

# What a changing & challenging higher education environment means for students, institutions and accommodation providers

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**“The ratio of challenge to change is greater than at any time in our generation”**

**“We have never experienced as much change as now. And will never experience as little change again in future”**

# A challenging context

## 1. Financial Sustainability

Student demographics  
Recruitment  
International student visas  
Fee cap & inflation  
Brexit  
Industrial action  
Pensions  
New Competition  
More options for 18 year olds

## 2. Staff and Student Wellbeing

Student mental health  
Discrimination  
Gender pay  
Safety and harassment



## 3. Reputational Management

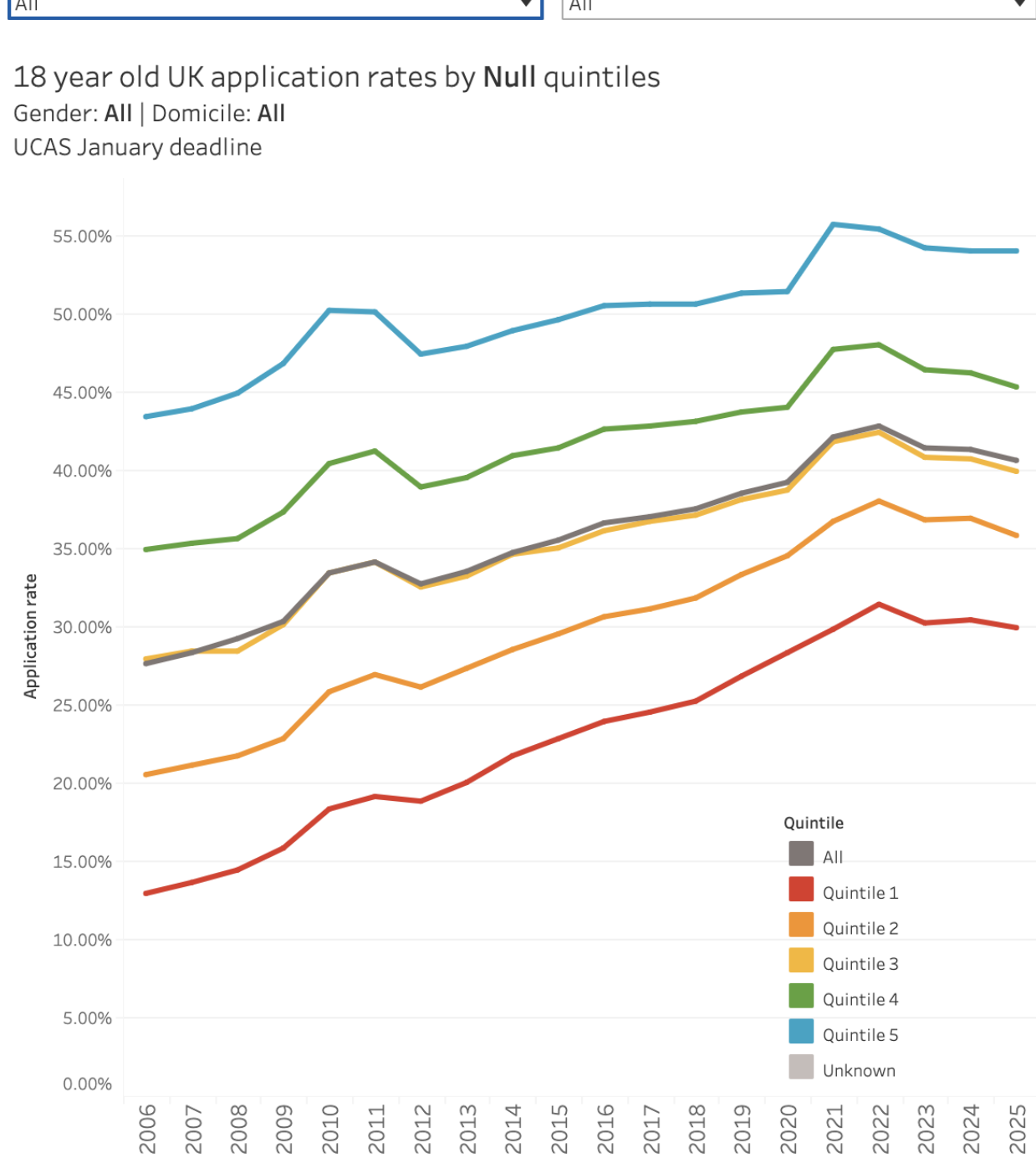
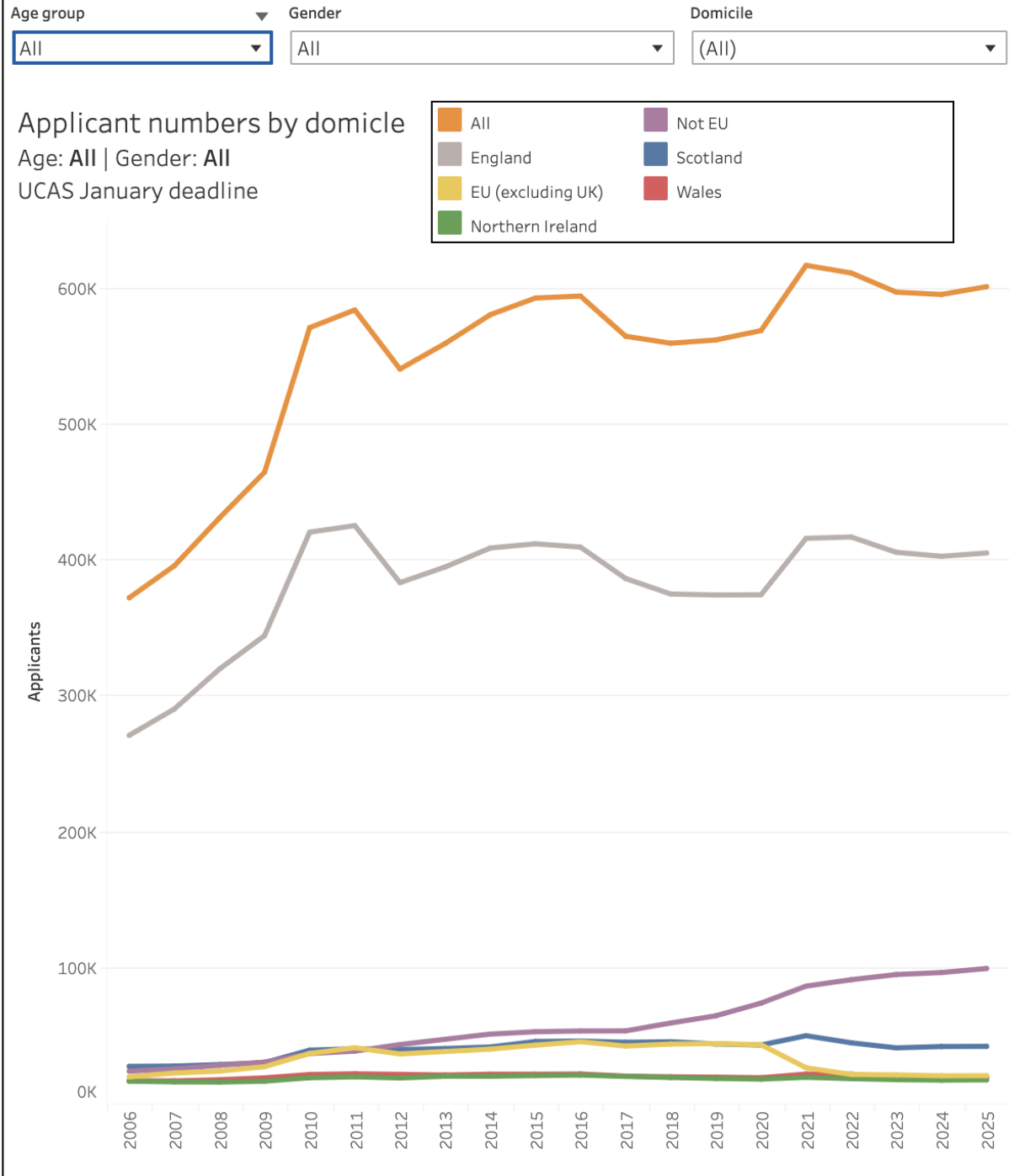
Public confidence in Governance  
Remuneration of senior staff  
Institutional Autonomy  
Academic Quality  
Black attainment gap  
Widening Participation & Social Mobility  
NSS  
REF, TEF & KEF  
Place & Civic

## 4. Regulation

OfS/SFC/Medr  
Access and Participation plans  
Institutional failure  
Prevent  
Free Speech

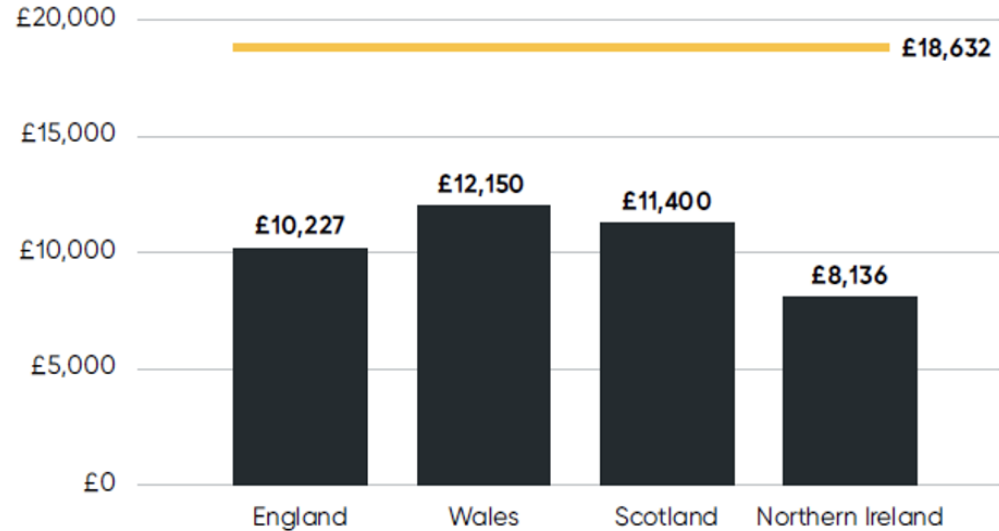
## 5. Horizon scanning

Emerging disruptors  
Technology / AI  
Global HE environment

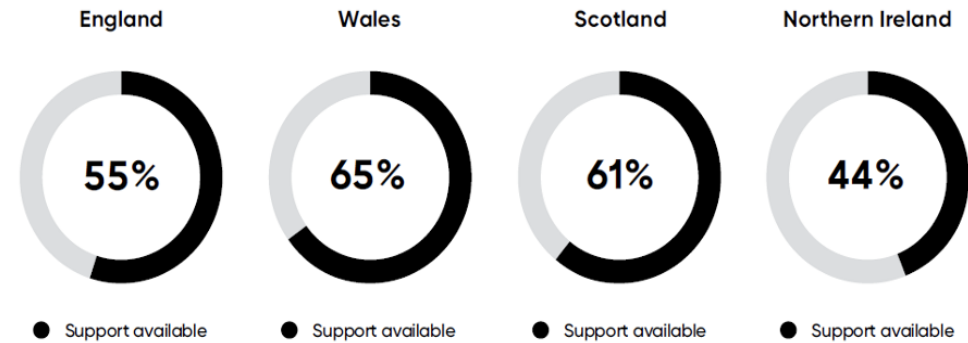


# Maximum government maintenance support as compared with student costs

MIS = Minimum Income Standard



Maximum support available 2024/25 MIS (UK outside London)

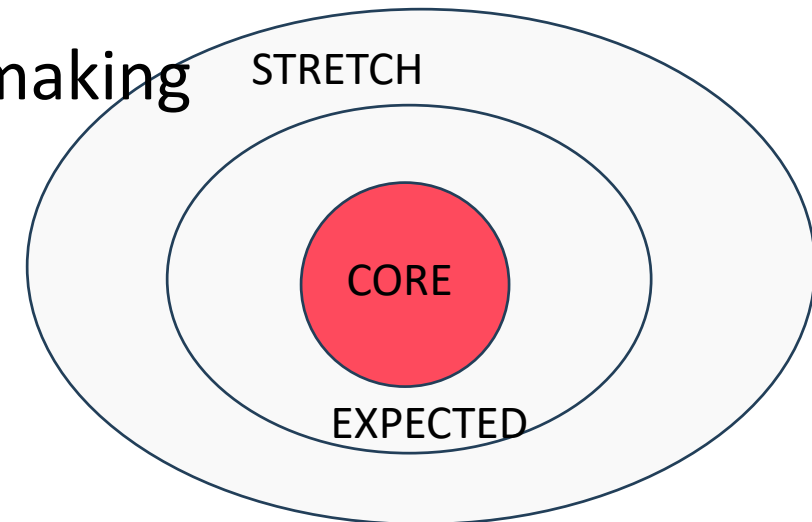


# What does this mean for students....

- A modest increase in school-leaver applications, but the application rate (i.e. the proportion) is falling (from 41.3% to 40.6%)
- The only socio-economic group to increase the % of applications was the richest 20% of households
- The total debt burden from higher education is starting to impact
- More discerning, more focussed on economic/financial return
- Looking to reduce expenditure (travel, accommodation, study costs)
- Looking to earn more & spend less (PT work, less social)
- Less sense of community
- More transactional

# What does this mean for institutions....

- Fiercer competition than ever before
- Built in volatility in student demand year to year (+ / - 20% YoY)
- Higher tariff (+4%), Medium tariff (0%), Low tariff (-3%)
- Longer term financial planning is tougher
- Core plus model
- Greater requirement for real-time, agile decision making
- Caution around sharing intel, but need is greater
- Changes in discipline/subject mix
- Focus on getting 1<sup>st</sup> years in, but after that...



# What does this mean for accommodation providers....

- Winners and losers in a market
- Partners (and customers) who are experiencing real time challenge
- Contraction in some geographies
- Saturation in other geographies
- Change in attitude between enrolment and few weeks into term when financial challenge hits
- Hyper price sensitivity vs increase in wealthiest students
- Crucial need for some coordination between providers in particular regions
- More of a focus on non-first year students?
- Easier to work with institutions who are more stable, but less opportunities arising?
- More volatile institutions: high risk, but high reward?



# Feel free to stay in touch

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