

MINUTES OF THE PROCEEDINGS

at the

Second Meeting of the

COURT

of the

IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY & MEDICINE

The Second Meeting of the Court was held in Room G16, the Sir Alexander Fleming Building at 2:15 p.m. on Friday 25 June 1999, when there were present 80 members of whom 49 were lay members.

Apologies

Apologies for absence were received from:

Mr. G. Able, Mr. W. L. Banks, Professor R. Batchelor, Mr. M. C. Black, Baroness Brigstocke, Mr. A. R. F. Buxton, Dr. N. A. D. Carey, Professor R. Carrell, Dr. N. Chalmers, Professor T. J. H. Clark, Professor Sir David Davies, Dr. A. A. Denton, Mr. D. R. L. Duncan, Professor C. R. W. Edwards, Dr. T. J. Evans, Professor C. Frayling, Mr. W. J. Goldfinch, Professor F. M. Gotch, Professor D. W. Hill, Professor E. D. Hondros, Professor S. P. F. Hughes, Dr. T. D. Inch, Dr. D. P. Isherwood, Dr. J. L. Jay, Mr. F. J. M. Kinsman, Dr. M. P. Knight, Mr. L. E. Linaker, Mr. S. A. Lipton, Mr. P. J. S. Lumsden, Mr. G. McMullen, Professor D. M. P. Mingos, Sir Alan Munro, Professor R. Murray, Sir Naren Patel, Professor P. Poole-Wilson, Dr. W. Reith, Eur. Ing. A. D. Roche, Miss S. Ross, Professor R. J. Shaw, Professor D. J. Sheridan, Ms. E. J. Snell, Mr. C. Soley MP, Professor M. Whitehouse, Mr. P. Williams, Professor N. A. Wright, Mr. I. R. Yates.

Welcome

The Chairman welcomed Professor E. C. Gordon-Smith and Mr. D. Reddaway to their first meeting as new members of the Court; Mr. H. B. Lowe, who was attending his first meeting of the Court as an observer from the Board of Governors of Wye College; and Mr. M. Green, who was shortly to become a member of the Court.

Congratulations

The Chairman, on behalf of the Court, congratulated the Rector and Professor David Phillips, the Head of Chemistry, on their appearance in the Birthday Honours List.

Thanks

The Chairman, on behalf of the Court, thanked the Imperial College Union (ICU) for providing an excellent lunch for the Court along with the opportunity to see the facilities provided by ICU for students.

MINUTES

1. The Minutes of the 1st Meeting of the Court, held on 17 December 1998 were taken as read, confirmed and signed.

MATTERS ARISING

2. There were no matters arising.

REPORT BY THE CHAIRMAN

3. The Chairman commenced his report by welcoming members of the Court to the Sir Alexander Fleming Building and explained that the meeting of the Court was being held here because the Great Hall, where the first meeting had been held, was being used for examinations. The Sir Alexander Fleming Building was the College's newest, and perhaps most impressive, building both architecturally and certainly in terms of the facilities it provided. The Chairman noted that this was the second meeting of the Court under the College's new Royal Charter. While the formal duties of the Court were not extensive, he believed that it was already proving its worth in the indirect influence it was having on the College's relations with the outside world. The Chairman hoped that this would continue to grow. He noted that, in setting up the Court, one of the key objectives had been to encourage those lay members who felt able to spare the time to help inside the College by becoming members of the Council's Committees where their experience and expertise would be invaluable. He was pleased to report that this was being achieved and several members of the Court had either already agreed to serve on committees, or were in the process of being signed up. For example, two would be coming on to the Audit Committee, two on to the Health & Safety Audit Committee, and two more on to the House Committee, with one each on to the Athletics and Estates Committees. This was a real help to the College.
4. The Chairman then turned to the main purpose of his report which was to bring the Court up to date with the more important items of business which the Council had undertaken since the first meeting of the Court in December 1998. At that meeting the Chairman had noted that the College was conducting a review of governance. This had been prompted partly by the change of Charter, partly by the importance given to governance issues by such diverse bodies as the Nolan Committee on Standards in Public Life, the Higher Education Funding Council and the Dearing Committee, and partly by recommendations made by the National Audit Office as a result of investigations into recent well-publicised failures in other universities.

5. All of these had meant that the College had been showered with a mass of guidance on how it should conduct its business. The Clerk to the Court and Council - reporting to a small *ad hoc* working group which the Hon. Mrs. Sarah Morrison had kindly agreed to lead, - had reviewed nearly 90 points of legislation or recommended best practice against which the College's governance could be measured. The Chairman was pleased to be able to report to the Court that the College already complied with the vast majority of these recommendations.
6. There were, however, four main areas that had been identified for further work. These were:
 - a. The production of a 'Whistle Blowers' Charter' for staff. This was now in draft form and would link in with other recent work on procedures for the investigation of allegations of scientific fraud and for dealing with student complaints.
 - b. Secondly, there was the need to formalise the College's Strategic Planning process. The College had a Capital Investment Plan which was reasonably well developed and was reviewed annually, but there was scope for broadening the boundaries of this work.
 - c. Third, the College's current Memorandum of Understanding with the Imperial College Union needed to be revised. Although it conformed with the provisions of the 1994 Education Act there was some updating to be done.
 - d. Fourth, the governors had to consider the question of how best to ensure the independence of the Clerk to the Court and Council, when he was also double-hatted as a senior member of the College's management. This problem was not unique to the College - practically every higher education institution in the land was currently wrestling with it and none, so far as it was possible to ascertain, had come up with a final answer.
7. Work was proceeding on each of these four areas and the results would come forward to the Council in the Autumn. However, one further item of recommended good practice was that governing bodies should periodically consider their own effectiveness. The plan was therefore that the *ad hoc* Working Group led by Sarah Morrison should be formalised as a Governance Committee of the Council to consider such issues and any further guidance that may be offered to institutions in the future. This proposal had been approved by the Council at its meeting that morning.
8. The Chairman stated that a second strand of the Council's work was the development of the College's Capital Investment Plan. The College, with an annual income this year in excess of £325M, was financially now the largest single university operation in the Country. It also had the largest estate and property holdings and was currently engaged on a major capital works programme, the fruits of which included the building in which the Court was meeting. Indeed, parts of the campus seemed to be a permanent building site, although, the Chairman noted, perhaps this should be viewed as a welcome inconvenience.

9. The first draft of the Capital Investment Plan was produced in early 1998. A second edition, which reviewed progress made during the year and included new projects, was considered and approved by the Council in March of this year. In particular, the Joint Infrastructure Fund Initiative (JIF) had had a profound effect on the College's planning process because of the size of the additional funding potentially available and uncertainties over how many and which bids would be successful. The Chairman explained that the JIF Initiative would provide some £700M of additional funding from the Government and from the Wellcome Trust spread over a three year period. This was intended to provide much needed support for the UK's research infrastructure. The College made applications to the first round of JIF with a total value of £145M, of which £86M related to capital expenditure. Although the College had been relatively successful in the first round, receiving an additional £11M, unfortunately this had not been for the projects which the College itself had identified as being of strategic importance. The Chairman added that, as a member of the Committee of University Chairmen, he had received feedback from other universities that indicated that the College was not alone in experiencing these difficulties in the first round of the JIF initiative.

10. The Chairman went on to state that the Capital Investment Plan identified six areas of priority for the College. These were Academic Projects; Residences; Social, Sporting and Leisure Amenities; Capital Investment Projects (e.g. strategic acquisitions); Long-Term Maintenance Projects; and IT and Telecommunications. The major capital projects for the College included:
 - a. the construction of a new Obstetrics and Gynaecology building at Hammersmith;
 - b. a Multi-Disciplinary Research Building at South Kensington;
 - c. the much needed refurbishment of the Royal School of Mines; and,
 - d. the refurbishment of Beit Quadrangle. This would give the ICU additional space for its clubs and societies, as well as 270 bedrooms which would provide accommodation for 320 students during term time. The Project had been approved by the Council in March and work on this project was already under way. It was expected to be completed in time for the British Association for the Advancement of Science Conference (BA2000) in September of next year when the College would be host to some thousands of people from all over the world.

11. The Chairman also reported that the Council had that morning also agreed to the refurbishment of the Senior Common Room in the Sherfield Building. This would provide members of staff and postgraduate students on the South Kensington campus with much enhanced and more flexible social and dining facilities. This was seen as part of an overall strategy to raise the standard of staff and student amenities here and establish the Walkway complex as the social 'heart' of the Campus.

12. With regard to IT and Telecommunications, the College was currently evaluating a possible Private Finance Initiative (PFI) project. If this came to fruition it would cover voice telecommunications for the whole College; would provide interactive video lecturing facilities linking all the campuses, as well as telephone and data services to bedrooms in the halls of residence; and would establish a College-branded Internet Service Provider (ISP) scheme. This would allow students, staff, and College alumni free access to the campus network, and to the Internet generally, not only from this country, but world-wide. Following a tender process, the College had decided upon Ericsson as a possible PFI partner. The Chairman advised that discussions with Ericsson were now at an advanced stage and, provided that due diligence checks confirmed the soundness of the Project, the Council had approved a process which would allow the College to derive its benefits as quickly as possible. Indeed, he noted, even though The College had yet to sign a contract with them, Ericsson would be starting to wire up the halls of residence for telephone and data next week at their own risk, with the aim of having these services up and running by the beginning of next term.
13. At the same time, the College was making a major capital investment in upgrading its financial and personnel computer systems to be Year 2000 compliant. The Chairman was pleased to report that progress with this upgrading, known as Project 99, was well advanced and, although there was much work still to be done, the College was confident that the new system would 'go live' at the beginning of August.
14. The Chairman noted that all this clearly had major implications for the College's finances. The Capital Plan had therefore been prepared by phasing investment in such a way as to match expenditure under the Plan to the surpluses which the College had forecast that it would be able to generate each year. The Capital Plan been built into the College's budget for 1999/2000, which the Council had approved that morning. He reported that the projected income for the College next year was £340M with an anticipated surplus before transfers to specific reserves of £9.9M. The Chairman assured the Court that Oversight of the budget remained a key responsibility of the Council, and, as he had noted at the last meeting of the Court, the Council received regular reports on the College's financial position so that it could monitor performance against the agreed budget and take corrective action if necessary.
15. The Chairman next advised that, during the year, the Council had also received regular reports on the College's initiative to achieve technology transfer through the creation of spin-out companies. This was a major development for the College and marked a significant change in the way it sought to exploit the results of research conducted within the College. He noted that a paper on this subject had been included in the papers for the meeting and that the Deputy Rector, Professor Wakeham, would be giving a more detailed report on this area under Item 7 of the Agenda. There would also be an exhibition of the work of some of these companies following the meeting.
16. Finally, the Chairman noted that, at the last meeting, he had reported that the College's increase in size and the changes to its governance structures were a direct result of the mergers with the Charing Cross and Westminster Medical School and the Royal Postgraduate Medical School and the resultant creation of the Imperial College

School of Medicine in 1997. The College was continuing to consider strategic alliances and mergers where these were to its benefit. He reported that, at its meeting in May, the Council had approved in principle a merger with the Kennedy Institute of Rheumatology, a small but highly regarded independent research unit based at the Charing Cross Hospital. He was also pleased to report that the prospective merger with Wye College in August 2000 was progressing well. The Wye Bill had received its third reading in the House of Lords that week and so had completed its passage through Parliament. Royal Assent for the merger was expected before the parliamentary recess. As part of this merger there would need to be some further changes to the College's Charter and to the constitution of both the Court and Council. That was, however, for another meeting.

17. In closing the Chairman stated that the last two years had seen immense changes for the College. It had doubled in size and had embarked on an ambitious programme of building and refurbishment that would continue into the next decade. It had also improved its position as one of the premier higher education institutions in the country and as a world-class research establishment. The Chairman's view was that this was a remarkable achievement and he concluded his report by expressing his thanks to all those at every level in the College whose hard work and dedication were making this possible. Not least, he thanked the Rector for his part in the continuing success and further development of Imperial College. The Court concurred and also expressed its thanks to the Rector and to the staff of the College.

REPORT BY THE RECTOR

18. The Rector acknowledged that this meeting of the Court was unusual in that the Court would not normally meet twice in one academic year. However, the terms of the Royal Charter required the Court to meet in each calendar year and this meeting was therefore a necessity. As the Rector had reported on the work of the College at the meeting of the Court in December, he felt that it would be inappropriate to repeat this report again within such a short time scale. Rather, he referred members of the Court to the copy of the College's Annual Report 1998-99 which was published today and was tabled at the meeting. In doing so, the Rector drew members' attention in particular to two areas of the report. These were:
- a) The importance of pure science to the College. The Rector noted that the College was unique in that, since its inception, it had been committed to the application of science to industry. However, without such pure research there would be little science which could be so applied. With the increasing focus on the immediate applicability of science to the market, the Rector thought it was important to remember this point.
 - b) The communication of technical matters. The Rector noted that science teaching traditionally focused on the solutions to technical problems rather than imparting communication skills. Unfortunately this meant that scientists' ability to contribute to and influence important technical debates could be limited. The Rector cited the recent debates on Genetically Modified Foods as disappointing in this respect. He felt it was important that the College should

continue to place more emphasis on producing graduates who were able to communicate the importance and excitement of science to the outside world.

19. The Rector went on to state that, as he believed that one good example was worth ten pages of explanation, he would present the Court with such an example of the good communication of science by one of the College's students. The Rector then invited Mr. Ben Stopford, a fourth year Physics student who had recently won first prize in a science communication competition, to give a presentation to the Court. Mr. Stopford gave the Court an informative and interesting presentation on anti-gravity and why the Universe was 'falling up'.

MEMBERSHIP OF THE COURT

20. The Clerk introduced Paper A, explaining that, although a number of appointments were presented here, there was still some further work to be done, particularly in respect of appointments to the Court by outside bodies such as the Crown and the University of London.

Resolved: (i) That the new appointments to the Court as detailed in Paper A be approved;

(ii) That Mr Graham Able, the Master of Dulwich College, on the recommendation of the Council, be appointed as a representative of the Court on the Council, to fill the vacancy created by the retirement of Sir Peter Baxendell.

TECHNOLOGY TRANSFER AND EXPLOITATION

21. The Deputy Rector, Professor Wakeham, introduced Paper B and gave a presentation expanding on some of the themes noted in the paper. As stated in the paper, the College had, since its beginnings, been committed to the application of science to industry. Initially, the College's interactions with industry had been confined to obtaining research funding and, perhaps most importantly, Imperial graduates working in industry. The Deputy Rector went on to outline the changes over the last thirty years which had meant that the College was now exploring new ways in which the results of its research could be exploited in an industrial context. These included changes to the Patents Acts in 1997 and the more recent reductions in Government funding for research. The need to find alternative sources of funding for research had resulted in the College adopting a more entrepreneurial approach. This approach was now being actively encouraged by Government which had introduced initiatives such as the Science Enterprise, University Challenge Funding, the SMART Awards and various DTI competitions.
22. The Deputy Rector noted that previously the College had exploited the results of research primarily through licensing agreements. However, it was now felt that this was no longer the most appropriate vehicle for such exploitation and that the College

was therefore developing its own ‘spin-out’ companies to exploit research outcomes directly. It was recognised that this strategy brought with it its own risks. The majority of new companies created to exploit a single product or idea were likely to fail and of those that were successful only a small percentage would make a good financial return. There was also the risk that conflicts of interest could eventually arise between these companies and the College. Set against this, however, was the fact that this new approach had positive benefits for the staff of the College, was in line with the College’s Charter, provided a ‘virtuous circle’ in which additional income generated from the exploitation of research was used to fund further research work, and might eventually provide positive financial rewards for the College and for its staff involved with the spin-out companies. The Deputy Rector went on to explain that spin-out companies were generally created where there was no existing company to exploit a particular innovation or piece of technology, where there was a need for a portfolio or enabling technology or where there was pressure from industry for a leading edge company to develop technology in a particular direction.

23. The College recognised that these developments had implications for its governance arrangements, particularly in terms of proper reward structures and potential conflicts of interests as College staff might also be directors of spin-out companies. The College had consequently changed the terms of reference of its Remunerations Committee to ensure that any such conflicts of interest could be scrutinised properly. In conclusion, the Deputy Rector reported that 37 spin-out companies had been created with a total capital value of around £400M. The College currently held shares in 13 companies to the value of £10M and that the remaining 24 companies together had a combined worth of £145M. In total, the College’s spin out companies provided employment for 750 people.
24. The Chairman thanked the Deputy Rector for his presentation and noted that the College was very grateful to both the Deputy Rector and to the Vice-Chairman, Sir Peter Baxendell, for their work in developing the College’s spin-out companies.
25. Mr. Brooke queried whether the increasingly entrepreneurial approach to research was also reflected in the teaching curriculum and questioned the extent to which the City needed to understand science if it was to be encouraged to invest in it. The Deputy Rector noted that the College did include business and communication skills in the curriculum. He also noted that it was not necessary for City investors themselves to understand the science in which they were investing as many of the larger firms employed scientific advisors. There was also a growing number of venture capital companies which now specialised in areas such as Biotechnology.

MATTERS RAISED BY MEMBERS OF THE COURT

Bett Report on University Pay

26. The Chairman advised the Court that two of its members, Ms. L. Barker, President of the Imperial College branch of the Association of University Teachers (ICAUT), and Dr. C. Moss, Vice-President of ICAUT had raised the issue of University pay following the publication of the Bett Report. They had given due notice of their

intention to move that the Court pass a motion that would mandate College representatives on UCEA to work towards a settlement of the 1999 salary claim for academic and related staff and to promote the case for a Pay Review Body for academic and related staff. A copy of the motion had been tabled at the meeting by Ms. Barker and Dr. Moss. The Chairman noted that the Secretary had also tabled a note concerning the proposed motion in which he advised the Court that the motion was based on a misapprehension of the role and authority of the Court in that it implicitly ascribed to the Court the power to instruct the College administration. This power was reserved to the Council. In the circumstances the Chairman advised that the motion could not be put to the Court. However, he allowed Ms. Barker to make a statement to the Court.

27. Ms Barker stated that ICAUT's intention in proposing the motion was to persuade Government of the need to fund higher education properly. It was felt that if the Court or Council of a prestigious institution such as Imperial College passed such a motion, this would aid the case being made to the Government. She noted that university staff pay had fallen 36% behind that in comparable professions and that, in the last eighteen years, average earnings had risen by 40% in real terms while academics' pay had only risen by 1.1% in the same period. On 15 June 1999, the Wellcome Trust had announced a pay increase of 30% for their research staff in recognition of the need to reward top scientists. It was felt that, if the Government failed to recognise the need to fund commensurate pay increases for academic and related staff, teaching quality and students' prospects would continue to suffer.
28. The Chairman noted that this was a complex question on which the Bett Committee had only recently commented and drew members attention to the statement included in the note tabled by the Clerk to the Court. This stated that the College had every sympathy with its staff over the current level of University pay which was a reflection of the steady decline in the government unit of resource for university teaching over the last twenty years. While the Court was sympathetic to the case put forward by the ICAUT, the Chairman reiterated that, for the reasons already given, it was unable to pass the motion as requested. The Chairman further noted that it would be prudent to wait until the Government's response to the Bett Report was known and suggested that he should meet with Ms. Barker and Dr. Moss outside the meeting of the Court to carry on this dialogue. The Chairman undertook to bring the Court's concern on this matter to the attention of the Council at its next meeting.

Use of IT for Communications

29. The Chairman advised the Court that Mr. A. R. Willis had raised the matter of the College's use of Information Technology for communications. Mr. Willis stated that, following his receipt of the papers for this meeting, he had wondered about the College's use of technology in improving communications. He had looked at the College's World Wide Web site which, while it had some good aspects, appeared not to have been updated recently and was almost exclusively concerned with 'brochure-ware'. He suggested that the papers for this meeting could have been circulated to members of the Court more expeditiously by e-mail, particularly as the College, as one of the foremost institutions of science and technology in the World, should itself be making full use of such technology. While welcoming the College's technology

transfer initiatives as had been detailed in the Deputy Rector's presentation, he expressed concern that this appeared to be only a recent development and finally queried why the College was not itself surrounded by a Science Park.

30. The Rector thanked Mr. Willis for his suggestions. In responding, he noted that the College made extensive use of e-mail for the circulation of papers within the College and would gladly extend this to members of the Court if they so wished. The Rector acknowledged that the current Web site was not of the highest quality. However, the College was developing new pages and designs which would transform the Web site in September 1999. With regard to technology transfer, the Rector noted that the College had developed the first such company in the Country and that the recent external developments noted by the Deputy Rector had resulted in an acceleration of activity in this area. In conclusion, the Rector noted that South Kensington was probably an inappropriate location for a Science Park but that the College did have two Science Parks: Silwood Park near Ascot and Imperial Park at Newport in Wales.

DATE OF NEXT MEETING

31. The Clerk to the Court advised members that the next meeting of the Court would be on Friday 31 March 2000.

VALETE

32. On behalf of the Court the Chairman thanked the retiring members of the Court for their distinguished service to the College as follows:

Sir Peter Baxendell - lay member since 1983

Deputy Chairman and a member of the Nominations, Remunerations and Audit Committees and a former Chairman of the Development Committee and the Transitional Medical Board

Baroness Brigstocke - lay member since 1991

a member of the Fellowships Committee and the House Committee.

Major General J. S. Lee - lay members since 1991

Chairman of the House Committee and a member of the Athletics Committee

Mr. J. P. MacArthur - lay member since 1978

Honorary Treasurer and Chairman of the Finance Strategy and Investments Committees and a member of the Remunerations and Development Committees.

Dr. T. B. McCrirrick - lay member since 1983

Mr. B. O. Wall - lay member since 1991

Chairman of the Health and Safety Audit Committee and a member of the House Committee

Mr. I. R. Yates - lay member since 1991

member of the Fellowships Committee