MINUTES OF THE PROCEEDINGS

at the

Nineteenth Meeting of the

COUNCIL

of the

IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The Nineteenth Meeting of the Council was held in the Council Room, 170, Queen’s Gate at 10:30 a.m. on 29th June 2001, when there were present:

Lord Vincent (Chairman), Mr. G. Able, Professor P. W. Bearman, Professor J. N. B. Bell, Mr. R. D. Buchanan-Dunlop, Dr. E. Buttle, Mr. A. R. F. Buxton, Professor I. J. Graham-Bryce, Professor M. Green, Professor M. G. Haines, Professor Dame Julia Higgins, Professor S. P. F. Hughes, Dr. M. P. Knight (from Minute 4. onwards), The Hon. Mrs. Sara Morrison, Sir Alan Munro, Mr. H. M. Neal, Professor R. D. Rawlings, Dr. B. G. Smith, Dr. C. L. Vaughan, 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. E. Pollard (Deputy President, Finance and Services).

In attendance: Eur. Ing. A. D. Roche, Mr. B. Hawkins (Imperial College Union Deputy President elect (Finance and Services)), the Academic Registrar, the Director of Finance, the Director of Personnel, the Director of Planning and MIS, the Assistant Director of Estates (Projects) and the Assistant Clerk to the Court and Council.

Apologies: Professor Sir Leszek Borysiewicz, Professor T. J. H. Clark, Dr. D. P. Isherwood, Sir Stuart Lipton, Mr. H. B. Lowe, Mr. R. J. Margetts, Professor D. Phillips, Professor P. Poole-Wilson, Mr D. P. Hearn, the Director of Estates, the Director of Strategy Development and the Director of Research Support and Development

WELCOME

On behalf of the Council the Chairman welcomed the Chairman of the Health and Safety Audit Committee, Eur. Ing. Tony Roche, who was in attendance to present his Committee’s Annual Report, to the meeting. The Chairman also welcomed Mr. Ben Hawkins, the Deputy President elect of the ICU who had been invited to attend this meeting as a form of induction before taking up his duties next year, and Mr. John Walsh, the Assistant Director of Estates, who was attending in place of the Director of Estates, Mr. Caldwell, who was unable to attend owing to illness.
CONGRATULATIONS

On behalf of the Council, the Chairman congratulated Professor Julia Higgins on her appointment as DBE in the Queen’s Birthday Honours List. He also expressed the Council’s congratulations to Professor Richard Kitney and to Councillor Anne Mallinson, a member of the Court, on their appointment as OBE.

MINUTES

Council - 18th May 2001

1. The Minutes of the Eighteenth Meeting of the Council, held on 18th May 2001, were taken as read, confirmed and signed.

RECTOR’S BUSINESS

Staff Matters (Paper A)

2. The Rector formally presented Paper A, which was received for information.

Oral Reports

3. The Rector opened his oral report by paying tribute to the Deputy Rector, Professor Bill Wakeham. As Governors were aware, he said, Professor Wakeham would be moving to the University of Southampton as its Vice-Chancellor in October. Their gain was definitely Imperial’s loss and the College owed a great debt to Professor Wakeham for all his hard work and his commitment to the College. The Council then accepted the Rector’s recommendation of Professor Peter Bearman as Professor Wakeham’s successor as Deputy Rector from 1st October 2001.

4. Moving on, the Rector reported that Mr. Christopher Gosling had been appointed as Director of Human Resources to succeed Dr. Kimberley on her retirement. Mr. Gosling came to the College from the London Business School. Advertisements had also been placed for the new posts of Director of Information and Communication Technologies and Director of Development and it was hoped that appointments to these posts would be made shortly.

5. The Rector went on to say that the planning application for the Tanaka Business School had now been submitted. This was just one of a number of major capital projects totalling some £100M which the College would be undertaking in the coming years. In recognition of the challenges such a programme presented, he said, the College had decided to employ a firm
of external consultants to review the management of projects within the College. They would help to ensure that the College’s project management structures were appropriate to cope with the task of achieving everything contained in the Capital Investment Plan.

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

6. Introducing Paper B, the Rector said that it was clear from the reports he had received from the Health and Safety Council that the College continued to review and refine its procedures and practices on health and safety. He was also pleased that the quality of departmental health and safety reports was showing a continued improvement year-on-year. This could only happen, he suggested, if there was a clear commitment to health and safety throughout the College. Pointing to the recent prosecutions of the College by the Health and Safety Executive (HSE) the Rector said that they served to underline the crucial importance of safety. They had been costly both in terms of time and money and the College must avoid similar prosecutions in the future. Concluding his Report, the Rector noted that accident reports were currently presented only in terms of absolute numbers of accidents. He felt that it was more meaningful to consider the number of accidents per 100 staff/students, as this would allow comparisons to be made of trends over time despite the substantial increase in the College’s size since 1996. He had therefore asked for the statistics to be presented in this way and a table showing the number of accidents per 100 staff/students from 1993-94 to 1999-2000 was tabled for Governors’ information.

HEALTH AND SAFETY AUDIT COMMITTEE ANNUAL REPORT (Paper C)

7. The Chairman of the Health and Safety Audit Committee, Mr. Roche, introduced Paper C by reminding Governors that the Committee exercised a broad overview of health and safety matters. It kept under review the College’s compliance with health and safety legislation and its own health and safety policies. It sought to review effectiveness in the application of safety policies and practices and, when best practice was identified, to highlight this for wider application across the College. In reviewing safety, the Committee was ever mindful of ensuring that risk, where it existed, was kept ‘As Low As Reasonably Practical’, i.e. in accordance with the ALARP principles.

8. The Committee’s visits to the School of Medicine and the Department of Chemistry had provided much encouragement that the culture of safety was becoming an integral part of the College. Safety processes were being correctly identified and applied and were being enthusiastically and ably led at the most senior level within these Departments. The rate of improvement was resource-constrained but implementation was being managed on a prioritised basis.

9. The Committee had also appreciated a close working relationship with the College’s Health and Safety Council in the past year. This had enabled a better dialogue on the key safety issues including discussion of the two recent prosecutions. The lessons learned from these unfortunate incidents had important implications for process application in all departments.
and communication across the College was therefore essential. In short, the Committee believed there had been a noticeable further improvement in the management of health and safety in the College. This showed through particularly in the quality of input to the Planning Round documentation and also in the development and application of best practice safety documentation and processes. With the associated focus on training, these together were improving the culture and commitment to safety. In its Annual Report, the Committee had identified the positive steps that were being taken in the School of Medicine and in the Department of Chemistry to address these matters.

10. Moving on, Mr. Roche stated that the Committee was pleased that further professional resources had now been provided to the Safety Unit. One of the key aspects of its work was to provide effective inspection, monitoring and audit of the implementation of health and safety procedures by College Management. The Committee expected that the results of these new resources in the Safety Unit would begin to produce positive benefits in the year ahead.

11. The gains made in safety systems and culture, Mr. Roche continued, were encouraging, but much remained to be done. The decision to strengthen the Health and Safety Audit Committee and to increase the frequency of reporting were welcomed and were, he thought, another indication that safety was an increasingly important priority in the everyday life of the College. However, actual performance across the College was still variable and the raising of the safety standards of all departments to that of the best remained a challenge. The Committee had suggested that safety statistics should be reported on a frequency basis which recognised the substantial increase in staff and student numbers in the College and Mr. Roche welcomed the Rector’s tabling of statistics in this format at this Meeting. He went on to say that such figures should also be available at a number of levels to meet the needs of the Council, the Principals of Faculties, Heads of Department and others. Positive attainments in improvements in safety performance should also be identified and reported. To this end he said that the Committee would encourage a high profile awards scheme to recognise the considerable improvements in safety performance and processes.

12. The Committee also felt that Heads of Department should chair their respective safety meetings as this would demonstrate their leadership in safety. If they were unable to do so, they should, as a minimum, be fully aware of the outcome of meetings and take action as appropriate. Countersigning of safety minutes by the Head of Department would, he suggested, indicate their participation in that respect.

13. Resources for safety monitoring and the identification of safety practices would inevitably remain tight, restricted as they were by what the College could afford. In addition, recent events had shown that safety failures not only brought significant financial penalties, but unwelcome publicity as well. Mr. Roche went on to note that the disposal of radioactive, toxic and clinical waste was also a significant problem in some departments. The costs of such waste disposal were high because of the stringent safety regulations associated with these products. An interim central charging mechanism for waste disposal, he suggested, had to be supported by a review of purchasing to ensure that products were obtained in appropriate quantities to meet the College’s needs.
14. Concluding his report, Mr. Roche said that whilst the Committee’s audits had indicated that COSHH assessments were now normal practice, there needed to be a higher level risk assessment which was focused on departmental risks. This would reflect the sort of incident which was highly infrequent, but would have major consequences and might even temporarily close down a whole Department. Finally, Mr. Roche gave credit to all concerned for the positive progress which had been made, saying that the Committee appreciated the support it had received from the Rector and in particular from the Safety Director, Mr. Ian Gillett.

15. The Rector thanked Mr. Roche for his Report and, responding to one of his suggestions, confirmed that the College would be considering the introduction of a specific Rector’s prize for safety and environmental issues.

16. Dr. Vaughan noted that that the Committee’s report touched on the relationship of the School of Medicine with the NHS Trusts and the implications, in particular, for student safety arising from this. She asked what mechanisms were in place to ensure greater coordination between the College and the Trusts on safety issues. Professor Green said that, like the College, the Trusts were having to concentrate increasingly on health and safety issues. He noted that the Trust’s responsibilities were very great as they had to ensure that their environments were safe for all, including their staff, patients, visitors and students. However, he said, the issue of student electives in hospitals, many of which were abroad, was complex and there were no easy answers. While the safety of students was of great importance, this had to be balanced against the fact that they gained a great deal from such experience.

17. Mr. Roche said that the Committee had considered this issue in detail during its audit of the School of Medicine and he was aware that positive progress was being made. However, although students on electives were under the local hospital’s control, the College had a continuing responsibility for their welfare.

18. Professor Bell said that he was pleased that both the Health and Safety Audit Committee and the College’s Health and Safety Council were paying attention to the psychological aspects of health and safety, such as stress, as well as the more obvious physical risks around the College. The ICU President, Mr. Common, noted that a stress survey of staff was to be conducted and asked that consideration also be given to conducting a similar survey with students.

19. Mr. Buxton noted that, following the publication of the Turnbull recommendations, commercial companies were using these to instil in managers an understanding of their personal responsibilities for assessing and managing risk. He believed that the College would have to adopt a similar approach. To this end, he agreed with Mr. Roche’s suggestion that Heads of Department should chair their Departmental Safety Committees. He suggested that they could also be asked to report on their departmental risks to the Executive Committee. This would, he felt, help them to understand their own responsibilities for managing these risks.
20. With regard to the recent prosecutions, Professor Haines queried whether the costs of these had been charged to the Departments concerned and also whether there was an element of the vote allocation to Departments for health and safety expenditure. The Chairman noted that Departments had a responsibility to devote sufficient resources to their operations to ensure that they were safe. If the Department could not afford to carry out an activity in a safe manner within its resources, then that activity must be stopped. He also noted that the College’s Long Term Maintenance budget, which was held centrally, was prioritised on health and safety criteria. Commenting on the recent prosecutions, the Rector stated that, where such incidents occurred, the HSE would normally prosecute the institution concerned rather than individual members of staff. It was up to the College to take action against staff if they had breached the College’s Safety Policies and Codes of Practice, as indeed had happened.

21. Dr. Buttle suggested that it would be useful to have some national benchmarks against which to measure the statistics which had been tabled. She also noted that figures for the Wye Campus had not, as yet, been included. Before they were integrated, it would be helpful if they too could be measured against the national benchmarks. Mr. Roche agreed, saying that now the College was starting to produce accident reports in terms of frequency rates, these could be properly measured against national figures.

22. Returning to the issue of electives, Sir Alan Munro said he could confirm that conditions in hospitals in the developing world could be dreadful and he agreed that, before they were allowed to do electives in such conditions, students had to be made fully aware of the risks and of how to ensure their own safety. However, the service these students gave to these countries by doing electives there was enormously helpful and he hoped that they would not be discouraged from doing so.

23. Mr. Buchanan-Dunlop noted that 30% of the accidents reported fell into the lifting and handling category and he queried whether staff were briefed on how to avoid ordinary risks. The Clerk confirmed that the Safety Unit offered a large training programme throughout the year, including courses on manual handling. The Deputy Rector also confirmed that all new staff and students were given a safety briefing when they joined the College. Professor Graham-Bryce noted that reporting of ‘near miss’ incidents had been introduced in some industries and been found to be helpful. He suggested that the College might also consider introducing a similar system.

24. Drawing the discussion to a conclusion, the Chairman thanked Mr. Roche for his helpful report and noted that henceforward the Health and Safety Audit Committee would be providing a report to the Council after each of its meetings. This would ensure that safety issues and concerns would be brought to the Council’s attention much faster than before. Summarising the main points to arise from the discussion, the Chairman said that Governors’ recommendations were clear. There should be wider publication of statistics; the College would consider introducing an award scheme; wherever possible, Heads of Department would be encouraged to chair their safety committees; a review of mechanisms for waste disposal was required; if possible, statistics should be measured against national
benchmarks; and consideration should be given to reporting near-miss incidents.

FINANCE MANAGEMENT REPORT (Paper D)

25. The Director of Finance, Mr. Cannon, introduced Paper D noting that there had been a considerable change in the forecasts since the last Council Meeting. The forecasts contained in this Report now included the results of the completed Planning Round and this, combined with revisions consequent upon the updated Capital Investment Plan, had seen a considerable improvement in the College’s financial position. The College’s cash position was also now healthier, although this was due primarily to the sale of the Ice Rink site. Turning to the academic departments, he said that, taken together, they were now predicting an adverse variance of £5M. However, £4.2M of this related to restructuring costs which would be covered by a central College budget and by London Implementation Group (LIG) funds. There was also an adverse variance of £600K shown for the Division of Primary Care and Population Health Sciences which he believed would be reversed before the year-end.

26. Moving on to consider credit control, Mr. Cannon said that the Report produced for him by the interim Credit Controller had now been converted into an action plan with more than 100 action points. However, as he had reported at the last Council Meeting, many of these involved software changes which it would not be practicable to implement because of the forthcoming move to the next version of Oracle Financials. He went on to report that PricewaterhouseCoopers’ specialist Receivables Management Group had been asked to undertake a scoping review of credit control. The results of this review were due by the end of the next week and he expected that they would recommend that the College carry out a full business process review.

27. PricewaterhouseCoopers was also carrying out a review of the College’s relations with the NHS Trusts, the results of which were also expected within the week. This would help to inform the amount of provision for bad debts that would need to be made in this year’s Annual Accounts. He then reported that the basis for the cash flow forecast included with the Report had been revised. Although the results were not much changed, he believed this forecast was now more soundly based. In relation to this, he was aware that the format of the Finance Management Report could be improved and he intended to review the Report’s format over the Summer in order to make it more user-friendly.

28. Concluding his Report, Mr. Cannon said that he recommended that the College should extend its existing loan facility with Barclays Bank and the overdraft facility with National Westminster Bank for a further year. Under the College’s Financial Regulations, any new borrowing facility had to be sanctioned by the Council. However, as these were extensions to existing facilities, rather than new borrowing, he was only asking the Council to note that both facilities would be extended for a further period of one year.
Introducing Paper E, Mr. Cannon said that the Budget was the outcome of the Planning Round with all the administrative and academic Departments and Divisions, which was a complex and very detailed process. Budgeted income for the coming year was £362M, an increase of £19M. This was due primarily to increases in research income predicted by the academic Departments. It was forecast that the College would make a deficit of £1.3M, although this was after allowing £1.1M for fundraising and £1.7M for IC Innovations. Both these transfers represented a significant investment in the College’s future and it was expected that both would eventually bring considerable returns. A further £2M was provided for rationalisation costs.

Mr. Cannon then noted that HEFCE recommended that institutions should try to achieve an annual surplus of 3% of turnover, which in the College’s case would be £10.8M. However, very few, if any, institutions managed to achieve anything like this. Imperial’s achievement of a surplus of this order would, he said, be dependent on future disposals of property such as the Ice Rink site and returns from its investment in its spin-out companies such as Turbo Genset.

Although the proposed budget was tight, Mr. Cannon said, the key to achieving it lay with the academic Departments which had not only to achieve their predicted increases in research income, but also to improve their overhead contributions. If these increases in overhead contributions were not achieved, other costs would need to be cut in order to meet the Budget. Aside from this, the forecast increase in expenditure was generally in line with inflation. With regard to the various annexes to the Budget, Mr. Cannon drew particular attention to Annex 6, College Capital Programme: Funded from Reserves. The forecasts included here were consistent with those contained in the Capital Investment Plan and showed that the Plan could be afforded within the College’s Budget, provided forecast surpluses were achieved.

The Honorary Treasurer, Dr. Knight, noted that the financial management processes within the College were extremely complex. He believed that, because of this, financial reporting needed to be simplified in order that the most significant issues could be clearly highlighted for the Council. He suggested though, that this would only be possible if staff within the Finance Division were operating at a high level. At the moment, he said, there were too few staff at the very top of the Division and the burden on them was consequently too great. Mr. Cannon agreed, but said that he had recently recruited 4 senior staff into the Division, all of whom would report directly to him and who, he believed, were of the calibre required to take on the challenges facing the Division. Furthermore, he was still to recruit a further 5 senior staff, 3 of whom would be based in the new Faculties.

Noting the importance to the Budget of increased research income, Dr. Buttle asked how secure the departmental forecasts were. The Deputy Rector responded that these forecasts had already been reduced considerably as a result of the Planning Round. However, he believed that they were still too optimistic and he recognised that this was the most vulnerable aspect of the Budget.
34. Mr. Buxton expressed his concern over the figures presented. The operating surplus for the next few years was very low and the College was proposing a large capital programme. He believed the result of this would be a deterioration in the College’s cash position. He suggested that the College’s operating position would be key and he was therefore disappointed that the Budget had not included a cash flow forecast. Mr. Able agreed and asked how secure were the costings included in the capital programme. The Assistant Director of Estates (Projects), Mr. Walsh, replied that the costings, and especially those included for future years, were based on early estimates of the likely budgets for the proposed projects. As such, they were estimates of available funds rather than assessments of likely project costs. The Rector reminded the Council that, before it could proceed, each substantial project and its costings would have to be individually scrutinised by the Executive Committee, the Estates Committee and the Finance Committee before being presented to the Council for approval. The Finance Committee would have particular regard to the affordability of individual projects in the context of the College’s financial position.

35. Professor Graham-Bryce agreed, saying that he viewed the Capital Plan as a kind of ‘wish list’. Final approval that a project could go ahead would be dependent on the College’s financial position at the time. Determining this, he said, be a crucial role for the Finance Committee. He then suggested that the Committee should also consider and advise the Council on the level of surplus the College should be seeking to generate annually. Dr. Smith suggested that this highlighted the crucial role the Finance Committee would play in the future and he asked if further thought had been given to how it would operate in practice. Dr. Knight said that this was being considered.

36. Sir Alan Munro noted that the projected income streams from HEFCE had not changed. However, the Senate Report to the Council, which would be considered later in the Meeting, suggested that there had been a 10% decrease in student applications to the College. He asked whether this would affect the level of grant the College would receive from HEFCE. The Academic Registrar, Mr. McClure, said that, although total applications had reduced, as at 31st May the number of applicants who had accepted an offer of a place was higher than at the same time in the previous year. Although the number who would become Imperial students was still dependent on them achieving their ‘A’ level grades, this did provide some comfort that the student number targets would be met.

37. Dr. Vaughan queried whether the introduction of a faculty structure would allow the College to reduce expenditure. The Rector responded by saying that the Budget included a number of one-off items which represented the College’s investment in its future. These included £2M to support the creation of Faculties and £1M to support the start of a concerted fundraising activity within the College. Both would help to make the College more efficient and should increase its ability to attract more funding in the future. While he recognised that there was an element of risk involved with these investments, he believed that both were necessary to ensure Imperial’s continued success.

38. Mr. Buxton agreed that the College had to take risks in order to grow and he believed that the £1M provided for fundraising would prove to be a wise investment. However, even if
these one-off items were disregarded, the College would only have a surplus of £3.4M, which was only 1% of turnover. He said the College should be planning to increase this percentage in future years. The Rector agreed, but noted that the College now had over 50 spin-out companies in which it had invested. The money that these companies would eventually generate would come back to the College and should, he suggested, be used to invest in its future. At the moment, the College was asset-rich and this was not reflected in the Budget.

39. Concluding the discussion, the Chairman reminded Governors that, when he had joined the College, it had been so determined to protect its intellectual property that it had refused to exploit it as it was now doing. It was because the then Governing Body had recognised that the historic forms of funding on which Imperial had previously relied would be inadequate that it had decided to develop these spin-off companies. He agreed that the College had to be prudent, but if it did not restructure and start to invest in developing new income streams now, he believed it would be facing even greater problems in the future. As the Budget was tight, he suggested that the role of the Finance Committee in ensuring it was adhered to would be crucial.

Resolved: That the College Budget for 2001-02, as set out in Paper E, be approved.

CAPITAL INVESTMENT PLAN (Paper F)

40. Introducing Paper F, the Rector acknowledged that the Plan was complex. He therefore gave a presentation which set out the main components of the Plan and how they would contribute to the achievement of the Strategic Vision for the College. His presentation also set out how the Plan was to be funded and the main risks for the College and how these would be managed. In conclusion, the Rector noted that the Plan was ambitious, but manageable with appropriate skills and resources and that the risks associated with it had been identified and assessed and contingencies put in place. The Rector commended the Plan to the Council.

41. Dr. Buttle noted that one source of funding for the Capital Plan would be fundraising. However, this would only work if it could be matched to particular projects. The Rector agreed, saying that the Plan included a number of projects, such as the new Sports Hall, which would be prime targets for the Development Office’s fundraising activities. He believed that the College’s other activities, such as medical research, would also prove to be attractive to potential donors. Although the Capital Plan could be afforded without these additional funds, successful fundraising would be important because it would free College funds to support other activities. Sir Alan Munro said that the emphasis for funding such large projects would be on attracting large donations from individuals. However, the accumulation of smaller donations could also make a significant contribution. The Rector agreed, noting that these donations could be more appropriately used to establish scholarship funds, which would have to be an important element of the College’s future strategy if it was to continue to attract the best staff and students. Imperial should, in particular, be supporting young postgraduate students as they represented a real investment
in the College’s future.

42. The ICU President, Mr. Common, said that Imperial’s students supported the College’s plans, but he hoped that, when halls of residence were refurbished, there would be a strategy for maintaining the availability of some cheap accommodation. The Rector said that the College was committed to improving the quality of its residences. Rather than keeping poor quality accommodation because it was cheap, he felt it was preferable to improve scholarship and bursary funds to support poorer students.

43. Dr. Vaughan queried whether the College’s current decision-making and project management structure would be able to meet the needs of such a demanding programme of capital works. The Rector agreed that this was challenging but reminded Dr Vaughan that he had already informed the Council that a firm of consultants had been engaged to review the College’s project management function for this very reason. It was important that appropriate structures and skills were in place before the College embarked on this programme. Finally, in response to a query from Professor Haines regarding decanting space, the Rector said that the College needed both laboratories and offices into which departments could decant while their buildings were being refurbished.

Resolved: That the Capital Investment Plan, as set out in Paper F, be approved, noting that expenditure on significant new projects will be presented to Council for approval in the light of the College's financial performance against the Budget at the time, together with our progress on fundraising.

SENATE REPORT TO THE COUNCIL (Paper G)

44. Introducing Paper G, the Rector drew Governors’ attention to the College’s submission to the Privy Council in support of its request to be granted degree awarding powers. This would also enable the College to be given a university title in its own right. While there was no intention to make use of these powers for the time being or to break away from the University of London, having them would provide Imperial with a degree of flexibility that it would not otherwise have. Moving on, the Rector noted with concern the decline in research degree submission rates. This meant that some 40% of students were not completing their PhDs within 4 years. While it was inevitable that there would be some students who failed to complete, a 60% completion rate was too low. The College was therefore conducting a review to ascertain the reasons for this deterioration.

45. Turning to the distribution of honours degrees, the Rector said that the percentage of first class honours awarded by Oxford and Cambridge was generally higher than at Imperial. Analysis of the distribution of degree awards at Imperial showed a considerable variation between Departments with some awarding very low percentages of first class degrees. This too was to be investigated so that the reasons for this wide variation could be understood and a greater degree of consistency achieved across the College.

46. Professor Graham-Bryce noted that applications to the College were down by 10% and
asked whether this was a genuine reduction or whether it was a sign that applicants were now being more selective about the institutions to which they applied. Professor Bell was pleased that the College was looking to improve its marketing. He suggested that the College had previously relied on its reputation to sell itself. He believed that this *laissez faire* attitude was no longer sustainable for the College. The Rector agreed saying that the College would have to market itself both in the United Kingdom and abroad.

47. Professor Higgins advised Governors that the drop in applications was part of a trend both nationally and internationally, particularly in the teaching of hard sciences. Mr. Able said that, in his experience, the fall in applications was coming at the lower end of the market from people who were unlikely to meet Imperial’s standards. The numbers of good quality applicants were not in decline. Responding to this, the Rector said that the current thrust of Government policy appeared to be to suggest that universities should accept lower quality applicants and then provide them with the education they had missed at school. This was, in his view, misguided. Universities and colleges such as Imperial had to take well-educated applicants. People without the requisite qualifications would not survive at Imperial and it was for the school system to ensure that students from poorer backgrounds were educated to the standard required by the elite universities.

48. Concluding the discussion, the Rector noted that the College’s academic regulations had been reviewed and amended in the light of the provisions of the Human Rights Act and these were now presented for the Council’s approval.

**Resolved:** That the revisions to the Academic Regulations for Student Withdrawals and Appeals - Procedure for Dealing with Cases of Unsatisfactory Academic Progress, as set out in Paper G, be approved.

**HEFCE AUDIT SERVICE REPORT (Paper H)**

49. Introducing Paper H the Chairman advised Governors that, when the HEFCE Audit Service had visited the College in March, the Rector and other senior officers had been completely open and frank with the Auditors about the problems experienced by the College as well as the actions being taken to address them. This honesty was clearly reflected in the Auditors’ critical report. However, he said, there was nothing here that had not already been made known to the Council. He had asked the Clerk to prepare a summary of all the actions that were already being taken by the College to address these problems and a copy of this was tabled. (A copy of this is appended to Paper H.)

50. The Chairman then reflected on the degree of change experienced by the College since 1997. It had doubled in size and complexity as a result of the medical mergers and, since then, had also merged with the Kennedy Institute and Wye College. In that time the College had also developed an ambitious Capital Investment Plan and implemented a new integrated Finance and Personnel IT system. The College had previously prided itself on keeping its administration costs to a minimum. However, it now appeared that, given the recent growth in the College, this was no longer tenable. Finally, the Chairman drew Governors’ attention
to the Management Action Plan which was appended to the Audit Report. This was, he felt, the most important section since it showed how the College was to move forward.

51. The Clerk reported that, since the papers had been circulated, the final Report had been received from the HEFCE auditors and that it was identical to the draft circulated to the Council. The Auditors had also indicated that they intended to revisit the College in the Autumn to review progress. However, as many of the actions included in the Management Action Plan were not due for completion until December, the Clerk hoped that the Auditors could be persuaded that it would be better to delay a return visit until the New Year.

52. Dr. Vaughan said that the Report referred to a number of guidance documents produced by HEFCE and she asked if copies of these could be provided to Governors. Responding to this suggestion, the Clerk noted that, as each publication had to be purchased from HEFCE, to provide a copy of each to every Governor would be expensive. Furthermore, not all the publications were aimed primarily at Governors nor would most Governors find them useful. He suggested rather that a consolidated list could be circulated to Governors who could then decide which publications they would like to receive.

53. Professor Graham-Bryce suggested that the Auditors’ third Recommendation, that “the Council of the College should supplement its self-review of governance arrangements by a rigorous assessment of the performance of members in discharging their financial responsibilities, informed by the published HEFCE guidance on effective financial management” was a fundamental one for the Council. He said that the Finance Committee, when it considered the proposed review, should also ask itself how the Council could have performed this function more effectively. The Rector said that the Council would have to be guided in this by the Finance Committee and the Audit Committee. He believed that, at least some of the previous problems would have been identified earlier if the College had had a Finance Committee. This deficiency had now been addressed.

54. Dr. Vaughan asked if the Council would be able to review the Management Action Plan before the HEFCE Auditors revisited the College. The Chairman agreed that the Council would want to be advised of progress, but noted that, since the Auditors had indicated that they would wish to visit in September and the Council’s next meeting was not until October, this might not be possible unless the Auditors agreed to defer their visit until the new year.

HOUSE COMMITTEE ANNUAL REPORT (Paper I)

55. In the absence of the Chairman of the House Committee, Mr. Hearn, who had been unable to attend this Meeting, the Clerk introduced Paper I. In doing so he highlighted in particular the computerised stock control system which the Catering and Conferences Department was planning to implement. This would, he said, greatly improve that Department’s ability to manage its business and respond to changes in the market. Moving on, he was pleased to note that the delayed refurbishment of Willis Jackson House would now be started in the Summer vacation.
56. Sir Alan Munro, who was himself a member of the House Committee, said that he found its peripatetic approach, whereby its meetings were held at different campuses so that it could inspect a variety of the Colleges facilities, extremely useful. This had brought home to him the inadequacy of some of the student accommodation. The Committee had also been impressed with the improvements in the control and standards in the Catering service in the last few years and, he said, the refurbishment of the Senior Common Room especially had been a great success.

57. The Clerk said that one of the sites visited by the House Committee had been the Beit Hall refurbishment. He was pleased to say that this was now open and the first conference guests had occupied their rooms that Monday. The Assistant Director of Estates, Mr. Walsh, acknowledged the problems experienced with this refurbishment but said that, from these, the Estates Division had developed a 10 point action plan for dealing with residence refurbishments which would be applied to all future projects.

ANNUAL OPERATING STATEMENT (Paper J)

58. The Director of Planning and MIS, Dr. Eastwood introduced Paper J, saying that HEFCE required all institutions to submit annual operating statements by the end of July. However, because the Statement had also to report on the full year of the College’s activities, that is up to 31\textsuperscript{st} July, it was not possible to complete this until just before submission. This meant that the final draft was not ready by the time of this Council Meeting, the last of the academic year. Although the Statement would be provided to the Council at its next meeting in October, it had to be approved before submission to HEFCE and Dr. Eastwood therefore asked that delegated authority be given to the Chairman to approve the Annual Operating Statement on behalf of Governors.

59. Professor Graham-Bryce said that this was a problem he had experienced elsewhere. At the University of Dundee, when he had been its Vice-Chancellor, a Vacation Powers Committee had been established each Summer to take action such as this on behalf of the governing body. He suggested that a similar committee might prove useful to Imperial. The Chairman agreed, suggesting that the membership of the Vacation Powers Committee should consist of himself, the Rector, the Honorary Treasurer and the Chairman of the Audit Committee. The Vacation Powers Committee would then approve the Annual Operating Statement on behalf of the Council.

Resolved: That a Vacation Powers Committee, consisting of the Chairman, the Rector, the Honorary Treasurer and the Chairman of the Audit Committee, be established to make decisions on behalf of the Council on any matters for which a resolution is required before the next scheduled meeting of the Council in October 2001.
CLERK’S BUSINESS

Revisions to College Procedures (Paper K)

60. The Clerk introduced Paper K, noting that, as with the academic regulations which had been considered under Paper G, the College’s student discipline and complaints procedures had been reviewed and amended in the light of the provisions of the Human Rights Act, while the Complaints Procedure had also been amended in the light of the Quality Assurance Agency’s Code of Practice for the Assurance of Academic Quality and Standards in Higher Education. At the same time, the Imperial College Union Disciplinary Procedure had also been reviewed and similar amendments incorporated therein.

Resolved: That the revisions to the Procedure for Dealing with Student Disciplinary Offences; the Imperial College Union Disciplinary Policy and the Procedure for Dealing with Complaints by Students, as set out in Paper K, be approved.

CUC Guide for Governors (Paper L)

61. Introducing Paper L, the Clerk noted that the latest edition of the Guide for Governors produced by the Committee of University Chairmen (CUC) had been circulated with the papers for this Meeting. The main revisions since the last edition, published in 1998, were highlighted in Paper L. A copy of the Guide would be provided to all new Governors. In relation to this, the Clerk said that an Induction session for new Governors would be held on 16th October 2001. In order to ensure that sufficient numbers attended, existing Governors would also be invited to attend.

ANY OTHER BUSINESS

Membership of the Council

62. The Chairman reported that there were still a number of outstanding vacancies on the Council for next year. These had now been considered by the Nominations Committee, which had agreed to make recommendations for two appointments. Before the Chairman advised the Council of these, however, Mr. Roche, who was one of the Nominees, was asked to retire from the Meeting. The Chairman then reported that the Nominations Committee, in making its recommendations, had been mindful of the HEFCE Auditors’ recommendation that the Audit Committee should be well represented on the Council, as well as the Council’s recent decision to require the Health and Safety Audit Committee to report to the Council after each of its meetings. The Nominations Committee had therefore decided to recommend the appointment of Dr. David Wilbraham, a member of the Audit Committee, and Eur. Ing. Tony Roche, the Chairman of the Health and Safety Audit Committee, to the Council from 1st July 2001.
63. The Chairman then advised that there were also a few outstanding vacancies on some of the Council Committees. Nominations for these positions were currently being considered but had not, as yet, been finalised. He suggested that, once this had happened, the newly created Vacation Powers Committee could, if necessary, approve the appointments on behalf of the Council.

Resolved: (i) That the appointment of Dr. D. Wilbraham and Eur. Ing. A. D. Roche as members of the Council be approved.

(ii) That the Vacation Powers Committee be granted delegated authority to make appointments to remaining vacancies on Council Committees.

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64. On behalf of the Council, the Chairman expressed his appreciation and thanks for the following retiring Governors and senior members of staff for whom this was the final meeting of the Council

Mr R.D. Buchanan-Dunlop

Mr H. Morton Neal

Professor I.J. Graham-Bryce

Sir Alan Munro

Professor W.A. Wakeham

Mr H. Common

Dr M.E. Kimberley