

MINUTES OF THE PROCEEDINGS

at the thirty-ninth Meeting of the

COUNCIL OF THE IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The Thirty-ninth Meeting of the Council was held in Room 163, the Skempton Building, South Kensington Campus, Imperial College London, at 10:00 a.m. on Friday, 21 November 2014, when there were present:

The Baroness Manningham-Buller (Chair), Dame Ruth Carnall, Mr. I. Conn, Professor M.J. Dallman, Sir Philip Dilley, Professor N. Gooderham, Professor Dame Julia Higgins, Professor D.P.A. Kelleher, Ms. J.R. Lomax, Professor J. Magee, Mr. J. Newsum, Mr. S. Newton, Mr. M. Sanderson, Professor J. Stirling, Mr. T. Wheeler, the President and the Clerk to the Court and Council.

Apologies

Professor A. Anandalingam and Mr. C. Brinsmead.

In attendance

The Assistant Clerk to the Court and Council.

MINUTES

Council – 1 October 2014

1. The Minutes of the thirty-eighth Meeting of the Council, held on Wednesday, 1 October 2014, were taken as read, confirmed and signed.

CHAIR' S REPORT

2. The Chair reported that the 1851 Commission was taking a more active interest in working with all the institutions it supported to make a positive contribution to the development of the South Kensington area. In particular, it was focusing on improvements to the tube station and 'tunnel'. South Kensington tube station was amongst the heaviest used tube stations in London and was now a top priority for Transport for London (TfL). The College's Business School was also working with the Royal College of Art, the Commission and TfL on potential improvements to the tunnel, including better displays reflecting the work of the museums and colleges in South Kensington.

3. The Chair reported that the request to appoint Mr. John Cullen as a member of the Council and as Chair of the Audit Committee, which had been sent to members on 5 November, had been approved by correspondence on 11 November.

Resolved:

That the appointment of Mr John Cullen as a member of the Council and as Chair of the Audit Committee, approved by correspondence on 11 November 2014, be confirmed.

PRESIDENT'S REPORT

4. The President said she had provided a list of key future College events for members, including the Athena SWAN lecture on 27 November, which would be given by the Chair, Baroness Manningham-Buller. She had also circulated recent media highlights and she drew members' attention in particular to Professor Maggie Dallman's article in the Daily Telegraph on inspiring primary school children with an interest in science, and to the Guardian article on Professor Chris Toumazou, who had been awarded the prestigious European Inventor Award for 2014.
5. Work on the developing strategy was progressing well, and the President said she had been very impressed with the level of engagement in the various work-streams covering important areas of education and research and finances. At a recent workshop there had been much discussion of the importance of fundamental research, the desire to work collaboratively on multi-disciplinary challenges and to take on new partners. She believes that there is a clear appetite for the College to be bold and innovative, but she also recognises that this innovative, entrepreneurial and collaborative spirit would take time and perseverance. It also requires honesty and clarity regarding the financial and cultural challenges facing the College. The discussions of the College's financial position and of the student experience at this meeting would both help to develop the context for the Council Away Day in February on the College's strategy.
6. Regarding culture specifically, the President emphasized that she had been impressed by the culture at Imperial and in particular the focus on academic excellence. Imperial had also shown cultural leadership across the sector for instance around improving gender equality. Whilst there was still a long way to go, Imperial had taken national leadership in the Athena Swan awards. However, although the majority of staff and students at Imperial shared the College's expectations for service, collegiality, and support for the common good, there were also times when some would fall short.
7. Other areas in which the College was working to bring about a positive change in culture included the commitment across all academic departments to improve the assessment and

feedback experience for students; the operational excellence programme focusing on business processes; and the College's response to issues highlighted in the last staff survey. The President said there were three fundamental principles in changing institutional cultures:

- a. *Culture change begins at the top.* Integrity, honesty, openness, rewarding excellence, collegiality, collaboration and fostering an atmosphere of intellectual stimulation and mutual respect were all values she held strongly and which would permeate her work. With a leadership team embracing such values and applying its own, they could lead change and ensure that others followed that lead.
 - b. *Culture change requires champions.* It was important to create a climate in which exemplars were emulated and peers expected one another to uphold shared values.
 - c. *Changing culture takes time.* The College should articulate its values and expectations, define ways to achieve those expectations and implement rewards, structures or actions that would realise these goals.
8. The President recognises that cultural issues such as this were not unique to universities, and she believes that the external Council members can be very helpful to Imperial with this work. The College will benefit greatly by learning from Council members' own experiences of leading changes in culture within their own organisations.

PROVOST'S REPORT

9. The Provost, Professor James Stirling, opened his report with an update on the reforms to the USS pension scheme that were currently being considered. In order to address a substantial deficit in the scheme, UUK had proposed moving to a 'hybrid' pension scheme with defined benefits based on career average salary up to £50,000 of salary and a defined contribution scheme thereafter. The College was concerned about the negative impact this could have recruitment, and staff were also concerned about the impact this would have on them. In response, the College had convened a small working group of internal academic experts to review the methodology used to calculate the predicted deficit. They had concluded that, on the information provided, the valuation assumptions appeared overly pessimistic and inconsistent. As these assumptions underpinned the stated need for benefit reform, this was a significant point. The College had therefore decided to make its response on the valuation assumptions available to all staff. The Provost said that a strong and rigorous response to the USS consultation would be well-received by staff, and could help to move the proposed changes to the scheme towards a level of reform that the College was more comfortable with, with less risk to its core academic mission. The Provost also welcomed the UCU's recent announcement that it was suspending its

Assessment Boycott until the next meeting of the Joint Negotiating Committee in January, although the impact of this action at College had been negligible.

10. It was suggested that the primary issue with pension schemes was not affordability but risk, and that the risk in defined benefit schemes rested with the employers. However, the value of such schemes to employees was substantial and there was a concern that, as defined contribution schemes moved this risk to individuals, this transfer of risk could result in calls for higher salaries in compensation. It was also noted that final salary pensions were becoming increasingly rare and that most private sector companies had now moved to defined contribution pension schemes where employees have some control over the investment strategy. These schemes were accepted by new employees; the main issue was how existing members were moved to the new scheme, and how companies adjusted their remuneration strategies to provide staff with a competitive package of benefits, including salary and pension. It was also suggested that the provision of affordable housing for younger staff could be a more important recruitment factor than pensions.
11. Moving on, the Provost reported on a number of fraudulent overtime claims that had been uncovered by the College. HEFCE had been alerted to the fraud, along with the Chair of Council and the Chair of the Audit Committee, and an update had been provided for the Audit Committee at its last meeting. Several members of staff had been suspended and disciplinary action was now being taken. The College's internal auditors had also reported to College on the wider lessons to be learnt from this investigation, and work was underway to examine all other areas of College where there was any risk of similar practices. These lessons learned were expected to address not only changes in policies and procedures but also in culture, in line with the remarks already made by the President.
12. Finally, the Provost reported on serious misconduct by two Imperial College Rugby teams. Members of the Imperial College Rugby Club had caused significant disruption to the District Line during the rush hour by entering and exiting carriages while undressing. The second incident involved the Imperial Medics rugby team who had damaged a coach while travelling on the motorway. In both cases alcohol had played a large part in the actions of the students. The Students' Union, with the support of Sport Imperial, had taken the lead in investigating the misconduct, and the Provost also expressed his thanks to Tom Wheeler for the exceptional leadership he had shown in dealing with these regrettable incidents. The Union had taken a firm line with the teams involved, with a range of sporting and community sanctions. It had also issued a number of public statements expressing disapproval of the behaviour and highlighting the strong action which had been taken.
13. Tom Wheeler provided more detail on the action taken by the Union in relation to both teams, and highlighted the longer term work being taken to promote the type of environment the Union wished to foster in all of its student community. The Council congratulated Mr. Wheeler on the actions taken by the Union to deal with the clubs and

also on his proposals to promote a more positive culture.

14. Bringing his report to a close, the Provost reported that the College had received the highest amount of funding of any university from the Research Councils in 2013-14, with awards worth £114M, up from £103M in the previous year. Furthermore, in a year in which the Research Councils had allocated 22% less funding, Imperial was one of the few institutions to see a rise in the value of its awards. To put this in context, he noted that the value of awards for UCL in the same year had fallen by 42%, while Cambridge had suffered a 45% fall, dropping to fifth place in the ranking.

FINANCIAL TRENDS (PAPER A)

15. The Chief Financial Officer, Muir Sanderson, gave the Council a presentation on the College's financial position and longer-term financial trends for the College and the wider HE sector. The presentation was intended to provide a context for the approval of this year's annual accounts and also to provide some financial background to the strategy discussions that would take place at the Council's next meeting in February. The presentation showed that the College was in a good financial position and had strong EBITDA (earnings before interest, taxes, depreciation, and amortization), particularly in comparison to other UK HE institutions. However, the College had substantial capital needs if it was to maintain and enhance its position as one of the world's great universities, and there was still a significant gap between its capital requirements and the level of capital expenditure it could fund from internal and external sources. To meet this shortfall, the College would need to take a number of measures, including increasing revenues from teaching, research and philanthropy and by further diversifying its sources of income. However, none of these measures would provide sufficient income on their own, and all would be difficult to achieve. The need to diversify and increase income was also heightened by the College's ambitions at Imperial West, but the College's financial strategy for Imperial West also offered some possible ways in which development there could be delivered and showed that the challenges facing the College also provided opportunities for valuable collaborations with industry and other potential funders.
16. Members thanked Mr. Sanderson for his presentation. It was agreed that there would be opportunities for leveraging the College's success and reputation at Imperial West that would be intellectually stimulating and financially viable, but it was important that the College was in control of deciding on the partnerships it would enter into at Imperial West, rather than simply accepting the first approaches it received. Members also welcomed the additional information on the College's finances provided in the presentation, which would provide important context for its forthcoming strategic discussions. It was suggested that these strategic discussions should also include the future commercialisation of College IP and the future of the South Kensington campus, and how the activities at South Kensington and Imperial West would be aligned.

17. It was noted that a significant part of Cambridge University's income came from publishing and assessment services. Mr. Sanderson was asked if these were areas that could also be exploited by the College. The Council was advised that the College had recently partnered with Twig World to provide digital media resources to support the teaching of science and maths in UK schools, and that, if this initiative were expanded to encompass the global market, there could be opportunities for additional income generation.
18. The Council was reminded that, since the creation of the Endowment, the College had been able to increase its income from previously under-utilised non-core assets, and that this had contributed significantly to its endowment. However, this exercise was not repeatable and it would be much harder to generate further additional income. Although the next phase would be difficult, it was important for the College's future that it continued to meet these challenges.

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2014 (PAPER B)

19. Following on from his presentation on financial trends, Muir Sanderson presented Paper B and reported on an additional post-balance sheet event that would have to be included in the Financial Statements. As previously agreed by the Council, on 19 November the College had entered into a £140M credit facility with the European Investment Bank. Funds could be drawn down from the facility at either a fixed or floating interest rate and would be repayable over a maximum of 25 years.

Resolved:

Subject to the inclusion of the additional post-balance sheet event as reported at the meeting, that the Annual Report and Financial Statements for the year ended 31 July 2014, as set out in Paper B, be adopted.

EXTERNAL AUDITORS' REPRESENTATION LETTER (PAPER C)

20. Mr. Sanderson presented Paper C.

Resolved:

That the Management Representation Letter for the External Auditors, as set out in Paper C, be approved.

FINANCIAL RESULTS FOR 2013-14 AND FINANCIAL COMMENTARY (PAPER D)

21. Muir Sanderson presented Paper D and confirmed that, in accordance with HEFCE guidance the figures presented in the financial tables attached to Paper D were those reported in the College's audited financial statements.

Resolved:

That the Financial Commentary and Outturn figures, as set out in Paper D, be approved for submission to HEFCE.

ANNUAL SUSTAINABILITY ASSURANCE (ASSUR) REPORT (PAPER E)

22. Muir Sanderson presented Paper E and reminded members that this was the second year of the pilot of HEFCE's ASSUR (annual sustainability assurance report) process. Although submission of this return was not yet mandatory, he confirmed that the College intended to submit the report to HEFCE.

Resolved:

That the Annual Sustainability Assurance Report, as set out in Paper E, be approved for submission to HEFCE.

ANNUAL ASSURANCE RETURN (PAPER F)

23. The Clerk, John Neilson, presented Paper F and noted that Part 1 of the Return would be amended to take account of the appointment of John Cullen as the new Chair of the Audit Committee on 11 November 2014.

Resolved:

Subject to the inclusion of the amendment reported at the meeting, that the Annual Assurance Return, as set out in Paper F, be approved for submission to HEFCE.

AUDIT COMMITTEE ANNUAL REPORT TO THE COUNCIL (PAPER G)

24. The Acting Chair of the Audit Committee, Rachel Lomax, presented Paper G. The Chair thanked Ms. Lomax for agreeing to act as Chair in the interim period between the expiry of Philippa Couttie's final term of office and the appointment of John Cullen as the new Chair of the Audit Committee.

RISK COMMITTEE ANNUAL REPORT TO THE COUNCIL (PAPER H)

25. The Chair of the Risk Committee, Rachel Lomax, presented Paper H.

SENATE REPORT (PAPER I)

26. John Neilson presented Paper I and advised members of a correction to wording in the paper. He said that the new member of the Senate to represent the postgraduate community would be the 'President' of the Graduate Student's Union, rather than the 'Chair' of the Graduate Student's Union, as stated in the paper.

Resolved:

Subject to the inclusion of the amendment reported at the meeting, that the proposed amendments to the constitution of the Senate, as set out in Paper I, be approved with immediate effect.

IMPERIAL WEST SYNDICATE REPORT (PAPER J)

27. The Chair of the Imperial West Syndicate, Jeremy Newsum, presented Paper J and noted in particular that a proposal for the Imperial West Tower site was being prepared and would be brought forward to the Council for approval at its next meeting in February.
28. It was suggested that future reports from the Syndicate could usefully include a map of the Imperial West development, so that members could more easily see which sites were being developed and discussed. Mr. Newsum agreed to include a map with future reports.

ENDOWMENT BOARD REPORT (PAPER K)

29. The Chair of the Endowment Board, Stewart Newton, presented Paper K.

IMPERIAL COLLEGE UNION ANNUAL REPORT (PAPER L)

30. The President of the Imperial College Union, Tom Wheeler, presented Paper L.

STAFF MATTERS (PAPER M)

31. Paper M was received for information.

MAJOR PROJECTS REPORT (PAPER N)

32. Paper N was received for information.

THE STUDENT EXPERIENCE – AN UPDATE (PAPER O)

33. The Vice-Provost (Education), Professor Debra Humphris, presented Paper O, and she and the President of the Imperial College Union, Tom Wheeler, gave presentations to the Council on the Student Experience at Imperial College and the Imperial College Union's response to the College's results in the National Student Survey (NSS).
34. In the following discussion, members asked whether academics were given training in how to provide good feedback to students. It was confirmed that training was available for all staff, but was not compulsory. However, it was hoped most would take up the opportunity. The College had also rejoined the Higher Education Academy (HEA), which provided external recognition of educational practice. It was also noted that there was much evidence of good practice across the College, which could be shared.
35. It was noted that strict penalties were imposed on students for the late submission of coursework, but there were no penalties for the late provision of feedback by staff. It was noted that the average NSS score for assessment and feedback for Russell Group universities was lower than the average score for all universities; this suggested that this was an issue for all research-intensive institutions, not just Imperial. There was therefore an opportunity for the College to take the lead in improving assessment and feedback. The proposed TESTA (Transforming the Experience of Students through Assessment) programme would consider assessment, curriculum and outcomes with active student involvement, and should result in a more appropriate and effective mix of learning and assessment and reduce the overall assessment burden for staff and students.
36. Members agreed that it was right for students to have high expectations for their experience at Imperial College. However, the College also appeared to score poorly on organisation and management. It was recognised that the provision of additional support staff in departments could assist with this, but at a cost. It was also reported that not all departments had common rooms for their students, which made it difficult to engender a sense of community. The use of multiple IT systems by different departments was also an issue for many students (particularly in relation to their different approaches to making timetabling information available). A more integrated approach across the College would

benefit students, although it was recognised that this was primarily a process-design issue within departments, rather than a platform issue.

37. It was suggested that the College should also consider how feedback and assessment was managed in those other universities that scored more highly in these areas, although it was recognised that the College should seek the best solutions for its own students, and that what was appropriate elsewhere might not be right for the College.

ANY OTHER BUSINESS

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38. The Chair noted that this would be Professor Maggie Dallman's last meeting of the Council as she was stepping down as Dean of the Faculty of Natural Sciences at the end of the year. On behalf of the Council the Chair thanked Professor Dallman for all she had done for the College and for the Council during her time as a member of the Council.

NEXT MEETING

39. The Chair reminded members that the next meeting would be an Away Day and would be held on Friday, 13 February 2015. The Away Day would be preceded by a Council dinner on 12 February 2015, which would be used for an initial discussion of the College Strategy.