

A GUIDE TO PRESENTING INSTITUTIONAL FINANCIAL INFORMATION TO STUDENTS

FOREWORD

Professor David Phoenix OBE
Vice-Chancellor of London South Bank
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Funding and value for money remain prominent in discussions around higher education, with ongoing interest in the level of fees and the financial contributions of students towards the cost of their higher education experience. In addition to increased public interest, students are understandably demanding more information from universities and asking how their fees are being spent. Indeed, a recent survey found that most students do not receive enough information on how universities spend their money.

Universities UK (UUK) have therefore produced this guide for the sector to help address the needs of students and stakeholders. The guide sets out best practice and suggested approaches for universities to consider in presenting this information to students, and has been shaped by the views of students, university staff and key stakeholders in the sector. I would like to thank all the individuals who contributed their time and expertise in supporting its development.

As the guide shows, there are already many good examples of universities presenting this information to students in an accessible and clear way, but we recognise and support a need for further progress.

It is now time for the sector to take the initiative in improving transparency, and for universities to be ambitious in their efforts to explain to students how they are funded, how they spend their money and how this spending adds value to the student experience.

We hope that this guide will help and encourage the sector in making further progress on this issue.

FOREWORD

Sarah Randall-Paley

Director of Finance at Lancaster University and Chair of the British Universities Finance Directors Group

Value for money means different things to different people. For this study the clear focus was to take the perspective of students and consider how best to achieve clarity and transparency about consistent financial information that will help students understand where their fees go.

The British Universities Finance Directors Group (BUFDG) was delighted to be asked to work with UUK to support some of the workshops held as part of this project. Alongside strategic planners, student communications experts and other colleagues, we sought to find some pragmatic answers to the challenges raised. A number of my Finance Director colleagues took part in the events and I would like to personally thank them for their time and support.

The resulting guide is practical and constructive and will be a useful contribution to the wider debate. We look forward to seeing rapid progress in how this information is presented by institutions.

ABOUT THIS GUIDE

In recent years there has been increased interest from students, the government and scrutiny in the media about the income that universities receive, and how they spend this income. Universities understand that today's students are keen to know more about university finances and in particular about how their fee income is spent, but to date accessible and easy-to-comprehend information has not been consistently available across the sector.

UUK has developed this best practice guide to support and encourage higher education providers to better present information to students on how they use fee income, and other sources of income, and how their spending adds value to the student experience.

This guide:

- looks at how information on university spending is currently communicated to students
- provides a framework for presenting information on income and spending to students, including examples of best practice and suggested approaches

It is also designed to support institutions in England in demonstrating to the Office for Students (OfS) that they meet its requirements for providing transparency about

value for money for students and taxpayers.¹

This guide also signifies a call for action to the sector, encouraging providers to be more proactive in increasing the coverage, accessibility and visibility of this information for students. UUK aims to review progress on the presentation of information on income and spending to students in a year's time.

To inform this guide, we gathered feedback from a series of workshops with students and those working in institutions with an interest in this area. We considered existing evidence on this issue, held interviews with relevant stakeholders and took advice from the UUK value for money advisory group.

We would like to thank all those individuals who contributed their time and expertise to support the development of this guide.

CURRENT STATE OF PLAY

There is a clear demand among students across the UK for more accessible information on how fees are spent, and there is an increasing interest in improving the transparency of information about universities' income and spending from wider stakeholders.

While there has been improvement in recent years, including good examples of universities explaining how they spend their fee income, further work is needed.



1. Most students feel they do not get enough information on how fees are spent

Despite improvements in recent years, in 2019, 76% of students surveyed in England, 72% in Wales, 73% in Northern Ireland and 67% in Scotland reported that their university does not provide enough information on university spending.²

2. The higher education sector can do more to improve provision of information on income and spending to students

While there are good examples of universities explaining how they spend their income, further improvement is needed. It is estimated that around 80% of university websites do not provide information that is easily accessible and tailored to students, with a wide variation in approaches taken.³



3. A lack of information on how fees are spent is shaping student perceptions of value for money

While positive student views on the value for money of university education are often linked to teaching quality, course content, facilities or campuses, negative views are often linked to fees and a lack of understanding in how they are spent.^{4,5}



4. Providing information will help to address misperceptions around how fees contribute to university spending

The lack of accessible information on university spending has led to a misperception that fees are solely spent on the direct costs of teaching.⁶



FRAMEWORK FOR PRESENTING FINANCIAL INFORMATION TO STUDENTS

This framework provides an approach for institutions to consider in presenting information on income and spending, including as part of a value for money statement.

Institutions should engage closely with their students to identify the best ways to present and communicate information that is accessible, accurate, relevant and meaningful.

In providing breakdowns of income and spending, it is suggested that institutions should draw on their most recent financial data as returned to HESA, based on audited financial statements per the Statement of Recommended Practice, to minimise administrative burden.

THE THREE STRANDS OF A VALUE FOR MONEY STATEMENT

Income generated	Income expended	Institution specific narrative
<ul style="list-style-type: none"> • Categorise and describe total income of institution • Meaningfully indicate and describe income categories • Place income from fees in the wider context of other sources (eg government grants) that together fund university activity and the student experience 	<ul style="list-style-type: none"> • Categorise and describe total expenditure of institution • Meaningfully indicate and describe areas of expenditure 	<ul style="list-style-type: none"> • Give institution-specific context around income and expenditure (eg how academic environment is supported by spending) • Describe how non-teaching spending benefits and adds value for students • Highlight unique opportunities for students that may not be reflected in spending data (eg study abroad opportunities or work placements)



A mock online value for money statement based on this approach is available at universitiesuk.ac.uk/value-for-money-statement

ISSUES TO CONSIDER

Specific issues and approaches providers may want to consider include:

- highlighting the institution's charitable status and explaining that any surpluses are reinvested to enhance the student experience (depending on the institutions financial circumstances)
- highlighting non-fee income sources that contribute to enhancing the student experience (eg endowments and investments)
- giving simple explanations of how the student funding system works, for example, that fee loans are only repaid when earning above a certain amount
- avoiding technical and overly granular approaches, presenting data in accessible, concise formats
- using clear, accessible terminology, preferably tested with students, and based on common categories of the audited financial statements institutions return to HESA

Institutions may also want to consider explaining, through narrative sections, areas of spending that benefit students which will not be evident in the data. Examples include:

- **investment in new buildings or facilities**; given that these longer-term projects could benefit future students more than current ones, the narrative could explain past investments and how they are benefitting current students
- **spending on access and outreach**; the narrative section could provide specific examples of an institution's access work
- **spending on partnerships with industry**, and the benefits this can bring in terms of graduate employability
- **spending to improve environmental sustainability**
- **investment in student and staff facilities**, such as sports, health services, careers advice
- **explaining risks currently facing the sector**, associated with uncertain economic and political environment, and how the institution is working to mitigate them
- **demonstrating ethical investment** and ethical sources of income
- **investment in research**, and how this benefits students, for example providing access to new technologies or being taught by prominent researchers


COMMUNICATING INFORMATION TO STUDENTS


It is critical that institutions engage closely with their students to ensure that information about income and spending is as accessible, engaging and meaningful as possible. Approaches institutions may want to consider include:


- top-level information on income and spending **displayed prominently on websites**, which are easily accessible to students, with **links to more detailed information**
- providing value for money statements, including information on income and spending, **as part of the student application process** (eg in prospectus)
- providing information in **student portals**, or any student facing mobile applications
- ensuring early awareness of information by including information as part of **welcome packs or induction activities**
- publicising visual information on income and spending on **campus poster boards and digital screens** across campuses
- sharing graphics on income and spending and value for money statements within **social media groups** organised for current students
- including regular updates within **student newsletters**
- including information from value for money statements in **strategic plans**. While not as directly relevant to students this would increase prominence of information to staff
- **engaging regularly with students** and students' unions to ensure accessibility and usefulness of this information is maximised





CHECK LIST


-  Engage closely with students, and student representatives, to ensure that the information you provide is meaningful and tailored to specific student groups and circumstances at your institution


-  Information on income and spending should be clear, easy to understand and use non-technical descriptions that are familiar to students


-  Provide definitions and descriptions for terminology that may be unfamiliar to students


-  Use visual approaches that minimise clutter, with clear and meaningful categories and descriptions


-  Provide links to more detailed information on university finances, eg financial statements

-  Explain how income from non-fee sources is used to benefit students

-  Provide narrative context to data on income and spending, and explain how funding decisions deliver value to students

-  Present this information on areas of your websites where students are likely to see it

-  Consider additional approaches to best communicate information to prospective and current students

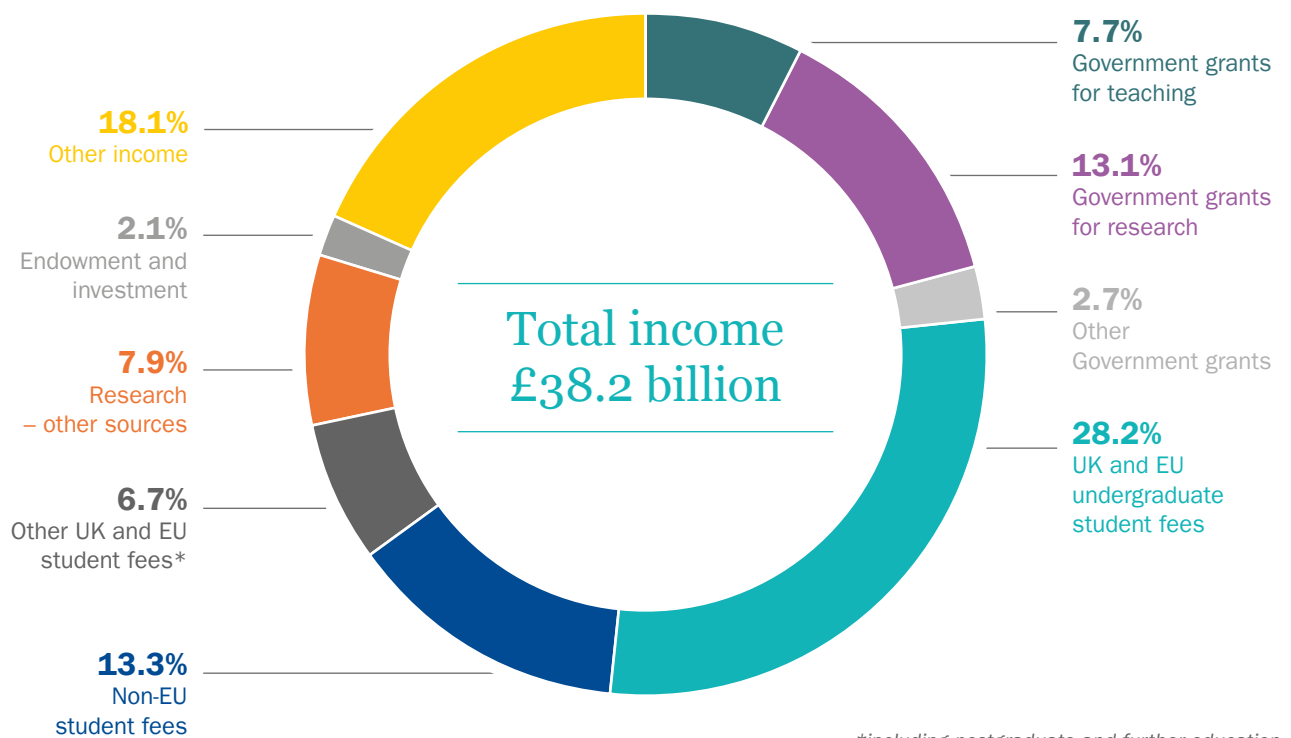
-  Seek to address frequently asked questions that your students may have in relation to spending

EXAMPLE APPROACH TO CATEGORISING INCOME AND EXPENDITURE SOURCES

As a starting point, institutions may want to consider the following approach to categorising income and spending sources, developed by Universities UK.

This can be recreated from publicly available HESA data on HE provider finances

Universities' 2017–18 income by activity



HESA categories *(HESA HE Provider Data: Finance, tables 6 and 7)*

Government grants for teaching

Recurrent teaching

England: HEFCE/OfS – teaching grant, NCTL/DfE funding; **Wales:** Teaching grant – full-time UG provision (including PGCE and premia and per capita funding), Teaching grant – full-time PG provision (including premia and per capita funding), Teaching grant – part-time UG provision (including premia and per capita funding), Teaching grant – part-time PG provision (including premia and per capita funding); **Scotland:** General fund teaching; **Northern Ireland:** Recurrent (teaching)

Grants for further education provision

England: ESFA funding; **Wales:** DfES recurrent grants; **Scotland:** Grants for FE provision

Source of fees – DH/LETB/Scottish Health Directorate

Government grants for research

Recurrent research

England: HEFCE/Research England – research grant; **Wales:** QR and PGR funding; **Scotland:** General fund research and knowledge exchange; **Northern Ireland:** Recurrent (research)

Research Councils

UK central government bodies/local authorities, health and hospital authorities

UK central government tax credits for research and development expenditure

Other government grants

Recurrent other

England: HEFCE/OfS/Research England – other grants; **Wales:** Non formula funding grant; **Scotland:** Strategic funds, Ring-fenced grants; **Northern Ireland:** Recurrent – other (including non-recurrent special funding)

Capital grants recognised in the year

England: Capital grants recognised in the year; **Wales:** Capital grants recognised in the year – equipment, Capital grants recognised in the year – estates; **Scotland:** Capital grants recognised in the year, SFC capital maintenance grant; **Northern Ireland:** Capital grants recognised in the year

UK and EU undergraduate student fees

UK and Other EU full-time UG (SLC/LEAs/SAAS/DfE(NI) and Other)

UK and Other EU part-time UG (SLC/LEAs/SAAS/DfE(NI) and Other)

Fees from non-EU students

Total Non-EU student fees

Other UK and EU student fees (including postgraduate and further education)

Full-time PG

Part-time PG

Non-credit-bearing course fees

FE course fees

Income for general research studentships from charities (open competitive process)

Other research training support grants

Research – other sources

UK-based charities (open competitive process)

UK-based charities (other)

UK industry, commerce and public corporations

EU government bodies

EU-based charities (open competitive process)

EU industry, commerce and public corporations

EU other

Non-EU-based charities (open competitive process)

Non-EU industry, commerce and public corporations

Non-EU other

Other sources

Endowment and investment

Total donations and endowments

Investment income

Other income (including business and residencies and catering activities)

Other services rendered (UK central government/local authorities, health and hospital authorities, EU government bodies)

Other services rendered (other)

Residences and catering operations (including conferences)

Grants from local authorities

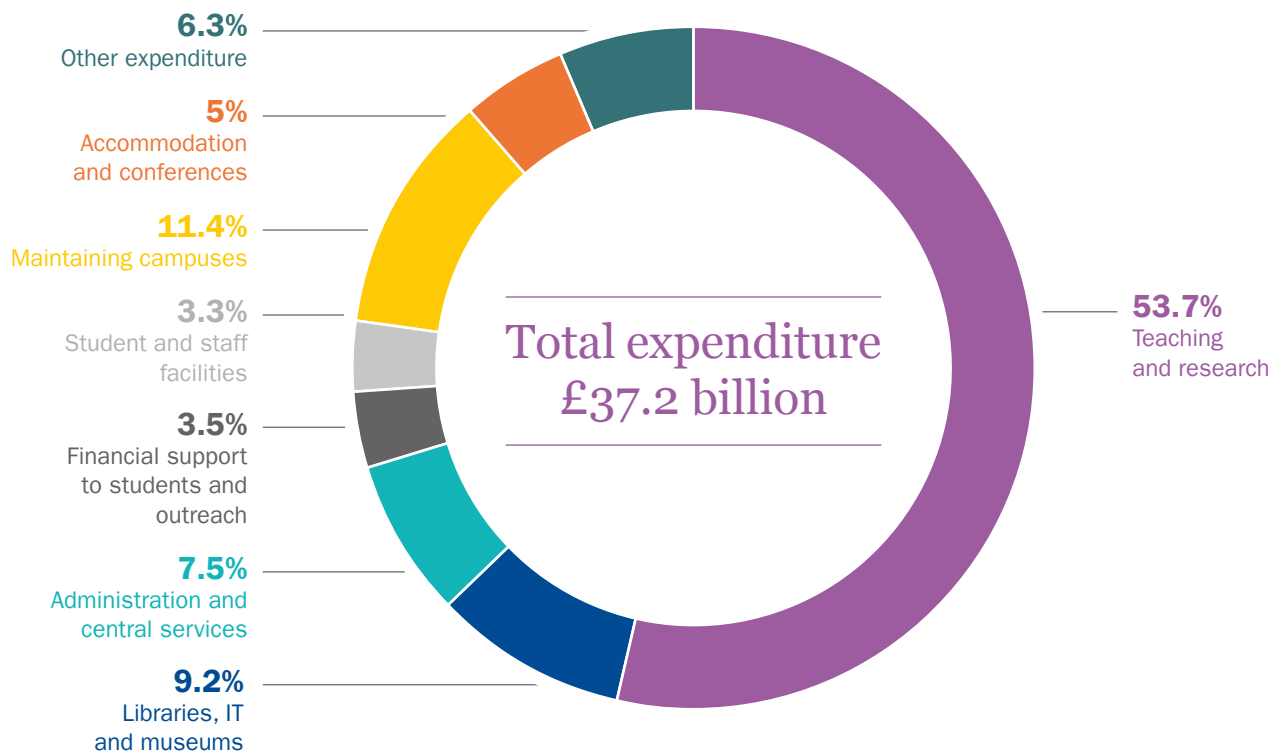
Income from health and hospital authorities (excluding teaching contracts for student provision)

Other grant income

Income from intellectual property rights

Other operating income

Universities' 2017–18 expenditure by activity



HESA categories *(HESA HE Provider Data: Finance, table 8)*

Teaching and research

Total academic departments

Total research grants and contracts

Other general expenditure

Academic staff spending from 'Other expenditure',

Remove spending on outreach (based on institutional data sources) and transfer to 'Financial support to students and outreach'

Libraries, IT and museums

Total academic services

Running the university

Central administration and services

Financial support to students and outreach

National bursaries

Provider specific (including departmental) bursaries and scholarships

Add spending on outreach from institutional data sources

Student and staff facilities

Student and staff facilities

Maintaining campuses

Premises

Accommodation and conferences

Total residences and catering operations (including conferences)

Other expenditure

Other expenditure (minus spending on academic staff transferred to 'Teaching and research')

EXAMPLES OF BEST PRACTICE

University of the Arts London

www.arts.ac.uk/study-at-ual/fees-and-funding/ual-where-the-money-goes




University of Bedfordshire

www.beds.ac.uk/howtoapply/money/value-for-money




University of Essex

www1.essex.ac.uk/fees-and-funding/using-your-fees




Falmouth University

www.falmouth.ac.uk/sites/default/files/download/falmouth_university_finance_figures_2016-2017.pdf




Kings College London

www.kcl.ac.uk/aboutkings/financial-information/kings-where-does-my-tuition-fee-go-poster-010618-0910.pdf




University of Leeds

www.leeds.ac.uk/info/5000/about/141/financial_summary_for_201617




The University of Manchester

www.manchester.ac.uk/discover/governance/corporate-documents/university-finances-at-a-glance




Manchester Metropolitan University

www2.mmu.ac.uk/student-life/finance/how-are-your-fees-spent




Northumbria University

www.northumbria.ac.uk/about-us/university-services/finance-team/value-for-money-for-our-students




University of Nottingham

www.nottingham.ac.uk/about/facts/fees-and-finances-explained/fees-and-finances-explained.aspx



Oxford Brookes University

www.brookes.ac.uk/studying-at-brookes/finance/undergraduate-finance---uk-and-eu-students/frequently-asked-questions---undergraduate-uk-and-eu-students




Staffordshire University

www.staffs.ac.uk/support_depts/finance/statements




University of Sunderland

www.sunderland.ac.uk/about/about-the-university/how-university-managed/strategic-plan-supporting-statements/investing-your-student-fees



Universities UK

www.universitiesuk.ac.uk/facts-and-stats/Pages/university-spending-explained.aspx



PARTICIPANTS

To inform this work, UUK conducted interviews with the following institutions:

- *Cardiff University* (vice-chancellor)
- *Falmouth University* (finance director)
- *University of Northampton* (vice-chancellor)
- *University of Nottingham* (vice-chancellor, finance director)
- *University of Reading* (press office)

In addition, UUK spoke to HESA, HESPA and the OfS to gain additional perspectives on this work.

UUK held student or stakeholder workshops at the following institutions:

- *University of Cumbria*
- *Durham University*
- *Keele University*
- *University of Nottingham*

The stakeholder workshops were attended by finance directors, strategic planners and other stakeholders from across the region where the workshop was held. UUK also hosted a workshop in London, which was attended by a range of stakeholders.

Finally, UUK consulted with the vice-chancellor value for money advisory group, which was comprised of the following members:

- Professor David Phoenix OBE
London South Bank University (Chair)
- Professor Stuart Corbridge
Durham University
- Professor Karen Cox
University of Kent
- Professor Stuart Croft
University of Warwick
- Professor Geoff Layer
University of Wolverhampton
- Professor Trevor McMillian
Keele University
- Professor Julie Mennell
University of Cumbria
- Professor Clive Mulholland
University of the Highlands and Islands
- Professor Nick Petford
University of Northampton
- Professor Colin Riordan
Cardiff University
- Professor Mark Smith CBE
Lancaster University (University of Southampton from October 1)
- Professor Steven Spier
Kingston University
- Professor Shearer West
The University of Nottingham

We would like to thank all these individuals and institutions for their time and expertise in supporting the development of this guide.

SOURCES

1. OfS (2018) *Securing student success: Regulatory framework for higher education in England*
2. HEPI / Advance HE (2019) *Student Academic Experience Survey 2019*
3. UUK analysis of a random representative sample of 45 higher education provider websites in Winter 2018
4. HEPI / Advance HE (2019) *Student Academic Experience Survey 2019*
5. OfS (2018) *Value for money: the student perspective*
6. HEPI (2018) *Where do student fees really go? Following the pound*

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