

Reshaping and consolidating for the future

Mid 2020 saw increased interest in the potential – or imperative – for university mergers. In May, [Universities UK](#) set out proposals to government for a balanced package of measures to maximise universities' contribution to the economy, communities and post virus recovery – including 'A transformation fund to support universities over the next two to three years to reshape and consolidate...or potentially merge.'

UUK's proposal didn't come out of nowhere. The 2019 annual PA Consulting survey of heads of UK universities found that 59% of respondents judged "significant numbers of institutional mergers or takeovers" to be "highly likely" or "quite possible", while 74% thought them to be a possible/likely development in the sector. The report noted the view that the disappearance of struggling universities in economically vulnerable towns or regions would be politically and socially unconscionable and that vice-chancellors didn't believe government would shut the gates and send students elsewhere.

In May 2020, the government's [announcement](#) of a range of measures to protect students and the higher education sector from the impact of coronavirus was [read by some](#) as meaning future financial support would come with "attached conditions" and a "restructuring" assessment. Overall, UK universities face an estimated loss of between £3 billion and £5 billion income in 2021'; leading to an [estimated 30,000 job losses](#) - and weaker universities may only survive if they do merge. There may also need to be some consolidation of research. "That is a big chunk of money for universities to lose, and even those who are least exposed will feel the impact," said Professor Tickell, who added that a recent London Economics report was "probably right" in its forecasts of 30,000 overall job losses in universities and a £2.6 billion income hit.

Once again, then, talk of mergers - mostly between higher education institutions - has increased. Nothing is clear, however. Some commentators believe that mergers may be limited to back office functions; others that they might be part of a strategic restructuring of further and higher education so that some (smaller) universities become teaching and vocationally focused, with little or no time devoted to research.