

MINUTES OF THE PROCEEDINGS

at the fifty-ninth Meeting of the

COUNCIL OF THE IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The fifty-ninth Meeting of the Council was held in the Conference Room, Translation and Innovation Hub (iHub), White City Campus, Imperial College London at 10:00 a.m. on Friday 23rd November 2018, when there were present:

Sir Philip Dilley (Chair) (except for Item 18), Professor N. Brandon, Mr. C. Brinsmead, Mr. I. Conn, Mr. T. Courtauld, Mr. J. Cullen, Professor S. Eisenbach, Professor A. Gast (President), Ms. S. Murray, Ms. A. Nimmo, Dr. M. Safa, Professor J. Sanders, Mr. M. Sanderson, Mr. R. Tomkies, Professor F. Veloso, Professor I. Walmsley (Provost), Professor J. Weber, Professor T. Welton, Mr. C. Williams and Mr. J. Neilson (Clerk to the Court and Council).

Apologies

Sir Jonathan Michael

In attendance

Mr. N. Moakes (Items 1 to 8 only) and Mr. J. Hancock (Assistant Clerk to the Court and Council).

WELCOME

The Chair welcomed the Chair of the Endowment Board, Mr. Nick Moakes, to the Council meeting.

ITEM 1 – MINUTES

Council – 14th September 2018

1. The Minutes of the fifty-eighth meeting of the Council, held on Friday 14th September 2018, were taken as read, confirmed and signed.

ITEM 2 – CHAIR’S REPORT

2. Opening his report, the Chair reminded members that the Annual Accounts and other papers to be considered at this meeting were confidential to Council members, and would remain so until they were published (in the case of the Annual Accounts), or until the minutes of this meeting were approved (other papers with particular provision for commercially sensitive information).⁽¹⁾
3. The Chair reported on the meeting of the Nominations Committee held on 22nd November. He reminded members that the Charter provided for the appointment of between 9 and 13 external members of the Council, and there were currently 10. The Nominations Committee aimed to propose the appointment of one or two new members in 2019. To that end, it was developing a long-list of potential nominees, and he asked all members of the Council to put forward one or two suggestions for inclusion on the long-list by the end of December.
4. Turning to the membership of the Audit & Risk Committee, he reminded members that this Committee had asked for an additional member to be appointed with experience of the NHS and of NHS risks. He was pleased to say that Sir Jonathan Michael had been proposed by the Nominations Committee.

Resolved:

That Sir Jonathan Michael be appointed as a member of the Audit & Risk Committee with immediate effect.

ITEM 3 – PRESIDENT’S REPORT

5. Opening her report, the President, Professor Alice Gast, welcomed members to the White City Campus and to the I-Hub, and she noted the distinct and vibrant atmosphere that was now developing at the White City, with the increasing levels of occupation of the I-Hub and the opening of the Molecular Sciences Building.
6. Turning to the issue of Brexit, the President noted that the Government had set a deadline of 1st December to trigger the next phase of ‘no deal’ contingency planning. The College

1. Secretary’s Note: The confidentiality of Council papers is set out in Ordinance A5 as follows:

“Papers presented at meetings of the Council remain confidential to members of the Council until the Minutes of the Meeting at which they were considered are published. Papers which contain information which is commercially sensitive or confidential, or which are concerned with reserved areas of business, will remain confidential until such time as the Chair of the Council or the Clerk determine otherwise.”

Brexit Advisory Group was following the same timeline and was currently undertaking scenario planning for both 'deal' and 'no deal' scenarios. The group, which had expanded to include Faculty Operating Officers and other key operational staff, was focused on three key areas: supporting EU staff and students and keeping them informed, including those taking part in a pilot for the EU Settled Status scheme; preparing to mitigate the impact of Brexit on research and collaboration; and creating detailed contingency plans for College supply chains.

7. With regard to future relationships in Europe, the College continued to explore strategic partnerships with European universities, and had formed a flagship partnership with the Technical University of Munich in October. The College was also in discussions with policymakers in the UK and Brussels on the future of Horizon Europe, with the aim of it remaining a programme with which the UK government would be associated. College staff had also met with colleagues in Norway and Switzerland to understand how their relationships with the EU operated, and how UK universities could learn from this experience.
8. On a more positive note, the President reminded members that the UK's Industrial Strategy had been launched a year ago. The College had been closely engaged at all stages, and in the last year Imperial researchers had received over £11m in Industrial Strategy funding, including 6 UKRI Industrial Strategy Challenge Fund (ISCF) Projects (as PIs or partners) and 15 UKRI Innovate UK projects.

ITEM 4 – PROVOST'S REPORT

9. Opening his report the Provost, Professor Ian Walmsley, said that analysis by the Times Higher showed that the College received more grant income from UK Research Councils in 2017-18 than any other university, indicating the competitiveness of proposals submitted by the College. Research Council funding represents approximately 31% of the College's total income from grants and contracts. The full portfolio includes funding from Charities (e.g. Wellcome Trust), other government sources (e.g. NHS), the European Union, and industry. However, overall the College's total research funding from all sources had declined slightly relative to its main competitors, from a leading position a decade ago. The College will continue to work to improve the success rate of its applications for all types of funding, as it has done with Research Council funding. The recent successes with ISCF projects highlighted by the President is a positive sign and deserves continued focus. The future landscape for funding opportunities looks promising in light of the Government's recent commitment to work with industry to boost R&D spending in the UK to 2.4% of GDP by 2027,
10. Moving on, the Provost updated members on recent developments in relation to the USS pension scheme following the publication of the Joint Expert Panel (JEP) Report on 13

September 2018. The JEP report had recommended possible ways of reducing the deficit, and the cost of maintaining the current defined benefit scheme which, if implemented, would increase employer contributions to 19.5% and employee contributions to 8.8% from the current levels of 18% and 8%. The report had been welcomed cautiously by both employers' and employees' representatives. The College had subsequently endorsed the report and recommendations. In response, the USS had agreed to reopen discussion on risk capacity and appetite with employers, and would conduct a new valuation of the scheme as at March 2018, with the aim of introducing a revised cost-sharing arrangement before employer contributions to the scheme are scheduled to increase to 22.5% of salary.

11. Although these developments were positive, the Provost noted that there were still a number of hurdles to overcome before the dispute could be resolved. In the meantime, the College was maintaining a regular dialogue with its community. There was no immediate threat of a return to the widespread industrial action seen earlier in the year, although this would continue to be a pressing issue in the coming year.
12. Finally, the Provost reflected on his first 100 days in post. He had been discussing his plans to develop an over-arching academic strategy for the College with the academic community. As a first step, each Faculty was working on their own strategic plans, and in the New Year he would begin the process with the Faculties of consolidating these into a compelling academic vision for the College. The aim of this process was two-fold: first to provide a compelling narrative to increase the College's outside profile and raise the resources required to deliver the vision; and second, to assist with the internal allocation of limited resources. He hoped to present the outcome of this work to Council in September or November 2019.

ITEM 5 – FINANCE COMMITTEE REPORT (PAPER A)

13. The Chair of the Finance Committee, Chris Brinsmead, presented Paper A, and commended the College's Finance Team for producing a forward-looking scorecard for the Finance Committee. The Committee had asked for some additional refinements to be made to the scorecard, which would then be shared with the Council.

ITEM 6 – WHITE CITY SYNDICATE REPORT

14. The Chair of the White City Syndicate, Ms. Alison Nimmo, provided members with an oral report on the Syndicate's last meeting, held on 2 October. At that meeting, the Syndicate had reviewed the vision for the campus, considered a report on progress with the development of Scale Space and the physical infrastructure requirements for the south campus, and discussed the Syndicate's terms of reference and the future governance

arrangements for the White City development. On the latter point, she said there had been a robust conversation about resourcing and governance, and how the development could most appropriately be supported. A further meeting had been arranged in January to discuss the Syndicate's revised Terms of Reference, after which they would be presented to the Council for approval.

15. The Chair was asked what progress was being made with access to the site, and the proposed bridge over the Central line. Ms. Nimmo said the College was having positive discussions with TfL on the bridge, and other matters. She noted that, while the access bridge was central to the College's overall vision for the Campus, it was not needed for the Scale Space development, or for any other currently planned developments on the north or south side of the Campus, and would not be an absolute requirement for several years. In the meantime, the College would continue its discussions with TfL and make sure it was in the position to develop the bridge as and when the opportunity arose to reach an agreement.

ITEM 7 – ENDOWMENT STRATEGY UPDATE AND ANNUAL REPORT (PAPER B)

16. The Chair of the Endowment Board, Mr. Nick Moakes, presented Paper B. He reminded members that the Endowment had first been established as a collection of disparate College assets which were also used to underpin the College's borrowing. It had grown considerably since then, and now consisted of a set of coherent assets held in three distinct classes or 'pots' (the Unitised Scheme, property assets, and 'strategic' assets). It is also no longer needed to back College debt. The aim now is to run the Endowment with the sole focus of providing long-term returns to support the College's mission i.e. as close as possible to a "true" Endowment, though he also reminded Council that the majority of funds held within the Endowment were not in fact legally 'endowed' funds, but were held by the College in the Endowment for the purpose of managing those funds.
17. In support of this, the Endowment Board was recommending that the investment horizon should be extended from 5 years to 10 with a corresponding reduction in liquidity requirements that at least 30% of the whole portfolio should be realisable within three months down from the current target of 75%; the property and strategic assets be placed into the unitised scheme following their independent valuation and agreement on their investment and debt strategies, and that the annual return target of RPI + 4% be replaced with a more ambitious target of at least CPI + 5%.
17. The Chair asked whether the Endowment still held any assets that were restricted for strategic or 'sentimental' reasons. Mr. Moakes said that the Endowment Board had been clear that any assets that were encumbered because they might be required for the College's academic mission should not be in the Endowment. With the exception of the College's holdings in Imperial Innovations (which were restricted for other reasons), the Endowment now had complete freedom to manage all the assets under its control, and to dispose of any

assets if it chose to do so.

18. Mr. Moakes was asked about the Endowment's risk appetite, and the extent of any ethical restrictions on investments. He said that the proposed longer term view on investments and returns would allow the Endowment Board to operate with a higher risk appetite. With regard to ethical investments, he noted that the board was actively discussing the benefits of a responsible investment policy. He confirmed that the College did not, and would not, hold any direct investments in tobacco.
19. Mr. Moakes was asked if consolidating the property assets into the unitised scheme would affect existing unit holders. He confirmed that all unit holders should benefit from being part of a more diversified, and larger, unitised scheme.

Resolved:

- (i) That the revised Investment Policy for the Endowment, as set out in Paper B be approved.**
- (ii) That the Endowment Board be given delegated authority on behalf of the Council to implement the changes to the Investment Policy, as set out in Paper B.**

ITEM 8 – COLLEGE STRATEGY UPDATE TO 2023 (PAPER C)

20. Introducing Paper C, the President noted that there had been significant changes to the external environment since the College Strategy had been approved in May 2015. Recognising this, the College's senior management had carefully reviewed the goals set out in the Strategy. Although it was not proposed to make any changes to the Strategy, it had been agreed to adopt some new ways to measure progress, which were set out in Paper C.
21. The President of the Imperial College Union, Mr. Tomkies, noted that measures of success had been suggested for outreach and access, and also for graduate outcomes, but that there were no measures for the student experience while students were at the College. The President said that the primary measure for the student experience was the National Student Survey, but that this was generally recognised to be a flawed and imperfect measure. She suggested that the College and the Union work together to devise a more appropriate target to measure improvement in the student experience.
22. It was noted that no targets had been set for increasing the flexibility of the College's education provision, or adopting alternative modes of education delivery, such as remote learning. It was suggested that the College consider whether a target could be that it would be in a position in 5 years' time both to articulate a clear strategic position on flexible modes of delivery, and to be a leader in this field. Council was advised that the Business School and

some of the other Faculties were already investing in digital programmes and other parts of the College were considering how online resources could augment their existing programmes. It was suggested that a target could be devised that was realistic, but did not tie all Faculties to adopting the same modes of delivery or to the introduction of remote learning.

23. It was suggested that there should also be a target relating to the College's efforts to attract additional funding to meet its longer-term ambitions for the White City Campus. It was acknowledged that it could not at present fund these ambitions, but it was suggested that it should aim by 2023 to have a clearer view of how they would be funded, whether that be through joint ventures, strategic partnerships and/or philanthropy.
24. The President thanked members for their suggestions and confirmed that, although the published strategy would not be revised, the Council's comments and suggestions would be considered further.

ITEM 9 – ANNUAL REPORT AND ACCOUNTS 2017-18

ANNUAL REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 JULY 2018 (PAPER D)

EXTERNAL AUDITORS' REPRESENTATION LETTER (PAPER E)

25. The Chief Financial Officer, Muir Sanderson, presented Paper D and Paper E. He advised the Council of a technical accounting issue that would have to be resolved before the External Auditors could sign the Accounts. Note 13 in the Accounts on Investments in Associates included reference to the value of Touchstone Innovations plc following its acquisition by the IP Group. Although this figure did not affect the College's bottom line, in order to sign the Accounts, PwC had to confirm the accuracy of the valuation with IP Group's auditors, KPMG. It was expected that PwC and KPMG would meet in the coming week to resolve this issue, and that PwC would then be able to sign off the Accounts. Mr. Sanderson confirmed that the Council could still approve the Annual Report and Accounts at this meeting, subject to subsequent ratification by the External Auditors.
26. The Chair of the Audit & Risk Committee, John Cullen, reported that the Audit & Risk Committee had considered the draft Annual Report and Accounts at its meeting on 12 November 2018, and that it had recommended that they be approved by the Council.

Resolved:

- (i) **That the Annual Report and Accounts for the year ended 31 July 2018, as set out in Paper D, be approved.**

- (ii) **That the Representation Letter for the External Auditors, as set out in Paper E, be approved.**

ANNUAL REPORT FROM THE AUDIT & RISK COMMITTEE (PAPER F)

27. The Chair of the Audit & Risk Committee, John Cullen, presented Paper F, and drew members' attention to the issue of the verification of suppliers' bank details, which had been highlighted by the Internal Auditors in one of their internal audit reports. The College had responded positively, and the recommended process improvements had now been implemented. However, the same issue had then arisen in a subsequent audit of one of the College's subsidiary companies, IC Consultants (ICON). In response, the Audit & Risk Committee had asked the College also to make sure that the other subsidiaries all had the necessary safeguards in place.
28. It was noted that the management of suppliers' details could have implications for GDPR compliance, and it was queried whether this aspect had been considered. The Clerk advised members that the College had implemented a wide range of measures in advance of GDPR, including the appointment of a dedicated Data Protection Officer, a data audit and mapping exercise, the preparation of data privacy and collection notices, the creation of data protection impact statements, and improved data breach reporting mechanisms, and that this programme had included suppliers' data.
29. Mr. Cullen then reminded the Council that two College buildings had cladding that might need to be replaced following the Grenfell Tower fire. Council had previously asked the Committee to review these buildings' safety arrangements, and the College's strategy for replacing the cladding on these buildings. Mr. Sanderson reported that the College's Woodward and Griffon Halls of residence both had some limited cladding (less than 30%) that was now considered to be flammable. Although both buildings had a range of fire arrangements in place that meant they were safe, the College had agreed that the suspect cladding on both buildings should be replaced. Mr. Sanderson confirmed that work was underway on this.

ANNUAL ACCOUNTABILITY AND ASSURANCE RETURN FOR OFS (PAPER G)

30. The Clerk, Mr. John Neilson, presented Paper G and reminded members that this year the assurance returns would be made to the Office for Students (OfS) for the first time.

Resolved:

- (i) That the Financial Commentary Return for OfS, as set out in Paper G, be approved.**
- (ii) That the Annual Accountability and Assurance Return for OfS, as set out in Paper G, be approved.**

ITEM 10 – ANNUAL SUBMISSIONS TO THE OFFICE FOR STUDENTS**ANNUAL REPORT ON EDUCATIONAL QUALITY (PAPER H)**

31. The Provost, Professor Ian Walmsley, presented Paper H. The report set out the College's processes for assuring the quality and standards of its educational provision. Professor Sanders said he had considered the report carefully, and was content with the controls and processes in place. The Council could be assured that the methodologies used to improve the student academic experience and student outcomes were robust and appropriate, and that the standards of awards had been appropriately set and maintained.

Resolved:

That the Annual Quality Assurance Report for Education Programmes 2017-18, as set out in Paper H, is approved for submission to the OfS.

ANNUAL PREVENT RETURN (PAPER I)

32. Mr. Neilson presented Paper I, and noted that the OfS, which had replaced HEFCE as the responsible authority for this return this year, had simplified the Prevent reporting process

Resolved:

- (i) That the Prevent Annual Accountability Statement and Data Return, as set out in Annexes 1 and 2 to Paper I, are approved for submission to OFS.**
- (ii) That the Chair is authorised on behalf of the Council to sign off the statutory declarations contained in Annex 1.**

ITEM 11 – PROPOSALS FOR THE AWARD OF HONORARY DEGREES AND THE IMPERIAL COLLEGE MEDAL (PAPER J)

33. The President presented Paper J.
34. In discussion about Imperial College Medals and Honorary Degrees, it was agreed that the leadership team should work diligently to ensure that worthy candidates are nominated from across College.

Resolved:

That the nominations for the conferment of Honorary Degrees and for the award of the Imperial College Medal, as set out in Paper J, be approved.

ITEM 12 – IMPERIAL COLLEGE UNION ANNUAL REPORT (PAPER K)

35. The President of the Imperial College Union, Mr. Rob Tomkies, presented Paper K, and noted that the Union continued to provide the most comprehensive range of activities available to any student body in the UK, whilst also cementing its financial position. The Chair of the Audit & Risk Committee, Mr. Cullen, reminded members that the Internal Auditors also reported annually on the Union, and had once again provided a very positive report confirming that the Union was better run than many other students' unions.

ITEM 13 – RESEARCH INTEGRITY ANNUAL REPORT (PAPER L)

36. The Clerk, Mr. Neilson, presented Paper L. He reminded members that the annual research integrity report confirmed the College's commitment to the UK Research Integrity Concordat, to which it was a signatory, and that the report would be made publicly available on the College's website.

ITEM 14 – HARLINGTON TRUST ANNUAL REPORT (PAPER M) *

37. The Clerk, Mr. Neilson, presented Paper M, and drew members' attention to the request from the Harlington Trust for permission for a one-off increase in the level of grants it could award for this year.

Resolved:

That the proposal by the Harlington Grants Fund Committee to release up to £500,000 in larger

capital grants, as set out in Paper M, be approved

ITEM 15 – STATEMENT ON MODERN SLAVERY 2018 (PAPER N)

38. Mr. Neilson presented Paper N.

Resolved:

That the 2017-18 Statement on Modern Slavery, as set out in the Appendix to Paper N, be approved.

ITEM 16 – IMPERIAL COLLEGE UNION CONSTITUTION (PAPER O)

39. Mr. Neilson presented Paper O, and reminded members that, as the Union was a separately registered Charity in its own right, the Constitution would also have to be submitted to the Charity Commission for approval before it came into effect.

Resolved:

That the revisions to the Constitution of the Imperial College Union, as set out in Paper O, be approved for submission to the Charity Commission.

ITEM 17 – STAFF MATTERS (PAPER P)

40. Paper P was received for information.

ITEM 17 – MAJOR PROJECTS REPORT (PAPER Q)

41. Paper Q was received for information.