

MINUTES OF THE PROCEEDINGS

at the Forty-seventh Meeting of the

COUNCIL OF THE IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The Forty-seventh Meeting of the Council was held in Committee Room G62, Ground Floor, main Medical School Building, St. Mary's Hospital Campus at 10:00 a.m. on Friday 8 July 2016, when there were present:

Sir Philip Dilley (Chair), Professor N. Alford, Mr. C. Brinsmead, Mr. T. Courtauld, Mr. J. Cullen, Professor A.P. Gast (President), Ms. J.R. Lomax, Professor J. Magee, Ms. S. Murray, Mr. J. Newsum, Ms. A. Nimmo, Mr. M. Sanderson, Ms. L. Sandon-Allum, Professor G. Screaton, Professor J. Stirling (Provost), Mr. C. Williams and Mr. J. Neilson (Clerk to the Court and Council).

Apologies

Dame Ruth Carnall, Mr. I. Conn, Professor N. Phillips and Professor T. Welton.

In attendance

Mr. J.B. Hancock, the Assistant Clerk to the Court and Council.

WELCOME

The Chair welcomed Ms. Alison Nimmo and Mr. Toby Courtauld to their first meeting as members of the Council. He also welcomed Mr. David Fletcher to the meeting. Mr. Fletcher was assisting the Council with its effectiveness review, and was attending the meeting as an observer. He would also attend the next meeting of the Council in September to present his report and recommendations.

MINUTES

Council – 13 May 2016

1. The Minutes of the forty-sixth meeting of the Council, held on Friday 13 May 2016, were taken as read, confirmed and signed.

CHAIR'S REPORT

2. The Chair reminded members that Dame Ruth Carnall had decided to stand down as a member of the Council after this meeting. Although Jeremy Newsum had agreed to serve a further three months, until the end of December 2016, from January 2017 the number of external members would fall below the minimum required under the Charter. The College therefore still needed to recruit some new members of the Council. He said the Nominations Committee was considering three potential candidates for appointment, including an academic, a candidate with experience in healthcare and the NHS, and another candidate with financial expertise. The Nominations Committee would bring forward recommendations for appointment in due course.
3. Turning to committee memberships, the Chair said that Christopher Williams had now met with the Chair of the Endowment Board, and he asked the Council to confirm Mr. Williams' appointment to the Endowment Board.

Resolved:

That the appointment of Christopher Williams as a member of the Endowment Board be approved with immediate effect.

PROVOST'S REPORT

4. The Provost reported that the College had submitted three 'Expressions of Interest' to the Research Partnership Investment Fund (RPIF). Of these, two had now been invited to submit full bids to RPIF for funding. The first was for £20m to contribute to the fit-out of the Michael Uren Biomedical Engineering Hub, while the second was for £10m to establish a Centre for Nutrition within the same building. Co-funding for the second bid was being provided by Nestlé (£20m from 2019 - 29). In total 24 projects from 20 universities had been selected to submit bids, from a total of 40 'Expressions of Interest'.
5. Professor Stirling then reported that the College had been awarded a prestigious Regius Professorship in recognition of the highest standard of research and teaching in the Faculty of Medicine. Professor David Holden, whose work focused on salmonella bacteria, would be the first Regius Professor of Infectious Disease at the College. The award was one of 12 announced in June as part of HM The Queen's 90th birthday celebrations, and was one of only 26 to have been granted since Queen Victoria's reign, and the second awarded to the College. The College had also had some notable research successes since the last Council meeting. Professor Austin Burt in the Department of Life Sciences had been awarded an additional \$35m by the Bill and Melinda Gates Foundation to continue his work on transgenic mosquitos to combat malaria. The College had also signed a research agreement with Shell to establish the Shell Digital Rocks Lab. Shell had committed £8m to this multidisciplinary

research project, which aimed to revolutionise the way oil and gas recovery processes were designed.

6. Ending his report, Professor Stirling congratulated staff and alumni whose work had been recognised in HM The Queen's Birthday Honours list. Mrs Lynne Cox, Director of the Research Office, had been awarded a Medal of the Order of the British Empire (BEM) in recognition of her services to research in higher education. Jeremy Grantham, the founding donor of the Grantham Institute, had been awarded a CBE for philanthropic service to Climate Change Research. A number of alumni had also been honoured, including Phillip Hulme (Mechanical Engineering 1969), who had been awarded a knighthood. Three other alumni had been awarded MBEs, with another five awarded OBEs.
7. The Clerk, Mr. John Neilson, reported that the College had recently learned that the Health and Safety Executive intended to prosecute both the College and the Chelsea and Westminster NHS Trust over the death in October 2011 of Damian Bowen, an employee of the NHS Trust, at the Chelsea and Westminster Hospital. Mr. Neilson confirmed that the College had done a lot of work in the intervening years to understand the circumstances which had led Mr. Bowen's death.

PRESIDENT'S REPORT – IMPLICATIONS OF THE REFERENDUM RESULT FOR IMPERIAL COLLEGE LONDON (PAPER A)

8. The President, Professor Alice Gast, said that her report would focus on the implications for the College of the recent EU referendum result (Paper A). In view of the considerable uncertainties at present, the College was doing all it could to clarify its position, and provide assurance, as far as it was able, to members of the College community. To this end, several communications had been sent to all staff and students confirming that the College was a global university and that its international members were both welcomed and valued by all in the College. She was pleased the Government had confirmed its continued financial support for current EU students, and those due to commence their courses this autumn. One issue that had become apparent during the referendum campaign was the extent to which certain parts of the country felt disenfranchised from the political process, and did not see the positive benefits of a close relationship with Europe. The College was considering expanding its outreach activities in these areas. A particular concern for the College was research. Imperial received over £50M of research funding annually from Europe, and it collaborated widely across Europe, as well attracting large numbers of talented staff and students from the EU. Future access to this funding and collaboration would be dependent on the negotiations between the UK Government and the EU, but it was clear from the EU's discussions with Switzerland that continued access to these research funds would likely be dependent on the free movement of people. She suggested that the College should make this clear to Government, and also affirm its strong support for free movement.

9. The Chair reported that earlier this week London First had discussed the referendum, and agreed that, rather than bemoaning the result, it should set out what Brexit should look like from the London perspective. He suggested that the College should do the same, and seek to articulate what the UK HE sector would need from a post-Brexit settlement, as this was more likely to gain traction with Government. Members agreed, and noted that the next few months would be crucial in setting the agenda for negotiations which could take several years to complete. It was suggested that a particular risk for higher education was the possibility that a future Government would take a harder line on immigration. In this context, the HE sector should explain the long term value of attracting international and EU students, and allowing them to stay in the UK post-graduation. It was suggested that the College would be more likely to make its voice heard in Government if it concentrated on a small number of very clear messages, the most important of which was that UK HE would only maintain its world-class status if it could continue to access the best talent from across the world.
10. It was recognised that the referendum result had caused uncertainty for EU students. Members asked if the College could give a commitment to EU students that there would be no change to their fees. The President said that the Government had given a commitment to students due to come to the UK in the autumn that they would continue to receive the same financial support throughout the period of their courses, and this was welcome. However, the College had been advised that it would be illegal for it to provide a unilateral guarantee on fees or funding to EU students beyond this, as it could be in breach of equalities legislation.
11. The Provost reminded members that the UK was disproportionately successful in winning research grants from the EU, indeed it received over 60% more than it contributed to the EU research budget. As well as providing significant research funding, the EU also encouraged and facilitated collaboration on research across the EU. It would be important for UK universities to retain access both to this source of funding and to the collaborative projects the EU funded. It was suggested that universities should work together to make sure that the politicians and civil servants negotiating the UK's withdrawal from the EU were aware of the potential impact on the HE and science sectors.

COLLEGE 2016 - 2020 PLAN (PAPER B)

12. Introducing the College Plan 2016-2020, the Chief Financial Officer, Mr. Sanderson, said the aim of the Plan was to assist the College and the Council to manage financial risk and uncertainty during the Plan period. In order to do so, it was important for the Plan to include tactical options, which would allow the College to adapt to changing circumstances. The plan showed that the College's financial position was robust and it was able to absorb a range of short-term shocks, including some of the forecast impacts of Brexit. The capital plan showed the College making substantial investments at White City and South Kensington; however

the long-term challenge remained of generating sufficient cash to fund the capital expenditure needed to maintain Imperial's position as a world-leading university. Mr. Sanderson also pointed out that the capital plan did not include funds for the development of White City (South) and the next phase of the South Kensington Masterplan as this work would take place after 2020. Similarly it had been assumed that major investments in the hospital estate would be funded by external support and taking advantage of differences in property prices

13. Turning to the development of the Plan, Mr. Sanderson said that he had found it very helpful to discuss the developing plan with the Financial Task Group set up by the Council at its last meeting, and he hoped that the Group would continue to meet to review options over the summer. Firm proposals for raising additional borrowing would be presented to the Council for approval at its next meeting in September.
14. Mr. Cullen, one of the Task Group members, agreed that it was important the Council recognise the limitations of the Plan, particularly with regard to the provision for capital expenditure beyond 2020. He also said the Task Group had stress-tested the Plan, and in particular had explored whether the College had realisable assets that could be sold in extremis if required to cover short term issues in the life of the Plan, as well as sufficiently robust cash flows so that the College could avoid selling any of these assets for at least two years to avoid being forced to sell in a down turn. The Task Group was comfortable with the responses to this stress-testing. The Group had also looked at the College's bank covenants and ratios, and while this was work-in-progress, he confirmed the Task Group's view that the proposals set out for the Council in Paper B could be approved.
15. Members queried if the College would still be able to get advantageous borrowing terms following the referendum result. Mr. Sanderson confirmed that the College was still considered a very good credit risk, and that it would be able to arrange borrowing on preferential terms. It was noted that large scale debt on advantageous terms was available from US banks, as well as from UK and European banks. One of the Oxford Colleges had recently arranged a substantial loan in the US, and it was suggested that the College should also explore options for debt raising in the US over the summer. Mr. Sanderson agreed to consider all possible options.
16. Turning to the proposals before the Council, the Chair noted that the Operating Budget for 2016-17 was as expected. Although the referendum result had introduced a greater degree of uncertainty, this did not affect the operating budget, which could be approved. With regard to the three year Capital Plan, Mr. Sanderson noted that it included a degree of flexibility and the College could still choose to defer or delay particular projects as and when they came forward for approval if conditions required. He also reminded members that each significant project would come forward to Council for formal approval at the appropriate time, thus providing a further degree of flexibility in the Plan.

17. It was noted that although the College's finances were sound, there were still significant challenges ahead if the College was to make all the investments needed to meet its strategic plan. To this end, members agreed that the College should take on extra debt as was proposed, but it was suggested that it should also develop targets for increased operational efficiency in the next two years, and should also consider how to leverage its brand to best advantage and generate significant income in the Plan period.
18. Before the discussion closed, Mr. Sanderson confirmed that, although the arrangements for the proposed £350M of borrowing had yet to be finalised, the annual forecasts to be submitted to HEFCE included provision for this borrowing. This was necessary so that HEFCE could see the impact of the borrowing on the College's forecasts. Finally, he asked the Council also to approve the proposed new overdraft facility. He confirmed that this facility would only be used to improve liquidity management operations, and act as a buffer for unexpected short term drawdowns; it would not be used as an additional borrowing facility.

Resolved:

- (i) That the operating budget for 2016-17 for the College (excluding the Endowment), as set out in Paper B, be approved.**
- (ii) That the College's three year Capital Plan for the period 2016 – 2019, as set out in Paper B, be approved.**
- (iii) That the proposal to raise an additional £350M of borrowing, as set out in Paper B, be approved in principle.**
- (iv) That the College's annual financial forecasts submission to HEFCE, as set out in Paper D, be approved.**
- (v) That the proposal that the College enters into an overdraft facility of up to £25 million be approved.**
- (vi) That the terms of, and the transactions contemplated by, the overdraft facility agreement with National Westminster Bank Plc acting through The Royal Bank of Scotland plc (the latest draft of which is tabled at the meeting) (the "Facility Agreement"), the related guarantee agreement (the latest draft of which is also tabled at the meeting) (the "Guarantee") and any ancillary or related documents be approved.**
- (vii) That the College executes or signs (as appropriate) the Facility Agreement, the Guarantee and any ancillary or related documents (including, without limitation, any certificate, confirmation, notice or authorisation required to be given by the College under the Facility Agreement and/or the Guarantee as well as any other document referred to in, or incidental or related to, the Facility Agreement and/or the Guarantee or the transactions**

contemplated by the Facility Agreement and/or the Guarantee) (all together, the "Documents").

- (viii) That authority be delegated to any one of Mr. Muir Sanderson or Mr. Anh Duong on behalf of the College to approve the final terms of the Facility Agreement and the Guarantee including, without limitation, to agree such amendments, variations or modifications to the current draft of the Facility Agreement and the Guarantee as he may in his absolute discretion think fit and to do all acts and things which he considers is desirable, necessary or appropriate in connection with, to give effect to and/or incidental to the Facility Agreement and the Guarantee.
- (ix) That authority be delegated to any one of Mr. Muir Sanderson or Mr. Anh Duong on behalf of the College to reserve, determine and approve all matters relating to or arising in connection with the Facility Agreement and the Guarantee, including (but not be limited to) (i) exercising any rights or discretions conferred on the College under the terms of the Facility Agreement and the Guarantee, (ii) the approval of all agreements, deeds and documents as Mr. Muir Sanderson or Mr. Anh Duong shall consider necessary or desirable in the interests of the College in connection with the Facility Agreement and the Guarantee and (iii) approving all instructions to professional advisers and authorising the despatch of any documents or certificates to any relevant parties in connection with the Facility Agreement and the Guarantee.
- (x) That authority be delegated to any one of Mr. Muir Sanderson or Mr. Anh Duong to sign on behalf of the College any of the Documents required to be executed under hand only.

and

- (xi) That authority be delegated to Mr. Muir Sanderson and Mr. Anh Duong to jointly execute on behalf of the College any of the Documents required to be executed as a deed by jointly signing any such Documents and affixing the College seal thereto.

ENDOWMENT REPORT (PAPER C)

- 19. Mr. Sanderson presented Paper C, and noted that the Report included the proposed budget for the Endowment for 2016-17.

Resolved:

That the operating budget for 2016-17 for the Endowment, as set out in Paper C, be approved.

DATES OF FUTURE MEETINGS (PAPER D)

20. Mr. Neilson presented Paper D for approval. In addition to Council meetings, the listing now included other dates of interest for Council members, such as the Graduation dinners and the annual President's Address.

Resolved:

That the dates of future Council Meetings, as set out in Paper D, be approved.

STRATEGY FOR THE FACULTY OF MEDICINE

21. The Dean of the Faculty of Medicine, Professor Gavin Screatton, gave members a presentation on the strategic issues facing the Faculty. As background, he set out the history of the Faculty, and its precursor medical schools, and highlighted the wide range of research projects in the Faculty and how these were being translated into treatments. He also set out the challenges facing the faculty, including the dislocation caused by having to work across several campuses, as well as the challenge of working with several separate NHS Trusts. The creation of the the Lee Kong Chian School of Medicine in Singapore in collaboration with Nanyang Technical University had been a positive but challenging development. However, the innovative curriculum created for the new school was now influencing future curriculum development in the Faculty, and the College was also now starting to access research funding in Singapore. The long term vision for the Faculty included a simplification and rationalisation of campus activities. In addition to working with various NHS trusts, Professor Screatton also highlighted the wide ranging collaborations between Medicine and the College's other faculties. There was a clear academic strategy to increase these interactions and collaborations, and he noted that the new Michael Uren Biomedical Engineering Hub at White City would provide for much greater interaction between Medicine and Engineering.
22. It was noted that the Faculty was constrained in the number of overseas students it could recruit, as this was restricted to just 7.5% of students on the MBBS course. Professor Screatton confirmed that, if this cap was removed, the Faculty would be able to recruit at least another 50 high quality overseas applicants each year. However, such a move would also involve significant increase in costs to the NHS, as it funded the clinical component of the course. It was noted that a number of private medical schools had opened in the UK in the last few years, and Professor Screatton was asked if there was scope for the College also to open its own private medical school. He said that there would be significant challenges in doing so, but that these might not be insurmountable. However, he noted that the recent introduction of these private medical schools might result in the Department of Health and HEFCE adopting a more flexible approach to the restrictions placed on home and overseas student numbers.

EDUCATION QUALITY ASSURANCE (PAPER E)

23. The Provost presented Paper E. He noted that the Senate would report to the Council in November 2016, and would provide the necessary information on the quality of the academic experience, student outcomes, and the standards of the awards to allow the Council to give appropriate assurances to HEFCE in its annual report. HEFCE would be producing further advice in due course, and Professor Stirling said he would provide an update for the Council at its next meeting in September.
24. Mr. Cullen noted that the Audit Committee had a responsibility to provide Council with assurances on various areas including governance and risk management, and he asked if it would now also be asked to take on responsibility for this new reporting requirement. Professor Stirling said that this requirement was being introduced very quickly, and it was too soon to confirm how it would be handled in future. He hoped he would be able to clarify some of these issues at the next meeting. For the longer term he said that the Nominations Committee was looking at candidates for the Council with academic expertise who could assist the Council in this area.

FINANCIAL MANAGEMENT REPORT (PAPER F)

25. Mr. Sanderson presented Paper F.

EQUAL OPPORTUNITIES AND DIVERSITY ANNUAL REPORT (PAPER G)

26. The Chair of the Equal Opportunities and Diversity Committee, Professor Jeff Magee, presented Paper G. He drew members' attention in particular to the priorities for 2016-17, which had been agreed by the College. These were to continue to implement the College's Equality Objectives, to re-launch Imperial's Diversity Pledge for 2016, to implement the Silver Athena SWAN Action Plan, to continue the work of the Mental Health Steering Group, and to embed the recommendations from the Institutional Gender Culture Change Project.
27. He advised members that data recently released by UCAS suggested that there were statistically significant differences between the offer rates for black applicants and the average offer rate at Imperial. The College was analysing its application data for ethnic minority applicants to understand the reasons for this, and to take action if required. The College had also commissioned two external researchers to assess and understand the institutional culture and its impact on gender equality. The aim of the study was to encourage a new way of thinking in the College which would be more conducive to addressing equality issues at their source, rather than dealing with negative effects after they had arisen. A report of the study's initial findings had been presented to the Provost's

Board in April, with the final report on the study to be presented early in the 2016-17 academic year.

IMPERIAL WHITE CITY SYNDICATE DRAFT MINUTES (PAPER H)

27. The Chair of the White City Syndicate, Mr. Jeremy Newsum, presented Paper H. Although the draft minutes were an accurate reflection of the Syndicate's discussions, he suggested that it would be preferable for the Council in future to be provided with a report summarising the main issues considered by the Syndicate. Given the importance of the White City development for the College, he also suggested that the Development Director (White City Campus), Mr. Graham Stark, should be invited to make a presentation to the Council at a future meeting.
28. At its last meeting, the Syndicate had received an interesting presentation from the College subsidiary company, Thinkspace, on its progress in developing the related ventures to be housed in the Translation and Innovation Hub at the White City Campus. The success of these ventures would be key for the development of White City South in particular, and he suggested that the Council should also receive a presentation from Thinkspace at a future meeting. Finally, he reported that the Masterplanners, Allies and Morrison, were making good progress with the development of an overall Masterplan for the Campus. A key driver for this would be the academic vision for the Campus, which was being developed by the White City Advisory Group chaired by the President.

ICU PRESIDENT'S REPORT (PAPER I)

29. The President of the Imperial College Union, Ms. Lucinda Sandon-Allum, presented Paper I. She was pleased to note that the Union's volunteering activities had continued to grow during her year in office, and that the Union was now the most democratic in the UK (45.47% of Imperial's students had taken part in the Union elections for 2016/17; the highest turnout of any students' union in the UK this year). She also thanked the College for working so closely with the Union to improve the experience of all students. When she had taken office a year ago, she had expected it to be a struggle to get students' views across to the College, but her experience in post had been the complete opposite, and she had been very impressed by the College's commitment to listening to, and supporting, its students.
30. On behalf of the Council, the Chair thanked Ms. Sandon-Allum for leading the Union so effectively, and for the contribution she had made to the College and to the work of the Council. Mr. Cullen also commended Ms. Sandon-Allum on the Union's achievements during her year in post. As the internal auditors had again confirmed, the Imperial College Union was now one of the best run student unions in the country.

STAFF MATTERS (PAPER J)

31. Paper J was received for information.

AGENDA ITEM 18 – SENATE REPORT (PAPER K)

32. Paper K was received for information.

ANY OTHER BUSINESS

33. **Valete**. The Chair asked that the Council's thanks to Dame Ruth Carnall for the contribution she had made to the College and to the work of the Council be recorded in the Minutes.

NEXT MEETING

34. The Chair reminded members that the next meeting would be held on Friday 16 September 2016 at the Woodward Hall of Residence in North Acton.