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Cc: Celia Hunt, Director of Skills, Education and Funding, Higher Education Funding Council for Wales (HEFCW)

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Dear Heather

Invitation to comment on future changes to the UK Performance Indicators

Further to your invitation I am writing to provide comments on the UKPISG proposals arising from consideration of the outcomes of the fundamental review.

I would like to take this opportunity to say that we welcome the outcomes of the review and in general we support the UKPISG proposals. Welsh universities have contributed directly to fundamental review alongside their counterparts across the UK. In so far as there are collective issues relating to Welsh universities, these have been identified in particular in the submissions of Higher Education Wales (HEW), the representative body for universities in Wales, and a copy of the HEW submission to the on-line consultation is enclosed for reference.¹ Both HEW and its parent body Universities UK have been engaged with the process of developing the proposals through their representation on the UK PI Steering Group and the PI Review Project Group, and have worked together to ensure that the UK wide response has taken into account the views of Welsh universities. In the light of this, we offer the following brief comment on a revised set of principles for the UKPIs and the research-related indicators, as requested:

Guiding principles for UK PIs

In our view, the current set of HESA performance indicators have served and continue to serve a number of useful purposes and we agree that 'the key features of the current UKPI approach should be retained' (Recommendation 4). The main weakness of the UKPIs we have argued, is that their coverage is limited and as other data sources have emerged in response to changing stakeholder requirements they have not retained their central position as a reference set of indicators. In this context it should be recognised that the selection of information has an important role in shaping perceptions about the role and contribution of higher education, at a

¹ A copy is also available on-line from the HEW website: <http://www.hew.ac.uk/wp/media/2013-June-Measuring-Higher-Education-A-Review-of-Performance-Indicators.pdf>

time when how the sector presents itself to Government and its wider set of stakeholders could not be more crucial.

We are pleased that UKPISG accepts that the coverage (Recommendation 2) and focus (Recommendation 3) of the indicators should be UK wide. There is a danger that the indicators attempt to address issues or policies which are specific to one part of the UK, particularly with funding policy. On the other hand, greater flexibility to adapt the indicators and sources to specific administration requirements would be very useful, and we welcome the further proposals (Recommendation 7) in this respect.

We welcome the commitment to exploring the feasibility of broadening the areas of coverage of the current indicators (Recommendation 6 and Guiding Principles A1-4), which we see as a necessity for their continued relevance and fitness for purpose in future. Our response in particular stressed the need to take account of an increasingly international outlook and the importance attached by stakeholders to the role of universities in contributing to the economy, business and innovation, and more generally demonstrating the value added by universities in return for investment in them (see annexed HEW response, Q3 and Q5). We note from UKPISG's response, however, that the Steering Group has neither the time nor the resource available to undertake this exploratory work in parallel with conducting in-depth reviews of the current UKPIs, and that "exploratory work relating to new areas will not commence in the near future: it will only begin once the in-depth reviews of the existing UKPIs have been completed and you may appreciate that this in itself will take some time." (para 9, HEFCE version). While this is understandable from a pragmatic perspective, it would negate the purpose of the Review if the necessary groundwork for more fundamental change is ruled out within the foreseeable future on this basis. Particularly given the long lead times necessary to explore and implement indicators in new areas, we would welcome UKPISG identifying what further resources would be required with a view to seeking agreement with stakeholders on how Recommendation 6 could best be taken forward within an appropriate time-frame.

Future of the research output UKPIs

Consistent with HEW's response, we see the research indicators as an important area for further development. We agree with the conclusions of the review that the current indicator does not serve our needs well at this point, and could be usefully reviewed in line with Recommendation 5 as a matter of priority. Due to the signalling nature of the UKPIs, we would prefer a replacement to be available (or clearly in development) before they are discontinued but are not otherwise concerned about the impact of the removal of this indicator as currently formulated.

Yours sincerely



Amanda Wilkinson
Director, Higher Education Wales

Measuring higher education – a review of performance indicators On-line consultation response from Higher Education Wales

HEW submitted the following text on 07 June 2013 in response to the on-line consultation on performance indicators at <http://natcen-surveys.co.uk/hepi/> , which forms part of the fundamental review of how higher education is measured in the UK. The review was commissioned by the HEFCE Performance Indicators Steering Group and was carried out by NatCen Social Research and the Institute for Employment Studies (IES). Further information on the review is available on the HESA website at <http://www.hesa.ac.uk/content/view/2879/> .

Q1. What measures are your organisation aware of, or do you use, that assess the performance of higher education institutions?

This might include a range of measures from different sources. Please be as specific as possible and provide examples of practice from across different parts of your organisation where possible.

Higher Education Wales (HEW) is part of Universities UK and is responsible for representing and promoting the interests of Higher Education Institutions (HEIs) in Wales. In our role as a representative organisation, we regularly use a wide range of publicly available data to benchmark and compare performance of the sector/institutions. Key sources include:

- HESA – all key datasets e.g. students, staff, destinations of leavers, HE business-community interaction, finance, planning plus, and the HESA performance indicators. HESA data is also accessed via HEIDI (on-line access to detailed data)
- UCAS –all publicly available data sets (our members typically make greater use of the bespoke services).
- Funding council data – particularly HEFCW and HEFCE. This includes a range of performance information such as the HEFCW corporate strategy targets, (the successors to the For Our Future targets), sustainability indicators, financial information and analysis of performance of the sector, and regional studies.
- Student focussed datasets such as the Key Information Sets (KIS), Unistats data, and National Student Survey (NSS)
- Office of National Statistics and StatsWales (HE data is typically derived from HESA but can provide additional perspectives/ flexibility e.g. StatsWales enables the inclusion of the OU in Wales in sector data for Wales).
- Research information, including the Research Assessment Exercise (RAE) data in particular (but also increasingly citation analyses).
- International performance: OECD and EU data and British Council

- We also monitor performance leagues compiled by newspapers and other media organisations.

Our member institutions will be responding to the consultation individually. However, we understand that in addition to the above performance information - a number of the bespoke/more detailed services are used (e.g. UCAS competitor/comparator datasets), and a wider range of information suitable for institutional management is used (e.g. TRAC information).

Q2. How does your organisation currently use these measures, and the UK Higher Education Performance Indicators specifically?

The current set of UK Higher Education Performance Indicators includes information around:

- Widening participation of under-represented groups
- Non-continuation rates and module completion
- Employment destinations of leavers
- Research outputs.

Again, please be as specific as possible and provide examples of practice from across different parts of your organisation where possible. If you don't currently use the UK Higher Education Performance Indicators, please use this box to provide the reasons why.

As a representative body for the university sector in Wales, we use the range of information identified above, including the HESA PIs, to support our each of our key activities including policy analysis, policy development and communications. Given our specialist role and size, there is little variation on use within our organisation. HEW also helps to provide information about performance in the sector (recent studies include e.g. economic impact of HE in Wales) although this role is more typically performed centrally by the UUK on a UK wide basis.

In general we understand that the use of performance information by our member institutions is similar to that across the rest of the UK, but reflects the specific Welsh context. There is a variety of different uses of performance data which reflects the diversity of roles within large complex organisations. In Wales, the HESA PIs are used in a number of contexts including:

- Quality assurance– e.g. referenced in QA reviews
- Governance – the HESA PIs are included in the CUC Guidance on KPIs (which is UK wide in application) and, in Wales, included in the toolkit for governors developed by HEFCW.
- Welsh Government and Funding Council policy – HESA PIs have been included in the Reaching Higher indicators, the For Our Future indicators and their most recent successors, the HEFCW Corporate Strategy 2013- indicators. A recent HEFCW consultation also proposed that the use of the indicators would be used as levers for control as part of the fee planning arrangements in Wales.
- Institutional management more generally – KPIs including a number of HESA

PIs have been widely used by institutions in Wales, as across the rest of the UK, as part of their corporate/strategic planning, in their marketing and communications, and to support strategic decision-making. The HESA PIs and other publicly available indicators are widely used by newspaper and other media league table compilers.

Q3. Please list up to three strengths and three weaknesses with the existing UK Higher Education Performance Indicators. Again, please be as specific as possible. If you don't think there are any strengths or weaknesses, please write "none" in the appropriate section of the box below.

Strengths:

The current set of HESA performance indicators have served and continue to serve a number of useful purposes:

- The HESA PIS are UK wide and allow for comparisons across diverse institutions as well as a presentation of the UK higher education sector as a whole.
- They are authoritative. They come from the National Dataset. The underlying data is quality assured and the compilers (HESA and HEFCE) have "Highly Trusted" status.
- The methodology is transparent and suppliers/users of the data have had an opportunity to feed into the development of the measures.
- The compilers are able to add value by providing advice and guidance on interpretation of the data to avoid misuse.
- The indicators for widening access, non-continuation and employment indicators have been particularly helpful/used. The PIs are the main source of comparative information on WP and retention performance, unlike some of the other areas such as employment (DLHE, KIS) and research (RAE) where other sources are also available.
- The individualised benchmarks provide added value (though from our initial consultations the extent to which our members have found this useful appears to vary). For instance, the employment indicator could otherwise be reconstructed from the underlying HESA data relatively easily.
- The facility to access additional data to enable you to review PIs at a lower level of granularity for your own institution is also valued by members.
- The HESA PIs provide many years of stable trend data.

Weaknesses:

The main weakness of the PIs is that their coverage is limited and as other data sources have emerged in response to changing stakeholder requirements they have not retained their central position as a reference set of indicators. Starting out as HEFCE performance indicators and incorporating ground breaking widening access information at the time, the indicators have not significantly evolved since first

publication and the data sources remain focussed on HESA data. In this context it should be recognised that the selection of information has an important role in shaping perceptions about the sector.

In terms of how the information is covered, the following could be further reviewed:

- Further 'value added' indicators would also be useful to ensure that HE data is not taken out of context (this is already done by league table compilers).
- The international outlook of the indicators. We note for instance the wide use/reliance on the International Student Barometer at present and the U-multi-rank initiative from the EU. Wales and the UK need to be keeping their eyes on the Global scene.
- Modification of the methodology to ensure it reflects the increasingly diverse patterns and modes of study and the increasing variety of different types of HE provider for instance.
- The relevance and application of the indicators needs to be UK wide. There is a danger that the indicators attempt to address issues or policies which are specific to one part of the UK (particularly with funding policy). On the other hand, greater flexibility to adapt the indicators and sources to specific administration requirements would be very useful.
- There is potential to take into account other data sources: ONS, UCAS, NSS, RAE etc. The HESA PIs started out as HEFCE PIs and their potential value/coverage is limited by its current restriction to HESA data.
- With increasing interest from diverse stakeholders, more may be needed to be done in explaining the performance information to the media, wider public and some cases the sector itself.
- We must ensure that the burden on institutions in producing this information continues to reflect the requirements of various stakeholders proportionately. From the perspective of an HEI (and indeed a sector) that is subject to regulation/scrutiny through PIs life might be simpler if there were fewer PIs. However the danger with simplification is that it will drive homogenous behaviours, thereby endangering the diversity of the sector. Finding the appropriate balance is critical.

Q4. What do you think the purpose of the UK Higher Education Performance Indicators should be?

Please be brief, limiting your response to up to 500 words. If you do not think performance indicators serve any purpose, please use the box to explain why.

The exact contribution of the HE PIs needs to be reviewed in the light of the full range information currently available or emerging. In our view, however, the HESA

PIs should continue to serve as a central reference source of performance information for the sector.

In relation to performance information generally, we recognise in particular that there is a need for public accountability and that there is a growing need for public information for a range of stakeholders. Measures that help us to understand performance of institutions and the sector are needed by institutions themselves for effective management and governance. Performance should be measured across the range of contributions that higher education makes including its wider social and, particularly in the current climate, economic impact. It is also important for the sector and policy makers to be able to understand and demonstrate the performance of the sector as a whole in a global higher education context: measurement and benchmarking is vital for international reputation, and brand differentiation.

In Wales, as in the rest of the UK, it is important to recognise there is a range of current and potential stakeholders who use and will continue to use the PIs for different purposes – whether it is government, funding councils, the sector itself, students, sponsors, investors, potential partners and collaborators or the media and the wider public. The flexibility for different stakeholders to tailor the ways that performance can be measured and assessed will be a key to supporting greater stakeholder diversity and requirements. At the same time this places a greater onus on ensuring that the information can be interpreted and used responsibly. We accordingly highlight the following issues:

- For students and the wider public a number of sources of performance information sources tailored to specific user requirements have emerged/are emerging e.g. the KIS, Unistats, NSS and related initiatives. It is particularly important that the information is presented appropriately to reduce the risk that measures are taken out of context and potential unintended consequences on stakeholder behaviour.
- For institutions, there is further scope for improving access to data and benchmarking information that can support internal use. It is hoped that the PIs could enable institutions to benchmark themselves across a wider range of measures. Initiatives such as the Snowball metrics project, led by Elsevier and eight research intensive universities, highlight the potential for a framework of metrics that can become global standards and provide a reliable foundation for benchmarking and decision-making.
- For policy makers, there is further scope for more regional benchmarking to be able to survey the net impact of policy at both UK and sub-UK levels.
- The timeliness of data production is also an issue, with a considerable lag between reporting date and production of figures. Developments in IT systems may also make it possible to consider more contemporaneous data delivery/access – perhaps moving away from annual updates.

Q5. In which specific areas do you think we need formal performance indicators to measure institutional performance in the higher education sector? Please list up to six topic areas. These can include areas covered by the existing UK Higher Education Performance Indicators or other sources, as well as areas not currently measured. If you do not think we need any performance indicators, please write “none” in the box below.

Specifically, the coverage could be reviewed to potentially include the following areas of HE/institutional performance in the future:

- Research indicators – the current HESA PI for research is not widely used. Initiatives such as the Snowball project (see above) highlight the need to cover the entire spectrum of research activities. On the international scene, we need to recognise that research is measured and shapes how the sector is perceived by many sources which we have little control over e.g. Google Scholar.
- Business and innovation indicators – the HEBCIS information does not provide a similar level of contextual and benchmarking information at present for instance. Business stakeholders are also a potentially a growing user group.
- Student experience indicators – drawing on and potentially adding value to the e.g. the NSS.
- Financial and efficiency benchmarking work including other measures of performance (value for money, costs, REF, estates management) etc.
- Economic impact – in Wales we are highly aware of the need to demonstrate to a wider public the extent of the universities economic impact and the importance of investment for long-run economic growth.

More generally, the existing indicators could be reviewed to include additional populations such as postgraduate students.

Q6. Is there anything else that you would like to say about measuring the performance of the higher education sector, or about the UK Higher Education Performance Indicators, bearing in mind the aims of the research?

Please be brief, limiting your response to up to 500 words.

In ensuring that the PIs remain fit-for-purpose, an understanding of the UK-wide context is needed. From our perspective in Wales this would include in particular:

- There is a greater need for public information for students. In Wales free-market principles have not been endorsed by policy makers in the same way as they have in England, where it could be argued that transparency of information is a pre-requisite for successful market operation, but there has been a significant increase in the levels of fees paid by students (i.e. shift towards private funding) since the HEFCE PIs were first published. This means that information for students (and their sponsors) has become

increasingly important for Wales as well.

- Regulatory requirements are changing. A much higher proportion of Welsh Government funding is now routed through student fees (in the form of a student fee grant and subsidy for loans) rather than through direct Funding Council grant, and the Welsh Government is currently in consultation with the sector about the regulatory changes that are required as a result. As a consequence, public information requirements are currently being reviewed from a regulatory perspective and in future greater reliance may be placed on performance indicators, including the HESA PIs, to provide effective policy levers (e.g. as part of fee planning arrangements). In developing performance indicators a key challenge is that the regulatory framework itself may radically change in Wales and across the UK.
- The sector is becoming more diverse. Changes in the rules for University title and degree awarding powers apply to both England and Wales. This opens the door to new providers and a potentially much more diverse sector embracing both private and public institutions (including a greater number of FECs). In Wales, the Welsh Government is currently consulting on proposals for major change to the regulatory framework which would broadly distinguish between 'regulated providers' who are subject to conditions attached to approved fee plans, and providers who apply for recognition of their courses to qualify for student support on a case-by-case basis. It is likely that in future it will be much harder to produce measures that can appropriately reflect this diversity, and allow meaningful assessment.
- There will also be significant implications for the measurement of performance from new modes of delivery including the growth in on-line, distance delivery and MOOCs. The pattern of franchises, validations and off-campus delivery – also could significantly change.
- Management information requirements are changing. Competition Law becomes a factor and there is greater potential for commercial sensitivity between institutions. UCAS has recently decided to delay publication on in-year data for this reason.
- The focus of university activity has continued to evolve. Institutions embrace agendas such as business interaction and innovation more clearly than in previous generations.
- In particular, Universities need to demonstrate their importance to a wider public - especially in terms of their economic and social contribution. They also need to respond to the global expansion in HE. Performance information can potentially help Wales and the UK to become better recognised as a World-class sector.