

SECTOR REFLECTIONS | 2026

Reflections from the Universities UK Event

Transformation, Collaboration and Sustainability
Across UK Higher Education


Notes summarised by the Fusion Practices team from our learnings

Event hosted by **Universities UK** · universitiesuk.ac.uk

Context & Summary

The Universities UK event brought together university leaders, governance representatives, sector bodies and transformation specialists to openly discuss the future direction of UK universities. The discussions made clear that the sector has moved beyond short-term cost reduction and is now confronting deeper structural questions across resilience, operating model redesign, financial sustainability, collaboration, governance, benchmarking, research sustainability and digital infrastructure. The conversations were practical, honest and at times uncomfortable — but also optimistic. UK Higher Education remains globally respected, and universities must now evolve more rapidly to protect academic quality, student outcomes and research excellence.

The following slides capture the key themes observed by the Fusion Practices team.

| | |
|--|---|
| <p>9</p> <p>Core themes covered</p> | <p>5</p> <p>Stakeholder groups</p> |
| <p>12</p> <p>Sessions referenced</p> | <p>↑</p> <p>Sector outlook</p> |
| <p> <i>From short-term efficiency to long-term institutional design.</i></p> | |

A Period of Structural Change

The sector is entering long-term structural transformation — not temporary financial pressure.



Rising costs

Operating costs and pension burdens



Constrained funding

Slowing international growth



Estate & expectations

Higher student demands



Regulation

Growing compliance load

Why this matters today

Many institutions still operate with:



Too many programmes & modules



Duplicated services



Fragmented systems



Structures evolved over decades
— not by design

Transformation Is Not a One-Off Programme

✗ Not this

- A restructuring exercise
- A one-off savings programme
- A single financial intervention
- Isolated, disconnected initiatives

✓ But this

- **Continuous capability**
Embedded in institutional culture
- **Strategic alignment**
Anchored to long-term priorities
- **Governed & data-led**
Supported, evidenced and challenged
- **Operating model change**
Reinforced through structural redesign

Successful programmes share: clear priorities · long-term commitment · leadership alignment · measurable outcomes

Financial Sustainability and Mission Are Connected

Financial discussions cannot sit separately from academic priorities.

“

Governing bodies should focus on protecting the mission — not protecting existing structures.

— a recurring sentiment across the day

Without financial sustainability, universities cannot protect:



Student experience



Research quality



Widening participation



Civic contribution



Long-term resilience

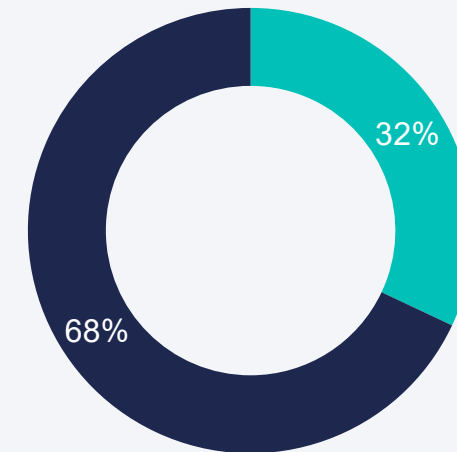
Universities Need Better Cost Visibility

Many institutions still lack reliable cost visibility and operational performance transparency.

Strategic questions universities often cannot answer with confidence

- 1 Which programmes generate sustainable contribution?
- 2 Which activities consistently lose money?
- 3 Which services are over-resourced?
- 4 Which investments generate measurable value?
- 5 Where is duplication occurring?

Data maturity is the prerequisite



Illustrative — sector sentiment

68% feel they lack the cost insight needed for strategic choices

National Benchmarking

Growing momentum for trusted, comparable benchmarking across UK Higher Education.

What the sector wants

- Trusted benchmarks
- Comparable operational data
- Stronger evidence for decisions
- Insight at sector and institution level

Cautions raised

- Avoid over-engineered comparisons
- No pseudo-scientific scoring
- Avoid simplistic league tables
- Recognise institutional diversity



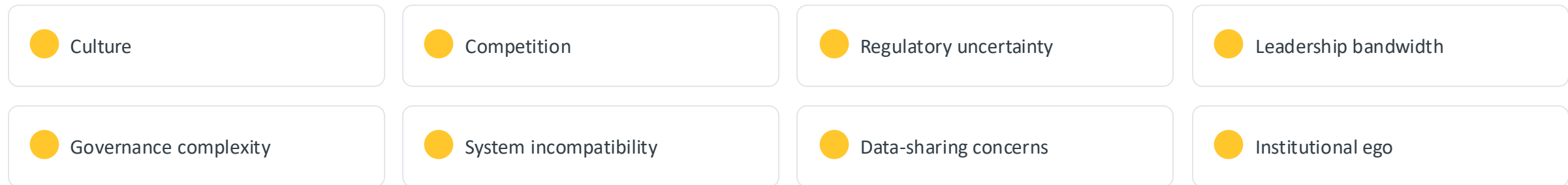
Specialist conservatoires, research-intensive universities and regional teaching universities cannot be assessed through identical assumptions.

Collaboration Is Increasingly Necessary

Collaboration is far broader than mergers — and one of the sector's biggest strategic opportunities.



Barriers to overcome



Shared Services — Attractive but Difficult

~90%

of admin activity is not institutional differentiation

Significant theoretical opportunity for shared delivery

But genuinely shared operations remain operationally and culturally difficult.

Implementation challenges

- ! Differing systems & processes
- ! Governance alignment
- ! Institutional identity & local variation
- ! Change fatigue

What success requires

- Long-term commitment
- Realistic investment
- Strong governance
- Clear operating models

Collaboration Does Not Mean Merger





Mergers are not viewed as the primary solution for the sector.

Why mergers struggle

-  **Expensive**
Heavy upfront and integration cost
-  **Time-consuming**
Multi-year transitions are typical
-  **Integration complexity**
Systems, culture, governance
-  **Short-term disruption**
Performance often dips before lifting

Practical alternatives

Subject-level collaboration was highlighted as particularly practical:

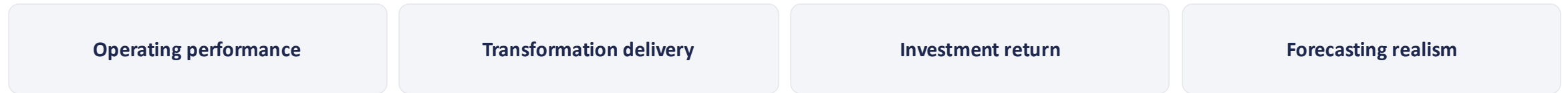
-  **Language provision**
-  **Music provision**
-  **Specialist teaching**
-  **Research collaboration**

Geography matters — London, Bradford, Aberdeen and rural regions face very different realities.

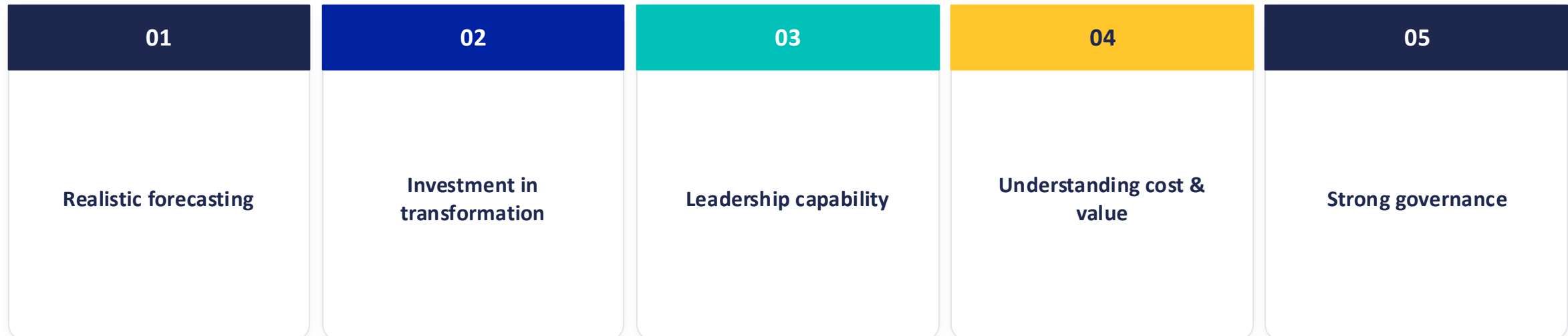
Governance Has Become More Strategic

Boards must engage actively, challenge deeply and see what really matters.

Visibility boards now need



Five themes linked to successful transformation

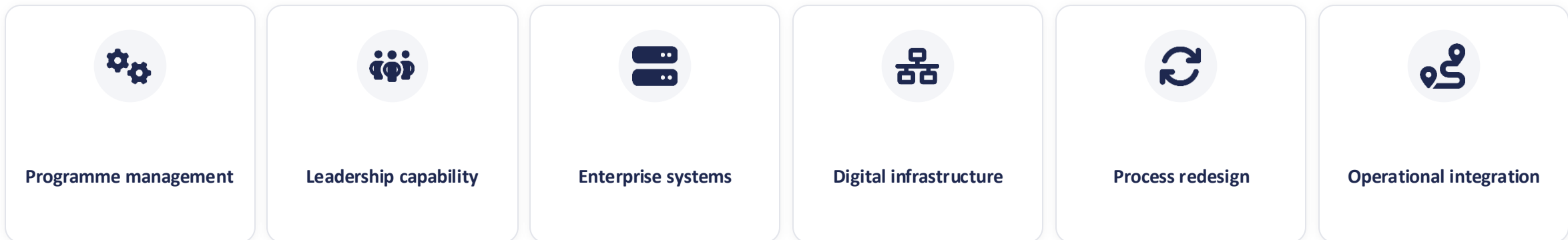


Transformation Requires Investment

Genuine transformation cannot be delivered without funding the enabling work.



What good investment looks like



Digital Infrastructure as a Key Enabler

Technology and digital capability are critical to credible transformation.



Enterprise systems

Management information at the core



Digital teaching

Scalable, student-centred capability



Automation

Removing manual repetition



Interoperability

Data flowing across the institution



Research systems

Pipeline visibility, pre- to post-award



Integrated operating models

Joined-up service delivery

Scalable collaboration, operational visibility and efficient service delivery cannot be achieved on fragmented legacy systems

Research Sustainability

Sustaining research excellence is a growing strategic concern.



**Protect research capability.
Enable stronger collaboration.**

Discussion areas

Research concentration & funding

Academic collaboration & prioritisation

Pre-award and post-award integration

Visibility of research pipelines

Stronger research support operations

Institutional Diversity Must Be Protected

Sector transformation should not lead to institutional uniformity.



Specialist institutions



Different academic models



Civic universities



Regional universities



System diversity is itself a strategic strength

Efficiency should not remove what makes UK Higher Education distinctive. Mission diversity protects student choice, regional reach and academic plurality.

The Human Side of Change

Transformation is not only financial or operational.

Honest conversations included

- Campus closures
- Difficult financial decisions
- Staff concerns
- Community impact
- Organisational anxiety

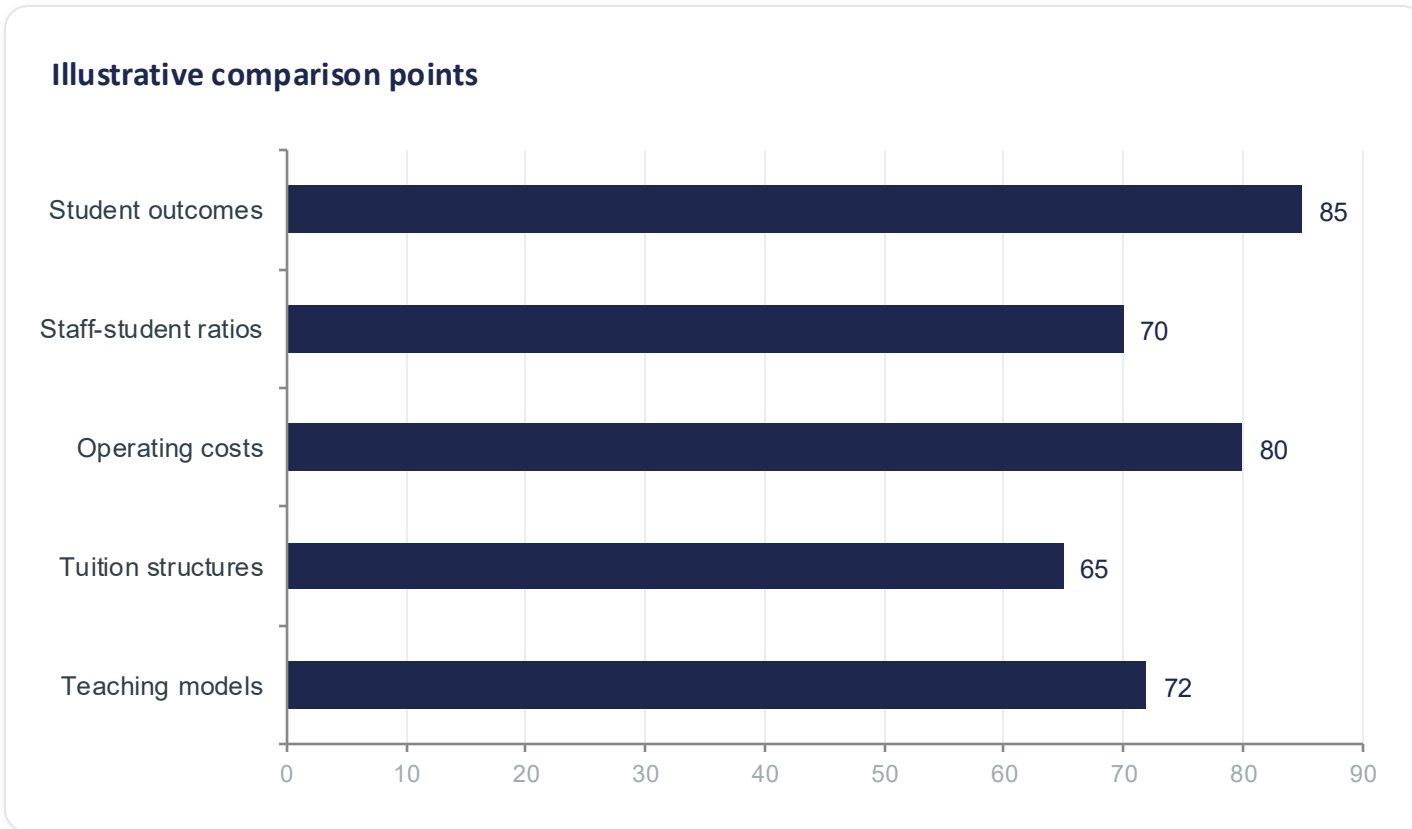
What good looks like

- ✓ Transparency
- ✓ Clear communication
- ✓ Community engagement
- ✓ Involve staff & students in the journey

Pursue financial sustainability with humanity — not metrics alone.

Learning from International Comparison

UK HE remains globally strong — and should continue learning from elsewhere.



Areas worth comparing

- Teaching delivery models
- Tuition structures
- Operating costs
- Staff-to-student ratios
- Student outcomes

Chart figures are illustrative — Fusion Practices commentary, not survey data.

FINAL REFLECTION

UK Higher Education is entering a period of meaningful transformation.

RECOGNITIONS EMERGING

- The environment requires change
- Collaboration is increasingly important
- Data maturity must improve
- Governance expectations are rising
- Operating models must evolve

YET REAL OPTIMISM

- Extraordinary academic capability
- Globally respected reputation
- Research excellence
- Deep civic importance
- Demonstrated ability to adapt

UK universities are no longer simply discussing efficiency — they are actively debating the future shape of Higher Education itself.

T H A N K Y O U

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www.universitiesuk.ac.uk