



Higher Education 2040: Overseas branch campuses

Are overseas branch
campuses the answer to UK
universities' financial
sustainability challenges?

27 MAY 2026

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Are overseas branch campuses the answer to UK universities' financial sustainability challenges?



Overseas campuses are not new - there have been a number, like the University of Nottingham's Malaysia campus, that have been around for a long time, with various degrees of success



After a period of relative inactivity, there has been a recent flurry of new overseas campus announcements, particularly in response to regulatory changes in India



We wanted to explore to what extent this can help solve the ongoing financial sustainability challenges UK universities face, and what actions UK universities can take to ensure their branch campuses are a success

UNIVERSITY OF YORK ANNOUNCES PLANS TO OPEN CAMPUS IN INDIA

**University announces plan to
open first international
campus in Bengaluru**

University of Exeter to Establish Pioneering
Branch Campus in Egypt – A Russell Group
First in Africa

“

As UK universities grapple with financial sustainability challenges, they are increasingly looking for alternative revenue streams. Whilst overseas campuses have historically been discounted by some, financial pressures, and changing international student flows, are leading people to reconsider.

There is a big opportunity in India, and I expect this to be the start of a renewed look at overseas campuses more generally. But just because there is opportunity it does not mean it will be quick or easy! It feels almost inevitable that while some will succeed, others will fail.

It is therefore vital to understand how university leaders can maximise their chances of success and support their long-term financial sustainability.

Ewan Robertson, Principal, Cairneagle

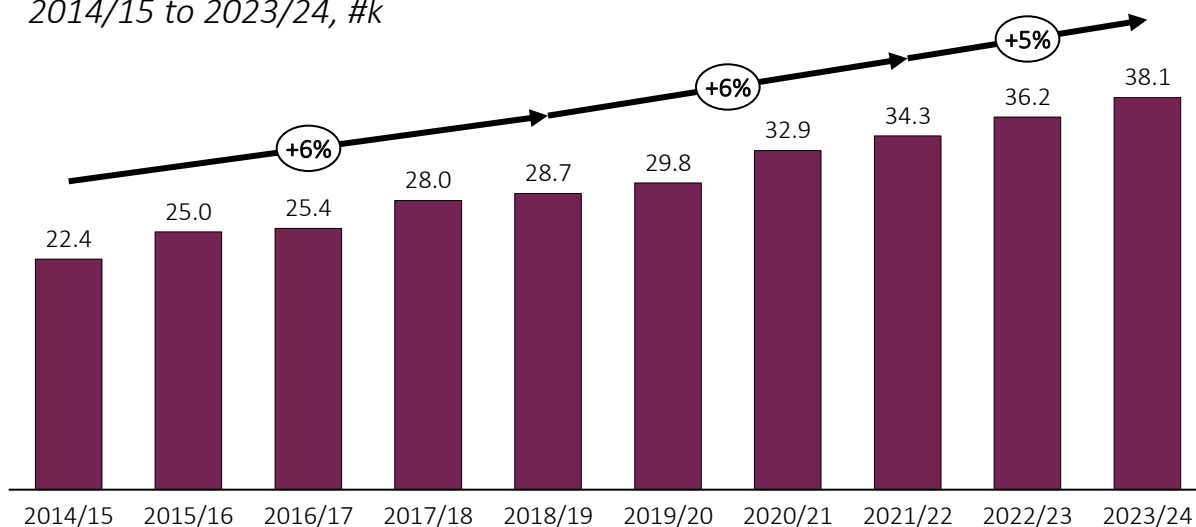


Overseas campuses are not a new idea, but uptake had been slow

The number of students studying at UK overseas branch campuses had been steadily growing due to a combination of ramp-up of existing campuses as well as new overseas campus numbers increasing.

Students enrolled at UK university overseas campuses⁽¹⁾

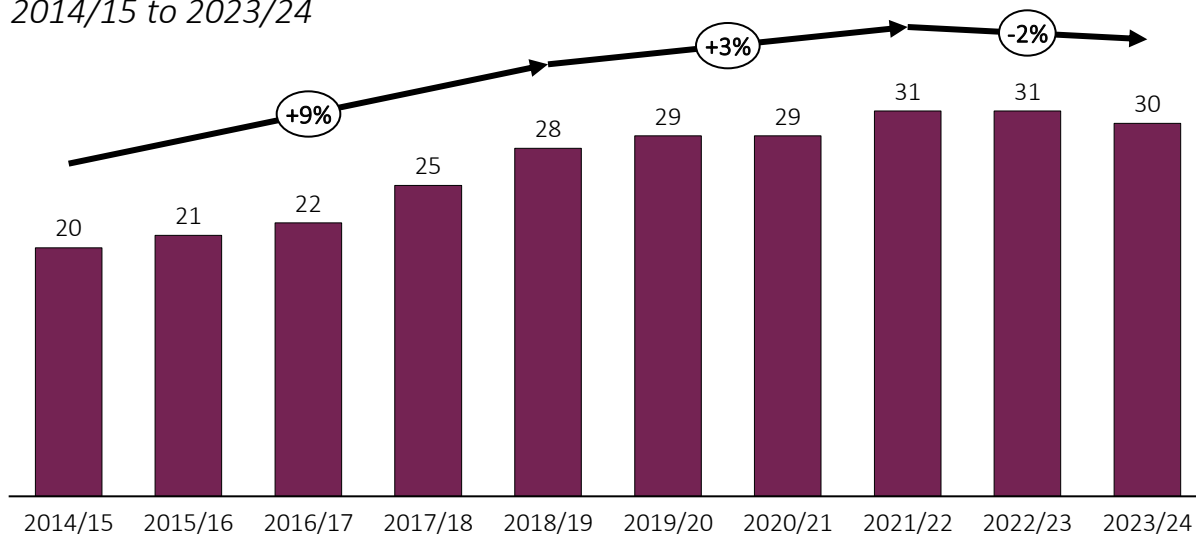
2014/15 to 2023/24, #k



New campus growth, however, had slowed pre-2025, particularly since Covid.

Number of UK university overseas branch campuses⁽¹⁾

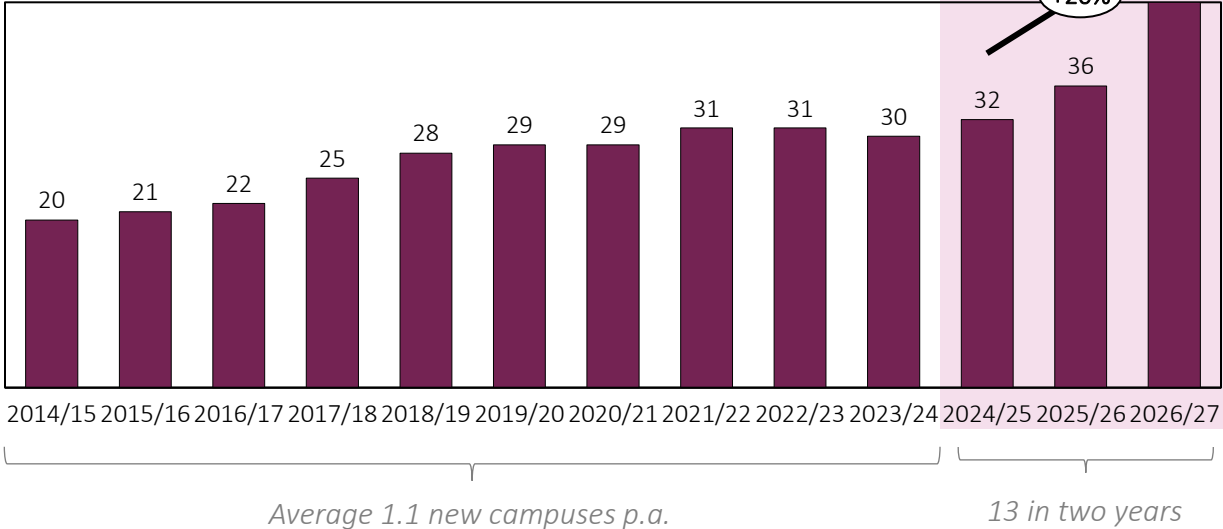
2014/15 to 2023/24



Notes: (1) Excludes private providers, specialist research centres and universities with students listed in HESA overseas campus data with no record of having had an overseas campus
Source: HESA, Cairneagle research and analysis

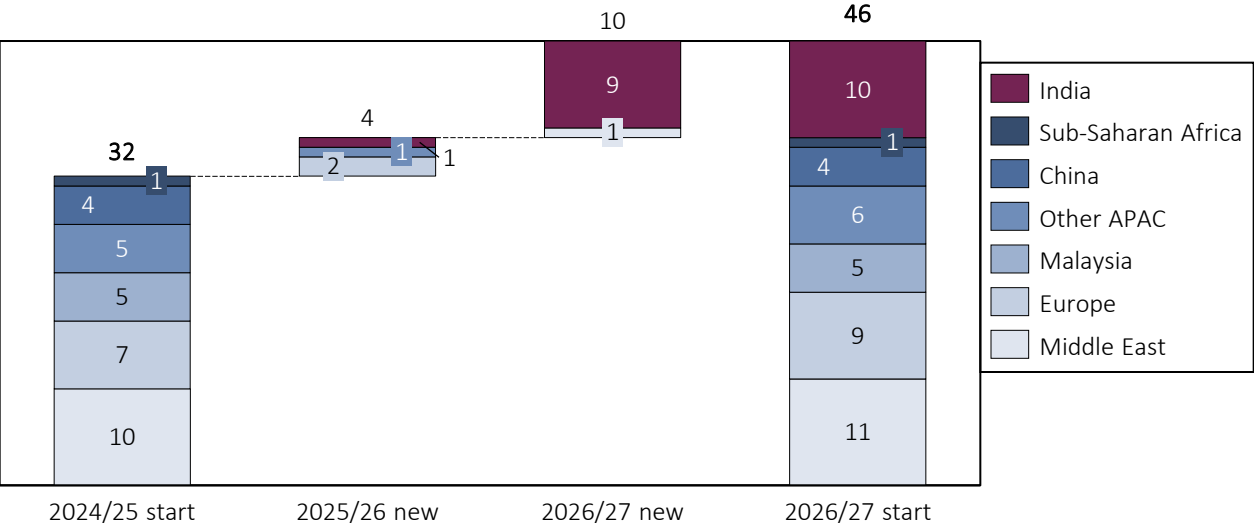
There has been a step change in activity in 2025, focused on India

Number of UK university overseas campuses⁽¹⁾
2014/15 to 2026/27



Since 2024, 14 new campuses have been opened or announced, with 10 of these being India branch campuses and two in Greece, following regulatory change. This will take the total to 46 overseas campuses from 32 UK public universities

New overseas campuses by location



Notes: (1) Excludes private providers, specialist research centres and universities with students listed in HESA overseas campus data with no record of having had an overseas campus
Source: HESA, Cairneagle research and analysis

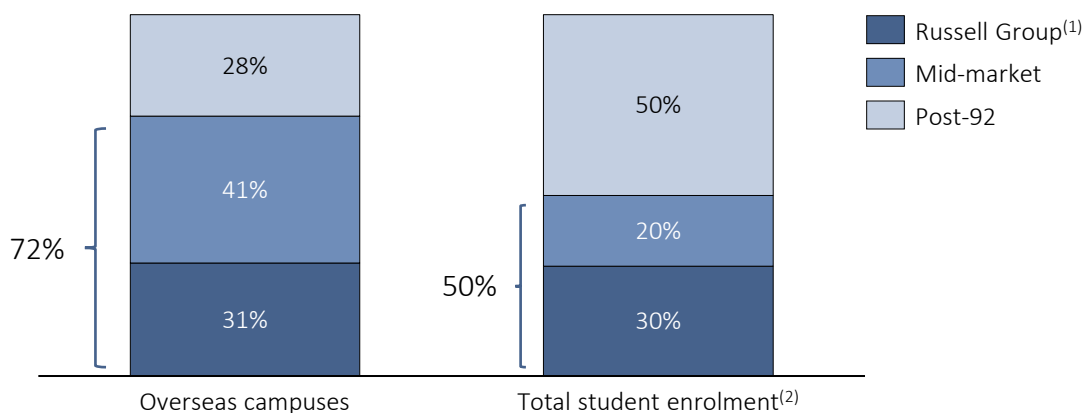
Overseas campuses are unlikely to solve sector financial challenges...

Whilst financial upside is not the sole reason for UK branch campuses it is an important, if not the most important factor, for many.

Diversified revenue streams (with unregulated fees) from overseas campuses may well help individual institutions tackle financial sustainability challenges. However, not all institutions have the brand, appetite and resources to pursue it as a strategy, and so it is unlikely to address the challenges at a sector level.

This can be seen in the fact that higher ranked universities are over-indexed in terms of overseas campuses vs. share of overall student enrolment.

Share of overseas campuses vs. share of UK HE, by university type 2024/25



It is also not a strategy without risk. There have been a number of examples of overseas branch campuses that have not lasted the test of time, reinforcing the fact that it isn't the right path for all, and is not a magic bullet solution for the sector as a whole. Examples include:

- **Aberystwyth University** – opened a Mauritius campus in 2015 that was closed in 2018 due to difficulties in reaching student number targets
- **Glasgow Caledonian University** – sold its New York campus to IE in 2023 after 10 years, having struggled to attract students (and being unable to award degrees until nearly 4 years after it opened)

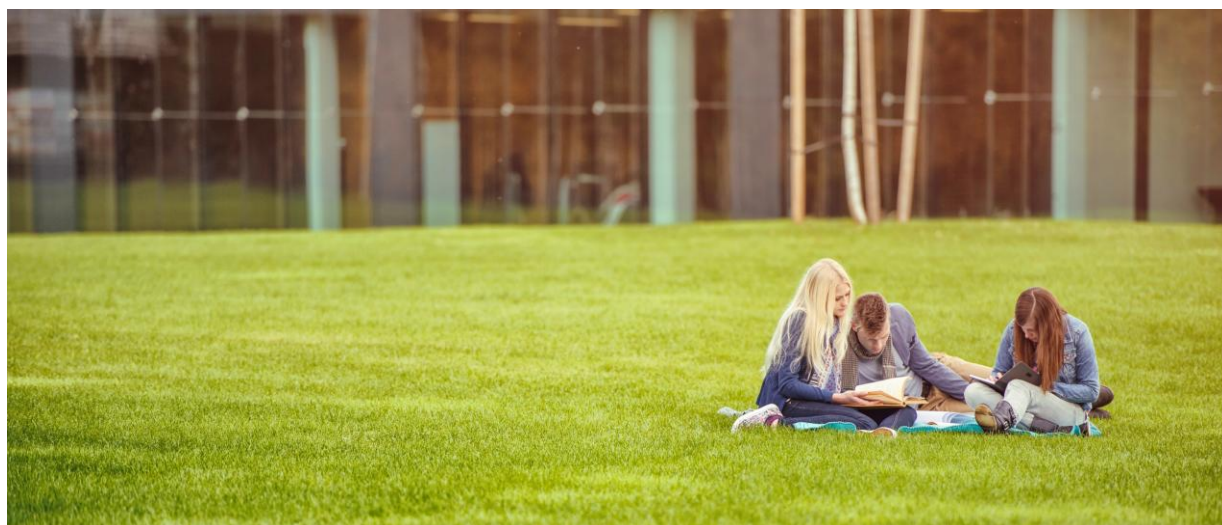
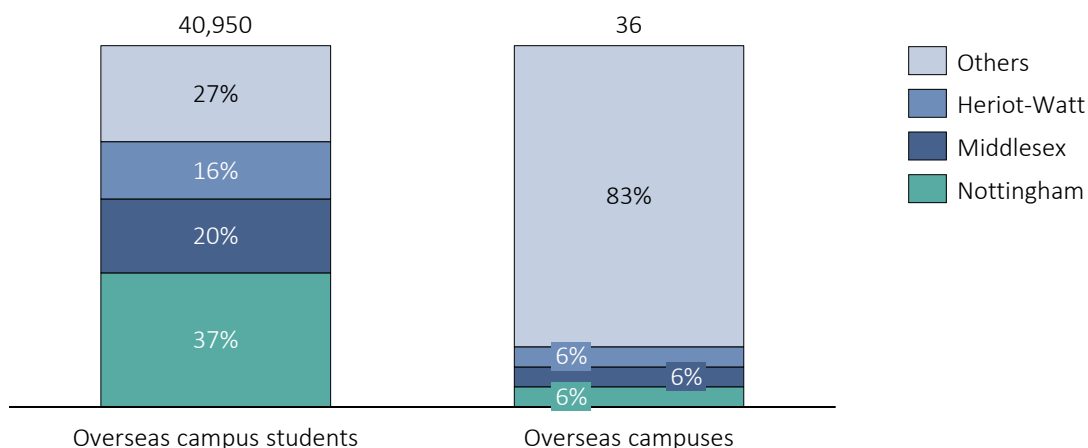
1. Russell Group includes the Russell Group equivalents of London Business School, University of St Andrews and University of Bath 2. Total student enrolment is taken from the total enrolment of students at public universities and excludes private and other types of FE providers Source: HESA, Cairneagle research and analysis

It also takes time to ramp-up. Whilst payback can be accelerated through partnerships that provide early revenues to the university, with the partner taking the ramp-up risk, it comes at a cost of a large portion of the reward.

Long ramp-up periods are reflected in the fact that a disproportionate share of overseas campus students study at the oldest UK overseas branch campuses:

- **University of Nottingham**'s Malaysia campus opened in 2000 and its China campus in 2004
- **Middlesex University** opened its Dubai campus in 2005 and added Mauritius in 2009 and the now exited Malta campus in 2013
- **Heriot-Watt** Dubai campus was also opened in 2005 and added its Malaysia campus in 2015

Share of overseas campus students vs. share of overseas campuses⁽¹⁾ 2024/25



...but could be part of the solution for some universities

Those who succeed with their overseas branch campuses will benefit from a diversified revenue stream that provides scale that is margin accretive as fees are likely to be non-regulated.

An illustrative example:



**5,000
students**

Looking at examples of the older UK overseas branch campuses (for example the University of Nottingham, Middlesex University and Heriot-Watt) shows that 5,000 students is achievable at maturity

X



£10k

Making an assumption that an average fee of £10k is achievable for a UK brand overseas (see later)

=



£50m

Gross revenue

Assuming universities can (indicatively) take around 5-20% of gross revenues as part of a partnership with an operator, net revenues would be in the region of £2.5m to £10m per campus. This is before considering upside from additional in-bound recruitment and 'plus' models.

Given the operating partner takes most of the cost under this model, this can generate significant surplus for the university, so whilst it may not entirely solve their financial sustainability challenges, it has the potential to make a material difference – especially if you open two or three campuses (or more!)

But what does it take to succeed?

We have identified 8 'P's that contribute to a successful overseas branch campus strategy:



1. Purpose



5. Proposition



2. Place



6. Partners



3. Positioning



7. Preparation



4. Pricing



8. Patience!





1. Purpose

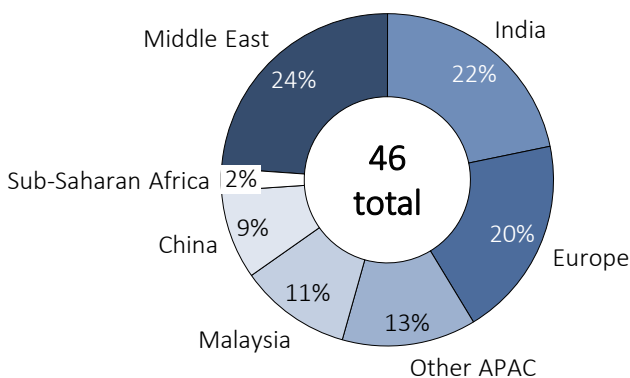
There should be a clear fit with the university mission, vision and values. The purpose and objectives for the new branch campus should be clearly articulated with strong stakeholder alignment. Any ethical concerns should be discussed upfront with clarity around safeguards and overall risk appetite.



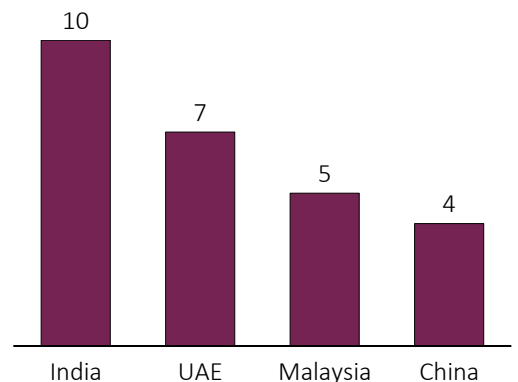
2. Place

Location is a key decision and must consider a range of factors including market opportunity, competition, long-term strategic aims, impact, fee levels, etc. Whilst there are some clear hotspots, and particular interest in India currently, there are other opportunities. For example, the University of Exeter’s new campus in Egypt in partnership with a local university, Ain Shams University (ASU) in Cairo – the first Russell Group campus in Africa.

Overseas campus by region⁽¹⁾⁽²⁾
2026

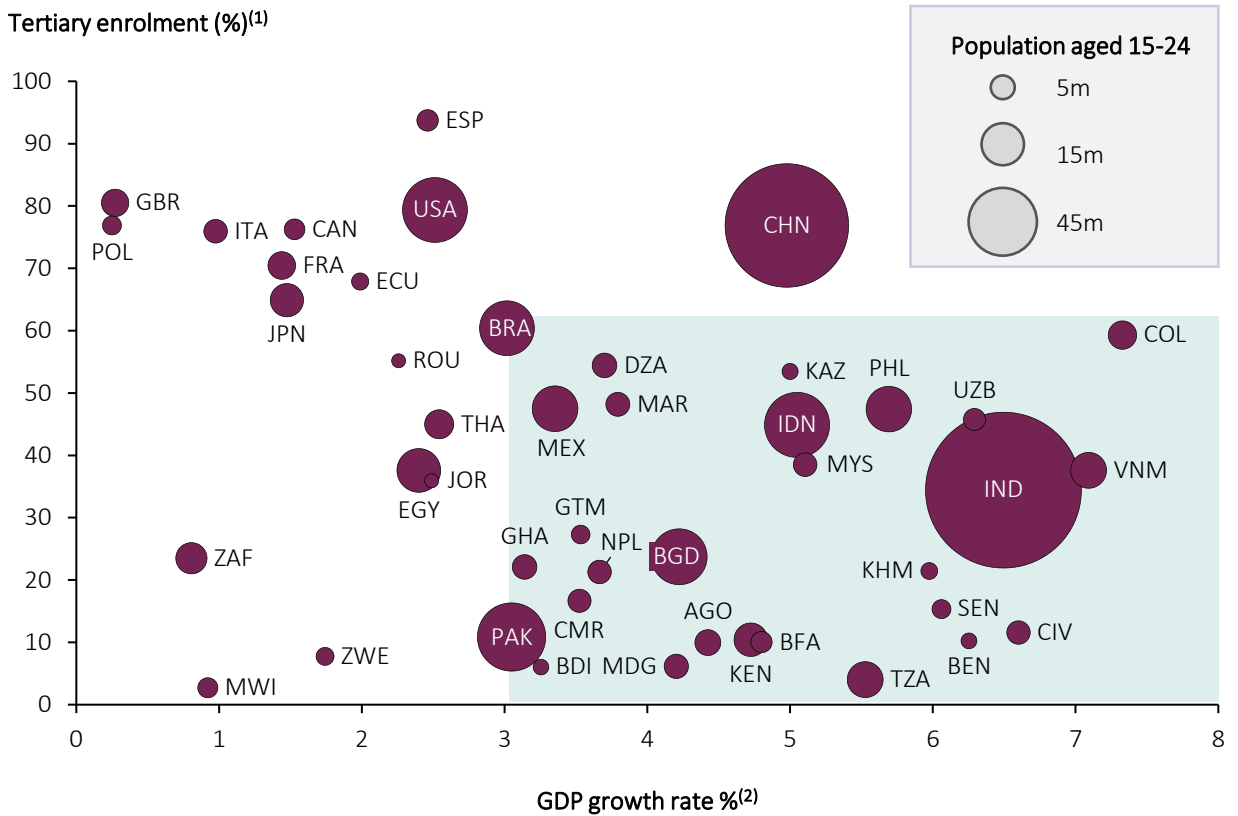


Top 4 countries by number of UK
branch campuses⁽¹⁾⁽²⁾, 2026



Beyond this there are other countries of interest, with lower HE enrolment but large university age populations and growing affluence providing a supportive context for growth in demand.

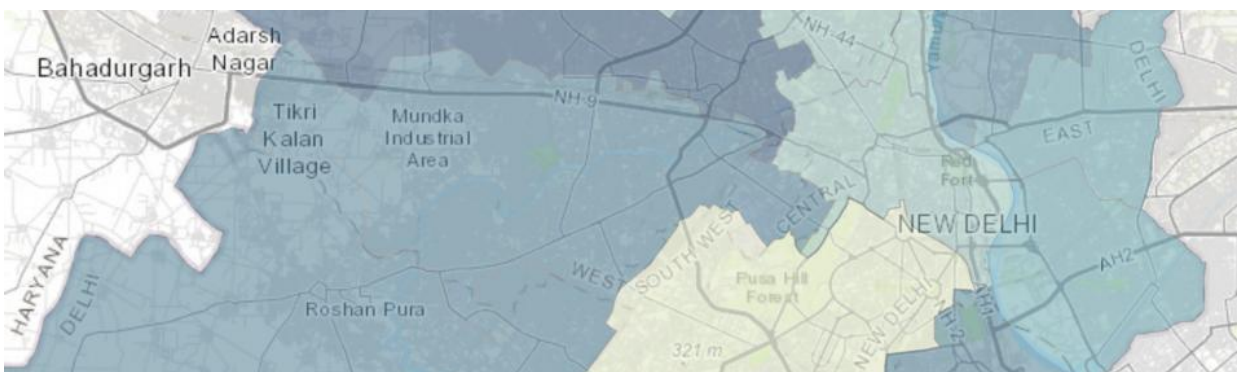
Identifying attractive markets for UK overseas branch campuses³



3. Positioning

In addition to macro location, local positioning is vitally important and often does not receive the attention it should. It impacts competitive positioning, proposition (e.g. city vs. campus), the ability to attract students and the types of student (e.g. commuter vs. boarding, different student segments, etc.).

Really getting to grips with micro-location can be costly and time-consuming but is vital to understand to have comfort in student number ramp-up assumptions.



1. Gross enrolment ratio is calculated by dividing the number of students enrolled in a given level of education regardless of age by the population of the age group which officially corresponds to the given level of education and multiplying by 100 2. Annual percentage growth 3. Select countries only based on the availability of comparable data Source: UNESCO, World Bank, Cairneagle research and analysis



4. Pricing

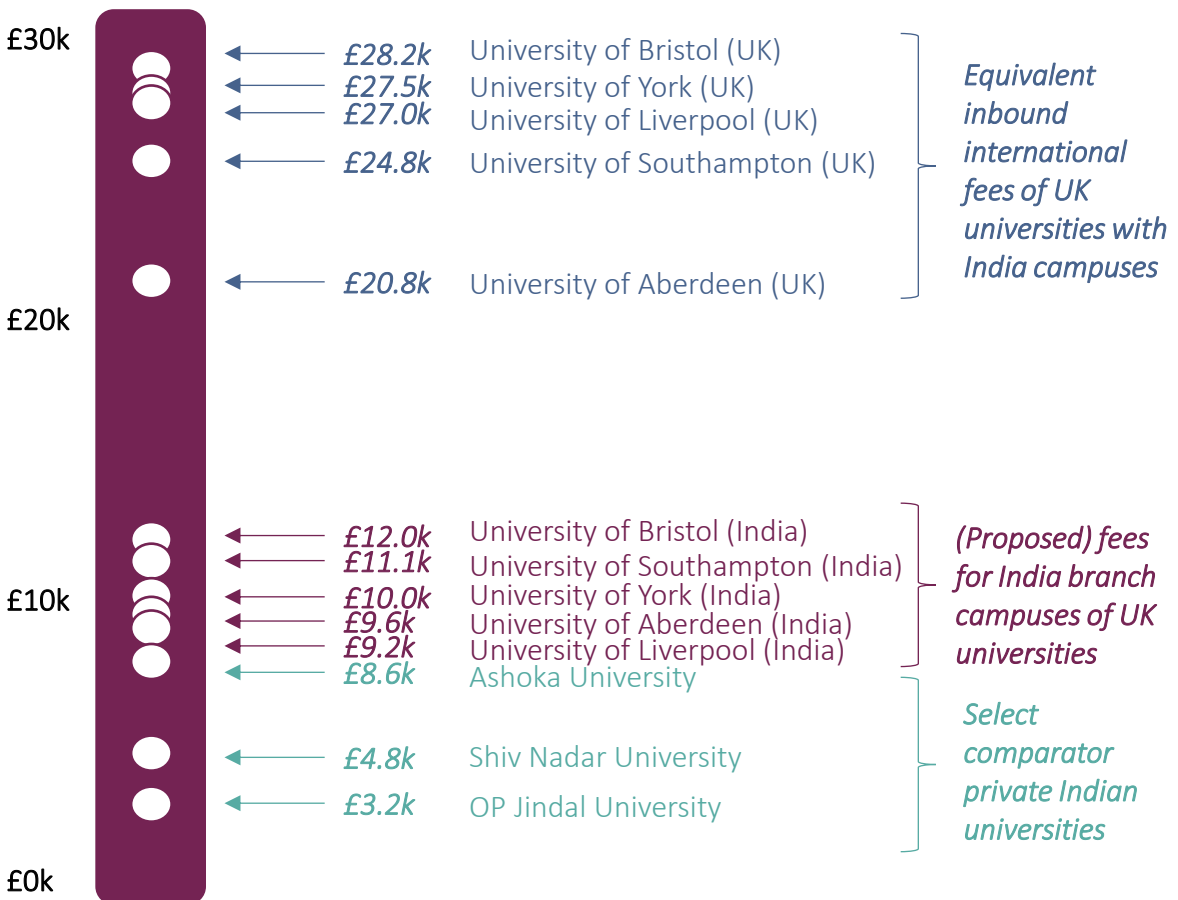
Getting pricing right is one of the most important factors in achieving business plan ramp-up. Price too highly and enrolment targets will be missed. Price too low and it damages profitability, positioning and value perceptions.

It is therefore important to understand positioning versus the local market and test the extent to which you command a UK premium without the campus track-record on outcomes and reputation, and without everything that comes with an in-country UK experience (importantly post-study visas).

Earning the right to charge a premium price takes time, as outcomes are demonstrated and the proposition is refined for the local market – it is not simply a case of drag and drop from the UK.

Given UK university India campuses are in the early stages, it remains to be seen to what extent they will successfully command a premium to local competitors at the volumes they wish to reach:

Indicative comparison of UK fee premium in India (UK vs. branch campus)⁽¹⁾⁽²⁾



1. For Indian University or campuses, fees are for home students starting an undergraduate degree in economics (or closest equivalent degree) in 26/27 2. International student fees taken for UK campuses for economics (or closest equivalent degree) in 26/27 Source: Cairneagle research and analysis



5. Proposition

A successful overseas branch campus cannot be just an office with a logo - detailed work needs to be undertaken to understand what the value proposition of the new campus would be, including:

- **What will be offered** (subjects, levels) and how it links to the 'home' campus (e.g. pathways, plus models)
- How is the proposition **impacted and tailored by the location** (for example city-centre vs. campus)
- Detailed understanding of **who the target students are, what they want**, and their purchase criteria
- How the proposed offer will fit within the **local competitive environment**
 - Competitors will be local universities as well as other overseas branch campuses
- **How the offer would be delivered**. For example, detailed consideration of staffing – prospective students are unlikely to pay a UK premium if the academics are the same as cheaper local competitors
- **Skills and bandwidth** required across management and governance
 - Guarding against a loss of focus on the core UK institution



6. Partners

If the new campus is pursued in partnership, **getting the right partner is vital**, with alignment of incentives across different time horizons.

Consideration is needed around the **short-term**:

- If successful, how is upside shared?
- If it is taking longer to ramp-up than anticipated, or experiencing issues, how are partner incentives impacted under different scenarios?

There are also **long-term** considerations:

- Is there a clear exit plan for both parties, if they should want it?
- If further investment is required, who would invest what?
- If the partner underperforms, and/or focuses attention on newer projects in the future, what levers are available to the university?

Planning and stress testing upfront avoids difficult situations in the future!



7. Preparation

As with any investment, overseas branch campuses come with risk, and it is therefore essential to undertake rigorous preparation before committing time and resources to them. Saving money upfront can lead to significant and unexpected costs later.

Good advice is essential across multiple streams, including:

- **Strategy / Commercial** – *Where should we locate? What should we offer? What do students really want? Who are our competitors? What is an achievable price point?*
- **Financial** – *Does our model work? How does it behave under stress testing?*
- **Legal** – *Can you operate as expected? Can you get your money out?*
- **Tax, HR, technology etc.**

At Cairneagle we support our clients to make evidence-based decisions on their key strategic questions, including consideration of entry into new markets through branch campuses.

This can take many forms, for example by testing localised demand; understanding competitive positioning; developing proposition; understanding price positioning, developing and/or testing business cases.

If you would be interested in a conversation about how we can support you, please do reach out!



8. Patience!

It takes time for overseas branch campuses to build reputation and ramp-up enrolment to deliver the desired results.

Quicker returns, and reduced risk, are available through royalties paid under partnership agreements but come at a cost by limiting upside potential.

Cairneagle in Higher Education

About the author

Ewan Robertson joined Cairneagle as a Principal in June 2025. Prior to that he led the Education Strategy business at KPMG, with a strong focus on Higher Education. Ewan has worked with over 25 institutions across public and private Higher Education, including an engagement that was shortlisted as a finalist for ‘Strategy Project of the Year’ in the Management Consultancies Association awards; and another supporting a leading Russell Group university with their overseas campus growth strategy.



About Cairneagle



Our Higher Education team

Cairneagle’s Higher Education team is led by Ian Koxvold, Fionnuala Duggan and Ewan Robertson.

Between us we have worked with over 50 universities on a range of strategic projects including international growth strategy.

We combine deep sector expertise with market-leading, evidence-based insight to help our clients answer their most challenging strategic questions.



Ian Koxvold
Partner



Fionnuala Duggan
Partner



Ewan Robertson
Principal

This article is part of a wider series of Thought Leadership, Higher Education 2040, that explores the future of UK Higher Education:
<https://www.cairneagle.com/higher-education-2040/>



This report references HESA data which has been is open data under the Creative Commons Attribution 4.0 International (CC BY 4.0) license (<https://creativecommons.org/licenses/by/4.0/>). Data has been analysed but no changes made to the underlying data. Source: HESA (www.hesa.ac.uk)

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