The Tenth Meeting of the Council was held in the Council Room, 170 Queen’s Gate, South Kensington Campus, at 10:00 a.m. on Friday, 10 July 2009, when there were present:

The Lord Kerr of Kinlochard (Chairman), Sir David Cooksey, Mrs. P. Couttie, Professor M.J. Dallman, Sir Peter Gershon, Dr. G.G. Gray, Ms. C. Griffiths, Professor C.J. Isham, Dr. M.P. Knight, Ms. J.R. Lomax, Baroness Manningham-Buller, Mr. J. Newsum, Mr. S. Newton, Ms. K. Owen, Professor S.M. Richardson, Professor S.K. Smith, the President of the Imperial College Union and the Rector together with the Clerk to the Court and Council.

Apologies: Professor D.K.H. Begg, Professor Sir Peter Knight, the Lord Tugendhat and the Baroness Wilcox,

In attendance: The Assistant Clerk to the Court and Council and the President Elect of the Imperial College Union.

WELCOME

1. The Chairman welcomed the President Elect of the Imperial College Union, Mr. Ashley Brown, to his first Meeting of the Council as an observer.

MINUTES

Council – 8th May 2009

2. The Chairman said that Minute 39 included the sentence "Turning to the Fund's performance, Mr Newton said that, although it had done well in April, since the beginning of May the value of the Fund's investments had declined by 7%". This was potentially misleading as it gave the impression that the value of the Fund’s investments had declined by 7% in May, which was not the case. He proposed that this sentence in Minute 39 be replaced by the following statement:

"Turning to the performance of the Unitised Scheme of the Fund, Mr Newton said that improved performance in April had reduced the extent of the negative performance so that the value of the Scheme’s investments had now declined by 7% from 1 August 2008."

3. Subject to the incorporation of this correction, the Minutes of the ninth Meeting of the Council, held on Friday, 8th May 2009, were taken as read, confirmed and signed.
4. **Briefing Material for Members (Minute 16 refers).** The Chairman said that the briefing note on research intensive universities, which had been requested by Council Members at the last Meeting, had been circulated to members in early June. This had taken longer than was ideal and he hoped that in future such notes would be circulated in a more timely manner.

5. **Proposed Amendments to College Statutes (Minute 53 refers).** The Chairman was pleased to announce that the amendments to the College’s Statutes had been approved by the Lords of Her Majesty's Most Honourable Privy Council on 6 July 2009. The changes to the Council membership had therefore come into effect on that day, with the consequence that Sir David Cooksey, Rachel Lomax, Baroness Manningham-Buller and Lord Tugendhat were all now full members of the Council.

**CHAIRMAN’S BUSINESS**

6. The Chairman advised the Council that the Nominations Committee had met before the Council meeting to consider the vacancies caused by the retirement of Dr. Gray and the resignation of Mr. Gidoomal. Taking the various vacancies caused by Dr. Gray’s retirement first, the Chairman said that the Nominations Committee wished to propose Sir Peter Gershon’s appointment as Deputy Chairman of the Council. It further proposed that Baroness Manningham-Buller be appointed to the Remuneration and Nominations Committee and that Ms. Rachel Lomax be appointed to the Audit Committee. The Chairman then reminded members that Mr. Gidoomal had also served as the first Chairman of the Trustees of the Imperial College Union and had also had to stand down from this post. He suggested that Professor Dame Julia Higgins would be an excellent successor to Mr. Gidoomal in this role. As members were aware Dame Julia was a very distinguished scientist with a long association with the College and someone who was widely admired both within and outside the College. Both the current Union President, Ms. Morgan, and the President Elect, Mr. Brown, endorsed this recommendation. The Chairman then proposed that Dame Professor Julia Higgins should also be invited to join the Council as the Chairman of the Imperial College Union Trustee Board. The Council endorsed the various Nominations Committee proposals.

**Resolved:**

(i) That Sir Peter Gershon be appointed as the Deputy Chairman of the Council in succession to Dr. George Gray, with effect from 11 July 2009.

(ii) That Baroness Manningham-Buller be appointed as a member of the Remuneration and Nominations Committee in succession to Dr. George Gray, with immediate effect.

(iii) That Ms. Rachel Lomax be appointed as a member of the Audit Committee in succession to Dr. George Gray, with immediate effect.
RECTOR'S BUSINESS

Staff Matters (Paper A)

7. Paper A was received for information.

8. Baroness Manningham-Buller noted that the College had a high proportion of staff from overseas and asked if Imperial had experienced any problems in recruiting staff as a result of the new points-based visa system. The Rector said that the Management Board had recently debated this point in relation to the recruitment of overseas students. He reminded the Council that the new system required applicants to complete a complex 55 page form. Any error in completing the form would lead to the applicant being rejected automatically. They would then have to start the whole process again, including paying another application fee. Even if the form was completed correctly, the new process itself was leading to delays, with some reports suggesting that applicants were having to wait for up to three months for a visa. This was clearly a concern, particularly for students hoping to start their courses in the autumn. The Rector said there was no evidence as yet that applicants to the College were experiencing excessive delays, but this was clearly a concern and the College was monitoring this closely. If it became apparent that Imperial applicants were suffering as a result of the new system, the Rector assured the Council that the College would immediately make its concerns known to the Minister responsible.

9. The Chairman said that his experience on the Rhodes Trust was that some Rhodes Scholars experienced delays in getting their visas. But a greater concern was that visa renewal was now very expensive. Student visas were normally only issued to cover the initial period of study and did not cover any extension or writing up period. This meant that postgraduate students invariably had to apply for a visa extension, and therefore now had to face substantial additional costs and uncertainty. The Chairman noted in passing that Chevening Scholars were exempt from visa fees, whereas all other students had to pay these costs. The new system was in his view damaging for British higher education and he said he would be happy to assist in raising concerns about its impact at the highest levels.

10. Baroness Manningham-Buller said that this was an issue that affected all British universities and asked if there had been a concerted effort to raise these concerns. The Rector said that Universities UK had indeed been lobbying on this issue on behalf of the sector. The College had also invited Phil Woolas MP, the Minister of State in the Home Office with responsibility for Immigration, to visit the College to see the effect of the recent changes. Staff from the College’s International Office had explained the difficulties to him and had also taken him through the 55 page form to show how complicated it was; he had been sympathetic to the College’s concerns.

Oral Report by the Rector

11. The Rector opened his report by paying tribute to current and former College staff whose work had been recognised in Her Majesty The Queen’s Birthday Honours List; Professor Anne Dell had been made CBE in recognition of her services to science and Dr Caroline Shuldham (NHLI) had received an OBE for services to healthcare. Professor Bill Wakeham, the College’s former Deputy Rector and now Vice-
Chancellor of the University of Southampton, had been awarded a knighthood for services to chemical engineering and higher education.

12. The Rector then reported that 38 cases of swine flu had now been reported in the College. These included eight members of staff, with the rest being students. The Rector said he expected that the numbers of infections would increase steadily, but that the period of highest risk was likely to be in the Autumn when the next academic year was due to commence. He assured the Council that preparations for receiving the incoming student population were well underway; he was confident that the College had the necessary plans in place to deal with a large number of infections to both staff and students.

13. Moving on, the Rector said that a review of the College’s Humanities provision had been conducted and its conclusions discussed at the last two Senate meetings. The Senate had initially accepted the recommendation that it was inappropriate for the College to be teaching languages at GCSE level and below as options which contribute to examinations. Such courses would in future be taught as part of an evening class programme. It had also been recommended that language teaching should focus on the major European languages (German, French and Spanish) with a watching brief kept on Mandarin. Any other non-European language courses would be offered only as evening classes. The Senate had now modified this and had agreed to reconsider the provision of language courses in Italian and Japanese, which was popular with Chinese students.

14. Turning to the position at Wye, the Rector said that research and teaching activity had now ended at the Wye Campus. Nearly 300 staff and students — both past and present — had marked this sad occasion with a farewell party in May. The College’s professional advisers, Savills, were continuing to market the main Campus, ideally for use as a centre of learning, but regrettably no substantive interest had been received.

15. The Rector then reported on two visits to the College, which served to illustrate the influence Imperial was able to exert. In June the Leader of the Conservative Party, David Cameron MP, had visited the College to give a speech on the Conservatives’ plans to enhance individual freedoms and increase the accountability of the State. In the forthcoming week, the Prime Minister, the Rt. Hon. Gordon Brown MP, the Secretary of State for Business, Industry and Skills, the Rt. Hon. Lord Mandelson, the Minister for Science and Innovation, Lord Drayson, and the Minister for Health, Lord Darzi, were expected to visit the College to launch the Office for Life Sciences Blueprint, a new government vision for healthcare innovation. In addition, Dr. John Holdren, President Obama’s Chief Scientific Advisor and one of the world’s leading climate change scientists, would be visiting the College that afternoon.

16. Continuing, the Rector reminded members that a ‘Green League Table’ of universities was published annually. It was, of course, very difficult for universities with technology-based and energy-intensive programmes such as Imperial to do well in tables such as this; Imperial’s emissions would always be much higher than those for universities with large arts programmes. However, the College had improved markedly in the most recent table, being ranked at 62 this year as against 108 in the previous year. This placed the College behind Cambridge at 50, but ahead of Oxford at 84 and UCL at 98. There was still much to be done and the Rector hoped the College could yet further improve its position, but this jump of forty places was encouraging. The Rector said that this was but one of a number of league tables that were published at this time of year. In most of these, including the most recognised table published by the Times, the College was consistently placed 3rd behind Oxford.
and Cambridge. Only the Guardian’s league table was out of kilter; here the College was placed 8th. Although the value of these tables was arguable, it was clear that prospective students paid close attention to them and it was therefore vital that the College continued to perform well in them.

17. Bringing his Report to a close, the Rector said that a number of College staff and students had recently been recognised for their excellence. Professor Simon Donaldson – already a Fields Medallist – had recently received the prestigious Shaw Prize in Mathematical Sciences, awarded jointly to him and to Professor Clifford Taubes from Harvard University. The Shaw Prize, worth $1M, was made to both professors for their contributions to the field of three and four dimensional geometry. In addition, Professor Neil Poulter, Professor Michael Schneider, Professor Marina Botto and Professor Elio Riboli had all been elected as Fellows of the Academy of Medical Sciences; while Professor Martin Buck in Biology, Professor Michael Duff in Physics and Visiting Professor Robert Ainsworth in Mechanical Engineering had all been elected Fellows of the Royal Society. This brought the total number of Royal Society Fellows at Imperial to 66. Furthermore, Professor Nina Thornhill in Chemical Engineering and Professor Mehmet Imregun in Mechanical Engineering had been elected as Fellows of the Royal Academy of Engineering, bringing the total number of Fellows to 76. The Rector welcomed this recognition of the excellence of Imperial’s scientists. In addition to these awards, the Institute of Physics had just announced the award of its annual prizes and medals, with a large number being awarded to College staff; indeed, the number awarded to Imperial staff was double that awarded to the staff of any other university. The medals awarded were the Glazebrook Medal to Professor Sir Peter Knight, the Faraday Medal to Professor Donal Bradley, the Joule Medal to Professor Jenny Nelson and the Chadwick Medal to Professor Tejinder Virdee. Finally, the Rector was pleased to report that a Physics PhD student, Tom Whyntie, had won the UK’s FameLab science communication competition for his presentation on the Large Hadron Collider at CERN. Tom Whyntie was the second Imperial winner of this prize (which was akin to a Pop Idol for science) in the last 2 years. Part of the prize was a three minute film slot to be shown on Channel 4 later in the year and the Rector congratulated Mr. Whyntie on his success.

18. The Chairman thanked the Rector for his report. With the Wye Campus now closed for academic activity, reputational risks would increase; the Council should revisit the future strategy for Wye at one of its autumn meetings. Turning to the Humanities Review, the Chairman said he had received a number of representations from staff in the Humanities Division, to which he had responded confirming that this was a matter for the Senate.

19. Ms. Lomax asked for more information on the Office for Life Sciences. The Rector said that the Office had been created by the Prime Minister in January and was led by Lord Drayson, the Minister for Science and Innovation. The Office was intended to improve the operating environment for the pharmaceutical, medical biotech, and medical devices sectors and had been created in response to intense lobbying from the pharmaceutical sector in particular, which was concerned that the UK environment was not conducive to research and was not supporting innovation or technology transfer. Sir David Cooksey said that the Office’s formation had been announced at a meeting with the main multi-national pharmaceutical companies. He believed this was a very necessary initiative and was vital to ensure that the UK remained at the forefront of biomedical research. With the collapse of the financial sector, the life sciences sector was now the UK’s largest and highest earning industry. However, he cautioned that there was considerable opposition to this development from within the NHS, with many being resistant to the need to drive
innovation through the NHS.

Oral Report by the Principal of the Faculty of Natural Sciences

20. Opening her Report, Professor Dallman said that the Faculty’s research was still doing well; it was ahead of budget and the Faculty was continuing to attract large awards from the research councils and elsewhere. As an example, she cited Professor So Iwata, who had recently been awarded the first Diamond Fellowship by the BBSRC. Similarly, the EPSRC had just agreed to fund a six year programme grant led by Professor Donal Bradley, Professor Stefan Maier and Dr Paul Stavrinou on the topic of plasmon waveguides. About £5M would be split equally between Imperial and Queen’s University Belfast. The team would endeavour to create nanoscale optical waveguides, integrated with sources and detectors, based on metallic nanostructures and active polymers – so called “plasmonic” waveguides.

21. Moving on, Professor Dallman said that the Faculty was making a number of planned cost savings in the coming year and had initiated a voluntary scheme in addition to some small scale restructurings in two departments. Taken together, these actions would ensure that the Faculty was able to keep to budget in the coming year and would also ensure that it was able to deal with the expected financial constraints in the next few years. Despite this, Professor Dallman said that morale in the Faculty was good and had been boosted by the recognition afforded by the various prizes and awards that the Rector had already noted and she highlighted the Shaw Prize won by Professor Simon Donaldson.

22. Professor Dallman then said that the Chairman had asked her also to report to Council on the position of women at the College. In this regard, she was pleased to say that the College had decided to apply for an Athena Swann Award, while five departments had also applied for silver awards. She reminded members that the Athena awards had been established to recognise and celebrate good practice in recruiting, retaining and promoting women in science, engineering and technology in higher education; if the College was successful with these latest applications (it already held a silver award), it would have the highest number of Athena Swann awards of any university in the country.

23. Mrs. Couttie said that, in her experience, one of the risks with voluntary redundancy schemes was that it was often the best staff who volunteered. She asked if there were any safeguards to ensure that the College did not lose any of its stars through the application of voluntary schemes. Professor Dallman said that Heads of Department had discussed the introduction of the scheme with staff and had given assurances to those staff the College could least afford to lose. She assured the Council that the volunteers that had come forward thus far had been appropriate and she pointed out that the College retained the option of refusing to accept a volunteer if they were considered to be vital to the future of the Faculty.

Oral Report by the Principal of the Faculty of Engineering

24. Professor Richardson said that the Faculty of Engineering had been pleased by the election of Professor Robert Ainsworth as a Fellow of the Royal Society as well as the election of Professor Nina Thornhill and Professor Mehmet Imregun as Fellows of the Royal Academy of Engineering. In addition, he was pleased to report that Professor David Nethercot, Head of the Department of Civil Engineering and Deputy Faculty Principal, had been awarded the Gold Medal of the
Oral Report by the Senior Dean

25. Professor Isham opened his report by saying that the promotions exercise, in which all the deans were heavily involved, had just finished. He reminded members that there were essentially three ranks of academic staff; lecturer, senior lecturer/reader and professor. Promotion between these grades was therefore a significant event for the individual concerned and was taken very seriously within the College. Candidates were put forward for promotion by their departments, or in some cases by themselves, and were then interviewed by a promotions panel, including external members and a College Dean from a different faculty. It was an expensive system to operate, but was robust and fair and was greatly appreciated by all those taking part; indeed, Professor Isham said, the system was often praised by those who had been unsuccessful. In addition to providing a fair process, the system was also designed to ensure that the College’s very high standards were applied consistently across the board. This was where the deans’ role was vital; because they sat on a large number of panels across the full spectrum of the College’s faculties and departments, they had a primary role in ensuring consistency of both process and standards. In the most recent promotion round, 131 applicants had been considered, with 75% of them being successful. The success rate for self-nominated candidates was somewhat lower, at 25%.

26. Mr. Newton asked if unsuccessful candidates were allowed to re-apply, or if their rejection was permanent. Professor Isham said that most rejected candidates were seen not as poor candidates, but as ones who were not quite ready for promotion. Unsuccessful candidates were normally required to wait two years before being resubmitted. However, the panel could recommend resubmission after just one year, where the candidate was felt to be particularly close to meeting the required standard. Professor Isham then confirmed that there was not a fixed number of posts to which candidates could be appointed and neither was cost a concern; the only criteria was whether the candidate had met the College’s exacting quality standards. With regard to the cost issue, he said that the increase in salary on promotion was often minimal; candidates did not seek promotion for monetary reasons, but for the prestige associated with the title of senior lecturer or professor.

Oral Report by the Principal of the Faculty of Medicine

27. Professor Smith said that the Faculty’s research was also progressing well, with grants from the Medical Research Council (MRC) running ahead of budget. Indeed, Imperial was now the biggest recipient of MRC funding in the country. Having said that, Professor Smith acknowledged that research income from the main medical charities had declined considerably in the last year, largely because of the economic climate and the effect this had had on their endowments.

FACULTY OF MEDICINE RESTRUCTURING (PAPER H)

28. At the Chairman’s request, Professor Smith then presented Paper H. Like the other faculties, the Faculty of Medicine was taking action now to reduce its cost base and ensure that it was able to survive the expected reductions in public funding in the
coming years. In the Medical Faculty's case though the requirement for savings was much larger; this had necessitated a more fundamental restructuring exercise. The Faculty's ultimate aim was to be recognised as one of the top two institutions for medical education and research (it was generally considered to be third at present, behind both Oxford and Cambridge). For this to be achieved, it was imperative the Faculty concentrated on its strongest strategic areas, while also addressing those areas where it was weakest. The proposal set out in Paper H was for the creation of a new Department of Medicine, bringing together the current Divisions of Medicine, Investigative Sciences and Neuroscience and Mental Health; and a new Department of Surgery and Cancer, which would be formed from the existing activity within Surgery, Oncology, Reproductive Biology and Anaesthetics. Joining these two departments would be a School of Public Health which would encompass activity in the current Division of Epidemiology and Public Health. The Institute of Global Health would remain in place as a key College level Institute based in the new School of Public Health. The restructuring would result in the loss of a number of academic and support staff posts. It was hoped that the majority of these posts would be lost by voluntary means or through natural wastage or redeployment within the College; however, compulsory solutions could not, at this stage, be ruled out. It was intended that the Faculty’s budget would be balanced by the end of next year.

29. Professor Smith then said that consultation on the restructuring had commenced and the College was in discussion with the relevant trades’ unions. Although all involved were approaching these discussions with a high degree of professionalism and realism, this was still a difficult time within the Faculty. Provided the requisite number of posts could be identified by December, Professor Smith was confident that the Faculty would meet its reduced budget for 2009-10. However, if there was a shortfall, or if there were delays in achieving the new structure, he could not rule out the need for further reductions in the future.

30. Dr. Gray asked if the cuts would fall disproportionately on particular areas of medicine or would affect particular campuses more than others and, if so, whether this would result in negative publicity for the College. Professor Smith said that it was unlikely that particular campuses would more affected than others; however, as the rationale behind the restructuring was to allow the Faculty to concentrate on its core academic themes, it was inevitable that some areas would be more affected than others; for example, he said that neuroscience, which was a relatively weak area, would be likely to account for more redundancies than cancer, which was both strong academically and also a strategic priority for the College. Baroness Manningham-Buller then asked if there was a clear correlation between the Faculty’s strategic priorities and the subject areas in which it was strongest academically. Professor Smith confirmed that this was the case.

31. Mr. Newton reminded members that, after the RAE results had been published, there had been some discussion at the Council about the importance for the College of maintaining high standards and the need to address the tail of weaker research staff. He was therefore very encouraged that the College was taking this action now, rather than waiting until it became an absolute economic necessity. Acting strategically in this way was, he thought, vital if the College was to maintain its position as one of the world’s great universities.

Resolved: That the Rector, or another person so authorised by the Rector, be given delegated authority in accordance with the procedures set out in Ordinance D11, the Dismissal of Members of Staff by Reasons of Redundancy, to implement the selection process and subsequent proposed redundancy if the Rector or his nominee consider this
32. Introducing Paper B, Professor Smith said that it was expected that all acute NHS trusts should become Foundation Trusts by the end of 2010, so there was considerable pressure on the Imperial College Healthcare NHS Trust to apply for Foundation Trust status. One of the main reasons for doing so was the degree of financial independence from the NHS that this would give the Trust; it would provide it with the financial flexibility to borrow money and also to take control of its own assets and ensure these were used to the Trust’s best advantage. More importantly, any surplus generated by the Trust could be retained and reinvested, rather than being returned to the NHS at the end of each year. This alone meant that it was desirable for the Trust to gain Foundation Trust status. Furthermore, it was clear that those trusts which had already gained this status had benefitted greatly from doing so, and, with the exception of the Imperial College Healthcare NHS Trust, the best hospitals in the country were now all run by foundation trusts. The argument from the Trust’s side for obtaining Foundation Trust status was clear. However, from the College’s point of view there were risks as well as opportunities; the AHSC model was predicated on the College having management control of the Trust and this would be more difficult under the current Foundation Trust scheme. Although a variety of governance models were available there was a clear legislative requirement that a majority of the Trust’s Board of governors had to be representatives elected from public and patient membership. Therefore, it would not be possible for the College to have a controlling majority on the Trust’s Board of Governors. Although the College had not won this particular battle, Monitor, the independent regulator which was responsible for authorising, monitoring and regulating NHS Foundation Trusts, had agreed that research should be included as one of the Trust’s primary objects in its founding documents. Professor Smith said it was indicative of the NHS’s ambivalent attitude towards research that the Imperial College Healthcare NHS Trust would be the only NHS trust in the country which included research as one of its objects. Monitor had also indicated that it would accept a membership of just 10 – 15,000 members (1) and that a maximum of 37% of the Governors could be appointed by the College. Although this was considerably less than the College had wanted, it would still be unique within the sector; most universities had minimal input into the running of the Trusts with which they were associated.

33. The Clerk reminded members that the College had hoped that the governing legislation might be changed to provide for academic foundation trusts in which the publicly elected representatives would have a minority share. Imperial had held discussions with the Department of Health to this end, but ultimately its proposals had not been included in the NHS Bill. It therefore had to be accepted that the College was not going to be able to secure a majority on the Trust’s Board of Governors and there was now a clear choice for the College; to go forward within the current constraints (albeit stretched as far as possible in the College’s favour) or not. The Foundation Trust legislation had, he said, been designed to provide

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1. Members are made up of residents and patients in the areas served by an NHS Foundation Trust as well as its staff; it is the members who stand and vote in elections for Governors of the NHS Foundation Trust and provide the public representatives who are at the heart of the Foundation Trust governance requirements; most foundation trusts have memberships in excess of 50,000
accountability for local hospitals. It was not designed, nor was it appropriate, for world class research hospitals. However, it was the only option available. In this context, the purpose of the paper was to consider if the available governance arrangements were sufficient to protect the College’s investment in the AHSC. The Clerk then said that, with agreement to appoint 37% of the Board, he believed the College had obtained as much as it possibly could within the current legislation. The Board of Governors would consist of 79 people, 29 of which would be appointed by the College. He then pointed out that the Board of Governors of a Foundation Trust was not involved in matters of day to day management of the Trust; its prime responsibility was to appoint the non-executive directors on the Board of Directors, which was responsible for the management of the Trust. He contended that having 37% of the governors should be enough to ensure that the College-appointed governors would have a significant say in the appointment of the non-executive directors. This in turn would ensure that the Trust’s Board of Directors, which was the crucial management body, remained committed to the AHSC.

34. Mrs. Couttie said that she fully understood the considerable benefits that would be brought by Foundation Trust status, but remained concerned that the College would have insufficient control to realise its long term objectives for the AHSC. The Clerk said that there was no requirement that publicly elected representatives serve on the Board of Directors. The governing body (which had a ‘public’ majority) appointed the non-executive directors, but these did not have to be drawn from the public members of the Trust. He hoped that the College would be able to organise its members of the governing body to influence the choice of these non-executive directors. The Chairman agreed that the College would have a significant influence on the choice of these directors. However, it was entirely plausible that other special interest groups would be able to organise themselves to bring their influence to bear on the choice of non-executives as well. The Clerk accepted this, but said that Directors had to act in accordance with the Trust’s objects. Any Director who acted against the Trust’s purposes could be removed from office by Monitor; in this respect, the inclusion of research as a primary purpose for the Trust was key as it meant that non-executive directors would have to support the research agenda. He also noted that experience in the existing foundation trusts was that the publicly appointed non-executive directors had not sought to divert those trusts in the pursuit of narrow agendas. Professor Smith agreed that Monitor would act to remove disruptive directors and also noted that the College currently had no say in the running of the Trust. Obtaining Foundation Trust status was the only way of changing this and providing the College with some degree of control and influence, albeit less than it had originally sought. Ms. Griffiths asked if Monitor provided a framework that would determine the make up of the various members’ groups. The Clerk said that the legislation was clear about the governance arrangements for Foundation Trust Boards; Foundation Trusts had to engage with local communities and encourage local people to become members. As a minimum, membership of an NHS Foundation Trust had to be open to people who lived in the local area, staff of the Trust, patients or carers of patients, and people who exercised functions for the Trust but who were not employed by the Trust.

35. The Chairman said that the current position was clearly sub-optimal, but agreed that it was probably the best that could now be achieved. He drew some reassurance from the proposed Framework Agreement between the Trust and the College. Probably the most important decision to be taken by the Trust’s Board of Directors was the appointment of the Trust’s Chief Executive Officer, but the Framework Agreement ensured that this person must be the same as the Principal of the Faculty of Medicine. This requirement ensured that the appointment of the CEO, the most important post within the Trust, would effectively be in the College’s control.
36. Ms. Lomax asked if the Trust would seek Foundation Trust status, regardless of the College’s wishes and also asked if the College had received any guarantees about the suggested legislative changes which had subsequently been reneged upon. Professor Smith confirmed that the Trust would have to seek Foundation Trust status. Although the Department of Health had asked the College to submit proposals for changes to the legislation, it had only agreed to consider them.

37. Sir David Cooksey said that Lord Darzi’s report on the future of the NHS, *High Quality Care for All*, had recognised that research and innovation were central to ensuring the quality of provision in the NHS. Although his vision had been accepted and five AHSCs had now been formally established, there still appeared to be considerable opposition within the NHS to promoting innovation and research. He believed that it was therefore unlikely that the College would be able to obtain the legislative changes it had been seeking. He also suggested that the College needed to be vigilant as the AHSC progressed as its particular focus on research and translational medicine would not find universal support in the Department of Health. Dr. Knight agreed with the need for vigilance, but said that obtaining Foundation Trust status was still the best opportunity for the Trust to gain a degree of independence from the NHS and for the objects of the AHSC to be achieved. Professor Smith said that, historically, the NHS had never dealt satisfactorily with research. Before the creation of the AHSC, the College’s local trusts had received £55M *per annum* for research, but the use of these funds had never been discussed with the College, and nor were the trusts’ research objectives aligned with those of the College. This had changed since the advent of the AHSC, with the result that these funds were now used much more effectively. Similarly, the College and the Trust now ensured that the appointment of clinical consultants tied in with the College’s research priorities.

38. Sir Peter Gershon asked if the legislation set out the parameters for the decisions of trust boards; for example, he asked if it would be possible to require that particular decisions had to be passed by a two-thirds majority. The Clerk said that a number of such possibilities had been considered with the Department of Health and Monitor, but that they were very reluctant to agree to anything which might be open to legal challenge.

39. Bringing the discussion to a close the Chairman said that, despite the significant misgivings which had been expressed by several members of the Council, it was clear that the College was unlikely to be able to secure a greater degree of control over the Trust than was set out in Paper B. Although this was less than had originally been sought, there was little option but to accept this, given the importance for the Trust and the future of the AHSC of the application for Foundation Trust status. The Framework Agreement, and in particular, the requirement that the Trust’s CEO and the Principal of the Faculty of Medicine be the same person, would be important.

DRAFT FRAMEWORK AGREEMENT BETWEEN THE COLLEGE AND THE IMPERIAL COLLEGE HEALTHCARE NHS TRUST (PAPER C)

40. The Clerk introduced Paper C and said that the College and the Trust had been working together since October 2007, thus far without the need for a constitutional framework setting out how they would interact. However, now that the relationship was settling down and a certain custom and practice had been established, it would be useful to codify the relationship between the College and the Trust. The
Framework Agreement was intended to formalise the relationship between the College and the Trust to ensure as far as possible that the objectives of the AHSC would be achieved. Key points in the Agreement covered the use of the College name through a trade mark licence; the operation of the Joint Research Office; and the respective liabilities of the College and the Trust. Although the Agreement would expire if and when the Trust gained Foundation Trust status, it was expected that most of its terms would then be reflected in a new agreement between the Foundation Trust and the College. In this way, the Agreement would continue to provide the additional assurances to the College that had already been noted by the Chairman. The Agreement had been drafted by the College’s in-house Legal Services Office, but had also been reviewed by the College’s external legal advisors, Mills and Reeve. The Clerk then confirmed that the Agreement was still in draft form as final comments were still expected from the Trust and from its legal advisors. Nonetheless, the Council was asked to consider the Framework Agreement and approve it, with any subsequent amendments proposed by the Trust to be approved by the Chairman, provided he considered that any such amendments were acceptable and did not adversely affect the College’s position.

41. Mr. Newsum noted that the Agreement had been reviewed by Mills and Reeves. He said it would have been helpful to have had a note from them confirming that they were satisfied with the Agreement in its current form. He also suggested that, if any amendments to the Agreement were proposed after this Meeting, it might assist the Chairman in approving the final agreement if Mills and Reeve could be asked to review the final document and confirm in writing that they were satisfied that the College’s position had been secured.

42. Sir Peter Gershon then asked if there were any areas in the Agreement on which the College had had to compromise. The Clerk said that the most significant discussions had been around the trademark agreement and the use of the College’s name. The Trust had initially been concerned about the proposed restrictions on the use of the name, and also about the actions open to it if the College wanted to withdraw permission for the use of the name, as this was outside the immediate control of the Trust (the name being in the gift of the Secretary of State of Health, who therefore was also the only person who could approve a new name for the Trust). He hoped though that this issue had now been resolved satisfactorily.

43. Sir David Cooksey said that the real opportunity was for Imperial, through the creation of the AHSC, to join together excellent academic research, clinical practice and the commercial world to show how a modern healthcare system should work. In this way the AHSC should act as an exemplar to the rest of the UK. If it was successful, and he believed it should be, the end result should provide an NHS Trust and a set of hospitals that could provide better healthcare and treatment than anywhere else in the country. The Rector agreed, and said that the relationship with the Trust would become even more important if the College was to establish a clinical trials institute at some point in the future.

44. Dr. Gray said that, when the AHSC had first been mooted, the Council had sought, and had been given, an assurance that the College would not be liable for the finances of the Trust. This protection was crucial and he asked if this was still the case. Professor Smith said that the rules were absolutely clear; money provided by the Department of Health could only be used within the Trust and money for the College could only be used within the College. Funds could not be moved between the Trust and the College and, for the same reasons, neither could financial liabilities. He was therefore able to give Dr. Gray the assurance he was seeking.
Resolved:

(i) That, after due consideration of all the circumstances the College enter into the Relationship Deed with Imperial College Healthcare NHS Trust provided that the Board of Imperial College Healthcare NHS Trust also agree to enter into the Deed and that any changes made to the Deed subsequent to this resolution are acceptable to the College, as determined by the Chairman.

(ii) That the Rector and the College Secretary be authorised to execute the Relationship Deed.

FINANCIAL MANAGEMENT REPORT (PAPER D)

45. Introducing Paper D the Chief Operating Officer, Dr. Knight, said that the forecast outturn for the year had not changed substantially since the Council's last Meeting. The College expected to generate a healthy surplus in the current year, albeit this reduced by the need to make provisions for the restructuring exercise in the Faculty of Medicine and the voluntary scheme in the Faculty of Natural Sciences. Once these and other provisions had been taken into account, he expected the surplus for the year to be about £13M. Overall income growth had fallen back slightly to 11% over last year, while research income had also fallen back to 18% growth on last year. Closing his brief report, Dr. Knight said that, as previously advised, interest on the College’s loans now exceeded the rates the College was achieving on its cash holdings. Although this was in line with the College’s financial plan, it meant the College was now moving into a net debt position.

COLLEGE FUND REPORT (PAPER E)

46. Introducing Paper D Mr. Newton was pleased to say that the College Fund had been able to increase the value of its assets through a very difficult period. That it had been able to do so, however, was largely due to the performance of Imperial Innovations and improvements in the Fund’s property portfolio. This suggested that there was no room for complacency, despite the robust performance overall. Moving on, he said that there had been a question at the Council’s last Meeting about the feasibility of keeping the proposed postgraduate accommodation project off the College’s balance sheet. In response, the College had considered this issue further with its professional advisors and with its external auditors. He then invited Dr. Knight to update the Council on this latest advice.

47. Dr. Knight reminded members that the Council had, at its last Meeting, considered a proposal that the College Fund make an investment in the development of a new hall of residence to provide postgraduate student accommodation. The project would be developed with an equity partner and would be held off the College’s balance sheet. Sir Peter Gershon had queried whether it would be possible to maintain this approach if and when the College moved from the current UK GAAP accounting standard to IFRS (International Financial Reporting Standards). Dr. Knight said that this issue had been discussed in detail with the external auditors, PricewaterhouseCoopers, and with the College’s legal advisors for this scheme, CMS Cameron McKenna. They were both satisfied that the structure of the project would ensure that it would remain off balance sheet, whichever accounting standard was applied and that the transaction as structured would not breach any existing College loan covenants. Dr. Knight then said that the project was progressing very well and that funding for the development had now been agreed with Santander.
48. Returning to his report, Mr. Newton said that it was likely that the Fund would start re-investing some of its cash holdings in the next few months. He also suggested that, from an investment point of view, having such a high proportion of its assets invested in a single stock – that of Imperial Innovations – was a risk; if Innovations value continued to grow, as he hoped it would, he said that the Fund might wish to review the level of its holdings in Imperial Innovations. As Innovations was classed as a strategic asset, the Fund Board could not itself change the level of stock holdings, but would have to make a recommendation to the Council.

49. The Chairman thanked Mr. Newton for another very encouraging report from the College Fund. He had noted though that the valuation of Silwood Park Manor had been reduced and he asked the reason for this. Mr. Newton said, in determining the Manor’s capital value, a more conservative approach had been taken because of the proximity of the Reactor Centre and the continuing issues surrounding its decommissioning. The Chairman then said that he understood that the position regarding the Reactor had changed significantly since it had last been discussed by the Council. At that time, the College had been proceeding with the decommissioning, but he understood that this might no longer be the case. The Rector confirmed that a number of options were now being considered and that these still included decommissioning. The Chairman asked that the Council be provided with an update on the options being considered for the Reactor Centre at its next Meeting.

ACTION: RECTOR

50. Returning to the matter of the valuation of Silwood Manor, Mr. Newsum said that he believed the same methodology should be adopted for valuing all of the College’s properties as it was important to ensure consistency. Mr. Newton agreed and confirmed that the conservative valuation adopted for the Manor House took account of all relevant factors, including the proximity of the Reactor, and that this was consistent with the methodology used for the other properties held within the College Fund.

MAJOR BUILDING PROJECTS REPORT (PAPER G)

51. Dr Knight presented Paper G, which was received for information. He then gave the Council a presentation on a new opportunity which had recently been presented to the College; the purchase of the Woodlands Site from the BBC. A copy of the presentation is attached at Annex A. The site consists of 6.5 acres and 25,000m² of office space close to the College’s Hammersmith Campus and with good transport links through White City underground station. The site had the potential for further development and could provide up to 80,000m² of usable space. The College had initially offered £20M for the site, but this offer had been rejected by the BBC. The BBC had also confirmed that they had received an alternative, higher offer from a third party, but that they would still be interested in receiving a further offer from the College. The deadline for submission of such an offer was 10 July.

52. Mr. Newsum said that he believed that this was a tremendous opportunity for the College, both strategically and financially. He said that, if the College missed this opportunity, it would be a source of considerable regret in the future; it was not worth missing this opportunity for the sake of saving a few million pounds and making too low an offer. He therefore believed that the College should make an offer that was high enough to ensure that its bid was successful. Mr. Newton agreed and said that the College Fund was very interested in this opportunity. The ability to obtain space for accommodation for a further 600 postgraduate students alone made this site
financially attractive. That the College could obtain this, as well as the other opportunities presented by the rest of the Site made the case even stronger. Indeed, he suggested that the added value to the College and to the Fund presented by this proposal was such that the College should even consider selling some of its other assets if this was required to fund this purchase.

53. The ICU President, Ms. Morgan, asked if the College would be selling the Clayponds residences in order to fund the purchase of this site and the consequential refurbishment works. Dr. Knight said that the Clayponds residences offered very poor quality accommodation a long way from the College’s main campuses; once the new postgraduate accommodation was available, he suggested that the College should give serious consideration to disposing of Clayponds. However, given the current state of the market, he did not believe that the College would obtain a competitive price for Clayponds at present. Selling it was therefore not a pre-requisite of proceeding with the proposed purchase of the Woodlands site. Ms. Morgan then said that students valued having a variety of accommodation at different price levels to choose from; if this new accommodation was all provided at a relatively high price, she thought the College might have difficulties in filling all the available spaces. Dr. Knight said that this would have to be considered as part of the business case for the building of student accommodation at the appropriate time. However, he noted that there was a severe shortage of postgraduate accommodation in London, and he did not believe that the College would have difficulty in filling these spaces.

54. Ms. Lomax asked if the third party had been asked to submit a further bid as well and if there was a risk that the College might still be outbid even if it raised its initial offer. Dr. Knight said that it was for the College to match the offer and/or to persuade the BBC that there were other reasons for preferring the College as a potential purchaser of the site. Sir David Cooksey asked if any accommodation built by the College would fall within the local authority’s targets for the provision of ‘affordable housing’; if this was the case, it would strengthen the College’s bid considerably and could be used as a competitive advantage in the bidding process. Dr. Knight said he believed this to be the case.

55. Bringing the discussion to a close, the Chairman said that the Council should not seek to tie the College’s hands in determining what was the right revised bid to put to the BBC. However, it was clear that the Council thought this was an excellent opportunity and one that should be pursued vigorously by the College. He accepted that diverting funds for this purpose would have a knock-on effect on the other capital projects, perhaps particularly on the South-East Quadrant (SEQ) Project, but he said that it was clear that the Council wanted Dr. Knight to submit a bid to the BBC that he thought would be successful. Finally, he suggested that the precise disposition of funding for the purchase and refurbishment costs between the College and the College Fund should be finessed once it was clear that the bid had been successful.

COLLEGE BUDGET 2009-10 AND THE FIVE YEAR PLAN 2009-2014 (PAPER F)

56. Dr. Knight then gave a presentation on the proposed Budget for 2009-10, making the point that, although this budget appeared to be a very positive one, it needed to be considered in the context of the College’s five year plan. This showed that the financial position for the following years would be considerably more constrained.

57. The Chairman noted that the five year plan included an assumption that public funding would be severely curtailed from 2011 onwards, following the next
Comprehensive Spending Review (CSR) in autumn 2010. He said he believed this to be optimistic: the next Government might well have to cut public expenditure as soon as it took office rather than waiting for the outcome of the CSR. He also believed that these cuts would be shared equally across the entire public sector. This meant that the reductions in income assumed in 2011-12 could well come in a year earlier, in 2010-11. He asked Dr. Knight to consider how this would impact on the College.

Dr. Knight agreed that this was a distinct possibility, but he did not believe that it would necessarily change the overall picture. Although the cuts might happen sooner than expected, he suggested that the order of magnitude was likely to be similar to that assumed in the Plan, so the income and expenditure figures in the final year of the plan, 2013-14, would be similar, even if public expenditure had been cut a year earlier than expected. Ms. Lomax agreed with the Chairman’s contention, as did a number of other Governors. She suggested as well that the assumptions for research income might similarly have to be revised downwards.

Dr. Knight then acknowledged that a further concern was the College’s potential liability for pension costs. Although the College was leading the call for reforms to the university pension schemes and there now appeared to be greater recognition of the need for change, he was concerned that the proposed revisions to the scheme might not be accepted this year. If this was the case, he suspected that action would not then be taken until after the next actuarial valuation of the pension schemes which would be in 2011. He believed this valuation would show a significant deficit in the USS pension scheme and that this would in turn lead to a more realistic position being taken by the Trustees. The Chairman agreed and asked that the Council consider the potential pension liabilities at its Away Day in September on the basis of a costed options paper.

Turning to the proposed capital projects, Sir Peter Gershon noted that the provision of a new Data Centre was estimated at £12M. This appeared to be very expensive for a data centre and he asked if this could not be outsourced at a considerable saving. Dr. Knight said that the Data Centre was not simply a storage centre; it also provided the College’s High Performance Computing (HPC) capacity and could not therefore be too far removed geographically from the College. The additional complexities of HPC also meant that this facility would be more expensive than a normal data centre. However, he reminded the Council that this Project had not been formally approved as yet and that the business case and its associated costs would all be subject to scrutiny by the Council at the appropriate time when the Project was presented for formal approval. Dr. Knight then said that biggest question mark concerned the SEQ Project. This was the College’s largest single project and was wholly funded by the College. Delaying the next phase of the Project by up to two years, or waiting until a significant donation of at least £50M towards its costs had been secured would have a significant effect on the College’s finances during the period covered by the five year plan. Professor Richardson confirmed that the Engineering Faculty understood the constraints under which the College would have to operate in the coming years and accepted that a deferral of some phases of this Project might be necessary. He acknowledged that a delay in the completion of the SEQ Project was not critical and would not jeopardise engineering research and teaching in the meantime. The Chairman thanked Dr. Knight and Professor Richardson for their helpful advice on the SEQ Project, but noted that the Council did not have to take a decision on whether or not to proceed with the SEQ Project as yet. However, when the next phase came forward for approval, the Council would have to give serious consideration to the impact of the Project on the College’s financial
position. In the meantime, the Chairman agreed that the College should proceed with its application for planning consent for the later stages of the SEQ Project. This would ensure that it could progress the project at its own pace and would also be helpful in seeking an external benefactor for the project.

Resolved: That the College Budget for 2009-10, as set out in Paper F, be approved.

ICU ANNUAL REPORT (PAPER I ATTACHED)

61. The ICU President, Ms. Morgan, presented Paper I, which was received for information. The Chairman thanked Ms. Morgan for the contribution she had to the Council during the year and congratulated her and the other Union sabbaticals on their impressive record in the past year.

CLERK’S BUSINESS

Proposed Amendments To College Ordinances (Paper J Attached)

62. The Clerk presented Paper J. The proposed amendments to the Code of Student Discipline and the Student Complaints Procedure were required to reflect changes in the College’s structure and also to reflect best practice across the sector. The proposals had been considered by the Senate, which had recommended their approval to the Council.

Resolved: That the revisions to Ordinance E2, the Code of Student Discipline, and Ordinance E3, the Procedure for dealing with complaints by students, as set out in Paper J, be approved.

A Proposed Imperial Dsc (Paper K Attached)

63. The Clerk presented Paper K. Although there was already provision for the award of a Doctor of Science (DSc) in the College’s Ordinances, this was currently confined to honorary awards only. Earlier in the year the Senate had been asked to consider introducing the DSc as a separate award to recognise published work of a high standard containing original contributions to the advancement of knowledge and learning. The Senate had agreed this proposal and was now asking the Council to amend Ordinance B1, Degrees and Other Awards Granted by the University, to enable the award of an Imperial DSc.

Resolved: That the introduction of a DSc degree, and the consequential amendment to Ordinance B1, Degrees and Other Awards Granted by the University, as set out in paper K, be approved.

ANY OTHER BUSINESS

Valete

64. The Chairman advised members that this would be Ms. Jenny Morgan’s last Meeting of the Council as her term of office as Union President would end on 31 July. On behalf of the Council the Chairman thanked Ms. Morgan for the valuable contribution she had made to the College and to the work of the Council during her period as
On behalf of the Council, the Chairman also thanked the Senior Dean, Professor Isham, whose last Meeting this was, for the valuable contribution he had made to the work of the Council.

Finally, the Chairman noted that this would also be Dr. Gray's last Meeting. The Chairman paid tribute to Dr. Gray and said that he had been a highly valued member of the Council throughout his period of office. In addition to his contributions to the work of the Council, he had also latterly been the Deputy Chairman of the Council and Chairman of the Audit Committee. On behalf of the Council, the Chairman thanked Dr. Gray for the contribution he had made to the College and to the work of the Council over the last eight years.

The Clerk reminded members that the Council's next Meeting would be held on Friday, 25 September 2009, when the Council's Away Day would also be held.
2009/10 Budget and 5 Year Plan

Dr Martin Knight, July 2009

The budget and the 5 year picture

- The 2009/10 Budget looks fine- BUT the context is not:
  - Uncertain economic environment
  - Significant concerns over government funding post 2010 election
  - Due to the “long” cycle of Imperial’s business the full impact will not be felt until 2011/12
  - AND the risks over the next 2 years are large
Consolidated Budget 2009/10 Highlights

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<th>Item</th>
<th>2008/09 Forecast (£m)</th>
<th>2009/10 (£m)</th>
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<tr>
<td>Net Cash/(Debt)</td>
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<td>(44)</td>
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Budget 2009/10 Highlights - Income

- Total income rises by 3%
  - Research income rises by 2% to £285m, contribution up 6% to £55m
  - Student fee income rises by 13% to £116m
    » Student numbers up 3.9%, inc extra 225 identified since submissions
  - HEFCE grant reduces by 0.4% to £174m

- Faculties
  - FoM delivers £1m surplus budget but £10m restructuring
  - FoNS & FoE breakeven, but £2m restructuring
  - Business School £1m deficit

- £0.5m assumed from new International activities
- £0.5m assumed from equity realisations through Innovations
Budget 2009/10 Highlights - Expenditure

• Continued cost control in the centre
  • Support Services costs fall by 5% to £70m
  • Admin & Academic Services submitted overall flat.
    » (£1.3m) reduction target still to be met
  • Commercial Services breakeven on significantly increased allocated cost base

• £5m new SIF

Capex and Cash

• Capex lower in 09/10:
  • £108m total, £52m externally funded, £56m College
    • Eastside £1m
    • L Block £19m, all SRIF funded
    • SEQ phase 1 £40m, £19m college funded
    • CBS H1, £7m
    • Data centre, £12m assumed
    • Sherfield kitchen, £3m
    • Pilot plant, £4m externally funded
    • Other including FM initiatives, £20m

• College Fund cash: move out of cash into other asset types
• Cash outflow £46m
• 31 July 2010 net debt £44m
**Budget Upsides**

- Overall Research Order book in hand at 83% (varies by Faculty)
  BUT: lowest for 5 years

- Continued track record for tight cost management in certain areas

- Wye now closed – only £0.3m for College

- Student fee income has historically beaten budget

**Budget Risks**

- Likely £1m HEFCE budget reduction

- 225 additional overseas students assumed in 2009/10

- Impact of current economic climate
  - Research income risks – contribution risk
  - Research terms of trade – PIA risk
  - Pay award not yet agreed

- Delays in delivering restructuring plans
  - Total restructuring cost ~£12m, but a 1.5 year payback

- Cost & operational impact of Woodlands (not included yet)
**Budget Summary**

- 2009/10 budget looks healthy enough
- More tangible likely downsides than upsides

So: Central contingency of £5m

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**5 year plan highlights**

<table>
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<tr>
<th></th>
<th>2009/10</th>
<th>2010/11</th>
<th>2011/12</th>
<th>2012/13</th>
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<td><strong>Capital Expenditure</strong></td>
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<td>43</td>
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<td>52</td>
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<td><strong>Net Debt College (inc College Fund)</strong></td>
<td>(80)</td>
<td>(90)</td>
<td>(80)</td>
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<td>(132)</td>
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"net" basis

NB: figures exclude Imperial Innovations
Assumptions

- HEFCE grant falls by 18% by 2012: £158m to £130m
- No HEFCE capital grant post 2011
- Research income: 4% reduction by 10/11 then slow recovery
- Student numbers: underlying 7% increase already assumed
- Income from new activities
  - College Fund dividend: - £5m by 2013/14
  - IP equity realisation and royalties - £0.5m rising to £4m
  - Commercial Opportunities - £0.5m in 09/10 rising to £4m in 13/14
- Student Numbers
  - Further 570 targeted – plans for 370 tentatively identified
- Donations
  - None included – freely disposable or capital project
- Continued cost control
- SIF £5m p.a.

Capital Expenditure Programme

<table>
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<tr>
<th>In £m</th>
<th>09/10</th>
<th>10/11</th>
<th>11/12</th>
<th>12/13</th>
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<td>43</td>
<td>61</td>
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Approved Projects
- L Block (£82m)
- SEQ- M.E. & Skempton Levels 0&1, full scheme design fees (£76m)
- Hammersmith CBS H1 refurbishment (£10m)
- Sherfield kitchens and MDH refurbishment (£4m)

Planned Projects
- SEQ- Exhibition Rd Blding & M.E. upper floor refurbishment (£138m in plan period)
- Data centre (£12m)
- Plant replacement (£26m)
- Misc. Facilities Management initiatives (£25m)
- Others (£14m)
5 year plan highlights

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<td></td>
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<tr>
<td>Net Debt College</td>
<td>(80)</td>
</tr>
</tbody>
</table>

**“net” basis

NB: figures exclude Imperial Innovations

5 year worry factors

- Revenue growth 1.6% average, down from 8% average over last 5 years
  » Research income average 1.1% growth: £272m to £288m
    – down from 9% average over last 5 years

- Cost base increases by 2.4% CAGR – below College inflation

- Capex: only planned and approved capex – the crowding out effect of SEQ

- Aggregate surplus of £95m
  » BUT: £60m comes from new income sources

- Declining surplus – rising debt
Upsides

- HEFCE grant reduction less dramatic
- Removal or raising of top up fee cap
  - Doubling to £6k raises net ~£3m p.a. per year
- Current market conditions in construction industry – lower capex costs
- Able to further increase overseas students numbers
- Income from commercial projects and IP equity realisations are higher
- Low inflation environment continues for longer
- Donations

The risks

- HEFCE grant
- Pensions: 2011 valuation
  - Unless significant change to benefits (CARE, retirement age, cost sharing etc) is achieved, £20-30m p.a. is the potential additional cost
- Inability to recruit overseas students
- Inability to deliver new sources of income
- Research Council funding
  - Reductions in Research Council income, lower award rates
- The return of inflation
- Utility costs
- Reactor costs
In Summary

• 5 year plan less robust than in previous years
• College has identified actions to mitigate reduced HEFCE grant
• There are some very significant risks
  • Some that College has no / little control over: inflation, pensions
• Quality of upsides??
• No allowance for Woodlands
• Leaves little room for financial flexibility or capex opportunism
• It presents a deteriorating picture
• SEQ dominates the cash position

The recommendation

1. Approve the Budget for 2009/10
2. Approve Woodlands
3. Submit the proposed Plan to HEFCE (with caveats)
4. Proceed to obtain planning permission for SEQ
5. Recognise that SEQ approval may be deferred pending financial clarity
BBC Woodlands site
London, W12

The site

- 6.5 acres, 25,000 sq m
- 1980’s buildings – 3 storeys
- Externals in good order
- Sports centre, Nursery, Cafeteria
- Vacant for 9 months
- Being prepared for demolition
Site analysis

Feasibility & Due diligence study completed:
- Architecture/Design - Swanke Hayden Connell
- Mechanical, Electrical and Public Health Engineering - Hoare Lea
- Structural appraisal - Curtins Consulting
- Cost consulting - Gleeds
Risks

Refurbishment costs
  • Feasibility undertaken, plant life risk
Planning permissions
  • Development already in Borough’s core strategy
Construction risks
  • Developer-led

Benefits: Immediate

• Space for academic use at South Kensington Campus
• Release Princes Gardens space to College Fund
• Improve/enlarge offering at Hammersmith Campus
• Income opportunity
• Enhanced nursery provision
• Site for post graduate accommodation
Benefits: longer term

- 100,000 Sq m of developable space \([x4 \text{ existing}]\)
- Post Graduate accommodation
- New College admin block, New sports and leisure facilities, Second data centre
- Commercial residential and office accommodation
- Space for academic initiatives
PAPER A

STAFF MATTERS

A Note by the Rector

DEAN OF LEARNING AND TEACHING

Professor Susan Eisenbach, Professor of Computing has been appointed to the new post of Dean of Learning and Teaching, with effect from 1 September 2009.

COLLEGE TUTOR

Dr Michael (Mick) Jones, Senior Lecturer in Molecular Virology, in the Division of Investigative Science, has been appointed as a College Tutor for the Hammersmith Campus with effect from 1 March 2009.

HEAD OF DEPARTMENT

Professor Ferri Aliabadi, Professor of Aerostructures, has been appointed Head of the Department of Aeronautics, in the Faculty of Engineering, with effect from 1 August 2009.

EXECUTIVE DIRECTOR OF RESEARCH SERVICES MEDICINE

Ms Edna Murphy, has been appointed to the post of Executive Director of Research Services Medicine, in the Faculty of Medicine Centre, with effect from 6 April 2009.

HEAD OF ICT BUSINESS SYSTEMS

Mr Antony David Tyler, Systems Delivery Director at Vanco plc and Reliance Globalcom, has been appointed to the post of Head of Business Systems, in ICT with effect from 1 June 2009.

PROFESSORS

Professor Mark Richard Johnson, formerly Consultant at the Chelsea & Westminster Hospital and Honorary Reader at Imperial College London, has been appointed to the post of Clinical Chair in Obstetrics, in the Division of Surgery, Oncology, Reproductive Biology and Anaesthetics (SORA), Faculty of Medicine, with effect from 1 June 2009.

Dr Norbert Klein, currently Head of the High-Frequency-Sensor Division at Forschungszentrum Jülich, (FLZ), Germany, Institute for Bio and Nanosystems and Visiting Professor at Imperial College, has been appointed to the post of Chair in Electromagnetic Nanomaterials, in the Department of Materials, Faculty of Engineering, with effect from 1 October 2009.

Professor Frank de Wolf, currently Director of the HIV Monitoring Foundation, Amsterdam, The Netherlands, and previously, Visiting Professor at Imperial College, has been appointed
to the post of Chair in Clinical Retrovirology, in the Department of Infectious Disease Epidemiology, in the Division of Epidemiology, Public Health and Primary Care, Faculty of Medicine, with effect from 1 May 2009. Professor de Wolf will take up his appointment with the College is on a part-time basis alongside his existing role as Director of the HIV Monitoring Foundation.

**Professor Thomas Brand**, currently Associate Professor for Molecular Developmental Biology, at the University of Würzburg, Germany, has been appointed to the post of Chair in Developmental Dynamics, in the National Heart and Lung Institute (NHLI), Faculty of Medicine, with effect from 1 October 2009.

**Dr. Eduardo Gutierrez Saiz**, currently Staff Scientist at the Lawrence Berkeley National Laboratory, California, and Adjunct Professor in the Department of Preventive and Restorative Dental Sciences, UC San Francisco, California, USA, has been appointed to the post of Chair in Structural Ceramics, a joint appointment in the Departments of Materials and Mechanical Engineering, Faculty of Engineering, with effect from 1 October 2009.

**READER**

**Dr Kenneth Harris**, currently Assistant Professor at Rutgers University, New Jersey, USA, has been appointed to the post of Reader in Neurotechnology, jointly within the Departments of Bioengineering and Electrical and Electronic Engineering, Faculty of Engineering, with effect from 1 August 2009.

**VISITING PROFESSORS**

**Professor Elizabeth Mary Claire Fisher**, previously Professor of Genetics at University College London, has accepted an association with the College as Visiting Professor in the Division of Molecular Biology, Faculty of Natural Sciences, with effect from 1 April 2009, for a period of three years.

**Dr Keith Guy**, currently Director of Spiritus Consulting Group and Webaspx Ltd and also Chairman of Process Systems Enterprise, Impact Faraday Ltd and Process Integration Ltd, has been offered an association with the College as Visiting Professor in the Department of Chemical Engineering, Faculty of Engineering, with effect from 1 April 2009, for a period of three years.

**Professor Carsten Wiuf**, has been offered an association with the College as Visiting Professor in the Division of Molecular Biosciences, Faculty of Natural Sciences, with effect from 1 April 2009, for a period of three years.

**Professor Tom Bourne**, previously Professor at the Department of Gynaecology, Katholieke University of Leuven, Belgium, has accepted an association with the College as Visiting Professor in the Division of Surgery, Oncology, Reproductive Biology and Anaesthetics, Faculty of Medicine, with effect from 6 April 2009, for a period of one year.

**Professor Masatoshi Makuuchi**, previously President of the Japanese Red Cross Medical Centre, has been offered an association with the College as Visiting Professor in the Division of Surgery, Oncology, Reproductive Biology and Anaesthetics, Faculty of Medicine, with effect from 1 May 2009, for a period of five years.
**RETIREMENT**

Professor Arkady Aharon Tsinober, Professorial Research Fellow ("Marie Curie Chair"), in the Department of Aeronautics, Faculty of Engineering, retired from the College on 31 May 2009. Following retirement he has been awarded the title of Distinguished Research Fellow.

**RESIGNATIONS**

Mr Robert Edward (Bob) Westaway, Academic Registrar, resigned with effect from 1 May 2009.

Professor Nicholas John (Nick) Lench, Chief Executive - London Genetics Limited, Division of Development & Corporate Affairs, resigned with effect from 31 May 2009.

Mr Owen Stephens, Assistant Director: e-Strategy & Information Resources, in Library Services, resigned with effect from 31 May 2009 to take up an appointment as Project Manager for the TELSTAR Project at the Open University.

**DEATH IN SERVICE**

Professor Michael (Mike) Reed, Professor of Steroid Biochemistry, in the Division of Medicine, died on 6 April 2009.
PAPER B

APPLICATION BY IMPERIAL COLLEGE HEALTHCARE NHS TRUST
FOR FOUNDATION TRUST STATUS: IMPLICATIONS FOR IMPERIAL COLLEGE

A Paper by the College Secretary

INTRODUCTION

1. All NHS hospital trusts are expected by the Department of Health to apply for Foundation Trust status by the end of 2010. Foundation trusts are public benefit corporations which enjoy freedom from direct ministerial and Strategic Health Authority control. They can acquire property, borrow money, determine their own salary rates and carry forward surpluses. They are, though, subject to a Regulator, Monitor, which approves each Trust’s constitution and their application to become a Foundation Trust. Monitor must approve borrowing limits and any disposal of core premises. They also have powers to remove governors and directors in exceptional circumstances and appoint an interim Board to run the Trust in case of gross failure.

2. Imperial College Healthcare NHS Trust (ICHT) intends to apply for Foundation Trust (FT) status in 2010, maybe as soon as April, if supported by the Strategic Health Authority, otherwise July or October.

3. The Academic Health Science Centre (AHSC) partnership between the Trust and the College would be affected by the transition of the Trust to a Foundation Trust. The purpose of this paper is to set out how the College’s and AHSC’s interests are being protected in the proposed FT constitution. It also describes progress on delivering the criteria considered by the Management Board and Council in July 2008 as necessary or desirable for the successful constitutional formation of an ‘Academic Foundation Trust’ (reproduced in the Annex of this paper). At that time, the government had indicated, indeed requested, that the College submit proposals for legislative change to enable the academic partners in AHSCs to be re-assured that their investment in the AHSC in staff time and reputation could be protected in the long-term.

CONSTITUTION

4. Earlier this year, the Trust and College were granted AHSC status by the Secretary of State for Health following a competitive application process and review by a distinguished international panel. Cambridge, UC, King’s and Manchester were also designated as AHSCs. In effect, this satisfied the first three of our criteria listed in the Annex. The proposed Imperial College Healthcare Foundation Trust (ICHFT) constitution will clearly state that one of the principal purposes of the Trust will be to “carry out research and education in connection with the provision of healthcare” (criterion iv). Monitor have confirmed that the FT would have powers to undertake bio-medical research.

5. The next two criteria (v-vi) seek powers for the academic partner to appoint and remove the Chairman and not less than half the Board of Governors. Despite its initial eagerness to consider alternative legal frameworks for AHSC, albeit around the basic Foundation Trust model, in the end, the Department of Health did not, or could not, deliver. The NHS Bill recently enacted which followed the Darzi review made no mention of AHSCs and made no changes to the ruling 2006 NHS Act in respect of FTs. The Department’s position was that they would consider legislation after designation of the AHSCs, at which
point, of course, it was too late to incorporate into the 2009 Bill and so would have to wait until the next Parliament at the earliest and the possibility of a new government.

6. The College and Trust considered what might be achieved using the existing legislation and a series of meetings has been held with Monitor. The governance of FTs is ordered at three levels – the members, the Board of Governors and the Board of Directors. The Trust needs to enrol about 60,000 members (by April 2010) of the public in order to convince Monitor that it enjoys popular support. Monitor advise that the geographic constituency should be all of England and Wales. The College could assist by promoting membership amongst its staff, students and alumni. The Students Union consider that it would be reasonable for medical students automatically to be made members unless they opted-out with the reverse being the case for other students. A similar arrangement might apply to staff. Membership does not confer any particular benefit to the individual other than the right to elect governors.

7. The Governors who are, in the main, elected from public, patient/carer and staff member constituencies appoint the non-executive directors on the Board (including the Chair) who then appoint the CEO (whose appointment also needs Board of Governors approval). Although the majority of the Board of Governors have to be elected by the public and patient constituencies, the 2006 Act allows for associated universities to appoint “at least one” governor. Monitor have indicated that they would authorise the ICHFT constitution to provide for about 40% of the Board to be appointed by the College.

8. Monitor have, though, declined to allow the constitution to specify that the College has power to appoint the Chair (criterion vii) or CEO (criterion ix). They will require that the College is consulted on both appointments but will permit only one non-executive director (NED) on the Board of Directors to be directly appointed by the College (not the majority as in criterion viii). The NEDs appoint the CEO of the Trust. Monitor would permit the constitution to specify that the composition of a nomination committee has to include the rector (or nominee) of the College. The nomination committee’s recommendations for Chair and non-executive directors have, though, to be approved by the Governing Board in general meeting. The Board would be required to have a real choice of candidates proposed to them.

9. The joint post of CEO/Principal of the Faculty of Medicine is the epitome of the Imperial AHSC. If these posts were held by separate people at some stage in the future, then our AHSC, as currently conceived, would terminate. Although Monitor would not allow this to be specified in the FT constitution, the Relationship Agreement being drawn up between the NHS Trust and the College does make this clear (see separate item on the agenda) as does the agreement between the College and the Trust on the terms of the CEO/Principal post.

10. The question therefore is whether the criteria specified in July 2008 as being necessary for the successful implementation of the AHSC have been satisfied sufficiently for the College to be comfortable. The constitution and associated Relationship Agreement need to be strong enough to withstand not just the inevitable changing personalities in key positions in both the Trust and the College in the years ahead but significantly different financial, political and other circumstances that may, and indeed now are likely to, occur over the course of time.

11. The 2006 Act allows the current NHS Chair, NEDs and CEO to hold similar office in the first FT Board for the unexpired period of their term. Without legislative change our criterion (x) is not enforceable, but in any case, I would suspect the College would not wish to make changes. In due course, it may, though, wish to consider whether it would ask the governors to appoint more than one university nominee as NEDs on the Board.
12. The change of status to FT would not affect the College’s legal position in relation to any liabilities or acts of omission of the FT; it would have none (criterion xi and see two legal opinions given in the July 2008 paper).

13. The composition of the Governing Board might look like this:

   a. 40 representatives of the general public
   b. 29 representatives of Imperial College
   c. 4 representatives of ICHT staff including honorary appointments
   d. 6 representatives of ‘partners’ (2 representing local PCTs, 2 Local Authorities, 1 Joint Trade Union, 1 MRC)

14. Such a composition would give the College 37% of the total membership (79) of the Governing Board. Please note that the exact number of governors in each category is still to be finalised and agreed by Monitor, but the proportions should not vary to any significant extent. The constraints on size are determined by the legal requirement that the elected membership from the public constituency must make up the majority. Local PCTs and Local Authorities have also to be represented as do staff elected from the various categories employed. The MRC share the Hammersmith campus and should also be represented on the Governing Board.

15. Elected Governors usually have three-year terms, renewable once or twice. Governors meet a few times each year to hear about progress with the Trust and, in our case, development of the AHSC with the College. Appointed governors can be required by the terms of the Trust’s constitution to follow direction from their nominating body or risk being removed from the Board.

16. The size of the Board (79 in the example above) would make it the largest in England by far. Monitor have indicated that size, per se, is not an issue for them but informal discussions are underway with Monitor to see whether weighted voting (and use of alternates in case of absences) would be permissible in order to reduce the size of the Board. Monitor’s position is that they would consider any proposal for the constitution as long as it complied with the 2006 Act and other relevant legislation. The Trust also has to gain approval from the London Strategic Health Authority and local Primary Care Trusts and more generally from Trust staff and the public. The proposed constitution is novel in respect of the degree of influence by the university partner. Of course this reflects the mission which is clearly different from standard FTs but the case will need to be made to each of the stakeholders.

**SUMMARY**

17. The Council is asked to consider whether:

   a. Having about 37% of the voting power of the ICHT Governing Board is sufficient (along with the direct nomination of one non-executive Director) to manage the composition of non-executive Directors, including the Chairman, on the Board of Directors
b. The stipulation that the CEO of ICHT should always be the Principal of the College’s Faculty of Medicine is sufficiently protected through the Relationship Agreement and Agreement on the Terms of the Post.

c. All other criteria set out in the July 2008 paper (reproduced in the Annex to this paper) have either been satisfied or are no longer of concern, and

d. the College supports ICHT in applying for Foundation Trust status, subject to agreement to the proposed constitution in due course and the business plan in as much as it affects the College.

RFE
22 Jun 2009
13. The following 11 points set out our proposals.

(i) Any NHS Trust or Foundation Trust with Comprehensive Biomedical Research Centre status shall be able to apply with their academic partner to the Department of Health for the status of Academic Health Science Centre.

(ii) Any Academic Health Science Centre shall be able to apply to the regulator for the Trust to be granted Academic Foundation Trust (AFT) status.

(iii) Any application for Academic Foundation Trust shall only be made if supported by:

   a. The Secretary of State for Health
   b. The academic partner

(iv) The principal purpose of the Academic Foundation Trust shall include ‘the carrying out of research and education in connection with the provision of healthcare’ as well as ‘goods and services for the purposes of the health service’.

(v) The academic partner shall have the right to appoint and remove the Chairman of the Board of Governors. The appointment and removal of the Chairman of the Board of Governors shall only be made if supported by the Secretary of State.

(vi) The academic partner shall have the right to appoint and remove not less than half of the AFT Board of Governors. The remaining Governors shall represent the interests of the local population, staff, patients and partnership organisations.

(vii) The academic partner shall have the right to appoint and remove the Chairman of the Board of Directors. This may be the same person as the Chairman of the Board of Governors, but need not necessarily be so.

(viii) The academic partner shall have the right to appoint and remove not less than half of the non-executive directors of the Board of Directors, including the Chairman. The remaining non-executives shall be elected by the Board of Governors and represent the interests of the local population and patients.

(ix) The academic partner shall have the right to appoint and remove the Chief Executive. The appointment and removal of the Chief Executive shall only be made if supported by the majority of the Non-Executive Directors.

(x) Following a successful AFT application, the AFT shall be able to appoint its directors afresh to reflect its change in status. (Under a standard FT application, the Directors in-post transfer automatically onto the new FT Board).

(xi) The academic partner in AFTs shall not be liable for any act or omission, losses or other liabilities of the AFT.

14. Should some or all of these points not be incorporated in legislation then we may need to consider alternative ways forward.
PAPER C

ACADEMIC HEALTH SCIENCE CENTRE
FRAMEWORK AGREEMENT BETWEEN THE COLLEGE AND
THE IMPERIAL COLLEGE HEALTHCARE NHS TRUST

A Note by the College Secretary

INTRODUCTION

1. The AHSC has been running successfully since October 2007 and without the need for a constitutional framework setting out how the College and Trust interact. However, now that a certain custom and practice has materialised it is probably useful to formalise the relationship between the College and the Trust to ensure as far as possible that the objectives of the AHSC are achieved. The Council is therefore asked to consider the terms of this Deed and, if it sees fit, approve it on the terms proposed below.

CLAUSES TO NOTE

2. Trade Mark Licence. As the Trust uses the words “Imperial College” in its name (which are registered trade marks of the College), the College needs to ensure that use by the Trust of its trade marks is sufficiently protected. The Trade Mark Licence contained in the Deed allows the Trust to carry on its activities using its name but at the same time places obligations on the Trust to consult the College in circumstances where it reasonably considers use of the words “Imperial College” would materially damage the College’s reputation. If the parties were unable to agree on the use of such trade marks, or on other breach, the College would have the right to terminate the Deed.

3. Joint Research Office. The Joint Research Office schedule provides a framework for the running of such an office. It provides (among other things) (i) that the parties will work together to develop a set of standard operating procedures, (ii) that the parties will agree a budget for the efficient running of the office; (iii) that the office will be staffed with both employees of the Trust and employees of the College; and (iv) the office will be led and managed by the Executive Director of Research Services Medicine who will be operationally accountable for service delivery to the Director of Research who, in turn, will be accountable to the Principal of the Faculty of Medicine/Chief Executive of the Trust.

4. Termination.

a. The Relationship Deed will be coterminous with the Agreement for the Terms of the Post (which sets out how the Principal/CEO post operates). It will also terminate upon the Trust becoming a Foundation Trust, or by either party giving not less than 12 months notice. It may also be terminated by the College with immediate effect in certain circumstances.

b. When the Trust becomes an NHS Foundation Trust, and the Relationship Deed is terminated as a result, the form of this Relationship Deed is intended to be incorporated into a similar agreement between the College and the NHS Foundation Trust.
5. **Liability.**

   a. The Deed deals with the liability of the Parties and sets out the circumstances in which the Parties will be required to indemnify the other for any loss.\(^1\) This clause is intended to reflect how liability is determined in practice.

   b. The College will not be responsible for any liability arising out of (i) any services provided by the Trust; (ii) any failure by the Trust to comply with the law; or (iii) the content of the Trust website (except where such loss arises as a result of a negligent act of the College). The College will be responsible for liability arising out of its own acts or omissions.

   c. The College will also be liable for negligent acts or omissions of its employees and employees of the Trust whilst engaged by the College under an honorary contract, where such acts or omissions occur in the course and scope of such engagement.

   d. These provisions are reciprocal, so the Trust will be responsible for any liability arising from its own acts or omissions and those of its employees (as well as acts or omissions of College employees engaged by the Trust under an honorary contract) where such acts or omissions occur in the course and scope of such engagement.

**NEGOTIATION TEAM**

6. The Relationship Deed has been drafted by Nadia Baillie, College Solicitor, with input from Lynne Cox, Tom Miller and myself. On the Trust side, Tony Graff, Claire Perry and their legal advisors have been involved.

7. The broad principles set out in this Relationship Deed have also been checked for the College by Mills & Reeve.

8. Please note that Professor Steve Smith has abstained from participating in negotiations of the terms of this Deed due to the conflict arising as a result of him being both Principal of the Faculty of Medicine and Chief Executive of the Trust.

**PROPOSAL**

9. The College is still waiting for final comments from the Trust and its legal advisors on the current form of this Deed. Consequently, if agreed by the Board, it is proposed that the College enter into the Relationship Deed with the Trust, but only if any further changes proposed by the Trust are acceptable to the College, as determined by the Chairman.

**ACTION**

10. The Council is therefore asked to consider and, if it sees fit, approve the resolutions set out below.

    **Proposed Resolutions:**

    (i) That, after due consideration of all the circumstances the College enter into the Relationship Deed

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1. This is contained in Clause 15 of the Agreement (Liability and Indemnities).
with Imperial College Healthcare NHS Trust provided that the Board of Imperial College Healthcare NHS Trust also agree to enter into the Deed and that any changes made to the Deed subsequent to this resolution are acceptable to the College, as determined by the Chairman.

(ii) That the Rector and the College Secretary be authorised to execute the Relationship Deed.
APPENDIX 1
RELATIONSHIP DEED

DATED [insert date] 2009

Imperial College of Science, Technology and Medicine (1)

and

Imperial College Healthcare NHS Trust (2)

RELATIONSHIP DEED
THIS DEED is made on 2009 BETWEEN:

(1) Imperial College of Science, Technology and Medicine, a body corporate established by Royal Charter with registration number RC000231, whose office is at Exhibition Road, London SW7 2AZ (Imperial College); and

(2) Imperial College Healthcare NHS Trust, established by UK statutory instrument 2007/2755 of The Bays Building, South Wharf Road, Paddington, London W2 1NY (the Trust),

(each a Party and together the Parties).

WHEREAS

(A) Imperial College is a provider of education and research in science, engineering and medicine, with particular regard to their application in industry, commerce and healthcare.

(B) On October 1 2007, Hammersmith Hospitals NHS Trust and St Mary's NHS Trust merged and formed the Trust.

(C) Imperial College and the Trust have together formed an academic health science centre (AHSC).

(D) The Parties hereby agree to formalise pursuant to this Deed how they will work together to ensure the objectives of the AHSC contained herein are achieved.

1. DEFINITIONS AND INTERPRETATION

Acknowledgement means wording indicating that Imperial College is the owner of the Trade Marks.

Act means the National Health Service Act 2006.

Agreement for the Terms of the Post means the agreement entered into on [insert date] 2009 between Imperial College and the Trust, attached as Schedule 5.

AHSC Committee means a committee comprising the holder of the Post and the senior executives of each Party, established in accordance with Clause 7.

Background Intellectual Property means any and all Intellectual Property (other than the Trade Marks) which is owned or controlled in whole or in part, directly or indirectly by either Party.

Chairman means the person appointed as chairman of the Trust.

College Services means the provision of education and Research in science, engineering and medicine by Imperial College.

College Website means the website operated on behalf of Imperial College at the URL http://www3.imperial.ac.uk.

Commercialisation Partner means a person appointed to, among other things, exploit Intellectual Property.

Confidential Information means, in relation to either Party, information relating to it which is made available (whether before or after this Deed is agreed) in writing, visual or machine readable form (including by fax and other forms of electronic transmission) or orally to the Receiving Party by the Disclosing Party and identified in writing as such or that ought to be considered as confidential and includes commercially sensitive information and any information which relates to the business, affairs, properties, assets, trading practices, developments, trade secret, Intellectual Property, know how, personnel, students and suppliers of a Party, but excludes information which:

a. is publicly available at the time of its disclosure; or
b. becomes publicly available following disclosure (other than as a result of disclosure by the Receiving Party or any other person contrary to the terms of this Deed); or

c. was lawfully in the Receiving Party’s possession prior to disclosure under this Deed (as can be demonstrated by the Receiving Party’s written records or other reasonable evidence) from a source free of any restriction as to its use or disclosure prior to its being so disclosed;

d. is received from a third party who lawfully acquired it and who is under no obligation restricting its disclosure; or

e. is independently developed by the Receiving Party without access to the Confidential Information; or

f. must be disclosed pursuant to a legal obligation placed upon the Receiving Party.

**Directorate of Research** means the research directorate structure contained within the Trust and Imperial College which is responsible for all Research related activities of the AHSC and which includes (but is not limited to) the Joint Research Office.

**Director of Research** means an employee of Imperial College who is also appointed to the position of Director of Research of the Trust.

**Disclosing Party** means the Party disclosing Confidential Information to the other Party or on whose behalf Confidential Information is held by the other Party.

**Dispute** means any dispute or difference of whatsoever nature arising under, out of, in connection with or in relation (in any manner whatsoever) to this Deed including:

a. any dispute or difference concerning the initial or continuing existence of this Deed or any provision thereof or as to whether this Deed or any provision thereof is invalid, illegal or unenforceable (whether initially or otherwise); and

b. any dispute or claim which is ancillary or connected, in each case in any manner whatsoever, to the foregoing.

**Domain Name** means the domain name imperial.nhs.uk.

**Effective Date** means 1 October 2007.

**Employing Party** has the meaning given to that term in Clause 3.2 of Schedule 4.

**Employment Contract** means the terms of employment between an Employing Party and the JRO Staff Member as may be amended from time to time in accordance with the Employing Party’s usual procedures.

**Faculty of Medicine** means the Faculty of Medicine of Imperial College.

**FOIA** means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time.

**Foreground Intellectual Property** means the Intellectual Property arising directly out of Research collaborations between the Parties in furtherance of the objectives of the AHSC.

**Further Services** means any additional services which the Trust may provide as a result of a successful application to the Secretary of State (in accordance with the Act) to extend the scope of the powers conferred on it pursuant to its NHS Trust Order.

**Imperial College Mark** means the trade mark “Imperial College”, including but not limited to the registered trade marks and trade mark applications set out in Schedule 2.

**Imperial Mark** means the trade mark “Imperial”. 
**Intellectual Property** means any invention or discovery, improvement, design, process, information, know how, copyright work (including without limitation rights in and to technical processes, systems, methods, software design, algorithms, code, scripts or other computer software), rights in databases, domain name, trade mark, trade name or get-up (whether registered or not and including applications for the same) and all other similar proprietary rights anywhere in the world.

**Intellectual Property Legislation** means the Patents Act 1977 and the Copyright, Designs and Patents Act 1988 as each may be amended from time to time.

**Joint Research Office** means the office established or to be established by Imperial College and the Trust in accordance with Clause 9.

**JRO Staff Member** has the meaning given to that term in paragraph 3.1 of Schedule 4.

**Management Issues** means all those matters arising under the Employment Contract requiring action, investigation and/or decisions by the Employing Party including in particular (by way of illustration only and without limitation) appraisals and performance issues; pay reviews and the award of other payments and benefits under the Employment Contract; periods of annual, sick or other leave; absence of the JRO Staff Member for any other reason; any complaint about the JRO Staff Member (whether or not that would be dealt with under the Employing Party's disciplinary procedure) and any complaint or grievance raised by the JRO Staff Member (whether or not that would be dealt with under the Employing Party's grievance procedure).

**NHS** means the National Health Service.

**NHS Foundation Trust** means an NHS foundation trust established under the National Health Service Act 2006.

**Post** means both the role of the Principal of the Faculty of Medicine at Imperial College and the role of Chief Executive of the Trust.

**Receiving Party** means the Party in receipt of Confidential Information from a Disclosing Party.

**Rector** means the person appointed as Rector of Imperial College in accordance with its Royal Charter.

**Regulations** mean The National Health Service Trusts (Membership and Procedure) Regulations 1990, as amended from time to time.

**Request for Information** shall have the meaning given in the FOIA or any apparent request for information under the FOIA.

**Required Style** means the form and manner, including but not limited to the stylisation, colour and font of the Trade Marks and the Trust Name as specified by Imperial College and set out in Schedule 3.

**Research** means biomedical research at both the basic and applied levels.

**Royal Charter** means the Royal Charter granted under Letters Patent in 1907 to Imperial College, as supplemented by the Supplemental Charter and Statutes.

**Secretary of State** means the Secretary of State for Health.

**Services** means the services to be provided in accordance with the Trust’s functions set out in Statutory Instrument 2007 No. 2755, namely the provision of hospital accommodation and services, and community health services for the purposes of the health service.

**Special Data Set** means a specific collection of Personal Data held by a Party.

**Supplemental Charter and Statutes** means the Supplemental Charter and Statutes granted by HM Queen Elizabeth II to Imperial College, which came into force on 8 July 2007.

**Trade Marks** means the Imperial College Mark and the Imperial Mark.
**Trade Mark Licence** means the trade mark licence granted by Imperial College to the Trust in accordance with the terms set out in Schedule 1.

**Trust Name** means the “Imperial College Healthcare NHS Trust”.

**Trust Website** means the website operated on behalf of the Trust at the URL [http://www.imperial.nhs.uk](http://www.imperial.nhs.uk).

**Working Day** means Monday through to Friday but will not include Saturdays, Sundays or public or bank holidays in England.

In this Deed (except where context otherwise requires):

a. Any reference to a recital, clause, appendix or schedule is to the relevant recital, clause, appendix or schedule of or to this Deed and any reference to a sub-clause or paragraph is to the relevant sub-clause or paragraph of the clause, appendix or schedule in which it appears;

b. The clause headings are included for convenience only and shall not affect the interpretation of this Deed;

c. Use of the singular includes the plural and vice versa;

d. Use of gender includes the other gender;

e. Any references to “persons” includes natural persons, firms, partnerships, companies, unincorporated associations, organisations, governments, states, foundation and trusts (in which case whether or not having separate legal personality) and all other legal entities; and

f. Any reference to a statute, statutory provision or subordinate legislation (“legislation”) shall (except where the context otherwise requires) be construed as referring to such legislation as amended and in force from time to time and to any legislation which re-enacts or consolidates (with or without modification) any such legislation.

g. A reference to a “law” includes common or customary law and any constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure, in each case of any jurisdiction whatever (and “lawful” and “unlawful” shall be construed accordingly).

h. A reference to an “official requirement” includes any rule, directive, request or guideline (whether or not having the force of law, but not being a law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation.

i. The Schedules, appendices and recitals form part of this Deed and shall have effect as if set out in full in the body of this Deed and any reference to this Deed includes the schedules, appendices and recitals.

j. In the event of any conflict between the provisions of this Deed and the provisions of the schedules or appendices, the provisions of this Deed shall prevail.

k. In the event of any conflict between the provisions of this Deed and the provisions of the Agreement for the Terms of the Post, the provisions of this Deed will prevail.

2. **OBJECTIVES OF THE AHSC**

a. Imperial College and the Trust hereby agree that the objectives of the AHSC include:
   
i. to provide world class patient care;
   
ii. to provide internationally excellent Research;
   
iii. to provide internationally excellent healthcare education;
iv. to enhance the translation of Research into safe practice;

v. to establish and operate a Joint Research Office to support Research opportunities and productivity; and

vi. to attract, develop and retain highly qualified, talented and motivated staff and students at all levels.

b. The Parties acknowledge and agree that the terms of this Deed will provide the framework for future contractual arrangements between the Parties where such arrangement relates to the objectives of the AHSC, unless otherwise agreed by the Parties.

c. The Parties acknowledge and agree that nothing in this Deed will prevent either Party from carrying on their activities outside the remit of the AHSC.

3. GENERAL PRINCIPLES

The relationship between Imperial College and the Trust in achieving the objectives contained in Clause 2 will be guided by the following values:

a. Integrity

Each Party hereby agrees to act honestly and in good faith and in accordance with the applicable law.

b. Communication

Each Party acknowledges that it must communicate with the other Party honestly and in good faith.

c. Cooperation

Each Party acknowledges and agrees that it will work in a cooperative and constructive manner in order to achieve the objectives of the AHSC.

d. Respect

Each Party recognises and values the other Party’s skills and expertise.

e. Collaboration

The Parties will aim to jointly translate Research into practical treatments and therapies.

f. Innovation

Each Party must encourage new approaches and creative solutions to achieve positive outcomes.

g. Quality Improvement

Each Party will work cooperatively to improve continuously the quality of Services provided.

h. Alignment

Each Party will work towards aligning the minds of each Party in order to achieve the objectives of the AHSC.

4. COMMENCEMENT AND DURATION

a. This Deed is entered into in order to set out the terms on which the Parties will work together to achieve the objectives of the AHSC, as given in Clause 2.

b. This Deed shall commence on the date it is signed, other than the Trade Mark Licence, which shall commence on the Effective Date.
c. This Deed (including for the avoidance of doubt the Trade Mark Licence) shall continue in force until the earlier to occur of:
   i. the Trust becoming an NHS Foundation Trust; or
   ii. termination of this Deed in accordance with Clause 16.

d. If the Trust becomes an NHS Foundation Trust, it is the intention of the Parties that, subject to any Department of Health and Monitor guidance, the framework of this Deed will be incorporated into an agreement between such NHS Foundation Trust and Imperial College.

5. CONDITIONS

Imperial College and the Trust hereby agree that in order to achieve the objectives of the AHSC set out in Clause 2.a, the holder of the Post must be a single individual.

6. TERMS OF THE POST

Imperial College and the Trust hereby acknowledge that the terms and conditions of the Post and appointment of an individual to the Post are set out in the Agreement for the Terms of the Post.

7. ROLE OF THE PARTIES

a. The role of each Party in respect of the AHSC is to work with the other Party to achieve the objectives of the AHSC set out in Clause 2.

b. The holder of the Post will (if he has not already done so) establish the AHSC Committee within a reasonable time after execution of this Deed. The holder of the Post will chair meetings of the AHSC Committee and each Party will have an equal number of representatives on the AHSC Committee.

c. The AHSC Committee will meet regularly to consider, discuss and where appropriate agree a course of action in respect of matters of common interest, including (but not limited to) the determination of budgets relating to the AHSC and (where applicable) the sharing of such budgets.

d. Where a new joint post is proposed by a Party, such proposal will first be considered by the AHSC Committee. If the AHSC Committee approves the new joint post, it will submit the proposal for a new joint post to each Party for their independent approval.

e. Neither Party, nor for the avoidance of doubt the AHSC Committee, has the authority to bind or commit the other Party in any manner or for any purpose whatsoever, except with the prior approval of such Party.

8. TRADEMARKS LICENCE

Imperial College agrees to grant the Trust a non-exclusive and royalty free licence to use the Trade Marks on the terms set out in Schedule 1.

9. JOINT RESEARCH OFFICE

a. In furtherance of the objectives of the AHSC, the Parties agree to establish and operate a Joint Research Office which will provide a single portal for the administration and management of Research registered with it and undertaken by the Trust and the Faculty of Medicine, on the terms set out in Schedule 4. For the avoidance of doubt, the Joint Research Office will not be carrying out the Research.

b. The Parties acknowledge and agree that the Joint Research Office is not intended to impact or infringe upon either Party’s freedom to engage in any future Research at its sole discretion, other than in the circumstance where the Parties agree on a combined Research strategy, in which case future Research will be guided by such strategy.
10. CONFIDENTIAL INFORMATION

a. The Receiving Party:

i. shall treat all Confidential Information received from the Disclosing Party as confidential and safeguard it accordingly; and

ii. shall not disclose any Confidential Information received from the Disclosing Party to any other person without the prior written consent of the Disclosing Party, except where disclosure is otherwise expressly permitted by the provisions of this Deed;

iii. shall not use any Confidential Information it receives from the Disclosing Party other than in performing the objectives of the AHSC or as otherwise contemplated under this Deed; and

iv. shall take all necessary precautions to ensure that all Confidential Information received from any Disclosing Party:

1. is given only to such of its employees and professional advisors or consultants engaged to advise it in connection with this Deed or in connection with the AHSC; and

2. is treated as confidential and is not (without prior written approval, such approval not to be unreasonably withheld) disclosed or used by any employee or any such professional advisor or consultant other than for the purposes of performing the objectives of the AHSC or as otherwise contemplated under this Deed.

b. The Receiving Party shall ensure that its staff or its professional advisors or consultants who have access to the Confidential Information received from the Disclosing Party are aware of the Receiving Party's confidentiality obligations under this Deed.

c. Nothing in this Clause 10 shall prevent a Receiving Party from using any techniques, ideas or know-how gained during the performance of its obligations under this Deed and in the course of its activities, to the extent that this does not result in a disclosure of Confidential Information or an infringement of the Intellectual Property rights of any other party.

d. Each Party acknowledges that the other Party is subject to the requirements of the FOIA and the Environmental Information Regulations 2004 and each Party shall assist and co-operate with the other Party (on request and at each Party's own expense) to enable the other Party to comply with the information disclosure requirements imposed on them by the FOIA and the Environmental Information Regulations 2004.

e. Where a Party receives a Request for Information which, in the opinion of such Party, relates in any way to this Deed, it shall notify the other Party within five (5) Working Days of receipt of such Request for Information.

f. Where a Receiving Party receives a Request for Information in relation to Information which it has received from the Disclosing Party, the Receiving Party shall (and shall procure that its sub-contractors shall) notify the Disclosing Party within five (5) Working Days of receipt of such Request for Information.

g. The Parties agree and acknowledge that the Disclosing Party shall be responsible for determining in its absolute discretion whether the Confidential Information of the Disclosing Party held by it or on its behalf by the Receiving Party:

i. is exempt from disclosure under FOIA; or

ii. is to be disclosed in response to a Request for Information.

h. Notwithstanding Clause 10.g above, if a Party in receipt of the Request for Information decides to disclose Information in response to such Request, it shall notify the Disclosing Party of that decision at least two (2) Working Days before disclosure.
i. Nothing in this Clause 10 shall prevent a Receiving Party from disclosing any Confidential Information for the purpose of any:

   i. examination and certification of its accounts; or

   ii. examination pursuant to Section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which it has used its resources.

j. For the avoidance of doubt, nothing in this Clause 10 is intended to prevent the Trust from complying with regulations, directions or guidance applicable to the NHS or as may be requested by any regulatory body and/or pursuant to any statutory obligation (whether pursuant to the National Audit Act 1983 or otherwise) in respect of the Trust's Confidential Information.

11. DATA PROTECTION

If a Party is acting as a data processor (hereafter the Processing Party) (as defined by the Data Protection Act 1998 (the DPA)) for another Party (hereafter the Controller Party), the Processing Party undertakes in respect of personal data (as defined by the DPA) processed by it (Personal Data):

a. to keep the Personal Data confidential and not use or disclose the Personal Data other than as provided for under this Deed save at the specific request of the Controller Party or as required by law;

b. to ensure that:

   i. only such of its employees who may be required during the course of their employment to perform tasks relating to services undertaken to be provided by the Processing Party under this Deed shall have access to the Personal Data; and

   ii. such employees are aware of the data protection principles set out in Part I of Schedule 1 to the DPA and the Processing Party's obligations under this Deed to comply with them in relation to all personal data processed by it on behalf of the Controller Party, and;

   iii. it acts only on the instructions of the Controller Party; and

   iv. its processing is carried out in such manner as may be required by the Controller Party and in accordance with the purpose communicated to it by the Controller Party; and

   v. to have in place appropriate technical and organisation measures to safeguard against accidental or unlawful destruction or accidental loss, alteration, unauthorised disclosure or access to the Personal Data. Such measures shall (taking into account the state of technological development and the cost of implementing such measures) be appropriate to the nature of the Personal Data processed by the Processing Party.

c. The Processing Party shall promptly notify the Controller Party in the event that the Processing Party receives a request for access to Personal Data under the DPA. The Processing Party shall fully cooperate and provide all assistance reasonably requested by the Controller Party in order to enable the Controller Party to respond to each request within the timescales in the Act. The obligations in this Clause 11.c shall continue following termination of this Deed for such time as the Processing Party shall hold Personal Data under this Deed.

d. Where the Controller Party provides the Processing Party with notice that data it has already provided or is about to provide to the Processing Party under this Deed is or forms part of one or more Special Data Sets the Processing Party hereby agrees to comply with any additional security measures which the Controller Party requires and of which the Controller Party notifies the Processing Party in writing in relation to the Special Data Set which may include obligations relating to confidentiality, handling, processing and storage of the Special Data Set.

12. ANNOUNCEMENTS AND PRESS RELEASES

a. The Parties agree that any public announcements, press releases, or other reputation management activities of the AHSC which are brought to the attention of either Party or representatives of either
Party, will be dealt with through agreement between the Parties’ communications departments, except in the case of:

i. publications relating to Research, which will be lead and organised by Imperial College’s communications department; and

ii. publications relating to the provision of clinical services, which will be lead and organised by the Trust’s communications department.

b. Imperial College will not use the Trust Name or the Trust’s logo without the prior written consent of the Trust acting through its communications department, provided that nothing in this Clause shall operate to restrict or limit Imperial College’s rights in and to use the Trade Marks.

c. The Trust will not use Imperial College’s name or Imperial College’s logo without the prior written consent of Imperial College acting through its communications department, provided that nothing in this Clause shall operate to restrict or limit the Trust’s rights to use the Trade Marks in accordance with the terms of the Trade Mark Licence.

13. OWNERSHIP OF DOCUMENTS

a. All notes, memoranda, records, lists of suppliers and employees, correspondence, documents, computer and other data storage media such as disks and tapes, data listings, codes, designs and drawings and other documents and material whatsoever (Documents) made or created by Imperial College in the course of carrying out its responsibilities as a partner of the AHSC (College Documents) shall be and remain the property of Imperial College.

b. All Documents made or created by the Trust in the course of carrying out its responsibilities as a partner of the AHSC (Trust Documents) shall be and remain the property of the Trust.

c. Any College Documents and/or Trust Documents that are in the possession of the other Party (as applicable) shall be handed over forthwith by that Party to the Party which owns such Documents on request of such Party, and in any event on the termination this Deed.

14. INTELLECTUAL PROPERTY

a. For the avoidance of doubt nothing in this Deed shall be construed as affecting the ownership of Background Intellectual Property rights generated by either Party.

b. The Trust acknowledges and agrees that Trust employees engaged by Imperial College under an Imperial College honorary contract will abide by Imperial College’s Intellectual Property policy and assign any Foreground Intellectual Property to Imperial College. Imperial College acknowledges and agrees that Imperial College employees engaged by the Trust under a Trust honorary contract will abide by [the Trust’s Intellectual Property policy] and assign any Foreground Intellectual Property to the Trust. In addition to this, and unless otherwise determined by prior contractual obligations, the ownership of Foreground Intellectual Property shall then be determined in accordance with the Intellectual Property Legislation.

c. Each Party shall (notwithstanding the prior termination of this Deed for any reason) do all such things and execute all such documents as may be necessary or desirable to vest in the relevant Party in accordance with Clause 14.b (or as that Party shall direct) the full legal title to that Party’s Intellectual Property rights and to enable that Party (or its nominee) to enjoy the full benefit thereof.

d. The Trust acknowledges that Imperial College has appointed Imperial Innovations Limited as its Commercialisation Partner.

e. The Trust undertakes to appoint a Commercialisation Partner and agrees to take into consideration the benefits to the AHSC of having a common Commercialisation Partner when making such appointment.

f. The Parties acknowledge and agree that access to either Party’s Background Intellectual Property and Foreground Intellectual Property will be determined on a case by case basis on terms to be agreed between the Parties and, where appropriate, the Commercialisation Partner(s).
15. LIABILITY AND INDEMNITIES

a. Subject to Clause 15.1, the Trust excludes all liability arising out of or in connection with:

   i. any College Services and/or other administrative support functions which are provided by Imperial College
   
   ii. any failure by Imperial College to comply with a law or an official requirement;
   
   iii. the content of the College Website,

   except to the extent that such a claim arises from the negligent act or omission of the Trust.

b. Subject to Clause 15.1, Imperial College excludes all liability arising out of or in connection with:

   i. any Services, Further Services and/or other administrative support functions which are provided by the Trust;
   
   ii. any failure by the Trust to comply with a law or an official requirement; and
   
   iii. the content of the Trust Website,

   except to the extent that such a claim arises from the negligent act or omission of Imperial College.

c. The Parties acknowledge and agree that the liability arising out of or in connection with any negligent act or omission of an employee of the Trust or an employee of Imperial College in the course and scope of such employment will rest with the Party who has employed such person, except where an employee of one Party is engaged by the other Party (Non-Employing Party) under an honorary contract, in which case liability for any negligent acts or omissions of a person whilst carrying out his/her role under such honorary contract will rest with the Non-Employing Party.

d. The Trust shall, notwithstanding the termination or expiry of this Deed, fully indemnify and keep fully indemnified Imperial College against any and all actions, costs, claims, damages, expenses (including without limitation legal fees), liabilities and losses incurred or suffered by Imperial College arising as a direct result of any dispute or contractual, tortuous or other claim or proceeding brought against Imperial College by a third party claiming a remedy against Imperial College in relation to:

   i. any failure by the Trust to comply with a law or an official requirement during the term of this Deed;
   
   ii. the content of the Trust Website during the term of this Deed;
   
   iii. any Services or Further Services provided by the Trust during the term of this Deed; or
   
   iv. any negligent act or omission of an employee of the Trust or any negligent act or omission of an employee of Imperial College carrying out his/her role under an honorary contract with the Trust, including, for the avoidance of doubt a joint post holder performing his/her role for the Trust, during the term of this Deed,

   save to the extent that they arise because of the negligence, bad faith or wilful default of Imperial College or its failure to comply with its obligations under this Deed.

e. Imperial College shall, notwithstanding the termination or expiry of this Deed, fully indemnify and keep fully indemnified the Trust against any and all actions, costs, claims, damages, expenses (including without limitation legal fees), liabilities and losses incurred or suffered by the Trust arising as a direct result of any dispute or contractual, tortuous or other claim or proceeding brought against Imperial College by a third party claiming a remedy against Imperial College in relation to:

   i. any failure by Imperial College to comply with a law or an official requirement during the term of this Deed;
ii. the content of the College Website during the term of this Deed;

iii. any College Services provided by Imperial College during the term of this Deed; or

iv. any negligent act or omission of an employee of Imperial College or any negligent act or omission of an employee of the Trust whilst carrying out his/her role under an honorary contract with Imperial College including, for the avoidance of doubt a joint post holder performing his/her role for Imperial College, during the term of this Deed,

save to the extent that they arise because of the negligence, bad faith or wilful default of the Trust or its failure to comply with its obligations under this Deed.

f. Save as provided for in Clause 15.g and subject to Clauses 15.h, 15.i and 15.k, in the event of any claim by any holder of a joint post arising out of either or both his/her substantive employment contract or engagement under an honorary contract or the termination of either, Imperial College and the Trust agree that any and all claims, demands, actions, proceedings, damages, compensation, tribunal awards, fines, costs, expenses and all other liabilities whatsoever arising out of the claim (including but not limited to statutory and contractual redundancy payments) will be split equally between Imperial College and the Trust. Each Party shall indemnify the other accordingly.

g. In the event that any such claim as referred to in clause 15.f arises solely or mainly out of an act or omission of either Imperial College or the Trust the responsible Party shall indemnify the other Party in full in respect of any and all claims, demands, actions, proceedings, damages, compensation, tribunal awards, fines, costs, expenses and all other liabilities whatsoever arising out of such claim (including but not limited to statutory and contractual redundancy payments). For the purposes of this clause a claim shall not arise solely or mainly out of the act or omission of one Party if the act or omission is the mere termination of the substantive employment contract or honorary contract following the termination of the other such contract. Further for the avoidance of doubt Imperial College and the Trust agree that, when calculating any such indemnity, the date of commencement of employment is the date of commencement of the appointment as set out in his/her substantive employment contract.

h. The following provisions shall apply if a claim is made or threatened against Imperial College which involves or gives rise to or is likely to involve or give rise to an obligation or liability in respect of which or any part of which the Trust is required to indemnify Imperial College under this Deed:

i. Imperial College shall notify the Trust in writing immediately upon receipt by Imperial College or its otherwise becoming aware of the claim;

ii. Imperial College shall allow the Trust and its professional advisers to investigate the matter or circumstances alleged to give rise to such claim and whether and to what extent any amount is payable in respect of such claim and for such purpose Imperial College shall give all such Information and assistance including access to premises and personnel and the right to examine and copy or photograph any assets, accounts, documents and records as the Trust or its professional advisers may reasonably request. The Trust agrees to keep all such Information confidential and only to use it for the purposes of this Clause;

iii. no admission of liability shall be made by or on behalf of Imperial College and the claim shall not be compromised, disposed of or settled without the prior written consent of the Trust, such consent not to be unreasonably withheld; and

iv. if the Parties cannot after consultation agree a course of action with regard to any such claim it shall be referred to a barrister agreed on by the Parties (or in default of agreement appointed at the application of either Party by the President of the Law Society for the time being) for his or her advice on a course of action, the cost of such advice to be borne equally by the Parties.

i. The provisions of Clause 15.h shall apply mutatis mutandis in respect of any claim which is made or threatened against the Trust which involves or gives rise to or is likely to involve or give rise to an obligation or liability in respect of which or any part of which Imperial College is required to indemnify the Trust under this clause and for such purposes all references in Clause 15.h to the Trust shall be construed as references to Imperial College and vice versa.
j. If, as a direct result of furthering the objectives of the AHSC, a transfer of an employee of one Party to the other Party occurs pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006, the Parties will together agree at the time of such transfer the liability of each Party.

k. For the avoidance of doubt, this Clause 15 will not affect the operation of Clause 5 (Indemnities) of the Agreement for the Terms of the Post.

l. Nothing in this Deed shall limit or exclude the liability of either Party:
   
   i. for death or personal injury arising from such Party’s negligence;
   
   ii. for fraud or fraudulent misrepresentation; and/or
   
   iii. where such Party is required to indemnify the other Party in accordance with the terms of this Deed.

m. Subject to Clause 15.l, neither Party shall be liable to the other Party (whether in contract, tort or otherwise) for any:
   
   i. direct:
      
      1. loss of profit, revenue, anticipated savings; or
      
      2. loss of goodwill, reputation or opportunity; or
      
      3. loss of financial or economic loss; or
   
   ii. indirect or consequential loss or damage, costs or expenses whatsoever and howsoever arising out of or in connection with this Deed.

16. TERMINATION

a. This Deed shall terminate immediately if the Agreement for the Terms of the Post is terminated in accordance with Clause 12 of that agreement.

b. Either Party may terminate this Deed upon the provision of no less than twelve (12) months’ written notice being provided to the other Party.

c. Imperial College may terminate this Deed with immediate effect by giving written notice to the Trust if:
   
   i. the Trust applies to register any Trade Mark identical or similar to the Trade Marks;
   
   ii. the Parties are unable to agree a course of action in accordance with Clause 1.4 of Schedule 1;

   iii. the Trust:
      
      1. is dissolved by Statutory Instrument; or
      
      2. ceases to use the Trade Marks as part of the Trust Name;

   iv. the Trust merges with another entity without the prior written consent of Imperial College;

   v. the Trust challenges, brings revocation or opposition or other proceedings or otherwise disputes or challenges the validity of any of the Trade Marks or the rights of Imperial College to the Trade Marks; or

   vi. the Trust purports to assign its right or obligations under this Deed.
d. This Deed may also be terminated:

i. on a material breach of this Deed, by the Party not in breach (the **Terminating Party**) serving a notice on the Party in breach (the **Breaching Party**) requiring the breach to be remedied (if capable of remedy) within a period specified in the notice, not being longer than [sixty (60)] days. If the breach has not been remedied by the date of the expiry of the notice, at the discretion of the Terminating Party the Breaching Party’s rights and obligations under this Deed may be terminated;

ii. forthwith by a Party serving notice in writing to the other Party (the **Departing Party**) if an order is made or a resolution is passed for the winding-up or dissolution of the Departing Party or an order is made for the appointment of an administrator to manage the affairs, business and property of the Departing Party or a receiver and/or manager or administrative receiver is validly appointed in respect of all or any of the Departing Party’s assets or undertaking or circumstances arise which entitle the Court or a creditor to appoint a receiver and/or manager or administrative receiver or which entitle the Court to make a winding-up or bankruptcy order or the Departing Party takes or suffers any similar or analogous action in consequence of debt; or

iii. by written notice provided by a Party at any time following a change of Control of the other Party (the Departing Party) where **Control** means the ability to direct the affairs of the institution whether by virtue of statute, contract or otherwise, provided that this shall not apply to a change of the individual holding the Post pursuant to the Agreement for the Terms of the Post.

e. For the purposes of 16.d.i:

i. a material breach includes (but is not limited to) a breach by the Trust or non performance by the Trust of any of the provisions of Clause 1 of Schedule 1 and Clause 3 of Schedule 1; and

ii. a breach shall be considered capable of remedy if the Breaching Party could comply with the provision in question in all respects other than as to the time of performance (provided that time of performance is not of the essence).

f. The termination or expiry of this Deed shall not affect any rights or obligations of either Party which may have accrued prior to such termination or expiry.

17. CONSEQUENCES OF TERMINATION

a. The service of notice to terminate under Clause 16.a, 16.b, 16.c or 16.d will not absolve any Party of its obligations to comply fully with the terms and conditions of this Deed until such termination is effective and shall be without prejudice to the rights of any Party against the other Party which may have accrued up to the date of termination.

b. Upon termination of this Deed for any reason:

i. outstanding moneys due by either Party to the other Party shall become immediately due and payable;

ii. the Trade Mark Licence and all other licences granted by or pursuant to this Deed shall terminate and the Parties shall promptly do all such things as may be necessary to cancel any entries recording the relevant Party as a licensee (the **Licensee**) and the Licensee will assist the other Party so far as may be necessary to achieve such cancellation including by executing any necessary documentation;

iii. the Trust shall, if so requested by Imperial College, execute an assignment in favour of Imperial College of:

   1. all goodwill in the Trade Marks; and

   2. all rights (if any) in the Trade Marks,
which have accrued to the Trust by reason of its use of the Trade Marks in providing the Services or otherwise.

iv. the Trust shall no later than ninety (90) days from the date on which the change of the name of the Trust by statutory instrument or otherwise by the Secretary of State in accordance with Clause 17.b.v below comes into effect, remove or obliterate the Trade Marks from and/or destroy any and all materials on which the Trade Marks are used in the possession custody or control of the Trust other than existing internal records, existing correspondence and existing stationary;

v. the Trust shall, upon termination of this Deed, promptly apply to the Secretary of State to change, with effect from the termination of this Deed, the name of the Trust to a name not incorporating the Trade Mark or a similar word or phrase to the Trade Mark, and shall otherwise use its reasonable endeavours to procure that the Secretary of State takes all steps (including but not limited to the creation of a Statutory Instrument or amendment to any existing Statutory Instrument) to change the name of the Trust in accordance with this Clause 17.b.v;

vi. subject to Clause 17.b.iv and to the Trust’s regulatory and statutory obligations, the Trust shall immediately cease all use of the Trade Marks;

vii. all Confidential Information, including any Personal Data, and any copies thereof shall be returned to the Disclosing Party upon such Party’s request.

c. Subject to the provisions of this Clause 17, the Trust shall do nothing after the expiry or termination of this Deed which might lead any person to believe that the Trust is still licensed to use the Trade Marks or is in any way connected with Imperial College.

d. Subject as otherwise provided herein and to any rights and obligations which may have accrued prior to termination, each Party shall have no further obligation to the other Party under this Deed.

e. The following Clauses shall survive termination of this Deed howsoever caused: Clauses 1, 10, 11, 13, 14, 17, 19 and 20.

18. DISPUTES

a. If any Dispute arises between any of the Parties (other than a Dispute arising under Clause 15.h.iv) it shall first be referred to the Rector and the Chairman who shall meet to consider, discuss and endeavour to resolve such Dispute as soon as possible.

b. Each Party will use reasonable endeavours to reach a negotiated resolution through the dispute resolution procedure referred to in Clause 18.a. The specific format of such resolution will be left to the reasonable discretion of the Parties, but may include the preparation and submission of statements of fact or position.

c. If the Dispute is not resolved within 30 Working Days of it being referred to the Rector and the Chairman in accordance with Clause 18.a, then the Parties will enter into structured negotiations with the assistance of a mediator (Mediator) before resorting to litigation.

d. If the Parties are unable to agree on a Mediator or if the Mediator agreed upon is unable or unwilling to act, either Party may, within 15 Working Days from the date entering into structured negotiations under Clause 18.c or within 15 Working Days of notice to either Party that he is unable or unwilling to act, apply to the Centre for Effective Dispute Resolution London (CEDR) to appoint a Mediator. The cost of the Mediator will be borne equally by the Parties.

e. The Parties will within 30 Working Days of the appointment of the Mediator meet with such Mediator in order to agree a programme for the exchange of any relevant Information and the structure to be adopted for the negotiation to be held in London. If considered appropriate the Parties may at any stage seek assistance from CEDR to provide guidance on a suitable procedure.

f. All negotiations connected with the dispute will be conducted in complete confidence, and the Parties undertake not to divulge details of such negotiations except to their professional advisers.
who will also be subject to such confidentiality, and will be without prejudice to the rights of the Parties in any future proceedings.

g. If the Parties accept the Mediator’s recommendations or otherwise reach agreement on the resolution of the dispute, such agreement shall be reduced to writing and once it is signed by their duly authorised representatives, shall be final and binding on the Parties.

h. Failing agreement pursuant to Clause 18.g, any of the Parties may invite the Mediator to provide a non-binding but informative opinion in writing as to the merits of the dispute and the rights and obligations of the Parties (the Mediator's Opinion). Such opinion will be provided on a without prejudice basis and will be private and confidential to the Parties and may not be used in evidence in any proceedings commenced pursuant to the terms of this Deed without the prior written consent of all the Parties.

i. If the Parties fail to reach agreement within 30 Working Days after receiving the Mediator Opinion, such a failure shall be without prejudice to the right of any Party subsequently to refer such Dispute to litigation.

j. Nothing contained in this Clause shall restrict either Party’s freedom to commence legal proceedings to preserve any legal right or remedy or protect any proprietary or trade secret right.

19. NOTICES

a. Any notice or other communication given under this Deed will be in writing and signed by or on behalf of the Party giving it and will be served by delivering it personally or sending it by pre-paid recorded delivery or registered post and for the attention of the relevant person set out in Clause 19.c (or as otherwise notified by that Party for the purposes of this Deed).

b. Any such notice will be deemed to have been received:

   i. if delivered personally, at the time of delivery;

   ii. in the case of pre-paid recorded delivery or registered post, two (2) Working Days from the date of posting; and

   iii. provided that if deemed receipt occurs before 9am on a Working Day the notice will be deemed to have been received at 9am on that day, and if deemed receipt occurs after 5pm on a Working Day, or on a day which is not a Working Day, the notice will be deemed to have been received at 9am on the next Working Day.

c. The addresses for each Party for the purposes of this Clause 19 are:

   i. Imperial College

      Contact: The College Secretary
      Address: Level 4, Faculty Building, Exhibition Road, London SW7 2AZ
      Facsimile: [insert]
      Attention: [insert]

   ii. The Trust

      Contact: [insert]
      Address: The Bays Building, South Wharf Road, Paddington, London W2 1NY
      Facsimile: [insert]
      Attention: [insert]

20. GENERAL

a. Governing Law

   This Deed and any non-contractual obligations arising out of or in connection with it, is governed by English law.
b. Jurisdiction

The courts of England have exclusive jurisdiction to settle any Dispute (including a Dispute in relation to non-contractual obligations arising out of or in connection with this Deed or a dispute regarding the existence, validity or termination of this Deed).

c. Contracts (Rights of Third Parties) Act 1999

This Deed does not create any right under the Contracts (Rights of Third Parties) Act 1999 which is enforceable by any person who is not a party to it.

d. Amendment

No amendment or variation of this Deed shall be effective unless in writing and signed by or on behalf of each Party.

e. Assignment

Neither Party will, without the prior written consent of the other Party, be entitled to assign, mortgage, charge or dispose of any of its rights under this Deed. In addition, in respect of the obligations arising under the Trade Mark Licence and the Joint Research Office, neither Party will be entitled to perform such obligations through any company or entity or sub-contract or otherwise delegate such obligations.

f. Entire Agreement

This Deed contains the entire agreement between the Parties with respect to the subject hereof, and supersedes all previous agreements and understandings between the Parties with respect thereto.

g. Partial Invalidity

If any provision of this Deed shall be held to be unlawful, invalid or unenforceable, in whole or in part, under any enactment or rule of law, such provision or part shall to that extent be severed from this Deed and rendered ineffective as far as possible without modifying or affecting the legality, validity, or enforceability of the remaining provisions of this Deed which will remain in full force and effect.

h. No Partnership

Neither this Deed nor any other agreement or arrangement of which it forms part, nor the performance by the Parties of their respective obligations under any such agreement or arrangement, shall constitute a partnership between the Parties. No Party shall have any authority (unless expressly conferred in writing under this Deed or otherwise and not revoked) to bind any other Party as its agent or otherwise. Nothing in this Agreement shall constitute a relationship of employer and employee between the Trust and an employee of Imperial College nor between Imperial College and an employee of the Trust.

i. Power to enter into Agreement

Each Party warrants to the other Party that it has full power and authority to enter into this Deed.

j. Waiver

The failure to exercise or delay in exercising a right or remedy provided by this Deed or by law does not constitute a waiver of the right or remedy or a waiver of other rights or remedies. A waiver of a breach of any of the terms of this Deed or of a default under this Deed does not constitute a waiver of any other breach or default and shall not affect the other terms of this Deed. A waiver of a breach of any of the terms of this Deed or of a default under this Deed will not prevent a Party from subsequently requiring compliance with the waived obligation.
k. Time of the Essence

Time shall be of the essence under this Deed, both as regards the dates, periods or times of day mentioned and as regards any dates, periods or times of day which may be substituted for them in accordance with this Deed.

l. Counterparts

This Deed may be entered into by the Parties on separate counterparts and this has the same effect as if the seals and signatures on the counterparts were on a single copy of the Deed.

EXECUTED AS A DEED by the parties and delivered on the date of this deed.

EXECUTED AS A DEED and THE COMMON SEAL
OF IMPERIAL COLLEGE OF SCIENCE
TECHNOLOGY AND MEDICINE was affixed in the presence of

Signature of Authorised Officer:

_________________________________________

Authorised Officer’s Name:

_________________________________________

Signature of Authorised Officer:

_________________________________________

Authorised Officer’s Name:

_________________________________________
EXECUTED AS A DEED and the COMMON SEAL of IMPERIAL COLLEGE HEALTHCARE NHS TRUST was affixed in the presence of:

________________________________________

Witness Signature: _________________________

Witness Name: ______________________________

Witness Address: ____________________________

________________________________________

Witness Profession: _________________________
SCHEDULE 1

Trade Mark Licence

1. Grant of Licence

1.1. Subject to Clauses 1.2 and 1.3 of this Schedule 1 and in consideration of the payment by the Trust of £1 (receipt of which is hereby acknowledged by Imperial College), Imperial College hereby grants to the Trust a non-exclusive and royalty free licence to use:

1.1.1. the Imperial College Mark solely as part of the Trust Name; and

1.1.2. the Imperial Mark as part of the Domain Name in relation to the Trust Website.

1.2. The Trust will consult the College Secretary of Imperial College prior to any use under Clause 1.1 of this Schedule 1 if:

1.2.1. the use of the Trade Marks is not in connection with the supply of Services or is in respect of Further Services; and

1.2.2. a reasonable person would consider such use might be materially detrimental to or inconsistent with or otherwise damage the good name, goodwill, reputation and image of Imperial College.

1.3. If the Trust uses the Trade Marks as part of the Trust Name for the provision of any one or more of the following activities:

1.3.1. advertising services;

1.3.2. to endorse any third party or any product or service of a third party or otherwise indicate an association or relationship between the Trust and any third party; or

1.3.3. cooperation and development agreements with commercial organisations and other health organisations including product evaluations and product testing services,

the Trust will consult the College Secretary of Imperial College prior to any such use if a reasonable person would consider such use might be materially detrimental to or inconsistent with or otherwise damage the good name, goodwill, reputation and image of Imperial College.

1.4. If, after consulting the College Secretary of Imperial College in accordance with Clause 1.2 or 1.3 of this Schedule 1 the Parties cannot agree a course of action, the Parties will refer the matter to the Rector and the Chairman who shall meet to consider, discuss and endeavour to reach agreement on a course of action. If the Rector and the Chairman fail to reach agreement on the matter, Imperial College may terminate this Deed. For the avoidance of doubt, the procedure set out in this clause supersedes Clause 18 (Disputes).

1.5. The Trust will not grant or purport to grant to any third party any sub-licence of the Trade Mark Licence without the prior written consent of Imperial College and subject to the prior written approval of Imperial College of the terms of the sub-licence.

1.6. Nothing in the terms of the Trade Mark Licence shall prevent Imperial College or anyone authorised by it from using the Trade Marks for any purpose including but not limited to the provision of hospital, clinical or related services.

2. Term

The Trade Mark licence shall be deemed to commence on the Effective Date, and shall continue thereafter unless and until this Deed is terminated in accordance with Clause 16.
3. Quality Control and Use of Trade Marks

3.1. The Trust will not use the Trade Marks in any way that would jeopardise or invalidate any registration of the registered Trade Marks or would prejudice the right or title of Imperial College to any of the Trade Marks and the Trust shall immediately cease any such use or act(s) or undertake such act(s) as Imperial College may reasonably require upon reasonable notice.

3.2. Subject to Clause 1.6 of Schedule 1, Imperial College shall not use the Trust Name in any way or do or permit any act to be done which would or might be detrimental to or inconsistent with any goodwill or reputation of the Trust in the Trust Name provided that nothing in this Clause shall operate to restrict or limit Imperial College’s rights in and to use the Trade Marks.

3.3. The Trust will only use the Trade Marks as part of the Trust Name and will not use the words “Imperial College” on their own nor as part of any abbreviated form of the Trust Name and will not use any abbreviated forms of any of the Trade Marks including but not limited to “IC” and “Imperial” (other than “Imperial” as part of the Domain Name in accordance with this Deed).

3.4. The Trust will, in respect of any use of the Trade Marks (whether in paper or electronic form), ensure such use complies with the Required Style. The Required Style may not be amended without the prior written consent of Imperial College.

3.5. The Trust shall include the Acknowledgement on the home page of the Trust Website, in a clearly visible and prominent position.

3.6. The Trust will, on reasonable notice by Imperial College, give Imperial College or its authorised representative any information as to its use of the Trade Marks which Imperial College reasonably requires and will give any assistance reasonably required by Imperial College in maintaining the registrations of the registered Trade Marks and in prosecuting any applications for the Trade Marks.

3.7. The Trust acknowledges that the Trade Marks are the exclusive property of Imperial College and shall not assert any claim of ownership to the Trade Marks by virtue of the Trust’s use of the Trade Marks or otherwise.

3.8. The Trust will not at any time, whether during or after the termination of this Deed, apply anywhere in the world to register any trade marks, identical to or confusingly similar to the Trade Marks.

4. Infringement of Trade Marks

4.1. The Trust shall promptly notify Imperial College in the event it becomes aware of:

4.1.1. any use or proposed use by any other person, firm or company of a trade name, trade mark, or get up of goods or mode of promotion or advertising which amounts to or which might amount to either infringement of Imperial College’s rights in relation to any of the Trade Marks or to passing off;

4.1.2. any information or allegation that the use of the Trade Marks infringes the rights of any third party or constitutes passing off,

and shall make no comment or admission to any third party in respect of any of the above.

4.2. Imperial College shall have the conduct of all proceedings relating to Trade Marks and shall in its sole discretion decide what action (if any) to take in relation to any infringement or alleged infringement of the Trade Marks or passing-off or any other claim or counterclaim brought or threatened in respect of the use or registration of the Trade Marks. The Trust shall not be entitled to bring any action for infringement nor require Imperial College to bring any such action under Section 30 of the Trade Marks Act 1994 or any equivalent legislation and Imperial College will not be obliged to bring or defend any proceedings in relation to the Trade Marks if it decides in its sole discretion not to do so.
4.3. Without limitation to Clause 4.2 of this Schedule 1, the Trust may request Imperial College to take action in respect of any infringement or alleged infringement of the Trade Marks and Imperial College shall consider such request in good faith.

4.4. Imperial College will bear the entire cost and expense associated with the conduct of such action, and any recovery or compensation that may be awarded as a result of such action, including but not limited to any settlement that may be reached, shall be retained by Imperial College, even in respect of any loss suffered or likely to be suffered by the Trust and Section 30(6) of the Trade Marks Act 1994 will not apply.

4.5. The Trust shall give full cooperation to Imperial College in taking all steps reasonably required by Imperial College in connection with any action, claim or proceedings brought or threatened in respect of the Trade Marks including without limitation legal proceedings in the name of Imperial College or in the joint names of Imperial College and the Trust and Imperial College will meet all reasonable expenses incurred by the Trust to third parties in giving such assistance.

5. **Warranties**

5.1. So far as Imperial College is aware, as at the date of this Deed, the use of the Trade Marks by the Trust will not infringe the registered trade mark of any third party in the United Kingdom.

5.2. Except as expressly set out in this Deed, all warranties, conditions and guarantees relating to the Trade Marks whether express or implied by statute, law, custom or otherwise are, to the fullest extent permitted by law, excluded from this Deed except for the conditions implied by Section 12 of the Sale of Goods Act 1979 or Section 8 of the Supply of Goods (Implied Terms) Act 1973.
## SCHEDULE 2

### Trade Marks

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<tr>
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<td>16</td>
<td>UK</td>
<td>Registered</td>
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<td>35, 36, 39, 42, 44</td>
<td>CTM</td>
<td>Registered</td>
</tr>
</tbody>
</table>
SCHEDULE 3

Required Style

[To be inserted]
Schedule 4

Joint Research Office

1. Policies and Procedures

1.1. The Parties recognise that the Trust and the Faculty of Medicine each have in existence policies and procedures in relation to managing and administering Research (the Existing Policies). The Parties agree that consistent policies and procedures in relation to Research would be advantageous to the AHSC.

1.2. The Parties undertake to develop and implement a set of policies and procedures that will determine how Research will be governed and managed within the AHSC.

1.3. The Research policies will cover:

   1.3.1. financial and managerial governance for grants and contracts;
   1.3.2. accountability and regulatory compliance;
   1.3.3. registration of Research with the Joint Research Office and all necessary regulatory authorities;
   1.3.4. internal approvals and authorisations for Research;
   1.3.5. costing and financing Research;
   1.3.6. compliance with all legal, ethical and scientific obligations;
   1.3.7. data sharing;
   1.3.8. information technology systems; and
   1.3.9. each other area the Parties agree requires a policy and/or guidance,

   (each a JRO Policy and together the JRO Policies).

1.4. The Parties undertake to develop a set of standard operating procedures for the management of Research and to facilitate the implementation of the JRO Policies outlined in Clause 1.3 of this Schedule 4 (Standard Operating Procedures).

2. Funding

2.1. As part of the establishment of the Joint Research Office, the Parties undertake to agree a budget for the efficient running of the Joint Research Office (the JRO Budget).

2.2. If the Director of Research determines at any time that the JRO Budget is not an adequate amount to operate the Joint Research Office efficiently, then the Director of Research will notify the AHSC Committee of this. The AHSC Committee will then make a decision as to how the Joint Research Office will continue to operate.

2.3. The Parties acknowledge and agree that the Joint Research Office does not have authority to determine the application of external Research funding, except to the extent it is directed to do so by the provider of such Research funding.

3. Staff

3.1. The Joint Research Office will be staffed by employees of the Trust and employees Imperial College (JRO Staff Members). For the avoidance of doubt, JRO Staff Members will be employed by either the Trust or Imperial College, not both.
3.2. JRO Staff Members will be employed on such terms and conditions of the Party who has employed them (the Employing Party) as are in force at any time, unless otherwise agreed by the Parties and the relevant employee.

3.3. Appointment of persons as JRO Staff Members will be made in accordance with the appointment processes of the Employing Party.

3.4. The Parties have appointed an individual to carry out the role of Director of Research for both Imperial College and the Trust. If the Director of Research ceases to be employed in such post by either Imperial College or the Trust for any reason, the appointment with the other Party shall terminate automatically (subject in both cases to the policies, Statutes etc of each of the Parties as appropriate).

3.5. The Parties agree to consult each other in respect of any future appointments to the position of Director of Research. For the avoidance of doubt the appointee must always be an employee of Imperial College at the time of recruitment to the position and for the duration of the appointment.

3.6. Each Party agrees to assist and provide information to the other Party if so required as part of any dismissal, discipline or grievance procedure.

3.7. For the avoidance of doubt, each JRO Staff Member will be funded by their Employing Party from the Employing Party’s portion of the JRO Budget.

4. Management of the Joint Research Office

4.1. The Parties agree that the Joint Research Office will be led and managed by the Executive Director of Research Services Medicine and the Executive Director of Research Services Medicine will be operationally accountable for service delivery to the Director of Research and the Director of Research will be accountable to the individual engaged in the Post.

4.2. The Director of Research will agree the structure of the Joint Research Office (JRO Structure).

4.3. The Parties agree to review the progress and operation of the Joint Research Office on an annual basis, or more frequently as agreed between the Parties. Following such review the Director of Research may propose an amendment to this Schedule 4. Any such amendment to this Schedule 4 shall be made in accordance with Clause 20.d.

5. Liability and Indemnities

5.1. The Parties are jointly responsible for the work carried out by Joint Research Office. Each Party accepts liability for the actions of their respective JRO Staff Members in carrying out their duties and responsibilities under their respective contracts of employment.

5.2. The Trust shall, notwithstanding the termination or expiry of this Deed, fully indemnify and keep fully indemnified Imperial College against any and all actions, costs, claims, damages, expenses (including without limitation legal fees), liabilities and losses incurred or suffered by Imperial College arising out of any act or omission of any JRO Staff Member employed by the Trust in carrying out their duties and responsibilities under their respective contracts of employment save to the extent that they arise because of the negligence, bad faith or wilful default of Imperial College or its failure to comply with its obligations under this Deed.

5.3. Imperial College shall, notwithstanding the termination or expiry of this Deed, fully indemnify and keep fully indemnified the Trust against any and all actions, costs, claims, damages, expenses (including without limitation legal fees), liabilities and losses incurred or suffered by the Trust arising out of any act or omission of any JRO Staff Member employed by Imperial College in carrying out their duties and responsibilities under their respective contracts of employment save to the extent that they arise because of the negligence, bad faith or wilful default of the Trust or its failure to comply with its obligations under this Deed.
6. Management of JRO Staff Members

6.1. The Employing Party shall continue to deal with all Management Issues concerning its JRO Staff Members.

6.2. The Parties agree that the reporting line for JRO Staff Members will be determined in accordance with the JRO Structure. For the avoidance of doubt, JRO Staff Members may report directly to an employee of their Employing Party or an employee of the Non-Employing Party.

6.3. If a JRO Staff Member has a Management Issue in respect of the Party who is not their Employing Party (the Non-Employing Party), then the JRO Staff Member will raise such Management Issue with its Employing Party. The Employing Party will then consult the Non-Employing Party with a view to resolving the Management Issue.

6.4. Where the Non-Employing Party has day-to-day control of the JRO Staff Member’s activities, the Non-Employing Party will, as soon as reasonably practicable refer any Management Issues concerning the JRO Staff Member that comes to its attention to the Employing Party.

6.5. The Non-Employing Party will use its reasonable endeavours to provide any information, documentation, access to its premises and employees and assistance (including but not limited to giving witness evidence) to the Employing Party to deal with any Management Issues concerning its JRO Staff Member, whether under the Employing Party’s internal procedures or before any court or tribunal.

6.6. Each Party will inform the other as soon as reasonably practicable of any other significant matter that may arise relating to any JRO Staff Member or their employment.

6.7. The Employing Party shall use its reasonable endeavours to procure that the JRO Staff Member shall notify it if the JRO Staff Member identifies any actual or potential conflict of interest between the Non-Employing Party and the Employing Party.

6.8. Each JRO Staff Member shall continue to be eligible for sick pay, holiday pay and any absence entitlements in accordance with their Employment Contract and shall remain subject to the Employing Party’s approval and notification procedures.

7. Systems

The Parties will consult with the relevant managers in the Trust and Imperial College to ensure that adequate protection is installed on the information technology systems used by the Joint Research Office so as to prevent as far as possible any security breach of either Party’s information technology system.

8. Accommodation

The Parties agree, if necessary, to consider, discuss and investigate a suitable site for accommodating the Joint Research Office and agree the costs associated with such accommodation.

9. General

For the avoidance of doubt any dispute arising between the Parties in respect of the Joint Research Office shall be resolved in accordance with Clause 18 (Disputes).
Schedule 5

Agreement for the Terms of the Post
PAPER D

FINANCIAL MANAGEMENT REPORT
A Report by the Chief Operating Officer

MANAGEMENT ACCOUNTS TO 31 MAY 2009 (1)

1. There are now 2 months left in the financial year, and whilst the trends seen in the prior months continue there are a few points of note. The overall operating surplus is now £24m. There are a number of restructuring and other provisions which are still to be booked before the year end and so the bottom line full year forecast of a £13m surplus is still broadly valid.

2. The overall income growth level has fallen back slightly to 11% over last year (pg2). Research income, after the first below budget month of the year and the third declining month in a row (pg 8), has also fallen back to 18% growth on last year. However, whilst it is now considered almost certain that the year end will be higher than forecast, this trend will be monitored carefully with the Faculties. The other income lines remain in line with prior trends (pg 2).

3. Overall the Faculties remain in a £2.4m surplus position (pg 7) although, following a low non staff expenditure in the month, this surplus is £2.3m ahead of budget. It is worth noting that both FoE and FoNS are also significantly ahead of their year end forecast positions.

4. Expenditure continues below budget across all central areas (pg2). Again it is now almost certain that the full year outturn will be better than forecast. Of particular note are Facility Management costs which are running some £0.8m favourable to budget.

5. Commercial Services (pg 15) had another surplus performance in the month although this was broadly in line with budget. They also remain slightly ahead of forecast but are watching a number of risks primarily in the conference operation.

6. The College Fund is £0.5m in surplus (pg 16), which is £0.1m behind budget.

7. Debtors have reduced significantly since March primarily due to reduced student debt following the second tranche of monies from the student loans company. Pleasingly the 12+ month debt continues to fall as do the overall aged debt trends. There was a small reduction in research WIP in the month driven by FoM which goes against the trend expected at this stage of a quarter. Payments in advance reduced as expected.

8. Cash flow (pg 4) continues better than budget helped by the larger I&E surplus and favourable working capital (being primarily better than budget debtors and net research working capital) partially offset by higher than budget capital expenditure. Also the College Fund continues to hold more cash than expected in the budget due to the difficult investment conditions. As highlighted previously the effective deposit rate continues to fall as the higher interest rate deposits mature.

MPK

1. The Management Accounts are confidential and is not included with these Minutes.
A Report by the Chairman of the College Fund Board

UPDATE ON ACTIVITY AND PERFORMANCE

1. The Fund has continued to take a risk averse position in relation to the Unitised Scheme to reflect the continued lack of certainty regarding the nature of the market. The focus therefore remains on optimising the liquidity and value of the Non Core assets held within the Special Circumstances Portfolio and concentrating on capital preservation and reduced volatility for the Unitised Scheme to ensure it is well placed to participate in the market recovery in the longer term. At the consolidated level, the Fund has succeeded in increasing its Net Asset Value by 13.3% for the year to date in very challenging circumstances. The breakdown of this performance across the two portfolios is set out below.

UNITISED SCHEME

2. **Performance:** The move to cash in the first part of the year followed by a reallocation of the equity position to more active managers in December have both played a significant role in enabling the Unitised Scheme to minimise loses and perform comparatively well for the year to date. For the ten months ended May 2009, the Scheme delivered a total return of -4.9% against a drop of -14.9% for the FTSE All Share over the same period. As demonstrated by the chart below, the Scheme has managed to deliver a reduced level of volatility versus the equity markets, but remains marginally behind the overall investment objective over a rolling five year term.

![Chart](image.png)

3. **Significant Contributions.** The summary report at Annex A (1) from Asset Risk Consultants puts the performance since the inception of the Scheme into a comparative context;

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1. Annex A is confidential and is not included with these Minutes.
but it is worth noting the following significant contributions since the last major changes were instigated:

a. Emerging markets has delivered a performance of +45% since the allocation of an additional weighting to this position in December 2008.

b. Ceres Power (CWR) has increase by 91% since the allocation of a further £2m in shares following an in specie transfer from Innovations in January.

c. The average return from the selected active equity managers since inclusion in December has been 9.7%; whilst over the same period the passive performance has been virtually flat.

4. **Asset Allocation.** The Unitised Scheme continues to maintain its emphasis of liquidity, therefore there has been relatively little change in the strategic asset allocation position since the last report to Council. The main tactical action taken to protect against volatility has been to introduce a Cap and Collar hedge on the Global Equity position to protect against a drop of greater than 10% by giving up the upside above 7.5%. This hedge was entered into on a cash free basis on 19 May and is referenced on the MSCI All World Index in Sterling Terms in order to match the nature of the Scheme’s equity holdings. As at 29 June the Hedge has a positive value of £370k for the Fund to reflect the 4% decrease in the underlying index. As at 31 May 2009 the position against the strategic asset allocation was as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>May 2009</th>
<th>Neutral</th>
<th>Variance</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>£m</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Global Equity</td>
<td>£33.7m</td>
<td>51</td>
<td>55</td>
</tr>
<tr>
<td>Property</td>
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<td>10</td>
</tr>
<tr>
<td>Long/ Short Equity</td>
<td>£5.5m</td>
<td>8</td>
<td>10</td>
</tr>
<tr>
<td>Market Neutral Hedgefunds</td>
<td>£4.1m</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Cash</td>
<td>£23.4m</td>
<td>35</td>
<td>15</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>£66.7m</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

**SPECIAL CIRCUMSTANCES PORTFOLIO**

**IMPERIAL INNOVATIONS PLC**

5. The Fund holds 52.3% of the share capital of Imperial Innovations within the Special Circumstances Portfolio, subject to a strategic limitation that this position cannot be reduced below 50% without the prior approval of Council. The share price at the end of May 2009 has moved back to £3.325, representing a 30% increase from the year end position. This performance is clearly pleasing, especially against the backdrop of a 37% fall in the FTSE AIM index over the same period, and has delivered a £24m increase in the Net Asset Value of the Fund for the year to date. The news flow from the Company continues to be positive; including a reported profit for the first half of the year versus a loss for the same period last year. The Company is also confident that it will be well placed to follow up its recent successes through Thiakis, Veryan and Nexeon with further strategic realisations and investments in the coming months.
NON-CORE PROPERTY

6. Since the creation of the Fund in August 2007, the IPD All UK Property index has fallen more than 37%, therefore it is worth focusing on the activities in relation to the Fund’s Non Core Property portfolio to clarify the status and realisable value of these assets in the broad context of a very negative market.

7. It should be stressed that property has generally been transferred over to the Fund in poor physical condition and with problematic planning issues, particularly in relation to restricted usage provisions. Therefore when the property is valued for transfer purposes these limitations must be factored into the agreed ‘red book’ valuation. The role of the Fund is then to undertake the planning and refurbishment work necessary to make these properties more liquid and to improve their investment values – and much of this activity is effectively market neutral. The Fund has also undertaken a significant level of capital investment in the prime assets, and most notably: Cornerstone (46-48 Princes Gardens); 52 Princes Gate and the Residential Portfolio at Silwood where in total c. £15m has been invested in improving the quality of the assets. A breakdown of the main components of the Portfolio are set out at Annex B (2) with their initial transfer values, a summary of the developments since transfer and the basis of the values they are currently held at. The main issues to note are:

a. The reduction in the market value of the Silwood Commercial Portfolio, where a write-down has been applied to reflect: the distribution of £3m back to the College through the acquisition of the Hamilton Building and the liquidity risks associated with developing the Manor House due to its proximity to an operational Reactor Centre. The requirement to have a Red Book valuation that accounts for such specialist risks has resulted in an exceptionally prudent £1.25m valuation for the Manor.

b. That SW7 prime residential values have held up very well in the current market and a prudent approach has been taken in relation to the lifting of the usage restriction on the Sports Centre Flats so that the total valuation for this element of the portfolio remains in line with the market.

c. The value increase applied at Wye reflects the major changes made in terms of achieving vacant possession and improving the planning status of a significant proportion of the peripheral estate and the comparative strength of the Agricultural land market. It should be stressed that Main Campus North remains outside of the Fund’s Non Core Asset Portfolio.

d. The current valuation for 52 Princes Gardens can be considered at the top end; but is based of a revised forecast net income yield and reflects the continued appetite to acquire high quality buildings with residential potential in prime central London.

8. Therefore, whilst property valuations will always be more of an art than a science, and the overall position will continue to be regularly reviewed in the light of new ‘Red Book’ valuations across the portfolio and the information available from specific indices, the Fund’s prudent approach to valuations means the College should remain comfortable with the current position even in the depressed market.

9. In addition to improving the basis of the existing portfolio and ensuring that current valuations remain reasonable, the Fund is also taking very active measures to fully benefit from the downturn in West London property prices. Council will recall that they approved a Rental Guarantee in relation to a proposed development at Winstanley Road in Clapham Junction in order to enable a development of 450 Postgraduate Studios on the site. Significant progress has now

2. Annex B is confidential and is not included with these Minutes.
been made to take this development forwards with terms agreed on £52.5m of debt funding to support the land acquisition and build; an agreement on the equity positions between the College and the Berkeley First as the development partner; and an agreed building specification and planning application. It is anticipated that detailed planning permission will be achieved in December 2009 in order to commence delivery at the beginning of 2010. The building should then be ready for its first students for October 2012. As per the terms of the Council approval, the final documentation will be reviewed by the College’s Solicitors and Accounts to affirm that there is no conflict with the College’s existing borrowing facilities and that the debt for the Special Purpose Vehicle will not be accounted for on the College’s Balance Sheet.

10. Council will also recall that Winstanley Road represented the first venture in a programme to deliver up to 1,000 new Postgraduate Student Bed spaces. Further investigations and negotiations have identified three high potential sites where the College’s unique position to support both the planning process and secure sensible debt terms to fund developments provides a very strong commercial case. All three of the sites would support developments of at least 400 Postgraduate Studios and they all conform to the criteria set out in the proposal to Council: i.e. that they are within 40 minutes travel time; are within Zone 2; can be delivered with an enhanced equity position for the Fund; and will be funded on the basis of a guarantee that it at least 10% below to the current open market position.

11. The increased focus on Student Housing for planning authorities across London has highlighted the critical role that Universities have in supporting specific schemes and therefore the details of the individual opportunities have become increasingly sensitive. The Chief Operating Officer and Director of Property Management have therefore undertaken high level meetings with relevant Council Leaders and Planning Officers to emphasise the importance of Imperial’s role for student accommodation in West London with specific reference to potential sites. There is a high level of confidence that this will enable the Fund to bring forward at least one further scheme within the next 3-6 months on exceptionally good investment terms.

CONSOLIDATED PERFORMANCE SUMMARY

12. At the consolidated level it is pleasing to be able to report a further increase in Net Asset Value for the year to date. This has been delivered through a mixture of new assets being transferred over to the Fund during the year, and the significant increase in the value of the Innovations holding since the year end. However, it is important to put the Property valuation in context as it is not immediately obvious that there should have been an increase in value given the nature of the property market over the last 18 months.

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>31 Jul 08</th>
<th>31 May 09</th>
<th>YTD Variance</th>
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<td>Unitised Scheme*</td>
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<td></td>
</tr>
<tr>
<td>Imperial Innovations</td>
<td>£79.9m</td>
<td>£104.0m</td>
<td>£24.1m</td>
<td>30.2%</td>
</tr>
<tr>
<td>Non Core Property</td>
<td>£73.9m</td>
<td>£87.7m</td>
<td>£13.8m</td>
<td>%</td>
</tr>
<tr>
<td>Debt</td>
<td>(£7.6m)</td>
<td>(£16.5m)</td>
<td>(£8.9m)</td>
<td>n/a</td>
</tr>
<tr>
<td>Total</td>
<td>£213.5m</td>
<td>£241.9m</td>
<td>£28.4m</td>
<td>13.3%</td>
</tr>
</tbody>
</table>

* After distributions of £2.4m for the Year to Date.
BUDGET 2009/10

13. Attached at Annex C is the College Fund’s budget for 2009/10. The budget maintains the Funds objective of increasing Net Asset Value and continuing to develop the Non Core Property Portfolio into liquid investment assets. The proposal very closely follows the five year plan previously submitted to Council, and the main highlights are as follows:

a. Total income is targeted to increase by £1.3m (30%) on the current year’s forecast, driven primarily by the rental increase from Cornerstone and 52 Princes Gate.

b. A 20% (£0.5m) increase in distributions from the Fund.

c. The current heavy allocation to cash (£23.4m) is expected to be reinvested in liquid risk assets over the budget year resulting into a consolidated net debt position of £20m against an approved level of £30m.

d. A further £3.7m in capital funds are committed to complete Cornerstone and Silwood Farmhouse and support further planning developments primarily at Wye. The level of operational property will therefore progress from just over 51% currently to 69% by the end of the budget year.

e. Total Net Assets are targeted to increase by 11% (£26m) through:

(1) £5m in planned transfers of Non Core property assets during the year.

(2) An £8m increase in the market value of the Innovations holding through anticipated market performance.

(3) £4m in planning gains on the property portfolio – mainly in relation to Pembridge and Wye.

(4) A £4m increase in the market value of the Unitised Scheme

(5) £5m in new funds for the Unitised Scheme to be raised from new donations and targeting allied Trusts and Charities.

14. The budget recognises the need to continue to invest in the maturing assets of the College Fund so that the planning objective of delivering a step change in distributions by the year 2011/12, when the target will be in excess of £8m a year, can be achieved. The Fund’s budget, as set out here, has been incorporated into the consolidated College Budget for approval by Council.

SN
Jun 09

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3. Annex C is confidential and is not included with these Minutes.
PAPER F

BUDGET 2009-10 AND 5 YEAR PLAN 2009-14

A Note by the Chief Operating Officer

OVERVIEW

1. This paper, in 2 parts, sets out both the 2009-10 consolidated budget (including Innovations) and the 2009-14 five year plan for College (excluding Innovations – as in prior years). This year, due to the fast evolving nature of the current economic climate, the planning process conducted in the spring did not include any financial numbers; they have been collected as part of the budget process and will be the basis of the College’s five year plan to be submitted to HEFCE in November 2009.

2. There are 4 appendices to this paper: (1)
   
   Appendix A: The Consolidated Budget 2009-10.
   Appendix B: The University Budget 2009-10.
   Appendix C: The College Fund Budget 2009-10.

BUDGET 2009-10

INTRODUCTION

3. Set out in this paper is Imperial College’s consolidated proposed Budget which is made up of the University Budget, details of which are set out in Appendix B and which was approved by Management Board on 26th June 2009; and the College Fund Budget details of which are set out in Appendix C, which was approved by the College Fund Board on 7th July.

4. The consolidated budget figures are set out in Appendix A. There are two points of detail to note: firstly, the consolidated budget figures include the appropriate consolidation of the College’s share of Imperial Innovations’ estimated results for the year ended 31st July 2010. Secondly, the income and expenditure numbers have been grossed up to take account of the turnover in Commercial Services, ICON and other fully owned subsidiaries.

HIGHLIGHTS

5. The highlights, with comparison to the 2008/9 forecasts, are:
   
   a. Total income rises by 3% to £678m.

   b. Research income rises by 2% to £285m (Order Book at 83%).

1. The appendices are all confidential and are not included with these Minutes.
c. Contribution to overheads rises by 6% to £55m (of which FEC is £32m).

d. The HEFCE grant falls by £1m to £174m.

e. Student fee income rises by 13% to £116m.

f. A surplus of £29m is generated, after allowing for a new SIF of £5m.

g. Net debt at 31 July 2010 is budgeted to be £44m.

6. In line with expectations income growth at 3% falls back from the annual average growth of ~8% p.a. seen since 2002. This reflects the reduced HEFCE grant incorporating the RAE outturn and the lower level of growth of research income. Of particular note are the overseas student fees which rise by 14%, driven by an 8% increase in overseas student numbers to 4259 from 3936 this year.

7. However, helped by the cost control measures and the cost reduction targets introduced, growth in the cost base is restricted to less than 1%. Thus, with revenue growing faster than expenditure, the surplus is budgeted to be £29m, up from the £13m forecast for 2008/09. This includes a £5m allowance for a new SIF which has not yet been allocated. It should be noted that this level of surplus is in line with the financial models presented to Management Board and Council during early 2009 and reflects the need to build a sustainable financial base for the future.

FACULTIES

8. The Faculties are budgeting for an overall breakeven position (p14 and 15 Appendix B). The Business School continues to run a deficit, budgeted at (£1.0m), for the same reasons as in prior years i.e. to reflect the “delay” factor inherent in the Vote Formula and the cash flow benefits of its activities. Both FoNS and FoE have breakeven budgets, and FoM, on the back of the restructuring programme agreed at the May Management Board to reduce their staff budget by up to £10m p.a., are budgeting for a £1m surplus. It should be noted that all Faculties are budgeting a reduction in non staff recurrent expenditure, which will require close management with the divisions and departments.

9. Student numbers rise by 3.9% on the back of an increase of 310 PGTs, 29 PGRs and 171 UGs.

10. As noted above, research income (pg 14 and 16 Appendix B) increases by 2%, with EU up 35% and charities up 2%. Interestingly the proportion of research income generated from the Research Councils is flat as is the contribution, which reflects that we have now reached the end of the ramp up period of FEC grants. The order book on research remains healthy at 83%, although it has decreased from 86% last year. FoM are at 85% compared to 83% last year whilst FoNS are at 90% on the back of their large RC block grants. The largest risk is on industrial sponsors where FoM have 67% and FoE 58% of income secured.

EXPENDITURE

11. Academic Related Investments are budgeted at £7.1m (pg 19 Appendix B), up from £5.1m in 08/09. There is £2.7m for institutes, comprising Porter, Systems and Synthetic Biology, Security, Energy Futures and Science Policy. Expenditure on the Reactor Centre has increased to £2m reflecting the additional security and running costs required now that the reactor is to continue to operate throughout 2009/10. £1.1m is allowed for the Drug
Discovery Facility although this will be transferred to FoM if they take over responsibility for
the unit. Wye costs reduce from £1.2m to £0.3m now that academic operations have ceased (although the College Fund will also pick up £0.5m in costs). These costs reflect the residual site and premises costs.

12. Total Admin and Academic Services are 5% lower at £30.1m (pg 20). This includes a target saving of £1.3m, as agreed at the May Management Board, with a review being undertaken by Professor Sir Peter Knight. Whilst most of the individual departments have delivered 5% or greater cost saving there are some exceptions of note.

a. College headquarters are flat compared to the 08/09 forecast.

b. Alumni and Development are broadly flat, but no fund raising target has been included in the budget.

c. Commercial Development have implemented their new structure following agreement at Management Board leading to a 17% cost increase to £1.6m. There is, however, a target to deliver £0.5m of additional revenue in 2009/10.

d. Finally the library periodicals budget rises by 11% to £4.2m driven by the ongoing challenge of above inflation price increases coupled this year with the devaluation of sterling. Due to the academic importance of the periodicals it has been agreed not to cut the level of title subscriptions. It should be noted that the library costs, excluding the periodicals, fall by 10% on the back of the closure of 4 departmental libraries and ICT fully absorbing the support for the library’s software system.

13. Overall Support Services costs fall by 5% to £69.9m (pg 20 Appendix B). This is primarily achieved by rationalisation, working smarter and the benefits of lower utilities prices.

14. Unallocated Corporate costs increase by 5% to £36.6m (pg 21 Appendix B). Depreciation at £16m reflects the capital programme undertaken over the last few years. Interest costs increase substantially, from the £1.9m forecast to £5.7m, on the back of the significantly lower deposit rates available in the market and the fact that the College has moved into a net debt position (see below). Student bursary payments increase by 42% to £4.7m reflecting a further year of student top up fees. Finally the ICT MIS programme is cut by 10%.

15. Commercial Services are budgeting to break even (pg 22 Appendix B). Whilst this may appear to be a flat budget they are being charged an additional £1.7m of depreciation and support costs to reflect fully the true cost of their service provision. Their underlying trading position offsets this cost increase due to the benefit of Eastside opening in October 2009 and the increased profits following the recent investments in the catering outlets.

**CAPITAL EXPENDITURE**

16. College capital expenditure reduces in 09/10 reflecting the completion of Eastside and the fact that spend on L Block and the current phase of SEQ is primarily covered by the SRIF capital grant from HEFCE. A more detailed analysis of capital expenditure is covered below in the 5 year plan analysis.
THE COLLEGE FUND

17. The College Fund (Appendix C) is budgeting to produce an operating surplus of £1.8m. This arises principally from increased net rental income. Distributions to the College are budgeted to increase to £3m, a 20% increase on the current year forecast.

CASH

18. Net cash out flow is budgeted to be £46m (pg 6 Appendix A) which will see net debt increase to £44m by the end of July 2010. The cash on a consolidated basis reflects the asset allocation decisions of the College Fund; hence there is a cash outflow budgeted as the Fund divests away from its current heavy cash holding into other asset categories. The cash payout against the restructuring programmes in the University, which have been provided for in 08/09, will happen during 09/10. As always it is vital for the College to retain control of its working capital at all times in order to maintain financial stability and fund the capital programme. This means continued tight control of debtors and research work in progress and the continued drive to maximise payments in advance by seeking favourable payments terms on research contracts wherever possible.

RISK ANALYSIS

19. In previous Budget reports, a risk analysis was prepared which identified a number of areas of uncertainty, balanced by elements of upside potential. For 2009/10 this analysis needs to be viewed against the ongoing uncertainty over the economic environment and in particular the future prospects for Government spending post the general election. Further, this needs to be considered against the risk analysis on the 5 year plan outlined below.

20. The downsides are analysed as follows:

a. It is very likely that the HEFCE grant will be cut by a further £1m.

b. The budget includes the benefit of an additional 225 students, which were agreed by the Management Board in March. How this will be achieved has been proposed but will need to be delivered by individual Departments.

c. The College consistently delivers greater student fees than budgeted. This may become a risk if overseas student numbers fall in the uncertain economic climate, particularly if sterling continues to appreciate against the US dollar.

d. The national pay award for 2009/10 has not been agreed although, even with the 2% increase in employers USS pension contributions, it is considered probable that it will be within the budgeted pay increase.

e. Whilst the College has an order book of 83%, this is down from the 86% last year. There is a worry that sponsors may cancel or curtail research grants already awarded. Further, the order book on industrial sponsors is at 67% which represents a risk specifically for FoM and FoE.

f. The terms of trade on research grants may move against the College, adversely affecting the cash flow benefits of a growing figure for payments in advance. Overseas grants represent the biggest risk here.
g. Any delays to the restructuring plans in the Faculties will delay the resulting cost savings. The budget assumes restructurings are completed by December 2009.

h. The budget does not include any operational or cost impacts of Woodlands. Whilst the College Fund will undertake the purchase, the College will have to pay c£10-15m of capital and £0.3m of running costs in 09/10.

21. Upsides to counter these risks do exist:

a. The order book is at 83% of budgeted research income. Success may breed success.

b. Student fee income may yet again surprise on the upside.

c. There is a track record of continued tight cost management which has often led to expenditure coming in below budget.

22. From the above analysis, it would seem reasonable to conclude that there are more tangible, likely downsides than upsides. The management task remains the same as in prior years: to take advantage of the strong platform already created, whilst at the same time maintaining vigilance over the cost base. Given the above analysis this will be more difficult than in recent years and so a central contingency of £5m has been included in the budget.

23. The Council will be asked to approve the 2009-10 budget; however the budget must be reviewed in the wider context of the 5 year plan.

5 YEAR PLAN 2009-14

24. The plan, set out in Appendix D, has been prepared for the University and the College Fund but not including Innovations, given sensitivities about its publically quoted status. In the Plan, no assumption has been made about the College reducing its stake in Innovations, although this issue will become a topic for discussion as Innovations matures as a business. Innovations appears in the Plan therefore, only as a source of income to the University – via IP equity releases – and to the College Fund – via dividends projected.

25. The Plan, as presented, has been prepared against the ongoing uncertainty over the economic environment and in particular the future prospects for Government spending post the next general election. With predictions of significant cuts in public expenditure after the election, the full impact of the downturn is not likely to be felt until 2011/12. This gives both an advantage and a risk: the advantage is that the College has time to prepare and take action now, but the risk is that in isolation the 2009/10 budget looks healthy which could lead to a reluctance to take painful action now.

26. Further, it should be noted that the Plan is shown on a “net” basis; where as the consolidated budget breaks out the financial performance of Commercial Services and the wholly owned subsidiaries and includes their turnover in income and their costs in expenditure, the plan in line with the FMR, “nets” off their income or expenditure and shows just their bottom line net surplus or deficit position.
HIGHLIGHTS

27. The key highlights are:

28. **Income.**

   a. There is a very likely possibility of a significant reduction in the HEFCE grant by 2012/13. In 2009/10 the College will receive £158m from HEFCE including £4m of moderation payments to fund a grant shortfall following the 2008 RAE. It has been assumed that there will be no moderation in 2010/11 and then a cut of 7.5% in each of the 2 subsequent years. This will mean that the grant reduces to £130m p.a. by 2013, a reduction of 18% from today’s level.

   b. The plan assumes a 4% reduction in research income by 2010/11 with the subsequent year flat and then slow recovery with 2% and 5% growth in the following 2 years. There are 2 points of specific interest: (i) a 13% reduction in charity income between 09/10 and 10/11 reflecting the funding problems currently experienced by charities, (ii) a 7% reduction in Research Council income by 2011/12 which is a smaller reduction than has been included for the main HEFCE grant. Note: a 10% reduction in Research Council grants reduces net contribution by £3m p.a.

   c. There is an underlying increase in student numbers, from 13,776 to 14,769, mainly on the back of new courses already launched or identified, primarily in FoM due to the introduction of the post graduate medical degree.

   d. Four new sources of income are included in the plan. Whilst the outline details have been identified, the detailed plans will need to be developed in the coming months:

      (1). Income from Commercial Development Projects of £0.5m in 2009/10 rising to £4.4m in 2013/14 has been assumed. The income is generated from a number of known projects but delivery of this net income figure is a challenge.

      (2). Income from IP equity realisation and royalties, through Innovations, is assumed at £0.5m in 2009/10 rising to £3.8m in 2013/14. It should be noted that current College policy is to distribute the bulk of such income to Departments.

      (3). College Fund dividends rise to circa £5m per year from 2011/12. This dividend is over and above the normal College Fund endowment distributions, which rise to £4m in the final year of the plan.

      (4). A further increase in overseas student numbers, of up to 570 by the final year of the plan. The Faculties have tentatively indentified how to deliver 370 of these. Additional net income from this growth (after allowing for associated costs) is predicted to total £3m in 2010/11 rising to £6.5m in 2013/14.

29. **Expenditure.**

   a. Faculty recurring expenditure reduces very slightly in the first 2 years of the plan reflecting the impact of the restructuring programme highlighted in the budget section. This programme will remove over £10m p.a. from the cost base although the faculties have allowed ~£2m for the investment in new academic staff.
b. Staff costs across all areas increase below inflation. This will mean either below inflation annual pay increases or ongoing restructuring and job cuts.

c. A further 2% increase in employer contributions to the USS pension scheme has been assumed from 2012. There may still be a risk of further increased pension contributions (see below).

d. Overall Support Service costs increase at an average of 2.8% with efficiency initiatives offsetting the impact of inflation. Utilities increase by an average of 9.7% p.a. reflecting the expected return to above inflation price increases.

e. SIF expenditure of £5m p.a. is included.

f. A contingency of £5m p.a. has been included.

30. **Cash and net debt.**

a. In line with the reduced surplus the total funds generated from operations (including from the new sources) falls from ~£48m p.a. in the first 2 years to ~£30m p.a. in the last 2 years.

b. Whilst the capital investment programme remains significant (see below), with a large demand for new projects, the College has agreed a capital rationing strategy that means the net borrowing remains within the £150m limit set by Council across the plan period.

31. **The Capital Investment Programme.**

a. The College continues to propose a significant building development programme, totalling over £400m in the period to the middle of the next decade. Of this ~£100m is funded from external sources, being the £80m HEFCE capital grant, which will run until 2011, and monies from sponsors who require research space in return e.g. the Wellcome Trust and the MRC. It has been assumed that there will be no further HEFCE capital grant after 2011.

b. The capital programme has been split into approved projects, planned projects (which are not yet approved but which are considered important) and pipeline projects (which are those that Faculties and individuals would like to do). The capital investment included in the plan excludes any pipeline projects. In order to undertake these projects there are 3 options: (i) obtain external sources of capital i.e. donations, sponsorship or further HEFCE capital grants, or (ii) generate a larger surplus in the later years of the plan, or (iii) take on more debt.

c. In this context, it is noteworthy that only one of the recently started/completed major capital projects has secured external donation support: the library project, with £0.5M from Wolfson against the £7m total project cost. Sherfield, Bessemer/ RSM, Southside, Eastside, with a total aggregate spend of nearly £200m, have all been funded without a penny of donational support. The last major capital project to be funded by a meaningful donation was the Business School in 2001; this is not a happy precedent. Thus for the sake of prudence no unknown or unagreed sources of capital have been assumed in the plan.

d. The priorities in the capital programme are the L Block development at Hammersmith, the SEQ programme, and the infrastructure projects required to
ensure the estate remains fully operational. There are a number of other projects that are not included in the capital expenditure programme on the basis of this prioritisation and affordability (see below).

32. **Planned and approved projects.**

   a. The major projects already approved include SEQ levels 0&1 and full scheme design fees (£76m), L Block (£73m), Hammersmith CBS H1 refurbishment (£9m), Sherfield kitchens and MDH refurbishment (£4m).

   b. The major planned projects are:

      (1). The remainder of the SEQ programme. This incorporates the Exhibition Road Building (£124m), which will come to Council for approval in spring 2010, the refurbishment of the upper floors of ME (£48m) and decant costs (£13m).

      (2). New data centre £12m.

      (3). Plant and building infrastructure replacement and refurbishment projects totalling £43m over the 5 years required in order to keep the estate fully functional.

33. **Pipeline projects (not included in the plan).**

   a. The major pipeline projects, which are not included in the plan, are:

      (1). Teaching block for Physics and Chemistry, £32m.

      (2). The remaining refurbishment of the Commonwealth Building (3rd floor) and a radiochemistry unit, £9m.

      (3). St Marys campus, £16m. FoM wish to focus on completing the refurbishment of the Medical School building including the development of a high containment facility rather than focusing on the Triangle Site development. A separate paper will be presented to the Management Board.

      (4). SEQ Mech Eng West side extensions, £28m.

      (5). Brompton Hospital completion of the refurbishment of the Guy Scadding building £5m.

      (6). Commercial Services projects, £9m, including the development of Warren Farm and catering and social facilities at Silwood.

34. There are other projects that have been identified that potentially start in the last year of the plan and will have significant spend in the years after the planning period: a new Chemistry / Molecular Biosciences building, the Triangle Site project at St Mary’s and the redevelopment of the north-west corner of the South Kensington campus. These have not been included in the 5 year plan.

**RISKS AND OPPORTUNITIES**

35. There are a number of risks and opportunities identified:
36. **Risks.**

a. The uncertainty of government funding leading to a bigger cut in HEFCE funding or reduced volume of awards from Research Councils.

b. The inability to recruit the increased overseas student numbers.

c. The inability to deliver the new sources of income. There is also a risk that the benefit of such income does not come to the centre, but passes directly to the departments where it is spent on local and not central priorities.

d. The College might not receive the level of FEC income assumed. This could arise in two ways. Firstly not initially winning awards particularly if the Research Councils hold back on awards if they suffer funding cuts; and secondly the College not being able to sustain the level of research activity or increasing the time from award to start work.

e. The College is exposed to inflation. It is not possible to mitigate fully the impact on the cost base by rising prices across all sources of income, as the HEFCE grant, as highlighted, is likely to fall in absolute terms. The plan assumes College inflation of 5% in 2011/12 before falling back to 4% in subsequent years. Note: an analysis of the College cost base has shown that College inflation has tended to be ~3% higher than underlying CPI.

f. The College may not hold its cost base down, particularly if there is an increase in the non controllable costs items, for example utility prices, which remain volatile, although gas and electricity price increases of over 10% p.a. have been assumed in the later years of the plan.

g. There may be a significant reduction in the current levels of research contracts paid in advance. It is important that favourable payment terms, i.e. in advance, are pursued on research contracts wherever possible.

h. The management of the capital programme remains crucial to on time and on budget delivery of the projects. The College has not always been able to manage capital rationing although there are now very clear prioritises set.

i. Interest rates rise by more than the 4-6% assumed.

j. The burden of the reactor decommissioning may not be taken off the College by the Nuclear Decommissioning Agency. This remains a not insubstantial cost and cash burden (£30m) although this is likely to be in the years after the end of this plan. Furthermore, the security costs may well rise.

k. There needs to be significant changes to the benefits structure of the USS pension scheme (CARE, retirement age, cost sharing etc). If these are not achieved before the next tri-annual actuarial review in March 2011, there is a £20-30m p.a. potential additional contribution cost risk for the College.

l. Whilst academic operations have now ceased at Wye there remains an annual cost of ~£1m p.a. (split between the College and College Fund) for site maintenance and security until such a time that alternative uses for the site can be found.
m. The College Fund may not invest successfully to the point that it cannot distribute funds to the University.

37. **Opportunities.**

   a. Reductions in Hefce grants might be less drastic than our assumption. There clearly need to be strong political lobbying to protect the major research intensive leading universities from such significant cuts, but success has not been assumed.

   b. There has been no allowance for the potential removal or raising of the cap on home / EU student top up fees (currently £3,225). Raising the cap is not considered likely before 2011 but a doubling of the top up fee level would bring a ~£3m p.a. per year benefit i.e. a £9m p.a. benefit once all 3 undergraduate years are paying the increased fee.

   c. Cash flow has historically been better than projections as we see a lag in operating and capital expenditure.

   d. Current market conditions in the construction industry are yielding over 10% lower tender prices compared to project budgets. If this continues there will be a benefit on future projects e.g. SEQ.

   e. Further additional student numbers have not yet been identified, but Faculties are now fully engaged in this matter and it is likely that new courses will be introduced in the plan years which will allow a greater increase in students, particularly overseas.

   f. Income from Commercial Development Projects and Innovations equity realisations could be higher than the amounts assumed in the plan.

   g. The low inflation environment currently experienced might continue through most of the plan period.

   h. The College may be able to obtain sizeable philanthropic donations of either unfettered money or against the capital programme.

   i. The College Fund’s investments are more successful than planned; in particular that Innovations’ share price rises by more than the assumed 8%.

38. In summary the 5 year plan is less robust than we would like and is certainly less robust than in previous years. This reflects the broader economic uncertainties. There are a number of significant risks as outlined above, some of which are outside College control, e.g. inflation and crucially the impact of deteriorating Government finances, and others over which the College has influence but not control, e.g. pensions. Specifically, even if all of the measures – cost reductions and income generating activities – identified to counter a reduction in the HEFCE grant are successfully implemented, there still remains little room for manoeuvre on the I&E account and no room for ‘pipeline’ capital expenditure. The dominant feature of the capital expenditure plan and the net cash position is clearly the relative size of the College spend on the SEQ project, which crowds out other initiatives and absorbs £185m of College cash.

39. Given the above highlight and risk analysis, three ways forward present themselves:
a. Proceed with the plan as presented, on the basis that the College has the capability of managing the risks and of generating the “new” income needed to sustain the level of investment envisaged.

b. Proceed with the plan as presented in the short term; but do so on the basis that no further firm commitments are taken on the SEQ project as the major contribution to the cash risk profile until such time as there is greater clarity on the income front.

c. Recast the Plan to reflect a radical reappraisal of the capital expenditure plan.

40. Given this, a number of alternative scenarios have been examined, analysing the cash impact of, in particular, delaying the SEQ project for 12 months, delaying the SEQ project for 24 months and delaying the SEQ project for 12 months but with the assumption that a major donation (£50m) is obtained in the meantime. It should be noted that delaying the SEQ project runs the risk of exposing the College to building cost inflation. This is countered by the fact that in the figures used no account has been taken of current building cost reductions – which are running at about 15% in 2009 compared to 2008. The £m net debt position arising from these three scenarios is set out below:

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<tr>
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<td>(75)</td>
<td>(45)</td>
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<td>(41)</td>
</tr>
<tr>
<td><strong>Delay SEQ by 1 year &amp; donation of £50m received</strong></td>
<td>(72)</td>
<td>(77)</td>
<td>(45)</td>
<td>(40)</td>
<td>(49)</td>
</tr>
</tbody>
</table>

41. Given the above, the proposed way forward is:

a. To proceed to obtain planning permission for the full SEQ project as currently planned;

b. To intensify fund raising activity to secure a major (£50m) donation;

c. To recognise that the decision to approve the full SEQ programme may well be deferred until such time as there is greater clarity on any external funding of the project in particular and on the overall College financial picture in general;

d. Proceed with the preparation of the 5 year plan to be submitted to Hefce on the basis of the plan as presented, it to be made clear to Hefce that we reserve the right to amend the plan in the light of events.

M.P.K
PAPER G

MAJOR CAPITAL PROJECTS

A Note by the Chief Operating Officer

APPROVED AND UNDER CONSTRUCTION

SOUTHEAST QUADRANT

1. **Skempton** Phase 1 of the programme is on schedule. The first workshops have been completed and handed over. Phase 2 costs have now been received and the project is on budget.

2. **Mech Eng Levels 0&1** ISG have been appointed as the Contractor for this project and the project is on budget. The Programme is being finalised and completion by the end of 2010 looks feasible as required by the users.

3. **ERB Project** We are aiming for the planning application to be submitted in July and for the project to go to tender in January 2010. The design is currently progressing to Stage D. Noise tests have proven the need to demolish existing buildings primarily during a summer vacation.

EASTSIDE (£64M)

4. Overall, the project is three weeks ahead of programme and on budget. Carpets, decoration and kitchens are being installed in the South Block whilst at the northern end, the installation is complete and being de-snagged.

BLOCKS L&J (£82M)

5. Bovis Construction has been appointed as the main Contractor, following a thorough tender process. The bids were very competitive and circa £16.9 m (£2.9m of which is refund to MRC) is being taken out of the cost plan to reflect the gain in this respect. Demolition of the existing buildings is underway.

BESSEMER/ROYAL SCHOOL OF MINES (£21M)

7. The final project for the Advanced Manufacturing facility is progressing and will be completed in October 2009.

MAIN DINING HALL AND COLLEGE KITCHENS SHERFIELD (£3.6M)

8. The first phase creating a larger dining hall is nearing completion and will be opened for this summer’s Ball. The kitchen works are phased to take place after the summer Ball and prior to the new term in October.
DEMONSTRATION LABORATORY FOR ENGAGING YOUNG PEOPLE (£1.1M)

9. The works are progressing well on site in the Skempton Building and the demonstration laboratory for engaging young people is due to be in use this August.

CAPITAL PLANT REPLACEMENT PHASE 3 (£4.0M)

10. The lift refurbishment programme (£1.3m) is progressing well and RSM 7 will be completed early 2010. The replacement chillers (£0.951m) will be installed over the next four months. The five year electrical testing Programme (£0.166m) is progressing in both the Huxley and Blackett Buildings. The air conditioning unit replacement (£0.120m) works are in progress.

ENERGY FUTURES LAB (£0.6M)

11. Fit out of the Energy Futures Laboratory is underway with completion due for this September. The teaching facility is being defined and costs approved prior to commencement.

PROJECTS IN PRE-CONSTRUCTION

LECTURE THEATRE REFURBISHMENT (£1.4M) RSM

12. Three lecture theatres will be upgraded in RSM this summer to bring them up to modern standards. Orders have been placed to commence at the end of this term.

PILOT PLANT (£4.3M)

13. Design is progressing on the upgrading of this plant and the associated laboratories. The main work is due to commence in January 2010 with completion due in September 2010. Asbestos will be removed this summer.

CHEMISTRY & RCS1 ESSENTIAL & PRIORITISED INFRASTRUCTURE WORKS (£2.0M)

14. Works will commence on this project in July and are due for completion by February 2010.

ICT DATA CENTRE EXTENSION (£1.4M)

15. Orders have now been placed for the TROX units. This will be complete by the end of the year.

HAMMERSMITH CBSH1 FACILITY

16. The project is currently out to tender.
STUDENT'S UNION

17. Beit Quad (£3.3m). The work scope of this project has been increased within budget and will be completed in September 2009.

COLLEGE FUND PROJECTS

46-48 PRINCES GARDENS AND MEWS (£11.2M COLLEGE FUND)

18. This project is still on track for completion in October 2009. Flats are being completed sequentially (6 to date).

SILWOOD FARMHOUSE (£2.0M)

19. Works on the Silwood Farmhouse are progressing on site and will be completed in December 2009.

M.P.K.
A Note by the Principal of the Faculty of Medicine

AIM

1. The Council is asked to review the Consultation Paper attached at Annex A, which outlines the proposal to restructure the Faculty of Medicine, in addition to reviewing the academic profile of its clinical and non-clinical staff. As a consequence of these proposals it is envisaged that approximately 80 clinical and non-clinical academics are at risk. These proposals are covered by Ordinance D11 of the University’s Statutes – The Dismissal of Members of Staff by Reasons of Redundancy, a copy of which is attached at Annex B.

2. Whilst not covered by Ordinance D11 of the University’s Statutes, Council is advised that it is also envisaged that there will be a reduction in the number of support staff in line with associated academic posts losses and structural change.

BACKGROUND

3. The Faculty of Medicine wishes to change the organisational structure in order to strengthen academic activity in the main academic themes. The proposal is to create a new Department of Medicine, by bringing together the Divisions of Medicine, Investigative Sciences and Neuroscience and Mental Health. Creating a Department of Surgery and Cancer, which is formed from the existing activity within Surgery, Oncology, Reproductive Biology and Anaesthetics and creating a School of Public Health which will encompass activity in the current Division of Epidemiology and Public Health. The Institute of Global Health will remain as a key College level Institute based with then New School of Public Health.

4. Consultation with all members of staff in the Faculty of Medicine commenced on 1 July 2009 with a meeting with all Faculty of Medicine staff and Trade Union representatives.

5. The Faculty of Medicine proposes first to offer voluntary severance terms to those staff who are directly affected by these proposals in the first instance. If any academic members of staff do not agree to the voluntary severance terms Council is asked to:

   a. Authorise the Rector or other person authorised by the Rector to implement the selection process and subsequent proposed redundancy if the Rector or his nominee considers this appropriate following the comments and counter-proposals gathered during the consultation period; or

   b. Defer its decision and review the position again following the completion of the consultation process, at which stage the Council may require a report on the preliminary consultation with staff and/or appropriate representatives and any comments received from them. The Council may then authorise the Rector or his nominee to implement the selection process and subsequent proposed redundancies if the Rector or his nominee considers this appropriate following the comments and counter proposals gathered during the consultation period

S.S.
Annexes:

A. Consultation Paper
B. Ordinance D11 – The Dismissal of Members of Staff by Reasons of Redundancy
Annex A

Consultation Document

Faculty of Medicine Reorganisation

1. Background

In February 2009, in the light of the current economic situation, Imperial College Management Board agreed that it would ask all faculties, departments, divisions and non-academic functions to consider ways to make financial savings in order to safeguard the College’s long term position as one of the foremost universities in the world. Subsequent staff briefings have detailed further actions taken within the College to ensure focus is maintained on delivering the academic strategy and to protect financial sustainability within the institution to support that mission.

In accordance with College strategy, the Faculty of Medicine (FoM), has undertaken an ongoing review of its activity and performance, led by Principal and his senior management team1. The purpose of this ongoing review has been to deliver a strategy for ensuring the Faculty is able to maintain its position as one of the foremost medical research and education establishments on the global stage. The intention is to ensure that outstanding science is nurtured and supported within high quality infrastructure and fit-for-purpose support structures.

The results of the RAE 2008 show that, in the majority of areas, there is an internationally excellent medical research programme at Imperial. However, the effect on Faculty income for 2009/10 onwards of national-level decisions made regarding HEFCE funding distribution has necessarily shaped decision-making about how the Faculty must now move forward. Similarly the announcement in April by Universities and Skills Secretary John Denham that the sector will be required to make “efficiency savings” of £180 million in 2010-11, alongside public indications from major funding bodies of reductions in, or freezing of, levels of research investment (eg. MRC, Wellcome, BHF) make clear the full extent of the challenges now faced by our Faculty. We must confront the strong likelihood of a considerable reduction in present levels of income over the next few years. Action needs to be taken now to ensure that the Faculty’s best science is fully supported to attract an increased market share of these reduced funding streams. This will require the Faculty to focus its resources on areas of strategic importance.

2. The Faculty Finance Position

In May of this year, as part of the 2009/10 planning round exercise to which all Divisions have contributed, the Faculty presented the College with its budget for the next financial year, together with its financial forecast for the next five years. This shows a rapidly deteriorating position from 2008/9 to 2009/10 with a predicted deficit of £4.9 million, caused, in the main, by a fall in the vote income combined with increasing salary and pension costs.

For the following four years the Faculty has applied planning assumptions provided by the College in respect of expected income levels and inflation costs. These, combined with the research activity levels predicted through consultation with Divisions, were used to produce projections for the period 2010 - 2014.

1 senior management team comprises Deputy Principal, Director of Research and Development, Head of Undergraduate Medicine, Faculty Operating Officer, Faculty Finance Officer, Heads of Division.
The Faculty of Medicine’s financial forecast indicates a deficit of £4.9m in 2009/10, increasing to a deficit of £7.9m in 2013/14 giving an accumulated deficit of £28.7 million. This is predicted in spite of reducing non staff costs significantly from 2007/8 levels and assuming no new staff recruitment from 2010/11.

Clearly this is not sustainable for the long term running and viability of the Faculty. It is imperative that this predicted deficit is tackled now. At the same time, the structure of the Faculty going forward will need to be tailored to ensure that our outstanding science is best supported throughout this difficult period, and that synergistic areas of activity are aligned within an appropriate management structure.

3. Action already taken.

To mitigate the effect of declining vote income and increased staff costs the Faculty has restricted the budget for non staff costs from a high of £15.6 million in 2007/08 to £9.3 million in 2009/10. Those areas that have been cut in particular are equipment and computing expenditure down from £4.3 million to £1.9 million and building related expenditure down from £1.2 million to £0.6 million. Agency staff employment (which is classified as non-staff expenditure) has also been removed.

Additionally, the Faculty has adopted the College directive to suspend payment of bonuses, and has implemented a recruitment freeze for support staff.

The Faculty has also identified that additional income can be generated by developing postgraduate course provision, either by expanding existing courses or by offering new areas of study. It is therefore expected that PGT numbers will increase from 401 in 2008/9 to approximately 650 in 2013/14.

In spite of the above action, the Faculty’s financial position remains untenable. Therefore a request to consult with staff on the future of the Faculty was submitted to, and agreed by, the Management Board at the end of May 2009. Detailed proposals are set out below in Sections 5 and 6. A full consultation process on the proposals will begin with immediate effect, and details of how you can respond and comment on them are outlined in Section 8 below.

4. The Faculty’s Current Structure

The current divisional structure is shown opposite.

The Faculty currently has eight Divisions. The Divisions bear primary responsibility for financial and HR management, data protection, health and safety administration and the timely dissemination and management of College policies and procedures. The Head of each Division (HoD) is a senior academic and is advised by a Divisional Executive Committee composed of other senior staff.

Each Division has developed its own internal structure – this is available for review at http://www1.imperial.ac.uk/medicine/about/divisions/

5. Proposed implementation of a new organisational structure

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<th>Current Divisional structures</th>
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<td>National Heart &amp; Lung Institute (NH LI)</td>
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<td>Epidemiology, Public Health and Primary Care (EPHPC)</td>
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<td>Clinical Sciences Centre (CSC)</td>
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<td>Kennedy Institute of Rheumatology (KIR)</td>
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<td>Surgery, Oncology, Reproductive Medicine and Anaesthesia (SCORA)</td>
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<td>Medicine (Med)</td>
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<td>Investigative Sciences (IS)</td>
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The purpose of changing our structure is to strengthen academic activity in the main academic themes and ensure collaboration and innovation is supported within an optimal and responsive organisational structure.

The current Divisional structure is 12 years old. Since it was created our strategy has evolved in line with our emerging areas of strength, and in response to external UK and global health, research and education priorities. We are also now part of one of the UK’s first Academic Health Science Centres, and need to ensure that our structures develop alongside those of Imperial College Healthcare NHS Trust to ensure both operate in harmony to deliver world-leading research-led care. In the current financial climate it is also our duty to revisit and ensure our organisational model remains fit-for-purpose, supports our academics in their work to obtain support for their activity in line with strategy, and reduces cost inefficiencies where activity may currently be being duplicated within the Faculty unnecessarily. Thus our current organisation model needs updating to support these goals.

The following actions are proposed in order to achieve this:

- **Change in organisational model:** The Divisional Model has been reviewed to ensure it remains fit for purpose. A key aspect of ensuring the Faculty is well placed to attract recognition and levels of funding appropriate to its outstanding science will be to ensure our activity is presented externally in a coherent and easily navigable structure. The proposed model below seeks to create a structure for our activity which:
  - is clear and easily navigable
  - is closely aligned to our strategy, bringing complementary activity together under appropriate organisational groupings
  - is well aligned to the developing CPG model within the Imperial College Healthcare NHS Trust, as part of the AHSC.
  - aligns more closely to college-wide nomenclature, and the development of the College level Institute model
  - reduces any administrative duplication
  - retains existing nomenclature of groupings where these have an established and respected profile within the wider academic community.

The proposed new structure is detailed at Appendix 1. This proposed structure includes the following developments of our existing model:

- **Creation of a new Department of Medicine.** As the Faculty has developed, the organisational divide between academic areas within the Divisions of Medicine, Investigative Science and Neuroscience has become more apparent. It is proposed that activity in the three Divisions will come together to form a new Department of Medicine. This will allow current activity to operate more effectively, relieved of unnecessary organisational barriers.

- **Creation of the Department of Surgery and Cancer.** This will be formed from existing activity within the current Division of Surgery, Oncology, Reproductive Biology and Anaesthetics. The Department will have two main sub-divisions of Surgery and Cancer.

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2 For more information on the Faculty research strategy please see: [http://www.imperial.ac.uk/medicine/research/](http://www.imperial.ac.uk/medicine/research/)

3 Note: It is proposed that the Department of Genomic Medicine will move to the new School of Public Health, and therefore would not transfer along with other Division of Medicine activity, into the new Department of Medicine.
• **Creation of the School of Public Health.** This new top level organisation unit will encompass activity in the current Division of Epidemiology and Public Health. It is proposed that the department of Genomic Medicine, currently located within the Division of Medicine, will also form part of the new School. The Institute of Global Health will remain as a key College level Institute, organisationally based within the new School.

6. **Proposed action to reduce staff costs**

6.1 **Review of Academic staff profile**

The purpose of reviewing the Faculty’s academic staff profile is to increase the proportion of its activities which are rated world-class. This will enable it to maximise its market share of available funding (which is anticipated to reduce in the short to medium term) and to be prepared to take full advantage of any upturn in global economic activity in the longer term. A reduction in staff costs will also contribute significantly to reducing the predicted deficit.

**Current staffing levels:**

<table>
<thead>
<tr>
<th>Generally Funded staff in post (at May 09)</th>
<th>FTE</th>
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<tr>
<td>Academic staff</td>
<td>372</td>
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**Reduction of staff**

As a result of the proposals for a review of the divisional structures and the academic profiles it is anticipated that there will be approximately 80 academic posts at risk in this process. It is envisaged that some of the necessary losses will be achieved through natural wastage and a review of vacant posts.

Consideration will also be given to reduced working hours, part-time working, unpaid sabbaticals, and the transference of clinical staff to NHS Trusts in order to minimise redundancies.

**Selection Criteria**

The following methods will be used to undertake the review of academic staff.

- Performance review

The Faculty will undertake a performance review of all academic staff, using the Faculty's published ‘Minimum Activity Levels’ as a guide. The Minimum Activity Levels apply to the following areas: annual research spend (inc FEC), published peer-reviewed papers, teaching hours, student supervision (PhD and MSc/BSc projects), administration, and professional activities/measures of esteem. The full requirements are available at appendix 2 and are on the Faculty website at:

[http://www1.imperial.ac.uk/medicine/about/intranet/consultation/](http://www1.imperial.ac.uk/medicine/about/intranet/consultation/)

6.2 **Rationalisation of administrative staff profile:**

In order to address the financial deficit currently predicted, the Faculty will look to reduce administration in line with associated academic post losses and agreed structural changes. Thus, in the first instance expressions of interest in voluntary severance are invited from administrative and technical staff. The Faculty has made available an enhanced severance package for these categories of staff (see Section 9 below for further details).
The administrative structure will be reviewed in the light of any changes in academic structure resulting from the proposals set out above. Further details regarding the emerging administrative structure for the Faculty will be provided throughout the process. Where insufficient savings are achieved through the enhanced voluntary severance scheme outlined above, further measures may need to be taken to achieve the cost reductions required, and ensure the administrative structure is aligned with the academic strategy. Measures will include exploring redeployment opportunities elsewhere within the Faculty and College generally.

Current staffing levels:

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<th>Generally Funded staff in post (at May 09)</th>
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<tr>
<td>Technical Services</td>
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</table>

7. NHS Trust Interdependencies

In taking forward this consultation period, the impact of changes on clinical service at our partner sites will be fully considered, and discussed fully with relevant leads at the associated Trust before a conclusion is reached on the action to be taken forward.

8. Consultation process:

Collective Consultation

The issue of this document marks the formal launch of the collective consultation period, which will run from 1 July 2009 to 30 September 2009.

This consultation document and all additional information relating to the consultation and proposals will also be made available for review via a dedicated website at: http://www1.imperial.ac.uk/medicine/about/intranet/consultation/ (College log-in required)

Queries relating to the process can be sent to the dedicated e-mail address fomconsultation@imperial.ac.uk. Replies will be sent direct to the e-mail of the individual submitting the query, and posted, where appropriate, on an FAQ section of the consultation website for the benefit of all staff, throughout the consultation period.

Alternative proposals from groups of staff, trade unions or individual members of staff are welcome and will be given full consideration.

At the end of the consultation period a formal consultation close document will be issued, detailing the final decisions reached with respect to the proposals put forward.

Individual Consultation

During the week commencing 6 July all staff who have been identified as holding posts which are placed at risk as a result of these proposals will receive a letter inviting them to a
meeting to discuss their individual situation further. All discussions will include review of ways of avoiding compulsory redundancy. In addition to considering redeployment options the Faculty of Medicine has authorised enhanced severance terms for those staff at risk (see Section 9 below). These terms will be available until 14 October 2009.

9. Severance packages:

During the 3 month consultation period, staff who are potentially at risk as a result of these proposals may wish to consider the voluntary severance package being made available. The decision to allow staff to take voluntary severance is at management's discretion. The proposed formula for calculating voluntary severance payments will be that of the severance scheme as outlined in Appendix 3. Length of service at Imperial College only will be taken into account when calculating the severance package.

In the event that redeployment is not found and the time period for applying for voluntary severance has expired the College will potentially need to take formal action which may include compulsory redundancies. Staff should be aware that compulsory redundancy will attract a statutory redundancy payment only as outlined at Appendix 4.

Any compulsory redundancies implemented via the College Statutes for academic staff will also attract statutory redundancy terms only.

The end date of employment will be reviewed on a case by case basis, but it is expected that all terminations of employment will have taken effect by 31 December 2009.

Administrative and Technical staff who wish to be considered for the voluntary severance scheme should contact Philip Blissett, p.blissett@imperial.ac.uk, Ann Kelly a.kelly@imperial.ac.uk, or Wendy Gould w.gould@imperial.ac.uk in the first instance.

10. Comments

Any comments on the proposals, outside of these meetings, should be addressed to the dedicated e-mail address fomconsultation@imperial.ac.uk

Appendix 1
Proposed Faculty of Medicine Organisational Structure

Appendix 2
Faculty of Medicine Minimum Academic Activity Levels

Appendix 3
Faculty of Medicine Restructure
Proposed formula for calculating voluntary severance pay – Imperial College staff only

Appendix 4
Faculty of Medicine Restructure
Compulsory statutory redundancy scheme
Appendix 1 - Proposed Faculty of Medicine Organisational Structure
Appendix 2 – Minimum Academic Activity Levels

Faculty of Medicine

Activity Level Guidelines for Academic Performance Review

1. Introduction

Imperial College is in the top ten teaching and research institutions in the world. In order to attain and improve on this position academic members of staff at Imperial College are expected to work at a consistently high level of academic performance for a premier international research institution.

The expectation is that all academic staff should normally be self financing by virtue of their teaching, research activity and grant income by the end of their probationary period. For clinical academic staff this may also be achieved through partnership with the local NHS Trust which may pay for a proportion of costs in line with clinical activity.

The Faculty of Medicine encourages multi-disciplinary research and expects Head of Division to be aware of the need for clear designation of responsibility for academic activities and performance across teams to ensure credit is given to all of the individuals who make up those research teams.

Targets for academic staff who have been on maternity or other long-term leave should be set pro rata for the time they are working.

Staff in their probationary period will be expected to demonstrate that by the time of their final probationary review they meet or are on target to meet at least the minimum activity levels.

The Faculty HR Committee developed Activity Level Guidelines in 2004 and these are routinely reviewed and updated. The following revised minimum activity level guidelines should ensure that academic staff clearly understand the level of performance expected of them. The guidelines detailed below may vary depending upon the subject and individual circumstances, however they provide a minimum standard against which achievement will be judged by Head of Department/Division. Since these are minimum activity levels the expectation is that all academic staff performing well will comfortably exceed these standards and thus they are provided for discussion purposes.

It is recognised that outstanding performance in one or more of the Activity Level Guidelines detailed below may compensate for lower achievements/success in other areas of activity.

2. Activity Level Guidelines

2a Research Activity

Academic members of staff are expected to have a financially sustainable independent research programme. PIs should therefore have at least one major peer reviewed grant as PI at any one time and must be able to demonstrate continuous action to maintain their track record in attracting research funding.

Updated 27 July 2007
Indicators of achievement:

Obtaining as a minimum for each calendar year a personal research expenditure (including Full Economic Costing) of:

- £50K per annum - for a Lecturer
- £75K per annum - for a Senior Lecturer
- £85K per annum - for a Reader
- £120K per annum - for a Professor

2b Published Papers

Academic members of staff are also expected to have a growing national (Lecturer), established national (Senior Lecturer) or international reputation (Reader or Professor) in their field of expertise. PIs should therefore generate a body of original research work (as judged by peer-reviewed publications) and other creative and original scholarly work relevant to the subject or profession.

Indicators of achievement:

At least 3 peer reviewed publications per annum as principal/senior author (or very major contribution) in prestigious international scientific journal in the field usually with an impact factor of greater than 5.

To have sufficient papers in top rated peer reviewed journals in their speciality to ensure good metrics for the RAE and its replacement. All Divisions will ensure that the publication requirement will be in prestigious peer review journals in the field over any 6 year period which do not overlap with co authors from Imperial College.

2c Teaching

Indicators of achievement:

- Timetabled teaching activities
  All academic staff are normally expected to undertake a minimum of 30 timetabled contact hours active teaching/examining, including face to face teaching, per year to undergraduate and/or taught postgraduate students registered on Imperial College degree courses (excluding delivery of clinical service in the presence of students and supervision of u/g/p student projects – for the latter see below).

- Supervision
  To be the main supervisor each year of at least:
  2.0 FTE postgraduate research students - PhD, MD, MS
  1.0 FTE BSc or MSc student research project

Updated 27 July 2007
2d Administration

To make a significant contribution to the Faculty, for example, by carrying out administrative or other duties, which contribute significantly to the reputation of the College. Where these are performed to an outstanding (national) degree this also may compensate for not meeting the other criteria in full.

It is expected that most academic staff would have some administrative responsibility for their Division/Section/Research unit.

2e Professional Activities/Measures of Esteem

It is expected that academic staff will take some part in the activities of the appropriate professional bodies for their academic specialities.
Appendix 3

Proposed formula for calculating voluntary severance pay – Imperial College staff only

- Two weeks pay for each year of service completed before age 41.
- Three weeks pay for each year of service completed at age 41 and above.
- The statutory redundancy payment is included in the above calculations
## Appendix 4 – Compulsory Statutory Redundancy Scheme

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There is a limit on the amount of a week’s pay that can be taken into account in working out entitlement. The limit changes annually in line with the Retail Prices Index (up or down) as appropriate. The limit rises from £350 to £380 on 1 October 2009. Calculation of entitlement where the reckonable period of service ended before 1 October 2009 should therefore be at the lower rate.

This table, known as the Ready Reckoner, was copied, together with the text below, from the Department of Trade and Industry’s website [http://www.dti.gov.uk](http://www.dti.gov.uk) and is used for calculating how much statutory redundancy pay an employee is entitled to in terms of the numbers of weeks’ pay.

If you are aged between 64 and 65, the amount due will be reduced by one-twelfth for every complete month you are over 64.

There is a limit on the amount of a week’s pay that can be taken into account in working out entitlement. The limit changes annually in line with the Retail Prices Index (up or down) as appropriate. The limit rises from £350 to £380 on 1 October 2009. Calculation of entitlement where the reckonable period of service ended before 1 October 2009 should therefore be at the lower rate.

This page is intended only as a guide and shows how statutory redundancy pay is calculated for people who are entitled to receive it. Whether or not you are entitled to redundancy pay will depend on your individual circumstances.
Annex B

IMPERIAL COLLEGE LONDON

ORDINANCE D11

THE DISMISSAL OF MEMBERS OF STAFF BY REASON OF REDUNDANCY

This Ordinance is made pursuant to Part II of the Appendix to the University’s Statutes

APPLICATION

1. The power to dismiss and the procedures set out in this Ordinance in accordance with Part II of the Appendix to the Statutes (herein after “the Appendix”) shall apply to all staff to whom the Appendix applies, provided that in its application to those staff defined in subsections (3) to (6) of section 204 of the Education Reform Act 1988 (staff appointed prior to, and not promoted after, 20 November 1987), the power to dismiss shall be subject to such limitations (if any) on the power to dismiss for redundancy as applied to the member of staff concerned prior to the introduction of the Appendix made by the University Commissioners in the exercise of their powers under Sections 203 and 204 of the Education Reform Act 1988.

2. This Ordinance shall not apply to the non-renewal of a limited term contract (within the meaning of Section 235 of the Employment Rights Act 1996), which shall be dealt with under Ordinance D13.

3. Where specifically indicated, this Ordinance shall be read in conjunction with the University’s Redundancy and Change Policy and Procedure (which does not have contractual status) as amended from time to time.

PRELIMINARY STAGE – CONSULTATION

4. Where any Faculty, Division or Department of the University is considering organisational change which may impact on staff, a consultation paper setting out the proposals should be prepared. Details of the information which should normally be included in the paper are set out in the Imperial College Redundancy and Change Policy and Procedure as amended from time to time.

5. There should be appropriate consultation with the staff concerned or, if and to the extent required by Section 188 of the Trade Union and Labour Relations (Consolidation) Act 1992, with appropriate representatives in relation to the consultation paper.

6. Each member of staff and/ or trade union being consulted will be provided with a copy of the consultation paper. Any member of staff affected by the proposals who is absent from work (for example, due to maternity, sickness or other leave) should be sent a copy of the consultation paper to their home address in order that they can participate in the consultation process.
7. Members of staff will be offered the opportunity of individual consultation meetings with the Faculty/Divisional representative and/or the Human Resources representative. Staff can be accompanied at the consultation meetings by a trade union representative, another member of staff or, at the Head’s discretion, a friend or relative who is not a legal representative.

8. Where appropriate representatives are being consulted at the preliminary stage, they will be offered the opportunity to attend consultation meetings with the Faculty/Divisional representative and/or the Human Resources representative.

9. As part of the consultation process, comments on the consultation paper and any alternative proposals will be sought from the appropriate representatives and individual members of staff. The Faculty, Division or Department will provide information that is necessary for staff and the appropriate representatives to make an informed contribution to the consultation process. The consultation will be carried out with a view to reaching agreement on the way forward. Only at the end of the consultation process and the preliminary stage will any formal recommendation be made as to how to proceed.

10. Before or during the consultation period, the Council should be provided with a copy of the consultation paper, details of the area affected and the reasons for the proposed reduction in academic staff. Following review of the consultation paper the Council may:

   a. Defer its decision and review the position again following the completion of the consultation process, at which stage the Council may require a report on the preliminary consultation with staff and/or appropriate representatives and any comments received from them. The Council may then authorise the Rector or his or her nominee to implement the selection process and subsequent proposed redundancies if the Rector or his or her nominee considers this appropriate following the comments and counter-proposals gathered during the consultation period;

   or

   b. Authorise the Rector or other person authorised by the Rector to implement the selection process and subsequent proposed redundancies if the Rector or his or her nominee considers this appropriate following the comments and counter-proposals gathered during the consultation period.

DECISION TO PROCEED

11. At the end of the consultation period the Head of Faculty, Division or Department or other relevant person will review the comments and counter-proposals and, if required under Paragraph 10.a. above, will provide the Council with a report on the preliminary consultation with staff and/or appropriate representatives and any comments received from them.

12. If it is still anticipated that redundancies may be necessary, and the Council has given authorisation, the Director of Human Resources or his nominee should initiate formal redundancy procedures.
13. All staff at risk of redundancy and their appropriate representatives should be notified of any decision to proceed with the formal redundancy procedure.

14. Where a member of staff is at risk of redundancy he or she will receive details of the redundancy procedure and the timescale over which it will be implemented. This will normally include:

   a. The selection criteria to be used to select members of staff for redundancy (where any post to be made redundant is not unique) and/or the selection arrangements where staff are to be considered for new posts in the reorganised Faculty, Division or Department;

   b. Any arrangements for seeking alternative work for those subsequently selected for redundancy. Where a member of staff is provisionally selected for redundancy, the University will consider all redeployment opportunities and, wherever possible, offer alternative positions within the University where necessary, arrangements for a further consultation meeting with individual members of staff or appropriate representatives to discuss the selection criteria to be employed;

   c. An invitation to take voluntary severance and the relevant timescale for applications, if applicable;

   d. Any arrangements for avoiding compulsory redundancies referred to in the University’s standard Redundancy and Change Policy and Procedure;

   e. Assistance to be given to staff at risk of redundancy, including career counselling and, if selected as redundant, reasonable time off to seek other employment or undertake training.

**DISMISSAL MEETING AND NOTICE OF REDUNDANCY**

15. If redeployment is not an option and all suggested alternatives to avoid compulsory redundancy are unsuccessful, the Head of Faculty, Division or Department (or a senior manager as his or her nominee) will invite the member of staff in writing to attend an employment review meeting. In inviting the member of staff to the meeting he or she will be informed why their employment is at risk and why they have been provisionally selected for redundancy. The purpose of the meeting is to give the member of staff the opportunity to put forward their views on the provisional selection for redundancy, including the way in which the selection criteria (if applicable) have been applied to them. At this meeting the member of staff can be accompanied by a colleague or a trade union representative, or, at the Head’s discretion, a friend or relative not of the legal profession. A member of the Human Resources Division will be present to facilitate the discussion if required.

16. After this meeting and normally within 10 working days the Head of Faculty, Division or Department (or his or her appointed nominee) will, acting on the authority of the Rector, write to the member of staff and confirm whether or not his or her employment is to terminate by reason of redundancy. If the decision has been taken to terminate the member of staff’s employment, the member of staff will be given any contractual notice of redundancy and confirmation of the leaving date and will be informed of the redundancy
payment (at a minimum that required by law) to be made. The member of staff will also be given the right of appeal against the decision to terminate his or her employment. The arrangements for an appeal hearing are in accordance with those prescribed in Paragraphs 19 - 20 of this Ordinance.

17. Where a decision is taken to dismiss member(s) of staff, a report will be submitted to the Council confirming this. Redundancy dismissals will also be reported annually with a breakdown consisting of the number of staff to be dismissed broken down by age, disability, gender, and race and, other relevant information as determined appropriate for equal opportunities monitoring purposes and statutory requirements.

18. As set out in Paragraph 14 above, assistance will be offered to staff declared redundant, which can include career counselling as well as reasonable time off to enable the person to seek other employment or to undertake training. Staff will remain on the redeployment register until the end of their employment.

RIGHT OF APPEAL

19. Appeals must be lodged within ten working days of the receipt of the formal notice of redundancy issued to the individual member of staff. Appeals will be based only against the selection of an individual for redundancy, rather than against the actual decision to restructure. Appeals against dismissal will be heard by a panel constituted in accordance with Paragraphs 21 to 25 of Ordinance D7.

20. The terms of reference for the appeal panel will be as follows:

   a. To review whether the selection for redundancy was adequately reviewed and substantiated; and

   b. To review whether the University’s procedures were correctly and fairly implemented.

21. The appeal will be conducted in accordance with the rules for hearings set out in Ordinance in Paragraphs 21 - 25 of Ordinance D7.

22. If the decision of the appeal panel is to uphold the decision to dismiss the employee, the Director of Human Resources or his or her nominee will report this decision to the Chairman of the Council as soon as is reasonably practicable and the Chairman of Council will notify the Council that this has occurred.
PAPER I

ANNUAL REPORT OF THE IMPERIAL COLLEGE UNION

A Note by the President of the Imperial College Union

INTRODUCTION

1. The President of the Imperial College Union is required to report to the Council each session on the Union’s activities.

2. A copy of the Union’s Annual Report 2008-09 is enclosed with these Papers.¹

J.M.

¹ The Annual Report is not included with these Minutes.
AMENDMENTS TO COLLEGE ORDINANCES

A Note by the College Secretary

INTRODUCTION

1. The Strategic Education Committee established a Quality Assurance Review Working Party in Autumn 2008 to review the College’s quality assurance processes, reviewed in detail the College’s procedures for dealing with complaints, appeals and disciplinaries, including examination irregularities and plagiarism.

2. The Working Party has now reported its recommendations to the Senate and this has resulted in the Senate approving amendments to the following College procedures:
   b. Procedure for Consideration of Representations by Candidates for Research Degree Examinations
   c. Code of Student Discipline.
   d. College Discipline Guidance Note.
   e. Procedure for dealing with complaints by students.
   f. Plagiarism and examination offences policy and procedures.
   g. Procedure for dealing with case of unsatisfactory academic progress.
   h. Procedures for dealing with appeals by research students to the MPhil/PhD Transfer Appeal Committee.

3. Two of these procedures, the Code of Student Discipline and the Procedure for dealing with complaints by students are College Ordinances and must therefore be approved by the Council. The amendments to these Ordinances, and their rationale, are set out below.

ORDINANCE E2 CODE OF STUDENT DISCIPLINE

4. In September 2008 responsibility for the College Disciplinary Committee transferred from the Academic Registrar to the new Legal Services Office within the Central Secretariat.

5. The Quality Assurance Review Working Party welcomed the expertise brought to the handling of these issues by the Central Secretariat team and made the following recommendations for change:
   a. As members of disciplinary panels vary, decisions may be inconsistent. The Working Party thus recommended that the discipline panel should normally be chaired by the Dean of Students for consistency purposes.
Original Process

The College Discipline Committee shall consist of four members of whom two shall be students and two members of the academic staff plus a Chairman who shall normally be the Dean of a Faculty. The student members will be chosen from among the Union Council. The academic staff members shall be chosen from a Panel appointed by the Rector. Selection of the Chairman and the staff members by the Academic Registrar (or his/her nominee) and student members by the President of the Union shall in each instance be random, after exclusion of members concerned with the case to be heard. The Academic Registrar (or his/her nominee) will appoint a Clerk to the Committee.

Recommended Changes

The College Discipline Committee shall consist of four members of whom two shall be students and two members of the academic staff plus a Chairman who shall normally be the Dean of Students (unless the student charged is from the same Department as the Dean of Students, in which case the Dean of Students shall appoint a Dean of one of the Faculties to act as Chair in his or her place). The student members will be chosen from among the Union Council. The academic staff members shall be chosen from a Panel appointed by the Rector. Selection of the staff members by the Head of Central Secretariat (or his/her nominee) and student members by the President of the Union shall in each instance take place after exclusion of members concerned with the case to be heard. The Head of Central Secretariat (or his/her nominee) will appoint a Clerk to the Committee.

b. It was also recommended that the Central Secretariat legal team should review the evidence before going to a hearing to check that there is a case to answer, therefore reducing the number of unwarranted cases being seen by any of the College Disciplinary Committees.

c. The appropriate lines of communication between the College and Union on disciplinary issues were also considered. In cases where the outcome of the ICU disciplinary may have an impact on the welfare of the student/student community or where issues of Fitness to Practise Medicine may be raised, the Working Party thought it appropriate that College be informed. In these cases the Chair of the ICU Disciplinary Committee, in consultation with the President of the ICU, should decide whether or not to inform the College of the disciplinary outcome. The point of contact within the College should be the Dean of Students.

d. The student discipline procedures have been redrafted to reflect both the new role of the Central Secretariat and the Union-College relationship on disciplinary issues, resulting in the insertion of a new section (D) ‘Allowance for Special Procedures’:

25.a. In exceptional circumstances, the Dean of Students, in consultation with the Pro Rector (Education) and the Head of Central Secretariat, may intervene in a case at any stage if, for example, (though not limited to) it is thought that there is not enough evidence to present a case against a student or if the responsible authority (acting in conjunction with two others such as Wardens or Sub-Wardens, College Tutors or other Imperial College Union Officers) wishes to withdraw the case. In such situations the Dean of
Students, the Pro Rector (Education) and the Head of Central Secretariat, acting together, may take such action as they see fit, which may include dismissing the case with no further action being taken; dismissing the case and recording the incident on the student's file (in which case the student will be notified); calling for a preliminary review of the evidence by a panel constituted in the same way as it would be under the procedures in paragraphs 10b, 13 and 15 and/or taking any other action that they see fit.

b. In cases where the outcome of the ICU disciplinary may have an impact on the welfare of the student/student community or where issues of Fitness to Practise Medicine may be raised, the Chair of the ICU Disciplinary Committee, in consultation with the President of the ICU, should decide whether or not to inform the College of the disciplinary outcome. The point of contact within the College should be the Dean of Students.

e. Other minor revisions to the procedures are also recommended.

ORDINANCE E3 PROCEDURE FOR DEALING WITH COMPLAINTS BY STUDENTS

6. The Working Party recommended that amendments be made to streamline the complaints process from four stages to three, to increase efficiency. This also involves a transfer of responsibility from the Academic Registrar to the Dean of Students:

   Original Process
   
   Stage 3: The complaint is referred to the Academic Registrar who will investigate the complaint and propose resolution in consultation with the responsible authority.

   Stage 4: A report is prepared by the Academic Registrar which is referred to the Pro Rector (Educational Quality), who will reach a conclusion on the complaint and determine a course of action.

   Recommended changes
   
   Stage 3: The complaint is referred to the Dean of Students who, having investigated and having consulted with the Academic Registrar and/or the Pro Rector (Education), where necessary, will reach a conclusion on the complaint and determine a course of action. If the student is from the same Department as the Dean of Students, a College Tutor will carry out the investigation and consult with the Academic Registrar and/or the Pro Rector (Education) at this stage, in place of the Dean of Students.

7. The Working Party also felt that there was a need to clarify the process when a complaint is made regarding a member of staff and recommended that a new clause be inserted into the Procedure that:

   Where a complaint is made regarding a member of staff, Human Resources will be notified as early on in the process as possible by the person with whom the complaint has been raised.

8. Other minor changes to the procedure are also recommended.

9. The full revised Ordinances E2 and E3 are appended to this Paper.
10. The Council is invited, and if it sees fit, approve the revised Ordinances.

R.F.E.
GENERAL PRINCIPLES

1. This Code of Student Discipline provides for the hearing of complaints concerning breaches of discipline by students, and for rights of appeal where appropriate, and sets down the penalties that may be imposed, including termination of membership of the College. In particular the Code outlines that any student subject to disciplinary proceedings shall be entitled:

   a. To receive adequate notice of the details of the charge or charges and the date on which any hearing is to be held;

   b. At any hearing, to be present and to be represented by a person of their choice other than a lawyer acting in a legal capacity, to give evidence and otherwise be heard, to have access to all relevant documents to be submitted to the hearing and to call and examine or cross-examine witnesses.

2. Pending the determination of such a hearing, the Rector may suspend a student or impose restrictions on membership, attendance at the College or access to its property.

DISCIPLINE IN IMPERIAL COLLEGE

3. The Council have approved the following procedures for dealing with student disciplinary offences of a non-academic nature:

4. Students must note that conduct of a nature which would be inappropriate in a member of some professions could require additional disciplinary action. In particular students of the Faculty of Medicine must note that conduct which would be improper in the case of a member of the medical profession could constitute a disciplinary offence which will be considered under these procedures. Additionally, students whose course of study leads to provisional registration as doctors and whose conduct falls to be considered under these procedures may also fall to be considered under the College’s Procedure for the Assessment of Fitness to Practise Medicine.
5. Any case of misconduct on the part of a member of the College staff who is also a registered student of the College will be dealt with in accordance with the appropriate disciplinary procedure for College staff and not in accordance with these procedures for student disciplinary offences.

**JURISDICTION**

6. For discipline purposes, there are six jurisdictional areas or activities:
   
a. Union premises and Union activities whether on or off College premises;

b. The residences and residence activities whether on or off College premises;

c. Departmental buildings and departmental activities including field trips;

d. Other College areas;

e. Misconduct of a nature which is likely to affect the good name and standing of the College;

f. Misuse of computer facilities or activities.

**THE DISCIPLINARY STRUCTURE**

**SUMMARY PUNISHMENT**

7. The power and responsibility for curtailing or containing the immediate effects of misconduct and imposing summary punishment where appropriate rests with the responsible authority. The responsible authority is as follows:

   a. For Union premises and Union activities, including the area used to control entry to union activities, the President of Imperial College Union or his or her nominee;

   b. For the residences and residence activities, the Warden or Assistant Warden;

   c. For departmental buildings and departmental activities, the Head of Department or his or her nominee;

   d. In other College areas, a College Tutor, except that the responsible authority referred to in 7a., b. and c. may also impose summary punishment where misconduct occurs in the vicinity of the area for which he or she is responsible;

   e. In the case of misconduct arising outside the College, a College Tutor;
f. In the case of misconduct involving several of the above areas, a College Tutor;

g. In the case of computing offences, a College Tutor;

h. For medical school buildings and activities, the Deputy Principal of the Faculty of Medicine or his/her delegate.

In exceptional circumstances, the Rector may appoint another suitable person.

8. Where summary punishment is appropriate, it shall be imposed on the spot (or with the least possible delay) by the responsible authority and shall be limited to one, two or three of the following:

a. A reprimand;

b. Expulsion, not exceeding seven days, from the use of the area where the misconduct occurred; (1)

c. Suspension, not exceeding seven days, from the use of a particular facility;

d. A charge, up to a maximum to be determined, from time to time, by the College Tutors and the President of the Imperial College Union, to meet the cost in whole or part of replacing the damaged property or equipment;

e. A fine, up to a maximum to be determined, from time to time, by the College Tutors and the President of the Imperial College Union. The responsible authority may choose to impose a suspended fine which may be collected in the case of further misconduct - together with any punishment imposed for the second offence - or otherwise cancelled if no further misconduct occurs during the time that the person concerned is registered as a student at the College;

f. ‘College Service’, i.e. work on College campuses of benefit to the College Community, the nature of which to be decided by the responsible authority and the student’s Head of Department/ Division notified.

9. The authority imposing summary punishment must inform the person being disciplined of his or her right of appeal in writing (see also paragraph 34 below).

**CASES WHERE SUMMARY PUNISHMENT IS INAPPROPRIATE**

10. Misconduct which in the opinion of the responsible authority cannot be dealt with adequately by means of summary punishment shall be dealt with as follows:

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1. Students may be summarily expelled from their halls of residence only if there is a perceived danger to other residents. The College will arrange for students who are summarily expelled to be put up in other accommodation for a maximum of three nights, following which the student will be required to make their own arrangements. Their room in halls will be guaranteed pending the outcome of the Residence Tribunal/ Discipline Committee. If the student leaves the hall permanently then they will be released from their accommodation contract and not liable for any further accommodation fee payments.
a. Where the responsible authority is the President of Imperial College Union, the matter shall be referred to the Union Disciplinary Committee, membership of which is defined in the ICU Disciplinary Policy. The Chair of the Committee shall appoint the Clerk to the Committee, who shall be a non-voting member when disciplinary cases are under consideration;

b. Where the responsible authority is a Warden or Assistant Warden then the matter shall be referred to the Residence Tribunal;

c. In all other cases, the responsible authority shall refer the matter to the College Discipline Committee.

11. In cases involving misuse of College equipment or facilities, breaches of College safety regulations or instances of potential danger to students, staff or other persons and where the responsible authority refers the matter to the College Discipline Committee or the Residence Tribunal, suspension or expulsion from the area or from the use of the facilities may be imposed, by the responsible authority, until such time as the Committee or Tribunal has reached a decision.

12. In cases of serious misconduct by medical students, the responsible authority may consider that the issue is so serious that restrictions should be placed on the student’s activities. In such circumstances, the responsible authority should report the allegations against the student to the Principal of the Medical Faculty who shall consider the information supplied and invite the student to make representations. Taking the protection of the public as the paramount consideration, the Principal of the Medical Faculty shall decide whether and if so what restrictions should be placed on the student’s activities. Any restrictions imposed shall remain in place until either the student is acquitted by a disciplinary authority or the Fitness to Practise Medicine Panel or the Principal of the Medical Faculty directs otherwise.

13. The Residence Tribunal shall have a Chairman and two Deputy Chairmen appointed by the Rector. The Chairman, or in his/her absence a College Tutor, may appoint one of the Deputy Chairmen to act as Chairman of the Tribunal for a particular meeting; but otherwise Deputy Chairmen shall not attend meetings of the Tribunal. The other members shall be: a Warden or a former Warden and an academic staff member to be appointed by the Chairman of the Tribunal in consultation with the President of the Imperial College Union; and the President of the Union or his/her nominee. A Clerk to the Tribunal will be appointed by the Academic Registrar.

14. The Chairman of the Residence Tribunal or the President of Imperial College Union may decide, after examining documentary evidence, that a case should be referred to the College Discipline Committee, instead of being heard by the Residence Tribunal or the Union Disciplinary Committee.

15. The College Discipline Committee shall consist of four members of whom two shall be students and two members of the academic staff plus a Chairman who shall normally be the Dean of Students (unless the student charged is from the same Department as the Dean of Students, in which case the Dean of Students shall appoint a Dean of one of the Faculties to act as Chair in his or her place). The student members will be chosen from among the Union Council. The academic staff members shall be chosen from a Panel appointed by the Rector.
Selection of the staff members by the Head of Central Secretariat (or his/her nominee) and student members by the President of the Union shall in each instance take place after exclusion of members concerned with the case to be heard (see 23 below). The Head of Central Secretariat (or his/her nominee) will appoint a Clerk to the Committee.

**PROCEDURES**

16. Students whose cases are referred to the Residence Tribunal, to the Imperial College Union Disciplinary Committee or to the College Discipline Committee shall be informed in writing of the charges against them. Students may, if they wish, be accompanied by a member of Imperial College (either a fellow student, or a personal tutor, warden or other member of the academic staff); the friend may speak in support of the student if the latter so desires. If they wish to be represented, to call witnesses or present documents either bearing on the charge or in mitigation of any penalty which may be imposed, they shall, in advance of the hearing, give the Clerk to the Tribunal or Committee reasonable notice of this.

17. The Tribunal or Committee hearing will normally be held within ten University working days of the referral.

18. In advance of the hearing the responsible authority shall, through the Clerk to the Tribunal or Committee, give the student reasonable notice of any documents to be submitted or any witnesses to be called.

19. The Tribunal or Committee shall base its decision on evidence presented and examined in the presence of the person bringing the charge and the student charged. The proceedings of the Tribunal or Committee shall not be invalidated by the failure to appear of the student charged following notification of the proceedings in accordance with paragraphs 16 and 18. Evidence of earlier misconduct by the student charged which has already been the subject of previous disciplinary procedures shall not be presented until after a decision has been reached on the facts of the case, but may then be admitted and considered in deciding on any punishment.

20. All Tribunals and Committees shall reach their decision by simple majority voting, save that on questions of guilt no person shall be found guilty if more than one member of the Committee dissents. The Chairman may exercise a casting vote. The Clerk in each case shall not be entitled to vote.

21. Hearings shall normally be in private and confidentiality observed but a written account of the proceedings may be released at the Chairman’s discretion. Students may request that the hearing is held in public. A full record shall be made and retained for possible use in connection with an appeal (see paragraphs 49 and 50 below). The Clerk to the College Discipline Committee/Residence Tribunal/Imperial College Union Disciplinary Committee will write to the student within five College working days of the hearing taking place, informing him/her of the Committee’s decision, and providing reasons for the judgement reached in relation to submissions made at the hearing.
22. In keeping with the Human Rights Act (1998), should the student wish, the decision of the Committee/Tribunal will be posted on the relevant Departmental/Residential notice board.

23. No person shall sit as a member of the Residence Tribunal, the Imperial College Union Disciplinary Committee or the College Discipline Committee if he/she is:

a. The subject of a charge,

b. The complainant,

c. A witness or a potential witness (i.e. has personal knowledge of the facts surrounding the case),

d. Successfully challenged for any good cause. The Chairman of the Committee or Tribunal concerned shall decide whether to uphold the challenge or not, prior to the hearing,

e. Connected with the student being charged or any other person involved with the case.

24. Students should be aware of the implications of misconduct which is also a criminal offence. This could invoke criminal investigation in addition to College disciplinary procedures. If considered necessary, College disciplinary procedures may be suspended pending the outcome of criminal procedures.

**ALLOWANCE FOR SPECIAL PROCEDURES**

25. a. In exceptional circumstances, the Dean of Students, in consultation with the Pro Rector (Education) and the Head of Central Secretariat, may intervene in a case at any stage if, for example, (though not limited to) it is thought that there is not enough evidence to present a case against a student or if the responsible authority (acting in conjunction with two others such as Wardens or Sub-Wardens, College Tutors or other Imperial College Union Officers) wishes to withdraw the case. In such situations the Dean of Students, the Pro Rector (Education) and the Head of Central Secretariat, acting together, may take such action as they see fit, which may include dismissing the case with no further action being taken; dismissing the case and recording the incident on the student's file (in which case the student will be notified); calling for a preliminary review of the evidence by a panel constituted in the same way as it would be under the procedures in paragraphs 10b, 13 and 15 and/or taking any other action that they see fit.

b. In cases where the outcome of the ICU disciplinary may have an impact on the welfare of the student/student community or where issues of Fitness to Practise Medicine may be raised, the Chair of the ICU Disciplinary Committee, in consultation with the President of the ICU, should decide whether or not to inform the College of the disciplinary outcome. The point of contact within the College should be the Dean of Students.
**PENALTIES**

26. The Residence Tribunal may impose one or more of the following penalties or, if it so decides, refer any disciplinary matter to the College Discipline Committee:

   a. A reprimand;
   
   b. A fine;
   
   c. A charge to meet the cost in whole or in part of replacing damaged property or equipment;
   
   d. ‘College service’, i.e. work on College campuses of benefit to the College Community, the nature of which to be decided by the Tribunal panel and the student’s Head of Department/Division notified.
   
   e. Expulsion or suspension from any part of the residences other than his or her own room for such period as the Tribunal may determine;
   
   f. That a resident shall not be entitled to remain in his or her room after a certain date.

The Residence Tribunal may extend the penalty imposed under paragraph 26(f) until such time as the College Discipline Committee reaches a decision.

27. The Imperial College Union Disciplinary Committee may impose any of the penalties described in the ICU Disciplinary Policy or, if it so decides, refer any disciplinary matter to the College Discipline Committee.

28. The College Discipline Committee may impose one or more of the following penalties:

   a. A reprimand;
   
   b. A fine;
   
   c. A charge to meet the cost in whole or in part of replacing damaged property or equipment;
   
   d. ‘College service’, i.e. work on College campuses of benefit to the College Community, the nature of which to be decided by the Committee and the student’s Head of Department/Division notified;
   
   e. Expulsion or suspension from any part of the College for such period as the Committee may determine;
   
   f. Expulsion from the College for such period as the Committee may determine, which may include permanent expulsion.
29. Following a decision of any of the above, failure to pay, excepting extenuating circumstances such as financial hardship, within ten College working days, any fine or to pay compensation for damage or to abide by any other penalty shall itself constitute a disciplinary offence for which the Discipline Committee may without any further hearing impose a further penalty including expulsion from the College.

30. Except in the case of summary punishment no student shall be suspended or excluded from the College or any of its facilities nor shall his or her status as a student be prejudiced pending determination of the proceedings against him or her save that this provision shall not apply where suspension or exclusion is imposed in accordance with paragraph 11.

31. Where misconduct leads to prosecution in an outside court, the Residence Tribunal, the Imperial College Union Discipline Committee and the College Discipline Committee shall take note of the fact and the outcome in imposing any College punishment.

32. All monies collected from fines shall be donated to the Student Hardship Fund.

APPEALS

33. Appeals may be on the grounds of procedural irregularity, unreasonable conclusions or an excessive or inappropriate penalty. All appeals must be made within five College working days of the student charged receiving official notification in accordance with the guidance given below.

APPEALS AGAINST SUMMARY PUNISHMENT

34. Any student wishing to appeal against summary punishment must submit a written notice of appeal within five College working days of the date the summary punishment was imposed, stating the full grounds of appeal, as follows:

   a. In the case of appeals to the Imperial College Union Disciplinary Committee, the notice should be delivered to the Deputy President (Finance and Services), Imperial College Union, or if not available another Deputy President;

   b. In the case of appeals to the Residence Tribunal, the notice should be delivered to the Academic Registrar;

   c. In all other cases the notice should be delivered to the Head of Central Secretariat.

35. The appeal will be considered by the following bodies:

   a. If the punishment was imposed by the President of the Imperial College Union or his /her nominee, the Imperial College Union Disciplinary Committee,

   b. If the punishment was imposed by a Warden or Assistant Warden, the Residence Tribunal,
c. In all other cases, the College Discipline Committee.

36. The Residence Tribunal, Imperial College Union Disciplinary Committee or College Discipline Committee will hear the appeal in accordance with the procedures detailed in paragraphs 38 to 46 unless the provisions in paragraph 37 apply.

37. Where the appeal is made on the grounds of procedural irregularity, the Chairman of the Residence Tribunal, Imperial College Union Disciplinary Committee or College Discipline Committee in consultation with the Head of Central Secretariat, may determine on the basis of the evidence presented that the appeal may be considered by correspondence. In such cases, the student will be informed of the Tribunal or Committee’s decision in accordance with the procedure detailed in paragraph 21. If a unanimous decision cannot be reached by correspondence the appeal will be heard by the Residence Tribunal or College Discipline Committee in accordance with the procedures detailed in paragraphs 16 – 23.

38. The Tribunal or Committee hearing the appeal will be formed as per paragraphs 10.a., 13 and 15 of the Procedures.

39. The procedures regarding the members of the Residence Tribunal, Imperial College Union Disciplinary Committee and College Discipline Committee who are allowed to sit, as per paragraphs 10.a., 13 and 15, shall also apply in the case of Tribunals and Committees that sit as appellate bodies.

40. Students who have appealed against summary punishment will be notified of the date of the hearing of the appeal and of their right to be represented at the hearing by a person of their choice who is a member of the College, and to bring witnesses. If they wish to be represented, call witnesses or present documents either bearing on the charge or in mitigation of any penalty which has been or may be imposed, they shall notify the Clerk to the Tribunal or Committee accordingly with reasonable notice, in advance of the hearing, which will normally be held within ten College working days of the appeal being lodged with the Deputy President (Finance and Services) of the Imperial College Union in the case of appeals to the Imperial College Union Disciplinary Committee, the Academic Registrar in the case of appeals to the Residence Tribunal and the Head of Central Secretariat in all other cases.

41. The responsible authority shall, through the Clerk to the Committee or Tribunal, notify the student, with reasonable notice in advance of the hearing, of any documents to be submitted or any witnesses to be called.

42. The Tribunal or Committee considering the appeal shall base its decision on evidence presented and examined in the presence of the student making the appeal and the person that imposed the summary punishment. The proceedings of the Tribunal or Committee shall not be invalidated by the failure to appear of the student making the appeal following notification of the proceedings in accordance with paragraphs 40 and 41. Evidence of earlier misconduct by the student making the appeal which has already been the subject of previous disciplinary procedures shall not be presented until after a decision has been reached on the facts of the case, but may then be admitted and considered in deciding on any punishment.

43. All Committees/ Tribunals shall reach their decision by simple majority voting and the procedures in paragraph 20 apply.
44. Appeal hearings shall normally be in private and the procedures in paragraphs 21 and 22 shall apply.

45. The Imperial College Union Disciplinary Committee, Residence Tribunal or College Disciplinary Committee sitting as appellate bodies shall be able to:

   a. Uphold the summary punishment imposed by the responsible authority,

   b. Reject the summary punishment imposed by the responsible authority,

   c. Modify the summary punishment imposed by the responsible authority (see section regarding Penalties above).

46. Students involved in appeal hearings should also be aware of the implications of misconduct which is also a criminal offence as per paragraph 24.

47. Following an appeal against summary punishment to either the Residence Tribunal or the College Discipline Committee, the College’s internal appeals procedure will be completed and a Completion of Procedures Letter will be issued to the student under paragraph 51 below.

APPEALS AGAINST DECISIONS MADE BY THE IC UNION DISCIPLINARY COMMITTEE AT A FIRST SITTING

48. In cases where a student wishes to appeal against a decision of the IC Union Disciplinary Committee at a first sitting i.e. considering the case for the first time, the appeal should be made to the Chair of the Imperial College Union Court within five College working days of the date of the notification of the decision (the IC Union Disciplinary Policy refers).

APPEALS AGAINST DECISIONS MADE BY THE RESIDENCE TRIBUNAL OR THE COLLEGE DISCIPLINE COMMITTEE AT A FIRST SITTING

49. In cases where a student wishes to appeal against penalties imposed by the Residence Tribunal or the College Discipline Committee at a first sitting i.e. considering the case for the first time:

   a. A student may appeal within five College working days of the date of the notification of the decision to the Rector in writing stating the grounds for appeal. The factual basis of the decision shall not be open to appeal unless evidence is produced which the Rector regards as both new and significant;

   b. The Rector shall be supplied with a full report of the proceedings prepared by the Clerk of the Tribunal or Committee. The report shall contain a statement of the matters investigated, a summary of the evidence given by each witness and the reasons for the decisions reached. The appellant will be supplied with a copy of the report in advance and may submit comments;
c. The Rector may seek the advice of a Discipline Review Panel before reaching a decision. The Discipline Review Panel shall consist of two lay members (drawn from the College’s Council or Court) two members of the academic staff and two students all appointed by the Rector who shall also nominate one of the members to act as Chair.

50. In an appeal to the Rector, the original decision may be confirmed, reversed or modified, or the Rector may in addition direct that the case be re-heard.

OFFICE OF INDEPENDENT ADJUDICATOR (OIA)
AND COMPLETION OF PROCEDURES

51. Once a student has completed the College’s internal appeals or complaints procedures, the College will issue the student with a Completion of Procedures Letter. If the student is still dissatisfied, the student may direct their complaint to the Office of the Independent Adjudicator within three months of the date on which the Completion of Procedures Letter was issued. Information on the complaints covered by the Office of the Independent Adjudicator and the review procedures is available at http://www.oiahe.org.uk/docs/OIA_New_Rules.pdf. The College reserves the right to reject a complaint when it is issued more than three years after the substantive event(s) to which it relates.

Approved by the Council on 23 March 2007
Effective from 8 July 2007
[Revisions approved by the Council 10 July 2009]
INTRODUCTION

1. Imperial College aims to give the highest specialised instruction and to provide the fullest equipment for the most advanced training and research; furthermore the College strives to achieve a standard of overall administrative performance, in terms of service quality and operating efficiency, which complements and reinforces the excellence of its teaching and research. The College recognises, however, that, if students consider they have grounds for complaint about either academic or administrative services, a clear, consistent procedure should be available through which these complaints can be investigated and considered.

2. This Ordinance does not cover appeals and other matters which are dealt with under the following procedures:
   a. Student Withdrawals and Appeals - Procedure for dealing with cases of unsatisfactory academic progress.
   b. Procedure for Consideration of Representations concerning decisions of Boards of Examiners.
   c. Procedure for Consideration of Representations by Candidates for Research Degree Examinations.
   d. Procedures for dealing with appeals by research students to the Transfer Appeal Committee against a decision by their Department or Division not to transfer their registration from MPhil to PhD.
   e. Appeals against disciplinary decisions (appeals against summary punishment; appeals against the decisions of the Imperial College Union Disciplinary Committee, the Residence Tribunal and the College Discipline Committee).
   f. Examination Offences Policy and Procedures.

2. The definition of students that are eligible to make a complaint under this procedure includes those students that are currently registered as students with the College, or those students who have been registered at some point within the last three years.

3. Advice about dealing with sexual and racial harassment is given in the Student Handbook, and will be pursued under the College’s procedure for dealing with student disciplinary offences, or under the appropriate staff disciplinary procedure (obtainable from the Human Resources Division).
g. The Investigation of Allegations of Scientific Misconduct. (Ordinance D17).

h. Public Interest Disclosure (Ordinance D18).

i. Complaints about the admissions process (dealt with under the Admissions Appeals and Complaints Procedure).

3. The Council has approved this Procedure for dealing with those student complaints which are not covered by the above procedures.

4. A copy of it is published in the Student Handbook which is provided to all students on their registration at the College. Copies are also available from the Imperial College Union office and the Registry. An online version can be found at: www.imperial.ac.uk/studenthandbook.

**STAGES OF THE COMPLAINTS PROCEDURE**

5. There are three stages in the Complaints Procedure:

   a. **Stage 1.** The complaint is raised initially with the individual responsible.

   b. **Stage 2.** The complaint is referred to the relevant responsible authority, as specified in Paragraph 12.

   c. **Stage 3.** The complaint is referred to the Dean of Students who, having investigated and having consulted with the Academic Registrar and/ or the Pro Rector (Education), where necessary, will reach a conclusion on the complaint and determine a course of action. If the student is from the same Department as the Dean of Students, a College Tutor will carry out the investigation and consult with the Academic Registrar and/ or the Pro Rector (Education) at this stage, in place of the Dean of Students.

6. It is envisaged that most complaints will be satisfactorily resolved at one of the early stages in the Procedure, but the three sequential stages are provided where this proves not to be possible.

7. Students are invited, when making their complaint, to indicate what, if any, resolution they are seeking, without prejudice to any final remedy which may be determined. Students are reminded that an informal resolution to their complaint is possible at any stage.

8. It is expected that complaints will be raised as quickly as possible. Where a complaint relates to a specific event, it should be raised with the individual concerned within 10 College working days of that event. Where the complaint relates to an ongoing aspect of academic provision, it is expected that this will be raised as soon as the dissatisfaction becomes apparent and no later than three weeks before an examination or assessment is to be undertaken which the complainant considers may be adversely affected. (Complaints regarding the conduct of examinations are dealt with under the Procedure for Consideration
of Representations concerning decisions of Boards of Examiners, or the Procedure for Consideration of Representations by Candidates for Research Degree Examinations).

9. Where a complaint is made regarding a member of staff, HR will be notified as early on in the process as possible by the person with whom the complaint has been raised.

10. Unless there are extenuating circumstances, a response will be given at each stage within 20 working days. Where extenuating circumstances exist, these will be communicated to the complainant.

STAGE 1

11. It is expected that every reasonable attempt will be made by the complainant to raise the complaint with the responsible individual, and that the responsible individual will make every reasonable attempt to resolve the complaint at this level. It is recognised that there may be exceptional circumstances in which the complainant considers they cannot approach the individual concerned. In such cases, the complainant may go to the Head of his or her Department or Medical Division as in Stage 2.

STAGE 2

12. If the complaint cannot be satisfactorily resolved at Stage 1, the complaint may be taken to the next level of responsible authority. The responsible authority is determined by the subject of the complaint.

   a. Academic matters: the Head of Department or Head of Medical Division (for undergraduate medicine students this is the Head of Undergraduate Medicine).

   b. Students’ Union matters: the President of Imperial College Union.

   c. College-managed Residential Accommodation: the Head of Residences.

   d. Catering: the Head of Catering.

   e. All other administrative matters: the College Secretary.

Where the complaint is against one of the people named in a-d above, the College Secretary will nominate a responsible authority for dealing with the complaint. If the complaint is regarding the College Secretary, the Rector will nominate a responsible authority for dealing with the complaint.

13. In academic matters, if the responsible individual is a Head of Department or Head of Medical Division, or the complainant feels that it would not be beneficial for an attempt to resolve the complaint within the Department/Division to be made, their complaint may be taken, in the second Stage, to a College Tutor.

14. The responsible authority will investigate the complaint, and respond in an appropriate manner. Students can expect a response within 10 working days of the complaint.
being raised at the second Stage. This may or may not be the final response by the responsible authority, depending on the level of investigation required.

STAGE 3

15. Where the complaint is not resolved at the second Stage, the Dean of Students will investigate the complaint and reach a conclusion. At this stage, the complainant is required to provide written details of their complaint in the form of a letter to the Dean of Students. Students can expect a written reply within 10 College working days of the complaint being raised at the third Stage. This may or may not be the final response from the Dean of Students, depending on the level of investigation required: following the reply within 10 College working days, the Dean of Students may choose to meet with the complainant, the responsible individual and the responsible authority before concluding the matter. The student’s letter of complaint and the Dean of Student’s response will be filed in the Registry.

16. The Dean of Students’ response as mentioned in paragraph 15 is the College’s final response to the complaint.

THE OFFICE OF THE INDEPENDENT ADJUDICATOR

17. Once a student has completed the College’s internal complaints procedures, the College will issue the student with a Completion of Procedures Letter. If the student is still dissatisfied, he or she may direct his or her complaint to the Office of the Independent Adjudicator within three months of the date on which the Completion of Procedures Letter was issued. Information on the complaints covered by the Office of the Independent Adjudicator and the review procedures is available at: http://www.oiahe.org.uk/docs/OIA_New_Rules.pdf.

18. The College reserves the right to reject a complaint when it is issued more than three years after the substantive event(s) to which it relates.

PRINCIPLES OF THE COMPLAINTS PROCEDURE

19. It is the intention of the College that no student should be discriminated against or in any way penalised for raising a complaint at any level of the Complaints Procedure.

20. The student will be kept informed of the progress of his or her complaint and any unforeseen delay in the proceedings will be communicated to the student.

21. At all stages of the process, when a complaint is not upheld, reasons shall be given to the student.

22. Where a complaint is upheld as valid, any remedial action will be taken, and the complainant will be informed by the Dean of Students. If appropriate, any incidental expenses incurred by the complainant will be reimbursed.
23. In keeping with the Human Rights Act 1998, should the student wish, details of the final outcome of a complaint will be posted on the relevant departmental/ divisional notice board.

24. The Dean of Students shall prepare each year a report on the complaints brought to Stage 3 of the Procedure, using the information arising from complaints which will be filed within the Registry. In doing so, the confidentiality of individuals will be preserved. The report shall be presented to the Senate by the Pro Rector (Education).

25. The College recognises the rights of individuals who may be wrongly accused in the circumstances of a complaint. Where it is found that a student has raised a frivolous or vexatious complaint or used false information, the College may use its Disciplinary Procedure in respect of the student’s conduct.

26. Usually a complaint cannot be raised by a third party on behalf of another. In exceptional circumstances, applications by a third party to raise a complaint on behalf of another student may be considered at the discretion of the Dean of Students.

CONDUCT OF THE COMPLAINTS PROCEDURE

27. Students seeking authoritative guidance concerning the applicability and operation of the Procedure should apply to the Head of the Central Secretariat. Where appropriate, members of the College will facilitate access to information and documents material to a complaint, whilst having due regard for privacy, confidentiality and the reasonable interests of any third parties. Where any meeting is held at which the complainant will be present, he or she is entitled to be accompanied by a ‘friend’ who is a member of the College (either a fellow student, or a personal tutor, warden or other member of the academic staff).

Approved by the Council on 23 March 2007
Effective from 8 July 2007
[Revisions approved by the Council 10 July 2009]
PAPER K

PROPOSED IMPERIAL DSc

A Note by the Clerk

1. The University of London placed its regulations for Higher Doctorates into abeyance in 2001 following consultation with its Colleges at the time. This remains the current situation as far as the University of London is concerned.

2. Now that Imperial is an independent university, it is no longer constrained by University of London regulations. Earlier this year, the College’s Strategic Education Committee commissioned a small group comprising Professors Kitney, Morley and Nethercot to explore the possibility of establishing an Imperial DSc. That group responded positively and its recommendations were accepted by the Committee.

3. The Senate has now considered the report from that Committee and has agreed to recommend to the Council that a DSc degree be introduced with immediate effect.

4. There is already provision for a DSc in the College's Ordinances, but this provision is currently confined to honorary awards only. The Senate has therefore recommended that Ordinance B1, Degrees and Other Awards Granted by the University, be amended to include the following criteria for the award of the DSc:

   a DSc is awarded for published work of a high standard containing original contributions to the advancement of knowledge and learning which has given the candidate distinction in their field of study.

5. The Council is asked to consider, and if it sees fit, approve the introduction of a Dsc and the consequential amendment to Ordinance B1.

R.F.E.