

# Findings of the Fundamental review of the UK Performance Indicators, and the UKPISG's response

**UKPITG 13/09**

## **Issue**

1. Findings of the 'Fundamental review of the UK Performance Indicators' and the UK Performance Indicators Steering Group's initial response to those review findings.

## **Recommendation**

2. The UK Performance Indicators Technical Group are invited to note the preliminary actions proposed by the UKPISG and to discuss any matters of a technical nature arising from those preliminary actions.

## **Discussion**

1. Recognising that the UK Performance Indicators had not been subject to review since 2006, and in the context of large-scale and fast-paced changes in the HE sector, as well as differing national policies for HE, the UKPISG commissioned a fundamental review of the UKPIs in early 2013. The overarching aim of the research was to review: the rationale, purpose and policy drivers for UKPIs; the usage and the users of UKPIs; and whether the existing UKPIs were still fit for purpose.

2. The review discussed the UKPIs with a wide range of interested bodies and organisations, through a series of stakeholder interviews, online consultation and deliberative events. The final reports of the review process were received and discussed by the UKPISG in September 2013. They are due for publication early in December 2013 and the main report is provided as Annex C.

3. In broad terms, the key finding of the review process is that fundamental change is not required: the UKPIs are valued as a way to measure HE and the current approach to UKPIs is appropriate. However, the review also determines that a) the current set of UKPIs require some refinement, b) there is scope to introduce a small number of additional UKPIs to take account of the wider role of HE, and c) 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.

4. The final reports of the fundamental review process made a series of recommendations to the UKPISG. While they were broadly in support of the recommendations made to them, in order to improve clarity and understanding the UKPISG have made some minor amendments and accepted the series of recommendations as listed at Annex A. Among the accepted recommendations is a commitment to the UKPISG engaging in dialogue with the sector as change is taken forward, and it is anticipated that this dialogue will be facilitated by UKPISG member organisations as appropriate.

5. The UKPISG have already identified a series of preliminary actions to implement these: it is considered that full implementation will take time and need to proceed in stages. We

envisage further engagement of the nature described under Strands 1 and 2 of the UKPISG's proposed work, as other areas of possible change are addressed over time.

## **Forthcoming actions proposed**

### Strand 1

6. Building on suggestions made by the fundamental review, and in response to the fourth recommendation accepted by the group, the UKPISG proposes a set of guiding principles as listed at Annex B. It is anticipated that these principles will be used by the UKPISG to guide their governance of the UKPIs, and will become central to the development of the UKPIs.

7. The UKPISG note the collaborative nature of their governance of the UKPIs, with representation from Government, funding bodies and the sector, and advice sought from the UKPITG to guide their decision making. It is within this context that the UKPISG take ownership of the proposed principles and reserve the right to revise the set of principles over time as required or appropriate to ensure their continued successful governance of these measures. The UKPISG also reserve the right to consider the merits of any new or amended indicators on a case by case basis as necessary.

8. In alignment with the commitment to engage in dialogue with the sector, the four UK HE funding bodies will each write to the heads of institutions in their nation to invite feedback on the proposed set of guiding principles for UKPIs. The intention is that these letters will be sent in early December, and that they will coincide with the publication of the final reports of the review of the UKPIs. Feedback from the sector will be considered by the UKPISG before that group takes and implements further decisions, including formally establishing a set of principles.

### Strand 2

9. Feedback from the review process and from HESA have led the UKPISG to understand that the current research output UKPIs suffer from both poor usage and a lack of understanding. The current set of UKPIs (Table R1) includes four indicators of annual research output, looking 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. As the first stage of their response to the fifth recommendation accepted by the UKPISG (to review the current UKPIs in depth), the steering group propose the discontinuation of these measures.

10. 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 in relation to the proposed discontinuation before any final decision is made. Views will be gathered from UK Governments, Research Councils and other interested bodies, as well as from institutions. A number of questions will be asked:

- a. Would you support the proposed discontinuation of Table R1 of the UKPIs?
- b. Would you consider that other existing measures (such as the Research Excellence Framework) are adequate for your purposes with respect to institution-level information on research activities?
- c. Or is a replacement UKPI is 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 (bearing in mind that this would most likely necessitate a period of time in which no UKPIs are published in relation to research activities)?

11. Responses to the questions listed above are being invited within the letter to be sent to the heads of institutions, discussed in paragraph 8.

12. Other indicators within the current set of UKPIs will be subject to in-depth review through a rolling review process, and it is envisaged that the UKPISG will seek further engagement with the sector as other areas of possible change are addressed. To begin this process, the UKPITG has been asked to undertake an options analysis with respect to the Widening Participation UKPIs. The UKPIs relating to the employment of leavers will form a second tranche of detailed review work, once progress has been made with the wider review of public information being overseen by the Higher Education Public Information Steering Group.

13. The fundamental review outcomes suggested that issues relating to the retention UKPIs were relatively small in both number and magnitude. As such, this area has been considered the lowest priority for a detailed review process and will be revisited by the UKPISG at a later date, once progress has been made in the more pressing areas of review.

### Strand 3

14. The UKPISG have agreed that they have neither the time nor the resource available to enable them to address the fifth recommendation (strand 2) and the sixth recommendation (for broadening the UKPIs into new areas) in parallel. It has been acknowledged by the UKPISG that introduction of new UKPIs is a lower priority than ensuring that the existing ones are fit for purpose. While the group have agreed that they will consider the potential to introduce new UKPIs only when a process of detailed review of the existing indicators has been completed, they have also recognised that they will require a pragmatic approach to ensure that their priorities are not misinterpreted by stakeholders in the UKPIs.

15. It was further acknowledged that in some of the areas suggested, work currently ongoing in the sector would serve usefully as preparatory work to enable the UKPISG to better understand the issues and existing measures in these areas before taking any decisions. For example, the work of the Financial Sustainability Strategy Group and the British Universities Finance Directors Group may help to shape future thinking around the suggestion of new UKPIs relating to financial sustainability.

**Recommendation:** The UKPITG are invited to note the preliminary actions proposed by the UKPISG and to discuss any matters of a technical nature arising from those preliminary actions.

### **Further information**

16. For further information contact Alison Brunt (tel: 0117 9317166; e-mail: [a.brunt@hefce.ac.uk](mailto:a.brunt@hefce.ac.uk)) or Mark Gittoes (tel: 0117 9317052, e-mail: [m.gittoes@hefce.ac.uk](mailto:m.gittoes@hefce.ac.uk))

## Annex A - Recommendations regarding the future of the UKPIs

The recommendations accepted, and to be implemented by the UKPISG 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 HESA.

**Recommendation 8:** Students (prospective and current) should not be considered a direct audience of UKPIs, and instead the information contained in PIs 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 UKPIs

1. In response to the fourth recommendation accepted by the UKPISG and given in Annex A, and building on suggestions made by the 'Fundamental review of the UKPIs', a set of guiding principles for UKPIs have been proposed by the UKPISG. It is anticipated that these principles will be used by the UKPISG to guide their governance of the UKPIs, and in particular to assess the utility of the UKPIs to their key audiences. Any new or amended UKPIs will be assessed against each of the principles listed below to explore whether it *should* (and, to some extent, *could*) be produced – at both sector and individual institution level or at sector level only. It should be noted that the UKPISG intends the principles to be *guiding* rather than binding.

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

### Proposed guiding principles for UKPIs

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

A1: UKPIs should normally seek to reflect the totality of 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.

## **Annex C**

The published version of Annex C is available at:  
[www.hefce.ac.uk/pubs/rereports/year/2013/ukpireview](http://www.hefce.ac.uk/pubs/rereports/year/2013/ukpireview)