

University Alliance

Efficiency, leadership and partnership:
an approach that delivers shared economic priorities

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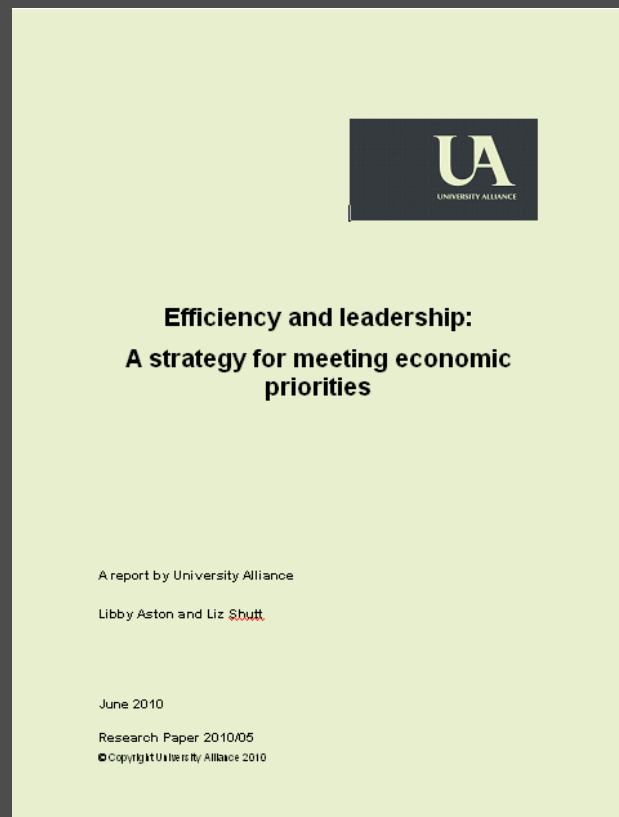
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Efficiency and leadership: a publication

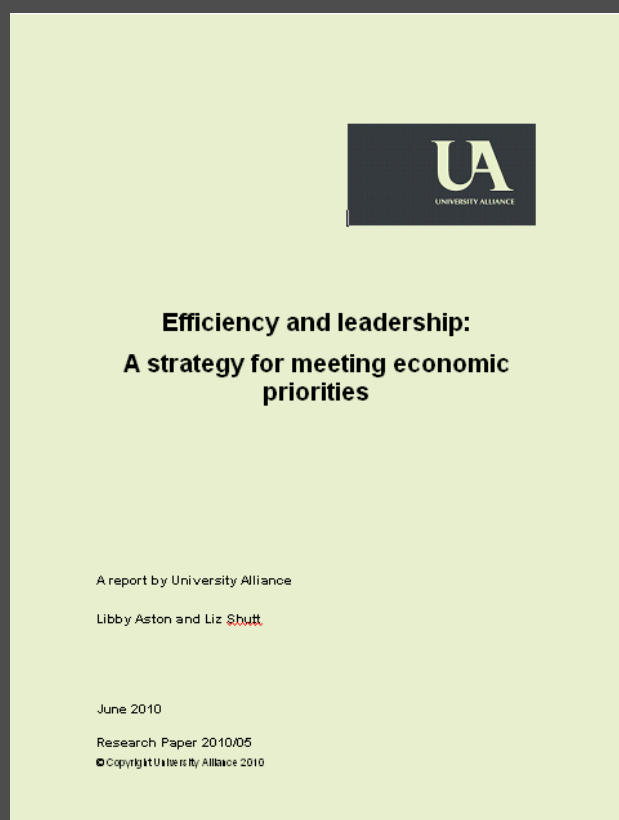


Key messages

1. Major economic role of universities & shared priorities with government
2. Universities are adept at leading their way through complex HE environment and focussing on their strengths
3. This is an approach based on efficiency, leadership and partnership



Efficiency and leadership: a publication



Why is this a key issue for Alliance Universities?

1. Universities contract with both the private and public sectors (EC view)
2. Demands for new and additional services cannot be provided by additional income
3. Increasing income by price rises is not a realistic option for much of our markets – there is a duty to strive continuously to meet customer expectations without significant price increases.
4. Having the freedom and resources to meet new economic market demand is essential for UK future success

Shared economic priorities



- Equipping a highly-skilled workforce
- Driving innovation through partnership with business and world-leading research
- Providing real-time business solutions through shared expertise
- Providing entrepreneurial leadership in areas such as regeneration and sustainability
- Fostering social mobility and inclusion

Major economic role of universities



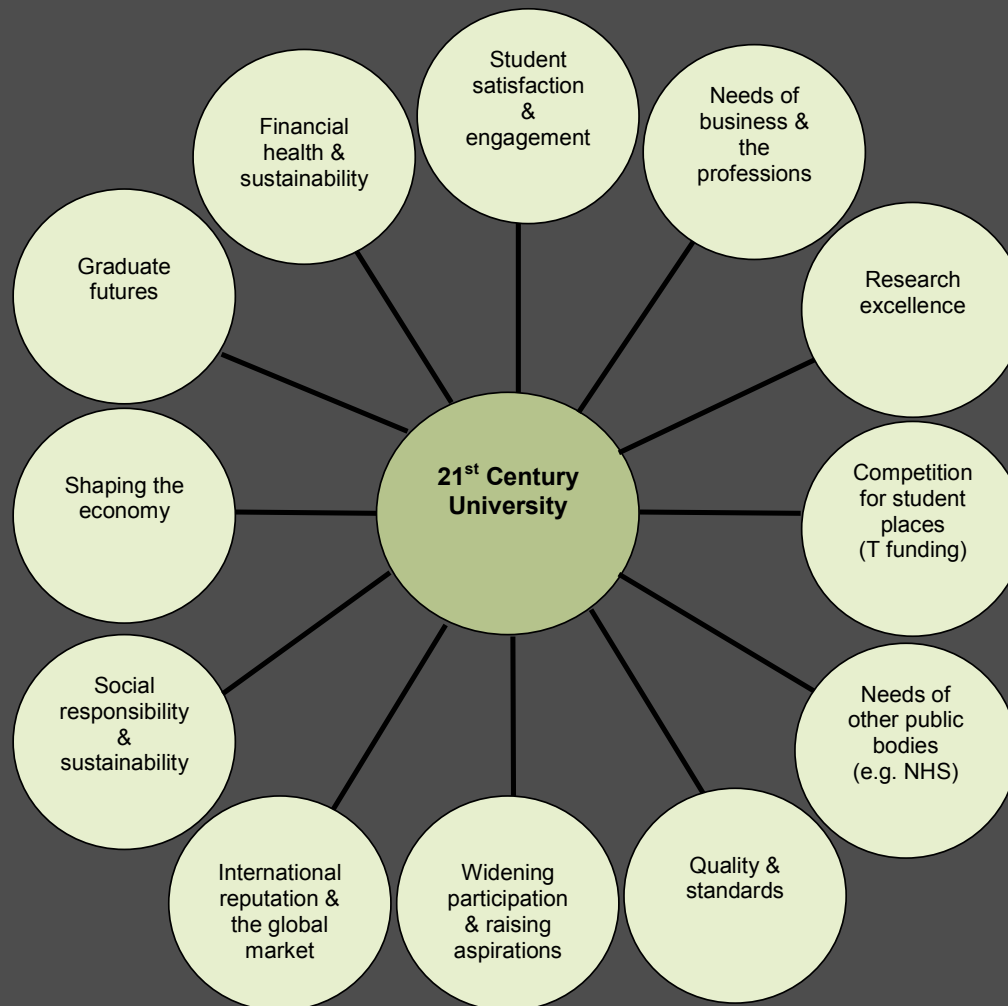
- UK's global, knowledge based economy
 - 80% of new jobs in high skill areas
 - New and growth industries dependent on high-tech innovative approach
- Universities - critical role in driving the UK's economic future as generators of economic growth & wealth creation
 - UK HE larger than pharmaceutical or aeronautical industry
 - Often largest employer in a city and major exporter
- Global competitors investing in HE
 - UK government's commitment not in question but fiscal deficit means there will be difficult decisions ahead

Current economic climate



- Report is not a response to any particular set of decisions or announcements
- Focus is on long-held strategic approach of universities that will enable them to lead their way through a more difficult environment
- These universities have adopted strategies which focus resource on their strengths within a diverse sector

The higher education environment



Managing a 21st century university: the approach



- Efficient business practices
- Entrepreneurial leadership
- A partnership approach
 - to lead the university, deliver shared priorities and focus resource on strengths

A more radical future that universities can deliver



- More rapid growth in areas of high demand from employers and students
- Effective partnerships with private providers
- Increased merger and acquisition / take over
- More flexible patterns of delivery
- Shared solutions

Supporting this approach: the role of government



- Providing a flexible framework
 - E.g. recognising universities best placed to identify and deliver high-level skills needs, employment law & pensions
- Stable, predictable funding stream
 - E.g. independent funding body, block funding, unit of resource to deliver long-term contracts
- Remove the burden of doing business
 - E.g. better regulation, flexible tax framework

A framework to support this approach: the role of government



- Providing a flexible regulatory framework
 - Enable universities to operate on a more level playing field with private providers
 - employment law & pensions – more flexibility
 - universities best placed to identify and deliver skills needs
- Stable, predictable funding stream
 - E.g. independent funding body, block funding for T and R, maintain overall unit of resource (from public / private)
- Introduce a graduate contribution scheme
 - Replace fees with a new graduate contribution scheme that is fair for students and graduates, affordable for government and enables increased private contributions

Summary



- A strategic approach to deliver clear and desirable outcomes, of interest to the university and to the funders, is critical in the current environment
- Expecting the public purse to continue to fund universities to operate in traditional ways is not a safe assumption
- Continuous improvement to deliver improving outcomes and the development of new marketable services are key success factors
- Diversifying income sources and the development of productive and managed partnerships are key future success factors
- Government can gain great advantage and meet its objectives by setting the appropriate regulatory framework for universities with managerial freedom to deliver the desired outcomes