

# Financial Sustainability Strategy Group

## Terms of reference, aim and objectives

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- a. To support higher education institutions in understanding their income and cost relationships, managing sustainability and enabling efficiency through the provision of relevant tools and methodologies.
  
- b. To provide independent and evidence-based strategic policy advice to the sector, funders and government in matters concerned with sustainability and funding, in recognition of the changing and diverse funding environment for the higher education sector.

Sustainability is a broad subject that has many elements. In the context of FSSG's role, sustainability has been defined to encapsulate the academic and financial sustainability of an institution's operations.

### Aim

The strategic aim of the group is:

*'To contribute to the higher education sector by improving its understanding, management and communication of its sustainability. It will also support and enhance the understanding and development of management, governance and risk processes in the new regulatory and funding environment for higher education'*

### Objectives

In order to pursue this aim, the group has agreed five objectives for its work over the next two years. These are to achieve a position where:

1. Governing bodies, Vice-Chancellors and senior institutional managers have an improved understanding of the sustainability of their institutions.
  
2. The sector has tools, metrics and approaches that can be used to identify and enable improved decision-making in relation to achieving institutional sustainability.
  
3. Government, funders and regulators understand, and are assured regarding institutional sustainability and the use of funds to deliver activities in an efficient and effective manner.
  
4. The approaches to managing sustainability are embedded within higher education institutions' own management control and risk frameworks; and these approaches are recognised and accepted by funders and regulators.
  
5. The development of the new regulatory environment for higher education is supported by a shared understanding by all stakeholders and the necessary evidence to facilitate informed debate and advice to Government.

**Delivery**

The group recognises that its approach to achieving its strategic objective will evolve as the implications of the new higher education landscape become clearer. It is also recognised that improved sustainability can only be facilitated through the provision of evidence-based policy advice to funders and of tools and approaches for institutions to use.

Guidance and support will need to be provided to higher education institutions to help them use the tools and information effectively (for example, to influence the debate on future research and teaching funding, as well as for internal institutional management).

The TRAC Development Group (TDG) also has a role in supporting and understanding financial sustainability. The main aim of the TDG is to embed the principles of TRAC throughout the UK HE sector, and ensure that TRAC and any associated methodologies are fit for use by institutions and by funding bodies or regulators. The TDG works to ensure ownership of the TRAC principles within the UK HE sector, and with its funders.

The FSSG has oversight of TDG activities and regularly reviews TDG's progress against its work plan.

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