# Report Warns 40% of English Universities Face Closure Risk Due to Budget Deficits



A recent report by the Office for Students (OfS) indicated that 40% of universities in England are facing budget deficits, potentially risking closure unless significant changes are made. The analysis highlights the heavy reliance of institutions on international students' fees to compensate for declining domestic income. The OfS suggests that universities may need to cut costs or consider mergers to sustain operations.

Susan Lapworth, OfS chief executive, emphasized that many institutions have initiated steps to ensure long-term sustainability by making tough decisions concerning institutional shape and size. Modelling a "reasonable worst-case scenario" with reduced international student numbers, the OfS projected four out of five institutions could be financially unstable by 2027.

The report's findings come amid recent government restrictions on international student visas, already linked to a 27% decrease in applications for postgraduate courses next year. Additional restrictions, such as proposals to limit the graduate visa route that permits international students to stay and work post-graduation, are still under government consideration.

The Union of Colleges and Universities (UCU) reported over 50 institutions implementing staff redundancies. In particular, London South Bank University announced that 297 jobs were under threat due to a projected £24 million deficit, partly attributed to the drop in international students. The university plans to restructure from eight academic schools to three colleges.

In response to growing budgetary pressures and recruitment challenges, university administrators, such as those at London South Bank University, are exploring reorganization and staff reductions. Professor Brian Bell, chairman of the Migration Advisory Committee, disclosed that recent immigration policy changes significantly impacted student numbers and warned against further restrictive measures.

The financial sustainability of England's higher education institutions remains a pressing concern as they adapt to evolving fiscal and policy landscapes.