Application by Waterford Institute of Technology for designation as a university

Advice to the Minister for Education and Science

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Table of Contents

1 EXECUTIVE SUMMARY

1.1 This report provides our advice to the Minister for Education and Science on the application for designation as a university made by Waterford Institute of Technology (WIT).

1.2 WIT submitted an application for designation in February 2006. There is a statutory procedure for the creation of a new university under Section 9 of the Universities Act 1997. We were asked to advise the Minister on the merits of the submission in order for her to provide guidance to Government on whether such a formal statutory review should be initiated.

1.3 It is not a straightforward task to advise on this case for several reasons. These include the facts that: the regulatory environment for Institutes of Technology has changed significantly since WIT made their application; and the designation of any IoT would potentially challenge the government's current higher education policy. So our report has to range more widely than the merits of the WIT application, taken at face value.

Terms of reference

1.4 The terms of reference for this report required us to provide advice on the merits of the submission by WIT, having regard to:

- national strategy for the development of Irish higher education;
- implications for regional development in the South East in the context of the National Spatial Strategy;
- any likely implications for the overall structure of higher education in Ireland.

Methodology for the review

1.5 We have reviewed a large body of written materials listed in the annex to this report. We visited Waterford in March 2007 for meetings in the Institute and with local and regional employers; public authorities; trades unions; students; and other interested parties. We have also had meetings during the period March to June 2007 with a number of interested individuals and organisations, and with officials at the Higher Education Authority, Forfas and at the Department.

1.6 Further details of these meetings and the documentation received are attached at Annex A.

1.7 We wish to acknowledge the helpful and frank way in which all these individuals and organisations have communicated their views to us.

Scope

1.8 This report is not, of course, part of a formal Section 9 investigation, but it is a shorter and less detailed examination of the desirability of initiating such a formal investigation. This report does not therefore attempt to answer all the questions, or review all the details that a Section 9 investigation would cover.

1.9 The questions we have felt it appropriate to consider in this report are:

i. Is WIT's application a serious one, which is worthy of investigation?

ii. Are there likely to be negative impacts on other institutions or on the Irish higher education system?

iii. Are the costs or other risks associated with designation likely to be unsupportable?

iv. Could it be argued that designation is unnecessary i.e. could the benefits sought be achieved more satisfactorily by some other route?

v. Are there broader policy issues raised by this application for designation?

Conclusions

1.10 Any reviewing group will face some inherent difficulties in dealing with this application because of the absence of a clear set of criteria for university status in Ireland; uncertainty over the role of research in IoTs; and a significant degree of uncertainty about whether current Government policy can admit the possibility of designation of an IoT under any circumstances.

1.11 We therefore note that it would be helpful if the Government made a clear statement of its intentions with regard to potential future designations to avoid institutions and officials expending time on unsuccessful applications.

WIT's case

1.12 WIT's application rests on three main claims: that WIT has demonstrated its performance at university level; that the region needs a university to counter its poor economic performance; and that WIT cannot provide the support and leadership needed to facilitate this within the constraints of operating as an Institute of Technology.

1.13 We see some justification in each of these claims, although there could be counter arguments and the case would need to be investigated.

1.14 In particular it could be argued that the recent Institute of Technology legislation changes the context and that designation would be only, at best, a partial answer to the second and third points made by WIT. Nevertheless, the application is a serious one and, while it raises a number of issues for the Government, there is nothing inherent in the application which would argue that it should not be considered under the existing process which has already been used for this purpose.

1.15 However, there are wider policy considerations, which are not specific to WIT's case which we are also required to consider.

Policy considerations

1.16 There are significant risks to the policy for and structure of Irish higher education attached to a simple initiation of a Section 9 review for WIT – as a primarily academic investigation. Such a review might well recommend designation, but would not take account of the broader policy implications of this. Unless it over-turned such a recommendation, the Government could be faced with several further "me-too" applications by other IoTs, and, if these were successful, the risk of dilution of the mission of the IoT sector.

1.17 We recommend some options for the Minister to consider. None of these is without difficulty, reflecting the dilemma inherent in having a Section 9 in the Act which could be interpreted as being in conflict with firm Government policy.

Option A

1.18 Defer any consideration of WIT's application pending a policy review to establish clear criteria for the management of research in IoTs; and for the circumstances (if any) in which new universities can be created. This would be logical, but very unpopular in Waterford and the South-East.

Option B

1.19 Treat WIT's application as a test-case for a new broader type of Section 9 process which would take account of national policy issues as well as academic criteria. If this broader process led to a recommendation in favour of designation of WIT, the Government might have to adopt some measures, which we suggest, either to limit "me-too" applications by other IoTs, and/or to avoid mission-drift in any newly-designated IoTs.

1.20 This option would have the advantage of being seen to take WIT's application forward, but the process could be difficult since it would have to resolve the policy dilemmas without benefit of the prior policy review.

Option C

1.21 Make clear that designation of IoTs as full universities is off the agenda at present. This risks appearing negative, but the Government would ask the HEA to work proactively with WIT and the Council of Directors of Institutes to find ways to provide a more consistent and sustainable environment of funding and regulation for all IoTs, and to support any, including WIT, which have realistic aspirations to playing a leading role as "technological universities" in their regions.

1.22 This proactive approach by the HEA could include facilitating a specific initiative in the South East region to create an appropriate university presence in the region, not necessarily based solely on WIT's present application.

2 THE CONTEXT OF WATERFORD'S SUBMISSION

The national higher education context

2.1 The development of higher education in Ireland has been one of the great successes of the last few decades, and a major contributor to the economic and social development of the nation.

2.2 Ireland is a small country, with a population of approximately 4 million, and few large population centres outside of Dublin. The development of a national system of higher education has been relatively recent. The history and policy background are well described in the OECD review report of 2004 and the country review report produced as background to that review.

2.3 There are now 7 universities and 14 institutes of technology, of which Dublin Institute of Technology is a slightly special case. The two types of institution share many features that are common to all higher education institutions, but the IoTs have a distinctive mission and focus which is particularly oriented towards vocational and technological study including apprenticeships and work below level 8, and development of strong links to industry and applied research. They provide educational opportunities and progression routes for students who might not otherwise enter higher education in the universities[1].

2.4 The Government has been developing a national strategic approach to the sector in recent years, and two key elements in this are the emphasis on building Ireland's research capability, and the very recent (2006) legislation governing the IoT sector.

2.5 The OECD Review in 2004 marked an important milestone in this development. The OECD report recognised the considerable achievements of Irish higher education and also made some recommendations to guide its future development. The first three of these are very relevant to this report.

> The OECD endorsed the maintenance of the differentiation of mission between the university and the institute of technology sectors, and recommended that for the foreseeable future there be no further institutional transfers into the university sector.
>
> They recommended bringing the universities and institutes of technology under a new common authority.... but with machinery to prevent mission drift.
>
> They recommended a review of managerial controls on the institutes with a view drastically to lightening the load of external regulation.

2.6 The government has responded to this by the new legislation in the Institutes of Technology Act which includes transferring management of the IoT sector to the Higher Education Authority (HEA) which already managed the university

[1] The IoTs will play a critical role in delivering the objectives set out in the National Skills Strategy.

sector. The details of the way these new arrangements for the IoT sector will work are still being developed by the HEA.

2.7 The OECD also noted that there is a need for a national strategy for the development of the third level system in Ireland to bring together and join up the activity of the relevant government departments with an interest or involvement in tertiary education.

Waterford Institute of Technology

Institutional profile

2.8 Like other IoTs, Waterford has its origins in a former regional technical college. It was founded in 1970, and was the first RTC to gain IoT status. It operates as six schools of Business, Education, Engineering, Health Sciences, Humanities, and Science. Its total student population in 2004/05 was 7152, making it by this measure the third largest IoT after Dublin and Cork.

2.9 WIT also runs a number of apprenticeship courses with approximately 750 students in total. This is around the average for the IoT sector (some IoTs have more apprenticeship students, some have fewer, some have none).

2.10 WIT has one of the largest proportions of advanced study in the IoT sector with 45% of students studying at level 8 or above. WIT's students are fairly evenly spread across the six schools with no school having fewer than 800 students.

2.11 WIT has been entrepreneurial in developing research and has priority research areas in Telecommunications, Bio/pharmaceutical science, and Health Sciences. In 2005, its annual expenditure on research and consultancy was €7m. The institute produced 123 refereed publications in 2005, and had 270 staff engaged in research (mostly in the School of Science). These research metrics would place WIT at the higher end of this activity in the IoT sector.

2.12 WIT has invested significantly at its main campus in Waterford city which presents an attractive modern university-type environment for staff and students. The institute also has a smaller campus housed in a former convent closer to the city centre. WIT has recently acquired a large additional campus at Carriganore, just outside the city which provides the base for its research and health sciences activities as well as some corporate services and student residential and sports facilities.

2.13 WIT can reasonably claim it has successfully grown its student numbers and expanded its profile; it has gained delegated authority for research and taught awards at a high level; it has acquired an attractive modern campus and a secure asset base; it has one of the highest levels of post-graduate and research activity for the sector; and it has retained its technological and vocational profile, its core of work below level 8, and its culture of support to its local and regional communities.

2.14 Some of these achievements extend WIT's profile beyond the "mainstream" business of the IoT sector. The development of the higher level provision at Waterford has been encouraged by the government – partly because of its contribution to the South-East region. This region is performing below the Ireland average on a number of indicators of economic development and quality of life. It is also a region where there is no university and poor transport

links. Waterford is designated as a Gateway city in the National Spatial Strategy, but the nearest universities (at Cork, Limerick or Dublin) are all more than 100 kilometres away.

2.15 There is strong support in the region (see below) for the further development of WIT to provide a university for the region.

Constraints to development in IoTs

2.16 The WIT executive and Governing Body consider that the institution's further development, and even its ability to be sustainable with its current range of activity, is constrained by its status and the relatively prescriptive way in which the IoT sector has been managed. This is a complex area and the constraints highlighted in the OECD report have been reduced significantly in recent years, (for example the disincentives to earning overseas student income have been removed). The constraints will be further reduced as a result of the Institutes of Technology Act 2006.

2.17 Some constraints which an entrepreneurial IoT will experience come from the social policy environment in Ireland which gives staff in higher education much greater security than in some other countries (and thus makes the Ministry of Finance cautious about allowing institutions to vary their staff numbers, grades or remuneration). This is not a matter of education policy, but it does impact on the ability of IoTs, to act entrepreneurially, and to respond to market opportunities and student demand, and to strengthen their financial base.

2.18 Probably one of the key areas where these tensions bite for WIT is in the area of research. WIT has built up a high-quality and nationally-respected research activity in the area of telecommunications and also has research in other areas including bio/pharmaceutical science and health sciences. Other IoTs have done similarly in other fields.

2.19 We would regard this development of applied research in the IoT sector to be highly desirable and commendable in terms of supporting the government's agendas of developing the national research capability; support to industry; and the development of the knowledge society. It also helps to build a scholarly environment for academic staff, and thus contributes to the quality of the student experience at the institutions. Research in the IoT sector will never be so extensive or so academic as in the university sector, and is likely to continue to be in selective fields (as at WIT) where institutions have built up a capability which they could not do across all their provision.

2.20 While some recent Government policy statements recognise the key role of the Institutes of Technology in applied research (e.g. the Strategy for Science Technology and Innovation, and the National Development Plan), the research landscape in Ireland is still developing, and there remain some barriers to IoTs who wish to fulfil this research mission.

2.21 The staff contract and funding conditions in the IoT sector mean that such IoTs cannot recruit professors or research staff, and have no funds available to invest in the research infrastructure and support (including the time or research-active staff) which are essential to maintain this selective applied research activity. It is therefore, effectively, a financial drain on the institution, and an unrecognised additional burden on the staff involved. This probably

cannot be sustained beyond the medium term without some change in their status or the way they are funded.

2.22 There is a dilemma here for the Government and for the IoTs, like WIT, which are active in research. Dynamic and entrepreneurial institutes like WIT will naturally seek to develop their academic portfolios, income, reputation, and support to industry and the region through this kind of activity. We believe it is thoroughly in the national interest that they should do so (provided it does not conflict with their main function). But, if they perceive that this activity cannot be sustained within the constraints of the IoT sector, it is not surprising that they will seek a change of status, as WIT is doing.

Criteria and process for university status

2.23 A complicating factor in assessing WIT's application is that there is no unambiguous and transparent set of criteria against which we, or WIT, or any other body can test this application.

2.24 In effect, there are several possible sets of criteria which could be used:

a. the Universities Act 1997 lists the objects and functions of a university (Sections 12 and 13);

b. a set of the criteria were used in the previous application of the Section 9 process when the application by DIT was reviewed in 1998 (see the Annex for a description of the history and criteria used in this case);

c. Waterford have used a set of criteria to test their own readiness in their submission (see next chapter);

d. Some other countries have published criteria for university status – for example the UK.

2.25 There is of course a strong element of commonality between these different sets of criteria – but they are not the same. This leaves open the possibility of confusion and unhelpfully raised expectations (for example an institution seeking designation may be convinced it is ready, while the Department may hold a different view).

2.26 In addition to this uncertainty, there is a broader question about the Section 9 process and whether the Government is willing to see any IoTs designated this way. WIT and its supporters find it hard to understand why there is any question about whether their application should now be reviewed, but it has been put to us very strongly that a positive outcome of such a review (i.e. the creation of more universities) would be counter to Government policy. We discuss this in chapter 4, but it would be better for this policy to be transparent to the whole sector so that institutions do not waste their time and that of the HEA and the Department in seeking an outcome which may not be available to them.

Conclusion – policy uncertainties

2.27 In effect, there are three (inter-related) areas of uncertainty around government policy which impinge on the context for this review. We give our advice later in the report, but it would be very helpful if the Government were to:

a. make explicit its policy on the circumstances, if any, in which an IoT could be designated under Section 9;

b. define and publish a set of criteria for university status in Ireland;

c. make a statement on the role of research in the IoT sector, and the way in which it should be funded.

2.28 We believe that a greater clarity on these issues would be healthy and helpful to the development of Irish higher education, could help to prevent institutions building unrealistic expectations, and would greatly reduce the difficulty of dealing with any future applications of the type made by WIT.

2.29 We accept that this policy review may take some time. We therefore continue, in the remainder of this report, to provide advice on the WIT application, using our best understanding of current policy.

3 WIT'S APPLICATION

3.1 In this chapter, we review the application made by WIT, in terms of the merits of the case presented. The key question is whether this is a serious application, worthy of detailed examination under the Section 9 procedure.

3.2 In doing this, we look at:

- Whether WIT has the characteristics of a university.
- The implications of designation, including the potential impact on the region.

3.3 In February 2006, the chairman of the Governing Body at WIT wrote to the Minister for Education and Science to request a formal review of its status under Section 9 of the Universities Act 1997.

3.4 Essentially, the submission argues three main points:

a. that WIT has demonstrated its performance at university level;

b. that the region needs a university to counter its poor economic performance;

c. that WIT cannot provide the support and leadership needed to facilitate this within the constraints of operating as an Institute of Technology.

Assessing university-level performance

3.5 WIT's submission examines the Institute against six criteria as follows:

- Independent governance;
- Scale and range of provision;
- University cultural ethos;
- Quality assurance and academic standards;
- An appropriate context of scholarly activity (usually including research);
- Playing an appropriate role in the cultural, social and economic life of the region.

3.6 The submission concludes that it demonstrates the institute's track record in each of the areas concerned and the viability of the strategic plans and priorities established by the institute in making the transition to a university.

3.7 Additional evidence in support of this conclusion is provided in the form of an independent report by Professor Robin Farquhar, former President of Carleton University in Canada. Professor Farquhar assesses WIT's readiness for designation and he does so with particular respect to the criteria for universities used by the Association of Universities and Colleges of Canada. Against these criteria, he concludes that, from a Canadian perspective, WIT is indeed worthy of designation as a university.

3.8 The six criteria used by WIT are, in our judgement, a reasonable set of criteria which reflect an international consensus about what constitutes a university. Of course, they have the drawback that the institute's performance is not absolutely measurable against a defined target or standard level of acceptable performance in these areas, and so an element of judgement remains about how far the criteria are actually satisfied by WIT. This is a consequence of the situation where there is no precise set of criteria for university status in Ireland.

3.9 An alternative approach could be to use the criteria used in the examination of DIT in 1998 (see the Annex for a brief description of the history), but of course those were established in a very different context from that in Waterford, and nearly ten years ago. Any section 9 Review Group established to review WIT's application will therefore need to do as the DIT group did, and to start by establishing its own set of criteria.

3.10 In the context of the uncertainties noted in chapter 2, we do not wish to define criteria for the WIT application (as to do so could be seen as either favouring or prejudicing WIT's case, and it would also pre-empt the statutory functions assigned to others).

3.11 We have therefore adopted a more general approach of reviewing the strength of WIT's case on its merits in a broad context of the characteristics of universities in Ireland and other relevant countries.

Readiness for designation: does WIT "look like a university?"

3.12 WIT's first claim is that they perform at university level, and the question here is whether WIT exhibits the characteristics which would normally be associated with a university.

3.13 We conducted an intensive programme of meetings and discussions in the institute at the end of March 2007 (details in Appendix A). These enabled us in particular to investigate a number of features of WIT's current profile and its potential for university status including:

- Its academic profile.
- Its academic management and quality assurance processes.
- Its management structure, senior management team, leadership.
- Its process for strategic planning and its plans for institutional development.
- Its commitment to its role as a regional and local vocational and technological institution.
- Its research and scholarly activity.
- Its campus, estates and physical assets.
- The engagement and quality of its governing body and its governance processes.
- The attitude of staff and students to the institution and its future.

3.14 These are not of course the only factors relevant to designation, but we believe they form the core of the areas that a Section 9 Review Group would wish to

consider. Essentially, we have tried to form our own view of WIT's profile against the kind of profile and characteristics that would normally be expected of a university. We also obtained some additional comments on the academic maturity and staff profile at WIT from a senior academic manager based in Scotland who has recent knowledge of the institute.

3.15 Like Professor Farquahar, we approach these issues from our own perspective which is primarily influenced by an extensive knowledge of all types of university in the four countries of the United Kingdom. From this viewpoint, we might comment, rather as Professor Farquahar has commented in respect of Canada, that the profile of WIT would not look out of place in a university in the UK. However, the question the Government needs to ask is "would it look out of place in Ireland", which is a different country with a different policy and tradition from that in Canada or the UK.

3.16 The answer to this question is very difficult to give unambiguously because of the policy uncertainties discussed above. We could note that:

- WIT has an academic maturity and an activity profile (degree and post-graduate teaching, research and scholarly activity) which overlaps with institutions in the Irish university sector and in other Western countries;
- WIT fulfils many of the broader roles of a university especially in terms of its support to regional economic and cultural development, and knowledge transfer;
- it has the governance, management, and strategic planning capability required for a university, coupled with an attractive and suitable campus environment, and an asset base to permit future development.

3.17 If it was designated, WIT would remain distinctive as a different type of institution from the existing universities with a more technological slant and a significant volume of sub-degree work. In some other systems, this might be described as the profile of a technological university (in the UK, there are several types of university, some with sub-degree work and a vocational focus), but of course there is no such type of university in Ireland at present.

3.18 Whether WIT is "ready for designation" is very difficult for anyone other than the Irish Government to answer, as the determining factors are less inherent in the nature of WIT than in the vision that the Government has for the future shape of Irish higher education.

3.19 Simply on the merits of its application, we would respect and support WIT's view that it has many of the features of a university, and, arguably, should be considered as a candidate for university status.

3.20 We also have to respect and support the Department's view that its current policy is against "any further transfers into the university sector".

3.21 The dilemma really flows from the existence of Section 9 in the Act. One might ask "why is it there?" The fact that Section 9 exists, but that it could be considered to be counter to Government policy to designate any IoTs as universities reflects an internal inconsistency in the Irish system which is at the least unhelpful, and it could be argued is also unfair to institutions like DIT and WIT which are or have been seeking a change of status within the existing legislative framework.

3.22 We consider the broader policy issues in chapter 4.

The Implications of Designation

3.23 If WIT was considered to be 'ready for designation', there could be specific local or regional factors which are particular to the case of WIT and which might either give additional support to the case, or make it less attractive. We consider four types of implications of designations:

a. the impact on the region;

b. the impact on other institutions;

c. the impact on the constraints WIT cites as a part of its case for designation;

d. the costs and risks associated with designation.

A. The impact on the region

3.24 The second part of WIT's case relates to the beneficial impact designation would have on its ability to support the South East region. We were asked to comment on the potential impact of designation of WIT on its region.

3.25 In Ireland in 2007, there is an economic challenge to move to a higher value-added and knowledge-driven economy, recognising that the nation will not be able to remain internationally competitive in more traditional manufacturing and production. These challenges are clearly illustrated in the South East region which is falling behind other Irish regions on a number of indicators of employment, economic performance, and quality of life.

3.26 It is widely accepted internationally that the presence of a university in a region has a powerful effect on the cultural, social and economic performance of the region through such mechanisms as:

- encouraging talented young people to stay in the region;
- facilitating the development of local businesses;
- attracting inward investment.

3.27 These benefits can also be provided by a good Institute of Technology like WIT. However, it can be argued that a university would have more impact. While we were in the region we had discussions with a number of leaders of business and public authorities. They were unanimous in confirming to us that the South East region is held back by not having a university, notwithstanding the benefits which they acknowledge from the presence of WIT. They provided two particular types of evidence of this:

a. students leave the region to study at a university in another region because they perceive this is in the interests of their subsequent careers;

b. it is more difficult for firms based in the region to persuade their parent companies (based overseas) to invest in value-added facilities (such as R&D centres) in the region compared with other regions with a university.

3.28 It may be claimed that such evidence is partial or anecdotal, but it cannot be dismissed as irrelevant to the poor performance of the South-East region.

3.29 It may also be claimed that students and investors should look beyond the title of the institution to the quality and relevance of its work. This is clearly true

(just as it is true that some institutions which are universities manage without the word university in their title). However, these comments really miss the point which is that WIT believe, and are supported in this belief by their region, that having a university in the region would benefit the region economically, socially, and culturally. We agree with them, as would many other regions around the world.

3.30 It is of course legitimate for others to argue (and they have to us) that this would not be the highest priority for Government investment for the region, but that is a different issue for Government to judge. We have also been told that "Ireland does not need additional universities" which is really part of a broader policy point which we consider in chapter 4. However, solely in terms of impact on the South East region, which has no university at present, we would agree that designation of WIT as a university would have significant benefits for the region. The South West Regional Authority strongly supports this view.

B. The impact on other institutions

3.31 We also consider the possibility that designation of WIT would be damaging to other institutions in the region or nationally.

3.32 As already noted, there is no university close to Waterford, although those closest (chiefly Cork and Limerick) might be expected to see the potential designation of a university in the region as unwelcome additional competition. However, we would note that a designated WIT would not be a wholly new institution where there was none before. WIT already has its own student population and is located over 100 km from its nearest neighbouring university, and if it retains its stated mission it would not become a direct competitor with the more traditional universities.

3.33 The reaction of the Institutes of Technology is likely to be more varied.

3.34 We have not formally consulted other IoTs, but we have had informal conversations with the Chairman and Secretary of the Council of Directors of Institutes of Technology and with members of the Governing Body of the nearest IoT (Carlow). One other IoT Director also sent us some very helpful views. These conversations lead us to believe that there would be a range of views on WIT's application if this proceeds to a Section 9 review.

3.35 Overall, we would not be surprised if Directors of IoTs felt some sympathy with the frustrations expressed by WIT about the constraints on development of their sector. As a group, the IoTs make a vital contribution to Irish higher education, and increasingly, they seek the opportunity to develop their institutions on a broader and more financially sustainable footing, including competing more effectively within Ireland and internationally. From this perspective, they might be expected to applaud any initiative which might help to 'open up' opportunities in the IoT sector.

3.36 They might however consider that designation of one IoT (or a small number) would not be helpful to the IoT sector as a whole.

3.37 Some would feel directly threatened by it. Carlow is the IoT most obviously in this position as a relatively near neighbour (75 km) to WIT.

3.38 "IT Carlow's position is that it would welcome initiatives focused on the development of higher education in the South-east but contends that the

upgrading of Waterford IoT in isolation is not the best option to address the higher education needs of the South-East and therefore cannot support it. IT Carlow believes that the best approach to the development of higher education in the South-East is to build on the existing network of third level providers in the region, and have proposed discussions on this matter. IT Carlow believe the upgrading of Waterford IT on its own would skew the higher educational provision away from growth areas in the North of the region and lead to negative impacts on the development and growth of IT Carlow. Similar to other institutes, IT Carlow would feel compelled to consider a section 9 application if Waterford IT's application is successful in order to restore the existing balance in higher education in the region".

3.39 Other IoTs might see a Section 9 investigation of WIT as a precedent which they would observe with interest before deciding if they wished to make a similar application (we consider the implications of this in chapter 4).

3.40 Overall, we conclude that designation of WIT on its own is unlikely to be seriously damaging to other institutions, with the exception of Carlow IoT, which could be expected to experience some negative impacts. The impact on other institutions should be considered as part of any Section 9 review, and the particular case of Carlow would obviously deserve detailed attention.

C. The removal of constraints to development of WIT

3.41 The third aspect of the case made in WIT's application is that it is unable to fulfil its role in supporting the region, and to develop as an effective and sustainable institution, due to the constraints of operating as an IoT.

3.42 It is true, as picked up by the OECD report, that the IoT sector has been managed much more closely by the government than the university sector. This is not unusual given the history and nature of the different sectors, but as a result, WIT have been constrained in their freedom to manage the institution autonomously and entrepreneurially.

3.43 Again, the picture is complex here. There are several different types of constraints experienced by IoTs, and not all are directly related to their status as IoTs, or, therefore, likely to be removed by designation. We perceive that the constraints identified by WIT are probably of at least four different types:

a. factors related to the advantages of the title and status that go with being a university – an internationally-recognised brand that is (arguably) better understood and more prestigious than the brand of an IoT;

b. factors related to the close oversight of the IoT sector maintained by the Government in the past (which will now change, but it is not yet clear how far or how fast);

c. the lack of a clearly supportive environment for research in the IoT sector as already discussed;

d. factors related to the Irish employment environment (which also affect universities to some degree).

3.44 We have already discussed the issues around university title (which arguably confers a marketing advantage and could therefore be seen as a constraint if a non-university institution is trying to compete with other universities).

3.45 The Department would note that the constraints at (b) above have now been addressed by the new Institutes of Technology Act 2006. They would probably also consider that the WIT submission fails to take explicit account of these changes and is therefore out of date in this respect.

3.46 The new Institutes of Technology Act 2006 has placed the oversight of the IoTs with the Higher Education Authority, alongside that of the universities. The HEA is currently working out how it will manage this sector but it has made clear commitments to achieving parity of esteem between the university and IoT sectors, and to loosening the constraints on the IoTs so that they can play their full part in development of the 3rd-level sector.

3.47 Overall, we believe that WIT have some legitimate arguments about the difficulty of achieving a sustainable operation and playing a leadership role in the region under existing IoT legislation, and without the marketing advantage of a university title, or the benefits of any funding to support research infrastructure and training. (Other IoTs would share some of these concerns.)

3.48 We also believe that the HEA will be sensitive to these concerns and that some of the past constraints will be removed or loosened over the coming period. But it will remain the case that IoTs are likely to be more constrained than universities, and somewhat at a disadvantage in terms of attracting research funds and higher education students, including overseas students. We believe that some difference is likely to remain while the Irish higher education system has two different types of institution.

3.49 So, on this part of WIT's case, we reach a mixed verdict that there are some issues to be addressed, but designation cannot deal with them all, and may not even be the most effective way to address these concerns.

D. The costs and risks

3.50 It is appropriate to consider the direct costs and risks associated with a Section 9 review and potential designation of WIT. Overall, we would assess these to be modest (in contrast to the policy risks which we review in chapter 4 and which are clearly very significant).

3.51 Firstly, there are costs and risks for the Government associated with the Section 9 examination itself, and a possible negative outcome. While the Government might have some concerns about turbulence around higher education policy and distraction of officials associated with a Section 9 examination, we would observe that some of these are being experienced now, and the overall cost of a Section 9 investigation is not prohibitive.

3.52 Secondly, there might be a concern about potential reputational damage to WIT from an unsuccessful application, but we would not consider that this alone would be a justification to refuse to examine the application if WIT really wishes to proceed.

3.53 Thirdly, if WIT was designated, there would be some one-off transitional costs, plus the additional recurrent costs of funding a university institution. WIT estimate these in their submission to be of the order of €20m annually once a steady state is reached (a larger increase in costs partly financed by additional non-Government income generated by the new university). The main elements of additional costs would be in new academic staff appointments and investment in the academic infrastructure of a university. Even if (as is quite

possible) this is an under-estimate, we would have to conclude that the costs of funding one additional university in Waterford would not represent a significant addition to the Government's higher education expenditure.

3.54 WIT's application draws attention to the conclusions of the Goodbody report on the Economic Impact of a University of the South-East. Whatever view one takes of the issues around the benefits of a university in the region, it is certain that there would be some economic benefits to the region which would at the very least off-set this additional public expenditure.

3.55 Overall, we suggest that the direct costs and risks associated with designation are modest in relation to the policy risks (discussed in chapter 4) and are certainly not, in themselves, a reason not to proceed to a Section 9 investigation.

Are there other better alternatives?

3.56 It might be argued that, whatever the merits of WIT's case, a Section 9 review is not the best way to achieve the desired result of a university in the South East region. Alternatives that some observers might favour (and have been suggested to us) include:

- creating a regional university, not based in Waterford;
- a Carlow-WIT joint initiative;
- WIT could become an associate part of an existing university (such as Cork).

3.57 However, none of these other possibilities is on the table at present, and it is not at all clear that the Governing Body of WIT (or other interests in the region) would entertain any of them.

3.58 It could of course be open to the Government to provide financial or other incentives and leadership to promote any of these alternatives but it is not part of our remit to consider this.

Conclusion

3.59 In this chapter we have looked at the case made by WIT and reviewed it on its merits and on the direct implications of a potential designation of WIT.

3.60 WIT's case rests on three main propositions – it performs at university level; a university is needed to support the region; and WIT's sustainability and progress are constrained by its current status.

3.61 We see justification in each of these three arguments, but there are also some counter arguments, and the case would clearly need to be established through a thorough investigation. The outcome of this would not be a foregone conclusion, but we do not believe that the case is so manifestly unreasonable or unsupportable, that such a thorough investigation would be inappropriate.

3.62 There would (as with any change of this nature) be some objections to the designation of WIT, and some costs and risks to be considered as part of the

decision process. The concerns of Carlow IT are probably the most serious factor of this type, and would be deserving of careful attention.

3.63 If this were the total context for this review, we would argue for the Government now to initiate a Section 9 investigation. Unfortunately for WIT, the context is wider than this, and any Section 9 investigation would raise significant policy issues. Indeed, it is not clear to us that Government policy would allow a Section 9 application by any IoT to lead to the creation of a new university (for national policy reasons, unconnected with the merits of any individual submission).

3.64 We therefore conclude that, in terms of its profile and plans against the criteria that might be expected to be used in a Section 9 examination, WIT has made a serious case that would deserve to be investigated on the merits of the case. However, broader national policy factors have to be considered and we review these in the next chapter.

4 THE POTENTIAL IMPACT OF DESIGNATION ON THE POLICY AND STRUCTURE OF IRISH HIGHER EDUCATION

Introduction

4.1 As noted in the last chapter, the circumstances surrounding this application are such that it is not possible to advise on a way forward simply in terms of the merits of the case presented by WIT. We have also to consider some broader issues that are relevant to a Government decision about whether it would be in the public interest to proceed to a Section 9 investigation.

4.2 These issues have already been alluded to in previous chapters. They are not specific to the particular case of WIT, but are general policy considerations along the lines that it would not be in the national interest to designate any IoT as a university (whatever the merits of the individual case) because this would damage the Government's policy on the shape of the 3rd-level sector.

4.3 The main arguments would be that:

- if WIT, or another IoT, succeeded in gaining university status, a number of other IoTs would feel obliged to make similar applications;
- if they were successful, there could be an unsustainable number of universities for a small country like Ireland (potentially, it might be claimed, 21 universities for a country with only 4m population);
- this would be directly counter to the current (and recently re-affirmed) Government policy on the shape of the third level;
- the diversity of the third level sector would be damaged as, it could be expected that these new universities would tend to change their profile of provision to reflect a more typical university profile (e.g. more arts and humanities provision; focus on higher qualifications; academic research) and the particular contribution of IoTs to Ireland (vocational, technological, sub-degree work, progression routes, anchors into the local community etc.) would be lost.

4.4 These are serious points, which deserve to be answered. They are not arguments directly against a Section 9 investigation of WIT's case as such, but rather against the outcomes that could flow from any designation of a former IoT, if no other action was taken to manage the situation.

4.5 There are several assumptions being made by those who express these concerns – for example, we do not believe that all 14 IoTs would seek or gain university status, and nor do we believe that undesirable mission drift is an inevitable consequence of university status – this has not been the case in the UK, for example[2]. However, we agree that if nothing is done to address these

[2] Some former polytechnics in England have moved their academic profile "up-market", but others have not, and many still retain a strong commitment to the national skills agenda including sub-degree provision, widening participation and employer engagement.

concerns and the Section 9 process is just allowed to run its course, then there is a significant risk to current higher education policy.

Possible strategies

4.6 In the rest of this chapter, we consider how the Government could proceed to deal with the issues raised by WIT's application in a way which avoids the risks to "the overall structure of higher education" discussed above. We suggest there are three main options.

Option A. Policy review before considering any applications

4.7 The first way to manage this situation would be for the Government to conclude that the existing Section 9 process is no longer useful in its current form, and that the degree of uncertainty around this is now unhelpful and potentially destabilising to higher education policy.

4.8 The Government could then decide to undertake the policy review recommended in chapter 2 before it entertains any applications under Section 9 (including that by WIT). Such a review would not be a trivial task, and it could be expected to take some time for this to be completed. It might prove quite controversial.

4.9 The policy review should determine some clear and transparent criteria for university status, and a policy on the place of research in the IoTs. These outputs from the review would then inform any future process for creation of new universities. There appear to be two broad possibilities:

a. Retain a reformed Section 9 process as a largely academic-based evaluation (as in the case of DIT), but make clear that this would be only the first stage of consideration, and that some broader policy criteria (which the government would publish) would be used to assess any recommendation emerging from a Review Group;

b. build the wider policy criteria into the reformed Section 9 process itself (so that it would be wider than an academic investigation, and might need a different type of Review Group).

4.10 Either of these would be a more transparent and less uncertain process than the one that resulted in 1998, and all new applications for designation could be considered under these new procedures.

4.11 In this option, WIT's application would effectively fall without being considered, but they would have the option to reconsider their position and to make a new application under any new procedures which the Government put in place as a result of this review, perhaps in 2-3 years' time.

4.12 This is a logical way forward, but it is not without difficulties. It seems likely that WIT would be very unhappy with this outcome. They could argue that the department had "moved the goal-posts" after they have submitted an application. The adverse impact of this for WIT and the IoT sector in general could be mitigated if the Government also adopted the approach set out in Option C.

Option B. Review policy as part of Section 9 investigation

4.13 An alternative could be to proceed to a review of the application, but to ensure this was carried out in the context of the broader policy considerations reviewed above. WIT's application would then effectively become a test-case (and not simply a re-run of the process used for DIT).

4.14 The Government would need to consider carefully what sort of Section 9 investigation it wished to initiate and what advice or instructions it would give to any review Group. But essentially, it would ask the Review Group to take account of the broader policy factors we have discussed and this would mean that the group would have to be more broadly-based, since it would effectively have to undertake the policy review itself and to determine its own criteria.

4.15 If the Government allowed such a broader-based type of Section 9 investigation to proceed with some degree of independence, it would face the possibility of two different possible outcomes:

a. the group might recommend against designation (perhaps because of either academic or broader policy factors);

b. it might recommend designation (possibly with conditions).

4.16 This would be a more comprehensive examination than in the case of DIT, but, even though the Review Group would have taken account of the broader policy concerns, the latter outcome might still cause concerns to the Department about potential undesired consequences for the structure of Irish higher education as discussed above.

4.17 Assuming that it considered these risks attached to designation too great to entertain, the Government would have two choices.

4.18 It could not accept such a recommendation, but this would be an undesirable outcome in the sense that it would further undermine the Section 9 process and could well lead to disruption and lobbying in the sector.

4.19 Or, it could accept it but find ways of managing the potential undesirable outcomes of a first designation of an IoT.

4.20 We can see at least two possible routes to do this. The Government could take steps directly to control the number of "me-too" applications, or it could act to control mission drift.

Controlling the number of "me-too" applications

4.21 Other IoTs might feel obliged following a successful designation by WIT, to make their own application. However, we believe this could be kept to a small number. Some IoTs would not appear to have a strong case (due, for example, to small student numbers, absence of a critical mass of post-graduate level work, or geographic proximity of a university which would be expected to object to designation).

4.22 The HEA or the Government could avoid a rush of all IoTs to seek designation by indicating some more formal criteria that would normally have to be met before it would consider triggering a Section 9 process[3].

Avoiding mission drift

4.23 We have noted our view that mission drift is not a necessary consequence of designation of an IoT. WIT's application makes it clear that, if designated, WIT would wish to be a technological and vocational university, which would continue to serve the needs of industry and of the sub-degree market in the region. This could be made a condition of designation.

4.24 However, there will be legitimate concerns about the possibility that, over time, designation of former IoTs as universities would lead to a weakening of their commitment to the sub-degree and vocational markets, and hence to adverse impacts on the National Skills Strategy. The Government could use various mechanisms to avoid this.

4.25 It could designate IoTs which met the criteria using a different title such as "University of Technology" or "University of Professional Education".

4.26 It could institute, through the HEA, a system of strategic planning agreements with individual IoTs whereby some of the aspirations of the institutes (e.g. in terms of title, ability to recruit staff at the institute's own risk etc.) could be addressed as part of the overall funding agreement, within a strategic plan which preserved the essential elements of the IoT mission which the government rightly wishes to preserve.

Option C. Support IoT development in a different way

4.27 The third option would be to avoid both a major policy review and a Section 9 investigation of the WIT application at this time. This would only (we suggest) be a viable policy if some more sophisticated, proactive, and flexible arrangements were put in place (in full consultation with the IoT sector) to enable WIT and other IoTs to advance their development in reasonable directions that do not conflict with the overall national interest.

4.28 In this option, the Government would announce that designation of IoTs under Section 9 is not currently available, but that the Government wishes to encourage rather than dampen the entrepreneurial spirit in IoTs and to provide some specific "improvements" to the regulatory and funding regime to help IoTs which can demonstrate that they have the maturity of academic governance, and strategic planning and management to benefit from these.

4.29 Rightly or wrongly, WIT and other IoTs believe that the reforms that result from the recent legislation will be slow and cautious, and that they will continue to operate under a disadvantage relative to the universities, and to similar

[3] Purely as an illustration, the Government could say that a Section 9 application would not normally be considered if an institution had fewer than 4000 HE students; did not have full delegated degree awarding powers; or was within close proximity to an existing university.

technological and vocational institutions in other countries like the UK. We have already discussed the difficulties that most leading IoTs will experience over the sustainability of their research activity.

4.30 The HEA could be asked to lead a process of working with the IoTs both individually and as a group, and with the involvement of the other Government Agencies concerned (Enterprise Ireland, Forfas etc), to develop a new set of planning and funding agreements for the IoT sector. These would have the aim of giving IoTs, which meet appropriate criteria of mature governance and management, more certainty around their support from Government in developing their institutions.

4.31 It would be important that this was seen to be a real initiative given priority (and funding) by the Government, and not just a way to delay any further requests from the IoT sector.

4.32 While this would be a possible national solution, it would be seen as doing little to recognise the special case made by the South East region. Within the spirit of this option, the Government might also wish to facilitate the development of an appropriate regional higher education initiative in the South East region – possibly through negotiations to develop an alternative regional university profile.

"Option D".

4.33 The fourth option is not one which we would favour. It would be essentially to do none of the policy developments involved in Options A, B, or C. This would imply that the status quo would remain, and the Government would not accept any transfers from the IoT to the university sectors, and that while WIT might force the Government to consider its application, this would be most unlikely to lead to designation.

4.34 In this scenario, there might or might not be a Section 9 investigation, but realistically it would be very unlikely that WIT could gain university status.

4.35 This would, we believe, be highly demotivating to the IoT sector, not just to WIT, and it would effectively send a signal that IoTs were to stick to their traditional role of lower-level vocational provision, and that any attempts to develop new dynamic and entrepreneurial activity in this sector was not supported by the Government.

4.36 We believe this would not be in the best interests of Irish higher education, or of the development of the Irish economy and society.

Conclusions and possible way forward

4.37 The Department and the HEA believe that it would be damaging to the Irish higher education sector if a number of IoTs modified their education profile in a way which reduced their commitment to the core values and activity which characterise the IoT sector. We agree with this judgement.

4.38 WIT are not applying to modify their education profile in this way. They are applying for a change of title and status which they believe are necessary to their continued success in serving their region, and to remove what they see

as some onerous constraints on their ability to manage their institution, and particularly to do research, in a way that is sustainable.

4.39 It is a possible outcome of a successful change of status at WIT (or any other IoT), that other IoTs will seek a similar status, and that, over time, this may lead to a "dilution" of the strength of the IoT sector, and of its focus on the core skills agenda of the Government.

4.40 In these circumstances, the Government cannot simply allow WIT's application to proceed as if there were no policy implications. One option is to put WIT's application "on hold" while a full policy review is conducted. This could take some time to be completed and it might be considered unfair to WIT to stop or delay their application in this way.

4.41 A second option is to allow some form of Section 9 process to proceed in respect of WIT, but to recognise that this cannot be just an academic evaluation. In the course of either setting up, or responding to, such a Section 9 process, the Government would be forced to be more explicit about its reasons for allowing or not allowing any further designations, and in effect to define some more precise criteria for university status and for the management of IoTs. This might be considered to be equivalent to the first option, but with the policy review done in parallel with a consideration of WIT's application.

4.42 In both options, the outcome is likely to be the same. There will either be a change in the current government policy on maintaining a differentiated IoT sector, or the Section 9 process will effectively be constrained to a more limited role so that it cannot be allowed to act as a "back-door" route to dismantle this differentiation.

4.43 The third option is to effectively close the Section 9 route but to offer some alternative enhancements to WIT and other qualifying IoTs which would allow their highly commendable desire to advance and develop their institutions to be channelled into a role that does not involve university status.

4.44 We do not believe that there are other credible options. The obvious fourth option of maintaining the status quo (either with or without a Section 9 investigation of WIT's case) is in our view highly unattractive and potentially damaging to the further development of Irish higher education.

5 ANNEX - THE PREVIOUS EXPERIENCE OF SECTION 9

5.1 In 1997 the Government established a Review Group to advise the HEA on the application by Dublin Institute of Technology to be designated under the Universities Act. This is the only direct precedent for the current application.

5.2 The Review Group looked at criteria for university status in several countries before defining a set of criteria which they used for their evaluation of the DIT application. These criteria are shown in the box below.

5.3 The Review Group essentially concluded that the issues about designation of DIT were not a fundamental concern (or could be addressed) and that DIT should be recognised as a university once it had met a number of conditions which, in the group's view, could reasonably be met within 3 to 5 years.

5.4 The conditions related to:

- more flexible academic structures and conditions;
- collaboration with TCD and the University of Dublin to enhance the research and post-graduate profile of DIT and to develop DIT's QA capability in respect of its courses;
- raising the scholarly achievements of staff;
- maintaining and developing its sub-degree work and apprenticeship provision;
- QA and peer review processes;
- Life-Long Learning and access to third-level education;
- preserving and developing its links with industry and the professions.

Criteria used by the Review Group for the Section 9 examination of DIT in 1998

Firstly, the review and assessment to be carried out by the Group would be within the overall context of the objects and functions of a university as set out in sections 12 and 13 of the Universities Act, 1997.

Secondly, and more specifically, the following criteria would be applied as a basis for the review and assessment.

commitment to the advance of knowledge through teaching, scholarship and research and an appropriate balance between each of the three activities;

provision of high quality courses up to doctoral level, which are recognised both nationally and internationally and by the relevant professional bodies, as appropriate;

provision of an academic staff who have appropriate high level qualifications and professional standing in the community and with their peers;

provision of resources – both physical and financial – at a sufficiently high level to sustain the Institute's teaching and research activities on a continuing basis. In particular, the laboratory, library, information technology and lecturing facilities should be comparable to those in universities generally;

a proven track record in producing quality graduates with high employability in areas of demand;

a demonstrated capacity to interact and collaborate with the various external communities and to thereby support and contribute to national economic and social development;

a mission statement and an ongoing strategic planning process to further advance the Institute's aims and objectives.

5.5 The Review Group's report in 1998 recommended that funding and administrative responsibility should be transferred from the Department to the HEA, which should apply the same controls to DIT as to the universities.

5.6 The HEA response on its advice to the Minister on the Review Group's recommendation was that:

a. HEA felt that it could not 'mentor' DIT on the path towards designation as this would prejudge its advisory role to the Minister;

b. HEA agreed that designation at that time was not possible;

c. HEA considered the conditions laid down by the Working Group were so serious that they would challenge DIT and therefore a further review would be required – when and if DIT considers it does meet them.

5.7 This history shows the kind of process that might be used to assess WIT's application, and also demonstrates that a positive recommendation from a Section 9 review is in itself no guarantee of subsequent designation.

5.8 It might be considered that this only previous experience of the Section 9 process was not helpful either to the institution involved, or to the Irish higher education system. It has indeed been suggested that a negative outcome, as in the case of DIT, is potentially damaging to the institution concerned, and this is one of the factors we consider when we review the costs and risks of a Section 9 review in chapter 3.