MINUTES OF THE PROCEEDINGS

at the

Forty-fifth Meeting of the

COUNCIL

of the

IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The Forty-fifth Meeting of the Council was held in the Council Room, 170 Queen's Gate, at 10:30 a.m. on 24 March 2006, when there were present:

The Lord Kerr of Kinlochard (Chairman), Mr. G. Able, Professor D. Begg, Dr. E. Buttle, Mrs. P. Couttie, Sir Peter Gershon, Mr. B. Gidoomal, Professor J.E. King, Dr. M.P. Knight, Professor Sir Peter Knight, Mr. J. Newsum, Professor S.K. Smith, Dr. D.J. Wilbraham, the Rector, the Deputy Rector and the President of the Imperial College Union, together with the Clerk to the Court and Council.

In attendance: The Assistant Clerk to the Court and Council, the Pro-Rector (Development & Corporate Affairs) (for Minutes 36 - 39) and Mr. A. Brampton and Mr. S. Baldwin of JP Morgan Cazenove (for Minute 36).

Apologies: Dr. G.G. Gray, Professor R.I. Kitney and Mr. A.D. Roche.

WELCOME

The Chairman welcomed Mrs. Philippa Couttie to her first Meeting as a member of the Council. He went on to say that Ms. Kate Owen and the Baroness Wilcox had both accepted appointment as Governors from 25 March and 1 October respectively. Although they had both been invited to attend this meeting as ‘observers’, they had been unable to do so.

MINUTES

Council – 9 December 2005

1. The Minutes of the Forty-fourth Meeting of the Council, held on 9 December 2005, were taken as read, confirmed and signed.
MATTERS ARISING

Relationship with the Science Museum (Minutes 12 – 16 refer)

2. The Deputy Rector reminded members that, with the help of the Chairman, the College had reached an agreement with the Science Museum about its library collection. Under this agreement, the bulk of the Museum's collections would be moved from the College's Library to a new storage facility at Wroughton. The College would continue to provide access to material at South Kensington on a day's notice, while the Science Museum would be responsible for delivering it to South Kensington from Wroughton. It was hoped that the removal of the Science Museum's collections would start before the Summer, thus allowing the College to proceed with its plans to refurbish and develop its Central Library. Although it was recognised that this was a challenging timescale, the indications at present were that it would be met. The Deputy Rector confirmed that this was a very satisfactory outcome for both the College and the Museum.

Health and Safety Audit (Minute 35 refers)

3. The Clerk informed the Council that a firm of external consultants, Health and Safety Technology and Management Ltd. (HASTAM), had been engaged to conduct a review of the College's management of health and safety. The review would be conducted in May and would report to the Audit Committee at its next meeting.

College Strategy (Minutes 37 – 45 refer)

4. The Rector said that, following the completion of the half-year review of the College’s financial forecasts, firm figures had been obtained for inclusion in the College’s Strategy, the draft of which had been considered by the Council at its last Meeting. The finalised Strategy would be published shortly.

Secession from the University of London (Minutes 46 – 49 refer)

5. The Rector said that discussions with the University were proceeding well and that a Memorandum of Agreement would be presented to the Council for approval at its next meeting in July. One of the issues still being considered was the continued participation of the College in University student sports competitions. There were strong indications that the University would agree to this, although this commitment had yet to be formalised. The Imperial College Union President, Ms. Misbahuddin, agreed, but said that a few of the smaller colleges were still opposed to this in the mistaken belief that the College would remain in the Federation if the alternative was that it would not be allowed to participate in these competitions. Once they understood that exclusion from the sports leagues would not prevent the College from seceding, she believed they would agree to continued sporting links.
Future of the Wye Campus (*Minute 52 refers*)

6. The Deputy Rector said that, since the Council’s last Meeting, he had held a major meeting with the local community at Wye on 9 January 2006 at which he had explained the College’s vision for the development of the Wye Campus. The College was now considering whether, and if so how and when, it should seek planning consent for its proposals. To this end, the College had engaged professional advisers to prepare detailed plans and to determine how best to proceed. Although some local groups had been established to oppose the College’s plans, the Deputy Rector confirmed that a number of other groups and organisations, including the South East Regional Development Agency had expressed strong support for Imperial’s ideas.

7. Governors noted that each member of the Council had been sent a letter from the ‘Wye Future Group’ expressing its opposition to the vision and suggesting that, because Kent County Council and Ashford Borough Council had both signed a concordat with the College, they had compromised their positions in relation to any future planning applications. The Deputy Rector said that the issues raised in the letters were for the local Councils to deal with and were not the direct concern of the College. Both Kent County Council and Ashford Borough Council had issued statements refuting the suggestions made by the ‘Wye Future Group’.

College Centenary (*Minutes 53 – 63 refer*)

8. The Rector said that preparations for the College’s Centenary in 2007 were progressing well and that a new logo and strap-line had been created: “100 years of living science”. The logo would be rolled out gradually from now onwards and would be used extensively in the centenary year itself. The Alumni and Development Office was also working with the Faculties to develop specific strategies for each of them. The Chairman added that he had been in correspondence with Buckingham Palace and was hopeful that H.M. The Queen would agree to visit the College during the celebrations.

Research Income (*Minutes 58 – 63 refer*)

9. The Deputy Rector reminded the Council that, at the last Meeting, concerns over the College’s research income had been discussed. These related in particular to the College’s performance in comparison to its main competitors and also to the possible negative effects of the introduction of full economic costing (FEC) on the College’s success rate in applying for research council grants. The Deputy Rector confirmed that the College’s income was stable and in line with its forecasts. Although there were still concerns about its performance relative to that of Oxford, Cambridge and UCL, a review of grants awarded but not yet received showed that the College’s performance would improve in the coming year with a number of large grants coming in. Furthermore, the College now received more funding from the Engineering and Physical Sciences Research Council (EPSRC) than either Cambridge or Southampton Universities, the main competitors in this area. The College was also establishing a working group to keep the College’s research performance under review and to ensure that it maintained and improved its position in the sector.
10. Professor Sir Peter Knight said that, following discussions with the Research Councils, they were now starting to award grants under the new FEC regime. Although there had been problems with its implementation, all the Councils were determined to allocate all their available funding so as to ensure that any unused funding was not returned to the Treasury. He also remarked that there had initially been some criticisms from research council panels that Imperial’s FEC costs appeared to be high. These were, he said, at similar levels to those quoted by UCL and any perception that they were on the high side did not appear to have affected the awarding of grants to the College.

Governance of the Foundation (Minutes 70 – 71 refer)

11. The Chairman reminded the Council that there had been concerns at the last Meeting that the Council was being asked to establish the ‘Foundation’ with insufficient information on which to base its decision. He had since had an opportunity to discuss the subject with the Chief Finance Officer, Dr. Knight, and his earlier concerns had been the result of a misunderstanding of the College’s proposals. He had gained the impression from the Paper presented at the previous meeting that the ‘Foundation’ was a separate entity from the College which would therefore require careful governance arrangements. This was categorically not the case. The ‘Foundation’ was an integral part of the College and, for the time being, simply a way of ring-fencing the non-core assets intended to generate income to offset the College’s long-term borrowings. While he recognised that, at some stage in the future, the ‘Foundation’ might need to become a separate entity to the College, that time had not yet come and there was no need at present to set up a separate governance structure.

12. Dr. Knight agreed with the Chairman’s analysis and said that the choice of title ‘Foundation’ was probably not appropriate for what was at present just another line in the College’s budget. He said that the College would determine another, more appropriate term for it.

MEMBERSHIP OF THE COUNCIL (PAPER A)

13. Introducing Paper A, the Clerk said that the proposals contained in the Paper had all been agreed by Governors by correspondence, but now had to be ratified formally by the Council.

Resolved: (i) That the appointment of Mrs. Philippa Couttie to the Council in succession to Mr. Hearn be ratified.

(ii) That the appointment of Ms. Kate Owen to the Council from 25 March in succession to Dr. Buttle be ratified.

(iii) That the appointment of Baroness Judith Wilcox to the Council from 1 October in succession to Mr. Able be ratified.

(iv) That Mrs Philippa Couttie should additionally be invited to join the Audit Committee as a member in succession to Mr Hearn.
(v) That, as immediate vacancies do not exist for all of the selected candidates, Ms. Owen and Baroness Wilcox should be invited to attend Council Meetings as observers prior to their formal appointment as governors.

RECTOR’S BUSINESS

Staff Matters (Paper B)

14. The Rector formally presented Paper B, which was received for information.

Oral Reports

15. The Rector said that the College was hoping to establish the first formal Academic Foundation NHS Trust in the country. The Principal of the Faculty of Medicine, Professor Smith, said that there were a number of similar centres in the US but none so far in the UK. The College was, he said, proposing to work with the Hammersmith Hospitals’ Trust and the St. Mary’s Hospital Trust to establish a new Academic Foundation NHS Trust. If these proposals came to fruition, the College would have a major influence on the governance of the Trust with 60% of the Trust Board coming from the College. The new body, as an NHS Trust, would be financially separate from the College and so should not pose a financial risk to the College. This was particularly important given the financial problems experienced by most NHS trusts. Although the Hammersmith Hospitals’ Trust and the St. Mary’s Hospital Trust supported the proposals, there was still a long way to go before the new Body could be established. In particular, approval would have to be obtained from both the NHS and the Department of Health. Consequently, it was unlikely that there would be much progress until after the local elections in May.

16. The Rector then went on to report that the College had recently been awarded a silver Athena Swan award. The Athena Swan awards were intended to recognise commitment to the recruitment, retention and advancement of women by UK universities or individual science and technology departments. Imperial’s silver award was in recognition of its commitment to the collection, analysis and comparison of key data and of the lasting changes it had made in areas such as work-life balance and ensuring that there is a gender balance in key decision-making processes. Imperial’s silver Swan was the only such prize awarded this year to a whole institution.

17. Dr. Buttle noted that the recent Budget announcement by the Chancellor had included a proposal to establish a new £1Bn Energy and Environmental Research Institute. She asked if the College intended to contribute to the new organisation. The Rector said that the College would participate where this was appropriate. However, companies in the key industries had only recently been invited to become involved with the proposed Institute and it was not clear how many of them intended to do so. Furthermore, as the Chancellor’s proposals explicitly excluded the universities, it was also not clear how the Institute would contribute effectively to research in this area.
SENATE REPORT (PAPER C)

18. The Rector formally presented Paper C and highlighted two issues which had been discussed by the Senate. Firstly, despite action already taken by the Graduate Schools, research degree submission rates had fallen to 61% from 67% in the previous year. Although there were many reasons for PhD students not to complete, this was a serious concern for the College as submission rates were considered as part of the Research Assessment Exercise (RAE) and would have an impact on the College’s performance. The Senate had asked the Graduate Schools to review the results of the survey and to take action to address the problem.

19. The second issue was the poor level of ability in the use of English increasingly being observed in both home and international, undergraduate and postgraduate students. A small working group had been established to develop proposals to tackle the problem. It was likely that there would also have to be an increased level of support from the Humanities Programme to bring students up to the required standard.

20. Mr. Able said that all universities and schools were experiencing similar problems and that the root cause lay in changes to the way English had been taught in primary schools. This emphasised creative writing skills at the expense of grammar and basic communication. Unfortunately, he said, any changes made now in early schooling in English would take at least ten years to work through the system.

PROJECT REPORT (PAPER D)

21. Introducing Paper D, the Rector said that the College was undertaking a significant number of capital projects, with many costing several million pounds. In order that the Council could see what was happening with each of these, it was now proposed to provide members with regular reports on progress with the main capital projects, of which this was the first. Going through the Report, the Rector highlighted in particular the College’s proposals for a new building facing onto Exhibition Road. This Project, which was still in the early stages of development, would replace the three-storey Mechanical Engineering Building adjacent to the Business School, which was one of the least attractive buildings on the Campus. The new building would be complementary in design to the Business School and the College’s main entrance.

22. Mr. Newsum welcomed the Report and said that, as far as the Council was concerned, the most important issue was whether projects were on time and to budget. The Rector agreed and said that he would, in future, be presenting a similar project report at each Council Meeting, together with a more detailed annual presentation on the College’s Capital Plan.

FINANCE MANAGEMENT REPORT (PAPER E)

23. The Chief Finance Officer, Dr. Knight, presented Paper E, which included a review of the College’s half-year results to 31 January. On the face of it, these appeared to be positive, but the peculiar nature of university funding meant that a surplus could actually signal poor performance, for example, when it was the
result of a failure to recruit a high quality academic in a particular area. In this light, he said, the College’s £2.74M surplus for the half-year was a mixture of good and bad news. One particular concern was utility costs which had increased appreciably. Another was the College’s cash position, which although healthy, reflected delays in spending research income.

24. Turning to the full-year forecast, Dr. Knight noted that capital expenditure was forecast to be exactly on budget for each individual project, which, he acknowledged, appeared to be too good to be true. However, a major part of the College’s capital expenditure was funded primarily from the Strategic Research Investment Fund (SRIF) which was provided to the College as a lump sum by the HEFCE. HEFCE’s overriding concern was that these funds should be expended as quickly as possible. This meant that, if there was an underspend on a particular project in the year, with HEFCE’s permission any remaining funds could be vired across to other SRIF-funded projects to ensure that the total allocation was spent in each year. These adjustments were generally made at the end of the year rather than on an ad hoc basis throughout the year. For this reason, the forecasts for expenditure on each individual project remained as per the budget. However, he continued, this should not be taken to suggest that the College was not managing the finances on each project individually. Each project maintained very detailed financial records and he was confident that project management in the College was robust and that the overall forecast for capital expenditure was accurate.

25. Moving on, Dr. Knight said that the College had introduced a new planning and budgeting process this year with Departments and Faculties being asked to produce three-year plans in advance of the detailed budgeting process. Templates for the plans had deliberately not been provided for Departments and, perhaps predictably, a wide variety of plans had been received.

26. Concluding his Report, Dr. Knight said that the College would soon be entering a crucial phase in its capital programme, which would stretch the borrowing requirement to its maximum. Consequently, he had been considering different instruments that the College could use to improve its debt position. The one that stood out in particular was the option of an additional private placement to provide the College with a loan of approximately £50M at a rate of about 4.7% per annum fixed for forty years. This was a particularly enticing prospect and he suggested that serious consideration should be given to the College taking on more debt at this stage.

27. The Chairman noted that the full-year forecast included a projected overspend of £7.9M in Estates. Dr. Knight said that this was partly due to the very large increases in utility costs, which were outside the College’s control. However, such an overspend was clearly unsustainable and the Estates Division’s three-year plan was being examined very carefully to ensure that these costs were properly controlled in future.

28. Sir Peter Gershon echoed the Chairman’s concerns about this overspend, but noted that Estates currently consisted of two distinct areas; one dealing with projects and the College’s capital programme and the other dealing with running and maintaining the estate. He queried whether these two distinct areas needed to be part of the same organisational unit. The Rector agreed and said that this was one of the issues being considered in the context of the Estates Division’s three-year plan.
29. Mr. Gidoomal thanked Dr. Knight for his clear introduction, but asked if future reports could reduce the use of acronyms, as their meaning was often unclear to external members. He also asked if the commentary in the covering paper could be more explicitly linked to the detail contained in the Report, as this would make it easier to follow.

30. Sir Peter Gershon asked if the slower than expected research expenditure would have an impact on the RAE. The Deputy Rector said that the RAE measured research expenditure rather than income so a slower spend rate would indeed have an impact. This close to an RAE, he said, the College should be achieving maximum expenditure on research. Unfortunately, some academics liked to hoard their funding, or stretch expenditure for as long as possible. The College was, he said, trying to change this culture.

31. Turning back to the issue of borrowing, Dr. Knight reminded Governors that the current private placements included various covenants, none of which would be affected if the College was to take out an additional borrowing facility. Similarly, the Financial Memorandum with the HEFCE set out various constraints and requirements, which again would not be breached by the College taking out an additional loan facility of £50M. The only issue was whether or not the College itself was comfortable with this extra level of debt. It was clear that the College would need this extra money at some point in the next five years if it was to achieve its ambitious capital programme and there was an additional risk that Government funding for capital works would decrease in the future. Given, as he had already said, that the circumstances for borrowing were extremely advantageous at the moment, he suggested that the College should give serious consideration to increasing its level of debt now, rather than waiting and taking the risk that the terms in the future could be less advantageous.

32. Dr. Wilbraham noted that the College’s ‘Foundation’ was intended to provide the balancing money that would eventually pay off these debts. He suggested that, before the College committed to additional borrowing, the Council should seek assurance that the assets in the ‘Foundation’ were both ring-fenced and sufficient to ensure the College’s long-term security. The Chairman agreed, but noted that, conceptually, there was no difference between the College’s existing borrowing and any additional facilities, provided the Council could be confident that these debts could be paid back. He recognised that a 40-year fixed term loan was extremely attractive. Dr. Knight reminded Governors that the ‘Foundation’ consisted of the College’s non-core assets. These represented the perfect security against which to borrow. The relationship between the size of the ‘Foundation’ and the College’s borrowing was, he said, a balancing act, but one in which the value of the assets would increase over time, while the value of the College’s debts would decrease.

33. Mr. Newsum said that, once a decision had been taken, the College should try to make the private placement as quickly as possible. Dr. Knight said that, because the College already had a similar placement, the information required for another one was already available. Consequently, it would be possible to arrange another very quickly.

34. Dr. Buttle said that the principle of extending the College’s borrowing was straightforward and she agreed that the type of placement was not at issue; the real issue for the Council was the scale of total borrowing and whether this could be afforded by the College. The Chairman agreed and, although he acknowledged the need for quick action once a decision had been made, he
suggested that the Council would need to see an explanation of the quantum of borrowing and the counter-balancing assets in the ‘Foundation’. As the next Council Meeting was not until July, he suggested that, if a market opportunity arose in the interim, Governors should be consulted by post, with their silence being taken to signify consent.

35. Bringing the discussion to a close, the Chairman formally noted the Council’s concern over delays in spending research income, and over the projected overspends in Estates and said that there was also a need for more transparency in future in internal monitoring of expenditure on capital projects.

**IMPERIAL INNOVATIONS INITIAL PUBLIC OFFERING (IPO) (PAPER F)**

36. The Pro-Rector (Development and Corporate Affairs), Dr. Maini, joined the Meeting together with Mr. A. Brampton and Mr. S. Baldwin of JP Morgan Cazenove. Introducing Paper F, Dr. Maini confirmed that he had no personal interest in and would not benefit from the proposed transaction. The Council then received a presentation from the two JP Morgan Cazenove representatives on the proposals.\(^{(1)}\)

37. Following the presentation, Sir Peter Gershon said that a fundamental question for the Council was whether, under Charity Law, it had the power to delegate a decision on the IPO to a separate sub-committee as was proposed in the Paper. At his suggestion the College had sought legal advice on this issue and had been assured that the Council had the power to so delegate.

38. Dr. Buttle asked whether it was appropriate for Dr. Gray, as the Chairman of the Audit Committee, also to be a member of the Innovations IPO Committee, as was proposed. The Chairman said that this concern had also been raised by Dr. Gray himself, but that he had been assured that it was both appropriate and indeed desirable for him to be involved in this manner.

39. The Chairman then reminded the Council that, when it had approved the initial private placement in Innovations, it had explicitly recognised that this should in logic eventually result in an IPO, although it had not envisaged at that stage that this would come about as quickly as this. The aim of the IPO should be to realise the best price for Innovations consistent with the College retaining a controlling interest of over 50% of the Company. Turning to the make-up of the proposed IPO Committee, the Chairman recognised that there were likely to be three separate decision points before the next Council Meeting. He suggested therefore that the Committee membership be extended to ensure that decisions could still be taken even if not all the members were available at any one time. The Council agreed that Mrs. Couttie should be added to the Committee, with the Chairman appointed as a reserve member, but that the quorum for the Committee should remain as four members, at least two of whom should be external members.

**Resolved:** (i) That the IPO of Innovations in Q2 2006 be approved in principle, with the proviso that the College should retain a controlling interest of more than 50% of the shares in Innovations.

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1. The contents of the presentation by JP Morgan Cazenove are commercially sensitive and confidential to the College and have therefore not been included with these Minutes.
(ii) That the College's entry into all documentation considered by the Innovations IPO Committee to be advisable in connection with the IPO, be approved in principle.

(iii) That the Council hereby establishes an Innovations IPO Committee consisting of Dr. George Gray, Sir Peter Gershon, Mrs. Philippa Couttie, the Chairman, the Rector and the Pro-Rector (Development and Corporate Affairs) with a quorum of four members, at least two of whom shall be external members.

(iv) That the Council hereby empowers and authorises the Innovations IPO Committee with the power to agree or decline to agree and to do all matters and things in connection with the IPO of Innovations as they shall decide, including to authorise the College's entry into all documents they consider advisable and to authorise any persons to execute the documents on behalf of the College.

WYE COLLEGE FOUNDATION TRUST FINANCIAL STATEMENTS (PAPER G)

40. The Clerk presented Paper G and asked the Council to approve the Financial Statements of the Wye College Foundation Trust, for which the Council acted as Trustees. The Chairman said that, in addition to the Financial Statements presented here, he had made his own enquiries and had confirmed that the Trustees' responsibilities had been discharged effectively. He was therefore content that the Council could approve the Trust's Financial Statements.

Resolved: (i) That the Financial Statements for the Wye College Foundation Trust for the year ended 31 July 2005, as set out in Paper G, be approved.

(ii) That the Letter of Representation in respect of the audit of the Wye College Foundation Trust for the year ended 31 July 2005, as set out in Paper G, be approved.

REQUEST FOR A GRANT FROM THE HARLINGTON TRUST FUND (PAPER H)

41. The Imperial College Union President, Ms. Misbahuddin, introduced Paper H and reminded the Council that the refurbishment of the Union Building was one of the key Centenary Projects for which the College was seeking funding. The College had already committed £1.2M to the Project and the Union had secured an additional £800K from other sources. A grant of £500K from the Harlington Grants Fund would provide the Project with an extra degree of security and would also support the fundraising under the umbrella of the College Centenary.

42. The Chairman expressed his strong support for the Project, which was entirely consistent with the Harlington Trust's aims. He had also been assured that this grant would not impact on the Harlington Grant Fund's other activities as there
would still be sufficient funds to ensure that £50K would be available each year to fund other sporting and recreational activities.

Resolved: That the award of a grant of £500K from the Harlington Grants Fund in 2007-08 to support the redevelopment of the Union Building, as set out in Paper H, be approved.

FRIDAY PRAYERS (PAPER I)

43. Ms. Misbahuddin presented Paper I and said that the issue of Muslim Friday Prayers was a very important one for students at the College. It had been discussed on a number of occasions by the Union’s Council and, when the Management Board had confirmed its decision not to provide a dedicated space for Friday Prayers, the Union Council had mandated her to raise the issue at Council level. Students felt very strongly that the College should try to find a reasonable solution that did not require Muslim students to choose between their studies and their religious observance.

44. The Deputy Rector said that this was a very difficult matter which had been considered by the Management Board on three separate occasions. It had been unanimous in its conviction that, as a matter of principle, the College was, and should remain, a secular organisation and that it therefore did not, and should not, provide facilities for congregational worship by any faith. A Muslim Prayer Room was provided on the South Kensington Campus for individual worship and there was a multi-denominational chaplaincy in the Beit Quadrangle; but space was at a premium in South Kensington and in a university academic activities had to take precedence. Although the College recognised the difficulties experienced by the Islamic Society, none of the solutions proposed in the Union’s Paper were acceptable as they would all require academic space to be ear-marked for non-academic use. He believed that the only viable solution was that the Islamic Society should continue to book space for Friday Prayers as it was doing at present.

45. The Chairman said that Council would not want to dissent from the points of principle set out by the Deputy Rector; that Imperial was a secular institution and that academic purposes must always take precedence in an academic institution. As was noted in the Paper, the Union was currently providing facilities for Friday Prayers. However, these were not ideal and would, in any case, not be available once the Union’s Refurbishment Project commenced. He believed that there were therefore three separate and sequential scenarios to consider. Paper I showed that the present situation, while not ideal, was at least workable. There would then be a transition period when the Union building would be out of action. Finally, there was the long term situation once the Union building had been redeveloped. He suggested that the long-term solution might be for the Union to ensure, as it finalized its redevelopment plans, that a suitable space could be made available for the Islamic Society after the refurbishment.

46. Ms. Misbahuddin said that the Union had many demands on its space from its various clubs and societies and that it could not therefore provide a permanent space for Friday Prayers even after the refurbished Union building was re-opened. Instead, the Union believed that the College should provide the Islamic Society with guaranteed access to rooms in the Huxley Building as a reasonable compromise.
47. The Deputy Rector reminded Governors that lunchtimes were set aside for Humanities teaching at the College and that it was therefore not possible to block-book rooms for non-academic activities at this time. If there were suitable rooms available, then the Islamic Society could book these in the normal manner.

48. Mr. Gidoomal asked if alternative accommodation had been sought outside the College. For example, he suggested that the Ismaili Centre had ample accommodation and was in close proximity to Imperial. He was sure that the Centre would be sympathetic to a request from the College. Ms. Misbahuddin said that her predecessor as President, Mr. Mustafa Arif, had investigated a number of external locations with the Deputy Rector and other College staff but that they had either not been available at the appropriate times or were unsuitable for other reasons. The Ismaili Centre was considered to be unsuitable because the Ismailis were a Shia sect, while the majority of Muslim students at the College were Sunnis who consequently could not worship there. The Deputy Rector confirmed that a number of external venues had been explored but without success.

49. Concluding the discussion, the Chairman said that the Council was sympathetic to the students’ concerns and recognised the difficulties being experienced by the Islamic Society. The Council was keen to assist in any way it could consistent with the principles which had been set out by the Management Board. Although the Islamic Society was using accommodation in the Union Building for the time being, this would cease to be available once its refurbishment commenced. He asked that the Clerk should work with the Union President to identify suitable accommodation in College that could be booked when the Union facilities were not available, albeit that the Union and the Islamic Society would have to accept that the same rooms would not always be available each week.

CLERK’S BUSINESS

**Proposed Revisions to College Regulations (Paper J)**

50. The Clerk presented Paper J, noting that current anti-discrimination legislation was intended to ensure that part-time staff should be given equal rights with their full-time counterparts. The regulations regarding the election of Deans currently restricted the electorate to full-time members of staff and, in the spirit of the legislation, it was now proposed to remove this restriction.

Resolved: That the amendment to Regulation A6, the Definition, Election and Responsibilities of Deans, as set out in Paper J, be approved.
Proposed Revisions to the College's Procedures for Dealing with Student Disciplinary Offences (Paper K)

51. Presenting Paper K, the Clerk said that it was proposed to change the way in which computing offences were handled to ensure greater consistency of decision making across the College. In future these cases would be handled by the College Tutors instead of individual Heads of Department as at present.

Resolved: That the revision to Paragraph B.2(vii) of the Procedures for dealing with student disciplinary offences, as set out in Paper K, be approved.

ANY OTHER BUSINESS

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52. The Chairman reminded members that this was Dr. Buttle’s last meeting and, on behalf of the Council, he thanked her for the very substantial contribution she had made to the College as a member of the Court and Council since 1999, as the Deputy Chairman since 2001 and, most significantly, as a highly effective, reforming Acting Chairman in the period March to December 2004.

NEXT MEETING

53. The Clerk reminded the Council that its next Meeting would be held on 14 July 2006.
1. Members will recall that last November all members of the Court and Council, as well as a wide range of staff and students, were canvassed for nominations to fill forthcoming vacancies on the Council. This resulted in the names of 16 candidates being submitted to the Nominations Committee at its meeting before Christmas. After due consideration the Nominations Committee agreed to recommend to the Council the appointment of the following as Governors in succession to Mr Hearn (from 1 January 2006), Dr Buttle (from 25 March 2006) and Mr Able (from 1 October 2006):

   a. Mrs Philippa Couttie, as a first priority in view of her financial experience.
   b. Ms Kate Owen.
   c. Baroness Judith Wilcox.

2. The Nominations Committee further agreed to recommend to Governors that:

   a. Mrs Philippa Couttie should be invited to join the Audit Committee as a member in succession to Mr Hearn.
   b. Given that immediate vacancies did not exist for all three selected candidates, they should each be invited to attend Council Meetings as observers prior to their formal appointment as governors.

3. In January 2006 Governors’ agreement to the Nominations Committee’s recommendations was obtained out of committee. In accordance with the College’s regulations, this agreement must now be formally ratified by the Council.

K.A.M.
DEPUTY PRINCIPAL FOR THE FACULTY OF NATURAL SCIENCES

Professor Maggie DALLMAN, Professor of Immunology and Head of the Immunology and Infection Section in the Division of Cell and Molecular Biology, and previously Life Sciences Campus Dean for the South Kensington Campus, has been appointed as the first Deputy Principal for the Faculty of Natural Sciences with effect from 23 February 2006.

DIRECTOR OF THE GRADUATE SCHOOL OF LIFE SCIENCES AND MEDICINE

Professor Bernard MORLEY, Professor of Molecular Genetics, has been appointed as Director of the Graduate School of Life Sciences and Medicine with effect from 1 February 2006 for a period of five years in succession to Professor Mary Ritter.

HEAD OF DEPARTMENT

Professor Donal D.C. BRADLEY, FRS, currently Professor of Experimental Solid State Physics, has accepted appointment as Head of the Department of Physics with effect from 1 December 2005 in succession to Professor Sir Peter Knight. Professor Bradley has also been given the title of Lee-Lucas Chair of Experimental Physics with effect from 1 March 2006 in place of his existing Chair of Experimental Solid State Physics.

PROFESSORS/ CHAIRS

Professor Philip George ASHTON-RICKARDT, currently Associate Professor in Pathology, in the Department of Pathology and Gwen Knapp Center for Lupus and Immunology Research; Member of Committee on Immunology and Cancer Research Center; Member of the Committee on Developmental Biology; Member of the College and Member of the Ben May Institute for Cancer Research, at The University of Chicago, USA, has been appointed to the Chair of Immunology (Non-Clinical) and Head of Department of Immunology in the Division of Medicine with effect from 1 April 2006 in succession to Professor Robert Lechler.

Dr Derek BELL, currently Consultant Physician in Respiratory and Acute Medicine, and Associate Medical Director, at Lothian University Hospitals NHS Trust, Edinburgh, Scotland, has been appointed to the Chair of Acute Medicine in the Division of Medicine with effect from 20 March 2006.

Professor Paul Henry Robert DOLAN, currently Professor of Economics, and Director, Centre for Well-being in Public Policy, in the School of Health and Related Research (ScHARR), at The University of Sheffield, has been appointed to the Chair of Economics in the Tanaka Business School with effect from 1 July 2006.

Professor Chen-Lung (Steve) LIN, previously Clinical Associate Professor and Deputy Chief of the Department of Surgery, Faculty of Medicine, at the University of Hong Kong,
Queen Mary Hospital, Hong Kong, has been appointed to the Chair of Paediatric Surgery in the Division of Surgery, Oncology, Reproduction and Anaesthetics with effect from 12 December 2005.

**Professor Jagdeep NANCHAHAL**, currently Associate Professor and Lincoln Director of Hand Surgery Research at the University of Sydney, Royal North Shore Hospital; also Consultant Hand and Plastic Surgeon at the North Shore Private Hospital, Sydney, and Visiting Medical Officer, at The Children’s Hospital at Westmead, Sydney, has been appointed to the Chair of Hand, Plastic and Reconstructive Surgery, held jointly in the Kennedy Institute of Rheumatology and the Department of Biosurgery and Surgical Technology, Division of Surgery, Oncology, Reproductive Biology & Anaesthetics, with effect from 10 April 2006.

**Professor Nadia ROSENTHAL**, currently Head, EMBL - Monterotondo Outstation, and Coordinator, Mouse Biology Unit, in the European Molecular Biology Laboratory, in Rome, has been appointed as part time Chair of Cardiovascular Science and Scientific Director in the Division of NHLI, Imperial College London, and the Heart Science Centre, in the Harefield Hospital Campus with effect from 1 April 2006.

**VISITING PROFESSORS**

**Professor Rodney John ALLAM, BSc, CEng, FIChemE**, previously Director of Technology Development and Corporate Fellow of Air Products at Air Products and Chemicals plc, has accepted association as a Visiting Professor in the Department of Chemical Engineering and Chemical Technology from 1 January 2006 until 31 December 2008.

**Dr Sergei L DUDAREV**, currently Principal Scientific Officer, Theory & Modelling Department at EURATOM/ UKAEA Fusion Association, has accepted association as a Visiting Professor in the Department of Physics from 1 January 2006 to 31 December 2008.

**Professor Alexander GRIGOR’YAN**, currently Professor of Mathematics at the University of Bielefeld, Germany, has accepted association as a Visiting Professor in the Department of Mathematics from 1 January 2006 to 31 December 2008.

**Mr Steven KAYE**, currently Manager of Innovation and Head of Research and Development at Anglian Water Services Limited, has accepted association as a Visiting Professor in the Centre for Environmental Policy from 1 February 2006 to 31 January 2009.

**Professor Martin LEE-GOSSELIN**, recently retired from his position as Director of the Interdisciplinary Research Group on Mobility, Environment and Safety (CRAD) at the University of Laval in Canada, has accepted association as a Visiting Professor in the Department of Civil and Environmental Engineering from 1 January 2006 until 31 December 2007.

**Dr Peter Andrew NORREYS**, currently Physics Group Leader at the Central Laser Facility, CCLRC Rutherford Appleton Laboratory has accepted association as a Visiting Professor in the Department of Physics from 1 January 2006 to 31 December 2008.

**Professor Geoffrey Brian WEST**, currently Adjunct Professor at the University of Sussex, Adjunct Professor of Physics and Research Professor of Biology at the University of New Mexico, Senior Fellow at the Los Alamos National Laboratory, and Distinguished Professor at the Santa Fe Institute, has accepted association as a Visiting Professor in the Department of Mathematics from 1 January 2006 to 31 December 2008.
Professor Marcus Ramsay WIGAN, currently Principal at Oxford Systematics at the University of Melbourne, Australia and Professor of Transport Systems at the Transport Research Institute at Napier University, has accepted association as a Visiting Professor in the Department of Civil and Environmental Engineering from 1 January 2006 until 31 December 2007.
1. The Minutes of the meetings of the Senate held on 14 December 2005 and 22 February 2006 are attached. The following points are drawn to the attention of the Council for information.

2. Minutes 855 and 856 – Reviews of Undergraduate Teaching. The Senate approved reports from the Quality and Academic Review Committee on undergraduate teaching in the School of Medicine and on undergraduate service teaching in the Department of Mathematics. The Senate was pleased to note that the assessors, all of whom were external to the College, had commented positively on the teaching reviewed.


4. Minute 867 – Research Degree Submission Rates. The Senate received the results of a survey of research degree submission rates as at April 2005 and was disappointed to note that the overall submission rate for the College had decreased to 61% compared with 67% as at April 2004. The Graduate Schools were to review the results of the survey and address the issues raised by them.

5. Minute 879 – New Course Coding Structure. The Senate approved a recommendation from a working group representing Faculties, ICT and the Registry for a new course coding structure, and agreed that it should be implemented for all College taught programmes as soon as was practical.

6. Minute 881 – English Language Support for Students. The Senate discussed concerns from academic staff about the poor level of ability in the use of English increasingly being observed in both home and international, undergraduate and postgraduate students across the College. It was agreed to establish a small group under the direction of the Pro-Rector (Educational Quality) to develop proposals to tackle the problems identified in discussion and that the Deputy Rector would commence discussions with the College management regarding the likely resource implications of providing English language support on a large scale.

7. Minute 883 – College Day Teaching Policy. The Senate received the results of a review of the College Day Teaching Policy, which had involved a questionnaire survey of departments and consultation with the Humanities Programme and the Imperial College Union. The consensus was largely in favour of retaining the current policy with some adjustment in relation to the non-South Kensington campuses.

R.B.S.

1. The Senate Minutes have not been included with these Minutes.
1. This Report is intended to provide the Council with an update on progress with the College’s main capital projects, that is those with a total project value in excess of £10M.

**BESSEMER BUILDING**

2. This £21.8M Project provides for the refurbishment of the whole of the Bessemer Building, which will house the Institute of Biomedical Engineering and an Incubator Suite. The Institute works cover the refurbishment of floors 4, 5 and 6 of the Building and involves the creation of laboratory and office space. The works also include the recladding of the South elevation of the Bessemer façade.

3. The Institute will occupy 4000m² of laboratory space with state of the art facilities to support its research programme. Completion of the Institute will be particularly challenging; however, the Estates Division is working closely with the Institute to ensure that its accommodation needs are achieved. Handover will take place in the Spring of 2006.

4. The lower floors of the Bessemer Building are being converted into an Incubator Suite for start-up companies. This facility will again be completed in the Spring of 2006.

**SPORTS CENTRE**

5. The College’s new Sports Centre opened in January 2006 and now provides students and staff with excellent sporting facilities in the heart of the South Kensington Campus. This £17.3M Project includes a 25 metre pool, a sports hall, squash courts, a dance studio and a fully equipped gymnasium. Also incorporated in the Project are 12 high quality flats.

6. Currently the contractor is completing snagging and the flats are starting to be occupied. The Sports Centre itself has been in use since the end of January 2006.

**EXHIBITION ROAD PROJECT**

7. This £35M Project involves the demolition of the three-storey Mechanical Engineering Building adjacent to the Tanaka Business School and its replacement with a new building complementary in height to the Business School. This new building will be used to house the relocated Aeronautical Engineering Department, some shared space with Mechanical Engineering and an expanded Tanaka Business School.

8. Currently, five architectural practices are preparing a concept design under a competition. This will be presented to a panel on 31 March 2006. Funding through the Government’s Strategic Research Investment Fund (SRIF 3) initiative has not yet been clarified. An approach is being made to the HEFCE to see if it will agree that the portion of
the spend to be funded by SRIF 3 can take place within the funding period, despite the fact that the building itself will not be completed until 2009.

SOUTHSIDE

9. This £54.7M Project will replace the former Southside Hall of Residence with a new 403 bed facility which will be in three blocks plus a mews terrace. Following demolition of the old Hall at the end of 2005, the contractor has made a good start with the temporary works to the basement in preparation for the new building. Currently the Project is on time and on budget.

BURLINGTON DANES

10. This is a £56.5M Project. It will provide a major new research and imaging centre at the Hammersmith Hospital which Imperial College is building in collaboration with GSK and the Medical Research Council. The Project is due for completion in mid-July 2006. Although, the programme is challenging for the contractor, milestones have been set to achieve this goal.

HAMMERSMITH

11. This group of projects is estimated at c. £100M. A number of feasibility studies have been undertaken in order to determine the potential for development of the research and conferencing facilities at the Hammersmith Campus. This would include the demolition and rebuilding of two buildings (L & J Blocks), the refurbishment of the Wolfson Conference Centre, the completion of the refurbishment of the Commonwealth Building and the fit-out of three floors of the Burlington Danes Building. Decisions on funding for these projects have yet to be made.

D.B.W.
PAPER E

FINANCE MANAGEMENT REPORT (1)

A Report by the Chief Finance Officer

1. This Report falls into three parts:

   a. A review of the half year results to 31st January.

   b. A report on the forecast for the full year in the light of the half year results and of the review of operations conducted with Faculties and Support Services departments.

   c. An update on the 3 year planning process and the preparations for the 2006/07 budget.

THE RESULTS TO 31 JANUARY 2006

2. The I&E results, a £2.74M surplus for the half year to 31 January, are not a surprise, with plusses (e.g. the Business School) and minuses (e.g. Life Sciences/Estates) having been flagged in previous reports. Medicines' overhead contribution shortfall remains stubbornly at over £1M, but central costs allocated and unallocated are, apart from in Estates, satisfactorily better than budget by £2.4M.

3. The Balance Sheet shows total net assets of over £0.5Bn for the first time ever. This reflects the capital expenditure programme, with College funded fixed assets now at over £200M. The Capex spend rate is now beginning to ratchet up significantly, as expected, with £51M spent this year so far. A further £55M is projected to be spent in the second half.

4. This spend profile makes the cash position something of a conundrum: the cash balances of the College are a net positive £13M against a budgeted figure of negative £34.3M. There were 3 main reasons for this:

   a. We are collecting our debtor cash ever more efficiently – total debtors at £41M are 28% lower than 12 months ago.

   b. We are receiving money from grantors but not spending this money on research activity – see the very large increase in "Research payments received in advance" in the balance sheet (Page 3) which has risen to £70M.

   c. We are not spending monies committed for investment, i.e. SIF monies – see Page 8, where of the £11M committed only £1.9M had been spent by 31st January.

5. If the slow invoicing issue could be removed (see the level of Research WIP which is not reducing – Page 3), the cash position of the College would be even more robust.

1. The full Finance Management Report is not included with these Minutes.
THE FORECAST FOR THE FULL YEAR TO 31 JULY 2006

6. Research income, most of which is already in hand, should come in on budget, given a number of large grants in the Faculty of Medicine and notwithstanding the dislocations taking place in Life Sciences. There is a risk in the contribution forecast, which presupposes a more than 10% rise in run rate in the second half, which even so will be below budget. But this is partially offset by a forecast rise in fee income. Total income may well come in ahead of budget.

7. On the expenditure front, there are conflicting drivers. On the one hand, Faculty costs are likely to be below budget, partly because of the problems of recruiting the right staff – a strong feature of the Business School figures for example. And the central costs which are not charged out to Faculties – for example interest costs and certain project costs – are £2M lower than budget. On the other hand, Estates costs are significantly higher than budget, possibly by as much as £8M. This is partly due to the major rise in utility costs, a problem not unique to the College; it is also a function of a more transparent understanding of the appropriate allocation of costs and of prior year adjustments. The end result is a revised forecast, after certain savings and cutbacks in "nice to have" expenditure, of a breakeven position, against a budget of a £1.6M surplus.

8. On the cash front, the significantly better than budget position at 31 January 2006 will be eroded as three things happen. Firstly, the capital expenditure programme will continue in full swing: College spend is forecast to be a further £35.6M in the second half, reflecting the anticipated completion of Burlington Danes and the construction of Southside in particular. Secondly, income from student fees and HEFCE core grants will be lower in the second half - most of the student fees income is received in the first half, as is the majority of the HEFCE grants. Thirdly, it is not anticipated – nor indeed desirable - that the position on research payments noted above will be sustained at existing levels. Whilst it is hoped that a compensating improvement in the slow invoicing issue will have taken place, the prudent judgement is to assume a net outflow, such that the forecast cash position is a negative £75M, against a budget figure of £81M.

9. As a final point, it is worth noting that there are a number of one-off developments that have taken place recently and which could individually and in aggregate have a significant impact on the College’s financial position, partly in this financial year and partly in future years. There may need to be a further restructuring in Life Sciences; the prudent assumption must be that the costs of the CHP accident will fall entirely to the College; the Wye discussions proceed apace and expenditure is now taking place under a SIF award; discussions with the NDA on the decommissioning of the Reactor are making progress; the Sports Hall has now opened and the cost burden on current operating procedures is already clear; and Innovations’ portfolio is making good progress, with Ceres Power’s share price having more than doubled this financial year.

THE THREE YEAR PLAN

10. As a change from previous year’s practice, three year plans have been produced separately from next year’s budgets. All Faculty and Support Services’ plans have now been received and discussed appropriately. Inevitably, the initial outturn was a curate’s egg; but the establishment of a more collective understanding of some of the trends in the College’s income profile and its cost base has been welcome. A reworking of plans is now underway to remove inconsistencies and to factor in the drivers required to produce a
College plan which meets investment expectations on the one hand and controls costs on the other hand.

11. One thing is clear, however: there is unlikely to be any let-up in the College’s capital expenditure programme. Proposals for the redevelopment of the Hammersmith site, the Chemistry building, and the Exhibition Road building, added to continuing upgrading of existing buildings at the other four College sites, make for a very substantial works programme.

12. On prudent assumptions about Government and other funding for such a programme, the cash needs of the College rise substantially. The College will sooner or later therefore have to face the issue of whether to raise the previously agreed £100M indebtedness ceiling. In this context, it is worth noting that the long end of the fixed interest market – which the College can readily tap – is particularly attractive to borrowers at present.

13. Preparations for the 2006/07 Budget commence in April. By the end of April, a clearer picture will be available of the College’s medium term financial position.

M.P.K.
BACKGROUND

1. In April 2005, the College successfully placed shares in its subsidiary, Imperial Innovations Ltd (“Innovations”) to raise £10M for itself and £10M net for Innovations. The consequence of this fundraising was that the College now owns 71% of Innovations, the balance being held by external investors including prominent institutions such as Fidelity, Flemings, Lansdowne and Tudor. This fundraising was by way of a private placement, but with an explicit recognition that an IPO was planned as the logical and desirable next step in the development of Innovations, as was confirmed by the Council when it noted that the private placement approved in February 2005 would lead logically and inexorably to an IPO.\(^1\)

INNOVATIONS IPO

2. Initially it was assumed that the Innovations IPO would take place in 2007/08. However, several issues have now led the Board of Innovations to re-examine the appropriateness of this assumption:

   a. The number of attractive funding opportunities available to Innovations has been greater than originally estimated;

   b. Innovations as a business organisation has made faster progress towards stand-alone competence than was originally expected;

   c. Innovations’ Investment Advisory Board - including Senior Executives from BP and GSK, and in particular David Potter, Chairman of Psion - felt that the relatively small financial firepower of Innovations was inhibiting its ability to take full advantage of investment opportunities.

   d. This view was fully supported by Innovations’ largest non-College shareholder, Lansdowne, who urged the Board to examine fund raising options, in particular via an early float.

   e. The Stock Market in general - and the technology sector in particular - has risen markedly from early 2005; the FTSE All Share is up by 24%. Specific stocks that could be seen as in the same space as Innovations have also performed strongly: BTG’s share price has more than doubled in the last year; IP2IPO’s price is up over 100% since it floated in late 2003. The successful float of Quinetic in February 2006 has also reinforced this point.

3. As a result of this background, the Board of Innovations asked its financial advisers, JP Morgan Cazenove to review three issues:

\(^1\) See Minutes 36 – 47 of the Council Meeting held on 11 February 2005.
a. Was Innovations as a corporate entity sufficiently well managed to handle the transition from private to publicly quoted company?

b. Were the arguments in favour of an early float compelling?

c. How much could and should Innovations raise in a float?

4. The outcomes of Cazenove’s review, which they will present at the Council meeting, were that:

   a. Innovations was ready to be a quoted company;

   b. The AIM was the most appropriate market on which to float Innovations;

   c. Some minor procedural, essentially systems, changes were appropriate to the organisation of Innovations;

   d. The appointment of a further senior executive as Chief Investment Officer was desirable;

   e. Significant fundraising should be undertaken to take advantage of strong market conditions and thereby to insulate Innovations from market risk for the foreseeable future;

   f. It was important for the College to remain for the time being the majority (50%+) shareholder in Innovations; and lastly,

   g. Funds raised should all be for investment use by Innovations. So neither the College nor staff should be allowed to sell any shares at the float.

5. Following receipt of this advice, the Board of Innovations resolved:

   a. To commence preparation for a mid-year float on the AIM - including the appointment of appropriate financial, legal, PR and accountancy advisers – and for a £35M fundraising, being the quantum established by Cazenove and the Innovations executive as the appropriate funding level, from a business and market perspective.

   b. To seek Imperial College’s support in principle for this step.

**PROPOSAL**

6. The proposal before Council, therefore, is that it should approve in principle the desirability of Innovations raising £35M as part of the process of floating the company on the AIM market in Q2 2006.

7. This approval in principle will clearly need in due course to be translated into approval of the detailed flotation and fundraising terms. In particular, the period during which College and staff may not sell shares and the pricing of Innovations shares will need to be agreed. Cazenove will describe at the Council meeting the process whereby they will establish in April the appropriate price range, from soundings amongst shareholders and so-called “anchor marketing” with a wider pool of institutions, and thereafter, in May, through specific “book building” to settle on the precise flotation price. It is agreed by the Board of
Innovations that, until a clearer picture is available of the float price range, no specific commitment can be made to float. The same applies to the ability of the Council to approve finally the recommendation that the College, as the majority shareholder, agree to the float of Innovations. This clearer picture should be available by the end of April, when anchor marketing has been completed.

8. In summary, the key elements of the IPO are expected to include:

   a. Innovations to raise £35M by issuing new shares.
   
   b. Innovations to be publicly quoted on AIM from mid-2006
   
   c. The College to agree not to sell its shares for a period to be settled, possibly up to two years.
   
   d. The share incentive scheme to be appropriately amended, to include a restriction on sale of ordinary shares to tie in with the restriction on the College selling its shares.
   
   e. The College to have a revised Relationship Agreement with Innovations, which will help Innovations to act independently of the College’s majority power. The existing agreement restrains the College’s voting power, changes to shareholding and Board involvement; the new agreement is expected to be similar.
   
   f. A public prospectus will describe Innovations, its technology and pipeline and its relationship with the College.

9. Given that the next Council meeting is not until 14 July 2006, i.e. after the date on which it is anticipated the flotation will have been concluded and a long way after the point at which decisions will be needed to achieve a float in Q2 2006, it is proposed that the Council establish a sub-committee (the “Innovations IPO Committee”) to be made up of Dr George Gray and Sir Peter Gershon, both of whom have substantial and long-standing experience of the publicly quoted market, together with the Rector and the Pro-Rector (Development and Corporate Affairs), with the Chief Finance Officer in attendance. This Sub-Committee would be empowered to agree, or decline to agree, to the detailed terms of the flotation of Innovations on the basis of the approval in principle set out above.

T.M.
INTRODUCTION

1. The Wye College Foundation Trust was set up by Wye College in 1983 and is responsible for “the advancement of education in agriculture, horticulture, related sciences and economics and the proper care and development of the countryside, the undertaking of research into these matters and the dissemination of the results thereof”. When it was established, its Trustees were the members of the Wye College Board of Governors.

2. When Wye College and Imperial College merged in August 2000, the responsibilities of the Trustees for the Wye College Foundation Trust devolved upon the Imperial College Council. At the time of the merger, it was agreed that the management of the Trust should be delegated to a management sub-committee representing the former trustees and chaired by the Provost of the Wye Campus. However, responsibility for the formal approval of the Trust’s annual accounts remains with the Trustees, that is the Council.

3. The audited Financial Statements for the Wye College Foundation Trust for the year ended 31st July 2005 and the Letter of Representation from the external auditors, Wilson Wright, are attached at Annexes A and B.

4. The Council is invited to consider and, if it sees fit, to formally approve the Financial Statements and the Letter of Representation for the Wye College Foundation Trust.

K.A.M.

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1. The Wye College Foundation Trust Financial Statements are not included with these Minutes.
BACKGROUND

1. The Union Building (the north side of Beit Quadrangle) was last redeveloped in 1965. Since then small-scale refurbishments and improvements have been made, including the creation of activity/meeting rooms in the 1960s and the refurbishments of the café-bar and club-bar in the mid-90s. Over the past 10 years the demographic make-up of students at Imperial has changed drastically. As a result the services that we can offer no longer meet the requirements of all our members. With the needs of our students set to change further in the future, an overhaul of the Union building is necessary, not only to optimise the space and offering we currently have, but to allow us to diversify our offering, move forward and enhance the experience of all students at Imperial College.

2. In addition to meeting the changing commercial requirements of students, the Union building also serves as the administrative hub for our wide range of Clubs and Societies, and Information and Advice Service and houses our Staff and Student Officer teams. In order for the Union to meet its obligations under the Disabilities Discrimination Act 1995 (DDA) and provide access to the building and services for our staff and members, necessary works must take place in the near future.

3. The key objectives of the Union undertaking an extensive redevelopment of the buildings in Beit Quad are:

   a. To meet our legal requirement to comply with the DDA.

   b. To provide social and recreational space of a quality and diversity that meets the needs of our membership and re-enforces and enhances the reputation of the Union and the College.

4. The Harlington Trust Fund was originally established as a bare trust by the College for the benefit of Imperial students in the 1930s, with the College’s Governing Body as its Trustees. The purpose of the Fund was and is to support the sporting, athletic and recreational needs of students and the facilities required for this.

5. The Union building once redeveloped will provide areas for the recreational and sporting needs of students in the following forms, and thus meet the criteria for funding from the Harlington Trust:

   a. **Games Room.** This will provide snooker tables, pool tables and other games such as table football and board games, which can be used both by the Societies and the individuals who wish to participate in these activities in their spare time. It provides a social and recreational space within the building which does not have an alcohol-based focus and would meet the growing demands from students for this.

   b. **Student Activities Centre.** This is the central hub for all the administrative side of the 250 Clubs and Societies the Union runs, as well as other activities such...
as college-wide events and support for the work that our officers do in welfare and academic issues. The current centre is too small and the planned centre would bring together all that is necessary into a "one-stop-shop" for student activity, which will be a more efficient use of resources.

c. **Concert Hall.** This will be completely refurbished and is used by the student cinema, dramatic societies and musical societies (which are numerous), as well as other societies to put on productions and use as activity space.

d. **Gym/Sports Hall.** This will be expanded from its current size and refurbished. It is currently heavily used, especially since the demolition of Southside. Despite the new Sports Centre, the costs of the Centre are difficult for some clubs and with the number of clubs needing space (and specifically this type of space), it is essential for a simple gym/sports hall to be provided by the Union building.

**FINANCES**

6. The Union Building redevelopment is one of the flagship projects for the College Centenary campaign and has received an additional investment from College of £1.2M this academic year. The Project also has £800K from the Union (from its reserves built up over the years) - £200K of which went towards the design process and the other £600K of which is for the actual building works. The total project cost is currently estimated at £6.6M.

7. The total cost for the 4 areas detailed in Paragraph 5 above is approximately £850K, although this is an estimated cost which has been derived without the benefit of detailed project costings.

8. Although it is not proposed to carry out this work until the 2007-08 academic year, the Union has been advised to ask for the money to be set aside now from the Harlington Grants Fund, rather than applying in 2007-08, because this will allow the Union to make proper plans for its refurbishment knowing that this money will be provided at the appropriate time. In addition it would allow another 2 years of interest to build up within the Grants Fund and it will also assist with the Centenary campaign, as it will demonstrate to other potential donors that additional money has been committed from other sources.

**REQUEST TO THE HARLINGTON GRANTS FUND COMMITTEE**

9. Governors will recall that, at its Meeting in September 2005, the Council agreed that the sum held by the College to fund annual grants, the Harlington Grants Fund, should be retained for that purpose and should be available for disbursement for the benefit of students of Imperial College in relation to sporting, athletic and recreational facilities. It also agreed that responsibility for the disbursement of the income from the Grants Fund should be delegated through the Rector to the Harlington Grants Fund Committee, which would be chaired by the Pro-Rector (Educational Quality) and include as members the incumbent Imperial College Union President and a former Imperial College Union President.

10. As Governors may also be aware, the Harlington Grants Fund Committee has delegated authority to make grants up to a total of £50K only in each academic year. Should the Committee wish to award more than a total of £50K in any year, it is required to obtain authority from the Council to do this.
11. The Harlington Grants Fund Committee has considered the Union’s request for funding for the redevelopment of the Union Building and has confirmed its support for this Project, subject to the Council granting approval to a grant of £500K.

12. Accordingly, the Union now seeks Council’s approval for a grant of £500K to be awarded from the Harlington Grants Fund to be used in the year 2007-08 for the Union Building redevelopment project to help fund work to the Games Room, Concert Hall, Student Activity centre and Gym.

S.A.M
PAPER I
FRIDAY PRAYERS

A Note by the President of the Imperial College Union

BACKGROUND

1. Friday afternoon is the traditional time for the main Islamic congregational prayer, in a similar way to Sunday Mass for Catholics. This Prayer begins between 1.00pm and 1.15pm and lasts for approximately 30 minutes.

2. Until the demolition of the Southside Building, Friday Prayers were held in the Southside Gym. No provision was made in the decant for re-locating Friday Prayers. Numerous options have been explored including the possibility of hiring local external facilities, although no suitable alternative venue has been found despite 12 months of work.

3. The Prayer is organised by the ICU Islamic Society, in conjunction with a number of other union societies, with the Society finding the appropriate Imams.

THE PRESENT SITUATION

4. At present the Friday Prayer leads a nomadic existence, changing location on a weekly basis depending upon which facilities are available for the Islamic Society to book. This is unsatisfactory for both the Society and for the Islamic community of Imperial College due to the weekly uncertainty of not only location, but also whether people will be able to attend owing to spatial restrictions.

5. The nearest external location is Hyde Park Corner and, even if buses were laid on, this would result in attendees returning to College after 2:30pm which would force them to choose between their religious obligations and their academic commitments.

6. It has been suggested that, should students have to go to external venues, they might then be exposed to extremist sermons and other radicals. By enabling the Prayer to happen internally the College can discharge its duty of care towards its students given that it can determine who can come onto college grounds.

7. The Memorandum of Understanding between Imperial College and the ICU states that “In such cases [where space has been withdrawn from Union use], the College shall endeavour to find suitable alternative space if it is possible to do so.” The Management Board has taken the view that the Southside Gym was provided for sporting activities and that it has been replaced by the construction of the Sports Centre.

8. The Sports Centre is, quite rightly, solely available for sporting use, which does not encompass Friday Prayers.

9. The Management Board has stated that, as a matter of principle, Imperial is a Secular Institution, indicating that College decisions are not determined by the religious beliefs of any individual or group and that it will not provide space specifically for
congregational worship. It has been stated that this is in order to reduce the College’s liability should other groups request that their spiritual needs be catered for by the provision of facilities that would either require a large investment or would be inconvenient for reasons of time or space, and as such is a perfectly justifiable economic decision.

10. The College’s Mission includes the objective “to continue to attract and develop the most able students and staff worldwide.” This aim can never be fully met if potential staff and students are forced to choose between their academic aspirations and their personal beliefs.

11. In situations where welfare needs conflict directly with academic requirements it is common for the academic side to win out. However, the Prayer takes place during a time during which timetabled academic activities are prohibited and as such the only conflict should be whether or not suitable spaces exist within College and not their use.

12. Various facilities currently exist on the South Kensington Campus that could accommodate the Friday Prayer. These include:

   a. The Great Hall
   b. The Main Dining Hall (MDH)/ Ante Room
   c. Junior Common Room (JCR)/ Senior Common Room (SCR)
   d. Queen’s Lawn
   e. Upper Dalby Court
   f. Sports Hall
   g. Huxley Rooms 341-344
   h. The Union Dining Hall, Concert Hall and Gymnasium

13. Of these facilities, only (a), (f), (g) and (h) present practical solutions given the lunchtime requirements of the MDH and the SCR/ JCR and options (d) and (e) are either weather dependent or require marquees/ construction work. As previously stated, the Sports Hall is exclusively for sporting use, and is heavily subscribed already for this purpose. The Great Hall has been used on previous occasions, although current policy means that it is not regularly available since Union Society bookings are cancelled or displaced whenever external profit-making events require, or when other College events demand.

14. The Union’s rooms are the option currently used for the most part although this causes major problems for all other groups as these are the main spaces for all Union activities and two of the three were purpose-built for other functions. Further, these rooms are split over two floors, leading to logistic difficulties, albeit surmountable ones. The much needed redevelopment of the Beit building will also mean that these rooms will soon be temporarily unavailable.

15. The Huxley rooms form a suite that in combination could accommodate the Prayer. However, they are currently being used at the required times to teach an undergraduate computing course and for a different club’s activity. Current policy gives academic needs (including Humanities) priority over clubs or societies for the use of these rooms. Further it has been suggested that these rooms are soon to be redeveloped.
OPTIONS

16. There would appear to be four main options for resolving this issue:

a. **Strict Secularism.** Essentially to ban the Prayer from occurring on the basis that College facilities should not be used to promote individual religions. This could have tremendous implications for Imperial's reputation especially in light of the furore over the dress code.

b. **Status Quo.** To leave the situation as it is. This will have essentially the same effect as above when planned development work removes any possible on-site options and academic commitments prevent attendance at external locations.

c. **External Facilitation.** To facilitate staff and students attending external Prayers. This has the advantage of requiring only a modest financial outlay and no use of College rooms. There would, however, need to be arrangements and allowances made for staff and students arriving back on site from 2:30pm, whether this means re-organising the Friday timetable in its entirety or otherwise.

d. **Internal Facilitation.** Making space available on the main South Kensington Campus which can accommodate the Prayer. Such spaces exist presently, the most suitable potentially being the suite of rooms within the Huxley building. Perseverance with this option would require future development plans to be modified to make allowance for the prayer, either by leaving existing facilities in their present form or by creating suitable space in a new development.

IMPERIAL COLLEGE UNION RECOMMENDATION

17. The Union recommends that option (d) above be adopted as this is the option that best caters for the needs of students without unduly impacting on the academic needs of the College.

18. Specifically that the suite of rooms in Huxley 341-344 be given over to the Friday Prayer for the duration of the Friday lunchtime on the proviso that the Imperial College Union Islamic Society is responsible for the setting up and striking of all necessary equipment and furniture and that the room be ready for academic use by 2.00pm.

19. Further that these rooms be excluded from substantive redevelopment plans unless and until alternative provision is made on site.

S.A.M.
1. As Governors may be aware, current anti-discrimination legislation is intended to ensure that part-time staff are given equal rights with their full-time counterparts.

2. The electoral college for the appointment of Deans, as set out in Regulation A6, the Definition, Election and Responsibilities of Deans, is currently the "full-time Professors, Readers and Senior Lecturers" of the appropriate Faculty. This is certainly against the spirit, if not the letter, of the current legislation and may also disadvantage women academics (who are more likely to be part-time), whose interests the College is keen to promote. It is therefore proposed that a change should be made forthwith to extend voting rights and eligibility for appointment to all part-time staff in the appropriate grades.

3. In order to effect this change, Paragraph 10 of Regulation A6 will have to be modified as follows:

   “10. Deans shall be elected by the full-time—Professors, Readers and Senior Lecturers of their respective constituencies. In the case of the Faculty of Medicine, a Vice-Principal will be eligible to vote whether or not the holder of the office is a full-time Professor, Reader or Senior Lecturer of the College.”

4. The Council is invited to consider, and if it sees fit, approve this amendment to Regulation A6, the Definition, Election and Responsibilities of Deans.

K.A.M.
1. Under the current Procedures for dealing with student disciplinary offences Heads of Department and the Deputy Principal of the Faculty of Medicine are designated as the Responsible Authorities for dealing with computing offences committed by students. It is proposed that the Responsible Authority (1) for these offences should be changed to a College Tutor.

2. The main reason for this proposal is that it should bring greater consistency to the way in which computing offences are handled, as there is a perception that there may be differences in practice between departments. It is also no longer the case that computing offences are taking place virtually exclusively on departmental computers. Offences are taking place in halls of residence and elsewhere while students are logged on to College accounts and it therefore makes sense to have a single authority to ensure parity of treatment and to enable proper monitoring of offences to be maintained.

3. The Imperial College Union has indicated its agreement to this proposal.

4. The Council is therefore asked to consider and, if it sees fit, approve the revision to Paragraph B.2(vii) of the Procedures for dealing with student disciplinary offences as follows:

"2. The power and responsibility for curtailing or containing the immediate effects of misconduct and imposing summary punishment where appropriate rests with the responsible authority. The Responsible Authority is as follows:

   (i) For Union premises and Union activities, including the area used to control entry to union activities, the President of Imperial College Union or his or her nominee;

   (ii) For the residences and residence activities, the Warden or Assistant Warden;

   (iii) For departmental buildings and departmental activities, the Head of Department or his or her nominee;

   (iv) In other College areas, a College Tutor, except that the responsible authority referred to in 2(i), to 2(ii) and 2(iii) may also impose summary punishment where misconduct occurs in the vicinity of the area for which he or she is responsible;

   (v) In the case of misconduct arising outside the College, a College Tutor;

   (vi) In the case of misconduct involving several of the above areas, a College Tutor;

1. The power and responsibility for curtailing or containing the immediate effects of misconduct and imposing summary punishment where appropriate rests with the responsible authority.
(vii) In the case of computing offences, the Head of Department, Deputy Principal of the Faculty of Medicine or his/her nominee, a College Tutor;

(viii) For medical school buildings and activities, the Deputy Principal of the Faculty of Medicine or his/her delegate.

In exceptional circumstances, the Rector may appoint another suitable person.”