

Council Away Day

11 April 2014

Notes

Present: Professor M Spyer (Chair)
Mr A Bicknell
Professor A Clark
Mr M Draper
Professor B Gusterson
Ms K Horvers
Professor P Huges
Mr D Kennedy
Professor A Kent
Mr C North
Ms S Rimmer
Professor F Ross
Mr C Smallwood
Mr M Stevens
Ms C Swarbrick
Mr G Turner
Professor J Weinberg
Professor Sir Nicholas Wright

In attendance: Dr R Allen, Head of Graduate School
Mr T Arjomandi, Vice-President, Students' Union
Mr M Bery, Chief Operating Officer
Mrs W Brewer, Joint Director of Human Resources
Mrs S Bowen, Secretary and Academic Registrar
Professor N Brown, Director, IMBE
Ms Y Leung, Vice President, Students' Union
Professor Julian Ma, Director, Infection and Immunity
Ms S Trubshaw, Clerk to Council
Mr J Unsworth, Finance and Commercial Director
Mr T White, Director of Strategic Planning

1. Introduction

There were continuing changes to the financial environment both within higher education and the NHS. SGUL was developing a strategy to address the changes and to ensure a positive future for SGUL. The aim of the Council Away day would be to agree a number of principles for taking the strategy forward, and consideration given to further joint working with both Kingston University and SGHT.

2. Environment

The funding model for higher education had changed radically over the last two years, and at the same time student numbers, particularly in medicine, were strictly regulated. Additionally changes in NHS funding also affected SGUL, in particular reductions in education commissioning which affected programmes offered by FHSCE.

Constant features

- Primacy of the student experience
- Access to HE being revolutionised – lifting of the ‘cap’
- Declining public funding
- Growth of private providers and competition
- National need for vocational healthcare training with inter-professional skills
- Research funding to fewer institutions and for larger collaborations
- Public funding for world leading or internationally excellent research
- Continuing flux

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It was noted that a general election scheduled for 2015, and it was unlikely any major policy decisions would be taken before the election.

However, SGUL continued to have ambitions

Constant ambitions

- A breadth of medical and healthcare education
- Leading the thinking about educational commissioning arrangements and the development of healthcare roles
- The internationalisation of education
- Teaching that is informed by research, and research that is a powerful attraction for students
- Research that begins at the laboratory bench and translates to treatment at the bedside and to policy and prevention
- Research that addresses some primary global medical challenges

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There were a number of opportunities for SGUL, including growing student numbers outside of medicine and also growing student numbers within medicine via international programmes. SGUL could also lead on the development of new healthcare roles and modes of delivery, for example developments similar to the Physician’s Associates programme. There were opportunities to develop new programmes with FHSCE, and there were also opportunities to undertake translational research which could be linked to the tertiary services in SGHT.

The key questions in pursuing these academic ambitions were:

How does SGUL leverage finance?

Who does SGUL need to work with?

3. Progress with the 2010-2015 Strategic Plan

It was noted the Council received regular reports on progress in implementing the strategic plan via the Key Performance Indicators that were presented at each meeting.

At the beginning of the planning period the Sunray Diagram had been devised by Judith Evans, the then Chair of Council, as a quick way of mapping the objectives within the Strategic Plan. This had set out a number of activities over the five year period. Some activities had been well defined and some less so. Altogether 72 activities and priorities had been mapped on the Sunray Diagram. There were some areas that had not been included for instance finance and the development of strategic alliances, perhaps reflecting the amount of change that had occurred in Higher Education environment in the last two years. It was suggested that if all the activities had been achieved SGUL would be better placed than it was currently. This suggested that the current strategic plan contained the right objectives but SGUL might need increased capacity through partnerships to achieve its goals.

4. Finance and Strategy

It was reported that before the receipt of the HEFCE Grant Letter SGUL had been on track to achieve a small surplus in 2013-2014. The clawback of £800,000 in 2013-2014 at this point in the financial year was difficult leaving only four months to find the additional funds in order to move to a breakeven position.

2013-2014

IN 2013-2014 SGUL had restructured to create four Institutes which would allow for a better understanding of teaching and research costs. However there were a number of other factors that had occurred during the year both positive and negative. Whilst the financial situation was now more transparent a number of unbudgeted costs had been incurred.

2014-2015

Currently there was a base case deficit of £2.3 million.

What does 2014-15 look like?

- A base case deficit of £2.3m
- Cash outflow of £0.6m before capex
- Declining HEFCE T and HEFCE R
- Lower student numbers as previous higher intake leaves
- Dependent on our partners: INTO, Joint Faculty lower than 13-14, Cyprus improving
- Pay costs up £800k from 13-14 – pay, increments, auto enrolment

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A financial improvement plan of £3 million for 2014-2015 was currently being developed. A number of scenarios were being considered which would contribute to financial improvement. It was noted that in order to sustain the financial improvement for future years that a number of issues would need to be addressed.

Sustaining financial improvement

- A financial improvement programme, including changing the way we work, operationally and culturally
- Will only succeed if we look across functions and to partners – no longer do everything ourselves
- It must address growth, cost reductions and different delivery models; also change needs upfront cost
- It will be difficult to engage staff on the back of an academic restructure and recent resource constraints

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Sustaining financial improvement - the key themes

- Income generation: student numbers, new programmes, commercial
- Use our academic relationships to deliver professional, admin & teaching support services that are cost effective
- Use our clinical relationships to increase funding, research, teaching revenue
- Prioritise our activities: be prepared to withdraw, eg unfunded research activity, research charity funding, core facilities
- And in any event reduce staff costs and non pay costs

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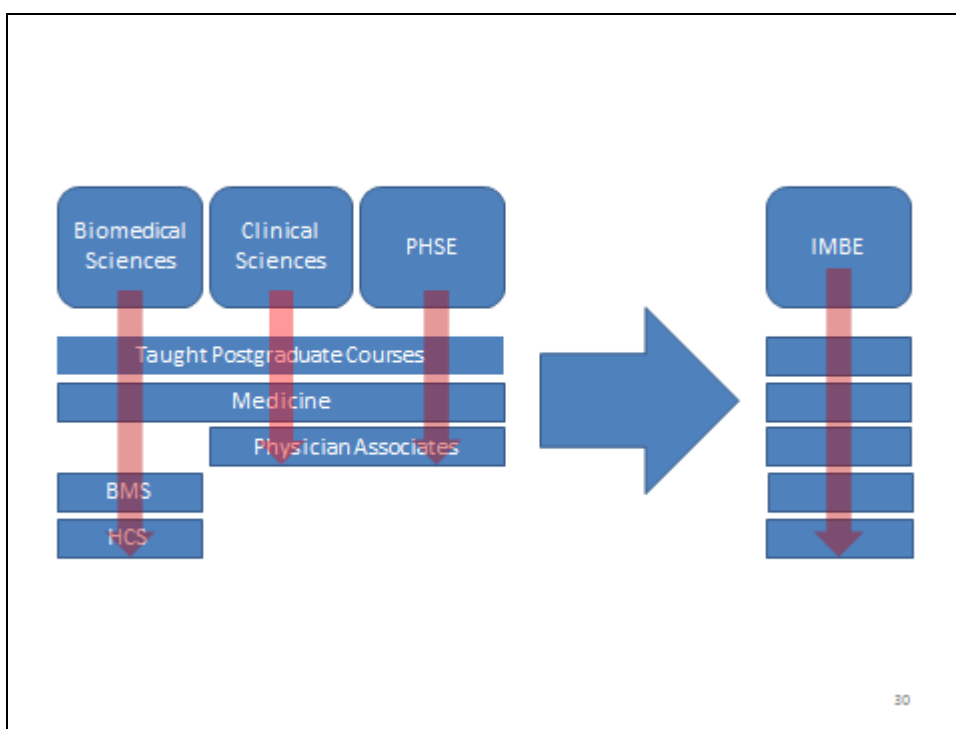
The following comments were noted:

- (a) That although SGUL was a relatively small HEI it had all the administrative costs and compliance demands of a larger organisation.
- (b) That SGUL was working to a target surplus of £0.5 million in 2014 -2015 as agreed by the Finance Committee.
- (c) That in addressing the financial situation, SGUL had to be mindful of protecting the 'student experience'. The development and support of IMBE was a key part of ensuring an excellent student experience.

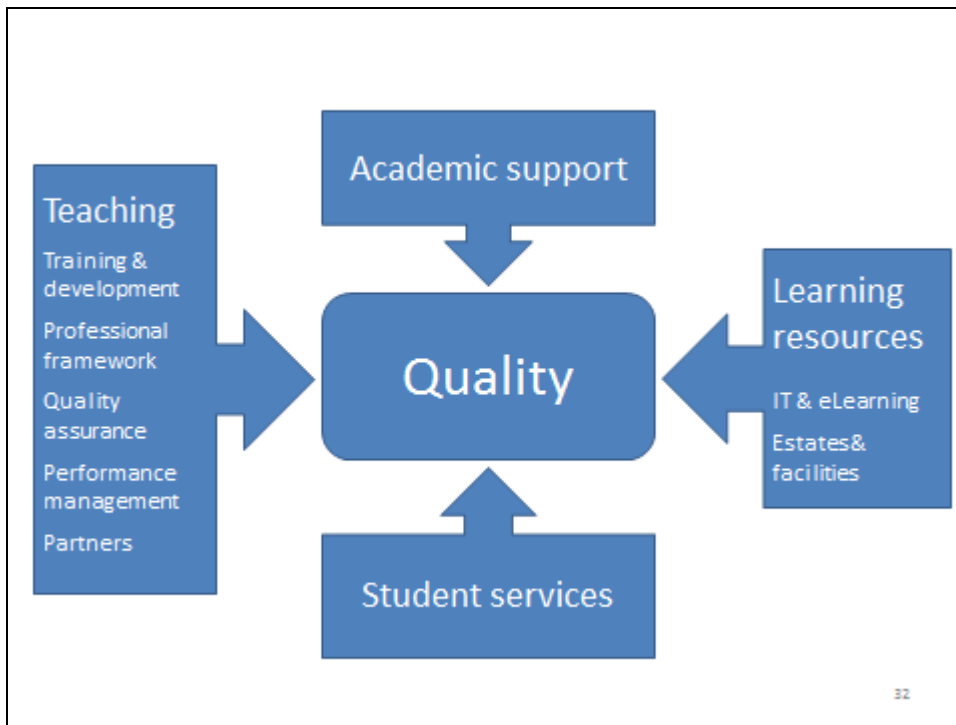
- (d) That consideration had to be given to reducing central costs, and it was suggested that working more closely with SGUL's partners and merging some functions might help to reduce costs.
- (e) That the best that could be achieved in research, in any HEI, was a breakeven position, and that it needed to be understood that teaching income would always subsidise research. There were measures that could improve the funding gap in research such as the achievement of overheads, more targeted grant applications, and an increased focus on the research undertaken.
- (f) That there were some opportunities for SGUL to grow its student numbers. There was a cap on medical student numbers, and other programmes were limited by NHS commissions. However there was capacity to increase numbers on the Biomedical Sciences programme, and possibly develop new programmes in collaboration with other partners. This might require different ways of working, for example to utilise space more effectively the teaching day could be extended.
- (g) That saving a further £3 million in 2014-2015 looked challenging given the limited ability to generate income. It was noted that a Financial Improvement Plan was currently being formulated, and that some areas of activity could be increased but there would be some risk involved. There would also have to be a further reduction in costs.
- (f) That a meeting had been arranged with HEFCE to discuss the recent reduction in funding for old regime students which had been cut by 6.9%. This penalised institutions whose provision was mainly in high cost subject areas, and where there were no lower cost subject areas (such as those found in multi-faculty institutions) to offset such cuts in funding.

5. Education and Training

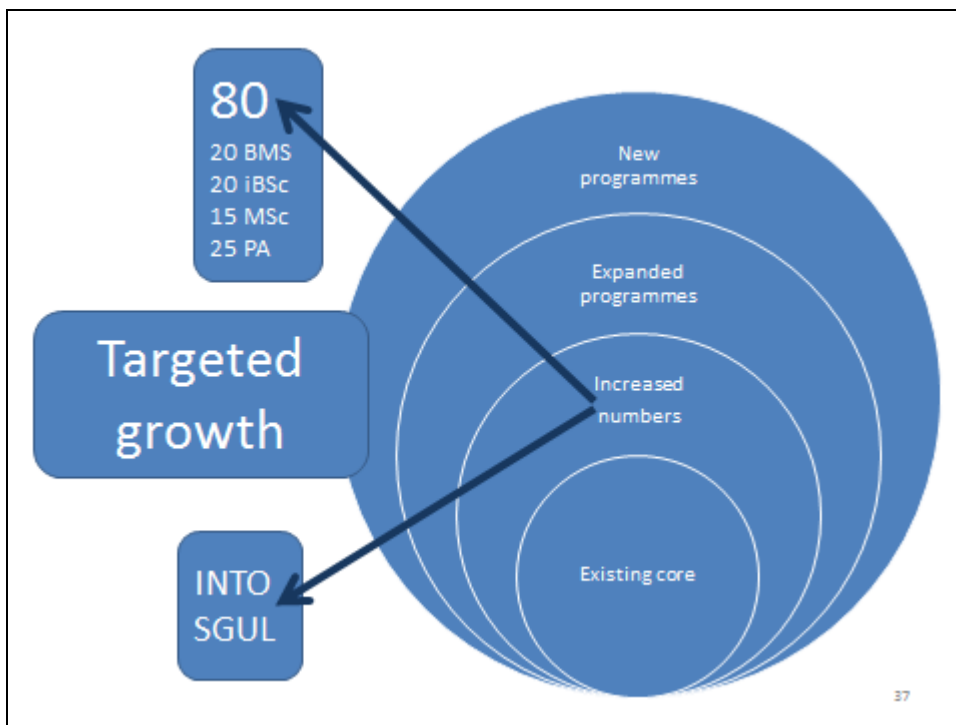
That the new Institute of Medical and Biomedical Education had been established bringing together all teaching activities.



Amongst the key themes of IMBE, were training staff and the adoption of the Higher Education Academy Professional framework, and a focus on quality assurance.



The next step would involve the consideration of growth, how much was possible and in which subject areas.



5.1 Postgraduate – recent developments

It was noted that two new programmes had recently been approved:

- MSc in Health and Wellbeing
- PG Certificate in Interpretation and Clinical Application of Genomic data

A core postgraduate framework had been developed which allowed new Masters' programmes to be developed more easily. Stand-alone modules had been developed that allowed flexibility for students, and were also less expensive than undertaking a postgraduate programme.

Improvements had also been made in the submission rates for PhDs and MDs (Res).

International developments were also under consideration involving discussion with the University of London which had an extensive international operation across 200 countries.

5.2 Student Feedback on International Initiatives

A survey had recently been circulated by the SU to international students. There had only been seven responses. It was noted that from these respondents the factors that attracted the students to SGUL were:

- London location
- Close knit community/smaller university

The key concerns noted were:

- Lack clinical skills resources
- Need for more study locations and longer opening hours

It was felt that there were risks to increasing the number of students both international and home, including:

- Concern about sufficient facilities and resources
- The ability of the Students Union to provide facilities and resources
- Overcrowding on placements
- The need to focus and improve facilities for home students before further expansion

5.3 Faculty of Health, Social Care and Education

The majority of FHSCE's programmes were employer led and employer commissioned. It was noted that there were currently a range of opportunities for FHSCE:

Opportunities

- **Market-led commissioning** – Joint Faculty currently engaged in two tenders (additional mental health nursing and validation service for Royal Marsden)
- **AHSN, CLARHC, MED CITY and Mayor's Health Commission** – improvement science, exploiting opportunities for wealth creation
- **International** - top up degrees in nursing (China), "train the trainers" and leaders for HE, establishing e-platform for delivery of postgraduate programmes, better join up with Kingston international

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There were a number of areas of potential growth in FHSCE:

- Associate Practitioners (foundation degrees)
- Paramedics/disaster management – executive training
- International private physiotherapy – sports, leisure, physical activity
- BSc Integrated Care Practitioners - This was a new development that the Government was funding in order to provide support for a population that was ageing and living with long-term conditions.

It was suggested, on the basis of the success of the joint faculty, that there might be the potential for another joint venture with Kingston University focussing on Life Sciences. It was felt that if there was a demand for the programmes that a further joint venture might provide then this would be a beneficial development for both institutions.

5.4 International Developments

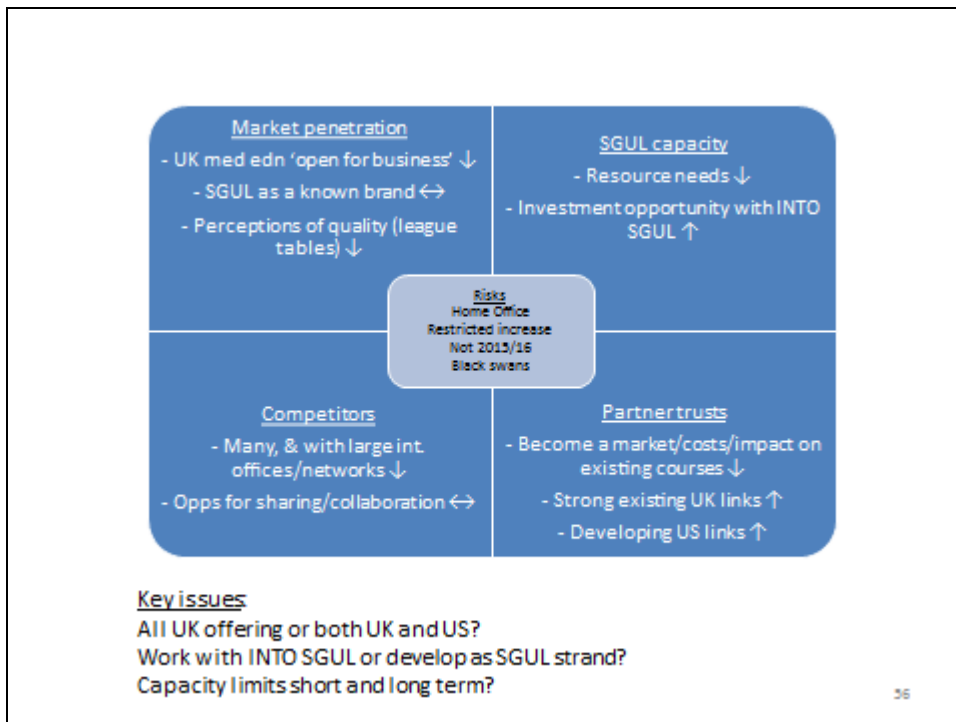
Internationalising SGUL's offer

What	How
<ul style="list-style-type: none">• Expanding international places on existing courses inc. INTO SGUL• Ensuring new courses will have an international appeal	<ul style="list-style-type: none">• Increased targeted recruitment activity• Securing 'private' placements• Increasing capacity on courses• Developing fee funding streams through international links
<ul style="list-style-type: none">• Positioning INTO SGUL Foundation as pathway to all UK medical schools• Developing INTO SGUL pathway into PGT• Positioning ready for UK medical international cap removal• Future review of MBBS6 or other opportunities with UNic	<ul style="list-style-type: none">• Working with the INTO UK network• Task and finish group to scope and plan international MBBS
<ul style="list-style-type: none">• Developing another TNE offering	<ul style="list-style-type: none">• Utilising global networks and BC /DTI links to find suitable TNE partner• Identifying leads from Global@SGUL group and International Committee

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It was noted that with current resources any developments would need to be targeted in niche areas.

If the 7.5% cap on international medical student recruitment was lifted, this would present a range of opportunities for SGUL. At the same time there were a number of other factors that would come into play including increased competition as set out in the slide below.



6. Breakout Groups - Feedback

Finance (facilitated by Don Kennedy)

The following points were noted:

- Growing income takes time to achieve and has to be considered as medium to long term aim.
- The establishment of a second joint faculty with Kingston University should be explored.
- Further discussions should be held with SGHT with regard to space charging.
- A further reduction in costs was needed in the short term.
- Consideration should be given to the current commitment to INTO.
- Further consideration should be given to Research. Should there be a further focussing of research? Is it possible to grow research income in the competitive environment of research intensive institutions in London?
- A review of central services should be conducted immediately, and the possibility of sharing back office functions with Kingston University should be explored.
- Provision should be made for investment in the future.
- The possibility of merger should be discussed as a future objective.

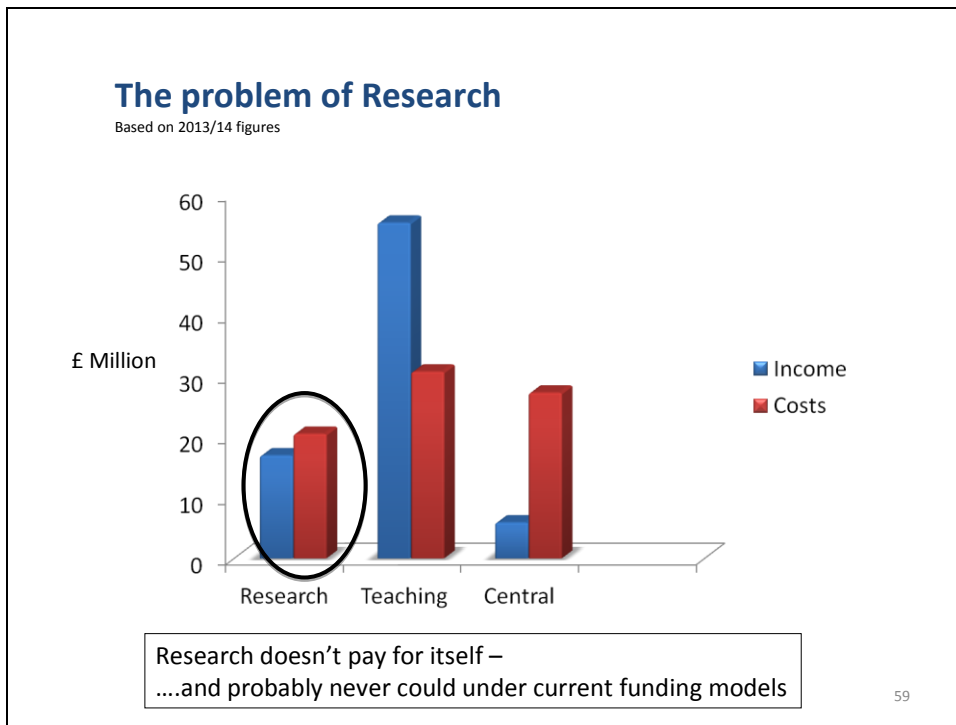
Education (facilitated by Catherine Swarbrick)

The following points were noted:

- SGUL should define and articulate its strengths.
- Its USP could be 'the delivery of medicine in complex city communities'.
- It was important to have a clear strategy.
- Staff and students should be engaged with the strategy.
- Only one major project should be undertaken at a time.
- A breathing space was required in order to plan and consider future options

7. Research

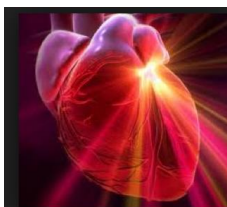
It was well established that Research did not pay for itself under the current funding models and that there would be the need for cross-subsidy from other sources of income.



Further consideration had to be given to the reasons for continuing research.

Why do we do Research at SGUL?

- Good for external relations
- Attracts “better” academic (and other) staff
- Attracts “better” students
- Research success breeds institutional “pride”
- Responsibility to advance knowledge



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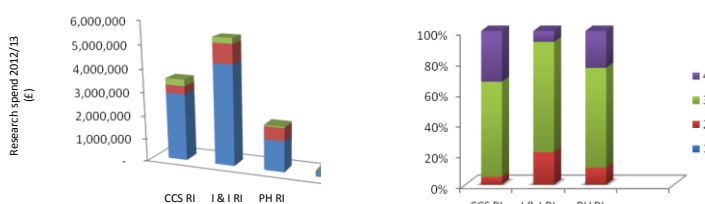
If SGUL was to continue to do research the key question was whether SGUL should do less research and if so what could be reduced or ‘cut’? 30% less research would save £1 million.

Should we do less research?

Where would you cut?

For example:

- All those Research Institute Academic staff NOT returned in REF2014
- All those Research Institute Academic staff with bottom 10% research income
- Cut an entire theme – e.g. close one of the Research Institutes

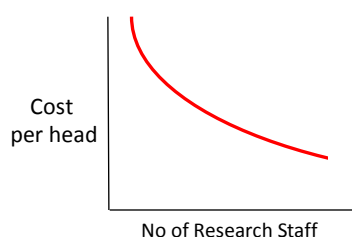


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On the other hand should SGUL consider doing more research?

Should we do more research?

- Improves reputation, recruitment, retention and research environment
- Consistent with Trust agenda
- Greater flexibility to support teaching requirements
- Greater efficiencies for core facilities and support services



Examples:

BRF – Large high quality facility – currently running at ~ 30% occupancy

Imaging – better efficiency in use of technical support staff

Biomics – proteomics core recently closed due to insufficient usage

JREO – lacks economy of scale, so under-provides in some areas – e.g. EU Horizon 2020 support

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If SGUL wished to do more research how would this be achieved?

1. Research in topical and fundable areas (Infection, Heart Disease, Population Health) ✓
2. Establish Research Institutes to optimize efficiency of funding efforts ✓
3. Gain more effective funding support for example five year programme grants, Research Council grants, avoid non QR charities.
4. Exploit local resources and other opportunities eg SGHT, industry, universities etc

It was noted that SGHT also had an interest in and benefitted from research because it:

- Supported the case for specialist services commissioning
- Increased tertiary referrals
- Attracted higher quality consultant staff
- Offered research training to junior staff
- Increased CLRN income
- Enhanced good local public relations

Currently there was some misalignment between SGHT and SGUL research interests. However it was noted that SGHT was a research interested Trust and that it had expressed a willingness to invest in areas of common interests. Active discussions were taking place around:

- Neuroscience
- Cardiology
- Obstetrics

A developing trend was university/Pharma collaborations. SGUL did not yet have a major pharma partnership. An effective and professional approach was required to developing a Pharma partnership.

Partnerships with universities would also benefit SGUL research.


Other Universities

Could benefit SGUL Research by:

- Rapid improvement in critical mass with additional research skills and facilities
- Economies of scale in support services
- Investment in people and facilities

SGUL could provide:

- Critical mass in specific research areas
- A Medical School intimately involved with its local NHS Trusts



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7.1 Research Institutes

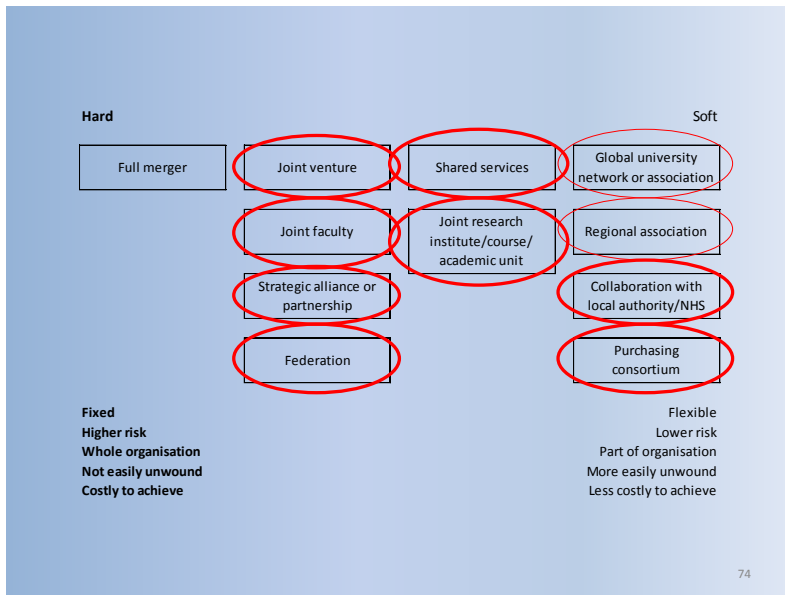
- Reputation and prestige - supported by tangible evidence. Should the focus be on large grants or smaller grants?
- Teaching - Research Institutes can offer high quality research projects and other teaching which would contribute to the expansion of BSc and MRes numbers.
- Interaction with NHS Trusts - 50% of research staff hold honorary contracts resulting in a good interface between the clinical and academic environments
- Enterprise - spinout companies (eg TB Diagnostics, Allergen delivery inhibitors)
- External investment and charitable donations - more major benefactors such as Sir Joseph Hotung were needed.
- Research Income - £200k per principal investigator in 2013-2014. Losing senior staff who attract higher levels of funding since 2010.

- Benefit of research - Research Institutes need to grow and need more critical mass in order to compete in the future research environment.

8. Partnerships, Collaborations and Alliances

It was felt that SGUL should extend its range of partnerships if it wished to survive into the future as an independent organisation. Key relationships included:

Kingston University
 SGHT
 University of London
 KHP/King's College (re CLARHC)



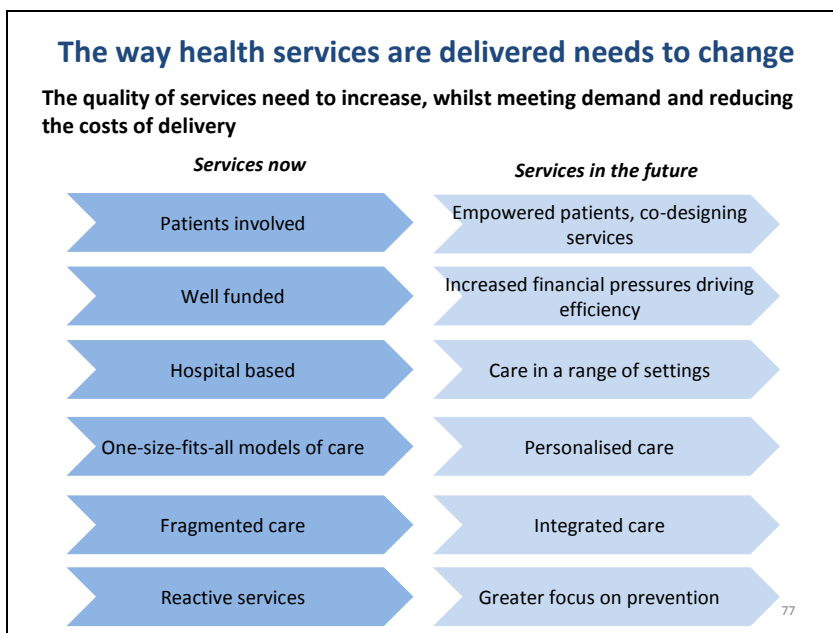
It was suggested that a 'System Approach' should be taken with regard to these partnerships

What are the key features of a system approach?

- A system should have some flexibility for growth (and shrinkage)
- With success, the sum of the parts are greater than the whole
- Different parts of a system can be brought to bear on a new venture – it is responsive and agile
- Embeds and spreads risk
- There must be a clear focus on stakeholder engagement and the co-ordination of system activities

9. Health - Risk and Opportunities

The way that health services were delivered was changing. The quality of services needed to increase whilst meeting demand, and at the same time reducing the cost of delivery.



The following points were noted:

1. SGHT could not continue to reduce costs and it needed to develop other sources of income.
2. SGHT was optimistic that there were opportunities to develop.
3. Care was moving from a hospital based environment to the community.
4. New patient pathways would need to be developed.
5. New skills would be required to provide care.
6. Acute care in the community would need more specialists

It was suggested that SGHT and SGUL could work together to address some of the issues raised above.

We need to work together to maximise the opportunities and mitigate the risks (win-win)

Health Issue	Opportunity/risk to St George's Healthcare NHS Trust	Action	Win to SGUL
Concentration of services in specialist centres	<ul style="list-style-type: none"> • SGHT needs to retain its role as a comprehensive specialist centre • Opportunity to increase market share 	<ul style="list-style-type: none"> • Joint planning and investment in clinical academics • SGHT needs more physical space to expand clinical services 	<ul style="list-style-type: none"> • Increased researchers & educationalists with opportunity to increase volume and quality of research and income • Creates an income stream from SGHT for use of academic space
More care delivered in the community	<ul style="list-style-type: none"> • Frees up capacity at St George's Hospital • Opportunity to expand into new community based markets 	<ul style="list-style-type: none"> • Development of training that recognises future community based service delivery • Development of new roles 	<ul style="list-style-type: none"> • Attractiveness of SGUL graduates to NHS market • SGUL recognised as at the forefront of the development of new practitioners
Increasing drive for quality	<ul style="list-style-type: none"> • Commissioners and patients will choose organisations with highest quality 	<ul style="list-style-type: none"> • Research and education to inform optimal delivery of healthcare 	<ul style="list-style-type: none"> • Rewarding careers for staff • Opportunities for increased investment from big companies/charities
Increased efficiency	<ul style="list-style-type: none"> • SGHT needs to deliver more for less money • There are opportunities to generate income 	<ul style="list-style-type: none"> • Opportunities integrate back office functions across SGUL & SGHT • Opportunities to generate income (research grants, educational offer) 	<ul style="list-style-type: none"> • Reduced cost base • Income generation

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It was proposed that a Joint Implementation Board should be established to take forward and monitor joint projects and working including the two current joint appointments. It was suggested

that the new name for the Trust on the achievement of its Foundation Trust status could be 'St George's University Hospitals'.

10. Breakout Groups

Research (facilitated by Professor Sir Nicholas Wright)

The following points were noted:

- (a) Was it possible to do research more efficiently? Is research affordable?
- (b) How much research was affordable in the current financial situation?
- (c) Had enterprise activities contributed to income generation?
- (d) Was there more capacity for teaching by members of the Research Institutes?
- (e) If SGHT was keen to undertake more research how could this be activated?

Partnerships, collaborations and mergers (facilitated by Chris North)

The following points were noted:

- (a) SGUL had a large number of partnerships and it was suggested that the number should be reduced, and there should be increased leadership of other partnerships.
- (b) The Faculty of Health, Social Care and Education had been a successful 20 year partnership built on trust.
- (c) It was suggested that the relationship with SGHT had been less successful to date because of conflicting priorities, financial exigencies and differing governance structures. It was felt that these issues could be overcome, and the proposal for a Joint Implementation Board might provide the vehicle for doing this.

11. Priorities for 2014-2015

- Cost improvement programme - report to be made to Council on 1 July 2014 (with consideration at Finance Committee on 12 June 2014).
- Increase in student numbers - both short term and longer term
- Provision for investment in both research and education
- Capitalise on potential opportunities with SGUL's two close partnerships (KU and SGHT)

12. Summary and next Steps

A Strategic Plan for 2016-2020 was required including an underpinning action plan and business plan. This should include building on the relationship with Kingston University and developing the relationship with SGHT. With regard to the latter, the establishment of the Joint Implementation Board would assist with driving any joint developments forward. It was felt that a vision for education was required and that this would be closely linked with the international strategy. Further consideration should be given to the cost of research, and whether it was possible to develop links with large pharma, and if there was any potential for further benefactions. It was noted that KHP should also be included in the future strategy in order to seize any further opportunities that might arise similar to the CLARHC.

ST/15 June 2014