

President's speech at UUK Annual Conference Thursday 7 September 2017

Good morning and welcome minister, colleagues, members of the media and guests to the second day of the Universities UK annual conference.

It has become something of a tradition over the past three years for the UUK President to address conference shortly after a significant election with somewhat unexpected results.

More than this, though, a cursory glance at news coverage over the last year is enough to confirm that we are experiencing an unprecedented period of change and uncertainty, both nationally and internationally.

In times such as these it is important to reflect on the role that we, as university leaders, can and should play in society. I passionately believe that higher education is a force for good, and that universities have a duty to acknowledge and live up to this mission. The value of universities – for individuals and for society as a whole – and what more we can do to connect with our communities will not just be one of the themes of my inaugural speech, but the thread running through my two years as President of Universities UK.

Before I turn to this and the future, I must acknowledge the big changes that have happened at Universities UK since we last met: I am, of course, standing here before you as President of Universities UK, having taken over from Professor Dame Julia Goodfellow in August. Julia was President during the period of some of the most significant changes to the sector, including the hard-fought passage of the Higher Education and Research Act through parliament, and major national events, including the EU referendum result. I am pleased to be carrying on her work.

Although she is not able to join us at conference, I would also like to take this opportunity to express thanks on behalf of all UUK members and staff to Nicola Dandridge, who left the organisation at the end of August after almost eight years as Chief Executive. She will shortly be taking up her new role as Chief Executive of the Office for Students and we will no doubt be seeing her in this new guise before long.

I would also like to congratulate Alistair Jarvis on his appointment as the new Chief Executive of Universities UK. The challenges and opportunities afforded by the current economic, social and political climate mean that Alistair's strong track record in campaigning, political advocacy, and the ability to connect with a diverse range of stakeholders will be put to the test from the outset, and his ideas and fresh perspective will help the sector to face the challenges ahead with confidence. We should all note it took him all of four days in the role to get on the Today programme!

And finally, I would like to thank colleagues whose term on the Board of UUK came to an end on 31 July, and to welcome our new Vice-Presidents:

- Sir David Bell – Vice-President for England and Northern Ireland and
- Professor Julie Lydon – Vice-President for Wales.

David and Julie will join me, Andrea Nolan as Vice-President for Scotland and Julia Buckingham as Treasurer on the Executive Board.

And the new members of the UK Board:

- Baroness Valerie Amos
- Sir Alan Langlands
- Professor Max Lu
- Professor Sally Mapstone
- Professor Patrick Nixon
- Bill Rammell
- Professor Louise Richardson
- Professor Rama Thirunamachandran

Also, Professor John Hughes has been named as the new Vice Chair for Universities Wales.

I would like now to look ahead to the vexed issues and opportunities facing us over the coming year.

Since the summer, challenges have come at us thick and fast: from the outcome of the first TEF ratings and the growing debate on the cost and value of a degree; to the focus on the pay and rewards of vice-chancellors and senior university staff and the pressures on the USS pension scheme. Hardly the quiet and calm summer that, as some have suggested in the media, is the norm for academics and universities.

Today I will not sidestep these important matters.

It is right and proper that we are challenged on these issues and asked to explain ourselves. Indeed, many of the headlines over recent months have arguably stemmed from the fact that we have not as university leaders stood up to make the case for why universities matter: to individuals, to our local communities, and to society at large. In the words of a recent Times Higher leader – we’ve “got authenticity” as regards changing the world, but we “need to find a way to flaunt it.”

Over the next two years as the sector’s representative I will use my voice to emphasise the positive and profound impact of universities throughout our nation, to explain and promote what we as university leaders, our staff and our students do – day in, day out – for the common good. We must be open, honest, accessible and self-critical if we are to rebuild trust in us and our work.

And arguably this starts by addressing the issue of vice-chancellor and senior pay. It's understandable that high pay is questioned and it is right to expect that the process for determining pay for senior staff is rigorous and the decision-making process is transparent. It is also reasonable to expect that decisions are explained and justified. I understand that our colleagues at the Committee of University Chairs are considering what further guidance could be shared with our governing councils to support them in meeting these important expectations. And I am delighted to report that Carolyn Fairbairn, Director General of the CBI, has offered the CBI's support to CUC and UUK to work on an approach to developing a code on transparency of senior pay.

However, the current debate has lost sight of the facts and shows little understanding of the role that present-day vice-chancellors play not only in their own university, but in their communities, regions and on the national and international stage. The role of the vice-chancellor has evolved from leading a community of scholars, to leading large, complex, global organisations; organisations with multi-million pound turnovers, with thousands of staff working in a variety of roles, and which play an increasingly prominent role in the economic prosperity of our regions and nations. First-rate leadership is necessary for a university to be successful, and competitive remuneration is needed to attract the best leaders with the skills to lead these complex global organisations.

There have also been questions raised about the pay of our leading researchers and senior professional staff. We should remember that senior staff are choosing to work at our universities to deliver public good when they might otherwise choose to work in the private sector, attracting far higher remuneration. We must not let them be put off by comments that they are not worth it or their contribution is not valued.

Universities make a unique contribution to our society wherever they are in England, Scotland, Wales and Northern Ireland. They change the lives of individuals, they improve livelihoods and opportunities in regions, and they contribute to the peace, prosperity and productivity of our nation. We need to make these positive attributes more visible, to be louder and prouder about our achievements – and those of our students and staff – to drown out the often-ill-informed noise about the sector.

Let us today pledge to do more to explain, to engage, to fight back against negative and inaccurate commentary, and to win back the public's trust.

If the public does not realise that we are not just educating people, but are transforming their lives and their futures, then we must do more to “flaunt it”.

If the public does not realise that universities create jobs and opportunities in many different fields and extending far beyond the campus, then we must do more to “flaunt it”.

If the public does not realise that research from universities is saving lives and improving how we all live, then we must do more to “flaunt it”.

Lord Dearing said: “Just as castles provided the source of strength for medieval towns, and factories provided prosperity in the industrial age, universities are the source of strength in the knowledge-based economy of the twenty-first century.”

Our universities underpin the economy of our nation in so many ways. They:

- generate and translate world-class research into new products, processes and ways of working
- drive innovation with industry, government and the third sector
- improve policy making and the delivery of our public services
- develop the existing workforce and the graduates, apprentices and entrepreneurs our economy needs to grow and become more productive and
- attract investment and talent to all parts of the UK, acting as a magnet for investment, regenerating towns and cities, supporting local businesses to grow and improving the educational, social and cultural life of our communities.

Universities are intrinsic to communities across the length and breadth of the country. Our higher education institutions provide facilities and services which, in the current economic climate, many councils and government-funded bodies struggle to afford – things like sports centres shared with schools; free legal advice to local residents and support for businesses. More than 750,000 of our students volunteer for community projects, and there are four million public visits to university galleries and museums every year, enriching the cultural life of our nation.

Since moving to Liverpool in 2015 I have witnessed the growth of the knowledge quarter in the city cheek by jowl with the university, and have been inspired by the decision by Unilever to partner with us in a Materials Innovation Factory. This houses one of the highest concentrations of materials science automation robotics in the world, providing space for academic research and teaching alongside Unilever's product development and space for start-ups.

Later this month, Universities UK will launch new research, conducted by Oxford Economics, which quantifies the economic impact of universities and, for the first time, will report on their contribution to the UK's knowledge and skills base. Headlines from the research show that the UK higher education sector makes a substantial contribution to UK GDP, equal to just under £53 billion gross value added – or about twice that of the city of Birmingham. Our sector supports almost 950,000 jobs at all skill levels – that's about three times as many jobs as in the city of Sheffield.

This is clearly important and timely research which I urge you to read, to share and to talk about when it is published. However, in making the economic arguments we – and the media – often overlook the harder-to-make case about the wider benefits of universities.

"There are few things more beautiful than a university," John Masefield wrote in 1946 in his memorable tribute. For me, his words still resonate. It is not about dreaming spires or campus quads calling out to be photographed for Instagram. The university's true beauty is found in its mission, in that it is, as Masefield said, "a place where those who hate ignorance may strive to know, where those who perceive truth may strive to make others see."

Government figures confirm that graduates, on average, still earn almost £10,000 a year more than people without degrees, but too many of the arguments on the value of a university education for the individual and for society focus solely on the economic benefits for the graduate – important though these are.

We need to do more to demonstrate that a university education is a good route to wealth, health, happiness and opportunity.

Graduates can expect to earn more, be significantly more employable, and have better access to high-skill, professional occupations than non-graduates.

We are proud to educate thousands of people every year who arrive with us knowing their future is in public service – as nurses, teachers, dentists, doctors – and many more who don't know what the future holds, but who go on to have rewarding careers in the civil service, local government, working for the emergency services or in our schools, colleges, hospitals and universities. We have some of the finest arts and creative institutions in the world in the UK; the graduates from these conservatoires and art schools may follow portfolio careers, going in and out of paid employment.

By focusing on the economic returns of a university education we too easily dismiss the pure pleasure that comes from studying a subject you are passionate about, the reward that comes from challenging yourself to master a new skill or understand an alien concept. Communication, teamwork, problem-solving, thinking for oneself – these also come as part of the package.

There are also clear social and cultural opportunities afforded by many universities. UK students live and learn in global classrooms, and those who have the chance to study, work or volunteer abroad are more likely to get better degrees and better jobs. However, only 7.2% of UK students currently travel abroad as part of their degree which is why UUK has launched a campaign to boost outward student mobility with the aim of doubling this number. In this context, a speedy and satisfactory resolution to the current uncertainty around our continued access to the Erasmus+ programme would be helpful.

We want even more people to be able to benefit from the transformative power of universities and progress is being made. In the UK, entry rates for young people from more disadvantaged backgrounds are at their highest ever levels. In 2016, young people from less privileged families in England were 74% more likely to enter higher education than they were 10 years ago.

Our relationships with schools to raise attainment and aspiration – whether this is through the more than 60 universities sponsoring schools or the many in-school activities or on-campus events which take place year-round – demonstrate our commitment to social mobility.

We should celebrate this progress while recognising that there is still more to do, and in particular a need for greater focus on evidence and what works. There are still challenges to ensure that our focus is not just about getting students from disadvantaged backgrounds into university, and supporting them while they study, but ensuring they have the same opportunities when they graduate and in their future careers.

Beyond benefits for the individual, there are benefits for taxpayers from more graduates in the form of increased tax revenues and reduced social spending. Research shows that:

- Graduates in the UK, aged 25 and over, were more likely to report better health
- Graduates are more likely to report that they volunteer at least once a month
- Graduates are more likely to report that they trust others
- Graduates are more politically engaged, more likely to vote and more likely to report that they believe they have a say in government.

As well as changing lives, universities broaden horizons, and in an age where it is increasingly difficult to sort fact from fiction – the real news from the fake – it is important that we give our students the skills to become rational and resilient citizens, flexible professionals, and positive contributors to civil society.

It is therefore critical that universities remain as places where radical can still be a good word, and where different viewpoints – including those that are offensive or difficult – can be debated and challenged. By exposure to debate, to different opinions, and to challenging ideas, we produce graduates who can exercise critical intelligence, who are tolerant of others' views but at the same time are able to robustly but respectfully challenge those with whom they disagree.

UUK will therefore be promoting the critical importance of free speech to universities over the next year; a fitting subject in our centenary year, 2018-19.

All this goes to show that a university education is about so much more than getting a job – important though this is – and we should not lose sight of this in the ongoing debate about the cost of a university degree and who should bear that cost.

This week, the UUK Board returned again to the question of what the student funding system in England should look like. It is a topic high on the political and media agenda at present, including unfounded claims that universities are operating a ‘cartel’ – something which the Office for Fair Trading dismissed in 2014, saying there was no evidence of collaboration on pricing.

Let me start by saying that I believe the current undergraduate funding system in England is not broken; indeed the OECD described the English system as “one of the few countries to have figured out a sustainable approach to higher education finance”.

The strong system we have in England provides sustainable funding for universities, promotes access for students from all backgrounds, provides employers with the skilled graduates our economy needs and is highly progressive. But it needs to be better understood and, crucially, it needs to feel fairer to our students and their families.

It is therefore only right that we continue to examine the system and consider how it can be optimised to ensure it is as fair, accessible and progressive as possible, while remaining affordable. In recent months both the First Secretary of State and the Secretary of State for Education have called for a proper debate on this issue, and it is something we will willingly take part in offering our experience, our evidence and our solutions.

I do not see contradiction in defending what works well about the system we have in England while simultaneously calling for it to evolve to make it fairer for students.

Universities UK therefore suggests there are three areas where we would like to work with the government and with students to find ways to retain what is good while seeking enhancements. And in doing this, we must look carefully at the opportunities and the consequences afforded by any changes.

Firstly, the government must show that it is listening to students and understands that money in their pocket – or rather the lack of it – while they are studying is their main concern, more so than concerns about long-term debt. It is something all of us here will recognise from discussions with our own students, and which was emphasised in the independent review of higher education funding in Wales earlier this year. UUK would therefore like to work with government to consider the option of providing targeted maintenance grants for those most in need of this support.

Secondly, the government should consider reducing the interest rate payable, not for all, but specifically for low and middle-income earners through changes in earning thresholds to which interest rates apply. We need to work together with government to ensure that interest rates are fair for students and for the taxpayer, and more recognition should be given to the substantial government subsidy which is a feature of the current system in England.

And finally, we need to acknowledge that the way the current system is perceived by students, their families and by graduates is problematic. As university leaders, we need to do more to ensure that benefits of the system we have in England are better understood. For example, it is a little-known fact that government contributes around 35 per cent of the cost of educating students over the long term and over three-quarters of graduates will have some, or all, of their debt written off. The student loan is not the same as a mortgage or credit card debt, and we need graduate employers and financial institutions to understand and acknowledge that individuals are making an important investment in their future.

As I said at the beginning of this speech, I passionately believe that higher education is a force for good and that universities have a duty to acknowledge and live up to this role. Universities are values-driven, rooted in our local communities and, as Lord Dearing indicated, are the beating hearts of the economic and social fabric of the nation. We facilitate debate, we bring together different world views, cultures and beliefs. We seek to foster understanding, enquiry and educate our students in how to disagree well. Let all of us in this room agree on that.