MINUTES OF THE PROCEEDINGS
at the
Twenty-fifth Meeting of the
COUNCIL
of the
IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The Twenty-fifth Meeting of the Council was held in the Council Room, 170, Queen’s Gate at 10:30 a.m. on 12th July 2002, when there were present:

Lord Vincent (Chairman), Professor J. N. B. Bell, Professor Sir Leszek Borysiewicz, Dr. E. Buttle, Professor M. Green, Professor M. P. Hassell, Mr. D. P. Hearn, Professor Dame Julia Higgins, Dr. M. P. Knight, Professor F. Leppington (from Minute 5 onwards), Mr. H. B. Lowe, Miss J. Mayhew, Sir Alastair Morton, Professor J. Perkins, Eur. Ing. A. D. Roche, Dr. B. G. Smith, Dame Rosemary Spencer, Dr. C. L. Vaughan, Dr. D. J. Wilbraham, the Rector, the Deputy Rector and the President of the ICU, together with the Clerk to the Court and Council.

In attendance: Mr. S. de Grey (of Foster and Partners, for Minutes 30 – 31 only), the Academic Registrar, the Director of Estates, the Director of Finance, the Director of Human Resources, the Director of ICT, the Director of Planning and Information, the Pro Rector for Public and Corporate Affairs, the Director of Strategy Development and Communication, the Imperial College Union Observer and the Assistant Clerk to the Court and Council.

Apologies: Mr. G. Able, Mr. A. R. F. Buxton, Professor S. P. F. Hughes, Dr. D. P. Isherwood, Mr. R. J. Margetts, Professor P. Poole-Wilson, Professor D. Phillips, Professor R. D. Rawlings.

CONGRATULATIONS

On behalf of the Council, the Chairman congratulated Miss Judith Mayhew on her appointment as DBE in the Birthday Honours List and Professor Mike Hassell on his appointment as CBE.

The Chairman also expressed the Council’s congratulations to Professor Anne Dell and Professor Michael Crawley on their recent election as Fellows of the Royal Society, and to Professor Richard Jardine, Professor Malcolm McLean and Professor Gareth Parry on their election as Fellows of the Royal Academy of Engineering.
MINUTES
Council – 17th May 2002

1. The Minutes of the Twenty-fourth Meeting of the Council, held on 17th May 2002, were taken as read, confirmed and signed.

MATTERS ARISING

Medium Term Cash Flow Forecast (Council Minutes, 17th May 2002, Minutes 15. - 16.)

2. The President of the ICU, Mr. Ganesh, reminded the Council that the Medium Term Cash Flow Forecast Paper had included an Annex showing the projected phasing of capital expenditure and asset sales in the four years to 2004-05. This appeared to suggest that the Clayponds Hall of Residence would be disposed of in 2003-04. Mr. Ganesh expressed his, and the ICU’s, concern over this projected sale as the Union had not been informed about it. It was not clear to him, he said, how the College would be able to meet the continuing demand for student accommodation if Clayponds was sold. The Rector responded by assuring the Council that Clayponds would only be sold if the bed spaces provided there could be replaced with other accommodation closer to the College. He reiterated that Imperial was a residential University and that there was no intention to reduce the amount of accommodation available for students. Professor Bell welcomed the Rector’s assurances as a reduction in bed spaces would be a matter of concern for the academic departments as well as for the Union.

MEMBERSHIP OF THE COUNCIL (PAPER A)

3. Introducing Paper A, the Clerk noted that there were two parts to it. The first was the appointment of new lay members of the Council to the now vacant positions which had been occupied by the Hon. Mrs. Sara Morrison and Sir Stuart Lipton and to replace Mr. Buxton, who had indicated his intention to stand down at the end of the year. The second part was the appointment of the Principal of the Faculty of Physical Sciences, Professor Leppington, to the Council in the senior staff constituency. The Clerk reported that, following a wide call for nominations, the Nominations Committee had considered a number of candidates and had agreed to propose three for appointment as lay Governors - Mr. Peter Gershon, Mr. Ram Gidoomal and Sir Peter Williams. Their CVs had been tabled for members’ information and all had indicated their willingness to serve as members of the Council.

4. With regard to Professor Leppington, the Clerk reminded members that the Statutes required that the senior staff representatives on the Council should be selected so as to “provide for representation of the breadth of disciplines within the College”. The Nominations Committee had previously agreed that the best way of ensuring this was for each of the Faculty Principals to be appointed in this capacity. As Professor
Leppington had recently succeeded Professor Pendry as the Principal of the Faculty of Physical Sciences, his appointment to the Council was consequently proposed.

Resolved: That the appointments to the Council, as set out in Paper A, be approved.

5. Following his formal appointment, Professor Leppington was invited to join the meeting and the Chairman welcomed him on behalf of the Council.

Establishment of a Search Committee

6. Although it was not the subject of a formal agenda item, Lord Vincent next informed Governors of the arrangements that were being initiated to identify his successor as Chairman of the Court and Council. By way of introduction, he reminded members that his second term of office was due to end in November 2003 and, under the terms of the College’s Statutes, he would then have to stand down. He said that it was of the utmost importance that a successor was chosen in good time and, in this regard, there were two considerations that had to be taken into account. The first was that, under the College’s Statutes, it was the Court which was formally responsible for appointing the Chairman, acting on the recommendation of the Council. Ideally, he suggested, any successor should therefore be chosen in time for the appointment to be ratified at the next Court Meeting on 28\(^{th}\) March 2003.

7. If this proved not to be possible, he continued, the approval process could be completed by correspondence out of committee. However, the second consideration to which he had referred meant that, in any case, there was likely to be very little scope for delay beyond March of next year. This was because, in the interests of achieving a smooth handover, his successor should be chosen in time to attend at least two, and preferably more, meetings of the Council before assuming his appointment. Clearly, this would not present any difficulties if an existing member of the Council was chosen. However, if it was decided to appoint a Chairman from outside, at the very latest, a decision would be needed in time to allow his successor to attend the May Meeting of the Council next year.

8. With all this in mind, the Chairman reported, a Search Committee had been formed, its membership being himself, the Deputy Chairman, the Rector, the Deputy Rector and the Hon. Mrs. Sara Morrison, with the Clerk acting as its Secretary. The first meeting of the Committee would be held that afternoon and, he assured members, the Council would be provided with progress reports as its work was taken forward.

9. Finally, the Chairman asked all members of the Council to think about possible candidates to take his place and to forward any suggestions they might have to the Clerk in confidence.
RECTOR'S BUSINESS

Staff Matters (Paper B)

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

Oral Reports

11. The Rector advised the Council of the recent launch of a College initiative to assist in widening access. Under the ‘INSPIRE’ scheme, which had been launched by the Prime Minister with a presentation at 10 Downing Street, Imperial would supply postgraduate researchers to teach science in selected schools for 2 or 3 days each week and undertake research at the College for the rest of the week. The scheme, which was part-funded by GlaxoSmithKline to the tune of £1M, would commence in September. A Director for the scheme had already been identified and it was expected that the first three post-doctorate researchers/teachers would be appointed shortly. The Rector said that, in this way, Imperial hoped to lead the way in improving the teaching of science in schools and thus ensuring that more and better qualified students would choose to read scientific subjects at university. The Government’s enthusiasm for this scheme could be seen from the fact that the Prime Minister himself had been involved in the launch.

12. Moving on, the Rector reported that earlier in the week the College had offered its first e-masterclass for schools. This had been chaired by the broadcaster, Noel Edmunds, and had included a talk by Professor David Phillips. Students from six schools had joined the presenters in the College’s Video Conferencing Suite whilst hundreds more had participated at their schools. Further information about the event and a video of the event had also been posted on the College’s web site at http://www.e-masterclass.ic.ac.uk/classes.html. Another e-masterclass would be held in October.

13. Concluding his Report, the Rector informed Governors that the College had been conducting a ‘branding’ exercise, the results of which would be formally launched in January 2003. A more detailed presentation on this would be made to the Council in due course.

Rector’s Report on Health and Safety (Paper C)

14. The Rector introduced Paper C, which included the Annual Report from the Health and Safety Council. This showed, he said, that the College was making steady progress. The quality of departmental reports was improving year-on-year and, more importantly, the acceptance by staff of their own responsibilities for health and safety was getting better. The Rector commended the Report to the Council and expressed his thanks to the Health and Safety Council and its members, saying that they had a vital role in ensuring that health and safety was taken seriously throughout the College. Concluding his Report, the Rector informed the Council that a Professor in
the Department of Biological Sciences had been suspended by the College for an alleged serious breach of health and safety procedures. The incident was also being investigated by the Health and Safety Executive (HSE).

REPORT BY THE HEALTH AND SAFETY AUDIT COMMITTEE (PAPER D)

15. Introducing Paper D, the Chairman of the Health and Safety Audit Committee, Mr. Roche, was pleased to report that the Health and Safety Council now sent a representative, Dr. Graham Taylor, to the meetings of his Committee. This had resulted in a better understanding, and closer relationship, between the two committees. Picking up on two points in his Report, Mr. Roche noted that a key factor in improving the disposal of toxic waste was the achievement of better control over ordering. This would result in only the amount of chemicals actually needed being purchased. He also suggested that Departments should ensure that the costs of waste disposal were included from the outset in project proposals.

16. His second point related to Long Term Maintenance (LTM). The backlog of LTM was significant and, on the face of it, the College’s annual budget for such work was quite inadequate to even start to address it. However, in practice much of the outstanding maintenance was being dealt with because new projects were replacing old buildings. He suggested that, to obtain a more accurate assessment of the situation, a gap analysis should be conducted to ensure that those maintenance problems that were not being addressed through projects would still be covered by LTM funding. Finally, he noted that the graphs of accidents appended to the Rector’s Report would have been more useful if they had been adjusted to give an accident rate rather than just the absolute number of accidents that had occurred.

17. Moving on, Mr. Roche said that, before the Committee’s most recent meeting, it had held an audit session with the Department of Biological Sciences. Although the Department’s presentation had been excellent and it clearly had very good and committed Safety Officers, the Committee had been concerned that its senior managers did not appear to have a good understanding of their own responsibilities for managing health and safety.

18. The failure of a number of departments to introduce systematic Portable Appliance Testing (PAT), Mr. Roche continued, was still a matter of concern to the Committee. The processes involved were not difficult, simply time-consuming, and he suggested that the College must ensure that PAT was properly implemented across all Departments. Concluding his Report, Mr. Roche noted that the departmental audits, which had been introduced by the Safety Unit this year, were already producing very interesting results. The Committee was particularly pleased at this success as it had pressed for the introduction of such a system for some time. It was demonstrating examples of excellent practice in health and safety in Departments and he hoped that it would assist in the sharing of this good practice across the College.

19. Dame Rosemary Spencer noted that one-third of all accidents were in the category “injured whilst handling, lifting or carrying” and asked if staff were given sufficient training in handling heavy objects. The Director of Human Resources, Mr. Gosling,
replied that health and safety training was provided as part of the College’s extensive programme of staff development courses. The Deputy Rector agreed and noted that every Department had safety advisers and that staff were trained. The problem, he said, was in ensuring that staff remembered always to use the correct procedures.

20. Picking up on the Committee’s meeting with the Department of Biological Sciences, Professor Hassell said that it was a matter of concern for the Faculty of Life Sciences if one of its Departments showed a limited understanding of management responsibilities for health and safety. The Department had therefore been instructed to review its management structure as a priority in order to address this issue.

21. Sir Alastair Morton expressed his concern over the problems of waste disposal. This was, he said, a significant problem for industry as well. However, the College, as one of the country’s premier universities, should be leading the way on this issue. The Clerk noted that there was also a cultural aspect. In the past Departments had held on to chemicals and other waste because it was expensive to dispose of them properly. For this reason, the College had introduced an ‘amnesty’ this year, under which waste disposal was funded centrally in order to remove this financial disincentive and encourage Departments to clear out the stocks they had accumulated. From next year, the Faculties, and through them the Departments, would again be responsible for meeting the costs of waste disposal. As Mr. Roche had indicated earlier, the onus was now on Departments to ensure that they did not over-order chemicals and to make suitable provision for the costs of disposal at the time of procurement. Professor Dame Julia Higgins remarked that one of the reasons for the backlog of waste material was that, for years, research contracts would not cover the costs of disposal. She was now ensuring that this was no longer the case in her Department. Sir Alastair Morton supported this approach, stressing that the safe management of waste could not be ‘optional’.

22. Returning to the Rector’s report, Dr. Vaughan asked if the alleged breach of safety regulations to which he had referred had any financial implications. The Rector said that, as the incident was still being investigated by the HSE, there was the possibility that the College might yet be prosecuted, even if it was clear that an individual, rather than the College, was responsible. The Chairman agreed, but noted that, in this instance, the alleged breach had been uncovered by the College and reported to the HSE rather than the other way round. Dr. Vaughan felt that this was encouraging as it showed the College’s internal procedures were robust.

RESTRUCTURING OF THE DEPARTMENT OF AGRICULTURAL SCIENCES (PAPER E)

23. Introducing Paper E, the Director of Human Resources, Mr. Gosling, said that the Department of Agricultural Sciences, which was based at the Wye Campus, was currently in deficit and, if nothing was done, its financial position would continue to worsen. The Department was also not fulfilling its academic potential. Although its position had improved in the recent Research Assessment Exercise - it had received a Grade of 4 – less than 70% of its staff had been returned as research-active and it was still the lowest graded Department in the College. It had therefore been recognised
that, in order to improve both its academic and its financial performance, the Department would have to be reviewed and the appropriate action taken.

24. This review, which had commenced in April, had made it clear that there would have to be a reduction in the Department’s academic and technical staff. Mr. Gosling reported that this restructuring was proceeding and that he was confident that the necessary reductions in staffing would be achieved entirely by voluntary means. For technical staff, these had almost been achieved already and, if all the academics who had expressed an interest in taking voluntary severance did so, the target would be achieved on that side as well.

25. Nevertheless, although the College was working hard to ensure that the reduction in staff was achieved voluntarily, it had to be recognised that compulsory solutions might be required in a few cases. The purpose of the present Paper was to advise the Council of the restructuring and to seek its agreement to take compulsory measures, should they be required.

26. Mr. Lowe reminded the Council that the merger between Wye College and Imperial had been governed by Heads of Agreement between the two institutions. He asked for an assurance that the measures being taken were consistent with these. Mr. Gosling confirmed that staff at Wye were being treated equitably. He also confirmed that, as the restructuring was designed to improve the Department’s academic performance, it was those staff who were performing less well and were less likely to achieve their research targets who would be more likely to be looked at if the College had to move to compulsion.

27. Dame Rosemary Spencer noted that the Paper focused primarily on improving research performance. She asked if the reduction in staff would affect teaching on the Wye Campus. Professor Hassell, the Principal of the Faculty of Life Sciences, of which the Department of Agricultural Sciences forms part, recognised that a reduction in the academic staff had the potential to pose problems for the Department’s teaching. In consequence, its Head, Professor Waage, had been paying close attention to ensuring that the Department’s teaching commitments would still be met once the restructuring was complete and was confident that the students at Wye would not suffer. Dr. Vaughan asked what actions were being taken to ensure that the most highly rated staff in the Department were retained. Mr. Gosling said that this was a prime concern for Professor Wagge. If the Department was to improve and to achieve its targets, it was important that the morale of those staff remaining at Wye was maintained and improved.

28. Mr. Hearn asked whether there should have been a reduction of the staff at Wye at the time of its merger with Imperial. Mr. Gosling said that, in fact, there had been a reduction of staff at that time, although it now appeared that the reduction in technicians had not been large enough.

29. Drawing the discussion to a close, the Chairman reminded the Council that it had previously had to consider the possibility of compulsory solutions during the restructuring in the School of Medicine. Although this was always unwelcome, in that case the restructuring had been achieved successfully without the need to resort to
Resolved:

(i) That, in pursuance of Paragraph 10(2) of the Appendix to the Statutes, this Council considers that it is desirable that there should be a reduction in the academic staff of the Department of Agricultural Sciences.

(ii) That the Chairman be granted delegated authority to make on behalf of the Council appropriate arrangements, if necessary, for the establishment of a Redundancy Committee when and if he is content that the fullest consideration has been given to all possible alternative measures, which might eliminate or reduce the need for compulsory redundancies.

30. The Chairman said that he would report to the next meeting of the Council if a Redundancy Committee had been required.

PRESENTATION ON THE NEW FACULTY BUILDING

31. The Council received a presentation on the new Faculty Building from the Director of Estates, Mr. Brooks-Wilson, and Mr. de Grey from the architects, Foster and Partners.

32. Professor Bell asked whether consideration had been given to energy conservation in the design of the new building. Mr. Brooks-Wilson said that the College was keen to ensure that the building was as energy efficient as possible and the design team were therefore addressing energy conservation issues.

33. The Chairman thanked Mr. Brooks-Wilson and Mr de Grey for their interesting presentation.

CAPITAL INVESTMENT PLAN (PAPER F)

34. Introducing Paper F, the Deputy Rector, Professor Bearman, reminded the Council that the Capital Investment Plan formed a major part of the Strategic Plan and was updated each year. Although the Council was being asked to approve the updated Plan, he stressed that each project with a value in excess of £1M would, regardless of its inclusion in the Plan, have to be separately scrutinised and approved by Governors. Moving on to consider the Plan in detail, Professor Bearman said that the majority of projects to be undertaken in the next two years were the result of the funding which the College had obtained from the Government’s Strategic Research Infrastructure Fund (SRIF). The £46M which Imperial had been promised would have a significant impact on its programme of works, with the only non-SRIF projects being the Tanaka Building and the new Faculty Building.

35. Because the completion of major capital projects would have an impact on the College’s LTM programme, some consideration of this was also included in the Plan. Indeed, as had already been indicated in the earlier discussion on health and safety, it
was expected that a few LTM concerns would be removed entirely by the completion of planned refurbishments and/or the construction of new buildings. The Plan also included some important IT projects including the new Student Administration system, SAMS. However, as he had said at the beginning of his introduction, the Plan was constantly evolving. Since the latest draft had been prepared, a number of additional potential projects had been identified in the academic planning round. These would have to be evaluated and their likely costs assessed. They could then be included in the next revision of the Plan.

Professor Bearman went on to highlight the annexes dealing with student accommodation and cash flow. He reminded Governors that the College was, and intended to remain, a residential institution. As such, it guaranteed accommodation for all 1st year undergraduate students. The Capital Plan therefore had to ensure that, even while the College refurbished and improved its halls of residence, it could continue to meet this guarantee each year. The cash flow projections contained in Annex D were also important and showed what a challenging programme the College was undertaking. Professor Bearman pointed out that this differed from the cash flow forecasts previously presented to the Council as it now included the costs for the refurbishment of the Southside Hall of Residence. It was estimated that this Project might cost in excess of £30M, a cost Imperial could not afford to meet itself. The College was therefore exploring a number of options for funding this refurbishment from external sources.

Before inviting further discussion, the Chairman reminded members that the Capital Investment Plan provided an important strategic context against which the Council could judge individual project proposals when they came forward for final approval. Sir Alastair Morton then noted that there were two significant issues that arose from the Paper. The first was the funding of the Southside Refurbishment and the second was long-term maintenance. Institutions like Imperial were, he said, being presented with significant problems by central government. The College would be required to make wholesale changes to its older building stock in order to meet the requirements of legislation, such as the Disabilities Discrimination Act, and yet the Government funding to support this was wholly inadequate. He was concerned that it might take a serious accident before the Government would recognise that the backlog of LTM in the higher education sector was a critical issue that would require significant financial resources to resolve. The Chairman agreed, but noted that it was unlikely that the Comprehensive Spending Review, which was due to report shortly, would address this subject. Although initiatives such as SRIF would help, institutions would have to take action themselves to deal with their maintenance backlogs.

The Director of Estates, Mr. Brooks-Wilson reported that he was reviewing the LTM programme to see if the suggested cost of £160M was an accurate reflection of the College’s actual commitments. He suspected that, given that some of these liabilities would be removed by planned capital projects, the real cost of the LTM programme would be lower than this. With regard to legislative compliance, he assured the Council that the majority of the College’s buildings met health and safety requirements and that, where this was not the case, either activity was stopped, or action was taken quickly to address the problem. The College also had a clear programme for meeting the requirements of the Disabilities Discrimination Act,
although additional funding would be required to fulfil the programme. Professor Borysiewicz agreed with Mr. Brooks-Wilson’s analysis, noting that the LTM backlog at the Paddington Campus would be removed by the construction of the Paddington Waterside Development. He also noted that the LTM problems confronting higher education were small compared to those facing the NHS, where the national LTM backlog was estimated at £260 billion.

39. The Chairman of the Health and Safety Audit Committee agreed that the LTM backlog figure of £160M was likely to be over-stated, but reiterated that the College needed to do a gap analysis to identify which parts of the LTM programme would be addressed by planned projects and which would need to be dealt with from the LTM budget. Mr. Brooks-Wilson agreed, saying that he hoped to bring such an analysis forward in October.

40. Dr. Wilbraham remarked that, under the cash flow forecast included with the Plan, the College could have a borrowing requirement of up to £50M. He suggested that the Capital Programme was unlikely to cost less than forecast. Indeed, experience suggested it would cost more. Furthermore, the budget forecast was that the College would return a deficit in the forthcoming year. He asked if the College intended to meet this gap by realising the value of some of its other assets. The Director of Estates informed Governors that the College was undertaking a survey of its entire estate to assess the true value of its assets. If completed in time, he hoped that the results of this survey would be presented to the Council at its meeting in October. He noted that the College’s other significant asset was its intellectual property and that it had already had a deal of success in obtaining a return against this.

41. The Rector agreed, stressing that Imperial was asset-rich. It had significant equity holdings and a lot of property, some of which was surplus to the College’s long-term needs. How the College utilised these assets to leverage capital would be important if the Capital Plan was to be achieved. However, he also believed the impending Comprehensive Spending Review would bring additional funding into higher education and to Imperial. The Honorary Treasurer concurred with the Rector’s views and said that the Finance Committee was already considering how best to use the College’s assets in attracting capital funding.

42. Finally, Professor Bearman reminded the Council that the cash flow forecast made no assumptions about additional Government funding, even though it was highly likely that there would be a successor initiative to SRIF and that the College would receive additional funding from this.

Resolved: That the revised Capital Investment Plan, as set out in Paper F, be approved.

COLLEGE BUDGET 2002-03 (PAPER G)

43. The Director of Finance, Mr. Cannon, introduced Paper G, noting that the Budget was being presented in a new and, he hoped, more useful format for the first time. Moving on to its detail, he said that the College planned to have an operating deficit of £3.2M
for the next year against the corresponding £1.8M deficit for the current year. After exceptional income, the actual outcome for the current year was expected to be £7.6M and £11.3M for the coming year. There were, he said, a number of reasons for the forecast deficit. Despite the restructuring of the Department of Agricultural Sciences, which had been discussed earlier in the Meeting, the Faculty of Life Sciences was not expected to come out of deficit until 2006. The Faculty of Medicine was also not due to come out of its deficit until 2004.

44. Mr. Cannon went on to say that it was anticipated that exceptional income this year would be boosted by the sale of equity to the Fleming Family, which he hoped would be completed before the year-end. Exceptional income in 2002-03 was forecast to include £9M from property sales, although this was dependent on the review currently being conducted by the Director of Estates. The other significant item of exceptional income included in the forecast assumptions was £5M to be realised from the sale of shares in TurboGenset Inc. Mr. Cannon acknowledged that this would require a significant increase in market values if it was to be achieved.

45. The Honorary Treasurer, Dr. Knight, said that it was disappointing that the College was predicting a deficit for the coming year. However, he was confident that, as the year progressed, additional income would be created from the College’s intellectual property rights (IPR). He was therefore less concerned about the forecast deficit than would otherwise be the case. He did, however, regard the length of time required to produce the College’s budget as unnecessary and hoped that this could be significantly reduced in the coming year.

46. Mr. Hearn, the Chairman of the Audit Committee, welcomed the new format for the presentation of the Budget. It was, he felt, much easier to understand. He also welcomed the additional information provided on research income and the targets for research overheads. Mr. Cannon said that these would have to be monitored closely as it was crucial that the College managed to improve its overhead rates.

Resolved: That the College Budget for 2002-03, as set out in Paper G, be approved.

FUNDING POLICY (PAPER H)

47. Introducing Paper H, Mr. Cannon reiterated that the Capital Investment Plan would result in a substantial borrowing requirement. In the past, College policy had been to fund capital expenditure from general reserves rather than from borrowing. This policy carried the risk that, in order to fund major projects, the College would dispose of non-core assets rather than holding onto them in order to secure a higher value. He would be bringing a Paper on this issue to the next Meeting of the Council in October. Dr. Knight said that this came back to the balance to be struck between endowments, borrowing and capital when funding the College’s Capital Plan. Imperial’s current policy was, he suggested, very conservative. The Finance Committee was therefore reviewing the options open to the College.
REPORT BY THE FINANCE COMMITTEE (PAPER I)

48. Introducing Paper I, Dr. Knight reported that the College had made further progress in reducing its aged debts. He also informed Governors that he and the Rector were in discussion with Dr Tanaka about re-phasing the payments for the Tanaka Building and that this was going well. He concluded his Report by noting that, although the current stock market position meant that it was a difficult time for exploiting IPR, this would still be crucial for the future development of the College.

49. Dr. Vaughan agreed that it was now difficult for small companies to obtain seed funding because of the stock market situation. She asked if the College was therefore considering non-traditional sources of funding for its spin-out companies. She also suggested that these companies should be advised to monitor their cash flows very carefully. The Pro-Rector for Public and Corporate Affairs, Dr. Maini, said that the spin-out companies were attracting funding without any difficulty at the moment. He agreed, however, that careful cash management was important for all small companies. Dr. Knight concurred and noted that the high quality of the IPR generated by the College gave its companies a significant advantage in securing funding. The Rector added that, although the markets were currently depressed, this had not affected technological developments. Now was the time, he suggested, for investing in technology and science.

50. Turning to the Finance Committee’s recommendation that the Bernard Sunley Hall Refurbishment Project be approved in principle, the Director of Estates, Mr. Brooks-Wilson said that the Project tender was still being negotiated and that he hoped to obtain a better price than was indicated in the Paper. The Rector suggested that the Council approve a lower cost for the Project to ensure that the best price was obtained. If it became necessary to increase the approved cost for this Project before the next Meeting of the Council, this could be done by the Vacation Powers Committee.

Resolved: That, on the recommendation of the Finance Committee, the Bernard Sunley Hall Refurbishment Project be approved in principle with a total project value of £3.5M.

FINANCE MANAGEMENT REPORT (PAPER J)

51. The Director of Finance, Mr. Cannon, introduced Paper J, noting that the year-end forecast had already been discussed in relation to the College Budget for 2002-03. He was, however, more hopeful that the sale of equity to the Fleming Family would be concluded in the current financial year than he had been when the Paper was written. Moving on, he confirmed that the College’s aged debt position was now much better than at the same period in the previous two years, although he recognised that there was much work still to be done.
FINANCE DIVISION OBJECTIVES (PAPER K)

52. Mr. Cannon presented Paper K, which was received for information.

RISK MANAGEMENT POLICY (PAPER L)

53. Introducing Paper L, the Clerk advised the Council that the Higher Education Funding Council for England (HEFCE) required all institutions to introduce a comprehensive risk management process in time for the academic year 2002-03. Accordingly, a Risk Register and Action Plan had been approved by the Executive Committee and a Risk Management Policy had been drafted for consideration by the Council. Appended to the draft Policy was a scattergraph showing the relative impact and likelihood of the risks identified by the Executive Committee, together with a list of these risks in priority order. Although the full Risk Register and Action Plan had not been tabled, it had been seen and commended by the Audit Committee. The Chairman of the Audit Committee, Mr. Hearn, endorsed the draft Policy and reported that the Committee had praised the Action Plan. It had, he said, been particularly pleased that the proposed risk management process would be embedded in the College’s normal planning procedures.

54. Dame Rosemary Spencer was pleased to note that the identified risks were expressed in terms of the College’s responses to external factors. It would have been easy, she suggested, to view these external risks as something over which the College had little or no control whereas the responsible approach - which had been taken by Imperial - was to consider their impact on the College and what it could do to mitigate this.

Resolved: That the College Risk Management Policy, as set out in Paper L, be approved.

REPORT FROM THE SENATE (PAPER M)

55. The Rector introduced Paper M, drawing particular attention to the establishment of the Graduate School of Engineering and Physical Sciences.

56. Dr. Vaughan noted that the College had surveyed undergraduate applicants who had rejected an offer of a place at Imperial to ascertain their reasons for doing so. She asked what had been learned from this. The Rector said that the survey had generated a considerable number of responses and had been helpful. Several respondents had remarked that the College was ‘scruffy’ and that its facilities appeared to be poor. Consequently, before the recent Open Day, the South Kensington Campus had been tidied up as it was important to create a good impression for applicants.

ANNUAL OPERATING STATEMENT (PAPER N)

57. The Director of Planning and Information, Dr. Eastwood, introduced Paper N and reminded members that the production of an Annual Operating Statement was a
requirement of the HEFCE. However, as it covered the period to 31 July, in previous years when the Council’s last Meeting had been held in June, it had not been possible for it to consider the Statement before this was sent to the Funding Council. Because the Council was meeting in July it was now able to review the Statement. Moving on to consider the document itself, Dr. Eastwood noted that the HEFCE’s requirement had changed slightly, in that the College was no longer required to report on the totality of its activities, just on progress with various special initiatives for which targets had been set. He reported that there were seven specific programmes funded by the HEFCE and, with the exception of the HEROBAC programme, progress on all of these had been good. The College had received £1.1M for HEROBAC two years earlier. However, because of problems in recruiting appropriately qualified staff, the College had not been able to meet the spending targets set for the programme. The College would therefore have to agree a revised programme with the HEFCE. Dr. Eastwood closed his Report by remarking that there would be some further, minor textual changes to the Statement before it was submitted and that it would also be accompanied by financial forecasts, which had yet to be finalised. If there were any substantial changes to the Statement, these would be presented to the Vacation Powers Committee for approval.

Resolved: That the Annual Operating Statement, as set out in Paper N, be approved.

CLERK’S BUSINESS

Terms of Reference of the Council Committees (Paper O)

58. Introducing Paper O, the Clerk said that the Chairman of the Athletics Committee had been concerned that it had not been taking a strategic view of Imperial’s sports facilities, but was getting too involved in the minutiae of their management. It had therefore been suggested that its terms of reference be reviewed by the Governance Committee. Similarly, as the new Finance Committee had taken on some of the responsibilities previously exercised by the Estates Committee, that Committee’s future had also been reviewed. As a result of its review, the Governance Committee was recommending revised terms of reference and membership for the Athletics Committee and that the Estates Committee be disbanded. It was also recommending that it should itself be reframed as a Chairman’s Committee with wider terms of reference. In parallel to these changes, a new Rector’s Committee was to be established to advise on the use of the College’s sporting and leisure facilities, while another new Rector’s Committee, to be chaired by Sir Alastair Morton, would provide advice on property issues.

59. The President of the ICU, Mr. Ganesh, said that the proposed disbandment of the Estates Committee was a concern for the ICU as this had been the only forum in which students could have an input into the development of the College’s estate, and in particular the halls of residence. The Chairman responded that the Council valued the contribution made by student representatives. Indeed, he said, it was proposed now to include the ICU President on the Chairman’s Committee. Students were also well represented on the Rector’s Committee for Student Residences. They would also
have continued representation on the Athletics Committee and at the Council. The ICU President also had regular meetings with the Rector and with the Pro-Rector for Educational Quality, Professor Rawlings. The Chairman suggested that all this should ensure that the ICU would be able to comment on plans as they were formulated, while Mr Ganesh himself would also be able to communicate the views of students on those proposals at the Council.

Resolved: That the revised terms of reference for the Council Committees, as set out in Paper O, be approved.

Revisions to the Financial Regulations (Paper P)

60. Introducing Paper P, the Director of Finance, Mr. Cannon, said that it was some time since the College’s Financial Regulations had last been reviewed. The recent introduction of the Faculties and the consequential need to assign responsibilities to the Faculties and the Faculty Principals had necessitated this review of the Regulations. At the same time the opportunity had been taken to update and generally tighten the Regulations. The proposed revisions had been presented to the Audit Committee which had recommended them for approval. The Chairman of the Audit Committee, Mr. Hearn, concurred, saying that the proposed changes amounted to a sensible updating of the Regulations.

Resolved: That the revised Financial Regulations, as set out in Paper P, be approved.

Revisions to College Procedures and Regulations (Paper Q)

61. The Academic Registrar, Mr. McClure, introduced Paper Q saying that, as with the Financial Regulations, the introduction of Faculties had necessitated some changes to the wording of the Procedures and Regulations relating to students.

Resolved: (i) That the revisions to the Procedures for Dealing with Student Disciplinary Offences, as set out in Paper Q, be approved.

(ii) That the revisions to the Procedures for Dealing with Complaints by Students, as set out in Paper Q, be approved.

(iii) That the revisions to the College Regulations for Students, as set out in Paper Q, be approved.

(iv) That the revisions to the College Academic Regulations, as set out in Paper Q, be approved.

Vacation Powers Committee (Paper R)

62. Introducing Paper R, the Clerk reminded Governors that each year there was a
considerable time gap between this Meeting of the Council and its next Meeting in October. Last year, in order to ensure that any urgent business that arose during this period could be dealt with, the Council had agreed to establish a Vacation Powers Committee. Its terms of reference required that, at the end of each year, the Council should delegate authority afresh to the Committee to take action on its behalf.

63. It was suggested that the Committee’s constitution be changed to “The Chairman of the Court and Council or in his absence the Deputy Chairman” and that the quorum be changed to “the Chairman or in his absence the Deputy Chairman and one other lay member together with the Rector or in his absence the Deputy Rector”.

Resolved: (i) That the amendments to the terms of reference of the Vacation Powers Committee set out above be approved.

(ii) That the Vacation Powers Committee be empowered to make decisions on behalf of the Council on any matter for which a resolution is required before the next scheduled Meeting of the Council in October 2002.

ANY OTHER BUSINESS

Governors’ Induction

64. The Chairman advised Council members that an Induction Programme for new Governors would be offered on Monday, 21st October 2002. While this was aimed primarily at new Governors, existing members of the Council would be welcome to attend. Indeed, he said, all those who had attended the programme in October 2001 had found it a very useful and illuminating day. Further details would be circulated by the Clerk during the Summer.

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65. On behalf of the Council, the Chairman expressed his appreciation and thanks for the following retiring Governors for whom this was the final meeting of the Council:

- Mr Andrew Buxton.
- Sir Stuart Lipton, whose membership of the Council had expired at the end of June.
- Professor Philip Poole-Wilson, who had decided not to stand for re-election.
- Dr D Paul Isherwood, who had decided not to stand for re-election.
- Professor David Phillips OBE, who had been elected to serve as the Dean for the Faculties of Life Sciences and Physical Sciences from 1 September 2002 to 31 August 2005 and who was therefore no longer eligible to serve as an elected
member of the academic staff.