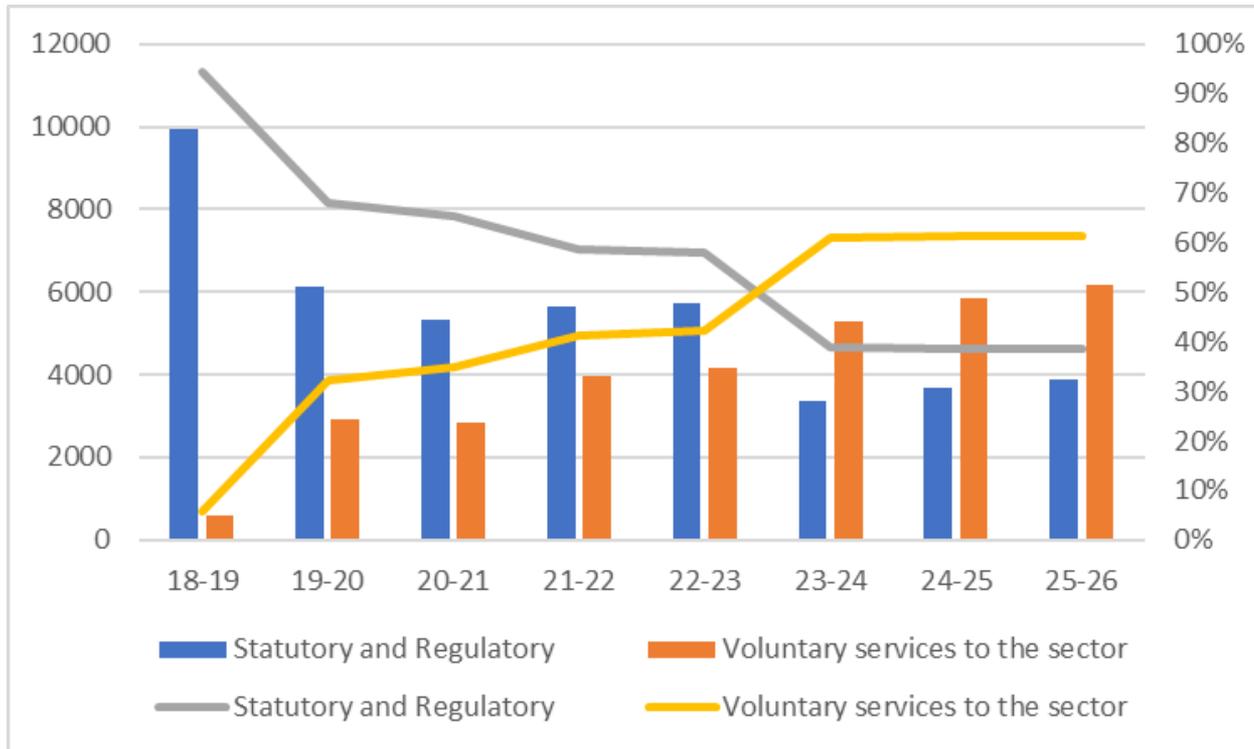


The changing funding landscape



- Continuing shift away from grant funding and mandated subscriptions in England, with majority of income needing to be 'won' in year
- Going forward the position stabilises as the nations move to a tertiary approach

The opportunities that brings...

In control of long-term trajectory

Not at the whim of any big changes by the regulator

Chance to access new markets and provide greater targeted support to the sector

And the challenges....



Greater funding uncertainty



Need to create a flexible delivery model



Need to transition at pace, launching the right services first



Changing mindset to a more commercial focus



Possible tax implications and need for separate legal entities



Less upfront cashflow

All in a sector that is under huge financial pressure..

Domestic fees are now worth only
£6k in 2012 prices

Estimated that **£6.6bn** of
investment is required to decarbonise
Higher Education estates in the UK

Staff costs account for **c.54%**
of total expenditure leading to a material
cost base exposed to inflation and salary
negotiations

40% of members are
forecasting a deficit in 2023/24,
reducing to 13% by 2026/27

Sector Financial Threats and Opportunities

Cost base
pressures

International
competitiveness

Net zero targets

Future UK
Government
policy and
regulation

Diversifying
income streams