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## **ANNUAL MONITORING STATEMENT: PROPOSALS FOR CONSULTATION**

**Ref: W04/07HE**

To: Heads of higher education institutions in  
Wales

Summary: This circular sets out, for consultation with  
the sector, the arrangements for the  
introduction by the Council of an Annual  
Monitoring Statement.

Response by: Tuesday, 16 March 2004

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## ANNUAL MONITORING STATEMENT – CONSULTATION CIRCULAR

### INTRODUCTION

1. This circular sets out, for consultation with the sector, the arrangements for the introduction by the Council of an annual monitoring statement.

### BACKGROUND

2. The Council introduced revised arrangements for the strategic planning process last year. This followed a consultative seminar in March 2003, where officers explored with senior representatives from the sector ways in which it might seek alignment between its corporate planning process and those of institutions, with a view not only to more effective delivery of the Welsh Assembly Government's priorities in Wales but also to reducing the burden of accountability on institutions.
3. The resulting strategic plan request circular (W03/34HE) invited institutions to submit two sets of documentation in 2003: a copy of the institution's latest strategic plan and a completed targets template. The latter document was aimed at assessing the planned contribution of individual institutions to the Welsh Assembly Government's Reaching Higher targets and cross referencing this to the strategic plans.
4. The Council was grateful that most institutions were able to meet this request, even though some targets had still to be confirmed with the Welsh Assembly Government when the circular was published. The strategic plans and target templates have been analysed by Council officers and qualitative feedback was given to individual institutions at the end of the 2003, together with a strategic overview of the sector. Officers are in the process of preparing a quantitative analysis of the submissions and this will be shared with the sector at the consultation seminar referred to in paragraph 10 below.
5. The circular also signalled the Council's intention to consult separately on the proposal that requests for detailed reports on specific plans and strategies might be drawn into a single request for an annual monitoring statement.

### ANNUAL MONITORING STATEMENT

6. For some time, HEFCW has been moving towards pro rata funding on specific strategies and plans submitted by institutions to replace time-consuming proposals-based bidding exercises. In addition, where possible, such strategies, or the arrangements for submitting them, have been combined together into single plans. However, through consultation, institutions have identified some issues about the current HEFCW approach and attention has been drawn to the approach adopted by other Funding Councils: in England, HEFCE has been utilising the annual operating statement (now annual monitoring statement) approach since 1999; some representatives noted in particular the approach in Scotland (that, within a new SHEFC condition of grant, information on major strategic areas, specifically equality of opportunity and widening participation, continuous improvement or learning and teaching; research and knowledge transfer; and human resources policies and management, are reported via the strategic plan).
7. Having assessed these approaches, taking account of the particular requirements pertaining in the Welsh context, officers consider that a reduction in the burden of reporting could be achieved through the introduction of an annual monitoring statement to draw together reporting on individual plans and strategies. It is therefore proposed that an annual monitoring statement should be introduced.
8. Such a statement would be one component of a strategic planning process based upon triangulation between the following documentation submitted to the Council on an annual basis:
  - (i) **the institution's latest strategic plan** - the institution's own strategic planning document, covering a five year planning period and possibly taking the form of a brief update in years between full revisions;
  - (ii) **the institution's completed targets template**, noting the institution's contribution to particular sector-wide targets, for subsequent discussion with the Council. This will include cross-references to sections of the strategy/specific plans, which will provide the evidence for how these matters are being taken forward;

- (iii) **an annual monitoring statement**, reporting on progress against various specific initiatives (where institutions have already provided a separate strategy, plan or proposal) and cross-referring to sections of the institutional strategic plan, showing the interlinking between the main plan and any separate plans/strategies.

**Views are invited on the Council's intention to introduce an annual monitoring statement approach to draw together reporting requirements on individual plans and strategies**

## THE PROCESS

9. Since the methods for reporting progress on existing plans and strategies were not designed with this format in mind, the monitoring statement approach would necessarily be introduced on an incremental basis with new initiatives. To facilitate this introduction, we have already applied this approach in the new area of ITT strategies (circular W03/62 refers). This gives us a useful opportunity to use this specific experience as a test bed for wider application of the approach. The key matters related to this initiative are as follows:

- Three year strategies have been requested, covering the period 2003/04 – 2005/6;
- The Council has made a funding commitment for the three year period;
- The format of the strategies requested includes the designation of agreed headings against which activities will be proposed and costed and targets set for the first year and for the three-year period of the strategy;
- The headings incorporate Council priorities, together with those of the Assembly and, in this case, Estyn;
- A format has been developed which allows the eight ITT providers to report in July 2004 on performance against the targets set for the first year; expenditure against the various headings; and activities and targets proposed for year 2 of the strategy together with associated costings.

Attached at **Annex A** are the two pro formas which have been developed for this initiative, one which relates to the proposed activities, costings and targets for the first year and one which relates to the three-year strategy period. Reports will be sought in a similar format the end of the year from ITT providing institutions in Wales. Electronic copies will be provided to facilitate reporting. The Council intends that the pro formas should be amended in the light of the consultation and that other strategies/initiatives report via this format in the future.

**Views are invited on the applicability of the type of pro forma being used for ITT strategies (Annex A) to other Council initiatives/strategies.**

**How should the format be amended to ensure the best fit between reporting requirements and institutional planning mechanisms.**

10. Following a consultation with the sector, the Council is introducing three mechanisms to address the need to support teaching excellence in institutions (Circular W04/06HE refers). As noted in the circular, one of the elements of this is enhanced funding for Learning and Teaching strategies within the context of the introduction of a new Quality and Standards Framework for Wales and an increased emphasis on continuous improvement. It is proposed that the second stage of introduction of the annual monitoring statement should be via the implementation of Learning and Teaching strategies. Subject to the outcome of this consultation, the following arrangements would apply:
- Institutions will be invited to submit three year strategies, covering the period 2004/05 – 2006/7 (or longer, where this fits institutional planning cycles);
  - Funding will be committed by the Council for the three year period;
  - Guidance on the formulation of the strategies will be circulated in April 2004, building upon the existing guidance for Learning and Teaching strategies, taking into account the new annual monitoring statement arrangements;
  - Unlike the ITT strategy, where the Council has prescribed the headings under which reporting is requested, institutions will be free to use the sections defined in their Learning and Teaching strategies as headings under which activities will be proposed (ie column 1 in the template) and costed, and targets set for the first year of the strategy and the three-year period;
  - In addition, there may be some areas where Council would like to see specific action being taken, for example, regarding the issue of teaching-led promotions, and information may be

requested under such headings in the original guidance or when the strategies are reviewed; institutions may also wish to add new headings at the review stage;

- Strategies, together with the initial pro formas, would be submitted in July 2004 and, subject to the submission of satisfactory strategies, institutions would receive confirmation of funding of the first tranche by October 2004;
- Institutions would report on the targets set for the first year and actual expenditure against the various headings in July 2005. Major changes in funded activities would need to be agreed with Council officers during the year as they arose. The report would also include an indication of activities and targets proposed for year 2 of the strategy together with associated costings.
- This information would be provided on the annual monitoring statement pro forma, which will also include the ITT strategy year 2 report. The pro forma will be revised in the light of this consultation.
- Funding would be payable in two tranches October and April.

**Views are invited on the inclusion of Learning and Teaching strategies within the annual monitoring statement process from 2004/5.**

11. Subject to the outcome of the consultation, the intention is progressively to include other aspects of monitoring within this format from 2004/05. Some concerns have been raised about the workload entailed within institutions in drawing together the Council's reporting requirements into a single point in the academic year. This concern is recognised and applies also to the demands placed on HEFCW officers over the summer period. However, this proposal responds to concerns raised in the sector regarding the perceived ad hoc nature of reporting requirements across the year and the lack of fit with institutional planning mechanisms. It is anticipated that stability in the reporting date and a reduction in the amount of reporting, subject to the submission of a satisfactory initial strategy/plan will assist institutions in scheduling responses to the Council.

**Views are invited on the scheduling of the annual monitoring statement request.**

## CONSULTATION RESPONSES

12. As part of its ongoing development of the strategic planning process, the Council arranged a consultative seminar with the sector on Monday, 9 February 2004 at the Pavilion, Llandrindod Wells. In addition to reviewing the operation of the strategic planning process in 2003, including the new targets template, there was an opportunity to discuss the annual monitoring statement process and how it might operate. This consultation document incorporates some of the issues raised at the seminar.
13. In addition, institutions are invited to submit written comments on the proposals set out in this circular and, in particular, views are invited on:
  - the Council's intention to introduce an annual monitoring statement approach to draw together reporting requirements on individual plans and strategies;
  - the applicability of the type of pro forma being used for ITT strategies (Annex A) to other Council initiatives/strategies;
  - how the format should be amended to ensure the best fit between reporting requirements and institutional planning mechanisms;
  - the inclusion of Learning and Teaching strategies within the annual monitoring statement process from 2004/05;
  - the scheduling of the annual monitoring statement request.
14. Responses should be sent to Lisa Barry, here at the Council's offices by Tuesday, 16 March 2004 ([lisa.barry@hefcw.ac.uk](mailto:lisa.barry@hefcw.ac.uk)). Queries regarding the consultation can be addressed to Celia Hunt (029 2068 2224), [celia.hunt@hefcw.ac.uk](mailto:celia.hunt@hefcw.ac.uk) or Anita Colley (029 2068 2276), [anita.colley@hefcw.ac.uk](mailto:anita.colley@hefcw.ac.uk).

Annex A – Table 1

**ITT STRATEGIC PLAN  
QUALITATIVE AND QUANTITATIVE TARGETS  
MEDIUM TERM: 2003/04 – 2005/06**

PROJECTS AND PROGRAMMES BEING SUPPORTED	QUALITATIVE AND QUANTITATIVE TARGETS	BY WHEN	COST £	SOURCE(S) OF FUNDING	OTHER RESOURCE IMPLICATIONS	COMMENTS
<i>Collaboration across the sector:</i>						
<i>School Partnerships:</i>						
<i>Welsh medium and Welsh second language provision:</i>						
<i>Marketing and recruitment:</i>						
<i>Curriculum design and development:</i>						
<i>Quality assurance and enhancement:</i>						
<i>Statutory responsibilities:</i>						
<i>Student support and guidance:</i>						

Annex A – Table 2

**ITT STRATEGIC PLAN**  
**QUALITATIVE AND QUANTITATIVE TARGETS AND OUTCOMES**  
**SHORT TERM: 2003/04**

PROJECTS AND PROGRAMMES BEING SUPPORTED	QUALITATIVE AND QUANTITATIVE TARGETS	BY WHEN	COST £	SOURCE(S) OF FUNDING	OTHER RESOURCE IMPLICATIONS	COMMENTS
<i>Collaboration across the sector:</i>						
<i>School Partnerships:</i>						
<i>Welsh medium and Welsh second language provision:</i>						
<i>Marketing and recruitment:</i>						
<i>Curriculum design and development:</i>						
<i>Quality assurance and enhancement:</i>						
<i>Statutory responsibilities:</i>						
<i>Student support and guidance:</i>						