VC’s message

Since the last issue of Leadership Bulletin, I have continued to focus on the challenges and opportunities facing the university. We have some particular challenges in the short term as we respond to this year’s shortfall in student recruitment. You can find more about what we are doing in ‘the long read’.

We are also, as you know, planning for the longer term through a refreshed strategy for the university. There was a stimulating discussion at Council on 5th October which approved the direction of travel but asked for us to be even clearer on the challenges, why we need to change, our actions and our priorities and imperatives. I held an Open Forum for all staff to attend in Canterbury last week and will be holding one in Medway this week. The Forum was an opportunity to go through the thinking behind the strategy in a bit more detail. I was very grateful for the stimulating questions and discussion which followed.

There is however, much more to the university than finance and strategy! Last Friday, I was delighted to attend a meeting of Kent Union Trustees. The Union, like the university, faces its fair share of challenges. But they do a remarkable job in supporting not only our students but the wider university as well. On Monday I was pleased to support Kent Business School in their application for the ‘Small Business Charter’ award. We will know the outcome later this year.

Yesterday we launched the ‘20 Years in Europe’ celebration at our Brussels centre with an ‘In Conversation’ between Chancellor Gavin Esler and Irish MEP Brian Hayes on the Irish border and Brexit: a fascinating insight into a contentious and highly topical issue. It was also a great opportunity to meet with current students, alumni and staff in Brussels and celebrate the University’s unique links with continental Europe.

Executive Group Update

The Extended Executive Group meeting on 9 October continued the round of planning discussions. We had very useful exchanges with the Schools of Sociology, Social Policy and Social Research, Politics and International relations, Kent Law School and the Centre for Music and Audio Technology to understand better their current achievements and plans for the future.

On Monday, there was a meeting of Executive Group with Faculty Deans present. The main issue for discussion was the Creative and Cultural Industries Institute. This is an exciting development and an opportunity to provide a framework within which schools can harness their individual ‘creative’ offerings, so that the whole can be greater than the sum of the parts as well as developing new programmes for our Medway campus. The next step is to appoint an Institute Director and this will be taken forward over the next few months.

Senior Leaders Forum Update

Applications are now open for the Teaching Enhancement Small Support Awards (TESSAs). Staff can apply for funding between £500 and £3000. Awards of £5000 can be submitted for high-impact, collaborative projects operating across Schools and ideally in more than one Faculty, or across Schools and Professional Service Departments. Deadlines for projects starting in Spring is 12 noon on Tuesday 27 November. Application forms are on the TESSA webpages.

Innovation funding has had a good start to the year with total funding for August and September coming in at £1,566,988, with three new Knowledge Transfer Partnerships (KTPs) totalling £591,970. Congratulations go to Martin Warren and Tobias Von Der Haar (Biosciences), Rob Barker (Physical Sciences), Samuele Marcora (Sport and Exercise Science), Caroline Li and Palani Ramaswamy (Computing), Stephen Peckham, Jenny Billings and Farhena Hashem (Centre for Health Service Studies), Iain Fraser (Economics) and Jane Reeves (Centre for Child Protection).
The Long Read: The University and the Financial Challenges

There is no doubt that Kent has much to be proud of - a strong academic community, the quality of student experience, excellence in teaching, good cross-disciplinary research, civic engagement and our unique environment and locations. New initiatives, such as the Kent and Medway Medical School and the Creative and Cultural Industries Institute will help to strengthen us for the future.

However, like all universities, we are facing a complex series of financial, political and regulatory challenges to which we need to respond. These challenges are, collectively, something of a game-changer for the sector and, like many other institutions, we are already feeling their impact. A particular concern is the flat lining of income against continually rising costs. Flattening income relates primarily to the cap on fees and rising costs are due to pay, pension and depreciation increases. This means we have to manage our costs, make savings year on year, invest in areas of growth and diversify our income.

Our ability to generate additional income is increasingly challenged by a number of factors. We are waiting for the outcome of the government’s Post-18 Education Funding Review, which will affect the level of fees we are able to charge in the future. In addition, student recruitment is becoming increasingly competitive across the sector as the current demographic downturn means there are fewer 18–21 year olds. We are also facing increasing global competition for international students and the government’s anti-immigration stance continues to have a negative impact. Work is currently underway to assess the impact of Brexit across our wide-ranging activities.

Against this backdrop, the refreshed strategy, Kent 2025, sets out a road map for change, development and sustained growth. We will need to lay the groundwork quickly if we are to invest in and develop our areas of strengths in education and research, creating one of the best education and student experiences in the UK while undertaking research and innovation of the highest international standards.

More than ever we need a firm hold on how we operate as we continue to manage these significant pressures on the University’s budget while planning for growth and development. As a result, we are entering into a sustained period of making significant savings to manage our costs and create headroom to enable strategic investments in areas of growth and new areas of activity, that generate income for us to reinvest in the University. At the start of this budget year, we estimated an overall expenditure of £277m with a projected income of £279m. At that point we were looking to make £4.2m savings to ensure an essential surplus of just £2m, far lower than we have operated with in the past. This surplus is how we generate essential levels of cash to deliver our capital programme of new spaces for our staff and students and refurbish current buildings, and service and repay loans that we entered into in the past, for example, to build the Sibson Building or the extension to the Templeman Library.

However, with lower than anticipated student recruitment figures this year, we are now having to review these numbers and will continue to do this throughout the year. It is likely we will be in deficit for the first time in a number of years. The need to make savings is therefore even greater to reduce this deficit and will continue. By 2023/24, we estimate we will need to be saving over £20m in our annual expenditure or alternatively generating additional income per annum of the same amount. It is pleasing therefore to see the ideas and proposals coming forward from our schools to re-shape their portfolio of courses, responding to opportunities for growth in current programmes, as well as new markets, as part of our longer term planning.

The big challenge remains though to address the shortfall in income this year. Executive Group has agreed a programme of work to help close the gap this year and all schools and professional service departments are being asked to identify where they can make budget reductions. This activity will be supported by a working group, chaired by Jane Higham, Director of Finance, and David Nightingale, Senior Deputy Vice-Chancellor and Provost, which will consider and agree specific areas for savings or income growth. The group will be informed by a series of “Budget Improvement” workshops being led by Finance and involving the School and Faculty Administration Managers. Denise Everitt, Senior Deputy Vice-Chancellor and Chief Operating Officer, is also reviewing the budgets of Professional Service Departments in a similar way and will work with directors and their finance officers to also identify where they can also make budget reductions. We will be discussing these issues at the Senior Leadership Forum this week.

We are no longer in a world where we can just ride out the difficult time and need to recognise the need for constant change, becoming more focussed and more agile in our approach. By focusing on what is important to us in the longer term, we will achieve our ambitions for growth and success and also ensure Kent is on a sound footing for the future.

Professor Karen Cox