Measuring What Matters

Shaping future understanding of institutional performance for value creation and strategic decision-making in 2024

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Why Measuring What Matters and why now?

A generative discussion paper and reflective questions for senior leaders and governing bodies from Advance HE supported by a sector steering group comprising representation from the Association of Heads of University Administration (AHUA), Committee of University Chairs (CUC), GuildHE and Universities UK (UUK). (Appendix 1)

This project sought to uncover the ways in which performance is currently measured, understood and used by boards and senior leaders to evidence achievement of strategic aims, and value creation. It also aims to share insights into current practice and suggest where attention could be focused.

It will be of interest to those who want to know more about how institutional performance in higher education is understood and how that understanding is used – or could be improved - to inform strategic choices and to demonstrate value to stakeholders. It will be particularly relevant to board[1] members, Vice-Chancellors/Principals and their senior teams including academic and non-academic, Deputy Vice-Chancellors (DVCs) , the university secretary or lead governance professional, and directors of finance, strategy, operations and infrastructure.

We recognise that all providers develop systems and approaches to monitor and report performance that suit their context, and there is no 'one size fits all' solution to the measurement, reporting and communicating of outcomes. Yet feedback from board members and executives as part of this project and in Advance HE Governance Effectiveness Reviews (GERs), consistently suggests that this remains an area which could be improved at institutional level, with potential additional benefits to the reputation and value-creation narrative for the higher education sector overall.

In the UK it comes at a time of rapid and extensive transformation due, in large part, to the financial fragility of many providers, and while the new UK Government's approach to the policy and funding of tertiary education is still unclear. In other countries there will be a range of transformation and change contexts, for example the recent regulatory changes and re-structures in tertiary education in the Republic of Ireland and this issue feels ever more important.

It is therefore in the spirit of enhancement that we provide this reflective discussion paper and accompanying research report, and invite colleagues to consider the questions raised.

[1] We use the term 'board' to mean the ultimate, independent governing body of a higher education provider.

Background and approach

An initial analysis (2023) of nine annual reports and a number of board papers from a range of higher education providers in England and Australia, undertaken by Professor Carol Adams created a stimulus for a series of consultative conversations undertaken by members of the steering group, with people from their constituencies in England and Scotland (eg. Chief Operating Officers (COOs)/university secretary, Vice-Chancellors, Chairs of Boards).

This generative discussion paper captures some key findings and observations, together with reflective questions and sources of further information emerging from those consultative conversations undertaken in 2023-24.

This phase of work built on a roundtable with HEPI in November 2022, and previous work by Advance HE 2018-2020.

1 Introduction

The recent UUK/PricewaterhouseCoopers (PwC) report Financial Sustainability of the UK Higher Education sector, January 2024 has highlighted the stark reality of financial sustainability challenges in the sector. This message is important to drive focused and meaningful conversations about the future for institutions. However, there are two key things that we must ensure do not get lost:

+ The board's responsibility for the long, medium and short term strategy and performance. *The governing body will need to receive regular, reliable, timely and adequate information to monitor and evaluate performance against the strategic plan. The governing body's role is to have oversight of performance and constructively challenge it, encourage quality enhancement, maintain and raise standards, celebrate achievements and learn from difficulties (CUC Code 2020)*

+ Every institution has a unique context and there is not a 'one size fits all' response.

From Advance HE Governance Effectiveness Reviews we know that universities have started to build on lessons learned during the pandemic, despite continued challenges, and many are focused on pressing financial matters. But they are also aware of the challenges ahead, not least continued pressure on international student recruitment and the scale of strategic transformation happening in higher education today – with an unprecedented number of UK institutions implementing redundancy programmes as we write. The topic of 'performance oversight' has been increasingly raised by senior teams and their Boards – more recently influenced by external reports from both OfS and PwC that draw attention to the sector's propensity to be over optimistic in forecasting, and by independent/lay members who may have experience from other sectors and who recognise the quality of inputs to decision making that are needed to convince stakeholders of value. Governance reviews have frequently led to recommendations such as clarifying the board's role in shaping KPIs, or improving how the board gets a holistic picture of planning and performance over time, in order to perform its strategic oversight role.

There has been a long standing, and still current, challenge for the sector to address continued narratives about perceptions of higher education by the government, public and media; these challenges typically have a focus on 'value'[2]. Articulating how an organisation creates value for all stakeholders, and evidencing impact about what is important for stakeholders, is a more developed practice outside higher education and is more commonly linked (but not exclusively), to annual reporting. Deakin University in Australia is one of the few universities using such practices. They use the principles of integrated reporting to articulate their value and impact. This practice does not have significant traction in higher education although there has been prior work. This was recently reviewed by Phil McNaull in a piece entitled 'Let's Talk Value – the need to Measure What Matters'.

[2] Ranging from 'the value of a degree', 'value for money' and 'value to the economy/society'.

Advance HE members, in their feedback through a range of fora, have suggested that it is therefore timely to investigate the ways in which *measuring what matters* could be enhanced in our sector and what we might learn from within and outwith the sector, by sharing thinking and developing practices, as we face ongoing and significant change. For example, how do institutions better articulate the interdependencies between their social, economic and environmental mission, and how does the board have oversight of that? And/or would there be benefits to focusing on developing succinct and powerful annual reports, or something akin to these, given they are a critical reporting mechanism for many other sectors to integrate and evidence their performance?

The Advance HE Governance Conference 2023 also included a panel session on the topic of Expectations and aspirations: how do data, metrics and evidence enable the Board?, which discussed the value of robust data for governing bodies in supporting effective decision making and explored:

+ How are governing bodies enabled through data, information and evidence, to govern in the interests of students?
+ What do governing bodies really need to inform and influence decision making?
+ How can they make sense of performance and conformance in relation to the strategy, understand the risks, and offer assurance of the student experience and outcomes?

The discussion among attendees that ensued further highlighted the variable nature and engagement of boards in performance measurement and value creation.

2 Key findings from the Steering Group

One of the primary outcomes that good governance seeks to deliver is confidence and trust to stakeholders, and part of how this happens is transparency about how impact and value are created and communicated. This is at the heart of 'what matters'; these factors underpin the reputation of the institution and its ability to do work for and with stakeholders. This project has identified that there remain ways in which governance and how it is delivered can play a fuller role in reputation management and enhancement, and that it is timely to consider these given the current global sector transformation and turbulence.

We have sought to better understand how performance measurement and value creation currently works and offer reflections for enhancement through two key lenses of 'strategy development and oversight' and 'performance measurement', with reputation management as a golden thread throughout.

2.1 Strategy development and oversight

As part of producing a strategy most organisations should have developed an assessment framework by which the board can track progress and achievement. We do not explore here the process for doing this, or the need for data and information over time and suitably benchmarked to form the basis of the strategy and the assessment framework for strategic oversight. What we heard about strategic oversight was:

1 Planning horizons

Having gone through some turbulent years of volatility and change, not least Brexit, Covid and regulatory change (in some jurisdictions), we see a tendency for boards to focus on shorter and shorter time horizons and we encourage some caution on this. We recognise that given the current financial crisis this is understandable particularly coupled with some legacy behaviour, which was, and in some cases still is, driven by short term funding models. However, given the current crisis and the need for transformation in many cases, it will be important to keep in mind longer term visioning and planning with a focus on the use of scenario modelling. The ultimate goal is to help boards understand and make sense of their context so that appropriate strategy and risk responses can be deployed. For example, the University of Westminster and the University of Edinburgh balance this with a clear statement of vision, mission and values, subsequently supported with regularly reviewed delivery plans.

2 Provision of information

There appears to be significant variation in the information provided to – and understood by - governing bodies to enable them to have confidence in overall institutional performance against strategic objectives, and ensure that they have sound inputs to decision-making/ assurance. This theme persisted in much of the sector dialogue in this project and in the

activity that preceded it. The cause might be due to a lack of transparency, clarity and understanding a genuine deficit in what is provided or a combination of both. We think this question merits further attention by individual providers to understand if improvement should be made in their context.

We noted some universities who are offering dashboard data and information on performance and some, such as Newcastle University, who have some self-service data access for governing bodies – something that they wish to build on in relation to Key Performance Indicators (KPIs). There are a wide range of indicators that can be tracked, but we would suggest that at a minimum, boards should reflect on the potential common areas that most institutions will consider as part of strategy development and seek agreement with the executive on what is to be specifically tracked in addition to these. [3]

3 Delegated authorities

While governing bodies may not always feel they have robust, holistic oversight of performance, much heavy-lifting and scrutiny is clearly undertaken within committees, and/ or by executive eams and can be evidenced therein. This can also help with the different timings of information availability, ensuring that performance is scrutinised in a timely way in an appropriate setting. A potential downside to this is that it can lead to fragmented sources of information and data from which the board can take assurance and have a meaningful overview of performance. One area where this was most obvious in the stimulus research was in the case of 'Sustainability' reporting across the strategy, so environmental, social, economic and financial – with holistic reporting often outside of the purview of the board. We heard that some have responded by creating joint senate/council committees that draw on all sources of information. Equality, Diversity and Inclusion (EDI) is another area where this has happened.

While some institutions have an 'assurance map' which details how, where and when performance is measured and scrutinised, there may still be work to do to ensure that the scheme of delegated authority matches to this in terms of who *should* review outcomes and in which fora. On the one hand, this may appear to be a rather mundane point of operation, but on the other providing such clarity - and following it - is key to demonstrating that governance and assurance is both 'adequate' and effective' eg. to a regulator, and to enable people to be certain about expectations, roles and responsibilities.

[3] key areas as a minimum are 1) Institutional sustainability, 2) Academic profile and market position, 3) The student experience and teaching and learning, 4) Research, 5) Knowledge Transfer and relationships, 6) Financial Health, 7) Estates and infrastructure, 8) Staff and Human Resource Development, 9) Governance, leadership and management

2.1.1 Strategy development and oversight - Reflective Questions:

+ Has your governing body explored the range, source and level of data it needs to have assurance of the holistic performance of the institution and to inform decision making about longer term strategy?
+ Does the board have a holistic framework to regularly review and understand performance against the strategy, and is this based on data and information over time and suitably benchmarked?
+ In what ways does the board get assurance about performance and what are the levels of confidence about performance?
+ Is it clear where, when and how all aspects of performance are being measured and scrutinised in the governance structure. Is there an assurance map or other ways to bring performance oversight together to enable the board to have a holistic view?
+ What data and information might the board need to consider innovative or more radical strategic options to create more stability and a more sustainable future for the organisation?

2.2 Performance and Reporting

The steering group conversations found that the typical tool being used to report performance to the board seems to be a spreadsheet format, although we have heard of dashboards evolving across the sector. However, when it comes to reporting beyond the board we see a lot of fragmentation, a large mix of reporting channels and limited use of an annual report across the sector. The Carol Adams research provides an evidence based perspective on this, and the focus of our discussions included:

1 What is a performance indicator or measure of success?

We heard, and we see in governance reviews that some performance measures – such as lag indicators used in current regulatory or league table approaches – may get disproportionate attention at the expense of information that builds a picture of performance to a strategic trajectory. The discussions surfaced the idea that there could be more use of balanced scorecards and strategic scorecards to more effectively manage this.[4]

[4] https://www.staffnet.manchester.ac.uk/planning/bi/board-scorecard/ https://bscdesigner.com/balanced-scorecard-in-education.htm#universitytemplate

2 The Annual Report

The utility of the annual report as a mechanism for communicating value and impact, based on performance, to wider stakeholders is continually questioned in HE and few institutions see the benefit of using the annual report more purposefully. However, it remains the only written, 'official' *and* publicly available source of holistic performance information across other sectors, and while a well-considered external communications strategy targeted at different audiences is fundamental, an annual report may have an important role to play in complementing the lobbying that is undertaken by UUK and GuildHE about the value of the sector. Its role, format and content may therefore warrant further consideration.

Durham University has invested significantly in its annual external reporting and sees the supportive power of the annual report. See particularly p4.

There seems to be a self-fulfilling prophecy; annual reports are too long and it is perceived (though not evidenced) that people do not read them, therefore they are of no value. Because they are of no value it is not worth producing one. Yet they are a tried and tested way of articulating value, providing stakeholder assurance and telling the value story of the organisation and no real alternative is being proffered. It is possible that they could be a useful tool for regulators, policymakers, prospective board members, prospective partners, investors and financiers, indeed the University of Edinburgh and the University of Exeter have used the annual reports as a tool for discussions with investors. This is partly because of their official status and that they enable a succinct and holistic view of organisational performance. Work to make them succinct and informative so that people will read them has made great strides in recent years in other sectors and while it may not be at the top of the list of priorities, HE might reflect on whether this is an opportunity to both build trust in, and change the narrative about, the sector creating more transparency about data and information. As part of ongoing discussions in the sector, there may be an opportunity for higher education regulators to incentivise good practice annual reporting and potentially to reduce other levels of mandatory reporting.

3 Risk, opportunity and stakeholder analysis

Presenting, protecting and enhancing the reputation and profile of the institution – and that of 'Brand HE' - requires the board to consider risk and opportunities as well as the perspectives of key stakeholders (local, regional, national, international). This is because a reputational crisis will impact the board's ability to perform its key roles and responsibilities.

In our conversations the issue of entering or exiting 'partnerships' - whether educational or commercial - emerged as the type of specific decision where a better understanding of risk, opportunity and performance indicators is essential in order to understand reputational impact. The UUK, CUC and Guild HE framework for franchise partnerships is a useful tool and a good overview of how to approach international partnership working.

4 Key themes

In the sector we found some key themes on which governing bodies want or need assurance about performance and strategic oversight. These include sustainability, academic quality and standards (including student experience), financial and commercial, stakeholders (including staff).

We note that KPIs more heavily weighted towards financial/estates are making the gap to getting an holistic view even more difficult to bridge. Our insights suggest that KPIs relating to academic quality, standards and student experience, sustainability and other key themes are fragmented, reported in different places and are sometimes not strategic.

We know that most universities publish data and information about sustainability to some extent, but whether it is holistic and strategic, considering environmental, social and economic factors is variable and the information can be found (or hidden) in many different places. Opportunities to create a comprehensive performance oversight narrative and data may also apply to academic governance (quality and standards) and to EDI indicators (although this can also come under social sustainability alongside student experience). This is explored further in Appendix A and in the accompanying stimulus research report by Professor Carol Adams.

2.2.1 Performance and Reporting - Reflective Questions:

+ How should we measure success as we define it?
+ What is the balance of KPIs between regulatory compliance and strategic performance and do they make sense for the envisioned strategic future of the institution?
+ How do you deal with lagging indicators and is there scope for lagging indicators to be seen as a critical enabler alongside people, rather than ‘to be’ performance indicators?
+ Is there a more strategic role for internal and/or external auditors in assurance of performance monitoring and reporting, and if so, what is it?
+ Could we look differently at an annual report, with the mindset of value-creation and reputation enhancement?

2.2.2 Reputation Management - Reflective Questions:

+ How does the organisation best inform and report to the board about performance across the key themes?
+ How do we articulate sustainability impact (or other key themes) in a holistic way incorporating social, economic, financial and environmental?

- Does the university use the *United Nations Sustainable Development Goals* (SDGs) more as a communication tool as opposed to a transformation tool, and how much effort is being invested in designing and understanding qualitative and difficult to measure aspects of sustainability in its widest sense?
- How does the university ensure that governors are assured that academic quality and standards are met? And how do they have assurance about the whole academic endeavour including research and enterprise?
- How can governing bodies make sense of performance and conformance in relation to the strategy, understand the risks, and offer assurance of the student experience and outcomes.
- Does the approach to reputational risk incorporate effective performance monitoring?
- How is the board enabled through data, information and evidence, to govern with respect to the needs, interests and expectations of all stakeholders, particularly students and staff?

All of these questions could link to the gaps identified and suggestions made in the Carol Adams accompanying research report.

2.3 So 'what matters' to the sector?

This work has surfaced questions that we believe deserve greater attention by boards and those executives and professionals supporting boards. They are intended to help enhance how governance plays its part in value creation and address what seems to be a persistent challenge for boards – the holistic, strategic oversight of the performance of the institution. Both are critical to reputation management but are fundamental to effective governance itself. While there are pockets of innovative practice, we believe it is timely and pertinent to look at examples from other sectors and challenge ourselves to go further in the interests of our stakeholders, whether students, staff, funder or regulator. There is considerable alignment with this conclusion and the findings and suggestions in the Carol Adams Research. Boards and executive teams might therefore ask:

- Would an ESG strategy and framework provide a better approach to understanding what is materially important (what matters), in line with the university strategy, and better assess risk and opportunity enabling enhanced transparency and accountability?
- What tools and techniques are available to help us, and what is being used in other sectors, eg. have we considered using a strategic scorecard, could we move to more timely performance reporting dashboards?

- What do you (the university) value – what do you want to protect the most, and how can progress be made to demonstrate and articulate performance while enabling the unique context of each institution to inform decision making?
- We have the opportunity to shape the ‘how’ in our own context, but in doing so create a step-change in the evidence and narrative that can be used to provide assurance and highlight the value of higher education as a whole. We are publishing this paper to coincide with the launch of UUK 's "*Opportunity, growth, and partnership: a blueprint for change from the UK's universities*" which sets out how higher education can best support growth, opportunity, research and innovation across all four nations. This further highlights the need for new thinking within the sector as well as by those who fund and regulate it. We invite you to consider these questions in this context.

Appendix 1: The Steering Group

Victoria Holbrook and Kim Ansell - Advance HE

Helen Watson - Association of Heads of University Administration (AHUA)

John Rushforth - Committee of University Chairs (CUC)

Gordon McKenzie and Kate Wicklow - Guild HE

Professor Sir Steven West - Universities UK (UUK)

Appendix 2: Key themes for Boards sector wide

1 Sustainability reporting (Environmental, Economic and Social)

Carol Adams explored reporting practices, and it raised more questions than answers with respect to sustainability reporting.

KPIs in board papers examined by Carol Adams did not include many of the social issues included in the corresponding annual reports, yet we know from our conversations that university reporting on social matters, particularly EDI, is extensive, for example reporting on the attainment gaps. The concern surfaced by the consultative conversations is that much of this is done with a compliance mindset so the board is often unable to add value to the social sustainability agenda, or to understand how the work done fits with the wider strategy. However, we did hear from one institution that their EDI performance and information is tracked as part of their social sustainability indicators which is a very integrated approach to reporting. Carol Adams identifies a range of EDI measures reported in her research.

The diffuse nature of the provision of performance information and where it is scrutinised means that creating a holistic picture of performance and being able to articulate clearly value creation to various stakeholders is a serious challenge which may be holding the sector back. Carol Adams noted that "… *universities have significant economic impact on local and global economies. ….. through the education they provide (an economic impact for employers and communities), through research findings and through community engagement*". Our consultative conversations concluded that this economic value creation is not something the universities typically address, Carol Adams concluded similar in her research with only some reporting about knowledge transfer to business start-ups, grants awarded to local communities, shorter payment terms for rural vendors and vendors struggling with cash flow, expenditure on supporting students, efforts to assist students who missed out on formal education and, academic partnerships. However, she concludes that there is no consistency in what was reported and how. In many countries higher education has a reputation problem and it is our view that articulating this value and impact should be part of the solution. There is still work to be done on how a university demonstrates its value.

2 Academic Governance

Academic Governance is unique to the sector and an aspect of governing body oversight that is increasing in importance. This has been driven by the increased need for governors to understand and effectively receive evidence-based assurance about "student outcomes" in England as a requirement from the Office for Students (OfS), but increasingly in other UK nations as part of their regulatory requirements and by other regulators such as the Tertiary Education Quality and Standards Agency (TEQSA) in Australia.

Governing bodies are expected to actively seek assurances that academic assurance is robust and effective. This becomes ever more important with the political interest in issues surrounding quality in higher education and ensuring value for money for public expenditure.

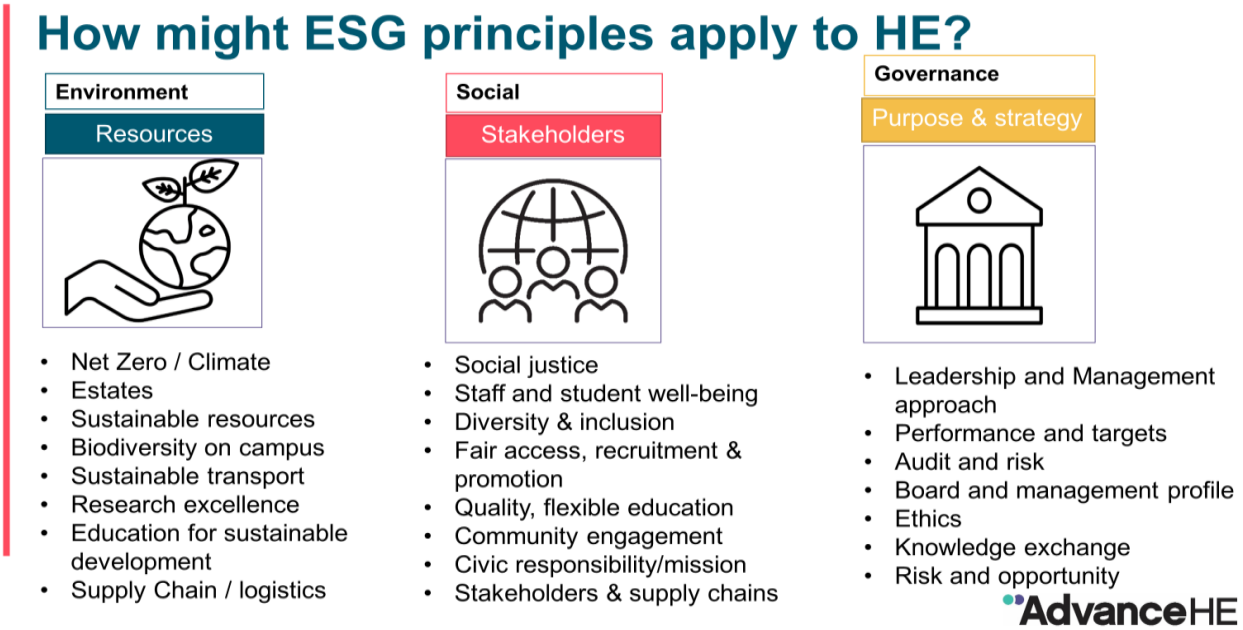
The same group of sector partners working on this *Measuring What Matters* project also collaborated to explore what governing bodies need to ask themselves in order to fulfil their respective accountabilities and to be clear about what is important in delivering the strategy.

Appendix 3: Emerging practice and insights from other sectors

Environmental Social Governance (ESG)

ESG (Environmental, Social and Governance) means different things to different people and different types of organisation. With its origins based on how an organisation assesses/manages the risks and opportunities created by external shifts in environmental, economic, and social systems, it is evolving into principles/approaches/frameworks that analyse how sustainably an organisation is operating. It includes key elements around environmental and social impact, as well as how transparent and accountable governance structures are. There is a nervousness that higher education is both extremely diverse in itself and different from other sectors, which is true, but we should not underestimate that getting this right is a challenge in many sectors. It is worth considering how this mindset might drive perceptions about the sector's ability to adopt new/innovative/different practices from beyond HE, for example, internationally recognised frameworks such as the GRI (Global Reporting Initiative) or integrated thinking and reporting. From the perspective of the role of the board, similar responsibilities and accountabilities apply regardless of size, shape, scope or sector.

Thinking about how the board has a holistic approach to understanding performance of the organisation, principles of ESG may well be worth considering and developing for the sector.



Strategic Scorecard

The strategic scorecard may offer a simple but effective process to help focus on the key strategic issues and to better inform challenge and appropriate questioning. The objectives of the scorecard are to enable the board and executive group to work constructively to promote the future success of the university. The scorecard was originally designed for a corporate environment and therefore the concept has been adapted here, so there may be other equally suitable formats which will achieve the purpose.

1 Strategic position

Focuses on what is required to assess the institutions current and likely future position. So it must be forward looking and cover externally focused information such as competitor or comparator group benchmarks, economic and policy developments and internal issues such as competences and resources.

2 Strategic options

Having set the scene with relevant background and information the scorecard shifts towards decision making. Strategic options can be defined as those options that have the greatest potential for creating or destroying value.

3 Strategic implementation

The emphasis is then to identify key milestones to have suitable oversight on implementation of the strategy. Decision points may be appropriate here and some include a balance scorecard in this section or a series of financial and non-financial performance indicators.

4 Strategic Risks

This looks again at the external environment as well as internal to keep the board sighted on the major strategic risks that pose the greatest threat to the achievement of the institution s strategy as well as key issues such as the organisation's risk appetite. Having a common and shared understanding of risk appetite is essential.

Original source for further information.
http://issuu.com/cimaglobal/docs/cima_strategic_scorecard_-__boards_engaging_in_str/1?e=1740886/5033220

<table>
<tr><th colspan="2">Strategic Position</th><th colspan="2">Strategic Options (Opportunities)</th></tr>
<tr><td colspan="2">Knowledge Exchange Framework (KEF) external positioning and internal ability to deliver and demonstrate.
NSS – external ranking and benchmark alongside internal capacity and capability to deliver
Research rankings
Entry tariffs
Research intensive
Teaching intensive
Student profile</td><td colspan="2">A major campus decision
Merger
Strategic Partnerships
New policies from sub committees?</td></tr>
<tr><th colspan="2">Strategic Implementation</th><th colspan="2">Strategic Risk</th></tr>
<tr><td rowspan="4">Data requirements
Milestones
KPIs and non-financial performance indicators</td><td rowspan="4">Dates, timelines, etc.</td><td>Student Fee income and policy</td><td>Internal/external - appetite low due to financial position</td></tr>
<tr><td>New Building
Estate utilisation</td><td>Internal
Internal</td></tr>
<tr><td>Visa policy</td><td>External – appetite high as international student impact limited.</td></tr>
<tr><td>Key staff losses over merger decision</td><td>Appetite low as ability to recruit low</td></tr>
</table>

Appendix 4

Possible ndicators worth considering – this is not a comprehensive list and institutions are unlikely to need all of them. They should be considered alongside the Carol Adams suggestions.

2.3.1 KPIs for institutional sustainability

1 Return on assets – Cost effectiveness/cost performance (CE/CP) ratio

2 Annual spending on infrastructure compared to the agreed yearly requirement

3 Income growth, diversity and security

4 Student satisfaction

5 Student outcome

6 Carbon consumption

KPIs for academic profile

1 Teaching/research balance

2 Student population – character and diversity

3 Position in the peer group and league tables

4 Value added

KPIs for the student experience

1 Results of external assessments

2 Student recruitment against plans

3 Quality of student entry

4 Student progression

5 Student achievement

6 Student satisfaction

7 Employability and student destinations

KPIs for research

1 Research outputs, by an appropriate measure

2 Research income, total, % and by type of sponsor

3 Research income per academic, trends and academic area

4 Research-active staff

5 Cost recovery on research by sponsor type

6 Success rates on research grant applications

7 Number of postgraduate research (PGR) students

8 PGR awards

KPIs for knowledge transfer

1 "Other" income as % of total

2 Proportion of academic time on "Other" activity

3 % of research income from commercial sponsors

4 Measures of exploitation of IP (spin-outs, licence agreements, patents)

5 Number and quality of strategic partnerships

6 Success of Alumni, fund-raising, and sponsorship

KPIs for financial health

1 Aggregate surplus/deficit for the past three years as % of income

2 Cash generated – last financial year.

3 Forecast surplus for next/current FY

4 Current assets to liabilities ratio (financial strength)

5 Liquidity (days expenditure available as cash)

6 Borrowing as % of income (gearing)

7 Unfinanced capital investment requirement

8 Credit rating, quality of relationship with bankers

KPIs for physical infrastructure

1 Maintenance condition and functional suitability of the estate

2 Total cost of remedial investment

3 Utilisation – square metres per student

4 Return on assets: £ income per square metre

KPIs for staff and Human Resources Development

1 Cost of staff as % of total costs

2 Staff turnover, absence and vacancies against plans

3 Staff age, skills and diversity profile

4 Expenditure on staff development and training

5 Staff satisfaction (surveys, complaints and appeals)

KPIs for governance, leadership and management

1 Assessed compatibility with the HE Code (periodic self-assessments)

2 Results of external audits of management

3 Extent of leadership skills and training in senior management

Contact us

All enquiries

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We are a member-led, sector-owned charity that works with institutions and higher education across the world to improve higher education for staff, students and society. We are experts in higher education with a particular focus on enhancing teaching and learning, effective governance, leadership development and tackling inequalities through our equality, diversity and inclusion (EDI) work.

Our strategic goals to enhance confidence and trust in HE, address inequalities, promote inclusion and advance education to meet the evolving needs of students and society, support the work of our members and the HE sector.

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