CHAPTER TWO

Universities, the 500 year landlords

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Universities are central to the knowledge economy – they have the potential to drive the growth and economy of the future.



The failing

While the UK has 29 of the world's top 200 universities, and consistently attracts the brightest and best, the opportunity is to tap even deeper the nation's talent pool, encouraging students to come and stay, and fostering ever stronger links to business and economic innovation.

Policy recommendations

- I. Visas: Fast-track visas are essential post-Brexit for any company registering a patent in the UK in the last 12 months, as well as for all EU and international students graduating in the UK with degrees in key courses related to STEM fields – science, tech, engineering & mathematics (and medicine)
- II. University-SME link-ups: Offer grant funding to universities that develop part of their estates as space for private sector SMEs. This will incentive spin-outs and further collaboration between universities, small businesses and start-ups on commercial applications for the latest academic research breakthroughs. It will also help the UK secure a position post-Brexit as the world's crucible for R&D.

Author



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The power of UK universities

The UK has 29 of the world's top 200 universities. Every year, 450,000 of the best and brightest from around the world come to our shores. 100,000 of those are masters students.

If we want to look to regenerating our towns and cities, we need to look at these powerhouses of knowledge that reside within them.

Liverpool, Nottingham, Lincoln – cities in serious need of economic regeneration – welcome 30,000 new students every year, of which 8,000 are postgrads.

Universities are a way of educating our youth, and a national resource that ensures the intelligence, innovation and research that will drive our future economy.

We should not make universities temples of capitalism but we should offer more chances to our best and brightest to create new businesses and commercialise their ideas.

This is what America has done with great success for some time and what France is actively trying to develop.

The advantages are clear

- Towns gain new industries, new income from tax and a new lease of life
- Students stay where they are, developing their ideas in fostering environments rather than just joining existing companies in London
- Universities can point to their ability to secure graduates jobs, thereby attracting new students, while profiting from the commercial success of their spin-outs

Providing the right space

A crucial element is providing the right space and environments for university spinouts. The examples of Manchester and Begbroke show how universities can use their land to develop space that their students can use to develop ideas.

The space, as mentioned in other chapters of this report, needs to be tailored to these start-ups, but that does not deter profitability if done correctly. Crucially it must be flexible, physically and in terms of leasing, and maintain ties to the university to access its facilities, but also because the university will be a shareholder.

In Cambridge and Oxford, where space is in short supply, science parks are the natural fit for these fostering areas. In Manchester, where there is more brownfield land, space can be more central.

Working with universities

The private sector can also develop sites alone – the key is a dialogue with the university and its spinouts – but more partnerships between universities and developers are also possible.

Previously universities, as registered charities, had to jump through hoops to use their assets for development. Now they can borrow from the private market in the form of bonds and cash raises.

This means that they and developers can build out new facilities such as business parks, with the university chipping in some of the land or development cost, and the developer providing the private sector expertise.

The end result is a scheme that provides an income stream for the university, the developer and a space for companies that the university wants to develop from its students.

This is a common practice in America and we should not be ashamed of it here.

Encouraging students to stay

It is not just physical assets that will develop these economies. It is also policy.

22% of university graduates (and 38% of those with first and upper second class degrees) leave the town when they have finished, attracted by the job opportunities of London. Many international students return home, deterred by visa regulations.

There needs to be more policy to encourage students to stay either through cheap space offered to home grown talent or easier visa rules for students of the university.

By encouraging a more diverse range of students, as Oxford is doing with its outreach programme, more diverse backgrounds and viewpoints can be brought to research and the commercialisation of projects.

Developing the rest of the town

This must not be done in isolation to the rest of the town. Housing, infrastructure, and future space for spin outs to grow into after their formative years are critical.

For example, Oxford has often suffered in this regard: its traditionalist viewpoint towards its Central Business District (CBD) has stifled the development of housing and business space.

However, if that means more science parks around the CBD then we should wholeheartedly develop that. With housing in short supply, we should look for those science parks to provide affordable housing for staff.

What is often lacking is strategic vision. Local authorities, the private sector and the universities need to work together to drive development and growth.

Where are the UK's Postgraduate students based?

University		Students	Postgrad	%
1	Cranfield	4,355	4,355	100.0
2	Bath	25,545	5,945	23.3
3	Bedfordshire	12,800	2,325	18.2
4	Belfast	27,010	6,130	22.
5	Birmingham	81,810	20,815	25.4
6	Bournemouth	22,175	3,390	15.3
7	Brighton	39,355	8,655	22.0
8	Bristol	53,640	13,855	25.8
9	Cambridge	20,510	7,970	38.9
10	Cardiff	42,370	10,555	24.9
11	Dundee	19,160	4,840	25.3
12	Durham	18,330	4,495	24.5
13	Edinburgh	74,560	20,840	28.0
14	Exeter	24,045	5,565	23.
15	Glasgow	70,770	19,900	28.
16	lpswich	5,375	465	8.
17	Leeds	77,170	18,610	24.
18	Leicester	17,410	4,855	27.9
19	Liverpool	58,455	12,800	21.9
20	London	371,015	125,810	33.9
21	Loughborough	17,315	4,205	24.3
22	Manchester	93,510	23,420	25.0
23	Milton Keynes	117,935	8,945	7.0
24	Newcastle	53,115	12,110	22.8
25	Norwich	20,170	5,075	25.2
26	Nottingham	63,990	14,865	23.2
27	Oxford	17,170	4,055	23.0
28	Oxford	24,915	10,275	41.2
29	Plymouth	24,815	3,605	14.
30	Portsmouth	24,395	4,090	16.8
31	Sheffield	60,405	16,325	27.0
32	Southampton	35,200	8,180	23.2
33	Warwick	25,705	9,185	35.
34	York	25,075	5,795	23.



Source: HESA

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University of Manchester: ID Campus

The University of Manchester is searching for a joint venture partner to bring forward its £1.5bn ID Manchester redevelopment. The 26-acre site on its north Campus will not be for student accommodation or academic purposes, but 3.5m sq ft of commercial space aimed at innovative and small companies.

Professor Dame Nancy Rothwell, vice chancellor of the university, says the model is based on American examples such as MIT's Kendall Square.

The university has contributed £746m to Manchester's economy though businesses spun out from its research functions.



Oxford University: Begbroke Campus

The Begbroke science park is the only park wholly owned by Oxford University, and is what it calls "the interface between start-ups, Oxford's world-leading scientific research programmess and industrial research and process development."

It encourages companies to work together and provides on-site design to support R&D, while allowing them to use university facilities.

An active part of its business model is allowing companies based there to tap into the university's research, while also enabling research to seek out and interact with those seeking commercial involvement.

Contributor

Dr Andrew Grant Finance Bursar and Fellow University College, Oxford

Universities, widening participation and student accommodation support

UK universities are increasingly aware of the need to open their doors to students from under-represented and disadvantaged backgrounds. They are conscious of their responsibilities as engines of social mobility, and enabling the knowledge economy. Oxford is working hard to ensure that talented students from any and all backgrounds know that they will be welcome, and to challenge the sense that some parents, teachers and students worry it is beyond their reach. If the student is hard-working and has potential to be high-achieving, Oxford is accessible.

Widening participation is being championed, reaching out into communities to support those from less advantaged backgrounds so that they are effective applicants and supported for success. And so to unlock their potential. For Oxford to continue to deepen its efforts, it needs suitable facilities and additional accommodation capacity. Thus, a university's widening participation agenda informs its estate strategy. But it's not just about bedrooms and lecture halls. We know that if students are to succeed they need to inhabit spaces that support their welfare, promoting social interaction while also respecting privacy. This environment has to support inclusivity by taking full account of the diversity of individual and cultural requirements. Therefore, accommodation has to be found on sites with all the amenities of communality, with public transport and access to the social and functional resources that underpin excellence in higher education.

Contributor

Phil Kemp CEO, Bruntwood SciTech

It's all about the talent

Knowledge-based companies live and die by the talent that they can attract. A decent salary and job prospects are no longer sufficient: people want great places to work that stimulate connections with other people, provide space for creativity, and that encourage reflection, exploration and fun.

To succeed, science parks need to create a centre of gravity for talent. They need to be 'the place to be', offering the next generation of workers the place to become the best version of themselves. They need a strong narrative that genuinely taps into people's professional aspirations and desires at an emotional level. Innovation is an adventurous journey, and science parks need to make places that encourage personal growth and exploration.

If universities are the guardians of our future knowledge, science parks are the conveners of that knowledge-based talent. Working closely with universities helps to provide a steady pipeline of new talent for staffing, and taking a strategic view with councils can inform place-making strategies that consider how knowledge flows around a city and make connections between disparate parts. We can convene:

- Academia with commerce
- · Jobseekers with job opportunities
- Corporates with start-ups
- Investors with entrepreneurs
- The public with the private sector

Contributor

Gregg Bayes-Brown, Marketing and Communications Manager, Oxford University Innovation

What makes Oxford and Cambridge so special?

The universities act as magnets for high research spend and talented, smart people. There is also a perceived mark of quality from both institutions, which can open the doors to talent, investment and the like.

We should remember that neither are particularly special, but both cities have critical mass and with the right strategy, it could be replicated.

How important are the universities to Oxford and Cambridge businesses?

Silicon Valley is often lampooned for its companies saying they will "change the world". Arguably, many have – Google is a spinout of Stanford.

However, recent examples perhaps do not live up to this hype. Snap, a platform built largely on the notion of being able to send users temporary explicit pictures, arguably does not move humanity in a bold, new direction. Technologies in our portfolio include: autonomous vehicles, fusion energy, universal flu vaccines, scans that predict heart attacks before they happen, quantum computing, a platform for tackling multidimensional poverty, and tech-based treatments for blindness-causing conditions. It is a similar story over in Cambridge.

All these could have a legitimate, positive impact on the world, and have been made possible through Oxford and Cambridge's efforts to turn university ideas into real world impact.

Where do OSI/OUI workers graduating from Oxford University live?

OUI and OSI's workforces don't necessarily come from the university, nor do the people working in the spinouts - although many are Oxbridge.

Some opt to live rurally, but those without the capital to buy a house in Witney or Bicester typically live in Oxford where they'll be paying over £700 a month for a meagre room in a dilapidated house.

The housing shortage is a problem.