

# OfS Funding Approach

*23rd May 2024*

## **Question 1: What are your views on OfS course-based funding?**

- Should the distribution of funding continue to primarily reflect the courses and subjects students are studying? Should we also consider additional factors and/or approaches for course-based funding?
- What should we seek to achieve with course-based funding?
- What activity is currently supported in providers by this funding?
- Are there any areas of important provision that are currently not supported by our funding allocations?
- How should our approach adapt in the future?
- What assessment is currently made by providers of the impact of this funding?

The OfS call for evidence notes that the operating environment for higher education providers has become more challenging over recent years with the combination of the declining real terms value of tuition fees, high inflation impacting students and institutions, and increasing reliance on cross-subsidy from international students. It also sets out what is not covered by the call for evidence: government decisions on tuition fee limits, student finance and the overall size of OfS grant. These may be outside the call for evidence but they are important factors which shape the GuildHE response. Put briefly, for so long as higher education overall is underfunded, OfS grants should be focussed on plugging the most important gaps - the higher costs of certain courses, students and specialist institutional environments. That is the approach most likely to mitigate risks to student choice and the quality of teaching and the student experience balanced with the skills needs of our country.

Course-based funding supports the sector to deliver high-cost subjects which are not viable under a fee regime which is capped well below the cost of delivery. It is right that students should not be penalised for wishing to study a course with intensive resource requirements as this could have a chilling effect on student choice for the least advantaged and the most debt-averse. The high-cost funding methodology supports HE providers to minimise additional in-course costs for students. It also minimises cross-subsidy from other lower-cost courses. This is important, not only to ensure that all students are getting the best value out of their financial contribution but also to better enable HE providers to specialise in certain disciplines. Without high costs subsidies it would make it impossible for many specialist providers to operate in a fixed fee system.

There is, however, a fine balance between providing all the money in this fund to those courses which cost the most to teach, and subjects/courses which are deemed a strategic priority. Firstly not all high-cost subjects receive an appropriate amount of resources to support the delivery and minimise additional costs to students. C1.2 courses for example have received significant funding cuts over the last 5 years but are much more expensive to teach than classroom-based subjects. DfE has decided that these courses are not a strategic priority even though the creative industry has shown to be a significant asset to our national economy<sup>123</sup>, there are well-documented creative skills shortages representing nearly a third of the government's own shortage occupation list<sup>4</sup>, and the Prime Minister recently published a Creative Industries Sector Deal<sup>5</sup> for which universities are a core part of realising the skills needs of the creative sector. The public sector is also experiencing a skills shortage, especially in health and teaching. There is a clear societal need to ensure these courses are taken by students, and this would only be possible with additional funding to support the high-cost delivery.

Secondly, not all strategic priorities are high-cost subjects and may instead be better serviced under student-based funding or regulatory initiatives. For example, incentivising providers to deliver Level 4-5 provision which might not be high-cost in delivery might be better served as a fund under the regulatory initiatives stream. We are concerned with suggestions from DfE that HTQ kitemarked L4-5 courses may also receive an uplift in funding, even though they are not necessarily more expensive to teach or higher quality, but simply a different approach to designing L4-5 programmes which come with additional regulatory burden from IfATE.

This fund has also been used to incentivise the delivery of more Degree Apprenticeships which have a fundamentally different DfE funding methodology assigned to them (through the Levy and a different funding cap assigned by DfE). We're not arguing that Degree Apprenticeships are fully funded through the alternative route (they are certainly not), but it is unclear the extent to which the Degree Apprenticeship subsidy is based on true additional cost, rather than simply incentivising delivery.

Although we believe that healthcare is an important subject which should receive additional funding, we are also concerned that the mass expansion of medical and health science places takes up a significant proportion of funding in the high-cost stream. We are glad to see that DHSC has added additional financial contributions to support this in the next cycle, but without this funding guaranteed for future years, there is always a worry that DHSC is reliant on DfE earmarking money for the whole sector to one particular subject area. We absolutely agree that healthcare courses are vital - but to fund them at the detriment of other strategically important subjects without Treasury requiring DHSC who also benefit from student training to financially contribute is an ongoing concern. As a member of the public, it is also hard to understand why the OfS has quite a few NHS operational funding lines in this stream like NHS pensions scheme compensation, Senior academic general practitioners' pay and Clinical consultants' pay. There is no such compensation in place for other professions and the HE

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<sup>1</sup> The government estimates that creative industries generated £126bn in gross value added to the economy and employed 2.4 million people in 2022 - [House of Lords Library Contribution of the arts to society and the economy](#) - January, 2024

<sup>2</sup> [Benefits and costs of international Arts and Design students to the UK economy](#) – September 2023

<sup>3</sup> The [Economic Value of Creative Focused Universities and Colleges](#), GuildHE & EMSI - 2016

<sup>4</sup> [Creative Policy and Evidence Centre](#) March 2023

<sup>5</sup> <https://www.gov.uk/government/publications/creative-industries-sector-vision>

sector is itself currently undergoing some significant financial pressures through the Teachers Pension Scheme which has not been financially supported by DfE as it has with FE providers.

This funding is vital to support HE providers to deliver a high-quality student experience without saddling students with high additional costs of the course. Our members have told us that high-cost funding enables them to provide an excellent student experience using innovative technology, facilities and resources, high contact hours and expert academics and practitioners.

We believe that it is right for there to be a course-based funding formula in future which is connected to the number of students and the cost to deliver, but we believe that by calling it a 'strategic priorities grant' it creates unnecessary complexity and potential politicisation by government which does not support the OfS' general duty to support a diversity of HE providers. It is incredibly challenging to operate a specialist HE provider especially where the subjects taught are high-cost but not covered by tuition fees or grant funding. There is little scope for cross-subsiding from other areas and most do not wish to compromise their offer by massively increasing student numbers (which in any case would lead to a completely different student experience). Our specialist providers have done what they can through the recent C1.2 cuts (and for some also the London weighting) to minimise disruption/quality for students but this cannot be a long-term solution and OfS should be allowed to use its discretion to utilise grant funding to undertake its wider duties.

### **Question 2: What are your views on OfS student-based funding?**

- Should the distribution of funding continue to reflect the characteristics of the student population at individual providers? Should we also consider alternative factors and/or characteristics and/or approaches for student-based funding?
- What should we seek to achieve with student-based funding?
- What activity is currently supported in providers by this funding?
- How best can the OfS use this funding to support access, success and progress for students?
- How should it be targeted?
- What assessment is currently made by providers of the impact of this funding?

Please explain your answer.

Student premium funding supports HE providers to offer better quality student support to those who have additional needs. Whether this is due to the nature of course delivery, disability, mental health, financial issues or prior HE experience, this funding is well utilised in the sector and enables students to be successful on their course regardless of their background and additional needs. The HE sector is being increasingly burdened with replacing or easing pressure off other public services such as the NHS or police - and this funding stream goes some way to supporting this increased challenge.

Without this funding, there would be very few alternative avenues to fund this activity, especially at a time when the unit cost of resources has plummeted and HEIs have fixed ongoing costs. So many more students are requiring additional support to undertake their studies than ever before. We also think this funding stream is important to provide additional support to those HEIs who are committed to widening participation. Many of the most disadvantaged students are concentrated in specific parts of the sector. This fund therefore supports HE providers who may feel overwhelmed without this additional support and could disincentive recruitment of these students.

However, what is unclear from this funding stream is the link between this activity and the OfS expectations in relation to B3 and APP. This funding is well used by HEIs to ensure success gaps are

minimised, but there may be better ways in which we can link our understanding of how HEIs use this fund to support WP activity and what works to support specific students in successfully completing their course. In 2012 the equivalent APP activity was focused very much on outreach and recruitment - not on student retention and success. As we will describe later there may be more sophisticated ways in which we might think about the connection between student-based funding, APPs and Uni Connect programmes. As the EORR describes, there are many student types and reasons for disadvantage. Not all of these can be serviced by this funding stream. On balance we think the right sorts of students are highlighted as needing the additional financial support, however, perhaps more could be done to support care-experienced students who have significantly higher costs and needs for a HE provider. Furthermore, supporting part-time and distance learning students is an important aspect of this funding, especially as many are not eligible for maintenance and other national support schemes.

We would, however, also like to take this opportunity to highlight that DfE is currently consulting on a new approach to non-medical help for disabled students which could result in the removal of individual financial support funded by DSA and instead place more onus on HEIs to deliver this support for their students directly. At the very least the suggestion is to remove a nationally brokered support contract which in itself would have significant financial consequences for many HE providers. If changes are made to DSA, it might be more efficient for the additional funding to flow via the OfS.

Finally, whilst one-off funding support is welcome (especially in relation to student hardship), providers are often given a very limited amount of time to distribute these funds to students which creates additional costs for HEIs in needing to design new discrete funding mechanisms outside of their general student support packages. For example, needing to develop specific 'covid hardship funding' awards requires providers to set out specific criteria, have a window for students to apply, and fund the student in a very tight timeframe. This arguably favoured those students who were able to demonstrate acute financial hardship at that particular moment rather than necessarily those suffering more chronic hardship. Members are also concerned that whilst the cost of living has remained very high for students and their maintenance loans frozen, there has been very little recognition or additional funding to support student hardship.

### **Question 3: What are your views on OfS capital funding?**

- What assessment is currently made by providers of the impact of this funding?
- How should we strike an appropriate balance between formula funding and competitive bidding to allocate capital funding?

Due to the enormous financial pressures HEIs are under in both teaching and research delivery, there is a backlog in capital expenditure across the sector. PWC's Financial Sustainability Report of January 2024 was clear in the risks this position has to refurbishments and remedial works, let alone large investment projects for campus expansion and/or new facilities. Furthermore, BUFDG's analysis suggests a need for £6.6bn in capital expenditure to meet Net Zero targets, and we saw with the recent energy crisis that HEIs are in a precarious financial position in relation to estate costs.

Both these issues impact smaller and specialist institutions disproportionately due to the smaller cash pots available in reserves, and less access to debt as covenants have tightened as banks have become increasingly risk averse in their lending criteria to the sector.

Capital expenditure requirements are not linearly related to size. Specialist facilities and smaller build projects will have a much higher cost per sqm than the largest schemes. There will also be significant regional variations due to skills shortages. As such, using institutional size (students and/or turnover) does not deliver meaningful capital grants to smaller and specialist institutions. We would therefore urge that any formula based element takes into account high-cost subjects being delivered, and if possible, regional variations and that any competitive bidding process needs to ensure that the criteria do not disadvantage institutions by size.

Members have also told us that the competition/bidding process run by the OfS are not accessible to many institutions. Different providers have different resources to spend on bid writing. There is almost always a very tight timescale either to bid or deliver programmes of work which often means that a provider will have already had to develop a new capital project before the bid criteria is announced. Some of our smallest specialist members have never received any capital funding, instead need to bid for funding through the Lottery, private funding or the Arts Council for essential upgrades.

As well as the high administrative burden of the bidding process, members have also noted a high administrative burden of monitoring and reporting spend. This creates barriers for some HEIs to be able to develop successful bids and have the internal resources to deliver a successful project to the OfS specification.

#### **Question 4: What are your views on our funding for specialist providers?**

- What should our general policy aims for this funding be?
- What additional value to students, providers and the wider sector does this funding bring?

It is essential that the funding system recognises the high costs faced by specialist providers offering intensive, practice-based higher education. Specialist institutions provide a unique, valuable and high quality student experience which should be encouraged. However, they are less able to cross-subsidise high cost provision from purely classroom based subjects as multi-faculty universities often do. Due to their size they are also often less able to successfully bid for additional pots of money through funding competitions and grants. OfS grant funding goes some way to mitigate their competitive market position disadvantage against larger multi-faculty universities and plays a necessary part in retaining specialist institutions as part of the ecology of the sector. HERA 2017 is clear that the OfS's duty to promote choice for students includes choice amongst a diverse range of types of provider. Funding for specialist providers is an important tool for the OfS in meeting that duty.

GuildHE believes that the World Leading Specialist funding stream is a vital aspect of ensuring that England can maintain its status of providing a high quality, impactful and diverse HE offer which is envied throughout the world. Of our members who receive this funding, it amounts to between 9% -20% of their total income so is clearly valued and valuable to supporting a diverse and world-leading HE sector. Specialist institutions are not part of many countries' HE ecosystems and as in the recent case in Australia, the government has lamented the disintegration of their specialist sector. The financial resources provided to a number of these institutions through the world-leading specialist funding makes an essential difference in their ability to operate world-leading teaching and learning facilities. These include supporting the quality of the infrastructure necessary to deliver world-leading, industry-standard education and training, and the cost of high-contact hours, low-SSRs and visiting professionals necessary to train and educate to the standards expected by all stakeholders: students,

parent/carers, industry and staff. It is also at present doing some very heavy lifting in closing the funding gap brought about by such a long period of home fee freezes and the cuts to the C1.2 and London weighting entitlements.

The current model of funding providers for 5 years is helpful as it creates an element of stability for the providers in receipt of the funding, however, because this is an allocation providers must bid for, there is an element of uncertainty and risk that in future they may not be funded. It is also only ever confirmed annually which prohibits long-term ambitious planning. This is problematic for those HEIs who are reliant on the funding to be able to operate. We are grateful that in the last iteration of the scheme, there was transition funding allocated to providers who lost out due to the changes in criteria. We hope the OfS builds in transitional funding into the process when the next cycle comes around.

We do recognise that there are some challenges with the world-leading funding stream, including the view that it provides a competitive advantage to its recipient compared to those specialists not in receipt of it. There is also the concern that the criterion of 'world leading' for specialist funding is restrictive because it discounts the impact of many of the high quality national and regional specialists, and is in its nature a subjective assessment.

Whilst we would not wish to water down the funding for this specific pot, as a sizeable amount of money is needed to ensure the greatest impact, in future, the OfS should consider whether outside the world leading funding it is supporting the diversity of the sector. A new funding pot with a broader definition of "High impact" across a range of measures, for example, student choice, student satisfaction, impact of graduates, impact and innovation in teaching and learning and their regional importance/significance to growth, regeneration and community building would ensure the health of a diverse sector. This further supports student choice and often (in the case of creative specialists) provides some much-needed cultural engagement for local communities, and increases Knowledge Exchange programmes across a wider range of locations. Specialist HE providers offer a truly unique student experience which is fully immersive within their discipline, attracts practitioners to significantly contribute to teaching, and enables pedagogy to drive the vision and mission of the provider. Many specialist providers directly support students to start their own businesses through incubator programmes, often through grant funding. Incubators provide physical space, mentoring, skills development and opportunities to collaborate for student and graduate start-ups. At providers in rural, coastal and regional places, this type of programme provides a vital pathway for enterprising students to set up businesses that directly work with local networks and contribute to boosting the local economy. Incubators often offer benefits for the local community too through opportunities for local people to engage with the graduate start-ups as part of outreach and CPD programmes. This is a particularly distinct example of the place-specific value added due to the work providers do with their local publics, communities and businesses. Our recent analysis of graduate outcomes data for example shows that whilst only 8% of the graduate population declares self-employment or portfolio development as an outcome overall, in specialist creative institutions this number is 32% and is also 9% higher than creative graduates studying in multi-faculty HEIs.

We are grateful that to tackle some of the issues around funding providers who are nationally significant, the OfS last year made available the performing arts specialist initiative fund to support providers not in receipt of the world-leading funding which recognised the higher costs faced by these institutions. We would hope to see this level of funding maintained and increased - especially as there

have been further cuts to C1.2 subject funding, and this additional pot normalised so that there are two streams of specialist funding - world-leading & nationally important which are available to all specialist HEIs to bid for not just performing arts specialists. We would like there to be a cap on eligibility based on turnover (as described below), to ensure that the money has the greatest impact in supporting excellence in smaller educational settings to maintain the diversity of the sector.

The current methodology of world leading funding is also perceived to advantage those who have had additional national funding for decades and who already have the infrastructure to set themselves up as 'world leading' in both teaching and research. Many of the HE providers currently in receipt of the World Leading Funding have high financial turnover and are in receipt of UKRI grants. This shows that they are capable of generating additional income through other channels, utilising their world leading status. Whilst we recognise that in some cases much of this additional funding is not for teaching and learning, we have recommended in the past that because this funding is so vital to the smallest providers, it should be in amounts that make a meaningful contribution to the health of the institution. We therefore recommended in the last consultation on the implementation of the funding suggested providers with a turnover of £100m+ should not be eligible. This would mean that the money goes to those smaller world leading providers that can make the most use of the additional funding and not water down the allocation amount.

We have also been unclear as to how in the allocation of the World Leading Funding the OfS takes into consideration equality of opportunity when deciding if a provider is world leading. It was not part of the methodology and criteria for the panel which were:

- A. The provider has a genuine and ongoing reputation, nationally and internationally, for teaching in its specialism that is world-leading and this is supported by evidence.
- B. The knowledge and skills of the provider's graduates, and the enduring impact they have on the professions and industries for which they have been prepared, are recognised by other world-leading providers, leading employers, external funders and others in the UK and beyond.
- C. The provider's students, graduates and teaching practitioners contribute to the development of their particular specialisms in a way that is recognised internationally or create the new industries, techniques or art forms of the future.
- D. The provider's world-leading status is integral to its specialism and often small size.

We believe that in future, more should be made within the assessment of the contribution world leading institutions make to improving equality of access and success. We know many of our members who bid for this funding included this within their submissions because it is ingrained in the fabric of their institutions, but we think this should be a requirement (as it is in TEF) for all providers to do so in future methodologies.

Providing additional funding is incredibly important to protect the diversity of the HE sector. We would like to see the OfS funding methodology take more account of protecting the diversity of the sector, and having 2 funding pots specifically allocated to specialist providers would go some way to help ease the financial pressures and compensate them for the disadvantages they face in being a small specialist institution.

## Question 5: What are your views on OfS funding for national facilities and regulatory initiatives?

- What should our general policy aims for this funding be?
- What factors should we consider in determining which initiatives and activities are funded?
- How should we adapt our approach to funding in the future?

Funding national initiatives are vital in supporting a diverse HE sector. Not all HEIs have the ability to afford subscriptions for all of the national services, and the OfS funding ensures that all HE providers can benefit from sector-wide collaborative activity.

For example, TASO would not be something that smaller HEIs would be able to fund. Whilst its aims and objectives are admirable, smaller institutions do not have the infrastructure or expertise to actively contribute to a paid-for service. If it were to move to a subscription model, many HEIs would be left outside of the knowledge base which is helpful to them in their APP work, and would create inequality of access to information.

Similarly with JISC, central funding by the OfS is the most efficient and cost-effective way of securing vital sectoral and national IT infrastructure for teaching and research. Central funding by the OfS, UKRI and the funders in Scotland, Wales and Northern Ireland supports a coherent, UK-wide approach and helps promote technological innovation and improved cyber security. Furthermore, JANET ensures that there are no regional cold spots in infrastructure which is of great benefit to our rural and coastal members whose students and staff outside of the university often experience communication and connectivity issues. Cybersecurity is a growing concern within the sector. JISCs support and leadership is an invaluable tool, and having a single network is more easily monitorable - with threats most easily communicated to relevant parties efficiently which ultimately protects our intellectual property and confidential information.

Whilst there has been a political trend to privatise public services to encourage competition, many market economists believe that increased quality with a lower cost is never truly realised. In HE we have shown that it is more cost-effective for everyone for one party to commission work instead of 400 HE providers all having individual relationships with an activity. Furthermore, subscription models tend to be disproportionately expensive for smaller providers and in this case, would risk unsustainable costs and/or exclusion from key services.

For example, we would argue that the Graduate Outcomes survey which is now a formal part of OfS regulatory activity and Official Statistics should be funded in the same way as the NSS. This would cut bureaucracy and costs for individual providers. There are other ways in which centralisation is more efficient for everyone in the sector. As we have seen with the challenges of delivering Data Futures, multiple suppliers of student records systems have led to significant challenges.

UniConnect is also a vital coordination scheme within the HE sector. We are concerned that the substantial announced cuts will have a detrimental impact on the ability of this collaborative programme to function successfully. It is vital for schools, colleges and smaller HE providers that we maintain a regional vision for outreach activity - but we agree with the analysis of the independent review that the programme needs a greater focus and articulation of how it compliments individual HEI APP activities, and as we said in our response to Q2 - There is an opportunity to think about APP, B3, Uni Connect and student premium funding in a more coherent way.



With regards to regulatory initiatives, this has been used as a catch-all for a little bit of everything, but at the same time as we highlighted in Q1 not all of the initiatives are funded through this stream. We therefore think there is an opportunity to provide clarity on the purpose of this area of funding which could support some of the 'strategic priority' activity and incentivisation for the development of certain types of courses either because of gaps in provision (such as level 4-5), because there are known skills shortages within certain subject areas, or is a sector-wide problem/research project such as measuring educational gain

It is also important to mention here that the squeeze in the unit cost of resources has meant that many HEIs have had to think about fundamental changes to their delivery. Whilst it is not for the OfS to make judgements about 'input', it may have a role in supporting the sector through collaborative initiatives to think through some of these fundamental questions - especially as it has taken on the role of the designated quality body. Digital and AI is also something many HEIs are thinking about and grappling with, but some financial support to fund innovation projects would be most welcome.

### **Question 6: What are your views about how we determine funding allocations?**

- Does non-hypothecation for the majority of funding remain appropriate, and how could the quality of evidence about the impact of this funding be achieved
- How efficient and effective are our competitive bidding processes, and to what extent could these processes develop better evidence of the impact of this funding?
- Should our funding methodology more explicitly relate to our policy approach for quality and equality of opportunity?
- How can we best demonstrate the impact of OfS funding and the value of this public money?

GuildHE believes that on the whole bidding processes for recurrent funding are not efficient or fair in the vast majority of cases. This is due to many factors, but the most important one is the timescale in which these activities often operate in. Either the call for bids is too short - meaning that only HEIs with bid writing teams or a project they have already developed are able to submit, or the window for delivery is too tight to generate meaningful impact for many emerging/new programmes of work. Furthermore, smaller and specialist HEIs often lose out to these competitions due to the size of the cohort or the resources they have to commit to running an intensive project. We don't think having bidding processes are inherently bad, but they do not allow the OfS enough flexibility in who it allocates funding to and often rewards large HEIs with more resources or who were going to do the project anyway. We'd like to see a more concerted effort to fund emerging or new programmes of work and a more equal distribution of the funding across different sorts of providers in the sector. We have commented separately that bidding processes work better for Capital funding, but is still not perfect.

We understand why the OfS would want to think about funding allocations which take account of 'institutional quality' but we worry that the OfS definition of quality is not comprehensive enough to make this assessment fairly. The OfS approach is principally based on statistical data rather than a broad-based and detailed view of what a HE provider delivers and its academic quality. We can see the political benefits for example of restricting OfS funding for providers who fail to meet their regulatory conditions, but at the same time this may mean they no longer have the financial resources to improve student outcomes. Basically, if a provider is meeting the regulatory requirements to access (much larger) tuition fees funded by student loans, it is hard to see the rationale for denying relevant OfS funding on quality grounds.

## Question 7: What are your views on how the OfS should prioritise various factors in making decisions about funding matters?

- Which of the OfS's general duties are particularly relevant in determining our approach to funding?
- Which general duties should we prioritise in relation to our various funding streams?
- How should we prioritise the other matters to which we are required to have regard?

We think that the OfS's duties to promote choice (including through diverse types of provider), quality and opportunities for students (including through supporting the higher costs of certain subjects) and equality of opportunity are particularly relevant. We recognise that balancing these duties isn't always straightforward. While we understand the need for the elected government to give guidance on priorities, we think the detail of implementing funding allocations is much better left to the OfS, precisely because the duties provide a framework which allows for balanced decisions that can consider the overall impact on the higher education sector. We are, therefore, concerned with the latest approach by DfE to make the grant letter far more rigid as it stops the OfS from undertaking this duty. We are concerned that not only does the 'strategic priority' aspect muddy the waters and overly politicise grant funding, but the short term annual settlement does not support stability in the sector. Ideally, we would like to see multi-year settlements to support both the OfS and individual HEIs to plan more effectively and get better value and impact out of the funding. This has worked well for the 'world leading' stream - and we think things like Uni-Connect and national facilities would also benefit from this. It could also support a fairer approach to competitions and regulatory initiative funding.

We are concerned that this year DfE has requested sign-off for any OfS competitions or additional funding streams in this area as we believe this restricts the OfS's ability to undertake its duties under HERA. Parliament gave the OfS its duties for a purpose and it is neither helpful nor efficient, for DfE to second guess them.

We also think the OfS should also be strategic about place-based policymaking. HEIs are a vital part of their community. Not only are they significant economic actors, directly or indirectly employing large numbers of local people and supporting broader community infrastructure, but they also train key public sector workers and contribute to local and regional skills and economic development projects. To date, there has been little focus from the OfS on how it takes regional factors into account in decision making or how it works with Research England to take account of places in the broader context of teaching, research and innovation. There are of course HE cold spots, but there are also other strategic challenges such as transport, slow economic growth or systemic regional inequalities which make teaching and learning delivery more challenging, for example in rural/coastal locations.