

Imperial College Union
Board of Trustees / 17 September 2025

Strategic Investment Fund: Funding Principles and Forward Plan

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Purpose: To set out the Union's funding model, establish principles underpinning the Strategic Investment Fund, and outline proposed approach.
Decision(s): To approve investment principles and approach for future allocations.

1. Introduction

This paper sets out the Union's approach to strategic investment, explains our underlying funding model, and proposes a framework for future decisions. It clarifies why we operate commercial services, how strategic investments are identified and prioritised, and how the Union works with Imperial to deliver long-term improvements to the student experience.

The paper includes:

- Core principles of our funding model
- Purpose and operation of the Strategic Investment Fund (SIF)

The Finance, Audit and Risk Committee have reviewed the core principles and approach presented below at the August 2025 meeting. The Committee recommend to the Board the principles that will govern our approach to the Strategic Investment Fund. **The Board are asked to approve the investment principles and the approach to planning.**

2. Our Funding Model

Imperial College Union operates a dual funding model:

- i. **Core Grant Funding:** Provided by Imperial University to support essential charitable services, including clubs and societies, student representation, advice and support, and the enabling infrastructure required to deliver these effectively.
- ii. **Commercial Income:** Generated through student-facing and non-student facing services including bars, shops, commercial hire and advertising sales. These services generate a surplus, and the scale of that surplus should be driven by the priorities in the Strategic Investment Fund and the Union's capital plan. Surpluses are then channelled back into charitable and strategic priorities.

This approach ensures commercial targets are purposeful, directly funding the investments the Union has agreed to matter most, while avoiding unnecessary pressure on University budgets.

3. Purpose of the Strategic Investment Fund (SIF)

The SIF enables the Union to respond to strategic priorities and one-off opportunities beyond the scope of annual grant funding. It is resourced through:

- i. Accumulated surpluses from commercial trading
- ii. Unplanned underspends from core-funded activity (e.g. vacancy savings)
- iii. Surplus free reserves above the Union's agreed reserves target

The fund has enabled critical projects such as:

- The SUMS digital transformation programme
- The Student Experience Fund
- The Democracy Review
- Student Temp Agency
- Partnership Agency
- Minibus Purchases

4. Investment Principles

The following principles guide use of the SIF. These should be reviewed and agreed by the Board:

- i. **Strategic Alignment.** Investments must directly support delivery of the Union's strategy and long-term priorities.
- ii. **Student Benefit.** All investments must have a demonstrable positive impact on the student experience or student engagement.
- iii. **Sustainability and Return.** Priority will be given to investments that offer long-term impact or capital improvement able to generate a financial or reputational return.
- iv. **Non-Recurrent.** Are one-off or time-limited (not requiring recurring costs)
- v. **Commercial Reinforcement.** Where appropriate, investments should enhance or protect our commercial income, which sustains the Fund.

Not all principles need to be fulfilled by each investment but at least three of the five. Strategic or capital investments that are beyond the Union's financial capacity, or are clearly part of broader College infrastructure, should be co-funded or led by Imperial College London.

5. Capital Planning and SIF allocations 2025/26

We intend to develop a rolling 3-5 year capital plan aligned with College estates timelines. Priority areas will include:

- Student space improvements in Beit Quad and across campuses
- Transport and logistics for student groups (minibuses, storage)
- Digital infrastructure and systems modernisation
- Sustainability upgrades across Union operations

This plan will be co-developed with Imperial to identify joint opportunities, ensure alignment, and avoid duplication of investment. Where appropriate, we will seek University contributions for infrastructure that exceeds the Union's scope or relates to shared University assets.

This plan would form part of the business planning cycle resulting in appropriate board engagement and approval. Alongside Capital Planning, Operational Managers would be requested to submit ideas for SIF funding as part of their annual budget and objective setting, a mechanism for submitting ideas out of cycle will also be established. SMT would review all requests and Board would approve all expenditure in line with the principles.

Students via Officer Trustees will also be able to submit ideas or suggestions for allocations.

For 25/26 the indicative timeframe for the capital plan and SIF allocations is below. This would be an annual exercise going forward with better alignment with business planning from 2026 onwards. This will align with the 2026/27 block grant request timeframe.

Consult Operational Managers	By October 2025
Consult Union Council	November 2025
Long list of funding ideas	November 2025
Final Capital Plan and SIF Allocations	December 2025
FAR Review	January 2026
Board Approval for Priorities and Plan	February 2026

6. Recommendation

The Board is asked to:

- Agree the investment principles set out in section 4.
- Endorse the timeframe and development of a 3–5 year capital plan aligned with College investment priorities.