MINUTES OF THE PROCEEDINGS

at the Forty-sixth Meeting of the

COUNCIL OF THE IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The Forty-sixth Meeting of the Council was held in Committee Room 1, the Imperial College Union, Beit Quad, South Kensington Campus at 10:00 a.m. on Friday 13 May 2016, when there were present:

Sir Philip Dilley (Chair), Professor N. Alford, Professor A. Anandalingam, Mr. J. Cullen, Professor A.P. Gast (President), Ms. J.R. Lomax, Professor J. Magee, Mr. J. Newsum, Mr. M. Sanderson, Ms L. Sandon-Allum, Professor G. Screaton, Professor J. Stirling (Provost), Professor T. Welton, Mr. C. Williams and Mr. J. Neilson, the Clerk to the Court and Council.

Apologies

Mr. C. Brinsmead, Dame Ruth Carnall, Mr. I. Conn, Ms. S. Murray and Ms. A. Nimmo.

In attendance

Professor A. Armstrong (for Minutes 18 to 21), Mr. Sam MacDonald (Farrar & Co, for Minutes 27 to 28), Mr. J.B. Hancock, the Assistant Clerk to the Court and Council.

WELCOME

The Chair welcomed Mr. Christopher Williams to his first meeting as a member of the Council.

MINUTES

Council – 11 February 2016

1. Although he was included on the list of attendees, Mr. John Cullen reminded members that he had not been present at the last Meeting. With that correction, the Minutes of the forty-fifth meeting of the Council, held on Thursday 11 February 2016, were taken as read, confirmed and signed.

CHAIR'S REPORT

2. The Chair thanked members for approving the appointment of Christopher Williams and Alison Nimmo to the Council by correspondence, and also the appointment of both Alison Nimmo and Toby Courtauld to the Imperial White City Syndicate by correspondence. He asked the Council now also to approve the appointment of Mr. Toby Courtauld to the Council with immediate effect.

Resolved:

(i) That the appointments of Christopher Williams and Alison Nimmo to the Council that were approved by correspondence in April 2016, be ratified.

(ii) That the appointments of Alison Nimmo and Toby Courtauld to the White City Syndicate that were approved by correspondence in April 2016, be ratified.

(iii) That the appointment of Toby Courtauld as a member of the Council be approved with immediate effect.

3. An induction session for the new members of the Council had been arranged to follow on from the next Council meeting on 8 July 2016. The Chair said that any other members would be welcome to attend the induction session as well; indeed, he hoped that other external members would also contribute to the induction of these new members.

4. The Chair said these new appointments meant the current vacancies on Council had now been filled. However, he had to report that Dame Ruth Carnall had recently taken on further health commitments, and could no longer give the same time to Council business as before. She had therefore decided to resign from the Council with effect from the end of this academic year. She had provided the Chair with the names of some potential candidates with significant NHS and healthcare experience who could be considered for possible appointment to the Council.

5. The Chair then reported on progress with the Council's review of its own effectiveness. He was due to meet Dr. David Fletcher to discuss the review. Dr. Fletcher was a recognised authority on governance in HE and had conducted a number of other Council effectiveness reviews, and he was confident that Dr. Fletcher would take a flexible and light touch approach to conducting the review. It was currently proposed that Dr. Fletcher would hold individual discussions with each member of the Council, and would then attend the next Council meeting in July. His report and any recommendations arising from it would be ready for presentation to the Council in September 2016.

6. Closing his report, the Chair congratulated all of those involved in arranging this year's Imperial Festival, which had taken place on 7th and 8th May. The Festival had been very well

attended, with around 15,000 visitors over the two days, and the exhibits, demonstrations and talks had all been very well received.

PRESIDENT'S REPORT

7. The President advised members that Mr. Luke Blair, currently an equity partner and board director at London Communications Agency, had accepted appointment as the College's first Vice President (Communications and Public Affairs), and would be joining the College in September. In advance of his formal start date, he would be assisting the College on a few strategic communication issues, including a review of the College's branding. Tanya Hughes, President of SERMO Communications and a College alumnus, had volunteered to conduct the branding study, and would be working closely with Mr. Blair on this. Contributions to the study from Council members would be welcome, and the President suggested that anyone who wished to take part in the review should contact her Office.

8. The President then tabled a draft statement on the forthcoming EU referendum which was to be sent to all members of the College community. The College had decided not to make a public statement about the referendum, but she felt it was important to set out the College's position internally for staff and students. The statement emphasised the importance of the referendum and especially encouraged students to register and vote in the referendum. The statement also made clear that the College recognised the importance of EU membership to international collaboration, cutting edge research and attracting global talent, and that leaving the EU would impact science, research and innovation in the UK. However, it also made clear that it was not the College's role to tell people how to vote, and that the issues associated with the referendum were complex and affected different individuals, companies and institutions in different ways.

9. It was suggested that the statement should be signed by both the President and the Provost, and that it could include links to the open letter signed by university leaders, and the evidence on EU membership that the College had submitted to the House of Lords Select Committee, both of which were available on the College website. With these additions, the Council expressed its strong support for the statement.

10. The President then asked the Clerk, Mr. John Neilson, to advise the Council of a proposed collaboration with China Energy Hua Cheng Technology Co Ltd (CEHCT). Mr. Neilson reported that CEHCT was a relatively new Chinese State investment organisation considered to be in the top tier of Chinese national and public companies. It was interested in collaborating with the College on a number of joint ventures. The proposed relationship with CEHCT was intended to be long term (at least 20 years), and was likely to attract substantial funding.

PROVOST'S REPORT

11. The Provost reported on the College's grant allocation for 2016-17 from HEFCE, which had been confirmed in March. Research grant funding for the College would increase by £200k, from £94.1m to £94.3m, while the teaching grant would reduce by £1.7m to £29.2m. This was due predominantly to a reduction in the transitional supplement for lower fee paying students. In addition, the College would receive another year of HEIF funding to support knowledge exchange. The level of the HEFCE grant confirmed that the College was now operating in a 'flat cash' environment in terms of government funding. Indeed, the core research grant was diminishing, and institutions which focused on higher-cost science subjects were penalised heavily under HEFCE's current model. This underlined the need for the College to diversify its sources of income if it was to achieve its goals.

12. He then reported that HEFCE had now published its proposals for a revised operating model for quality assessment in English universities. The primary change was that the traditional quinquennial review of HEIs by the Quality Assurance Agency would be replaced by a HEFCE commissioned Annual Provider Review, together with a requirement that governing bodies exercise a greater degree of oversight of teaching quality. If accepted, the Council would in future be required to include a statement on the assurances it could give in relation to teaching quality in the Annual Accountability Return submitted to HEFCE in December each year. It was possible that the first such statement might have to be included in this year's Annual Return. The Government was due to respond to HEFCE's proposals before the next meeting of the Council, and the Provost undertook to provide a report on the new teaching quality assurance framework, and its implications for the College, at the Council's next meeting in July.

13. The Provost was asked how these proposals would align with the Government's proposals for the introduction of a Teaching Excellence Framework (TEF). The Provost said these proposals were intended to underpin the Government's planned reforms and support the implementation of the TEF. The Chair said that it was not unreasonable for the Council to take a view on the quality of the College's core activities of teaching and research. However, it was acknowledged that a key issue would then be on what basis would the Council be expected to make judgements about the quality of teaching at the College.

14. Moving on, the Provost reported that in March the College had submitted its response to the Lord Stern review of the Research Excellence Framework. In broad terms the response had supported maintaining the status quo, with some improvements, including the wider use of metrics where appropriate. The College's response had been published on its webpages.

15. The Provost was pleased to report that the College had formally agreed a framework collaboration agreement with the Institute of Cancer Research (ICR). This was an exciting partnership of great strategic importance to the Faculty of Medicine particularly, but also for

the College as a whole. The ICR was one of the few institutions which could boast a research pedigree on a par with Imperial's, and harnessing the mutual strengths of each institution would produce a step-change in the ability to recruit outstanding talent in cancer and to leverage additional funding. A key attraction for ICR was the access this collaboration would provide to Imperial's engineers and scientists, and the agreement would therefore also serve to promote multi-disciplinary working in this area. The Provost thanked Professor Gavin Screaton and Professor Jonathan Weber, and others in the College who had worked to bring this important agreement to fruition.

16. Closing his report, the Provost congratulated Professor Chistl Donnelly, Professor of Statistical Epidemiology in the School of Public Health, on her election as a Fellow of the Royal Society, and he announced that Professor Simone Buitendijk, currently Vice-Rector Magnificus at Leiden University, had been appointed as Vice Provost (Education) and would join the College in August.

17. Finally, he noted that this would be Professor Anand Anandalingam's last meeting before he stepped down as Dean of the Business School to return to the United States. He thanked Professor Anandalingam for the contribution he had made to the College and the Business School, and in particular for the work he had done to integrate the Business School with the rest of the College through promoting collaborative activity and multi-disciplinary work. He would leave an enduring legacy at Imperial, not least through the Global MBA, the College's first substantial foray into the distance-learning market. The College had begun to search for Anand's successor, but in the interim Professor Nelson Phillips, Chair in Innovation and Strategy, would take over as interim Dean of the Business School.

MOLECULAR SCIENCES HUB

18. The Chair reminded members that the construction of Building C at the White City Campus had been approved in May 2013 along with Building D as part of the Research and Translation Hub for a total cost of £150M. As the eventual occupiers of Building C had not been known at the time, approval had been given for the construction of a shell and core building, recognising that the fit out costs would have to follow in due course. Although this piecemeal approach to approving the total costs for this building had been necessitated by the circumstances of its funding and construction, he suggested that in future there should be a clearer discussion at the Council of all the estimated costs of a new building (construction, fit-out and running costs) before it was approved. The Chief Financial Officer, Mr. Sanderson, agreed, but noted that the shell and core construction of Buildings C and D had been delivered for a fixed price on time and with no compromise in quality. It therefore represented good value for money, even though the fit-out costs had now to be added to the total costs of these projects.

19. Professor Alan Armstrong, Head of the Department of Chemistry, and Mr. Sanderson

presented Paper A, *The Molecular Sciences Hub – A Transformative Vision for Chemistry*, and Paper B, *Molecular Sciences Hub Fit-Out Project and Funding Approval Request*. Professor Armstrong said that the new space would have a transformative effect on Chemistry and what could be done in the Department. Because of the new areas of work that this would enable, it would also attract additional income into the Department. When it moved in to the new building, the Department was planning to expand and would also make joint appointments with other Departments. The fit-out of the Molecular Sciences Building was therefore a substantial investment in academic excellence, and would also be a major step in establishing White City as an academic campus. Mr. Sanderson said that the College was confident that the expanded Department would be able to attract sufficient income to meet all of the running costs of the new building.

20. The Provost confirmed that the Department's proposals had been challenged robustly during the planning stages. It was clear to all that this could not be 'business as usual', and the Department had been asked to create a compelling vision for chemistry in the 21st Century. He congratulated the Department on how it had responded to this challenge and the compelling academic case it had presented.

21. The Council approved the proposed fit out of the Molecular Sciences Hub, but asked for a note of the key lessons learned from this project, and the phased approval of the total costs to be prepared for the Council.

Resolved:

That the proposed fit-out project for Building C at the Imperial White Campus, the Molecular Sciences Hub, as set out in Paper B, be approved at a total project cost of not more than £84M.

CAPITAL PLAN AND FUNDING REQUIREMENTS (PAPER C)

22. Mr. Sanderson presented Paper C and noted that the College was proposing to invest just under £600M of net capital in the next four years to support the College Strategy. This was an ambitious but sustainable plan, but in order to do this it was likely that the College would have to take on additional debt. Subject to the Council's views and discussion at this meeting, a formal proposal to this effect would be put to the Council at its next meeting in July.

23. Members queried how this financial strategy aligned with the College's proposals for the development of the White City Campus. Mr. Sanderson said that the College's capital plans provided for the completion of the current White City North projects, and several refurbishment projects at the South Kensington Campus. Other than for infrastructure, there was no planned expenditure at White City South. It had always been recognised that completion of White City South would require significant external funding, and for this

reason a mixed development of commercial and academic projects was proposed. Masterplanning for White City South was now underway, and was predicated on the College retaining control of the whole campus.

24. Members recognised that one of the risks associated with developing the larger White City Campus was that College funds might be diverted to support this development, to the detriment of the core academic activities at South Kensington. They were pleased that the proposed capital plan addressed these concerns. It was suggested that, in addition to the commercial and related ventures at White City, some of the sovereign wealth funds might be interested in investing in the development of the White City Campus, and that this might provide another source of external funding that was not tied to commercial developments.

25. It was noted that the current plan did not appear to include any significant capital expenditure at any of the medical campuses. There was a concern that, if there was no capital development at the medical campuses in the next 15 years, this could have a detrimental effect on the Faculty of Medicine. It was agreed that, when the Council considered the Capital Plan for approval at the next meeting, it should also review the future capital provision for the medical campuses.

26. It was suggested that, in addition to the capital plan and funding requirements set out here, it would be useful to have a business plan which set out how the College would meet the costs of its business up to and beyond 2020. This would set the capital plan in context and should provide sufficient information for the Council to approve the Plan. It was also noted that the College did not have a separate Finance Committee which might assist in preparing such a plan. It was agreed that, in advance of the Council's next meeting, Mr. Sanderson would meet with a sub-group of Council and Endowment Board members to look in detail at the proposed Budget and Capital Plan before it was put to the Council for approval. Members were invited to contact Mr. Sanderson if they wanted to take part in the discussion of the proposed budget, but it was agreed that the group would include Ms. Lomax, Mr. Cullen, Mr. Newsum, Mr. Williams and Ms. Annabel Rudebeck, an external member of the Endowment Board.

PRESENTATION ON THE OBLIGATIONS OF CHARITY TRUSTEES

27. The Council received a presentation on the legal obligations of charity trustees from Mr. Sam MacDonald, a Partner at Farrar & Co. Mr. MacDonald set out the way in which HEIs which were exempt charities were regulated as charities by HEFCE, acting on behalf of the Charity Commission. He confirmed that the trustees had an overriding duty to act in the Charity's best interests and also to: act within the institution's constitution and the law; have regard to the Charity Commission's guidance on public benefit (and more generally); apply the assets of the institution for the purposes set out in the constitution; exercise proper stewardship over the running of the institution and its assets; avoid and/or deal

appropriately with conflicts of interest; act without remuneration or benefits other than the reimbursement of out-of-pocket expenses; and, take professional advice when necessary.

28. In discussion, members were reminded that the Annual Report and Financial Statements had to include a statement confirming the College's compliance with charity law, and how it had delivered its charitable purposes for the public benefit. It was confirmed that responsibility for monitoring compliance lay with the Audit Committee, which also had to report on this in its annual report to the Council.

COUNCIL AWAY DAY

29. The President presented Paper D, *The Away Day Executive Reaction*, and Paper E, *The Away Day Discussion Summary*. The President's Executive Group had discussed the outcomes of the Council Away Day, and had agreed six actions to take forward the ideas that had been formulated during the day. Looking forward, the President proposed that the Council Away Day in 2017 should focus on the College's Estates Strategy. The Council welcomed the proposals for further work in Paper D, and the theme suggested for the next Away Day.

ENDOWMENT REPORT (PAPER F)

30. Mr. Sanderson presented Paper F, and noted that the Endowment Board had agreed to make a clearer distinction between the Endowment's main investment activities. The Endowment Board had also recommended that the restrictions currently in place preventing the sale of portfolio properties should be removed. A request to Council to lift these restrictions would be submitted to the Council at its next meeting. Closing his report, Mr. Sanderson said the Chair of the Endowment Board, Mr. Nick Moakes, would come to the Council meeting in September, and would present a more detailed report from the Board at that meeting.

HEFCE RISK ASSESSMENT (PAPER G)

31. The Clerk, Mr. Neilson, presented Paper G, which was received for information.

IMPERIAL WHITE CITY SYNDICATE DRAFT MINUTES (PAPER H)

32. The Chair of the White City Syndicate, Mr. Newsum, presented Paper H. He advised the Council that the College's neighbours at White City were now taking forward substantial developments on their own land. It would be important for the College to manage the interactions with these neighbours, and he suggested it should also take a leading role with the local authority on the development of the larger White City area.

ADVANCEMENT REPORT (PAPER I)

33. The President presented Paper I, and noted that the Vice President (Advancement), Mrs. Sarah Waterbury, would present a more detailed report to the Council at its meeting in November. She also suggested that a successor to the Development Board, which had been in abeyance for some time, might usefully be created. To this end, she said proposals would be presented to the Council meeting in November.

HARLINGTON GRANT FUND REPORT (PAPER J)

34. The Clerk presented Paper J, which was received for information.

MAJOR PROJECTS REPORT (PAPER K)

35. Paper K was received for information.

STAFF MATTERS (PAPER L)

36. Paper L was received for information.

SENATE REPORT (PAPER M)

37. Paper M was received for information.

ANY OTHER BUSINESS

38. **Valete**. The Chair asked that the Council's thanks to Professor Anand Anandalingam for the contribution he had made to the College and to the work of the Council be recorded in the Minutes.

NEXT MEETING

39. The Chair reminded members that the next meeting would be held on Friday 8 July 2016 at the St. Mary's Hospital Campus.