

MINUTES OF THE PROCEEDINGS

at the

Fourth Meeting of the

COURT

of the

IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The Fourth Meeting of the Court was held in the Great Hall, Sherfield Building at 2:15 p.m. on Friday, 30th March 2001, when there were present 66 members of whom 41 were lay members.

Apologies

Apologies for absence were received from:

Mr. G. Able, Cllr. A. Allum, Professor R. Batchelor, The Rt. Hon. Peter Brooke MP, Mr. R. D. Buchanan-Dunlop, Mr. A. R. F. Buxton, Professor G. Bydder, Dr. N. A. D. Carey, Mr. G. Clerhugh, Professor Sir David Davies, Mr. S. de Grey, Dr. A. A. Denton, Professor P. Dowling, Dr. T. J. Evans, Professor C. Frayling, Professor E. C. Gordon-Smith, Professor F. M. Gotch, Mr. M. Green, Professor M. Green, Dr. J. D. G. Groom, Professor S. P. F. Hughes, Mr. P. A. Hunter, Mr. F. J. M. Kinsman, Dr. M. P. Knight, Mr. R. A. Lewis, Mr. L. E. Linaker, Sir Stuart Lipton, Professor A. Malcolm, Rear Admiral J. P. W. Middleton, Sir Alan Munro, Lord Patel, Dr. A. Payne, Professor D. Phillips, Professor P. Poole-Wilson, Mr. J. E. Ratcliff, Mr. D. Reddaway, Lady Rees Mogg, Dame Stella Rimington, Miss S. Ross, Mr. S. Sharpe, Professor D. J. Sheridan, Mr. A. W. Smith, Dr. G. Tuttle, Mr. S.R. Ward.

Welcome

The Chairman welcomed the new members of the Court to their first meeting and, in particular, welcomed the Rector, Sir Richard Sykes, and Professor Sir Leszek Borysiewicz, the new Principal of the School of Medicine, to their first meeting of the Court.

MINUTES

1. The Minutes of the 3rd Meeting of the Court, held on 31st March 2000 were taken as read, confirmed and signed.

MATTERS ARISING

2. There were no matters arising.

REPORT BY THE CHAIRMAN

3. Commencing his Report the Chairman advised members of the more significant items of business which the Council had undertaken since the third meeting of the Court in March 2000. Firstly, he said, at the time of the last meeting, the College had been preparing for its mergers with Wye College and the Kennedy Institute of Rheumatology in August 2000. He was pleased to report that these mergers had been achieved successfully and both institutions were now firmly part of Imperial. He went on to remind members that, as a result of these mergers, the opportunity had been taken to review the College's Charter and Statutes and to make a number of proposals for changes. These had been agreed by the Court at its meeting last year. However, these changes had to be approved formally by the Privy Council before they could take effect. He had hoped to be able to report positive progress at this meeting of the Court but, despite several promptings, no response had as yet been received from the Privy Council. Although this was essentially a tidying up process for the Statutes, he hoped that, well before the next meeting of the Court, he would be able to report *via* the Council that the recommended changes had been accepted.
4. Moving on, the Chairman noted that this had been a year of considerable change within the College, and not just the change of Rector, important as that was. The College had continued with its ambitious capital programme, which included:
 - a. The construction of the new Obstetrics and Gynaecology Building at the Hammersmith Campus to create a new teaching and research facility at a cost of £10.1M. This had followed from the NHS decision to close the Queen Charlotte's Hospital and to re-establish it as part of the Hammersmith Hospital. The Obstetrics and Gynaecology Building was now well on the way to completion and the College's part of it had been funded largely from a very successful appeal sponsored by Lord Winston for which the College was most grateful;
 - b. The Flowers Building at South Kensington built at a cost of £17.3M and funded as part of the College's Capital Investment Plan, supplemented with additional funding from the Government's Joint Infrastructure Fund. This had been opened officially in December and, once fitted out, would provide space for multi-disciplinary research involving a number of the College's Departments.
 - c. The refurbishment of the Senior Common Room in the Sherfield Building at a cost of £1.6M. This had been completed in the Summer in time for the British Association Festival of Science which had been held at the College in September. It now provided a greatly improved facility for its members whose numbers had increased significantly on this campus in recent years.

- d. Finally, he reported that the refurbishment of Beit Quadrangle was, at last, nearing completion. This would provide the Imperial College Union (ICU) with additional space for its clubs and societies, as well as the College with accommodation for over 300 students during term time. During vacations this higher quality accommodation would also provide a valuable source of revenue when it was let for conferences and other purposes.
5. The Chairman noted that this last Project had caused the College considerable difficulties. In June last year, James Longley, the main contractor, had gone into receivership having failed to complete the refurbishment. This had left the College with a major problem since it had to make arrangements for the refurbishment to be completed by another contractor, while ensuring that the resultant extra costs were minimised. In the event, it had been discovered that much of the work carried out by Longleys and their sub-contractors had not been of the requisite standard, so that not only did the College's new contractors have to complete the refurbishment, they also had to make good the work left by Longleys. This had inevitably led both to delays and to an increase in the overall costs of the Project. A year ago the College had been hoping to open the Beit Hall of Residence in July 2000. This had proved to be impossible and a completion date in early June 2001 had now been agreed.
6. As he had already intimated, the cost of the Project had increased considerably. Indeed the final cost to the College was still being discussed with the new contractors, Bovis Lelliot. The delay and the increased costs had, the Chairman said, been a source of concern for himself and for the Council. However, the original causes of this had been outside the College's control and, since the time of the initial failure, the College had taken all reasonable measures to minimise the effects of this unsatisfactory turn of events. He assured the Court that the College was seeking to recover at least some of the costs from Longley's receivers, but acknowledged that this was likely to be a difficult, uncertain and time consuming process.
7. Sounding a more positive note, the Chairman reminded the Court that the Strategic Outline Case for the re-organisation of medicine in West London had now been accepted by government. If finally implemented, it would entail the closure of the Royal Brompton and Harefield Hospitals on their present sites and their relocation in new buildings at St. Mary's as part of the redevelopment of the Paddington Basin over the next five years. The College would be a major participant in this important enterprise because the NHLI Building on the Royal Brompton Campus would also close and the staff would move to Paddington. Furthermore, there was major work to be done in the renovation of the St. Mary's Research Building in order for it to dovetail into the overall scheme for what would undoubtedly become one of the world's leading medical centres.
8. Continuing, the Chairman remarked that this had also been a year of considerable change for the School of Medicine. He reminded members that the School had been created as a result of the College's merger with four independent medical institutions. In doing so, the School had brought together staff from all of these establishments and organised them, in as coherent a fashion as possible, into 8 Divisions across all of the College's campuses. It had been recognised at the time that some of the resultant

divisional structures were probably less than ideal and that they would need to develop over time. However, since then, some of the Divisions had been running at a significant deficit and the Council had consequently agreed that they needed to be restructured if the future viability of the School as a whole was to be assured. During the course of last year, the Council had received regular progress reports on this restructuring process. The Chairman assured the Court that a prime concern for the College and for the Council had been that the restructuring should be conducted fairly but effectively, with appropriate care and consideration for the position of individual members of staff. He was therefore pleased to report that the exercise had been concluded satisfactorily and that the targets for financial savings had been achieved without the need for any compulsory redundancies.

9. The Chairman then acknowledged that, as members would have noted from the Minutes of Council meetings, the previous year had been a difficult one for the College financially. Although the Chairman of the Audit Committee, Mr. Donald Hearn, would report later on the details of the year's accounts, the Chairman thought it would be helpful if he himself gave the Court some of the background from his own standpoint.
10. During 1999, he stated, the College had introduced a new and complex IT system covering the Finance, Payroll and Personnel functions in order to ensure that they were Year 2000 compliant. Just after the first phase of this new system had been implemented, a new Director of Finance had joined the College. At the same time the College had also been preparing for its mergers with Wye College and the Kennedy Institute of Rheumatology and was also involved in a major building programme, including the construction of the Flowers Building and the refurbishment of the Beit Hall of Residence to which he had already referred. With hindsight it was clear that, for these and other reasons, the administration of Imperial had not been keeping pace with the much larger and more complex operation that had resulted from the mergers and associated developments. Indeed, historically the College had tried to keep its administrative costs as low as possible, a policy which had inevitably impacted on staff resources.
11. Despite these difficulties, the College's External Auditors, PricewaterhouseCoopers (PwC), had given the College a set of unqualified accounts in December, albeit with some clear recommendations as to the areas in which significant improvements were required. The implementation of these recommendations was now a priority for both the Rector, as the Senior Finance Officer, and the new Director of Finance, Mr Tony Cannon. The Chairman had also asked Donald Hearn, as Chairman of the Audit Committee, to report at each Council meeting on the recovery programme that had been developed from the PwC recommendations.
12. On a happier note, the Chairman was pleased to report that, at the end of the previous year, the College had received its largest ever single donation from one of its alumni, Dr. Gary Tanaka, who had very generously agreed to give the College £27M. £2M of this would be used to endow a Chair, with the remaining £25M being used to build an exciting and innovative new Management School which would include an enhanced front entrance for the College on Exhibition Road. This was excellent news and the Chairman hoped that other alumni might now follow this very generous example.

13. Moving on to consider the other work undertaken by the Council during the course of the year, the Chairman reported that a new College Disability Statement had been approved, as well as a new Constitution and Memorandum of Understanding for the Students' Union. The Council had also been reviewing its own effectiveness and, at that morning's meeting, had agreed a number of recommendations to improve this in the coming years. The most important of these were that:
 - a. An induction programme for new members of Council should be created which would not only provide an introduction to their roles and responsibilities as governors, but also include information on the College and the wider higher education sector.
 - b. The performance indicators being developed for regular review within the College should be reported to the Council at least annually.
 - c. The existing Finance Strategy Committee should be disbanded and a new Finance Committee created in its stead. This new Committee would have specific responsibility for recommending the College's annual budget for approval, and for monitoring the College's finances throughout the year, reporting regularly on them to the Council.
 - d. The Health and Safety Audit Committee, which normally met three times a year, should in future report to the Council after each of its meetings.
14. The Chairman noted that the last of these recommendations recognised the importance which the College and the Council attached to health and safety. As had been reported in the Press, the College had recently been prosecuted by the Health and Safety Executive (HSE) and fined £20,000 with costs for a breach of health and safety regulations. However, members who had seen these reports might not have realised that this charge related to an incident in 1998 and that the HSE was also prosecuting the College over another incident, also in 1998. The latter prosecution was to be heard shortly and was also likely to result in an unwelcome finding. It was clear that the College would have to apply the lessons learned from these two prosecutions. Although there had been considerable improvements in the management of health and safety in the College since 1998, there was no cause for complacency. Health and safety legislation was, quite properly, becoming ever tighter, and, he stated, the College had to ensure that similar breaches did not occur in the future. Not only could the College not afford them but, as a world class teaching and research institution, it should be leading the way in ensuring the safety of its staff and students.
15. The Chairman next reminded the Court that, in previous years, the College's Annual Report had been tabled at this point in the meeting. However, in order to acknowledge the start of Sir Richard's period as Rector, it had been decided that this year's Report should not only look back at the year just passed, but also include an indication of how the College would develop in the future. Because Sir Richard had only joined Imperial in January, it had not been possible to complete the Report in

time for this meeting. The Annual Report, including Sir Richard's views on the future, would therefore be circulated to the Court in the next month or so.

16. The Chairman remarked that most of his Report, thus far, had referred to financial and administrative matters, together with the College's substantial investment in new facilities for the future. However, it was, of course, its teaching and research, and their practical application that lay at the heart of Imperial's business. Once again, he said, the College had had a notably successful year of academic achievement. On the teaching side, the Quality Assurance Agency (QAA)'s inspections of the School of Medicine and the Department of Mathematics had brought to completion their review of all of the College's academic Departments. He was pleased to report that the QAA had assessed every Department as being 'excellent', with a score of 21 or more out of a total possible 24. The QAA had also published the College's 'Institutional Profile' - that is their overall assessment of the College. In this they had assessed Imperial as excellent and had raised no issues of major concern. As a result, the QAA would now include Imperial amongst those institutions which they would monitor with a 'lighter touch' in the future.
17. As a second, if perhaps less formal, indicator of academic success, the Chairman noted that Imperial's team had managed to get to the Final of University Challenge for the second time in just five years. The Final was to be screened on Monday 2nd April and the Chairman took this opportunity on behalf of the Court to wish the team the best of luck.
18. Turning to research, the Chairman acknowledged that, given the range and variety of Imperial's successes in this field, it was perhaps invidious to pick out only a single example. Nevertheless, he wanted to highlight the fact that in February Her Majesty The Queen had presented the Queen's Anniversary Prize to the College for its outstanding contribution in the area of research and training in surgery. The prize had been awarded in recognition of the work of the Academic Surgical Unit, led by Professor Ara Darzi, the Head of the Department of Surgical Oncology and Technology in the Division of Surgery, Anaesthesia and Intensive Care. This was clearly a great honour for the College, and especially for Professor Darzi and his team. The Chairman was therefore pleased to say that Professor Darzi had agreed to give a brief presentation on his work after this meeting of the Court.
19. Concluding his Report, the Chairman said that the last year had seen a continuation of the very substantial changes for the College which had followed the medical mergers in 1997. With an annual turnover of nearly £400M, this was now one of the largest university operations in the Country and, with its multiple campuses and the NHS dimension, several times more complex than before. The College had continued on its major programme of building and refurbishment that would progress into the next decade. Most significant of all, Imperial had also consolidated its position as one of the premier higher education institutions in the country and, in an increasingly competitive international environment, as a world-class university. But, he cautioned, the College could not rest on its laurels. It needed to continue to develop in a strategically sound and coherent manner into the twenty-first Century. This was the challenging task facing the new Rector, to which, the Chairman knew, Sir Richard had already devoted considerable thought and effort in the first three months of his

appointment. The Chairman was therefore grateful that the Rector had agreed to share with the Court his ideas for the further development of the College.

REPORT BY THE RECTOR

20. The Rector opened his Report by giving a presentation on 'Creating an Organisation for the Future', a copy of which is attached as an Annex to these Minutes. In particular, he highlighted his belief that the College's future success would have to build on its unique assembly of disciplines; Engineering, Physical Sciences, Medicine and Life Sciences. The ability to combine these disciplines in fruitful ways would, he suggested, lead to the development of the breakthrough technologies of the future. He envisaged that these would come in particular in the areas of Bio-Engineering, Molecular Genetics, Preventative Medicine and Structural Biology.
21. However, he said, the coming years would be very challenging for universities in the UK. Increasing funding constraints and the pressures imposed by the continued expansion and massification of higher education would affect all universities. In addition to this, Imperial would also be affected by the increasing public mistrust of science and scientists and the decline of science teaching in schools. All of this pointed to the need for the more effective management of resources and for policies which would support and develop the internal academic environment. In his view, if it was to survive and flourish, Imperial needed now to be run as a University business. This would entail agreeing explicit strategic and operational goals; the creation of a manageable organisational structure with clear accountabilities and effective communication channels; a culture of collaborative working; and a first class, professional administration. To this end, he announced, the College would now be adopting a faculty organisation with four faculties: Engineering, Medicine, Life Sciences and Physical Sciences. They would be supported by a high quality administration which would operate in a matrix structure across all four Faculties. The work of the College and the new Faculties would also be underpinned by a new Committee structure involving Council Committees, Senate Committees and a number of operational committees acting under the Executive Committee which he had recently created.
22. The Rector noted that the College was also now facing two other major issues; the need to make the most efficient use of its own resources while attracting significant additional external funds; and the importance of attracting, recognising and retaining Imperial's most important resource, its staff. To this end Imperial had launched a major project to design a fund raising infrastructure for the College with a view to building on Dr. Tanaka's recent, most generous gift, and ensuring that this was the first of many such donations. Steps were also being taken to recognise and reward talented staff with the priorities for review including the consideration of career development which recognised management, teaching and research skills; improving starting salaries; and freeing academic staff from routine administration.
23. Concluding his Report, the Rector stated that, for it to respond to future challenges, the College required a clear definition of its Strategic Intent, coupled with visible programmes of directed evolution. The College had now agreed on a new

organisational structure which would help to guide the necessary changes and it was seeking new sources of funding. The attraction and development of world-class students and staff was vital to the College's future success as was the identification of new ways to harness and exploit Imperial's intellectual capital.

24. The Court welcomed the Rector's illuminating presentation. Expanding on aspects of the presentation and responding to questions from members of the Court, the Rector went on to say that the College had, over the last few years, spent a great deal of effort on integrating the School of Medicine and that it had done so in order to exploit the potential of inter-disciplinary links between medicine, life sciences and engineering. As an example of the academic possibilities of this sort of collaboration he cited the Human Genome Project, a medical project which had benefited from vital input from mathematicians.
25. Moving on, he said that, since joining the College in January, he had been consulting widely on the substantial challenges facing the College. He had gleaned from these meetings that there was a general recognition that Imperial would have to evolve if it was to compete effectively on the world stage and that there was, in consequence, a refreshing desire for change. He believed that the introduction of a faculty structure would provide the impetus necessary for the College to effect the degree of change required. It was noted by some members that, in many universities, Heads of Faculty were elected. The Rector stated that the proposed faculties at Imperial would be bigger, in terms of annual turnover, than many universities. It was therefore vital that they were led by staff with the requisite skills to become Vice Chancellors elsewhere. For this they needed to be not just excellent academics, but excellent managers as well.
26. The Rector was then asked about the social aspects of Imperial as students wanted to do more than just study. He responded by noting that the ICU was one of the best, and best resourced, student unions in the Country and he had been impressed by the constructive relationship between the College and the Union. Students who came to Imperial had access to a range of excellent social and sporting facilities over and above the high quality education they would receive.
27. Since the Rector's presentation had concentrated on certain key areas for future collaborative research, he was asked about the position of pure research. He confirmed that pure, academic research remained vitally important to Imperial's future as this would underpin many of the exciting and innovative developments to come.
28. The Rector was then asked about health and safety and, in particular, the levels of stress experienced by staff. He stated that one of Imperial's prime objectives was to push the boundaries of knowledge forward but that it had to do so within a structured environment that paid proper regard to the health and safety of staff and students, including stress. Part of this due regard meant that staff had not only to behave responsibly but also be accountable for their actions.
29. The Rector's position with regard to Student Residences was then sought. He stated that their improvement and upgrading was a clear priority and that the College had a

plan for how this would be achieved. However, implementing this would be expensive and the College had to be creative in obtaining funding for this important area. This led the Rector to consider how the College would attract significant funding in the future. He noted that the College was now creating spin-out companies at the rate of one every month and that this rate was increasing all the time. He concluded his Report by stating that the world was changing and that institutions' competitive edge would come from their intellectual capital rather than from their other assets. It was this intellectual property which would drive the economy of the future. Imperial's primary asset was its intellectual property and this should place it in good stead for the future. The challenge was to capitalise on this property and to use the value realised from it to fund Imperial's continued development.

ANNUAL ACCOUNTS – COMMENTS OF THE AUDIT COMMITTEE (Paper A)

30. The Chairman of the Audit Committee, Mr Donald Hearn, introduced Paper A, noting that the College's income had increased by just 2.7% in 1999-2000 and that, although the surplus of £11.7M generated by the College was greater than in the previous year, this was largely attributable to the £10M accrued from the sale of 25% of the College's holding in one of its 'spin-out' companies. As the Chairman had acknowledged in his earlier report, the previous year had been a difficult one for the College's Finance Division. It had experienced problems with the new Personnel and Finance IT system, ICIS, and this had led to other concerns about the College's cash management and control of debtors. Although they had raised their concerns about these issues in their Management Letter, the College's external auditors, PwC, had nonetheless, provided an unqualified opinion on the College's Consolidated Financial Statements. In conclusion, Mr Hearn stated that the Audit Committee had been able to give only limited assurance to the Council that its responsibilities had been satisfactorily discharged. However, the Committee had been satisfied that appropriate steps were now being taken to address the weaknesses identified in the PwC Management Letter and, on that basis, commended the Annual Accounts to the Court.

MEMBERSHIP OF THE COURT AND COUNCIL (Paper B)

31. The Clerk to the Court and Council introduced Paper B, noting that, although the Nominations Committee had made recommendations for appointments to all the vacancies on the Court, a few of these appointments remained to be confirmed. He also drew the Court's attention to the outstanding vacancies on some of the Council Committees. Rather than make recommendations for appointments to these vacancies, the Nominations Committee had decided that it would be preferable to involve more members of the Court in the work of these Committees and had agreed that members should be asked to express an interest in serving on them.
32. Before moving to a resolution, it was noted that a large number of the Court's members were appointed by outside bodies such as the various Royal Colleges and Societies and other like bodies. The suggestion was made that the College should consider including representatives from similar European bodies on the Court as they appeared at present to be under-represented. The Clerk explained that the appointing

bodies for the Court were laid down in the College's Royal Charter and Statutes and that the choice of institutions was largely historical. As an example, he cited the appointment of representatives by the Commonwealth Governments. This, of course, went back to the creation of the College as the 'Imperial' College in 1907. He then reminded the Court that, as the Chairman had noted in his earlier Report, changes to the Charter and Statutes had to be approved by the Privy Council before taking effect. The Privy Council had not, as yet responded to the changes to the Charter and Statutes recommended by the Court at its meeting in March 2000. Any proposal to increase the membership of the Court by adding further appointing bodies would need to be supported by a strong case and would require a similar length of time for consideration by the Privy Council.

Resolved: (i) That the new appointments to the Court detailed in Paper B be approved.

(ii) That the Chairman be given authority to approve, on behalf of the Court, appointments to the remaining vacancies listed in Paper B.

ANY OTHER BUSINESS

33. There was none.

DATE OF NEXT MEETING

34.. The Clerk advised members that the next meeting of the Court would be on Friday 12th April 2002 at 2:15 p.m.

VALETE

35. On behalf of the Court the Chairman thanked the following retiring members of the Court for their distinguished service to the College:

Mr. R. D. Buchanan-Dunlop CBE

Dr. N. A. D. Carey

Mr. H. Morton Neal

Professor I. Graham-Bryce

Sir Alan Munro

PRESENTATION

36. Following the formal business of the meeting, the Court received a presentation by Professor Ara Darzi on aspects of his research and the work of the Academic Surgical Unit.