

**MINUTES OF THE PROCEEDINGS**

at the

**Seventh Meeting of the****COURT**

of the

**IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE**

The Seventh Meeting of the Court was held in Lecture Hall G16 in the Sir Alexander Fleming Building, South Kensington Campus at 2:15 p.m. on Friday, 26 March 2004, when there were present:

The Lord Vincent of Coleshill (Chairman), Mrs. A. Barrett, Professor J.N. Bell, M.C. Black Esq., Professor S. Bloom, Dr. E. Buttle CBE, Mr. M. Cauldwell, Professor P. Y.K. Cheung, Cllr. J. Corbet-Singleton CBE, Dr. J. Domin, Professor B. Foxwell, Cllr. K.W.S. Gauthamadasa, Mr. B. Gidoomal CBE, Dr. A. Grocock, Professor C. Hankin, Ms. S. Hartman, Professor M.P. Hassell CBE, Mr. D.P. Hearn, Mr. M. Heath, Professor Dame Julia Higgins, Professor B. Hill, Professor D. Hill, Professor R. Himsworth, Cllr. J. Hyde, Mr. R.H. Jones, Mr. N. Joseph, Professor A.B. Kay, Professor R. Kitney OBE, Dr. M.P. Knight, R.R. Knowland Esq. CBE, Professor J. Kydd, Dr. M. Lee, Professor A. Malcolm, Cllr. A. Mallinson OBE, Mr. W.A. Manson, Mr. R.J. Margetts CBE, Professor M. McClure, Ms. K. McGinn, Mr. G. McMullen, Mr. M. Moate, Professor J. Monhemius, Sir Alastair Morton, Professor G.H.C. New, Mr. M. Noble, Mr. P. O'Shea, Cllr. M. Page, Mr. S. Patel, Dr. V. Payne, Professor J. Perkins, Professor D. Phillips OBE, Professor Dame Julia Polak, Dr. G.G. Pope CB, Mr. B. Pryor, Professor R.D. Rawlings, Mr. M. Reilly, Professor M. Ritter, Eur. Ing. A.D. Roche, Miss S. Ross, Mr. M. Rowlandson, Professor C.P. Sandbank, Dr. M. Sanderson, Dr. M. Shears CBE, Dr. A. Smith, Dame Rosemary Spencer, Dr. G. Tuttle, Dr. C. Vaughan, Mrs. J. Venables OBE MBE, Mr. R. Walker, Mr. N. Wheatley, Dr. D.J. Wilbraham, Ms. N. Williams, Mr. Y.B. Xu, the Rector, the Deputy Rector, the President of the Imperial College Union and the Clerk to the Court and Council.

**In Attendance:**

The Director of Finance, the Director of ICT, the Director of Strategy and Planning and the Assistant Clerk to the Court and Council.

**Apologies:**

Mr. G. Able, Mr. N. Astbury, Ms. J. Austin, Mr. G. Bickerton, Revd. G. Blacktop, Mr. I. Blatchford, Professor Sir Leszek Borysiewicz, Dr. K. Broda, Dr. J.E. Browne, Professor J. Burland, Professor G. Bydder, Professor R. Carrell, Sir Neil Chalmers, Ms. C.L. Chothia, Mr. G. Clerehugh, Dr. J. Cox, Professor A. Craft, Mr. S.J. Curtis, Mr. S. de Grey CBE, Mr. D.R.L. Duncan, Mr. C. Edge, Mr. D. Elleray, Dr. T.J. Evans, Mr. C. Fairweather, Mr. M. Field MP, Professor Sir Christopher Frayling, Sir Peter Gershon CBE, Dr. D. Giachardi, Mr. M. Green, Professor M. Green, Professor D.

Griffiths, Dr. J.D.G. Groom, Professor D. Hand, Professor G.F. Hewitt, Professor S. Hirsch, Professor E.D. Hondros, Professor S.P.F. Hughes, Mr. C. Humphries CBE, Ms. C. Jack, Dr. D. James, Professor D. Jeffries, Professor R. Jones, Professor C. Kennard, Mr. S. Leathes, Professor F. Leppington, Mr. L.E. Linaker, Mr. H.B. Lowe, Professor V. Lund, Dr. C. Martin, Mr. P. Osborne, Mr. T. Phillips, the Rt. Hon. M. Portillo MP, Mr. M.K. Raja, Lady Rees-Mogg, Dame Stella Rimington, Sir Alan Rudge CBE, Dr. B.G. Smith CBE, Mr. C. Soley MP, Cllr. T. Stanley, Mr N. Suri, Professor A. Templeton, Sir Colin Terry KBE CB OBE, Professor H. Thomas, Mr. D. Trench CBE, Professor J. van Griethuysen, Professor J. Waage, Mr. S. Ward, Professor M.R. Warner, Sir Peter Williams CBE, Mr. D. Young, Mr. S. Young, the Academic Registrar, the Director of Estates, the Director of Human Resources, the Pro-Rector for Development & Corporate Affairs, the Director of Project Management & Communications and the Director of Operations.

### **RECTOR'S AWARD FOR EXCELLENCE IN HEALTH AND SAFETY**

Before the formal start of the Meeting, the Rector presented the first annual Awards for Excellence in Health and Safety. The Awards, which provide for a top prize of £2,000, together with two commendation prizes of £500, are made to staff in recognition of their contributions to improving the management, development and practice of health and safety matters in the College. The first prize was awarded to Mrs Julia Cotton of the Division of Investigative Sciences. Because of the high quality of entries received, the Rector said that it had been agreed to award three commendation prizes this year and these were presented to Dr. Alex Blakemore of the Division of Primary Care & Population Health Sciences; Mrs. Alison Church, Mr. Mark Griffin, Mrs. Penelope Bedford, Mr. Leo Tyrie and Dr. Rob Bielby, who were all from the Division of Investigative Sciences and received a Team Prize; and Mr. Richard Sweeney, Mr. Brian Robertson and Mr. Mark Ramsay from the Department of Materials and from the College's Safety Department, who also received a Team Prize. The Court congratulated all of the prizewinners on their achievements.

### **WELCOME**

The Chairman reported that no less than 27 new members had joined the Court over the past year - too many to mention all by name - but he extended an especially warm welcome to all of those who were present for their first Meeting of the Court.

### **MINUTES**

1. The Minutes of the Sixth Meeting of the Court, held on 28 March 2003, were taken as read, confirmed and signed.

### **MATTERS ARISING**

2. There were no matters arising.

### **REPORT BY THE CHAIRMAN**

3. Opening his Report, the Chairman reminded the Court that, at its last Meeting, the Rector had presented a briefing paper on the Government's White Paper on Higher

Education. The College's formal response had been submitted to the Government shortly thereafter in April 2003. It had concentrated in particular on the proposals for research. Imperial was, he said, one of the few institutions that supported the proposal that funding for additional research should be concentrated in a few excellent institutions, as this would improve multi-disciplinary and cutting edge research and would lead to major benefits for the Country. The College also supported the introduction of top-up fees to provide additional, much needed funding for higher education, although it was recognised that the cap of £3,000 meant that the extra income generated would be relatively small.

4. The Chairman said that, although everyone would have to wait and see the shape of the proposals that eventually emerged from the Bill's progress through Parliament, Imperial, in common with a number of other universities, had already taken steps to address the issue of funding for students. In January, the Rector had announced the introduction of a College Scholarship Scheme, contingent upon the introduction of top-up fees. Imperial's scheme would provide up to £4,000 a year for students from the poorest backgrounds who had achieved 3 'A's at A level. In this way, the College would ensure that the very best students continued to come to Imperial, regardless of their family's financial situation or their ability to pay. This was a very positive move and had been well received outside the College.
5. Moving on, he said that the Council had approved the College's Strategic Plan for 2004 – 2007 in July. It emphasised Imperial's aim to build on, and improve, its position in the top tier of universities worldwide. This was reflected in the College's financial performance in the previous year when, for the first time, income had exceeded £400M. Despite this being a very difficult time for UK universities, the College had also been able to generate a small operating surplus.
6. For the first time last year, the Capital Investment Plan had been incorporated into the Strategic Plan. This move emphasised the importance of the capital programme for the College's continued development. As an example of this work, the Chairman cited the College's new entrance on Exhibition Road alongside the new Business School, which had been built thanks to a very generous donation of over £26M from Dr. Gary Tanaka. The official opening of the Tanaka Business School would take place in June, but the Entrance and the Business School building had already made a big difference to the public visibility and perception of Imperial. Similarly, he said, the new Faculty Building in the centre of the South Kensington Campus would be completed in the next few weeks and would become fully operational before the end of April. It was significant that both projects had been completed on time and to budget. Those members of the Court with any involvement in major works such as these would know that that was a considerable achievement.
7. The College's capital programme did not finish there, the Chairman continued. Imperial was also involved in the Paddington Waterside Project – an £800M development to be funded largely by the NHS, for which the College would be providing the research facilities. Quite separately, on the Hammersmith Campus the College was also building an advanced medical imaging centre in conjunction with GlaxoSmithKline and the Medical Research Council. This Project had a total cost of £76M, of which the College was providing nearly £21M. The College would also be seeking planning permission to rebuild the Southside Hall of Residence on the South Kensington Campus to provide a much-needed improvement in student accommodation. In addition to these major projects, over the next two years the College would be carrying out some £70M worth of other work with funding from Round 2 of the Government's Science Research Investment Fund.

8. All of this demonstrated the huge change there had been in recent years in capital investment in College facilities. A decade ago Imperial had an annual spend of just £7M on capital projects. This year, the Chairman said, this sum would exceed £70M. In recognition of this change, Governors had reviewed the threshold above which expenditure on such projects had to be authorised by the Council. For a number of years this had been set at £1M but had now been increased to £5M so long as the projects concerned were already included in the College's Capital Plan.
9. To achieve this scale of investment in new facilities Imperial had, as the Chairman had already indicated, been fortunate to receive such strong financial backing from external sources. However, to secure this support the College had also had to make significant contributions itself, for which it had borrowed accordingly within the limits formally approved by the Council. To underpin this borrowing the College was now in the process of establishing an Endowment Fund, which would include contributions from the exploitation of intellectual property and from the sale of non-core assets. The Chairman said that the benefit of this approach was that it allowed the College to make the financial contributions necessary to gain support from external donors without having to dispose of non-core assets at times when market conditions were unfavourable.
10. The Chairman turned next to the changes in the governance arrangements for health and safety that he had mentioned at the last Meeting. This area remained a high priority both for the College and for the Council. The Council continued to receive regular reports at each meeting from its Health and Safety Audit Committee and, in May last year, it had approved a revised Health and Safety Policy Statement. As had just been seen in the presentation ceremony for the inaugural Rector's Awards for Excellence in Health and Safety, the College was seeking to emphasise more widely the importance attached to health and safety matters within Imperial.
11. Moving on, he said that universities were now, more than ever, having to respond to increasing legislative demands, the most recent of which was freedom of information. Universities, hospitals and the like were now subject to the Freedom of Information Act and had to make available a wide range of information to the general public, whether it wanted it or not. For the College the first phase of the Act had come into force on 29<sup>th</sup> February, by which date it had had to make publicly available a range of information across all its activities. To meet this deadline the Council had approved a new Freedom of Information Policy at its February Meeting. The real test, however, would come in January 2005 when the Act would come fully into force and members of the public could actively request, with only a few exceptions, any information held by the College.
12. Of course, the Chairman said, the College had nothing to hide and was committed to being open with the public. However, the Council did have concerns about balancing this openness with the need to protect important and sensitive areas of research and also to ensure that commercial confidentiality could be maintained. There was also some concern that a structure had now to be set up to handle something which, on the face of it, would be of little direct benefit to the College.
13. Another area that the Council had recently been considering was that of equality and diversity. In July it had approved a revised Policy for Promoting Race Equality, which had since been supplemented with a series of codes of practice, including one on governance. In February the Council had received the first annual Report on Equality and Diversity and, just before that, in January, Governors had attended an excellent briefing session on equality and diversity issues. This was not, he said, a matter of political correctness, but would be key to ensuring that the College

continued to attract and retain the best staff and students from around the world.

14. Continuing, the Chairman said that in 2000 the Court and Council had agreed proposals for a number of changes to the College's Charter and Statutes, which had then been submitted to the Privy Council for approval. He was pleased to say that, at long last, all the proposed changes had been accepted and, in May last year, were finally granted Royal Assent. The most important change was, of course, the College's application for degree-awarding powers, which had also been granted. He said that the College had no immediate plans to make use of this new power, although it was clearly very useful to have it in reserve.
15. Bringing his Report to a conclusion, the Chairman said that he had now been Chairman of the Court and Council of Imperial College for nine years and his final term of office had originally been due to end before this Meeting of the Court, as was indicated in the Minutes of last year's Meeting. The Search Committee had been working for well over a year to identify his successor and, although, for a variety of reasons, it had not yet been able to confirm a name, it was confident that it was nearing the end of its task. The Chairman had therefore agreed that now was the right time to go and consequently he would be standing down as the Chairman at the end of this Meeting. The Deputy Chairman, Dr Eileen Buttle, would take over in the interim while the Search Committee completed its work. The Chairman then asked Dr. Buttle to update the Court on the Search Committee's progress.
16. Dr. Buttle said that she regretted that she was not in a position to make a formal proposal to the Court and Council as yet. However, she said, the Committee had identified a suitable candidate and she hoped that she would be able to put a recommendation for appointment to the Council and then to the Court for consideration and formal approval sooner rather than later. Dr. Buttle then took the opportunity to pay tribute to Lord Vincent. Imperial was, she said, a high quality institution and it was fitting therefore that it had had a high quality Chairman to match. Lord Vincent had made an invaluable contribution to the College during his period of office, showing a level of commitment to Imperial that was much greater than could ever have been expected. The Court joined with Dr. Buttle in thanking Lord Vincent most warmly and wishing him well for the future.
17. Responding to the Court's vote of thanks, Lord Vincent said that he counted himself very fortunate to have been associated with the College for so long. It had been a time of enormous change, both for Higher Education and for Imperial in particular. In 1997, soon after he had been appointed as Chairman, the College's medical mergers had been completed to create what was now the Faculty of Medicine. Overnight the College had doubled in size, with the Medical Faculty becoming one of the largest and most important providers of medical education and research in the Country. During this period, Imperial had also steadily improved its position in the various league tables so that it was now regularly spoken of in the same breath as Oxford and Cambridge. The College was also at the forefront of research in this Country and had performed particularly well in the last two Research Assessment Exercises. 75% of Imperial's staff worked in Departments that were graded 5\*, the highest possible grading. This was, he said, a higher percentage than any other university and a remarkable testimony to those working so professionally at Imperial.
18. The Chairman then said that, as he had already reported, the last few years had also seen a huge increase in capital developments at the College, in large part aided by the Science Research Investment Fund, created by the Government and the Wellcome Trust to address the backlog of years of capital under-funding of UK universities. The College had rightly been a major beneficiary of these funds and this

had, in turn, supported some of the major refurbishment and development programmes that could be seen around the College. Most significantly, this underlined the importance that others attached to the quality and relevance of the teaching and research conducted at Imperial. Looking back, the Chairman said, perhaps the most noteworthy achievement over the past four years of his time as Chairman had been the development and evolution of a longer term coherent strategy for Imperial together with the plans, organisation and resources needed to implement it effectively. That process would continue over the years ahead but, led personally by the Rector, Imperial had, he said, surely put some highly relevant changes into effect and laid some important new foundations for the future, which was why it was already recognised as one of the top three universities in Europe, with the challenge now to repeat that success on a global scale.

19. Concluding his final Report as Chairman, Lord Vincent, paid tribute to the skill and hard work under Sir Richard's leadership of both the staff and students of Imperial, without whom, he said, this level of success and recognition could not have been achieved. Finally, he thanked all those members of Court and Council who, drawing on their immense experience, had committed so much time and effort to Imperial.

#### **ANNUAL FINANCIAL STATEMENTS – COMMENTS BY THE AUDIT COMMITTEE (Paper A)**

20. The Chairman of the Audit Committee, Mr. Hearn, introduced Paper A, saying that the Committee had reviewed the College's Accounts in detailed discussions with the External Auditors, PricewaterhouseCoopers (PwC) and the College's financial management. The Auditors had raised some issues to be addressed, none of which were a cause for serious concern. The Director of Finance and his team had taken major steps in the last three years to ensure that the College's financial systems were in good shape and the problems which had been experienced with the new accounting software back in 2000 were now firmly in the past. However, he said, there was no cause for complacency. The College was a very complex organisation and there was always the risk things could go wrong, as there were no deep reserves of management on which to call in a crisis.
21. Turning to the Financial Statements themselves, Mr. Hearn drew the Court's attention to some of the statements made in the Treasurer's Report. As the College's operating surplus was less than 1% of turnover, there was, in the Treasurer's words, only a "fine line between comfort and agitation". Having said that, Mr. Hearn re-assured the Court that, at present, "comfort" was more relevant than "agitation".
22. Continuing, Mr. Hearn said that the College's turnover stood at £409M, which represented an increase of 7%, with particularly strong growth in research income. While this was obviously encouraging, he reminded the Court that the College was not at present able to recover the full value of the overheads spent on research projects. The College had also recruited more students from outside the European Union, which had led to an increase in fee income. The other key point to arise from the Financial Statements was that the College had spent £75M on capital expenditure, half of which had come from Imperial's own resources. The Director of Estates was, he said, managing some very difficult building projects in the heart of London. However, the Audit Committee had been reassured to see that these projects were being handled in a thoroughly professional way. Concluding his Report, Mr. Hearn said that he was pleased to commend the College's Annual Financial Statements for the Year ended 31 July 2003 to the Court.

**MEMBERSHIP OF THE COURT AND COUNCIL (PAPER B)**

23. The Clerk formally presented Paper B, which was received for information.

**REPORT BY THE RECTOR**

24. For his Report, the Rector gave a presentation on the College's objectives for the coming year, a copy of which is attached as an Annex to these Minutes. Following his presentation, the Rector answered questions from members of the Court.
25. The Rector had noted that the cap of £3,000 set by the Government for top-up fees meant that the level of funding provided for universities would still be inadequate. He was asked what the implications of such under-funding would be. The Rector said that universities could not continue to subsidise teaching with money taken from elsewhere. They would have to convince the Government that their product – graduates who were educated to a high level – was vital for the future of the UK economy and that the Government should therefore invest in this by funding the university sector properly. If a proper level of funding was not provided, it was likely that universities would recruit more overseas and postgraduate students. He said that there also appeared to be a contradiction at the heart of Government policy. The Chancellor of the Exchequer was providing considerable resources to support science and technology because of their importance for the economy, but there was no attempt to co-ordinate this with the Government's education policies, which were pulling in the opposite direction.
26. It was suggested that some students might be deterred from going to university by the increases to student fees and that this might be a particular concern with regard to science education as these subjects were more difficult and potentially more expensive than other courses. The Rector said that Imperial had to continue to attract the very best students, regardless of their ability to pay fees. Applications to study science were falling in this Country, he said, and the College must do everything it could to ensure that good students were not deterred from applying to Imperial. It was for this reason that the College had announced its proposed scholarship scheme. It was also recognised that Imperial would have to build up an endowment fund to pay for such schemes if they were to be successful. Although the College was receiving increasing numbers of applicants from overseas, and particularly from China, the Rector recognised that this could not continue forever. Many of these nations were developing their own university systems and there would come a time when their best students would study in their home country rather than travelling to the UK or the US.
27. It was noted that the Government claimed to be anti-elitist and that it wanted to widen participation in Higher Education. The Rector said that the Government also stated that it wanted the Country to be a world leader in the field of biosciences. This could only be achieved through academic excellence, which unfortunately was seen by some as elitist. The Rector pointed out that other countries such as Germany were actively funding academic excellence in order to stimulate their economies. If the UK wanted to compete in the same markets, it too would have to fund excellence in its universities. Imperial was an elite institution. However, this meant it was academically elite, not socially elite. The only criteria for accepting students was their academic ability and emphatically not their social background or their ability to pay.

28. Finally, it was noted that the College was introducing a local pay structure and the Rector was asked if this was sustainable in the long term. The Rector said it had to be. Imperial wanted to employ the best in their fields, whether that be in academia or in administration. This was vital if it was to compete on the world stage and the only way it could do so was by rewarding these people appropriately.

#### **DATE OF NEXT MEETING**

29. The Chairman informed members that the next Meeting of the Court would be on Friday, 1 April 2005 at 2:15 p.m.

#### **ANY OTHER BUSINESS**

30. There was no other business.

#### **VALETE**

31. On behalf of the Court the Chairman thanked the following members of the Court, for whom this would be the last meeting, for the valuable contribution they had made to the Court and to the College:

Professor P.W. Bearman, the Deputy Rector, who would be retiring at the end of the academic year.

Professor John Perkins, the Principal of the Faculty of Engineering, who was taking up his appointment as the Dean of the Faculty of Engineering and Physical Sciences at the University of Manchester.

Professor Frank Leppington, the Principal of the Faculty of Physical Sciences, who would be retiring at the end of the academic year.

Professor John Monhemius, whose period of appointment as the Dean of the Royal School of Mines was coming to an end.

Professor H. Thomas, whose period of appointment as the Dean of Medicine was coming to an end.

Mr. R.J. Margetts, whose final term of office as a member of the Court and the Council was coming to an end.

#### **PRESENTATION**

32. Following the formal business of the Meeting, the Court received a most interesting presentation by the Head of the Department of Mechanical Engineering, Professor R.A. Smith, entitled "Living with Cracks: From Continents to Nano-joints and Jets to Rails".



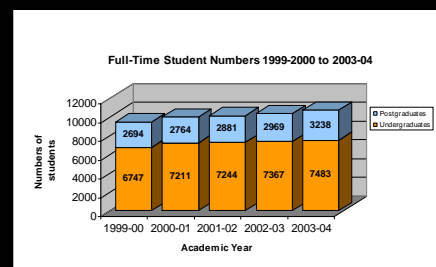
Leading Science...  
Leading Services...  
Leading Change...

Sir Richard Sykes  
Rector  
March 2004



## Imperial continues to lead the field...

- We remain attractive to students
  - Highest number ever (10721)
  - No decline in quality
  - Record total of women students (3938; 36.7% of the total population)
- Our science is rated highly
  - Ranked 2<sup>nd</sup> in last RAE
  - Highest research funding in the UK



We have much to be proud of, individually and collectively...

The achievements of Imperial staff and students have been recognised at the highest level



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To retain and build on our success, we face a number of key challenges...



- staff attraction, reward and development
- improving our management and organisational capabilities
- influencing and responding to government initiatives
- creating financial flexibility
- developing the Estate

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## Attraction and development of staff...

- Pay and grading reform
- Management of performance
- The challenge of diversity
- Development of staff



## The Support Services Initiative will improve our effectiveness as an organisation...

Our goals:

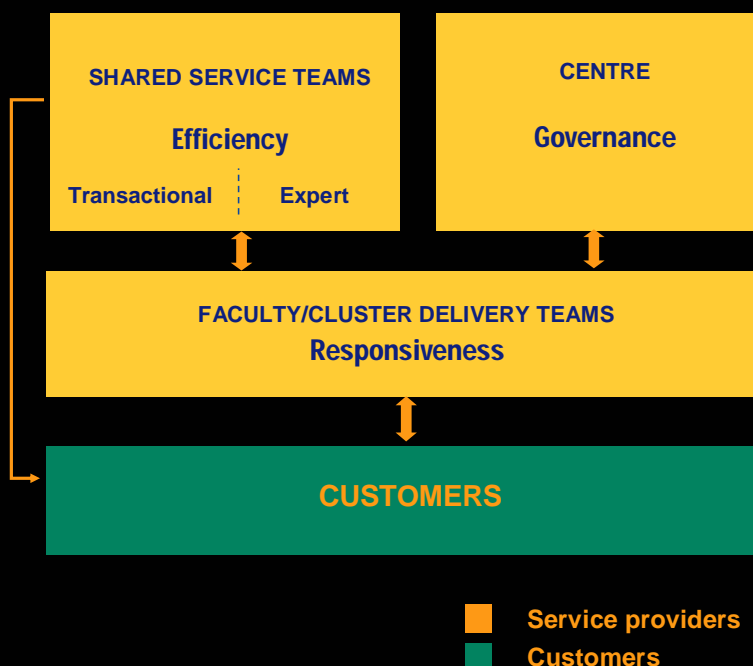
1. To ensure support services respond to the **strategic needs** of the College
2. To improve the **quality of service** as defined by the users
3. To ensure and demonstrate the **effective stewardship** of resources
4. To release **academic staff time** for the academic mission

## We have already made progress...

- changes in top level management structure and planning process enable more effective delivery of our strategic objectives
- new project management framework provides clarity, accountability and allows decisions to be taken at the right level
- savings of over £2m pa identified in procurement, with over £350k pa already secured
- better information about purchasing and regular customer feedback means continuous service improvement

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## New operating model for support services...



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## Fundraising initiatives will give us financial independence and flexibility...

- scholarships to support student recruitment
- capital projects and new facilities
- academic initiatives



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## Imperial scholarships...

- worth up to £4,000 per student per year
- full scholarships to students who:
  - are eligible for maximum government assistance for London
  - gain three 'A's at A-level (or equivalent)
  - receive and accept a firm offer for UG course
- represents one third of additional fee income raised
- estimated 150 students eligible for full amount in first year (2006-7), rising to 600 by 2009-10
- all students who receive some fee support will receive a guaranteed scholarship
  - sliding scale based on parental income and A-level grades

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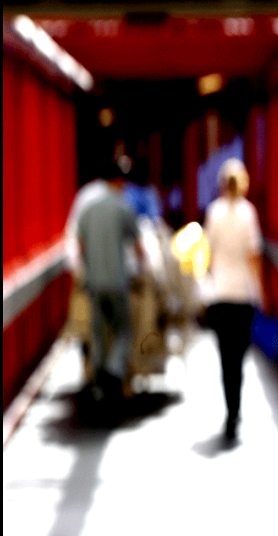
## There is a crisis in funding of teaching...

- In 2002-03, we lost £5k p.a. for each u/g student we taught
  - Increase from £2.8k in 2000-01
- This will remain >£4k after variable fees
- Our fees for overseas students cover costs but do not make a profit (ca. £12.6k)
- We need an extra £25m p.a. if we are to continue teaching at the same level of quality

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## We are building a quality environment to support world class education and research...

- the largest university estate in the UK
- £350 million will be spent over the next six years



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We are providing facilities for 21st century teaching and research, and for the community...

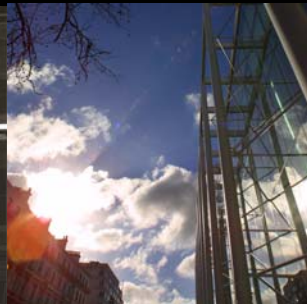


new student residences



sports centre

Two exciting projects are nearing completion...



Tanaka Business School and new College entrance – doors opened this month



The new headquarters will re-energise and focus our organisation...



Faculty building  
Ready for occupation from 19 April

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A new world-class biomedical research facility...



Burlington Danes

- £76m imaging / biomedical research centre
- One of the largest industry / university collaborations in the world
- To be completed by 2006
- New jobs and key worker housing

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## The Estate: other short-term objectives...

- Release space at SK for decanting and academic use
- Major multidisciplinary Institutes
  - Mathematics
  - Biomedical Engineering
- Incubator facilities
- Continuing refurbishment
  - SRIF2 programme (£ 70m)
- Commercial leverage of surplus Estate

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## The Mathematical Sciences Institute...

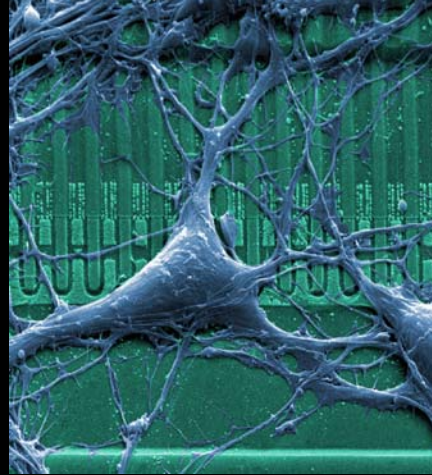
- Bringing together researchers in the Physical Sciences, Engineering, Life Sciences and Medicine to tackle fundamental problems needing significant mathematical input
- Training outstanding young mathematicians in interdisciplinary research; encourage the interaction of young researchers with internationally-leading scientists
- Providing a forum for medium term research in themes related to emerging areas of mathematics and its applications in many disciplines



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## The Biomedical Engineering Institute...

- Stimulus and catalyst for those wishing to undertake multidisciplinary research
- Aiding departments to further their own ambitions in related research
- Uniting researchers from different disciplines with start-up resources
- Investigating “future” technologies and identifying gaps



## Internal challenges – senior staff changes...

- Changes at the top
  - Prof. Peter Bearman retiring
  - Prof. Borysiewicz will become Deputy Rector
  - Prof. John Perkins is moving on
  - Prof. Frank Leppington is retiring
- Chairman retires – end March

## Funding challenges just round the corner...

- Future RAE
- Dual support mechanisms
  - Full economic cost recovery for Research
  - Full economic cost recovery for teaching
- Chancellor's 10 year vision for science
- Competition
  - Everyone wants world-class universities
- Government regulation
  - Changes in Charity Law
- Regionalisation agenda
- Philanthropic climate
- Links with industry and commerce (Lambert report)

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## Imperial College Themes and Objectives 2004...

Education	To continue to provide a world class intellectually challenging and invigorating teaching and learning experience which is responsive to industry, commerce and society To identify and recruit, from any country, those students most able to benefit from College courses
Research	To continue to provide a world class intellectually challenging and invigorating research environment To extend, work across or join the boundaries of research disciplines To enable the realisation of research and facilitate its application to industry, commerce and society
Resources	To become financially fully sustainable To diversify and increase sources of income To plan for future liabilities and assets To attract, reward, develop and retain staff of the highest calibre To maintain, develop and exploit the College estate so that facilities are appropriate for an internationally renowned institution
Organisation	To develop a modern organisation which is efficient, effective and adaptable To implement effective management processes To set high standards for compliance with health, safety and environmental legislation and stay in tune with evolving legislation
Influence	To understand and influence the thinking of key stakeholders

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PAPER A

**ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> JULY 2003**

**COMMENTS BY THE AUDIT COMMITTEE**

A Note by the Chairman of the Audit Committee

1. The Audit Committee met on 25<sup>th</sup> November 2003 with the External and Internal Auditors to review the Consolidated Financial Statements of the College for the year ended 31<sup>st</sup> July 2003.

2. PricewaterhouseCoopers (PwC) reported on their audit and provided a Management Letter which formed the basis of discussion at the meeting. The Management Letter was subsequently considered by the Council. The key issues raised in the Letter are summarised below:

**FINANCIAL PERFORMANCE IN 2002-03**

3. The College's income for the year 2002-03 exceeded £400M for the first time and a surplus of £2.8M was achieved from operating activities. There was no exceptional income this year. This equates to just 0.7% of the total income of £409.3M, compared with 3.2% in 2001-02, when a surplus of £10.9M was achieved on a total income of £381.2M. However, the larger surplus achieved in the previous year was almost entirely due to exceptional income of £9.7M.

**AUDIT ISSUES TO BE ADDRESSED**

4. The external auditors noted that the College had taken significant steps during 2002-03 to address the concerns and recommendations raised during previous audits. In particular, improvements had been made with monthly reconciliations, including bank, payroll and pensions reconciliations; and aged debt collection and the subsequent compilation of the bad debt provision. There were, however, a number of points identified that the College needs to address in the forthcoming year:

5. **Endowment Fund Monitoring.** The College holds a number of endowment funds of varying sizes, each with different conditions. Whilst recognising that controls had improved in this area, the auditors recommended that the College should review the objectives of each fund to ensure that all funds were operating within specified objects and that it had authority to spend the capital endowment part of the fund where necessary. The auditors also recommended that the College continue to take action to resolve dormant funds, improve the efficiency of the preparation and distribution of quarterly reports to administrators and maintain all documentation on endowment funds centrally.

6. **Fully Depreciated Equipment Assets.** The College has taken steps to ensure that all assets appearing on the equipment register are still in use by the departments concerned. The auditors recommended that a review of fully depreciated assets on the fixed asset

register should now be undertaken, to assess whether the asset lives should be reviewed to reflect the fact that assets are potentially being used for longer periods within the College than the accounting asset lives suggests.

7. **Estates Accruals.** The auditors noted that accruals for capital items were only raised for individual items above £100,000. It was recommended that a full review of capital accruals post year-end be conducted to ensure that both the fixed asset and creditors balance were complete and properly presented.

8. **Short Course Income.** There is currently no central monitoring to ensure that departments follow the correct procedures with regards to running short courses. The auditors recommended that a review of short courses run by the College should be conducted and that central monitoring of short course fee income and student numbers be instigated.

9. **Debtors Position and Associated Bad Debt Provision.** As noted above, the College continues to make progress in reviewing its overall debtor position and associated bad debt provision, which has in turn led to a further improvement in the age of debt. However, the auditors recommended that the College should now review its bad debt provision in the light of its improved collection rates, to ensure that it was not over-providing for debt.

10. **FRS 17 – Retirement Benefits.**

a. The principle behind Financial Reporting Standard 17 (FRS17) – Retirement Benefits, which comes fully into force in 2005, is that assets and liabilities relating to an organisation's share of a pension scheme should be accounted for within the financial statements of that organisation. The College operates four pension schemes. Three of these (Universities Superannuation Scheme (USS), Superannuation Arrangements of the University of London (SAUL) and the NHS Pension scheme) are defined benefit, multi-employer schemes where it is not possible to identify the College's share of the underlying assets and liabilities. The auditors confirmed that the College's disclosure of these schemes within its financial statements was in accordance with the Education SORP and with FRS17.

b. The NHS scheme, however, does not detail any of the assumptions and actuarial valuation assumptions as required by SSAP24 and, as the scheme actuaries had not passed to the College the relevant information required for disclosure, the auditors recommended that the College review disclosure of this scheme with the NHS during 2003-04 to ensure that sufficient disclosure was obtained for its financial statements.

## **RISK MANAGEMENT**

11. It is a requirement of HEFCE that the principles of Turnbull be applied to the operational and strategic management of the College. HEFCE had set a target for all higher education institutions to have fully implemented risk management for 2002-03 and, accordingly, the College was required to include in its financial statements a Statement of Internal Control which set out its current position against the HEFCE requirements. The auditors reviewed this statement and were satisfied that the College was in compliance with HEFCE's requirements. The auditors also noted that the College continued to be proactive in embedding a risk culture within the organisation and that it had extended the risk framework and review of risk to lower levels of the College.

**OPINION**

12. The External Auditors have provided an unqualified opinion on the Consolidated Financial Statements, stating that they give a true and fair view of the state of affairs of the College and its subsidiaries as at 31<sup>st</sup> July 2003, and have been properly prepared in accordance with the relevant Statement of Recommended Practice and with the College's Statutes.

13. Given the assurances contained in the reports made to the Audit Committee during the year by the Internal and External Auditors together with those received from the College's management, the Audit Committee was able to give the Council the necessary assurances that the Council's responsibilities, set out on page 5 of the Financial Statements, had been satisfactorily discharged.

D.P. Hearn  
Chairman, Audit Committee

## PAPER B

**MEMBERSHIP OF THE COURT AND COUNCIL**

A Note by the Clerk

**CURRENT MEMBERSHIP**

1 For information, the current membership of the Court is attached at Annex A to this Paper. The membership of the Council is attached at Annex B.

**CURRENT AND FORTHCOMING VACANCIES**2. **Appointed Members.**

a. As can be seen from the attached membership list, there is a small number of current vacancies for appointed members. In addition, the following appointed members are due to complete their current term of office on 30<sup>th</sup> September 2004, although most of them are eligible for re-appointment under the terms of the College's Charter and Statutes, which provide for members normally to serve for two terms of office of four years each:

<b>Member</b>	<b>Appointing Body</b>
Lord Vincent (Chairman)	The Crown
Ms. L. Chothia	The Crown
Mr. T. Phillips	The Crown
Professor C.P. Sandbank	Institution of Electrical Engineers
Dr. C. Martin	Government of Canada

b. The College will shortly be writing to the appointing bodies concerned to ensure that the current and forthcoming vacancies are filled before 1<sup>st</sup> October 2004, when the next terms of office are due to start.

3. **Elected Members.** Similarly, there are a number of vacancies for members elected by the academic staff of the College. Nominations for election are currently being sought and, if required, elections will be held in May to ensure that these positions are filled before the start of the next academic year.

4. **Co-opted Members.**

a. The following co-opted members are due to complete their current term of office on 30<sup>th</sup> September 2004, although again most of them are eligible for re-appointment:

Mr. G. Bickerton  
Dr. M.P. Knight (Honorary Treasurer)  
Mr. H. Lowe

Mr. R. Margetts  
Mr. D. Trench

- b. The Council's Nominations Committee will be meeting in due course to make recommendations for appointments and re-appointments to the co-opted positions on the Court and Council.

K.A.M.



THE COURT OF IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY & MEDICINEMEMBERSHIP 2003-04**Appointed Members**

<i>Appointed by The Crown</i> Field Marshal the Lord Vincent of Coleshill GBE, KCB, DSO Ms Charlotte Lucy Chothia Mr Ram Gidoomal CBE Sir Alastair Morton Mr Trevor Phillips Sir Peter Williams	<i>One vacancy</i>  <i>City and Guilds of London Institute (Worshipful Company of Carpenters)</i> Mr P Osborne  <i>City and Guilds of London Institute (Worshipful Company of Tallow Chandlers)</i> <i>One vacancy</i>
<i>University of London</i> Dame Stella Rimington, DCB <i>One vacancy</i>	<i>City and Guilds of London Institute (Worshipful Company of Clockmakers)</i> Dr Michael Sanderson
<i>Worshipful Company of Goldsmiths</i> Professor Richard Himsworth MD, FRCP	<i>Royal Commission for the Exhibition of 1851</i> Dr Caroline L Vaughan Mr G Clerehugh
<i>Worshipful Company of Clothworkers</i> Mr Richard H Jones	<i>Royal Society</i> Professor Ernest Hondros <i>One Vacancy</i>
<i>City and Guilds of London Institute</i> Mr Christopher Humphries CBE Dr David J Wilbraham Mr David Young	<i>Royal Academy of Engineering</i> Professor G F Hewitt Dr M Shears CBE FREng
<i>City and Guilds of London Institute (Worshipful Company of Coopers)</i> Eur Ing Michael Heath BSc ACGI CEng FICHEM	<i>Royal Society of Chemistry</i> Dr D Giachardi
<i>City and Guilds of London Institute (Worshipful Company of Painter-Stainers)</i> The Reverend Graham Blacktop	<i>Royal College of Physicians</i> Professor Stephen Bloom
<i>City and Guilds of London Institute (Worshipful Company of Wheelwrights)</i> Mr Neville Joseph	<i>Royal College of Surgeons</i> Professor Valerie Lund FRCS
<i>City and Guilds of London Institute (Worshipful Company of Farriers)</i> Mr S J Curtis	<i>Royal College of Anaesthetists</i> Professor Ronald M Jones
<i>City and Guilds of London Institute (Worshipful Company of Dyers)</i> Mr M W M Rowlandson	<i>Royal College of General Practitioners</i> Ms Jane Austin
<i>City and Guilds of London Institute (Worshipful Company of Horners)</i> Mr R Knowland CBE	<i>Royal College of Obstetrics &amp; Gynaecologists</i> Professor Allan Templeton
<i>City and Guilds of London Institute (Worshipful Company of Pavors)</i>	<i>Royal College of Ophthalmologists</i> Mr N Astbury
	<i>Royal College of Pathologists</i> <i>One vacancy</i>
	<i>Royal College of Psychiatrists</i>

Professor Steven Hirsch

*Royal College of Radiologists*  
Professor Graham Bydder

*Royal College of Paediatrics and Child Health*  
Professor Alan W Craft

*Royal Aeronautical Society*  
Dr Geoffrey G Pope CB

*Royal Statistical Society*  
Professor D J Hand

*Royal Institution of Naval Architects*  
Professor John van Griethuysen

*Royal Agricultural Society of England*  
One Vacancy

*Royal Horticultural Society*  
Dr Valerie Payne

*Institution of Chemical Engineers*  
Dr Trevor J Evans

*Institution of Civil Engineers*  
Mrs Jean Venables MBE

*Institution of Electrical Engineers*  
Professor Charles Sandbank

*Institution of Mechanical Engineers*  
Eur Ing Anthony D Roche

*Institution of Mining and Metallurgy*  
Dr John D G Groom (*now representing the  
Institute of Materials, Minerals and Mining*)

*Institute of Biology*  
Professor Alan D B Malcolm

*Institute of Management*  
Mr Christopher Edge

*Institute of Materials*  
*The Institute has merged with the Institution of  
Mining and Metallurgy to form the Institute of  
Materials, Minerals and Mining*

*Institute of Physics*  
Professor Dennis W Hill

*Society of Chemical Industry*  
One vacancy

*British Computer Society*  
Mr N Geoffrey McMullen

*British Society for the History of Science*

Dr Janet E Browne

*Head Teacher appointed by the Head Masters'  
Conference*  
Mr Graham Able

*Head Teacher appointed by the Girls' Schools  
Association*  
Miss Susan A Ross

*Head teachers appointed by the Secondary  
Heads' Association*  
Mr M Noble  
Mr P O'Shea

*Local Authorities*  
Councillor John Corbet-Singleton CBE (*The  
Royal Borough of Kensington & Chelsea*)  
Councillor Mark Page (*City of Westminster*)  
Councillor Tim Stanley (*London Borough of  
Hammersmith & Fulham*)  
Councillor Jeremy Hyde (*Royal Borough of  
Windsor & Maidenhead*)

*Government of the Commonwealth of  
Australia*  
Ms C Jack

*Government of Canada*  
Dr Caroline Martin

*Government of India*  
Mr N Suri

*Government of New Zealand*  
Professor Robin Carrell

*High Commission for Pakistan*  
Mr M K Raja

*Government of the Republic of South Africa*  
One vacancy

*Government of the Republic of Sri Lanka*  
Mr K W S Gauthamadasa

*Secretary of States for Foreign &  
Commonwealth Affairs*  
Mr M Reilly

*Imperial College Union*  
Mr Mike Moate (*Deputy President, Finance  
and Services*)  
Ms Katherine McGinn (*Deputy President,  
Education & Welfare*)  
Mr Richard Walker (*Deputy President, Clubs  
and Societies*)  
Mr Shrenik Patel (*President, Engineering  
Faculty Students Association*)

Mr Stephen Young (*President, Life Sciences Faculty Student Association*)  
 Mr Matthew Cauldwell (*President, Faculty of Medicine Students Association*)  
 Mr Yong Bin Xu (*President, Physical Sciences Faculty Student Association*)  
 Miss Nicola Williams

*Royal College of Art*  
 Professor Sir Christopher Frayling

*Royal College of Music*  
 Dr Jeremy N Cox

*Trustees of the Science Museum*  
 Dr Anne Grocock

*Trustees of the Natural History Museum*  
 Sir Neil Chalmers

*Trustees of The Victoria and Albert Museum*  
 Mr Ian Blatchford

*The Corporation of the Hall of Arts and Science, Royal Albert Hall*  
 Mr C Fairweather

*Members of the Commons House of Parliament*  
 Mr Mark Field MP  
 Mr Clive Soley MP  
 The Rt Hon Michael Portillo MP

*Ex Officio*  
 The Rector  
 The Deputy Rector  
 Pro Rectors  
 Deans  
 Faculty Principals  
 Faculty Vice Principals  
 Provosts  
 President, ICU  
 Presidents of the Constituent College Associations

*Elected Staff Representatives (Engineering)*  
 Dr Krysia Broda  
 Professor John S Burland  
 Professor Peter Y K Cheung  
 Professor Dorothy S Griffiths  
 Professor Christopher L Hankin  
 Professor Dame Julia S Higgins  
 Professor Michael R Warner  
 One vacancy

*Elected Staff Representatives (Medicine)*  
 Professor Brian Foxwell  
 Professor Sean P F Hughes  
 Professor A Barry Kay

Dr Jan Domin  
 Professor Julia Polak  
 Professor Mary Ritter  
 Professor Christopher Kennard  
 One vacancy

*Elected Staff Representatives (Science)*  
 Professor J Nigel Bell  
 Professor Jonathan Kydd  
 Professor Geoffrey H C New  
 Professor N W F Berkeley Hill  
 Four vacancies

*Academic Related Staff*  
 Mrs Anne Barrett BA, MA, DIPLIB  
 Ms Susan Hartman  
 Dr Matthew Lee  
 Mr Nigel Wheatley BA

*Co-opted Members*  
 Mr Garth Bickerton  
 M C Black Esq  
 Dr Eileen Buttle CBE  
 Mr Spencer de Grey CBE  
 Mr D Richard L Duncan  
 Mr David Elleray  
 Sir Peter Gershon  
 Mr Michael Green  
 Mr Donald P Hearn  
 Professor Donald Jeffries  
 Dr Martin P Knight  
 Mr Simon Leathes  
 Mr L E Linaker  
 Mr Hugh Lowe  
 Cllr Mrs Anne Mallinson  
 Mr W Alistair Manson  
 Mr Robert J Margetts CB  
 Lady Rees-Mogg  
 Sir Alan Rudge CBE  
 Dr Bruce Gordon Smith CBE  
 Dame Rosemary Spencer DCMG  
 Mr David Trench  
 Dr Graham H Tuttle  
 Mr Simon Ward

*Clerk to the Court and Council*  
 Mr K A Mitcheson OBE

THE COUNCIL OF IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY & MEDICINE

MEMBERSHIP 2003-04

*Chairman*

Field Marshal the Lord Vincent of Coleshill GBE, KCB, DSO

*Court Nominees*

Mr Graham Able

Eur Ing A D (Tony) Roche

Dr David J Wilbraham

*University of London Nominee*

*Vacancy*

*Co-opted External Members*

Dr Eileen Buttle CBE

Sir Peter Gershon

Mr Balram (Ram) Gidoomal CBE

Mr Donald P Hearn

Dr Martin P Knight

Mr Hugh B Lowe

Mr Robert J Margetts CB

Sir Alastair Morton

Dr Bruce Gordon Smith CBE

Dame Rosemary Spencer DCMG

Dr Caroline L Vaughan

Sir Peter Williams

*Ex-Officio*

Rector

Deputy Rector

*Senior Staff Representatives*

Professor Sir Leszek Borysiewicz

Professor Malcolm Green

Professor Frank Leppington

Professor Rees D Rawlings

Professor John D Perkins

Professor Michael P Hassell CBE

*Elected Staff (Engineering)*

Professor Dame Julia S Higgins

Professor Dot Griffiths

*Elected Staff (Medicine)*

Professor Sean P F Hughes

Professor A Barry Kay

*Elected Staff (Science)*

Professor J Nigel Bell

Professor G H C New

*President, Imperial College Union*

Mr Mustafa Arif

*Clerk to the Court and Council*

Mr K A (Tony) Mitcheson OBE