

Transcript

21 May 2025, 08:02am



Chris Day 0:32

Alright, good morning everyone.

I'm going to start the meeting now at 5 past nine. I think we still got people entering. But for the in the sake of time, we shall start.

Can I ask you all to switch your microphones off during the presentation?

Thank you very much. So if we start on the agenda, you'll see the first thing to do is to receive notes of the previous meeting of academic board held almost exactly a year ago on the 22nd of May. Along with the notes of an extraordinary meeting of academic board held on the 31st of July 2024.

The second item on the agenda is to give you the information that Exec board has recommended that Doctor Joe Matthan and Professor Maggie Roe are reappointed as members of Court appointed by academic board.

And item number three is to let you know that we've had no Members motions submitted in writing by the 7th of May.

So having done the preliminaries, obviously the main item on the agenda is Vice Chancellor and Presidents update.

As always, we've had some pre submitted questions, which we've attempted to group in in various settings and I will answer at the end of the presentation.

Hopefully that will leave us some time for any other questions that may arise today and we will open the Q&A function. Once the presentation is finished so that if anybody, if there is time and there are extra questions that people want to ask that are not related to the pre submitted ones, then we'll have a go at trying to answer any that come through. If you do submit a question during the Q&A and we run out of time, we will answer the questions individually after the meeting.

So in terms of today, this is what I'll cover a bit about the very changing external context, obviously how that relates to our university finances, in particular the voluntary severance scheme. And then I know it's difficult at the moment, but I think we do need to focus as a community on the future of the university and the strategic highlights really are just.

A1 slide from each of our main areas to describe what's going on in those areas.

Related to that future vision of the university.

So if we start with the difficult external context that we're operating in at the moment.

A little bit about what the government has been up to since it was elected last summer.

So we had a spring statement from the Chancellor that didn't really say much about higher education at that time, although made it very clear that they were intending to spend more money on defense and security.

And highlighted that that would be a main pillar of the industrial strategy which is currently out for consultation where promised the eventual strategy any minute now really and it would be fair to say that universities do play a central role in terms of both their their rese.

But also their education.

Last month, the Department for Science and Technology published its Rd. budget for things like UKRI.

Which funds a lot of our research. I think the good news, given the current climate, is that that was for 2526, that was flat, so they didn't cut it.

They didn't raise it further, but they honoured the previous government's commitments to an overall increase in spending by ukri and then an announcement on Monday was that the government intend, which is what they said they would do very shortly.

To release 10 year Rd. budgets.

How they've managed that, I don't know.

'Cause. Clearly it would run across several parliaments, but it's what the sector has asked for that the likes of ukri know what their funding is for the next 10 years, and therefore they can invest in long term projects, not worrying about the follow on funding when a new.

Government might come in and and and cut that funding.

The big excitement, of course, is that the full term spending review for this government will be announced next month and that will cover all of the departmental budgets for the rest of this Parliament.

Term including the five year programme of capital spend and that's where they would, they may make some comments about the funding, the crazy funding situation of higher education.

That's where it would be if they were to do anything significant, such as increase our teaching grant or do something about fees or or whatever.

So that's when that would happen next month.

They promised us since they were elected, a paper on higher education reform.

Which you know, to all intents and purposes, would be the place where they would say something about the funding model.

That is causing us all of the sectorally and in Newcastle, all the problems at the moment, the fact that we lose money on every home student, we lose money on research and we can only subsidise that from international students who are under threat for different reasons, so that.

When this will come?

What they've indicated that they would be looking from the sector in return for any sort of financial uplift would be a focus on five things and this is this came in the so-called famous Briggitt Philipson letter to the sector last year when we got the 25.

26 fee uplift that in return she'd be looking for even more efforts on widening access.

A greater contribution to economic growth, a greater contribution to our regions.

Civic role. More effort with teaching quality and what they describe as efficiency.

And it's it still remains unclear what they mean by that. What they mean by efficiency in the sector, but it's something they trot out quite a lot, you know. Is it simply that we might look to work with Northumbria over shared services, for example, or is it or?

Is it a much more profound?

Change in the way that universities operate, that they're looking for, and I guess we're waiting to see what is in that White Paper.

You'll be aware, I think, that the immigration White Paper was published last week.

Last Monday it was bad news for the sector, as was predicted, because the overall aim of the White Paper is to bring down immigration and of course, international students get caught in the crosshairs of.

That debate.

Some suggest that it's not as bad as it could have been, but clearly reducing the poor study work visa from 2 years to 18 months is not good news in that it now makes us.

Less competitive in terms of the poor study work, these are offering in Canada, Australia and the US.

We didn't have any problems with them tightening compliance. By that they mean looking very carefully at the percentage of students, international students that apply for visas get a visa that actually turn up and enroll and then complete the course.

Universities like ours, those figures will be well over 95% at the moment.

They're suggesting that with the new rules, 20 or so universities would fall foul of those and therefore would be highlighted as not compliant, and that might affect their ability to recruit.

International students, so tightening compliance.

Fair enough.

Universities like Newcastle have no problem with that.

The worry is that we will get less international student applications as a sector because many countries, particularly India, are very interested in being able to work and therefore earn money off money to pay back some of their student debt and that they will therefore choose other countries the.

Big worry that was mentioned in the paper and it was a consultation rather than an announcement was that they may be looking to get more tax.

From universities on the basis of international students, they were talking about a fee levy of 6% on international student fees, which for this university would be about 10 million off the bottom line.

And you can.

You will obviously be able to work out pretty quickly the problems that would cause us, given what we're currently having to deal with. There is an opportunity for the sector to push back on that.

But at the moment, so. So that's a watch, this space one.

But clearly it is a warning shot across the bows that they are looking to get tax.

From university on international student fees.

They think that it will put off students coming and be a further anti immigration model because we will pass that 6% on to the students and therefore make it more expensive and therefore fewer will come.

I don't think anybody in the sector believes that the international student market could take a further 6% increase in fees.

If they, I think Wonkhe made the comment that if Univers universities could charge another 6%, they would have done it already.

We know that price has now become very important for student choice.

And therefore the only thing universities would do would be have to pass some of that fee directly to the government, and that would that.

Hence the the 10 million hit on our finances across the sector, it's around 600 million.

So not good news.

So what are these external contexts mean for the finances of the sector?

Obviously it continues to face financial challenges.

There is something in the news pretty much every day about a university and financial difficulty, I guess.

Cardiff and Dundee being the most obvious examples recently there is no sign that that fallen international student numbers of around 20% across the sector last September is reversing. Looking at application numbers across the sector, they're down further.

So we certainly don't expect student international recruitment to go up again in September to solve our financial problems.

There are no noises coming out of this government that they are going to do anything in that June statement that helps us out.

The only suggestion is that they may go back to the original intention of the when the fee was brought up to that 9250 is that it is permanently linked to inflation and goes up every year with inflation so.

That that might improve.

Of our finances from 26 seven because obviously we know that the fee has gone up for 25-6, but.

Any significant rise in teaching grants, for example, which would be another obvious solution to the problem for the home student deficit, seems very unlikely.

So nothing we can get out of our connections into government suggests there's only white charger coming over the hill with that spending review I've talked about the white immigration white paper.

Never mind the actual two years to 18 months or the potential levy, it sends out a very strong message that yet again, we have a government that's not supportive of international student migration. And we know from the press in places like India that that's been reported very neg.

And is likely to reduce demand.

Which of course was the purpose of the White Paper.

So it's hardly surprising that it will reduce international student demand further.

Of course.

Individually, as universities for North East England, as the Russell Group chair, we are in as many government offices having lunches with as many ministers, civil servants and their advisers as we can to point out the problems with the system and in particular damaging student immigration. The problem that.

We're coming up against is a government who is driven by politics and is very concerned clearly about the anti immigration rhetoric.

Of the Conservative Party, but more particularly the Reform Party, and therefore are responding to that rather than.

Considering the overall sensible rationale for international students, who of course, are entirely different to other.

Sectors of immigration. But they're getting caught in the crossfire because it's you can do things very quickly, which will reduce international student immigration and therefore get the numbers down, even if those international students are bringing huge benefits to the country.

But we are making that argument.

So how does this relate to our university finances?

Well, fairly obviously given what we're going through, we have to get through the financial challenges responsibly because as I've mentioned, there's very little hope that something will happen either in the summer from the government or in September, the international students suddenly come flooding back. So faced with a. Recurring drop in income of 50 million.

And an in excess of that, that 50 million drop in September.

But would be if international students didn't drop any further if they dropped further in September, then the the loss on our previously planned income would be even greater.

So of course, faced with that falling income, we have to reduce our cost base.

We've managed to do that this year largely through non pay measures, so that we will turn in a deficit at the end of this financial year, but it won't be anything like the deficit that we would have turned in if we hadn't done these.

In year adjustments to things like travel, promotions, etcetera.

Which I know have been painful, but we will be in a complete mess. If we hadn't done them.

So going forward, because well, we obviously know that international students are unlikely to bounce back then we obviously can't manage another year of non payer reduction. So that people can't travel, people go and get promoted. And given that nearly 60% of our expenditure is on staff.

We've targeted this 20 million staff cost saving for the 2526 budget going forward through the ongoing workforce resizing exercise and through the voluntary severance scheme.

That's delivered around 16,000,000 of the savings so far.

We're also targeting for next year a further 10 million reduction in non staff cost savings, but the difference between this year and next year of course that will be planned and people will know at the start of the year what their non pay budget is in departments for.

Things like travel. It won't be that we thought we were going to get this much.

And now we're told we haven't, which is what you we had to do last year when we had this sudden.

Requirement to reduce our expenditure by over 30 million in year.

We have scaled back our capital investment plans to protect our cash, knowing that we'll have a deficit this year.

We had a deficit last year and we'll almost certainly have a large biggest ever deficit next year and therefore we scaled our capital plans back to only essential work which will which?

A lot of which is swallowed up by our need to rebuild our Castle Leazes site, which we're doing with a partner.

But that does require some of our capital to provide the 2000 beds that our first years expect when they land in Newcastle and that will be opening in 2028.

Apart from that, really it's replacing our Internet and keeping a bit back for essential maintenance.

In buildings like King George the 6th, where if you wander around you will have fine buckets in corridors etc.

But everything else has been scaled back.

So by scaling back that capital spend that that does protect our cash reserves, which will be going down because of the recurrent deficits that we're running as I say next year will probably the biggest cash.

Budget deficit we've ever had at this university.

So difficult changes to our finances, but if we don't do this, then the consequences are are fairly severe.

As I say, you only have to Look North to Dundee who currently have the OFS in managing their accounts.

Looking what they can sell off.

Looking what they can close and we don't want to get into that situation.

So where do we go?

Our requirement to reduce our staff spend for next year by 20 million having

achieved 16,000,000 through voluntary severance. So of course that means that we have to move forward with the next stage which will involve redundancies to get that extra 4 million. You'll be aware that each.

Of the faculty is developed a detailed proposal or business case to find the remaining savings needed in their area.

These have been shared with our trade unions and are being discussed with Senate later this morning so that the Senate response can be fed into our next governing board meeting, which is a week on Monday on June the 2nd.

I'm sure you're aware of this, but the areas in the three faculties that are in scope for these business cases are listed there.

The voluntary redundancy scheme opened on the 7th of May.

It's currently planned that that will close on the 26th, but there is some flexibility of that which we are discussing with our Union. So we may be able to extend that by a short period if it is felt that that would give colleagues longer to consider their position.

We've been communicating directly with those colleagues and offering them support and just to reassure you, we continue to explore every available Ave. to mitigate the need for compulsory redundancies.

So we can hopefully achieve all we need through the voluntary route.

Four, we'll come on to this in the questions, but clearly for the staff involved, for their colleagues, for the heads of units and faculty heads who are having to deal with this issue for the first time in the certainly in my time in the university, which is since 1987 that we're having to do something like this, that this is extraordinary, difficult for everyone involved, whether or say whether it's the individuals involved or whether it's the managers.

Or whether it's the support staff, the finance team, that are having to oversee.

This but we simply have no choice if we don't want the university to get into a state where it would have to shrink significantly in response to the consequences of not dealing with this reduction in this severe reduction in income.

So for us, what's one of the challenges for the leadership teams here across the schools and their faculties and at university level?

He's trying to focus on this tough stuff that we're doing at the moment, but also thinking well, you know, 95% of our staff will be here at the end of all this, that we are doing this to preserve our ability to be a future facing Univers.

That makes major contributions to society. I'm trying to keep all of our heads up and

this was this came up at court actually two weeks ago from one of our academic members almost.

Demanding from the senior team that.

We spend as much time talking about the future as we do about the difficult redundancy situation that we find ourselves in because there is a temptation for us to be entirely focused on fixing the now problem.

Rather than thinking about where the university might be in 20-30 and beyond, and as I say, the whole point of doing this is that we have a university in 2020, thirty and beyond that can do all the great things that it continues to do. So I.

Going to spend the rest of this presentation just talking about some concepts.

It's about the future and some examples of what's going on across the different portfolios.

So this was our vision statement in 2018 when we last refreshed our vision being a world leading university, advancing knowledge, providing creative solutions and solving global problems.

We've recently refreshed that to talk about us being a world class Civic University.

Being very explicit that we exist to benefit society through our research and education, and that that is both locally and globally.

And there is no tension in our minds between being really relevant to the North East, but also.

Playing a major part on the global stage linked to that and to our main core functions, we have three key goals.

One is to provide leading edge inclusive education that is fit for the future.

Secondly, is to continue to deliver leading edge research both for discovery so-called Blue Sky discovery research for its own sake, but also for impact.

And then to be sustainable and that that, that word is put in there deliberately unqualified.

Because we want it to refer to a variety of sustainable issues, including our long term commitment to environmental sustainability. But obviously in that statement, there is also the requirement for us to be financially sustainable, because if we aren't, we can't deliver the first two goals.

When we were doing our work over the last two or three years looking in areas that might grow as we move towards 2030, what was very clear from that nu shape work. Was the increasing emphasis for our education and our research in many of our units and departments on this place based approach. And so we we came up with this

strategic action, broad strategic action to realise that vision of being delivering societal benefit was that by 2034.

And I'll describe why that year was chosen in a minute, that we would be known for our place based approach.

Giving common purpose to our education research.

By embedding all of the wonderful external partnerships we have and the collaborations in our place.

But that's some of that is around the North East.

But it's also, of course, across the world and we will use those partnerships and our place based approach to to generate that societal benefit that we're also committed to and have been since our founding. The reason we picked 2034 is that it's 200 it will.

Be 200 years since the medical school was founded in 2034.

Some people don't like us using that as the start of the university.

But I think most of us believe that that was the first vestiges of what became Newcastle University. Hence.

The thought that in nine years time we'll hit our 200th anniversary and importantly, we were founded initially to produce doctors for the public health problems at the time. But later on that century, engineers and scientists to work in the industrial revolution, particularly in the mining and ship.

Industries and it just highlights that we've always been there for our regional society.

So what we're talking about now?

Is really the. If you like the 2024 version.

Of what?

Our founders in 1834 came up with.

We've been known as a university that's led this so-called Civic University movement along with these.

Core values of social environmental justice and we want to continue to build on that.

To exemplify what's being described as a new generational 4th generation university and you will see this term being used increasingly as we move into the next phase of our development. And very briefly it, the reason it described as the 4th generation.

Is that the 1st generation was the universities that were formed in 8800?

Cambridge and Oxford here in our country in the 1100s.

I say in Europe it was before that in places like Padua, which were all in Italy, which was all about education, educating the masses in the 19th century, research was

added to that mission. The so-called second generation. So that concept that you would be taught in places that.

Were also doing research.

And then somewhere around I guess.

Sort of.

The the 90s, the idea of knowledge exchange started to come in this third generation where we started to talk about the benefits to society that might come from the research and education we were doing. I think the difference between the 3rd and what's been described as the 4th.

Generation University is that that knowledge transfer and doing stuff, whether it's research.

Search our education that's relevant to your ecosystem becomes entirely intentional in the third generation.

It's sort of. Well, it's quite nice that some of the stuff we throw out over the wall happens to be useful and it generates impact cases and the rest.

And that some of the skills our graduates have might be relevant to local industries.

The 4th generation says it's absolutely part of the university's part of a regional innovation ecosystem, and pretty much all of its research and education is directed at achieving societal and economic impact through these partnerships with industry, government and society.

So what skills do our different public commercial voluntary sectors need from our graduates?

What research can we do that helps industry, the public sector, etcetera grow and function in our region?

So that's the so-called 4th Generation University. We are part of.

A global movement, along with twelve other universities across the world that are meeting and talking about this and trying to be exemplars of what society is asking for from a university now, rather than when we were founded.

So how that translates into an overarching academic strategy going forward is as follows.

Really, we are committed to advancing knowledge and skills that when enable Newcastle and the North East and the other region which we operate to meet the challenges of tomorrow.

Our cross section Global partnership support this mission to deliver these benefits, social, environmental, cultural, economic and health, and that that model is the North

Star that will guide us as we make the changes that we need to some obviously fairly painful.

To make the university function and deliver those benefits over the coming years.

So how does that translate into actual strategy?

Well, we will evolve our research and education portfolios to reflect our current and emerging interdisciplinary strengths and the opportunities arising from those in areas such as climate change, health and well-being.

We will completely embed this ambition to be place based and work very closely with our partners, particularly in this region, and that's both within the higher education sector and of course outside it.

We will explore opportunities for different modes of delivering our education away from the classical three on campus.

Undergraduate degree programme so looking at opportunities from fully online programmes. Lifelong learning, this idea that people who haven't been to university will have access to student loans and maybe coming back to universities for anything from full degrees to a short two-month course in data analytics for example.

And then opportunities for transnational education. So.

Moving outside our models of Singapore and Malaysia to potentially working with partners in places like India and China, can we amplify our spin out and start up activity to support regional innovation zones?

We're incredibly successful as a university at startup activity in the top five in the country in terms of turnover of our startups, particularly our student start-ups. And can we do more of that to contribute to regional?

Regional growth and then of course underpinning all of that.

We have to make sure that our academic structures or schools or faculties and that our professional services and processes are efficient to take that government box, but importantly are effective and future focused using things like AI for example in many of our processes.

So as we move into the next phase of thinking about how the university moves forward towards that 2034, you've heard a lot about the new education for life strategy and that is now moving into the implementation phase. And I have one slide on that in a.

Moment.

We think that our research strategy needs a refresh.

It's a few years old, but most pillars of it I think Matthew Grenby and the team feel

are pretty fit for purpose and it although it may need a refresh to align. With the four Gu concept, there is however a much bigger refresh of our postgraduate research strategy and then the things in bold here will be the main Forsythe for our.

Transformation work going forward towards 2030 and beyond. So looking at our academic structures, governance and leadership, looking at our professional service alignment towards those structures, looking to optimize and reduce the overall size of our estate. If we have less students and sadly less colleagues, we clearly Don. Need the estate that we currently have and could we use that to our financial benefit? I've mentioned looking at new markets for our education including potentially growing.

Transnational education in places like India and China.

Making sure that that is underpinned by money, that it's one thing having all of these great ambitions. But if we don't have the money to pay for it and we don't, then that's clearly important and this long standing commitment to environmental sustainability will remain. And of course we.

Will do all of this.

We will take time over this we because of the.

Sizing work that we've done this year to bias time, we will take time to consult with our colleagues, with our students and given the importance of place with our external state external stakeholders to develop.

This refreshed vision and direction for the university going forward.

So I just finished with a slide from each of the of the areas to show you some of the things that are going on.

This slide is really not for you to read. It's from the education for life 2030 implementation.

Timeline just to give you some sense that in the four main objectives around leading Edge curriculum, student Launchpad, Education Accelerator and Newcastle and beyond that we are now moving particularly for two of those areas into a detailed implementation plan, particularly around the curriculum work that will take 4. Or five years to deliver.

And many of you I know will have been involved in this.

It's literally involved. Hundreds of people already in the consultation phase and now as we move forward in implementation so.

That's obviously part of the of the future facing, but this has been going for some

time now and will and will now move into this implementation phase.

In research and innovation, clearly ref. 2029 is blooming on the horizon and I think perhaps the most interesting aspect of the next ref is this emphasis on people, culture and environment. There is a pilot exercise going on at the minute which we submitted to and we.

Hear the outcome of that in September of this year and that will determine what and how people, culture, environment.

Are put into the full exercise in 29.

The new cause, the Newcastle University centres for research excellence.

Are all being reviewed as they come to their five year periods.

I think the thought is that they are making significant and diverse contributions to our research environment.

Our grant capture and external visibility.

There are new ones still in the offing, and many of the the old ones are being reviewed or refreshed, but they remain part of and a key part of our research landscape.

Our research funding in the last year remains extremely buoyant. 134 million is the highest we've ever had in a 12 month period.

And I thought it was worth just reflecting, giving the recent launch of universities for the North East England in Parliament last week, with the 5 NE universities where one of the headlines where I had to bite my lip was that the universities have raised in the last.

Year have raised £200 million of external grant income. I think for this audience it's important to know that more than 2/3 of that is from this university.

We remain and I think we'll do for the foreseeable future, the research powerhouse of the.

Higher education system in the North East.

As I mentioned in the previous slide, there is a strategic refresh of the PGR strategic plan going on at the moment. Thinking about visibility parity, making sure that PGR students get the same experience wherever they are in the organization, alignment, delivery and harmonization.

And there has been a refresh of our business and innovation plan trying to create a more supportive environment for those interested in spinning out and getting involved with commercial enterprises.

Looking at what again what our regional businesses want from us and how to how to

work with them in a meaning in meaningful partnerships and that's something obviously that's a potential income razor for the university. We've recently had quite a large sale of one of our spin out.

Companies, which is, you know, produced a capital receipts for the university because of our equity share and hopefully we can see more of that going forward on the global side.

We continue to focus on global partnerships that are important for a variety of reasons.

Because they obviously broaden our our impact, they raise our reputation, which has implications for things like world rankings, which are as we know in many markets, including China, the perhaps the main reason why students might choose Newcastle over other universities. And but we're building new partnerships with places.

Like Scandinavia in this North Sea University partnership, based around our work in things like offshore offshore energy.

Renekhe is a Japanese research and education.

Network that we've been involved in right from the start, which recently the Japanese ambassador and the Renki team visited Newcastle, were also working in pretty in depth ways in in areas such as architecture with universities in in China and that may lead to joint education institutes and joint TE.

And articulation degrees etc.

Going forward.

We already have, of course, transnational education in Malaysia, with new Med and largely engineering in Singapore, and we continue to build on those areas with new educational offering and working particularly in Singapore with this special economic zone which gives opportunities for particularly the Singapore campus to work close. With industry there and then as I mentioned, I think four or five Times Now we are looking.

As to whether one of the ways of generating income with this falling numbers of students.

Students willing to get in on planes in places like China and India and come to study in.

Country and on our campus as to whether we should be taking ourselves out there and delivering more tne.

And so we are looking at potential Chinese universities to partner with for a Joint education institute.

Well, I think either the only or one of two or three Russell Group universities that don't have a joint education institute currently in China.

We have a number of expressions of interest from organisations in India interested in partnering with us and we formed this the implementation group to look at all of these opportunities as they arise in places like the Middle East as well as China and India.

On engagement and place, which is, I say, becoming much more important to us as to how relevant we are to it's expected of the government of us now.

It's certainly what's expected by our new combined authority.

And here's just a few highlights.

We launched our annual report and I urge you to look on the website at the huge variety of ways in which we work with our partners to give benefit to those organizations.

Perhaps one of the best examples is the Energy Institute in Blythe, with funding from the combined authority.

To work with the schools and the FE colleges to connect all the huge benefits coming out of the green economy, the offshore wind industry, the battery technology for the economy in that part of the North East. And that's been done in collaboration with our energy researchers and our.

Engineering school here in the university. We have a partnership with Northumbria with the intu school system.

We've set up a school in the East End in Walker, Newcastle.

Which so far has reached.

Over 2000 young people and, remarkably, has got the progression rate to university and people in the students that have gone through that from 12% in the surrounding schools around Walker to 64% and we're opening another centre in Gateshead.

I've described this launching the five university North East of England partnership formally last week to coordinate our.

Work around widening access, influencing policy or support for business, and advocating for the higher education sector in the North East. And then we're about to have the NE Nu Discovery Festival.

That's our once a year chance to show off local population.

All of the great stuff that we do in the university, that's of relevance to them and we continue to be a real leading light in higher education in the work that we do.

That's related to policy helping local government NHS make policy decisions derived

from evidence produced by our academics and the latest conference of our Insights NE.

Organization is later in June.

So that's the issues that we're facing at the moment.

It's the the way that we're trying to deal with that in the fairest way possible, but also hopefully giving you some clues as to how we will go on as a university beyond these these difficult issues once we can get our finances on a firmer footing. So I.

Now go through the questions that were pre submitted, they may cover.

Clear the questions that you have, but if if there is anything else, please use the Q&A. Once we once we activate it.

So first question, what specific training and welfare support have we provided for managers tasked with selecting who among their colleagues will be made redundant? I should say that all of these questions are related to the the current redundancy situation.

So that's that's the only topic that people have asked questions on, which perhaps is not surprising.

So the answer, the broad answer to that question is that decisions in relation to selection for redundancy will be made by a panel of colleagues, including Heads of unit.

Panel Members will undertake all necessary training and briefing in advance of those processes. Each panel will have access to professional support regarding the process. As a general note, a manager's hub has been set up to support those managers dealing with any aspect of the current change R.

From guidance to support their colleagues through the process to personal support, and these colleagues also have access to all of the well-being support that's currently available to all colleagues.

Next question, have we you considered the effects of your redundancy programme on staff morale, interpersonal relationships among colleagues and trust in heads of schools?

I hope I've indicated that we are of course, acutely aware of the impact of the current financial situation on staff morale.

We we are staff here as well and many of us have been staff at this university for over 30 years and have never had to go through anything like this before.

All I can say is that we are doing everything we can to support any colleague who has been affected, at least now with the information that was given a couple of weeks

ago that is now restricted to a small number of colleagues, just over 100 who are. In scope for voluntary redundancy.

And that that's where obviously we are focusing support the comment about heads of school is interesting.

Trust in heads of school. I think that the position of the Heads of school is extraordinarily difficult.

At the moment I think you know this is not why they applied for these jobs. They they all gave us exciting visions and strategy plans for how their discipline was going to grow in the future. And of course, they still have those plans in their head and I. Don't think any of them took on these jobs expecting to have to go through something like this sometime during their tenure.

So I think in terms of trust for them, who else would you have but the heads of unit who know the schools and units in scope know the details know?

The difficulties in the issues, I think to be not involving them in the decisions would be rather odd.

Given the knowledge that they have, but clearly they are in a difficult position because they are members of the school, they will go back to being members of the school and yet they are part of the senior management team. They have to make these difficult decisions. So I.

Think the question to me does highlight that this is while this is very difficult for colleagues, it's also difficult for the managers.

Right from professional services, colleagues supporting.

Managers, but through to EB colleagues, faculty Pvc's who are having to go through this this very difficult process. And I think what I would reassure you is that whether this is from executive board down to school level, you know every rock has been turned over to to.

To look at alternative ways of.

Sorting out the financial issues that doesn't lead to these difficult decisions, and I hope I indicated in the preliminary.

You know the suggestions that have been put out by others around. Well, just run large deficits and and swallow up your cash reserves.

Well, we are about to take the Finance Committee this week. A request for them to allow us for next year despite those 20 million cuts to run the largest deficit this university will ever have run.

We don't know whether we'll get it through Finance Committee. It is so large.

But obviously, if we hadn't been running that large deficit.

The the cuts would be even greater.

There's been a question about us.

You know, not spending anything on capital and and to preserve our cash reserves in it. But again to not have 2000 student beds for our first years, never mind the income that that will generate for the university in terms of rents. We simply wouldn't be attractive to.

Students who.

Often the first question they ask on open days is where will I live after they've asked about the quality of the teaching?

So the capital has been cut back to the bare essentials of student accommodation and Internet replacement, and we aren't going to be running a 0 balanced budget next year.

We will be running a very large deficit two or three times the deficit that will produce this year and and that's despite these difficult choices that we that we've had to make.

So I think.

While this is difficult, of course, this is affecting interpersonal relationships.

And that includes amongst EB colleagues, but there is simply no choice if we want this universities to still be standing as it is now with this broad base of research and education in four or five years time.

If I move on to the next question, we are very aware of the measures the university.

To reduce costs, what steps has the university taken this year to increase revenues, for example, by improving recruitment, which would have reduced the need to make staff redundant?

So I think it's a very good question, a very good question in that going forward, we very much hope that we won't have to go through something like this in the future if we are able to continue to control our costs. But as as is indicated by the.

Question increase our income, I've mentioned other ways of increasing our income.

For example, with commercial work, but clearly the biggest source of.

Activity that we do that generates a generate a margin that allows us to subsidise everything else that we do, that pretty much makes a loss is international student recruitment.

It's currently about 100 and 3040 million out of our 600 + 1,000,000 turnovers international student fees.

So yes, we have been putting lots of effort into the short term thinking of how can we do things this year in year.

That will make students sitting on offers from Newcastle, but also Birmingham and Sydney.

And Toronto to make the decision to come to Newcastle in September.

So they that involves things like a whole brand, new scholarship programmes, effectively giving them discounts, increasing the fees we pay to agents who are obviously more likely to suggest to a student they go to Birmingham rather Newcastle. If they're going to get a bigger Commission from Birmingham, the Newcastle so we've been looking at that.

We've got our turn around time for replying to international student applicants down to less than five days.

Which we think has had a big impact on students, giving us firm accept.

So there has been a lot of activity in that in your thinking to see if we can bolster the conversion of students who apply to us to turning up in September.

We think, however, because of the fall in applications that we and everyone else has seen, that the best that can do is keep the numbers that we had last September relatively flat where budgeting for a further fall because we don't want to have that in year shock we.

Gave you all last September, but so obviously a flat international student intake would be pretty good given that the application numbers here and elsewhere are down in the order of another 20%.

In the medium to long term.

However, as well as doing all these tactical stuff around scholarships and and agent fees and turn around times, as I've said, we're looking as to whether.

We can increase on campus international student numbers by diversifying our offerings to places like Middle East and North America etc, but also different modes. Is it about more tne in places like China and India which you'll have seen? I'm sure in the press Southampton I think the latest was York to announce an encompass adventure in India.

So in the medium to long term, will will our international students be as likely to be studying in country?

As they are in, you know in in Newcastle and that's the more longer term thinking that's being added to this tactical stuff that's that's highlighted here to try and persuade those students that are holding offers to come this year.

The next question, now that most of the necessary financial savings have been made on the assumption that academic strength research brown Staffs trust and goodwill are strategically important assets. Will UEB end the redundancy process and await the outcome of government review and instead focus your attention on influ.

That outcome?

It is a good question I we ask.

We are where we can and obviously being muscle group chair I've got.

A fair amount of access.

To some parts of government to try and make the case for the crazy funding system that we have.

Sadly, I I don't think there is anything I've heard from any influencing body that suggests that the the government will do something in the summer.

That will help us out basically, other than perhaps from 2627 onwards go back to inflation links for home student fee.

And again, I'm sure lots of you don't want our sector to be bailed out by asking our students to pay even more.

Early signals from the government are not good though, so I've mentioned what they've done in the immigration White paper last week, both making the offer less attractive by being poor study work.

There be 18 months.

But on Monday.

And the 6% tax potentially on Monday, they actually reduced the strategic priority grant for next year.

That's the money they give us for teaching, so any idea that the teaching grant from the government might go up, they actually reduced it this week for next year, a further hit on sector finance.

So I think the idea that we can simply pause and say it'll be all alright because either international students will come back in September or the government will help us out in June would not be sensible. Many of you on this call I'm sure, complained at the Univers.

Being over optimistic about our international student growth last September, which led to that in year cut when they didn't turn up.

And so the idea that we can Simply put our fingers in our ears and say it'll be all right this September or the government.

Fix us in June, I think is not something that we want to do again and we are

managing our budget going forward very prudently. So that hopefully there will be no shocks in September of there is a shock we've planned for most of that shock and we Don.

Have to ask you to do all of the things that we had to do in this current academic year.

I think the final question I've got those two more, have you considered the effect of your redundancy programme on the reputation of Newcastle University?

I mean I can answer that in various different ways, but I think the reputation of Newcastle University would be more severely affected if we ended up like Dundee. What do I mean by that and how likely is that?

Well, what I can tell you is that the budget that we are seeking approval for this week with this large deficit, if international students fell even further than they were planning for in September, and that that deficit got larger, we would be very close to the level of.

Deficit. That would mean that the £100 million loan that we have for Park View Village would be called in by the European Investment Bank.

That would get us down to a level of cash in the bank that would have the Office for Students coming to visit us about how we are run and starting to asset strip like they're doing with Dundee.

So I have no doubt that there will be places that say, look, they're doing this in Newcastle. Is that somewhere I want to go and be a student or as a staff member?

But I think what you will see over the subsequent year or so is other universities going through either going through similar things, similar schemes because they have to or you will see universities closing or merging or shrinking. And of course that will have a much bigger effect on.

On their reputation than anything that we're currently doing.

I think again, to reassure people, there are many universities in the sector, Nottingham, York in the last year that have gone through larger redundancy programs than this and I'm not aware that it's damaged their particular reputation. I think certainly a reputation with government, with regulators, they expect us.

To be doing this to keep our university on a sound financial financial footing and as I say, I can't rule out that in some parts in the way that this is being presented by some parts of our Community will not be doing our reputation any good.

But we simply have no choice.

Voice, given that the alternative is a university future that none of us would want to

be part of, or be responsible for.

You know, I don't be handing on to my successor a university that's half the size because it's hard to sell off all of its assets to deal with the because we didn't deal with the financial challenges of 24/5.

And I think the final question why are you proceeding with the redundancy programme based on crude financial target, head of strategic review of shape for university next year?

It is a good question. I think the problem with saying we'll just do this all through a large transformation project, perhaps restructuring faculty, etc.

Going forward, is that our experience of doing those big transformational projects is that they take a long time.

At the start of my tenure as Vice Chancellor, we had to, we restructured the SAGE faculty.

It took over two years of negotiations.

With the schools, with Senate, with Council to get that through, we simply didn't have that time to say.

Let's just you know, let's throw everything up in the air and let's redesign the university we are.

We will be going through that now taking the Nu Shapework and looking at how to grow the university where you know, where are the areas of research and student growth, where are the areas that we might have to look to sustain, maintain or even shrink?

But that that as a programme to to take the cost that we needed out for 2526.

Six is just too slow, and therefore we've we've done this resizing exercise 1st to get those 20,000,000 lbs of costs out as quick as we could for that 2526 years, I say. And even doing that we're heading to a 10 to £20 million.

Deficit next year that if we hadn't done this, it would be 20 million plus with all of the consequences that would have brought so.

There will be ANU shaped transformation NU 30 programme.

Beginning now for the future, but for the short term cost saving it, it just wouldn't have been quick enough. I think that's all the questions I have, so I'll stop sharing my screen. I think if I can and and see if we've got any Q and as coming.

In that I can answer and I'm happy to stay on the call for certainly 5 or 10 minutes. If it fills up.

Q&A up there.

OK, I can see you on.

OK.

So from Laura, if you're cutting capital spending, are you reviewing the cost of capital leaders, which is understand from press coverage costing over 136,000 per bed space. Are you looking to spaces gains actually or was OK? It's a good question.

The costs obviously have gone up a bit since we first looked at this because it's taken us over a year to get the planning permission. We discussed this at Exec board yesterday and we will be discussing it at Council in a couple of weeks.

We will. So our our share of the costs 'cause, we are paying only a small fraction of this because our partner is putting in.

About the same amount.

And then there will be a loan and obviously the the loan servicing and our return will come out of the student rent. And your question about.

Whether we will get a return on that investment because of the now the cost per bed is a really good one and of course Council and Finance Committee will be looking at that.

Like I don't know whether Nick's on the call, but our first assessment even with that increased cost of the development is that there will still be enough return to give us a profit effectively and to be able to service the debt.

But it is a good question and it is something that certainly our governing body before they they click the button on on this going ahead will be will be pouring over for exactly the reason you described. The costs are a bit more than they were when we started.

But we we still think that that it's financially viable, if not obviously we would have to look at the design and whether it's too big or whether it's too Deluxe and we have to make the accommodation, you know less expensive. But our students are particularly selective at the.

Moment about what they expect compared to certainly when I was at university.

So we have to have high quality accommodation or they'll simply go elsewhere.

Laura, that's the problem.

I'm not.

OK.

Can we shed any more light on what is meant by PS Alignment please? Gigi, I think what that means, of course, is if we are to do.

Any major reshaping of the academic function of the university, and obviously you've

seen the sort of thing that was done in Sage 7-8 years ago. If we were to be looking at things like that in the other two faculties, or even further changes in Sage itself. Then obviously that can't be done in for the academics only.

I think it's really just a placeholder to say that.

How we on that side?

How we lined up?

Professional service colleagues to make sure that they serve the the new academic functions and structures would have to be done.

That's sort of one answer. There is another answer, of course about the whole question of how much of the professional services centralised, how much of it is out in the faculty.

So I think as we move forward, all of that really is up for discussion.

Do do we have the model right?

The issue, if you look across other similar universities, you will find universities 15 miles up the road.

Where in Durham?

Where everything is much more centralised. There's virtually no professional services out in the faculties, and then you will find other Russell Group universities where the Central Professional service team is really small and you know. So I think all that really says is that we have an opportunity going.

Forward as we're looking at the academic structures and functions to make sure that the PS is is lined up.

Along alongside that, I can't really give you any more detail on that at the moment.

I'm just clicking up.

Umm.

Question from Raghda about enhancing university outreach.

I don't know whether that means international outreach, oragda or home students.

I guess it must mean international as we're talking about income raising, I think it is a good question and it's been raised a bit here.

How much of this international student marketing recruitment is done, you know, by International office colleagues?

How much of it can we involve the schools and the subject experts more?

And I have a meeting with the head of International Office later on today and I think.

It is a very hot topic given the pressures that were under to maintain international student numbers, so.

I think it is a fair challenge and an important point.
Higher education job market is shrinking many in scope.
Redundancy will struggle to get other jobs.
What support is there for them?
I don't know whether Jackie's on the call.
I think probably we can. We can give you details of that if it's not fairly obvious.
Alison, the support for colleagues undergoing potentially undergoing redundancy
straight after the meeting will forward you all of the relevant information.



Chris Day 1:02:25

In that case, I'll I'll as it's after 10:00, I'll close the meeting.
Thanks everyone for your attendance.
I hope that was helpful to you all. Thank you.



Heidi Shultz stopped transcription