



**Vice-Chancellor  
Professor Richard Barnett**

Catherine Bell  
Department for Employment and Learning  
Adelaide House  
39-49 Adelaide Street  
Belfast  
BT2 8FD

12 December 2007

Dear **Catherine**

**Re: Consultation on Draft Programme for Government, Draft Budget and  
Draft Investment Strategy**

Please find enclosed the University's response to the above documents.

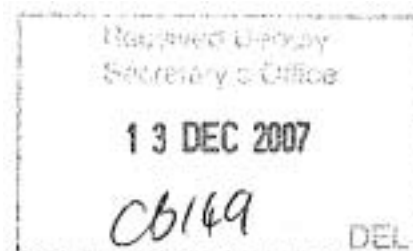
With best wishes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Richard Barnett', with a horizontal line underneath.

**Richard Barnett**

Encl



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UNIVERSITY OF ULSTER  
RESPONSE TO BUILDING A BETTER FUTURE

The University of Ulster welcomes the opportunity to comment on the Draft Programme for Government "Building a Better Future" and the associated Draft Budget and Draft Investment Strategy. The University supports the primary objective of the Programme for Government which is to build a peaceful, fair and prosperous society in Northern Ireland with respect for the rule of law and where everyone can enjoy a better quality of life. In addition the University is supportive of the cross cutting themes and the overarching focus on the economy and sustainability. We are also particularly conscious that within the draft Investment Strategy one of the cross cutting objectives is to "promote regional balance in future development and tackle areas of social disadvantage". This is consistent with our Corporate Plan in which the University has reaffirmed the maintenance of its position as a sector leader in widening access to higher education and also its commitment to working in partnership to promote the economic, social and cultural development of the region.

As the only university with a strong commitment to the development of the North West region, the University particularly welcomes the plan to redevelop the sites of Ebrington and Fort George by 2012 and to improve the transport infra structure with the aim that this will facilitate the economic regeneration of this region of Northern Ireland. This would further enhance the University's stated mission for targetted expansion of student numbers in this region focussing in particular on STEM subjects. In addition, the University welcomes the proposal to increase by 300 the number of PhD research students by the year 2010. We also welcome the proposal to increase by 25%, by the year 2015, the number of students, especially from disadvantaged backgrounds, studying STEM subjects and we assume that this will be additional student numbers and that this will not be as a result of transfer of existing resources which could prejudice other programmes. Furthermore, the University welcomes the development of NEW programmes

to increase by the year 2010, the commercialisation of universities' and colleges' research since this is critical to the development of an innovative society. However, it is important that such developments link to all stakeholders since in the past, commercialisation of Intellectual Property across the United Kingdom has been undermined as a result of Inland Revenue regulations.

In delivering on "Building a Better Future" the University would draw the Executive's attention to the significance of higher education as a principal driver for the development and creation of an economy which would be deemed highly competitive in global terms. Such an economy is based on the creation of high value added jobs and the development of progressive leadership amongst local managers which will serve both to increase exports and to attract substantial inward investment. The importance of higher education as a delivery vehicle is recognised worldwide and has, for example, already been recognised in England where the Department for Innovation, Universities and Skills have set a target that by the year 2020, 40% of the nation will have qualifications up to Level 4. They have also identified the development of more flexible courses which are designed and co-funded by employers to enable the re-skilling of the existing workforce. They recognise this requires a culture shift so that employers can access a flexible and responsive service for higher education and one which they value enough to share costs. To facilitate this, the Government have committed an additional £105m. Clearly for Northern Ireland to compete in the global market place it is essential that its workforce is equipped with the skills at least equivalent to those of our competitors, not least other regions of the United Kingdom and the Republic of Ireland. This is especially important given the SME base of our economy. Furthermore, the Department for Innovation, Universities and Skills have already identified the critical role innovation plays in increasing competitiveness and improving the local economy. To this end they are proposing policies on Research and Development tax credits, the creation of the Small Business Research Initiative, a review of the public procurement process and the development of a Technology Strategy Board. The University would welcome the development by the Executive of similar

mechanisms in Northern Ireland which would ensure our ability to compete in the global economy. It is not clear to us, however, that the proposed budget for the Department for Employment and Learning will enable it to match initiatives being carried out in England and our other major competitor regions. If this is not the case Northern Ireland will be at a severe disadvantage in the competition for high value added jobs.

The Executive will be aware that with the introduction of variable tuition fees through the Higher Education Act 2004, there was a recognition by the Government of past under investment in higher education. ~~These tuition fees were seen to be additional rather~~ substitute for public funding and the Government undertook to maintain the level of core public funding in real terms. And this commitment is being honoured in England. This University would be concerned if a similar position was not maintained in Northern Ireland since any under investment would adversely affect our ability to compete in the highly competitive global market place; our ability to recruit the best staff; and hence our ability to attract and maintain undergraduates who will provide the future skill set necessary to deliver the overall objectives of the draft strategy. Maintenance of existing funding in real terms for existing core activity must be given a priority over new initiatives.

The University is also concerned about the planned reduction in capital funding to the sector. National reports have identified significant backlogs in universities' estates arising from past under funding of the sector coupled with significant increases in student numbers. It is recognised nationally that without the facilities and infra structure, universities will not be able to deliver the appropriate standard of educational experience nor develop the new kinds of engagement with non traditional students that are central to the Executive's policies nor indeed meet the increased student expectations arising from the variable tuition fee environment. This is particularly acute for this University where many of our buildings are 1960s and 1970s build which are coming to the end of their economic life.

The University notes that the draft programme for Government highlights that universities will increasingly seek to expand their income base and increase investment from their own funds. It is important that the Executive is aware that core funding from the Department for Employment and Learning is less than 50% of the University's total funding stream and that last year's capital funding from the Department was just above 30% of the total amount spent on capital by the University. Given the historical backlog that has arisen from past under investment and the fact that the University is already providing 70% of its capital investment needs from either its own or other sources, further reduction in the level of capital provided by Government would have a serious impact on the ability of the University to meet the needs of potential students and to fully maintain a regional presence.

Finally, the University welcomes the establishment of efficiency targets within the Northern Ireland budget and would in particular draw the Executive's attention to work already undertaken by the Better Regulation Review in 2004 and the Higher Education Regulation Review group chaired by Dame Patricia Hodgson. As a result of these initiatives, which aim at reducing bureaucracy, reinforcing local autonomy, the adoption of a risk based assessment of institutions, and the introduction of regulatory impact assessments on all new policy decisions, by 2006 there has been a 25% reduction in the cost of regulation imposed on the higher education sector in England and Wales. Additionally, the proportion of Higher Education Funding Council for England funding being used to support regulation is now estimated at 3.8% compared with 6.3% four years ago. Despite the success to-date, work in England continues to further reduce the regulatory framework. It has always been an issue of concern for the University that within Northern Ireland the processes and procedures that are being adopted in England to reduce the costs have not been introduced here and that we continue to incur significantly higher administrative burdens than our main competitors in England and Wales with the consequent diversion of resources and management time from the core objectives of teaching, learning, research and academic enterprise.