



**Faculty of Humanities & Social Sciences – current financial position and plans for growth**

<b>Outcome requested:</b>	Finance and Investment Committee is asked to <b>note</b> the attached paper.
<b>Executive Summary:</b>	<p>This report summarises the current financial position of the Faculty of Humanities and Social Sciences, whilst also looking at the Faculty's plans for growth in the context of the 2030 Strategy.</p> <p>Key points:</p> <ul style="list-style-type: none"> <li>• Strong financial position</li> <li>• Incredibly high growth trajectories under the 2030 Strategy</li> <li>• Highlighted key challenges in delivering such targets: <ul style="list-style-type: none"> <li>(i) managed growth;</li> <li>(ii) revitalisation of key disciplines;</li> <li>(iii) improving research reputation and income;</li> <li>(iv) development of TNE, DL and Exec Ed.</li> </ul> </li> </ul>
<b>QMUL Strategy: strategic aim reference and sub-strategies [e.g., SA1.1]</b>	<p>Financial Sustainability – we will ensure that we remain financially sustainable in all that we do.</p> <p>Investment in the development of our staff and our infrastructure.</p>
<b>Internal/External regulatory/statutory reference points:</b>	Office for Students terms and conditions
<b>Strategic Risks:</b>	<p>1. Greater student satisfaction</p> <p>6. Recruitment that enables us to achieve the 2030 strategy objectives</p> <p>10. Maintain/increase research quality</p> <p>12. Improved cash generation</p>
<b>Equality Impact Assessment:</b>	None
<b>Subject to prior and onward consideration by:</b>	Considered by Professor Colin Bailey, President & Principal, prior to submission.
<b>Confidential paper under FOIA/DPA</b>	No
<b>Timing:</b>	Not applicable
<b>Author:</b>	Professor Matthew Hilton, Vice-Principal and Executive Dean, Faculty of Humanities and Social Sciences
<b>Date:</b>	22/10/2019
<b>Senior Management/External Sponsor</b>	Professor Colin Bailey, President & Principal

## Current size and shape

The Faculty of Humanities and Social Sciences (HSS) is currently in a strong financial position. Cash generation was £45m in 2016 and rose to £65m last year. This has been driven by an increase in postgraduate taught students and overseas recruitment, but also by a more rigorous oversight of non-pay expenditure and through some substantial vacancy savings (which will be reduced as a backlog of investment positions will be filled for academic year 2020-2021). While UG enrolment has risen steadily from just over 6,000 in 2016 to just under 7,000 this year, PGT numbers have shot up from just over 2,000 to over 3,000 this year. This has been driven largely by overseas recruitment on our premium-priced programmes (those over £20k). Current enrolments look to be over 2300 OS PGT (up from just 1300 in 2016). The Faculty consistently recruits around 80% of all OS PGT numbers.

## 2030 Strategy

These growth trajectories have been incredibly high. We estimate that 5% of the UK's entire overseas LLM students now study at Queen Mary. Nevertheless, the Faculty is confident that it can continue to grow and last year accordingly committed to the most ambitious figures for expansion in the 2030 Strategy:

	<b>2024-25</b>	<b>2030</b>
UG Home	400	1200
UG Overseas	250	1000
PGT Home	600	1250
PGT Overseas	800	1550
Distance Learning	1750	4500
Executive Education/CPD	2100	4000

These figures are on top of the existing plans for growth set in forward planning budgets last year. Over-performance in PGT student recruitment in 2017 and 2018 have subsequently been normalised within the budget and higher UG recruitment numbers are being maintained such that student number growth will be multiplied on 3 and 4 year programmes. The 2030 Strategy takes the 2018-2019 figures as the base year. Existing planned growth plus additional strategic growth means the Faculty's student numbers will be the following in 2024-2025 (the key year for strategic forecasting in this year's planning round):

	<b>2018-2019</b>	<b>2024-2025</b>
UG Home	5,402	6,349
UG Overseas	1,186	1,688
PGT Home	776	1,476
PGT Overseas	1,995	2,741

Distance Learning	157	1,750
Executive Education/CPD	0	2,085

This will provide an on-campus headcount of over 12,000 students or an overall growth of one-fifth (to make such numbers concrete one might translate it as approximately another two Schools). The importance of the Faculty to the overall financial strength of Queen Mary will only continue given our current size and shape forecasts. When the 3 Faculty enabling plans are put together, HSS will be contributing nearly two-thirds of growth in UG, DL and TNE/ExecEd/CPD. Nearly a half of future PGT growth is expected to come from HSS. In order to achieve this level of growth, significant new investment in research-led teaching provision will be required as well as additional teaching and scholarship staff where necessary in particular programme areas. In addition, while our existing structures will take us to 2024-25, some further thought will need to be given as to the overall structure and shape of the Faculty – or Faculties – by 2020 (and the consequent overall organisation of the Schools therein).

## Challenges

Such growth and financial reliance on the Faculty is achievable but it comes with significant challenge. The key issues for the Faculty as it works with Schools over November and December to develop the budget for both next year and the five-year horizon are:

### 1. Managed growth

Growth can be achieved since various opportunities are available to the Faculty. The School of Business and Management has already reached the student numbers it aimed for in 2022 and which underpinned the business case for the new building. The School is currently working hard to develop an even more ambitious plan with continual assessment of new programme opportunities (e.g., accounting and finance) with a view to OS recruitment. The SBM plan is focussed on student number growth driving income uplift. However, in other areas growth can be measured in income terms by focusing on price in the market. For example, the School of Economics and Finance estimates that with careful management of its premium-priced programmes in areas where it has a considerable international reputation, accelerated income growth can be prioritised over more modest student number growth. Likewise, were the opportunity for a property in Russell Square to be realised, a new pricing model might be developed for the programmes in the Centre for Commercial Law Studies.

Nevertheless, there remain significant risks. The pressure on the estate is extremely apparent and the above numbers will have implications for investment priorities. Growth also requires investment in people and if not managed properly there can be significant negative impacts on the NSS, PTES, student and staff well-being and research performance. Indeed, estates and student experience go together as the following free text comments from HSS students in the 2019 NSS testify:

- ‘Facilities such as the library have exceeded maximum capacity for student levels - the university cannot keep expanding student numbers (in their pursuit £££££)’;
- ‘Trying to find places to work around the campus can be a frustrating experience’;
- ‘Overcrowded facilities - library, gym, hub, study spaces’;
- ‘not course-related, but university-related: the library is too small to accommodate a large number of students. Finding a seat was like winning the lottery’.

In addition, the growth in overseas PGT masks the flat-lining of home demand in Law/CCLS, SEF and SBM and the gradual decline in student numbers from the EU.

## 2. Renewing the humanities and social sciences

A particular problem for managing growth is the partial disconnect between the strengths in Queen Mary's reputation and its financially strong units. There remains a particularly challenging UG Home recruitment situation, exacerbated by national messaging about the relevance of the arts and humanities and the direct intervention of the government in the school curriculum (History managed to hold off direct governmental interference, but English was less fortunate – a more tedious syllabus has resulted in falling numbers at A level). We rely too much on confirmation and clearing to meet student number targets in several Schools. Yet it is precisely such Schools which drive Queen Mary's reputation (especially in terms of REF position) and which enable other Schools in the Faculty and elsewhere to expand (although disciplines such as Law enjoy both exceptionally high demand for its courses and an exceptionally high global reputation). Highlights include the ranking of both Linguistics and Drama as first in the last REF and English as 5<sup>th</sup> (1<sup>st</sup> on power index); all 3 QMUL Departments in the QS top 50 are in HSS; and in the latest improvements in the THES World Ranking it appears our rise has been helped significantly driven by the arts and humanities (76<sup>th</sup> in the world, up from 101-150<sup>th</sup>). The situation is likely to continue, evidenced through current REF planning (e.g., the School of History is planning to submit 72 monographs to the next REF).

As Council members will recall from the Faculty presentation in May 2019, the challenge for the humanities in HSS is to maintain their excellence and their relevance. As Schools make their detailed 5-year plans we are particularly paying attention to the development of new disciplinary areas and Faculty-supported education initiatives that will make our programmes appeal to students in different ways. For example:

- Elite programmes: PPE; Liberal Arts; Creative arts;
- Support for modern Languages: combined programmes with SEF, Law and SBM;
- Challenge-led interdisciplinary programmes: climate change; social justice; health and well-being; international development;
- Vocational combinations: digital humanities; integrated Law qualifying degree;
- Degree apprenticeships for the cultural and creative sectors

## 3. Research reputation and income

The 2030 Strategy also contains financial targets for research. Although apparently modest in comparison to the other two Faculties these are nevertheless challenging, especially given the more limited opportunities for securing external research income. For instance, one-third of all staff in the UK submitted to the last REF worked in fields covered by the AHRC. Yet the AHRC's annual budget remains under £100m – miniscule compared to the EPSRC's £800m or the government's overall budget for science of £5bn. Again, the problem is one of carefully managing growth across the Faculty and protecting staff-student ratios where we know it leads to greatest research and reputational strength. But it is also the problem of the disconnect between reputation and income. QR funding (allocated after REF) largely supports the lone-scholar model of research in HSS. This produces brilliant outputs which further drives reputation and performance in REF, but we need to make it also drive more collaborative work, and of a type that makes the HSS disciplines respond to UK government challenge-led funding. We have had some notable successes recently, most notably Ruth Ahnert's 'Living with Machines' £9m project with the Alan Turing Institute, but we need also to be working with colleagues in the other Faculties, and there have been recent successes in this regard, such as:

- 'Building the Barricades', Paul Heritage (People's Palace Projects, Drama) (PI) and Stefan Priebe (Psychiatry, SMD) £700k and the associated MRC grant with Priebe

as PI for ~£3M on 'Building Resilience and Resources to Overcome Depression and Anxiety in Young People from Urban Neighbourhoods in Latin America';

- 'Child Health, Agriculture and Integrated Nutrition', Tim Brown and Kavita Datta (Geography) (co-Is) with Andrew Prendergast (SMD) as PI; £1.9M.

The establishment of the Institute for Humanities and Social Sciences and the investment in a number of Faculty strategic lectureships will be key drivers in supporting interdisciplinary initiatives that are intended to translate into increased grant application volume.

#### 4. Executive education, TNE and distance learning

In comparison to other universities we are not as competitive in executive education, our transnational operations are limited (and we have cut our UG operation in Paris and are planning on pulling out of Piraeus), and our fledging DL operations have entered an increasingly competitive market at a comparatively late stage. The Faculty has also some considerable targets in these areas. Our strategy is not to separate out the various elements but to imagine blended learning packages that bring together a combination of: short courses overseas; credit-bearing transferable DL options; on campus CPD; business-to-business operations (hosted on campus or away) transferable to longer Masters' programmes. Specific initiatives included:

- CCLS is a key trial unit for the QMUL DL Strategy;
- Development of a professional doctorate for SBM, SEF and Law/CCLS;
- Business case preparation for an Executive Education suite in the Graduate Centre;
- Customised executive training for pensions companies, foreign judiciaries, civil service;
- Programmes for transferable Masters' with key overseas partners (e.g., Sorbonne, Dauphine) ;
- Development of extensive DL operation in SBM to begin after AACSB and during EQUIS accreditation.