Later in today’s agenda, Senate will be invited to consider terms of reference for a review of its activities. This is certainly timely as the last such review took place around 15 years ago. I think we can say, with absolute certainty, that the world in which Senate, and the University more generally, operates has changed beyond recognition in the intervening period.

Which brings me neatly to last Thursday....... 

When I was preparing remarks for today, I left a space to insert what I thought would be a sentence or two in the aftermath of the UK voting to remain part of the European Union. Little did I think that I would be commenting on a British exit from the European Union, and all that it might mean for the University.

The first and most important, thing to do is express our unreserved support for, and commitment to, those members of staff and students from European Union countries, and indeed any other part of the world, who are such a vital part of our University community. Our message is clear and unambiguous - thank you for your contribution to the University of Reading; past, present and future. You will always be warmly welcomed here.

At the same time, we will continue to repeat that we are an open, internationally focused university that welcomes people from all parts of the globe. Indeed, at a time when there is a danger of narrow nationalism taking hold, and ‘experts’ are derided in gross acts of anti-intellectualism, universities become even more important. We assert and celebrate our role as a place of enlightenment in the finest European tradition, where the pursuit of knowledge is nurtured, promoted and cherished.

In a time of uncertainty, I cannot answer all the questions that are already being raised as a consequence of last Thursday’s result. In what will be an anxious time for staff, students and their families, I can say that we will assist in all possible practical ways and, indeed, have mobilised internal resources to enable us to do so. I can also assure you that we will plan carefully, remain calm, and stay focused and optimistic, with a fundamental belief that our university is strong and will continue to prosper.

Our projected student intake for this autumn can be taken as evidence of that. In summary, we are expecting to reach our combined undergraduate and postgraduate recruitment targets.

On the undergraduate front, we have achieved around a 3% increase in firm acceptances through a variety of offer making strategies and further development of our conversion campaign. Strong surpluses of firm applicants are seen in many subject areas, including, Film, Theatre and Television; Classics; English Literature; Economics; Agriculture; Pharmacy; Psychology; Biological Sciences; Geography; and Computer Science.

On postgraduate taught, applications made for full-time courses continue to show a 3% increase in volume on last year. We see encouraging levels of firm acceptances, in particular in the form of deposit payments/sponsorship commitments from overseas applicants.
On postgraduate research, applications across both Home/EU and overseas have seen a 12% decrease in volume compared to June 2015. Despite the loss of application volume, the levels of firm acceptances received this year are broadly comparable to this point last year, totalling 227 in 2016 as compared 236 in June 2015.

Of course, the referendum result does add a further degree of uncertainty into these numbers but our improved financial resilience, which I will say a little more about later, does provide a hedge against movements in student numbers.

If you believe the rhetoric of the recently published higher education White Paper, *Success as a Knowledge Economy: Teaching Excellence, Social Mobility and Student Choice*, then the context will be changing again. The sub-text - if not the actual text - suggests that established universities are cosy, comfortable and complacent. Much recent political and media rhetoric has been in a similar vein. You don’t need to be a conspiracy theorist to believe that this looks like a concerted campaign.

Yet this same sector - these same universities indeed - make Britain a world leader in higher education. That is what the White Paper says which, we might hope, should make politicians cautious about undermining the fundamental strengths of British universities – which might sound rather hollow in the light of last week.

But in never wanting to be seen as ‘cosy, comfortable and complacent’, we should boldly face up to the new demands of the White Paper.

The Teaching Excellence Framework (TEF) is one and Gavin will, I am sure, want to say more about that in a few minutes. Suffice to say at this point that we will enter the process with confidence that the great work we do here will be appropriately recognised.

But TEF is not the only part of the regulatory landscape for us to be aware of in the period ahead. Following a recent HEFCE-led procurement exercise, the Quality Assurance Agency for Higher Education (QAA) was selected to undertake a range of activities. In a positive move, the six-yearly Higher Education Review (HER) for established providers will be replaced by light-touch annual monitoring, but with the ability to intervene rapidly where there is evidence of a problem or problems.

This desk-based approach, called the Annual Provider Review, builds on existing data analysis and assurance arrangements, and will continue to be operated by HEFCE and the Office for Students.

This Annual Provider Review is not intended to be a mechanistic process. Instead, the QAA will aim to bring together data, intelligence and assurance activities to come to a rounded judgement about the quality of the academic experience and student outcomes.

To ensure that we are able to meet this set of expectations, the QAA will verify the approach we take to our own periodic review processes through a one-off scrutiny process in 2016-17. This is intended to ensure that our approach is sufficiently focused on improving student outcomes and has sufficient strong, external scrutiny built into it.

This lighter-touch, more proportionate approach is to be welcomed. However, we will watch carefully to see whether the TEF processes and the new arrangements for quality assurance dovetail and do not end up adding to the burden on universities.
Of course, the recent White Paper covered a number of other important issues, not all of which I will mention here. Changes to the research infrastructure, widely telegraphed in advance, include the establishment of single research funding body, UK Research and Innovation. UKRI will bring together the seven research councils, Innovate UK, and the research and knowledge exchange functions of the Higher Education Funding Council for England.

While the dual support system of research funding will, for the first time, be enshrined in law, it is simply too early to judge whether these changes are in the best interests of UK research. As we all know, this another jewel in the crown when it comes to the international standing of our higher education sector. We await too the Stern review of the REF which is due to be published next month.

Although all universities will continue to be responsible for their own destiny, collaboration continues to be an important principle, not just in research but in other areas too. For that reason, Reading is a founding member of the S10 Collaboration Network.

The S10 network is a group of universities, geographically co-located, who share broad aims, size and profile. The network institutions have agreed to work together, either as an entire network or as subsets within the network, on issues of common concern or interest. Possible collaborations include the sharing of data, responses to consultations and best practice, as well as specific projects of mutual interest.

The network has no formal governance or management structure, and activities are resourced and supported entirely within institutions. Activities are initiated through a collaboration proposal that invites members of the network to participate in a specific action or short-term project. Activities are self-governed and normally have a completion or end date.

The network does not expect to develop a brand or profile as an organisation itself so this is not the 1994 Group in disguise. But where network collaboration has outcomes it wishes to publicise, it will do so under the names of the participating institutions.

As well as Reading, the following universities are members of the network: UEA, Surrey, Sussex, Royal Holloway, Goldsmiths, Kent, Essex, City and Brunel.

I conclude my remarks with reflections on the academic year just gone by. Notwithstanding the proper celebration of our history and heritage through our 90th anniversary, I won’t pretend that it has been other than a difficult year. A number of changes in train under the Efficiency and Effectiveness programme have caused concern, anxiety, and upset, at the same time as provoking heartfelt and principled opposition on the part of many. Clearly, there is much to do to ensure full and successful implementation of all that has been decided upon, and do it in a way that rebuilds trust and support where it has been lost.

Yet in looking forward, and that is what we always do, we have set a budget for next year which allows us to do a number of important things that previously were just not possible or had to be constrained. These include:

- freedom to appoint 30 new members of academic staff, over and above like-for-like replacements, without us having to reduce the overall spend on our core activities of teaching, learning and research;
- planning for a surplus - £5.9m on the Academic Group and just over £6m on the overall University Group – which we can reinvest in those same core activities; and
• generating confidence among members of the Council in our ability to generate a £10m surplus by the end of the decade, such that they are prepared to consider backing major capital developments that are completely focused on our core mission. These include a brand new Health and Life Sciences building, a regenerated Library, a URS building which will – finally – enable a number of academic disciplines to operate in 21st century premises and two projects in the Henley Business School – one at Greenlands, one at Whiteknights – which contribute to its continuing success. As well as that, there are a host of other smaller-scale projects that will improve life across our campuses as well as the major Thames Valley Science and Innovation Park which demonstrates beyond doubt that we are university that backs innovation and promotes economic development (something that feels as if it has just acquired greater significance in the light of the referendum outcome).

We have also been able to;

• build substantial contingencies within the budget to enable us to deal with any shortfall in student numbers (something that we have not been able to do in recent years); and

• create a Strategic Investment Fund of £1m – growing in the years ahead – so that we can kick-start new ideas and projects that will have a longer-term, sustainable impact on our future development – again a source of funding we have never had previously in our operating budget.

I accept that it has been a very painful process to put our budget on a sustainable footing and, as I mentioned earlier, opposition in some quarters has been fierce, including against me as Vice-Chancellor and the person with ultimate responsibility for decisions that have being made. Yet I have been motivated throughout by an ambition to make the University a thriving institution that is up there with the country’s – and the world’s – best universities.

Many share that ambition but perhaps it is still surprising to some. For me though, it has been an animating one from the moment I arrived here four and a half years ago. Yes, we may disagree - sometimes strongly - on the means of achieving such an ambition but I remain deeply reassured by the sense that everyone who works here really cares about our future and wants us to do the very best we can.

I know that I am gently – perhaps not so gently – teased for my frequent references to the writings of our first Vice-Chancellor, W.M. Childs. Partly, it’s because he wrote beautifully and has a turn of phrase which, even today, forces you to pause and reflect. I also turn to Childs because he is a source of wisdom – yes, about universities in general, but this one in particular, despite the passage of time.

And so I looked to see what he wrote about a period of difficulty and controversy in the University College in 1913-14. The details of the dispute need not concern us now – although Louise and Richard might be interested to know it was all about governance. In reflecting afterwards, Childs talked about the institution moving forwards as, in his words, ‘friendship performed its miracles’. So despite disagreement, I am sure that friendship will continue to perform its miracles as we move forward together for the sake of the University we all have the privilege to serve.