Universities and the credit crunch

Introduction

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Impact on Universities

- **Direct impact**
- Finance
- Efficiency
- Competition
- Banks attitude to the sector not changed
- Finance more expensive but not necessarily in short supply
- Cost of finance increased (arrangement and insurances)
- Long term fixes now unrealistic
- Institutions may seek more access to direct capital markets (through consortia)

Impact on Universities

- Greater us of mixed funding options
- Banks focusing on management and financial planning capacity
- May look at internal investment appraisals
- Challenging management teams investing in core teaching and research infrastructure.

Impact on Universities

- **Indirect Impact**
- CSR
- DIUS required to make 8.4% savings
- Increased effectiveness of research activities
- Direct savings research councils
- £50m savings improved procurement/Estates management
- £400m savings renewed efficiency drive Further and Higher Education

Impact on Universities

- Life sciences strategy due in May
- £405m low carbon energy and green manufacturing
- Operational efficiency program
- Back office/iterative procurement, Asset management, property, local incentives
- No change on ASNs or ELQ policy