

Cylchlythyr | Circular

National measures for higher education performance

Date: 15 December 2017
Reference: W17/37HE
To: Heads of regulated institutions in Wales and other interested parties
Response by: 31 January 2018
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This circular provides a consultation on performance measures for the higher education sector in Wales.

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Introduction

1. This circular provides a consultation on performance measures for the higher education sector in Wales.

Background

2. HEFCW's previous [Corporate Strategy 2013-17](#) included seventeen targets covering five strategic objectives and two enabling objectives in the Strategy (excluding organisational effectiveness, where we had our own group of measures). Under each strategic theme, we included one or more target outcomes and in addition, we noted aspects which we would monitor. **Annex A** sets out the previous targets and data we monitored.
3. Following consultation with the sector¹, HEFCW has agreed a new corporate strategy format focused on what we do: we fund; we regulate; we influence; we work in partnership with students; and we operate effectively. Given the reduction in funding drivers available to HEFCW, HEFCW Council was keen to move away from target outcomes for sector performance and to include only measures which we would monitor. As a result, we have now included twelve HEFCW performance outcomes in the document, which has just received approval from the Cabinet Secretary for Education.
4. In addition, we have included an objective to 'Develop measures by which to monitor the performance of higher education providers and monitor delivery'. Such measures would replace the seventeen targets included in the previous corporate strategy and would assist us in monitoring HEFCW regulated and/or funded HE providers in Wales.
5. This circular provides an initial consultation with HE providers on the types of measures which could be used and the approach that HEFCW may take in utilising the measures, with the aim of conducting a more detailed consultation on a small set of specific measures, once these have been further developed.

Developing measures

6. Although the Corporate Strategy now focuses on HEFCW and our role, we expect measures for the sector to reflect key higher education priorities for Wales. Rather than develop new areas, this paper assumes that the strategic themes of the previous Corporate Strategy remain relevant. These are: Widening access; Student experience; Skills, employability and enterprise; Innovation and engagement; and Research. We also need to take account of statutory expectations arising from the Well-being of Future

¹www.hefcw.ac.uk/documents/publications/circulars/circulars_2017/W17%2017HE%20Consultation%20on%20HEFCW%20Draft%20Corporate%20Strategy%202017-20.pdf

Generations (Wales) Act 2015; the Equality Act 2010 and Welsh specific duties; and the Welsh Language Standards. We are inviting your views on the development of potential measures under each of those headings, recognising that many measures are cross cutting across these themes. The paper also discusses a range of other measures used in higher education.

7. Whereas the previous Corporate Strategy included targets (ie we aimed at achieving a certain level of improved performance over the three year period) we are now proposing to introduce measures (that is, areas which will be monitored for improvement but with no set target aim for improvement). This reflects a recognition in our new Corporate Strategy that our levers for performance, particularly funding, are less strong than previously.
8. Measures allow us to consider performance in a range of key policy areas, including Welsh Government general priorities, both at a pan-Wales and individual institution level. They allow a national view of sector performance to be formed, which is not possible from individual institutional targets. At institutional level they inform our assessment of risk, and consequent action. They also provide evidence underpinning policy priorities where further action is required at national level. They ensure that providers retain a focus on areas of interest to government and to HEFCW as regulator and funder. They provide challenge to providers but also demonstrate positively to stakeholders how providers are delivering in key priority areas. Perhaps most importantly, they contribute to the evidence base for assessing the return on investment of public funding.
9. However, we also recognise the potential disadvantages of the use of measures and targets. There is a tendency to focus on what can be measured – even if it is only a proxy for the desired outcome. Once a measure is agreed, institutions tend to focus on that aspect and other areas which are not subject to monitoring are sometimes deprioritised. In addition, there are many areas of higher education work which have a longer term impact on individuals and communities which may not be measured in any quantitative way. Reporting on measures can be burdensome.
10. We recognise that there are both advantages – as set out in paragraph 7 - and disadvantages (paragraph 8) to monitoring HE providers via measures but take the view that the benefits outweigh the disadvantages.
11. This circular considers a range of sources of measures, some of which are in the public domain already. We hope from this consultation to gain views on these areas but also to invite respondents to identify any other areas which may be relevant. In considering the monitoring of measures, there is a separate issue as to what will be made publicly available and what would be monitored but not made public for reasons such as commercial confidentiality or other factors, such as small numbers from which individuals might be identified. Our aim will be to develop a basket of a

small number of measures in each key area which we will monitor and publish and others which we will monitor but not publish.

Q1 Have you any other general comments on the issue of developing sector measures?

Other considerations

12. It has been suggested that our starting point in developing measures should be institutional strategic plans and linked key performance indicators (KPIs). We have undertaken an analysis of these KPIs. There is some alignment of areas of indicators across institutions but many are measured in different ways or have a slightly different emphasis to suit the mission of the institution. Institutions are autonomous. The KPIs are likely to play to the strengths of an institution or the objectives it wishes to achieve, and they do not necessarily reflect Welsh Government or funders' priorities. We will take these into account but cannot base our measures solely on a collation of these indicators.
13. Similarly, it has been suggested that we align our measures with those in higher education league tables, to assist institutions in their positioning within those tables. We can keep a watching brief on these tables but they: are variable in the way they are measured and weighted; are rarely benchmarked; can change without consultation with Wales; can be based on reputational factors; are influenced by competitive pressures and tend to reflect higher education agendas in England, rather than Welsh Government priorities, including those related to international excellence. It might be argued that the league tables provide a measure of what would be a 'successful institution' (ie one which performs well in national measures). However, league tables will not necessarily respond to the priorities of the Welsh Government, for example in widening access, Welsh medium or part-time. We recognise that the measures for a successful sector and for successful institutions may be different and our priority in terms of meeting Welsh Government priorities will relate to sector level, thus allowing some for institutional diversity to respond to areas of strength.
14. We expect that all institutions develop a range of key performance indicators as part of their strategic planning in areas where they wish to see improvement and build strength. They should also monitor their performance against key competitors and peer institutions. Governing bodies will seek regular updates on performance against those objectives. While HEFCW would wish to facilitate performance against those measures, we also need to secure sector outcomes in key priorities, which may be different, and our national measures and monitoring processes will focus on those elements.

15. In Wales the Well-being of Future Generations Act 2015 places a requirement on Welsh Government and public bodies such as HEFCW to develop a well-being statement and objectives which help them achieve the seven well-being goals for Wales and to apply the sustainable development principle. Our well-being statement is on our website.² There are 46 underpinning national indicators to support the delivery of Future Generations.
16. All HE providers in Wales, and HEFCW are subject to the provisions of the Equality Act 2010 and the specific duties for Wales. These require monitoring of staff and students across a range of protected characteristics as well as the impact of initiatives on these groups, requiring a range of data sources and surveys.
17. Public sector bodies, universities and colleges are subject to new Welsh Language standards and we will need to take account of these and monitoring processes developed.
18. The Annual Provider Review (APR) method in England has used a set of measures to inform the review process, which is similar to our Institutional Risk Review. Whilst HEFCW would be unable to benchmark data for Wales given the small number of diverse providers, we may be able to benefit from benchmarking across England and Wales for some of these measures, which could give lead to a more robust assessment of individual institutional performance.
19. The Research Excellence Framework (REF)³ is the UK's system for assessing the quality of research in higher education institutions. The REF was first carried out in 2014, replacing the previous Research Assessment Exercise. The next exercise will be conducted in 2021. The REF is undertaken by the four UK higher education funding bodies. It is a process of expert review. Institutions are invited to make submissions in 34 units of assessment (UOAs). The submissions are assessed by an expert sub-panel for each UOA, working under the guidance of four main panels. The process is informed by a range of metrics.
20. The Teaching Excellence and Student Outcomes Framework (TEF)⁴ is informed by quantitative measures covering widening access, student satisfaction, retention and employment, as well as nation-focussed measures (WIMD/Communities First and Welsh medium in Wales). A new measure is being piloted around teaching intensity, together with piloting of a 'subject-level TEF'. These data are benchmarked for all providers, although not all providers in Wales participate in the TEF. This is an initiative of the Westminster Government in which Welsh institutions may participate.

²www.hefcw.ac.uk/documents/about_he_in_wales/WG_priorities_and_policies/Wellbeing%20Statement%20March2017%20English.pdf

³ www.ref.ac.uk/about/whatref/

⁴ www.gov.uk/government/collections/teaching-excellence-framework

21. HEFCW will engage with HEFCE (and subsequently Research England) as it develops a new Knowledge Exchange Framework (KEF) to benchmark university performance in fostering knowledge sharing and research commercialisation.
22. The Scottish Funding Council utilises outcome agreements with both universities and FE Colleges to monitor sector performance, which are tied to SFC funding allocations, with outcomes primarily related to access ⁵.
23. Outcome agreements have also been proposed in the recent consultation on a new Commission for Post-Compulsory Education and Training (PCET) in Wales.⁶ Linked to that, the Welsh Government has recently consulted on *Consistent measures for post-16 learning in Wales* (which excludes universities). Given the proposed new PCET body, there would be value in considering whether there might be alignment with those measures which focus on Achievement; Post-16 Value-added; and Destinations, recognising that this may need to evolve and/or feed into the next set of measures.⁷
24. The discussion below considers the range of measures which might be available within a policy theme such as 'Widening Access'. The collated measures illustrate the extent of information already available on higher education. We plan to monitor a 'basket of measures' in each of these policy areas and set out our early thinking below.
25. HEFCW's vision is *Sustainable, accessible, internationally excellent higher education in Wales*. An alternative way of presenting the baskets of measures would be to merge our mission and Well-being objectives in the following way. We would welcome views on this proposal:
 - Sustainable HE in Wales: Promote a system of HE that is financially, economically, socially, and environmentally sustainable;
 - Accessible HE in Wales: Ensure that HE in Wales is relevant and accessible to all who could benefit from it, or contribute to it;
 - Internationally excellent HE in Wales; Champion internationally excellent HE that also works to support global well-being and sustainable development.

Q2. Do you have any further comments on other considerations we need to take into account?

⁵ www.sfc.ac.uk/funding/outcome-agreements/outcome-agreements.aspx

⁶ <https://consultations.gov.wales/consultations/reformed-post-compulsory-education-and-training-system>

⁷ https://consultations.gov.wales/sites/default/files/consultation_doc_files/170126-consultation-doc-en.pdf

Widening Access

26. Our key widening access target currently includes recruitment from Communities First (CF) areas. This has two advantages: It is a geographical measure based on where a student lives. Other funding bodies also use geographical proxies because of ease of measurement related to the location of the institution and students. Secondly, CF has been the Welsh Government's flagship programme to tackle deprivation and it was important that we used measures to support it (and indeed we were encouraged by Wales Audit Office to do that). However, CF is coming to an end and the use of geographical measures as proxies is seen by some as too broad.⁸ We recommend seeking a different measure to replace this. The Welsh Index of Multiple Deprivation (currently part of our widening access measures and also based on a geographical area), may be the appropriate replacement, recognising that this focuses more strongly on areas in South and West Wales).
27. HESA currently publish a set of performance indicators for widening participation on behalf of the funding bodies⁹. This informs the second of our existing targets, which is based on the UK Performance Indicator (UKPI) related to POLAR 3 (UK ward level data on higher education participation under 21). We have some concerns about POLAR 3 and its emphasis on young participation and thus our target overlays this with participation data on mature and part-time students. POLAR 3 has been replaced by POLAR 4 which measures similar aspects. Given that this is a UK-wide measure, we recommend continuing with this.
28. We currently measure both full-time and part-time retention using HESA UKPI aggregated data. This is a robust measure of retention in both the UKPIs and the TEF, and we recommend continuing with this.
29. In addition, under this heading we have a part-time target. Given Welsh Government priorities, we will want to maintain this and monitoring of part-time fee levels but this could be absolute numbers and percentages, rather than the current target related to UK performance. We recognise that part-time numbers are also a key measure when considering Student Experience and Skills, Employment and Enterprise policy areas.
30. UCAS publish a range of data on applications broken down by different groups (sex, POLAR and ethnicity) for each institution. Although this data was required by the English Government, it is also published for Welsh institutions¹⁰. In terms of UCAS data, information is also available on

⁸ See for example, <https://wiserd.ac.uk/publications/access-higher-education-wales-report-higher-education-funding-council-wales>

⁹ www.hesa.ac.uk/data-and-analysis/performance-indicators/widening-participation

¹⁰ www.ucas.com/corporate/data-and-analysis/ucas-undergraduate-releases/ucas-undergraduate-reports-sex-area-background-and-ethnic-group/2016-entry-ucas-undergraduate-reports-sex-area-background-and-ethnic-group.

looked after children and on the first in family to go to higher education. These data sets only relate to full-time undergraduate UCAS applicants.

31. HEFCW publishes equality data for students covering age, gender, disability and ethnicity¹¹. This not currently published at institutional level because there are small numbers in some categories at some institutions. This does reflect the importance of inclusion in considering widening access to higher education and we may wish to reflect that aspect in the rephrasing of the heading of this area as 'Widening Access and Inclusion'.
32. The Equality Challenge Unit publishes a range of equalities data on both staff and students using HESA data, but this is not broken down by institution (and may change).¹²
33. We have considered whether we should place more focus on the HE Initial Participation Rate (HEIPR). This gives the participation rate in HE of those taking up HE study with less than six months of previous HE study. England currently publish this¹³ and we are planning to publish equivalent data for Wales. It could be possible to do an all age measure of participation but it may not pick up on the previous HE experience of older learners. One item of interest is the percentage of year 13 learners progressing to HE (the participation rate of young people in Wales) and the entry rate at age 19 (to allow for those having a gap year). This may be an appropriate measure for a future PCET body, but we consider that, at present, this isn't a measure of HE providers in Wales, rather it measures school/college performance.
34. Other UK performance indicators currently being used (benchmarked data) include a state school marker; and Disabled Students' Allowance. We also use data relating to whether a student received DSA in our disabled student premium calculation. However, we take the view that the state school marker is less relevant in a Welsh context.
35. In measuring widening access to and through higher education a key area of interest is fair access to the professions. Some sources of data are available in the area of medicine/dentistry but we would need to work with partners to access further sources to cover this area.
36. Institutions frequently use Free School Meals data to measure widening access. We are currently in the process of gaining access to these data. There is also a concern in the context of our all-age widening access objective that this only relates to those pupils leaving school and wouldn't apply to adult learners. In addition, UK eligibility differs, there are geographical variations in take up, and variations in individual eligibility and take up.

¹¹ www.hefcw.ac.uk/about_he_in_wales/statistics/equality_diversity_statistics.aspx

¹² www.ecu.ac.uk/publications/equality-in-higher-education-statistical-report-2016/

¹³ www.gov.uk/government/statistics/participation-rates-in-higher-education-2006-to-2016

37. Other areas being considered for UKPIs are: household residual income (through SLC) but this is measured differently in different nations and wouldn't pick up part-time) and students' school circumstances (ie the type of school, such as schools with high levels of NEET – not in employment, education or training) or, in England, free schools, grammar schools etc (data not available in Wales); school quality as measured by attainment at different levels (in Wales, KS 4); and schools with low numbers progressing to HE.

Q3 What should we measure in the context of Widening Access and how??

Student experience

38. We currently have an NSS (National Student Survey) target which is monitored on a three year rolling basis against UK performance. We recommend retaining this measure.
39. Uptake of Welsh medium provision is currently monitored through those studying 5 or more credits (which may be too low to be meaningful) and 40 or more credits, which aligns with Coleg Cymraeg Cenedlaethol Scholarships (which also cover 80 credits). We recommend retaining these measures at this stage pending Coleg developments, although some institutions have requested a move to percentage rather than students, given shifts in student numbers. Welsh Government is undertaking work on data linking between PLASC, LLWR and HESA datasets (covering schools, FE/WBL and HE) which may contribute to further monitoring of Welsh medium progression.
40. HESA data are available on Welsh speakers: fluent, not fluent; not Welsh speaking and unknown, but this is self-reported data and we do not consider these to be sufficiently robust. We therefore do not propose use of these data as a measure. The new HESA Student Record from 2019/20 will collect additional information in this area.
41. We recommend retaining a measure of overseas student recruitment, including percentage annual change, but we may not want to keep this as comparative to UK. The measure could show the number of students per year or geographical area. We will also need to monitor EU students separately, depending on the implications of Brexit. We may also need a measure of international staff.
42. It is also becoming increasingly important to monitor outward mobility experiences, particularly those broken down by widening access groups which may have more barriers to access of these experiences.
43. We have been undertaking further work to measure Transnational Education (TNE) students (ie those studying overseas). We could include a measure for this using the HESA aggregate overseas record (numbers by country, level of provision, type of activity (registered at provision, studied

overseas on overseas campus, not at overseas campus, distance/flexible/distributed learning but student overseas; registered at partner overseas; by institution).¹⁴

44. For quality, the outcome of the external quality reviews in HE may be the appropriate measure. In addition, we expect to measure quality using a range of student data (see also the HEFCE Annual Provider Review (APR) annex). We will consider this through our Institutional Risk Review process. We would welcome views on whether any of these data should be included in the measures
45. We monitor franchise partnerships through the fee and access plan submissions and monitor numbers using HESA data, which could provide a monitoring measure.
46. We annually monitor complaints to the Office of the Independent Adjudicator (OIA) made against Welsh institutions through reports to our Quality Assessment Committee, using the OIA's annual report and annual statements. In light of our new regulatory responsibilities, which include complaints, we will need to retain measures in this area including to cover complaints made directly to HEFCW.
47. We do not intend to continue the current Initial Teacher Training (ITT) measure, as from 2019/20 we will no longer be responsible for the allocation of targets. The responsibility for this will rest with Welsh Government and the Education Workforce Council¹⁵.
48. We have recently consulted on the collection of data for a 'basket of goods'¹⁶ considering the prices of accommodation; students' union membership; gym fees; library costs; printing/photocopying costs; car parking; ticket costs associated with graduation events; crèche/day care costs. We will want to consider whether this information is used in future measures.
49. In line with advice from Welsh Government, we will be monitoring part-time and postgraduate fee levels, as referenced in the 'basket of goods' consultation. Full time undergraduate fees are monitored as part of the fee and access planning process.
50. The student voice is increasingly important in higher education in Wales. The NSS reflects student satisfaction, including in relation to the student union. The student voice is also integrated into the governing body quality assurance statement.

¹⁴ www.hesa.ac.uk/collection/c16052

¹⁵ www.ewc.wales/

¹⁶ www.hefcw.ac.uk/documents/publications/circulars/circulars_2017/W17%2021HE%20Consultation%20on%20the%20collection%20of%20data%20for%20the%20basket%20of%20goods.pdf

51. Data on academic teaching qualifications of staff is now being published by HESA on English institutions. We have asked HESA to delay publication of the data in Wales while institutions place a focus on improving data quality in this area but we expect that this information will be published for Welsh institutions from 2018.
52. We will need to keep abreast of changes to TEF measures, which are being piloted at subject level. Proposals include contact hours (intensity of study) and grade inflation with supplementary metrics from the Longitudinal Educational Outcomes data (LEO). We would welcome views about how these should be used in a Welsh context.
53. Since the introduction of the Subjects of Broader Importance to Wales (SBIW) agenda, we have monitored numbers at subject level but do not currently publish this information.

Q4 What should we measure in the context of the Student Experience, and how?

Skills, employability and enterprise

54. Previous corporate strategy targets use the Destinations of Leavers from Higher Education (DLHE) data for employment (percentage in jobs or further study) and Graduate Employment (percentage in graduate occupations). However, the DLHE will be ending in 2016/17 and changing to a new Graduate Outcomes (GO) Survey. The first GO survey will be launched in December 2018 with the outcomes published in late 2019, so there will be a gap between the 2016/17 cohort data and the 2017/18 cohort data being published. We will wish to retain some measure of employment and may wish to break down the data further by relevant protected characteristics and differentiate the professional nature of that employment.
55. The Higher Education Business and Community Interaction Survey (HE-BCI) measures the extent of Continuing Professional Development take up in each institution. This was a target in our previous Corporate Strategy. We will wish to continue to utilise this measure.
56. In addition, data from the Longitudinal Educational Outcomes (LEO) dataset has been published as experimental data by DfE in England. The data includes schools, FE and HE data and administrative data from HMRC and DWP. Although this data has been published for Wales on the DfE website, it is also planned to place this onto the Unistats site as student information. Given that these data relate to graduate incomes, students and potential students may regard institutions with high salaries, for example, those that have high proportions of students gaining jobs in London and the South East, more favourably, which could therefore work against Welsh Government priorities to retain high quality graduates in Wales (as well as other regions of England). We would wish to delay

publication of these data for student use until there is appropriate contextual information/benchmarking of data.¹⁷

57. There will be an increasing call for data on apprenticeships, which is currently monitored separately by Welsh Government. The HESA student record currently includes a field which flags whether a student is studying as part of a Higher Apprenticeship. We would wish to monitor degree apprenticeships as these are introduced. Our monitoring in this area will evolve over time, as datasets are developed.
58. We would similarly like to measure work experience and placements. It is possible to identify sandwich year placements at present using HESA data and the new HESA student record from 2019/20 will include additional information about work placements.
59. As noted previously, it will also be important to include a measure of part-time learning under this heading, as this covers upskilling provision.
60. Start ups can be used to measure how individuals apply their enterprise skills to build new businesses, additionally they can also measure the health of an innovative economy¹⁸. We would welcome views on whether there are any other ways of measuring enterprise, entrepreneurship or even intrapreneurship?
61. There are 46 performance indicators to support the delivery of the Well-being of Future Generations goals.¹⁹ HE feeds into many of these but the more directly relevant ones are as follows and may feed into our measurement of skills.
 - Percentage of adults with qualifications at the different levels of the National Qualifications Framework
 - Percentage of people in education, employment or training, measured for different age groups.

Q5 What should we measure in the context of Skills, employability and enterprise and how?

Innovation and engagement

62. The range of data measures covering this area of activity are included in the Higher Education Business and Community Interaction Survey (HE-BCI)²⁰. This covers measures including patents filed; start-ups;

¹⁷ www.gov.uk/government/statistics/graduate-outcomes-for-all-subjects-by-university

¹⁸ www.qaa.ac.uk/en/Publications/Documents/enterprise-entrepreneurship-guidance.pdf

¹⁹ <http://gov.wales/topics/people-and-communities/people/future-generations-act/national-indicators/?lang=en>

²⁰ www.hefce.ac.uk/news/newsarchive/2017/Name,114470,en.html

[www.hefcw.ac.uk/about he in wales/statistics/business communities survey hebcis.aspx](http://www.hefcw.ac.uk/about_he_in_wales/statistics/business_communities_survey_hebcis.aspx)
<http://gov.wales/docs/desh/publications/160316-national-indicators-to-be-laid-before-nafw-en.pdf>

collaborative research; knowledge transfer partnerships; Continuing Professional Development (CPD), social, community and cultural engagement; spin-off activity; software licences at UK level. HE-BCI is currently under review but that broad range of data continues to be of interest.

63. One of the objectives in the National Strategy *Prosperity for All*²¹ is 'focus our business support schemes on building an entrepreneurial culture in Wales, and establish targets for the numbers of school, college and university leavers starting companies, as well as targets for their sustainability and growth.
64. Taking that into account, if we wanted to distil HE-BCI measures down we could use total knowledge exchange (ie total HE-BCI) income. We could also include as measures of enterprise and entrepreneurship total numbers of spin-outs (HEIs) and start-ups (staff and graduates), both new and those surviving for three years. However, there may be disadvantages in restricting HE-BCI data to these measures. We also note the proposals for a Knowledge Exchange Framework (KEF) referred to above.
65. We have considered the growing policy priority of civic engagement and how this might be measured. We recognise that strategies and activities are diverse; impact is long term; and outcomes may be difficult to measure in any quantitative way. In light of that, we do not propose measuring anything in addition to those measures of social, community and cultural engagement already included in the HE-BCI.

Q6 What should we measure in the context of Innovation and Engagement, and how?

Research

66. Our current targets relate to Research Council income by institution plus comparator with UK (current measures on basis of UK minus 'golden triangle'). We also have a measure related to the REF which has been met. However, RIEC have considered in some detail the issue of measures of research and favour a basket of measures approach around inputs; capability and outputs.

Basket of research indicators

Inputs

- Quality related research (QR) and Postgraduate Research (PGR) funding
- Sêr Cymru investment

Capability

²¹ <http://gov.wales/docs/strategies/170919-prosperity-for-all-en.pdf>

- Number of researchers
- PGR student numbers
- Research Council Doctoral Training Partnerships
- Membership of Research Council bodies

Outputs

- Research income
- Bibliometric indicators(periodically)
- Number of PhDs awarded

Q7 What should we measure in the context of Research, and how?

Other measures

67. Our previous corporate strategy includes measures for reconfiguration and collaboration (income against UK median and lower quartile) and Governance (risk). As these were enabling objectives, although these target areas are not part of our new strategy, if we are covering HEFCW's role, some aspects related to funding, regulatory, influencing, working in partnership, might be appropriate.
68. We monitor performance in fee and access plans which include a wide variety of institutional set targets. Our monitoring also includes looking at fee levels; student support; partnerships and activities to promote equality of opportunity and higher education.
69. We publish annually an analysis of the financial health of the HE sector, which includes a range of financial ratios and measures²². We also analyse a range of other information, including forecasts which are submitted in confidence and are not published. Whilst we would wish to continue to monitor risk in institutions we do not publish the outcomes of that process. We are also considering making greater use of TRAC information including the financial sustainability measure and to focus on operating cash generation rather than the operating surplus/deficit. The operating result can now fluctuate significantly year on year due to changes in accounting standards and consequent change in the presentation of financial statements rather than significant changes in the underlying financial performance.
70. Our Governors Toolkit²³, which is published annually, brings together a range of data on institutions in Wales comparing (but not benchmarking) against UK universities.

²²www.hefcw.ac.uk/documents/publications/circulars/circulars_2016/W16%2002HE%20Analysis%20of%20the%20financial%20position%20of%20the%20HE%20sector%202013_14.pdf

²³www.hefcw.ac.uk/documents/working_with_he_providers/leadership_governance_and_management/HEFCW%20Governors%20Toolkit%202016.pdf

71. Estate Management Statistics are published at UK level, including carbon efficiency measures. Objectives related to carbon efficiency and decarbonisation of public services are included in the national strategy, *Prosperity for All*.
72. There has been growing interest in Vice-Chancellor salaries. There is also increasing interest in senior management earning over £100k annually and the total cost of senior managers (ie those reporting to the Vice-Chancellor). There is also interest in the ratio between the salary of the Vice-Chancellor and the average paid and/or lowest paid staff within the institution. We publish information annually on this.²⁴ All higher education institutions in Wales have now committed to the Living Wage. Another area of interest is that of the level of increase in senior management salaries and benefits compared to other staff within the institution.
73. We have worked closely with the Equality and Human Rights Commission (EHRC) in Wales in previous years to improve the effectiveness of their monitoring of equality and diversity in higher education. We continue to work with EHRC officers in monitoring institutions' strategic equality plan annual reports.
74. HEFCE has used a process of Annual Provider Review (APR), which replaced quality (QAA) regular reviews and incorporated the previous institutional assurance processes. Judgements are made based on a range of data and other information from their knowledge management system. The annual judgements can impact on a range of interventions with the provider concerned including, for example, whether they may enter the TEF. It applies to both England and Northern Ireland. HEFCE have published information on this²⁵, including on the range of data used, as follows, although there may be a move away from this in light of the Regulatory Framework consultation. We consulted on the inclusion of these measures in our Quality Assessment Framework in 2016²⁶. We expect the information below marked * to be considered by HEFCW Quality Assessment Committee in order to inform our annual Institutional Risk Review process:
- Student recruitment patterns – actual and forecast*
 - Sub-contractual arrangements (ie franchise and partnerships)*
 - NSS outcomes*
 - Student non-continuation rates (retention data)*
 - Graduate employment and further study outcomes*
 - Supplementary information where available:
 - Differential student degree outcomes (also student number controls in England)*

²⁴www.hefcw.ac.uk/documents/publications/hefcw_reports_and_statistics/HEFCW%20Senior%20Staff%20Pay%202015-16.pdf

²⁵www.hefce.ac.uk/media/HEFCE,2014/Content/Pubs/2016/201629/HEFCE2016_29.pdf

²⁶www.hefcw.ac.uk/documents/publications/circulars/circulars_2016/W16%2014HE%20Quality%20Assessment%20Framework%20for%20Wales.pdf

- PG success and non-continuation rates*
- PG employment or further study outcomes*
- Concerns and complaints related to quality*
- Current status in the operating model for quality assessment (QA outcomes)

In addition, HEFCW's institutional risk review (IRR) process considers:

- Financial sustainability for HEIs – actual and forecast
- Financial sustainability for FEIs
- Estates Management Statistics
Governance (assurance based information)
- Concerns and complaints related to HEFCW's statutory responsibilities in relation to fees, financial sustainability, governance and Prevent
- Current risk status and current level of engagement

Q8 What are your comments on other measures which are monitored, including those which are part of the Quality Assessment Framework?

Q9 Are there other areas of data which we have missed?

How measures might be used

75. HEFCW has established an internal knowledge management system which includes a range of information about HE providers in Wales. This informs the range of our interactions with the sector, both at individual institution level and at sector level.
76. Much of these data are already published by other bodies. In considering the measures to be adopted, we do not wish to add to the burden of data collection in institutions. The aim of this consultation is to identify a small basket of measures to be monitored (and in some cases published) in key policy areas which are primarily those already collected.
77. Once identified, we expect institutions to take the measures into account when considering the areas they monitor. Our review of our monitoring methods (eg Institutional Risk Review, Fee and Access Planning, Strategic Planning and Engagement Document (SPED), will also be informed by the measures.
78. We plan to monitor the sector and institutions using a dashboard approach to identify areas of concern and inform our interactions with institutions. We are currently undertaking a review of our monitoring systems with the aim of rationalising arrangements.
79. Once established, the same set of data might be used to inform both institutional level action and sector level intervention:

Institution level/regulation	Sector level/policy
Institutional risk review ↓ Judgement ↓ Risk letter ↓ Funding/regulation ↓ Improved performance	Sector level performance ↓ Judgement ↓ Policy intervention ↓ Funding/regulation ↓ Improved performance

Q10 Do you have any comments on how the measures might be used?

Q11 How might we better collate the measures into a more strategic approach to monitoring, minimising burden?

Q12 What measures should be prioritised in order to ensure a manageable number?

Further information / responses to

80. For further information, contact Celia Hunt (tel 029 2085 9730; email celia.hunt@hefcw.ac.uk).

Assessing the impact of our policies

81. We will carry out an impact assessment screening to help safeguard against discrimination and promote equality once measures have been developed. We will also consider the impact of policies on the Welsh language, and Welsh language provision within the HE sector in Wales and potential impacts towards the goals set out in the Well-Being of Future Generations (Wales) Act 2015 including our Well-Being Objectives. Contact equality@hefcw.ac.uk for more information about impact assessments.

HEFCW Corporate Strategy 2013-17 - Target outcomes**T1. Widening Access**

A rise in the proportion of all Welsh domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are domiciled in the bottom quintile of wards in the Welsh Index of Multiple Deprivation or in Communities First cluster areas, from 20.0% in 2011/12 to 22.4% in 2015/16 (a rise of 11.8%)

T2. Participation

An increase in the proportion of all UK domiciled students studying higher education courses at higher education institutions and further education institutions in Wales who are from UK low participation areas from 33.2% in 2011/12 to 35.3% in 2015/16 (a rise of 6.3%).

T3. Retention

*(a) A decrease in the percentage of full-time undergraduate students no longer in higher education following year of entry from 9.2% in 2011/12 to 8.2% in 2015/16 (a drop of 10.7%); and
(b) a decrease in the percentage of part-time first degree students no longer in higher education two years following year of entry from 33.7% in 2011/12 to 30.1% in 2015/16 (a drop of 10.7%).*

T4. Part-time

The percentage change in the number of part-time students attending higher education courses in Welsh higher education institutions and further education institutions to be equal to, or greater than, the comparable figure for the UK.

T5. National Student Survey

The three year rolling average score for Wales in the National Student Survey 'overall satisfaction' question will be equal to, or greater than, the comparative score for the UK.

T6. Welsh Medium

The number of students studying higher education courses at Welsh higher education institutions and further education institutions in Wales undertaking at least 5 credits of their course through the medium of Welsh, per annum, will rise from 4,335 in 2011/12 to 5,600 in 2015/16, including a rise from 2,269 to 3,030 in the number of those studying at least 40 credits per annum.

T7. Overseas Students

The percentage change year on year in the number of overseas students attending higher education courses in Welsh higher education institutions will be equal to, or greater than, the comparable figure for UK higher education institutions (excluding London and the South East).

T8. Quality

All institutions being reviewed in the Corporate Strategy period to meet the UK thresholds for quality and standards in the QAA Institutional Review

T9. Initial Teacher Training

Welsh Government intake targets for ITT undergraduate primary, postgraduate primary, undergraduate secondary, postgraduate secondary priority and postgraduate secondary other subjects to be met annually.

T10. Employment

The proportion of leavers from Welsh higher education institutions obtaining undergraduate qualifications who were employed, studying or both six months after leaving will be equal to, or greater than, the UK proportion. HEFCW Corporate Strategy 2013-14 – 2015-16.

T 11 Employability

The proportion of leavers who were working or working and studying who were working in a managerial/professional job six months after leaving to rise from 67.5% in 2010/11 to 72.7% in 2015/16 (a rise of 7.7%).

T12. Continuing Professional Development

The total number of learners day delivered by Welsh higher education institutions for continuing professional development will rise from 202,498 in 2011/12 to 226,000 in 2015/16 (a rise of 11.6%).

T13. Collaborative Research Income

The total amount of income from collaborative research involving both public funding and funding from business will rise from £65,253k in 2011/12 to £72,000k in 2015/16 (a rise of 10.3%).

T14. Research Council Income

The annual percentage change in income from Research Councils will exceed the comparable figure for UK higher education institutions (excluding the 'golden triangle' of Oxford, Cambridge and London).

T15. Research Excellence Framework

An increased proportion of research submitted to REF by Welsh higher education institutions will achieve 3 and 4* in the Research Excellence Framework 2014 from a baseline of 35% at 3* and 14% at 4*in the 2008 Research Assessment Exercise.*

T16. Reconfiguration and Collaboration

At least 75% of the Welsh higher education institutions to have an annual income in excess of the UK median, with no institution to be in the lower quartile by 2015/16.

T17. Governance

No higher education institution to be classified as 'high risk' in accordance with HEFCW institutional risk review processes.