

The University Transformation & Efficiency Summit: 1 May 2025

A welcome from Sir Nigel Carrington, Chair of
University UK's Transformation and Efficiency
Taskforce

Welcome to the UUK University Transformation & Efficiency Summit

This is the first meeting at which the UUK Taskforce will be outlining the emerging findings from our work which commenced at the end of December 2024.

Our work has been driven by two key considerations:

- The financial imperatives of universities to reshape themselves in a way which continues to deliver the best possible student experience and the best possible research environment within the constraints of their incomes; and
- The understandable pressure from the Secretary of State for Education to ensure that we respond openly to government priorities, driven by the massive pressures on the public finances.

As chair of the taskforce, I have been impressed by how fully the sector has been committed to exploring these challenges. This summit provides us with the first opportunity to discuss and refine our emerging conclusions prior to publication of the report on the first stage of our work. The report will be published later in May.

Of course, the sector's commitment to delivering further efficiency and transformation does not negate the need for an improved funding settlement. Our research highlights the urgent changes and sacrifices already being made by many universities in response to their financial challenges. But the sector recognises that it must continue to take the lead on realising opportunities for cost-saving and successful transformation if it is to build a greater degree of trust with government. Provided that a high degree of trust can be built, then we shall be better able to address challenges from a position of mutual understanding and a recognition of what is and is not possible within the current regulatory and financial context.

Our report will therefore first focus on those **efficiencies** which must be delivered by the sector itself. But the report will make a distinction between the challenges which can be met alone and the more intractable obstacles to significant opportunities for **collaboration and transformation**. The taskforce believes that some of the more

fundamental changes will be possible only if we have more active support from government, both in terms of investment and regulatory change, particularly where we have identified broader system changes to negate the adverse impact of the current focus on competition as an underpinning pillar of the sector.

It is self-evident that competition and collaboration do not always go hand in hand and that we need to find ways to rebalance the two. Our report will signpost how this might be achieved.

Our work to date and emerging findings

In the first phase of this programme, the taskforce has been leading three strands of work:

Transformation and efficiency taskforce: towards a new era of collaboration <i>(report to be published in May)</i>	Shared service opportunities <i>(to be finalised by early summer 2025)</i>	Catalysing change now <i>(ongoing)</i>
<ul style="list-style-type: none">• Understand the drivers for change.• Develop a shared understanding of the opportunities.• Identify the conditions needed to support greater efficiency and transformation and actions required to realise this.	<ul style="list-style-type: none">• Eleven candidate opportunity papers developed, setting out potential areas for national level shared services, facilities and procurement. (complete)• Four of the candidate opportunities prioritised following sector consultation. (complete)• Develop outline business cases for the four candidate opportunities. (ongoing)	<p>Develop guidance and run workshops on:</p> <ul style="list-style-type: none">• Innovative collaborative structures• Structured approaches to cost reduction• Maximising value from estates• Competition law• Digital transformation• Financing transformation

This work has been supported by an intensive period of research which included:

- Qualitative conversations with over 70 individuals in one-to-one or small group semi-structured interviews, covering the actions the sector has already taken, the current perceived barriers to transformation and current opportunities to collectively drive transformation and save costs;
- Discussions with sector groups and with UUK members through existing engagement opportunities;
- Commissioned analysis on the current cost of delivering higher education and relating that to the outcome of a survey of UUK members on the ways in which universities have already saved costs in response to the financial pressures; and
- A survey of senior university leaders on their priorities for collaboration.

We then concluded that there were some areas which we could not explore in the time available, but which will also be vital to addressing the overall challenge. For instance, we have not considered pay and conditions because there are longstanding structures that address this through joint negotiations between UCEA and Unions and because the shape of each workforce will have to flow from changes to individual operating models. It is inescapable though that, with over half of the costs of universities deriving from staff salaries and overheads, major transformation and cost savings cannot be achieved without changes in our staffing structures. These can only be properly explored once necessary changes have been identified at institutional level. But the sector then needs to ensure that it works more effectively with government, staff, trade unions and students to ensure that the need for those changes is understood and properly communicated.

Similarly, there are some issues that are significant drivers of cost pressure for universities, which are already well understood and under discussion elsewhere. These include the costs of research where cost recovery rates are falling and statutory duties to offer certain pension schemes – the costs of which are unsustainable. We need help from government to address these challenges.

Our report: towards a new era of collaboration

Our report, to be published later this month, will first seek to understand the context universities are operating in and the drivers for change, including how financial pressures, declining investment and future considerations are impacting the sector's need and capacity to enact change. It will show that universities have already achieved much at individual levels by way of cost saving but that there is continuing scope for further **efficiencies**. It will describe thematic opportunities that the sector can pursue to deliver cost savings and describe actions that organisations can take to help them achieve this. This will include recommendations to improve the skills and tools available to those leading change within the sector.

We have also identified some medium-term opportunities for more **transformative** change built on **collaboration**. The taskforce believes that the government also has some roles to play here, supporting the sector to go further and faster by changing or clarifying legislation in specific areas, such as in shared services and competition law. We have heard from many universities across the sector that the legislative and regulatory landscape that exists for the higher education sector in England will need to shift to incentivise collaboration over competition, and we will ask government to work collaboratively with the sector to achieve this, including by establishing a transformation fund to catalyse innovative collaborations which cannot be self-funded.

Shared service opportunities

Alongside the preparation of the report, we are working with Jisc to build on their [collaboration for a sustainable future](#) report and will identify the most beneficial and feasible options for collaboration, and where sector efforts should be mobilised – at national and regional or subject levels. The options explored in the ongoing Jisc work include shared services, sector specific technology, cyber security, collaborative approaches to teaching and research, and benchmarking and frameworks. This work will continue beyond the publication of our report.

Catalysing change now

To support some of the opportunities for further efficiencies, we will produce materials based on sector learning to help universities do that in the short to medium-term. These materials are being built on the generous sharing of knowledge by others in the sector and with the assistance of various professional firms.

Our conversations with our multiple expert partners have been designed to promote conversation and an ‘all options on the table’ approach around operational and business model change. For instance:

- PwC have already hosted a series of roundtable sessions across the UK focussing on exploring effective approaches to drive efficiency, financial improvement programmes and on driving best value from estates and infrastructure. An overview of the findings and key learnings from these roundtables will be published shortly;
- Lloyds Bank are working with us on the delivery of engagement activity around methods for funding investment and transformation;
- Shakespeare Martineau and a leading KC have agreed to deliver a workshop around competition law. They will produce a case study-based briefing on how competition law applies to these areas, identifying what is possible and what should be avoided. Separately, they will highlight any changes needed to law or regulation to make collaborative discussions more straightforward to undertake;
- KPMG and Mills & Reeve together are leading a strand of work focussed on group structures and federated models and will illustrate how different models could be used for different sorts of collaboration. They will also highlight considerations for those considering mergers. The key output will be a guidance report to be shared with the sector and opportunities for sector leaders to come together to consider the findings of the report.

The focus of the summit

The summit will provide a chance to explore some of the opportunities described here in more detail. We will hear from members of the taskforce and other sector experts on how universities can drive efficiencies and deeper collaboration.

This will include approaches to unlocking transformation in individual institutions through digital transformation, financing change, skills required to lead through change and by exploring the workforce expectation and strategic shifts with which university leaders will need to grapple.

Other sessions will focus on how collaboration – both at a national and more local level – can unlock new opportunities, including through shared services and collaborative structures.

The future

The taskforce's work is not finished but we believe that we have already established a framework that is capable of achieving significant change by highlighting both the tools required for individual institutional change and the levers (some of them outside the control or resources of individual universities) that will be needed to deliver broader collaboration and transformation across the sector.

If we can achieve these goals, we will not only protect the diversity of our sector and provide the best possible education and research environment for our students, but also ensure that our higher education sector continues to be world leading.