



ENGINEERING PROFESSORS' COUNCIL

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21 March 2010

Policy context

- Higher Ambitions – the future of universities in a knowledge economy
- the 2010/11 Grant Letter
- The (first?) 2010 budget
- General election
- the Review of higher education and student finance

2010-11 Grant Letter: priorities

- diversity of provision
- contestability and skills
- research concentration and ring fencing for 2010/11
- meeting the information needs of students

... maximising the economic, social and cultural impact and the international reach of higher education

Summary of spending reductions

Reductions in 2010-11 funding	£M
Reduction in recurrent teaching grant (164m + £51m)	215
Reduction in additional student numbers	83
Reduction in recurrent research grant	16
Reduction in learning and teaching capital	84
Loss of capital end year flexibility	51
Total reduction in 2010-11 funding	449

Main components of 2010-11 grant

- Teaching funding £4,727M (+0.4%)
- Research grant £1,603M (+2%)
- HE Innovation Fund £150M (+11.9%)

- Capital funding £562M (-14.9%)
- Special funding £294M (-7%)

- Moderation £20M

The Budget: April 2010

- Modernisation Fund (£270m for one year)
 - 20,000 additional students in 2010-11 - courses relevant to government's economic strategy
 - funding for 'invest to save projects' to meet costs in future years
 - Shared Services Pilot Scheme (£20m)
- Call for proposals: 26th April deadline, with end May outcome
- But:
 - public borrowing currently £178 billion per annum, or 12% of GDP
 - £600m required from higher education, science and research budgets by 2012/13

Learning and teaching

- action on quality and standards, including better information for students and prospective students
- a shift towards more flexible learning
- wider and fairer access
- a focus on employability and workplace / employee development
- a continuing commitment to boosting demand and provision for STEM

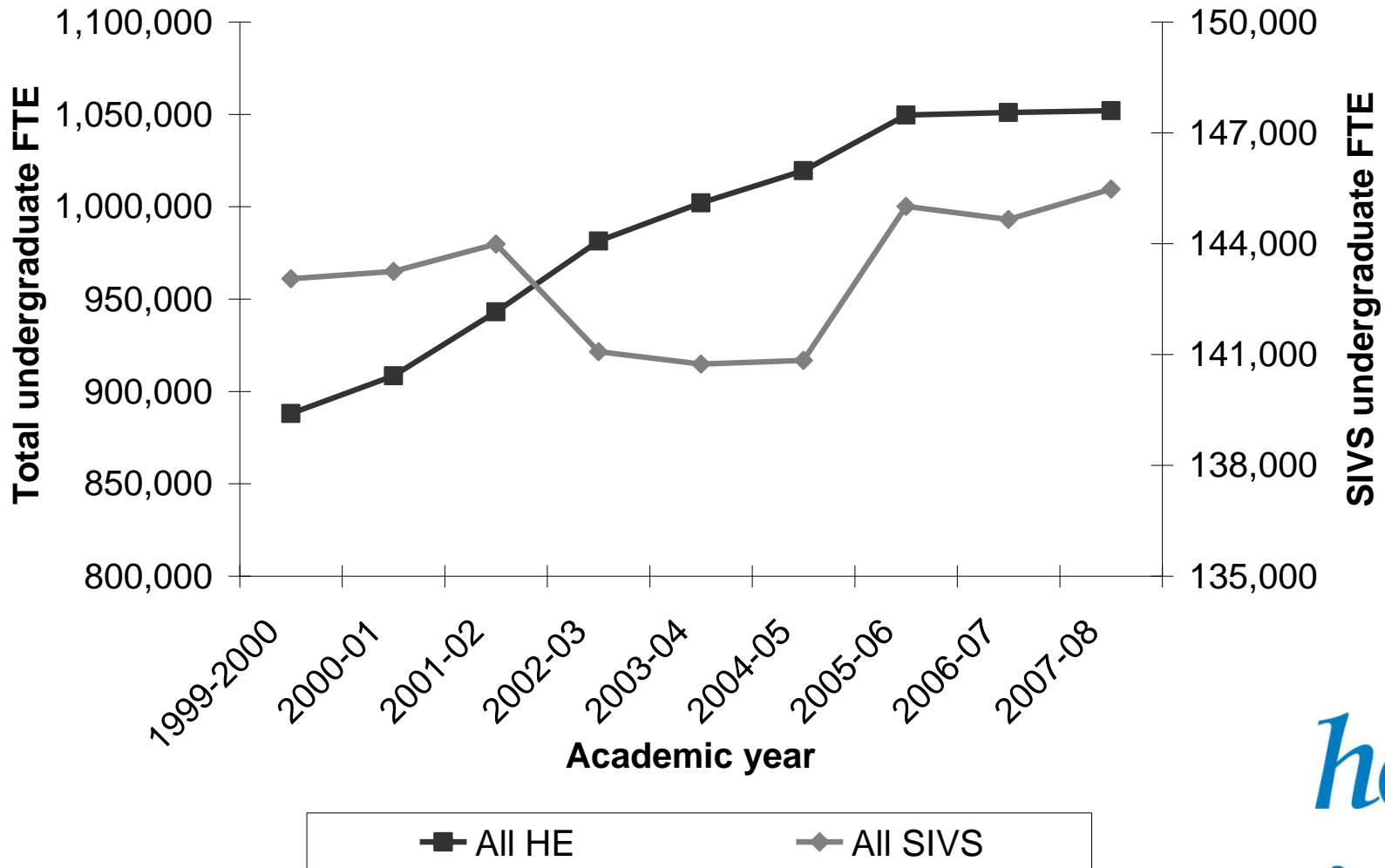
Strategically important and vulnerable subjects

Engineering:

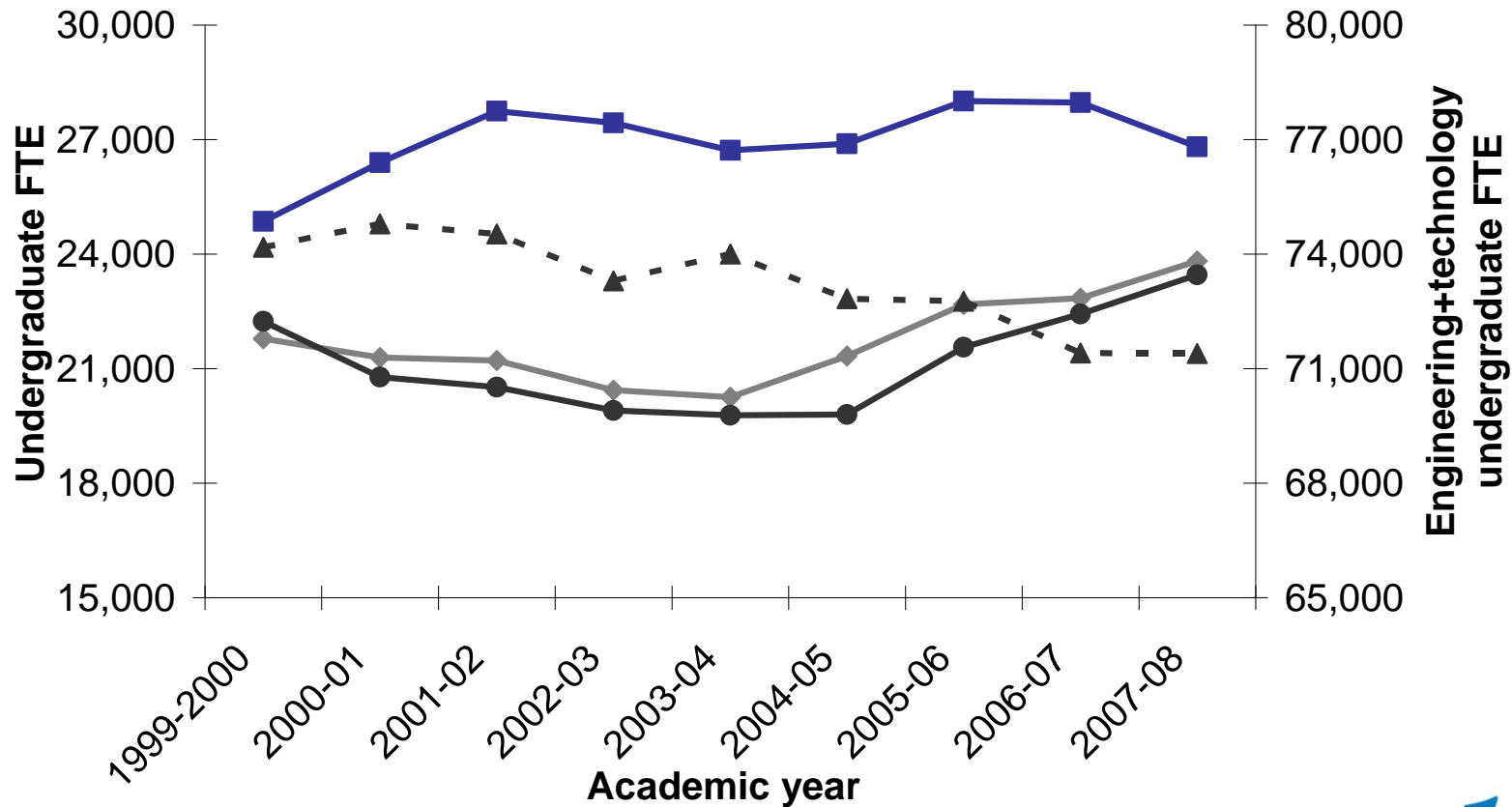
- Building demand: the London Engineering Project and the National HE STEM Programme
- Sustaining and growing supply:
 - Additional funding for very high cost subjects
 - Support for movement of numbers in 10-11
 - Additional places

... selective interventions based on evidence and joint working

Changing patterns of student demand (SIVS)



Changing patterns of student demand (engineering and technology)



- Modern languages
- Physics + chemistry
- ◆ Mathematics
- ▲ Engineering + technology

Engineering – FTUG data

HESA cost centre	2005-06	2006-07	2007-08	2008-09	% change 2005-06 to 2007- 08	% change 2006-07 to 2008- 09
Chemical Engineering	2,549	2,757	3,311	3,674	30%	33%
Civil Engineering	10,097	10,980	11,010	11,370	9%	4%
Electrical, Electronic and Computer Engineering	21,672	19,442	18,765	18,348	-13%	-6%
General Engineering	15,153	14,608	14,665	13,653	-3%	-7%
Mechanical, Aero and Production Engineering	20,027	20,554	20,284	20,638	1%	0%
Mineral, Metallurgy and Materials Engineering	3,266	3,070	3,361	3,474	3%	13%
Subtotal: engineering and technology	72,764	71,411	71,396	71,157	-2%	0%
Total	1,049,619	1,050,993	1,051,911	1,044,657	0%	-1%

Teaching funding consultation – Phase 1 – 12 July deadline

Three principles:

- institutions free to manage provision in a way that best responds to the needs of students, employers and society
- incentivise change that is in the public interest
- be compatible with various modes of study, including flexible provision.

Three key features underpinning this:

- as simple and easy to understand as possible
- responsive and dynamic
- achieve value for money and continue to reflect the income from tuition fees and contributions from employers.

T-funding methodology

... a model that is dynamic, flexible and easily understood.

possible imperatives:

- linking funding to public priorities
- recognising and rewarding demand
- linking funding to quality of provision

Phase 1 response by 13 July

Implementation by 2012-13 (?)



Review of HE and student finance (1)

- student financing and support
- the balance of contributions (taxpayers, students, graduates and employers)
- fees policy (full and part-time undergraduates and post graduates)
- timing
 - started November 2009
 - 2nd phase evidence by 14th May
 - reports sometime after election in 2010
 - implementation in 2012-13 (?)

Review of HE and student finance (2)

- **HEFCE funding** – how to incentivise quality and participation through targeted public resource?
- **Student finance** – how to enable participation in higher in a way that is affordable for the student / graduate and sustainable for the taxpayer?
- **Student numbers** – how can government control expenditure without unduly constraining activity?
- **Tuition fees** – how can we ensure that individuals who benefit make a significant contribution, without deterring anyone from participating on financial grounds?
- **Investment in diverse modes** – what is the best balance between public investment in full-time and part-time?

Research

- sustaining the balance between curiosity driven research and work targeted on national priorities
- investing in people and infrastructure
- supporting vibrant postgraduate and postdoctoral communities

- greater selectivity in 10-11 allocations (0:1:3:9)
- the Postgraduate Review
- the Research Excellence Framework

EXCELLENCE

REF – a UK-wide framework for assessing research quality

... maintaining the capacity of higher education to undertake world-leading research across a range of academic disciplines, promoting economic growth and national well-being and the expansion and dissemination of knowledge

*REF Consultation
September 2009/38*

hefce

Research excellence framework

Outputs (60%)

Quality of all types of research



Expert review of selected outputs (informed by citation information in appropriate UoAs)

Impact (25%)

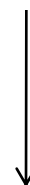
Economic, social, cultural and quality of life benefits



Narrative statement and case studies, supported by indicators

Environment (15%)

Quality and sustainability of the research environment



Narrative supported by indicators

REF – consultation outcome (1)

Overwhelming support for:

- the continuation of block-grant research funding within dual support and based on research excellence
- research excellence to continue to be assessed through expert review, informed by indicators, and UK-wide basis with reference to international standards
- quality of research outputs to continue to be the primary factor, and the vitality of the research environment also to be significant

REF – consultation outcome (2)

- widespread support for including an element for the explicit assessment of impact within the REF
- many qualified by emphasising the need to develop a robust method for assessing impact, and suggesting the weighting should be lower than the proposed 25 per cent
- expect to make a full announcement later in the year reflecting the experience of the impact pilots, as well as points made in the consultation
- advertising for chairs and establishing an expert panel on equalities

Choices for the future (1)

- put teaching *or* research first
- protect core teaching and research at all costs *or* accept diminution in core teaching and research to preserve broadening of the mission of higher education
- protect the unit funding for teaching even at the expense of the supply of places *or* protect opportunities for study even at the expense of unit funding
- see industry-funded skills development *or* public subsidy for skills

Choices for the future (2)

- protect university and college autonomy *or* have a more directive approach to supporting universities and colleges
- support struggling institutions *or* allow them to fail
- promote a formally stratified sector *or* have no formal distinctions between institutions
- give top priority to the “jewels in the crown” *or* give top priority to local and regional provision