Association of Business Schools

Challenges and opportunities: A Lawyer's assessment

25th November 2013

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Where we are now

- Current context UK
  - funding policy
  - regulatory framework
  - policy changes
  - deferred Education Bill
- Current context outside of UK

Why would the private sector want to Interact with the public sector?

- Use of degree awarding powers
  - brand
  - dual / joint
- Other campuses
  - UK
  - overseas
- On line / distance / blended learning

Possible Future Scenarios

1. Shared Services (but also outsourcing/offshoring)

- Will it ever happen?
- Who will be willing to buy the services?
- Share with others such as NHS Trusts or local authorities
- VAT mitigation models
  - cost sharing group
  - joint employment
  - use of unincorporated association
- Is outsourcing or off shoring a better option?

*cont'd ……*Possible future scenarios

2. Sale of or investment in higher education

- Investment or sale (College of Law model)
- Charitable status
- Impact on degree awarding powers

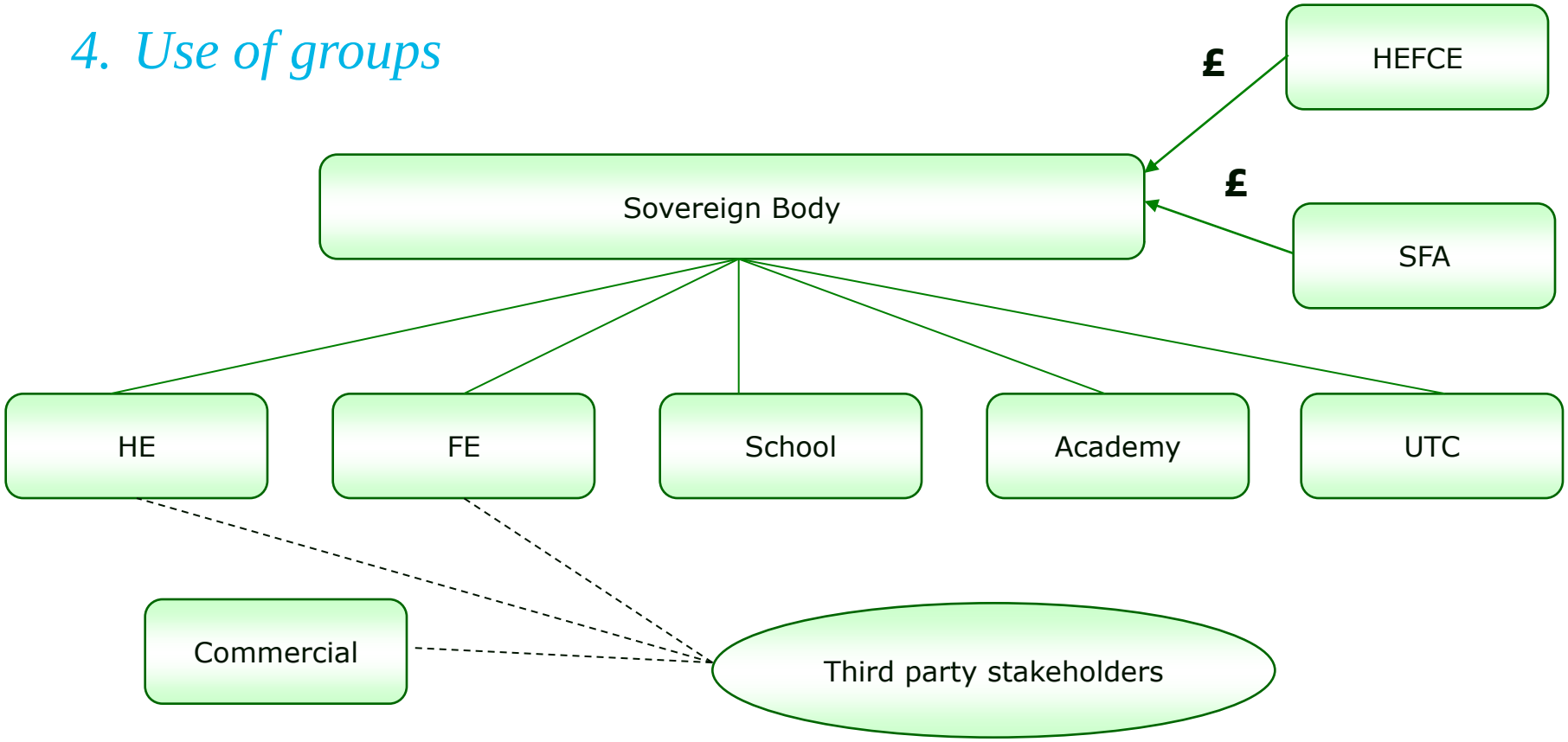
*cont'd ……*Possible future scenarios

3. Teams/Departments moving

- Why has it not happened to date?
- Will it cause employment contracts to change?
- Effect on pensions?
- Could business schools or other departments use it?

cont'd ……Possible future scenarios

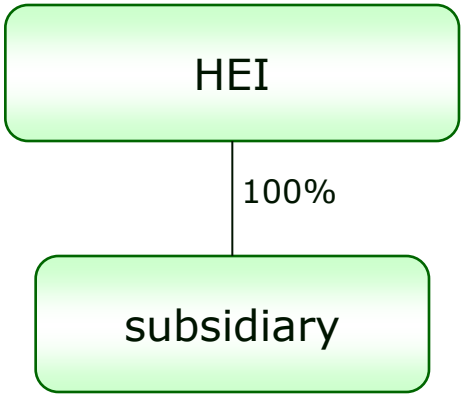
4. Use of groups



- Different Brands
- Engage staff/students on different terms

cont'd ……Possible future scenarios

5. *Charitable status*



*cont'd ……*Possible future scenarios

6. Designated institution status

- Give it up?
  - Why
- Would it give freedoms eg: trade unions / QAA / Government regulation?
- ABB + IB
- Employer funded numbers
- Shorter programmes

*cont'd ……*Possible future scenarios

7. Employee ownership and social enterprise ("the Big Society")

- Legal models are in place
- Why do it?
- Could this be a route to an MBO or MBI?

*cont'd ……*Possible future scenarios

8. Alternative funding sources

- Not just grants / fees / bank debt
- Quasi equity finance:
  - convertible loans
  - bonds
  - debt capital issues
  - private placements
  - private equity investment

*cont'd ……*Possible future scenarios

9. Multi - university

- Global activities without global presence
- No legal impediments
- Dual / joint degrees

*cont'd ……*Possible future scenarios

10. HE/FE/Schools

- Growth of education groups?
- Increasing overlap?
- Are there three markets or two (profit and not for profit?)
- FE colleges as competitors?
- Who else could apply for degree awarding powers?

*cont'd ……*Possible future scenarios

11. Private Training Providers

- Public sector or venture capitalist?
- Keep management interest
- Mutual incentives

*cont'd ……*Possible future scenarios

12. On-line and distance education

- Blended?
- Hosted from where?

*cont'd ……*Possible future scenarios

13. Shorter degree programmes

- Impact on employees
- Impact on brand

Discussion

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