

MINUTES OF THE PROCEEDINGS

at the

Thirty-fourth Meeting of the

COUNCIL

of the

IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The Thirty-fourth Meeting of the Council was held in the Council Room, 170 Queen's Gate, South Kensington Campus, Imperial College London, at 10:00 a.m. on Friday, 22nd November 2013, when there were present:

The Baroness Manningham-Buller (Chair), Professor A. Anandalingam, Mr. C. Brinsmead, Dame Ruth Carnall, Mr. I. Conn, Mrs. P. Couttie, Professor M.J. Dallman, Mr. P. Dilley, Mr. D. Goldsmith, Professor N. Gooderham, Professor Dame Julia Higgins, Sir Thomas Hughes-Hallett, Professor D.P.A. Kelleher, Professor J. Magee, Mr. J. Newsum, Mr. S. Newton, Ms. K. Owen, Mr. M. Sanderson, Professor J Stirling, the President & Rector and the Clerk to the Court and Council.

Apologies

Ms. J.R. Lomax.

In attendance:

Professor D. Gann (for Minutes 7 to 17), Mr C. Mallo (for minutes 7 to 15) and the Assistant Clerk to the Court and Council.

WELCOME

The Chair welcomed Mr. Chris Brinsmead, Dame Ruth Carnall and Professor Nigel Gooderham to their first meeting of the Council.

MINUTES

Council – 20th September 2013

1. The Minutes of the thirty-third Meeting of the Council, held on Friday, 20th September 2013, were taken as read, confirmed and signed.

CHAIR'S REPORT

2. The Chair provided members with a progress report on the search for the next President & Rector. Some candidates had now met with the Faculty Deans, and they had provided feedback to the Appointing Committee. The remaining shortlisted candidates would be interviewed in the coming weeks. The Chair hoped to be in a position to make an offer of appointment before the end of the year. The Council would be kept informed of developments, and would be advised as soon as there was definite news.
3. The Nominations Committee had also been considering the membership of some of the Council Committees and had made recommendations to the Council for new appointments to the Remuneration, Nominations and Risk Committees.

Resolved:

- (i) **That Mr. Philip Dilley be appointed as a member of the Remuneration Committee and of the Nominations Committee with immediate effect.**
- (ii) **That Mr. Christopher Brinsmead be appointed as a member of the Risk Committee with immediate effect.**

PRESIDENT & RECTOR'S REPORT

4. The President & Rector reported that the new governance and management arrangements for the President and Provost were working well and were also exciting interest outside the College. Professor Stirling had been invited to a number of other universities to explain the President and Provost model and how it was working in practice at Imperial. The President & Rector also highlighted the recent positive press coverage in the US and UK for the recruitment of Professor Franklin Allen and Professor Douglas Gale to lead the College's new Brevan Howard Centre for Financial Analysis. The new Dean of the Business School, Professor Anandalingam, had been instrumental in securing the appointment of Professors Allen and Gale from the US, but the President & Rector also paid tribute to the former Dean, Professor David Begg, who had set out the original vision for the Centre's creation and had persuaded Brevan Howard to donate £20M to the College to establish the Centre.
5. The President & Rector then reported on the visit of the President of the Republic of Korea, Park Geun-hye, to the College as part of her state visit to the UK. The Provost had hosted her visit and President Park had viewed an 'invisibility cloak' and witnessed a live surgical simulation while at the College.
6. The Chair suggested that in future the Provost, Professor James Stirling, should also provide the Council with a report at each meeting. Professor Stirling reported that he was continuing his programme of visits to College departments. Staff had raised some concerns with him, which he would report on when he had completed the programme of visits, but he had been impressed with the level of commitment to the College and the enthusiasm demonstrated by all the staff he had met. He had been particularly encouraged by the extent of their ambitions for Imperial to improve

and do even better, and also by their enthusiasm for the opportunities presented by Imperial West.

COMMERCIAL ACTIVITIES AT IMPERIAL WEST (PAPER B)

7. The President & Rector presented Paper B and noted that although the College already had an incubator unit and mechanisms in place for leasing space to spin-out companies and other commercial enterprises, this was still a relatively small scale activity. As Imperial West was developed, this activity would become increasingly important and complex. By the end of 2015 there would be space for 50 companies in the Research and Translation Hub, and this would increase as the College developed the rest of the expanded site. It was therefore proposed to recruit a new Chief Executive Officer for ThinkSpace (the unit in the College managing these activities). The CEO would be responsible for building an organisation to identify and attract commercial partners to Imperial West as well as representing the College's related commercial activities. The CEO would be supported by a Board including both internal and external members. In due course, it was possible that ThinkSpace might evolve into a subsidiary company.
8. Although members supported the immediate appointment of a high profile CEO to manage this area, it was suggested that the role and responsibilities of the supporting Board were less clear. In particular, it was suggested that the College should clarify the relationship of this proposed Board with the College Cabinet, the Imperial West Syndicate and the Council itself. It appeared that a ThinkSpace board could have potentially overlapping responsibilities for activities at Imperial West and it was therefore important that interrelationships and respective levels of authority were understood fully. The President & Rector said that the Syndicate and Council would be responsible for the strategic development of the Imperial West site and that the Imperial West Commercial operation would not impinge on this, but would rather be responsible for implementing some of the commercial aspects of that strategy. As such, the CEO and Board would operate within the College's current management structures. As this commercial operation grew, consideration might have to be given to establishing it as a subsidiary trading company to preserve the College's charitable status. Although these developments were still in the future, the intention was to create a structure that would be flexible enough to encompass these future developments. At present, the primary role for the advisory board was to ensure that the commercial development of the Imperial West site was aligned to the College's academic vision for the site.
9. The Chair noted the widespread support for the appointment of the CEO, but said the Council wanted a clearer statement of the proposed Board's relationship to the Imperial West Syndicate before it could endorse this aspect of the proposal. The President & Rector welcomed the endorsement for the appointment of a new CEO, particularly as this was the most immediate need. He suggested that Council members might be involved in the recruitment process and acknowledged the need to report back to Council once the proposed Board's terms of reference and reporting relationships had been better defined.

IMPERIAL WEST SYNDICATE (PAPER A)

10. The President & Rector presented Paper A and reminded the Council that, although the College had a successful track record of conducting major capital projects, the scale and complexity of the

Imperial West Development dwarfed previous College projects. A new governance structure for managing this development was required, if it was to be successful. He was also pleased to report that three highly experienced external members had recently agreed to join the Syndicate, and he was sure that their skills and expertise would make a vital contribution to the success of the Syndicate and of the development. All three had been consulted on the new proposed governance model and had endorsed the “stage gate” process set out in Paper A. The remit of the Syndicate and its relationship with both the Council and the College Cabinet would now be further refined in discussion with both the new and existing members of the Syndicate, with final proposals to be presented to the Council at its next meeting in February. One of the strengths of the stage gate process was that it would provide a framework within which rapid decisions could be made when necessary, while also ensuring that the various bodies within the overall governance structure would operate within the limits of the delegations made to them by the Council.

11. Mr. Sanderson then gave a presentation on how the Syndicate would provide advice on the overall strategy for Imperial West, as well as overseeing major spending decisions via the stage gate process. This stage gate process would be operated by the Syndicate, which would review all aspects of the planned development of Imperial West. Mr. Sanderson said that this process was consistent with, and supported, the existing delegations and governance processes.
12. Members recognised that the Syndicate would need to be able to agree or reject proposals if the stage gate process was to operate effectively. Only proposals which had been agreed by the Syndicate should come to the Council for formal approval. There was some discussion of whether the Syndicate should have a more active role in shaping the final presentations to Council than was suggested by the ‘advisory’ role set out in Paper A.
13. Members supported the proposals, but suggested that, if not properly managed, the stage gate process could become bureaucratic. Mr. Sanderson said this risk was well understood by the members of the Syndicate and the College would have to guard against adopting an overly bureaucratic approach. Final proposals for the role of the Syndicate would be presented to Council in February.

IMPERIAL WEST VISION

14. The Council then received a presentation on the developing academic vision for Imperial West from the Vice President (Development and Innovation), Professor David Gann. The Heads of Department Away Day in October had focused on Imperial West, with a number of key themes emerging from the discussion. Although there were strong expressions of interest from across the College, it was clear that a long-term development programme covering the next 10 – 15 years would be required. The buildings would probably outlive the projects currently being developed for Imperial West, and the College’s plans had to recognise that the academic vision for the site would change over time.
15. It was acknowledged that the vision for Imperial West concentrated on research, innovation and translation. However, it was clear that there would also be some teaching activity at Imperial West and the Vision needed to encompass this. There would be postgraduate students based at Imperial West, and it was likely that undergraduates would spend time in the research labs there in their later years.

DEVELOPMENT REPORT (PAPER J)

16. Professor Gann presented Paper J and updated the Council on recent Development activities, including the preparation of a new promotional video, a rough cut of which was shown to the Council. Professor Gann also highlighted the recent launch of the Imperial 1851 Circle, which recognised donors who invested in the future of Imperial through annual gifts of between £1,000 and £4,999.
17. Members made some suggestions for improving the promotional video and also confirmed the importance of long-term investment in Development. Members then asked how the Development strategy and materials aligned with the College's communications strategy, as it was felt that the messages in both needed to support and reinforce each other. It was suggested that the Council might return to this issue and also consider the College's communications strategy at a future meeting.

ANNUAL REPORT AND ACCOUNTS (PAPER C)

18. The Chief Financial Officer, Mr. Sanderson, presented Paper C and noted that the College's income had increased by 7.4% to £822M, with a surplus on ordinary activities of £67M. Mr Sanderson also highlighted the significant level of capital investment made by the College in 2012–13, both in its current estate and in new acquisitions to support its expansion plans at Imperial West.
19. Members welcomed the results set out in the Annual Report and Accounts, as well as the report of significant developments in research and the College's other activities. There was a detailed note on the College's pensions schemes. Mr. Sanderson clarified that the College was a member of two shared schemes in the HE Sector (USS and SAUL). Although both schemes were in deficit, because they were shared schemes it was not possible at present to assess the individual liabilities of each university in the scheme. However, he said that universities would have to start assessing their individual pension liabilities once the sector as a whole moved to IRFS accounting standards.
20. It was suggested that next year's annual report should include a report from the Provost alongside the President's Foreword and the Chief Financial Officer's Financial Review.

Resolved:

That the Annual Report and Accounts for the year ended 31 July 2013, as set out in Paper C, be adopted.

MANAGEMENT REPRESENTATION LETTER (PAPER D)

21. Mr Sanderson then presented Paper D. The draft Representation Letter had been considered by the Audit Committee, which had recommended its acceptance to the Council.

Resolved:

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

AUDIT COMMITTEE ANNUAL REPORT TO THE COUNCIL (PAPER E)

22. The Chair of the Audit Committee, Mrs. Couttie, presented Paper E and noted that, although the internal auditors had made several recommendations for improvements in their audit of the Imperial College Union, both they and the Audit Committee recognised that the Union had made considerable progress in the last two years and was moving in the right direction. She also reported that the Committee had asked the College to go beyond compliance with HEFCE guidelines on value for money (VfM) and undertake a more rigorous review of VfM in the New Year.

ANNUAL ACCOUNTABILITY RETURNS TO HEFCE (PAPER F)

23. The Clerk, Mr. Neilson, presented Paper F and noted that completion of the various returns to HEFCE set out in the Paper were required by the Financial Memorandum between HEFCE and the HE institutions it funded.

Resolved:

- (i) **That Part 2 of the Annual Assurance Return to HEFCE, as set out in Paper F, be approved.**
- (ii) **That authority to approve the College Strategy Metrics and submission of the ASSUR to HEFCE as part of the College's annual accountability returns be delegated to the Provost's Board, as set out in Paper F.**

HEFCE FINANCIAL COMMENTARY AND FINANCIAL FORECASTS (PAPER G)

24. Mr. Sanderson presented Paper G and invited the Council to approve the annual financial forecasts for submission to HEFCE.

Resolved:

That the HEFCE forecast tables and commentary, as set out in Paper G, be approved.

RISK COMMITTEE ANNUAL REPORT TO THE COUNCIL (PAPER H)

25. The Chair presented Paper H. Members agreed that, since its creation, the Committee had provided a very valuable addition to the College's governance arrangements and had made a real difference to the way in which risk was considered and managed by the College. The focus on

chronic risks and how these should be addressed had been particularly valuable.

26. Professor Kelleher suggested that the Committee might include the regulatory and compliance risks facing the College on its future work plan. The Clerk agreed to pass his suggestion on to the Committee's Chair, Ms. Lomax.

IMPROVING ACADEMIC SUPPORT PROCESSES 2014-2016 (PAPER I)

27. Mr. Sanderson presented Paper I. In order for the College to contain its costs and provide world-class administrative support, a longer-term approach to the planning of support services was required, with a focus on how these operations could be redesigned to deliver tangible year on year improvements. The College's approach, which was set out in Paper I, was similar to the long-term change programmes being implemented in some other world-class universities and was intended to drive through improvements in support services over a two-three year period. The programme would focus on key support processes that cut across departmental boundaries. It was therefore primarily a process review, rather than an organisational review. The whole change management programme would be overseen by a Programme Board to be chaired by the Provost, Professor Stirling, with core teams to be identified to lead each work stream.

Resolved:

That the proposed programme for improving academic support processes, as set out in Paper I, be approved.

REVISIONS TO THE COLLEGE'S CHARTER, STATUTES AND ORDINANCES (PAPER K)

28. The Clerk presented Paper K and noted that the Charter, Statutes and Ordinances would have to be revised to reflect the new President and Provost governance model. The Council agreed the proposed approval process for revisions to the Charter, Statutes and Ordinances and noted that the proposed revisions would be presented to it for formal approval at its next Meeting in February 2014.

HARLINGTON GRANT FUND PROPOSALS (PAPER L)

29. The Clerk presented Paper L, a proposal from the Harlington Grants Fund Committee to spend up to £250,000 in 2013-14 on a round of larger capital grants. The additional money would be used to fund two larger projects, the refurbishment of the Union Concert Hall and the purchase of additional equipment to improve the facilities at the Silwood Park Campus Gym.

Resolved:

That the proposal by the Harlington Grants Fund Committee for release of £250,000 in larger capital grants , as set out in Paper L, be approved.

ENDOWMENT BOARD REPORT (PAPER M)

30. The Chairman of the Endowment Board, Mr. Newton, presented Paper M and noted in particular the recent increase in the Innovations share price.
31. The Council was advised that Wye Parish Council had recently written to the Chair to express its concerns about the Wye 3 Masterplan, which included a proposal to build 250 new homes at Wye. The Masterplan had been developed following an extensive consultation process with all interested parties at Wye. However, the Parish Council was now asking the College to reconsider and downscale the plan to provide for no more than 50 new homes being built. The Wye project team's view was that any reduced scheme would necessitate a significant reduction in the community benefits set out in the Masterplan. The Council noted that the Wye estate had been transferred to the Endowment as a non-core asset following the end of academic activity at Wye and that the Masterplan was intended to provide a sustainable plan for the future development of Wye. The Council confirmed its support for the Wye 3 Masterplan and for the Endowment Board's approach to seeking planning consent for the Plan.
32. The Council agreed the recommendation set out in Paper M that shares in Genus and in Feedback plc should be declared as non-core assets and transferred to the Strategic Asset Investment portfolio for immediate sale.

STAFF MATTERS (PAPER N)

33. Paper N was received for information

MAJOR PROJECTS REPORT (PAPER O)

34. Paper O was received for information

SENATE REPORT (PAPER P)

35. Paper P was received for information

ANY OTHER BUSINESS

36. There was none.

NEXT MEETING

37. The Chair reminded members that the date of the next meeting was Friday, 7 February 2014.