

## Cylchlythyr | Circular

# Responses to the invitation to comment on future changes to the UK Performance Indicators

**Date:** 3 July 2014  
**Reference:** W14/26HE  
**To:** Heads of higher education institutions in Wales  
Principals of directly-funded further education colleges in  
Wales  
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This circular presents a summary of responses to 'Invitation to comment on future changes to the UK Performance Indicators' (Circular W13/40HE) issued in December 2013. In addition, it provides an outline of the next steps which have been agreed by the UK Performance Indicators Steering Group (UKPISG).

If you require this document in an alternative accessible format, please telephone us on (029) 2068 2225 or email [info@hefcw.ac.uk](mailto:info@hefcw.ac.uk).



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## Introduction

1. This circular presents a summary of responses to 'Invitation to comment on future changes to the UK Performance Indicators' ([Circular W13/40HE](#)), issued in December 2013. In addition, it provides an outline of the next steps which have been agreed by the [UK Performance Indicators Steering Group \(UKPISG\)](#).

## Background

2. In their December 2013 circular letters, the four UK higher education (HE) funding bodies each invited comment on future changes to the UK Performance Indicators (UKPIs). Respondents were invited to comment on some preliminary actions proposed by UKPISG in its initial response to the findings of a fundamental review of the UKPIs ('How should we measure higher education? A fundamental review of the Performance Indicators', [www.hefce.ac.uk/pubs/rereports/year/2013/ukpireview/](http://www.hefce.ac.uk/pubs/rereports/year/2013/ukpireview/)).
3. **Annex A** provides a summary of responses to the invitation to comment, and an outline of the next steps agreed by UKPISG.

## Key points

4. UKPISG has formally agreed a set of guiding principles for the UKPIs. It is intended that these principles will guide UKPISG's governance of the UKPIs, and in particular to assess the utility of the UKPIs to their key audiences. UKPISG intends the principles to be guiding rather than binding, and reserves the right to revise them over time, as required or appropriate to ensure its continued successful governance of these measures.
5. UKPISG has taken a series of decisions regarding the future of the research UKPIs. Firstly, it agrees that UKPIs are needed in the area of research. It also agrees that new research UKPIs should be developed, and that this provides scope to explore some of the suggestions raised in response to the invitation to comment. Working with others, the group will explore new and current measures of research activity that could be of use or interest if applied across a range of stakeholders, and seek to understand work in the sector to develop new measures.
6. UKPISG agrees that the current set of research UKPIs should be discontinued at the earliest opportunity. They will not be included in the July 2015 and future publications of the second tranche of UKPIs. While no firm commitment can be made on the timing of replacement measures, UKPISG agrees that the development process should aim to introduce them at the earliest opportunity.

### **Further information**

7. Enquires should be addressed to the UKPISG secretariat: 0117 931 7166, [ukpisg@hefce.ac.uk](mailto:ukpisg@hefce.ac.uk)
8. Contact at HEFCW is Celia Hunt: 029 2068 2224, [celia.hunt@hefcw.ac.uk](mailto:celia.hunt@hefcw.ac.uk).

### **Equality and diversity implications**

9. UKPIs include performance indicators relating to some groups with protected characteristics and we would want to ensure that the UKPIs continue to provide effective information and data to inform our policy developments and implementation, and to inform the sector's strategic planning. In addition the UKPIs provide external stakeholders with information about higher education, including aspects of the diversity of its student populations.

## Background

1. The first set of UK Performance Indicators (UKPIs) was published in 1999, having been developed out of recommendations of the National Committee of Inquiry into Higher Education (the Dearing Report) to provide suitable indicators and associated benchmarks of the performance of the higher education (HE) sector. The UKPIs are currently published by the Higher Education Statistics Agency (HESA) on behalf of the four UK HE funding bodies, and their development over time has been governed by the UK Performance Indicators Steering Group (UKPISG)<sup>1</sup>. The collaborative governance arrangement for UKPIs brings together representatives of the four UK funding bodies for HE, HESA, government departments, HE institutions and other interested bodies to steer the development of these measures.
2. A fundamental review of the UKPIs was commissioned by UKPISG early in 2013, in the context of large-scale, fast-paced changes in the HE sector, and differing policies for HE between the UK nations. The overarching aims of the research were to review the rationale, purpose and policy drivers of the UKPIs; their usage and users; and whether they were still fit for purpose. The review engaged with a wide range of interested bodies and organisations, and was published in December 2013.
3. 'How should we measure higher education? A fundamental review of the UK Performance Indicators' found that UKPIs are valued as a way to measure HE provision, and that the current approach to UKPIs is appropriate<sup>2</sup>. However it also determined that:
  - the current set of UKPIs requires some refinement
  - there is scope to introduce a small number of additional UKPIs to take account of the wider role of HE
  - there is a desire to broaden the populations and institutions covered by UKPIs to take account of the changing make-up of HE provision and the HE sector.
4. The review made a number of recommendations to UKPISG, which were considered at the September 2013 meeting of that group<sup>3</sup>. UKPISG has accepted and will implement a series of recommendations as listed at Annex A to [Circular W13/40HE](#): full implementation will take time, and will need to proceed in stages. Among the recommendations is a commitment for UKPISG to engage in dialogue with the sector during these changes.

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<sup>1</sup> For more information, see the content associated with UKPIs on the HESA web-site: [www.hesa.ac.uk/index.php?option=com\\_content&task=view&id=2331&Itemid=141](http://www.hesa.ac.uk/index.php?option=com_content&task=view&id=2331&Itemid=141)

<sup>2</sup> This publication is available at [www.hefce.ac.uk/pubs/rereports/year/2013/ukpireview/](http://www.hefce.ac.uk/pubs/rereports/year/2013/ukpireview/).

<sup>3</sup> See [https://www.hesa.ac.uk/index.php?option=com\\_content&view=article&id=2331](https://www.hesa.ac.uk/index.php?option=com_content&view=article&id=2331) for details.

5. UKPISG therefore envisages a series of engagements with the sector and other relevant stakeholders as areas of possible change are addressed. The first of these was ‘Invitation to comment on future changes to the UK Performance Indicators’ (HEFCW circular W13/40HE), issued in December 2013, inviting comment on some of the preliminary actions proposed by UKPISG in its initial response to the findings of the review<sup>4</sup>. UKPISG asked specifically for comments on a revised set of principles for the UKPIs, and for broad views about the research-related indicators. This document provides a summary of responses to that ‘Invitation to comment’ and an outline of the next steps agreed by UKPISG at its meeting in February 2014<sup>5</sup>.

### Summary of responses to the invitation to comment

6. The UKPISG secretariat received 60 responses to the invitation to comment. The total numbers of respondents by type are set out in Table 1. The majority of responses from institutions came from their planning offices and departments.

**Table 1: Numbers of respondents by type**

Respondent type	Number of responses
English HEI	39
Scottish HEI	9
Welsh HEI	5
Further Education College	2
Representative bodies	5

Note: ‘HEI’ = ‘higher education institution’.

7. In its consideration of the responses received, UKPISG has considered the quality of the arguments advanced rather than a simple numerical account. However, it is relevant to group responses – as in Table 1, and later in Table 2 – to understand the constituency of respondents and the distribution of response types.

<sup>4</sup> This publication is available at [www.hefce.ac.uk/pubs/year/2013/cl332013/](http://www.hefce.ac.uk/pubs/year/2013/cl332013/).

<sup>5</sup> See [https://www.hesa.ac.uk/index.php?option=com\\_content&view=article&id=2331](https://www.hesa.ac.uk/index.php?option=com_content&view=article&id=2331) for details.

## Guiding principles for UKPIs

8. Recommendation 4, as accepted by UKPISG, states that:

‘The key features of the current UKPI approach should be retained. A set of guiding principles should be developed (building on those from a 2006 review of the UKPIs) and used by the UKPISG to judge the appropriateness both of making changes to the existing UKPIs and of introducing any new UKPIs suggested for the future.’
9. Building on suggestions made in the fundamental review, UKPISG proposed the set of guiding principles listed at Annex B to HEFCW Circular W13/40HE where the intended use and application of the principles is also described. Comments were welcomed on the proposed guiding principles.

## Respondents’ comments relating to the principles

10. All respondents who made comments about the proposed guiding principles as a whole welcomed, supported or agreed with them. Some respondents provided comments on individual principles, the majority of which indicated additional support for, or provided a particular understanding of, the principle in question.
11. The guiding principles proposed for UKPIs were grouped into five areas: Coverage and scope (A), Quality of data (B), Dissemination (C), Benchmarking and enhancement (D), Burden of data collection (E), and Influence on behaviour (F). Principles that were particularly welcomed included the following.

**A1:** ‘UKPIs should normally seek to reflect the totality of HE provision and institutions across the UK.’ A number of respondents welcomed the proposal that UKPIs should cover HE provided not only at higher education institutions but also at further education colleges and alternative providers.

**A3:** ‘UKPIs should, as standard, provide an aggregate picture of UK HE and allow institutions to compare themselves to other institutions in the different nations across the UK. In addition there may be a requirement for a small number of nation-specific indicators.’ A number of Scottish respondents particularly welcomed the latter option.

**B1:** ‘UKPIs should be produced by a credible and independent organisation.’ A number of respondents were keen to express their support for the Higher Education Statistics Agency (HESA) as the current producer of UKPIs. Some went further and said:

*‘...the UKPIs must be statistically robust and conform to recognised best practice in the production of statistical information. We believe that HESA is the only organisation who could ensure this. HESA possesses both extensive experience of the collection and collation of UK HE data and also the trust of the sector.’*

**C and D:** A number of respondents welcomed the principles on dissemination (C) and expressed a desire for more to be done to help users improve their understanding of the context in which the UKPIs are set, and their interpretation particularly with regard to benchmarks. In addition, respondents identified benchmarks as a strength and key feature of the UKPIs (D).

**E:** A significant number of respondents welcomed the principle relating to burden of data collection (E). The majority reiterated the need for the UKPIs (both existing and new) not to place undue burden on the sector.

12. A number of respondents indicated some concerns relating to interactions and perceived potential contradictions between the principles. These mainly centred on the interaction between Principle A4 ('Taken together, the UKPIs and their associated benchmark values should provide information in the public domain that is not otherwise easily available'), Principle C1 ('The UKPIs and their associated benchmark values should be free and available to all'), and Principle D3 ('UKPIs and their associated benchmarks should not be presented in such a way as to imply any institutional ranking'). For example, one respondent was concerned that *'there is nothing to stop them being used for ranking purposes by external bodies'*, and another that *'due consideration must be given to how data might be used and interpreted by external bodies'*.

13. In addition, some respondents had concerns or suggested enhancements on particular principles.

**C2:** One respondent suggested the addition of *'...and in exceptional situations (where data [are] demonstrably incorrect) to temporarily suspend the listing of a PI for an institution.'*

**D2:** which states that 'There should be an expectation that institutions will take note of their indicators and benchmarks...'. A few respondents noted those applying this principle should respect institutional autonomy, and be clear that institutions make the ultimate decision on the inherent value of the indicators and their signalling of performance.

**E1:** One respondent suggested the removal of 'Where possible' from E1. This was in line with the comments of a number of respondents.

14. Respondents also commented that some features of the existing indicators would not meet the proposed principles.

- a. A number of respondents highlighted the complexity of the methodology used in some of the indicators, and thus how Principle B2 ('UKPIs [...] should use a transparent methodology') might not be met in some instances. Some respondents accepted that a complex methodology was necessary and that better explanations were all that was needed, while others recommended a simpler approach for some indicators. The benchmarking methodology and Table T5 on

projected completions were highlighted as particularly difficult to follow.

- b. The quality of the data used in some of the indicators (Principle B2) was questioned. A few respondents expressed doubts about the quality of the Social Economic Classification used in the Widening Participation indicators, and one was concerned about the broad nature of the independent versus state school classification. A number of Scottish institutions expressed concern over the use of the Participation of Local Areas measure in a Scottish context.
15. With regard to the future development of the UKPIs, one respondent suggested that any further departure from the principles should be identified by UKPISG and highlighted to a wider audience.

### **UKPISG response relating to the principles, and agreed next steps**

16. UKPISG has considered the comments made by respondents in relation to the principles proposed for UKPIs and addressed the specific respondent comments highlighted in paragraphs 12 and 13 above.

**Interaction between principles A4, C1 and D3:** UKPISG notes that these concerns are not limited to UKPIs, and apply to any institution-level statistics. As long as the publication of the UKPIs continues to include appropriate guidance as to their use and interpretation, little more can be done to prevent external bodies using the data for ranking purposes.

**Principle C2:** The suggested addition of ‘and in exceptional situations (where data [are] demonstrably incorrect) to temporarily suspend the listing of a UKPI for an institution’. UKPISG notes that this is a matter of judgement applying to the implementation of the principle, rather than a principle itself. Members also felt that inclusion of this statement within the principle could weaken the case for the robustness of the UKPIs.

**Principle D2:** The suggestion that ‘*there should be an expectation that institutions will take note of their indicators and benchmarks*’ and that institutional autonomy should be respected. UKPISG notes that this is interesting and applicable, but does not require addressing in the principle itself.

**Principle E1:** The suggested removal of ‘Where possible’. UKPISG’s members agrees that the proposed removal is not possible without undermining the rest of the wording of the principle, and that this is not a commitment that the group can make.

17. Having agreed on the basis of the feedback received from the invitation to comment that no changes would be made to the principles proposed for UKPIs, UKPISG formally accepted the set of principles.

18. Comments in paragraph 14 will be noted and considered, not in relation to the principles but in relation to developing and improving the existing UKPIs.

### **Future of the current research output UKPIs**

19. Recommendation 5, as accepted by UKPISG, states that:  

‘The current set of UKPIs should undergo a more detailed review to ensure they use the most appropriate data and have the appropriate focus to measure the specified topics, including the scope of the population covered.’
20. Feedback from the review process and from HESA revealed that the current research output UKPIs suffer from poor usage and a widespread lack of understanding. The current set of UKPIs includes four indicators of annual research output<sup>6</sup>. These indicators look at numbers of PhDs awarded and amount of research grants and contracts obtained, relative to the academic staff costs of an institution and the funding council allocation of quality related research funds to that institution.
21. As the first stage of its response to Recommendation 5, the steering group through this engagement with the sector considered and broadly favoured discontinuing the existing measures. It welcomed views from institutions as to their support or otherwise for this proposal and what might follow from it. Respondents were invited to address the following questions with regard to Table R1.
  - a. Would you support the proposed discontinuation of the research output UKPIs (Table R1)?
  - b. Would you consider that other existing measures (such as the Research Excellence Framework, performed every six to seven years) are adequate for your purposes with respect to institution-level information on research activities?
  - c. Alternatively, is a replacement research-related UKPI desirable?
  - d. If a replacement UKPI is desirable, would your preference be to phase out the existing Table R1 measures only when new measures are available? Or would you support the discontinuation of Table R1 at the earliest opportunity, with new measures to follow in due course? (Bear in mind that this would most likely necessitate a period of time in which no UKPIs were published in relation to research activities.)

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<sup>6</sup> See Table R1 of the UKPIs on the HESA web-site, [https://www.hesa.ac.uk/index.php?option=com\\_content&view=article&id=2069](https://www.hesa.ac.uk/index.php?option=com_content&view=article&id=2069).

## Respondents' comments relating to the current research output UKPIs

22. Responses to the questions listed in paragraph 21 fell into one of six broad types:

- retain the current Table R1 without development of new supplementary indicators
- retain the current Table R1 with development of new supplementary indicators
- develop new alternative indicators, with Table R1 being phased out as the new indicators are being phased in
- develop new alternative indicators, with removal of Table R1 as soon as possible (not necessarily after new alternative indicators are in place)
- remove Table R1 with no replacement
- no response to these questions.

**Table 2 Distribution of responses to research questions**

<b>Response type</b>	<b>English HEI</b>	<b>Scottish HEI</b>	<b>Welsh HEI</b>	<b>Representative body</b>	<b>FEC</b>	<b>Total</b>
Retain R1 without new indicators	2	1	1			4
Retain R1 with new indicators	6					6
Phasing out R1 with new indicators phasing in	11		1	2		14
Immediate removal of R1 with new indicators to be developed	9	2	1			12
Immediate removal of R1 with no replacement	8	5	2	2		17
No response	3	1		1	2	7
<b>Total</b>	<b>39</b>	<b>9</b>	<b>5</b>	<b>5</b>	<b>2</b>	<b>60</b>

Note: 'HEI' = 'higher education institution'; 'FEC' = 'further education college'.

23. Table 2 shows that the majority of those who responded supported the removal of R1 (rows 2 to 5), but there was no consistent view on the timing for the removal of the table or whether it should be replaced. Ten respondents indicated that Table R1 should be retained, either with new indicators or in its current form.

24. Of the respondents who indicated the need for the development of new indicators (the greyed rows in the table), the majority did not suggest what form these should take. Those who did suggested the following areas and indicators:

- postgraduate research completion, retention, qualification or success rates

- non-defined innovation measures
- statistics derived from the Research Assessment Exercise (RAE) or the Research Excellence Framework (REF)
- Snowball metrics<sup>7</sup>
- research grants and income or postgraduate research students per academic full-time equivalent
- research grants applied for
- research income secured
- impact of research on wider society.

Each of these suggestions was normally only mentioned by one (or sometimes two) respondents.

25. The opportunity to provide feedback on the proposed discontinuation of Table R1 was not limited to UK providers of HE and a response was also received from Research Councils UK. The UKPIs are Official Statistics and, in accordance with the conditions associated with these, UKPISG sought views from a range of relevant users and stakeholders.
26. The HEFCE Research Policy team held the view that table R1 should be retained while alternative measures were investigated, to be phased in over time. The team noted that it would send a strange signal to seek to measure the performance of the sector through a set of indicators that made no mention of research performance. It was acknowledged that REF could provide a measure, but as the December 2013 invitation to comment pointed out, its timing is not particularly compatible with an annual set of indicators.
27. Paragraph 15b of the December 2013 invitation to comment (reproduced in paragraph 21b of this annex) asked whether other existing measures were adequate for respondents' purposes regarding institution-level information on research. Around half of those who responded to this question indicated that this was the case, with a significant number indicating that they used measures derived from RAE/REF and the Higher Education Information Database for Institutions in combination. Of those who indicated that the existing measures were not adequate, the majority cited as the main issue the infrequency of RAE/REF in view of the need for annually reported statistics. A few respondents also indicated that the focus on only the very highest-quality research was also an issue when using RAE/REF-derived statistics.
28. The response from Research Councils UK indicated the Research Councils' broad support for clearly defined indicators relating to research, as long as they were accompanied by explanatory text detailing where and when they might and, importantly, might not be appropriate. This response

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<sup>7</sup> For further information, see [www.snowballmetrics.com/](http://www.snowballmetrics.com/).

also referred to work that the Research Councils were undertaking to identify robust indicators relating to research, further details of which would become available in the coming months.

### **UKPISG response relating to the future of the current research output UKPIs, and agreed next steps**

29. Taking account of the responses, UKPISG has made a series of decisions regarding the future of the research UKPIs. Firstly, it agrees that such indicators are needed.
30. It also agrees that new research UKPIs need to be developed, regardless of whether the current set is discontinued. It agrees that there is scope to explore some of the suggestions raised in the responses to the invitation to comment. UKPISG agrees to work with the Research Councils and other appropriate organisations, groups, committees or departments (including academic research experts), to establish an expert group or roundtable discussion.
31. The group will explore new and current measures of research activity that may be of use or interest if applied across a range of stakeholders and will seek to understand work in the sector to develop new measures. Its discussions will include an assessment of the conformity of any suggestions to the principles for UKPIs.
32. UKPISG considers that the invitation to comment and the previous fundamental review processes have provided plentiful evidence that the current set of research UKPIs is not used. Most responses were in favour of removal, and the members of UKPISG agree that the current set of research UKPIs should be discontinued.
33. UKPISG has considered the timing of the discontinuation of the current research UKPIs. The most frequent type of response was in favour of immediate removal, although this would be at odds with the view of HEFCE's research policy team. UKPISG also notes that, in accordance with Official Statistics requirements, the discontinuation must be announced in July 2014 to take effect by the July 2015 publication of the second tranche of the UKPIs.
34. UKPISG further notes that, with the publication of REF results, 2015 will be one of the more convenient years for a gap in research UKPIs, given the other measures available to users interested in the research area. A gap in the publication of research UKPIs is therefore felt to be tolerable, and UKPISG agree that the current set of research UKPIs should be discontinued at the earliest opportunity. While no firm commitment can be made on the timing of replacement measures, UKPISG agrees that the development process should aim to introduce them at the earliest opportunity.

## **Other comments relating to the recommendations arising from the fundamental review and next steps**

35. The December 2013 invitation to comment also noted that other indicators in the current set of UKPIs would be subject to an in-depth rolling review process to commence in due course, and that UKPISG was committed to exploring the feasibility of broadening them into new areas beyond those covered by the current set.
36. Although the invitation to comment did not apply to the recommendations that UKPISG accepted in September 2013, a number of respondents provided feedback on this aspect. Of those respondents who provided feedback on the recommendations generally, all were supportive of them.
37. The greatest number of concerns raised related to Recommendation 6:  
'Within the context of recommendations 2 and 3 above, the feasibility of broadening the coverage of UKPIs into five new areas (mostly beyond teaching and learning) should be explored: i) value added, ii) financial sustainability, iii) teaching quality, iv) international outlook and v) employer and business engagement.'
38. Respondents had concerns relating to all five areas suggested, but two main themes were reflected in their comments: the appropriateness of value-added indicators in the higher education sector and how they might be defined, and overlaps with other work to develop financial sustainability and teaching quality indicators. In addition, the majority of responders highlighted a need for early and strong engagement with the HE sector on the development of any new indicators (or areas that they would cover).
39. A number of respondents also provided comment on Recommendation 7:  
'Specific individual institution-level operational indicators that move beyond UK-wide sector level priorities should be developed as necessary through other means, such as the improved functionality of the Higher Education Information Database for Institutions (HEIDI), rather than as separate UKPIs. HEIDI is available to all full subscribers to the Higher Education Statistics Agency.'
40. All respondents who commented on this recommendation were highly supportive of HEIDI, and identified the need to further enhance this facility. The importance of HEIDI in supporting the sector was also highlighted in the responses to the questions relating to Table R1 (see paragraphs 19 to 28), a number of which identified its usefulness in benchmarking research performance.
41. At its February 2014 meeting UKPISG discussed an in-depth review of the widening participation UKPIs, and work in this area continues. Further details of this review and its outcomes will be published at such a time as it has been appropriately defined and progressed by the groups governing

the UKPIs. The points made in paragraph 14 of this annex will be taken into account.

42. As noted in paragraph 30, UKPISG welcomes a proposal to establish a series of expert groups or roundtables to provide access to the level, depth and breadth of specialist knowledge that will be required to advance any in-depth review process. It feels that roundtable discussions which bring together representatives of appropriate organisations, groups, committees and departments (including academic research experts) will help understanding of the latest issues and interests relating to the widening participation UKPIs.