
Oxford's Academic Strategy

A Green Paper



University of Oxford

Oxford's Academic Strategy: A Green Paper



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Notes

(a) Under the direction of the Vice-Chancellor, various bodies and individuals have contributed to the preparation of this Green Paper, including EPSC and its Panels (with their balanced divisional and college membership), the Pro-Vice-Chancellors and Heads of Division, and an *ad hoc* group that represented Oxford at the first Higher Education Change Academy meeting in Edinburgh in September 2004. The Edinburgh group consisted of the Principal of Mansfield College, the Senior Tutor of Lincoln College, the Heads of the Life and Environmental Sciences and Medical Sciences Divisions, The Director of the Institute for the Advancement of University Learning, the Head of the Planning and Resource Allocation Section of the Central Administration and the Pro-Vice-Chancellor (Academic). Preliminary results from the benchmarking exercise that underpins section 2 were discussed at meetings of the Vice-Chancellor with Heads of House and Heads of Department in Michaelmas Term 2004.

(b) There will be two open meetings for members of Congregation to discuss the Green Paper. They will be held on:

February 3rd, from 2.00 to 4.00, in the Lindemann Lecture Theatre, Physics

February 7th, from 10.00 to 12.00, in the Pharmacology Lecture Theatre

(c) The consultation exercise has a website that links to an online discussion forum, which is designed to enable individuals to submit their observations on the strategy proposals and to read the submissions of others:

www.admin.ox.ac.uk/vc/acstrat

(d) The University is extremely grateful to McKinsey and Company for the generous benefaction represented by the staff time devoted to the benchmarking exercise and the provision of general advice on the development of the strategy.

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1 Introduction

1. The purpose of this Green Paper and its associated website* is to carry forward the consultation on the Academic Strategy, with a view to completing a Corporate Plan for the Collegiate University by July 2005. The consultation in 2004 resulted in Council adopting an Action Plan (see the website). However, a number of important matters remained unresolved, not least because of the need for better evidence on Oxford's current performance.

2. An extensive benchmarking exercise has now been conducted by McKinsey and Company on a *pro bono* basis, the results of which are presented below in summary form. In addition:

- *the Working Party on (undergraduate) Admissions and Selection has been reconvened,*
- *a review committee has been set up on graduate taught courses, and*
- *a group has been formed to consider the establishment of a Graduate Teaching Assistantship programme.*

At the same time, the review of the new governance arrangements has been put in hand.

3. The various strands of this work overlap. The intention is to weave them together in the Corporate Plan. This Green Paper focuses on academic strategy issues, especially those that were unresolved in the 2004 consultation exercise. It also covers issues of funding, organisation and the external environment. The paper is 'green' in the parliamentary sense; after a period of consultation, a White Paper will be prepared containing a draft of the Corporate Plan.

4. Two open meetings will be held in Hilary Term to present the details of the benchmarking evidence and to debate the strategy proposals outlined below (see the Notes on the contents page). Formal responses are invited from Colleges, Divisions, Continuing Education and the Academic Services by Monday of 9th week. In the light of those responses, the White Paper will be prepared for presentation to Council in Trinity Term.

Once approved, the Corporate Plan will constitute Council's instructions to its major committees. It will also set the parameters within which academic and service units will be expected to plan from 2005-06.

1.1 Oxford's objectives

5. The first task is to agree a set of high-level objectives for Oxford. The following statement attempts to capture the Collegiate University's commitment to excellence in its research, teaching and direct contributions to society, and in its staff, students, facilities and services. Though the statement is very general, it is intended to have operational consequences, as indicated in later sections.

6. The University of Oxford is a community of scholars dedicated to the discovery and dissemination of knowledge, disinterested inquiry, and engagement with problems of national and global significance. Its objectives are to:

(1) Lead the international research agenda across the University's disciplinary spectrum and through interdisciplinary initiatives

(2) Provide an exceptional education for both undergraduates and graduates, characterised by the close contact of students with distinguished scholars in nurturing collegiate and departmental communities

(3) Make significant contributions to society, regionally, nationally and internationally, through the fruits of its research and the skills of its graduates, its commercial activities and policy leadership, and its work in continuing education

(4) Attract, develop and retain academic staff of the highest international calibre

(5) Recruit the very best students nationally and internationally through an equitable process based on achievement and potential

(6) Equip staff and students with exceptional facilities and services

*The website contains links to background documents, details of the consultation timetable, and an online version of the feedback questionnaire. For the URL of the website and a list of contributors to the development of the Green Paper see the Notes on the contents page.

1.2 The issues: an overview

7. Given these objectives, how does Oxford measure up?

8. Two recent university rankings have placed Oxford in the world's top ten. In the THES rankings Oxford is fifth overall and third on peer review. The benchmarking exercise conducted by McKinsey and Company reinforces the THES findings. On research impact, the preliminary results put Oxford third behind Harvard and, marginally, Stanford. With respect to learning, the evidence indicates that Oxford continues to offer students an outstanding education. The University's performance in so-called 'third leg' activities (including OUP and Isis Innovation) is also of the highest order. Section 2, on Oxford's current performance, gives further details on these three 'outputs', following a brief analysis of the major 'inputs' – staff, students, facilities and services.

9. Any attempt at benchmarking is, of course, problematic and should be treated with caution. However, the data do not support the notion that Oxford is in decline. The fact that the University has retained its position amongst the world's elite is remarkable when viewed against the backdrop of chronic under-funding. Figures prepared under the Government's Transparency Review Costing Method show that in 2002-03 (the last year for which data are available) there was a deficit on publicly funded teaching in Oxford of £27.8m per annum, not counting the shortfall in the Colleges, and a deficit on publicly funded research of £67.7m per annum. At the same time, Oxford's international competitors are generating substantial surpluses and investing them to enhance their standing.

10. The academic challenges for Oxford, therefore, are more about the future than the present but action is required now. The last three parts of section 2 consider areas on which an impact must be made – funding, organisation, and the external environment.

11. Whilst seeking to increase its income substantially, the University must make every effort to use its resources efficiently and effectively. This does not mean

working its staff harder. Excessive workloads are part of the problem not the solution. The continuing success of Oxford is built on the dedication and determination of its staff. If the University is to continue to perform at the highest levels it must find ways to ensure that its academics are able to devote their time to their core academic activities.

12. This requires organisational changes. The governance reforms of 2000 markedly improved Oxford's decision-making machinery but more needs to be done, especially at the interface between the centre and the Colleges. In addition to structural questions, attention must be given to the organisational culture. Oxford needs to build management capacity, reduce bureaucratic burdens, and improve its business processes. Within the framework of the Corporate Plan, there must be clear responsibility and accountability for the delivery of agreed objectives. University committees need to be trusted to undertake the management tasks they have been set by Council. They, in turn, need to trust the Divisions, Faculties, Departments and Colleges to set and achieve their own objectives within the agreed framework. Building trust requires an improvement in internal communications and the engagement of the University community in decisions on strategic directions.

13. The competitiveness of Oxford in the longer term is contingent on much greater financial security and autonomy. To achieve both will require demonstrably effective management, a substantially enhanced programme of enterprise, innovation and knowledge transfer, and highly effective external communication. There is a need to mobilise public and political opinion behind the idea that Britain and Europe require genuinely world-class universities and that Oxford is, and intends to remain, one of them.

14. Proposals for a nine-part strategy to achieve this outcome and the objectives listed above are set out in section 3. They contain both established and new ideas and take the form of instructions from Council to its committees. The consultation exercise will focus on these proposals rather than the supporting arguments in section 2, except insofar as the latter clarify the former.

2 Current performance

15. The benchmarking exercise has provided evidence on Oxford's 'inputs' – staff and students and the facilities and services that support their work – and its 'outputs' – research, learning, and the products of its externally focussed activities. That evidence, together with the substantial body of information collected for the 2003-04 consultation, has been embedded in a wider consideration of issues of funding, organisation, and the environment in which Oxford operates.

2.1 Staff

16. The University has been fortunate to attract academic staff of exceptional ability but it does not pay them well compared with its international rivals and expects them to shoulder substantial burdens.

17. The number of academic staff, at around 1,400, has remained roughly constant for thirty years. Over the same period, the number of academic-related staff (primarily postdocs) has expanded with the growth of contract research from around 600 to more than 2,800, many of whom have no direct stake in the college system.

18. The joint maximum salary for lecturers of £48k is above the national professorial minimum and is usually supplemented by housing and other allowances that vary significantly from college to college. However, the income of Oxford's most distinguished lecturers is, typically, less than they could command as professors elsewhere in the UK and much less than at leading US universities. The cost of housing is roughly comparable with that in Cambridge and London and somewhat lower than the average for the US top ten.

19. Teaching loads, insofar as they correlate with student-staff ratios, are significantly heavier than in Berkeley, Harvard and Princeton, and administrative loads are markedly out of line. Such workloads compromise the ability of staff to perform at the highest levels and make retention of leading researchers difficult. For individuals, the arrangements for re-balancing academic duties, both between University and College and over time, are generally poor. For subject groups the process of stint reform has been slow and only moderately effective.

20. The joint appointments system is thought by some not to be the best guarantee of recruiting, developing and retaining the highest calibre staff. There is also concern about career structures and the use of titles.

2.2 Students

21. The quality of the undergraduate student body is high but there is a 'tail'. Oxford had the best overall A&AS score in the UK for 2004 entrants (29.5 points). However, for eight small subjects, 10% or more of those admitted in 2004 failed to satisfy their entry conditions, although they amount to only 1% of the intake to the University as a whole.

22. Staff devote a great deal of care and attention to undergraduate admissions but, in some cases, the processes they use could be improved. Medicine, in concert with other HEIs, has developed a test-based process that is designed to ensure that the best candidates are admitted across the University, irrespective of school circumstances, college choice and country of origin. The Working Party on Admissions and Selection is considering system changes to promote the achievement of this objective in all subjects.

23. With respect to graduate admissions, a new system has been introduced for 2004-05, which uses gathered fields to improve equality of opportunity and the quality of the students admitted. It will be subject to a mid-year evaluation at the end of Hilary Term.

24. Recent access work appears to have been successful in that state sector applications have increased by 33% between 2000 and 2004 but this growth has shifted the state share of the total only marginally from 56% to 57%. Although the volume of access activity is very high by any standards, it is relatively uncoordinated and more work needs to be done on the efficacy of different schemes.

25. Additional schemes are likely to be required in the future at graduate level. The great expansion of undergraduate education is expected to lead to an increase in demand for masters qualifications but access to programmes may be restricted by debt.

26. In contrast to its major competitors, Oxford's efforts to recruit students internationally have been very limited. This applies equally to undergraduate and graduate programmes. Domestically, a new recruitment campaign will be required to achieve the objectives set out in the University's Access Agreement.

27. Whilst the first task is to improve further the Collegiate University's access and admissions processes, there is another challenge – to persuade public and political opinion that the improved processes are indeed fair. The latter may be more difficult than the former.

28. The overall size of the student body has grown steadily over the last 50-odd years at an average annual rate of 1.5%. In contrast, as noted above, 'established' academic staff numbers have remained static. Between 1979 and 1999 the student-University academic staff ratio deteriorated from 9.5 to 13.2.

29. The rate of growth in student numbers declined in the late 1990s but following divisionalisation in 2000 has increased substantially. Current plans indicate that, in aggregate, the Divisions wish to see growth of around 2.6% per annum but the Colleges are concerned that this would exceed their capacity to provide accommodation and sustain the student experience. The draft Local Plan states that the City Council expects the University to be able to accommodate about 83% of its students but, since 2003, it has not been able to do so.

30. In the consultation on size and shape in 2003-4 it was proposed that undergraduate numbers should remain static. In fact, undergraduate admissions declined by around 3% between the 2002 and 2003 entries and again in 2004. The overall size of the undergraduate body, at around 11,000 students in residence, remains substantially larger than that of any member of the Ivy League.

31. Much of the debate over student numbers has centred on the quality of taught masters programmes and the students admitted to them. These issues are the subjects of a separate inquiry (as noted above) the

findings of which will inform the preparation of the White Paper.

32. National benchmarking data from Evidence Ltd. indicates that research student numbers are low in some areas, given the level of research activity, and low overall. The areas in question are Medicine, Engineering, the Life Sciences and, to a lesser extent, the other Physical Sciences.

33. In addition to the 17,500 full-time students, there are around 6,200 part-time students on credit bearing courses (equivalent to 1,190 FTEs), including Software Engineering, Evidence-Based Healthcare, and International Human Rights Law. There are also more than 8,000 students (around 600 FTEs) on non-award bearing International Programmes, regional Public Programmes, and Continuing Professional Development courses.

2.3 Facilities and services

34. Oxford has extraordinary resources in its libraries and museums but their scale, diversity and physical distribution create substantial challenges. Benchmarking library services is difficult but comparisons with Cambridge indicate the cost advantages of having a more compact library estate. The process of integrating libraries is lengthy and complex, but there have been some notable successes, including the new Social Science Library. There is upward pressure on opening hours and downward pressure on budgets, set against high rates of inflation in the cost of library materials.

35. The rapid and continuing development of ICT, and the increased dependence of the University on it, mean that its effective coordination across the Collegiate University is becoming ever more critical. The standard of ICT provision varies across departments. Server capacity is generally under-utilised. With respect to research, the development of e-Science has been rapid and effective but super-computing services are not at the cutting edge. The establishment of Virtual Learning Environments for students has been patchy but good progress is now being made, through the development

of WebLearn and departmental initiatives. Variation in College provision is also being addressed.

36. College-level student services are generally good as are many of the centrally provided services, which range from language tuition to counselling. Facilities for sports vary from the exceptionally good (by national if not international standards) to the barely adequate, but there have been major advances in recent years, especially with the opening of the swimming pool.

37. Whilst the University has been able to provide much new research space, with the benefit of funding from Government and the charitable sector, the teaching space is of variable quality. Space usage is territorial and, for this and other reasons, inefficient.

38. The acquisition of the Radcliffe Infirmary site presents a major opportunity for development over the medium term. A master plan will be drawn up well before the site is vacated in 2007.

2.4 Research output

39. A major part of the benchmarking exercise has been concerned with research. Individual results need to be treated with caution – there are both general and subject specific issues about the reliability and appropriateness of the measures used. Nevertheless, taking the rough with the smooth, the overall picture is instructive. The exercise was conducted with a subset of departments and faculties chosen, in consultation with Heads of Division, to provide a reasonably representative picture of Oxford's standing.

40. For individual disciplines, the set of comparator institutions was global. Methods of assessment were agreed with Heads of Department/Faculty. For example: the ranking of Philosophy was taken from a well-known external peer review; Law was assessed in terms of both article and monograph output; History and the departments in Life and Environmental Sciences and Mathematical and Physical Sciences were assessed on articles in selected journals.

41. In addition, where possible, an alternative ranking was produced to correct for the effect of faculty size and lists were compiled of the affiliations of the most cited authors to see how Oxford ranked in terms of 'global research stars'. Such measures are of limited but not nugatory value.

42. The overall picture that emerged shows Harvard as the outstanding institution, ranking first in five of the thirteen sample disciplines. Stanford, with a profile that shows few weaknesses, was second but only marginally ahead of Oxford, Berkeley, Cambridge and Columbia. The Oxford profile tends to confirm its ranking in the THES review as the leading university outside the US and one of the top five overall. Within the profile there are impressive peaks, strength across the board, and localised underperformance. Four of the sample departments ranked in the top five and four more in the top ten. However, three appeared outside (but not far outside) the top 15 in their respective disciplines. It is worth noting that History, Geography and Biochemistry, which had failed to score the highest grades in the last RAE, all appeared as top ten disciplines based on recent citations.

43. The scale-adjusted rankings also provide support for the THES survey. They were not produced in all cases but they indicate that research impact per faculty member is lower than uncorrected impact. In part, this may be due to systematic differences in the citation culture between UK and US institutions (the scale adjustment adversely affects UK universities in general), but it may also be that, in some disciplines at least, there is a research productivity issue.

44. Oxford does not rank as well as might have been expected on the 'most highly cited' lists, which were compiled for a subset of the sample disciplines. On the basis of this subset, the message is that Oxford is short of 'stars' in some areas.

45. Finally, it should be noted that, whilst reviewing the performance of academic departments is useful, it does not capture the full significance of interdisciplinary developments. Oxford is fortunate to have some outstanding examples of interdisciplinary research both across internal boundaries and with external collaborators.

2.5 Learning

46. Comparing learning and teaching across institutions is far from easy but the available evidence suggests that an Oxford education stands comparison with the best in the world (the MBA, for example, has just been ranked 1st in the UK and 9th in the world in a Treasury survey). Nevertheless, both external and internal evaluations show there is room for improvement.

47. Much of the evidence was presented in the 2002-03 consultation on the Learning and Teaching Strategy, drawing on the reports of external examiners, review committees, subject and institutional audit reports, the Oxford Student Course Experience Questionnaire (OSCEQ), and reference data from the Franks and North Commissions.

48. The 2003 analysis concluded with a set of propositions about learning and teaching in Oxford, for which there was widespread support. There was opposition to the notion of a University-wide norm of one tutorial per student per week but support for the development of college subject families, for widening the range of pedagogic methods, and for establishing subject-specific norms for teaching of different types (lectures, tutorials, classes, etc.).

49. One of the reasons for proposing the adoption of subject families was to further the involvement of graduate students in the academic life of their college. A Graduate Teaching Assistantship scheme would also help that process. Similarly, the proposed Centre for Excellence in Learning and Teaching on 'Preparation for Academic Practice' is designed to enhance the skills of graduates and their ability to contribute as teachers.

50. A graduate version of the Course Experience Questionnaire will be used for the first time next academic year and should add to Oxford's understanding of its graduate provision.

51. An attempt was made to supplement the work done for the 2003 consultation as part of the McKinsey

exercise but it was not taken very far. Few measures are available and they are of limited value. Oxford is second nationally on retention with a 2.1% dropout rate. The heavily criticised and discontinued TQA system ranked Oxford 9th in the UK. As Cambridge ranked 1st it is hard to argue that Oxford's position was affected by a bias against collegiate systems. Oxford occasionally lost a point on the Teaching, Learning and Assessment measure and consistently on Quality Management and Enhancement.

52. Much has been done to address the underlying issues and the recent QAA Institutional Audit Report was very positive. It commended Oxford on its governance reforms and made few recommendations for changes to its quality assurance regime.

53. The OSCEQ continues to be a useful source of evidence to inform policy on learning and teaching*. The 2004 results show that student workload and its impact on learning is still a significant issue for students in at least some disciplines, as it has been since the questionnaire was introduced in 2001.

54. An Oxford education is, of course, about conveying disciplinary knowledge and skills but it is also about stimulating intellectual curiosity and creativity, challenging received wisdom, and developing powers of analysis, synthesis and argument. For many Oxford graduates it is these 'learning outcomes', rather than those specific to the discipline, that will be of lasting value.

55. Whatever the balance may be for individual students, it is the outcomes that matter not the inputs. This suggests that it might be fruitful to design patterns of teaching, learning and assessment ('learning environments') by focussing on outcomes rather than the allocation of teaching hours. The process of stint reform has proved difficult precisely because there is disagreement about the relationship between the number of teaching hours and the quality of student learning.

*See: <http://www.itl.usyd.edu.au/oxford/>

2.6 External output

56. Oxford undertakes a variety of activities other than research and teaching, most notably publishing (through OUP), commercialisation of intellectual property (through Isis Innovation), consultancy and policy work (across a range of disciplines), and public service (especially through its museums and outreach activities).

57. OUP is by far the largest university press in the world. It plays a major part in defining the English language and contributes substantially to the University's income and reputation. It currently transfers a minimum of £12m per annum to the rest of the University. In 2003-04 the transfer was £17.8m plus a one-off capital sum of £62m, primarily to fund the acquisition of the Radcliffe Infirmary site.

58. Isis is widely recognised as one of the country's best university technology transfer companies. In the last five years, it has filed over 300 patent applications, signed 250 licence and consultancy deals, and established 42 spinout companies, raising £185m of external investment.

59. Every year, Continuing Education and its academic partners offer more than 600 part-time courses, providing personal and professional development at the highest levels, and opportunities to gain degrees and other awards on a flexible basis.

60. Like its libraries, the University's museums and collections provide an unrivalled resource for scholars within Oxford and around the world. They also attract more than a million visitors every year and have an important outreach function for the University as a whole.

2.7 Funding

61. Oxford's recent achievements have to be seen against a deeply problematic funding environment. The fact that staff have been able to continue to perform at the highest levels in this environment is remarkable.

62. Recurrent costs exceed revenues because nearly all of the University's core activities lose money. Educating the average undergraduate has been estimated to cost £18,600 per annum as against a total income of £9,500. The figures for the average graduate student are broadly similar. And much of the research that is done does not cover its full economic cost, because some funders pay no overheads and most others pay them only in part.

63. The introduction of variable fees for home/EU undergraduates will make only a small dent in the loss per student. The Full Economic Costing regime for research, starting in 2005, should help recurrently but, possibly, at the expense of losing periodic injections of capital from government.

64. Currently, the annual deficit in net cash from operations (c.£20m) is funded by the OUP 'dividend'. There is, at present, no free cash flow for investment, depreciation or increased debt servicing.

65. Demand for capital investment is high and is currently met from a mixture of external sources, including debt, and internal sources. This has run down cash reserves.

66. Oxford's endowment is dwarfed by that of Harvard and is less than half that of the next four universities in the wealth league. Moreover, the endowment of the University, narrowly defined, is a small fraction of the Oxford total. The Colleges collectively fund about 29% of their operating expenses from endowment income, which is comparable with Harvard and Yale, whereas the University is able to fund only 2.9%.

67. Returns on investment and additions to the endowment through fundraising have been modest by

international standards. Funds raised by Oxford as a whole in 2002-03 were £58m as compared with £262m in Harvard and £250m in Stanford. Allowing for cultural differences in alumni giving, Oxford's fundraising efforts still pale in comparison with those of the leading U.S. universities, where between 40% and 60% of alumni give annually. The best estimate for the figure for Oxford is around 5%.

68. As to the future, even with efforts to compress operating costs, drive fundraising and secure external capital inputs, cash generated from operations by 2009-10 is unlikely to be sufficient to cover depreciation and to provide an acceptable operating surplus.

69. However, the University does have a number of key assets that can be used differently to alleviate this position in the short term. Its balance sheet contains a significant amount of non-academic property (partly bought as a hedge against failing to acquire the Radcliffe Infirmary site) and, as exemplified earlier, current asset utilization is variable to poor. In addition, there are costs of complexity that could be taken out of the system, simultaneously reducing burdens on academic staff.

70. Internal funding mechanisms can also be changed to promote both the academic objectives and earning power of the Collegiate University. At present, there is a misalignment of incentives – whilst the Divisions operate within something like a market system, the Colleges receive income in the form of a block grant. It has been agreed in principle that this issue should be addressed through the development of a Joint Resource Allocation Method (JRAM), work on which is progressing under the direction of the Joint University-College Planning Group.

2.8 Organisation

71. The reforms in governance introduced in 2000 have significantly improved decision-making in the University. They have drawn favourable comments in the QAA Institutional Audit and the Lambert Review of Business-University Collaboration. At the same time, they have brought into focus issues on which further work is required. The scheduled review of the new

arrangements is currently under way and the report of the review committee will be available in time to inform the preparation of the White Paper.

72. Lambert acknowledged the strategic challenges facing the University, accepting, in particular, that:

- *'[t]he longer-term objective must be to ensure that in 25 years time Oxford and Cambridge are still numbered among the world's leading universities'*
- *'[t]op universities face a global competition for talent and money, which will become more intense in the years ahead'*
- *Oxford and Cambridge 'need to generate significantly more money than they are likely to get from public funding in order to pay their academics a more competitive wage, to develop their research strengths, to cover their teaching costs, and to subsidise talented students where necessary'*
- *the two universities will 'certainly need' 'increased public funding ... if they are to retain their current position – let alone to strengthen it'*
- *they require 'greater freedom to run their own affairs'.*

73. The University fully supports these observations and agrees with the view that there is a 'need to make further progress in modernising [its] governance and management structures'. It also welcomes the opportunity presented by Lambert's recommendation that:

In three years' time, the vice-chancellors of Oxford and Cambridge should take stock of the progress of reform, and agree with the Government what further steps will be necessary for the two universities to sustain their global position.

74. The current initiative for change in Oxford is internally driven (work on the strategy was under way well before the Lambert report was commissioned) but the circulation of this Green Paper fits with Lambert's notion that Oxford should 'develop a long-term strategy which has the support of the academics and the colleges'.

75. In examining the new governance arrangements, the review committee is likely to consider how the Collegiate University can maintain inclusiveness whilst improving its capacity to be responsive, decisive, effective and accountable.

76. Responsiveness, decisiveness and accountability have been improved by the changes made in 2000 but there is more to be done. There is insufficient clarity about which individuals and committees can make decisions and the extent to which those decisions are binding. This applies in particular where the University and its Colleges need to agree and then put into practice common policies and strategies.

77. Effectiveness is limited by deficiencies in the current planning system. Experience over student number planning suggests that it is not acceptable for the Divisions alone to plan, and for the Colleges to be asked to sign up at the end of the cycle. For the Divisions, the system would be improved if the centre established a planning framework (the Corporate Plan) then signed off on Divisional plans consistent with that framework. The Planning and Resource Allocation Committee has this matter in hand.

78. Effectiveness is also limited by inadequate internal communication, the loose connection between academic strategy and resource allocation, the poor alignment of incentives between Divisions and Colleges, and current approaches to managing the performance of academic and service units and the staff within them.

79. On the first point, much information is communicated through the committee system but the multiplicity of committees and lack of delegation means that the transfer of information comes at the price of involving academics in minutiae. There is no shortage of information but there is, arguably, a lack of knowledge about strategic issues. On performance management, the pattern of alternating, six-yearly EPSC and Divisional reviews, coupled with annual completion of quality assurance templates, is not a fully effective system. Similarly, current arrangements for staff appraisal are unsatisfactory both as a means to

support and reward individual achievement and for dealing with poor performance.

2.9 The external environment

80. The last set of issues to be considered in assessing Oxford's current standing relate to the environment within which it functions. They include external communication, innovation and knowledge transfer, and collaboration, with their national and international dimensions.

81. The University has recently conducted a Reputation Audit, which suggests that there is a significant gap between Oxford's achievements and UK public perceptions. The ability of the University to sustain or improve its academic performance is conditional on its success in persuading alumni, Government, and the wider world that it is capable of doing so.

82. Engagement with industry and commerce has been highlighted in sub-section 2.6 but the culture of enterprise goes beyond the work of Isis and OUP. It includes research collaborations (such as the Faraday Partnership in Automotive and Aerospace Materials), the Oxford Science Enterprise Centre (which encourages entrepreneurship through the acquisition of business skills by staff, students and members of the local community), Venturefest (a forum for the advancement of high-tech and knowledge-based enterprise) and, of course, careers advice for students. Coupled with the extensive work of Continuing Education on Continuing Professional Development, there is a substantial base of activity on which Oxford can build.

83. This applies with equal force on the international scene – a scene that has changed rapidly in recent years. Countries across Europe, Asia and Australasia have been seized by the need to have 'world-class universities'. Some, most notably China, Canada and Australia, have increased funding dramatically for their leading institutions. Universities across the spectrum of quality have internationalised, using a variety of mechanisms including bi-lateral and multi-lateral agreements, remote campuses, and distance learning.

In Europe, the Bologna process, the development of the European Research Area, and the provision of Anglophone graduate courses are making the leading continental universities increasingly competitive. On top of these developments, a free market regime in higher education may materialise through GATS (the General Agreement on Trade in Services).

84. Oxford's international activity includes institutional and research collaborations, a range of teaching and outreach partnerships and, through OUP, a presence in more than fifty countries. The Oxford-Princeton initiative is directly aimed at securing a structured alliance across a broad front of activities. A new research and graduate training programme has been agreed with the Scripps Institute. The University has entered into a partnership with Stanford and Yale to explore the development of quality distance delivery. And Oxford is an active member of the League of European Research Universities and other groupings.

85. However, Oxford does not have a comprehensive international strategy to facilitate its engagement with international bodies and overseas governments, universities and firms, or to provide a coherent focus for academic activities related to individual countries.

3 Strategy proposals

86. The previous sections have presented Oxford's objectives and an analysis of its current state. Before outlining a set of responses, it may be helpful to repeat three things.

87. First, as the THES ranking and the internal performance analysis demonstrate, the University is clearly in the international 'super-league'. Second, this achievement has been made possible by the dedication of its staff against a background of chronic under-funding. Third, Oxford has already undergone a transformation in its governance and is no longer the lumbering giant that its critics suppose it to be.

88. Nevertheless, the challenges are formidable. The available evidence suggests that if radical measures are not taken, Oxford's standing will decline. Some members of the University have become so frustrated by the constraints imposed by Government that they have called for 'privatisation'. Oxford is, in fact, a private institution already but one which is dependent on Government for a significant part of its income. What Oxford needs is not to forgo income from public sources but to increase its private income substantially. It must also refine its governance and management and engage more effectively with its 'stakeholders'. As a precondition, it must ensure that there is widespread engagement of staff in deciding on and delivering change.

89. The strategies outlined below are a mixture of established and new ideas (for the former, see the Action Plan on the website). Some of their elements amount to instructions from Council to its committees to undertake detailed work and hold further consultations. Others are instructions to act.

90. As noted in paragraph 2, other activities are continuing in parallel with the Green Paper exercise so the proposed strategies should be regarded as work in progress.

3.1 Research

91. The research challenge flows directly from the analysis of current performance and Objective (1):

Lead the international research agenda across the University's disciplinary spectrum and through interdisciplinary initiatives. The following strategy is intended both to serve this objective and to feed back to Objective (4).

Strategy I

- (a) *Sustain global excellence where it exists by funding and otherwise supporting excellent units to continue to perform at the highest level*
- (b) *[Re-]establish global excellence in selected departments based on their research potential and the cost of realising that potential*
- (c) *Address the issue of research productivity through selective recruitment, re-balancing workloads, and staff development*
- (d) *Review under-performing departments and faculties and re-structure them where necessary*
- (e) *Promote interdisciplinary collaborations where they are likely to enhance the University's research impact*
- (f) *Recruit more scholars of the highest distinction and potential*
- (g) *Improve research infrastructure and the efficiency with which it is used*

3.2 Teaching

92. Objective (2) is concerned with both learning and the wider student experience: *Provide an exceptional education for both undergraduates and graduates, characterised by the close contact of students with distinguished scholars in nurturing Collegiate and departmental communities.* Strategy II seeks to deliver these outcomes and to contribute to the fulfilment of Objectives (4) and (5). The expression 'learning environments', which relates back to paragraphs 54 and 55, is shorthand for forms of teaching, learning and assessment and their interrelationship.

Strategy II

- (a) *Stimulate the creation of new undergraduate learning environments that retain the distinctive characteristics of an Oxford education but reduce staff teaching loads*

- (b) *Increase flexibility in the allocation of teaching duties*
- (c) *Establish disciplinary programmes of Preparation for Academic Practice under which graduate students and contract research staff can acquire the skills to teach and are given the opportunity to do so in their departments and faculties and in their colleges (through subject families and by other means)*
- (d) *Ensure that graduate studies is embedded as a core activity of the Collegiate University, with Colleges offering high quality academic as well as social benefits to their graduate students*
- (e) *Develop methods to evaluate changes in undergraduate and graduate learning environments and to reward successful changes at both individual and departmental level*
- (f) *Support the sharing of good practice between Colleges in learning and teaching*
- (g) *Review part-time and other flexible forms of provision in the context of the growing regional, national and international demand for continuing personal and professional development*

3.3 Size and shape

93. Size and shape has an impact on objectives (1), (2), (4) and (5) and, of course, on funding. It affects, in particular, staff workloads, the quality of the student body and student experience, the capacity to grow research, and the achievement of educational outcomes. The general principles agreed by Council with respect to size and shape are included in the Action Plan (see the website). A separate paper will be prepared, in accordance with the established procedure for deciding student number policy, setting out the case for the following proposals.

Strategy III

- (a) *Return to the historical overall growth rate from the currently elevated level*
- (b) *Increase PGR numbers and numbers on PGT programmes which prepare students for doctoral or professional work, subject always to the maintenance of the highest standards of admission and provision*

- (c) *Gradually decrease undergraduate numbers over a five-year period then plateau out, so that teaching loads can be reduced whilst maintaining the quality of learning*
- (d) *Set specific targets for full-time undergraduate and graduate student numbers, on a rolling basis with annual review, to reflect academic priorities*
- (e) *Respond to opportunities to develop part-time provision, subject to the quality of that provision being consistent with Oxford's expectations*

3.4 Personnel

94. Excellence in research and teaching will not be sustained if the University is unable to achieve Objective (4): *Attract, develop and retain academic staff of the highest international calibre*. Oxford must be able to compete with other top-ten universities in terms of duties and conditions. Expectations of staff should be commensurately high. The following proposals, which build on the existing HR Strategy (see the website), are intended to deliver Objective (4) and, thereby, support the achievement of Objectives (1), (2) and (3).

Strategy IV

- (a) *Adopt more active and flexible recruitment and retention practices, including new models of academic appointment (such as Graduate Teaching Assistantships)*
- (b) *Apply more rigorous appointment standards and tenure criteria for new appointees*
- (c) *Introduce a mandatory system of regular, joint University-College review of individual contributions, with scope to enhance financial rewards, re-balance academic duties, and address under-performance*
- (d) *Create more time for research by reducing administrative burdens and teaching obligations, consistent with the maintenance of excellent student learning*
- (e) *Take a proactive approach to equal opportunities and career development*

- (f) *Review academic career progression and the use of titles*
- (g) *Consider ways of integrating contract research staff (CRS) more fully into the Collegiate University, as part of a general initiative to improve CRS management and career development*

3.5 Admissions

95. The next strategy is designed to further Objective (5): *Recruit the very best students nationally and internationally through an equitable process based on achievement and potential.*

Strategy V

- (a) *Improve accessibility by coordinating domestic access efforts across the Collegiate University, setting appropriate targets for applications for under-represented groups*
- (b) *Implement a vigorous programme of international recruitment*
- (c) *Ensure that the best applicants are admitted, irrespective of origin, circumstances, and college choice*
- (d) *Introduce a greatly enhanced undergraduate bursary scheme and expand provision for graduate scholarships and student support*
- (e) *Establish public confidence in the access and admissions processes*

3.6 Services

96. The provision of academic and other services across the Collegiate University is complex, with a multiplicity of providers. The strategy proposed here, which relates to Objective (6), covers OULS, OUCS and the museums directly, other College and University services indirectly (insofar as they contribute to the student experience) and the use of space and other resources.

Strategy VI

- (a) *Increase the responsiveness of OULS to readers' needs, with greatly expanded access to electronic resources and well located physical collections*
- (b) *Reduce the cost of delivering a high-quality library service by concentrating onto a smaller number of sites and investing in lower-cost, high-density, depository storage*
- (c) *Provide high-quality and cost-effective IT services and training that meet the needs of the University and its members*
- (d) *Foster innovation, best practice, and value for money in the use of IT in teaching, learning, and research across the University*
- (e) *Further develop the museums and collections as a research, educational and cultural resource for the University and the wider world*
- (f) *Review service provision across the Collegiate University from a student perspective with a view to enhancing the quality of student life*
- (g) *Ensure that more efficient use is made of space and other resources*

3.7 Finance

97. The ability to improve reward systems for staff (Objective (4)), to have competitive scholarship and bursary schemes (Objective (5)), and to invest in improving facilities and services (Objective (6)), is conditional on a substantial improvement in the financial position. This requires a concerted effort both to increase income and reduce costs.

Strategy VII

- (a) *Achieve significant annual cost savings through improvements to core administrative processes and by utilising the benefits of scale*
- (b) *Use the Strategic Reserve Fund for the University's highest priority strategic development initiatives, rather than as a reserve for recurrent activities*
- (c) *Release substantial sums from the balance sheet to support academic investment*

- (d) *Move to a culture of obtaining Full Economic Costs (or more) for all externally-funded research*
- (e) *Review investment management processes against best practice*
- (f) *Develop the Collegiate University's fundraising protocols and the fundraising organisation to support a step-change in activity*
- (g) *Ensure capital projects bring with them requisite levels of external equity to relieve immediate pressures on the University's balance sheet*
- (h) *Continue to use the Capital Fund as primary security for debt drawn down to fund the University's share of priority capital projects*
- (i) *Develop the University's budget model to incorporate capital and financial planning and budgeting alongside operational planning and budgeting*

3.8 Planning and management

98. The terms of reference for the governance review should allow the governance questions raised in subsection 2.8 to be answered. Various planning issues were also highlighted in 2.8. The first two elements of the following strategy are intended to serve as a backdrop to the governance debate. The others address issues of planning, management and internal communication. Effectiveness in these areas is a prerequisite for the achievement of Objectives (1) to (6).

Strategy VIII

- (a) *Adopt an organisational structure which strikes an appropriate balance between inclusiveness, decisiveness, responsiveness, accountability and effectiveness*
- (b) *Address the Lambert agenda so that Oxford is in a position, within the two years now left, to 'agree with the Government what further steps will be necessary for [Oxford] to sustain [its] global position'*
- (c) *Create a unified and streamlined system of management and administration and re-engineer business processes to reduce bureaucratic burdens*

- (d) *Ensure that Divisions and other University bodies construct five-year plans within the framework of the Corporate Plan, that these plans are reconciled with one another and with the needs of the Colleges, and that final approval is given to agreed plans by Council*
- (e) *Review the Corporate and Divisional plans annually and re-write them every three years*
- (f) *Redesign the EPSC and Divisional review system to mesh with the new planning cycle, such that it is structured around the delivery of the academic strategy and is minimally burdensome consistent with fitness for purpose*
- (g) *Enable Colleges to extend their participation in the planning process beyond signing off on student number policy*
- (h) *Introduce a Joint Resource Allocation Method to align internal incentives behind the delivery of the academic strategy*
- (i) *Improve internal communications by publication on the intranet of discussion documents on major issues, summaries of committee business, and approved divisional plans*

3.9 External relations

99. The last part of the strategy concerns external relations. Like finance and planning, it underpins everything else. It includes the domestic and international dimensions of external communications (including alumni relations), innovation and knowledge transfer, and collaborations.

Strategy IX

- (a) *Communicate to external audiences Oxford's continued success, under very difficult circumstances, its determination to enhance its international standing, and its ability to do so*
- (b) *Demonstrate, in particular, that Oxford will meet the Lambert criteria*
- (c) *Ensure that high quality arrangements are in place for keeping alumni engaged in the life of the Collegiate University*

- (d) Promote innovation and knowledge transfer for public and private benefit through the use of departmental champions and by other means*
- (e) Enable departments and faculties to build research and teaching collaborations nationally and internationally*
- (f) Create an international strategy for the Collegiate University to facilitate the delivery of the Corporate Plan and to defend and build its existing reputation*
- (g) Produce component strategies for countries, regions and/or continents which integrate relevant academic interests, institutional collaborations, research and teaching partnerships, work on innovation and knowledge transfer, continuing professional development, student recruitment, and fundraising.*

3.10 The consultation exercise

100. The challenge for those drawn from or appointed by Congregation to serve in a stewardship capacity is to chart a course for Oxford that commands the active support of its staff and students. It is essential, therefore, that members of the University are engaged in the process. The purpose of this Green Paper is to lay out, and invite responses on, the issues which appear to Council to be of immediate concern. As noted in paragraph 4, there will be two open meetings in Hilary Term to discuss both the background evidence and the strategy proposals. The feedback from these meetings and that obtained through the website will be added to the formal responses to inform Council's decision on the contents of the Corporate Plan. Council hopes that individuals and bodies across the Collegiate University will take the opportunity to contribute to the debate.