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DEVELOPMENT OF A UNIVERSITY IN SHROPSHIRE

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1 Summary

University of Chester (UoC) research (as invited by Shropshire Council) has demonstrated a strong case for establishing a new Higher Education institution (HEI) 'of and for' Shropshire. This paper asks for authorisation to undertake work in progressing development of a detailed business case with UoC and begin to undertake joint research activity.

Recommendations

It is recommended that Cabinet:

- a) Give delegated authority to the Chief Executive, in consultation with the Leader of the Council to commit such expenditure that is necessary to support development of this business case including, but not limited to, project work, site evaluation, preparation of, and development of evidence for funding bids and also development of potential joint research activities/units.

REPORT

2 Risk Assessment and Opportunities Appraisal

- 2.1 Development of a successful HEI for Shropshire is dependent on generating sufficient income through student numbers. This in turn is a reflection of market conditions, quality of offer, reputation and ability to develop effective marketing. Crucial to the proposed business model is its link with research, and its focus on complementing and enhancing the economy of Shropshire
- 2.2 Development of the relationship between University of Chester, Shropshire Council and ip&e Trading will be managed in such a way as to minimise exposure to risk and the detailed business case being prepared will consider this.
- 2.3 Decisions by ip&e Trading in respect of this, and all other proposals are of course a matter for the Board of Directors.

3 Financial Implications

A detailed financial model will be a component of the Catalyst funding bid to HEFCE (described below), and the business case for consideration by ip&e Trading.

Feasibility work required prior to submission of such funding bids and approval – for example on potential sites and consequential planning issues etc. – will have financial implications.

University of Chester has set aside a substantial preliminary project budget for its part in the development of the HEI in Shropshire.

4 Background Research

- 4.1 In early 2013, the University of Chester was invited by Shropshire Council to research the potential for increasing Higher Education (HE) provision within Shropshire. The research examined levels of current provision, the attitudes of local stakeholders to HE, the views of Year 12 pupils in the county and of the local business community.
- 4.2 Aside from the world-class land-based HE institution – Harper Adams - on our doorstep in Telford and Wrekin Council, current HE provision in Shropshire is dominated by Further Education (FE) courses accredited by four Universities based out of Shropshire, as well as vocational health qualifications taught at specific NHS sites. There are very small numbers of traditional undergraduate courses (almost all in teaching) and almost no post-graduate (5 courses) or higher level provision.
- 4.3 The draft LEP European and Strategic Investment Funds Strategy cites the limited university presence in the Marches as a key factor in restricting opportunities for knowledge transfer between the HEI sector and local businesses and thus holding back the economic potential of Shropshire.
- 4.4 The research commissioned by Shropshire Council confirmed that not only was the lack of an HEI presence in the county holding back our economic potential based on the existing mix of employers but it was also reflected in the very low levels of entrepreneurial activity in the county – particularly the level of patenting(3.1 per 100,000 residents annually compared with 10.6 for England as a whole).
- 4.5 This is of particular concern given the County's demographics with a rapidly aging population, reduced working age group and a significant 'talent drain' of young people from the area post Year 13. Not only do the majority of 18-year-old students leave Shropshire, they also leave the travel-to-study area and tend not to return to the county. The lack of an HEI presence also means there is no compensating trend of young people flowing into the county to study, then create wealth through employment or self-employment locally. The relationship between high quality research activity, innovation and business growth is well acknowledged.
- 4.6 In summary the research, particularly with young people living and studying in the county, made a powerful case for addressing this long-standing weakness in the

county. Crucially it showed that for success, it is essential to ensure that any HEI developed in the county complements and is deliberately designed in such a way as to act as a catalyst to Shropshire's economy.

- 4.7 Thus rather than a generic approach or one based on getting as many students as possible into the county, instead an institution grounded firmly in a high quality programme of study is required, particularly supporting postgraduate and research capacity that can help Shropshire reach its economic potential, and which can complement the work Shropshire Council and partners are doing to re-balance the county's economy away from permanent reliance on public sector employment.

5. Outline proposals

- 5.1 Drawing on this research, Shropshire Council, University of Chester and ip&e have developed a compelling vision for a University for Shropshire. It is very deliberately designed to be an instrument of economic development for the County – the development would be 'of Shropshire, for Shropshire'. Its curriculum would be linked to key growth sectors in terms of value to the county and in particular business and job creation, securing significant investment opportunities.
- 5.2 It would act as a catalyst for economic growth, linked to key industrial and commercial sectors particularly around micro and high-growth businesses as well as supporting emerging businesses. It is envisaged as providing a high quality research, teaching and learning environment and being highly differentiated nationally and internationally, with an identity reflecting the values and ambitions of Shropshire.
- 5.3 Recognising the research with local students it would provide clear pathways for progression from Shropshire's FE and 6th Forms into HE, postgraduate and doctoral study. With rising personal costs of study for students, this accessibility would become more important. However its business case doesn't rely on local students, instead appealing to Shrewsbury's already strong identity as a high quality location for learning.
- 5.4 Crucially it is proposed, from the outset, as an institution which is created through support from University of Chester but which will, in time, seek its own self-governing status and ultimately become a free-standing University.
- 5.5 Also critically, from a financial perspective, it has been agreed that Chester, in establishing and creating the academic elements of the University are looking to the Council through ip&e to provide (or otherwise source) all 'support' functions to the institution in Shropshire – potentially including income streams such as Accommodation, Finance, HR, IT etc.
- 5.6 The outline proposal is to establish a research and postgraduate presence in Shrewsbury by April 2014 and simultaneously work up the business case and funding package for the undergraduate provision and overall University presence to enable the first admissions to take place for September 2015.

6. Work to progress business case

6.1 Shropshire Council has agreed a draft Memorandum of Understanding with University of Chester and ip&e Trading to enable work to be progressed. A Project Board, chaired by the Leader of the Council has been established with working groups covering key areas:

- Governance and Legal
- Curriculum and Research
- Business Planning and Funding
- Estate and Site Development
- Marketing and Branding

In recognition of the strategic importance of this project, council officers will be playing a key role in all these groups.

6.2 The Council's wholly owned company, ip&e Trading, will play the key role in facilitating this development in Shropshire, particularly in securing appropriate back office and resources for the institution as it develops.

6.3 Following extremely positive initial discussions at Ministerial level, a bid for Catalyst funding to the Higher Education Funding Council for England (HEFCE) is now being worked up to cover set-up costs for the new institution. Key to development of a successful bid will be the ability to demonstrate the new institution's distinctiveness within the marketplace.

6.4 Relevant to this submission, and to the viability of the proposed model was the announcement by the Chancellor, in the Autumn Statement, that the Government would move to remove any cap on student numbers (which would previously have required agreement from HEFCE to enable additional students). The new national model is very much market driven – meaning the onus is on the University for Shropshire model to demonstrate its potential, its value and its unique offer to prospective undergraduate and postgraduate students.

6.5 Cabinet's authorisation is therefore sought to enable Shropshire Council officers to assist in development of a bid for Catalyst funding, and for development of a detailed business case

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Executive Summary of the Shropshire Development Study Phase One report

Cabinet Member (Portfolio Holder)

Keith Barrow, Leader of the Council

Local Member

N/A at this stage

Appendices

None