

## Cylchlythyr | Circular

# Invitation to comment on future changes to the UK Performance Indicators

**Date:** 09 December 2013  
**Reference:** W13/40HE  
**To:** Heads of higher education institutions in Wales  
Principals of directly-funded further education colleges in Wales  
**Response by:** 24 January 2014, to [ukpisg@hefce.ac.uk](mailto:ukpisg@hefce.ac.uk)  
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The UK Performance Indicators Steering Group (UKPISG) is considering a number of changes in relation to the UK Performance Indicators (UKPIs). This circular invites your comments on some preliminary actions proposed by UKPISG in its initial response to the findings of the fundamental review of the UKPIs.

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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## Invitation to comment on future changes to the UK Performance Indicators

1. The UK Performance Indicators Steering Group (UKPISG) is considering a number of changes in relation to the [UK Performance Indicators \(UKPIs\)](#). The UKPIs are currently published by the Higher Education Statistics Agency (HESA) on behalf of the four UK higher education (HE) funding bodies.
2. The possible changes outlined in this circular arise from the findings of the '[Fundamental review of the UK Performance Indicators](#)' which has been published today. The fundamental review finds that UKPIs are valued as a way to measure HE provision, and that the current approach to UKPIs is appropriate. However it also determines 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 of the HE sector.
3. This letter invites your comments on some preliminary actions proposed by UKPISG in its initial response to the findings of the fundamental review of the UKPIs. An opportunity to comment is being provided to institutions before these changes are discussed further, formally amended if appropriate, accepted and then implemented by UKPISG during 2014.
4. All UK providers of HE are being asked by their relevant higher education funding body to submit any feedback that they may have about these proposals to the UKPISG secretariat at [ukpisg@hefce.ac.uk](mailto:ukpisg@hefce.ac.uk). Feedback should be submitted before **noon on Friday 24 January 2014**.

### Background to this circular

5. The first set of 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 HE sector. The development of the UKPIs over time has been [governed by UKPISG](#). This collaborative governance arrangement continues to bring 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.
6. A fundamental review of the UKPIs was commissioned by UKPISG in early 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 aim of the research was to review the rationale, purpose and policy drivers of

the UKPIs, the usage and the users of the UKPIs; and whether the existing UKPIs were still fit for purpose. The review engaged with a wide range of interested bodies and organisations, and several of you will have participated.

7. The review made a number of recommendations to UKPISG, which were considered at the [September 2013](#) meeting. UKPISG has accepted and will implement over time a series of recommendations as listed at Annex A. Among the recommendations is a commitment to UKPISG engaging in dialogue with the sector as change is taken forward. It is considered that full implementation will take time and need to proceed in stages. UKPISG is therefore asking at this stage for your comments on a revised set of principles for the UKPIs, and for your broad views about the research-related indicators. We envisage further engagement as other areas of possible change are addressed.
8. Other indicators within the current set of UKPIs will be subject to an in-depth rolling review process which will commence in due course. This will include reviewing the current indicators relating to:
  - widening participation of under-represented groups and of students in receipt of Disabled Student's Allowance (DSA)
  - non-continuation rates, including projected outcomes
  - employment of leavers.
9. Also among the recommendations accepted by UKPISG is a commitment to exploring the feasibility of broadening the UKPIs into new areas beyond those covered by the current set. UKPISG recognises that it has neither the time nor the resource available to undertake this exploratory work in parallel with conducting in-depth reviews of the current UKPIs. It also notes that on-going work in the sector may help it better understand the issues and existing measures in some of these potential new areas before taking any decisions. At this time, UKPISG considers that introduction of UKPIs in new areas is a lower priority than ensuring that the existing indicators are fit for purpose. It anticipates commencing exploratory work relating to new areas once the in-depth reviews of the existing UKPIs have been completed.

### **Guiding principles for UKPIs**

10. 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 2008 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.'
11. Building on suggestions made by the fundamental review, UKPISG proposes the set of guiding principles listed at Annex B. It is anticipated

that these principles will be used by UKPISG to guide its governance of the UKPIs, and will become central to the future development of the UKPIs. The intended use and application of the principles is described further at Annex B.

12. We would welcome your comment on the proposed guiding principles.
13. 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.'
14. Feedback from the review process and from HESA have led the UKPISG to understand 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 [Table R1](#). 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 funding council allocation of quality related (QR) research funds to that institution.
15. As the first stage of its response to Recommendation 5, the steering group is considering the discontinuation of the existing measures and would welcome views from institutions as to their support or otherwise for this proposal and what might follow from it. Institutions are invited to respond to the following questions:
  - 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 6 to 7 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.)
16. Institutions are invited to note that the opportunity to provide feedback on the proposed discontinuation of Table R1 is not limited to UK providers of HE. The UKPIs are Official Statistics and, in accordance with the conditions associated with Official Statistics, the UKPISG will be seeking the views of a range of relevant users and stakeholders. The questions

listed above will also be asked of the governments of the four UK nations, the Research Councils and other interested bodies.

### **Providing feedback**

17. Further information regarding the background to the fundamental review of the UKPIs, as well as some of the proposals outlined above, is available from the minutes of the meetings of UKPISG held since 2010. These minutes are available alongside the UKPIs and associated content on the [HESA website](#).
18. All other enquiries, and all feedback, should be submitted to the UKPISG secretariat at [ukpisg@hefce.ac.uk](mailto:ukpisg@hefce.ac.uk). Feedback should be submitted before **noon on Friday 24 January 2014**.
19. The HEFCW contact for queries is Celia Hunt, telephone 029 2068 2224, email [celia.hunt@hefcw.ac.uk](mailto:celia.hunt@hefcw.ac.uk).

## **Annex A – Recommendations regarding the future of the UK Performance Indicators**

Following a fundamental review of the UK Performance Indicators, the UK Performance Indicators Steering Group (UKPISG) has accepted and will implement a series of recommendations in relation to the UKPIs. These recommendations are as listed below:

**Recommendation 1:** UKPIs and their associated benchmarks have value and should therefore be retained.

**Recommendation 2:** In principle, UKPIs should continue to have UK-wide coverage.

**Recommendation 3:** UKPIs should continue to focus on UK-wide sector-level priorities and provide both sector-level and institutional level measures and benchmarks in these areas.

**Recommendation 4:** 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.

**Recommendation 5:** 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.

**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.

**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.

**Recommendation 8:** Students (prospective and current) should not be considered a direct audience of UKPIs, and instead the information contained in UKPIs should be disseminated to students indirectly through mediating bodies.

**Recommendation 9:** The introduction of any additional UKPIs or amendments to existing UKPIs must involve further dialogue with the sector to ensure buy-in.

## **Annex B – Proposal for guiding principles for the UK Performance Indicators**

1. Recommendation 4 for the future of the UK Performance Indicators (UKPIs), as accepted by the UK Performance Indicators Steering Group (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.’

2. In response to the recommendation outlined above, and building on suggestions made by the [‘Fundamental review of the UK Performance Indicators’](#), a set of guiding principles for UKPIs has been proposed by UKPISG. It is anticipated that these principles will be used by UKPISG to guide its governance of the UKPIs, and in particular to assess the utility of the UKPIs to their key audiences. Any new or amended UKPI will be assessed against each of the principles listed below to explore whether it should (and, to some extent, could) be produced at sector and individual institution level, or at sector level only. It should be noted that UKPISG intends the principles to be guiding rather than binding.

3. UKPISG notes the collaborative nature of its governance of the UKPIs, with representation from Government, funding bodies and the sector. It is within this context that UKPISG reserves the right to consider the merits of any new or amended indicators on a case-by-case basis as necessary. The group also reserves the right to revise the set of principles over time, as required or appropriate to ensure its continued successful governance of these measures. Notwithstanding this, the group notes and will stand by Recommendation 9 of those recommendations accepted by UKPISG, which states that:

‘The introduction of any additional UKPIs or amendments to existing UKPIs must involve further dialogue with the sector to ensure buy-in.’

### **Proposed guiding principles for UKPIs**

#### **A: Coverage and scope**

A1: UKPIs should normally seek to reflect the totality of higher education (HE) provision and institutions across the UK.

A2: UKPIs should measure what matters, notably underpinning long-term policy goals for the sector and reflecting the core mission of a significant proportion of institutions. In some areas sector-level only measures might be more appropriate than those at institution level.

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 that reflect differing national contexts.

A4: Taken together, the UKPIs and their associated benchmark values should provide information in the public domain that is not otherwise easily available. There must be a value to a wide range of stakeholders in publishing the UKPI and benchmark values at institutional level.

### **B: Quality of data**

B1: UKPIs should be produced by a credible and independent organisation.

B2: UKPIs should be evidence-based and statistically robust, conforming to recognised best practice in the production of statistical information. Data used for the indicator should be of high quality collected in a consistent and fair way across the sector; they should have a good sample base, use consistent definitions, and use a transparent methodology.

B3: UKPIs should normally have longevity/continuity, enabling a time series to be developed and the ability for users to conduct longitudinal analysis.

B4: UKPIs should be produced in a regular and timely fashion and where possible, be produced annually. However it is acknowledged that it may not be sensible for all new UKPIs to be produced annually, especially where to do so would be costly or put too much of a burden on institutions.

### **C: Dissemination**

C1: The UKPIs and their associated benchmark values should be free and available to all.

C2: Details of the methodology and benchmarking process used in the production of the UKPIs should be published for the benefit of institutions, bodies acting on behalf of institutions, government bodies and agencies and any other interested parties. No institutional-level results should be published before giving the participating higher education providers an opportunity to correct errors of fact.

C3: Publication of the UKPIs and their associated benchmarks should include appropriate guidance and contextualisation so as to facilitate accurate interpretation of the measures and the outcomes that they seek to represent.

### **D: Benchmarking and enhancement**

D1: UKPIs should be directional and attributional measures. There must be general agreement as to what represents a positive or a negative outcome, and that movement in values can be attributed to changes in sector or institutional activity rather than solely reflecting wider extraneous factors. This enables users to understand the direction of travel of the sector and of individual institutions, and so UKPIs can be used to underpin policy development and evaluation as well as institutional performance enhancement.

D2: There should be an expectation that institutions will take note of their indicators and benchmarks, look carefully at any differences occurring with a view to further exploring areas of weakness in their institutional performance, and ultimately strive to improve.

D3: UKPIs and their associated benchmarks should not be presented in such a way as to imply any institutional ranking. They should provide information for

external policy-making stakeholders that is suitable for informing policy, and information for institutions that is suitable for internal use.

D4: The benchmarks provided in association with UKPIs should take account of context and differing institutional characteristics, thereby supporting fair comparison of indicators between institutions.

**E: Burden of data collection**

E1: Where possible, existing data sources should be used to develop new UKPIs and/or to improve existing UKPIs. Any proposal to collect further data should be carefully costed through dialogue with the sector or their representatives, and justified in terms of anticipated use and usefulness. The UKPISG should be mindful that the UKPIs should not place undue burden on the sector.

**F: Influence on behaviour**

F1: Publishing UKPI and benchmark values at institutional level must not knowingly create perverse incentives or lead to perverse behaviour.

F2: UKPIs should comply with all relevant legislation and evolving best practice, particularly in the areas of statistical disclosure control and support of fair competition between institutions.