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The Future Role of Universities

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Abstract

The shape of the higher education system in England is facing radical transformation. At the core of the changes are a shift from public to private funding, a redistribution of student numbers away from mainstream universities, and no overall growth in the sector to meet areas of proven demand. As the sector works through these changes, we need to be clear, as a country, about the future role for universities that we are working towards. Universities have a clear vision for the future, the product of a long and successful history of adaptation to social and economic needs. There are five core components of this vision: 1) to maximise the talent-base of our society to develop graduates ready to seize on the opportunities of the global knowledge-based economy; 2) to lead regional networks of innovation and knowledge exchange, connecting with industry, the professions and the public sector, across academic activities, to drive regional growth; 3) to provide civic leadership, moving beyond organisational needs to focus on the place or region; 4) to foster international relationships and intercultural understanding, developing capacity in emerging markets and learning from and with our international partners; and 5) to always push boundaries and challenge our ways of thinking – independence from government and industry is essential for universities to maintain this critical voice. The question we are left with is, will the current changes support the vision, destroy the vision, or prove to be insignificant in the face of a sector with a strong and flexible history?

Introduction

1. Thank you for coming to this talk this evening.

Social Science in the City is a great initiative – sharing ideas, shaping our thinking and engaging on relevant and topical agendas that impact on society and on our great city.

I'm very pleased to have been invited to speak at one of these events, particularly on the future role of universities. Universities are institutions that help transform lives, open opportunities, shape futures and importantly challenge and shape our thinking and actions.

UWE Bristol, the University of Bristol and the greater Bristol city region make up a very strong part of the future for higher education in England. We have two very strong and complementary universities that are shaping and actively engaging with our local communities; and, together we are working with our partners in industry, schools and the public sector. One example is the recently launched Bristol and Bath Science Park – a collaboration between the Bristol universities, Bath University and local businesses, to advance science and technology.

2. By means of some context to our universities in Bristol:

- UWE Bristol is the 8th largest University in the UK with over 30,000 students.
- Together with the University of Bristol we have in the region of 50,000 students.
- As organisations our joint annual turnover is between £550-£650m.
- Between us we employ around 9,000 members of staff – whose salaries will partly be spent in our local economy.
- We also contribute to the region in terms of the suppliers and sub-contractors that we employ. If we introduce this multiplier effect, UWE Bristol alone supports another 5,000 jobs locally.
- Our 50,000 students, learn, live, earn and spend in the city region and contribute in excess of 30,000 hours a year in outreach and volunteering, supporting local people to make a difference.
- UWE Bristol's history dates back to 1595 with its origins in the Bristol Society of Merchant Venturers' Navigation School. We grew from Bristol Polytechnic into UWE, gaining university status in 1992.
- The University of Bristol was established in 1909, it was preceded by the University College, Bristol, which existed from 1876 until the founding of the University.

Together, both universities have strong reputations and global reach. Both have a long history as part of the city region and both are having a huge impact.

3. As you will be aware, the shape of the higher education system in England is facing radical transformation: to its financing; to the types of providers that constitute the system; to the provision that we offer and how we offer it; and to the partnerships and relationships that we hold.

The changes that are being implemented by the coalition Government have, for some, brought into question the autonomy and very role of universities – the role of universities as a collective and their role in different parts of the higher education sector. Questions have been raised about what the core purpose of universities is now and will be in 20 or 50 years' time, given these changes.

A fundamental question being asked is: 'are the core values and general mission of universities, that have built up over hundreds of years, compatible with the Government's recent policy decisions, and if not will they withstand the pressure of these current changes? And if they don't what are the consequences?'

These sorts of questions are also being asked in different ways across the globe as countries consider how best to develop and advance their global standing, their economies and their knowledge-base. Emerging economies around the world are investing heavily. They see their futures in terms of the knowledge economy and so are investing in future generations through education. It is worth just remembering that China and India are increasingly supporting the development of a strong graduate workforce and are investing significant money to realise this objective.

With an eye on the global let's consider the more local.

Higher education in England has been on a journey for some time – since it began; and, like all areas of society, will continue to be on a journey, as we embrace new ideas and innovations in the development and application of knowledge, and in our ways of working and thinking in a global society.

A stable and growing sector has not meant a complacent, fossilised sector without vision. Indeed if we look back over time, the UK system has changed, adapted and been very successful in advancing the knowledge economy. There is no doubt that the right change and innovation can take place much easier within a framework of stability to enable forward planning. However, like many of our public services, this is not a luxury we are currently being afforded. We need to adapt and adapt fast! Evolution is not an option. We need to accelerate, focus and engage with societal and business needs. We are not, and cannot be islands of discovery remote from others, disconnected and irrelevant. We must be engaged, connected, real and relevant. We must develop minds as well as skills, knowledge, attitudes and behaviours, as we advance knowledge and critical thinking, and we challenge our understandings of the world and the peoples we interact with.

What we are achieving in Bristol is, I believe, very much illustrative of the current and future role for universities.

4. So what changes are we currently facing?

In October 2010, just before the Government's Comprehensive Spending Review we saw the publication of Lord Browne's Review of Higher Education Funding and Student Finance.¹ This focused on creating a sustainable financial footing for higher education and a 'marketplace' with the aim of driving up quality and reducing the cost to the public purse. It is worth remembering that the Labour Government commissioned this work and gained support from the Conservatives, having identified that Higher Education was chronically under-funded and a sustainable funding base was needed to enable UK Higher Education to continue to compete on a global basis. Across the globe countries are investing a much higher proportion of their GDP in education than we are in the UK! We are falling behind.

Lord Browne suggested a shift of the financial responsibility for higher education onto the individual, as opposed to the explicit mixture of individual and public funding that has been in place for a number of years, and prior to that just public funding. Lord Browne recommended no cap on the fee level, a levy on fees above £6k to invest in widening participation and social mobility, and overall growth in the higher education system – in order to meet increasing demand from students and our country's need to be competitive in the global knowledge-based economy – in particular in terms of supporting the UK to develop the workforce required for success.

The Government chose not to follow these proposals in full. They have not supported growth in the system as set out by Lord Browne, and they chose to increase the graduate contribution level to between £6k and £9k, with the Government stating very clearly that universities would only charge £9k in exceptional circumstances. Their belief was that only a handful of institutions would charge the highest fee.

¹ Browne, J. (2010) 'Securing a Sustainable Future for Higher Education: An Independent Review of Higher Education & Student Finance', available at: <http://www.bis.gov.uk/assets/biscore/corporate/docs/s/10-1208-securing-sustainable-higher-education-browne-report.pdf>

This delivered a solution for the Government's Comprehensive Spending Review (CSR) decision – where a reduction of £2.9bn in the publically funded higher education budget was required as part of the 25% cut to the BIS budget. This actually translated into a 40% cut to higher education. Following the CSR, the Government had to either reduce student numbers (politically difficult), or maintain them and find a different way of funding them (less difficult but still tricky). They chose to shift more of the costs onto graduates, effectively creating a 'graduate tax' for those earning over £21,000 p.a., and preserving the Government backed fee loan system to meet the costs of graduate education upfront.

Much criticism was made of the Government taking the decision to raise the graduate contribution level at this point, without the detail of a White Paper to set this in a broader context, engaging with the implications and wider objectives for the sector. Indeed, universities were then asked to set their graduate contribution levels for 2012-13 by April 2011, with no additional information as to the 'rules of the game' in which this decision was to be taken – the White Paper had still not been published.

This led to a situation where the vast majority of universities opted to set their graduate contribution level at £9k in order to protect investment in the student experience and the quality of provision that has been established in England. Given the favourable terms of the student loan repayment system, the difference between charging £9k or £6k has a limited financial impact on future graduates – the difference in price will only affect a small number of graduates that go on to be very high earners, but it has a huge impact on the experience that universities can offer those students during their studies. It's worth noting that in excess of 40% of graduates may never pay back their loan over the 30 year period after which the loan is forgiven.

The White Paper, 'Students at the Heart of the System',² came two months after universities submitted their fee levels. In this paper the Rt Hon Dr Vince Cable MP and the Rt Hon David Willetts MP signalled a number of changes that were to accompany the increase in the graduate contribution level, and outlined a series of retrospective policies to ensure that universities did not all charge £9k. The White Paper focused on:

1. Improving the information available to prospective students, e.g. on the quality of programmes, student satisfaction, and expected contact with academic staff.
2. Opening up the HE market to Further Education Colleges and private providers in order to create more diversity in choice and undercutting publicly funded universities to bring down costs. Clearly there are risks here in terms of bringing down costs at the expense of maintaining and enhancing our strong UK brand of higher education.
3. Freeing up student number controls by introducing competition for 85,000 places in 2012/13, by taking these numbers away from the allocations universities received in 2011/12. For UWE Bristol, we will see our intake dropping by approx. 1000 students in 2012 due to the changes to student number controls.

The White Paper was immediately followed by the Funding Council's consultation on 'Teaching Funding and Student Number Controls' for 2012-13. HEFCE's task was to set out how the changes announced in the White Paper would be implemented, whilst at the same time ensuring enough stability in the sector during the transition.

As a result a bidding system was introduced for 20,000 places in 2012-13, where institutions qualified to bid if their average institutional fee level was below £7.5k after

² Department for Business, Innovation and Skills (2011), 'Students at the Heart of the System', available at <http://discuss.bis.gov.uk/hereform/white-paper/>

fee waivers. And universities are free to recruit as many students as they want and can attract, who achieve A-levels of AAB+ or equivalent. The aim is to increase competition based on price and quality and to encourage the 'elite' universities to take more high performing students.

These changes constitute a massive shift from a relatively stable and efficient sector, working to increase quality, participation by all groups in society, and global competitiveness, to one where future planning has become increasingly complex.

The Government has also now consulted on the Regulatory Framework for the sector, the BIS Technical Review,³ focusing on measures to open up the market and how to manage the potential pitfalls – for example if a new provider should fail. This has raised a whole host of questions about what it means to be a 'University' – the number of students a provider has to have, how long the institution needs to have been established and whether or not validation can be undertaken by institutions that do not perform a teaching role themselves. The results of this consultation, along with the White Paper, are due to be published early this year.

Whilst the Government has now published its 'Innovation and Research Strategy for Growth', in December 2011, the changes proposed by the Government to date have in the main focused primarily on undergraduate provision, which, whilst hugely important have been quite isolated from the true multifaceted nature of universities. The crucial connections across activities that make universities the innovative places that they are have not been sufficiently acknowledged.

The Government's recent consultations have tended to compartmentalise the activities of universities into different segments. Universities are complex ecosystems. You cannot divorce bits of activity. Our core endeavours of teaching, research, and knowledge exchange are inextricably linked. They are not islands of activity, disconnected and abstract.

Also, universities play a huge role in both society and the economy – locally, regionally and internationally – across public and Government agendas. This has not been recognised in the separating out of the areas of university activity for different consultations.

A clear and strongly articulated vision is essential to ensure we, as a country, utilise the potential of universities and that they have the maximum impact on transforming lives and futures across the globe.

5. A number of significant challenges have clearly arisen through the recent changes to ensuring that we maximise our impact.

Financial sustainability has been brought into question for many institutions and establishing a sufficient surplus to manage in the uncertain environment will be essential. The changes will have implications for the size and shape of institutions. For some the changes may bring into question the very character and mission of the University.

Collaboration and partnership to drive forward improvement and efficiency in the higher education sector will become more challenging, due to heightened competition, but increasingly important.

³ Department for Business, Innovation and Skills (2011), 'BIS Technical Consultation: A new, fit-for-purpose, regulatory framework for the higher education sector', available at <http://discuss.bis.gov.uk/hereform/all-documents/>

Student expectations will continue to increase and managing their expectations with those of the industries they seek to enter will be crucial. There are clearly challenges that need to be addressed in terms of meeting future workforce needs in the UK and managing fluctuations in demand from students.

Managing the cultural change in universities will also be a huge task – taking University governors, staff, students, and partners with us into this new world, which is progressing at quite a pace.

As the sector works through these changes, we need to be clear, as a country, about the future role for universities that we are working towards – in order to engage constructively with the Government’s aims and objectives and work together to realise improvements across the sector, at a time of increased competition internationally and in a tight financial environment – where the Government is having to balance a number of critical priorities.

As the President of UUK, Professor Eric Thomas – Vice-Chancellor of the University of Bristol, outlined in his speech at the recent UUK conference:⁴ universities have a clear vision for the future, the product of a long and successful history of adaptation to social and economic needs, but we are often not vocal enough about this. This creates a significant risk that damaging changes will be made to us, as opposed to with us.

6. For me and for UWE Bristol: There are five core components of this vision:

1. To maximise the talent-base of our society, to develop graduates ready to seize on the opportunities of the global knowledge-based economy; to think, challenge, engage and help shape and lead the future.
2. To lead regional networks of innovation and knowledge exchange, connecting with industry, the professions and the public sector, across academic activities, to drive regional growth.
3. To provide civic leadership, moving beyond organisational needs to focus on the place or region.
4. To foster international relationships and intercultural understanding, developing capacity in emerging markets and learning from and with our international partners.
5. To always push boundaries and challenge our ways of thinking – independence from government and industry is essential for universities to maintain this critical voice. That **does not mean we can work in isolation** or should not encourage co-creation and partnerships – very much the opposite.

The question I posed for this talk is: will the current changes support the vision, destroy the vision, or prove to be insignificant in the face of a sector with a strong and flexible history?

In some respects it is too early to tell. Many of the details of the changes are still to be confirmed – particularly for the sector from 2013 and beyond. We don’t know how quickly further changes will be introduced, how much can be achieved in one term of Government, or what changes may arise with a future change of Government. We are also still unclear how the new market will evolve and how student demand may change. Market forces may not play out in the way Government thinks.

However, despite the uncertainty, I am optimistic.

⁴ Thomas, E. (2011), ‘Professor Eric Thomas’s speech to Members’ Annual Conference’, available at <http://www.universitiesuk.ac.uk/Newsroom/Speeches/Pages/ProfessorEricThomasAnnualConference2011.aspx>

Why? Higher education has an exceptionally strong history, we make a huge impact on society, the economy and individuals, and we have a very clear shared vision for the future.

Whilst there has been very limited engagement by the Government with a future vision for higher education in England or its history, the broad role of universities has been established over a significant number of years. This cannot be erased.

7. Maximising the talent-base

The first area of this vision that I want to focus on is maximising our talent-base. This is clearly essential to drive innovation and economic growth.

As UUK and others have demonstrated, 'the majority of future growth, and the rebalancing of the UK economy, will rely on knowledge-based industries, which are dependent on high level skills'.⁵

8. We know from CBI calculations, that of the 13.5m jobs to be filled in the period to 2017, 'over half (56%) will require people to hold graduate level qualifications,' which they rightly state indicates 'a significant shift towards greater demand for higher level skills'.⁶

Further research by the CBI, based on employers that took part in the CBI/EDI education and skills survey, found that 58% reported an increased need for higher level skills over the next three to five years. This is juxtaposed against a 12% drop in demand for people for jobs requiring no qualifications.

We know that new and growth industries require a high-tech, high-skill and innovative approach and the knowledge base to support this. Universities are absolutely critical in driving and enabling this future.

One example is the creative industries, a fast growing, innovative and knowledge-based sector that is particularly strong and hugely important here in Bristol. The creative industries are an important part of the Government's plan for growth. They attract inward investment and export earnings for the UK. They are also a significant part of our regional growth agenda. In this sector graduates account for the majority of the workforce, 'with the proportion of graduates within creative industries often twice as high as that seen in the UK labour market as a whole'.⁷

Maximising our talent-base to feed these industries involves actively working to engage and inspire potential students from all backgrounds.

Social mobility and equality of opportunity is at the core in defining what sort of higher education system we have in the UK. Whether it is a system characterised by opportunity for all, by social justice, and by the desire to transform people and society through higher education; or whether we move back to a more elitist system. How we approach this as a country goes to the core of our society and our aspirations for the future – both in terms of social justice and our competitiveness.

⁵ Universities UK (2011), 'Driving Economic Growth', available at <http://www.universitiesuk.ac.uk/Publications/Pages/Drivingeconomicgrowth.aspx>

⁶ CBI (2011), 'Mapping the route to growth: Rebalancing employment', available at <http://www.cbi.org.uk/pdf/mapping-the-route-to-growth.pdf>, page 15

⁷ Universities UK (2011), 'Driving Economic Growth', available at <http://www.universitiesuk.ac.uk/Publications/Pages/Drivingeconomicgrowth.aspx>

Tackling inequalities cannot be achieved by universities acting in isolation. Bristol, for example, has a higher education participation rate ranging from below 5% to 99%, across wards. This is a huge discrepancy to overcome.

However, with a heavy reduction in government funding to support collaborative work and the move to a more market-based system, there is a major risk that an institutional perspective will come to dominate the approach to outreach in our communities. The Government has created a strong incentive for universities to act in their own interests, based on financial imperatives and the performance measures set out in the University league tables. This is not conducive to collaborative work that focuses on the interests of the individual and maximising their potential.

The role of universities in social mobility, raising aspirations and providing opportunities, is very much in the rhetoric of politicians but we are yet to see that make its way into practical, consistent and adequately resourced policy.

Indeed, based on the current proposals, student choice is likely to end up forced towards two ends of a polarised market (£9k providers and below £7.5k providers). This is particularly so for those students from lower socio-economic backgrounds, who at the moment are less likely to achieve AAB+ at A-level and therefore are less likely to be able to go to a £9k institution under the new system. Very few highly resourced courses will be available to students with below AAB at A-level, or equivalent.

Low cost, of course, does not mean value for money for these students. Clearly universities must invest in the student experience and ensure students are well supported throughout their studies and on to graduate employment.

If those from lower socio-economic groups are in the main restricted to universities with a lower unit of resource then we have a very unequal system.

Maximising talent also clearly involves up-skilling and reskilling the current workforce, as opposed to just focusing on the traditional 18-21 first time undergraduate market. Mature students currently account for 64% of all home students at UK universities and 94% of those studying part-time. It is unclear what impact the changes will have on this section of the market.

Maximising the talent-base is a core part of the vision of universities in England. Whilst it is too early to ascertain the impact of the Government's changes, this vision will clearly continue to be fundamental to universities.

The degree to which universities can fulfil this element of their mission will however be challenged. As a sector we need to continue to highlight these consequences and provide innovative solutions to continue delivering on our mission, within the framework of the new system.

Higher education will still be 'free' at the point of entry. But we will need to work hard to ensure that the opportunity is for all who can and want to benefit. I am passionate about the transformative nature of education and its ability to deliver true social mobility. I do fear what is being created will set back some of the progress we have made over the past 10 years or so.

Driving regional economic growth

9. The second part of the vision for higher education that I want to address is the role of universities in driving economic growth, particularly at a regional level.

Universities have long been, and will continue to be, much more than simply part of the education system.

Maximising the talent-base in England clearly contributes to the development of our knowledge-based, high-tech economy, as outlined above.

However, the impact universities have on growth far exceeds the emphasis on producing high quality graduates. Universities create new ideas and knowledge, developing sustainable solutions to some of the most pressing problems regionally, nationally and globally – including energy and the environment, the economy, health, agriculture and food, and managing demographic change and disease.

Research conducted at UK universities has and continues to lead to some of the most innovative discoveries that are shaping the world around us, from the discovery of DNA in 1953 to the development of new ways to treat cancer.⁸

10. Through these innovative ideas universities produce spin-out companies, providing jobs and generating income as well as providing space for enterprise to start, grow and flourish.

Universities, particularly those located close to industry, have well-established roles as regional hubs, bringing together people, knowledge and expertise from academia, industry, the professions, the public sector and civil society to maximise success in key sectors. They also attract significant investment to their regions.

Universities are unique organisations. They are often the only institutions in their city or region with the scale, connectedness and independence to bring partners together to create and transfer knowledge, and through their breadth and connectivity to ensure maximum impact across regional and national agendas.

Bristol provides an excellent case study to illustrate this activity. Bristol is the economic powerhouse of the southwest. Through UWE Bristol, three innovation networks for the south west have been brought to the city – in Biomedicine, Microelectronics, and the Environment. The University is also leading one of the four Knowledge Exchange Hubs for the Creative Economy in the UK, funded by the Arts and Humanities Research Council. The creative economy hub is a partnership with the universities of Bristol, Exeter, Bath and Cardiff, the Watershed in Bristol and a number of industry partners. These networks facilitate engagement with and across SMEs and the cross-fertilisation of ideas to drive innovation and enterprise in areas where the city has proven strength and significant potential to grow.

Bristol is already demonstrating real strength to build on. Outside London, Bristol is the most productive of England's large cities with a Gross Value Added of 26,675.⁹

At UWE Bristol we are working to support this further. For example, the primary research agendas at UWE Bristol are very closely aligned to these networks and to the priorities set out in the West of England Local Enterprise Partnership.

At UWE Bristol we are prioritising:

- Biomedical and Biosensing Sciences/Technology
- Sustainable Transport and Planning

⁸ Research Councils UK (2010), 'Big Ideas for the Future Report', available at <http://www.rcuk.ac.uk/Publications/reports/Pages/BigIdeas.aspx>; Universities UK (2011), 'Driving Economic Growth', available at <http://www.universitiesuk.ac.uk/Publications/Pages/Drivingeconomicgrowth.aspx>

⁹ Business West Policy Team (2010), 'Business West Briefing 2050 Greater Bristol; Where we are today economy – (core city /national comparisons)', available at <http://www.bristol2050.co.uk/research-briefings/33-growth-economy.html>

- Art and Digital Media
- Intelligent Computing and Robotics
- Health and Well-Being

One example to illustrate what we are achieving on these priorities is the research being undertaken by the Bristol Robotics Lab (a joint laboratory between UWE Bristol and the University of Bristol), where we are exploring the possibilities of energy production from urine. This is a highly innovative project, with the potential to be the next big thing, and this is being recognised by successfully attracting prestigious funding awards.

The alignment of priorities is hugely beneficial to the region, as the knowledge that originates from universities is often a key factor in the development of urban or regional clusters in high-technology sectors.¹⁰ There are a whole range of ways in which universities work with businesses to achieve this, for example through:

- Knowledge Transfer Partnerships
- CPD, professional qualifications, work-based learning and tailored programmes
- Patents, licenses and technology transfer
- Innovation and incubator support
- Exhibition and conference facilities
- Specialist equipment and expertise
- And of course, graduate skills and research and consultancy as I have mentioned

It is by working together, across organisations, that we can draw together different strands of activity and really innovate and create the ideas and opportunities that will address the needs in our region and beyond. Collaboration is key.

In addition to the above, higher education is also a significant UK industry in its own right. In 2009 the sector contributed £7.9 billion in exports and is projected to contribute £16.9 billion by 2025.¹¹ Universities attract inward investment, they make the UK an attractive place to start and grow a business, and they play a major part in contributing to a more balanced economy.

In many places the universities are also the largest employer, as I briefly touched on at the beginning of this talk.

Universities are central to local, regional, and national growth far beyond education and skills. They contribute significantly to regeneration, economic development and regional employment and are 'anchors' within their regions to draw together people and activities across agendas. They are key to determining the future pattern of economic growth in the UK.

For Bristol, two strong Universities, the Science Park and the interaction we have the LEP acts as a magnet attracting businesses and inward investment. Those cities and towns without universities are keen to find ways of attracting them. Swindon is a great local example.

This will continue to be core to the future role of universities.

¹⁰ Cooke, P. (2002), *Knowledge Economies: Clusters, Learning and Cooperative Advantage*. London: Routledge.

¹¹ Universities UK (2011), 'Driving Economic Growth', available at <http://www.universitiesuk.ac.uk/Publications/Pages/Drivingeconomicgrowth.aspx>

Civic leadership

11. But beyond being a 'catalyst for knowledge-based economic growth'¹² they also play a huge role in social equality and cohesion, democratic participation and sustainability – they are often key players in non-economic, community and place-based development.

Clearly universities undertake a broad range of academic activities linked to social agendas – e.g. social welfare, urban regeneration, transport, health and well-being, and education – contributing to informing public policy and political debate. Many do link their research agendas to societal challenge themes – globally and locally – as we do at UWE Bristol.

But beyond this, universities also often play a key role in civic or place-based leadership with the communities and regions in which they are located, working with schools and other partners.

For example, UWE Bristol was the first HE institution to support an Academy back in 2002. Since then the City Academy, in the Lawrence Hill area of Bristol, has seen a dramatic rise in the proportion of its students achieving 5 or more good grades at GCSE, and in the numbers staying on at age 16 and progressing to higher education by age 18/19.

UWE Bristol has also been working with the City of Bristol College on plans for a University Technical College (UTC). The UTC aims to build on the region's national reputation as a hub for advanced engineering, aerospace and environmental technologies, by specialising in technology and engineering. The UTC aims to offer up to 600 places for students from the age of 14 in an innovative learning environment linked to real projects – providing a real boost to skills development in an area critical to our region.

Civic engagement goes to the founding roots of many institutions.

12. John Goddard and Paul Vallance refer to this type of role as involving a degree of 'stewardship of place'¹³ – universities and the public and private sectors coming together to articulate the future direction of development in the city or region.

This involves working together to focus on the needs of the place, and not the organisation's narrowly defined remit or interests. It means contributing to societal problem-solving in the geographical area in which the University is located, and using this to benefit the research, and teaching and learning activities of the University – integrating activities, and maximising their impact, rather than separating across academic endeavours.

Civic leadership means working in partnership to fundamentally shape the character of the place in which we are located. As part of this, the University campus plays a significant role as a knowledge asset and resource to the community.

13. By means of an example, last year at UWE we entered into a strategic partnership with Bristol Rovers Football Club, for them to build their new stadium on land located on our Frenchay Campus. The agreement represents a significant investment by BRFC of approximately £60m in first class facilities that will bring added value to the city and

¹² Goddard, J & Vallance, P (2011), 'The Civic University and the Leadership of Place', available at <http://www.regional-studies-assoc.ac.uk/events/2011/april-newcastle/papers/Goddard.pdf>

¹³ Goddard, J & Vallance, P (2011), 'The Civic University and the Leadership of Place', available at <http://www.regional-studies-assoc.ac.uk/events/2011/april-newcastle/papers/Goddard.pdf>

the region. We have a major programme of campus development planned – which will see a number of significant benefits to our students, staff and the communities that we serve.

Professor John Goddard, and our Professor Robin Hambleton here at UWE Bristol, have both argued, that there needs to be more engagement with the civic leadership element of the vision for HE in the UK.

Clearly there are a number of barriers to this, not least in terms of funding these activities, but there is also significant potential.

At UWE Bristol we take our civic leadership role and responsibilities very seriously, which is why I have spoken on this topic on several occasions.

14. By means of another example, we have been very heavily involved in the Business West initiative – working together with partners to develop a vision for the Bristol city region for 2050. This covers areas such as jobs, homes, transport, skills and education, energy generation, biodiversity and the connectivity of the sub-region.

Universities are well placed to play this role given their breadth of expertise, ability to connect across agendas and their independence from, but engagement with, industry and Government.

This is very unlikely to be on the agendas of the private providers that will enter the sector from 2013 onwards. However, it will remain core to the overall ethos of public universities. I firmly believe in the power of our place-based partnership to achieve better opportunities for our communities and for the ability of Bristol city region to be a global player.

International networks

15. In addition to having a very strong role in civic and place-based leadership, universities of course also have extensive international reach – with networks of connectivity across the globe. Universities are not simply part of a national system.

16. We have a strong role in building international connections, interacting with numerous global agencies and companies. We have a strong role in enhancing the reputation of the country and locality internationally. We have an important role in building inter-cultural understanding, fostering positive relations, and helping to build social and economic capacity in emerging economies. This is in addition to the more traditional ways of looking at the international role of universities, in terms of the recruitment of international students, student and staff exchanges, the internationalisation of the curriculum and home campuses, and engaging in multi-disciplinary trans-national research – all helping to enrich and refresh the home campus and prepare staff and students to play their role in the global knowledge-based economy.

Knowledge and higher education are sites of intense competition internationally – universities are central to the competition to be at the leading edge of advanced technology.

Around the globe we are seeing the expansion of a number of regional powerhouses, for example in Hong Kong and Malaysia. Investment in higher education around the world often far exceeds that in the UK. Looking just at public expenditure on higher education, the UK's investment of 0.6% of GDP is one of the lowest in the OECD (the

average is 1.0%). The UK's total expenditure on HE amounts to just 1.2% of its GDP: a figure which is outpaced by the US, Australia, Canada, Korea and Japan.

We are in significant danger of becoming complacent about our global positioning – either that or we are accepting a very new reality for the UK.

But again, we are still within the parameters of the vision.

Pushing Boundaries

17. Throughout each of the elements that I have focused on, runs a fifth core part to the future of universities – that is our explicit role in pushing boundaries and challenging accepted ways of thinking.

18. Sustaining and developing the intellectual base of society is essential for the future development of humanity. Society needs an independent intellectual community to reflect on and give guidance to the future of the nation and of all human kind. Independence from Government and industry is essential for universities to maintain this critical voice.

Universities clearly have multiple stakeholders with which they are engaged – their students, staff, partners, employers, Government, and society. They work to be responsive to these multiple stakeholders and to reconcile the tensions between the sometimes competing interests of these groups. The diversity in the sector helps facilitate this – with universities working to different visions and missions within the collective vision of the sector. Each institution has the flexibility to respond to the changing needs of the market in a way that is compatible with their mission, due to this breadth and diversity in the sector.

We are also now operating in an environment where there are questions regarding the interests of donors to consider. In an environment where fundraising through philanthropic donations or identifying preferred suppliers is increasing, due to reduced public funding, we do need to be very careful – as a number of recent high profile cases have illustrated. We need to continue to be mindful of the need to raise funds whilst at the same time retaining our reputation as independent institutions with a critical voice across all issues.

The impact all this has on the autonomy of universities has long been debated and I think it is one that we as a sector are managing our way through.

As part of this, we are also seeing Government and society asking for more accountability as to how the income of universities is being spent. Some see this as an encroachment on the critical autonomy of universities – however, on this I would disagree. Accountability and autonomy are very different things, and with more autonomy, more accountability is often demanded.

In the changes that the Government has set out they have not articulated a vision for higher education in England. Yes the new funding environment pushes universities in certain directions, but this is generally to ensure accountability for public expenditure – a large amount of autonomy remains. We are still an independent and critical voice in society, and will continue to be, whilst also meeting the interests of the public that we serve.

Conclusion

19. Returning to the question: I am optimistic.

Universities adapt. We have seen many White Papers, many Governments introducing new policy and practice. Each time we have engaged – we embrace the challenges and adapt. We continue to succeed and deliver a crucial civic service.

Government policy can accelerate or decelerate, adapt and change.

However, the sector will remain true to its values and strong core mission. We are being pragmatic about the changes – but this is with a strong and clear value-base. We have clarity, focus and purpose and we will deliver for society. I hope that the private sector, as they enter the market, will have similar values, focus and purpose. We owe it to current and future generations to get it right as we manage our way through the changes. We have failed in securing their economy and we must not fail their education. We must be strong, flexible and true to our purpose. We must engage and work in partnership.

We are BetterTogether.

Thank you