



Our vision is to be the leading creative arts university serving the needs of the creative industries in the South East and beyond.

creativity



The Context

The University's first Strategic Plan (2006-11) was approved in July 2006 and updated in September 2007. The new Plan succeeded the Merger Business Plan that had mapped out the financial and strategic path for the first three years post merger 2005.

The key objective of the Strategic Plan was to guide the University towards a sustainable and prosperous future. Over the period of the Plan the key priorities were to stabilise and grow student numbers; consolidate the organisational structure; provide a supportive and creative community that excelled in research, teaching and learning; and offer students and staff an environment that encouraged expression, creativity and distinctiveness.

Integral to the vision set out in the Plan was the achievement of University Title and this was awarded in May 2008 following a rigorous assessment process by the QAA.

Despite these clear strategic goals the environment in which the University has been operating over the last three years have been difficult and the University's underlying business activity has not generated sufficient revenue surplus to counter increasing costs.

Events largely outside the University's control have contributed significantly to this position. Notably, nationally agreed pay awards and the harmonisation of Kent and Surrey staff conditions of service have put increasing pressure on staff costs. Pension provision has also increased, inflation is running much higher than anticipated and there have been significant increases in utility costs.

Additionally, recruitment conditions have been challenging and the transition following merger has not helped recruitment activity due to a lack of awareness of the University brand. Consequently, forecast growth in student numbers has not been fully achieved resulting in decreased levels of tuition fee income and lower HEFCE/LSC core funding grants.

As a result of these difficulties a deficit of £0.961m was made in 2006/07. The Board of Governors approved a deficit budget of £0.694m in 2007/08 but with student recruitment improving and cost savings made it is anticipated a break-even outturn will be achieved at the year end.

The Plan

It is in this context that the University has developed a Sustainability Plan for the next ten years until 2016/17. The Plan will focus on the long-term sustainability of the University in such a way that it is able to respond to the demanding challenges ahead without creating liabilities for future generations. A sustainable financial future also means investment in staff, in innovation and establishing long-term relationships and collaborations. In a changing policy and market environment for higher and further education it is about 'adaptive capacity' or the resilience of an organisation in a climate of uncertainty to prosper in a context of change.

The Opportunity

With the acquisition of University Title together with our unique educational character, culture and approach we have the opportunity to create a distinctive specialist university with recognised authority and expertise in the creative arts.

The Sustainability Plan presents an opportunity to:

- > create a new kind of **specialist creative arts university**
- > build upon and strengthen our **academic credibility**
- > develop the **academic portfolio** to encompass the performing arts
- > promote **excellence**, thereby enhancing reputation and attracting high calibre staff
- > grow the **research base**, attracting increased funding and research student numbers
- > exploit opportunities for **student number growth** in Europe/ international markets, particularly postgraduate provision
- > respond to **government priorities** including economic growth in the creative industries, the skills agenda, widening access and increasing student demand and employer engagement
- > develop **strategic alliances/collaborations** to effect portfolio expansion, grow student numbers, gain access to strategic development funding and contribute to regeneration, employability and the Olympics

Our Vision and Values

Our vision is to be the leading creative arts university serving the needs of the creative industries in the South East and beyond. Building on our strengths, we will position ourselves as a distinctive university with recognised authority and expertise in the creative arts. As a specialist arts university, we are in a position to ensure our values – **creativity, collaboration, distinctiveness, respect, sustainability** – are meaningful to all stakeholders, as they are particular to our nature and our aspirations. We provide a creative community for our staff, students and others, and we are committed to a wider creative environment, embracing activities which go beyond our current portfolio.

The use of the term 'creative arts' in our title is distinctive and is both a description of a group of subjects and an approach to teaching, learning and research. We will thus expand our academic portfolio to embrace creative and performing arts. We will also embrace interdisciplinarity with partner higher education institutions (HEIs) in the region and ensure the currency and relevance of our academic offer is high, enhancing students' employability.

We must also recognise that student expectations are increasingly complex and ensure we are responsive to their needs and changing profiles. An integrated and collaborative approach will ensure excellence in customer service and our strategies will endeavour to support the development of a diverse and flexible academic portfolio and a learning environment compatible with students' demands. This will also include the exploitation of social and virtual learning environments and other communications and information technologies.

Achieving University Title also presents opportunities for new kinds of collaboration. We will seek to develop structural links with local schools, consider strategic alliances with other institutions to extend our academic offer into other subject areas, explore opportunities to franchise or validate higher education provision in local further education colleges and prioritise opportunities for involvement in Thames Gateway. The University is also well placed as a key provider of creative arts in the UK to build strong links with Europe and we will target key European HEIs to fulfil this opportunity.

collaboration





distinctiveness

Strategic Direction – Academic

Underpinning the Sustainability Plan, the Academic Strategy sets out how the University will build upon its academic strength to deliver growth in student numbers, create networks of academic excellence, grow the research base and respond to Government priorities.

The Government has set an ambitious agenda for higher and further education over the period of the Sustainability Plan focussing on four key areas; widening participation, employer engagement, lifelong learning and globalisation. The University will play a key role in these areas, furthering the interests of the creative arts and ensuring outcomes have been informed by our engagement.

Widening Participation will remain high on the Government's agenda. We will continue to work with our Lifelong Learning Network partners and other agencies to ensure our strategies for widening access and diversity reflect the Government's agenda. This will involve building new partnerships with further education colleges, specialist schools and academies and continuing our partnership with AimHigher. We must ensure our academic portfolio is inclusive, meets the needs of school leavers, assimilates the new 14-19 Diploma and provides the opportunities for progression into further and higher education.

The Government's drive towards employer engagement will present challenges for the University given the particular and distinctive nature of the creative industries. Over the life of the Plan we will seek to collaborate with employers in the development of accredited CPD provision and named awards whilst involving more employers in the development of new and existing courses. We will also seek to raise the profile of practitioners and freelancers in the delivery of courses.

Raising skills and attainment, especially of the adult population, will be a key factor over the period of the Plan and we must ensure we are at the forefront of developments in lifelong learning. Our engagement with the Lifelong Learning Networks will facilitate progression and opportunities for working with other partners to deliver courses that are relevant to the needs of a diverse range of learners. We will also need to target more provision at those in employment and mature students who will need more flexible modes of study.

The Government's emphasis on maintaining the UK position as a global leader in the provision of higher education and research will necessitate a greater international dimension to all our activities, particularly learning, teaching and research. This will include raising the international dimension of our creative community of learners, researchers and practitioners and optimising collaborations and exchanges with international partners, both within and beyond Europe.

At the same time each of our academic units has a specific geographical and historical context which will influence and shape the academic portfolio. Existing strengths will be exploited where both track record and further potential is demonstrated in relation to learning, teaching, research and knowledge transfer. We will also continue to nurture local connections to potential learners through further education provision and actively promote progression into our higher education programmes.

These key high level priorities will run concurrently with a fast changing competitive higher and further education environment in the UK and internationally. Competition will increase between institutions for students and the market will be affected by changing national demographics and a decline in 18 year old learners after 2010. A greater volume of higher education is likely to be delivered by further education colleges, particularly foundation degrees, and private providers working with partners to deliver tailored employer related higher education learning.

To counter these threats the University will need to maintain the highest quality in all our provision, as well as diversify the academic portfolio to embrace other creative arts subjects such as performing arts. We will also foster greater internal academic collaboration and interdisciplinarity to create better synergies between further education, undergraduate, postgraduate and research provision. Collaboration will become more critical and development of franchise agreements with further education partners important in securing progression to higher education courses. Changes in national funding regimes may have significant implications, particularly the potential impact of any changes in legislation relating to raising the cap on tuition fees. This could present challenges to the University in keeping its portfolio competitive and maintaining a balance between the costs of delivery and increasing fee levels that can be sustained in our markets.

The University will seek to design and validate new courses where there is demand, including areas of significant growth in the creative arts which will broaden our academic base. It will also be important to rationalise existing validated courses where demand is shown to be unsustainable. Emphasis will also be placed on developing foundation degrees, either through franchising arrangements or in-house, and year zero programmes.

To mitigate the potential squeeze in the undergraduate market, postgraduate provision will be grown significantly over the life of the Plan. Courses will be broadened to encompass multiple specialisms and investment made in centres of excellence to increase reputation and achieve higher levels of market share. At the other end of the spectrum, as the largest provider of further education level 3 Art & Design education in the South East, we will maintain and enhance our further education provision to secure sustainable numbers and facilitate progression to our undergraduate courses of at least 50% of the further education cohort. We will also consider validating our further education provision at level 3/4 to counter external competition and secure sustainable further education funding over the long-term in light of changing funding regimes for 16-19 provision.

As an institution we also need to exploit the research base through knowledge transfer and enterprise related activities which generate and diversify income streams. Research is fundamental to the pursuit of academic excellence within a specialist university for the arts, and a growing international research culture is central to subject development to generate, communicate and transfer knowledge. It enhances the institution's profile, reputation and distinctiveness.

The University is well placed to exploit its research profile still further, particularly through its Research Centres, clusters and archives and collections of international standing. The focus over the life of the Plan will be to further develop research degree provision, grow research degree student numbers and increase the number of research active staff from 40% to 50%. In the longer-term these strategies will help us deliver our aspiration for Research Degree Awarding Powers (RDAP). To ensure long term sustainability increases in non-publicly and public funded research grants and contracts will also become a central target.



sustainability



Resources

To ensure long-term sustainability the University must generate greater annual surpluses of at least 5% by 2012/13. The main drivers to achieving long-term sustainability will be the effective control of costs and maximising income, especially from grants for teaching and student fees.

The key challenge for the University is the management of ever increasing costs of staff aligned with general inflation particularly in areas such as utilities, in the context of controlled baseline student numbers (higher and further education), regulated fees (at least in the short term), and an immediate need for capital investment to (a) catch up with backlog building maintenance and (b) meet the needs/expectations of future generations of students. Overseas students remain the most fertile area to develop but competition for market share is highly competitive.

In the short term (next three years) the University aims to move to a small surplus in core activities. There will, however, be no headroom for real investment in infrastructure or planned maintenance. Even if the tuition fee cap is lifted or removed in 2009/10, the situation will not improve significantly and therefore the operational cost base needs to be aligned with forecast student number growth to ensure the sustainability of the University.

In the medium to long term (six to ten years) the University must be operating sustainably having reduced costs, increased income and begun a capital investment programme to deliver three quality campuses. The key targets and milestones are:

- > Increase surpluses to 5% by 2012/13
- > Set staffing costs threshold at 57% of expenditure – down from 60%
- > Reduce support costs by 9.6% to sector benchmarking average
- > By 2016/17 operate from three University quality campuses with category A/B condition of 70%
- > Achieve 9,000 students over three campuses
- > £30m capital investment over the planning period (from surpluses)
- > Optimise space to improve utilisation and asset income
- > 20% of total income through 'Other Income' and 'Research Grants'
- > Achieve 100% fEC (Full Economic Cost recovery) for contracted research
- > £0.5m per annum through lease, hire, rental of high-end resources, consultancy and collaborative research with industry
- > 2% per annum from corporate sponsorship, fundraising and endowments through association of legacy marketing of cultural assets and furthering creative education
- > RAE income used to 'pump-prime' development of external research grants and contracts
- > Incentive based systems to reward and recognise entrepreneurial activity

Outcomes

The ten-year Sustainability Plan has been developed to place the University on a stable and sustainable footing so it can grow and prosper into a leading University for the Creative Arts. The Plan will take time to develop and many of the aspirations and targets will not be met until the latter part of the ten-year horizon. The following is a summarised list of the key outcomes and activities that will be achieved over the life of the Plan:

- > Creation of a specialist university
- > Diversification of the academic portfolio to encompass the performing arts
- > Strengthening of the academic portfolio to ensure currency of offer and academic excellence
- > Increase in student numbers to 9,000, with a focus on postgraduate growth
- > Maintenance and enhancement of further education provision
- > Development of an integrated and collaborative approach to academic and business development
- > Further develop our research degree provision with significant growth in the research base and achievement of RDAP
- > Increase in the number of research active staff
- > Generation of annual surpluses of 5%
- > New campus development in Kent (c£75m)
- > Campus re-development in Farnham & Epsom (c£30m)
- > Ten-year Capital Investment Programme (c£30m)
- > Reduction and stabilisation of costs



respect

2008 – 2010

- Maximise student recruitment
- Expand Foundation Degree/Year 0 provision
- Consider FE validation route (level 3/4)
- Develop subject clusters
- Grow European/International markets
- Further develop Research Degree provision
- Increase the number of research active staff
- Generate 3% annual surpluses
- Reduce staff and other costs
- Implement capital programme (c£16m)
- Phase 1 of the master plan at Epsom & Farnham campuses

2010 – 2012

- Maximise student recruitment
- Consolidate academic portfolio and discontinue or replace under-recruiting courses
- Centralise postgraduate provision over two sites
- Grow other income and research grant income
- Develop alumni and corporate sponsorship activity
- Increase annual surpluses from 3% to 5%
- Implement capital programme (c£12m)
- Phase 2 of the master plan at Epsom & Farnham campuses
- Rationalise estate to four campuses (two in Kent, two in Surrey)

2012 – 2017

- Student numbers at 9,000 across three campuses
- Achieve 30 postgraduate research completions
- Continued growth in other income
- Annual surpluses of 5%
- Maintain staff costs at 57%
- Establish new Kent campus and consolidate on three campuses (two in Surrey, one in Kent)



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