Wherrett, Dean, Science  
 Mr P L Wilson, Secretary of the University  
 Mr D M Nicolson, Interim Director of Finance  
 Mr R V Parkinson, Senior Assistant Secretary  
 Mr P Kerr, Director of Estate and Building Services  
 Mr W R McGookin, Director of Planning Office  
 Mrs M Thornton, Director of Corporate Communications  
 Mr K M Ross, Interim Director of Personnel  
 Mr A G Hood, Assistant Registrar

Professor J D C Jones, Head of School Designate, Engineering & Physical Sciences  
 Professor R Pooley, Head of School Designate, Mathematical & Computer Sciences  
 Professor F G Priest, Head of School Designate, Life Sciences  
 Professor B G D Smart, Head, Institute of Petroleum Engineering

Mr P Gregory, Director of Planning and Development, Scottish Borders Council

## 46. APOLOGIES

Apologies for absence were intimated from The Rt Hon The Lord Mackay of Clashfern, Mr Brew, Sir Peter Heatly, Mr Jobson, The Hon Lord Johnston, Mr Morrison, The Hon Lord Penrose, Mr Robinson, Ms Savage and Dr Summers.

## 47. OBITUARIES

### Professor Sir Frederick Stewart

The University had noted with sadness the death, on 9 December 2001, at the age of 85 years, of Professor Sir Frederick Stewart, formerly Dean of Science at the University of Edinburgh, and an honorary graduate (DSc July 1978) of the University.

### Dr Jack Addelee

The University was deeply saddened to hear of the sudden death of Dr Jack Addelee in the early morning of 12 December 2001.

With over 33 years service as lecturer and senior lecturer, Jack was one of the forming influences in mechanical engineering teaching and research at Heriot-Watt.

His teaching-related experience, including 10 years as Deputy Head of Department and periods as Mechanical Engineering Course Co-ordinator, was much valued by students and colleagues alike. His personal qualities were particularly effective in his latest role as Chair of the Departmental Recruitment Committee.

Dr R D Brown

The University was saddened to hear of the death of Dave Brown on 24<sup>th</sup> January 2002, following an illness of almost two years.

Dave joined the University in 1972, and had a profound and sustained influence on mechanical engineering teaching and research until he became unable to work regularly. Even then, Dave was often to be seen with his colleagues and continued to make contributions up to his last weeks. His stoicism and determination during this period was an example to all.

Dave was well known in the research field of Dynamics of Machines, particularly for his work on bearings. This latter work led him into applications of chaos theory. This, in turn, led to wry comparisons by his colleagues with his office, which was famed for its apparent disorganisation, although Dave clearly had an algorithm for locating every piece of paper with pinpoint accuracy.

48. NEW YEAR HONOURS

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

Professor Emeritus Alistair G J MacFarlane – Knight Bachelor  
 Dr R Summers – Honorary Graduate and Member of Court – OBE  
 Professor Julian D C Jones (Head of Department of Physics) – OBE  
 Dr Ian Hamilton Finlay – Honorary Graduate (DLitt, Art & Design) – CBE  
 Mrs Fiona M Baikie (Principal & Chief Executive, Telford College), Member of Convocation – OBE  
 Professor Gordon S Milne – Member of Convocation representing University of Aberdeen – OBE  
 Professor Sally A Brown – Member of Convocation representing University of Stirling – OBE

And the following, announced in February 2002

Marjorie Scardino -- Honorary Graduate (DLitt 2001) --DBE

49. MINUTES

The Minutes of the meeting of the Court held on 10 December 2001 were approved, subject to the correction of Minute 38 third sentence to read

‘Due to tariff changes however, gas costs were some 37.6% greater than in the previous year, an increase foreseen and budgeted for’

50. UTILITY COSTS

With reference to Ct 38/01-02 it was reported that, up to 21 December 2001, electricity consumption was 7% up and gas consumption 4.6% down on the previous year. In cash terms this was a 15% increase, equivalent to £68k. The Planning and Management Executive was considering proposals to curtail this trend. The Court agreed to return to this topic at each meeting until there was real evidence of improvement.

51. STUDENT COMPLAINTS

With reference to Ct 40.2/01-02, the Court had received fuller information on the proposed scheme for the independent review of student complaints, and was made aware of the observations by Mr Brew regarding the attitude of the Scottish Executive, the University’s discretion in identifying an independent assessor, and the costs of alternative arrangements to secure the desired external scrutiny. It was noted that the Secretaries of the Scottish Universities retained their preference for a joint scheme, and were giving attention to the issue of costs and the recovery of expenses. The Court agreed

to support the sectoral approach to this matter, noting that it would be reviewed after 2 years of operation.

52. FOOTBALL ACADEMY

With reference to Ct 43.1.1/01-02 the Secretary reported that progress was being made towards agreement, including confirmation from Sport Scotland of support for the specific scheme now being finalised. There was a deadline for acceptance of the present cheapest tender, and the Court confirmed the view taken at its meeting in December 2001 that the full Court be kept aware of developments and be provided with full documentation before any final decision was taken. Planning consent had been given.

53. QUARTERLY MONITORING REPORT

With reference to Ct 43.1.4/01-02 it was noted that SHEFC had made a brief response to the first report, and would provide further feedback in due course.

54. Communications from the Principal and Planning and Management Executive

54.1 INSTITUTE OF PETROLEUM ENGINEERING – USE OF TITLE

At its meeting in October 2001 (Ct 2 28.1/01-02) the Court had approved the disestablishment, from 31 July 2002, of Departments of Study, and the establishment of 6 new Schools and 2 Postgraduate Institutes with effect from 1 August 2002.

The Department of Petroleum Engineering, which was to be called the Institute of Petroleum Engineering, had sought permission to use the new title earlier.

This would be very beneficial to the Department as the oil companies' budgets, which would be published earlier than 1 August 2002, might be influenced by such a change in title, and the University might stand to benefit financially.

The Principal had agreed to invite the Court to approve the use of the new title with immediate effect.

Disposal: Approved

54.2 UNIVERSITY SUPPLEMENTARY PENSION SCHEME

It was reported that the above scheme, applicable to certain ex members of staff of the former Scottish College of Textiles, was operated by a Board of Trustees of which the Chairman, Professor C E R Maddox, had intimated his desire to stand down with immediate effect. On the nomination of the Principal and with the support of Mr Taylor and Dr Summers, both trustees of the scheme, the Court agreed to appoint to the board, and as its Chairman, Mr P L Wilson.

54.3 RAE 2001 RESULTS

The Principal advised the Court that results of RAE 2001 which were published in December 2001 had been very positive. In particular he referred to the following:

- the University was top in the UK for Petroleum Engineering and Actuarial Mathematics and Statistics
- the University was top, or equal-top, in Scotland for Building Engineering, Applied Mathematics, Biotechnology (Food and Drink), Business and Management and Chemical Engineering
- all research areas in engineering and physical sciences and in management and languages were now grade four and above
- the University had the largest percentage increase in the number of research-active staff included in any submission from any University in Scotland
- 83% of the University's academic staff were submitted as research-active, the third highest proportion in Scotland after the Universities of St Andrews (89%) and Edinburgh (84%). The

University was ranked third in Scotland by the *Financial Times* after the Universities of St Andrews and Edinburgh

- the number of University staff working in 5 and 5\* graded subjects had almost doubled since RAE 1996.

It was reported that to fund the grade and volume increases whilst maintaining the current units of resource for grades 4 and 5 would require an additional £40M on top of the SHEFC £116M RAE formula budget in 2001-02. The Principal advised that consideration would be given to offsetting the funding implications caused by movements towards excellence in research, and highlighted the need to maintain research activity at a higher level.

#### 54.4 ILT MEMBERSHIP

The Principal advised the Court that Dr D Hand, Department of Physics, had recently become the University's one hundredth member of ILT. Dr Hand had received his certificate at a special ceremony attended by Professor S Brown, Director of ILT Membership. The University had one of the highest proportions of membership in the UK.

#### 54.5 POSTGRADUATE STUDENT NUMBERS

The Principal advised the Court that the University's postgraduate student numbers over the seven years from 1995-96 indicated some very encouraging growth, particularly in respect of the following:

- full-time overseas postgraduate entrants had increased three-fold
- the population of full-time postgraduate taught students had increased by approximately 60%, significantly outperforming Scottish and UK averages
- the total population of full-time research students had increased by 10% in the current year compared to last year, and had increased by 65% since 1995-96. There was some reduction in the number of full-time research student entrants in the current year which should be attributed to the impact of a more limited scholarship scheme
- with approximately 400 research students, the University was at the benchmark for research –led institutions.

The Court noted that the University faced the following challenges and opportunities:

- growth of distance learning courses and the significant impact upon part-time postgraduate numbers
- the challenge of maintaining sustained growth with minimal resources would require creative and interdisciplinary approaches and resource sharing.

#### 54.6 UPDATE ON IS/IT STRATEGIC PARTNERSHIP

With reference to Ct 44.1/01-02 the Principal advised the Court that the University's OJEC notice had been posted in December and that 43 notes of interest had been received, including a number from key players in the field. It was anticipated that a number of formal submissions would have been made by 15 February, when the process of selecting a 'long-list' could begin.

The IS/IT Co-ordination Group was progressing with consultations and developments of a work plan to put in place core IS/IT support from August 2002.

#### 54.7 THE ACCESS ELITE

The Principal advised the Court that in a recent issue of *The Times Higher* the University had been ranked fourth in a league table under the title of 'access elite', which ranked the UK's universities according to performance on access to those from low participation neighbourhoods, on non-completion rates, and on teaching and research quality.

#### 54.8 SPENDING REVIEW 2002 – UNIVERSITIES SCOTLAND SUBMISSION

The Principal drew the attention of the Court to the submission made by Universities Scotland to the Scottish Executive's 3 year spending review, circulated with the agenda for the meeting. This set out the aspirations of Universities Scotland for the funding of Higher Education over the next 3 years,

drawing attention to the importance of the sector for the economy of Scotland, and to the attrition of public funding which rendered the continuing contribution to be made by higher education a problematic issue.

The Principal alluded specifically to the deficit budgets being endured by increasing numbers of institutions, the 40% reduction in public funding per student over the last 20 years, the need for support of measures to increase social inclusion in HE, and the issues, relating to pay recruitment retention and development of staff , highlighted by the Bett Report.

Some concern was expressed that in the context of a review by the Executive of Higher Education provision, the stance of Universities Scotland was insufficiently proactive or robust. In point of fact, however, the Universities Scotland response to the Executive's HE Review Stage 2 Consultation would be a different document, and the call for responses has not yet been issued. This was likely to take place in July, and a robust response was planned.

## 55. Communications from the Senate

### 55.1 ORDINANCE 16: APPOINTMENT OF ACADEMIC STAFF, ACADEMIC-RELATED STAFF AND THE LIBRARIAN

A revised Ordinance 16 had been prepared in consultation with the Director of Personnel and had been approved by Principal's Management Group. The revised draft ordinance included the following:

- The same procedures for the appointment of both full-time and part-time staff.
- Provision for the appointment of Teaching Fellows and Senior Teaching Fellows.
- Reference in the Ordinance to the Academic Promotions Board.
- Provision for both the Dean and the Vice-Principal to nominate a substitute to represent them.

The Senate had agreed to recommend to the Court that the proposed revised Ordinance 16, detailed in Appendix A to agenda paper C, be approved.

Disposal: Approved

### 55.2 ORDINANCE 37: APPROVED TEACHERS AND APPROVED TUTORS

Revisions to Ordinance 37, which had been prepared by the Learning and Teaching Committee (LTC), included the following:

- Procedures for the approval of on-campus and off-campus tutors.
- Provision of training requirements for approved teachers and tutors.
- Specification of duties of approved teachers and tutors.

The Senate had noted that 'approved supervisors' had been excluded from the revised ordinance and that provision for such persons should be made elsewhere in another ordinance.

The Senate had agreed to recommend to the Court that the proposed revised Ordinance 37, detailed in Appendix B to agenda paper C, be approved.

Disposal: Approved

### 55.3 HONORARY DEGREES 2002

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

<u>Date/Faculty</u>	<u>Honorary Graduand</u>	<u>Degree</u>
Tuesday, 9 July (am) Faculty of Engineering	Professor D J Wallace Vice-Chancellor Loughborough University	DEng

	In recognition of his distinguished career in academic Physics, in educational leadership, and in public service	
	Professor K J Weber Emeritus Professor, Petroleum Geology Technical University of Delft	DEng
	In recognition of his distinguished professional career and contribution to the area of petroleum geophysics	
<b>Tuesday, 9 July (pm)</b> Faculty of Science	Professor H Buehlmann Swiss Federal Institute of Technology	DSc
	In recognition of his distinguished academic career and contribution to Actuarial Science	
	Professor A H Zewail Director Laboratory for Molecular Sciences California Institute of Technology	DSc
	In recognition of his distinguished academic career and pre-eminence in the field of laser chemistry	
<b>Wednesday, 10 July (am)</b> Faculty of Economic & Social Studies	Ms S Rotenberg Poet In recognition of her poetic achievement	DLitt
	Ms E Glennie Musician In recognition of her outstanding musical career	DUniv
<b>Wednesday, 10 July (pm)</b> Faculty of Environmental Studies	Professor Sir Peter Hall Bartlett Professor of Planning University College London	DLitt
	In recognition of his distinguished academic career and contribution to planning and public policy	
Faculty of Art and Design	Sir Peter Maxwell Davies Composer	DUniv
	In recognition of his outstanding musical and artistic achievements	
<b>Friday, 12 July (SBC)</b> Faculty of Economic and Social Studies	Ms Kim Winser Chief Executive Pringle Scotland	DLitt
	In recognition of her contribution to the textile industry in her management of Pringle	
<b>Saturday, 16 November</b>	J Edwards Olympic Athlete	DUniv
	In recognition of his outstanding career as an athlete and rôle model to young people.	
	Sir John Krebs	DSc

Chairman  
Food Standards Agency

In recognition of his distinguished career in academia  
and in public service

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

Disposal: Noted with pleasure

56. Audit Committee – Annual Report to Court

56.1 ADMINISTRATIVE MATTERS

This report covered the period from January 2001 to January 2002. In that period the following meetings of the Audit Committee had been held.

18 May 2001  
24 August 2001  
2 November 2001  
12 November 2001  
8 January 2002

The membership of the Committee in the period was:

Dr R Summers (Convener)  
Hon Lord Penrose  
Ms J Lowe  
Mr D A Brew (appointed August 2001)  
Ms Y Savage (appointed October 2001)  
Mr G McKie (retired August 2001)

The terms of reference for the Committee had been considered at its meeting in January 2002. A revision to these terms – to include reference to risk management – was to be tabled and considered at the next meeting.

Disposal: Noted

56.2 INTERNAL AUDIT

The service for 2000/01 had been provided by Deloitte & Touche. Their original contract had been extended from three years to five years, and would finish at the end of 2002.

An extract from the internal auditors' Annual Report was attached to agenda paper D.

The draft plan of work for 2002 had been considered by the Audit Committee in January 2002 and would be formally confirmed at the next meeting in April 2002.

Disposal: Noted

It was noted that further tightening of internal financial control of the planning and budgeting process would be sought and implemented. The restructuring of the academic area into larger schools offered the opportunity to address issues of transparency, robustness and ownership of financial management within the University, with Heads of Schools acting to a more explicit remit regarding accountability.

56.3 EXTERNAL AUDIT

The external auditors were Ernst & Young. Their formal report on the accounts for the year to 31 July 2001 was unqualified.

The report by the auditors on the annual audit had been considered by the Audit Committee at its meeting on 12<sup>th</sup> November 2001, and the Recommendations to Management with Management

Responses was considered at the Audit Committee meeting on 8<sup>th</sup> January 2002. A copy of the executive summary of the latter report was attached to agenda paper D.

Disposal: Noted

It was noted that action was being taken on each of the points made by the External Auditor, and that the specific issue of the treatment of endowment funds had been separated from the accounting procedures for the main funds of the University

57. Collections Committee – Report

57.1 PORTRAIT OF JAMES WATT

The Collections Committee brought to the attention of Court a unique opportunity to acquire a highly significant original portrait of James Watt by Sir William Beechey. The painting, which had been valued in the region of £40,000, was the second of two portraits of Watt by Beechey.

As a provisionally Registered museum under the Resource Registration scheme, the Archive, Records Management and Museum Service was eligible for external grant funding towards acquisition, and could apply to the National Fund for Acquisitions Scotland and the Heritage Lottery Fund (HLF) for a combined total of up to 90% of the purchase cost. The remaining 10%, (roughly £4000, dependent on the outcome of independent valuations) would have to be raised by the University.

The Collections Committee commended the proposal to acquire this important painting, which fell clearly within the remit of the University's acquisitions policy. It was the Committee's expectation that the Court would not wish the University to underwrite the remaining £4000 of funding required.

Disposal: Noted

It was reported that a suggestion had been made that the Committee should approach the trustees of the Watt Club.

58. Finance Committee – Report

58.1 FOOTBALL ACADEMY

- Noted that further to a recent project board meeting, Heart of Midlothian were seeking an appropriate form of words from their bankers in relation to the required guarantee.
- Noted that the timescale envisaged for resolution of the funding guarantee was the next ten days.
- Noted that a similar guarantee would be sought in relation to the £1.3m in support to be provided by Sport Scotland.
- Noted that costs of £¼m had been incurred to date, and that Hearts had met their 70% proportion.

Disposal: Noted

58.2 SPORTS SCIENCE AND SPORTS MEDICINE COURSES

- Noted the undertaking given to the Court that the Committee would review the overall funding of the Sports Science and Sports Medicine degree programmes.
- Noted an outline summary of the relationship among the funding arrangements for the three discrete projects
  - i) the Football Academy
  - ii) provision of facilities for the new degree programmes
  - iii) the development of the southern portion of the Edinburgh Campus, and the associated infrastructure provision.
- Noted that the financing of the courses had been carefully scrutinised by the PMG at the time of their original proposal, but that the Court now wished to be able to relate this individual issue to the developing context.

- Agreed that the Secretary and the Director of Finance would produce a paper setting out the relevant figures for each area and permitting the informed comparison of different options.

Disposal: Noted

#### 58.3 SCOTTISH KNOWLEDGE CONTRACT

- Noted that an acceptable basis of proceeding had been agreed, which protected the University's interest and also maintained the engagement with Scottish Knowledge, which was regarded as being a valuable one.

Disposal: Noted

#### 58.4 TERMS OF REFERENCE OF THE COMMITTEE

- Noted the terms of reference of the Committee, approved by the Court in November 1997.
- Discussed the rôle of the Committee in evaluating major capital projects and in considering material expenditure not included in the University's agreed budget.
- Discussed the general function of the Committee in overseeing the financial affairs of the University, as distinct from the exercise of delegated powers in relation to specific matters.
- Noted the rôle and composition of the Vacation Committee.
- Agreed to propose to the Court that the terms of reference be slightly amended in the light of these considerations.

Disposal: Noted

#### 58.5 MANAGEMENT ACCOUNTS TO 30 NOVEMBER 2001

- The Committee received and reviewed management accounts for the four months to 30 November.
  - i) Operational Summary  
Noted a deficit for the period of £1.54m. This was £503k better than budget, but included two areas for attention (staff costs and research generation accounts), which could have a material influence on the year-end outturn.
  - ii) Analysis of Surplus/Deficit  
Noted that overhead recovery on Research remained some 3.5% below the budgeted level, which was unsatisfactory.
  - iii) Cashflow Statements  
Noted movement of funds since 31 July 2001 reflecting the influence of prepayment of a proportion of tuition fees and of certain SHEFC grants, and the drawdown of £10m in loan finance.

The following actions were agreed:

To pass for investment the sums held under the head of endowments

To assess and to seek to minimise any risk associated with the University's holding denominated in Euros.

To formulate proposals for the use of the balance of long term Lloyds/TSB loan finance (£8m).

Disposal: Noted

#### 58.6 CREDIT FACILITIES WITH CLYDESDALE BANK

- Agreed to undertake further negotiation with the Bank on certain details of the proposed agreement.

Disposal: Noted

## 58.7 PLANNING MEETINGS – ACADEMIC DEPARTMENTS

- Noted a report by Professor Walker on planning meetings regarding finance and staffing matters held with all academic departments in November/December
- Noted the general conclusions from the meetings in relation to
  - i) out-turn for 00/01
  - ii) progress against current budgets
  - iii) forward plans

Disposal: Noted

## 58.8 RESEARCH COSTING AND PRICING

- Noted the establishment of a Research Costing and Pricing group to address the significant shortfall in research overheads, revealed in the accounts for the first quarter as a continuing trend.
- Noted a report on the group's findings and conclusions to date, and its proposed actions in developing controls and management mechanisms to improve pricing policy and to ensure effective implementation.

Disposal: Noted

## 58.9 UNIVERSITY RESTRUCTURING

- Noted a tabled paper by Mr S G Kay, setting out progress to date in relation to the Voluntary Severance Scheme.
- Noted that on present evidence the scheme would not yield enough cost savings to meet the University's target, and the commitments given to SHEFC and the University's bankers.
- Noted that consultation with trade unions was proceeding.
- Noted that an updated report would be made to the next meeting of the Court.

Disposal: Noted

## 58.10 RESEARCH PARK DEVELOPMENT

- Noted the intention of Scottish Enterprise Edinburgh & Lothian, arising from a study of potential for development on the Research Park, to engage in a joint venture with the University to provide infrastructure in readiness for increased numbers of tenants on the Research Park.
- Noted that the University would contribute the value of the relevant land, and the Enterprise Company would provide an initial £4m, plus further finance in stages up to £9½m, to be repaid over an agreed period out of rentals.

Disposal: Noted

## 58.11 TERMS OF REFERENCE

The Committee had considered its terms of reference and had agreed to recommend to the Court certain minor revisions as set out in the attachment to agenda paper F.

Disposal: Approved

It was further agreed that the Secretary of the University, in consultation with the Chairman of Court and Mr G J N Gemmell, would review and revise the remits of the other Committees of Court in relation to the amended management structure of the University.

## 59. AUTHORITY FOR BANKING ACCOUNTS WITH LLOYDS TSB SCOTLAND PLC

With reference to Ct 43.1.2/01-02 and in connection with the transfer of aspects of the University's banking procedures to Lloyds TSB Scotland, the Court resolved to pass 2 resolutions, in terms

requested by Lloyds TSB Scotland, each as set out in Appendix A hereto, in relation to accounts to be operated on behalf of the Alumni Fund and of the Edinburgh Business School Endowment Fund.

60. Ordinances and Regulations Committee – Report

60.1 AMENDMENTS TO BYE-LAWS OF THE STUDENTS ASSOCIATION

The Ordinances and Regulations committee had considered amendments to the Bye-Laws of the Students Association (SA) which had been approved by the Council of the Students Association.

The Committee had suggested minor amendments, which were acceptable to the SA, and had agreed to recommend that the proposed amendments detailed below be approved. The proposed new paragraph recognised that the SA required a person to have responsibility for representing students with disabilities and special needs. The proposed amendments were not repugnant to the Charter, the Statutes, or the Ordinances and the Regulations of the University.

- (i) Add the following new paragraph 4.15 and renumber existing paragraph 4.15 as 4.16.

“4.15 Special Needs Officer

Who shall be responsible to Council for

- (a) Representation, campaigns and the provision of information on all matters affecting students with disabilities and special needs.
- (b) Liaising with the University and attending the Disability Advisory Group.
- (c) Advising the Association on making provision for students with disabilities and special needs.

The Special Needs Officer shall be an Ordinary Member of the Association coopted by the Council. The Special Needs Officer shall normally be coopted in the Third Term of each year. “

- (ii) Add the Special Needs Officer to the list of members of the Associations Students Interests and Activities Committee in paragraph 3.11 (e) of the Bye-Laws.

Disposal: Approved

61. Staffing Strategy Committee – Report

61.1 UNIVERSITY RESTRUCTURING

The Committee had considered a report from the Restructuring Project Manager giving numbers and costs of the voluntary severance scheme. The committee had noted the following update to the numbers.

Total applications	166
Number accepted	66
Number on hold	76
Number rejected	25
<u>Target number</u>	<u>150</u>

The Committee noted that further meetings would be taking place in the Schools before the meeting of the Court in an attempt to encourage more staff to apply for the package. The meetings were to be attended by the President of the Heriot-Watt AUT.

The Committee noted that a further update on the Scheme would be provided for the Court at its meeting, following meetings with the trade unions on 31 January 2002.

The Committee noted that the figures given were as a result of the implementation of the Management of Change Policy approved by the Vacation Committee and ratified by the Court on 24 September 2001( Ct 13.3/01-02).

Disposal: Noted in the context of the report of the Restructuring Project Manager (Minute 62 below)

62. University Restructuring

JOINT REPORT FROM PROJECT MANAGER AND PLANNING AND MANAGEMENT EXECUTIVE

The Court received and noted a tabled paper (Appendix B hereto) prepared by the Project Manager and endorsed by the PME, which set out the present position in relation to the voluntary severance scheme, and made proposals and recommendations for the next stages of the Restructuring Project.

In introducing the report, the Principal made reference to the three elements of the strategy to date, namely strict management of staff vacancies, non staff budget savings and the severance scheme, and to the targets to be met. He also alluded to the measures adopted to keep staff informed, by consultation, support and counselling, and the transparency of the process.

Mr Kay provided a commentary on the issues covered by the report, recognising in particular the balanced and constructive contribution made by all the representative Trade Unions, and in particular the AUT.

The Principal outlined and explained the financial implications and outturn of the numbers of staff in the various categories coming forward for consideration under the severance scheme. This revealed a shortfall on the target but additional benefits were still being pursued.

Prior to considering the recommendations of the report, the Court discussed the issues raised by the Principal and Mr Kay, and the following points were raised:

- The effort and cooperation of all concerned had been exemplary
- The imperative to eliminate costs remained, but should be closely linked to the positive strategic emphasis of the restructuring
- A continuing awareness must be maintained not only of the total expenditure on restructuring, but of the patterns within the total, not least for the information of the University's bankers and the Funding Council.
- The sooner agreed measures could be implemented, the earlier the University would derive the benefit of reduced payroll costs.
- The issue of morale and motivation among staff members not accepted for voluntary severance would require sympathetic management.
- It would be important to maintain the necessary spread of functions, in order to safeguard options for development, to protect the interests of students and to secure delivery of courses. This had in fact been the rationale behind the deferral of severance in a number of cases
- New relationships between academic and support functions would require a new balance and cooperation between these areas
- The Finance Office should continue to monitor the success of the process in both staff and non-staff expenditure.
- It must be borne in on staff that the timescale for the present scheme was strictly limited, and that no more advantageous terms would be forthcoming.

[Those present who were not members of the Court withdrew from the meeting at this point, with the exception of Mr Gregory]

The Court addressed the recommendations set out in the report by PME.

These were

- That work on the voluntary scheme should continue, with continued regular reporting to the Court and, finally, to the meeting of the Court on 13 May 2002.
- That with AUT support, further targeted departmental meetings should be held to seek further volunteers, and that suitable candidates should be interviewed personally by the Head of School and senior HR manager (Mr S G Kay or Mr K M Ross) with a view to a mutually acceptable conclusion.
- That an active programme of Cost Reduction measures, some of which were already beginning, should be put in place without delay to supplement the voluntary severance procedures and to reinforce the University's need for further and continuing savings.

The Court agreed to approve and implement the recommendations, subject to the specification of responsibility for the Cost Reduction programme. In so doing, the Court accepted that the commitments on cost cutting which had been made to SHEFC, and also to the University's bankers, had to be met.

[ Professor A C Walker would take responsibility for the Cost Reduction Programme and would report progress to the Court ]