

Foreword

In drawing up this new edition of *Higher Education Finance*, CIPFA's Academies, Colleges and Universities Panel aimed to build the contents around the 'business' of higher education to give readers a real impression of what higher education institutions are all about. To facilitate this, the panel's starting point was to draw the diagram shown overleaf to illustrate pictorially what higher education institutions actually do. The diagram was then used as the basis for structuring the volume's contents.

Since CIPFA published its 2002 edition of *Higher Education Finance*, the sector has undergone considerable change. Today, institutions are dealing with the aftermath of the economic downturn and its impact on public funding. The Browne Report and the Government's response are changing the funding model for universities and the way in which higher education institutions view themselves. Student numbers and their expectations continue to rise, along with competition for the best staff and resources in a global market.

This fully revised edition of *Higher Education Finance* outlines the essential features of the financial structures, governance arrangements and current funding systems which underpin the higher education sector and details the regulatory framework within which institutions must work. It provides an overview of recent changes in the wake of Browne and the Comprehensive Spending Review. However, the future remains uncertain for individual institutions and all must come to terms with the new environment in which they must operate. At the time of writing, the Government's higher education White Paper is awaited and although there is a lot of detail to be worked through, we do know that the teaching funding model for higher education institutions will change from 2012/13.

In Scotland, the Government published a Green Paper on higher education, *Building a Smarter Future*, in December 2010. The Government response to the Green Paper will inform and have a significant effect on higher education in Scotland and its funding in the future.

In Wales it is also a time of rapid expansion and significant change for the higher education sector. The reductions in the Welsh higher education budget, the Welsh Assembly Government's response to the Browne Review, combined with the implementation of the *For our Future – The 21st Century Higher Education Strategy and Plan for Wales*, will continue to have a significant effect.

CIPFA will therefore be issuing an addendum to this volume free of charge to all purchasers of this guide which will address these issues once the impact of the changes is clear.

We hope this volume and the subsequent addendum will act as a reference manual for those already working in the sector, provide an insight into the complexities of higher education finance for those joining the sector and give guidance to those who deal with the sector.

CIPFA's Academies, Colleges and Universities Panel

