Cost effectiveness through creativity

Ravensbourne
What is this about?

The decision to move from Chislehurst to central London six years ago was the beginning of a cultural shift for Ravensbourne as a specialist institution in digital media and design.

“Ravensbourne is one of the most innovative, important and inter-disciplinary organisations in the world. It is developing 21st century education and skills in the most creative and exciting way, and it’s an incredibly powerful engine of growth for Tech City and the UK. It’s genuinely one of my favourite places - it’s energetic and entrepreneurial, and a simply brilliant British success story.”

Rohan Silva - Senior Policy Adviser to the Prime Minister

This shift has delivered a high quality student experience and significant cost efficiencies through a culture of collaboration and extensive digitisation of the whole range of institutional systems and processes.

Ravensbourne has approximately 2,400 students and offers practically focused digital media and design courses from pre-degree, undergraduate and postgraduate to professional short course level.

Driven by industry standards and supported by the latest technology, Ravensbourne produces highly employable and enterprising graduates. It has a strong track record in graduate employability and business creation.

Ravensbourne has hosted more than 200 creative technology businesses over the last four years; businesses that benefit from its leading edge technologies and media resources, and collaborate with its student body and industry partners.

A new building in central London required a new style of operation. The approach of totally shared resources, equipment and space was very effective and efficient, but took many staff well outside their comfort zone. It required a fundamental change in employee engagement and ways of working for the vision to be achieved.

The concept of doing different things and doing things differently commenced in preparation for the move during the final year at Chislehurst through a whole series of pilots designed to instil a culture of collaboration and creativity. In addition, contractual changes and harmonisation of terms and conditions were required and a skills development framework implemented.

The range of far reaching changes to achieve the transformation were many and varied, and while it may not be possible or even desirable to replicate these widely across the sector, there are some key lessons to be learned about breaking with traditional modes of working and learning which could provide a major stimulus for change in many higher education institutions.

WE’VE ALWAYS LOOKED FOR A STRONG RELATIONSHIP WITH COLLEGES WHO CAN PROVIDE US WITH GREAT CANDIDATES FOR WORK EXPERIENCE, WHICH RAVENSOUBE FULFILS HANDS DOWN. THE LEVEL OF COMPETENCY OF THE STUDENTS IS VERY IMPRESSIVE, BOTH IN CREATIVE THINKING AND TECHNICAL PROWESS.

Matt Morgan, Moonshine Media
What we did and why

Staffing
Flexible working by staff was key and required changes in academic and professional staff contracts to extend working hours, including working over weekends, as a norm. Staff had individual consultations with their senior manager, enabling a personalised approach to discussions as well as a personalised response to identified concerns; the process was undertaken and completed over the course of a year starting in September 2010. There was no trade union involvement and contractual changes for all 130 staff were achieved without losing staff. Underpinning the new contract was the institutional need for flexibility as part of any response for future organisational change. Currently, staff routinely work flexible work patterns as identified locally by departmental managers. The premise is that activities should be sufficiently well planned in advance to enable managers to determine changes in patterns of working within the building opening times, which are currently Monday to Friday 6am to 11pm and Saturdays 9am to 6pm.

Harmonisation of terms and conditions
Academic annual leave entitlement was reduced from 35 days to 30 days and the hitherto generous redundancy and maternity provisions were reduced to mirror current statutory entitlements. The sliding scale of entitlement to sickness pay was reduced to three months full pay and three months half pay with new appointees no longer entitled to receive any sickness payment for the first six months of their employment.

There is no incremental pay progression. A total rewards strategy and a promotions procedure is in place to formally recognise changes in role responsibilities and/or significant achievement. The institution has opted out of national pay negotiations for the last three years and awards have exceeded the sector settlement.

While the changes were bitterly opposed they were nevertheless implemented by applying the new provisions to new appointees. There are no employees on the historic arrangements.

Building and resources
The space, which comprises 18000 square metres, is completely flexible and provides opportunities for highly collaborative and creative teaching and learning, access to high-tech creative suites and a double height HDTV studio as well as space for incubation and very high profile events that align strongly with Ravensbourne’s creative industries focus. These events provide excellent development and learning opportunities for staff and students. The open plan building won the prestigious RIBA award for most innovative higher education building in London in 2011.

There are no dedicated studios or labs and all staff use shared offices. This culture shift was achieved through pilots and extensive communication with the major pilot being shared equipment. The standard and sophistication of digital equipment for use by staff and students is excellent and available to all through a barcoded system of loans, training and monitoring. This means that the very best equipment can be purchased and used extensively. Without such a system the costs would be prohibitive.

Access to heavy or specialist equipment is available through collaborations with organisations across London.

Another pilot was that Ravensbourne had to leave its previous site in May 2010 but did not have a building until October 2010 so the entire institution was run from two floors of an adjacent office block with all enterprise software in the cloud. This enabled very effective and creative use of available space in what are traditionally highly space-intensive courses and resulted in reduced energy bills.

Working Culture
The culture of collaboration extends to the way students learn, the way staff work and the way facilities are provided. The learning philosophy is based on collaboration and staff have developed appropriate assessment methodologies that have been designed to support this philosophy.

Staff skills and development
The new ways of working created the need for new skills sets and methods of professional practice. In 2011, the institution undertook a workforce skills audit from which a strategic skills development plan was developed and implemented followed by a skills development framework in 2012. The framework is sustainable and provides for an annual cycle of development activity, underpinned by its link to strategically identified requirements which are both driven and approved by the senior management team.

The skills framework is intended to be comprehensive. The framework has been honed over the last year to ensure that its influence extends over the whole life cycle of employment. The recruitment and selection process and the probationary process have been amended to ensure cross-reference to the skills framework and a clear pathway from successful probation into the annual performance review and development process. A plan was also agreed and has been partially implemented (still in process) to complete the roll out of role description / person specification templates that reflect the range of skills required in both academic and professional and administrative staff, as identified in the workforce skills audit in 2011.
Digitisation of all key institution functions and processes

The process of digitisation of the core business administrative and management processes began with the HR function. HR then supported the extension of this way of working across the whole institution, which is now almost paper-free.

A key driver to ensure this was completed was the fact that the institution was run virtually for a three month period between vacating the Chislehurst buildings and moving into the new institution building.

Examples of how this impacts on the culture and effectiveness of staff time are:

- The introduction of the e-recruitment system in 2009 continues to save the HR department a significant amount of administrative effort and time compared to what was historically a labour intensive activity; in quantifiable terms, an average of 1.5 days per week is saved.
- On average, one day per week is saved in relation to the administration of hitherto manual processes relating to the contracting of hourly-paid staff.
- The institution has saved money on space utilisation, storage, photocopying etc.

The digitisation of the administration of annual leave arrangements has delivered time-saving benefits. Managers are no longer required to keep manual track of the individual staff leave entitlements and staff do not need to hand in their updated leave cards to HR for scanning and retention. There is no need for new annual leave cards to be manually prepared at two different times during the academic year for professional services and academic staff.

In other areas, the online administration of training activity reduced the requirement for what was historically a full-time role to a part-time role. The HR intranet site is accessible and user friendly, thereby enabling staff, in most instances, to refer to it as a source of authoritative information before needing to speak with a member of the team.

What impact did it have?

Most staff stayed with the institution despite the massive cultural and organisational changes. Just 20 academic staff left in the first year following the relocation. Ravensbourne is now:

- Significantly more industry facing and this is reflected in its higher education provision, its commercial profile and its graduate employability.
- Receiving institution-specific funding from Hefce.
- On average, one day per week is saved in relation to the administration of hitherto manual processes relating to the contracting of hourly-paid staff.
- The institution has saved money on space utilisation, storage, photocopying etc.

Notwithstanding that Ravensbourne is a small institution (153 permanent full and fractional staff as at 31 August 2014) there is a very low level of grievances and there has been a shift from formal to informal grievances between 2010/11 to 2013/14. The total number of informal grievances increased from one to four during 2013/14, while the number of formal grievances has fluctuated from a total of three in two academic years to a total of zero in 2012/13 and two during 2013/14.

The working arrangements, while flexible, creative and quirky give a real sense of seriousness, focus and professionalism.
The institution is oversubscribed with high quality student applications. It saw around a 20% increase in total enrolments between 2011/12 and 2013/14 (despite opting out of Hefce's high grades policy as a specialist institution), as well as a growth in the ratio of applications to places over the same period, and application figures returning to around pre-2012 levels for home/EU students by 2014/15. This followed the drop in demand which affected many institutions after the fee rise.

The number of students from lower socio-economic backgrounds is consistently well above expected benchmarks, reflecting an emphasis on widening access and local outreach in more deprived areas of East London. Given Ravensbourne’s digital focus, additional equipment support via top up funding is offered for students from less well-off backgrounds.

Ravensbourne’s strong track record in widening access is matched by strong graduate employability or progression to further study - above the UK average in recent years and reaching 96.2% in 2011/12. The link between access and employability was confirmed in 2014 when Ravensbourne was ranked third out of 153 institutions in England in CentreForum’s Graduate Social Mobility Index, a report measuring the success of higher education institutions in securing professional graduate-level employment for graduates from disadvantaged backgrounds.

This track record in graduate-level employment owes much to the institution’s vocational, industry-led approach to higher education. As a specialist provider it develops particularly close industry links. These begin to impact on students’ careers while they are still studying, through work placements, live industry briefs, entrepreneurship training, teaching by industry practitioners, and access to industry-standard equipment. The new purpose-built and focused specialist building and equipment has helped deliver this.

Close working relationships with local and national industries help to ensure that Ravensbourne learners have access to a wealth of work placement opportunities. For example, there were more students involved in broadcasting the 2012 Olympic and Paralympic games than any other education institution in London, and they have also run live projects with firms such as Barclays, Marks and Spencer and Ogilvy.

£1m investment was secured from the European Regional Development Fund (ERDF), some of which was for incubation. The return on this investment shows that a net economic benefit (in terms of GVA) of over £10m was generated, leading to the creation of new jobs and the development of London’s media, technology and design businesses. For a small institution with an emerging programme of business engagement, ambitious targets were set yet nearly 100% of the target for business assists and industry job-creation was achieved and the target for safeguarding existing industry jobs was exceeded.

The ERDF funding and the new space and facilities also supported the expansion of Ravensbourne’s incubation programme which includes free support for graduate start-up companies and has successfully supported more than 200 companies in the past four years. As well as workspace and business support, the programme offers access to the institution’s technical facilities including multimedia equipment, a prototyping lab with 3D printing facilities, laser-cutting facilities and digital fabric printers, and access to larger commercially focused events such as the institution’s collaborations with Mozilla Foundation and Cisco and the 3D Creative Summit.

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<th>Financial performance over the last three years</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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<td>Turnover</td>
<td>£16,389k</td>
<td>£18,121k</td>
<td>£21,740k</td>
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<td>Surplus</td>
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<td>Surplus % of T/O</td>
<td>5.5%</td>
<td>3.2%</td>
<td>7.2%</td>
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<tr>
<td>Sector Average</td>
<td>between 3% and 3.5%</td>
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<tr>
<td>Cash flow</td>
<td>(£1,229k)</td>
<td>£743k</td>
<td>£1,657k</td>
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<tr>
<td>Cash Flow % of T/O</td>
<td>(7.5%)</td>
<td>4.1%</td>
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</table>
Lessons learned

Ravensbourne is small and specialist and the whole approach outlined here could not be easily adopted everywhere – it represents a unique set of circumstances where a declining institution has reinvented itself in a most fundamental way to deliver its core mission.

However, there are a number of lessons and learning points which can be adopted, at least in part, to leverage the fundamental culture change needed in higher education institutions facing cultural and technological challenges.

1. Robust pilots are essential to gain buy in and refine the approach.
2. Individual consultation about contractual change and working arrangements is very important.
3. Communication is key – an organisation can never overdo communication in big change projects.
4. Complete and visible support from the top is needed – regularly convened audiences with the head of institution are particularly valuable and welcomed by staff, together with an opportunity to engage in open dialogue.
5. Partners who share the vision are helpful.
6. Don’t waver from the collaborative and shared space objectives despite push back and discomfort.
7. Digitisation underpins everything so it’s important to get it right.

Sustainable Excellence Programme
University of Birmingham

People Management Framework
University of Leeds

Delivering excellent campus service with passion, pride and professionalism
University of Kent

Performance Enabling Programme
University of Swansea

Academic Promotion and Progression programme
Kingston University

Financial turnaround
University of Cumbria

Cost efficiencies through creativity
Ravensbourne

HR contribution to business efficiency: Management of Academic Workloads
Nottingham Trent University

New case studies will follow this launch series, so please check back on our website for the latest resources.
About the case studies

This series of case studies has been developed from the work of the Leadership Foundation and partners for the report ‘Efficiency, Effectiveness and Value for Money’ led by Professor Sir Ian Diamond and published by Universities UK in February 2015.

Partners in the ‘Diamond’ higher education workforce group (UCEA, UHR, Hefce, GuildHE, UUK and the Leadership Foundation) commissioned the case studies with support from the joint Hefce/Leadership Foundation Innovation and Transformation Fund.

Dr Lesly Huxley, director of membership and organisational development, leads the LF’s Innovation and Transformation Fund and our contribution to the HE workforce group. She said: “The leadership, development and commitment of people at all levels in higher education is fundamental to successful change and delivery of greater effectiveness in the core activity of our universities and colleges. These case studies and other work funded through the second phase of the Innovation and Transformation Fund show the importance of staff engagement and development in helping higher education institutions improve organisational performance.”

Gwen Wileman, LF Associate, who worked with the universities to develop this series, explained: “The case studies all provide powerful success stories and some real measures of impact on efficiency and effectiveness. However, the challenges of culture and complexity also come through loud and clear and there are many lessons to be learned and shared.”

About the Innovation and Transformation Fund

Acknowledging the central role of leadership in driving change, in 2012, together with Hefce, the Leadership Foundation initiated a £1m, UK-wide Innovation and Transformation Fund (ITF) to progress key themes of the first ‘Diamond Report’ on efficiency in higher education. Nine projects were funded and have now concluded.

Sir Ian Diamond was invited by the Department of Business and Innovation Skills to lead a second phase of this work early in 2014, looking particularly at organisational change and development, the higher education workforce, estates and research assets, open data and evidencing efficiency.

In 2014-15, further joint investment totalling £500,000 is supporting the sharing of existing effective practice particularly in the leadership, management and development of the higher education workforce. A key to the Innovation and Transformation Fund is in unlocking and making best use of good practice. For more information go to: www.lfhe.ac.uk/ITF

About the Leadership Foundation

The Leadership Foundation is a membership organisation that delivers leadership development and consultancy advice to higher education institutions in the UK and around the world. The focus of the Leadership Foundation’s work is to improve the management and leadership skills of existing and future leaders of higher education. The services provided include consultancy, leadership development programmes and events, including a major series of events for governors. This work is supported by a highly regarded research and development programme that underpins the leadership development programmes and stimulates innovation.

The Leadership Foundation has a small team of experienced leadership and organisational development professionals drawn from higher education, other parts of the public sector, and also from the private sector. Much of the Leadership Foundation’s work is delivered in partnership with the higher education sector and other partner organisations. www.lfhe.ac.uk

Visit the Efficiency Exchange website: www.efficiencyexchange.ac.uk to subscribe to regular updates and blog posts on activity, sector knowledge, project outputs and outcomes, to contribute your own resources and to engage in webinars and communities of practice on all aspects of efficiency and effectiveness in higher education.

For more information: www.lfhe.ac.uk/en/research-resources/itf-projects/index.cfm