

WHAT'S THE BALANCE? UK INSTITUTIONS' FINANCES, 2014-15

Institution	Net assets (excluding pension liability) £'000s	Net surplus/deficit before exceptionals £'000s	Surplus/deficit before exceptionals as % of income	Total funding council grants £'000s	Total funding council grants as % of income	Total research grants and contracts £'000s	Tuition fees and education contracts (overseas) £'000s	Total income £'000s	Total staff costs £'000s	Total staff costs as % of income	Total borrowing £'000s	Total borrowing as % of income	Interest paid £'000s
University of Aberdeen	527,299	-6,232	-2.6	80,277	33.5	62,844	22,377	239,824	146,293	61.0	74,104	30.9	2,352
Abertay University	42,383	-5	-0.0	20,751	60.2	1,099	1,127	34,484	23,340	67.7	0	0.0	382
Aberystwyth University	191,562	1,976	1.5	13,629	10.4	21,627	6,560	131,085	72,406	55.2	55,992	42.7	2,398
Anglia Ruskin University	153,521	9,587	4.8	16,236	8.2	3,328	21,161	198,762	96,100	48.3	92,773	46.7	3,646
Arts University Bournemouth	35,649	3,989	11.4	3,852	11.1	Not stated	3,471	34,850	14,324	41.1	23,257	66.7	1,259
Aston University	96,832	3,001	2.4	18,928	15.2	14,436	22,227	124,874	74,240	59.5	40,661	32.6	1,468
Bangor University	132,300	1,241	0.9	13,496	9.4	23,496	15,979	143,178	81,988	57.3	32,177	22.5	2,150
University of Bath	525,450	16,234	6.7	36,352	14.9	36,747	38,652	243,395	125,571	51.6	161,720	66.4	4,975
Bath Spa University	64,777	6,569	9.5	5,113	7.4	862	4,829	69,006	31,760	46.0	28,256	40.9	1,671
University of Bedfordshire	189,865	-1,185	-1.0	10,330	8.8	2,393	12,798	117,374	66,321	56.5	15,210	13.0	591
Birkbeck University of London	116,551	9,509	9.0	22,758	21.4	10,400	7,689	106,104	60,843	57.3	48	0.0	Not stated
University of Birmingham	870,788	37,668	6.5	89,416	15.5	126,395	75,701	577,088	289,213	50.1	74,063	12.8	3,362
Birmingham City University	302,018	24,879	13.3	18,684	10.0	2,608	20,026	187,461	102,130	54.5	20,575	11.0	1,098
Bishop Grosseteste University	32,316	2,841	14.1	1,300	6.5	81	Not stated	20,087	9,712	48.3	0	0.0	0
University of Bolton	72,347	2,377	4.9	6,065	12.6	768	4,283	48,144	25,381	52.7	3,211	6.7	256
Bournemouth University	84,086	3,092	2.3	14,592	10.8	3,639	11,324	135,188	67,740	50.1	32,574	24.1	2,776
University of Bradford	126,128	1,993	1.5	20,396	15.7	7,519	17,665	130,312	76,427	58.6	18,819	14.4	918
University of Brighton	240,982	7,236	3.6	26,061	13.1	9,430	16,411	198,644	116,411	58.6	78,115	39.3	3,858
University of Bristol	790,400	34,200	6.4	95,000	17.9	148,400	62,300	530,900	269,300	50.7	250,000	47.1	15,000
Brunel University London	237,236	4,055	2.0	28,647	14.3	21,943	38,146	200,720	106,089	52.9	90,810	45.2	5,195
Bucks New University	71,952	2,269	3.4	5,873	8.8	785	2,041	66,541	33,168	49.8	28,689	43.1	2,033
University of Cambridge	4,000,000	25,000	1.5	170,000	10.4	396,900	75,600	1,638,000	710,300	43.4	358,100	21.9	13,000
Canterbury Christ Church University	96,210	6,432	5.1	8,618	6.8	1,309	1,927	126,386	67,591	53.5	49,381	39.1	819
Cardiff Metropolitan University	102,217	4,993	5.1	3,740	3.8	4,013	8,291	97,689	55,437	56.7	29,151	29.8	1,504
Cardiff University	507,771	23,935	5.0	67,497	14.0	107,782	58,783	482,592	262,830	54.5	19,464	4.0	1,169
University of Central Lancashire	320,455	13,632	6.6	26,699	13.0	6,940	15,970	205,358	109,464	53.3	9,225	4.5	747
University of Chester	98,655	9,021	7.5	12,286	10.2	874	6,591	119,954	60,623	50.5	41,246	34.4	2,106
University of Chichester	59,465	1,057	2.1	4,584	9.0	380	1,216	51,179	28,206	55.1	9,162	17.9	490
City University London	160,044	-137	-0.1	21,450	10.1	13,146	63,071	213,249	119,690	56.1	0	0.0	391
Conservatoire for Dance and Drama	685	65	0.3	6,915	36.7	Not stated	3,156	18,833	418	2.2	0	0.0	Not stated
Courtauld Institute of Art	42,650	469	2.8	2,781	16.5	865	1,545	16,868	6,897	40.9	800	4.7	17
Coventry University	303,643	14,022	5.2	25,790	9.5	10,002	71,628	271,199	133,255	49.1	102,000	37.6	5,643
Cranfield University	168,581	2,209	1.3	26,193	15.9	36,424	Not stated	164,852	81,479	49.4	16,096	9.8	815
University of Cumbria	69,972	4,661	7.0	5,110	7.6	332	741	66,811	40,853	61.1	9,462	14.2	539
De Montfort University	273,022	8,852	5.3	19,977	11.9	4,046	20,209	168,025	89,684	53.4	90,008	53.6	5,230
University of Derby	318,794	5,751	4.0	21,599	14.9	1,411	10,568	145,267	81,809	56.3	28,455	19.6	1,067
University of Dundee	209,335	2,952	1.2	88,720	35.0	82,369	16,937	253,812	138,766	54.7	637	0.3	401
Durham University	357,993	27,354	8.3	43,356	13.2	62,101	53,280	328,050	174,522	53.2	127,033	38.7	5,639
University of East Anglia	218,870	2,930	1.1	36,793	13.6	39,931	36,094	270,558	129,811	48.0	114,389	42.3	5,736
University of East London	191,372	5,347	3.6	22,592	15.3	2,143	10,613	147,687	73,868	50.0	28,092	19.0	2,724
Edge Hill University	219,599	23,640	19.1	7,508	6.1	420	1,787	123,960	60,688	49.0	39,033	31.5	2,193
University of Edinburgh	2,003,278	47,447	5.6	203,615	24.2	247,391	115,060	840,748	445,252	53.0	106,001	12.6	5,460
Edinburgh Napier University	104,984	3,411	2.9	57,568	48.5	4,654	17,456	118,773	74,663	62.9	30,000	25.3	2,317
University of Essex	161,627	6,545	3.2	16,542	8.0	24,069	35,007	207,570	95,515	46.0	115,054	55.4	4,643
University of Exeter	586,918	21,161	5.9	39,905	11.1	69,757	52,163	359,338	177,018	49.3	215,546	60.0	8,648
Falmouth University	99,826	1,556	2.7	5,636	9.7	639	2,553	57,894	21,573	37.3	4,120	7.1	222
University of Glasgow	733,601	55,110	9.7	165,458	29.1	172,982	73,332	569,319	279,600	49.1	0	0.0	0
Glasgow Caledonian University	187,682	2,046	1.7	68,056	55.6	5,857	11,043	122,423	78,637	64.2	9,980	8.2	218
Glasgow School of Art	92,108	3,052	7.4	15,561	37.8	3,959	4,117	41,160	19,168	46.6	17,817	43.3	1,001
University of Gloucestershire	75,114	3,302	4.4	7,550	10.0	950	3,629	75,646	40,693	53.8	17,424	23.0	1,194
Glyndwr University	51,888	225	0.5	5,375	12.7	1,976	4,507	42,395	24,750	58.4	343	0.8	304
Goldsmiths, University of London	88,141	1,655	1.6	14,590	14.0	5,686	19,083	104,016	60,398	58.1	25,213	24.2	1,836
University of Greenwich	161,253	9,163	4.6	24,444	12.2	13,277	28,423	200,687	93,506	46.6	70,305	35.0	5,858
Guildhall School of Music and Drama	Not stated	-142	-0.6	1,603	6.4	142	2,333	25,156	15,207	60.5	0	0.0	Not stated

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Harper Adams University	46,728	3,191	8.8	8,069	22.2	2,670	1,274	36,301	18,620	51.3	14,004	38.6	629
Heriot-Watt University	118,934	10,674	5.2	44,744	21.7	28,278	61,661	206,311	95,399	46.2	44,174	21.4	977
University of Hertfordshire	264,241	12,677	5.0	23,716	9.4	10,736	25,924	253,389	126,528	49.9	74,714	29.5	2,619
Heythrop College	18,491	-134	-0.9	342	2.4	130	408	14,102	3,815	27.1	0	0.0	Not stated
University of the Highlands and Islands	15,992	2,184	2.4	74,975	83.0	2,026	961	90,349	10,186	11.3	0	0.0	53
University of Huddersfield	304,807	27,314	17.9	18,921	12.4	7,074	20,166	152,626	80,949	53.0	0	0.0	18
University of Hull	159,092	5,944	3.3	27,561	15.2	11,095	18,005	181,277	104,597	57.7	25,675	14.2	424
ifs University College	9,861	-1,932	-14.1	Not stated		Not stated	11	13,671	6,273	45.9	0	0.0	Not stated
Imperial College London	1,363,800	148,600	15.2	155,400	15.9	427,700	124,000	978,600	448,300	45.8	317,100	32.4	14,100
Institute of Cancer Research	194,441	26,389	20.9	18,769	14.9	65,999	Not stated	126,007	55,191	43.8	0	0.0	Not stated
Keele University	108,555	7,005	5.2	17,548	13.1	18,691	15,482	134,343	75,788	56.4	29,571	22.0	2,309
University of Kent	191,814	11,340	4.8	29,868	12.7	13,880	36,026	234,297	124,669	53.2	95,675	40.8	3,018
King's College London	910,941	43,776	6.4	112,665	16.5	210,782	81,707	684,225	380,816	55.7	333,577	48.8	12,854
Kingston University	258,423	18,460	8.7	26,723	12.5	2,906	28,179	213,085	104,019	48.8	42,925	20.1	3,539
Lancaster University	234,132	10,995	4.8	30,116	13.1	33,038	47,170	229,272	122,685	53.5	85,293	37.2	3,364
University of Leeds	806,435	62,253	9.7	97,001	15.2	152,140	76,808	639,649	326,999	51.1	37,354	5.8	1,526
Leeds Beckett University	303,760	25,379	11.8	18,230	8.5	2,138	16,300	215,032	106,889	49.7	94,218	43.8	4,115
Leeds College of Art	24,000	2,135	14.9	4,164	29.1	Not stated	152	14,320	7,289	50.9	400	2.8	3
Leeds Trinity University	35,151	2,642	9.4	2,334	8.3	16	135	28,162	15,359	54.5	3,850	13.7	-19
University of Leicester	212,286	17,204	5.7	40,057	13.3	59,573	57,497	302,179	168,377	55.7	82,586	27.3	2,967
University of Lincoln	120,441	9,372	7.3	12,402	9.6	5,997	13,398	129,076	63,836	49.5	53,159	41.2	2,529
University of Liverpool	560,100	34,500	6.8	75,000	14.7	101,800	84,600	510,700	241,600	47.3	306,100	59.9	6,400
Liverpool Hope University	108,305	3,991	8.2	5,040	10.3	271	889	48,889	26,050	53.3	13,435	27.5	945
Liverpool Institute for Performing Arts	15,430	1,278	12.2	1,261	12.1	Not stated	2,131	10,465	5,383	51.4	0	0.0	0
Liverpool John Moores University	171,998	19,817	10.3	24,252	12.6	8,685	8,305	193,225	102,659	53.1	44,811	23.2	4,156
Liverpool School of Tropical Medicine	67,168	3,168	4.3	7,739	10.6	43,491	951	73,066	22,229	30.4	178	0.2	0
University of London	276,632	1,632	1.1	9,440	6.5	1,937	53,427	144,264	55,123	38.2	50,250	34.8	2,541
London Business School	175,736	307	0.2	7,600	5.8	1,608	Not stated	130,839	64,909	49.6	56,899	43.5	237
London Metropolitan University	177,746	-5,482	-4.9	22,844	20.5	1,733	4,576	111,379	69,852	62.7	1,249	1.1	1,029
London School of Economics	510,041	16,807	5.6	22,810	7.6	27,124	89,943	299,572	157,268	52.5	149,300	49.8	8,144
London School of Hygiene and Tropical Medicine	90,549	6,756	4.6	22,822	15.6	92,257	5,962	146,302	67,265	46.0	15,318	10.5	775
London South Bank University	179,251	1,211	0.9	17,584	12.5	2,358	10,258	140,773	74,293	52.8	28,243	20.1	2,963
Loughborough University	286,086	9,515	3.5	40,594	15.0	41,507	32,044	271,099	137,167	50.6	68,845	25.4	3,257
University of Manchester	1,027,257	52,128	5.2	166,497	16.5	262,419	167,827	1,009,706	482,977	47.8	416,530	41.3	19,475
Manchester Metropolitan University	498,051	14,932	5.5	31,326	11.6	6,106	12,991	270,639	151,138	55.8	39,061	14.4	1,891
Middlesex University	145,195	104	0.1	16,681	9.5	4,934	28,264	176,415	99,864	56.6	97,670	55.4	6,117
Newcastle University	457,600	46,800	9.6	70,400	14.4	122,600	82,800	487,500	240,400	49.3	36,100	7.4	2,800
Newman University	31,167	1,843	8.5	1,471	6.8	234	54	21,597	12,608	58.4	953	4.4	19
University of Northampton	83,613	2,561	2.0	16,866	13.3	1,783	13,542	126,984	56,728	44.7	233,275	183.7	15,625
Northumbria University	262,290	795	0.3	22,741	9.4	5,330	26,414	240,968	139,162	57.8	73,525	30.5	3,690
Norwich University of the Arts	29,773	4,302	23.6	630	3.5	76	475	18,234	7,851	43.1	1,128	6.2	60
University of Nottingham	700,800	25,200	4.2	96,700	16.3	119,400	89,100	593,000	315,500	53.2	13,300	2.2	1,600
Nottingham Trent University	251,100	13,400	6.0	23,800	10.6	5,100	26,000	224,900	130,400	58.0	83,600	37.2	4,100
The Open University	315,200	-7,200	-1.7	134,300	31.9	16,600	18,400	421,600	286,900	68.1	60,500	14.4	200
University of Oxford	3,019,300	191,000	13.4	183,500	12.8	522,900	80,400	1,429,300	637,200	44.6	235,100	16.4	1,900
Oxford Brookes University	199,034	6,940	3.9	16,221	9.0	4,280	30,414	180,163	92,062	51.1	116,637	64.7	5,267
Plymouth University	206,403	6,075	2.6	38,941	16.4	15,159	18,694	237,591	125,770	52.9	63,047	26.5	2,008
University of Portsmouth	432,163	17,562	7.9	21,986	9.9	8,219	31,652	221,090	116,675	52.8	8,768	4.0	1,593
Queen Margaret University	53,337	-2,744	-7.1	14,885	38.5	3,170	3,546	38,633	22,231	57.5	36,561	94.6	1,812
Queen Mary University of London	319,896	20,397	5.4	70,943	18.8	93,162	68,756	376,761	215,743	57.3	98,001	26.0	2,972
Queen's University Belfast	672,920	14,384	4.6	93,100	29.5	72,498	19,859	315,850	175,235	55.5	43,935	14.0	2,431
Ravensbourne	57,343	1,285	5.3	5,141	21.2	Not stated	1,002	24,241	9,378	38.7	6,122	25.3	270
University of Reading	393,762	14,883	5.1	28,907	9.9	34,681	44,734	290,722	145,475	50.0	149,666	51.5	4,739
Robert Gordon University	208,602	-531	-0.5	44,104	43.9	2,372	14,505	100,519	57,283	57.0	30,230	30.1	916

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University of Roehampton	40,408	1,676	1.9	9,755	10.9	1,494	6,403	89,556	50,242	56.1	55,759	62.3	2,609
Rose Bruford College	9,360	87	1.1	1,822	22.4	0	581	8,147	4,550	55.8	1,059	13.0	9
Royal Academy of Music	145,020	2,347	10.9	4,074	19.0	2	3,952	21,443	10,067	46.9	98	0.5	Not stated
Royal Agricultural University	20,768	1,006	5.5	2,714	14.9	306	1,084	18,155	8,393	46.2	5,034	27.7	216
Royal Central School of Speech and Drama	24,448	1,108	7.3	3,637	24.0	79	2,319	15,149	8,690	57.4	542	3.6	48
Royal College of Art	107,302	315	0.8	13,745	33.0	2,294	12,252	41,688	17,349	41.6	9,702	23.3	216
Royal College of Music	81,403	1,281	5.8	3,785	17.0	363	4,621	22,214	11,632	52.4	1,831	8.2	105
Royal Conservatoire of Scotland	37,184	271	1.4	10,673	54.8	162	2,025	19,475	13,929	71.5	0	0.0	0
Royal Holloway, University of London	216,417	13,719	8.6	22,191	13.8	14,898	31,186	160,247	82,342	51.4	126,820	79.1	2,075
Royal Northern College of Music	43,783	1,440	7.8	4,770	25.9	74	2,599	18,444	9,779	53.0	5,002	27.1	169
Royal Veterinary College	74,568	3,214	4.2	21,323	27.6	11,791	4,812	77,386	40,969	52.9	22,096	28.6	1,291
University of St Andrews	213,479	10,486	4.9	43,221	20.3	40,468	46,194	212,406	111,848	52.7	91,257	43.0	4,642
St George's University of London	58,275	5,777	6.7	21,054	24.3	11,647	2,357	86,807	47,302	54.5	25,862	29.8	1,226
University of St Mark and St John	27,464	1,683	6.8	1,238	5.0	39	662	24,802	11,881	47.9	12,791	51.6	809
St Mary's University, Twickenham	44,047	3,006	6.6	3,683	8.0	33	1,763	45,890	27,700	60.4	3,989	8.7	263
University of Salford	146,780	5,829	3.1	26,557	14.1	5,779	21,069	187,864	97,170	51.7	73,266	39.0	3,072
University of Sheffield	869,800	35,600	6.2	90,400	15.6	158,400	105,900	577,800	290,600	50.3	89,200	15.4	5,000
Sheffield Hallam University	229,219	8,460	3.3	24,957	9.7	7,963	27,686	257,490	162,224	63.0	71,594	27.8	1,776
Soas, University of London	113,656	-1,457	-1.9	11,008	14.1	4,763	20,410	78,291	49,088	62.7	7,943	10.1	292
University of South Wales	210,003	9,082	4.6	35,419	18.0	15,102	15,099	196,941	109,304	55.5	73,280	37.2	3,283
University of Southampton	475,225	26,482	5.0	78,968	15.0	124,188	71,526	526,901	281,778	53.5	135,027	25.6	8,581
Southampton Solent University	104,140	12,574	10.6	11,502	9.7	202	5,890	118,386	56,402	47.6	35,979	30.4	2,517
SRUC (Scotland's Rural College)	65,193	2,791	3.6	38,831	50.1	9,650	84	77,460	42,001	54.2	353	0.5	222
Staffordshire University	123,733	1,797	1.5	17,293	14.8	1,266	5,953	116,995	64,499	55.1	46,228	39.5	1,789
University of Stirling	84,743	2,163	1.9	41,280	37.1	11,529	10,456	111,383	64,910	58.3	36,936	33.2	843
University of Strathclyde	332,993	16,913	5.8	101,796	35.1	65,473	34,932	290,263	145,395	50.1	95,740	33.0	997
University of Sunderland	149,331	1,750	1.3	14,792	11.1	1,008	46,445	133,383	63,472	47.6	30,902	23.2	1,587
University of Surrey	275,523	3,926	1.6	31,520	13.1	42,304	34,473	240,677	130,904	54.4	187,127	77.8	5,829
University of Sussex	153,530	3,361	1.5	27,452	12.3	30,907	47,167	223,635	113,557	50.8	92,932	41.6	5,722
Swansea University	199,252	19,261	8.4	21,782	9.5	48,153	30,136	229,251	118,560	51.7	51,885	22.6	1,939
Teesside University	166,203	6,227	5.0	16,668	13.5	2,283	8,816	123,623	76,177	61.6	483	0.4	36
Trinity Laban Conservatoire of Music and Dance	36,856	295	1.3	6,523	27.8	58	1,465	23,444	12,808	54.6	1,201	5.1	105
University of Ulster	325,053	8,716	4.3	84,765	41.5	26,408	3,673	204,258	111,377	54.5	78,413	38.4	777
University Campus Suffolk	50,245	346	1.0	3,605	10.1	129	420	35,805	15,476	43.2	19,712	55.1	1,248
University College Birmingham	123,882	6,492	13.4	13,450	27.8	Not stated	5,175	48,413	24,149	49.9	0	0.0	131
University College London	1,020,394	29,161	2.5	187,441	15.9	427,501	162,287	1,179,711	636,198	53.9	78,628	6.7	5,422
University for the Creative Arts	157,500	-400	-0.7	11,277	19.0	97	3,844	59,342	32,090	54.1	3,321	5.6	96
University of the Arts London	368,321	25,129	9.5	34,351	13.0	792	76,772	263,762	137,278	52.0	99,056	37.6	3,201
University of Wales	22,083	-1,810	-23.1	519	6.6	718	Not stated	7,830	4,778	61.0	0	0.0	36
University of Wales Trinity Saint David	180,336	259	0.2	33,063	31.6	352	3,427	104,600	67,740	64.8	0	0.0	0
University of Warwick	376,400	18,700	3.6	59,100	11.5	100,800	106,700	512,800	261,600	51.0	126,700	24.7	6,700
University of the West of England	223,900	14,300	6.0	20,000	8.4	11,500	21,300	237,600	135,400	57.0	72,700	30.6	900
University of the West of Scotland	112,930	-13	0.0	70,142	67.3	3,825	2,492	104,251	67,618	64.9	23,835	22.9	1,213
University of West London	93,284	5,277	6.6	9,916	12.4	1,119	7,518	80,191	39,168	48.8	7,130	8.9	964
University of Westminster	225,610	22,861	11.3	22,085	11.0	4,899	36,603	201,499	102,529	50.9	65,747	32.6	4,305
University of Winchester	74,474	7,039	10.9	3,644	5.6	524	3,996	64,876	31,450	48.5	8,654	13.3	553
University of Wolverhampton	256,358	18,035	10.2	19,827	11.2	3,003	11,100	177,607	93,744	52.8	15,965	9.0	1,532
University of Worcester	82,102	3,860	4.7	6,013	7.3	1,039	1,334	82,075	41,933	51.1	60,948	74.3	3,152
Writtle College	17,199	561	3.2	5,895	33.9	108	952	17,405	9,489	54.5	4,475	25.7	457
University of York	273,607	19,832	5.8	43,391	12.8	61,525	41,697	339,631	175,771	51.8	142,620	42.0	5,937
York St John University	110,722	5,144	8.4	2,917	4.7	336	5,347	61,535	29,493	47.9	23,706	38.5	816
Total/average	43,630,873	1,851,054	5.6	5,311,432	16.0	5,757,543	4,034,212	33,135,520	17,084,694	51.6	8,940,730	27.0	396,985

Notes: Data compiled by Grant Thornton using universities' 2014-15 financial statements. The "total income" column includes other sources of income not categorised in this table. "Net surplus/deficit before exceptionals" is stated before tax and minority interest where this figure is reported separately. "Not stated" means that the figure is not published in the accounts.

On general challenges in the UK, Grant Thornton's Shaw says that while "inflation is eroding the benefit" of the recent trebling of tuition fees to £9,000, "at the same time you're seeing the cost of employing staff increasing, be it National Insurance and other tax changes, further increases to pension contributions or the forthcoming apprenticeship levy".

For his part, the BUFDG's McNaull believes that the UK sector is "currently in quite a good position", as "institutional management have anticipated and responded well to the changing external environment". In England, "surpluses had to grow as the amount of reliable income from government dropped" – although the UK sector "has been relying increasingly on overseas student income cross-subsidising other activities, particularly research".

That could be a problem if visa policy does indeed drive down overseas numbers just as the government is ratcheting up the marketised environment in which it now expects English universities to compete. On top of the abolition of student number controls, the teaching excellence framework will add to the competitive pressures by shifting students towards "higher quality" courses and away from "lower quality" ones. And in addition to the creation of "market exit" mechanisms, last month's White Paper confirmed that "market entry" will also be facilitated to bring in more private and other providers. All this means that the "financial variability" among institutions noted by Hefce will inevitably increase.

McNaull offers one particular note of caution on the future. By bringing in more private providers, he warns that the Westminster government "could damage an integrated university offering, which has teaching, learning and research – which is what a university does. The danger is you separate out elements of that business model."

He says that private providers "will not be interested in research that makes a loss. If you introduce, in an uncontrolled way, private providers into a sector which operates a cross-subsidy model to maintain the critical research infrastructure that the UK is famous for, there is a danger that trying to achieve that at indent speed might damage the UK higher education sector." Nor would the rest of the UK necessarily be immune from the consequences of English policy, given the tendency of politicians to adopt measures "seen to be successful" in other jurisdictions, he adds.

"Universities are very complex organisations. We need to be careful if we start tinkering with them by introducing unrestrained market forces," McNaull concludes.

Private providers seeking to enter the sector in a bigger way, of course, see things differently. They argue that universities need to be exposed to competitive pressures to improve their efficiency, drive down tuition fees and promote innovation in teaching methods.

What impact all this will have on university balance sheets, and on the jobs of university staff that hinge on these balance sheets, remains to be seen. The path is heading into unknown territory – and there appear to be some glinting eyes watching from the undergrowth. ●