Achieving financial sustainability: Imperial College London

Summary

Imperial College London is a world class university, ranked third in Europe and eighth in the world, and its delivery of world-leading education and research is underpinned by strong strategic financial and operational management. A specific priority is to generate the required margin for sustainability (approximately £100m a year) to support the new investments needed to remain globally competitive.

Success factors

The approach has been as follows:

- **Priority to achieve a stable financial position in times of austerity** through a drive for flat cash budgeting in central support areas (this excludes research costs and other exceptional items).

- This has been achieved in many cost areas since 2009 by holding pay costs and staff numbers. The cost base remained flat at around £57k per staff FTE, with the impact of inflation being absorbed.

- **The institution has moved away from national pay bargaining –** this allows for more flexible financial management, tailored to the specific to circumstances of the institution.

- **The operating surplus is healthy, but smaller than needed for financial sustainability.** To remain globally competitive approximately £100m of cash is needed for new investments; the current annual surplus is short of that and either needs to grow or additional sources of external income need to be secured. An example of the reduction in public capital funding is the decline in the College's capital funding from HEFCE from £46m in 2007-08 to £14m in 2011-12.

- Imperial College has a diverse income base, including UK public, industrial and EU funding. The focus is on **growing core areas of research income** to support high quality research, growing endowments and donations and reducing the dependency on public income streams.

- **Future areas of focus** for efficient financial management include: Benchmarking new capital programmes to provide better understanding of value for money; Reviewing processes and tendering arrangements for capital purchases; Better use of permanent staff and contractor arrangements, including in Information Technology.

Equipment sharing

A key area in which Imperial College is seeking efficiencies is equipment sharing, both internally and with its partners.

- ### Internal equipment sharing: Research Facilities Database

A culture of equipment sharing is being nurtured and an academic champion has been appointed to promote this. One of the major outcomes is the Research Facilities Database which lists over 800 College facilities that can be booked online. Launched in June 2012 with a showcase event, the database improves the discoverability of internal facilities so they are more likely to be included in grant applications, and makes them easier to book.

This system has also increased efficiencies by freeing up the time of facilities managers by removing the need for manual bookings, and releases finance staff, by streamlining allocation of cost codes to bookings, user authentications and general administration.

- ### Equipment sharing in partnership

Imperial College is part of Science and Engineering 5 (SE5), a partnership comprising the University of Southampton, the University of Oxford, the University of Cambridge and University College London. The initial focus has been on the development of searchable and shareable equipment databases.

Imperial College has also developed 'CORE', an alliance with the University of Cambridge to make joint use of facilities and expertise in hardware and software to provide high performance computing and data management services to UK companies of all sizes, including Xyratex, Audio Analytic, Atomic Arts, Rolls-Royce and the Caterham F1 Team.

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