



Senate

Paper Title	President and Principal's Report to Senate
Outcome requested	Senate is asked to note and discuss the attached report, finalised on 29 May.
Points for Senate members to note and further information	<p>The President and Principal will provide a written report to each Senate meeting. This provides an opportunity to highlight key issues and developments to Senate members, for information and also discussion at the meeting as appropriate.</p> <p>This report covers the following:</p> <ul style="list-style-type: none">• Pensions and pay.• Updates on senior personnel.• Developments in the external HE policy environment.• Student recruitment.• The launch of the Queen Mary 2030 Strategy• Equality, Diversity and Inclusion at Queen Mary
Questions for Senate to consider	N/A
Regulatory/statutory reference points	N/A
Strategy and risk	Relates to all aspects of QMUL strategy and all sections of the Risk Register.
Reporting/consideration route for the paper	For Senate only
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Sponsor	Professor Colin Bailey, President and Principal

President and Principal's Report

Senate Meeting – 13 June 2019

This report (finalised on 29 May) provides Senate with updates on a range of key issues.

1 Staff Matters

1.1 USS Pension Scheme

Subsequent to the last meeting of Senate, the USS Trustee has published three options for employers to consider, which would conclude the 2018 scheme valuation. The three options offered by USS are outlined below. All three options involve contribution rates rising from their current levels of 19.5% for employers and 8.8% for members and a change to currently enforced contribution increases based on the 2017 valuation (member increases to 10.4% in October and to 11.4% in April 2020, and employer increases to 22.5% in October and to 24.2% in April 2020).

1. **Option 1:** Contributions of 33.7% (23% employers; 10.7% employees) to apply from April 2020.
2. **Option 2:** Contributions of 29.7% with contingent contributions (20.4% employers; 9.3% employees). USS said UUK's proposed contingent contributions would need to be strengthened for this option to be acceptable. Given the consultation that would be required around contingent contributions it is inevitable the currently scheduled increases for October 2019 and April 2020 would apply.
3. **Option 3:** Contributions of 30.7% (21.1% employers; 9.6% employees) to apply from October 2019 and a new valuation would be undertaken in 2020. The contribution rate would rise to 34.7% in October 2021, unless an alternative was agreed under the new valuation.

As Senate members will be aware, we invited views from colleagues on our response, which was also agreed with our Council prior to being submitted to UUK on 22 May. We also consulted with our peer institutions across the sector, from whom there was overwhelming support for Option 3. Our final response (and previous communications on this subject) can be accessed on Connected via the following link:

<http://connected.qmul.ac.uk/news/uss/uss-pension-communications.html>

In expressing support for Option 3, we re-affirmed our support for the work of the Joint Expert Panel (JEP), and conveyed our disappointment that the recommendations of the previous phase of the JEP's work were not adopted by USS. It is our view that none of the options presented by USS offer a long-term solution to the issues facing the scheme. However, Option 3 does allow time for the second phase of the JEP's work to take place, and in bringing forward the scheduled 2021 valuation by a year also establishes a framework for the overall consideration of contributions and benefits of the scheme which we believe is required.

Overall, the outlook for the scheme for employers and employees remains problematic. A leaked letter from the Pensions Regulator to USS has been widely publicised in the media, in which the Pensions Regulator indicates concern with all of the options presented by USS to conclude the 2018 valuation. Senate are reminded that in the absence of any formally agreed alternative proposal at this stage, the 2017 valuation remains in place, under which the Clause 76.4 mechanism remains in force. This would see substantial contribution increases imposed on employers and employees in both October 2019 and April 2020 (as outlined above). In addition, USS has indicated concern with the prospect of the employer covenant being weakened by the possible withdrawal from the scheme of Trinity College Cambridge.

Queen Mary will continue to communicate developments with staff, and maintain an open dialogue with UUK, USS and the other stakeholders in what remains a sector-wide national issue. It is our position that the work of the JEP, and a new valuation in 2020, provide the most likely prospect of achieving a sustainable scheme which is attractive to members.

1.2 Pay

The 2019 national pay negotiations remain ongoing, with the Trade Unions in the process of consulting with members on the national pay offer, which was presented at the final meeting of the joint negotiating committee at the end of April. The final offer presented by the University and College Employers Association (UCEA) was an offer ranging from 3.7% on the lowest point to 1.8% at the highest, resulting in an overall sector cost of 1.9% (ignoring annual automatic incremental pay increases, which is an additional 1% overall pay cost). Four of the five Unions will recommend to their members that they reject the offer. The consultations are taking place across June, and it is likely the UCEA will hear the outcome of these at the beginning of July.

2 Updates on Senior Personnel

2.1 Vice-Principal (Research) and Vice-Principal (Science and Engineering)

We are nearing the conclusion of the international searches for these key positions, with interviews of shortlisted candidates taking place over the next few weeks. There are a number of candidates of outstanding calibre, and we are optimistic that we will be in a position to make two exceptional appointments shortly. In the meantime, I would like to thank Professor Wen Wang (interim V-P, Science and Engineering) and Dr Sharon Ellis (Director of Research Services) and colleagues for their hard work and leadership while these processes take place.

2.2 Vice-Principal (Education)

Following interviews in early March, we elected not to make a substantive permanent appointment to the position of Vice-Principal (Education). We are delighted, however, that at this crucial stage of our development, Professor Stephanie Marshall has agreed to take on the role for a further year. Stephanie has set a number of vital strategic initiatives in train – including Going for Gold – and will continue to provide leadership on these, the implementation of our strategy, and a number of national initiatives such as the TEF.

3 External Environment

3.1 Fees

At the time of writing, we are still awaiting the publication of the 'Auger Review' – the government review into the funding of post-18 education. The publication of the Review has been delayed a number of times, but is expected to finally be published imminently. The broad contents of the review have been widely leaked – in headline terms it is expected to recommend that the headline home undergraduate fee is reduced from £9,000p.a. to £7,500. Given the instability of government, however, and the over-whelming focus on Brexit, when and if the recommendations of the report will be implemented remains uncertain. We have scenario-planned for the eventuality that the possible shortfall in fees is not 'topped-up' by an equivalent increase in Government funding, but until the details of the review are published we are unsure of the possible impact on Queen Mary. I will update Senate verbally on the published report.

3.2 Brexit

There continues to be a high degree of uncertainty about the outcomes of the Brexit process, which is very concerning for universities and our staff and students. We continue to prepare for a 'no-deal' Brexit, with our contingency planning group continuing to monitor and plan for the possible impact on our operations. There was one positive announcement from

Government this week, with the Department for Education confirming that EU students who begin degrees in England in the academic year 2020/21 will continue to be eligible for the same fees as 'home' students. EU students starting in this year will also remain eligible for loans to cover their tuition fee throughout their entire degree. This will apply regardless of the outcome of Brexit.

4 Student Recruitment

This section outlines the current position regarding applications to start studying in September 2019 (correct as of 23 May). Senior Executive Team continues to monitor this on a weekly basis.

4.1 Undergraduate

- Undergraduate admissions is in a healthy position, with home and EU firm acceptances up 8% from the same position last year. Overseas firm accepts are showing a modest increase compared to this time last year, while we also expect this position to improve substantially in June as we approach the UCAS main cycle deadline.

4.2 Postgraduate Taught

- For Home (UK) students, applications are currently 15% up, with offers up 12% behind this point last year. EU applications have slightly dipped to 4% below last year's level.
- Overseas PGT applications and offers continue to hold steady at +27% and +26%.

4.3 Postgraduate Research

- PGR applications and offers remain strong with increases of 28% and 26% respectively.

Ongoing activity:

- As ever, the overall headline picture masks a diverse situation at School level. Led by Joanne Tallentire, the annual round of meetings with Schools and Institutes to prepare for confirmation and clearing has now taken place. The outcome of these, and the overall picture, will be the subject of a substantial discussion at SET on June 4th, the outcome of which can be discussed at this meeting of Senate.

5 Strategy 2030

The Strategy 2019-30 was formally launched at the beginning of May at an event at the Victoria and Albert Museum. I would like to thank once again all those colleagues who contributed to its development, in particular those who attended the all-staff workshops in May/June last year, the extended Senior Leadership Group Meeting last November, and everyone who has discussed our plans locally at Faculty and Professional Services level. Our focus is now on realising the ambitious vision we have laid out. We are in the process establishing a formal governance process for the implementation of the Strategy, and have identified six immediate priority areas of focus. I look forward to meeting and discussing this with colleagues across the institution informally at my regular school visits, Senior Leadership Group meetings, and many other fora.

6 Equality, Diversity and Inclusion at Queen Mary

In an all-staff message on the 9th of May I provided an update on Equality, Diversity and Inclusion (EDI) at Queen Mary. Our strategy places inclusion at the heart of all that we do. We take this very seriously, and we are aware that this is something that we will have to work incredibly hard to achieve. As well as a new governance structure being in place, I have appointed an external consultant – Ori Chandler – to conduct a review of our EDI systems and processes, as well as assessing our overall approach to the subject.

We are aware that this is an issue that colleagues across the institution feel strongly about, and which many of you are already committing your time to improving through local committee work and initiatives. Embedding inclusion in all that we do will be a long and challenging process which will require all of us to work together to create a truly inclusive environment, and I look forward to hearing the thoughts of colleagues, and harnessing the energy of all our staff and students to progress this in the coming months.

7 Events on Campus and Freedom of Speech

There have been no issues since the last meeting relating to events on campus and freedom of speech that require flagging with Senate.

8 Other Matters

I will report orally to Senate on other matters that may have arisen between the preparation of this report and the Meeting.

Colin Bailey, 29 May 2019