



Edge Hill  
University

# HE Sector Overview

Liam Owens, Pro Vice-Chancellor

# Who sets the agenda?

## Westminster to West Lancashire...



**The Rt Hon Sir Keir  
Starmer MP**  
Prime Minister



**The Rt Hon Rachel  
Reeves MP**  
Chancellor of the  
Exchequer



**The Rt Hon Bridget  
Phillipson MP**  
Secretary of State  
for Education



**The Rt Hon Jacqui  
Smith**  
Baroness Smith of  
Malvern  
Minister for Skills



# Higher Education Landscape

- The OfS - established in 2018 as the independent regulator for Higher Education sector in England.
- Universities must comply with conditions of registration to charge tuition fees.
- The OfS receives guidance from the Department for Education on priorities and funding for Higher Education.



Department for Education



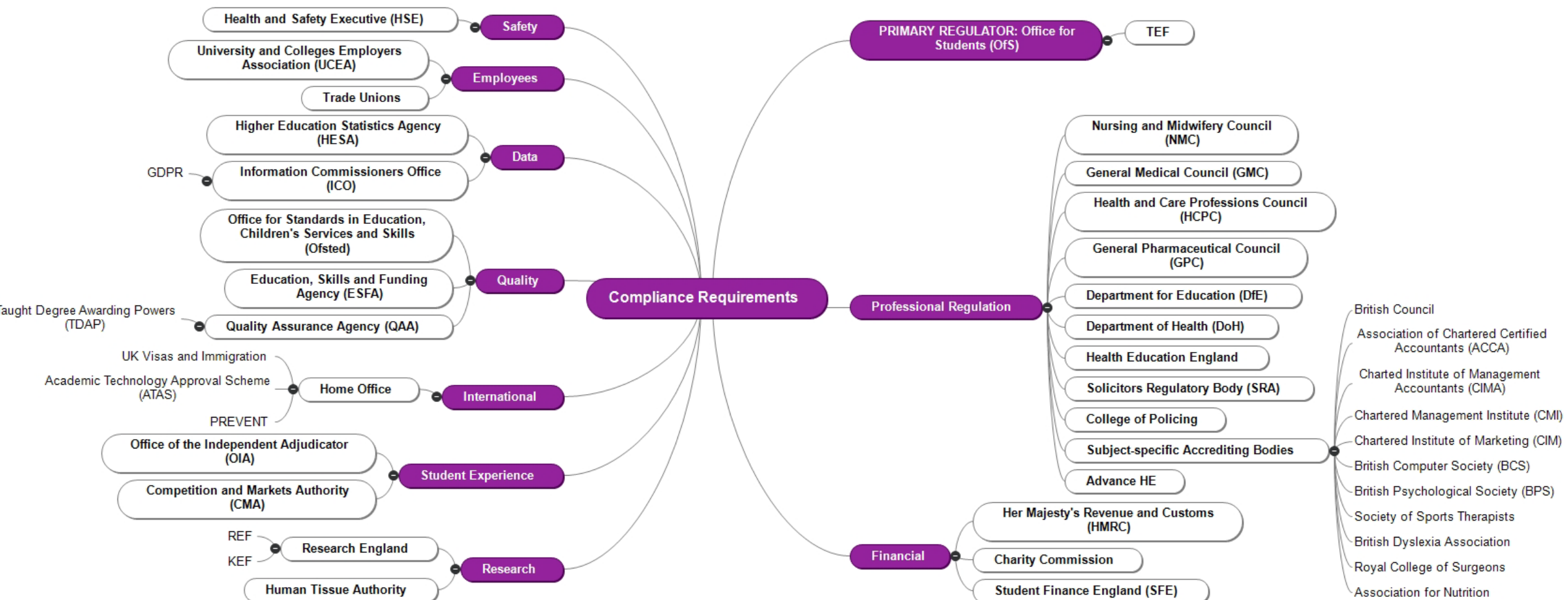
Office for  
Students



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# HE Regulatory Landscape





# Policy Context



# The Macro Environment

## Policy

Fees
Spending Review
Government Missions
Industrial Strategy
Devolution
Skills England

## Sector

HE Reform
UUK Blueprint /Efficiency
Review of English Lang standards
English-speaking TNE opps
Pensions/ Industrial Relations

## Regulation

OfS new Chair + Strategy
Regional Focus on APP
Regulatory Investigations
Review of classification of HE as Public Sector

# The Macro Environment

## Research

New UKRI CEO

REF Policy releases

R&D Funding (CSR)

Horizon (successor)

Foreign influence Registration Scheme / (China Audit)

HoC Inquiry into Regional R&D/Devolution

## International

Legal Migration White Paper

Updated Int Ed. Strategy

## Skills

Skills England

Apprenticeship Levy (+L7)

New Post-16 Strategy

## Legislation ++

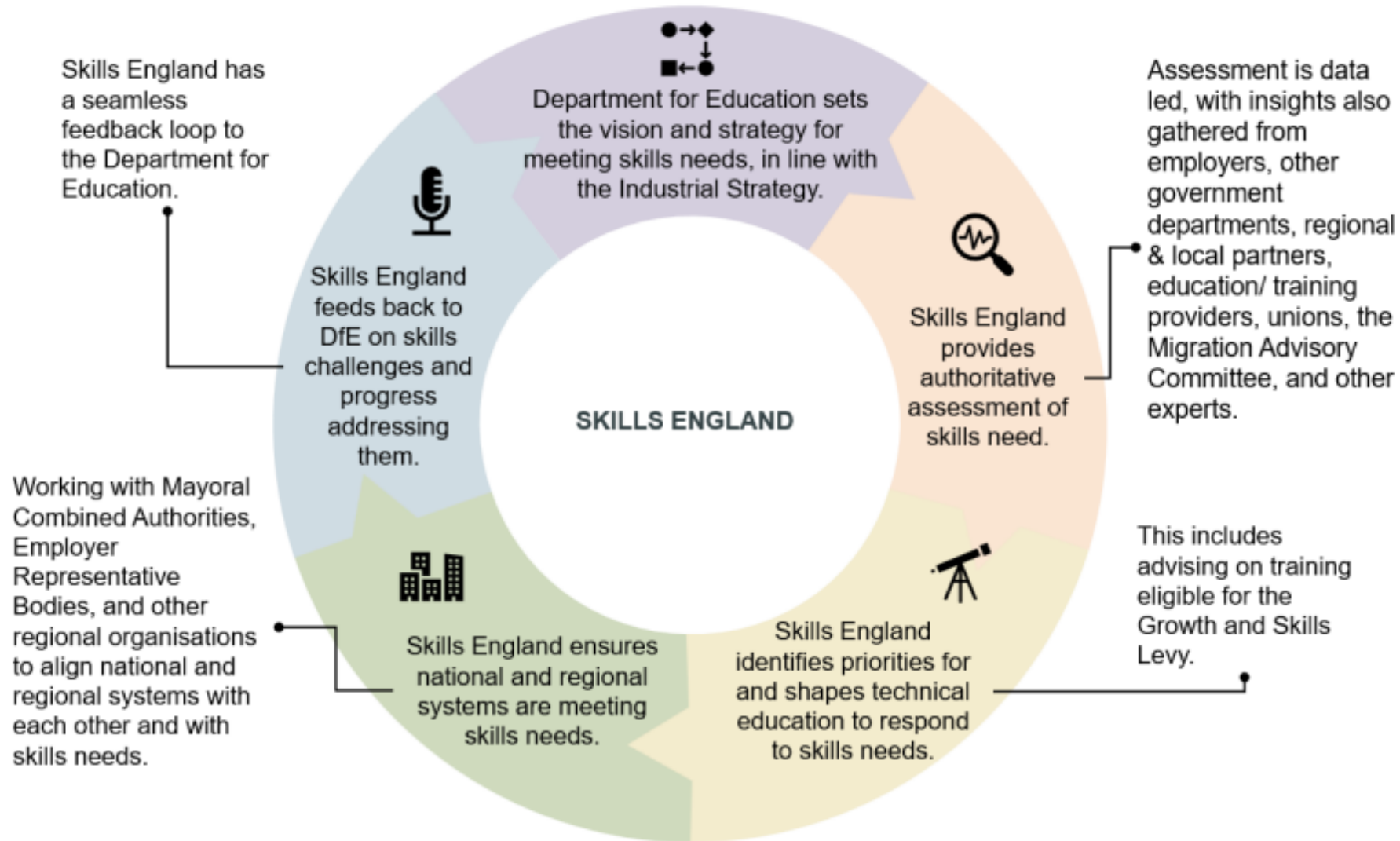
Employment Rights Bill

Renters Rights Bill

English Devolution Bill

NHS Plan for Change / Long Term Workforce Plan

# Skills England







# Industrial Strategy 2035

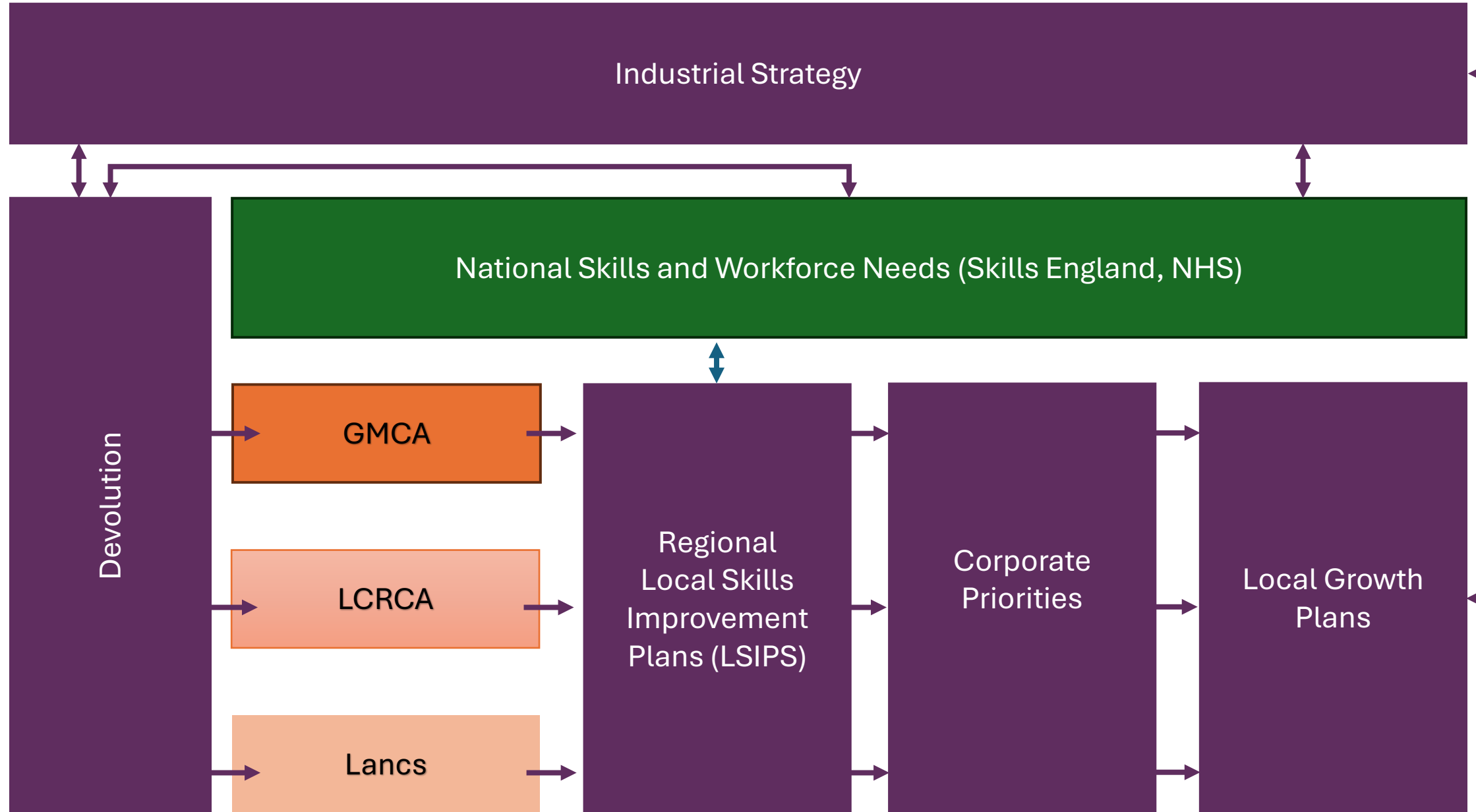
8 growth-driving sectors identified:

1. Advanced Manufacturing
2. Clean Energy
3. Creative Industries
4. Defence
5. Digital and Technology
6. Financial Services
7. Life Sciences
8. Professional and Business Services



# Government Missions

## HE Sector Priorities and Regulation



So a complex policy environment,  
but one issue to dwarf them all...



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UK universities

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## UK universities face rising risk of bankruptcy, says regulator

Fewer international students and higher staff costs are taking an increasing toll, according to the Office for Students



The risk of a 'sudden market exit' by a large provider has risen © aberCPC/Alamy

THE TIMES

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## Edinburgh University sheds 350 jobs as sector crisis deepens

Staff have taken voluntary redundancy as the principal questions the future of free tuition amid mounting financial pressures

Craig Paton | Jessica Sharkey

Thursday April 24 2025, 5.30pm, The Times




RUSSELL GROUP

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# Universities issue joint call for government action to support a secure future for HE

9 April 2025

After giving evidence to the House of Commons Education Committee, the Russell Group and Universities UK have highlighted the financial challenges facing the UK's higher education sector




UK higher education institutions are currently grappling with significant financial pressures, leading to widespread concerns about the sector's sustainability.

Letters

## The existential threat facing UK universities

Readers respond to an editorial on the dire state of higher education funding



Many redundancies, like my own, are hidden as they are fixed-term (but over two years) contracts that are brought to an early end.' Photograph: Alamy

Your editorial on the university funding crisis (11 February) rang painfully true from inside a crumbling old campus building opposite a shiny but soulless new campus expansion. We have known this crisis was coming for years. While staff numbers have been cut in administration and teaching, and funding available to staff and postgraduate researchers reduced, class sizes have simultaneously exploded and campus experiences have been hollowed out, including removing fieldwork teaching and scrapping essays for undergraduates in my own humanities department.

The university has been whitewashing its tomb, with millions spent on new campus buildings while budgets are being cut to the bone. The story has been the same everywhere – and vice-chancellors and presidents who have



# The sector navigating significant financial challenges

## **1. Widespread Deficits and Risk of Insolvency**

The Office for Students (OfS) has projected that up to 72% of higher education providers could be operating at a deficit by the 2025–26 academic year.

This forecast is attributed to declining student numbers and a projected £3.4 billion reduction in net annual income across the sector.

# **The sector navigating significant financial challenges**

## **2. Decline in Student Enrolments**

Universities have experienced a notable drop in both domestic and international student enrolments. UK undergraduate entrants were 10% lower than forecasted, while international student numbers fell by 23%.

Countries like Nigeria and Pakistan, which previously contributed significant numbers of students, saw enrolments decrease by over 40%

# **The sector navigating significant financial challenges**

## **3. Erosion of Domestic Tuition Fee Value**

In England, domestic tuition fees have been capped at £9,250 since 2017. When adjusted for inflation, this cap has effectively reduced the real value of funding per student to approximately £6,000 in 2012–13 prices, the lowest in over 25 years.

This erosion has strained university finances, especially as operational costs continue to rise.

The Government announced an increase to £9,535 in November, effective from AY2025.

# **The sector navigating significant financial challenges**

## **4. Overreliance on International Tuition Fees**

To offset declining domestic funding, universities have increasingly depended on international student fees, which have grown by an average of 12% annually since 2017–18.

However, this model is precarious; a 20% drop in international student numbers could push 80% of universities into deficit by 2025–26.





# The sector navigating significant financial challenges

## 5. Rising Operational Costs

Universities are contending with escalating costs, notably in staff pensions and national insurance contributions.

For instance, institutions participating in the Teachers' Pension Scheme are facing employer contribution rates as high as 29%, up from 16.4% in 2019.



# The sector navigating significant financial challenges

## 6. Institutional Cost-Cutting Measures

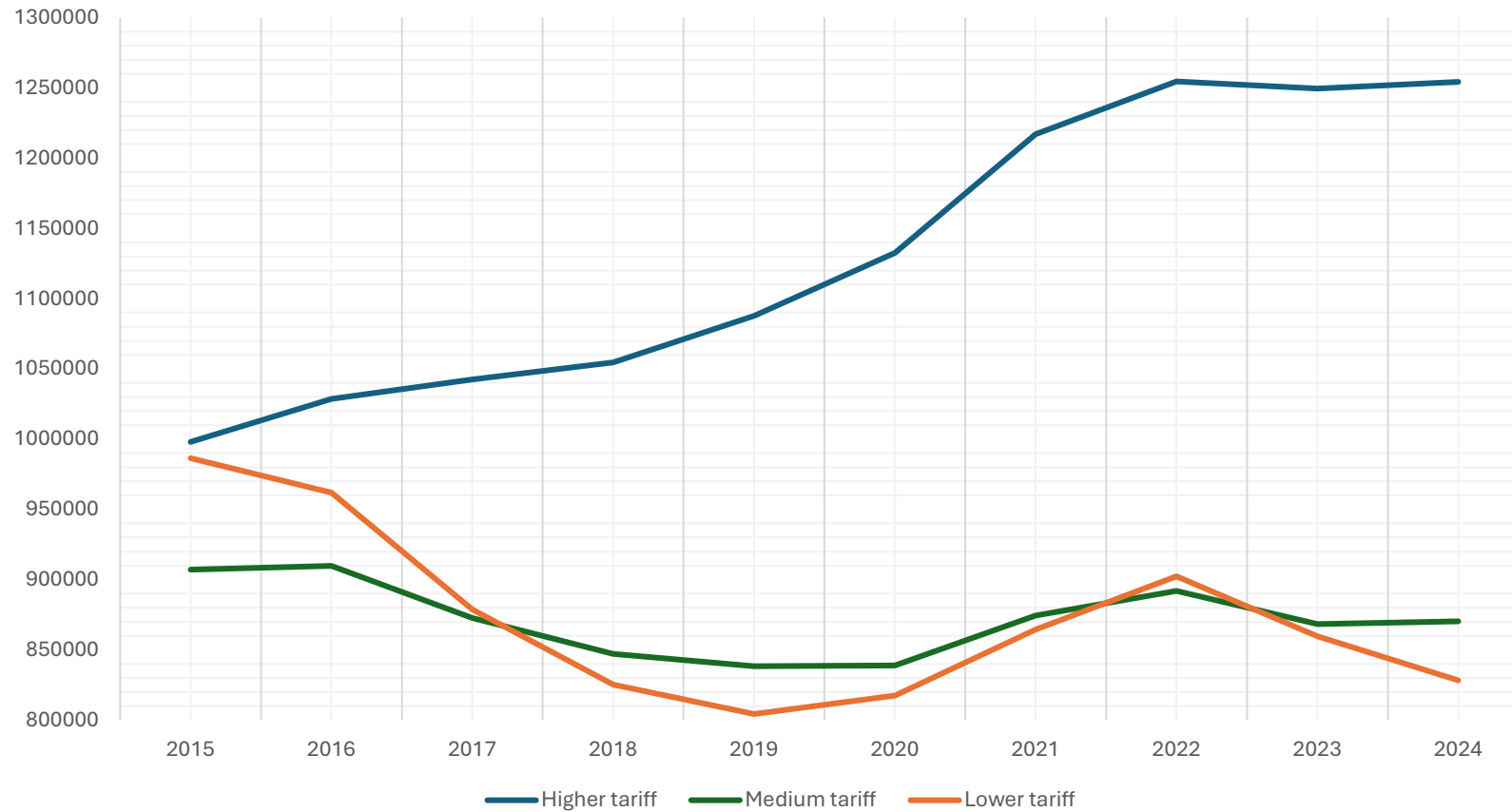
In response to financial strains, several universities have initiated significant cost-cutting measures.

The University of Edinburgh announced approximately 350 voluntary redundancies to address a £140 million budget shortfall.

Similarly, Cardiff University is consulting on reducing its academic workforce by about 400 positions and discontinuing several programs, including those in ancient history and modern languages.



# Applications by Tariff Group



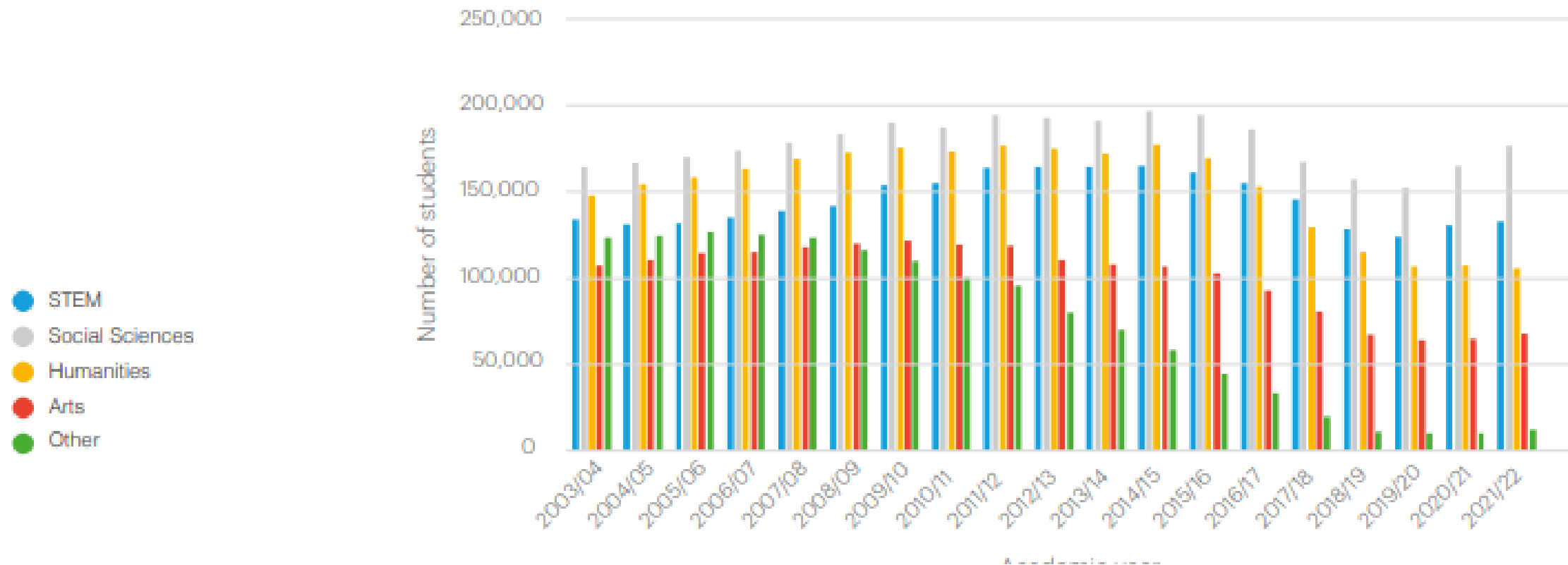
*Figure 14: Time series of undergraduate applications to higher, medium and lower tariff institutions*

*(Source: UCAS, 30<sup>th</sup> June deadline data)*



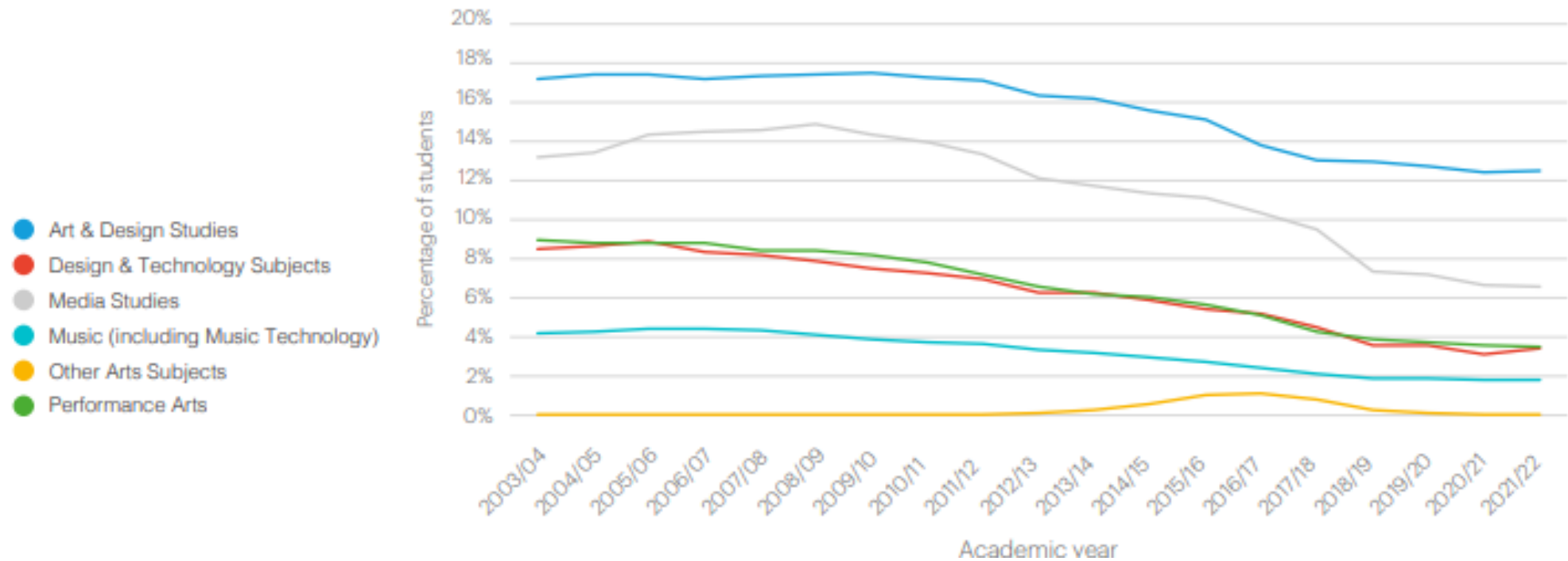
# Changing Patterns of Demand

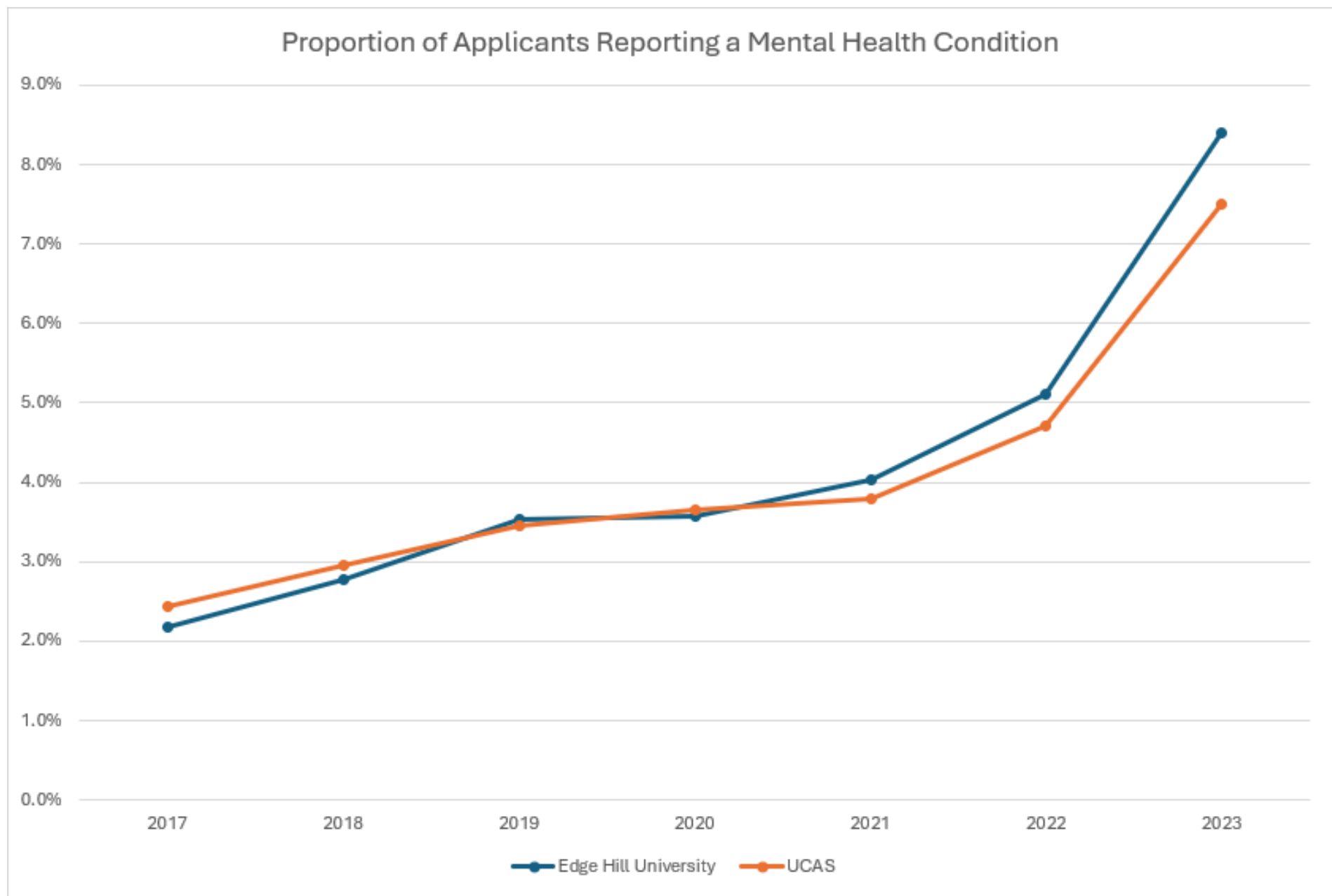
**Figure 4: Number of students at AS/A-level studying each major subject group**



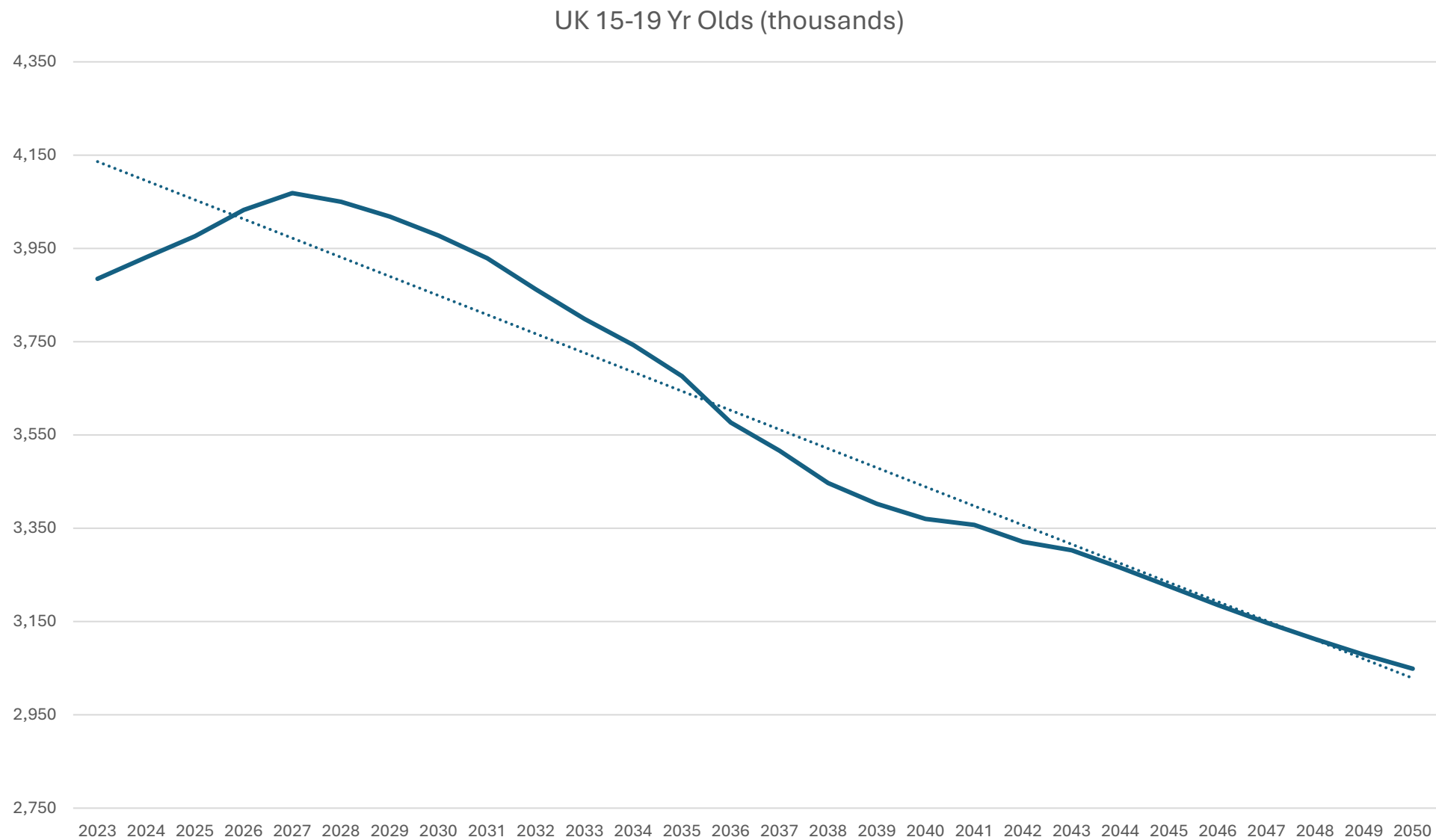
# Declining Arts Take-Up at Level 3

**Figure 8: The proportion of students at AS/A-level studying individual Arts subjects**





# Future Risks



# Fee Uplift: Something for Something...

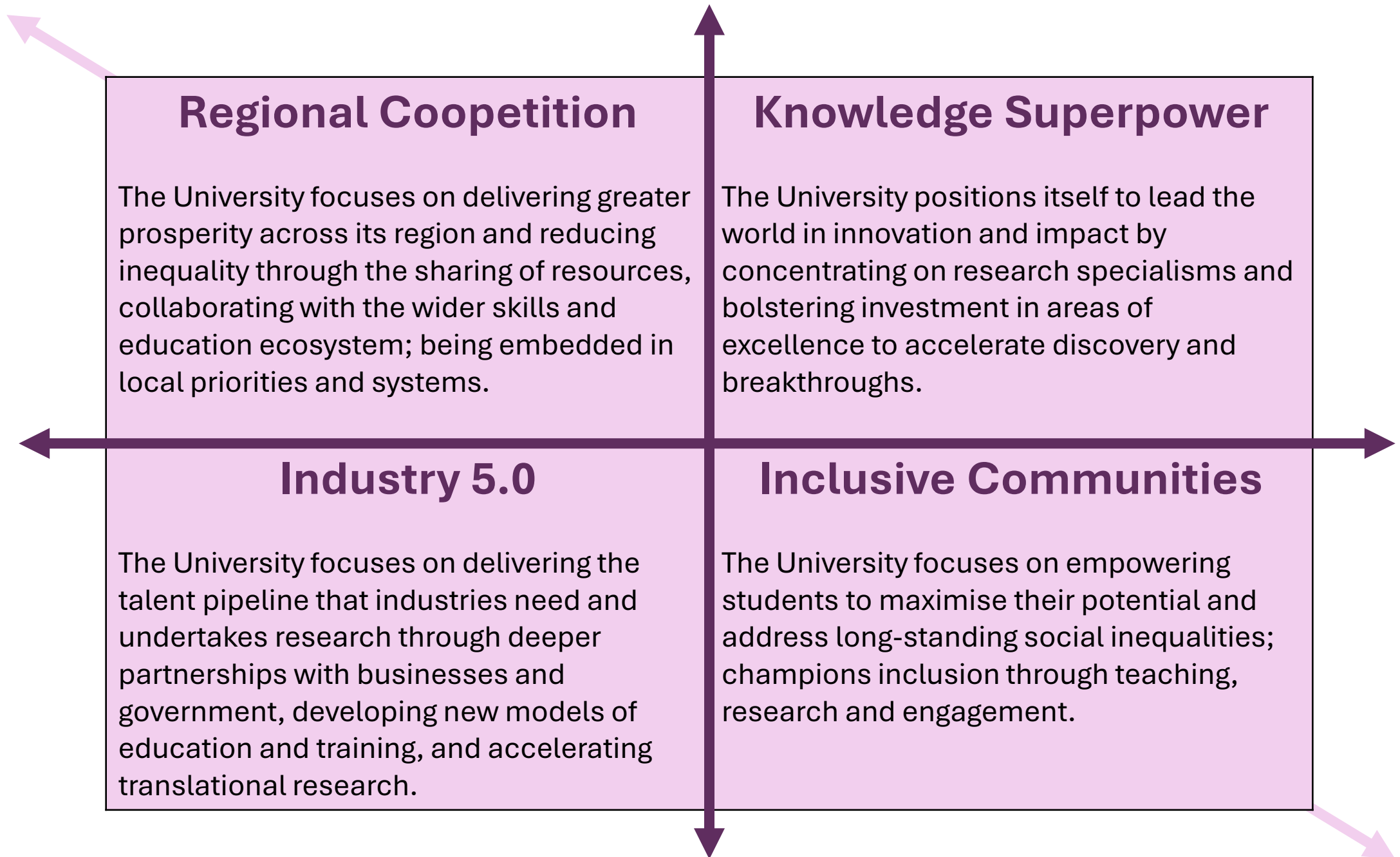
## 5 priorities from Secretary of State letter (Nov '24):

1. Play a stronger role in **expanding access and improving outcomes** for disadvantaged students.
2. Make a stronger contribution to **economic growth**.
3. Play a greater **civic role** in their communities.
4. Raise the bar further on **teaching standards**, to maintain and improve our world-leading reputation and drive out poor practice.
5. Underpinning all of this needs to sit a sustained efficiency and reform programme.





# EHU Response



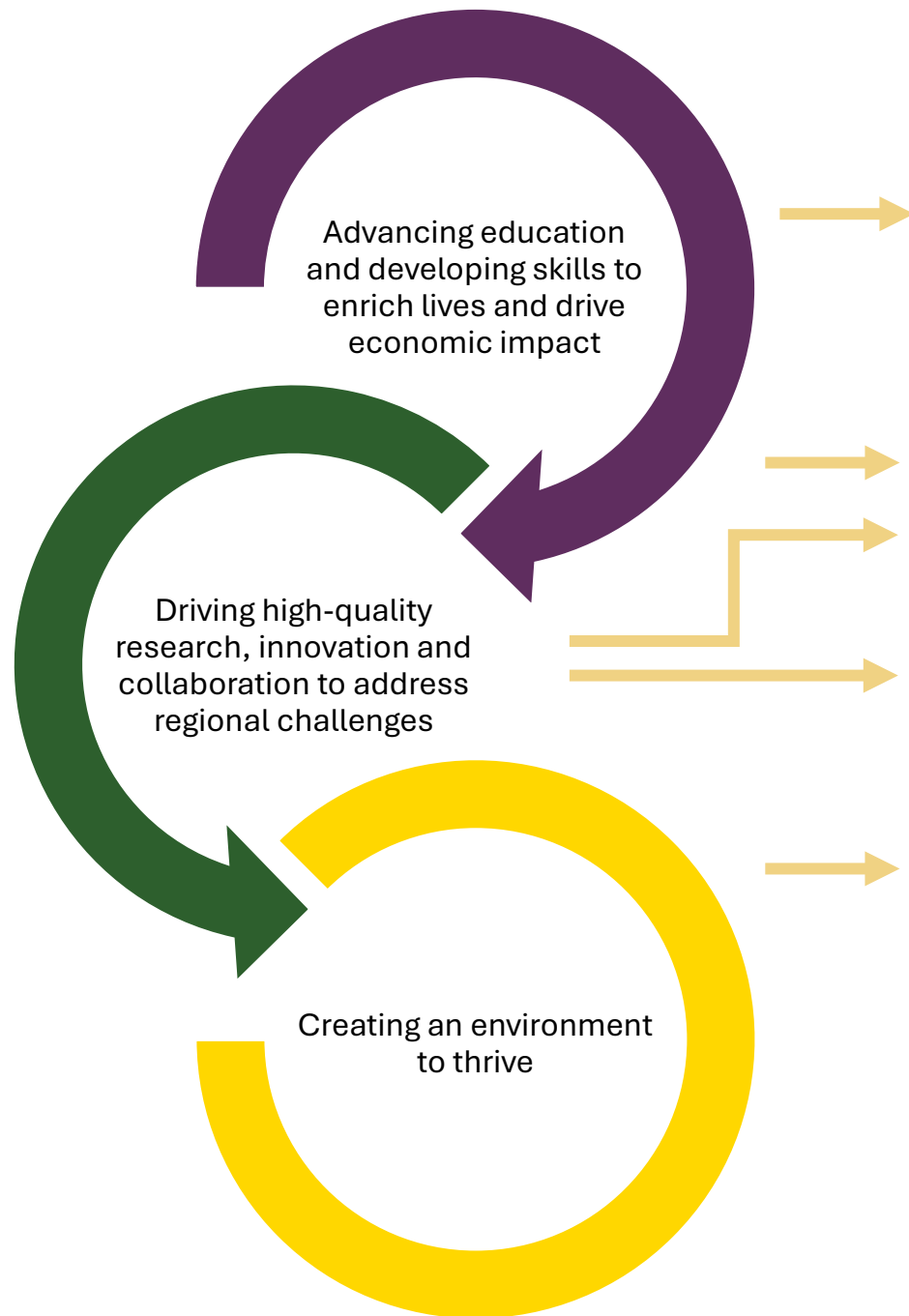


# In the region, of the region, region, for the region...

74% of applicants  
are from the region

79.3% of our  
graduates stay in  
the region

- A portfolio which attracts the widest range of students, but also develops the graduate attribute needs of the region...
- Graduates who are equipped to compete for the highly skilled jobs in the region...
- Outstanding Research & Knowledge Exchange which meets the economic and societal needs of the region...
- The University of choice in the region...



- A portfolio which attracts the widest range of students, but also develops the graduate attributes and skills needs of the region...
- Graduates who are equipped to compete for the highly skilled jobs in the region...
- Outstanding Research & Knowledge Exchange which meets the economic and societal needs of the region...
- University of choice in the region... (students, staff, stakeholders)

# The University today...

- The first University in England to be rated 'Outstanding' by Ofsted across all three teacher training age phases
- Medical School fully accredited by GMC (April 25)
- Expanding Medical School to help address the shortage of doctors
- Focus on ensuring opportunities for students who are under-represented in Medical Education



# The University today...

New Life Sciences building opened this year; housing new classrooms, research and teaching labs, chemistry, microbiology and molecular biology labs, and additional spaces for the university's expanding Medical School.

Health and Life Sciences a priority for the region – aligning our offer to prepare students for future jobs and opportunities.

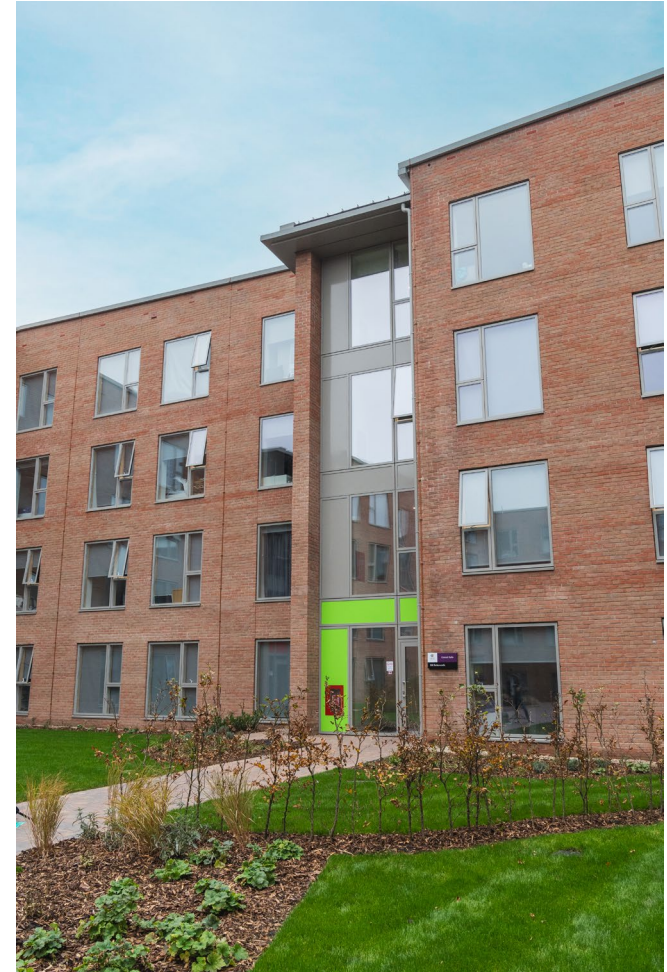






# The University today...

- Developments completed on more state-of-the-art facilities:
- New SU and accommodation
- New programmes and opportunities - we will offer UG degree programmes in the 14 most popular A-Level subjects





# The University today...

- Plus newly established programmes in:
  - Mathematics
  - Politics
  - Economics
  - Physics
  - Chemistry
  - Biochemistry
  - Psychology (Forensics, Clinical, Health)

74% of applicants  
are from the region

79.3% of our  
graduates stay in  
the region





# The University (tomorrow)...



Professor Michael Young

*Joins the University on Monday  
2<sup>nd</sup> June*



# The University in Numbers

Top <b>4</b>	Top four in the North West in the Complete University Guide 2025. 	<b>Gold</b> rated	Gold for Student Experience, and Silver overall in the Teaching Excellence Framework (TEF) run by the Office for Students.  Teaching Excellence Framework	<b>Ofsted</b> Outstanding	Ofsted outstanding across all three initial teacher training age phases. 
<b>Best</b> in the <b>UK</b>	1st in the UK for accommodation, voted for by students in the Uni Compare UK rankings 2025. 	<b>96.9%</b>	96.9% of our students are employed or in further study within 15 months of graduating, according to Graduate Outcomes data released 2024. 	<b>World</b> leading	More than half of Edge Hill's research is classed as 'world-leading' or 'internationally excellent' in the Research Excellence Framework (REF) 2021. 
<b>3<sup>rd</sup></b>	3rd in the UK for University Facilities in the Whatuni Student Choice Awards 2023. 	<b>12</b> successive years	Campus is recognised as one of the UK's best green spaces (Green Flag Award for 12 successive years (2023)) 	<b>Modern University of the Year 2022</b>	Modern University of the Year (The Times and Sunday Times Good University Guide 2022) 



Questions?