MINUTES OF THE PROCEEDINGS

at the

Seventh Meeting of the

COUNCIL

of the

IMPERIAL COLLEGE OF SCIENCE, TECHNOLOGY AND MEDICINE

The Sixth Meeting of the Council was held in the Council Room, 170 Queen’s Gate, South Kensington Campus, at 10:00 a.m. on Friday, 21st November 2008, when there were present:

The Lord Kerr of Kinlochard (Chairman), Professor D.K.H. Begg, Mrs. P. Couttie, Professor M.J. Dallman, Mr. B. Gidoomal, Sir Peter Gershon, Dr. G.G. Gray, Ms. C. Griffiths, Professor C.J. Isham, Dr. M.P. Knight, Professor Sir Peter Knight, Mr. J. Newsum, Mr. S. Newton, Ms. K. Owen, Professor S.M. Richardson, Professor S.K. Smith, the Baroness Wilcox and the Rector together with the Clerk to the Court and Council.

Apologies: The President of the Imperial College Union.

In attendance: The Lord Tugendhat (Chairman of the Board of Imperial College Healthcare NHS Trust) and the Assistant Clerk to the Court and Council.

WELCOME

1. On behalf of the Council, The Chairman welcomed Professor Christopher Isham, the new Senior Dean, to his first Meeting of the Council.

CHAIRMAN’S BUSINESS

2. The Chairman reported on the Nominations Committee’s recent discussions on the current and future membership of the Council. He acknowledged that the College was continuing to grow and become ever more complex; its balance sheet got larger every year while the Academic Health Sciences Centre (AHSC) would add further complexity as it came to fruition. In this context, the Nominations Committee believed that the Council needed to strengthen the financial and management experience on which it could draw from its external members. This issue had, he said, been thrown into relief when Dr. Gray had stepped down from chairing the Audit Committee. Mrs. Couttie had agreed to take over as Chair, but it had been difficult to then find a suitable replacement for Dr. Gray on the Committee. The Chairman was grateful that Dr. Gray had agreed to continue to serve as a member of the Committee, but he said this showed the Council’s need for more financially experienced members. The Nominations Committee had identified a number of potential candidates for full membership of the Council. The first was Lord Tugendhat, who was currently in attendance as an observer. The Chairman believed it was crucial to the success of the AHSC that there was strong collaboration and understanding at Board level between the College and the Imperial College Healthcare NHS Trust; Lord Tugendhat’s participation as a full member of the Council would help to achieve that and was therefore a priority. In addition, the Nominations Committee had identified two other candidates, both of whom had a wealth of managerial and financial experience. Both had also responded very positively to informal approaches and had said they would be happy to serve, if asked.
3. However, the Chairman said, there were currently no vacancies on the Council to which they could be appointed. The Chairman therefore intended to talk privately to all the current external members of the Council before the next Meeting; he asked that they think about the level of commitment and contribution they were able to give to the College and whether they would consider offering to stand down. Once these discussions were complete and some potential vacancies identified, the Chairman said that the Nominations Committee would come forward with more concrete proposals for appointment to the Council.

MINUTES

Council – 19th September 2008

4. The Minutes of the Sixth Meeting of the Council, held on Friday, 19th September 2008, were taken as read, confirmed and signed.

MATTERS ARISING

5. The Chairman said that the briefings provided for the Council at the Away Day had been extremely useful and had provided members with an update on the College’s current views on a variety of issues. However, he asked that next year’s Away Day concentrate more on discussion than on presentations. To this end, he suggested that the Rector might like to identify one or two strategic issues for discussion which would allow Council members to make a greater contribution to shaping the College’s future strategy.

RECTOR’S BUSINESS

Staff Matters (Paper A)

6. Paper A was received for information.

Oral Report by the Rector

7. The Rector opened his Report by saying discussions had been taking place with the Royal Brompton and Harefield NHS Trust about the possibilities for closer collaboration with the AHSC and that similar discussions may commence with the Royal Marsden NHS Foundation Trust and the Institute of Cancer Research. Although these discussions were still at an early stage, these were positive developments.

8. The Chairman asked about the nature of the collaboration being proposed; was it a joint venture, a merger or some form of collaboration. The Rector said that, at present, the College and the Royal Brompton and Harefield NHS Trust were exploring a number of possibilities and nothing had been ruled in or out. He acknowledged that, in an ideal world, the College would like all of the hospitals and the trusts it dealt with to be a part of the AHSC. However, it had to be recognised that if all these trusts merged with Imperial College Healthcare NHS Trust the resultant single Trust would dwarf all other NHS Trusts. It was likely that the Department of Health would consider that having such a large ‘Super-Trust’ might destabilise the NHS. It was unlikely that it would agree to the establishment of such a large Trust. Realistically then, the College was exploring a number of alternative collaborative models that could be employed to enhance research and patient care at the College and the hospitals, even if these fell short of a full merger of all the College’s collaborating trusts.
9. Dr. Gray asked if any of the options being considered would require any changes to legislation before they could proceed. The Rector said that all the options fell within the range of collaborative provision envisaged in Lord Darzi’s Report on the future of the NHS, but he reminded the Council that the College’s ideal governance structure for Imperial College Healthcare NHS Trust would require a change in legislation.

10. Lord Tugendhat said that the Royal Brompton and Harefield Trust’s initial approach had included some proposals that would have required the AHSC to make significant changes to its structure and \textit{modus operandi}. He said that the AHSC model had been carefully prepared and thought through and that any future partners would have to accept it for what it was if they wanted to be a part of it. Although some of the Brompton’s initial proposals had been unworkable for Imperial, the main point that both parties were agreed on was that closer collaboration was desirable and he hoped that further discussion would enable a workable conclusion to be reached. The Rector agreed and said that a lot of sensitive discussion was still required to reach that point. The Chairman also agreed, but said that the College should not let these discussions delay progress of the AHSC. In particular, he said that the College should not put its own plans on hold because of the prospect of a putative merger. In his view, some form of joint venture with the Brompton Trust was a more realistic and likely outcome. The Rector agreed and reiterated that, if the structural issues could be resolved, closer collaboration and stronger links with the Brompton and Harefield hospitals was to be desired; both had particular areas of clinical and research excellence which would be of great benefit to the College and the AHSC.

11. Moving on to the Royal Marsden Hospital, the Rector said that discussions here were also at a very early stage, but that the prospect of close cooperation was an exciting one. The joining together of the Royal Marsden’s and the Institute of Cancer Research’s excellence in the research into and treatment of cancer with the College’s own research in this area could result in the creation of a world class international centre of excellence in cancer.

12. Mr. Newton declared that he provided advice to the Royal Marsden NHS Foundation Trust’s Investment Committee on an \textit{ad hoc} basis, although he did not believe that this would result in a conflict of interest in this discussion. Sir Peter Gershon asked if the College could only develop closer links with one of the Royal Brompton or Royal Marsden trusts, which would be its priority. The Rector said that their specialist areas of excellence were different and to an extent complementary and that the College would prefer to work closely with both.

13. Professor Smith reminded the Council that the Royal Marsden Trust was already a Foundation Trust, while the Brompton was not, having previously had an application for Foundation Trust status turned down. This meant that the nature of the relationship between the College and the Marsden and the Brompton was likely to be very different (although he noted that the Brompton was currently applying again for Foundation Trust status). As the Rector had already said, matching the Marsden’s strength in cancer treatment and research with the College’s own would, Professor Smith said, provide a really strong prize; that of a world class cancer research facility.

14. The Chairman thanked the Rector, Lord Tugendhat and Professor Smith for this briefing. He was sure that together they made a very strong team to take forward the discussions with both NHS Trusts. However, he recognised that these were still at an early stage and would have to be handled with great sensitivity. He asked if the Council could be kept up to date with progress with these discussions by way of a regular report to the Council. If there were any significant developments between meetings, and particular any that might result in publicity (both positive and negative) for the College, he suggested that Council members should be informed of these as soon as possible.
15. Moving on to the rest of his report, the Rector said that he had held his first Rector’s Away Day with all the Heads of Department and Division earlier on November. Discussion at the Away Day had been very positive and had focused in particular on the College’s International Strategy, how it should prepare itself to weather the current economic downturn and the development of the educational portfolio. As a result of the discussion at the Away Day, the College was proposing to change the wording of its Mission explicitly to include Business, so that in future its Mission would be stated as: ‘Imperial College embodies and delivers world class scholarship, education and research in science, engineering, medicine and business’. This was, in part, a deserved recognition of the growing success of the Business School and its increasing importance to and integration with the College’s other academic disciplines. The College was also proposing to amend its stated Strategic Intent to insert a new reference to the need for financial independence and in particular to increase the College’s own resources and to reduce its dependency on income from any one source (i.e. from government). Finally, it was proposed to add Translation as a new core theme alongside Education and Research, which recognised that the translation of research had always been central to the College’s ethos.

16. The Rector then said he was pleased to announce that Edward Astle had accepted appointment as the new Pro-Rector for Commercial Development and would join the College on 1st December 2008. Edward Astle was an Oxford graduate and had gained an MBA from INSEAD. He had been with the National Grid for the past 7 years, where he was Group Director responsible for Unregulated Businesses and Business Development. His early priorities would be to develop and review the business cases for Imperial Medicine and various Abu Dhabi initiatives.

17. In similar vein, the Rector was also pleased to announce that Dr. Peter Piot, currently Executive Director of UNAIDS, had accepted appointment as the first Director of the College’s new Institute for Global Health. Dr. Piot was a major figure in the fight against AIDS and would spearhead the new Institute’s drive to find far-reaching solutions to the health problems that blighted underprivileged populations worldwide. As such he would lead and co-ordinate work to tackle traditional and new infectious diseases, such as AIDS, tuberculosis, malaria and other neglected tropical diseases, which continued to be significant causes of premature death globally, especially in the poorest countries. Dr. Piot would join the College in April 2009, following a brief sabbatical in which he was working with the Bill and Melinda Gates Foundation.

18. Moving on, the Rector said that seven prestigious European Research Council (ERC) Advanced Grants had been awarded to Imperial researchers (across all three Faculties), more than any other UK university. These grants complemented the six ERC Starting Independent Research Grants which had been awarded to the College in December 2007. The College had also done well in the recent Times Higher Awards for 2008; for the second time in three years, the College’s Graduate Schools had won the award for Outstanding Support for Early Careers Researchers. The award was given in recognition of the “Your PhD: Finish Up and Move On (FUMO)” course for third year PhD students. Turning to the Inspire Scheme, which encourages science postgraduates to enter teaching, the Rector was pleased to say that the College had received a donation of £500,000 from the Foyle Foundation to expand the scheme and train 50 new science teachers over the next five years. This was particularly gratifying because the scheme had been very successful.

19. The Rector then reported that he had been appointed to the Board of Imperial College Healthcare NHS Trust and had recently attended his first Board Meeting. He was also pleased to say that two Imperial professors had been listed in this year’s Health Service Journal ‘HSJ50’ listing of the most powerful people in NHS management policy and practice in England: Professor Smith had been listed in 11th place, while Lord Darzi was
1st.

20. The Rector then reminded members of the high profile visit to the College by the Prime Minister, The Rt. Hon. Gordon Brown, on 27th October 2008. He had come to Imperial to meet MBA students and to discuss the current economic difficulties and had spent almost half a day at College. During the visit, Gordon Brown had revealed that he had applied for a job as a lecturer at Imperial in the 1970s. The event had been wonderfully conceived and chaired by Professor David Begg; both the visit itself and Gordon Brown’s speech had been widely reported in the media and the event was a credit to the College. This was Gordon Brown’s second visit to the College since becoming Prime Minister, which reflected his interest in and commitment to the development of science in the UK. The College was, the Rector continued, also providing briefings for politicians from all parties. On the previous day, the Baroness Wilcox and a team including the Shadow Minister for Energy had visited the Grantham Institute for a briefing on energy and climate change. Baroness Wilcox said it had been a fascinating visit and she and her colleagues had all learnt a lot. It had, she said, made her very proud to be associated with Imperial and she asked the Rector to pass on her sincere thanks to Professor Sir Brian Hoskins of the Grantham Institute and Professor Nigel Brandon of the Energy Futures Lab and their respective teams for the high quality briefings they had provided. The Chairman noted that David Willetts, as Shadow Minister for Innovation, had also asked to bring a team to discuss policy on universities and science and technology. The Rector said that, with its close proximity to Westminster, the College should be providing all the main political parties with briefings such as this and that, accordingly, he believed the College should establish a Centre for Science Policy; this would enable the College to develop closer links with Government and also provide a real lead on UK science policy.

21. Turning to consider recent developments with the College’s Capital Programme, the Rector said that the refurbishment of the Central Library had been completed and the Library had been opened officially on 2nd October 2008. This was the culmination of a two-year, £11M refurbishment project and the results had been welcomed by students and other users of the Library. The Eastside Hall of Residence Project was also progressing very well with the ‘topping-out’ ceremony having been held the day before this Meeting. The Rector reminded the Council that ground works on the Project had commenced earlier in the year following the demolition of the old Linstead Hall. The completed Eastside Hall would provide over 440 student bed places over nine levels. Completion was scheduled for October 2009 and the Project was currently running ahead of schedule. The Rector then said that the new Bioengineering Facilities had been opened on 16th October 2008 by the President of the Royal Society, Professor the Lord Rees. These new facilities marked the consolidation of the Department of Bioengineering under one roof (it had previously been spread across 8 locations). The new facilities included labs, open-plan seating for 68 PhD students, two lecture theatres, academic and administrative offices and new rooms for conferences.

22. Mr. Newsum welcomed the Rector’s reminder of these current and recently completed projects and said that the transformation of the South Kensington Campus in the last five years had been amazing. He asked if there was some way in which the change in the appearance of the College could be recorded and demonstrated. The Rector said it should be possible to create a ‘walk-through’ video of a tour of the Campus showing all the major developments and for this to be published on the College website. Dr. Knight said that the completion of the Eastside Hall in 2009 should similarly be marked and celebrated, not least because this would complete the restoration of one of London’s great squares.
Oral Report by the Principal of the Faculty of Engineering

23. Professor Richardson noted that there had been a number of changes to the senior staff in Engineering with the appointments of Professor Jeff Magee and Professor David Nethercot as Deputy Principals, Professor Andrew Livingstone as Head of Department of Chemical Engineering and Professor Peter Cheung as Head of Department of Electrical Engineering. While this degree of change would be challenging for the Faculty, it also presented it with an opportunity to move forward. Professor Richardson said he was sure that the Faculty had a very good team in place now, which would enable it to meet the challenges ahead. He then acknowledged that one of the largest of these challenges was the South East Quadrant (SEQ) Project. This £270M project would bring together the Business School and four engineering departments under one roof. The project would also provide a framework for the closer integration of teaching and research in the Faculty as well as allowing it to take a bold leap forward in the way in which the teaching of engineering was delivered. The main focus for the latter was the Envision programme, which aimed to ensure that Imperial delivered a world-class education in engineering and to provide graduates with the skills, knowledge and attitudes necessary to become international leaders in engineering industry and academia. The SEQ Project itself was progressing well but Professor Richardson noted that, when the latest plans had been shown to Westminster Council they had queried whether the College’s plans and the building were ‘too green’ in that minimising the building’s environmental impact was central to the way it was designed and would be used. However, Professor Richardson contended that the College’s plans were right; the SEQ project would provide a building and an engineering facility, not just for the present, but for the next fifty years and it was proper that its design and proposed uses were suitably forward-looking. It was, he said, vital that the College got this project right as it was the largest single project the College had undertaken since the major building programmes of the 1960s.

Oral Report by the Principal of the Faculty of Medicine

24. Professor Smith said the Faculty of Medicine was performing very well and that a measure of this was that its research income had increased by 60% in the last four years. Professor Smith then reported on the Government’s Health Innovation and Education Cluster (HIEC) proposals, which were currently out for consultation. First mooted in Lord Darzi’s review, HIECs would bring together many partners, across primary, community and secondary care, universities and colleges, and industry. Their members would run joint innovation programmes reflecting their local needs and distinctiveness. They would also promote learning and education between their members and would enable research findings to be applied more readily to improve patient care. It was also expected that some HIECs would be commissioned to provide postgraduate education and training for all healthcare professionals. It was likely that up to £4BN in funding would be available to support work undertaken through the HIECs. The College was currently in discussion with the Chelsea and Westminster NHS Trust with a view to forming a HIEC.

25. Professor Smith then said that he and Dr. Knight would be visiting the Middle East to meet with those establishing the College’s Biobank facility in Qatar that would soon be operational, as well as holding discussions on other projects that could attract significant funding of over £100M. In addition to these potential projects in the Middle East, the Faculty was also working on the development of collaborative projects in India.

26. The Chairman welcomed this international activity and said that one strategic issue that the Council could consider at the next Away Day was the College’s international strategy, and in particular, what this should be for the next 5 to 10 years. The Rector said that this had been one of the main topics for his Away Day with the Heads of
Department earlier in November. There had been general agreement at that Away Day that the College’s priorities should be first the Gulf States, second India and third Singapore and related states in South East Asia. A priority for Edward Astle, the new Pro-Rector (Commercial Development), would be to take forward the negotiations on the College's current and proposed international projects. The Chairman thought that the Council might wish to discuss these priorities, in the framework of a model including optimal funding opportunities, desirable academic links, and future talent pools.

Oral Report by the Principal of the Faculty of Natural Sciences

27. Opening her Report, Professor Dallman said that there had been a number of senior staff changes in Natural Sciences as well with the appointment of Professor Ari Laptev as the Head of Mathematics and Professor Joanna Haigh as the Head of Physics. Professor Dallman was also pleased to say that the College had done very well at the 2008 International Genetically Engineered Machines (iGEM) competition held at MIT in the USA. The Imperial team, consisting of students from Bioengineering and Life Sciences, and led by Professor Paul Freemont and Professor Dick Kitney, had won a gold medal as well as two other top prizes. Professor Dallman explained that The iGEM competition was an international celebration of students' achievements in synthetic biology, an emerging field in which engineers work with molecular bioscientists to produce biologically-based engineering parts, by modifying bacterial DNA. The Imperial students won a gold medal for the technical excellence of their project as well as the prize for the best manufacturing-themed project in the competition, and the prize for the best new ‘part' for their genetically modified Bacillus subtilis bacteria. This was the third year in a row in which Imperial students had won a gold medal and all of them were to be congratulated. The project was also a good demonstration of the way in which teaching at Imperial interacted with research.

28. Professor Dallman then said that the Faculty’s most prestigious lecture was the Schrödinger Lecture and that this year’s lecture would be given by Professor Roger Kornberg, Professor in Medicine at Stanford University and winner of the 2006 Nobel Prize in Chemistry. His lecture would be on the molecular basis of Eukaryotic Transcription. Finally, she was pleased to say that a research paper co-authored by Professor Richard Templar, the Director of Imperial’s Porter Institute, had been named as one of the most influential studies of the last 10 years in its field. The paper titled ‘The path forward for biofuels and biomaterials' had been published in the journal Science in 2006 and had now been cited in over 150 subsequent academic studies.

Oral Report by the Principal of the Imperial College Business School

29. Professor Begg reported that the Business School continued to progress. Income had increased by 15% this year with research income experiencing even higher growth. Overall, the School was on track for 20% growth for the fourth year in a row. The School was also building close links with MIT in the USA and was currently in discussions to co-host a major global conference with MIT and a significant industrial sponsor.

30. Professor Begg then informed the Council that Dr. Gary Tanaka and his business partner, Alberto Vilar, had recently been convicted of fraud in the US. Dr. Tanaka had been found guilty on just 3 of the 12 counts against him. Professor Begg said that, so far, most of the coverage in the press had concentrated on the prosecution of Vilar, with little coverage being given to Dr. Tanaka or his connections with Imperial. On a happier note, Professor Begg ended his Report by saying that the Ghandi Centre continued to thrive; as he had noted before, the majority of the School's MBA students now were Indian, a direct result he felt of the links established through the Ghandi Centre.
31. Ms. Owen asked about the nature of the School’s links with MIT. Professor Begg said that the School was developing informal links with MIT through joint events and conferences and other links as this was the best way of establishing a relationship. He hoped that this would lead to more collaboration in the future.

**Oral Report by the Senior Dean**

32. As this was the first report by a Senior Dean, Professor Isham said he would explain to the Council the role of the Deans within the College. There were, he said six Deans – two for each Faculty – in addition to the Senior Dean. They were elected from among the Professors of each Faculty and served for three years, but were not academic ‘shop stewards’. They had no managerial or budgetary responsibilities; their primary role was to ensure that high standards were maintained consistently across the College through their contribution to appointment and promotion panels, each of which had to include a Dean from another Faculty. It had been suggested by some that the Deans were the ‘conscience of the College’, a description that Professor Isham thought was apt.

33. With regard to the promotion and appointment process, Professor Isham said that this was run very well at Imperial, with a great deal of care being taken to ensure that the right appointments were made and that rigorous standards were maintained. This process, with its concentration on excellence, was clearly a huge benefit to the College and was recognised as such by all the academic staff; indeed, Professor Isham said that a recent unsuccessful candidate had contacted him to commend the process and acknowledge that the panel had made the right decision. Although the appointment decisions for professors and readers were generally straightforward, those for lecturing staff were sometimes less so. This was partly because the other staff on these panels sometimes had less experience in appointments and promotions, even though the College stipulated that all members of an appointment panel must be at least a potential international star. Because of this, the Deans retained an important, albeit rarely used, veto.

34. Professor Isham then said that, as at all universities, there was a degree of tension between the business model required to run the university and its academic ethos. Although all recognised the huge benefits that the previous Rector, Sir Richard Sykes, had brought to the College, there was a feeling amongst the academic staff that the concentration on business may have been too great during his period of office. It was hoped that the Rector would find a greater equilibrium between the College’s academic and business priorities.

35. Bringing his Report to a conclusion, Professor Isham said that the Deans also had a pastoral care role. It was often said that the atmosphere at Imperial was harsh. He believed this was a misnomer as, in his experience, most people in the College were very caring and supportive; the College was not ‘harsh’ but the desire for excellence could be challenging. Finally, he said that the great majority of academic staff in the College were interested in their research and their students and had little or no understanding of how the College was governed or run. Indeed, he said, most of the people who voted for him as Dean probably had no idea what the role of the Dean was or how it fitted in with the College structure. He believed that there was still a job to be done to ensure that staff were better informed about their own institution and had a better understanding of how it was run.

36. Baroness Wilcox said that the reputation Imperial had for ‘harshness’ might be because it was exclusively a College of science, technology and medicine and that these traditionally ‘hard’ subjects were unleavened by any ‘softer’ arts subjects, as would be the case at another university. The Chairman thanked Professor Isham for his Report
and said with reference to the appointment process that there was a very interesting article in the latest edition of *Imperial Engineer* by Professor Dame Julia Higgins, which suggested that one problem was that not enough women academics put themselves forward for promotion. Professor Dallman said that the College had introduced a number of specific programmes to support and encourage women academics to apply for promotion. These had, in the main, been very successful, although it was clear that there was still much to be done. Ms. Owen said that it was not unusual for women academics to find the promotion process very difficult and that what Imperial was doing to assist them was exemplary.

37. The Rector said that the College was taking a number of actions to improve the position for women academics and was clearly moving in the right direction. The area of most concern though was the transition between post-doc and academic where the transfer rate for women was much lower. More work was required to understand the reasons for this, so that these could be addressed. Professor Dallman agreed and said that the College was trying to ascertain why this should be so; there was not, she said, any one reason, but rather a complex interaction of different reasons. The Chairman thanked Professor Dallman and said that he would welcome further updates on the College’s work in this area: perhaps Professor Dallman could provide these as part of her regular oral report to the Council. Professor Dallman agreed to do so.

**ACADEMIC HEALTH SCIENCES CENTRE (AHSC)**

38. Professor Smith reminded the Council that the Government had agreed a process for recognising and establishing AHSCs with proposals from institutions to be scrutinised by an international panel. This process had now commenced and the College would soon be submitting its own proposal. As had been noted before, the model proposed by the College was for an integrated or ‘zipped-up’ AHSC.

39. Turning to the performance of the Trust, Professor Smith said that this continued to improve. The Trust was now in its second year of operation as the Imperial College Healthcare NHS Trust and was set to make a surplus again, the first time it, or its predecessor trusts, had made a surplus for two years running. This was important, because the Trust was now able to use this surplus to reinvest in facilities for the use of the Trust and the AHSC. For example, the clinicians had decided this year to reinvest part of the surplus in the appointment of two new academic and post-doc appointments.

**ANNUAL REPORT AND ACCOUNTS**

*Annual Report and Financial Statements for the Year Ended 31 July 2008 (Paper B)*

40. Presenting Paper B, Dr. Knight said the final results for the year were in line with expectations and what he had reported to the Council in July. The audit process itself had been handled very smoothly and the external auditors had not raised any issues of substance. However, it was important to note that the accounts represented the consolidated results for three entities, which in managerial terms were normally treated separately; the College itself, the College Fund and Imperial Innovations. This meant that the College Accounts, if taken at face value, could give a misleading impression of the College’s actual position. As an example of this, Dr. Knight cited the cash position. This looked very positive, but included £42M of cash holdings which were held by Innovations and which would be used to invest in future opportunities. Similarly, the College Fund had prudently converted a number of investment assets into cash holdings. This had protected it from the worst effects of the credit crunch, but it was possible that, when the external environment changed, the Fund would want to transfer these cash holdings into investments. Therefore the College could not rely on the cash
holdings in Innovations and the College Fund to stay at the same or similar levels; the only holdings over which the College had control and were available for its own use were those in held in the College.

41. Mr. Newton agreed with Dr. Knight's analysis. He said there was a danger of complacency if the consolidated figures were taken as being indicative of the performance of the College itself and its degree of protection from the future financial squeeze. Sir Peter Gershon agreed and asked if the College had to consolidate the results from these other entities. Dr. Knight confirmed that it did have to consolidate, but that provided the effect of this consolidation was clearly understood, he did not think it would lead to complacency. The Chairman and Dr. Gray then noted some small typographical changes to be made to the Annual Report, which were accepted.


External Auditors' Representation Letter (Paper C)

42. Dr. Knight presented Paper C, noting that the proposed letter was a standard one required by the external auditors. Mr. Newsum said that there were a few changes from the letter which the Council had agreed for the previous year and he asked that in future such changes and the reasons for them be highlighted in the letter, or its covering paper. He also noted that the letter required the Council to say that the College ‘complied with’ some requirements while for others it was required to say that it “was not aware of any non-compliance”. He believed that the latter formulation was more accurate and should be used throughout in future. Dr. Knight agreed to pass on these suggestions to the External Auditors for inclusion in next year’s Representation Letter.

43. The Chairman noted that the Letter included a statement on the value of College assets not being overstated. He asked if the economic downturn had affected any asset valuations to the extent that this statement might not be as straightforward as it appeared. Dr. Knight said that there was nothing to suggest that the College's fixed assets were overvalued. With regard to its properties, Dr. Knight noted that all new buildings were included at cost rather than potential market value. If the College had to dispose of any of its assets, even in these straightened times, it would achieve much more than the book value included in the Accounts.

Resolved: That the External Auditors' Representation Letter, as set out in Annex A to Paper C, be approved.

Annual Report from the Audit Committee (Paper D)

43. The Chairman of the Audit Committee, Mrs. Couttie, presented Paper D and said that the College’s finances were very robust and very well managed, as was confirmed in the Annual Report and Accounts and in the External Auditors’ Management Letter. Internal Audit was also now being very well managed and this too showed that the College was being well managed and that it had robust processes and systems in place. Making the same determination on the health and safety side was, however, more difficult. She reminded members that, following an external review two years ago, the College had completely redesigned its Health and Safety Management System, and was now implementing this. Although this implementation appeared to be progressing well, it was not yet at the stage to provide the Audit Committee with the same standard of assurance as could be provided on the financial side. This did not mean that health and safety at the College was not being well-managed, simply that there was not sufficient evidence available for the Committee to make a fuller statement than was
44. Ms. Griffiths agreed with Mrs. Couttie’s summary. There had, she said, been a robust discussion at the Audit Committee meeting at which the Committee had asked the College to provide a clear plan for the provision of similar evidence and assurance levels as that provided by the College’s financial audits. Such a plan with milestones had subsequently been provided and would be discussed in more detail by the Committee at its next meeting. By this time next year, Ms. Griffiths hoped that the Committee would be able to give a much firmer statement of assurance to the Council.

45. The Rector said that, following the Audit Committee meeting, he had discussed some of the issues that had arisen with some of its members. One concern was that it was not always clear who was leading on health and safety, with the Director of HR having operational control, the Safety Champion leading the interface with the academic community and the College Secretary having charge of the governance aspects. He had therefore asked the College Secretary to take responsibility for co-ordinating the various health and safety activities and act as the figurehead for the College.

Summary College Risk Register (Paper E)

46. Dr. Knight presented Paper E, which was provided primarily for information. There was, he said, a much more substantial Risk Register and Action Plan, which lay behind this summary.

47. Ms. Owen noted that the College’s highest risk was the recruitment and retention of excellent staff and that the senior officer with designated responsibility for this risk was the Director of HR. While she agreed that he would be responsible for many of the mitigating actions, she felt that overall responsibility for this risk should lie with the Rector. The Rector agreed and said that this change would be made. Similarly, Ms. Griffiths said that the Register referred only to the risk of not responding to changes in health and safety legislation; she felt that the College should instead have regard to the need for health and safety compliance. She also suggested that the Colleges’ work on risk management should be more closely aligned with its work on managing its health and safety risks, particularly as health and safety risk management was to be a particular focus for the coming year.

FINANCIAL MANAGEMENT REPORT (PAPER F)

FINANCIAL FORECASTS AND FINANCIAL COMMENTARY (PAPER M)

48. At the Chairman’s request, Dr. Knight agreed to consider Paper F and Paper M together. Dr. Knight introduced Paper F and said that the College’s finances continued to be healthy. Income was better than expected for this time in the year and although the College was spending a lot on its capital programme, this was all budgeted for and approved. That said, the College’s cash position was also holding up well, partly because a lot of research income was coming in through payments in advance. The College was also still making 6.1% interest on its cash deposits, which was higher than the interest payments on its loans, although it was likely that this would reduce in due course.

49. Turning to Paper M, Dr. Knight said that the five-year financial forecasts for HEFCE had to be prepared using HEFCE’s template and incorporating a set of assumptions provided by HEFCE. These were not the same assumptions about future income and expenditure that the College would use itself and so were not a guide to the College’s real view of its financial forecasts. Dr. Knight then reminded members that the Council
had approved its own forecasts in July. At that time there had been some debate about
the affordability of the Capital Plan. Since that time, the financial environment had
worsened significantly and it was therefore prudent to re-examine the College’s
forecasts in the light of these more straightened circumstances. Dr. Knight then said
that he had recently given two separate presentations to the Heads of Department; the
first at a Heads of Department meeting had concentrated on the causes of the credit
 crunch and was intended to set the context for a review of the College’s finances. The
second had been given at the Rector’s Away Day and had concentrated on the
implications for the College. Dr. Knight then said that, in his view, the College’s
financial position was probably secure for the next two years; it was unlikely that the
present Government would cut back on the science agenda and the College’s ‘order
book’ of research grants for the next two years was already at 80%. Beyond that,
however, the position would be much tougher. Dr. Knight had been very gratified by
the level-headed way in which the Heads had responded to the challenges and
questions he had proposed. Indeed, some had suggested that his assessment was
overly optimistic. Concluding his report, Dr. Knight said that the College probably had
two years grace before seeing a real impact from the financial downturn. It therefore
had time to take corrective action and ensure that the worst effects could be mitigated.
The time to take such action was now, and not in two years time.

50. Mrs. Couttie noted that the Financial Management Report stated that Work-in-Progress
(WIP) was behind budget and asked if this was a cause for concern. Dr. Knight said
that a common pattern had emerged over the previous years which showed a number
of grants in the Faculty of Medicine coming in very late in the year. The current shortfall
in the WIP was entirely consistent with that pattern and should not be a cause for
concern. Mrs. Couttie then asked if the downturn meant that students would be less
able to pay their fees and accommodation costs and, if this was the case, what
measures the College could take to assist them. Dr. Knight said that the fall in value of
sterling could have the opposite effect, making the College’s fees more affordable to
overseas students, particularly in comparison with the fees at US institutions. However,
he said the College had a number of hardship funds and other schemes to give
assistance to student in genuine difficulty. The Rector said that the College had recently
increased the funds available for student support as it recognised that this might be an
issue.

51. Mrs. Couttie then noted that staff costs appeared to have reduced. Dr. Knight said this
was largely as a result of the time lag in employing researchers to work on project
grants. Again, he did not believe this was significant or unusual. Professor Begg then
said that the recruitment of researchers could be affected by the more stringent visa
procedures brought in by the Government. It was now much more difficult for non-EU
staff to get visas and this was making it difficult to recruit the best researchers from
across the world. The Rector agreed and said that the Russell Group was campaigning
against the restrictive practices being operated by the Foreign and Commonwealth
Office. Professor Sir Peter Knight agreed and said that the Government should also be
encouraged to review its decision to withdraw its support from the Overseas Research
Student (ORS) Awards. These had been critical in encouraging the best researchers to
come to the UK, but had now been stopped by the Government.

52. Turning back to the economic situation, the Chairman said that the Government was
proposing to increase expenditure immediately, with the prospect of cuts and tax
increases once the worst of the crisis was over. He thought it was unlikely that the
College would benefit from the immediate expenditure increases, but that it would suffer
from the eventual cuts in spending. In this context, the College needed to manage its
running costs very carefully, especially given the recent pay award of 5%, which would
make this difficult. The Chairman said that he was also concerned that pension costs,
which were largely outside the College’s control, would also rise. Given these
pressures, the College would have to manage its costs in other areas to provide a
degree of mitigation. On the capital side, he said there would be less money available from Government and also from donors and that this would make it difficult to maintain the programme at the same level. He then suggested that Dr. Knight should update the briefing he had given to the Heads of Department for presentation to the Council at its next meeting.

53. Mr. Newton said it was clear that the world would become much tougher in the next few years and that the current financial difficulties had not yet impacted fully on the real economy. In his view, Imperial was in a unique position; the Government had recognised the need to continue to invest in science and the knowledge economy, at least for the time-being, and Imperial should ensure that it benefitted as much as possible from this remaining period of investment as this opportunity would not remain for very long. There was, he said, still a possibility that the International Monetary Fund would become involved and if it did, this would seriously curtail future public expenditure. Although the reduction in value of the pound had positive as well as negative connotations, the real problem was that the UK economy had been over-reliant on the financial services and would have to revive its manufacturing base and also exploit its intellectual property-driven businesses for the future. Imperial, with its concentration on IP and its relation to industry, was one of the few institutions in the country with the capability to support this transition. The College, he said, must maintain its academic excellence in the period ahead. If it did so, it could thrive, even if the rest of the sector suffered from cutbacks in public spending. Having said that, he cautioned against complacency; Imperial had an opportunity to become one of the world’s great institutions, but it could just as easily fall back if it failed to take advantage of the current situation.

Resolved: That the College's the Financial Forecasts and Financial Commentary, as set out in Paper M, be approved.

COLLEGE FUND (PAPER G)

54. The Chairman paid tribute to Mr. Newton for the remarkably good picture revealed in Paper G. Mr. Newton said that he felt that the College Fund was now fully established and he thanked Dr. Knight and the other College officers involved with the Fund for all they had done to establish and support the Fund; using the College's non-core assets imaginatively and turning these into something that could generate real benefit for the College was, he said, a very powerful idea. Although the Fund had performed reasonably well this year, particularly given the general financial environment, he had to acknowledge that it had not met its financial objective. Notwithstanding this, he said that the Fund's CEO, Mr. John Anderson, had grown into this position during the year and was now, he believed, doing an outstanding job. The College Fund Board was also now functioning very well and benefitted from the experience and guidance of its excellent internal and external members. Mr. Newton then commended the rest of the Report to the Council.

55. Mrs. Couttie noted that the Report stated that, although the Scheme was sensibly maintaining a highly liquid position at present with a large allocation to cash, there was a suggestion that it might move to a more fully invested level over the next 6-9 months. She said that, in the current economic climate, the investment market was unlikely to improve much during this period and the Board might therefore decide not to move to a more invested level. If this was so, there was a risk that the investment objective would not be met in the coming year. Mr. Newton agreed that conditions were unlikely to improve much before 2010, but said all investors would be faced with some very difficult decisions. It was likely that interest rates would reduce further and could drop to as low as 0 – 1%. This would make the maintenance of large cash holdings much less attractive. Government Bonds would not provide a much greater return and, in any
case, were an unattractive asset. In such an environment, he thought that equities would again become the asset class of choice; the trick then would be choosing the right equities to invest in. Mr. Newton assured the Council that the College Fund Board would not, itself, be trying to determine which equities to buy; its role was to appoint the right fund managers and to ensure that the necessary controls were in place to ensure that the College would not be unduly affected by any investments that failed to perform as well as expected.

56. Mrs. Couttie then noted that the Fund was investing in the refurbishment of certain properties with a view to renting these out. She asked what assumptions were made about the values and likely occupancy rates of these property assets. Dr. Knight said that the College had regular discussions with its property advisors, Savills, about these and its other properties. Their view was these would still be very attractive propositions. Despite the fall in property values generally, there was still a healthy market for high-class rental properties in central London. Mr. Newsum agreed and said that, if you could generate rental income from real estate, that was still a much better option than selling. He also agreed that the market in central London was still very strong, although he acknowledged that this could change at any time.

57. Baroness Wilcox asked about the assets at Wye that were held by, or were being transferred to, the College Fund. Dr. Knight said that, for reasons that were well known, the College was maintaining a relatively low profile at Wye. Academic activity at the main Wye Campus would cease at the end of the current academic year and, as had been previously advised to the Council, alternative clients for the Campus were being sought, so far without success. There were a number of other properties at Wye, including the Farm, some residential properties in the village and the Withersdane Conference Centre, most of which were already being managed through the Fund. The Farm was, he said, being rented out to an external client and the College was acting as a responsible landlord for this and the other properties. Withersdane was now empty and would fall into disuse if an alternative client was not found. It was therefore proposed to transfer Withersdane to the College Fund, which could then find another use for this property.

Resolved: That the transfer of Non-Core Assets, as set out in Annex B of Paper G, be approved.

FELLOWSHIPS, HONORARY DEGREES AND ASSOCIATESHIPS (PAPER H)

58. The Rector presented Paper H, saying that, although these nominations had been agreed by the Management Board with the Chairman and Mr. Gidoomal in attendance, none of the nominees had been contacted and some might yet decide that they did not wish to be honoured in this way. It would also, he said, be sensible for the College to undertake some further due diligence to ensure that there were no impediments to any of the candidates being honoured by the College.

59. The Lord Tugendhat agreed with the prudent approach suggested by the Rector. He also noted that, while the College’s primary aim in honouring individuals in this way should be to recognise the major scientific or philanthropic contribution they had made, it was also a way in which the College could establish and/ or enhance its relationship with someone who might, in the future, be in a position to become a donor to the College. However, he cautioned that, unless that person had a genuine interest in the College and its works, they were unlikely to want to establish the close relationship that was a prerequisite to them making a donation. It was often preferable to establish genuine links first and subsequently to honour that person in recognition of their support for the College.
Resolved: That the nominations for the conferment of Honorary Degrees and for the conferment of the Fellowship and Associateship of the College, as set out in Paper H, be approved.

REMUNERATION COMMITTEE’S ANNUAL REPORT (PAPER I)

60. The Chairman presented Paper I, which was received for information. The Chairman then drew members’ attention to the Committee’s concern about the upward drift in pension costs. He reminded the Council that these were managed by the main pension providers, the Universities Superannuation Scheme (USS) and Superannuation Arrangements of the University of London (SAUL), and that these escalating costs were outside the College’s control. He noted that the College was working with these providers and was trying to encourage them to institute some reforms. The Committee strongly supported these efforts, but was sceptical about the chances of their succeeding and believed that this was an area of potential exposure that merited further consideration. The Committee had therefore urged the College to think innovatively about the issue while continuing its active participation in sector wide initiatives to effect cost containment.

MAJOR BUILDING PROJECTS REPORT (PAPER J)

61. Dr. Knight presented Paper J, which was received for information. Dr. Knight said he was pleased to report that the final bill for the Southside Hall had now been paid, bringing this Project to a final conclusion with a total cost some £400K under budget. This was, he said a commendable achievement from all concerned with this Project.

SENATE REPORT (PAPER K)

62. The Rector presented Paper K, which was received for information.

THE ANNUAL MONITORING STATEMENT AND CORPORATE PLANNING STATEMENT (PAPER L)

63. The Clerk introduced Paper L and reminded members that the Higher Education Funding Council for England (HEFCE) required higher education institutions to submit a monitoring statement and corporate planning statement annually. In previous years these statements had been completed at the end of each July, but this year HEFCE had introduced a ‘single conversation’ point with institutions in December, with the result that these returns now had to be submitted at the same time as the College’s Annual Report and Accounts and the Financial Forecasts. The Monitoring Statement reported on progress in 2007-08 on the initiatives and projects for which the College had received specific ring-fenced funding from HEFCE as well as other activities which HEFCE was required to review, while the Corporate Planning Statement set out the College’s progress in achieving its priorities in 2007-08 and an outline of the College’s goals for 2008-09.

64. Mr. Gidoomal said that he had found both documents very interesting. It was clear from the Monitoring Statement that the College had a Diversity Policy, but it was not clear if it had a strategy for encouraging and supporting diversity as well. Without this, he thought it would be difficult for the College to assess how its Policy was being implemented and how well it was doing. Mr. Gidoomal said he was not suggesting the College should have specific targets, but rather that it should have a set of SMART (Specific, Measurable, Achievable, Realistic, Timed) objectives. The Rector agreed that
setting specific targets was often unhelpful and that his main concern was that the
direction of travel was correct and that steady improvements were made; for example,
he said that the proportion of women academics at Imperial was rising as were the
numbers being appointed at senior levels. Mr. Gidoomal said that this was good news,
but asked how the College measured this improvement and whether it could be
benchmarked. By way of example, he asked if the College could report on the
proportion of women academics in each of its Departments and how this was changing
over time. Professor Begg said that, because of the College’s unique subject mix, it
was difficult to find appropriate benchmarks for Imperial. In his view, an inappropriate
benchmark could be worse than no benchmark at all as the results it provided would be
misleading. However, he reminded Council that it would receive the Annual Report
from the Equal Opportunities and Diversity Committee at its next Meeting and said that
this might provide a firmer basis for the discussion of these points.

Resolved: That the College’s Annual Monitoring Statement and Corporate Planning
Statement, as set out in Paper L, be approved.

ANY OTHER BUSINESS

Fitness to Practise Medicine Panel

65. The Clerk reported that a discipline case involving a student in the Faculty of Medicine
had arisen that had to be considered under the College’s Procedure for the Assessment
of Fitness to Practise Medicine. He reminded members that these Procedures required
the case to be heard by a Panel which, along with a large number of internal and
external members (most of whom were medics) included “a Lay member of the Panel,
to be appointed by the College Council”. Given the size of the Panel, which has up to
nine members, he said it was usually considered appropriate for an external member of
the Court to serve in this capacity. Taking all this into consideration, the Clerk proposed
that Mr. Malcolm Shirley, the Secretary of the 1851 Commission, be appointed in this
capacity.

Resolved: That Mr. Malcolm Shirley be appointed as the lay member of the Fitness to
Practise Medicine Panel in accordance with the requirements of the
College’s Procedure for the Assessment of Fitness to Practise Medicine

Register of Interests

66. The Clerk then explained that new arrangements for maintaining an up-to-date Register
of Interests were being introduced; he said the College had some concerns that, as a
result of recent changes to the way in which members’ interests were recorded, the
College might no longer be capturing all registrable interests. Some further refinements
to the process and to the accompanying guidance notes were being introduced to close
this potential gap. The Clerk advised that he would be writing to all Council members in
January to ask them to update their own Register of Interests entry accordingly.

NEXT MEETING

67. The Clerk reminded members that the Council’s next Meeting would be held on Friday,
13th February 2009, when the Court Meeting would also be held.
DEPUTY PRINCIPAL OF THE FACULTY OF MEDICINE

Professor Sir Anthony NEWMAN TAYLOR, CBE, FMedSci, previously Chair in Occupational and Environmental Medicine, Head of the National Heart and Lung Institute and Campus Dean of the Royal Brompton Campus has been appointed Deputy Principal of the Faculty of Medicine with effect from 1 October 2008.

DEPUTY PRINCIPAL (RESEARCH) OF THE FACULTY OF ENGINEERING

Professor Jeff MAGEE, Head of the Department of Computing will combine his current duties with a role as Deputy Principal (Research) of the Faculty of Engineering with effect from 1 October 2008.

DEPUTY PRINCIPAL (TEACHING) OF THE FACULTY OF ENGINEERING

Professor David NETHERCOT, FREng, Head of the Department of Civil and Environmental Engineering will combine his current duties with a role as Deputy Principal (Teaching) of the Faculty of Engineering with effect from 1 October 2008.

HEAD OF DEPARTMENT OF CHEMICAL ENGINEERING AND CHEMICAL TECHNOLOGY

Professor Andrew LIVINGSTON, FREng, has been appointed Head of the Department of Chemical Engineering and Chemical Technology, in the Faculty of Engineering, with effect from 1 October 2008.

HEAD OF DEPARTMENT OF ELECTRICAL AND ELECTRONIC ENGINEERING

Professor Peter CHEUNG, has accepted appointment as Head of the Department of Electrical and Electronic Engineering with effect from 1 October 2008.

DIRECTOR OF THE INSTITUTE FOR GLOBAL HEALTH

Dr Peter PIOT, MD, PhD, currently Executive Director of UNAIDS, has been appointed Director of the Institute for Global Health with effect from 1 May 2009.

PROFESSORS

Professor Mikhail (Misha) Yurij IVANOV, previously employed as Principal Research Officer and Head, Theory and Computation Program, Steacie Institute for Molecular
Sciences, Canada, has been appointed to the post of Chair in Physics, Department of Physics, in the Faculty of Natural Sciences with effect from 1 October 2008.

Professor Marinos DALAKAS, previously employed as Professor of Neurology and Director, Neuromuscular Division, at the Thomas Jefferson University School of Medicine, Philadelphia, USA and also Chief, Neuroimmunology Section, Department of Pathophysiology, University of Athens Medical School, Athens, Greece, has been appointed to the post of Chair in Clinical Neuroscience, Neuromuscular Diseases, Division of Neurosciences and Mental Health in the Faculty of Medicine, with effect from 1 September 2008.

Professor Manish CHHOWALLA, currently Associate Professor in Science and Engineering, Rutgers, The State University of New Jersey, NJ, USA, has been appointed to the post of Chair in Materials, Department of Materials, in the Faculty of Engineering with effect from 1 July 2009.

Professor Jim SKEA OBE, FRSA, FEI, currently a Visiting Professor at the Centre for Environmental Policy, Imperial College, and Research Director for the UK Energy Research Centre, has been appointed to the post of Chair in Sustainable Energy, Centre for Environmental Policy, in the Faculty of Natural Sciences with effect from 1 May 2009.

Professor David J NUTT, MRCPsych, FRCPsych, FMedSci, FRCP, currently Professor of Psychopharmacology and Director, Psychopharmacology Unit, at the University of Bristol and also Honorary Consultant Psychiatrist, at the United Bristol Healthcare Trust and Head of Department of Community Based Medicine, has been appointed to the post of Edmond J Safra Chair in Neuropsychopharmacology and Head of the Department of Neuropsychopharmacology and Molecular Imaging, Division of Neuroscience and Mental Health, in the Faculty of Medicine, with effect from 1 December 2008.

Professor Jan J BROSENS, formerly Chair in Reproductive Sciences, in the Institute of Reproductive Biology (IRDB), in the Division of Surgery, Oncology, Reproductive Biology and Anaesthetics, within the Faculty of Medicine, has been appointed to the post of Chair in Reproductive Medicine and Sciences, within the same Institute and Division, with effect from 1 October 2008.

Professor Jonathan R LAMB, DSc MRCPath FRCPsych FRSE FMedSci, currently Professor of Veterinary Clinical Immunology, Department of Veterinary Clinical Studies, Edinburgh University, has been appointed to the post of Chair in Immunoregulation, Division of Cell and Molecular Biology, Department of Life Sciences in the Faculty of Natural Sciences with effect from 1 January 2009.

Professor Anatoly Ivanovich RUBAN, previously employed as Professor of Mathematics, University of Manchester, has accepted an association with the College as Visiting Professor in the Division of Molecular Biosciences, Faculty of Natural Sciences, with effect from 1 September 2008.

READER

Dr Martijn Roger PISTORIUS, previously employed as Reader in Mathematics, King’s College has been appointed Reader in Mathematical Finance, Department of Mathematics in the Faculty of Natural Science with effect from 1 October 2008.
CONFERMENT OF TITLE – PROFESSOR

The title of Professor has been conferred on the following academic staff with effect from 1 October 2008:

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Faculty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Denis Doorly</td>
<td>Professor of Fluid Mechanics</td>
<td>Engineering</td>
</tr>
<tr>
<td>Robert B Noland</td>
<td>Professor of Transport and Environmental Policy</td>
<td>Engineering</td>
</tr>
<tr>
<td>Aldo Boccaccini</td>
<td>Professor of Materials Science and Engineering</td>
<td>Engineering</td>
</tr>
<tr>
<td>Molly Morag Stevens</td>
<td>Professor of Biomedical Materials and Regenerative Medicine</td>
<td>Engineering</td>
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<tr>
<td>Adil Al-Nahhas</td>
<td>Professor of Nuclear Medicine</td>
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<td>Ken Haynes</td>
<td>Professor of Fungal Biology</td>
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<tr>
<td>Anthony N Warrens</td>
<td>Professor of Renal and Transplantation Medicine</td>
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<tr>
<td>Paul Cullinane</td>
<td>Professor of Occupational and Environmental Respiratory Disease</td>
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<tr>
<td>Siew Yen Ho</td>
<td>Professor of Cardiac Morphology</td>
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<tr>
<td>Miriam Fleur Moffat</td>
<td>Professor of Human Genetics</td>
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<tr>
<td>Paola Piccini</td>
<td>Professor of Neurology</td>
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<tr>
<td>David John Howard</td>
<td>Professor of Head and Neck Oncology</td>
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<tr>
<td>Simon Gregson</td>
<td>Professor of Demography and Behavioural Science</td>
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<tr>
<td>Alun Huw Davies</td>
<td>Professor of Vascular Surgery</td>
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<td>George Hanna</td>
<td>Professor of Surgical Science</td>
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<tr>
<td>Andrew Sven Crackroft Rice</td>
<td>Professor of Pain Research</td>
<td>Medicine</td>
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<tr>
<td>Alan C. Spivey</td>
<td>Professor in Synthetic Chemistry</td>
<td>Natural Sciences</td>
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<tr>
<td>Xuesong Wu</td>
<td>Professor of Applied Mathematics</td>
<td>Natural Sciences</td>
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<tr>
<td>Roland Adam Smith</td>
<td>Professor of Laser Physics</td>
<td>Natural Sciences</td>
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<tr>
<td>Daniel Waldrum</td>
<td>Professor Theoretical Physics</td>
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<tr>
<td>Jing Zhang</td>
<td>Professor of Physics</td>
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<tr>
<td>Stefan Maier</td>
<td>Professor of Nanophotonics</td>
<td>Natural Sciences</td>
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<tr>
<td>Leroi Armand</td>
<td>Professor of Evolutionary Development Biology</td>
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<tr>
<td>Yuri Ushkaryou</td>
<td>Professor of Molecular Neurobiology</td>
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</tr>
<tr>
<td>Xiaodong Zhang</td>
<td>Professor of Macromolecular Structure and Function</td>
<td>Natural Sciences</td>
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</tbody>
</table>
CONFERMENT OF TITLE OF READER

The title of Reader has been conferred on the following academic staff with effect from 1 October 2008:

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<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Faculty</th>
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<tbody>
<tr>
<td>Klaus Hellgardt</td>
<td>Reader in Chemical Engineering</td>
<td>Engineering</td>
</tr>
<tr>
<td>Frantisek Stepanek</td>
<td>Reader in Chemical Engineering</td>
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</tr>
<tr>
<td>Andrew John Davison</td>
<td>Reader in Robot Vision</td>
<td>Engineering</td>
</tr>
<tr>
<td>Alessio R Lomuscio</td>
<td>Reader in Logic for Multi-Agent Systems</td>
<td>Engineering</td>
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<tr>
<td>Francesca Toni</td>
<td>Reader in Computational Logic</td>
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<td>Herbert Wiklicky</td>
<td>Reader in Computer Science</td>
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<tr>
<td>Peter A Allison</td>
<td>Reader in Earth System Science</td>
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<tr>
<td>Jian Guo Liu</td>
<td>Reader in Remote Sensing</td>
<td>Engineering</td>
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<tr>
<td>Philip Bland</td>
<td>Reader in Meteorics and Planetary Science</td>
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<tr>
<td>Panagiota Tania Stathaki</td>
<td>Reader in Signal Processing</td>
<td>Engineering</td>
</tr>
<tr>
<td>Jason David Riley</td>
<td>Reader in Reader in Nanomaterials Electrochemistry</td>
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<tr>
<td>Denis Azzopardi</td>
<td>Reader in Neonatal Medicine</td>
<td>Medicine</td>
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<tr>
<td>Susan Jennifer Copley</td>
<td>Reader in Thoracic Imaging</td>
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<tr>
<td>Kenneth J Linton</td>
<td>Reader in Protein Biochemistry</td>
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<tr>
<td>William Edward Svensson</td>
<td>Reader in Breast Imaging</td>
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<tr>
<td>Adam Waldman</td>
<td>Reader in Neuroradiology</td>
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<tr>
<td>Anastasios Karadimitris</td>
<td>Reader in Haematology</td>
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<td>Peter P Cherepanov</td>
<td>Reader in Virology</td>
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<tr>
<td>Sheena Mary Geraldine McCormack</td>
<td>Reader in Clinical Epidemiology</td>
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<tr>
<td>Timothy Robin Orchard</td>
<td>Reader in Gastroenterology</td>
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<tr>
<td>Simon Nadel</td>
<td>Reader in Paediatric Intensive Care</td>
<td>Medicine</td>
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<tr>
<td>Vania Maria Braga</td>
<td>Reader in Cell-cell Adhesion Signalling</td>
<td>Medicine</td>
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<tr>
<td>Deborah Jarvis</td>
<td>Reader in Public Health</td>
<td>Medicine</td>
</tr>
<tr>
<td>Sara Margaret Rankin</td>
<td>Reader in Leukocyte and Stem Cell Biology</td>
<td>Medicine</td>
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<tr>
<td>Anita Simonds</td>
<td>Reader in Respiratory and Sleep Medicine</td>
<td>Medicine</td>
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<tr>
<td>Name</td>
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<tr>
<td>Theresa McDonagh</td>
<td>Reader in Cardiology and Heart Failure</td>
<td>Medicine</td>
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<tr>
<td>Alexander Hammers</td>
<td>Reader in Neurology</td>
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<td>Federico Roncaroli</td>
<td>Reader in Neuropathology</td>
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<td>Federico Edoardo Turkheimer</td>
<td>Reader in Mathematical Neuroscience</td>
<td>Medicine</td>
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<tr>
<td>Nicholas John Dibb</td>
<td>Reader in Cell signalling</td>
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<td>Roger Lister Kneebone</td>
<td>Reader in Surgical Education</td>
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<td>Long R Jiao</td>
<td>Reader in Hepato-Biliary Surgery</td>
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<td>Paris P Tekkis</td>
<td>Reader in Surgery</td>
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<td>David Christopher Braddock</td>
<td>Reader in Organic Chemistry</td>
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<td>Fernando Bresme</td>
<td>Reader in Physical Chemistry</td>
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<td>John de Mello</td>
<td>Reader in Nanomaterials</td>
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<td>Robert Beardmore</td>
<td>Reader in Applied Mathematics</td>
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<td>Robert J Forsyth</td>
<td>Reader in Space Physics</td>
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<td>Ingo Carl Friedrich Mueller-Wodarg</td>
<td>Reader in Physics</td>
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<td>Carl Paterson</td>
<td>Reader in Physics</td>
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<td>Juliet Clare Pickering</td>
<td>Reader in Experimental Physics</td>
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<td>Arttu Kalervo Rajantie</td>
<td>Reader in Theoretical Physics</td>
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<tr>
<td>Gerald James Bishop</td>
<td>Reader in Plant Sciences</td>
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<tr>
<td>Jonathon Leak</td>
<td>Reader in Applied Microbiology</td>
<td>Natural Sciences</td>
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<tr>
<td>David Julian Mann</td>
<td>Reader in Cell Cycle Control</td>
<td>Natural Sciences</td>
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<tr>
<td>Nikolaos (Nick) Voulvoulis</td>
<td>Reader in Environmental Technology</td>
<td>Natural Sciences</td>
</tr>
<tr>
<td>Walter Distaso</td>
<td>Reader in Financial Econometrics</td>
<td>Business School</td>
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</table>

**VISITING PROFESSORS**

**Professor Anthony FINKELSTEIN**, previously employed as Professor of Software Systems Engineering and Head of Department, Computer Science at University College London, has accepted an association with the College as Visiting Professor in the Department of Computing, Faculty of Engineering, with effect from 1 October 2008 until 30 September 2011.

**Professor Dr Luk ARNAUT**, previously employed as Technical and Scientific Manager of DIUS MNS W 4, Signal Programme, National Physical laboratory, has accepted an
association with the College as a Visiting Professor in the Department of Mechanical Engineering, Faculty of Engineering, with effect from 1 October 2008 until 30 September 2011.

Professor Bruce BARRACLOUGH, previously employed as Professor of Cancer Services, University of Sydney and Northern Sydney Health, has accepted an association as a Visiting Professor in the Division of Surgery, Oncology, Reproductive Biology and Anaesthetics, Faculty of Medicine, with effect from 1 September 2008 until 31 August 2010.

Professor Roman INDERST, previously employed as Professor of Finance and Economics, London School of Economics, has accepted an association with the College as Visiting Professor at the Imperial College Business School, with effect from 1 September 2008 until 31 August 2011.

Professor Stanley METCALF, previously employed as Visiting Professor of Economics, Columbia University, has accepted an association with the College as Visiting Professor in the Department of Mechanical Engineering, Faculty of Engineering, with effect from 1 October 2008 until 30 September 2010.

Dr Didier FARRUGIA, previously employed as Scientific Fellow, Corus Tata RD &T and Honorary Researcher, Department of Mechanical and Manufacturing Engineering, University of Birmingham, has accepted an association with the College as Visiting Professor in the Department of Mechanical Engineering, Faculty of Engineering, with effect from 1 October 2008 until 30 September 2010.

Professor David HEYES, previously employed as Professor of Chemistry, Department of Chemistry, University of Surrey, has accepted an association with the College as Visiting Professor in the Department of Mechanical Engineering, Faculty of Engineering, with effect from 1 October 2008 until 30 September 2011.

RETIREMENTS

Professor Anthony John (Tony) FIRTH, Division of Surgery, Oncology, Reproductive Biology and Anaesthetics, Faculty of Medicine has retired with effect from 30 September 2008. Following retirement the Emeritus title has been conferred.

Professor Anthony George CONSTANTINIDES, Department of Electrical and Electronic Engineering, Faculty of Engineering, has retired with effect from 30 September 2008. Following retirement the Emeritus title has been conferred and he has accepted an honorary post of Distinguished Research Fellow.

Professor Stephen GLAISTE, Chair in Transport and Infrastructure, Faculty of Engineering, has retired with effect from 30 September 2008. Following retirement he has accepted an association with the College as a Senior Research Investigator.

Professor Nicholas Alexander CUMPSTY, Professor in Mechanical Engineering, Faculty of Engineering has retired with effect from 30 September 2008. Following retirement the Emeritus title has been conferred and he has accepted an honorary post of Distinguished Research Fellow.

Professor Denis Richmond DUGWELL, Professor of Chemical Engineering, Department of Chemical Engineering, Faculty of Engineering, has retired with effect from 30 September 2008.

Professor Rafael (R) KANDIYOTI, Department of Chemical Engineering, Faculty of Engineering has retired with effect from 30 September 2008.
Professor Keith Leonard CLARK, Professor in Computing, Department of Electrical and Electronic Engineering, Faculty of Engineering, has retired with effect from 30 September 2008. Following retirement, he has accepted an association with the College as a Senior Research Investigator.

Dr David George HAIGH, Reader in Analogue Circuits, Department of Electrical and Electronic Engineering, Faculty of Engineering has retired with effect from 30 September 2008.

Professor Martin John CROWDER, Professor of Stochastic Modelling, Department of Mathematics, Faculty of Natural Sciences has retired with effect from 30 September 2008. Following retirement he has accepted an Honorary post as Principal Research Fellow.

Professor Philip Alexander POOL-WILSON, MD, FRCP, FESC, FACC, FMedSci, Clinical Professor, National Heart and Lung Institute, Faculty of Medicine, has retired with effect from 30 September 2008. Following retirement he has accepted an association with the College as a Senior Research Investigator.

R.A.
A Note by the Chief Operating Officer

1. A copy of the College's Annual Report and Accounts (the Financial Statements) for the year ended 31 July 2008 is enclosed with these Papers.¹

2. The Financial Statements have been approved within the College and have been considered by the Audit Committee, which has recommended that they should be approved by the Council. The Audit Committee will make its own report to the Council in accordance with the Audit Code of Practice issued by the Higher Education Funding Council for England.

3. The Council is invited to consider and, if it sees fit, approve the Financial Statements for the year ended 31 July 2008.

M.P.K.

1. The Annual Report and Financial Statements are not included with these Minutes but are published separately.
PAPER C

EXTERNAL AUDITORS’ REPRESENTATION LETTER

A Note by the Chief Operating Officer

1. As part of the audit of the College’s annual accounts, the Council is required to provide the External Auditors, PricewaterhouseCoopers, with a Representation Letter, which acknowledges the Council’s responsibilities under the Financial Memorandum with the Higher Education Funding Council, and sets out a series of representations concerning the documentation and information on which the Annual Report and Accounts are based.

2. The draft Representation Letter has been considered and endorsed by the Audit Committee.

3. The Council is now asked to consider and, if it sees fit, approve the Representation Letter, a copy of which is attached at Annex A.

M.P.K
To PricewaterhouseCoopers LLP
80, Strand
London
WC2R 0AF

This representation letter is provided in connection with your audit of the financial statements of Imperial College, London for the year ended 31 July 2008. The College is responsible for preparing consolidated financial statements in respect of itself and its subsidiary undertakings (together ‘the group’).

Your audit is conducted for the purpose of expressing an opinion as to whether the financial statements of the College and the group give a true and fair view, in accordance with the Statement of Recommended Practice (SORP) on Accounting for Further and Higher Education 2007 of the state of affairs of the College and the group as at 31 July 2008 and of its surplus and cash flows for the year then ended, taking into account, where relevant and appropriate, all required statutory and other disclosure requirements.

We, as members of the Council, acknowledge our responsibilities under the Financial Memorandum with the Funding Council for preparing financial statements which give a true and fair view and for making accurate representations to you.

We also acknowledge our other responsibilities under the Financial Memorandum with the Funding Council, including, in particular, our responsibilities to conduct the business of the College in accordance with the 1992 Further and Higher Education Act, the conditions set out in the Financial Memorandum and any other conditions that the Funding Council may from time to time prescribe.

We confirm that the following representations are made on the basis of enquiries of management and staff of the College and the group with relevant knowledge and experience and, where appropriate, of inspection of supporting documentation sufficient to satisfy ourselves that we can properly make each of the following representations to you.

We confirm, to the best of our knowledge and belief and having made appropriate enquiries of other members of the Council and officials of the College and the group, the following representations:

ACCOUNTING RECORDS

All the accounting records, whether for the purposes of financial reporting or any other purpose, have been made available to you for the purpose of your audit and all the
transactions undertaken by the College and the group have been properly reflected and recorded in the accounting records.

All other records and related information which might affect the truth and fairness of, or necessary disclosure in, the financial statements, including minutes of the Council and relevant management meetings, have been made available to you and no such information has been withheld.

So far as the Council is aware, there is no relevant audit information of which you are unaware.

ACCOUNTING POLICIES

We confirm that we have reviewed the College’s and group’s accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the financial statements are the most appropriate to give a true and fair view for the College’s and group’s particular circumstances, as required by FRS 18 ‘Accounting Policies’.

FUNDING COUNCIL GRANTS

Full provision has been made for all liabilities at the balance sheet date. We are not aware of any instances where we have not provided in the financial statements for grants repayable to the funding council. We have made all correspondence relating to funding from the funding council available to you.

RELATED PARTIES

We confirm that we have disclosed all related party transactions relevant to the College and group and that we are not aware of any other such matters required to be disclosed in the financial statements whether under FRS 8 ‘Related Party Disclosures’, the SORP or other requirements, for example, Funding Council circulars.

EMPLOYEE BENEFITS

We confirm that we have made you aware of all employee benefit schemes in which employees of the College and the group participate.

RETIREMENT BENEFITS

The College participates in a number of defined benefit schemes. We confirm that the College’s share of the underlying assets and liabilities of the Universities Superannuation Scheme (USS), the Superannuation Arrangements of the University of London (SAUL) and the NHS Pension Scheme can not be identified and a consequence the scheme has been accounted for as a defined contribution scheme.
CONTRACTUAL ARRANGEMENTS/AGREEMENTS

All contractual arrangements (including side-letters to agreements) entered into by the College and the group with third parties have been properly reflected in the accounting records or, where material (or potentially material) to the financial statements, have been disclosed to you.

REGULARITY

We confirm that there are no instances where the business of the College has not been conducted in accordance with the 1992 Further and Higher Education Act, the conditions set out in the Financial Memorandum and other conditions that the Funding Council from time to time prescribe.

APPLICATION OF FUNDS

We confirm that funds, from whatever source, administered by the College for specific purposes, have been properly applied to those purposes and, where relevant, managed in accordance with appropriate legislation, and that all funds provided by the Funding Council have been applied in accordance with the relevant Financial Memorandum and any other terms and conditions applied to them.

LAWS AND REGULATIONS

We are not aware of any instances of actual or potential breaches of or non-compliance with laws and regulations, including any requirements of the Funding Council, which provide a legal framework within which the College and group conducts its business, and which are central to the College's and group’s ability to conduct its business or that could have a material effect on the financial statements.

We are not aware of any irregularities, or allegations of irregularities, involving management or employees who have a significant role in the accounting and internal control systems, or that could have a material effect on the financial statements.

FRAUD

We acknowledge our responsibility for the design and implementation of internal control to prevent and detect fraud. We have disclosed to you:

i) the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;

ii) our knowledge of fraud or suspected fraud affecting the College and group involving:
   • management
   • employees who have significant roles in internal control, or
   • others where the fraud could have a material effect on the financial statements;

iii) our knowledge of any allegations of fraud, or suspected fraud, affecting the College's and group’s financial statements communicated by employees, former employees, analysts, regulators or others.
MISSTATEMENTS DETECTED DURING THE AUDIT

We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error.

We confirm that the financial statements are free from material misstatement, including omissions.

TAXATION

We have complied with the taxation requirements of all countries within which we operate and have brought to account all liabilities for taxation due to the relevant tax authorities whether in respect of any corporation or other direct tax or any indirect taxes. We are not aware of any non-compliance that would give rise to additional liabilities by way of penalty or interest.

In particular:

- In connection with any tax accounting requirements, we are satisfied that our systems are capable of identifying all material tax liabilities and transactions\(^1\) subject to tax and have maintained all documents and records required to be kept by the relevant tax authorities in accordance with the law of each country or in accordance with any agreement reached with such authorities.

- We have submitted all returns and made all payments that were required to be made (within the relevant time limits) to the relevant tax authorities including any return requiring us to disclose any tax planning transactions that have been undertaken, whether for the College’s or the group’s benefit or any other party’s benefit.

- We are not aware of any taxation, penalties or interest that are yet to be assessed relating to either the College or the group or any associated entity for whose taxation liabilities the College may be responsible.

- In managing the tax affairs of the College and the group, we have taken into account any special provisions such as transfer pricing and controlled foreign companies legislation applied in different tax jurisdictions.

REMUNERATION DISCLOSURE

We confirm that the following has been accurately disclosed in accordance with Funding Council guidance:

- the number of staff paid more than £100,000 per annum

- emoluments received by the Rector.

\(^1\) Transactions may include those not recorded in the accounting records such as the free use of company property tangible or intangible.
We confirm that no member of the Council other than the Rector and staff members received any payment from the College, other than the reimbursement of travel and subsistence incurred in the course of their duties.

LITIGATION

We are not aware of any pending or threatened litigation, proceedings, hearings or claims negotiations which may result in significant loss to the College and the group.

PROVISIONS

Full provision has been made for all liabilities at the balance sheet date including guarantees, commitments and contingencies where the items are expected to result in significant loss.

MANAGEMENT ESTIMATES

We have reviewed the accounting estimates used in calculating the bad debt and research WIP provisions and are satisfied that the value of the debt less the provision included within the accounts represents our best estimate of the likely amount that will be collected in the future.

We have reviewed the calculation of the redundancy provisions and are satisfied that it is a reasonable estimate based on past experience and that it represents our best estimate of the likely cash outflow required to complete the restructuring.

We have reviewed the calculation of the decommissioning provision for the facility and are satisfied that it is recorded at the full cost anticipated to be incurred by the College discounted to today’s prices.

ASSETS

We have no plans or intentions that may materially alter the carrying value or classification of assets reflected in the financial statements.

We confirm that we have considered the need for impairment of the carrying value of the assets within the financial statements in accordance with FRS11 and that no adjustment is required.

In our opinion, on realisation in the ordinary course of the business the current assets in the balance sheet are expected to produce no less than the net book amounts at which they are stated.

The College has satisfactory title to all assets and there are no liens or encumbrances on the College’s assets, except for those that are disclosed in the financial statements.

ASSOCIATE COMPANIES

We confirm that, with the exception of the disclosures in the financial statements, the College has no participating interest in any associate companies, which require
consolidation in the financial statements and which would be material to the College’s consolidated financial statements.

CONSOLIDATION

The consolidated financial statements reflect the draft, rather than the audited, figures for Natural Resources International Limited, one of the College’s associate companies. This is because the audit of this associate had not commenced as at the date of signing the consolidated accounts. On this basis, we confirm that these draft figures are materially representative of the associate’s financial position and performance in the year to 31 July 2008. Furthermore, we confirm that there are no material contingent liabilities relating to the associate that should be disclosed in the consolidated accounts.

SUBSEQUENT EVENTS

There have been no circumstances or events subsequent to the period end which require adjustment of or disclosure in the financial statements or in the notes thereto.

As minuted by the Council at its meeting on 21 November 2008.

........................................ ........................................
(Chair) (Rector)

For and on behalf of Imperial College London

Date ……………………. 
PAPER D

AUDIT COMMITTEE ANNUAL REPORT 2008

A Note by the Chairman of the Audit Committee

INTRODUCTION

1. This Report covers the Audit Committee’s work for the financial year 2007-08 and is set out in the format recommended by the Higher Education Funding Council for England (HEFCE) in its Audit Code of Practice.

TERMS OF REFERENCE AND MEMBERSHIP

2. The Committee’s terms of reference and membership for the year 2007-08 are attached at Annex A. The Committee had a full complement of members for the entire financial year.

3. The final term of office of Dr. Wilbraham, who had been a member of the Committee since June 2000, expired in September 2007. He has now been succeeded by Sir Peter Gershon, another external member of the Council. In June 2008 the Chairman of the Audit Committee, Dr George Gray, announced his intention to stand down from his position as Chairman. The College Council subsequently resolved to appoint Mrs Philippa Couttie as the Chairman of the Audit Committee with effect from 12 July 2008. Mrs Couttie’s first meeting as Chairman of the Audit Committee was on 5 November 2008.

MEETINGS OF THE AUDIT COMMITTEE IN 2008

5. Since its last Report to the Council, the Audit Committee has held meetings on 13 February, 11 June and 5 November 2008.

INTERNAL AUDIT

6. During the financial year 2007-08 Internal Audit services were provided Deloitte & Touche.

7. The Internal Audit Programme for the period included 36 systems audits. Five of these audits were deferred to 2008-09 with the released days being allocated to investigation work. Of the 24 audits completed, 23 received ‘substantial’ assurance (that is, “the controls in place adequately address all significant risks identified and all key controls tested are operating effectively”) and one received ‘limited’ assurance (“the controls in place do not adequately address one or more significant risks identified and/ or one or more key controls tested are not operating effectively”).

8. A copy of each audit report was passed to the College Secretary for information and discussion, as appropriate, at monthly management meetings. A further copy was issued to the Director of Finance so that he would be aware of any control issues and/or recommendations impacting upon the central finance function. The Audit Committee also received regular updates on completed internal audit reports, including a summary of
specific issues arising from the audits. Seven audit reports remain at a draft stage at the
time of this report, and discussions are in progress with management to finalise the reports
in due course. However, based on the conclusion of work at the draft stage, Internal Audit
has confirmed that these reports, once completed, will not have an impact on the overall
opinion.

9. It was confirmed to the Audit Committee that having 94% of the audits providing
substantial assurance represents a very strong performance by the College. Furthermore,
the College’s management responses to the recommendations made in the audit reports
were considered to be very positive.

10. Following the consideration of proposed revisions to the College’s Financial
Ordinance, which includes a section on the respective roles of Internal and External Audit, a
query was raised as to how the Audit Committee can be assured of the independence of
the internal auditors. As noted above, Internal Audit services are currently provided by Deloitte
and Touche, who report formally to the Audit Committee. Deloittes have provided the
Committee with a statement on the professional standards with which they are required to
comply and how these serve to ensure their independence from College management. In
addition, the External Auditors have been asked to conduct a review to ensure that the
arrangements for guaranteeing independence are appropriate and comply with best practice
in both the public and private sectors.

11. The HEFCE Audit Code requires the provision by the Head of Internal Audit of an
opinion on the adequacy and effectiveness of the institution’s arrangements for risk
management, control and governance and value for money - and the extent to which the
governing body can rely on them.

12. The Internal Auditors’ opinion is based on the audits completed and the follow up
work undertaken, covering the period 1 August 2007 to 31 July 2008, as approved by the
Audit Committee and limited to the audit scopes. On this basis, the Internal Auditors are
able to provide reasonable assurance on the adequacy and effectiveness of the University’s
arrangements for risk management, control and governance and value for money, with the
exception of the weaknesses identified in the detailed reports.

EXTERNAL AUDIT

13. External audit services are provided by PricewaterhouseCoopers (PwC), who were
re-appointed as the College’s External Auditors for a period of five years from 1 August 2004
following a tendering process conducted by the College. At its meeting in June 2008 the
Committee considered the External Audit Strategy for the preparation of the Financial
Statements for the year ended 31 July 2008. The Committee noted that the Auditors would
be concentrating on key risks including:

a. The College’s relationship with the Imperial College Healthcare NHS Trust
through the Academic Health Sciences Centre.

b. The provisions for decommissioning of the College’s Reactor.

c. Research Grants

d. Accounting for Derivatives

e. Key Changes to the Statement of Recommended Practice (SORP) including
those covering Endowments and Fixed Assets.

**VALUE FOR MONEY (VfM)**

15. The Committee had previously agreed that the responsibility for considering VfM initiatives lay with the College’s Management Board and that an opinion, based on its review during the year, should be included in the Internal Audit Annual Report to the Audit Committee.

16. The College’s VfM Policy and Procedures were reviewed by Internal Audit during 2007-08. The Report concluded that the College’s procedures provided substantial assurance. Two Priority 1 and three Priority 2 recommendations were made where the auditors considered that controls could be further improved. These recommendations have since been implemented.

17. The Annual Report on VfM initiatives was presented to, and endorsed by, the Management Board in October 2008. The Report was then considered by the Audit Committee at its Meeting in November and, in the light of this Report and the review of VfM arrangements conducted by Internal Audit, the Committee can confirm that appropriate management systems are in place for the evaluation and monitoring of the College’s VfM strategy.

**RISK MANAGEMENT**

18. Since 2003 the HEFCE has required higher education institutions to comply with the Turnbull and Combined Code Recommendations on Corporate Governance. This means that, when the governing body of a higher education institution approves that organisation’s annual accounts each year, it should state whether or not it is satisfied that all material risks facing the institution have been identified. To meet this requirement the College’s Risk Management Policy stipulates that the Management Board will carry out an annual review of the College’s Risk Register and Action Plan. The Management Board’s recommendations are then to be passed to the Audit Committee for consideration so that the Committee can, in turn, make its report to the Council. The Management Board conducted its review of the College’s Risk Register in October 2008 when a revised Risk Register and Action Plan was approved.

19. In 2008 Internal Audit conducted a review of Risk Management and Business Continuity. Although the review report is still in draft, it assessed the classification of assurance as ‘limited’; noting as a key finding that: “There is no clear and consistent approach to risk management at the College, and reporting lines/ ownership for the process are not confirmed.” Individual departmental audits by Deloitte showed that a significant number of Departments did not have an up to date Risk Register. The College view is that Departments, Faculties and the College are considering and addressing their risks appropriately and that risk registers are in place at College-wide and Faculty level, but that adherence to and understanding of the detailed College Risk Process is inconsistent and not as yet embedded in the management practices within individual departments. This lack of understanding and thus compliance with the College’s Risk Policies is disappointing, but had already been recognised and, as a result of the 2008 budgeting process, additional resource has now been provided to address the situation through the new position of Assistant Risk Manager, which was filled in early September 2008. Work is in hand to address these concerns and a proposal will be presented to the Management Board in the New Year.
Furthermore, the importance of risk management has been reiterated to Departments and Divisions by the Rector.

20. In the light of the Management Board’s Review of Risk Management and the Internal Audit Report, the Committee is satisfied that:

a. The College’s policy and procedures for risk management, agreed in 2006, remain valid.

b. Appropriate measures are in hand to improve compliance with those procedures.

c. Notwithstanding the shortfall in compliance with the process in certain defined areas, the College’s main institutional risks have been appropriately identified and managed and the College is operating in accordance with the Turnbull and Combined Code recommendations, and is in compliance with the HEFCE’s current Accounts Direction.

21. The Committee’s opinion with regard to the management of the College’s health and safety risks is given below in the section covering Health and Safety.

DATA QUALITY

22. The HEFCE Financial Memorandum, effective from 1 August 2008, includes a new requirement that the Audit Committees provide an opinion on the management and quality assurance of data submitted to HESA and to HEFCE and other funding bodies. HEFCE has subsequently clarified that the opinion can be in the form of an Assurance Framework, elements of which can be provided by Internal Audit.

23. Although this new requirement was introduced too late for inclusion in the Internal Audit programme for 2007-08 (the new Financial Memorandum was published in June 2008), the College has recently been subject to audit upon its HESES (Higher Education Students Early Statistics Survey) return by HEFCE. At the time of writing, the draft report has just been issued. The only finding which might be material was around the calculation of the number of students who did not complete their studies. Further work was requested to demonstrate the accuracy of the College’s methodology. This work has commenced.

24. In addition, there have been a number of internal and external assessments that the Committee is able to utilise in respect of wider Data Quality management across the College. These include the Research Councils UK (RCUK) Quality Assurance Visit undertaken by KPMG in May 2008, which aimed to “provide a mechanism for institutions to ensure that the annual TRAC methodology is being applied appropriately, and that all rates are being calculated correctly.” The conclusion of the work was that “in all material respects the University has applied the TRAC methodology appropriately and that the FEC cost rates for Research are materially correct.” The College has also completed an RAE Audit process and no unresolved issues have been identified at the time of writing.

25. Based upon the reports to be received from HEFCE and on the results of other internal and external assessments of data management and quality, the Committee is satisfied that systems are in place to provide reasonable assurance as to Data Quality and that any recommendations raised by HEFCE will be addressed during the 2008/09 year.
HEALTH AND SAFETY

26. Following the Council’s review of governance in 2004, it was agreed that the Audit Committee should monitor the College’s arrangements for managing health and safety in the overall context of risk management and thereby provide the Council with an assurance that the College was not only fulfilling its legal obligations but was also targeting cost-effective, continuous improvement in health and safety.

27. In 2006 the College commissioned Health and Safety Technology and Management Limited (HASTAM) to review the College’s health and safety management arrangements to ascertain whether or not the College’s health and safety systems were fit for purpose, were in line with best practice and were being followed. HASTAM’s Report confirmed that, overall, the College’s technical and procedural arrangements were satisfactory and recognised that Imperial’s approach had put a particular emphasis on controlling specific high hazard risks where specialist advice was required. However, the Report identified a number of areas where improvement was necessary and, in particular, it recommended that the College develop a Safety Management System based on the Health and Safety Executive publication Successful Health and Safety Management (HSG65).

28. When the original HASTAM Report was presented to the Audit Committee, it welcomed the Report and the College’s commitment to implementing its recommendations, but agreed that, as full implementation was likely to take four – five years, in order to provide it with the necessary assurances, an external review of progress against the Management Action Plan should be conducted annually until the new HSMS was in place and operational.

29. In 2007, HASTAM conducted a review of the College’s progress over the first year. This year, Corporate Health and Safety Solutions (now Connaught Compliance Training Services) were commissioned to conduct a review of the first year of implementation. In addition, Internal Audit conducted a separate and more limited review of Health and Safety, which concentrated on the College’s systems for ensuring radiation protection and the management of radioactive materials. This concluded that the College’s arrangements provided substantial assurance for the elements audited.

30. The Connaught review concluded that the college is operated by highly committed staff with a high degree of professional and operational competence and that the new health and safety management system (HSMS), produced as a result of the original HASTAM review and based on HSG-65 (Successful Health and Safety Management - HSE), had been designed and partially implemented. The other main findings from this review were that

“The organisation has concentrated in recent years to re-align its operational structure into a more line management oriented design, and roll out health and safety management responsibilities. This has been mostly successful.

The anticipated culture change is slower that anticipated and has not yet started to take dramatic effects as the newly designed HSMS has not been fully implemented.

The organisation suffers from a lack of clearly defined objectives, and the associated action planning and corrective action tracking.

The lack of a cohesive and comprehensive risk assessment and risk management process is cause for concern, since these are basic legal requirements for organisations to manage health and safety.” (1)

31. Connaught confirmed that the College has started the implementation of the new HSMS and that the direction of travel is appropriate for successful implementation of this system. However, Connaught recognised that there was still a significant amount of work required to implement the new HSMS and effectively embed this system into the College. Subsequent to the presentation of the Report, Connaught provided the College with a summary of progress against the five main elements of the HSMS, which confirmed that the first two elements, policy and organisation, now provided substantial assurance, but that the later elements in the implementation programme, Planning and Implementing, Monitoring and Audit & Review provided less assurance. Connaught identified a number of areas in which the College’s current processes are deficient (particularly with regard to embedding risk management and risk assessment in departmental procedures), but confirmed that these were not considered to be sufficiently serious to place the College at risk of prosecution or censure provided measures were put in place to address these deficiencies.

32. In addition to these reviews, the College has been considering how assurance can be provided to senior management at the College and to the Audit Committee that health and safety procedures are being followed and that the College is safe or identifies, in good time, where it may be at risk and what action is required. Changes have been made to the College’s Health and Safety committee structures and a new college reporting process is now being introduced, which is based around the use of leading and lagging indicators for key risk control measures and should therefore be able to provide a higher degree of assurance than can be provided by historical data on accidents and dangerous occurrences.

33. Although the framework for providing the Committee with the assurances it requires on health and safety is currently incomplete, there is a commitment from the College to provide such a framework and the Committee has asked the College to bring forward proposals at its next meeting. The Committee has also asked the College to clarify the relationship between reports on health and safety prepared by the Internal Auditors, safety audits carried out by the College’s Safety Department and the external review conducted by Connaught and how these all fit within the proposed assurance framework.

34. The Audit Committee has also asked for, and has now been provided with, a plan for implementing the new HSMS and also for addressing the priority 1 recommendations made in the Connaught Report. The Audit Committee will review this and, once the format is agreed, use this as a means in part of assessing the College’s progress towards compliance.

35. Although it is too early to include the results of this revised reporting process in this year’s report, it is expected that its introduction will enable the Audit Committee in future to give greater assurance to the Council that the College is managing its Health and Safety risks appropriately and is complying with its legal obligations.

36. The Audit Committee is therefore able to confirm to the Council that, whilst the information available to the Committee does not constitute the full framework for assurance, the data currently available doesn’t include any evidence that indicates the College is not managing its Health and Safety risks appropriately. The College has stated its commitment to providing the assurance framework as soon as possible and to providing continuous improvements in the management of health and safety across the College.

FRAUD

37. Four separate possible frauds were identified and investigated during the course of the year. Details of each were provided to the Audit Committee and reported to HEFCE in
accordance with the requirements of the Financial Memorandum. The investigations were for:

a. An invoice for research funds being paid into an individual's account rather than the College's.

b. A member of College staff who used their position to purchase items through the College for their own use and sale.

c. A cheque fraud.

d. A possible expense claim fraud.

38. In each case, appropriate action has been taken by the College and the police involved where necessary. In three of the cases, the subject has been dismissed from the College. In the fourth case, disciplinary action is being investigated by the HR Division.

39. An Internal Audit Review of the College’s Fraud procedures was also conducted during the year and, as a result, substantial changes to these procedures were approved by the Council in July 2008. The new procedures were implemented and promulgated across the College in August 2008. The Internal Auditors will also be providing a programme of fraud awareness in the coming year.

OPINION

40. In the Committee’s terms of reference (attached at Annex A to this Report) the Council has delegated to the Audit Committee the responsibility for reviewing the effectiveness of the College's financial procedures, in order that the Committee can assure the Council that funds from the HEFCE have been used only for the purposes for which they have been given, that public funds and those received from other sources have been safeguarded, and that the management of the College's resources and expenditure has been such as to secure their use in an economic, efficient and effective way.

41. Given the assurances contained in the reports made to the Audit Committee during the year by the Internal and External Auditors, and in the summaries of their annual reports to the Audit Committee contained in this Report, together with those received from the College’s management, the Audit Committee is now able to give the Council the necessary assurances that the Council’s responsibilities have been satisfactorily discharged.

Mrs Philippa Couttie
Chairman, Audit Committee
Annex A

AUDIT COMMITTEE

TERMS OF REFERENCE

1. To keep under review the effectiveness of internal control systems, and in particular to review the external auditors’ management letter, the internal auditors' annual report, and management responses.

2. To consider the Annual Financial Statements in the presence of the external auditor, including the auditor’s formal opinion, the statement of members’ responsibilities and any corporate governance statement.

3. To monitor the implementation of agreed recommendations arising from internal and external audit reports.

4. To advise the Council on the appointment of the external auditors, the audit fee, the provision of any non-audit services by the external auditors and any questions of resignation or dismissal of the external auditors.

5. To review the internal auditors’ audit needs assessment and the audit plan; to consider major findings of internal audit investigations and management's response; and promote coordination between the internal and external auditors. The Committee will ensure that the resources made available for internal audit are sufficient to meet the University’s needs.

6. To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

7. To monitor the effectiveness of the University’s risk management policy and procedures, and in this regard, to receive annual reports from the Rector on Risk Management and the management of Health and Safety within the University.

8. To receive any relevant reports from the National Audit Office, the HEFCE and other organisations.

9. To monitor annually the performance and effectiveness of external and internal auditors.

10. To report to the Council at least annually on its activity for the year and to give its opinion on the extent to which the Council may rely on the internal control system and the arrangements for securing economy, efficiency and effectiveness.

11. The Committee shall have the authority to call for any information from College officers, external and internal auditors and others which it considers necessary to discharge its responsibilities effectively.
CONSTITUTION

12. The Committee and its Chairman shall be appointed by the Council from among its own members and must consist of members with no executive responsibility for the management of the University. No member of the Audit Committee may also serve on the University’s Finance Committee or its equivalent.

13. Members
   a. A Chairman to be appointed by the Council from among the external members of the Council.
   b. Three members, at least one of whom shall have recent and relevant expertise and experience in finance, accounting or auditing, to be appointed by the Council from among the external members of the Council.
   c. The Committee shall have the power to co-opt up to two additional external members, if it sees fit.

14. In Attendance
   The Rector
   The Deputy Rector
   The College Secretary
   The Director of Finance
   Representatives of the internal and external auditors

15. Secretary
   The Head of Central Secretariat and Assistant Clerk to the Court and Council

MEETINGS AND REPORTING

16. The Committee shall meet not less than three times a year. The external auditors and internal auditors may request that additional meetings be held if they consider it necessary.

17. The minutes of meetings of the Committee will be circulated to all members of the Council.

18. The Committee will prepare an annual report covering the University’s financial year and any significant issues up to the date of preparing the Report. The Report will be addressed to the Rector and to the Council and will summarise the activity for the year. It will give the Committee’s opinion on the adequacy and effectiveness of the University’s arrangements for:

   a. Risk Management, control and governance, including the accuracy of the statement of internal control included with the annual statement of accounts.
b. Economy, efficiency and effectiveness (value for money).

19. This Report will be presented to the Council before the members’ responsibility statement in the Annual Financial Statements is signed.

20. The Committee will also provide an annual statement on the University’s Accounts to the Court at its annual meeting.

QUORUM

21. The quorum shall be the Chairman and one other member.

PRESENT MEMBERSHIP:

Dr. G.G. Gray (Chairman to 11 July 2008)
Mrs. P. Couttie (Chairman from 12 July 2008)
Sir Peter Gershon (from 1 November 2007)
Ms. C. Griffiths
Dr. J.D. Wilbraham (until 30 September 2007)
Ms. K. Kantor (co-opted)
1. The College's Risk Management Policy and procedures were originally put in place in 2002. They were reviewed in 2006 by KPMG, following which the Management Board approved an amended Risk Management Policy. In accordance with this Policy, the Management Board conducts an annual review of the College Risk Register and Action Plan and then reports its findings to the Audit Committee.

2. This review is conducted in three phases. First, Faculties, Departments and Divisions update their risk registers as part of the annual planning round. These are then scrutinised to identify any risks that should be added to the College's main Risk Register. Next, the Minutes of the Management Board are reviewed to identify any significant new risks which have arisen during the year and to assess what action has been taken to mitigate them. Finally, the Corporate Risk Register and Action Plan is circulated to the College’s senior staff, who are asked to identify the mitigating actions they have taken in the past year and to amend the Register accordingly.

3. As a result of this year’s review of Faculty and Support Service Risk Registers and of the Minutes of the Management Board, the Board decided to add three new risks to the College Risk Register as set out in the attached Summary Risk Register. The new risks are:

   a. No.17, concerning the risks associated with undergraduate over recruitment;
   b. No. 18, the need to influence the new RAE;
   c. No.19, the need for College activities and assets to be resilient to disruption, damage and failure.

4. Additionally, in the light of progress since last year, substantial changes were made to serial 3 (AHSC). This relates to the continuing development of the Academic Health Science Centre and, because of the continuing high profile of this development, it remains a high priority in the Risk Register and Action Plan.

5. The Summary Risk Register, a copy of which is attached at Annex A, provides a high level statement of the College’s main risks, an assessment of each risk’s likelihood and potential impact, and a note of the senior member of staff with responsibility for mitigating the risk. Each risk is also placed on a grid and given an overall risk assessment as 'High', 'Medium' or 'Low'. The full Risk Register, which is published on the College's website, additionally includes a note of associated factors for each risk, the agreed mitigating actions being taken by the College, and the early warning indicators used to assess any change in the College’s risk profile.

6. The Audit Committee’s opinion on risk management is given in its Annual Report to the Council; the Summary Risk Register is therefore presented to the Council for information.

M.P.K.
## IMPERIAL COLLEGE SUMMARY RISK REGISTER 2008

<table>
<thead>
<tr>
<th>Serial</th>
<th>Strategic Aim</th>
<th>Risk Description</th>
<th>SMT Responsibility</th>
<th>Impact (Finance)/ (Reputation)</th>
<th>Likelihood</th>
<th>Gridpoint</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Resources</td>
<td>The College may be unable to recruit, retain, motivate and develop the calibre of staff it needs.</td>
<td>Director of Human Resources</td>
<td>H/H</td>
<td>M</td>
<td>H/M</td>
</tr>
<tr>
<td>2.</td>
<td>Influence</td>
<td>The College may be unable to effectively influence and manage its relationship with key external stakeholders.</td>
<td>Rector</td>
<td>H/H</td>
<td>M</td>
<td>H/M</td>
</tr>
<tr>
<td>3.</td>
<td>Organisation</td>
<td>The creation of the Academic Health Science Centre (AHSC) will create new reputational and organisational risks for the College.</td>
<td>Principal, Faculty of Medicine</td>
<td>M/H</td>
<td>M</td>
<td>H/M</td>
</tr>
<tr>
<td>4.</td>
<td>Resources</td>
<td>The College's internal investment programme together with external funding may prove insufficient to maintain the College's position as a market leader</td>
<td>Chief Operating Officer</td>
<td>H/H</td>
<td>M</td>
<td>H/M</td>
</tr>
<tr>
<td>5.</td>
<td>Organisation</td>
<td>The College may be unable to maintain and improve effective internal communication.</td>
<td>Director of Communications</td>
<td>M/H</td>
<td>M</td>
<td>M/M</td>
</tr>
<tr>
<td>6.</td>
<td>Organisation</td>
<td>An inadequate management structure or processes may hinder the effective development of the organisation.</td>
<td>Rector</td>
<td>M/H</td>
<td>M</td>
<td>M/M</td>
</tr>
<tr>
<td>7.</td>
<td>Resources</td>
<td>The College may undertake too many initiatives without providing the resources necessary to support them adequately.</td>
<td>Chief Operating Officer</td>
<td>M/H</td>
<td>M</td>
<td>M/M</td>
</tr>
<tr>
<td>8.</td>
<td>Research/ Education</td>
<td>The College may fail to think and act globally.</td>
<td>Rector</td>
<td>M/M</td>
<td>M</td>
<td>M/M</td>
</tr>
<tr>
<td>9.</td>
<td>Education</td>
<td>The College may no longer be able to attract and retain the best students.</td>
<td>Pro-Rector (Education)</td>
<td>M/H</td>
<td>M</td>
<td>M/M</td>
</tr>
<tr>
<td>10.</td>
<td>Resources/ Influence</td>
<td>Circumstances beyond the College's control may adversely affect the College.</td>
<td>Chief Operating Officer</td>
<td>H/M</td>
<td>M</td>
<td>M/M</td>
</tr>
<tr>
<td>Serial</td>
<td>Strategic Aim</td>
<td>Risk Description</td>
<td>SMT Responsibility</td>
<td>Impact (Finance)/(Reputation)</td>
<td>Likelihood</td>
<td>Gridpoint</td>
</tr>
<tr>
<td>--------</td>
<td>---------------</td>
<td>----------------------------------------------------------------------------------</td>
<td>----------------------------</td>
<td>------------------------------</td>
<td>------------</td>
<td>-----------</td>
</tr>
<tr>
<td>11.</td>
<td>Resources</td>
<td>The College may not build up its financial support base and/or diversify its sources of income to meet its resource needs</td>
<td>Chief Operating Officer</td>
<td>H/M</td>
<td>M</td>
<td>M/M</td>
</tr>
<tr>
<td>12.</td>
<td>Research</td>
<td>The College may fail to develop a strategy for, and maintain the quality of, its research.</td>
<td>Senior Principal</td>
<td>L/M</td>
<td>L</td>
<td>M/L</td>
</tr>
<tr>
<td>13.</td>
<td>Resources</td>
<td>The College may fail to maintain, develop and exploit its Estate.</td>
<td>Chief Operating Officer</td>
<td>H/L</td>
<td>L</td>
<td>M/L</td>
</tr>
<tr>
<td>14.</td>
<td>Education/Research</td>
<td>The College may fail to maintain an appropriate balance between research and teaching</td>
<td>Senior Principal</td>
<td>M/M</td>
<td>L</td>
<td>M/L</td>
</tr>
<tr>
<td>15.</td>
<td>Resources</td>
<td>The College may fail to maintain, protect and develop its IT systems</td>
<td>Director of ICT</td>
<td>L/M</td>
<td>L</td>
<td>M/L</td>
</tr>
<tr>
<td>16.</td>
<td>Organisation</td>
<td>The College may fail to respond adequately to changing Health and Safety and other similar legislation.</td>
<td>Director of Human Resources</td>
<td>M/M</td>
<td>L</td>
<td>M/L</td>
</tr>
<tr>
<td>17.</td>
<td>Education</td>
<td>Undergraduate over recruitment.</td>
<td>Pro-Rector (Education)</td>
<td>L/L</td>
<td>M</td>
<td>L/M</td>
</tr>
<tr>
<td>18.</td>
<td>Influence/Resources</td>
<td>Research: New RAE metric based approach for Science subjects</td>
<td>Director of Planning</td>
<td>M/L</td>
<td>L</td>
<td>M/L</td>
</tr>
<tr>
<td>19.</td>
<td>Resources</td>
<td>Critical College activities and assets need to be resilient to disruption, damage and failure</td>
<td>Director of Risk Management</td>
<td>L/L</td>
<td>M</td>
<td>L/M</td>
</tr>
</tbody>
</table>
RISK PROFILE 2008

IMPACT RATING GUIDELINES

<table>
<thead>
<tr>
<th>High</th>
<th>Financial loss &gt;£200M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>Financial loss between £5M - £200M</td>
</tr>
<tr>
<td>Low</td>
<td>Financial loss between £2M - £5M</td>
</tr>
<tr>
<td></td>
<td>Loss of a high profile member of staff / research group</td>
</tr>
</tbody>
</table>

LIKELIHOOD RATING CRITERIA

<table>
<thead>
<tr>
<th>High</th>
<th>Almost certain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medium</td>
<td>Probable</td>
</tr>
<tr>
<td>Low</td>
<td>Unlikely</td>
</tr>
</tbody>
</table>
MANAGEMENT ACCOUNTS TO 30/9/08

1. The financial report (1) reflects the figures for the first two months of the financial year. The October financial report was not finalised at the time of publication of the Council papers and so a verbal update will be given at the meeting.

2. Overall the financial position remains healthy, although there are a number of areas that will need to be watched, as highlighted below.

3. Income is up by 9% on last year and broadly on budget. But whilst total research income is £570k ahead of budget, FoE are running £1,144k behind; and research contribution is £509k adverse, despite being 11% ahead of last year, with FoNS and FoM running £400k and £197k adverse respectively. Whilst this is considered to be due to phasing differences, this will be closely watched over the next few months.

4. The overall operating I&E is £1,041k ahead of budget. Faculty recurring costs are £699k favourable mainly driven by lower than budgeted staff costs. Academic Services and Support Services both show significant favourable variances, due to timing differences on expenditure, lower staff costs and under spend in Facilities Management. Corporate Costs are £761k adverse reflecting non capitalisable SEQ project costs offset by favourable depreciation and interest charges. Commercial Services are £283k ahead of budget driven by better than expected Conference activity. The College Fund is £362k ahead of budget.

5. On the balance sheet (pg. 3) there is the normal seasonal impact of a big increase in debtors and creditors since the year end, reflecting the billing of student tuition fees which are then only recognised as income on a monthly basis through the year. Also as the final tuition fee billing runs were made in early October there will be further increases next month. However it is important to note that the older aged debt (pg. 11) remains steady. On a more worrying note, Research WIP has worsened since the year end. The increase is almost entirely driven by FoM. Whilst some increase is to be expected, due to the quarterly nature of profile payments, FoM are investigating the timing of Welcome Trust payments now that the new payment profile has been introduced.

6. Cash flow is ahead of budget helped by the better than budget operating result and favourable working capital due primarily to a mix of timing of student invoicing and faster debt collection. Net interest is, like last year, better than budget, partially due to the cash position but also due to the favourable interest rates that Banks have until recently been offering, which means that the College has been able to earn interest on deposits at an average of 6.07% compared with our cost of borrowing of 5.41%.

1. The Financial Report is not included with these Minutes.
PAPER G

COLLEGE FUND BOARD REPORT TO COUNCIL

A Report by the Chairman of the College Fund Board

ANNUAL REPORT

1. Since the last report to Council, the Fund has completed its first formal year of operation and an ‘Annual Report’ to cover this period has been attached here at Annex A for the Council's information. It is worth stressing that the Fund has taken significant steps to develop its structures and processes to ensure that it provides the best possible environment to achieve its investment objectives. Furthermore, fundamental improvements to the management and exploitation of Non-Core Property have ensured that this element of the portfolio is now far more productive in terms of cash generation and can therefore be held on more robust market valuations.

ACTIVITY SINCE THE YEAR END

2. The first quarter for the current Financial Year completed on 31 October, so it is also timely to update the Board on progress over this period:

UNITISED SCHEME

3. Performance. The performance of the Unitised Scheme reflects the ongoing volatile market environment with a total return loss of nearly 20% over the rolling 12 month term, and a 10% total return loss for the Financial Year to Date. However, it should be stressed that this performance has been achieved against a backdrop of near 50% falls in the equity markets, and in an environment where the only safe haven has been cash – and even then only if it is in the right bank. The analysis of the performance by Asset Risk Consultants demonstrates that relative performance has been strong, with the Scheme delivering a 2% per annum outperformance against the average of their GBP Steady Growth Index, but without any additional level of volatility.

4. Asset Allocation. Despite the relative outperformance against the Steady Growth peer group, it is still clear that the Scheme is behind in terms of achieving its absolute target. Evidence over the last five years has demonstrated that the strategic asset allocation decisions have had the most significant impact on overall performance, and therefore it is this area that needs the most critical assessment. The actual comparative allocation as at 31 Oct 08 versus the current draft neutral allocation, where the neutral position represents the level of exposure that the Board believe reflects a reasonable balance between risk and return over the medium term, is set out in the table below. This demonstrates that the Unitised Scheme is very well placed to benefit from the opportunities being created following the market falls. The Board have ensured that the Scheme remains highly liquid with a large allocation to cash with a view to moving to a more fully invested level over the next 6-9 months. It is worth noting that the squeeze on market prices has delivered an almost undiscriminating sell off in liquid equity investments, and therefore the Board has approved a shift towards a more active approach to equity management going forwards.
5. **Equity Hedge.** The final return from the short position taken out for the Unitised Scheme was £1.7m, providing c2.5% of capital preservation. The option for taking out further protection at a lower level (4,500 on the FTSE 100) was investigated, but the level of volatility in the market delivered extreme valuations for buying medium term cover. Therefore no further put options were entered into.

6. **Fauchier Partners: Fund of Funds.** The recent market environment has placed significant pressure on the Hedge Fund industry, and the seizure of the credit markets have resulted in certain strategies simply losing viability. In light of this position a full review of the holdings with Fauchier has been undertaken. In addition the opportunity was taken to review the nature of the Fund’s interest in the Fauchier products, with particular emphasis on the ‘Cambridge Absolute Return Partnership’ where the Fund holds 50% of the total assets in the partnership with just two other investors. Discussions with the Investment Managers with each of these partners confirmed that they had no current plans to divest from the partnership, and they agreed that any action in this area should be done on a concerted basis. The performance of the portfolio over the last two months has demonstrated a stronger market correlation than might have been anticipated; however, Fauchiers approach to managing the risk within the portfolio and liaising with the Fund on a transparent and timely basis has been a comfort. Therefore it is not proposed to take any specific action in relation to these funds at the current time, but the position will continue to be very closely monitored.

7. **Procedures.** The Fund has continued to establish and refine formal procedures for the operation of the College Fund. The process for the formal transfer of assets from the Operational College to the Fund are now firmly cemented and the process for the investment, redemption and classification of assets into the Unitised Scheme has been subjected to review by PricewaterhouseCoopers, the College auditors, with no material issues to report. Further work in this area includes a review of the potential benefits associated with FSA regulation of the Fund, and the appointment of a Custodian to provide third party ratification of the valuations for the holdings in the Unitised Scheme. The Fund has also continued to develop its relationship with Asset Risk Consultants as Investment Advisors so that the Board now receives a regular and independent assessment of the performance of the Unitised Scheme with reference to both absolute and relative benchmarks and peer groups.

### SPECIAL CIRCUMSTANCES PORTFOLIO

#### IMPERIAL INNOVATIONS PLC

8. 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%.

9. **Market Performance.** The share price at the end of October 2008 moved to £2.49, representing a 6% drop against the £2.65 price at the end of the last financial year. Whilst this
clearly has a significant impact on the overall value of the Special Circumstances Portfolio, and thus level of Total Assets in the College Fund, it has held up comparably well with its peer group which have experienced falls of c.40% over the same period.

10. **Results.** Innovations published its results on 14 October, noting a small decrease in the fair value of their investments; a significant increase in cash following the November 07 funding round; an increase year on year in revenue and the number of new businesses added to the portfolio; and a continued level of invention disclosure.

**NON-CORE PROPERTY**

11. **Sports Centre Flats.** Westminster have accepted in principle that the limitation on occupation in relation to the Sports Centre Flats can be lifted, subject to the College providing parking facilities for any Non-College tenants. Given the ongoing high management demand for these properties and the relatively low level of occupancy (c.75%) this concession has been agreed and the terms of a final s.106 agreement to remove the limitation are now being negotiated. Savills have been appointed to find suitable tenants to significantly improve the occupancy of the flats from the New Year.

12. **46-48 Prince’s Gate and Mews.** Following a successful VAT review the total project budget for the project has been reduced by £700k to £10.5m. The main contractors, ISG, are continuing to develop out the site and are currently two weeks ahead of programme. All the unforeseen cost issues to date have been dealt with within the project manager’s contingency for the project and no call has been made against the client contingency.

13. **52 Prince’s Gate.** The Project completed on 11 November within the £3m budget. Savills and Colliers Godfrey Vaughan have been appointed as joint agents, but the building will not be formally marketed until the New Year to ensure that it is presented fresh to the market. The development has achieved its objectives in terms of the architectural merit, quality of finish and the level of infrastructure, so the one key ‘unknown’ in relation to the ultimate rent achieved is location. The proposed marketing strategy will focus on the amenity and quality values associated with Knightsbridge, and thus aim to attract tenants who might more traditionally consider the West End or Mayfair. Whilst no formal ‘price’ is being quoted, the target is broad at between £700k - £1.2m per annum.

14. **Pembridge Gardens.** Following discussions with Kensington and Chelsea and the Pembridge Association, Paul Davis and Partners are taking the Funds proposal for a development of six townhouses to the rear of the existing Pembridge Hall in Notting Hill to an Architectural Review Panel. The panel will give the Fund an opportunity to have an open debate about the nature of the proposal ahead of a formal planning application.

15. **Silwood Farmhouse.** Unsolicited offers to undertake the proposed works on Silwood Farmhouse have been received from 5 interested parties. Given that the main obstacle to development was the estimated project cost of £3.4m it seemed sensible to follow up the approaches in this new market environment. Three of the proposals emanated from sound companies with a track record of building properties of this size and nature. Following discussions and a review of capacity, three formal submissions have been received to undertake the work on a fixed price ‘turnkey’ basis. The offers cover a range of £1.9–2.2m accounting for all costs including VAT. The anticipated income return on the property after development is £15,000 per month, or £180k per annum. On the worst case scenario of £2.2m this still represents a return on capital employed of just over 8% which is sufficient to support the Investment Objective of the Fund. Negotiations will now be taken forward to agree terms and ensure financial protection is in place to secure completion within the agreed budget.
16. **Withersdane Site.** All College-related activity ceased on the Withersdane site on 15 October 2008. Internal agreement has been reached with the Management Board that this site therefore now conforms to the definition of a Non-Core Asset – *i.e.* that it could be sold for cash without detriment to the academic mission. It is therefore requested that the Council formally approve the transfer of this asset over to the College Fund at a value of £5.75m. As per the agreed procedures for the transfer on Non-Core Assets, this is based on a current formal Red Book Valuation undertaken by Savills, the College Property Advisors. A summary of the site is set out in Annex B.(1)

**CONSOLIDATED PERFORMANCE**

<table>
<thead>
<tr>
<th>Portfolio</th>
<th>31 Jul 08</th>
<th>31 Oct 08</th>
<th>Var</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unitised Scheme*</td>
<td>£67.3m</td>
<td>£59.1m</td>
<td>(£8.2m)</td>
<td>(12.0%)</td>
</tr>
<tr>
<td>Special Circumstances:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Imperial Innovations</td>
<td>£79.9m</td>
<td>£75.1m</td>
<td>(£4.8m)</td>
<td>(6.1%)</td>
</tr>
<tr>
<td>Non Core Property</td>
<td>£73.9m</td>
<td>£74.6m</td>
<td>£0.7m</td>
<td>0.9%</td>
</tr>
<tr>
<td>Debt</td>
<td>(£7.6m)</td>
<td>(£8.8m)</td>
<td>(£1.2m)</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£213.5m</strong></td>
<td><strong>£200.0m</strong></td>
<td><strong>(£13.5m)</strong></td>
<td><strong>(6.3%)</strong></td>
</tr>
</tbody>
</table>

* After Distributions of £710k for the Quarter

**Proposed Resolution:**

That the transfer of Non-Core Assets, as set out in Annex B of Paper G, be approved.

SN
Nov 08

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1. Annex B is commercially sensitive and is not included with these Minutes.
ANNUAL REPORT FOR THE COLLEGE FUND 2007/08

1. 31 July 2008 saw the end of the first official year of the College Fund. This Report sets out the milestones achieved during the year looking at Governance and Structural changes through to the performance of the assets within the Fund.

GOVERNANCE AND STRATEGIC FRAMEWORK

2. The main development for the Fund during the year has been the completion of the Governance structure that established the status of the Fund Board and enabled the formal transfer of Non-Core property over to the management of that Board. The appointment of Robbie Rayne during the year completed the formal membership of the Board and Professor Begg was also invited to attend as a Special Adviser to the Board to establish the following membership during the year:

   Mr Stewart Newton – Non Executive Chairman
   Prof David Miles – Non Executive Member
   The Hon Robert Rayne – Non Executive Member
   Dr Martin Knight – Ex Officio (Chief Operating Officer of the College)
   Sir Richard Sykes/ Sir Roy Anderson – Ex Officio (Rector)
   Prof David Begg – Special Advisor to the College Fund Board
   Mr John Anderson – Chief Executive of the College Fund

3. During the year, the Board determined that there was a vital distinction between Non-Core Assets that are transferred over to the Fund to be developed into investment assets and the Unitised Scheme where the core objective is investing in mature assets to support the Endowments and long term donations held by the College. This distinction resulted in the creation of the Special Circumstances Portfolio which now contains the College’s shareholding in Imperial Innovations and the direct property assets that are currently being held for development.

4. The Board also indentified the need to bolster the support for Investment Analysis and Reporting, and therefore Asset Risk Consultants were appointed as Investment Advisers.

5. Finally, in order to ensure that the Fund had a financial capacity to support the structural framework established, terms were also agreed for the borrowing facilities of the College Fund. The College will therefore provide lending facilities of up to £30m with the cost of the interest pegged to the College’s blended borrowing rate. This agreement is critical in enabling the Capital Investment Plan and ensuring that the development opportunities available to the Fund can be prioritised and fully funded.

SPECIAL CIRCUMSTANCES PORTFOLIO

7. As noted, the Board established the Special Circumstances Portfolio to hold assets that have been classified as Non-Core (ie that could in extremis be sold for cash without detriment to the academic mission), but where they either lack liquidity or represent too high a level of risk in their transferred form. The initial assets held within the Special Circumstances Portfolio were therefore the Non-Core Property Portfolio and the shares in Imperial Innovations.
NON-CORE PROPERTY

8. The Fund has taken significant strides in delivering its objective in terms of optimising the value of the Non-Core Property portfolio through an active approach to planning and development. The identification and transfer of a number of new properties, along with the increase in value established through development, and the transactional activity referred to below, saw the Fund’s total property portfolio rise significantly from £28.9m up to £73.9m by the end of the year. It should be stressed that this increase in value has been robustly tested through a structured programme of Red Book valuations, prudent assessments of the impact of improvements in planning and condition and the analysis of the income generated from the assets. Therefore, despite the negative performance of the general property market over the last twelve months the Fund’s overall property position has significantly improved. The nature of the actions taken to optimise the value of this element of the portfolio is set out in more detail below:

9. **Transactions:** The Fund was involved in three major transactions during the year:

  a. In August the Fund completed the sale of 47 Prince’s Gate for £9m – representing a £4m gain on the market valuation for the property. Detailed analysis of the development potential for the site indicated that there was limited long term value in holding the asset, as it represented very poor income potential and required significant capital investment to achieve any income returns at all.

  b. The Fund completed a £2.8m buy-out of the long term lease interests in the CABI Building at Silwood Park. This represented a strategic acquisition by the Fund as it enables the vacation of Silwood Manor House by the academic community, thus making the Manor and associated development sites Non-Core and thus free for transfer over to the Fund. The Fund therefore ‘distributed’ the CABI building to the operational College in the year, and work is well underway to enable full vacant possession of the Manor House in the coming year.

  c. The largest transaction of the year was the purchase of the Silwood Business Park – a development of office/ R&D buildings adjacent to the College’s existing interests at Silwood. The Park had been developed by 3i following the acquisition of the site from the College in the late 1980s, therefore this represented an opportunity to reconsolidate the College’s interests on the site. The Fund had shown an interest in the premises previously, but had missed out on the opportunity when Standard Life acquired the site in 2006 at over £11m. However, following the signs of weakness in the Commercial Property Market, the Fund engaged in negotiations with Standard Life to acquire the property, and ultimately agreed terms at £10.15m – giving an initial yield on the property of 7% with 100% occupancy on the site through to 2013.

10. **Operational Developments:** Overall, the year saw a significant increase in the overall rental income from Fund properties, rising from just under half a million pounds in 2006/07 up to over £1.3m in the last year. The main contributors to this increase were:

  a. The completion of a Farm Business Tenancy with F D Attwood for the College Farm at Wye in Kent, ensuring that the land is farmed and managed for the next ten years and delivers a consistent income of £100k per annum. The agreement on the FBT also ensures that the Farmland can be treated as a true investment asset, valued at over £3m on the basis of £4,000 per acre, rather than a net liability for the College. It is notable that the most recent market activity in the area of Rural Land has seen prices achieving £8,000 per acre and above – however, it has been deemed prudent to hold this asset at £3.1m for the time-being;
b. The continued commitment to operating the Sports Centre Flats on a market rate basis. Although these flats just missed the target 85% occupancy level for the year, they still delivered an income of £403k – representing a gross yield of 4.6% on their £8.73m value;

c. The improvement in rental levels and occupancy on the Funds existing commercial assets at Silwood, along with the acquisition of the Business Park has enabled the creation of a single Silwood Business Zone that delivers a combined with a Net Income of c.£1m. This level of income fully justifies a total capital value for the combined assets of £14.3m on the basis of a 7% yield.

11. Planning Developments: The Fund achieved a number of planning consents on the portfolio over the year, the most significant being:

a. 46-48 Prince’s Gardens and the Mews – Westminster approved the conversion of these buildings to 15 high quality private apartments confirming the change of use and enabling the development to be undertaken without breaching the affordable housing threshold. The change of use is critical to getting full market value from the property, and at £21.5m represents a capital valuation of under £800 per square foot – a resolutely prudent level when compared with the levels achieved over the last twelve months

b. On the Wye campus a number of planning applications have been commenced, and during the year planning changes were confirmed for the Equine Centre, to general usage and not restrict it to students, and to the Old Vicarage for open residential usage. However, an application in relation to Edward Partridge House was denied and is now the subject of appeal proceedings.

12. Construction Developments: On the construction side contracts were let for the development of the Lodges at Silwood Park (£1.25m), the creation of the apartment block at 46-48 Prince’s Gardens (£11m) and the creation of high quality office accommodation at 52 Prince’s Gate (£3m).

a. Four lodges at Silwood are being developed out by Brennans with sectional completion commencing from 1 September. Savills are marketing the properties in the residential lettings market with a target income of £110k per annum from the four properties representing a gross return of 8% on capital employed. Although it occurred just after the end of the Financial Year, it is worth noting that the first three lodges are complete and have been let. The final lodge, the former ‘Deans’ residence will now be developed out by the end of the calendar year. The market performance of these properties therefore continues to support the £2.7m valuation.

b. The construction contract for the development of 52 Prince’s Gate as prime office accommodation was let to Russell Cawberry with a total project cost of £3m – including the creation of a two bedroom apartment on the top floor. Discussions with agents on this development have indicated that this represents new territory for the high quality office accommodation market – with the intention of attracting tenants that would traditionally locate to Mayfair and the West End. Given this ‘novelty’ factor marketing has commenced on a Joint Agents basis, without a specific rental figure. However, the target range is between £700k-£1.2m per annum. The construction project completed on budget on 11 November 2008, and even if the rent achieved is at the lower end of the target, this will support a £10m valuation on the building on the basis of a 7% yield.

c. A total project commitment of £11.2m has been approved for the development of 46-48 Prince’s Gardens and the Mews – representing the full costs of planning,
development and achieving vacant possession. During the year, all the existing occupants, including an antique fire engine, were relocated to new accommodation, and the contract to redevelop the site as 15 high quality private apartments was let to ISG Interior. Work has now commenced on site with a delivery date of July 2009.

**IMPERIAL INNOVATIONS**

13. Following from the earlier private placements and a flotation on the AIM market in 2006, the Fund now holds a majority stake in the College’s Technology Transfer company Imperial Innovations. Activity in Innovations during the year included a further funding round to raise £30m in new cash for the business. The Fund took the investment decision to participate in this round to ensure the Company has all the cash necessary to achieve its investment objectives and to ensure the College retained a majority position in the company.

14. By the end of the year shares in Innovations had moved down to £2.65, so that the Fund’s stake was valued at £79.9m, representing a near 30% reduction in the opening value. This level of volatility, based on very light trading of the stock, fully vindicated the decision to hold the shares in the Special Circumstances Portfolio where such risks can be accommodated without any fundamental impact on Unitholders.

15. The Fund also polled Unitholders during the year to ascertain whether they wished an allocation of Imperial Innovations shares to be included within the Unitised Scheme, recognising that it represented a higher risk than would normally be considered for the Scheme. Of the Unitholders that responded, there was strong support for the inclusion of some Innovations stock in the Portfolio (71% voting in favour, 27% abstaining and just 2% voting against); but the relatively disappointing level of participation in the poll (38%) indicated that there was no specific mandate to include an allocation. Therefore it was deemed prudent to continue to hold the College’s interest fully in the Special Circumstances Portfolio during the continuing maturation process for Innovations as a listed company.

**UNITISED SCHEME**

16. The major development for the Unitised Scheme for the year was the approval of a Neutral Asset Allocation Policy for the Scheme. Both the process of determining the policy and the nature of the policy itself are critical to the delivery of the Investment Objective. The major driver behind the asset allocation policy is the recognition that liquidity is one of the key characteristics of performance and risk for investment assets. Therefore any allocation policy needs to accommodate a balance between asset classes that provides a balance between the benefits of diversification, stability and strong economic performance; whilst ensuring that the Fund is not exposed to a liquidity risk in the event of a significant call on funds.

17. Over the year, the Scheme was also put on to a formal footing, with: the creation of a published and audited Unit Price, to enable Unitholders to monitor performance; the establishment of formal procedures to deal with the investment, redemption and classification of assets within the Scheme; and the holding of a formal AGM for Unitholders to enable an open and transparent forum for discussion on the strategy and activities in relation to the Scheme. The establishment and maintenance of these formal mechanisms was critical in attracting net inflows of nearly £3m over the year and will also prove vital in the continuing objective of raising further funds from donations and endowments in the future.

18. In performance terms, the year has presented a very difficult investment environment, with the standard benchmark for the UK, the FTSE100, moving from 6,250 to 5,412 over the period; representing a 13.3% decrease in value. In addition, the level of volatility over the year saw this
same benchmark touch a high of 6,730 in October 2007 and a low of 5,150 in early July 2008—a
difference of 23.5% peak to trough. Therefore the main characteristic of the Unitised Scheme over
this period has been to preserve capital and limit the level of volatility. This was delivered through
a defensive shift away from Real Estate in September 2007, just before the vast majority of
property funds closed for redemptions, and a general move out of Equities over to cash and
Long/Short Equity funds. These asset allocation decisions, along with a hedge on the remaining
UK Equity stake implemented in April, limited the Schemes downside to 6.9% over the year, and
ensured that the Scheme continued to meet the Investment Objective over a rolling five year term
as demonstrated in the chart below.

<table>
<thead>
<tr>
<th>CONSOLIDATED POSITION</th>
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| 19. 2007/08 has provided a tough investment environment; however, despite this the Fund just
increased the total assets under management through a continued focus on identifying and
transferring viable Non-Core Assets, realising value where available and improving the investment
grade of those assets. At the consolidated level, the position for the year was as follows: |

<table>
<thead>
<tr>
<th></th>
<th>Opening</th>
<th>Gain/ (Loss)</th>
<th>Additions/ (Redemptions)</th>
<th>Closing</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unitised Scheme</td>
<td>£69.3m</td>
<td>(£4.9m)</td>
<td>£2.9m</td>
<td>£67.3m</td>
<td>(£2.0m)</td>
</tr>
<tr>
<td>Property</td>
<td>£28.9m</td>
<td>£20.2m</td>
<td>£24.8m</td>
<td>£73.9m</td>
<td>£45.0m</td>
</tr>
<tr>
<td>Innovations</td>
<td>£111.6m</td>
<td>(£34.7m)</td>
<td>£3.0m</td>
<td>£79.9m</td>
<td>(£31.7m)</td>
</tr>
<tr>
<td>Cash/ (Debt)</td>
<td>£0.7m</td>
<td>-</td>
<td>(£8.3m)</td>
<td>(£7.6m)</td>
<td>(£6.9m)</td>
</tr>
<tr>
<td>Total</td>
<td>£210.5m</td>
<td>(£19.4m)</td>
<td>£22.2m</td>
<td>£213.5m</td>
<td>£3.0m</td>
</tr>
</tbody>
</table>
1. The Management Board met on 31 October 2008 to consider, in accordance with Ordinance B2 (attached at Annex A), nominations for the conferment of Honorary Degrees and for the conferment of the Fellowship and Associateship of the College. The Chairman of the Council and Mr Ram Gidoomal joined the Board for the discussion of the nominations.

HONORARY DEGREES

2. The Management Board makes the following eight recommendations to the Council for the award of Honorary Degrees of the College (the nominations are listed in alphabetical order):

   a. **Dr Margaret CHAN.**

      Director-General of the World Health Organisation

      Educated

      University of Western Ontario
      National University of Singapore
      Harvard Business School

      Citation:

      The Board recommends the conferment of an Honorary Degree of Doctor of Science (Medicine) on Dr Margaret Chan in recognition of her contribution to global health through her championing of improvements in communicable disease surveillance and response.

   b. **Ms Melinda GATES.**

      Co-Founder and Co-Chair of the Bill and Melinda Gates Foundation

      Educated

      Duke University

      Citation:

      The Board recommends the conferment of an Honorary Degree of Doctor of Science on Melinda Gates in recognition of her philanthropic work around the world in the areas of health and education.
c. **Jeremy and Hannelore GRANTHAM.**

Co-founders of The Grantham Foundation for the Protection of the Environment

*Educated*

Jeremy Grantham: University of Sheffield  
Harvard Business School

Hannelore Grantham: Brandeis University

The Board recommends the conferment of Honorary Degrees of Doctor of Science on Jeremy and Hannelore Grantham in recognition of their philanthropic work in promoting measures to protect and improve the health of the global environment.

d. **Dr. Mohamed "Mo" IBRAHIM.**

Founder of Celtel International and the Mo Ibrahim Foundation, which has inaugurated the Prize for Achievement in African Leadership and publishes the Ibrahim Index of African Governance.

*Educated*

University of Alexandria (BSc)  
University of Bradford (MSc)  
University of Birmingham (PhD)

*Citation:*

The Board recommends the conferment of an Honorary Degree of Doctor of Science on Dr. Mohamed Ibrahim in recognition of his contribution to the telecommunications industry and for his commitment to improving governance in Africa.

e. **Professor Dame Louise JOHNSON FRS.**

Director of Life Sciences at the Diamond Light Source

*Educated*

UCL (BSc)  
The Royal Institution (PhD)

The Board recommends the conferment of an Honorary Degree of Doctor of Science on Professor Dame Louise Johnson in recognition of her outstanding contribution to science in the fields of Molecular Structural Biology and Biophysics.
f. **The Lord SAINSBURY OF TURVILLE FRS.**

Founder of the Gatsby Foundation

**Educated**

King's College, Cambridge
Columbia Graduate School of Business

**Citation:**

The Board recommends the conferment of an Honorary Degree of Doctor of Science on the Lord Sainsbury of Turville in recognition of his contribution to science and education in the UK.

**FELLOWSHIPS**

3. The Board agreed to make the following five recommendations to the Council for the conferment of Fellowships during 2009:

a. **Professor Sir Leszek BORYSIEWICZ FRS FMedSci.**

Chief Executive of the Medical Research Council
Former Deputy Rector, Imperial College

**Educated**

Welsh National School of Medicine
Royal Postgraduate Medical School (PhD)

**Citation:**

The Board recommends the conferment of Fellowship on Professor Sir Leszek Borysiewicz in recognition of the key contribution he has made in the field of Medicine and to the life and work of Imperial College.

b. **Professor Dame Julia HIGGINS FRS FREng.**

Professor Emeritus, Imperial College
Former Principal of the Faculty of Engineering, Imperial College

**Educated**

University of Oxford

The Board recommends the conferment of Fellowship on Professor Dame Julia Higgins in recognition of the outstanding contribution she has made to science and engineering and to the life and work of Imperial College over a sustained period.
c. **Emeritus Professor Thomas Walter Bannerman KIBBLE CBE, FRS**

Senior Research Fellow and Emeritus Professor of Theoretical Physics, Imperial College

*Citation:*

*The Board recommends the conferment of Fellowship on Professor Tom Kibble in recognition of the outstanding contribution he has made to particle physics and to the life and work of Imperial College over a sustained period.*

d. **Mr KA (Tony) MITCHESON OBE**

Former College Secretary, Imperial College

*Education*

University of Oxford

*Citation:*

*The Board recommends the conferment of Fellowship on Mr Tony Mitcheson in recognition of the outstanding contribution he has made to the life and work of Imperial College over a sustained period.*

e. **Emeritus Professor Rees David RAWLINGS**

Professor Emeritus, Imperial College
Former Pro-Rector (Education), Imperial College

*Education*

Imperial College London

*Citation:*

*The Board recommends the conferment of Fellowship on Professor Rees Rawlings in recognition of the outstanding contribution he has made to the life and work of Imperial College.*

**ASSOCIATESHIPS**

4. The Management Board makes the following recommendation to the Council for the conferment of the Associateship during 2009:

a. **Ms Linda Dorothy JONES.**

Senior Projects Manager for the Faculty of Natural Sciences and Operations Manager for the Department of Physics, Imperial College
Citation:

The Board recommends the conferment of Associateship on Ms Linda Jones in recognition of the significant contribution she has made to the life and work of Imperial College.

5. The Council is invited to consider, and if it sees fit, approve the nominations for the conferment of Honorary Degrees and for the conferment of the Fellowship and Associateship of the College

R.A.
HONORARY DEGREES, FELLOWS AND ASSOCIATES

1. The Council may confer any degree of the University on any person *honoris causa* (hereinafter referred to as 'honorary degrees') (1) and may elect as Fellows or Associates of the University persons of distinction and persons who have, in the opinion of the Council, rendered significant services to the University or to the community.

CONFERMENT OF DEGREES HONORIS CAUSA

2. An honorary degree may be conferred on persons of conspicuous merit, who are outstanding in their field or who have given exceptional service to the University.

3. An honorary degree shall not, save in exceptional circumstances, be conferred *in absentia*.

4. An honorary degree shall not be conferred posthumously. However, where the Council has formally resolved to confer an honorary degree on a person, and the death of that person occurs before the conferment takes place, the honorary degree shall be deemed to have been conferred, the date of the conferment being deemed to be the day preceding the date of death.

5. An honorary degree conferred by the University shall be cited in the following form:

   Title of degree (Imperial College London) *honoris causa*, e.g. DSc (Imperial College London) *honoris causa*.

6. The Council shall prescribe the form of the diploma for those upon whom an honorary degree has been conferred and shall determine the procedures for inviting and considering nominations and the arrangements for conferring the degrees. It may also develop the criteria for the conferment of honorary degrees more fully, if it sees fit.

7. The Higher Doctorates that may be awarded are as follows:

   Doctor of Literature (DLit)
   Doctor of Literature (Education) (DLit(Ed))
   Doctor of Science (DSc)
   Doctor of Science (Economics) (DSc(Econ))
   Doctor of Science (Engineering) (DSc(Eng))
   Doctor of Science (Medicine) (DSc(Med))

ELECTION AS A FELLOW OF IMPERIAL COLLEGE

1. See Ordinance B1, Paragraph 1 for the list of degrees.
8. Fellowships of the Imperial College may be awarded:
   a. To members or former members of the Council, the Court or of the previous Governing Body, to former members of staff or to former students of the Imperial College of Science, Technology and Medicine, who may be deemed eligible by reason of their outstanding achievements or of exceptional services rendered to the University;
   b. To other persons not members of the University who are of outstanding distinction in appropriate fields and whom the University wishes to honour.

9. In the criteria for Fellowship:
   a. “Achievement” should mean truly outstanding and “services” to the University truly exceptional;
   b. Former staff (who are not former students) should be selected mainly from those who have retired as Professors of eminence in their fields and especially those who have rendered special service to the University as Deans, Heads of Departments, etc.

10. A person who on his retirement was a member of the staff of the University should not be considered for election to Fellowship or for an Honorary Degree until one calendar year has elapsed since his retirement or since his appointment as Senior Research Fellow of the University.

**ELECTION AS AN ASSOCIATE OF IMPERIAL COLLEGE**

11. Associateships of the Imperial College of Science, Technology and Medicine may be awarded:
   a. To persons who have been members of the staff for a substantial period or who have retired from membership of the staff in any grade or category.
   b. To such former students or to such other persons, whether members of the University or not, as may be deemed eligible by reason of their having rendered exceptional service to Imperial College or having otherwise done something outstanding to enhance its reputation.

**REVOCATION**

12. The Council may revoke any degree, diploma, certificate or other award, qualification or distinction granted by the University and all privileges connected therewith, if it shall at any time be discovered and proved to the satisfaction of the Council that there was any irregularity in the events or circumstances leading to the grant of that degree, diploma, certificate, or other award, qualification or distinction and, in the case of degrees and other distinctions conferred *honoris causa*, for such reasons as shall satisfy the Council.

Approved by the Council 23 March 2007
Effective from 8 July 2007
Revised by the Council 23 November 2007
1. The Remuneration Committee met on 26 September 2008 to review the remuneration of senior staff and to approve any increases.

2. The current membership of the Remuneration Committee is Lord Kerr (Chairman), Baroness Wilcox, Sir Peter Gershon and Dr G Gray (who sent his apologies), with the Rector in attendance for part of the meeting. The Committee was serviced by the Director of Human Resources.

3. The Committee considered in detail the remuneration of those senior staff reporting directly to the Rector. They also received analysis relating to the current remuneration of senior staff in the College (professorial and senior administrative staff). Increases for these staff had previously been approved by the Management Board following a process of discussion between Heads of Departments and Divisions, Faculty Principals and the Directors of the Administrative Divisions. These increases were duly noted by the Remuneration Committee for information though they commented that there appeared to be some award quantum inconsistencies between Faculties and that a tendency towards standardised bonus levels in some areas pointed to the possibility that more robust performance criteria might need to be established.

4. Increases in remuneration approved by the Remuneration Committee were implemented in the November payroll.

5. The Committee also considered a paper which addressed some of the College’s current remuneration issues. They shared the concern expressed in the paper about the 5% (RPI) increase effective from 1 October commenting that this would be challenging in affordability terms both for the College and the wider HE sector. Concern was also expressed about the upward drift in pension costs particularly in relation to the USS where a 2% funding gap had recently been identified. Whilst commending the current moves towards pension reform, the Committee suggested that this was an area of potential exposure that merited further consideration.

CG
1. The College has 50 live projects running at various stages with a gross value of over £300M. The gross spend in 2007-08 on capital projects was c. £130M. This Report provides information on all the major projects currently underway.

APPROVED AND UNDER CONSTRUCTION

2. South East Quadrant (£75m approved).

   a. Refurbishment of the Skempton lecture theatre and other enabling works are out to tender and the design is progressing for second stage release. A contractor will be appointed in early December 2008, with the second stage award to be made in mid-February 2009. Completion of the lecture theatre is due by June 2009.

   b. The design is progressing on Mechanical Engineering levels 0 and 1 Refurbishment Project; this will go out to tender by the end of January 2009 with a view to commencing works in May 2009.

   c. Presentations have been made by the design team and agreements reached with the Programme Board, Heads of Department, Rector and the Chief Operating Officer on the way forward for the following:

      (1) New Exhibition Road building massing and stepped atrium concepts – further work is to be undertaken in proving the benefit of light vs. space on different stepped options.

      (2) Entrance strategy – based on maintaining a single main entrance with a better pedestrian flow related design. A logistics exercise is to be undertaken to ensure the proposal copes with peak flows of personnel.

      (3) Developed building façade strategy – an angular and modular reconstituted stone and glass proposal is to be tested for durability. Planning feedback is being sought on this self-shading contemporary design.

      (4) Updated SEQ user space brief and space allocation. The final occupants for some areas are to be determined, but the initial focus is on ensuring the Mechanical Engineering, Aeronautics, Civil Engineering and Business School spaces are optimally designed to free up space for future expansion.

      (5) Mechanical Engineering Building West extensions – it was recognised that the ‘heavy extension’ in excess of two floors added would be unacceptably disruptive and expensive due to the heavy foundation strengthening works necessary. It was agreed to proceed with some strengthening as part of the levels 0&1 refurbishment works (already budgeted for in this section of cost plan) which would allow the flexibility of adding two floors later in the programme (light option). The final decision on this addition will not be required until Q2 2012.
Developed SEQ sustainability strategy. It was agreed to proceed with the strategy that focuses on a hierarchy from initial building design, efficient use of energy through to low carbon energy sourcing. The targets have been set against existing College buildings with energy and carbon reduction as low as 60% of existing and some 30% below HEEPI benchmarks. Energy performance certifications of C, B and A are proposed for Skempton, Mech Eng and the new building respectively. This project has been accepted by BREEAM to be used as a pilot study in establishing new ratings for educational buildings.

3. **Eastside (£64m)**. The Project is, in general, still two weeks ahead of programme. Internal fit out is more advanced. However, some complications in manufacturing tolerances have delayed the delivery and installation of curtain walling to the rear elevation. These now appear to have been overcome and with close management by our Project Director and Senior User a recovery programme is being rolled out. Provided this is maintained the internal advancement should not be compromised.

4. **Blocks L and J, Hammersmith (£99m)**.
   
a. Enabling works (including demolition of L&J blocks, services diversions and leaving a level site) currently out to tender. Main works tender will commence in February 2009.

b. Five contractors are in pre-qualifying for a three tender bid. Presentations were made to the five on 29 October by the College and Project Team to provide confidence to the bidders of the importance and prestige of the project, the potential for future projects and the level playing field for those taking part.

c. Block J outline planning application is due to be made mid-November. The feedback from planners has been positive thus far. Outline planning will be sought prior to Block J demolition. Demolition Block L commences April 2009.

5. **Commonwealth Building Refurbishment (£8.45m)**. Levels 6&9 are being refurbished ready for the decanting of Block L. After some initial delays the contractor has met the catch up programme, so completion is still scheduled for the end of January 2009.

6. **Wolfson Education Centre (£5.4m) and Imaging Centre (£5.5m)**. The Wolfson Education Centre is architecturally complete with final commissioning now in progress. Kitchen fit-out (a separate contract) is being driven hard to complete by end of year for the opening of the centre in January 2009. The Imaging Centre is complete but is waiting for a decision on the scanner to be installed.

7. **Capital Plant Replacement Phase 3 (£4.0m)**.
   
a. This phase of the Capital Plant Replacement continued from the previous phases on the replacement of business critical/ unreliable plant that generated the most complaints.

b. This is progressing towards a July 2009 completion and will include the replacement of the following key business critical plant: lifts (St Mary’s/ Electrical Engineering/ RSM Goods Lifts; 58 Prince’s Gate, RSM Passenger Lifts); 5 Year Electrical Testing, various chiller replacements, boiler replacement to 58 Prince’s Gate, ventilation upgrade to tunnels and replacement of Huxley water tanks.
8. **CABI Building Silwood Park (£2.6m)**. Refurbishment of this building for the Faculty of Natural Sciences is progressing towards a December completion.

9. **Royal School of Mines (£21m)**. The Fuel Processing Lab is targeted for completion mid-November. Lab refurbishments in the RSM are now complete.

10. **Wye Scientists Relocation (£2.8m)**.
    a. Having completed the installation of plant growth rooms into RCS1, a number of control issues have proven challenging to the supplier; plans are in progress to deal with the issue.
    
    b. The manufacture of a new glasshouse is underway and will be installed on the roof of the Roderick Hill building for the 2009 growing season. (Completion is expected in April 2009).

11. **Refurbishment 5th Floor Wright Fleming Building – St Mary’s (£2m)**. Complete and being occupied.

12. **Chemistry Infrastructure Upgrade (£1.4m)**.
    a. A Project Proposals Report has been approved. Project scope is to provide services infrastructure support for 3 Laboratory fit outs, CHEM 0701, 0702 & 0703.
    
    b. The Design/ Approvals process is in progress for tender mid – late November. Revisions to design implemented to take into account proposed future services and infrastructure upgrades to the Chemistry building.

13. **Replacement of Plant Beyond Economic Life (£1.8m)**. The upgrading of various items of critical plant that had exceeded their economic life is now nearly complete. This includes the key replacement of the following business critical plant items: heating and hot water pumps and associated controls, lifts (Ace/ Blackett/ Sherfield and Chemistry), Health and Safety works to Biochemistry Gantry, Legionella Prevention works, Silwood Park boilers, controls and replacement of heating plant at IRDB and CRB at Hammersmith.

14. **Toilet and Communal Areas Refurbishment 2008-09 - £1.5m**. The toilet and common areas programme for 2008-09 is progressing with the works due for completion in July 2009. The Condition Survey identified various toilets at the following locations in need of refurbishment/ enhancement as part of this programme: SAF, Flowers, Chemistry, Blackett, Ace, Roderic Hill, Mech Eng, Guy Scadding, St Mary’s, Hammersmith and Sherfield.

**PROJECTS IN PRE-CONSTRUCTION**

15. **St Mary's Library Project (£3.6m)**. This is progressing to Stage E design. Works are due to commence in September 2009.

16. **Main Dining Hall and College Kitchen Sherfield (£3.6m) plus SCR Improvements (£0.5m)**.
    a. This Project was approved at the October PRB. Design of Stage C is now progressing with the intent to upgrade during the summer recess 2009. This will breathe new life into the tired facilities and deal with the kitchen which is at the end of its useful life.
b. SCR improvements to layout and increased capacity will take place this Christmas. This has a three year business payback.

17. **Shock Physics (£0.8m)**. Design is progressing for the creation of a new lab for the Institute of Shock Physics.

18. **Demonstration Lab for Engaging Young People (£1.1m)**. Current proposals have been approved by Lord Winston. Stage E information is currently being developed and ongoing negotiation/ discussions are being held with the SEQ team in coordinating the projects. The coordination is complicated by the fact that the Demo Lab is to be completed before the SEQ façade works project is scheduled to commence.

19. **Advanced Manufacturing Facility (£2.2m)**. Design work is progressing at Stage E for a new ceramics lab created in vacant space in the Exhibition Road wing to the RSM. Due for completion September 2009.

**COMPLETED PROJECTS AND SNAGGING**

20. **Library Building Phase 1a (£3.5m) and Phase 2 (£6.25m)**. Officially opened at start of academic year and it has been extremely well received.

21. **Burlington Danes (£56m)**. Home Office validation has now been achieved. Some paint defects have emerged through the sterilisation process. These are being rectified and final VHP treatment is booked for early December. Alarms to the two buildings are also being separated to allow for individual testing. Anticipated occupation in March 2009.

22. **Lecture Theatre Refurbishment (£1.6m)**. Works to 11 lecture theatres have been completed over the last 2 years. The project team are now waiting on confirmation from PRB to proceed with the design for the complete refurbishment (including cooling) to 3 lecture theatres in RSM – G20, 131 and 228.

**STUDENTS’ UNION**

23. **Beit Quad (£3.3m)**. Work has commenced on site and is due for completion in June 2009. This marks the second phase of upgrading the Students’ Union.

**COLLEGE FUND PROJECTS**

24. **52 Prince’s Gate (£3m)**. This Project to upgrade this Grade II listed building is now complete with splendid office accommodation and a luxury apartment for the rental market.

25. **Development of 46-48 Prince’s Gardens and Mews (£11.2m College Fund)**. Due for completion in October 2009, this conversion to luxury apartments for the rental market is two weeks ahead of programme.
1. The Minutes of the meeting of the Senate held on 5 November 2008 are attached. The following points are drawn to the attention of the Council.

**MINUTE 1166 – RECTOR’S BUSINESS**

2. **New Academic Registrar.** The Senate was informed that Mr Bob Westaway BSc, MSc, MA, would be joining the College on 17 November 2008 as the new Academic Registrar.

3. **Examination of Research Degrees.**
   
a. The Senate was informed that revisions to the procedure for the appointment of research degree examiners, agreed by Senate on 20 February 2008 and 7 May 2008, which determined that an internal examiner would normally be of reader or professorial status but that lecturers or senior lecturers could fulfil this role provided that their Head of Department (or Division in the Faculty of Medicine) agreed they had appropriate experience, had caused concern in some parts of the College. They had also proved difficult to implement.

   b. In order to address these issues, and at the same time ensure that the standards of the College were upheld, Senate agreed clarifications to the criteria for appointment of internal examiners for PhD, EngD and MD (Res) examinations.

**MINUTE 1167 – PRO RECTOR (EDUCATION)’S BUSINESS**

4. **Times Higher Awards 2008.** The Senate was informed that the Graduate Schools had won the Outstanding Support for Early Careers Researchers award at the Times Higher Education Awards 2008. The College was one of six universities shortlisted for the award, and won the award in recognition of the *Your PhD: Finish Up and Move On* (FUMO) course for third year PhD students.

5. **National Student Survey.**
   
a. The Senate was informed that the results of the National Student Survey, now in its fourth year, had been published. The recent survey results had revealed that there were a number of areas where the College was being outperformed by other members of the Russell Group. The College’s participation rate in the survey was 56%.

   b. The Senate heard that one area where the College traditionally scored less well was assessment and feedback. The recommendations of the recent report of the Quality and Academic Review Committee’s Working Party on Student Feedback, accepted by Senate in June 2008, ought to help improve the type and style of feedback and the way that this was given to students. A working group would also be established with the student body to review the areas of concern highlighted in the survey.

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1. The Senate Minutes are not included with these Minutes, but are published separately.
6. **Postgraduate Research Experience Survey.**

a. The Senate was informed that Imperial had participated in the national Postgraduate Research Experience Survey (PRES) for the first time in 2007-08, replacing the internal ROLE survey. The College’s participation rate was 31.5%. The PRES survey offered a wealth of detail, far more than was possible in ROLE, and also enabled the College to benchmark itself with other Russell Group universities.

b. While Imperial students had made many positive comments, the survey did highlight some areas of concern. The Graduate Schools were currently undertaking a detailed analysis of all the PRES results and would provide feedback to individual Departments and Divisions.

7. **Registry Reorganisation.** The Senate was informed that the ‘go-live’ date for the new Registry structure was Monday, 3 November 2008. The new structure included teams focused on (a) admissions, (b) examinations and records and (c) quality assurance together with a team to support systems and communications. Within this structure, considerable provision had been made to improve the communication between Registry and its various customers, in particular the academic Departments. The process would be led by Faculty facing liaison officers. In the next phase of the Registry project the new Academic Registrar, Bob Westaway, would be working closely with the Registry staff and ICT to optimise the systems and processes which underpinned many aspects of Registry work.

8. **Quality Assurance Agency Institutional Audit.** The Senate was informed that the Quality Assurance Agency (QAA) had confirmed that it would conduct its next institutional audit of Imperial in the spring term of 2010. The College had suggested dates for the QAA’s Briefing Visit and Audit Visit in January and February 2010.

**MINUTE 1173 – OVERSEAS RESEARCH STUDENTS AWARD SCHEME 2008**

9. The Senate received an analysis of the results of the 2008 ORS Award Scheme competition.

10. The Senate was informed that the Single Selection Process for PhD Scholarships introduced in 2005 had proved again to be a successful and fair system by which all overseas students could apply for tuition fee support and at the same time be considered for additional scholarships for which they may be eligible. In 2008 the Single Selection Committee had divided the annual ORS grant from HEFCE (£975,688) between renewals (73%) and new awards (27%). In terms of numbers, for the start of session 2008-09, the College had assisted 21 new award holders; 14 commencing their studies in 2008 and 7 selected during their first year of study. A further 59 students would have their ORS award renewed this year.

11. It was noted that given the value of this scheme to the College’s institutional research capability, the decision by the Government to review the funding priorities for HEFCE, and announce recently that it was to withdraw its funding for the Overseas Research Students Award Scheme (ORSAS), was very disappointing. Funding for ORSAS would be phased out over 2009-10 and 2010-11 to cover existing award holders, but no new ORS awards would be made in England beyond 2009. The College’s concerns over this decision had been expressed in writing to HEFCE (via UUK).

N.W
BACKGROUND

1. The Higher Education Funding Council for England (HEFCE) requires that higher education institutions submit a monitoring statement and corporate planning statement annually. In previous years these statement have been completed at the end of each July and in order to be submitted to the HEFCE have had to be approved by Chairman’s Action. This year HEFCE has introduced a ‘single conversation’ point with institutions and these returns now have to be submitted at the same time as the College’s Annual Report and Accounts and the Financial Forecasts. The College is required to submit all these returns to HEFCE by Monday 1 December 2008.

ANNUAL MONITORING STATEMENT (AMS)

2. The Monitoring Statement reports on (i) progress in 2007-08 with regard to initiatives and projects for which we have received specific ring-fenced funding from HEFCE; and, (ii) other activities which HEFCE is required to review. The College is asked to provide assurance on the delivery of 2007-08 activities, targets and spend for each special funding initiative and to provide summary reports as applicable. Where there are significant problems, delivery of objectives has slipped and/ or there is a significant under spend (>10%) we are requested to provide more detail.

3. We are required to provide assurance on the following activities, which are linked to special funding initiatives:

   a. Our strategy for Learning and Teaching.

   b. Our strategy for projects to reach out to business and the community (Higher Education Innovation Fund Round Three).

   c. Our fulfilment of the Overseas Research Students Awards Scheme (ORSAS).

   d. Our use of additional research capital funding.

   e. Our estates strategy and expenditure related to Capital Investment Framework funding.

4. Specific points to note about the reporting requirements for these activities are:

   a. Learning and Teaching: We are asked to provide assurance on progress with activities and targets as outlined in our action plan.

   b. Projects to reach out to business and the local community: We are asked to provide assurance on progress with activities and targets as outlined in our HEIF 3 institutional plan.

   c. ORSAS: We are asked to report on the ORSAS awards made in 2007-08 and funding associated with this scheme.
d. Additional research capital funding: We are asked to report on spend and activities associated with this funding.

e. Estates strategy: We are asked to provide assurance on progress with activities and targets as set out in our estates strategy and related action plans.

5. The College has also been asked to report on the delivery of its objectives and targets for 2007-08 as outlined in its equality action plan. Where objectives and targets have not been met, a brief explanation and an indication as to the possible barriers to implementation is required. A report on activities to promote race, gender and diversity equality and diversity is required in each of the following areas and is included in the Monitoring Statement:

   a. Widening access
   b. Learning and teaching
   c. Business and the community
   d. Human Resource Management
   e. Research.

6. This year for the first time, HEFCE has asked us to report on our strategy for issuing Diploma Supplements to qualifying students. We are expected to provide information on any barriers to implementation and our planned activities for 2008-09.

7. In preparing the Annual Monitoring Statement internal progress reports were prepared on each of the activities. Items to be reported to HEFCE were then determined. The reports in the Annual Monitoring Statement were circulated for review to all those with responsibility for the areas/activities. All comments have been incorporated, as appropriate.

CORPORATE PLANNING STATEMENT (CPS)

8. Institutions are also required to produce a Corporate Planning Statement that sets out progress in achieving institutional priorities in 2007-08 and an outline of goals for 2008-09. Members of the Management Board and other Senior Managers have provided input and relevant sections of the CPS were circulated to all contributors including, for example, the Pro-Rectors, the Senior Principal, College Secretary and Deputy Director of HR.

RECOMMENDATION

9. The Management Board considered the College’s Annual Monitoring Statement and Corporate Planning Statement at its meeting held on 31 October 2008 and agreed to recommend them to the Council for approval.

10. The Council is now invited to consider, and if it sees fit, approve the College’s Annual Monitoring Statement and Corporate Planning Statement.

Michelle Coupland
October 2008
ANNUAL MONITORING STATEMENT 2008

(Please note: The College is required to answer only those questions shown below, hence the non-sequential numbering).

Teaching Quality Enhancement Funding

Question 4
Have you delivered the targets and objectives for 2007-08 in relation to funding from the Teaching Quality Enhancement Fund (TQEF) as agreed in your action plan submitted in response to HEFCE 2006/11, and in any subsequently agreed amendments?

• Yes

Question 5
For 2007-08 you received £451803 from the TQEF. Will any significant funds remain unspent at the end of academic year (AY) 2007-08?

• No

Overseas Research Students Awards

Question 7
Have you adhered to the objectives of the Overseas Research Students Awards Scheme (ORSAS) for 2007-08 as set out in the terms of funding (HEFCE Circular Letter 21/2005)?

• Yes

Question 8
For 2007-08 you received £975688 for ORSAS. Will any significant funds remain unspent at the end of AY 2007-08?

• No

Higher Education Innovation Fund round three

Question 37
In response to HEFCE 2005/46 you submitted an institutional plan for your use of Higher Education Innovation Fund round three (HEIF 3) formula funding in 2006-07 and 2007-08. Have you made progress as planned in 2007-08 towards delivering the activities and outcomes you set out in the plan?

• Yes
Question 38
Please provide a short summary (250 words maximum) of the key achievements of the year linked to HEIF formula funding.

The College delivered all HEIF objectives for 2007-08 and significantly enhanced its KT endeavours. For example, the College identified new collaborative partners and further extended the scope of its activities to include, inter alia, product design and nanotechnology. HEIF-funded projects continue to attract significant additional funding from external sources (including EPSRC, DIUS, TSB and LDA) and the College secured £44 million in research income from all industrial sources, continuing the upward trajectory. Major new projects include (i) Design London, a £5.8 million collaboration with the Royal College of Art; (ii) the Institute of Shock Physics, a £10 million project funded by AWE; and, (iii) CITIN, a £3 million collaboration with the University of the Arts London, the Royal Institute of British Architects and TIGA funded by TSB. Several companies matured through incubation, demonstrated by the substantial investment attracted. For example, two large funding rounds for therapeutic companies raised a total of £11 million for Circassia and £13 million for RespiVert. The College also implemented an Entrepreneur in Residence programme to accelerate the development of new companies and act as a source of proven management advice. Additionally, the Business School extended its KT and entrepreneurial educational activities under its Innovation, Entrepreneurship and Design programme. Notable examples include live projects which explore emerging innovations and taking ideas to market and a best-practice programme, encouraging the sharing of best practice in innovation and KT with a wider community of thought leaders, academic entrepreneurs and others in the College's industry, government and alumni networks.

Question 39
For 2007-08 you received a HEIF 3 formula allocation of £1499988. Will any significant funds remain unspent at the end of AY 2007-08?

- No

Additional research capital funding

Question 41
For your additional research capital funding for 2006-07 and 2007-08, can you confirm that you have used the funding for the intended purposes as described in HEFCE Circular Letter 03/2006?

- Yes

Question 42
For 2006-07 and 2007-08 you received a total of £5635141 for additional research capital funding. Will any significant funds remain unspent at the end of academic year (AY) 2007-08?

- No

Capital Investment Framework

Question 44
During the first quarter of 2008-09 you received £1131349 for learning and teaching and £6889713 for research. Has your expenditure of capital equalled or exceeded these allocations?

- Yes

Question 45
Have you broadly met the targets and objectives for 2007-08, as set out in your estates strategy?

- Yes

Question 46

Have you broadly met the targets and objectives from your action plan subsequent to your Association of University Directors of Estates self-assessment toolkit or your own effectiveness review of your estates management?

- Yes

Equality and Diversity Monitoring

Question 47

Have you delivered the objectives and targets for 2007-08 as agreed in your equality action plan?

- No

Please give further details, including any barriers to implementation:

The College has equality schemes for disability, gender and race and all have associated action plans. Targets relating to the five areas of Widening Access, Learning and Teaching, Business and the Community, Human Resource Management and Research are incorporated within these schemes and action plans and the majority of these have been met.

The Equal Opportunities and Diversity Committee (EO&DC) oversees equality and diversity issues within the College and reports directly to the Management Board. Additionally, the College has a variety of specialist consultative groups that are helping to push the equality agenda forward, specifically, the Academic Opportunities Committee (gender), the Disability Equality Sub-Committee (disability), ‘Imperial as One’ (race) and Imperial 600 (sexual orientation). Age and religious belief are also included within general equality and diversity activity.

In 2007-08, the College undertook a broad range of activities to further its equality and diversity agenda including a number of new initiatives. Significant achievements during 2007-08 have included ‘Imperial as One’ third anniversary celebrations and the second Equality, Practice and Innovation symposium. The symposium celebrated and publicised achievements and included high profile guest speakers such as Professor Lord Robert Winston. It provided an opportunity to share good practice initiatives with practitioners and professionals within the sector and further raised the profile of equality and diversity within the College. Presentations included discussion on key diversity issues including Raising Aspirations in Science, Inclusiveness in Healthcare, Gender Equality and Users of Healthcare Services (disabilities).

There are three main areas in which objectives and targets have not yet been fully delivered; however, it is anticipated that progress against these goals will continue to be made and the benefits realised over time:

1. The College has not yet been able to mainstream impact assessment at the policy formulation or revision stage. Impact assessments in relation to equality are undertaken by Human Resources with regard to policies and procedures that affect staff. An increased amount of activity is required in relation to conducting formal impact assessments for those areas that affect students and other College activity.

2. The College’s workforce composition targets in relation to female academics continue to be challenging, as does its representation targets for female and BME staff at the more senior management levels.

3. Considerable activity is undertaken to promote equality and diversity for students and staff. Much of it is in response to local needs and is effective by virtue of the fact that it deals with specific issues; however, to ensure an appropriate balance between proactive and responsive approaches, there needs on occasion to be greater connectivity between the staff equality infrastructure and that for students.
Widening Access and Participation

Question 48

Please briefly describe your gender, disability and race equality objectives for 2007-08 related to Widening Access

The College has a diverse student population. For those students who have disclosed their ethnic group 44% represent 13 separate BME groups. The largest groups are Indian and Chinese populations, each representing 11% of the total known student population and Black students 5%. Priorities relating to widening participation are covered within the College Code of Practice for Teaching, Widening Participation and Student Services. These tie in with the College’s Widening Participation strategy. The key priorities, shown below, include:

1. To continue to admit to the College students of the highest academic ability and motivation and to continue to ensure that the admissions process is implemented in accordance with equal opportunities policies

   Students continue to be admitted to the College on the basis of their academic ability and motivation and application and admission trends are monitored annually. Additionally, the College is considering the possible introduction of an entrance exam to form one part of its selection process. A trial will take place in 2008-09 and will involve existing students who are representative of the College’s diverse student profile. A key consideration of the trial will be to ensure that performance cannot be improved through coaching and that the exam is unbiased towards any nationality, race, culture, gender, background or disability.

2. To continue to raise the aspirations of all students regardless of background but focusing particularly on those students from lower socio-economic groups and communities

   The College’s outreach programme aims to raise the educational aspirations of all students, including those who are under-represented in Higher Education. The outreach programme is diverse and the College works particularly with schools which include pupils from economically disadvantaged backgrounds, many of which have high BME populations. In 2007-08, a total of 204 presentations or interview days were given in more than 120 schools; over 35,000 pupils and circa 5,000 parents were involved. ‘Imperial As One’ also supports the College’s widening participation activities through its annual ‘Creative Futures’ event, where members of the group host events for inner London primary schools whose pupils would not normally visit and engage with a university.

   The College holds a number of open days and Summer schools. For example, 200 female school pupils aged 14 and 15 attended a Science and Engineering Open Day in March 2008, which was aimed at encouraging girls of this age group to choose to study science and engineering subjects at both A-level and university. Between July and September 2008, 30 different courses took place aiming to raise aspirations amongst school pupils, further their interest in science and give pupils an experience of university life. In addition, the Clothworkers’ Mathematics Bursary Programme, which encourages pupils to take up A-Level mathematics and is managed by the Outreach Office and its partner Exscitec, won the Excellent Professional Practice in Curriculum and Student Support Award at the London Education Partnerships Awards held in June 2008.

   The College’s Outreach work was further advanced in 2007-08 by the appointment of Lord Professor Robert Winston as Professor of Science and Society, a new position in the College. In this role, Lord Professor Winston will focus on policies for enhancing engagement between scientists and the public, including school children. Aligned to this initiative, the College has committed significant funds to provide a purpose-built and accessible laboratory and seminar room to provide year round activities for teachers and school children.

   The College has continued to raise the profile of its talented staff and students with regular features in specialist publications, such as Smart Talent, (a careers magazine for black and minority ethnic students). These include staff who take an active role in teaching, outreach, science or community work. These profiles aim to (i) demonstrate how the College values
diversity and promotes an inclusive welcoming environment; and, (ii) raise aspirations from minority populations.

3. To ensure the needs of all students have been identified and catered for

While the College is a secular organisation, it welcomes the expression of religious faith and provides multi-denominational accommodation to facilitate this. It also continues to promote the understanding and valuing of different cultures through its support to clubs and societies that reflect the wide diversity of the student body. The College Chaplain works with other faith fora in the community (i.e. Jewish and Muslim faith leaders) and delivers a presentation at the corporate induction, held six times a year, to engage with staff and discuss provision.

Learning and Teaching

Question 49

Please briefly describe your gender, disability and race equality objectives for 2007-08 related to Learning and Teaching

Priorities relating to learning and teaching are covered within the College Code of Practice for Teaching, Widening Participation and Student Services. Various areas are identified as priorities for ensuring equal opportunity and promoting diversity.

1. The student experience

Equality and diversity information and procedures are communicated to students in various ways, including through the Handbook, a dedicated equalities website and activities during student orientation week. The Equality Opportunities and Diversity (EO&D) Consultant, Harassment Support Contacts, the College Disabilities Officer (during 2007-08, this post was extended from 0.7FTE to 1FTE) and personal tutors also provide support and guidance.

In 2007-08, the College commissioned an independent review of disability services, the recommendations of which are in the process of being implemented. For example, Disability Impact Assessments are carried out on all relevant procedures and the College has already identified necessary resource to provide additional practical support for dyslexic and other disabled students and to appoint additional Disabilities support.

2. To promote equality and good race relations via learning and teaching

The Centre for Educational Development (CED) runs a series of staff development activities linked to equality and diversity. For example, a one-day core workshop ‘Becoming a Personal Tutor’ is a compulsory part of the College HEA accredited Certificate in Advanced Study in Learning and Teaching (CASLAT). All probationary academic staff are required to attend the Workshop and other staff also do so. It equips staff to respond effectively to students from diverse cultures and backgrounds and raises awareness of equality policies. In 2007-08, the workshop was attended by 72 people. The Supporting Learning and Teaching Programme (SLTP) also includes awareness raising in the area of discrimination based on the grounds of, *inter alia*, race, gender, disability, ethnicity and culture and a session on ‘Disability and Diversity’ was introduced to the CASLAT programme in 2008.
3. **To consider the review of course design materials to ensure they promote equality**

   The workshop on 'Course Design (Designing for Learning)' is compulsory for all new academic staff. The Workshop requires participants to address the specific question ‘How does your practice and planning ensure that the curriculum, teaching, learning activities and assessment promote equality and are not discriminatory?’. Examples of the types of things that staff often consider with regard to making changes in their practice are, *inter alia*, avoiding the use of red and blue in graph examples (because those who are colour blind cannot distinguish between the two), being aware of the need to face students when teaching to aid those who lip read and considering even more carefully the composition of groups for group work.

4. **To ensure that new courses and the review of existing courses promote equality and to monitor data relating to ethnicity and diversity**

   Data relating to equality and diversity issues continue to be considered. The Equal Opportunities and Diversity Committee submits a detailed report annually for consideration by the Management Board. Additional reports are prepared on a range of subjects such as the difference in conversion rates between applications and admissions for different ethnic groups. The EO&DC will continue to monitor data relating to equality and diversity issues and will take action on all forms of discriminatory activities.

**Business and the Community**

*Question 50*

*Please briefly describe your gender, disability and race equality objectives for 2007-08 related to Business and the Community*

The key priorities for the College, in relation to promoting equality and diversity with its partners and the local community (including public authorities, private and voluntary organisations, related companies and research funders), are described in the College Code of Practice on Partnerships and Relationships with External Bodies and with Local Communities. It includes an action plan that focuses on the following key priorities:

1. **To Ensure that any partners, organisations and individuals with whom the College deals with, have and adhere to, an equal opportunities policy**

   The College makes every reasonable effort to work only with those who comply with the RRAA or its spirit. The College’s procurement processes incorporate components of the RRAA and its pre-qualification procedures with suppliers include questions around RRAA compliance. Conditions have also been incorporated into contractual documents, which cover race relations and equal opportunities. The College also follows best practice guidance issued by PROC-HE as published in the Equality in Higher Education (EHEP) toolkit.

2. **To broaden relevant networks so that the sharing of good practice on diversity initiatives can take place**

   Representatives from the College have participated in external networks and training courses to share their experiences of equality and diversity work. In addition, the EO&D Consultant is a member of the Royal College of Art’s (RCA) Race Equality Action Group. This allows scope for joint programmes and initiatives and enables the sharing of research and project work with opportunities to learn from others' success. A similar relationship exists with the Institute of Physics’ Diversity Committee.
The College has developed relationships with different areas of the community and has a cohort of black and minority ethnic mentors. These mentors are all proven leaders, working with and advising a wide range of public and private sector organisations on public and statutory duties and good practice. The College’s Faculty Female Ambassadors also engage externally by, for example, encouraging increased female representation on grant and fellowship awarding bodies. Additionally, the Equality, Practice and Innovation symposium included representatives from across the sector and within the broader community.

3. **To ensure that the College’s local community projects address equality issues**

The College has continued to ensure that projects with the local community address equality issues. The Imperial Volunteer Centre (IVC) encourages volunteering activities which focus on equality issues. Such projects include:

- The St Clements and St James Into University Project (including Focus Day visits to the College), which gives young people from ethnic minority backgrounds an opportunity to experience university life;
- The Refugee Council, whereby the IVC provides volunteers to act as tutors to refugee children;
- An After School Homework Project, which assists children from ethnic minorities;
- Science Club Project, run by the Baytree Centre, where volunteers enthuse young people about science. The Baytree Centre is a charity focused on providing various educational activities for women from ethnic minority backgrounds;
- Human Rights Monitoring Project, run by the Independent Monitoring Board (IMB). Volunteers monitor detention conditions and the treatment of detainees who represent various ethnicities at the Colnbrook Immigration Removal Centre; and,
- English Language Support Project, where volunteers provide English conversation sessions to overseas students/research associates and provide support to new starters, thereby providing an opportunity for cultural interaction between people from different backgrounds.

Feedback from external organisations demonstrates that the projects are well received by those communities with whom IVC works.

4. **To continue to monitor equal opportunities in relation to the Volunteer Centre**

The IVC continues to monitor equal opportunity issues, such as volunteers’ age, gender, ethnicity and disability, to ensure that volunteering is accessible to everyone within the College. Based on this information IVC reviews its current practices and, if necessary, carries out specific promotional campaigns to reach minority groups within the College (hitherto this has not been necessary). Race, gender, disability and other equality and diversity issues are also monitored amongst the external volunteering projects to increase the interaction between the College and its wider community through a variety of activities.

The College offers staff members time off from work to undertake development opportunities through volunteering. The latest volunteer profile shows that the College’s volunteers are 70% female; 12% staff; 60% undergraduates; 20% PhD students; 3% alumni or family members (5% were undisclosed). Of those students acting as volunteers, by fee status, 25% were home, 70% were overseas and 5% were EU.

**Human Resource Management**

**Question 51**

*Please briefly describe your gender, disability and race equality objectives for 2007-08 related to Human resource management*
Key priorities for rewarding and developing staff in the area of equality and diversity are mostly aligned to the priorities highlighted in Dimension 1 ‘Remuneration and Fair Employment’ of the College’s June 2007 HR Strategy Self-Assessment. Significant actions include the implementation of the College’s Race Equality, Disability Equality and Gender Equality Schemes (the last two also encompassing race equality). Highlights are:

1. **Gender Equality**

   In 2007-08, the Academic Opportunities Committee (AOC) established a Female Faculty Ambassadors’ Scheme to provide support for female academic and research staff. The College has been putting in place complementary actions, similar to those of the SWAN Charter, to achieve Juno Champion status and Faculty equality sub-committees have been established to prioritise, deliver, and build on the success of local and institutional initiatives. The capacity of the Early Years Education Centre has also been increased.

   Based on the success of the AOCs activities, the College will introduce a Gender Equality group. Its main focus will be staff in the professional, technical and operational families and it will concentrate on progressing the major issues that are highlighted in the Gender Equality Scheme Action Plan.

2. **Equal Pay**

   The College has undertaken equal pay audits annually since 2003 which cover ethnic origin, gender and disability. Since 2006, the College’s Equal Pay Group has had joint management/union membership. To date, no major inequalities have been identified that cannot be explained by pertinent factors such as length of service, promotion dates or location. In addition, as part of the College’s 2007 local pay negotiations, the College reduced the number of points on its lower pay scales in order to minimise inequalities for newer recruits. The College recognises that females and BME staff are under-represented at management and senior academic levels and has put in place a range of activities including, *inter alia*, development programmes for female academics and researchers, a leadership programme specifically for BME staff and interview training for managers.

3. **Harassment and Bullying**

   The College’s Harassment Support Contact scheme continues to be a useful adjunct to the formal support mechanisms in place. In 2007-08, the College revised its Harassment and Bullying Policy and continued to monitor and enhance its training programme for managers with a view to better equipping such individuals with the ability to identify and deal with concerns and issues.

4. **Consultation**

   The College continues to use focus groups, one-to-one interviews, exit interviews, surveys and specialist staff equality consultation groups to gauge opinion.

5. **Impact Assessment and Diversity Statistics**

   The College continues to collect and monitor diversity statistics. For example, the College followed an Equality Code of Practice on staff selection for the Research Assessment Exercise and decision-makers were trained on equality issues related to selection. Data providing information on staff submitted and staff not submitted have been analysed by HR and pertinent findings have been fed into the appropriate channels for information and action.
An objective for 2008-09 is to improve data collection, reporting and dissemination to enhance disaggregation by gender, ethnicity and disability and thereby ensure more in depth analyses of equality and diversity matters.

6. **Recruitment and Selection.**

Monitoring continues to show an increase in the numbers of BME, female and disabled staff applying to vacancies at the College. The overall number of BME staff has also increased year on year. The College is continuing to focus on entry and retention levels and provide training to ‘Imperial As One’ members so that more BME staff may be a position to participate in selection panels.

7. **Management Development.**

Senior managers are trained to take forward the equality agenda. Equality and diversity is also emphasised during Performance Review and Development Planning (PRDP) training sessions. During PRDP appraisées are assessed on their competency and success in developing others, promoting potential and promoting equal opportunities and diversity. The PRDP is used to inform the promotion and reward process; thus equality and diversity has been built into career progression and reward. The College also provides a leadership and management programme for BME staff. This programme has attracted interest from other HEIs and funding bodies, such as The Leadership Foundation.

Equality Awards are issued by the Rector as a means of recognising and rewarding those who are making a significant contribution to the College’s development priorities. Prizes include (i) Excellence in Leadership and Management; (ii) Mentoring Award; (iii) Equality and Diversity Award. In 2008, the college introduced three new categories: (iv) Excellence in Customer Service; (v) Public Engagement; and, (vi) Excellence in Pastoral Care.

8. **Communications.**

The College’s equality and diversity web site enables the College to publicise all relevant events, such as conferences, training and social events. Initiatives are also promoted through regular features in the staff newspaper, the prospectus and other publicity material.
Question 52

Please briefly describe your gender, disability and race equality objectives for 2007-08 related to Research

The sections on Learning and Teaching and Human Resource Management above include action that the College has taken in respect of academic staff (the vast majority of academic staff at the College are active researchers). The sections below deal with research staff, research students and the College’s approach to research management.

1. To employ research staff who contribute fully to the success of the College by ensuring that all have equal access to professional and personal development

   The Staff Development Adviser has dedicated responsibility for career development of research staff and continues to have a positive effect upon the College’s diverse research staff population. As at 1 November 2007, 37% of research staff were female and 27% of research staff were from an ethnic minority group (where ethnic minority was known).

   The College has signed up to The 7 Principles of the Concordat to Support the Career Development of Researchers. Principle 6 states that diversity and equality must be promoted in all aspects of the recruitment and career management of researchers, with particular emphasis on (i) eliminating discrimination; (ii) increasing equality and diversity in recruitment and retention; (iii) ensuring flexible working conditions and changing work patterns; (iv) addressing under representation; (v) participating in the Athena SWAN Charter; and, (v) addressing bullying or harassment.

   Research staff participate in a range of development programmes. In 2008-09, the College will continue to ensure the Roberts transferable skills training of research students and postdoctoral researchers is effective, particularly with regard to the development of global and intercultural awareness.

   Initiatives such as the Fellowship Days and Networking Lunches continue to be critical activities to support research staff and the management of research at the College. Enhancing the management skills of PIs, particularly with regard to recognising and understanding equality issues, is also an important part of the College’s extensive management development programme.

2. To ensure that the College provides all research students with relevant and developmental programmes of study

   For those postgraduate students who have disclosed their ethnic group 40% represent 13 separate BME ethnic groups. Of these the largest groups are the Chinese and Indian population which represent 13% and 6% respectively of the total know population (‘Other Asian’ represent 7%). The College’s two Graduate Schools continue to provide a suite of transferable skills courses for all its postgraduate students. MPhil and PhD students continue to be required to attend a minimum number of transferable skills courses, for example: Developing Cultural Awareness, Career Planning and Assertiveness Skills.

3. To ensure that the College’s Research Strategy, and that of the individual faculties, promotes equality where relevant

   The College continues to undertake a significant number of research projects that deal directly with medical issues, including barriers to access, facing diverse populations in the UK and in the developing world. In addition, the College seeks to apply its research findings where appropriate.
Diploma Supplement

Question 53
Do you issue a Diploma Supplement (DS) to all students completing a programme? If no, please give further details, including any barriers to implementation, and also answer questions 54 and 55.

- No

Imperial College is in support of Bologna objectives and has established a Bologna Task Force, which is chaired by the Pro-Rector (Postgraduate and International Affairs) and charged with developing and implementing initiatives which accord to the Bologna agenda. For example, in 2007-08 the group carefully reviewed all education programmes against Bologna ECTS criteria such that all courses will be Bologna compatible or Bologna transparent for 2009-10 entry. For all those courses which are already compatible, ECTS values are clearly stated in Course Specifications and will appear on student mark sheets.

The College initially considered the introduction of DS when part of the University of London. Following the College’s withdrawal in July 2007, it was evident that additional and careful consideration of the possible options would be required. The Bologna Task Force is taking this process forward with a view to ensuring that the eventual policy will (i) be appropriately aligned to the College’s specific mission and strategic objectives; and (ii) most effectively support student needs. Before implementation, the College will also identify a technological solution (transcripts are currently produced manually) and further clarify reporting requirements in the case of integrated Masters programmes.

Question 54
If you issue a DS to some, but not all, qualifying students, please give the categories of qualifying students (for example foundation degree, undergraduate programme, postgraduate taught programme, postgraduate research programme) to whom the DS is issued.

DS are issued to qualifying students on request.

Question 55
Are you planning to issue the DS to all qualifying students in the next reporting period, during 2008-09? If no, please give reason(s) why this will not be implemented.

- No

In 2008-09, the College will further advance its activities with a view to working towards the delivery of DS. For example, the Bologna Task Force will keep course provision under review in the light of Bologna criteria and take steps to clarify statements on ECTS in UG and PG prospectuses and DS. The provision of DS will be piloted in particular areas of the College when appropriate to ensure that when implemented it will be in the most appropriate form.

Higher education in further education colleges

Question 56
For your indirect funding agreements (sometimes known as ‘franchise agreements’ or ‘franchises’) with further education colleges, can you provide security of funding and student numbers for three years?

- Not applicable

Question 57
AMS Completed by:
BACKGROUND

1. As for 2007, the 2008 Corporate Planning Statement (CPS) is based on the College’s strategic themes and objectives.

MISSION AND STRATEGIC INTENT

2. The College’s Mission Statement is:

*Imperial College London embodies and delivers world class scholarship, education and research in science, engineering and medicine with particular regard to their application in industry, commerce and healthcare. We foster interdisciplinary working within the College and collaborate widely externally.*

3. The College’s Strategic Intent is:

- To remain amongst the top tier of scientific, engineering and medical research and teaching institutions in the world.
- To harness the quality and breadth of our research capability, across multiple disciplines, to address major challenges.
- To continue to attract and develop the most able students and staff worldwide.
- To develop our range of academic activities to meet the changing needs of society, industry and healthcare.
- To communicate widely the significance of science in general and the purpose and ultimate benefits of our activities in particular.

STRATEGIC THEMES AND OBJECTIVES DURING THE PLANNING PERIOD

4. The strategic agenda for Imperial College is based on a framework of five major themes, each having associated strategic objectives. Two core themes (A and B) are supported by three enabling themes (C, D and E):

   A. Education
   B. Research
   C. Resources
   D. Organisation
   E. Influence

HIGH LEVEL ANALYSIS OF PROGRESS DURING 2007-08 AGAINST THE PLAN

5. During 2007-08, Sir Roy Anderson took up office as Rector, beginning a new phase in the College’s history. Additionally, Imperial College Healthcare NHS Trust was formed, launching the
UK’s first Academic Health Science Centre. This will further advance the College’s research activities with particular emphasis on translation and interdisciplinarity. The College also continued to attract internationally renowned academic staff and launched a new Junior Research Fellowship scheme to recruit and support outstanding early career researchers.

In this period, the College concluded its Centenary year. Staff, external stakeholders and over 3,000 alumni, were involved in various events and activities to celebrate the centenary. Most significantly, the Centenary Campaign facilitated a substantial increase in the number of alumni donors and good progress was made towards the target of collecting £207 million by 2010. The College Fund was also formally established, which will help to achieve the College’s long term financial strategy particularly in terms of providing income in support of the College’s strategic objectives.

CPS APPROVAL

6. The CPS was approved by the Management Board on xx and the Council on xx

Signed of behalf of the institution by:
### Progress in 2007-08

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<td>A. Education</td>
<td>A.1. To continue to provide academically excellent courses within a world-class intellectually challenging and invigorating environment which is responsive to industry, commerce and society.</td>
<td>To ensure that all relevant taught courses are compliant with the Bologna criteria. To prepare for the Graduate entry MB BS from October 2008. To continue to develop the ‘Envision’ programme for engineering undergraduate courses. To prepare for the Chemical Engineering with nuclear engineering undergraduate course.</td>
<td>All College courses have been reviewed carefully against Bologna criteria. All courses will be Bologna compatible or Bologna transparent for 2009-10 entry. For those courses which are already compatible, ECTS values are clearly stated in the Course Specifications and will appear on student mark sheets. This course has commenced and 49 students registered on the course in October 2008. During the period, EnvVision became the main driver for the Faculty of Engineering’s future initiatives in education. A number of activities occurred to advance teaching and learning support and development in engineering, for example, (i) the first part of the South East Quadrant capital programme, which will provide improved learning environments and facilities for engineering students, commenced; (ii) a ‘Global Sustainability: the future for engineering education’ strategy forum, which discussed ways to embed sustainability in engineering education, was held in partnership with Arup, BP, Engineers Against Poverty and the Institution of Education and Schlumberger; (iii) and, the Professor John Lever Memorial Award, to recognise and reward current students who have contributed significantly to teaching and learning achievements in the Faculty, was established. The Departments of Chemical Engineering and Chemical Technology; Materials; and, Mechanical Engineering introduced new streams in Nuclear Engineering to their MEng undergraduate programmes at the start of academic year 2008-09.</td>
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### Theme Strategic Objectives | Objectives for 2007-08 | Progress during 2007-08 |
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<td>Following the provision of free three-hour master classes delivered in various company offices, a number of executive education courses have been developed successfully. Participants include, for example, the Wellcome Trust, the MRC, Tata, Arup, Laing O’Rourke, Nokia, the NHS, BT and the Royal Society. A comprehensive review of e-learning has been conducted and the working party has taken forward a number of initiatives. For example, pilots were undertaken in one department on the feasibility of providing laptops to students. The pilots will be extended to four departments across three faculties in 2008-09. An E-Learning Services Manager was appointed at the start of 2007-08 and further technical resources were provided to support the provision of the College’s Virtual Learning Environment (VLE), Blackboard-WebCT. Additional Learning Technologists were also appointed in all faculties and the Business School. Furthermore, the College upgraded to WebCT CE6.2 at the start of 2007-08 and this dual node system proved extremely reliable. As a consequence of these activities, usage of technology enhanced learning continued to increase across the College and over 75% of students now use WebCT. Training activity expanded considerably in 2007-08. For example, (i) new options and advanced courses were developed including a series of residential workshops; and (ii) the VLE and e-learning components of provision were enhanced. These further activities were supported by the appointment of 3.4 FTE new trainer posts, an e-learning officer and additional administrative support.</td>
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Council
21 November 2008
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<tr>
<td>A. To continue to develop teaching skills to maintain excellent educational provision.</td>
<td>To introduce the Biomedical Admissions Test (BMAT) for 2009 entry to the BSc/MSc in Biomedical Sciences.</td>
<td>The BMAT will be a requirement for 2009 admission to the BSc/MSc in Biomedical Sciences and the BSc/MSci in Pharmacology and Translational Medical Science.</td>
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<td>To design and deliver a workshop for inexperienced undergraduate admission tutors.</td>
<td>To enhance the admissions process through facilitating all admissions on-line and by providing more ‘faculty facing’ processes.</td>
<td>Recruitment and selection processes are currently being reviewed with a view to enhancing the efficiency of both UG and PG admissions processes and introducing new processes for selection.</td>
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<td>To continue to review home and international student recruitment in line with College strategy.</td>
<td>To develop wherever possible new scholarship</td>
<td>The College continues to review trends in applications and admission numbers with the aim of ensuring that it recruits those most able to benefit from the courses offered. At 31 December 2007, 28% of the student body were overseas fee-paying students. International students (including those from EU countries) represented 135 nationalities.</td>
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<td>B. Research</td>
<td>B.1. To continue to undertake research at the highest international level within a world-class intellectually challenging and invigorating environment.</td>
<td>To continue investment in the College’s academic staff in order to maintain research excellence.</td>
<td>Over the past year, internationally renowned academic staff or those with significant potential were recruited in order to establish new research areas of excellence and to strengthen existing activity. In support of the Academic Health Science Centre (AHSC), the College has committed to recruit 30 new world-class Professors to the Faculty of Medicine over the next three years, representing an investment of over £4 million a year. An external panel of distinguished academics selected four research teams to receive Research Excellence Awards per annum, worth up to £150,000 to each team.</td>
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<td>To continue to develop and implement a research strategy for the College which responds to scientific and funding developments and encourages multidisciplinary activities.</td>
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<td>A Senior Principal (Sir Peter Knight) has been appointed to consolidate the College research strategy with a view to ensuring greater interdisciplinarity and coherence. Additionally, the operations of the Strategic Research Committee, which reports to the Management Board and is chaired by the Senior Principal, were formalised and</td>
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**Council**

21 November 2008

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<td>To continue to provide internal mechanisms and schemes to encourage and support research of the highest international quality.</td>
<td>enhanced. For example, champions of strategically significant multidiscipline areas were identified. The Strategic Research Committee also oversees the Strategic Investment Programme, which currently provides £6 million seed funding for new multidisciplinary teams per annum. Two new interdisciplinary institutes, the Grantham Institute for Climate Change and the Institute for Security Science and Technology, were established.</td>
<td>The College established a new Junior Research Fellowship scheme, at a commitment of £3.6 million over the first three years of the scheme, to support outstanding young scientists in the early stages of their career. The awards will enable the world’s top early-career researchers to establish and develop their own scientific path by, for example, providing three years research time free from teaching and administration, a competitive salary and laboratory support costs. The first cohort will be recruited to commence employment in October 2009. Additionally, the programme of skills development for research staff was expanded to help ensure that they continue to contribute to high levels of research quality and productivity.</td>
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<td>B.2. To extend, work across or join the boundaries of research disciplines.</td>
<td>To continue to encourage effective co-ordination of bids for large research grants, encompassing a broad range of disciplines.</td>
<td>Research contracts management, research operations and support and research management roles have been combined into a single function to (i) champion and support research excellence across the College; (ii) provide support for strategic initiatives; (iii) add value to research activity through the development of systems; and, (iv) coordinate cross-college activity.</td>
<td>A number of initiatives are underway to support the development of research activities of long term benefit to the College, including the development of the AHSC.</td>
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<td>B.3. To enable the realisation of research and facilitate its application to industry, commerce, healthcare and society.</td>
<td>To establish an Academic Health Science Centre in partnership with the merged Hammersmith and St Mary’s NHS Trusts.</td>
<td>which aims to establish the College as a world leader in translational and interdisciplinary biomedical research. In collaboration with Chelsea and Westminster Hospital NHS Foundation Trust, £20 million has been secured (£10 million of which from NIHR) to support applied patient-directed research. A 10 year research partnership has been established between the College, Qatar Petroleum, Qatar Science and Technology Park and Shell worth US $70 million and the College and King Abdullah University of Science and Technology (KAUST) has signed a US $50 million Academic Excellence Alliance which will involve joint collaborations in research, curriculum development and academic recruitment. Further investment has been directed to the development of interdisciplinary research institutes which cross faculty boundaries. For example, the Institute of Biomedical Engineering was opened by the Queen in July 2007 and a new Institute for Security Science and Technology has been established. Initiatives are being developed to ensure that necessary resources and equipment are available for the College’s researchers, such as the Membrane Protein Laboratory (a multi million pound facility), which was opened on 1 September 2008. It will enable scientists to study the structure of important membrane proteins and recreate the high pressure conditions of deep-sea environments. Additionally, the College coordinated two Gates funded Programmes in Africa.</td>
<td>The AHSC was formally launched on 1 October 2007. It is the first such initiative in the UK and aims to integrate excellent biomedical research, teaching and healthcare provision by focusing on the translation of research into treatments that will benefit patients and the wider health sector. Executive personnel have been appointed with responsibilities that straddle both the College and the</td>
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<td>To continue to promote entrepreneurial activity.</td>
<td>Trust allowing a level of cross-partnership leadership previously unseen in the UK. A management structure, consisting of seven autonomous and clinically led Clinical Programme Groups, has been identified and directors and academic leads have been appointed.</td>
<td>Design London was launched in 2007 with £5.8 million in funding. The project is an interdisciplinary collaboration between the College’s Business School, the Faculty of Engineering and the Royal College of Art and aims to (i) encourage integrated teaching and research in areas of product and service development and design; (ii) promote SME innovation by enabling firms to work with accredited designers; and (iii) provide entrepreneurial graduates opportunities to develop new ideas. Additionally, in collaboration with the University of the Arts London, the Royal Institute of British Architects and TIGA (the trade body for Games Developers), the College is a key partner in the Creative Industries Technologies Innovation Network (CITIN), which has been awarded £3 million over a period of 3 years from the Technology Strategy Board. The mission of CITIN is to accelerate innovation in the creative industries in the UK through promotion of knowledge exchange, bringing innovation partners together and shaping the innovation agenda. Furthermore, the new Imperial Innovators of the Year Competition was launched in March 2008 to recognise the innovative ideas of staff and students. The Business School launched an Innovation, Entrepreneurship and Design (IED) programme, which draws on leading faculty and practitioners to teach and coach postgraduate students through a series of lectures, workshops and sponsored projects (sourced from both academic and industry inventors) and offers participants the opportunity to build their knowledge, skills and experience in innovation, entrepreneurship and design. The IED Fellows programme invites emerging academic inventors to participate in a similar learning and discovery process and the IED Best-Practice Programme encourages the sharing of best practice in innovation and knowledge transfer with a wider community of thought leaders, academic entrepreneurs and others in the College’s industry, government and alumni networks. Additionally, an Imperial Intrapreneurs Training Programme was launched, which was designed to help researchers improve their awareness of pharmaceutical and biotechnology sponsors with a view to, for example, better presenting their research to an industrial audience. The College has also developed commercialisation modules under the Robert’s transferable skills programme for PhD students (FURO: Finishing Up and Moving On) and Postgraduate students (IDEA League Summer School).</td>
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<td>To consider approaches to encouraging entrepreneurial skills amongst researchers.</td>
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<td>C. Resources</td>
<td>C.1. To become financially fully sustainable</td>
<td>To continue to develop and implement the financial strategy of providing capital for investment purposes.</td>
<td>The College Fund was formally established by the College on 1 August 2007. Its role is to ensure the achievement of the College’s long term strategy to secure financial stability by maximising the return from investment assets and providing a regular source of unfettered income to support the College’s objectives. An investment strategy has been established and good progress in developing the fund has been made. New processes have been implemented to cost and price externally funded research and to govern the bid management, approval and authorisation of research and research-related agreements. A recent TRAC QAV audit found no material issues with regards to the College’s accounting and reporting processes.</td>
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<td>To continue to review and refine TRAC and IEC accounting and to apply to costing and, where possible, pricing.</td>
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<td>C.2. To diversify and increase sources of</td>
<td>To continue to seek new sources of income especially for research.</td>
<td>The College continued to attract research funding from a variety of sources, including those based in industry and</td>
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<td>overseas. For example (i) the Institute of Shock Physics, which is dedicated to studying research that can be applied in many ways, was launched with funding of £10 million over five years from AWE; (ii) a 10 year research partnership was established between the College, Qatar Petroleum, Qatar Science and Technology Park and Shell worth US $70 million; and, (iii) a £6 million research centre was established in partnership with the mining company Rio Tinto with the aim of developing innovative mining techniques and technologies to improve the extraction of minerals, whilst minimising environmental impacts.</td>
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<td>C.3. To plan for future liabilities and assets.</td>
<td>To seek the designation of the College’s Reactor under the Energy Act 2004 to enable the Nuclear Decommissioning Authority (NDA) to accept responsibility for funding the decommissioning of the facility. To deliver a total return of 4% pa above the Retail Price Index from the Imperial College Fund measured over a rolling three year period, to enable a regular distribution of 4% of the net asset value to the College each year. To provide access to debt up to the limit determined by reference to the net asset value of the Fund.</td>
<td>The Cabinet Office has confirmed that the Government does not require the Reactor Centre to remain operational and that its decommissioning can proceed; however, recent changes and funding issues in the NDA have delayed discussions with this body. An investment strategy has been put in place to manage the College Fund with the intention of delivering a total return of 4% pa above the Retail Price Index and to alleviate risk. The College Fund is well placed to meet its target over the longer term. Debt remains within limits determined by internal borrowing rules (i.e. no more than 70% of the College Fund value) and the College continues to earn 6% on its cash deposits against a cost of borrowing of 5.4%.</td>
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<td>C.4. To attract, reward, develop and retain staff of the highest calibre.</td>
<td>To continue to implement the College HR strategy, including to provide competitive remuneration, supporting strategic staffing reorganisations and leveraging our reputation as a good employer through sustained equality and development activity.</td>
<td>USS Pension Smart was introduced in December 2007 and this mechanism provides savings based on National Insurance payments for both the College and individual staff. A review has also been undertaken with a view to ensuring efficiency, consistency and transparency in the award of performance payments in the form of accelerated increments, bonus payments and use of discretionary scale points. The College increased the minimum remuneration for senior academic staff as part of the pay framework review and removed the pay ceilings on the four academic grades to ensure that performance can be rewarded without procedural constraint. In terms of equality and development activity, the College has been putting in place complementary actions, similar to those of the SWAN Charter, to achieve Juno Champion status and Faculty equality sub-committees have been established to prioritise, deliver, and build on the success of local and institutional initiatives. The capacity of the Early Years Education Centre has also been increased.</td>
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<td>C.5. To maintain, develop and exploit the College estate so that facilities are appropriate for an internationally renowned institution.</td>
<td>Amongst other projects, to open the new Southside Hall of Residence, to begin work on a new Eastside Hall of Residence, to commence a renovation programme for the Huxley building, to commence design work for a new engineering complex, and to complete the SRIF funded projects.</td>
<td>The Southside Hall of Residence opened for students on schedule at the start of academic year 2007-08 and construction is progressing well on the Eastside Hall of Residence. The SRIF3 Programme of works was completed successfully with additional funded elements being concluded in the first quarter 2008-09. Refurbishment of the Central Library is complete and it was fully operational for the start of academic year 2008-09. The first part of the South East Quadrant Programme commenced. This is a major development project which will provide world class teaching and research facilities for engineering. The renovation programme for the Huxley building is on hold pending a decision on development options for the South East Quadrant which may lead to the Department of Computing vacating the Huxley building and freeing up additional space. In addition, significant projects have continued on the Hammersmith Campus. For example, the College-owned part of the Burlington Danes building opened in March 2008, the refurbishment of the Wolfson Education Centre is due for completion at the end of the year and the Commonwealth Building is being refurbished in phases (the final floors will be completed in 2009).</td>
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<td>To complete phase 2 (24 lecture theatres) of the project to refurbish the College’s main lecture theatres.</td>
<td>Due to logistical constraints caused by other adjacent projects, several planned refurbishment projects were postponed to the following year. Five lecture theatre refurbishments were completed by the start of academic year 2008-09.</td>
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<td>C.6.</td>
<td>To develop and provide management information appropriate to College needs</td>
<td>A number of initiatives are underway as part of the Management Information System programme. An organisational intelligence work stream has the aim of integrating multiple datasets to produce comparator benchmarks via analytical dashboards. The first aspect of this work, in relation to student data, has been released. Spiral, the College Digital Repository which holds the College’s research publications, was launched in 2007.</td>
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<td>D.1.</td>
<td>To develop a modern organisation which is efficient, effective and adaptable</td>
<td>Sir Roy Anderson took up office as Rector on 1 July 2008.</td>
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<td>D.2.</td>
<td>To implement effective management processes</td>
<td>The College Fund has a separate governance structure, under which authority to manage the assets within the College Fund is delegated from the Council to a separately constituted College Fund Board. The College Fund Board itself remains a core part of the College and operates from within the same legal entity. Mr Stewart Newton, an independent member, is Chair of the Board.</td>
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<td>D.3.</td>
<td>To set high standards for compliance with health, safety and environmental legislation and stay in tune with evolving legislation.</td>
<td>To manage the succession from Sir Richard Sykes to Sir Roy Anderson as Rector. To ensure that the College continues to be recognised in medical legislation as an institution authorised to deliver medical education.</td>
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<td>D.4.</td>
<td>To foster productive relationships internally and externally.</td>
<td>A further HASTAM review of the College’s actions in the light of its original recommendations, reported that the College had made good progress in developing a new Safety Management System (SMS). The College is committed to commissioning further annual external reviews of health and safety to ensure that the SMS is fully implemented, operational and effective. Internal Safety audits have recommenced accordingly and Professor John Wood was appointed to the position of College Safety Champion, a role which is charged with (i) assisting the Rector in promoting a positive health and safety culture throughout the College; (ii) ensuring that the Management Board is made aware of the health and safety implications of all strategic and operational Developments; and (ii) chairing the Health and Safety Committee. Additionally, the structure and membership of the College’s main health and safety committees were reviewed in summer 2008 to ensure that they were fit for purpose.</td>
<td></td>
</tr>
</tbody>
</table>

The College’s Disability, Gender and Race Equality Schemes continue to be implemented and a number of initiatives have also taken place. For example, the second Equality, Practice and Innovation symposium was held in June 2008, which celebrated and publicised achievements to date; ‘Imperial as One’ held its third anniversary celebrations in July 2008; and, the Academic Opportunities Committee established a Female Faculty Ambassadors’ Scheme to provide support for female academic and research staff. Additionally, an independent review was commissioned with regard to the accessibility of information for disabled students. The recommendations are in the process of being implemented.

Staff and students continue to undertake voluntary activities via the auspices of the Imperial Volunteer Centre.
<table>
<thead>
<tr>
<th>Theme</th>
<th>Strategic Objectives</th>
<th>Objectives for 2007-08</th>
<th>Progress during 2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Centre, many involving the promotion of equality of opportunity and which help to foster close and collaborative links with the College’s local and diverse population. At September 2008, 165 external organisations were registered with the Imperial Volunteer Centre and 864 students and 131 staff were registered volunteers. Additionally, the College’s Outreach Programme continued to raise aspirations and awareness of higher education. For example, (i) the Schools Visits Programme was further expanded with 204 presentations or interview days given in more than 120 schools; and (ii) 200 female school pupils aged 14 and 15 attended a Science and Engineering Open Day, which was aimed at encouraging girls of this age group to choose to study science and engineering subjects at A-level and later on at university. A number of international relationships with leading institutions have been developed, for example, (i) with the King Abdullah University of Science and Technology (KAUST); and, (ii) under the Rajiv Gandhi Centre for Innovation and Entrepreneurship. The College continues to work with its partners in the IDEA League, is playing an active role in the development of the proposed European Institute of Technology and is a formal partner in the European High Power Laser Energy Research Facility.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>To develop international relationships with a small number of leading institutions.</td>
</tr>
<tr>
<td>E. Influence</td>
<td>E.1. To understand and influence the thinking of key stakeholders</td>
<td>To maintain good relations with the main funding agencies on key issues for the college including the introduction of ‘metrics’ for research assessment and funding.</td>
<td>The College continues to maintain good relations with the main funding agencies and its academic and senior staff are represented amongst the board membership of many of these bodies. The College provided a formal response to the Research Excellence Framework consultation and is a pilot institution trialling the proposals.</td>
</tr>
</tbody>
</table>

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**PRIORITIES FOR 2008/09**

<table>
<thead>
<tr>
<th>Theme</th>
<th>Strategic Objectives</th>
<th>Strategic Priorities/ Key Activities in 2008-09</th>
</tr>
</thead>
</table>
| A. Education | A.1. To continue to provide academically excellent courses within a world-class intellectually challenging and invigorating environment which is responsive to industry, commerce and society. | To clarify statements on ECTS in UG and PG prospectuses and Diploma Supplements, to keep course provision under review in the light of Bologna criteria and take steps to develop Higher Education Achievement Reports.  
As part of the EnVision programme, to (i) deliver curriculum change in line with employer research; and, (ii) provide direction for common teaching spaces design where appropriate.  
To develop the College’s educational portfolio, particularly at postgraduate level, to ensure that it complements the research strategy by, inter alia, establishing new interdisciplinary programmes which cross faculty boundaries.  
To review quality assurance processes and procedures with a view to ensuring that the College is proactive in its approach to QA and prepared for the upcoming audit to be undertaken by the QAA.  
To further develop employer-relevant education in collaboration with industrial partners where appropriate.  
To take forward plans to develop a Postgraduate Health Science Academy within the AHSC as part of the College’s commitment to deliver first-class education.  
To further increase learning technology support and continue to actively assist in the development of technology enhanced learning across a broad range of applications, including assessment and the provision of enhanced formative and summative feedback to students.  
To develop the teaching of science communication and ethics for undergraduate and postgraduate students.  
To develop the College’s programme of ‘Continuing Professional Development’, in particular to support the needs of academia, industry, commerce and the health service.  
To continue to ensure that the College’s Roberts transferable skills training for research students and postdoctoral researchers is effective, particularly with regard to the development of global and intercultural awareness. |
<table>
<thead>
<tr>
<th>Theme</th>
<th>Strategic Objectives</th>
<th>Strategic Priorities/ Key Activities in 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.2</td>
<td>To attract and recruit, from any country, those students most able to benefit from College courses.</td>
<td>To ensure understanding of student feedback and act on this where appropriate. To continue to foster international collaborative relationships in line with the developing international strategy. For example, by developing joint masters and PhD programmes where relevant and appropriate. To develop and pilot new mechanisms for attracting and selecting those students most able to benefit from the College’s courses by, for example, conducting an in depth trial of a possible entrance exam in Autumn 2008. To implement recommendations arising out of the ongoing review of internal admissions procedures particularly in terms of further improving the effectiveness of communication between the Registry and academic departments.</td>
</tr>
<tr>
<td>B. Research</td>
<td>To continue to undertake research at the highest international level within a world-class intellectually challenging and invigorating environment.</td>
<td>To further develop a strategy for research with particular emphasis on facilitating interdisciplinary and translational research. To understand and act upon RAE 2008 outcomes as appropriate. To understand likely performance in the Research Excellence Framework and continue to participate in the REF pilot and related ongoing developments.</td>
</tr>
<tr>
<td>B.2</td>
<td>To extend, work across or join the boundaries of research disciplines.</td>
<td>To undertake a review of the College’s research institutes and centres to, inter alia, identify best practice in management structures and reporting lines. To identify further opportunities for cross-faculty research institutes. To identify opportunities for large scale programme bids and ensure that they are coordinated appropriately.</td>
</tr>
<tr>
<td>B.3</td>
<td>To enable the realisation of research and facilitate its application to industry, commerce, healthcare and society.</td>
<td>To develop a five year Strategic Plan for the AHSC which defines the AHSC governance and risk management arrangements, establishes a financial model and capital investment plan and defines key performance metrics. To increase the amount of NHS R&amp;D funding that is spent on research in the Faculty of Medicine and Imperial College Healthcare NHS Trust. To further develop knowledge exchange mechanisms by, for example, continuing to consider ways to generate collaborative research contracts with key industrial partners. To ensure that research in healthcare, energy (including energy creation technologies) and the environment, is directed to the benefit of society. To consider opportunities for the development of a cluster of specialist hospitals in North West London as part of the proposed initiatives suggested in the Lord Darzi’s NHS ‘Next Stage’ Review. To develop robust and sustainable IP management for the College, for example, by enhancing systems and interactions. To develop and enhance systems and information to support research and its management and administration.</td>
</tr>
<tr>
<td>C. Resources</td>
<td>C.1. To become financially fully sustainable</td>
<td>To continue to monitor the impact of IEC and ensure internal processes are aligned to maximise cost recovery. To optimise the operations of the College Fund and thereby utilise the College asset base.</td>
</tr>
<tr>
<td></td>
<td>C.2. To diversify and increase sources of income.</td>
<td>To continue to progress towards reaching the Centenary Campaign target of £207 million for 2010 by, for example, conducting targeted fund raising activities for specific projects e.g. capital projects (SEQ, St Mary’s Triangle site and Hammersmith redevelopments), student scholarships and interdisciplinary and strategically significant research centres. To be proactive in seeking to maximise the College’s income from the Government Matched Funding scheme through matching all Annual Fund donations and endowed gifts in support of scholarships or Chairs.</td>
</tr>
</tbody>
</table>
### Theme Strategic Objectives Strategic Priorities/ Key Activities in 2008-09

<table>
<thead>
<tr>
<th>Theme</th>
<th>Strategic Objectives</th>
<th>Strategic Priorities/ Key Activities in 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.3.</td>
<td>To plan for future liabilities and assets.</td>
<td>To continue with the project to decommission the College’s Nuclear Reactor and, as agreed with the NDA and the Department for Business, Enterprise and Regulatory Reform (BERR), to make a proposal for the designation of the Reactor to BERR. To ensure the transition of those assets which are no longer required for core academic activities so that they become viable.</td>
</tr>
<tr>
<td>C.4.</td>
<td>To attract, reward, develop and retain staff of the highest calibre.</td>
<td>To ensure that appraisal, training and reward structures are appropriate and provide necessary support so that the College’s academics are able to capitalise on their achievements and pursue national and international recognition. To provide a range of talent management initiatives to ensure that managerial and support staff provide effective and professional services to strengthen the College’s academic reputation and thereby recruit and retain excellent individuals. To (i) improve data collection, reporting and dissemination to ensure a more in depth analysis of equality and diversity matters; and (ii) undertake a range of equality and diversity initiatives to help meet the College’s representation targets.</td>
</tr>
<tr>
<td>C.5.</td>
<td>To maintain, develop and exploit the College estate so that facilities are appropriate for an internationally renowned institution.</td>
<td>Amongst other projects, (i) as part of ensuring the successful development of the AHSC, to commence the L Block building project, which will provide 13,000 sqm of world class medical research facilities and incorporate renewable energy generation and combined heat and power plant facilities shared with Imperial College NHS Trust; (ii) to complete Eastside residences for 2009-10 academic intake; and (iii) to commence the first project in the South East Quadrant (SEQ) redevelopment, namely to upgrade Civil Engineering structural testing facilities, create a 180 seat lecture theatre and develop world class research facilities.</td>
</tr>
<tr>
<td>C.6.</td>
<td>To develop and provide management information appropriate to College needs</td>
<td>To continue to realise the benefits of the organisational intelligence work stream within the MIS programme and to develop appropriate management information.</td>
</tr>
<tr>
<td>D.</td>
<td>Organisation</td>
<td>To consider and implement the recommendations arising from the review of the Registry.</td>
</tr>
<tr>
<td>D.1.</td>
<td>To develop a modern organisation which is efficient, effective and adaptable</td>
<td>To develop and revise the College’s strategic plan.</td>
</tr>
</tbody>
</table>

### Theme Strategic Objectives Strategic Priorities/ Key Activities in 2008-09

<table>
<thead>
<tr>
<th>Theme</th>
<th>Strategic Objectives</th>
<th>Strategic Priorities/ Key Activities in 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>D.2.</td>
<td>To implement effective management processes</td>
<td>To develop a sustainability strategy which makes clear the efforts which are currently being undertaken within the College to address international environmental concerns. To further develop automated and self-service facilities for a wide range of employee-related initiatives e.g. i-recruitment, Oracle Learning Management and On-Line Learning.</td>
</tr>
<tr>
<td>D.3.</td>
<td>To set high standards for compliance with health, safety and environmental legislation and stay in tune with evolving legislation</td>
<td>To ensure that new buildings and facilities are designed so as to operate in an environmentally responsible and sustainable manner as far as is practicable and to consider ways in which to take advantage of any relevant funding which becomes available from external sources to support green initiatives as appropriate. To (i) continue to introduce mechanisms to assess and record staff competence with regard to health and safety matters, and (ii) increase the range of related development activities provided. To implement the recommendations of the recent College review of internal health and safety committee structures and to replace annual reporting with ongoing assessment and feedback.</td>
</tr>
<tr>
<td>D.4.</td>
<td>To foster productive relationships internally and externally.</td>
<td>To develop an international strategy with particular reference to collaborations in teaching and research and to determine priorities in terms of (i) strategic developments in particular parts of the World; (ii) links with other institutions; and, (iii) giving consideration to suitable sites for activities in other countries. To investigate possible means of acquiring access to or shared ownership of specialised and expensive research equipment by pooling funds in collaboration with other institutions To continue to develop the success of the College’s outreach programmes in (i) raising aspirations in science amongst disadvantaged pupils; and, (ii) encouraging broader community engagement.</td>
</tr>
<tr>
<td>E. Influence</td>
<td>E.1. To understand and influence the thinking of key stakeholders</td>
<td></td>
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<tr>
<td>--------------</td>
<td>---------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To monitor and encourage the involvement of staff in the operation and strategic decision making of RCUK bodies with a view to enhancing influence.</td>
<td></td>
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<tr>
<td></td>
<td>To play a leading role in the development of AHSCs.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To ensure that all relevant stakeholders are aware of the need for a sustainable and acceptable governance structure for the AHSC.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To monitor plans for the UK Centre for Medical Research and Innovations and ensure that opportunities for involvement are created in collaboration with current partners and maintain activity with regard to the Global Medical Excellence Cluster.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To maintain involvement in HEFCE activities with regard to the development of a new research assessment framework and other strategic priorities.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To prepare for the implementation of the Research Excellence Framework and influence discussions so that it is able to identify and fund the highest quality research appropriately.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>To liaise with key stakeholders in the forthcoming governmental review of the cap on tuition fees charged to home undergraduate students.</td>
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<tr>
<td></td>
<td>To ensure that excellent prospective overseas students, particularly those wishing to undertake research degrees, do not find College programmes to be financially prohibitive in the light of international economic developments and to consider ways to mitigate against other possible barriers to them studying in the UK (e.g. visa restrictions and security checks especially with regard to ‘sensitive’ research).</td>
<td></td>
</tr>
</tbody>
</table>
1. We are required, as part of our so-called “single conversation” with HEFCE, to submit in December a 5 year financial plan, approved by Council. HEFCE provide us with a number of assumptions which, whether we agree with them or not, we are obliged to use. They include:

a. HEFCE Core grants - 2.5% p.a. increase.

b. Research Councils grants - 2.5% p.a. real repeat real increase.

c. Research councils’ Contribution - 80% of full economic cost.

d. Student Fees – No real increase in top up fees for Home and EU undergraduate students.

e. HEFCE Capital expenditure grants to be £104m over three years.

2. Our proposed submission to HEFCE assumes that growth in our expenditure will broadly match the income levels.

3. Council is asked to approve the submission of the attached 5 year financial plan. That said, Council should not think that the 5 year figures to be so submitted are those to which the College is wedded to working. For, in reviewing HEFCE’s assumptions and the projections given to Council in July 2008, it is clear that the market turmoil of the recent past has rendered some of these underlying assumptions of questionable validity.

4. So, irrespective of HEFCE’s requirements, we have commenced a review of the 5 year plan as presented to Council in July 2008. The first step in this review took place at the recent executive Away Day, when a series of questions were posed to the senior staff of the College. The purpose of this first step was not to establish answers to questions, but to provide a framework within which the 2008/9 5 year plan could be prepared. It achieved its purpose: there was a clear consensus; that the College could not and would not sleepwalk towards a financial deterioration; that the College’s financial position was strong now; that the structure of the College’s finances was such that it had an in-built cushion of 18-24 months; but that now was the time to address the prospect of a less than helpful backdrop to the College’s finances.

5. The Council is therefore asked to note that the 5 year plan to be submitted to HEFCE immediately after this Council’s meeting will almost certainly be different from the one to which the College will in practice be working from early in 2009.
‘Single Conversation’
annual accountability returns 2008

Financial commentary on past performance and future prospects

A. Financial Strategy/overview
In accordance with Hefce guidance the figures presented in the 2006/07 and 2007/08 columns of the attached financial tables are those as reported in College’s audited financial statements. As these are consolidated statements they include the results of Imperial Innovations Group plc in which the College holds a 52% majority interest. However for commercial and market sensitivity reasons the forecasts for 2008/09 and the three succeeding years do not include any values relating to the trading activities and the resultant changes in the balance sheet of Imperial Innovations Group plc.

B. Past performance
For comments on past performance please see the report of the Chief Operating Officer in the audited financial statements for 2007/08.

C. Future prospects
1. Introduction - the figures provided in this return are based on College’s business plan prepared earlier this year, adjusted to reflect the 2007/08 outturn position and also to take account of the Hefce guided assumptions. These include:

   - Hefce Core grants – 2.5% p.a. increase
   - Research councils grants - 2.5% p.a. real increase
   - Research councils’ Contribution – 80% of full economic cost
   - Student Fees – No real increase in top up fees for HEU undergraduates Hefce
   - Capital expenditure grants to be £104m over three years

This submission assumes that growth in our operating expenditure will broadly match the growth in income levels.

   In reviewing these assumptions, it is clear that the recent financial turmoil has rendered some of these underlying assumptions of questionable validity. We have therefore commenced a review of the 5 year plan assumptions and this will provide a framework within which the next, i.e. 2009/10, 5 year plan can be prepared early in the new year.

2. Financial Stability
i. Our financial strategy is to ensure that the College continues to develop and secure a position of financial strength to allow investment in College defined priorities to ensure financial stability and to meet and further its strategic objectives

   ii. The College is planning to generate annual surpluses from its operations, at £7m in 2008/09, rising to £11m in 2011/12. The College aims to achieve this through the continued disciplined approach to expenditure planning and to the coherent analysis of planned investments.

   iii. These forecasts take account of the costs of servicing the long term borrowings, the increased costs relating to the amortisation of College funded fixed assets, and full economic costing (IEC) for Research Council grants. The planned operating surpluses are principally due to the additional contribution from the IEC grants and, although this is recorded as surplus in our Income statement and adds to our reserves, this income is being used to acquire equipment and renew and develop our research infrastructure base.
iv. The College continues to invest in the recruitment of research, academic and other professional staff. Staff costs remain at around 55% of the total College expenditure throughout the plan period.

v. The College plans to invest in circa £350m over the four year plan period (2008/09 – 2011/12) of which £104m will be funded from Capital Investment Framework (CIF) grant, already secured from Hefce. College’s share of this investment is therefore planned at £240m, i.e. an annual average spend of £60m which is in line with the College funded capital expenditure of recent years.

vi. As stated in our last year’s submission, to provide maximum flexibility to fund our investment programme, and to manage the associated risks, the College has a borrowing policy in place with facilities of up to £175m. The borrowing policy permits a strategic approach to optimising the return from the asset base of the College. The borrowing facilities have since been drawn down and we now have a long term external borrowing of £173m. This, together with cash and short term investment of £217m gives us a net cash position of £44m at the start of this financial year. However almost all of this £44m net cash relates to our subsidiary Imperial Innovations Group plc which it will use to invest in its technology business and does represents cash that can be used by the College. The annual operating results forecasts take account of the cost of servicing these long term borrowings.

vii. The need to extract maximum value from surplus property assets and IPR realisation remains clear. However, in the short term, emphasis continues on tight control of the operating result and effective treasury management.

3. Key Risks

i. Lower than planned research activity, leading to lower contribution will impact our equipment replacement programme and also annual surplus position, which in turn could present liquidity issues in the later years of the plan.

ii. Reduction in overseas student numbers – The College’s fee income from overseas students totaled £61m in 2007/08. The plan assumes these numbers will remain broadly unchanged. Any significant reduction in its overseas student population would have a major impact on its capacity to invest in core activities.

iii. Pay inflation - The College continues to invest in the recruitment of research, academic and other professional staff and the staff costs remain at around 55% of the total College expenditure throughout the plan period. In common with other HEIs and in line with the national pay agreement, three pay increases totalling over 11% have been awarded over the last fifteen months. These awards, together with higher rate of pension contributions, add a significant burden to College resources. Any future increases above the 2.5% that has been assumed in this plan will present a significant risk to the planned surplus positions.

iv. A substantial part of the College income, both from research activities and overseas student fees, can be affected by changes in exchange rates and could therefore have an adverse impact on overall College income.

v. The capital expenditure programme totals close to £350m in the four year of the plan of which some 30% is anticipated to be met from grants from hefce and other sources. Any reduction in such grants will seriously restrict our ability to invest for the development of our infrastructure base.

vi. With the major construction activities in the country, associated particularly with the 2012 Olympics, there is a risk of higher construction cost inflation. This, together with any slippages, in terms of cost overruns or timelines, in our substantial capital expenditure programme, would have an adverse impact on the financial position and on the academic mission of the College.

vii. RAE Outcome - Any changes in the RAE rankings might impact the College share of the hefce core grants and could therefore impact our academic mission.
4. **Changing economic conditions**

The current economic climate and the ongoing financial volatility presents significant
difficulties to the College and an exercise is underway to review the potential risks
and their impact on College activities. In summary we anticipate the following major
risks:

i. Curtailment of government expenditure leading to lower funding for the HEIs

ii. Inflation impact, particularly pay, utilities and construction

iii. Sterling collapse

iv. Interest rates

D. **Financial tables**

1. **Income and Expenditure and Balance Sheet** - No year on year movements on the
   income and expenditure account or changes in the balance sheet are worthy of
   comment, other than those noted above.

2. **Student Numbers** - The plan assumes modest increases of 7% and 8%
   respectively in the HEU and overseas student population between 2008 and 2011.

3. **Exceptional and unusual items** - No exceptional items are assumed in the plan
   years.

E. **Commentary approval**

The forecast tables and commentary were approved by the Council at its meeting on 21
November 2008.

Signed on behalf of the institution by:

Sir Roy Anderson, Rector  
Martin Knight, Chief Operating Officer
## Financial indicators (automated table)

### Institution: Imperial College

<table>
<thead>
<tr>
<th>Code: H-0132</th>
<th>UKPRN: 10003270</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Historical cost surplus/(deficit) as a % of total income</strong></td>
<td>0.5 4.7 1.1 1.5 1.6 1.6</td>
</tr>
<tr>
<td><strong>Discretionary reserves excluding pension asset/(liability) as a % of total income</strong></td>
<td>37.3 39.2 38.9 39.2 39.4 40.1</td>
</tr>
<tr>
<td><strong>External borrowing as a % of total income</strong></td>
<td>22.2 28.7 27.5 26.2 24.2 22.6</td>
</tr>
<tr>
<td><strong>Net cash flow as a % of total income</strong></td>
<td>6.5 7.6 3.4 4.8 4.9 5.1</td>
</tr>
<tr>
<td><strong>Net liquidity days</strong></td>
<td>92 130 83 64 59 42</td>
</tr>
</tbody>
</table>

### Table 1: Income and expenditure account

<table>
<thead>
<tr>
<th>Code: H-0132</th>
<th>UKPRN: 10003270</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td>£000 £000 £000 £000 £000 £000</td>
</tr>
<tr>
<td>1. Funding body grants</td>
<td>155,209 165,088 173,683 177,225 184,022 192,073</td>
</tr>
<tr>
<td>2. Tuition fees and education contracts</td>
<td>85,172 96,000 110,746 117,011 124,507 130,025</td>
</tr>
<tr>
<td>3. Research grants and contracts</td>
<td>230,019 255,469 266,389 281,275 293,572 300,912</td>
</tr>
<tr>
<td>4. Other income</td>
<td>74,543 72,646 70,168 71,923 73,721 75,564</td>
</tr>
<tr>
<td>5. Endowment and investment income</td>
<td>11,196 13,966 8,541 7,402 7,710 7,607</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td>556,139 603,169 629,527 654,835 683,532 706,179</td>
</tr>
<tr>
<td><strong>Less: share of income from joint venture(s)</strong></td>
<td>0 -33 0 0 0 0</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>556,139 603,136 629,527 654,835 683,532 706,179</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td>£000 £000 £000 £000 £000 £000</td>
</tr>
<tr>
<td>9. Staff costs</td>
<td>300,386 324,914 345,376 358,896 372,546 381,860</td>
</tr>
<tr>
<td>10. Other operating expenses</td>
<td>217,715 227,484 230,990 234,294 243,789 250,266</td>
</tr>
<tr>
<td>11. Depreciation</td>
<td>32,799 36,857 39,805 45,302 50,093 56,412</td>
</tr>
<tr>
<td>12. Interest and other finance costs</td>
<td>4,966 6,852 6,656 6,553 6,345 6,334</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>555,866 596,107 622,827 645,046 672,773 694,872</td>
</tr>
<tr>
<td><strong>Surplus/(Deficit)</strong></td>
<td>273 7,029 6,700 9,789 10,759 11,307</td>
</tr>
<tr>
<td>15. Share of surplus/(deficit) in joint venture(s) and associates</td>
<td>34 67 0 0 0 0</td>
</tr>
<tr>
<td>16. Taxation</td>
<td>-5 -8 0 0 0 0</td>
</tr>
<tr>
<td>17. Minority interest</td>
<td>2,376 2,392 0 0 0 0</td>
</tr>
<tr>
<td>18. Exceptional items</td>
<td>0 17,270 0 0 0 0</td>
</tr>
<tr>
<td><strong>Surplus/(deficit) for the year transferred to accumulated income in endowment funds</strong></td>
<td>586 387 463 475 486 499</td>
</tr>
<tr>
<td><strong>Surplus/(deficit) for the year retained within general reserves</strong></td>
<td>3,264 27,137 7,163 10,264 11,245 11,806</td>
</tr>
</tbody>
</table>

**Note of group historical cost surpluses and deficits for the year ended 31 July**

1. Surplus/(deficit) on continuing operations before taxation | 2,683 26,758 6,700 9,789 10,759 11,307 |
2. Difference between a historical cost depreciation and the actual charge for the year calculated on the re-valued amount | 0 0 0 0 0 |
3. Realisation of property revaluation gains of previous years | 325 1,858 0 0 0 0 |
4. Historical cost surplus/(deficit) for the year before taxation | 3,008 28,616 6,700 9,789 10,759 11,307 |
5. Historical cost surplus/(deficit) for the year after taxation | 3,003 28,608 6,700 9,789 10,759 11,307 |
## Table 2: Balance sheet

**Institution:** Imperial College  
**Code:** H-0132  
**UKPRN:** 10003270

<table>
<thead>
<tr>
<th>Institution:</th>
<th>Actual</th>
<th>Actual</th>
<th>Forecast</th>
<th>Forecast</th>
<th>Forecast</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31/7/07</td>
<td>31/7/08</td>
<td>31/7/09</td>
<td>31/7/10</td>
<td>31/7/11</td>
<td>31/7/12</td>
</tr>
<tr>
<td></td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

### 1. Fixed assets
- **Intangible assets**: 0
- **Tangible assets**: 575,784 665,315 738,024 778,544 790,273 792,183
- **Investments**: 57,310 47,330 63,038 68,038 72,038 72,038
- **Investments in joint ventures: share of gross assets**: 0 357 0 0 0 0
- **Investments in joint ventures: share of gross liabilities**: 0 -357 0 0 0 0
- **Total**: 633,094 712,645 801,062 846,582 862,311 864,221

### 2. Endowment assets
- **Endowment assets**: 58,169 55,981 64,981 68,981 68,981 73,981

### 3. Current assets
- **Stock**: 308 320 320 320 320 320
- **Debtors**: 92,111 92,495 92,808 95,308 97,808 100,308
- **Investments**: 82,307 141,000 0 0 0 0
- **Cash at bank and in hand**: 7,306 6,456 132,213 104,483 100,139 73,337
- **Total**: 232,032 300,271 225,341 200,111 198,267 173,965

### 4. Creditors: amounts falling due within one year
- **Creditors**: 209,950 244,138 245,026 248,516 250,543 252,230
- **Current portion of long-term liabilities**: 220 0 0 0 0 0
- **Bank overdrafts**: 7,080 8,685 0 0 0 0
- **Total**: 217,250 252,823 245,026 248,516 250,543 252,230

### 5. Net current assets/(liabilities)
- **Net current assets/(liabilities)**: 14,782 47,448 -19,685 -48,405 -52,276 -78,265

### 6. Total assets less current liabilities
- **Total assets less current liabilities**: 706,045 816,074 846,358 867,158 879,016 859,937

### 7. Creditors: Amounts falling due after more than one year
- **External borrowing**: 123,200 173,200 173,200 171,267 165,487 159,708
- **Other**: 2,275 1,888 1,888 1,888 1,888 1,888
- **Total**: 125,475 175,088 175,088 173,155 167,375 161,596

### 8. Provisions for liabilities and charges
- **Provisions for liabilities and charges**: 9,330 11,623 9,072 8,413 8,754 9,096

### 9. Net assets excluding pension asset/(liability)
- **Net assets excluding pension asset/(liability)**: 571,240 629,363 662,198 685,590 702,887 689,246

### 10. Pension asset/(liability)
- **Pension asset/(liability)**: 100 0 0 0 0 0

### 11. Net assets including pension asset/(liability)
- **Net assets including pension asset/(liability)**: 571,340 629,363 662,198 685,590 702,887 689,246

### 12. Deferred capital grants
- **Deferred capital grants**: 308,636 334,568 351,703 361,306 367,844 337,896

### 13. Endowments
- **Expendable**: 19,032 18,688 25,823 27,865 25,810 28,651
- **Permanent**: 39,137 37,293 39,158 41,116 43,171 45,330
- **Total endowments**: 58,169 55,981 64,981 68,981 68,981 73,981

### 14. Reserves
- **Income and expenditure account**: 168,264 199,012 205,712 215,501 226,260 237,567
- **Pension reserve**: 100 0 0 0 0 0
- **Revaluation reserve**: 17,390 6,443 6,443 6,443 6,443 6,443
- **Minority interest**: 18,781 33,359 33,359 33,359 33,359 33,359
- **Total reserves**: 204,535 238,814 245,514 255,303 266,062 277,369

### 15. Total funds
- **Total funds**: 571,340 629,363 662,198 685,590 702,887 689,246
### Table 3: Cash flow statement

<table>
<thead>
<tr>
<th>Institution: Imperial College</th>
<th>Actual</th>
<th>Actual</th>
<th>Forecast</th>
<th>Forecast</th>
<th>Forecast</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code: H-0132</td>
<td>UKPRN: 10003270</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>1. Net cash inflow/(outflow) from operating activities (Table 4 head 15)</td>
<td>35,941</td>
<td>45,719</td>
<td>21,279</td>
<td>31,677</td>
<td>33,393</td>
<td>36,026</td>
</tr>
<tr>
<td>2. Returns on investments and servicing of finance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Income from endowments</td>
<td>1,527</td>
<td>2,141</td>
<td>2,756</td>
<td>3,244</td>
<td>3,849</td>
<td>4,600</td>
</tr>
<tr>
<td>b. Income from short-term investments</td>
<td>6,442</td>
<td>11,044</td>
<td>5,785</td>
<td>4,157</td>
<td>3,861</td>
<td>3,006</td>
</tr>
<tr>
<td>c. Other interest received</td>
<td>722</td>
<td>742</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>d. Interest paid</td>
<td>-6,339</td>
<td>-7,022</td>
<td>-6,656</td>
<td>-6,553</td>
<td>-6,345</td>
<td>-6,334</td>
</tr>
<tr>
<td>e. Other items</td>
<td>781</td>
<td>740</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>f. Net cash inflow/(outflow) from returns on investments and servicing of finance</td>
<td>3,133</td>
<td>7,645</td>
<td>1,885</td>
<td>848</td>
<td>1,365</td>
<td>1,272</td>
</tr>
<tr>
<td>3. Taxation</td>
<td>-5</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4. Capital expenditure and financial investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Payments to acquire tangible assets</td>
<td>-90,832</td>
<td>-131,761</td>
<td>-112,514</td>
<td>-85,822</td>
<td>-61,822</td>
<td>-58,322</td>
</tr>
<tr>
<td>b. Payments to acquire endowment asset investments</td>
<td>0</td>
<td>-2,527</td>
<td>-19,708</td>
<td>-5,000</td>
<td>-4,000</td>
<td>0</td>
</tr>
<tr>
<td>c. Total payments to acquire fixed/endowment assets</td>
<td>-90,832</td>
<td>-134,288</td>
<td>-132,222</td>
<td>-90,822</td>
<td>-65,822</td>
<td>-58,322</td>
</tr>
<tr>
<td>d. Receipts from sale of tangible assets</td>
<td>863</td>
<td>28,964</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>e. Receipts from sale of endowment assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>f. Deferred capital grants received</td>
<td>41,806</td>
<td>52,679</td>
<td>38,500</td>
<td>32,500</td>
<td>32,500</td>
<td>0</td>
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<tr>
<td>g. Endowments received</td>
<td>370</td>
<td>5,105</td>
<td>4,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>h. Other items</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>i. Net cash inflow/(outflow) from capital expenditure and financial investment</td>
<td>-47,793</td>
<td>-47,940</td>
<td>-89,722</td>
<td>-58,322</td>
<td>-33,322</td>
<td>-58,322</td>
</tr>
<tr>
<td>5. Management of liquid resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Financing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Capital element of finance lease repayments</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>b. Mortgages and loans acquired</td>
<td>0</td>
<td>50,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>c. Mortgage and loan capital repayments</td>
<td>0</td>
<td>0</td>
<td>-1,933</td>
<td>-5,780</td>
<td>-5,779</td>
<td>0</td>
</tr>
<tr>
<td>d. Other items</td>
<td>26,280</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>e. Net cash inflow/(outflow) from financing</td>
<td>0</td>
<td>76,280</td>
<td>0</td>
<td>-1,933</td>
<td>-5,780</td>
<td>-5,779</td>
</tr>
<tr>
<td>f. Increase/(decrease) in cash in the year</td>
<td>-92,130</td>
<td>25,704</td>
<td>-66,558</td>
<td>-27,730</td>
<td>-4,344</td>
<td>-26,802</td>
</tr>
</tbody>
</table>

### Table 4: Reconciliation of surplus/(deficit) for the year to net cash flow

<table>
<thead>
<tr>
<th>Institution: Imperial College</th>
<th>Actual</th>
<th>Actual</th>
<th>Forecast</th>
<th>Forecast</th>
<th>Forecast</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code: H-0132</td>
<td>UKPRN: 10003270</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
<tr>
<td>1. Surplus/(deficit) after depreciation of assets at valuation and before tax (from Table 1 head 14 + head 15 + head 18)</td>
<td>307</td>
<td>24,366</td>
<td>6,700</td>
<td>9,789</td>
<td>10,759</td>
<td>11,307</td>
</tr>
<tr>
<td>2. Depreciation (from Table 1 head 11)</td>
<td>32,799</td>
<td>36,857</td>
<td>39,805</td>
<td>45,302</td>
<td>50,093</td>
<td>56,412</td>
</tr>
<tr>
<td>3. Deferred capital grants released to income</td>
<td>-18,738</td>
<td>-131,761</td>
<td>-112,514</td>
<td>-85,822</td>
<td>-61,822</td>
<td>-58,322</td>
</tr>
<tr>
<td>4. (Increase)/decrease stocks</td>
<td>4</td>
<td>12</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>5. (Increase)/decrease in debtors</td>
<td>554</td>
<td>-8,388</td>
<td>-313</td>
<td>-2,500</td>
<td>-2,500</td>
<td>-2,500</td>
</tr>
<tr>
<td>6. Increase/(decrease) in creditors</td>
<td>23,726</td>
<td>31,716</td>
<td>888</td>
<td>3,490</td>
<td>2,027</td>
<td>1,687</td>
</tr>
<tr>
<td>7. Increase/(decrease) in provisions</td>
<td>-2,377</td>
<td>1,952</td>
<td>2,551</td>
<td>-559</td>
<td>341</td>
<td>341</td>
</tr>
<tr>
<td>8. Interest payable (from Table 1 head 12)</td>
<td>4,966</td>
<td>6,852</td>
<td>6,456</td>
<td>6,553</td>
<td>6,345</td>
<td>6,334</td>
</tr>
<tr>
<td>9. Investment income</td>
<td>-11,218</td>
<td>-13,839</td>
<td>-8,541</td>
<td>-7,402</td>
<td>-7,710</td>
<td>-6,334</td>
</tr>
<tr>
<td>10. Profit on sale of endowment assets</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>11. (Profit)/Loss on disposal of fixed assets</td>
<td>1,894</td>
<td>-17,270</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>12. Increase in stock option obligation</td>
<td>4,399</td>
<td>3,202</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>13. Interest Payable/ associates results</td>
<td>-375</td>
<td>-67</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>14. Fair value loss on revaluation of fixed asset investment</td>
<td>0</td>
<td>1,031</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>15. Net cash inflow/(outflow) from operating activities</td>
<td>35,941</td>
<td>45,719</td>
<td>21,279</td>
<td>31,677</td>
<td>33,393</td>
<td>36,026</td>
</tr>
</tbody>
</table>
### Table 5: Supporting data

<table>
<thead>
<tr>
<th>Institution: Imperial College</th>
<th>Code: H-0132</th>
<th>UKPRN: 10003270</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
</tbody>
</table>

1. Identification of items included in other operating expenses (Table 1 head 10)
   1a. Operating leases and other long-term operating expense commitments
   1b. Annual contract cost of PFI deals
   1c. Maintenance expenditure

<table>
<thead>
<tr>
<th>Home Island &amp; Home Island &amp; Home Island &amp; Home Island &amp; Home Island &amp; EU</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
</tr>
</thead>
<tbody>
<tr>
<td>£000</td>
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<td>£000</td>
<td>£000</td>
<td>£000</td>
<td>£000</td>
</tr>
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### Student number forecasts 2008

<table>
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<tr>
<th>Home Island &amp; Home Island &amp; Home Island &amp; Home Island &amp; Home Island &amp; EU</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total full-time</td>
<td>UG</td>
<td>PGT</td>
<td>PGR</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>6,978</td>
<td>2,191</td>
<td>1167</td>
<td>708</td>
<td>8,587</td>
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<tr>
<td>995</td>
<td>701</td>
<td>1167</td>
<td>708</td>
<td>1,514</td>
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<tr>
<td>1.514</td>
<td>637</td>
<td>1658</td>
<td>708</td>
<td>1,733</td>
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</tr>
<tr>
<td>8,587</td>
<td>3,529</td>
<td>9,006</td>
<td>3,822</td>
<td>9,038</td>
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<td>9,006</td>
<td>3,822</td>
<td>9,038</td>
<td>9,038</td>
<td>9,038</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Home Island &amp; Home Island &amp; Home Island &amp; Home Island &amp; Home Island &amp; EU</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
<th>EC o'seas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total part-time</td>
<td>UG</td>
<td>PGT</td>
<td>PGR</td>
<td>Total</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>3</td>
<td>10</td>
<td>3</td>
<td>10</td>
<td></td>
</tr>
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<td>205</td>
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</tr>
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<td>339</td>
<td>103</td>
<td>332</td>
<td>108</td>
<td>344</td>
<td></td>
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<tr>
<td>555</td>
<td>143</td>
<td>563</td>
<td>147</td>
<td>568</td>
<td></td>
</tr>
</tbody>
</table>

Please complete student numbers in FTEs.
## Table 7: Annualised servicing costs of long-term borrowing

### Institution: Imperial College

**Code:** H-0132  
**UKPRN:** 10003270

If a nil return then please choose “nil return” from the drop down menu:

### Long-term borrowings

<table>
<thead>
<tr>
<th>Lender</th>
<th>Type of Instrument (Note 1)</th>
<th>Capital sum originally borrowed £000s</th>
<th>Capital sum owed at 31/07/08 £000s</th>
<th>Date drawn-down month</th>
<th>Period of loan years</th>
<th>Date due to be repaid month</th>
<th>Interest rate at 31/07/08 %</th>
<th>Interest rate fixed, variable %</th>
<th>Proportion relating to activities listed at Note 2 %</th>
<th>Annualised servicing costs £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GE Asset Management Loan Note, unsecured</td>
<td>10,000</td>
<td>10,000</td>
<td>Mar 2003</td>
<td>30 Mar 2033</td>
<td>5.4</td>
<td>Fixed</td>
<td>0.0</td>
<td>872</td>
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<tr>
<td>2</td>
<td>Prudential loan Note, unsecured</td>
<td>35,000</td>
<td>35,000</td>
<td>Mar 2003</td>
<td>30 Mar 2033</td>
<td>5.4</td>
<td>Fixed</td>
<td>0.0</td>
<td>3,053</td>
<td></td>
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<tr>
<td>3</td>
<td>Unum Ltd Loan Note, unsecured</td>
<td>5,000</td>
<td>5,000</td>
<td>Mar 2003</td>
<td>30 Mar 2033</td>
<td>5.4</td>
<td>Fixed</td>
<td>0.0</td>
<td>436</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>European Investment Bank Term Loan, unsecured</td>
<td>23,200</td>
<td>23,200</td>
<td>Dec 2005</td>
<td>15 Dec 2020</td>
<td>6.0</td>
<td>Variable</td>
<td>100.0</td>
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<tr>
<td>5</td>
<td>Norwich Union Annuity Limited Loan Note, unsecured</td>
<td>11,000</td>
<td>11,000</td>
<td>Jul 2006</td>
<td>50 Jul 206</td>
<td>4.6</td>
<td>Fixed</td>
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<tr>
<td>6</td>
<td>Prudential Annuities Limited Loan Note, unsecured</td>
<td>15,000</td>
<td>15,000</td>
<td>Jul 2006</td>
<td>50 Jul 206</td>
<td>4.6</td>
<td>Fixed</td>
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<td>1,028</td>
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<td>7</td>
<td>GE Life Limited Loan Note, unsecured</td>
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<td>2,500</td>
<td>Jul 2006</td>
<td>50 Jul 2056</td>
<td>4.8</td>
<td>Fixed</td>
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<td>171</td>
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<tr>
<td>8</td>
<td>GE Pensions Limited Loan Note, unsecured</td>
<td>2,500</td>
<td>2,500</td>
<td>Jul 2006</td>
<td>50 Jul 2056</td>
<td>4.8</td>
<td>Fixed</td>
<td>0.0</td>
<td>171</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Prudential Retirement Income Limited Loan Note, unsecured</td>
<td>20,000</td>
<td>20,000</td>
<td>Jul 2006</td>
<td>50 Jul 2056</td>
<td>4.8</td>
<td>Fixed</td>
<td>0.0</td>
<td>1,368</td>
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</tr>
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<td>10</td>
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<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>11</td>
<td>European Investment Bank Term Loan, unsecured</td>
<td>50,000</td>
<td>50,000</td>
<td>May 2007</td>
<td>15 May 2023</td>
<td>5.8</td>
<td>Variable</td>
<td>100.0</td>
<td>6,249</td>
<td></td>
</tr>
</tbody>
</table>

**Reason for difference in loan compared to last year’s return**

- Other
- Repaid
- New loan

### Loans outstanding as at 31 July 2008

<table>
<thead>
<tr>
<th>Lender</th>
<th>Type of Instrument (Note 1)</th>
<th>Capital sum originally borrowed £000s</th>
<th>Capital sum owed at 31/07/08 £000s</th>
<th>Date drawn-down month</th>
<th>Period of loan years</th>
<th>Date due to be repaid month</th>
<th>Interest rate at 31/07/08 %</th>
<th>Interest rate fixed, variable %</th>
<th>Proportion relating to activities listed at Note 2 %</th>
<th>Annualised servicing costs £000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GE Asset Management Loan Note, unsecured</td>
<td>10,000</td>
<td>10,000</td>
<td>Mar 2003</td>
<td>30 Mar 2033</td>
<td>5.4</td>
<td>Fixed</td>
<td>0.0</td>
<td>872</td>
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</tr>
<tr>
<td>2</td>
<td>Prudential loan Note, unsecured</td>
<td>35,000</td>
<td>35,000</td>
<td>Mar 2003</td>
<td>30 Mar 2033</td>
<td>5.4</td>
<td>Fixed</td>
<td>0.0</td>
<td>3,053</td>
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<tr>
<td>3</td>
<td>Unum Ltd Loan Note, unsecured</td>
<td>5,000</td>
<td>5,000</td>
<td>Mar 2003</td>
<td>30 Mar 2033</td>
<td>5.4</td>
<td>Fixed</td>
<td>0.0</td>
<td>436</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>European Investment Bank Term Loan, unsecured</td>
<td>23,200</td>
<td>23,200</td>
<td>Dec 2005</td>
<td>15 Dec 2020</td>
<td>6.0</td>
<td>Variable</td>
<td>100.0</td>
<td>2,997</td>
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<tr>
<td>5</td>
<td>Norwich Union Annuity Limited Loan Note, unsecured</td>
<td>11,000</td>
<td>11,000</td>
<td>Jul 2006</td>
<td>50 Jul 206</td>
<td>4.6</td>
<td>Fixed</td>
<td>0.0</td>
<td>694</td>
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</tr>
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<td>6</td>
<td>Prudential Annuities Limited Loan Note, unsecured</td>
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<td>15,000</td>
<td>Jul 2006</td>
<td>50 Jul 206</td>
<td>4.6</td>
<td>Fixed</td>
<td>0.0</td>
<td>1,028</td>
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<tr>
<td>7</td>
<td>GE Life Limited Loan Note, unsecured</td>
<td>2,500</td>
<td>2,500</td>
<td>Jul 2006</td>
<td>50 Jul 2056</td>
<td>4.8</td>
<td>Fixed</td>
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<td></td>
</tr>
</tbody>
</table>

**Total loans outstanding as at 31 July 2008**

173,200

**Reason for difference in loan compared to last year’s return**

- Other
- Repaid
- New loan

### Loans drawn between 1 August 2008 and 31 October 2008

<table>
<thead>
<tr>
<th>Lender</th>
<th>Type of Instrument (Note 1)</th>
<th>Capital sum originally borrowed £000s</th>
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<td>100.0</td>
<td>6,249</td>
<td></td>
</tr>
</tbody>
</table>

**Total loans drawn between 1 August 2008 and 31 October 2008**

0

**Loan facilities agreed with lender but not drawn down as at 31 October 2008**

0

**Total annualised servicing costs**

17,027

### Notes

1. For example, mortgage, term loan, finance lease, SES, MOPS. Refer to Annex F in HEFCE 2006/19 publication for further guidance.
2. Proportion of the borrowing related to the following activities: research contracts; residences, catering and conferences; services to external customers, including consultancy; and overseas activity.
**Table 8: Net liquidity as at 31 October 2008**

<table>
<thead>
<tr>
<th>Institution: Imperial College</th>
<th>Code: H-0132</th>
<th>UKPRN: 10003270</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Outturn as at 31 October 2008</th>
<th>Highest level of negative net cash sustained for more than thirty five consecutive days between 1 November 2007 and 31 October 2008 (note 4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Cash at bank and in hand</td>
<td>18,746</td>
<td>0</td>
</tr>
<tr>
<td>2 Deposits repayable on demand (note 3)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>3 Bank overdraft (enter as negative)</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>4 Sub-total</td>
<td>18,746</td>
<td>0</td>
</tr>
<tr>
<td>5 Other current asset investments</td>
<td>175,082</td>
<td>0</td>
</tr>
<tr>
<td>6 Net liquidity</td>
<td>193,828</td>
<td>0</td>
</tr>
</tbody>
</table>

**Notes**

3 Deposits repayable on demand, as defined in FRS1 and FRS7.

4 Only enter data in this column if the overall level of net cash (on a cash book basis) is negative.