

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

## **Minutes of Council Meeting**

Held at The Stadium, Scale Space on 12 July 2024, at 09.00

### Present

Mr V. Banga (Chair) (online until minute 14), Professor F. Allen, Professor D. Ashby, Ms A. Ashley-Smith, Ms C. Boutrolle, Ms. K. Briggs, Professor Sir L. Borysiewicz, Professor H. Brady (President), Professor N. Brandon, Ms. K. Coates, Professor R. Craster, Ms R. Dabagh, Dr L. Elvidge, Sir R. Kalifa (online until minute 11), Mr R. Kerse, Professor L. Lightstone (online), Dr M. Meaney Haynes (online), Ms S. Murray (online), Ms N. Podder, Dr M. Safa (Senior Independent Member, serving as Deputy Chair for this meeting), Professor J. Sanders, Mr S. Saxena, Professor I. Walmsley (Provost), Mr C. Williams, and Mr R. Martin (Registrar and University Secretary).

### In attendance

Director of Communications, Director of Public Affairs, Associate Provost (Estates Planning) (until minute 11), Associate Provost (Digital Lifelong Learning) (minutes 14 - 15), Chief Investment Officer (until minute 11), Chief Financial Officer, Chief White City Programme Director (until minute 11) and Head of Central Secretariat.

### **Welcome**

1. Apologies for absence were received from Mr D. Khanna, Mr R. Lewis, and Mr T. Courtauld.
2. The Chair introduced the agenda, highlighting the importance of the proposed resolutions in supporting the ambitious strategic growth. He noted that to effectively implement the strategy, the Council would need to engage in further deep dives and to consider opportunities that may entail risk.

### **Minutes and matters arising**

3. The Minutes from the meeting held on 12 May 2024 were approved.

### **Conflicts of interest with agenda items**

4. Members were invited to declare any potential conflicts of interest. None were raised.

### **Enabling our strategy: Capital infrastructure development plan 2024-34 (Paper 4)**

5. The President introduced the item, and the Chief Operating Officer presented the overview of the capital infrastructure development plan, which included periodic decision gateways. They highlighted that Imperial's disciplinary strengths would continue to evolve to meet global needs. In addition, the strategic focus on developing schools of convergence science would capitalise on the unique culture and strengths of the University. During the plan's development, careful consideration had been given to the team's capacity to deliver, noting that Imperial had a strong track record of completing large projects on time and within budget.
6. The main points raised in discussion were:
  - a. the plan included the development of both the South Kensington and White City campuses, noting that the latter included the Hammersmith Hospital site, with the first five years focused on enabling student and income growth.
  - b. governance had been carefully considered, involving the University Management Board and Council. Decisions would stay true to Imperials' purpose and balance the management of risks and retain flexibility.
  - c. the proposed funding sources, risks and the impact of the plans on the balance sheets were discussed. Cost-cutting measures, including projects to enhance operations and optimise the use of space use were in train.
  - d. funding would be sought from multiple sources, including philanthropy, which would need to scale up to support the doubling of capital spend.
  - e. debt covenants, capital reallocation on balance sheets, and the potential sale of assets that didn't align with the net-zero plan endorsed by the

Council in 2022, were important considerations. The Finance Committee would need to exercise good judgment regarding the timing of debt.

- f. it would be beneficial for Council to have more insight into the financial strategy that set the guidelines for approving project expenditure and investments based on their expected profit margins (margin approval plan).
- g. project gateways would allow the plan to adapt as needed and to manage the capital commitment. Headroom had been built into the plan, including the extended credit facility Council had approved at the last meeting.
- h. residential assets made a significant contribution to the operating cash flow. Plans were underway to broaden the portfolio, focusing on new student accommodation. There was scope to make better use of the partnering model, but in doing so it was important that Imperial retained control over core services such as student wellbeing.
- i. a review of student residences was in progress, with outcomes scheduled for presentation to the Council in the autumn. One challenge identified was that offering accommodation only for the first year resulted in a sharp rent increase for students in the second year when they entered the London rental market. To address this, one aim of the review was to explore how to achieve a 50% undergraduate occupancy target.
- j. stress testing had identified the key risks as potential overspend or shortfall in income. These risks were discussed, noting the risk mitigation plan and emphasising the need for ongoing careful management.
- k. the plan must remain dynamic to adapt to emerging risks and capitalise on opportunities as they arise. Whilst specific funds would not be set aside for opportunities, the phasing of project allocations on the balance sheet would be periodically reviewed, retaining the potential to adjust the pace as needed.

#### **White City campus: Academic Building (Paper 4.1)**

- 7. The Chief Development Officer White City and Associate Provost (Estates Planning) presented the item regarding the first of two projects in Development Zone 3. The Academic Building was expected to open in September 2029 and

would house the Departments of Computing and Mathematics, as well as parts of the Business School. The planned capacity was approximately 7,800 students and 700 staff. The final decision on proceeding with the development would be in September 2026. Currently, the Council was asked to consider the business case and approve the fees to progress to RIBA stages 3 and 4.

8. It was noted that Council members had received briefings on the proposed projects in advance of the meeting, comments from which had influenced thinking and were reflected in the paper. In the meeting, there were questions of understanding and comments on effective implementation. The key comments made were:
  - a. engagement with the academic staff affected by the relocation to the new building was an integral part of the project governance. This approach aimed to ensure that the building's space usage encouraged collaboration while also respecting and preserving the identity of the departments.
  - b. the building needed to be designed with longevity in mind, ensuring that the space is both flexible and retained a welcoming atmosphere.
  - c. research work was ongoing to inform the design to ensure that it met the expectations and needs of the students of 2029, who are currently 12 or 13 years old.
  - d. aligned with the availability of teaching spaces, a phased approach to academic recruitment was crucial to support student growth. This strategy, combined with the prospect of new academic spaces, would help gradually increase the headcount of academics, students, and support staff.
  - e. the building would be the centrepiece of the fundraising campaign. The target philanthropic contribution to the costs was sensible and did not indicate a lack of ambition.
  - f. building costs had been benchmarked against similar projects, but there are concerns that other institutions appear to have managed to deliver large academic buildings at significantly lower cost.

**Resolved:** That the business case be endorsed, and that the £14M of fees to take this project forward to RIBA stages 3 & 4 be approved.

## **White City campus: Life Sciences Innovation / Enterprise joint venture (Paper 4.2)**

9. The Chief Development Officer White City and Associate Provost (Estates Planning) presented the paper. They emphasised the phased approach, specifically noting Imperial's ability to shape the development and selection of tenants.
10. During the discussion, Council questioned the use of different financial metric models for the two projects. Specifically, non-core academic buildings were evaluated using IRR, while NPV was for academic assets integral to core operations. For the future, it would be helpful to ensure consistency and provide a clear rationale for the choice of financial metrics.

**ACTION:** The Provost and Chief Operating Officer should ensure that Council is kept informed of progress.

**Resolved:** That the terms of the partnership be approved, and to

- (i) proceed with the Joint Venture formation as set out in Section 6; and
- (ii) grant delegated authority to the Chief Operating Officer and Provost to approve the partnership and all related legal documents envisaged by the Heads of Terms, provided that these legal documents align materially with the agreed Heads of Terms.

## **Imperial WestTech Corridor (Paper 4.3)**

11. This item contained confidential discussions regarding opportunities to develop the Imperial WestTech Corridor and was discussed as reserved business. Attendance at the meeting remained unchanged. Details have been recorded in a separate, restricted document.

## **Chair's report**

12. The Chair provided an oral update. He had appointed Ms. Jan Hall from Number 4 Consulting to conduct an effectiveness review, which would include optimizing the committee structure and enhancing council member engagement. The search for new Council members was progressing well and

was expected to introduce the new members to Council at the September meeting.

13. The Senior Independent Member provided an update from the Remuneration Committee held immediately prior. The meeting focused on plans to address the gender, ethnicity and disability pay gaps. While pathways to senior levels remained a challenge, there had been notable improvements at the junior levels.

### **Strategy deep dive: Imperial Empowers (Paper 5)**

14. The Provost introduced the item and welcomed the Associate Provost (Digital Lifelong Learning). The newly launched Institute of Extended Learning (IEL) would complement traditional academic programmes by responding to the increasing demand from companies to address changes in lifelong learning needs and global skills gaps.
15. The main points in discussion were:
  - a. the programmes would be closely aligned with Imperial's mission, ensuring academic and financial quality and sustainability. There was a strong emphasis on protecting existing academic workloads, with the possibility of repurposing existing degrees and offering them in a different format.
  - b. the Institute would incorporate existing centres, including the Centre for Academic English which taught critical thinking and communication skills.
  - c. the student journey was increasingly cyclical, beginning with pre-University outreach and including alumni and individuals over 60 amongst the target learners. Internationally, it would be necessary to select priority markets.
  - d. academic staff were already partnering with corporate organisations and delivering MOOCs (Massive Open Online Courses), the new Institute would provide better support and reduce partnership risks. Consideration would be given to ways of engaging staff who might be less likely to participate due to the tension between research and teaching interests.
  - e. it was suggested that it could be beneficial to invite corporate representatives to join advisory boards to strengthen co-operation and opportunities.

- f. the Faculty of Medicine were particularly keen to collaborate with the NHS through the IEL, identifying opportunities for the Institute to address.

## **Reports**

- 16. Council discussed the reports from the President (Paper 6.2), Provost (Paper 6.3), and Chief Operating Officer (Paper 6.4). The main points in discussion were:
  - a. the potential impacts of the change in government, including effects on international student recruitment, research funding, and the UK's innovation system, as well as the potential for Imperial and the wider "golden triangle" to act as powerful catalysts for economic growth.
  - b. the search for a new Vice-President (Advancement) was nearing completion, and Council members would receive information on the profile of the appointee prior to the formal announcement.
  - c. Imperial Global hubs continued to grow: the Vice-President (International) and Chief of Staff had recently led a trip to Ghana, and Imperial Global: USA was preparing to launch in San Francisco in October during TechCrunch Disrupt 2024.
  - d. the Fleming Initiative received a substantial gift from GSK to launch a programme at The Fleming Centre, set to open at St Mary's Hospital in 2028.
  - e. Imperial had received strong results in the National Student Survey (NSS) which were published on 10 July. While some areas showed improvements, work would continue to address assessment and feedback which remained a challenge.
  - f. in addition to the approvals presented at this meeting, the Finance and Property Committees had also approved the budget for completing the White City underpass, as required by the section 106 agreement. However, there was an outstanding issue regarding the indemnity required for Network Rail, which may need to be approved by September Council to comply with the University Ordinances.

17. The ICU President provided an oral update. She highlighted that she had engaged with the Provost's Socially Responsible Investment Group, which had considered how the Imperial Zero Index could be extended to support investments. She also reported that a successful summer ball had been held in June, and that ICU had worked with Registry to encourage people to register to vote in the general election. Preparations were underway to induct the new Officer Trustees, and to welcome new students in the autumn.

### **Annual budget approval (including capital budgets) (Paper 7)**

18. The Chief Financial Officer presented the operating and capital budgets for 2024-25. He highlighted that for the 2024-25 fiscal year, the budget forecast improvements, with cash from operations projected to increase to between £100 million and £120 million, though still short of the 10% target. This improvement was due to lower utility costs and pension adjustments, aligning with expectations from two years ago. There was a focus was on improving operational margins to support the strategic ambition over the next few years, necessitating detailed budget analysis for each area.
19. The impact of the planned investment in the strategic pillars was discussed, including global ventures and the schools for convergence science, alongside operational controls. The capital infrastructure development plan was reflected in the indicative rise in gross debt by 2025-26, but finances would be secured before finalising the commitment to the projects. The Finance Committee and other relevant bodies would play a role in this process.

**Resolved:** That the 2024-25 operating and capital budgets be approved.

### **Universities and national security (Paper 8)**

20. The Chief of Staff and Director of Public Affairs presented the report, which summarised developments in the national security landscape for universities. Imperial was acutely aware of its research profile in this area and would continue to work with the government and related agencies to maintain its status as an exemplar of best practice. A task and finish group had been established to proactively evaluate the research portfolio of activities with



sensitive countries and to provide actionable recommendations, with the goal of balancing academic freedom and global collaboration with associated risks. There would be a further discussion at the September Council meeting.

### **Starred items (Papers 9 – 13)**

21. The Registrar and University Secretary summarised each of the starred items.
22. Council noted the Strategy deep dive: Imperial Futures paper (Paper 9), future Council meeting dates (Paper 10.6). the reports from the Property Committee (Paper 11.1), Finance Committee (Paper 11.2) and the Audit and Risk Committee (Paper 11.3), the annual report on safety, fire and health (Paper 12) and the annual advancement fundraising report (Paper 13).
23. Council received the Council member appointments recommended by the Nominations Committee (Paper 10.1).

### **Resolved:**

- (i) That the terms of office for Toby Courtauld, Sara Murray and Christopher Williams be extended until 30 September 2024
  - (ii) That Christian Cooper be appointed as a student member of Council for a one-year term, from 1 August 2024.
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24. Council discussed the updated Freedom of Speech policy recommended to Council by UMB (Paper 10.2). Opportunities will be provided for Council members to gain a clearer understanding of the new Office for Students (OfS) requirements.

**Resolved:** That the revised Freedom of Speech Code of Practice (CoP) be approved, with effect from 1 August 2024.

25. Council received the revised Relationships policy recommended by UMB (Paper 10.3).

**Resolved:** That the revised Relationships Policy be approved with immediate effect.

26. Council received the Ordinance and Regulations update recommended to Council by the Registrar and University Secretary (Paper 10.4).

**Resolved:** That the proposed revisions to Ordinance 9 and Regulation 1, along with the updated references, be approved and take effect immediately.

27. Council received the revised internal audit operating model, recommended by the Audit and Risk Committee (Paper 10.5)

**Resolved:** That the revised internal audit operating model be approved.

**Any other business**

28. The President thanked the outgoing members, Nathalie Podder and Professor Franklin Allen, for their contribution to Council over the past year.

The meeting closed at 12.40, following which independent members met for private discussion.