

Ct2 – 13 December 2004

Court**Minutes**

In the Chair: Mr Gavin Gemmell

Date of Meeting: 13 December 2004

Present also: Principal John Archer
Mr James Alexander
Professor Brian Austin
Mr Graeme Bissett
Mr Michael Breaks
Mr David Brew
Professor Bob Craik
Professor Chris Eilbeck
Mr Steven Findlay
Mr David Guest
Professor Paul Hare

Professor Jim Howie
The Hon Lord Johnston
Mr Jim Maguire
Mrs June Maxwell
Mr Andrew Muirhead
Mr Ray Perman
Professor John Simmons
Dr Ian Steel
Mr Ed Weeple
Mr David Woods
Dr Stan Zachary

In attendance: Professor Denis Hall, Deputy Principal (Research)
Professor Andy Walker, Deputy Principal (Resources)
Professor Alan Prior, Dean of the University
Professor Brian Wherrett, Dean of the University
Mr Peter Wilson, Secretary of the University
Mr Kevin Mallett, Group Financial Controller
Mr Peter Kerr, Director, Estate & Building Services
Mr Richard McGookin, Director of Planning
Mr Stefan Kay, Director of Campus Services, Scottish Borders Campus
Mr Alastair Hood, Assistant Secretary

14 APOLOGIES

Apologies for absence were intimated from The Rt Hon The Lord Mackay of Clashfern, Dr Clark, Dr Kedslie, Ms Lowe, Dr McClure, Ms Savage and Councillor Scobbie.

15 MINUTES

The Minutes of the meeting of the Court held on 4 October 2004 were approved.

16 MATTERS ARISING

16.1 Scottish Borders Campus

It was reported that, since the date of the last Court meeting, there had been useful discussions between the officers of the University and the other interested parties, including the Funding Councils. These discussions were based on the University's desire in principle to achieve a successful co-location with the Borders College, and an agreed solution to the student accommodation issue. The University would require to be in a financial position to maintain the School of Textiles and Design at the Scottish Borders Campus. These issues were however still unresolved.

The Secretary of the University and the Vice-Principal outlined the progress made towards bringing forward detailed proposals in relation to the co-location and student accommodation developments on the Campus. In relation to the residential accommodation development, it was noted that the University, Eildon Housing, Scottish Enterprise Borders and Scottish Borders Council had agreed to share equally expenditure of some £100k required to bring forward a detailed scheme for the provision of residence accommodation. It was anticipated that this sum could be recovered within the financing of the finally agreed arrangements. It was noted that continued pressure would be required if progress was to be maintained

In relation to the co-location plan, it was noted that, following the meeting of the Funding Councils' Property and Capital Investment Committee attended by the University and College on 3 December, the next major decision point was a meeting of the full Further Education Funding Council on 10 February 2005. This should determine the extent of the Council's support. Fuller information on EU and other funding sources might be available by around the same time

The issue for the Court in relation to co-location was that of transfer of certain real estate assets and the related consideration, and the need for satisfactory mechanisms regarding the ownership of the Campus. The risks associated with the proposals as finally presented would require to be assessed at that stage. In the interim land agents and legal teams for the various parties would investigate the technical aspects of transfer of assets.

In discussion, the attention of members focussed on the revenue implications for the University and the need for assurance on the viability, in terms of business planning, of the arrangements being negotiated.

In view of the timescale, it was agreed that the Court Emergency Committee, in concert with the Finance and Estate Strategy Committees, should consider the scenario prior to the F E Funding Council's meeting on 10 February 2005, to permit the University to confirm in writing to the Funding Council its willingness in principle to proceed with co location on the agreed terms and conditions.

16.2 Directorship of Finance

It was reported that agreement had been reached with a candidate who would join the University in mid-January 2005, subject to a formal exchange of letters.

16.3 Edinburgh Conference Centre and Heriot Watt Services

It was reported that two separate companies had been established and a general manager identified for each. A new staffing structure was being introduced which had been discussed by staff and the relevant unions and which included the protection afforded by legislation on the transfer of undertakings (TUPE).

17 COMMUNICATIONS FROM THE CHAIRMAN OF COURT

17.1 Graduation and other events

The Chairman reported on his attendance at several University-related events both internal and external, which had testified to the vigour of the University and its engagement with the community; and referred in particular to the graduation ceremonies in November.

17.2 Borders College

The Chairman had sought to foster the good relationship already established with Borders College in discussion of matters of mutual interest with the Chairman of the Board of Management of the College, Mr Bob Kay. It was important that staff of both institutions appreciated that decisions on the future relationship of the College and the University would be reached on the authority and responsibility of the governing bodies.

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

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

- Policy Development

This was pursued in partnership with the main committees of the Court (cf Minute 24.1 below)

- Student Numbers 2004/5

Overall the University had once again grown year on year with significant growth of part-time undergraduate and taught postgraduate study. Aggregate undergraduate overseas-fee numbers had not reached budgeted levels, and the financial consequences were being addressed in the current planning round. The Principal thanked all involved in achieving the good progress in recruiting in the difficult subject areas of Science and Engineering.

- Structure of the Academic Year

- International Centre for Island Technology

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- November Graduations
- International Review of Engineering Research

The University had been visited as part of the EPSRC and Royal Academy of Engineering review of engineering research capability in the UK.

- Guide for Members of HE Governing Bodies

This document, prepared by the Committee of University Chairmen had been updated and published. The Audit Committee would undertake the process of identifying and monitoring benchmark comparators. The issue of total numbers of Court members was already under review.

- SHEFC Institutional Visit

The visit, with the stated purpose of promoting dialogue about the expectations and progress of the University, had elicited approving comment from the Council. The Principal thanked all participants, and particularly the student representatives, whose unsolicited praise for the University was especially gratifying.

- Review by Funding Council of Institutions' Strategic Plan Forecasts 2003-2007
- Pay Structure Modernisation
- Research Policy

Two research pooling plans among Scottish Institutions in the areas of Physics (SUPA) and of Chemistry (ScotCHEM) had been approved by the Funding Council, the Department of Trade & Industry and the Office of Science & Technology and would receive £6.9m and £9m respectively from SHEFC. The Council's decision on the Edinburgh Research Partnership was expected in early 2005.

- Science Research Infrastructure Fund (SRIF3)
- Transparent Approach to Costing (TRAC)
- Recent Government Appointments
- External Publications

Recently published documents included:

- 1) Joint report by Universities UK and the Standing Conference of Principals entitled 'Measuring and Recording Student Achievement' and a discussion paper, within the QAA framework of enhancement-led appraisal, on the enhancement theme of Assessment.
- 2) A five-year programme published by the Department of Trade & Industry entitled 'Creating Wealth from Knowledge' and with an emphasis on strengthening international science and technology links.
- 3) Scottish Executive publication 'A Smart Successful Scotland', offering strategic direction to the Enterprise Networks and an enterprise strategy for Scotland.

19 COMMUNICATIONS FROM SENATE COUNCIL (Paper B)

19.1 Modified procedures for leave of absence and sabbatical leave

The Court noted modified procedures, approved by the Senate Council, enabling the delegation to Heads of Schools of responsibility for approval of such leave.

19.2 Approval of leave of absence

The Court noted the approval by Principal & Deans Committee, acting on behalf of the Senate Council, of applications for leave of absence by Professor G Pender and Dr A Burger.

19.3 Conferment of Honorary Titles

The Court noted the approval by the Principal & Deans Committee, in accordance with the appropriate Ordinances, of the following honorary appointments:

<u>Name</u>	<u>Title</u>	<u>School</u>	<u>Term of Appointment</u>
Mr R Binnie	Honorary Professor	Built Environment	Three years from 1 August 2004
Professor C Buckberry	Honorary Professor	Engineering and Physical Sciences	Further three years from 1 August 2004
Professor W R D Cantley	Honorary Professor	Built Environment	Further three years from 1 August 2004
Professor T Chadwick	Honorary Professor	Management and Languages	Further three years from 1 August 2004
Dr I Collins	Honorary Professor	Petroleum Engineering	Three years from 1 August 2004
Professor D Geldart	Honorary Professor	Engineering and Physical Sciences	Further two years from 1 August 2004
Mr D H Guest	Industrial Fellow	Engineering and Physical Sciences	Three years from 1 August 2004
Mr A MacLeary	Honorary Professor	Built Environment	Three years from 1 August 2004
Professor W Muller	Honorary Professor	Engineering and Physical Sciences	Further three years from 1 August 2004
Mr W Nicoll	Honorary Lecturer	Management and Languages	Further three years from 1 August 2004
Professor W D Pennington	Honorary Professor	Petroleum Engineering	Three years from 1 August 2004
Professor A Rutherford	Honorary Professor	Life Sciences	Further year from 1 August 2004
Dr M R Steel	Honorary Senior Lecturer	Engineering and Physical Sciences	One year from 1 August 2004
Dr M Tayeb	Honorary Reader	Management and Languages	Three years to 31 July 2007
Dr J Truscott	Honorary Professor	Management and Languages	Three years from 1 August 2004
Dr F J Villarreal-Saucedo	Visiting Lecturer	Engineering and Physical Sciences	Further three years from 1 August 2004.

19.4 Academic Promotions

The Senate Council had noted the promotions recorded in Minute 11.1 of the meeting of the Court on 4 October 2004.

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19.5 Honorary Degrees

The Court noted that the Honorary Degrees Committee, with the full delegated authority of the Senate, had approved the award of honorary degrees to the undernoted individuals at the ceremonies indicated below:

November 2004 - Dr T Pearse Lyons, Alltech Biotechnology Centre, Kentucky, USA. DSc

July 2005 – The Rt Rev G H Cassidy, Bishop of Southwell. DLitt.

In terms of paragraph 6.3 of Regulation 15, the Committee agreed that Professor P W Jowitt should present Dr Pearse Lyons for his award.

19.6 Disciplinary Procedures for the use of Wardens and Residence Security Patrol Officers

The Court noted that the Principal & Deans Committee had approved procedures, developed by the Academic Registrar in consultation with appropriate staff and the Discipline Committee, for introduction from 1 December 2004.

19.7 Guidelines for dealing with Student Discipline Cases

The Court noted that the Principal & Deans Committee had approved guidelines to be introduced from 1 December 2004. Both the Guidelines and the Procedures noted in Minute 19.6 above would also be referred to the Ordinances & Regulations Committee.

19.8 Revision to Ordinance 37, Approved Teachers and Approved Tutors

The Court approved the recommendation of the Senate Council that paragraphs 6.6 and 7.5 of Ordinance 37 be amended to reflect the fact that the University was not required to provide training for off-campus teachers/tutors who were employed at Approved Support Centres, nor to require such persons to undertake training registered by the University.

19.9 Revision to Ordinance 9, Student Discipline

The Court approved the recommendation of the Senate Council that Ordinance 9 be amended to take account of the procedures and associated guidelines on discipline cases approved by the Principal & Deans Committee on behalf of the Senate Council (cf Minutes 19.6 and 19.7 above).

19.10 Revision to Ordinance 17, Duties of Academic Staff

The Court approved amendments to Ordinance 17 taking account of revised procedures relating to leave of absence and sabbatical leave for academic staff (cf Minute 19.1 above).

19.11 Review of Structure of Academic Year

The Court noted that discussions were continuing across the University's Committees and Boards, including detailed consideration of the processes required to effect changes to the structure of the academic year.

20 AUDIT COMMITTEE – ANNUAL REPORT (Agenda Paper C)

The Court received and noted with satisfaction a report on the operation of the Audit Committee for the period January 2004 to December 2004, including a summary of the annual report of the Internal Auditors, Deloitte & Touche, and the report of the External auditors for the year to 31 July 2004.

It was reported in response to a question, that the issue of overpayments to the University by SAAS was being actively pursued by the Finance Office.

21 ESTATE STRATEGY COMMITTEE – REPORT (Agenda Paper D)

The Court received and noted information on topics discussed at the most recent meeting of the Committee as follows:

- Park & Ride Facility
- Scottish Borders Campus Innovation Centre
- SRIF Bids
- Role of Committee
- Scottish Borders Campus Residences
- Maclaurin Building
- SRIF2 Projects
- Scott Russell Building
- Signage
- Press Coverage of Campus Development Plan
- Security Issues
- Quality Enhancement
- Infrastructure Investment to Reduce Expenditure

Noted in relation to the Maclaurin Building the proposal, to be pursued with Planning & Management Executive, that a comprehensive guidance note should be developed on the structure and processes to be adopted, and the nature and extent of advice to be sought, when undertaking capital projects, including full assessment at the outset of the risks involved.

22 FINANCE COMMITTEE (Agenda Paper E₁)

The Court received information on the following topics arising from meetings of the Committee on 11 October and 22 November 2004

22.1 Arrangements with the International Centre for Mathematical Studies (ICMS)

The Committee had noted a draft of arrangements for the financial administration of ICMS within Heriot-Watt University. Control issues relating to financial management and budgeting would be addressed within the financial regulations of Heriot-Watt University. Internal control measures would be subject to the supervision of the Board of ICMS, a joint body between Heriot-Watt and Edinburgh University.

22.2 Edinburgh Business School

Noted that agreement had been reached that 29% of EBS defined revenues be transferred to the University.

Noted that the financial outturn for the School would require scrutiny by the University in the context of budgeting and the submission of reliable figures to SHEFC.

22.3 Sports Academy

Noted that the Sports Academy was fully operational with academic and sporting use, and timely receipt of rental income from Heart of Midlothian.

Noted that no further communication had been received from the receiver for the original contractor.

Noted that the Sports Academy, in its context of future development relating to the Sports Village, was contributing to the University's successfully meeting its quota of student numbers by the enrolment of high quality students in science-based categories.

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22.4 Interactive University

Noted that the circumstances and prospects of the Interactive University were continuing to be more positive.

Noted that provisions by the University fully covered the obligations of the Interactive University to the University, deferred by agreement for six months, and that income was recognised only on receipt.

Noted that Robert Gordon University had enrolled as a participating institution

22.5 Scottish Borders Campus

Noted that, on the basis of the decision of the Court in October and its proviso regarding provision of student accommodation to support the retention of Textiles at Scottish Borders Campus, Eildon Housing were investigating the position in more detail.

Noted that the Vice-Principal and a Working Group were continuing to pursue issues of space usage and ownership in the broader perspective of co-location, but to a rather longer timescale.

22.6 Management Accounts

Noted a consolidated surplus of £1001k in the three months against a budgeted surplus of £870k.

Noted the provisional nature of the figures due to lack of robust supporting data.

Noted a higher level summary spreadsheet (Appendix A to Agenda Paper E₁) giving a broad indication of the health of the University and subsidiaries.

Noted that the principal issues relating to the delayed implementation of the full Oracle suite were the backlogs in processing transactions, the lack of adequate reporting and the inability to monitor cashflow at a particularly volatile period of the year.

Noted that the necessary remedial action had been identified together with a programmed approach to its implementation and a statement of the necessary staffing input; and these would be brought to the attention of University management.

22.7 Oracle

Noted a progress report on the extent of successful implementation of the Oracle financial system.

Noted that the underlying reporting function was not yet furnishing the data required for effective management of current programmes and the operation of the planning round.

22.8 Fees Schedule 04-05

The Committee had received and noted a schedule of fee rates for the academic year 2004-05 based on an increase for overseas students of 4%. Home/EU fees were broadly in line with government advice with marginal variation.

On the recommendation of the Committee, the Court approved these increases and resultant fees.

22.9 Annual Financial Accounts

In a joint meeting with the Audit Committee, the Committee had received draft annual accounts and financial statements for the year ended 31 July 2004; a report on audit results for the period prepared by the external auditors Ernst & Young; and recommendations to management, together with actions thereon agreed with management.

The Committees noted the audit results and the unqualified opinion of the Auditors on the draft accounts, together with the issues raised in the management letter.

The Committees agreed to recommend to the Court approval of the Financial Accounts (cf Minute 23 below).

23 FINANCE COMMITTEE ANNUAL REPORT (Agenda Paper E₂)

The Court received and noted the annual report of the Finance Committee, accompanying the submission for approval of the annual accounts to 31 July 2004.

The Convener, Mr Bissett, referred in introducing the report to the surpluses recorded in the past two years which were forecast to be maintained in the forthcoming period. This had been and would be supported by closely managed cashflow and debt levels. The Schools had been successful both in terms of academic and financial performance. The Committee had given particular attention to four areas of potential difficulty all of which showed evidence of improvement, namely:

- governance and financial relationships with Edinburgh Business School and the Interactive University
- the management of the contract for the Sports Academy
- the development and implementation of the new Oracle financial management system

The Committee would continue to monitor the progress of the Oracle project and to prosecute work in progress in relation to the Scottish Borders Campus and the discrete development of Catering & Residences and Edinburgh Conference Centre. Mr Bissett paid tribute to the efforts of the finance office staff, and of Mr Mallett in particular, in meeting the challenges posed by the implementation of Oracle in addition to their routine professional obligations.

The Court agreed, after elucidation of certain points of detail, to approve the draft accounts and financial statements for signature and submission to SHEFC.

24 STAFFING STRATEGY COMMITTEE – REPORT (Agenda Paper F)

24.1 University Policies and Guidelines

The Committee had received and considered draft policies and associated guidelines developed in consultation where appropriate with union representatives and under the supervision of the Support Services Board. The documentation had also been received by the Planning & Management Executive.

The Court approved the policies on

- Sickness Absence
- Alcohol and Substance Abuse
- Equality and Diversity
- Intellectual Property

as set out in the Appendices to the report.

In discussion of these matters, the Court also noted the following:

- the issue of sick pay entitlement as between different categories of staff would be monitored
- managers dealing with issues surrounding dependency on alcohol or other substances could seek help and advice at any stage from Human Resources and some measure of training in this area would be desirable
- the University's position relating to Intellectual Property was broadly comparable to that of other institutions and had been widely discussed with students and staff
- it was desirable to have the greatest possible degree of clarity in relation to Intellectual Property rights at the outset
- the Funding Council was moving towards looser arrangements and greater reciprocity between staff and institutions in order to promote commercialisation
- the University would continue to seek a framework which would steer the benefits of innovation and commercial exploitation of IP towards the individual and the group within the context of the institution.