MINUTES OF THE PROCEEDINGS

at the

Twentieth Meeting of the

COUNCIL

of the

IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The Twentieth Meeting of the Council was held in the Council Room, 170, Queen’s Gate at 10:30 a.m. on 19th October 2001, when there were present:

Lord Vincent (Chairman), Mr. G. Able, Professor J.N.B. Bell, Professor Sir Leszek Borysiewicz, Dr. E. Buttle, Professor T.J.H. Clark, Professor M.G. Haines, Mr D.P. Hearn, Professor Dame Julia Higgins, Professor S.P.F. Hughes, Dr. M.P. Knight, The Hon. Mrs. Sara Morrison, Professor D. Phillips, Professor R.D. Rawlings, 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.

Imperial College Union Observer: Mr. B. Hawkins (Deputy President, Finance and Services).

In attendance: the Academic Registrar, the Director of Finance, the Director of Human Resources, the Director of Planning and Information, the Director of Research Support and Development, the Director of Strategy Development and the Assistant Clerk to the Court and Council.

Apologies: Mr. A.R.F. Buxton, Professor M. Green, Dr. D.P. Ischerwood, Sir Stuart Lipton, Mr. H.B. Lowe, Mr. R.J. Margetts, Miss Judith Mayhew, Professor P. Poole-Wilson, Eur. Ing. A.D. Roche, Dr. B.G. Smith.

WELCOME

On behalf of the Council the Chairman welcomed Mr. D.P. Hearn, Dame Rosemary Spencer, Dr. D.J. Wilbraham and Mr. S. Ganesh, the new President of the ICU, who were all attending their first meeting as members of the Council. The Chairman also welcomed Mr. B. Hawkins, the Deputy President of the ICU, and Mr. C. Gosling, the new Director of Human Resources, who were both attending their first meeting of the Council.
CONGRATULATIONS

On behalf of the Council, the Chairman congratulated Professor P.W. Bearman on his appointment as Deputy Rector and Mr. R. Margetts on his appointment as Deputy Chairman of the BOC Group plc.

MINUTES

Council – 29th June 2001

1. The Minutes of the Nineteenth Meeting of the Council, held on 29th June 2001, were taken as read, confirmed and signed.

MATTERS ARISING

HEFCE Audit Service Report (Council Minutes, 29th June 2001, Minutes 49 - 54)

2. The Clerk reminded Governors that the HEFCE Auditors had originally indicated their intention to visit the College in September to review progress against the recommendations contained in the Audit Service Report. However, they had not yet contacted the College and it was now expected that they would revisit the College in the New Year.

RECTOR’S BUSINESS

Staff Matters (Paper A)

3. The Rector formally presented Paper A, which was received for information. Expanding on the information contained in the Report, the Rector explained that the Pro Rector (International Relations), Professor Ewins, would work closely with the Pro Rectors for Admissions and Educational Quality, Professors Clark and Rawlings, to ensure that the College continued to attract the best students from around the world. In particular, Professor Ewins would be responsible for building and maintaining links with high quality higher education institutions outside the UK. The new Pro Rector (Public and Corporate Affairs), Dr. Maini, would have a very important role in assuring the College’s long term future as he would be responsible for fundraising activities and would oversee other activities which provided external income for the College, such as its subsidiary companies. Dr. Maini would take up this appointment in January 2002.

4. Moving on, the Rector said that the College had identified a Head for the newly created Information and Communication Technologies (ICT) Division, but that the candidate had unfortunately decided to decline the offer of appointment. The search for a Director of ICT was therefore being renewed.
5. Finally, the Rector informed Council that a firm of external consultants, Faithful and Gould, had been asked to review the organisation of the College’s Estates Division. Their Report made a number of recommendations, which were already being implemented and a new Director of Estates would be sought to take over the revised organisation. Because the Report included information which was sensitive, both from commercial and staff viewpoints, it would not be circulated. However, he said, it could be made available to any Governor who wished to see it.

Oral Reports

6. The Rector then turned to the introduction of Faculties, which he reported was progressing well. The Faculty Principals had all now started in office and were in the process of appointing Finance Officers and Administrators who would assist them in implementing the Faculty structures during the coming year.

7. Concluding his report, the Rector said that, with the appointment of Dr. Maini, fundraising would begin in earnest. A particular concern for the College was its continued ability to attract the best students regardless of their income. For this reason, a prime focus would be to raise funds to provide scholarships for students.

REPORT BY THE VACATION POWERS COMMITTEE (Paper B)

8. Introducing Paper B, the Clerk reminded Governors that they had established the Vacation Powers Committee at their last meeting to approve the Annual Operating Statement on behalf of the Council and to deal with other urgent matters which might arise during the Summer Vacation. In addition to the Operating Statement and associated Financial Forecasts, the Committee had received a report on the College’s fine of £25K for the health and safety infringement reported at the June meeting of the Council.

9. The Committee had also approved by correspondence the sale of Olave House for £2.5M, a disposal which was already included in the Capital Investment Plan at an estimated value of £2M. Unfortunately, shortly after the Committee granted its approval, and perhaps influenced by the downturn in the market following the events of 11th September, the intended purchaser had withdrawn his offer. The College was therefore proceeding with two other bids it had received, both at £2.25M. In doing so, it was working on the assumption that the Council would be content that it should seek to obtain the best price available, always provided that this matched or exceeded the Capital Investment Plan estimate of £2M. If this could not be achieved, the intention was that Olave House should be removed from sale and re-marketed in the Spring. The Chairman noted that speed of response was likely to be an issue and therefore asked for the Council’s approval in principle for the sale of Olave House on this basis.

Resolution: That the sale of Olave House for a price of not less than £2M be approved.
10. Dr. Vaughan noted that the Operating Statement included a commitment to produce a Widening Participation Statement and asked whether the Council would have an opportunity to receive this. The Director of Planning and Information, Dr. Eastwood, said that this statement was due to be considered by the Executive Committee shortly and that it could be provided to the Council thereafter. The statement would, he said, seek to achieve the Government’s proposals on widening participation, whilst remaining within the College’s Mission statement. For example, the College would not be reducing its requirements for entry qualifications but would seek to improve students’ ability to achieve this standard before they came to the College.

11. From the Financial Forecasts Mr. Hearn said he was pleased to note that expenditure on maintenance was due to increase in the coming years as this was a very important, if unglamorous, activity.

REMNUNERATION COMMITTEE ANNUAL REPORT TO THE COUNCIL (Paper C)

12. The Director of Human Resources, Mr. Gosling, introduced Paper C noting that the proposed change to the terms of reference of the Remuneration Committee, whereby it would only consider the remuneration of those staff who reported directly to the Rector, would bring it in line with practice elsewhere. Mr Hearn queried whether the Remuneration Committee should only ‘receive’ information on the College’s reward strategy as was suggested in the revised terms of reference. Governors agreed that the proposed clause (ix) should be amended to read: “To review information on College reward strategy and policy”.

13. Moving on, Mr. Gosling drew Governors’ attention to a College initiative with regard to academics’ pay. It was known, he said, that the College’s salaries were uncompetitive internationally, particularly at the lower end of the scale, and there had been considerable discussion recently on how this might be addressed. It was now proposed, first, to increase the minimum pay for Lecturers to just over £30K per annum, including London Weighting, and, second, by October 2002, to increase the minimum pay for Professors to £45K per annum. A formal announcement of these two proposals would be made in the following week. The impact of these changes had been fully costed and he assured the Council that the College could afford this change.

14. The Rector said that the College was an international institution and that its salaries had to remain competitive. This was therefore the start of a process to ensure that this was so for all staff. The next step would be to ensure that the College had a system that rewarded staff for their performance. Professor Bell queried whether the proposed salary increase for lower paid academic staff had implications for other academic staff. The Rector said that it would and that the effects of compressing the salary scales would have to be considered. However, it was important as a first step to ensure that the College could attract good young Lecturers and this proposal would address this concern. Professor Dame Julia Higgins agreed but suggested that, when the announcement was made, it should include a statement
about the impact on other members of staff. She also hoped that the College would be more open about all salaries in the future.

15. Agreeing with her, Professor Haines noted that Professors recruited from outside the College often received higher salaries than those who were appointed internally. He asked if there was an intention to address this imbalance. The Rector said that, following the changes to the terms of reference of the Remuneration Committee, Professors' salaries would be considered by a staff remuneration committee reporting to the Executive Committee. This would provide the transparency sought and he re-iterated his view that the most important point was that performance should be rewarded. Dr. Buttle agreed but noted that rewards need not be just financial; for example, sabbatical leave and international exchanges could be just as rewarding and motivating for academic staff as an increase in pay.

Resolution: That, subject to the incorporation of the amendment to clause (ix), the revised Terms of Reference of the Remuneration Committee, as set out in Paper C, be approved.

MAJOR PROJECTS UPDATE (Paper D)

16. Introducing Paper D, the Deputy Rector, Professor Bearman, informed the Council that the College would be undertaking projects with a combined estimated cost of £61M during the coming year. This represented a considerable increase in the number and value of projects being conducted at one time. Consequently, in addition to the external Review of the Estates Division already mentioned by the Rector, the structure of the Projects Office was being reviewed to ensure that all these projects could be managed properly. He then went on to highlight the major forthcoming projects.

17. **Science Research Infrastructure Fund (SRIF).** He reminded the Council that the College had been allocated £46.1M from SRIF. This would be used to fund 10 major projects which, together with the contribution the College would be making, would have a total value of £67M over the next three years. As each of these Projects came on stream, detailed plans would be presented to the Finance Committee and subsequently to the Council for approval.

18. **Tanaka Business School.** Professor Bearman said that he was pleased to report that, at a meeting the previous evening, Westminster Council had approved planning permission for the Tanaka Business School. Work on the Project would now commence in the New Year.

19. **Business Gateway Project.** Professor Bearman informed Governors that the Business Gateway Project was designed to bring together in a single location a variety of activities which supported the College’s links with business. These would be housed on the 12th floor of the Electrical Engineering Building, a space which had been made available by the Department as a direct result of the introduction of College-wide space charging. Council approval was now being sought so that work could commence. Professor Bearman confirmed that, although this Project had not been considered by the Finance Committee, in
future all projects of similar or greater size would be considered by that Committee before they were presented to the Council.

Resolution: That the design and construction of the Business Gateway Project for a total cost of £1.5M as set out in Paper D, be approved.

20. **Paddington Basin.**

a. Professor Bearman went on to report that the Government had now approved the scheme to move tertiary health services to the Paddington Basin, which was now to be known formally as the Paddington Waterside. This was a very exciting scheme, although, he noted, there was currently a shortfall in identified funding for it of £20M.

b. Professor Sir Leszek Borysiewicz reminded Governors that this would be the largest single investment by the NHS and would have significant repercussions across West London since it would result in the closure of the Harefield and Royal Brompton Hospitals. It was currently planned for completion by 2007. The Director of Research Support and Development, Dr. Sime, said that the College and the NHS were considering options for the use of the Harefield site once the Hospital had closed, including the possible development of a science park there.

c. Dr. Buttle queried whether there would any negative publicity associated with the closure of the Harefield Hospital in particular. Professor Sir Leszek Borysiewicz said that local residents now had a three month period in which to register their objections. However, the NHS was determined to promote the Paddington Waterside Project and the provision of alternative uses for the Harefield site would at least allay local fears regarding unemployment. It was also important to note that Professor Magdi Yacoub, who was so closely associated with the Harefield Hospital, supported these proposals. Finally, the Harefield and Royal Brompton names were internationally recognised and it had therefore been decided to retain these titles in the new Paddington scheme.

d. The Chairman reminded Governors that Imperial had not been involved in the decision to close these Hospitals, but that, this decision having been made by the NHS, the College would be keen to make use of the new and improved facilities to be provided at Paddington. Mr. Able suggested that, if these closures were given a lot of publicity, members of the Council should be provided with briefing information in case they were approached by the Press.

e. Dame Rosemary Spencer asked if it would be possible for Governors to see the architectural plans for the Paddington Waterside Project. Professor Sir Leszek Borysiewicz confirmed that plans and a model of the site were available and the Clerk was asked to make arrangements for these to be presented at a future meeting.
FINANCE MANAGEMENT REPORT (Paper E)

21. The Director of Finance, Mr. Cannon, introduced Paper E by drawing attention to the considerable reduction of data in the Finance Management Report. This had been done to ensure that only information that was useful, relevant and understandable was included. He expected that some of the information that had been removed would be built back into the Report in the future but in a more useful form.

22. Moving on to consider the Report itself, he said that most of the figures in it related to the previous year and were provisional figures still subject to audit. The College was likely to return a surplus of £16.6M, but this was attributable solely to some exceptional items of income. Without these, the College would have shown a deficit of £0.2M. This represented a deterioration of £2.2M against the forecast presented to the Council in June. The knock-on effect of this would be a reduction in reserves and hence in the amount available for capital projects in the next three years. On this basis, he said, the College would be unable to fund all the projects contained in the Capital Investment Plan unless alternative sources of income were identified.

23. Turning to consider the audit process, Mr. Cannon said that the external auditors were advising that provision should be made in the accounts for the decommissioning costs of the Reactor. However, it was not yet clear when this decommissioning would need to take place and there were precedents elsewhere to suggest that the College would receive assistance in meeting these costs from public funds. He was therefore resisting any such provision in the accounts until the timescale for decommissioning and the scale of any possible outside assistance were known.

24. The Honorary Treasurer, Dr. Knight, agreed with Mr. Cannon’s analysis and said that he had agreed to the changes to the Finance Management Report. He hoped that members would now find this a more readily understandable document. In response to a question Mr. Cannon confirmed that information on individual costs centres was still being presented to the Rector’s Executive Committee. He believed that the Council should be concerned with, and review, only the higher level figures.

25. Mr. Cannon went on to say that research overheads achieved had been better than expected and that the College’s debts had been reduced by £3.3M, whilst debts over 12 months old had been reduced by £2.5M. Although there was still much work to be done, these were all indications of positive progress. He expected that at least 50% of the aged debts would ultimately be recovered by the College. Much of this debt was related either to contracts with the EU or the NHS, with the remainder being student fee debt. Dr. Wilbraham noted that student debt in particular appeared to be rising. Mr. Cannon agreed, saying that this had been so since the introduction of student fees and was a problem common to all universities.

26. Mr. Hearn noted that research overheads had increased by 19%, but that research income had increased by 22%, and asked whether this meant that the overheads being achieved had actually declined. The Director of Planning and Information, Dr. Eastwood, said that this
was not necessarily the case as charities refused to pay overhead costs. If income from charities had increased disproportionately, the overall overhead rate would appear to decline. The Rector remarked that the issue of overheads was being discussed nationally. As Dr. Eastwood had said, charities paid no overheads while the Research Councils would only contribute 46%. The Government, he said, recognised that universities were not being paid adequately for the research they were undertaking, which was one reason why all universities were in financial difficulties. Although the Government was sympathetic to the problem, the events of 11 September meant that it was unlikely that it would be able to provide additional funding, at least in the short term.

FINANCE COMMITTEE REPORT (Paper F)

27. Introducing Paper F, the Honorary Treasurer, Dr. Knight, said that it was important to recognize that the Finance Committee was not a management committee and that it would not be seeking to usurp the proper role of the Rector’s Executive Committee. Rather, it would be reviewing the College’s finances and related matters at the strategic level. In relation to this, he was pleased that significant progress was now being made with the College’s Strategic Plan, which, it was hoped, would be ready for presentation to the Council at its next meeting in December 2001. Concluding his Report, he stated that the Finance Committee had endorsed the proposal from the Director of Finance to restructure the Finance Division.

HEALTH AND SAFETY AUDIT COMMITTEE REPORT (Paper G)

28. In the absence of the Chairman of the Health and Safety Audit Committee, Mr. Roche, who was unable to attend the meeting, the Clerk introduced Paper G. He highlighted in particular the usefulness of the Committee’s visits to Departments to review their management of health and safety. Prior to the meeting of the Committee on 11th October, it had visited the Department of Aeronautics. Although the Committee had been generally satisfied with the care taken on safety matters by the Department, it had expressed some reservations about the extent to which the Department documented its procedures. It had also been felt that there was not a full understanding in the Department of the College’s health and safety philosophy.

29. More worryingly, the Committee had been informed at its meeting of a recent visit by the Health and Safety Executive (HSE) to the St. Mary’s Campus which had resulted in a recommendation that ‘writing-up’ areas should not be provided within Containment Level 2 Laboratories, but should instead be located elsewhere. If this ruling were to be applied across the College, it would have serious implications both in terms of cost and space. Finally, the Committee had also been informed of a case of occupational asthma which had come to light at the Royal Brompton Campus. This had disciplinary implications for the staff involved and these were being pursued within the Faculty of Medicine. This was the second time in recent years that there had been an incident of this sort on the medical campuses and it showed that there were still a lot of work to be done to change the culture in certain parts
of the College.

30. Picking up on the space issue noted by the Clerk, Professor Phillips said that health and safety regulations meant that most synthetic chemistry now had to be conducted with fume hoods. This meant that the Department required a lot of laboratory space and, if it was also to be required to provide separate writing-up areas, this space requirement would increase significantly. The Clerk confirmed that there was not, as yet, a formal requirement from the HSE for the College to provide separate writing-up areas, except in relation to the laboratory at St. Mary’s which had been the subject of the visit. However, if this signalled a general change in the HSE’s interpretation of the Regulations, it would adversely affect all universities with Science or Medical Departments. Professor Sir Leszek Borysiewicz noted that, at the St. Mary’s Campus alone, implementation of such a change would result in an increase of 30% in the space required. Dame Rosemary Spencer asked whether it was possible to discuss these issues at a higher level to ensure that inspectors were aware of the implications of changes in interpretation such as this. Dr. Wilbraham said that it was often difficult to discuss such matters with the HSE. However, he had found that it could be more fruitful to raise such concerns with the Health and Safety Commissioners. The Chairman agreed that this was an issue of serious concern and asked that the Council should be informed of any further developments.

31. Dr. Vaughan asked what further steps could be taken by the College to change the culture with regard to health and safety and queried whether, when the College was fined for a breach of health and safety regulations, this cost was met by the College or by the Department responsible for the breach. The Clerk confirmed that the College had paid the recent fines. However, the possibility that Departments might in future have to meet the cost of any such fines had not been ruled out. Professor Dame Julia Higgins emphasised that the College would need to approach measures such as this with caution and seek to strike a balance between openness and punishment. There was a danger that the imposition of heavy fines would encourage staff in Departments not to report incidents.

OVERSEAS STUDENT FEES 2002-03 (Paper H)

32. The Director of Planning and Information, Dr. Eastwood, introduced Paper H, saying that the annual review of overseas student fees had been brought forward this year in order to allow the Faculty of Medicine to advertise its fees as early as possible. The proposed increases had been considered in detail by the Executive Committee, which had recommended them for approval to the Council. Reflecting on this last point, he reminded Governors that the fees were put to the Council for historical rather than practical reasons. He was therefore suggesting that in future the Rector be given authority to approve such fees on the recommendation of the Executive Committee.

Resolved: (i) That the recommendations for Overseas Student Fees and the corresponding fees framework for 2002-03, as set out in Paper H, be approved.
(ii) That the Rector be given delegated authority to approve, on the recommendation of the Executive Committee, the fees framework for 2003-04 onwards.

(iii) That the Rector be given delegated authority to approve changes in the fee category used for specific courses, provided that the new fee remains within the appropriate fees framework.

(iv) That the Faculty of Medicine be permitted to advertise and confirm its course fees with students, subject to its using only the minimum (standard) fee in each category and subject to the Faculty sending written confirmation of the fees it will be using to the Registry.

(v) That the fees for the External Programme at Wye be recommended by the Director of the External Programme and approved by the Rector.

CLERK’S BUSINESS

Council Meetings 2001-02 (Paper I)

33. Introducing Paper I, the Clerk reminded Governors that this was the first year in which the new Finance Committee would be in operation. One of its prime responsibilities was to consider the College’s Annual Budget and recommend it to the Council for approval. In addition, this year the preparation of the Budget itself would be made more difficult because of the need to incorporate the Faculties into the process for the first time. For these reasons, it was proposed to defer the final Council meeting of the year by two weeks to allow sufficient time for the Budget to be prepared and for it to be considered by the Finance Committee.

34. Whilst agreeing with the proposal to defer the final meeting this year, Mr. Hearn asked whether steps were being taken to shorten the budget setting process in future years. He suggested that three months to complete this exercise should be a reasonable target. Mr. Cannon and Dr. Eastwood agreed to consider whether there was scope for achieving this.

Resolved: That the final Meeting of the Council in 2001-02 be deferred until Friday 12th July 2002

ANY OTHER BUSINESS

35. Dr. Vaughan reminded Governors that the College had offered an Induction Programme for new and existing Governors earlier in the week. She had been one of the existing Governors who had attended the Programme, which she said had been extremely useful. She
congratulated the Rector and the others involved on their presentations and commended the programme to other Governors.