



Universities UK

External environment and efficiencies

Professor Sir Ian Diamond

13 February 2014

Overview

- What we do in universities
- Our activity and achievements in delivering efficiency and effectiveness
- The next phase of our work



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The UK higher education sector...

...is hugely important to the UK economy

Worth at least £59bn, creates >660,000 jobs, £5.3bn in exports

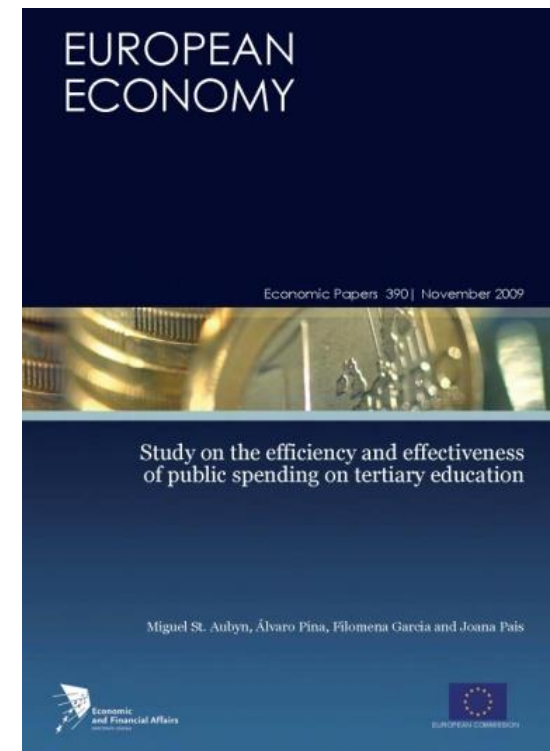
...is successful on the global stage

With relatively lower investment and 1% of global population, the sector:

- Hosts 369,000 overseas students
- Undertakes 5% of global research
- Produces 12% of all citations
- Produces 14% of highly-cited papers

...is seen as an effective performer

UK 'top performer' out of 28 countries in both teaching & research – UK a case study of 'good practice' in EU study





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Success in delivering savings

Reporting period	Target (£m)	Delivered (£m)
2005/06	151	134
2006/07	150	150
2007/08	198	202
2008/09	126	159
2009/10	241	273
2010/11	363	462
Total	1,229	1,380

- **Demonstrating leadership:**
Taking ownership of difficult decisions on research costs, pay & pensions
- **Succeeding on efficiency:**
“Towards a 10-year track record of efficiency and value-for-money”

Efficiency savings in the HE sector (Source: HEFCE)



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...*however*



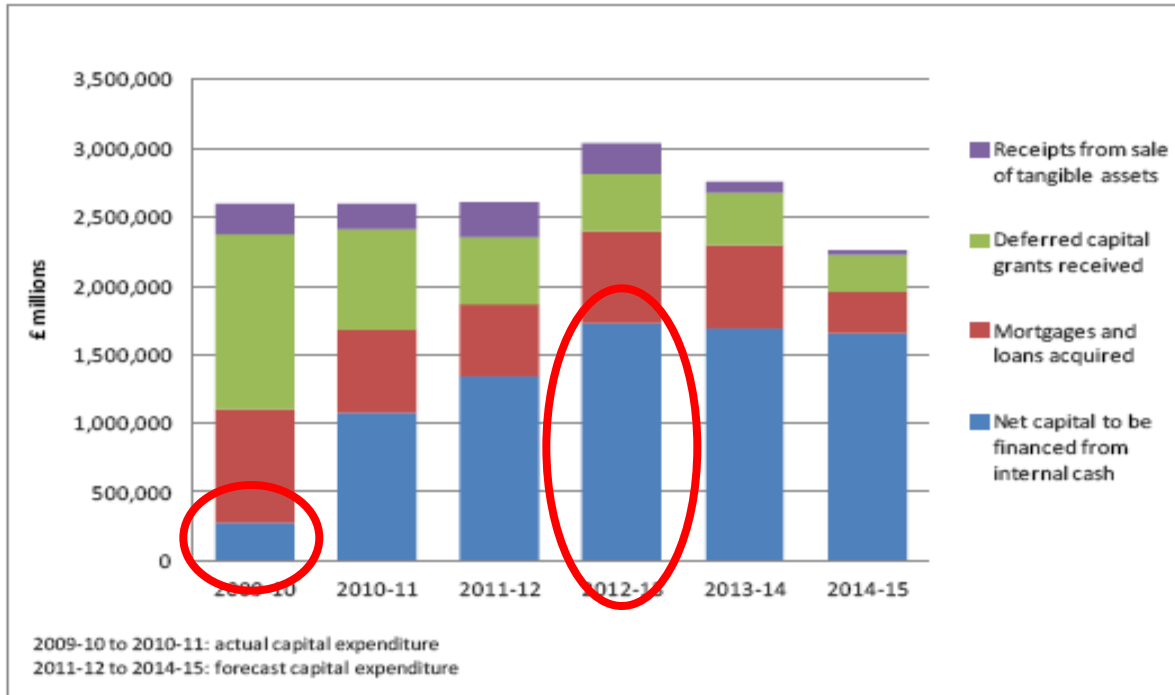
*“Higher education in the United Kingdom is undergoing **a period of significant change**. This is being driven by a number of factors: political, cultural, economic, and technological. The **trends are global** in their scope, and far reaching in their impact. They **affect every aspect of university provision**, the environment in which universities operate, what they will be required to deliver in future, and how they will be structured and funded...”*

Source: Universities UK (2012) *Futures for higher education: Analysing trends*

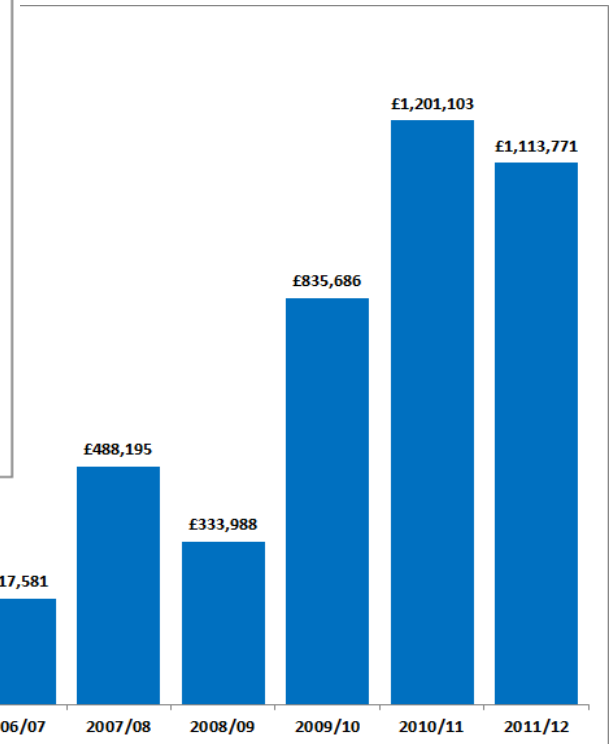


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The need to explain our position



#2: HEI capital expenditure



#1: HEI surplus



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What we have done

- Efficiency in operational areas: *Efficiency and effectiveness in higher education (2011)*
 - Procurement UK
 - Benchmarking
 - The Efficiency Exchange
- Over £480m of efficiency and value for money savings delivered by universities in 2011/12
- Efficiency in research: the Wakeham review
 - Over £160m of efficiency savings, 2011-2013



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State of play

- **Progress recognised by government:** “*the message on efficiency has got through*” (Vince Cable to UUK conference, Sept. 2013)
- **Continued engagement and enthusiasm:** recent achievements show momentum throughout the sector
- **No end to austerity:** spending decisions to be taken in 2015/16 will be made in a challenging fiscal environment
- **Universities must continue to invest:** human, physical, digital capital key to competitiveness – but in the context of delivering VfM

HEFCE grant letter

- HEFCE grant letter from BIS arrived this week
- Tim Melville-Ross: “...the funding settlement ... incorporate significant reductions...”
- Clear drive to embed efficiency and to maximise value for money for students
- Greater collaboration and sharing are seen as priorities – must build on our good work



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How do we...

...build on the excellent work around asset-sharing and disseminate the benefits across the sector?

...improve space utilisation, and what is the narrative we should be presenting to government and the wider public?

...develop the HE workforce to ensure that we are fit for purpose in the new environment?

...build on the work set in train by the Wakeham review to ensure research is efficient and remains sustainable?

...effectively monitor, quantify and communicate efficiency savings to government and the public?

...ensure that our efforts to deliver both value for money and social value in all that we do?

Working for a smarter, stronger sector

- BIS have invited UUK to lead on a second phase of efficiency
- Will feed in to future spending discussions – a vital opportunity at a critical moment
- Oversight panel reconvened – UUK, sector agencies, professional bodies
- Interim reports Summer 2014, final report to BIS January 2015



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The challenges

Colleagues in BIS identified a number of areas in which work was needed. These were:

- space and infrastructure utilisation, and asset sharing
- the higher education workforce
- the sector's ability to record, quantify and analyse efficiency gains, and demonstrate the use to which these are being put
- investment strategy and operational plans of institutions
- academic practices and processes
- open data and efficiency



Working together to deliver success

- Vital that we draw on expertise of HE professionals
- UUK will coordinate work but sector partners have been invited to lead projects
 - Asset sharing: N8 Research Partnership
 - Delivering value from the HE estate: AUDE
 - Evidencing success: HEFCE, BUFDG
 - HR challenges: UHR, UCEA, LFHE

The case of research

What can we do to make the most of our resources in research?

- **Buying together**
 - UK SBS and genome sequencers
- **Investing together**
 - The N8 High Performance Computing centre
- **Working together**
 - Delivering better value by sharing assets