VICE-CHANCELLOR’S OFFICE

SENATE
7 MARCH 2018
VICE-CHANCELLOR’S REPORT

Introduction
As with last term, and consistent with the new approach to the Senate agenda, this paper is being circulated in advance. The content here concentrates primarily on important matters external to the University and the impact they may have on us in due course. The report does though cover the 2018-19 University planning process but the reports of the Pro-Vice-Chancellors for Research and Innovation, and Teaching and Learning will encompass the bulk of internal matters. The latter includes an update on the academic impact of the current industrial action by the University and College Union (UCU).

Pro-Vice-Chancellors for Research and Innovation/Heads of School
Since the last meeting of Senate, Professors Parveen Yaqoob and Dominik Zaum have been appointed as the new Pro-Vice-Chancellors for Research and Innovation. Senate will wish to congratulate Parveen and Dominik as they plan for taking up their new posts on 1 August 2018.

Senate will also want to record its congratulations to Professor Susan Breau, School of Law, and Professor Julian Park, School of Agriculture, Policy and Development who have been appointed for a second term as Heads of School.

New Year Honours
Senate will want to acknowledge and congratulate Professor Rajneesh Narula of the Henley Business School who was appointed an Honorary Officer of the Most Excellent Order of the British Empire (OBE) in recognition of his services to business research. We also congratulate Visiting Professor Helen Roy received an MBE for her work in biodiversity and science communication.

Review of tertiary education funding
Senate will note that higher education continues to attract significant public attention and comment. While the arrival of a new Secretary of State for Education and an equally new Minister of State for Universities, Science, Research and Innovation – to give him his full title – may not be headline news, it does suggest renewed momentum behind the Prime Minister’s desire to regain the political initiative on higher education.
One way that this might happen is through the review of tertiary education funding, the details of which were announced on 19 March 2018. The four headline priorities identified in the published terms of reference are:

- choice and competition across a joined-up post-18 education and training sector;
- a system that is accessible to all;
- delivering the skills our country needs; and
- value for money for graduates and taxpayers

It is already clear that the review will not reintroduce a cap on student numbers. However, these is a commitment to review student maintenance, flexible learning and government communications and public understanding of student finance.

Clearly, there will be a major focus on overall income to universities. It will be important to make the case that a reduction in income to universities would cause harm to the student experience, impacting in particular on those from the least advantaged backgrounds, and that universities make a vital contribution to technical and professional education. In these matters, as in all others, a strong and robust evidence base will be vital. To that end, the University will, where it can, make a contribution to the work of the review.

**Brexit**

Senators will, like others across the country, have watched with interest as the UK government seeks to agree a forward position on Britain’s exit from the European Union. As a reminder, in December 2017, the UK and EU reach an agreement on phase 1 of the Brexit negotiations. The outcomes were helpful as they appeared to secure the post-exit rights of EU university staff working in our universities, and continued UK participation in existing EU programmes until end-dates in 2020. Of course, phase 2 of negotiations will be hugely important for universities and it remains to be seen when the detailed discussions will begin.

At this stage, it is unclear if/when issues of interest to universities – such as participation in Framework Programme 9 and the success or to Erasmus+ will be a central part of core negotiations, or be agreed as ‘side-deals’ when fundamental issues such as market access, movements of people etc. have been sorted. Universities UK (UUK) and other groups are continuing to lobby to ensure that universities’ interests are fully represented through the whole of the negotiations.

An immediate priority is for the Department for Education to confirm that the fee status and loan eligibility of EU students starting a course in 2019/20, or throughout any transition period, will not change. Interestingly, the Scottish Government has already agreed the former which puts its universities at something of an advantage at the moment.
Beyond that, a number of important issues will be at the centre of negotiations, all of which could have direct impact on the University. These include access to research Framework Programme 9 focused on Excellence, access to the Erasmus+ plus successor programme, continued mutual recognition of professional maintenance of current regulatory standards and – crucially – a new immigration system that supports our ability to attract qualified overseas students and global academic talent with minimal barriers.

**HEPI/Kaplan report on the benefits of international students**

In the context of Brexit, it is worth drawing Senate’s attention to a recently published paper on a research study conducted by London Economics for the Higher Education Policy Institute (HEPI) and Kaplan. The striking headline is that the benefits of international students are ten times greater than the costs and are worth £310 per UK resident.

The research provides a detailed analysis of the costs as well as the benefits of the 231,000 international students studying in the UK each year. It will be powerful evidence to the Migration Advisory Committee which is currently conducting an inquiry on the impact of international students. More locally, information on the net benefits of international students in the parliamentary constituencies of Reading East, Reading West, Wokingham and Henley - i.e. those most affected by the University's UK campuses - has been shared with the relevant MPs.

**The Office for Students (OfS) and United Kingdom Research and Innovation (UKRI)**

These two bodies, created as a result of the Higher Education and Research Act 2017, are now operating in ‘shadow’ form. Together, they will effectively take over the functions of the Higher Education Council for England (HEFCE) which is abolished at the end of March 2018.

With the bodies not due to take up their responsibilities formally until 1 April 2018, our immediate priority in relation to OfS is to gain first-stage recognition as a university that can sit on the Register of Approved Providers. Much of the information necessary for us to be so approved is already in existence. However, some elements are new. A more detailed paper prepared by the University Secretary and Chief Strategy Officer appears elsewhere on the agenda.

The overarching and new Regulatory Framework was issued by OfS on 28 February but after this report had been submitted. A verbal update will be provided by the University Secretary and Chief Strategy Officer at the meeting.

**Industrial Strategy**

The Industrial Strategy was published late last year and, as anticipated, it presents some important opportunities for universities.
The publication of the Industrial Strategy coincided with an announcement that UK Research and Innovation budgets will deliver a real-terms increase of 20% between 2015-16 and 2019-20. This includes increased support for quality-related research through Research England and increased funding for Innovate UK for grants to carry out innovation investment pilots. In addition, the Higher Education Innovation Fund (HEIF) will increase and reach a total of £250m a year by 2020-21.

Further opportunities include £300m which will be allocated over the next three years to allow collaboration and the flow of people between industry and academia – ranging from Knowledge Transfer Partnerships (KTPs), PhD programmes, awards to support rising stars and the top talent from the UK and overseas.

Also of interest will be local industrial strategies, which will be aligned to the national Industrial Strategy. They will be developed to identify local strengths and challenges, and new ways of working between national and local leaders in both the public and private sectors. Universities will be central to the local processes.

**Higher education research in facts and figures**

In February, Universities UK UUK published *Higher education research in facts and figures* which provides an overview of the quality of research, impact, international collaboration, students and staff, and finance at UK universities. Unsurprisingly, the report highlights the continuing strength and quality of UK research and the extent to which, as a nation, we continue to be a world leader.

Key points include:

- despite representing only 4.7% of researchers and a small global share of research investment, UK research accounted for 10% of global downloads, 11% of citations and 15% of the world’s most highly-cited articles;
- in 1981, about 90% of UK research output was completely domestic. However, this is now the case for less than half of the UK’s research output. Six of the UK’s top 10 international collaboration partners are from Europe;
- the proportion of non-UK staff in research roles has increased considerably since 2004-05 in UK higher education institutions, from 34% in 2004−05 to 47% in 2015−16;
- in 2015−16, UK universities received £7.8 billion in research income. £840 million came from EU sources outside of the UK and £440 million came from non-EU sources; and
- overall, university income from knowledge-exchange activities has increased above GDP growth across most indicators, and in 2015-16 income was £4.2 billion.
Teaching Excellence Framework (TEF); Subject-level TEF

Professor Gavin Brooks, Pro-Vice-Chancellor Teaching and Learning will address this matter in his report.


Professor Steve Mithen, Pro-Vice-Chancellor Research and Innovation addresses this issue in a separate paper on the agenda.

Knowledge Exchange Framework (KEF)

Professor Steve Mithen, Pro-Vice-Chancellor Research and Innovation will address this matter in his report.

Teaching Capital Investment Fund (TCIF) and Research Capital Investment Fund (RCIF)

HEFCE recently announced formula capital allocations for the University under the above two headings as follows:

- TCIF: £461,932
- RCIF: £82,292

The grants must be spent broadly for the purposes of teaching and research but are otherwise un-hypothecated.

University planning process for 2018-19

This is the second year of full implementation of the new Sustainable Planning System (SPS). Resource allocation has been re-aligned since August 2016 so that Schools now sit as revenue centres and are attributed the income they generate from teaching, research and other activities. Through this year’s planning round, Schools and Functions have been required to cover the £3.5m additional costs, resulting from the accounting changes related to Deferred Capital Grant income, by a 2% improvement to bottom line.

The Planning Group has had to make a number of difficult choices. Nevertheless, the Academic Group has been able to reach a position which achieves its planned £9m surplus commitment on an expected income of £322m in 2018/19, a year-on-year growth of 3% (or just over £9m) which is disbursed as follows:

- £7m is being reinvested in academic activity based in Schools, comprising £4.5m for inflation and £2.5m in staffing (including 21 additional academic posts supporting both teaching and research);
- £2.4m is being reinvested in supporting activity based in the Functions after a 2% efficiency saving (£2.3m) is applied. This comprises £2m for inflation and £0.4m in new investment. In addition £1m of central spend has been re-allocated contributing to the £1.4m new spend (including 36 staff posts).

With the significant growth of students and staff numbers in the last three years, the estate is now used to a greater intensity than ever before. In order to accommodate
space needs for the delivery of teaching activities, we have introduced a number of changes to utilise better our teaching spaces, including:

- developing guidelines and introducing new processes that will help reduce the expectation of lecturers regarding their unavailability to teach at specific times during the week;
- encouragement, where possible, to deliver lectures in one hour blocks rather than in two or three hour session;
- re-organising the way students select their option modules, thereby reducing the number of students who have a ‘unique’ timetable; currently 39% of our students have such a unique timetable (amongst the highest in the country). Whilst this reflects the choice we give our students, this hampers the best use of our teaching spaces;
- requesting that practical teaching sessions are timetabled to reflect actual time needed and that accurate details of practical groups/sessions are given, to increase flexibility; and
- encouragement to consider blended learning options, with online sessions replace some face to face teaching.

Progress on our capital projects continues as follows:

- **Library:** The works are progressing well with cladding complete to three sides and interior work progressing well. The café steelwork is complete with roofing. Asbestos finds continue to be costly and slowing overall progress. Landscaping around the Library will now accord with the new campus-wide design code and will require a planning amendment in due course. Programme review indicates completion in Q3 2019, according to plan.
- **Health and Life Sciences:** Contract negotiations with Balfour Beatty are complete, and the contracts has been signed. The contractors will come on site on 5 March 2018 and completion is due in the fourth quarter of 2019, after the start of the 2019/20 academic year.
- **St Patrick’s Hall:** The proposal for a new St Patrick’s Hall of Residence developed by the University and UPP was rejected by Reading Borough Council’s (RBC) Planning Committee, despite having been recommended by RBC’s planning officers. We are currently assessing our options, which may include appealing the decision of the Planning Committee, resubmission of a proposal with fewer student rooms or developing alternative plans to address the existing shortage of student accommodation on and around the main campuses.
- **Smaller capital projects planned for this summer and next year include:**
  - the refurbishment of the JJ Thompson lecture theatres - Ditchburn and ‘Right-hand’ - which will significantly increase the capacity of these lecture rooms;
  - the full refurbishment of RUSU’s 3Sixty club; and
  - a number of moves improving the utilisation of Blandford Lodge and the Miller building, as well as those providing Henley Business School with additional staff offices in the Edith Morley.
While not considered as part of the planning round, the University Executive Board recently reaffirmed its commitment to the establishment in time of a medical school involving the University of Reading and local and regional partners. What this means in practice, and over what timescale, are matters for further discussion. Future Senate meetings will provide further information.

**Conclusion**

The outlook for the higher education sector in England – and indeed across the UK – continues to look uncertain. However, activities continue to be undertaken at the University level to strengthen our position, recognising that it seems to take more and more each year simply to stand still.

SIR DAVID BELL KCB
VICE-CHANCELLOR