



What's in Store for the UK Higher Education Sector in 2017?

By Trevor Humphreys

Association of University Directors of Estates' (AUDE) Chair Trevor Humphreys, director of estates and facilities at the University of Surrey, discusses the challenges and opportunities currently facing the UK HE sector. AUDE is a Strategic Alliance Partner of APPA.

The British higher education sector continues to face uncertainty as a result of the UK's decision to leave the European Union, as well as changes to the funding relationship between universities and government and the imminent Higher Education and Research Bill. Throughout this, the sector continues to strive to improve its student offer, to drive research excellence, and to provide robust management and efficiency strategies. However, the future remains uncertain and directors of estates need to consider three key factors as they plan for the year ahead and support their respective institutions.

BREXIT

Brexit is set to affect the sector considerably, but its impact is yet to be determined. Undoubtedly, it's likely to affect our student demographic, our workforce, our costs, as well as research funding. According to the European University Association, the UK has the largest number of participants in the EU's research programme and is currently the biggest destination for European students heading to study abroad.

From 2011-2012 international revenues amounted to nearly £5.7 billion from student fees, representing over 20 percent of all university income. UK universities are estimated to get 2.6 percent of their total income from the EU funding and around 16 percent

of their research income.

The ability to continue to access European funding for research is a key concern for the higher education sector in Britain and for politicians. Additionally, the expansion of UK universities and investment in campuses is largely dependent on continued access to these students, so with Brexit on the horizon it will be interesting to see how this affects international links. It may be prudent for British universities to focus on the appropriate structure to maintain their credentials as European universities in the lead up to this change.

A large proportion of academic and support staff originate from the EU and their ability to remain in the UK post Brexit remains uncertain. Changes in how EU citizens can choose to live and work in the UK will have a significant impact across higher education institutions, where there are many staff working in estates and facilities and working for contractors too. A skills shortage in the construction industry is already well known, and many of the existing workforce are EU migrants. To cut this supply off, or to severely restrict the supply, could have a damaging effect on contractors' ability to deliver projects together with upward pressure on tender prices.

HE WHITE PAPER

The future continues to remain uncertain as we try to plan for the impact of the HE White Paper

currently in its second reading in the House of Lords. The bill is wide-ranging in scope, and there are a number of sector concerns including, retention of institutional autonomy and academic freedom, the coherence of the proposed regulatory framework, the relationship between the planned Office for Students (OfS) and the UK Research and Innovation (UKRI) office (integrating the existing seven research councils), and the importance of the interrelationship of teaching and research. Universities UK (an umbrella group similar to the American Council on Education) and the Higher Education Funding Council for England are particularly keen to ensure that there is clarity of responsibility for the OfS, UKRI, and where joint responsibility lies. Individual institutions will need to consider their own response to the various aspects of the Bill.

From an estate and facilities perspective, there will be a need to ensure that there remains strong focus on quality, efficiency and value for money. We need to continue to create environments in which students learn, study, live, and where staff work, that we can be suitably proud of, as there is a clear link between student choice of institution and the quality of the estate.


THE EFFICIENCY AGENDA AND DRIVING VALUE

In February 2015 UUK published its “Diamond” report on Efficiency, Effectiveness, and VfM (Value for Money). Almost two years on, universities are delivering on many of the aims of that report. AUDE recently published some excellent examples of how estates directors in the UK are leading the way on this agenda—but are we doing enough? Many would argue that they are, and we are seeing some great examples of British universities working more closely with business and communities to drive local and regional economic growth.

However, we would do well to look at the very challenging HE funding environment in Scotland and Wales, where cuts have been faster and deeper. Estate directors have had to work incredibly hard to work within extremely challenging recurrent and capital budgets. In England we may well be facing similar challenges

in 2017 and beyond, and we must work harder at exploring solutions that colleagues have developed at their respective institutions.

Undoubtedly the future remains challenging and there is a need for universities to continue to control costs and drive efficiency in their operations. Universities continue to be more business-focused, working with their local and regional partners to secure both their economic future and that of the wider region.

2017 will be an interesting year in defining the future of higher education; AUDE will continue to support and promote excellence within the sector. 

Trevor Humphreys is director of estates and facilities at the University of Surrey and is AUDE's chair. He can be reached at t.humphreys@surrey.ac.uk. This is his first article for *Facilities Manager*.

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