

October 2013

Equality Challenge Unit 2013 Progress Review

**Report by David James to the four UK higher education
funding bodies, GuildHE and UUK.**

Executive Summary

1. The Equality Challenge Unit (ECU) was established in 2001 and works to further and support equality and diversity for staff and students in higher education across all four nations of the UK. It provides a central source of expertise, research, advice and leadership for the sector.
2. ECU's core work with higher education institutions is funded by HEFCE, the Scottish Funding Council, the Higher Education Funding Council for Wales, the Department for Employment and Learning in Northern Ireland, Universities UK and GuildHE. Following a full review of ECU in 2009, funding was agreed in principle for a five-year period running from 1 January 2011 to 31 December 2015, subject to a successful mid-point review of progress in 2013. This report sets out the findings of the 2013 review.
3. The review concluded that ECU has made good progress in responding to the findings and recommendations of the 2009 review. Eight recommendations are made which are designed to help ECU face the challenges brought by the continuing pressure on public funding and the pace of change in the higher education sector, and to build on its work to date. The review report and recommendations were received positively by ECU, and by its Board and funders.

Introduction

4. This paper sets out the findings of the Progress Review of the Equality Challenge Unit (ECU) conducted early in 2013 by the Higher Education Funding Council for England (HEFCE) on behalf of all the public funders. The overall purpose of this review was to consider ECU's progress to date against the agreed recommendations in the last full review, conducted by PricewaterhouseCoopers (PwC) in 2009, taking into account points raised at the ECU Funders' Forum on 16 March 2012. The terms of reference are at **Annex A**.
5. Following the 2009 review, funding was agreed in principle for a five-year period running from 1 January 2011 to 31 December 2015, subject to annual confirmation by each funder and a review of progress in 2013¹. It is expected that an independent evaluation in 2015 will inform funding decisions taking effect from 2016.
6. The Funders' Forum and the ECU Board agreed that this mid-term review should take the form of a light-touch 'sense check', and not impose an undue burden on ECU or its funders. Accordingly, it is based on the following three documents submitted by ECU.
 - a. A self-evaluation by ECU against the terms of reference, incorporating findings from its 2012 annual stakeholder survey, which was considered by the ECU Board in January 2013.
 - b. An ECU Board Effectiveness Review in January and February 2013, which was independently validated by HEFCE's Head of Governance.
 - c. A detailed response to the review team's queries about a. and b.

¹ The Higher Education Funding Council for Wales has committed funding to July 2014 and Scottish Funding Council to July 2015.

7. This report focuses on the main issues arising from the review rather than commenting on every aspect of ECU's submission. In particular it discusses areas the review team considers important in helping ECU and its funders prepare for the next full evaluation in 2015. Recommendations are set out where appropriate in the report, and repeated in **Annex B**. We are grateful to ECU's staff for their timely and helpful contributions to this review.

Background to ECU

8. ECU was established in 2001 and works to further and support equality and diversity (E&D) for staff and students in higher education (HE) across all four nations of the UK. It provides a central source of expertise, research, advice and leadership for the sector. It also now works with further education colleges in Scotland.

9. ECU's core work with higher education institutions is funded by the Higher Education Funding Council for England (HEFCE), the Scottish Funding Council (SFC), the Higher Education Funding Council for Wales (HEFCW), the Department for Employment and Learning in Northern Ireland (DELNI), Universities UK and GuildHE. Total core funding in the year to 31 March 2012 amounted to £1.25 million, and other income amounted to £300,000.

10. The chief executive of ECU is David Ruebain, who has been in post since 2010. The total number of full-time equivalent staff employed at the time of this review is 21.65. ECU is governed by a board of 13 directors, chaired jointly by Professor Janet Beer, Vice-Chancellor of Oxford Brookes University, and Professor Chris Brink, Vice-Chancellor of Newcastle University.

Assessment against the terms of reference

11. There is some degree of overlap between the different elements of the terms of reference. We have therefore grouped them under headings reflecting the salient issues of this review:

| Heading | Terms of reference (Annex A) |
|---|-------------------------------------|
| ECU as a shared service, and the public good | (a) |
| Meeting the sector's needs | (d), (e), (j) and aspects of (c) |
| Engaging with senior institutional stakeholders | (f) |
| Income generation and diversification | (b) and (c) |
| Working in partnership | (h) |
| Measuring ECU's overall performance | (g), (i) and (k) |

ECU as a shared service, and the public good

12. The main rationale for ECU receiving block grants from its funders for core activities is that this is the most efficient means of delivering a shared service to the HE sector. All institutions face similar issues in relation to E&D, and therefore it is more cost effective for advice and guidance tailored to the specific needs of HE to be developed and provided centrally to the sector as a whole. This was the fundamental conclusion of

the 2009 PwC review. It could also be argued that if institutions procured E&D advice and support individually, some work might not take place, or it might be delivered to a lower standard. Examples of 'shared needs' include the application of the Equality Act 2010 to institutions, meeting the equality challenges of the Research Excellence Framework, the sector-wide Athena SWAN² Charter and engagement (including responses to consultations) with agencies such as the Equality and Human Rights Commission on behalf of the sector.

13. ECU's services consist primarily of:

- an annual programme of projects
- briefings and seminars; a biennial conference
- publications and a monthly e-newsletter
- an advice service
- national liaison groups (for Scotland, Wales and Northern Ireland)
- equality practitioner networks (in England).

Institutions are therefore able to access ECU resources and services in a variety of ways.

14. A number of developments present challenges to this shared service model.

- a. Financial pressures on each of ECU's funders, as a result of changing arrangements for financing HE (especially in England and Wales) and continuing constraints on public funding.
- b. A shift in emphasis in E&D issues following the change in UK government in 2010, including in how the Equality Act 2010 is implemented.
- c. Increasing divergence of policies and funding arrangements across the four nations of the UK.
- d. Greater differentiation within the HE sector, with the growing prominence of alternative providers, the emergence of new corporate forms and structures, and the varied responses of institutions to the funding changes and student number controls (in England) and other government policies (across the UK).
- e. The continued growth of transnational education (for example, some institutions joining global networks and alliances, or developing branch campuses overseas), which leads to greater complexity in E&D issues.

15. All the above factors challenge sector bodies like ECU to rethink how they engage with, and stay relevant to, the sector. The notion of a 'shared service' has to evolve with changing circumstances, a point developed in paragraphs 18 to 20. Similarly, the 'public good' argument – the moral, legal, economic and social case for E&D in HE, to which ECU is clearly committed – needs to remain at the centre of the continuing debate about

² Athena SWAN is a Charter that recognises commitment to advancing women's careers in science, technology, engineering, mathematics and medicine (STEMM) employment in academia. More information is available at www.athenaswan.org.uk/.

the role of HE in society. There is an opportunity to consider these points in developing the next three-year strategic plan (for 2014 to 2016), through dialogue with the sector.

Recommendation 1: In developing its next three-year strategy (for 2014 to 16), ECU should clearly set out the 'shared services' and 'public good' case for its work, alongside the benefits to individual institutions.

Meeting the sector's needs

16. ECU developed its current strategic plan (for 2011 to 13) after consulting the sector on its E&D priorities. The annual stakeholder survey provides feedback on the relevance and effectiveness of ECU work³, and ECU maintains a more informal dialogue with institutions through its national and regional practitioner networks. Its annual statistical reports, which are widely used in the sector, also highlight key issues for action. ECU uses all of these sources of information to decide its annual programme of projects. The annual review covering each calendar year provides a straightforward account of ECU's work and how it is meeting the sector's needs.

17. In the 2012 survey, 82.2 per cent of respondents agreed or strongly agreed that ECU has been successful in articulating the key current and medium-term E&D issues facing the sector. The responses include a number of comments, for example about the accessibility of ECU's research publications, and the need for more engagement with the academic community, upon which ECU is committed to act.

18. 'Meeting the sector's needs' is becoming more of a challenge due to the developments mentioned in paragraph 14. These affect not just the context in which ECU works, but also how it supports the 'mainstreaming' of E&D within institutions, which is a major part of its mission:

'Mainstreaming may start with implementing effective processes and procedures, but it goes beyond this to challenge the prevailing culture of an institution and question the status quo. It takes equality and diversity into the heart of an institution, moving it from a bolt-on aspect of delivery to an integral part of the way it thinks and functions.'⁴

19. This is reflected in specific projects undertaken by ECU⁵. However, it acknowledges that:

'As much as there is continuity and similarity across the sector, so there is also increasing change, divergence and complexity. The accelerating segmentation of HE poses new and complicating challenges to mainstreaming.'⁶

³ There were 195 responses to the survey in 2011 and 172 in 2012.

⁴ 'Mainstreaming: equality at the heart of HE', report available at www.ecu.ac.uk/publications/files/Mainstreaming-equality-at-the-heart-of-HE.pdf/view

⁵ 'Mainstreaming equality at the heart of HE' and 'Mainstreaming equality through governance and management': see www.ecu.ac.uk/our-projects/mainstreaming-equality-through-governance-and-management-programmet.

⁶ ECU self-evaluation 2010-2013, page 47.

20. In addition to these complexities, the attenuation of E&D services in many institutions – in part due to financial pressures – may make it more difficult for institutions to achieve mainstreaming. This underlines the case for ECU's sector-wide role, driving the changing E&D agenda and reminding institutions of their obligations and the wider benefits from a sincere engagement with E&D.

Recommendation 2: In developing its next three-year strategy, ECU should also re-engage with the sector on strategic need and emerging E&D issues, including the challenges to 'mainstreaming'.

Engaging with senior institutional stakeholders

21. ECU influences institutional behaviour through its engagement with distinct groups, including E&D and human resources (HR) practitioners, heads of services, and heads of institution and other senior staff. This is achieved through various means, such as briefings, seminars, publications, conferences, consultations and institutional visits. The degree of success is indicated through the annual survey. For example, in 2012:

- 88.9 per cent of E&D and HR contacts were frequent or occasional service users (marginally down on 2011)
- 65.7 per cent of heads of institution were familiar with ECU's resources and services (marginally up from 2011)
- 83.3 per cent of heads of institution believed ECU's services or resources encouraged senior managers to increase engagement with E&D work (up from 71.4 per cent in 2011).

22. It is important to work with senior staff because achieving cultural change is a complex and long-term process, requiring clear commitment from institutional leaders. E&D issues inevitably vie for their attention alongside many other pressing concerns. As paragraph 20 notes, the loss of specific E&D posts in some institutions might indicate changed priorities in the use of resources, perhaps reflecting limited awareness of the significance of the E&D agenda – not just to mitigate risk, but to promote a truly inclusive culture. This links with ECU's role in promoting the 'public good' case for E&D (see paragraph 15).

Recommendation 3: ECU should continue to focus on engaging with senior institutional stakeholders to help achieve long-term cultural change in institutions and to counter the attenuation of E&D services in parts of the sector.

Income generation and diversification

23. The 2009 PwC review considered a range of options for funding ECU and recommended keeping the existing model, to which the funders agreed. It is therefore not the purpose of the current review to revisit those options, but to assess the extent to which ECU is securing its financial sustainability. This entails diversifying income: either developing new programmes for existing funders, or accessing new sources. This has become more important since 2009 because of the pressures on public funding, which make it more difficult for the funders to confirm existing levels of support for sector bodies like ECU over the longer term.

24. ECU has supplied the following figures for non-core income:

| Financial year (to 31 March) | Non-core income | As a % of total income |
|-------------------------------------|------------------------|-------------------------------|
| 2010-11 | £305,596 | 21% |
| 2011-12 | £298,863 | 19% |
| 2012-13 (projected) ⁷ | £520,199 | 27% |

25. The projected increase in 2012-13 is encouraging, and it is to be hoped that this can be sustained in the coming years. We note that ECU will be working with the Office for Fair Access to conduct research and develop bespoke services for institutions at the intersection of equality and widening participation. Areas in which ECU has already generated non-core income include the following:

- the Athena SWAN Charter, now managed by ECU, of which membership has doubled from 42 to 85 institutions between 2010 and 2012⁸
- work with colleges in Scotland funded by SFC
- various projects for HEFCE (Disability Equality Schemes, Race Forum, and the Research Excellence Framework)
- achieving Equality for Disabled Staff project (Leadership Foundation for Higher Education (LFHE))
- bespoke services (currently provided at a modest level).

26. ECU's Board has agreed to further income generation, subject to a number of principles such as:

- causing minimal disruption to the delivery of core services
- aiming for incremental growth
- focusing on areas of existing expertise
- doing work that is that complements current activities, and
- 'striking a balance between providing an individual or private service and ECU's role in providing a wider public good'⁹.

27. This is evidently a sound approach. We note that ECU is appointing a business development manager, initially on a 12-month contract but extendable subject to progress, to build further income generation activity. The new post-holder will report directly to the Chief Executive so that progress can be carefully monitored.

28. ECU has assessed the feasibility and level of return from different forms of income generation activity. This prioritises work involving public and third sector funding and providing services to the further education sector (as in Scotland currently). The lowest

⁷ Estimate provided in March 2013.

⁸ Athena SWAN funders have been: the Department of Health, HEFCE, SFC, HEFCW, the Royal Society, the UK Research Centre for Women in Science, Engineering and Technology, and the Biochemical Society.

⁹ ECU self-evaluation 2010-2013, page 33.

priority is working with private (including for-profit) HE providers. While such providers are becoming more prominent in the sector, they are characterised by great diversity, in terms of size, mission and constitutional form. Many of them wish or need to adopt some of the practices of higher education institutions, for example, in gaining taught degree awarding powers or university title. Although it remains ECU's sole responsibility to determine its own strategy, it might be timely for it to reconsider how to develop business opportunities among these alternative providers.

Recommendation 4: As part of its strategy to diversify income, ECU should reconsider the low priority it has given to providing services to private and for-profit providers of HE.

Working in partnership

29. Sector bodies are increasingly working in partnership to achieve their objectives, deliver benefits to institutions and improve efficiency and effectiveness. ECU undertook a sector engagement exercise in 2011, and found that it had worked with 86 sector partners on 26 projects. In January 2013 it created a new role of stakeholder communications officer, and at the time of this review it was in the process of developing memoranda of understanding with the Higher Education Academy (HEA) and Quality Assurance Agency for Higher Education (QAA).

30. The annual survey is sent to E&D and HR professionals as well as heads of institution. In future it would be worth including sector partners, to give ECU structured feedback on how it is perceived by its peers, which will help it to continue developing productive relationships. Three sector bodies (LFHE, HEA and the Universities and Colleges Employers' Association (UCEA)) no longer have observer status at the ECU Board, although ECU has established a sector agencies equality forum whose first meeting is due to take place in spring 2013. While it is beyond the scope of this review to assess how ECU should engage with its sector partners, it is appropriate to underline the importance of working collaboratively with peer organisations.

Recommendation 5: ECU should continue to develop partnership agreements and activities, specifically including UCEA, LFHE and Committee of University Chairs, as well as HEA and QAA (where memoranda of understanding are currently being agreed), to maximise the effectiveness of delivering E&D in the sector.

Recommendation 6: ECU should seek to include sector partners in its annual survey.

31. ECU was established to promote equality of opportunity and promote diversity for all who work or seek to work in the higher education sector in the UK. Its remit includes the promotion of equality of opportunity for students where these overlap with staff, excluding matters relating to the content of the curriculum. Any student-only projects require separate authorisation from the funders.

32. Since the last full review, differing approaches to implementing the funding agreement have evolved across the UK. SFC, HEFCW and DELNI support ECU in undertaking student-facing work. HEFCE has a developing 'collective student interest' remit, where E&D issues feature together with other considerations, such as the wider student experience. Therefore ECU requires permission from HEFCE to use core funding

for student-facing work. HEFCE's considerations include avoiding duplicating the work of other agencies and bodies, and ensuring value for money.

33. The funding agreement encourages funders to notify each other of individually funded projects to allow all to opt in or out as appropriate. This form of partnership working will become more important as E&D policy continues to evolve and diverge across the UK. There is an opportunity for ECU to take an active role in achieving this.

Recommendation 7: In its regular reports to the Funders Forum, ECU could highlight where its project outputs and learning may be of benefit across the UK, to enable the funders to respond as they consider appropriate.

Measuring ECU's overall performance

34. The discussion of ECU's performance focuses on three main areas:

- impact on the sector
- cost efficiency
- board effectiveness.

35. ECU revised its key performance indicators (KPIs) following the 2009 PwC review, to make them more outcome-focused. Many of these are measured through the annual sector survey: see examples in paragraphs 17 and 21. Such indicators illustrate the nature of ECU's engagement with the sector, but they have limited usefulness in measuring impact because of the subtlety and complexity of the issues and the indirect nature of its work. As ECU notes in its submission:

'ECU's targets are linked to social and cultural change. [...] This wide-reaching goal can mean that the impact the organisation makes within the sector is somewhat difficult to quantify, because social or cultural change usually stems from a myriad of economic, political and social influences. There are also usually numerous influencing factors and actors and it is therefore difficult to isolate the impact of any one organisation.'¹⁰

36. ECU acknowledges that some KPIs need development to ensure their appropriateness and effectiveness: for example recognising that indicators should not be tied to a single strategic aim, or that some measures are beyond ECU's control. It would be appropriate for ECU to agree new KPIs with its Board and funders for the next three-year strategic plan (2014 to 2016). A broader debate about the meaning of ECU's impact and effectiveness should also be reflected in its future annual reviews.

Recommendation 8: ECU should review its KPIs for the next three-year strategy, noting the subtleties and challenges of achieving cultural change in institutions through its work.

37. ECU has recognised the need to manage its costs efficiently, as a matter of good governance and the effective use of resources. It has indicated careful consideration of the options related to each major area of new expenditure, such as the lease renewal in

¹⁰ ECU self-evaluation 2010-2013, page 62.

2011 and the office refit in 2012. It has joined the London University Purchasing Consortium to benefit from the Consortium's ability to negotiate cost savings.

38. ECU conducted a board effectiveness review in January and February 2013, with independent validation from HEFCE's Head of Governance. This indicated clear support for ECU's mission from the board, and the overall conclusion was positive about the board's work. Areas for further development include: helping ECU with horizon-scanning and keeping an eye on the changing external environment, improving the induction of new members, keeping members informed, and maintaining challenge and an honest relationship with ECU's management.

Overall conclusion

39. ECU's work is central to the overall mission of higher education in the UK, and it has made good progress in response to the findings and recommendations of the PwC review in 2009. There are no fundamental issues that need to be drawn to the attention of its funders, and they should remain confident about their investments in ECU. Nonetheless, ECU faces a number of challenges due to the continuing pressure on public funding and the pace of change in the higher education sector. These also present opportunities, and ECU should use the period leading up to the next full review expected in 2015 to ensure it remains focused on the sector's evolving needs. The recommendations set out in this report and repeated in **Annex B** are designed to help ECU with this task, and should be seen as encouragement to build on its work to date.

List of abbreviations

| | |
|-------|--|
| DELNI | Department for Employment and Learning in Northern Ireland |
| E&D | Equality and Diversity |
| ECU | Equality Challenge Unit |
| HE | Higher Education |
| HEA | Higher Education Academy |
| HEFCE | Higher Education Funding Council for England |
| HEFCW | Higher Education Funding Council for Wales |
| HR | Human Resources |
| KPI | Key Performance Indicators |
| LFHE | Leadership Foundation for Higher Education |
| PwC | PricewaterhouseCoopers LLP (PwC UK) |
| QAA | Quality Assurance Agency for Higher Education |
| SFC | Scottish Funding Council |
| UCEA | University and Colleges Employers Association |

Annex A

Terms of reference for the ECU Progress Review (2013)

- a. Establish the Equality Challenge Unit's (ECU's) position in the sector as a shared service or a public good and evaluate the value it adds.
- b. Review to what extent ECU has diversified its income generation and made progress towards a more sustainable model.
- c. Consider future funding options and business models in the light of the mainstreaming of equality and diversity (E&D) that has been achieved and the conclusions from a.
- d. Report on and evaluate ECU's three year strategy and the extent to which it has focused on strategic need faced by the sector, recognising the different legal frameworks and operating issues faced by institutions.
- e. Evaluate ECU's success in articulating the key current and medium-term E&D issues facing the sector and the extent to which E&D is a mainstream issue that is part of the core sector business.
- f. Evaluate ECU's success in engaging with senior institutional stakeholders to raise awareness and understanding as well as encourage compliance and good practice.
- g. Review the appropriateness and effectiveness of ECU's Key Performance Indicators including the extent to which these include clearly measurable output indicators relating to programmes and activities.
- h. Review the success of ECU's approach to partnership activities with institutions and other bodies to deliver the programme of activity efficiently and effectively.
- i. Report on and evaluate the effectiveness of the Board and how well it is contributing to the delivery of ECU's remit.
- j. Consider ECU's ability to anticipate new developments and issues in E&D and the extent to which it is able to appraise critically potential new projects and resource allocation to maximise benefits to the sector.
- k. Review how ECU has sought opportunities for efficiency savings, such as a co-located service model.

Annex B

Recommendations arising from the ECU Progress Review (2013)

| Recommendation | Paragraph references |
|--|----------------------|
| 1. In developing its next three-year strategy (for 2014 to 16), the Equality Challenge Unit (ECU) should clearly set out the 'shared services' and 'public good' case for its work, alongside the benefits to individual institutions. | 14-15 |
| 2. In developing its next three-year strategy, ECU should also re-engage with the sector on strategic need and emerging equality and diversity (E&D) issues, including the challenges to 'mainstreaming'. | 18-20 |
| 3. ECU should continue to focus on engaging with senior institutional stakeholders to help achieve long-term cultural change in institutions and to counter the attenuation of E&D services in parts of the sector. | 22 |
| 4. As part of its strategy to diversify income, ECU should reconsider the low priority it has given to providing services to private and for-profit providers of HE. | 28 |
| 5. ECU should continue to develop partnership agreements and activities, specifically including the Universities and Colleges Employers' Association, the Leadership Foundation for Higher Education and the Committee of University Chairs, as well as the Higher Education Academy and the Quality Assurance Agency for Higher Education (where memoranda of understanding are currently being agreed), to maximise the effectiveness of delivering E&D in the sector. | 29-30 |
| 6. ECU should seek to include sector partners in its annual survey. | 30 |
| 7. In its regular reports to the Funders Forum, ECU could highlight where its project outputs and learning may be of benefit across the UK, to enable the funders to respond as they consider appropriate. | 31-33 |
| 8. ECU should review its Key Performance Indicators for the next three-year strategy, noting the subtleties and challenges of achieving cultural change in institutions through its work. | 35-36 |