

**Waterford Institute of Technology
Strategic Dialogue – Bilateral Session
Thursday 14th September 2017
14.00 – 16.30**

WIT

Professor Willie Donnelly, President
Dr Derek O’Byrne, VP Academic Affairs and Registrar
Ms Elaine Sheridan, VP Corporate Affairs and Finance
Dr Peter McLoughlin, VP Research
Professor John Wells, Head of School of Health Sciences
Dr Ken Thomas, Head of School of Engineering
Ms Marian O’Neill, Head of School of Humanities
Dr Richard Hayes, VP Strategy

HEA

Dr Graham Love, CEO
Mr Fergal Costello, Head of System Development and Performance Management
Mr Tim Conlon, Senior Manager, System Development and Performance Management
Ms Sorcha Carthy, Senior Manager
Ms Sarah Fitzgerald, Higher Executive Officer
Mr Mark Kirwan, Executive Officer

External

Dr Andrée Sursock, Expert Panel member
Mr George Pernsteiner, Expert Panel member
Dr Trish O’Brien, Process Auditor

Context

The period of the compact has been highly challenging particularly given the financial situation WIT finds itself in. However, the institute has demonstrated good progress towards achieving the targets set down in its mission compact. WIT has a strong research base and is very regionally focused, with a high degree of industry engagement. It is also engaged in a complex process of working towards achieving Technological University designation with IT Carlow.

Introduction

The HEA opened by welcoming the WIT delegation to the meeting and noted that it was the fourth strategic dialogue meeting to date. As their initial observation, the HEA remarked on their view of how the sector has responded well to the challenges of providing quality education in an increasingly constrained environment, and it is important to sustain this in the future. An agenda had been prepared to inform the discussion. In terms of the strategic dialogue process as a whole,

the HEA, for its part, considers that this has overall become an essential part of the HEA – HEI relationship, and for wider system performance and accountability. Given that a new cycle will commence shortly, the HEA will consider how this might evolve, and will seek views from the sector on how the process can be improved.

The institute noted it was satisfied with initial HEA feedback from this round of dialogue. WIT set out its view that under the current compact process, regional context needs to be taken into consideration when assessing institutional performance. The institution has always been at the forefront of research and development in the region, but the regional demands have changed. WIT continues to be access focused but because industry in the region was historically manufacturing based; the institute needs to adjust its provision to address the demands of new and different industries. However, as per the compact self-evaluation, its stakeholders demand that WIT sustains the full range of activities associated with both institutes of technology and universities. A lot of the challenges the institute is currently grappling with stem from the Irish economic downturn in 2008 but the key challenge at present is to maintain the sustainability of the institution. WIT is striving to meet the metrics for TU designation as it is of the view that a university would be better placed to meet the needs of its region.

Student enrolment numbers

WIT highlighted the challenge it faces to grow student numbers as the institute highlighted that 75% of students from the south-east leave the region to attend higher education in other counties, and predominantly to attend a university. The institute stated that it believes it has arrested this decline in student numbers as provisional enrolments are up by 5% for the 2017-18 academic year. However, overall numbers may still be down due to lower enrolments from previous academic years, progressing through their programmes. The decline in Level 6/7 enrolments was expected by the institution as nationally, demand for these programmes has been dwindling for a number of years. Conversely, the reduction in Level 8 programmes was surprising and largely unanticipated. This poses a challenge not just for WIT but for the Institutes of Technology sector. Students by default seek to enrol on Level 8 programmes and due to the resources and dominance in Level 8 provision, the majority of students choose to enrol in universities.

The institute was the leading provider of ‘built-environment’ programmes pre-2008 but with the collapse of the construction sector in Ireland, demand for these programmes declined. WIT is now developing its programme portfolio to offer more programmes in the agriculture and bio-pharma sectors to meet regional demand. However, as a lot of these programmes are lab-based, the institute is restricted with the level of students it can enrol due to its constrained physical capacity. Equally, the demand for its health science programmes is also up by 20%. In relation to its engineering provision, WIT emphasised that industry will not continue to occupy its region unless it receives the right calibre of graduate. The institute is working with industry to ensure that its programme offers help to address these demands.

WIT noted that historically, when there wasn’t always a demand for third level education in its region, it provided access to students across all disciplines, hence, the diversified institutional offering. Industry in the region is now moving from low-tech to high-tech manufacturing and the institute has a role to play with upskilling talent in the region.

WIT confirmed a fall in Non-EU enrolments is primarily a result of a reduction in ‘Science Without Borders’ students. The institute is now diversifying the recruitment of international students by

enhancing partnerships in China and Malaysia. These partnerships include increased joint programme delivery where the institute is using its strong research reputation to grow postgraduate opportunities.

Future financial sustainability of the institution

WIT noted that if the funding levels it received through the funding model prior to 2008 had continued, the institute would now be in a positive financial position. WIT stated that to take advantage of growth opportunities, it must be provided with the right instruments, for example, be able re-deploy staff from non-growth areas. Funding should be provided to improve infrastructure to support planned national growth in education provision.

The institute confirmed that it has a €1.3m operating deficit which needs to be addressed, but its proposal for student number growth is intended to address this deficit. WIT highlighted some recent developments, such as the provision of a Higher Certificate in Arts in Custodial Care for staff in the Irish prison service; CPD offerings for health care providers and the provision of part-time programmes to provide smaller credit-bearing awards. The Lansdowne Road pay agreement cost the institute an additional €1m in pay costs for 2017. This agreement was outside the control of the institute, but the sector has received no confirmation from the Department of Education and Skills if additional funding is to be provided to cover such unforeseen costs. Overall, the institute is working to address its deficit, but WIT is concerned by areas outside of its control which may impact negatively on its financial position.

WIT stated its financial planning exercises are beginning to demonstrate improvements in the financial position. On the basis that the institute will grow its student numbers and return associated companies to financial balance; the institute is confident it can address its operational deficit but may not have the capacity to address its accumulated deficit. WIT emphasised it requires enablers to allow the institute to invest and grow or else it will continue along its current trajectory and only slowly eradicate its accumulated deficit over time.

From a system perspective, the institute stated the funding model needs to be revised to provide parity between the university and IoT sectors. Equally, there needs to be more human resource flexibility given to institutions. For example, in-line with the 'transitions agenda', the institute is proposing to reduce its curriculum by 5% which will translate into a €1.8m saving coupled with the possibility of a reduction in staff by 22. However, the institute does not have the flexibility to introduce a viable exit strategy for staff. A revised portfolio of programmes would enable the institution to expand growth areas, but this would need to be resourced too.

Research

WIT reported it has a focused research strategy and has achieved the required Technological University metric of increasing its PhD numbers to 4% of overall student enrolments. However, the levels of EU funding (H2020) the institute had drawn down in the past has decreased and this is impacting on its research bottom-line. When the H2020 programme was initially launched WIT was a top performing institution. Recent H2020 programme supports have moved towards theory rather than applied approaches. This hasn't suited WIT as the institute has stronger academic and applied influence in certain industries or themes that have seen less opportunity. WIT is still strong in its established research areas, but it is looking to diversify its research activity. For example, the

institute noted that it has shifted some of its research focus to future and emerging technologies (FET) and the health sciences.

The institute has successfully collaborated on the INTEREG programme, but Brexit remains a risk for this programme. WIT's participation in the Ireland Wales programme has been a particular success (the current round of funding is to run until 2020), but the future of this programme is also unclear pending resolution of Brexit issues.

WIT has continued to develop a strong research culture within the institution and to increase the opportunity for staff to undertake research. For example, its Humanities and Social Science provision encompassed a high degree of teaching contact time for academic staff but the institute has sought alternative arrangements to enable staff to engage in research. As per the compact self-evaluation, this activity is closely supported by the institute's Research Support Unit which provides research supports across the full-cycle of their research projects.

WIT reported it has one of the most efficient research provisions nationally as it reinvests any additional funding generated directly back to support its research portfolio. WIT appreciates there is a direct cost with undertaking research but emphasised there would have been a bigger cost to the development of the institution if it didn't pursue a research agenda. For example, WIT's research has supported it in growing its health and life science facilities and has also assisted it with maintaining its cash flow. The institute set out its view that, as its research is assisting it to meet regional demand and needs, it should in return be adequately funded for this contribution.

Technological University

WIT stated that it remains of the view that a university is crucial to the South-East region and is fully committed to the Technological University process with IT Carlow. It has a cohort of highly committed staff but the challenge is to sustain engagement in the process when clarity in the form of enabling legislation is absent. WIT in its self-evaluation report, also noted the context of changes in leadership, changes in the composition of the governing authority, and various challenges which have contributed to a sense of internal institutional instability. Some internal issues that were identified have now been successfully addressed, therefore, with the introduction of legislation the consortium believe that they can really make progress.

Next steps

The HEA intends to circulate a minute of the meeting in late October. HEIs will have the opportunity to come back on matters of factual accuracy or clarification prior to the publication of the full suite of documents. It is expected that the aggregated outcomes from the sessions will inform the publication of a system level performance report in 2018.

Summary / Outcomes

The outcome presented below is based on the key inputs of this process i.e.:

- the institutional self-evaluation;
- the review by HEA, and external experts;
- the strategic dialogue meeting between HEI senior management, the HEA, and external experts.

WIT has demonstrated a good understanding of its mission and activities link across the various parts of the compact. The institute does, however, continue to face some very real and significant risks.

The financial sustainability of the institute is the paramount objective for the institution at present. WIT has made strides to alleviate the financial deficit by growing student enrolments and improving the operating position of its campus companies. A lot of work has therefore been done by WIT and others to try and bring it back to financial balance but there is not yet enough evidence of success to date.

Furthermore, the financial sustainability work has had a natural focus on spending reductions and revenue growth. There is a clear and urgent need for WIT to achieve these objectives, but it also needs a coherent vision for the future, recognising the interplay of the factors that affect financial sustainability (regional needs, enrolment, research, cost structure and legal strictures).

WIT's growth ambitions and challenges have been clearly articulated in the self-evaluation report and subsequent meeting. The HEA suggests that the institute should concentrate on defining a mission and vision to underpin the restructuring that is required but also to set out its plans to support such ambitious growth or to make key staff hires. This strategy should include a concerted effort to collect and use institutional data, to support the tough decision making that will be required.

WIT student numbers have remained relatively static, particularly at level 8 and in part-time provision. WIT's recovery strategy needs to take into consideration its research aspirations balanced with stagnant CAO enrolments coupled with declining international enrolments. Ultimately, there is a direct interrelation between student growth with not just the sustainability of the institute but to assist with the underpinning the institute's research provision. The HEA suggests that the institute needs to be active in assessing and managing these risks.

The collaborative work on the technological university will require significant efforts and WIT will need to free up capacity for that. The institute is therefore invited to consider the balance between building or expanding areas of research specialisation and expertise, meeting technological university requirements and the necessary pursuit of ambitious student number growth.