

MINUTES OF THE PROCEEDINGS

at the Forty-second Meeting of the

COUNCIL OF THE IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The Forty-second Meeting of the Council was held in the Bill Mason Club Room, the Imperial College Boathouse, 15 Embankment, Putney, London, SW15 1LB at 10:00 a.m. on Friday 10 July 2015, when there were present:

Sir Philip Dilley (Chair), Mr. C. Brinsmead, Dame Ruth Carnall, Mr. J. Cullen, Professor A.P. Gast (President), Professor N. Gooderham, Professor Dame Julia Higgins, Ms. J.R. Lomax, Mr. J. Newsum, Mr. S. Newton, Mr. M. Sanderson, Professor J. Stirling, Professor T. Welton, Mr. T. Wheeler and Mr. J. Neilson, the Clerk to the Court and Council.

Apologies

Professor A. Anandalingam, Mr. I. Conn, Professor J. Magee, Professor G. Screaton,

In attendance

Professor D. Gann, Mrs. S.P. Waterbury and Mr. J.B. Hancock, the Assistant Clerk to the Court and Council.

WELCOME

The Chair welcomed Mrs. Sarah Porter Waterbury, the Vice-President (Advancement), who was attending her first meeting of the Council.

MINUTES

Council – 15 May 2015

1. The Minutes of the forty-first meeting of the Council, held on Friday 15 May 2015, were taken as read, confirmed and signed.

MATTER'S ARISING

2. The Chair reported on progress on the recruitment of new external members of the

Council. The approach to the prospective candidates identified at the last meeting had been agreed. Further progress was now required to fill the vacancies on the Council.

CHAIR'S REPORT

3. The Chair updated members on the Court Meeting, which had been held on 4 June 2015. The meeting had concentrated on the implementation of the College Strategy, with Court members being divided into three groups to discuss three specific elements of the College's strategy: '*We will share the wonder and importance of what we do*'; '*We will strengthen collaboration with business, academia, and non-profit, healthcare and government institutions across the globe*'; and '*We will inform decision makers to influence policy*'. Useful contributions had been made under each heading and the feedback from members after the meeting had been positive. However, the Chair noted that most Court members' terms of office were due to expire this year, and he suggested that it was therefore timely for the College and the Council to consider the purpose and future role of the Court in more detail. He asked for options to be prepared for discussion at a future Council meeting.

PRESIDENT'S REPORT

4. The President reported that the new Strategy had now been published on the College website in a dynamic format which it was hoped would aid the exploration of different elements of the Strategy. The Strategy was also available in hard copy, and these were also being provided to departments for distribution. The College had not made an external announcement about the publication of the Strategy, preferring a soft internal launch, but Professor Gast encouraged members to share the printed Strategy as widely as possible, and also to promote it online. Many future announcements would also be explicitly linked to the Strategy.
5. It was suggested that the College should think about how to engage with its corporate and other partners on those elements of the Strategy of particular relevance to those sectors. This would also help the College to coordinate with other organisations and local government. The President said that individual elements of the Strategy would be extracted and made separately available so that these could be shared more widely, but she agreed that the Executive should also consider how to engage with the College's corporate partners and with the Government on the Strategy. It was suggested that the College could use it to contribute to the discussions on greater regional devolution which were now taking place, particularly in the areas of biomedical sciences and healthcare. The new Strategy could provide a common framework for working with different groups. It was also suggested that the College could act as a convening body for this type of dialogue between organisations and Government.

6. The President was pleased to report that the College's proposals for the Michael Uren Biomedical Engineering Research Hub had been granted planning permission by Hammersmith and Fulham Council. Negotiations for the sale of the Teddington sports ground were also continuing. However, Richmond Council, which had previously rejected a request to consider a Community Asset Transfer for the sports ground, had now indicated that it might allow a further submission on this.
7. The President then reported on her recent external meetings and visits, including the recent visit by the new Minister for Universities and Science, Jo Johnson, on 6th July. He had confirmed that the Government was interested in introducing a Teaching Excellence Framework, in parallel to the Research Excellence Framework, and that it was likely that any proposal to allow institutions to increase their fees would be linked to performance in this Framework. Although a 'light touch' process was promised, previous teaching quality assessments had been very bureaucratic, and it was hoped that any new system would not be nearly as burdensome. He had also indicated that the Science Budget would be protected from funding reductions.
8. It was noted that there was a degree of skepticism in the general public about the maintenance of academic standards, and there was a common perception that grades were being inflated at some universities. There had been similar concerns about academic standards and grade inflation in schools, and this had resulted in a lack of trust in teachers and schools; it was important that universities should retain trust in both their standards and their independence.

PROVOST'S REPORT

9. The Provost, Professor James Stirling, reported on positive developments in relation to animal research since the Council's last meeting. In February the College had submitted a report to the Home Office on progress made over the previous year in implementing the *College's Action Plan for World Class Animal Research*. The Home Office response to this report, which had recently been received, provided a comprehensive endorsement of the progress made at the College over the last 18 months. The Home Office had noted that Imperial was now advancing well on the journey to transform its culture of care. Professor Stirling acknowledged that this was a long-term project, and there was no place for complacency; nevertheless, this was a significant moment. Professor Stirling then paid tribute to the large number of colleagues who had contributed to this progress, many of whom had been mentioned by name in the letter from the Home Office. He said that their contribution to the College throughout this period had been outstanding.
10. Professor Stirling then reported that Professor Marina Botto had recently been appointed as Director of Bioservices, and would take up her new position on 20th July 2015. Professor

Botto's new responsibilities included the provision of strategic academic leadership for the animal research community within the College, and an immediate priority for her would be to determine a development strategy for the College's animal research facilities.

11. Closing his report, Professor Stirling said that Professor Debra Humphris, Vice-Provost (Education), would leave the College at the end of October to take up appointment as the Vice-Chancellor at the University of Brighton. Professor Jenny Higham, Vice Dean (Education and Institutional Affairs) in the Faculty of Medicine, had just been appointed as the new Principal at St George's Medical School, University of London and would also be leaving the College in October. Professor Stirling paid tribute to the substantial contributions both had made to the College.

DATES OF FUTURE COUNCIL MEETINGS (PAPER A)

12. The Clerk, Mr. Neilson, presented Paper A and asked members to let him know if they were unable to attend any of the proposed dates for Council meetings through to 2019.

Resolved:

That the dates of future Council Meetings, as set out in Paper A, be approved.

THE 2015-16 PLAN (PAPERS B, C, D AND E)

13. The Chief Financial Officer, Mr. Sanderson, gave a presentation on the financial plan for 2015-16 and reminded members that the College was in the unusual situation of being a world-class university that was not independently wealthy. Therefore, if the College was to deliver its ambitious strategy it would have to use the land at White City and its capital to diversify its income streams and most likely generate additional upfront cash through debt and asset sales.
14. In discussion, it was noted that the College's operational excellence programme was at least in part intended to control costs. However, the impact on costs did not appear to be reflected in the budgets for 2015-16 or beyond. Mr. Sanderson said that a target of the Operational Excellence programme was that support staff costs would not rise faster than wage rate inflation. He also noted that operational excellence would provide cost savings by providing additional time for academics to spend on teaching and research, rather than in budget reductions. He agreed to provide a further update on the impact of the Operational Excellence programme at a later Council meeting.
15. Mr. Sanderson went on to say that in previous years the College had consistently out-performed its budget and delivered significantly greater surpluses than forecast. This was

primarily because the Faculties were not able to recruit new high quality staff on research grants as quickly as they would like. However, this over-performance served to mask a slow decline in the College surpluses as a result of the caps on some income streams (for example, Home and EU students where the fee had been capped at £9,000 since the introduction of higher fees in 2012). The productivity gains from operational excellence would help to halt this decline, but would not provide the College with the scale of funds needed to invest in the refurbishment of its buildings and development of the White City Campus. It was suggested that the plan provided a basis for approving the budget for 2015-16 now, but that there was an opportunity for the College to present budget forecasts for the following two years that reflected more accurately the likely outturns in each of those years (i.e. forecast surpluses which took account of the likely rate of research expenditure, the impact of operational excellence, additional income generation and the diversification of sources of revenue).

16. It was noted that several US universities used income from their substantial endowments to fund recurrent expenditure and to provide investment funding. It was queried whether the College should in future consider making use of some of its endowment income for investment. The Council was reminded that when it had been established, the Endowment had been intended to provide collateral for the borrowing taken by the College at that time. The Endowment's financial position had improved considerably since then, in part because of the reinvestment of income. The use of this fund had and would evolve over time, and it was suggested that the future use of the Endowment Fund should be considered at a future Council meeting. Other issues raised by the Council included the need to control the costs of IT projects; the risk of wage inflation, particularly if there was an improvement in the economy; and the potential impact of continued funding issues in the NHS. There was also a concern that BIS and HEFCE might in future seek to shift funding to the regions for political reasons, rather than basing funding decisions on excellence.
17. Turning to the Capital Plan, Mr Sanderson noted that the College did not have sufficient cash at present to fund the Plan fully, as presented. However, he reminded members that it included some projects that would only proceed when and if external funding was found, and others which could be delayed or slowed down if necessary. He also reminded members that, even though the Council was being asked to approve the Capital Plan for the next ten years, individual projects of more than £10m capital cost would each need to be approved separately by the Council as and when it was proposed to proceed with them. For the Plan to proceed exactly as set out would require the College to raise additional debt, attract more significant philanthropic income and raise income from asset sales. It was suggested that the Capital Plan be supplemented with a schedule setting out a timeline with the main decision points for the Council. A distinction should also be made between core projects which were necessary to meet the College's academic mission, and those that were for related ventures, and hence were intended primarily as investments to generate future income for the College.

18. With regard to these related ventures, it was noted that so far they had been based largely on creating income from property development. It was recognised that the College was not a property developer, and it was suggested that the College should also explore other related ventures which were more closely related to the College's core activities.
19. Closing his report, Mr. Sanderson drew members' attention to the request appended to the Capital Plan that the Council approve the proposed project to replace the two Combined Heat and Power engines at the South Kensington Campus. As well as replacing the two engines with more efficient units, the project would provide for additional efficiency works around the heat network and associated plant rooms. Finally, he asked members to approve the College's annual financial forecasts for submission to HEFCE.

Resolved:

- (i) That the operating budget for 2015/16 for the College (excluding the Endowment), as set out in Paper B, be approved.
- (ii) That the 2015/2016 Capital Plan, as set out in Paper C, be approved.
- (iii) That the replacement of the Combined Heat and Power (CHP) Engines at a project cost of £11.2M, as set out in Paper C, be approved.
- (iv) That the College's annual financial forecasts submission to HEFCE, as set out in Paper D, be approved.

SENATE REPORT (PAPER F)

20. Mr. Neilson presented Paper F and drew members' attention to the proposed revision to the Senate constitution to remove the Chair of the Undergraduate Admissions Committee as an ex-officio member.

Resolved:

That the revisions to Ordinance A8, The Membership and Meetings of the Senate, as set out in Paper E, be approved.

ADVANCEMENT REPORT (PAPER G)

21. The Vice-President (Advancement), Mrs. Sarah Porter Waterbury, presented Paper G. She said that the College already had a strong and talented core team in Development but that there were areas where expertise was lacking, and additional staff were needed in order to

expand and improve upon current achievement. Her immediate goal was to build a strong unified Advancement team that included Development, Alumni Relations and Events. The long-term goal was to build an organisation that operated smoothly and efficiently, and which could produce a predictable return and steady growth in fundraising income for the College. One key area currently lacking was prospect development, which researches new prospects, and she was hiring a new officer at the Director level to build this function. As important as it was to attract single large donations, she felt that the most important objective was the achievement of regular and predictable philanthropic income each year. She believed the College was well-placed to succeed with this.

22. Members welcomed Mrs. Waterbury's report, and were pleased with the professional approach to development and to the structure of the Advancement Department. It was noted that the aggressive pursuit of donors through cold-calling that had been adopted by a few charities was now coming under close public scrutiny. In this context, the importance of adhering to the robust assurance processes in place to protect the College from experiencing similar problems was reiterated.

ENGAGEMENT WITH INDUSTRY

23. The Vice-President (Innovation and Entrepreneurship), Professor David Gann, gave the Council a brief presentation by way of a preview of his review of Technology Transfer and Translation at the College. A fuller presentation would be made at the Council's next meeting in September, but he noted in particular the various pathways to achieving societal impact from research and ideas and their application in the outside world.

ENGAGING GOVERNMENT (PAPER H)

24. Mr. Neilson presented Paper H, and noted the variety of ways in which the College was able to engage with Government, and the principal issues which were a priority for the College.
25. It was noted that several Council members had personal connections and contacts in Government which could be used to assist the College in making its views known on priority issues, and it was agreed that the College would maintain a register of those contacts as well. It was also suggested that the College should make more use of its close contacts with the departmental chief scientific advisors, many of whom were College staff, or who had close connections with the College.

ENDOWMENT REPORT (PAPER I)

26. On behalf of the Chair of the Endowment Board, Mr. Nick Moakes, Mr. Sanderson presented Paper I. It was noted that the Board had commissioned a strategic review of its portfolio and it was suggested that, once completed, this should be presented to the Council so that it could determine whether to make any changes to the investment strategy for the Endowment.

HEALTH AND SAFETY ANNUAL REPORT (PAPER J)

27. Mr. Neilson presented Paper J and noted that this was the first report from the new Director of Safety, Dr. Surrinder Johal. She had already made some significant changes to safety management at the College, and the report set out a number of new initiatives that would be implemented in the coming year. Mr. Neilson noted that in future the annual health and safety report would also include occupational health and fire safety.

IMPERIAL WHITE CITY SYNDICATE REPORT

28. The Chair of the Imperial White City Syndicate, Jeremy Newsum, reported that the Syndicate was working with the recently appointed Imperial White City Programme Director, Graham Stark, and that it would now be looking at the development of the South site as well as the North site at Imperial White City.

REPORT FROM THE ICU PRESIDENT

29. As he was attending his last meeting, the President of the Imperial College Union, Mr. Tom Wheeler, presented a personal review of his year as President. He noted that the College and the Union had worked together successfully on a number of issues, and as a result the College now offered the most competitive bursaries in the country. Imperial was also the first university to involve students in setting rents in its halls of residence. The Union had also contributed to development of the College Strategy, which included a commitment to enriching the student experience, including specific reference to mental wellbeing, student consultation and student support.
30. During the year, he acknowledged that the Union had had to tackle some unhealthy sub-cultures within certain areas of the College Community, and had faced criticism for poor consultation and communication. However, he felt the Union was continuing to grow and develop, and the extent of student engagement in Union activities was sector-leading, with 55% of students joining at least one of its 350 Clubs, Societies or Projects. The Union had also received a strong assurance rating from the college's internal auditors, and in 3½

years had improved from a negative free reserves position to £500k of free reserves, whilst spending more than ever on services and representation. It was also the only part of the College to hold Investors in People Accreditation.

31. The Union had big ambitions for the future, and would be negotiating its funding for the next three years with the College in the coming year. He hoped that the Union's ability to deliver services and play a fundamental role in the student experience at the College would be recognised by a significant investment in the Union's future from the College. The Union had a vital role in ensuring a sector-leading, value-added student experience, and in developing global leaders of the future, and he looked forward to returning to the College to see how its future developed.
32. Mr. Sanderson confirmed the high level of assurance given to the Union by the internal auditors and reported that KPMG had advised the Audit Committee that, not only was this a sector-leading result, but that it was highly unusual for any students' union to receive such a level of assurance. This was a tribute not just to Mr. Wheeler and his immediate predecessors as President, but especially to the Union's Managing Director, Mr. Joe Cooper, who had been instrumental in achieving such a turnaround in the Union's Management.
33. On behalf of the Council, the Chair thanked Mr. Wheeler for all he had done for the Union and the College and also for the contribution he had made to the work of the Council during his year in office.

STAFF MATTERS (PAPER K)

34. Paper K was received for information.

MAJOR PROJECTS REPORT (PAPER L)

35. Paper L was received for information.

ANY OTHER BUSINESS

36. **Valete**. The Chair advised members that this would be Professor Nigel Gooderham's last meeting as the elected staff member. He asked that the Council's thanks to Professor Gooderham be recorded in the Minutes.

NEXT MEETING

37. The Chair reminded members that the next meeting would be held on Friday 18 September 2015 at 1:00 p.m. at the Francis Crick Institute.