



**QUEEN'S
UNIVERSITY
BELFAST**

VICE-CHANCELLOR'S ANNUAL REPORT 2016–2017

**SHAPING
A BETTER
WORLD
SINCE 1845**

VISION 2020

A world class international University that supports outstanding students and staff, working in world class facilities, conducting leading-edge education and research, focused on the needs of society.

CONTENTS

Vice-Chancellor's Introduction	04
Education and Students	06
Research	10
Innovation and Impact	14
People and Culture	18
Infrastructure	22
Funding and Governance	26
Tribute to Professor Patrick Johnston	29



VICE-CHANCELLOR'S INTRODUCTION



The sudden and untimely death of our President and Vice-Chancellor, Professor Patrick Johnston, in June 2017, will mark this year as one of deep sadness in the history of Queen's University.

Paddy's passing is an enormous loss to all of us at the University, to society in Northern Ireland, to our collaborators and partners across the world, and to global cancer research, to which he made such a profound contribution.

In his first Annual Report, just three years ago, he introduced his vision for Queen's - Vision 2020: a world class international university that supports outstanding students and staff, working in world-class facilities, conducting leading-edge education and research, focused on the needs of society.

This Annual Report illustrates the significant progress that is being made in achieving that Vision and in delivering our Corporate Plan 2016-2021. Throughout, you will read about the impact and influence of our University locally, nationally and internationally, and the many achievements of our staff and students.

This report also represents a year of significant challenge, including the absence of an Executive at Stormont, the funding challenges facing higher education in Northern Ireland and the uncertainties created by Brexit. The need to agree a sustainable funding model for higher education, to underpin the growth of the knowledge-based economy, is crucial.

The report is structured around our three strategic priorities:

- Education and Students
- Research
- Innovation and Impact

These priorities are supported by three key enablers:

- People and Culture
- Infrastructure
- Funding and Governance.

It is a new-look report, the first to feature our striking new brand which has been developed through wide consultation with staff and students. It is a brand that combines legacy and ambition, a brand for a 21st century university with a distinguished heritage and an exciting future. It is a brand which demonstrates how Queen's is shaping a better world.

Professor James C McElharry
Acting President and Vice-Chancellor

RANKED 9TH IN THE UK FOR STUDENT EXPERIENCE

TIMES HIGHER EDUCATION STUDENT
EXPERIENCE SURVEY 2017

EDUCATION AND STUDENTS

LEADING-EDGE EDUCATION

This year saw Queen's placed in the top ten in the UK for its student experience. We are ranked 9th out of 120 institutions in the Times Higher Education (THE) Student Experience Survey 2017 – our best-ever position. We received high scores for our facilities, industry connections, student welfare and academic experience.

In the National Student Survey 2017, we received a score of 87%, which places us 3% above the sector average.

Our links with industry and institutions have led to exciting new initiatives in education. The laboratory instrument and software company, Waters Corporation, a member of the governing council of the Global Food Safety Partnership, has partnered with Queen's Institute for Global Food Security to sponsor an online Master's in food safety for professionals in the food industry around the world.

The Faculty of Engineering and Physical Sciences is providing practitioner led degree programmes at undergraduate and postgraduate level, delivered through innovative and flexible teaching. One example of this is the Software Academy, which embeds employer led teaching as part of its undergraduate degree programmes. The Faculty has also revamped its postgraduate taught offering by providing a vibrant market attuned portfolio which links with employability and widens participation – this includes, evening classes and block teaching.

We are making an impact through innovative teaching methods. We will be the first university in the UK to use a new birthing simulator to train midwives all the way through the pregnancy process.

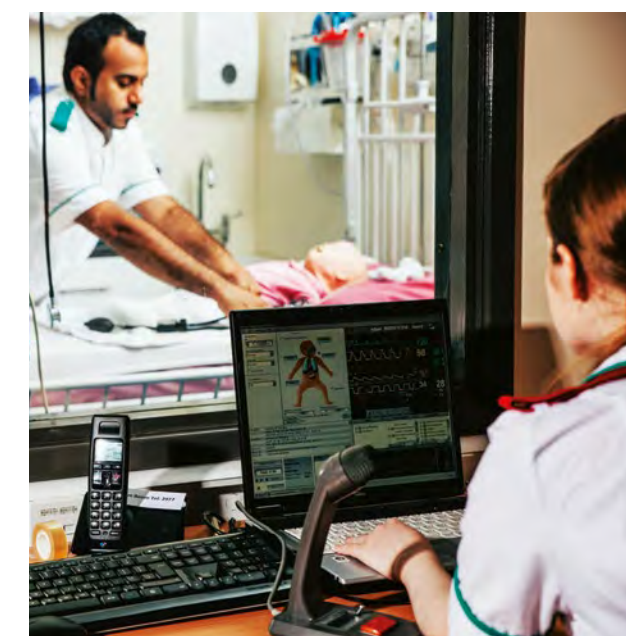
And new techniques are helping medical students to develop a personal understanding of what it feels like to be told you have skin cancer. In a study led by Queen's, in collaboration with the University of Huddersfield and University College Dublin, students have been wearing a realistic tattoo of a malignant melanoma, to experience first-hand some of the challenges that patients can encounter.

EXCELLENCE IN TEACHING

During the year, our staff were recognised for teaching excellence. Dr Philip Hanna from the School of Electronics, Electrical Engineering and Computer Science was awarded a National Teaching Fellowship for his work in computing education.

High quality, innovative teaching was celebrated through Queen's Teaching Awards. Nine awards were presented across four categories: Student-nominated; Rising Star; Sustained Excellence; and Team award. Among the winners were three members of staff from the School of Social Sciences, Education and Social Work who were nominated by students – Dr Karen Winter, Professor Ruth Leitch and Professor Laura Lundy.

Our commitment to teaching, learning and the student experience was also recognised through Higher Education Academy Fellowships. Queen's currently has 12 Associate Fellows, 665 Fellows, 10 Senior Fellows and four Principal Fellows of the Higher Education Academy.



WIDENING PARTICIPATION

Queen's is committed to being a university for all. We are first amongst the UK's universities for widening access with 32% of first-degree entrants from lower socio-economic groups.

During the year, we launched The Pathway Opportunity Programme which offers a unique entry to Queen's for students from under-represented groups.

The programme, which is one of the first of its kind in the UK, provides a route for talented young people from Northern Ireland who have the ability to study at Queen's but may require additional support and encouragement to reach their full potential.

Throughout Years 13 and 14, participants benefit from a structured series of events, which open up the university experience in the areas of computer science; food; microbiology and environment; and law.

We have also entered into a new partnership with Lloyds Banking Group to implement the Lloyds Scholars Programme in Northern Ireland. Queen's is the ninth university partner and the first in Northern Ireland to be involved in this unique social mobility programme, which supports the successful progress of talented students from lower income backgrounds towards graduate-level employment.



94.4% of our students are in employment or further study within six months of graduating

EMPLOYABILITY, ENTERPRISE AND GLOBAL CITIZENSHIP

During the year, a number of initiatives were launched to increase our students' prospects of success as they look towards the competitive job market.

Pilot Development Weeks were held to allow students time within the academic year to develop enterprise and personal skills outside their degree programme. Students from the Faculty of Arts, Humanities and Social Sciences also took part in a pilot MEDIA programme, helping them to develop their communication skills, which are in high demand in today's workplace.

Supported by the Queen's Annual Fund, the programme was recognised at the Annual Employability Awards in Dublin and at the Queen's Students' Union Education Awards where it was named 'Employability Champion.' Its success has led to its continuation in 2017-18.

During the year, a total of 2,641 students took part in employability and enterprise activities led by the Students' Union while 150 students were involved in the Inspiring Leaders programme.

Queen's Enterprise SU helps students develop their enterprise skills. This year, it supported MBA student, Irene Breen, who won the 'Best Emerging Business' at the Enterprise Ireland Student Entrepreneur Awards and the Santander Universities Entrepreneurship Award for her fledgling business, BellaMoon.

Our relationship with Santander Universities UK continues to grow and during the year, a further three-year agreement was signed which will see the bank and university work together on placements, internships and other initiatives through to 2020.

Our students benefit from a range of international opportunities. This year, some 700 students participated in international programmes, including the European Erasmus Programme with Queen's securing the ninth largest allocation of funding in the UK for Erasmus travel scholarships. Other international opportunities included the Washington Ireland Programme and the launch of the Global Leadership Programme in Hong Kong, which enabled 25 students to network with key figures, employers and alumni in the city.

More than 5,000 students were involved in volunteering activities during the year, including 166 who participated in the Homework Clubs, supporting 552 children across Belfast. There are currently 207 active clubs and societies at Queen's with 11,617 members, the highest membership on record.



MORE THAN £100M SECURED IN RESEARCH GRANTS AND CONTRACTS DURING 2016-17

RESEARCH

RESEARCH AWARDS

The total value of new research grants and contracts awarded to Queen's during 2016-17 was £101.6m, the first time the annual figure has topped £100m.

Queen's was also the No 1 AHRC-funded university in the UK, receiving over £4.1m in competitive awards. Notable successes were:

Sounding Conflict, led by **Professor Fiona Magowan** from The Senator George J Mitchell Institute for Global Peace, Security and Justice, examining the role of musical activism;

The SUNDASIA project, led by **Dr Ryan Rabett**, School of Natural and Built Environment, exploring how prehistoric communities adapted to cycles of coastal flooding and how that can inform modern responses;

Performing Restoration Shakespeare, led by **Professor Richard Schoch**, which is bringing international scholars together in partnership with the Folger Shakespeare Library (Washington DC), Shakespeare's Globe (London) and the Shakespeare Birthplace Trust (Stratford).

The University was also successful with 17 Horizon 2020 awards, including an institutional-level MSCA COFUND Doctoral Award of €1.6m which was led by **Professor Margaret Topping**, Dean of The Graduate School.

There was also success in applications to the Global Challenges Research Fund, a key component in the delivery of the UK's aid strategy, supporting UK researchers in taking a leading role in addressing the problems faced by developing countries.

CONNECTING TO TACKLE GLOBAL CHALLENGES

During the year, Queen's researchers were at the forefront of discovery and innovation, with ambitious projects to address global problems and make a difference to society worldwide.

Professor Paul Connolly, Centre for Evidence and Social Innovation (CESI), is leading an international network, in partnership with UNICEF, Yale, Harvard and New York University, examining how poverty has a major impact on early childhood. It is focused on several countries, including Egypt, Mali and Vietnam, which have experienced ethnic conflict and divisions.

Dr Denise Fitzgerald from the Wellcome-Wolfson Institute for Experimental Medicine is leading landmark research to change the lives of people with multiple sclerosis. She and a multidisciplinary international team aim to understand how myelin, the insulating layer in the central nervous system, can be repaired. Until now, treatment for MS could limit relapses but not reverse existing damage.

Research led by **Professor Andy Meharg**, from the Institute for Global Food Security, found that almost half of baby rice products contain illegal levels of arsenic, despite new EU regulations. Chronic exposure to arsenic can cause developmental problems, heart disease, diabetes and damage to the nervous system.

Dr Geetha Srinivasan from Queen's University Ionic Liquid Laboratories (QUILL) Research Centre has designed a flexible alternative to the rigid batteries that power-up medical implants. Geetha and her research team have developed a flexible supercapacitor with a longer cycle life, which could power body sensors.



RESEARCH AMBITION

Throughout the year, research excellence and ambition were recognised.

The Centre for Secure Information Technologies (CSIT) successfully retained the status of Academic Centre of Excellence in Cyber Security Research which was first awarded in 2012. CSIT is helping to make government, business and consumers more resilient to cyber attack by extending knowledge and enhancing skills.

The annual Vice-Chancellor's Research Prizes celebrate innovation and impact across the University. This year's awards went to:

Dr Anna Bryson, School of Law, for developing a Model Bill on dealing with the past;

Dr Trung Duong, Institute of Electronics, Communications and Information Technology (ECIT), for his international leadership in signal processing and wireless communication;

Professor Christopher Marsh, School of History, Anthropology, Philosophy and Politics, for his study of 'hit songs' and their significance in 17th century England;

Dr Lorraine Martin, School of Pharmacy, for taking an idea from proof of concept to a successful spin-out – creating ProAxis Ltd, which is developing biomarker tests for the treatment of chronic respiratory disease.

POSTGRADUATE COMMUNITY

We provide an inspiring environment for our postgraduate and postdoctoral community. This was an exciting year for postgraduate student development.

The Graduate School launched its flagship 'Master Your Leadership' programme for more than 150 Master's students and established a partnership with the Chartered Management Institute with 50 postgraduate students awarded scholarships to complete the level 7 certificate in Strategic Management and Leadership. It is also the hub for SPaRK, the Horizon 2020-funded Marie Skłodowska-Curie doctoral training programme that supports interdisciplinary PhD students.



QUEEN'S HAS INCREASED
ITS CITATION SCORES IN
THE GLOBAL RANKINGS
BY 21% OVER TWO YEARS





OVER £1 BILLION
CONTRIBUTED TO
THE LOCAL ECONOMY
EACH YEAR

INNOVATION AND IMPACT

CONNECTING WITH PARTNERS

Throughout the year, we entered into important new partnerships which will expand our impact on wider society locally, nationally and globally.

The Institute for Global Food Security will play a key role in EIT Food, sponsored by the European Institute of Innovation and Technology, involving 50 leading universities, companies, and scientific partners and focused on major issues including feeding the world's growing population.

During the year, the Commissioner of Transport for London, Mike Brown, a Queen's graduate, visited the new William Wright Technology Centre, a joint venture between Queen's and the Wright Group, which provides buses for London. The Centre will promote research and advanced engineering for the creation and development of technologies suitable for today's bus industry.

We have also signed a new agreement with BBC Northern Ireland which will support joint projects to enhance and develop media technologies through applied research. The collaboration, which also involves Ulster University, will help to support student placements and greater sharing of knowledge and facilities.

In addition, the Northern Ireland Molecular Pathology Laboratory (NIMPL) at Queen's is collaborating with Northern Ireland company Cirdan Imaging on a multi-million pound project for the precision medicine market, creating 46 jobs over the next four years.

Queen's has secured significant European funding for The Bryden Centre which will create a 'virtual centre of competence' that will support industry-led collaborative cross-border research into bio-energy and marine-based renewable energy sources. The Bryden Centre will help leverage future funding to build on the successful Centre for Advanced Sustainable Energy (CASE) Competence Centre funded by Invest NI. It includes university and local government partners in Scotland and Donegal, as well as Ulster University and the Agri-Food and Biosciences Institute (AFBI).

Through an award by the British Council, Queen's is leading a consortium of six Russell Group universities in a partnership with the ten top engineering institutions in China. The UK-China Consortium on Engineering Education and Research aims at building higher education links and helping to improve the quality of engineering research and teaching in China.

「We have created
over 70 spin-out
companies resulting
in some 1,880 jobs」

CREATING NEW ENTERPRISES AND TRANSFERRING INNOVATIONS

Queen's continues to be the UK's top provider of Knowledge Transfer Partnerships (KTP) with a portfolio of 37, bringing in an approximate income of £1.85m. We also have 23 active partnerships in the similar cross-border Fusion programme.

New KTPs this year included several in the cyber security and data analytics sectors, including a partnership with Newtownards company See.Sense to create an intelligent bicycle light, helping to ensure visibility and road safety.

We are also leaders in commercial impact and have retained our position in the top five UK universities for revenue generated from research commercialisation – £7.1m. This significant result places Queen's ahead of fellow Russell Group institutions such as the University of Edinburgh, the University of Manchester and Imperial College London.

Our spin-outs continue to attract more external investment and more seed funding than most other UK universities. During the year, our companies raised £3.6m, while QUBIS Ltd, Queen's commercial arm, made follow-on investments in seven portfolio companies. This year, we created four new companies - Continga, Phion, Porous Liquids and Oleocycle.

Through QUBIS Ltd, the University has now created over 70 spin-outs, resulting in some 1,880 knowledge-based private sector jobs.

PUBLIC ENGAGEMENT

Queen's is playing a leadership role in the debate on Brexit and in the development of strategies to ensure that Northern Ireland remains competitive and globally connected.

Influential Queen's academics include Professor David Phinnemore, an important voice on the politics of Europe, and Dr Katy Hayward who has a specific focus on the impact of Brexit on Ireland.

We have been advising the Irish Government, local political parties, the EU Commission and Whitehall on the potential impact for Northern Ireland. An online Brexit Resource Guide has also been set up to provide opinion and information.

Events organised by QPol (Policy engagement at Queen's) are facilitating the discussion. During the year, the Taoiseach, Leo Varadkar, visited Queen's to make his first public address in Northern Ireland and lectures were given by Micheál Martin, Fianna Fáil leader, and Alex Aiken, Director of Government Communications at Westminster.

Our commitment to the economic and social prosperity of Belfast was evident throughout the year. A showcase at Belfast City Hall – Global Thinking Locally – demonstrated our substantial impact on the city and the new partnership opportunities offered by the Belfast Agenda.

Work progressed on the development of our Social Charter which will increase opportunities for staff and students to engage on activities supporting local communities. Nineteen signature projects have been selected as part of the Social Charter which will shine a light on the significant contribution made by our staff and students and the positive impact we have on our society.

WE ARE A LEADER IN EQUALITY AND DIVERSITY WITH 15 DEPARTMENTAL SWAN AWARDS

PEOPLE AND CULTURE

CELEBRATING EXCELLENCE

During the year, the valuable contribution our staff and students make was recognised.

The first Staff Excellence Awards took place with categories based on our Core Values of Integrity, Connected, Ambition, Respect and Excellence. The winners were:

- Delivering Excellence – **Chloe Dugan**, Procurement Office, for taking on senior responsibility during a period of change;
- Team of the Year – **The Environment Team** for improving sustainability;
- Achieving Ambition – **Dr Luke Moffett**, School of Law, for creative teaching, including the use of computer games;
- Outstanding Leadership – **Patricia Reilly**, School of Social Sciences, Education and Social Work for managing change;
- Community Impact – **Lucia Kearney** and **Vivienne Courtney**, Student Plus, for increasing student volunteering;
- Lifetime Achievement – **Professor Sir John McCanny**, the Institute of Electronics, Communications and Information Technology (ECIT), for the international reach and impact of his research.

Several Queen's people received recognition during the year through the national honours system:

- Knighthood – **Professor John McCanny**, Director of ECIT;
- CBE – **Professor Norma Dawson**, School of Law;
- OBE – **Professor Chris Elliott**, Pro-Vice-Chancellor, Faculty of Medicine, Health and Life Sciences;
- OBE – **Professor Sally Wheeler**, Dean of Internationalisation and former Head of the School of Law;
- OBE – **Emeritus Professor Margaret Cupples**, for her lifelong work in education and healthcare.

There was also professional recognition for several of our leading academics and students.

- **Professor Robert Bowman**, Head of the School of Mathematics and Physics, was awarded a prestigious Research Chair in Advanced Materials for Data Storage by the Royal Academy of Engineering (RAEng) and Seagate Technology. It is the second such RAEng award now held by Queen's.
- **Stephen Sexton**, a PhD student from the School of Arts, English and Languages, won the 'UK National Poetry' award for 2017 for his poem, 'The Curfew'.
- And our Student of the Year was **Gary Mitchell**, a PhD student from the School of Nursing and Midwifery who was recognised for his contribution to the University, the nursing profession and those with dementia.

POSITIVE CULTURE

Achieving our strategic priorities depends on embedding a positive culture which is innovative, welcoming and inclusive.

During the year, Queen's work in supporting wellbeing and creating an inclusive workplace was recognised with two Northern Ireland Business in the Community Responsible Business Awards. The University won the Wellbeing Award for inspiring staff to prioritise their health and wellbeing and the Diversity Award for creating a workplace which offers opportunities for all.

Queen's also won the Large Public Sector Employer award at the inaugural Northern Ireland Equality and Diversity Gala at Belfast City Hall.

Our position as a leader in equality and diversity was further confirmed in this year's Athena SWAN awards. The Schools of Psychology and Biological Sciences retained their Gold Awards with the Schools of Chemistry and Chemical Engineering, Mathematics and Physics, Medicine, Dentistry and Biomedical Sciences, and Nursing and Midwifery retaining Silver. Five Schools in the Faculty of Arts, Humanities and Social Sciences also hold Bronze awards. We are one of the UK's most successful universities in this initiative with two Gold, eight Silver and five Bronze departmental awards, as well as an institutional Silver.



At almost 2,000,
our international
student population
has increased by
11.5%

QUEEN'S COMMUNITY

The Queen's community is expanding. We continue to attract global talent and during the year, nine leading international researchers were appointed through the World Leading Researcher (WLR) initiative. It has been established to support the expansion of the University's international research network and enhance research leadership and culture.

Our international population is growing. We have 600 staff from 78 countries and at almost 2,000, our international student population has increased by 11.5%.

This year, an International Ambassador Programme has been launched with 40 international students supporting international recruitment in key areas. We have also established a presence in the Middle East and Africa, North and South America, and increased our recruitment resources in South East Asia.



RANKED NUMBER 2 IN THE UK FOR OUR FACILITIES

TIMES HIGHER EDUCATION STUDENT
EXPERIENCE SURVEY 2017

INFRASTRUCTURE



ENHANCING OUR EDUCATION AND RESEARCH INFRASTRUCTURE

Our £700m investment in facilities is transforming the Queen's campus, expanding an environment that stimulates, enables and supports world class education and research. In this year's Times Higher Education (THE) Student Experience Survey, Queen's was ranked No 2 in the UK for high-quality facilities.

In 2016-17, we invested £55m in capital programmes, which equates to approximately 1,600 jobs and a value of £156m to the wider economy.

During the year, we announced plans for the development of a new world class Student Centre, including a new Students' Union facility, on the site of the current Students' Union building. The new Centre will consolidate all student services under one roof and will support enhanced student welfare, learning, development, entrepreneurship and employment opportunities, as well as being a social hub for the University. Work is due to begin in 2019 with the Centre opening in 2021.

Our new Computer Science building, where 1,000 students are engaged in research and study in an area that is an institutional priority for Queen's and Northern Ireland, was opened officially by Ian Loughran, a Queen's graduate who is now Vice-President of Global Sales and Go-To Market Operations for Google. The building is distinguished by its strikingly colourful exterior with glass fins that represent digital code.

Work also continues on the new School of Biological Sciences, the upgrading of the Elms Village and the development of two new student accommodation schemes in Belfast city centre. These are due for completion in summer 2018 and will provide 1,216 bedrooms in clustered apartments.

During the year, Queen's Sport and our outstanding facilities at the Upper Malone playing fields were in the international spotlight. We co-hosted the final round of matches in the 2017 Women's Rugby World Cup and were chosen as a training venue for the UEFA Women's Under-19 Championship.



DELIVERING A DYNAMIC DIGITAL EXPERIENCE

We have made strides towards implementing a digital learning solution based on a new Virtual Learning Environment (VLE) with approval of a formal business case and initial procurement. The new VLE, which will enhance the educational experience, will be ready for piloting towards the end of the 2017-18 academic year and rolled out to all areas in July 2019.

Our digital infrastructure was further enhanced during the year. The Wireless Campus project is now live with 2,200 new access points. A total of 50,000 unique devices have been connected to the service with an average of 21,000 devices connected in any one week and 6,500 connected at any one time.

To support this and core network services, a very high network bandwidth is necessary. Information Services have undertaken a rolling programme of 1 Gigabit per second network connectivity to all 206 of our local area networks (LANs) and have completed four updates to our wide area network (WAN) infrastructure.

Other developments undertaken during the year included the implementation of a 'Private Cloud' onsite which has allowed us to use virtual rather than physical servers for a large number of our key services and a 'refresh' of PCs in the Student Computer Centres. This year, 618 new PCs – nearly 50% of our total number – were deployed in the Medical Biology Centre and the McClay Library.

ENHANCING THE ENVIRONMENTAL SUSTAINABILITY OF THE ESTATE

We are making significant progress towards our goal of becoming a low-carbon university and world leader in environmental and sustainable activities.

Our Carbon Management Plan remains on target and during 2016-17, the University reduced its carbon emissions to 23.3k tonnes.

To embed positive environmental behavioural change, the University continues to take part in the Green Impact Scheme, an environmental accreditation programme. This year, 78 teams from across the University, the highest number in the UK, took part in the Scheme and successfully implemented over 3,200 environmental actions.

This year, we recycled and recovered over 80% of our waste, resulting in 1,200 tonnes being diverted from landfill. And the number of staff and students using sustainable travel increased with 66% of staff and 84% of students now travelling to the University sustainably.

The University is committed to the highest levels of sustainable construction. The new School of Law building is naturally ventilated to minimise energy use and the new Computer Science Building incorporates high efficiency LED lighting.



£55M INVESTED
IN CAPITAL
PROGRAMMES
DURING 2016-17

NORTHERN IRELAND IS THE ONLY REGION IN THE UK WHICH HAS REDUCED GOVERNMENT INVESTMENT IN HIGHER EDUCATION IN RECENT YEARS

FUNDING AND GOVERNANCE

HIGHER EDUCATION FUNDING

The level of government funding for teaching and research remains a major concern for the University, with continuing uncertainty presenting significant risks to the future sustainability of the Higher Education (HE) Sector.

Northern Ireland is the only region in the UK which has reduced government investment in HE in recent years. Between 2009-10 and 2017-18, annual block grant allocations from government to the NI universities reduced by £34m – this equates to some 16% in cash terms and 30% in real terms. The impact of these funding reductions required the universities to substantially reduce local undergraduate intake, for Queen's this will amount to 1,010 places in the period to 2018-19.

On 9 March 2016, the then Minister for Employment and Learning released "Securing a Sustainable Solution for Higher Education in Northern Ireland: An Options Paper". The paper highlighted that student reductions came at a time when skills forecast indicated a clear under-supply of degree level skills in the Northern Ireland Workforce. The options paper clearly highlighted the structural deficit in HE in NI which is currently of the order of £54m.

These funding cuts create a significant competitive disadvantage for the University against its comparative UK Universities. In real terms, the funding per student has decreased by 7% from 2010-11, whilst in comparison, the funding per student in England has increased over the same period. This additional funding has enabled our competitors to invest significant resources in enhancing the student experience, both through staff and infrastructure.

The ongoing political and funding uncertainty, with the absence of an Executive since January 2017 pose significant problems for NI. As part of the Programme for Government (PfG) and the associated budget, a new NI Executive must urgently address the structural deficit which exists in the Higher Education sector. Any further reduction to the HE budget will result in additional reductions in places available for local school leavers further jeopardising the Executive's plans for economic development and growth in the region.

Queen's will work in partnership with a new Executive, Assembly and all stakeholders to deliver a PfG that makes a real and tangible difference to the lives of everyone in this community.

FINANCIAL HIGHLIGHTS 2016 - 2017



Surplus is 3.9%

Surplus as a percentage of income increased from 0.8% in 2015-16 to 3.9%. **Note 1.**



Growth in Income from Non-Government Sources

Income from non-government sources has increased year on year by 8%. **Note 2.**



International Student Income

International student fee income (full and part-time) increased by £3m (14%) during 2016-17.



Income from Research Grants and Contracts

Income from research grants and contracts, increased year on year by 6%.



Staff Costs % of Income

Staff costs represent 54% of income; this compares to 57% in 2015-16.



Expenditure in Core Estate

Expenditure in Core Estate represents 4% of the Insurable Replacement Value.

International student fee income increased by £3m during 2016-17,

NOTES

1. Surplus is prior to the fair value gain on investments and the actuarial adjustment in respect of the Retirement Benefits Plan (RBP).
2. Non-Government income sources exclude recurrent funding from the Department for the Economy (DfE) in respect of teaching, research and specific grants including the Postgraduate Award Scheme.

INCOME

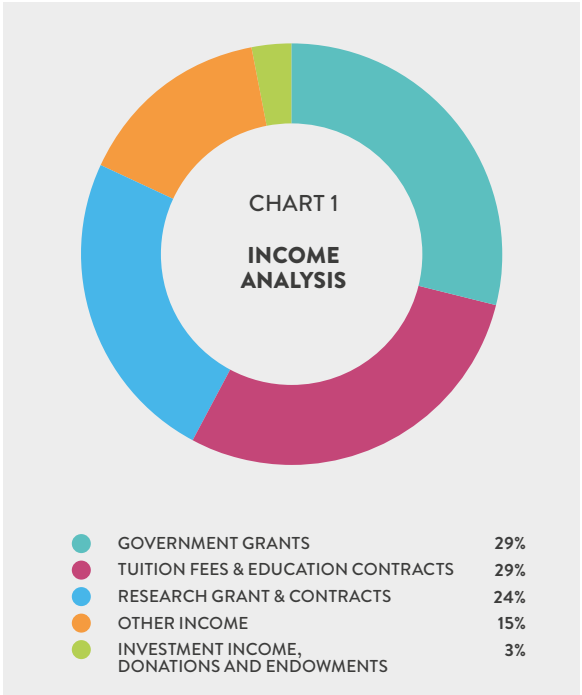
Total income for the year was £338.3m, representing an increase of £21.8m (7%). The main components of this income are shown in **Chart 1**.

Funding from Government increased from £91.8m in 2015-16 to £99.6m in 2016-17.

The University welcomed the additional £20m of funding allocated to higher education, further education and skills by the former Minister of Finance as part of the June 2016 monitoring round. This additional funding was in recognition of the importance of the skills agenda to Northern Ireland, in light of the devolution of corporation tax powers. Of this total, £14.6m was allocated to the Higher Education Division of the new Department for the

Economy (DfE) and Queen's received £7.1m on a non-recurrent basis in 2016-17. Income from student fees has increased over the last number of years. The key student recruitment targets were achieved, resulting in an increase of £6.2m (7%) in income from tuition fees and education contracts. Of this total, international tuition fee income increased by £3.0m or 14%.

Research income also increased in year by £4.7m, reflecting ongoing success in the implementation of our Research Strategy.



EXPENDITURE

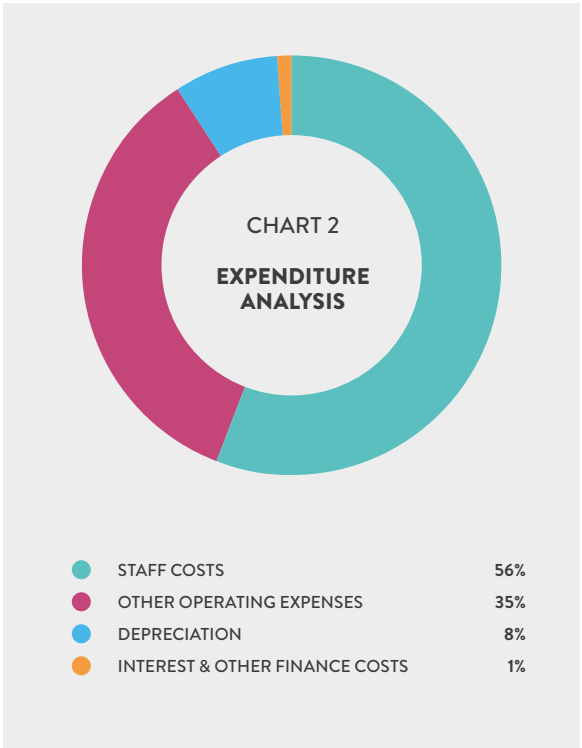
Total expenditure for the year was £326.2m, representing an increase of £10.3m (3%). The main components of expenditure are shown in the **Chart 2**.

Staff costs increased by £1.3m (1%) mainly as a result of the annual pay award and incremental progression.

Queen's staff costs represented 54% of income in 2016-17, compared to the average for the Peer Group of 49% in 2015-16 and the average number of staff increased from 3,689 to 3,710.

Other operating expenditure increased by £3.3m (3%), largely due to increased expenditure on equipment and equipment maintenance; utilities; repairs and maintenance.

Depreciation costs increased by £7.9m (45%) largely due to the accelerated depreciation of the Students' Union building as a result of Senate's decision to redevelop the site and create a new Student Centre. The Centre has the potential to totally transform the provision of student services, resources and support, by drawing these together into one central, state-of the art facility with a distinct and separate area of the building also allocated to the Students' Union.



Professor Patrick G. Johnston 1958-2017



Professor Patrick G. Johnston
1958-2017

Queen’s University President and Vice-Chancellor, Professor Patrick Johnston, passed away on 4 June 2017.

Professor Patrick Johnston, or Paddy to those who knew him, was undoubtedly one of the most outstanding contributors to cancer research of his generation. He led the modernisation of cancer services across Northern Ireland, including the development of a state-of-the-art Clinical Cancer Centre and the introduction of the Northern Ireland Comprehensive Cancer Programme. He established the Centre for Cancer Research and Cell Biology at Queen’s in 2007, putting the University firmly on the world map as a leading centre for transformative cancer research.

Professor Johnston became the 12th President and Vice-Chancellor of Queen’s in March 2014. In this post, he had an enormous impact as he took forward his ambitious vision for the University to 2020 and beyond. During his three years at the helm, research income to the University doubled, international student numbers significantly increased and the University engagement with the local, national and international communities was transformed.

Paddy was a modest, yet truly inspirational and visionary leader, who never accepted second best and who inspired those around him to dream no little dreams.

