Improving the Performance of the Higher Education Estate: UK Research

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OECD

PEB PEB Exchange Programme on Educational Building

IMPROVING THE PERFORMANCE OF THE HIGHER EDUCATION ESTATE: *UK RESEARCH*

The Higher Education Funding Councils for England, Scotland and Wales commissioned a research project into the development of estate management statistics for the higher education sector. The key tasks of the research were to identify key estate management "performance indicators", develop robust definitions for the statistics underlying these indicators and produce preliminary comparative information.

The study was carried out with 39 "sponsor" higher education institutions and directed by a Steering Group representing the various interests of the sector. The approach adopted was needs-based and involved a combination of literature review, analysis of questionnaires developed and issued as part of the project, detailed data collection, and an extensive consultation process.

A number of data items and performance indicators of relevance to estate management have been identified and developed over the last decade. Whilst there is some similarity in these indicators, there are also subtle but important differences, such as in definitions or in data items covered. Broad headings or groupings of indicators or data items have sometimes been used, but in general there is a lack of explicit functional grouping of indicators or an identification of the key interest being served by the indicator or data item. These issues have been addressed as part of this study.
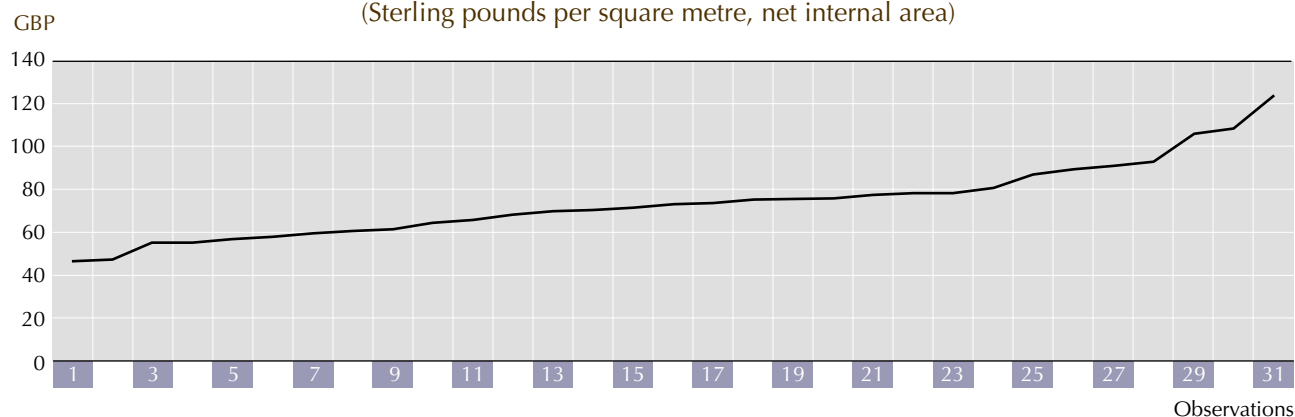
The key outputs of the project have included the development of an Estates Data Matrix and a set of Key Estate Ratios. The **Estate Data Matrix** provides a logical, consistent and comprehensive approach to linking the information collected on 156 estate-related key statistics to each other, as well as to other aspects of the operation of a higher education institution such as income or students. Detailed definitions of the 156 key statistics were developed as part of the project and are expected to form the basis of measurement in the sector in the future. The Estates Data Matrix should thus enable an institution to compare estate management data with other institutions on a consistent basis.

The **Key Estate Ratios (KERs)** are based on 14 priority subject areas that institutions wish to focus upon from an estates perspective, as determined by vice chancellors/principals, directors of estates and directors of finance. The 14 types of KERs are based on the data collected for the 156 key statistics mentioned above; as well as allowing comparison with other institutions on a consistent basis, they should help higher education institutions to assess their operational performance internally. These ratios are summarised in the table below.

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Key Estate Ratio subject areas

KER subjects	Denominator
Meeting business needs	
1. Cost of legislative compliance	Space
2. Building condition	Space
3. Functional suitability ratio	Space
Controlling costs	
4. Total property costs	Space, income, students
5. Maintenance costs	Space, students
6. Reactive maintenance costs	Maintenance costs
7. Energy costs	Space, students
8. Energy consumption	Space, students
9. Gross residential income	Bed spaces
Effective utilisation	
10. Teaching space used	Time and capacity
11. Space utilised	Students, staff, total space
12. Residential lettings	Bed spaces available
Managing well	
13. Estate management costs	Space, students, total costs
14. Estate management staffing	Space, students

Non-residential property costs
(Sterling pounds per square metre, net internal area)

GBP

Chart showing Non-residential property costs in GBP (y-axis from 0 to 140) against Observations (x-axis from 1 to 31). The line rises from approximately 46 at observation 1 to approximately 123 at observation 31.

Observations

The results for one of the Key Estate Ratios (4. Total property costs) are illustrated in the chart above. Non-residential property costs per square meter range from approximately GBP 40 to 120, with a median figure of GBP 73 per m2.

The KERs were developed through an iterative process which involved reviews of other studies, consultation with sponsors and refinement with the Steering Group. An important feature of the KERs is that they aim to balance the various core objectives of the estate manager. These objectives have been represented by the following groupings within the project:

• Meeting needs – users of estate;

• Managing costs – finance;

• Utilisation – use of the resource;

• Managing well – management.

These four groupings, which obviously have overlap, were seen as reflecting the different perspectives that would be in place within an institution, as well as interests external to an institution such as funding councils. These arrangements were considered vital in order to prevent the KERs being dominated by a particular viewpoint, such as financial considerations, without reflecting other considerations such as quality of management.

Data was collected for each of the 156 key statistics from each of the sponsor institutions. The results of the data collection have been positive in terms of a relatively high level of availability of data, acceptable levels of variability in the results, and the internal consistency of the data. Sponsors also viewed the results, and the overall process, as highly satisfactory.

The report and recommendations of the research have been issued to the higher education sector for consultation. A key proposal is that the approach and framework developed should form the basis of data returns to the various Higher Education Funding Councils from 1999 onwards. In addition, an on-going programme of refinement and improvement in data definitions and in developing new KERs has been recommended.

A presentation on "Estate Management Performance Measures for the Higher Education Sector in England" was made by John Rushforth at the PEB Quebec seminar on "The Changing Infrastructure of Tertiary Education". The text is available on the PEB Web site (www.oecd.org/els/edu/peb/).

IPD Occupiers Property Databank in association with GVA Grimley (1999), "Estate Management Statistics Project", Report March 99/18.

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Coldharbour Lane, Bristol BS16 1QD
United Kingdom
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Fax: 44 117 931 7463
E-mail: hefce@hefce.ac.uk
112 pages, price: GBP 15

Full text available on-line at:
http://www.niss.ac.uk/education/hefce/pub99/99_18.html

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