

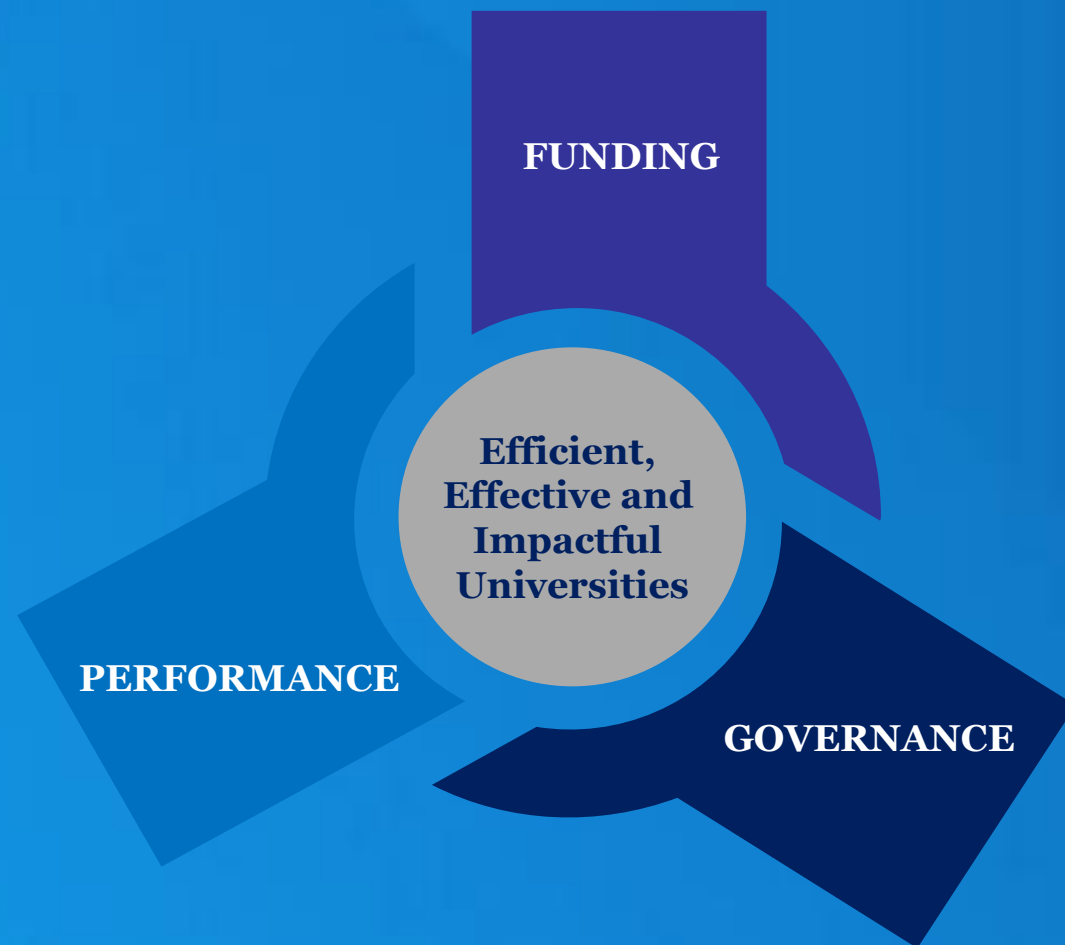
The System Performance Framework, Strategic Dialogue Process, a Reformed Funding Model and Its Link to University Efficiency

USTREAM Peer Learning Seminar

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Andrew Brownlee
Head of System Funding

A more cohesive approach to funding, governance and performance of higher education...



- Clear sense of a 'system'
- System performance framework established in 2014
- Governance framework in place in 2016
- Major review of funding model in 2017
- Balance between state control and institutional autonomy
- Clearly regulated system key to securing autonomy in key business areas moving forward
- Legislation 'catching up'

The establishment of the strategic performance framework changed the dynamics between the HEA and HEIs...

- National Framework of objectives set by Minister
- HEIs prepare compacts
 - compacts set out institutional strategies (w/r/t Minister's objectives)
 - compacts are agreed with HEA
 - annual strategic dialogue process held
 - HEA assesses performance annually and reports to the Minister
- HEA can adjust institutional funding on performance basis, if required
- HEA publishes all results (transparent process)
 - sets out good practice
 - provides opportunities for institutions to improve
 - Underpinned by clear system for grant allocation (the RGAM).

Participation, access and lifelong learning

Research & innovation

Teaching & learning & student experience

External engagement & knowledge exchange

Internationalisation

Regional clustering

Institutional consolidation

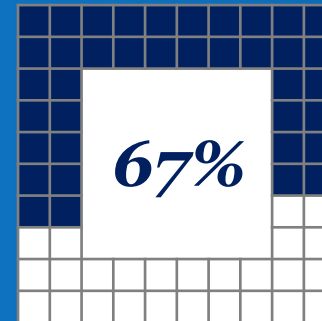
The strategic dialogue process is intended to reinforce institutional autonomy and accountability...

- **Presumption of institutional autonomy**
 - well governed institutions more effective at deploying resources locally
 - greater responsiveness
 - leads to more innovation
- **Accountability**
 - institutions demonstrating how they meet high level national goals
- **Building capacity**
 - supports institutions in enhancing their own strategic planning process
- **Role of HEA to review individual institutional compacts, and advise Minister on whether aggregate outcomes are meeting national needs**
 - if not, take appropriate action (funding, regulatory, etc.)
- **Clear link to national strategy, greater evidence of performance, understanding of unique university contributions**
 - Repetition, lack of reward, link to funding, prioritisation remain challenges

On the surface, very impressive progress on delivering system objectives in a highly efficient manner...



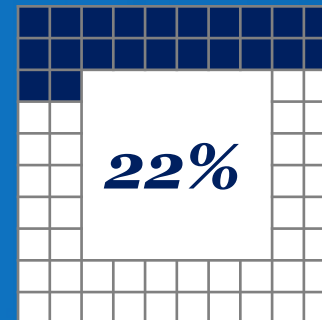
Enrolments up
108k to 125k from
12/13 to 16/17



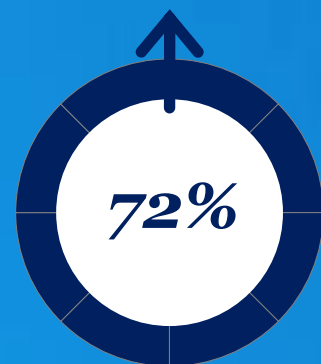
Employed within 9
months of
graduating



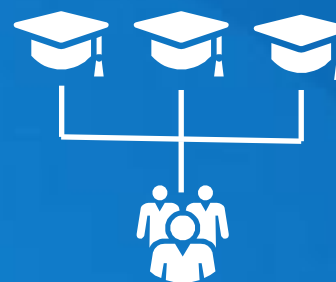
PG provision up
from 12/13 to
16/17



Over one-fifth from
target socio-
economic groups

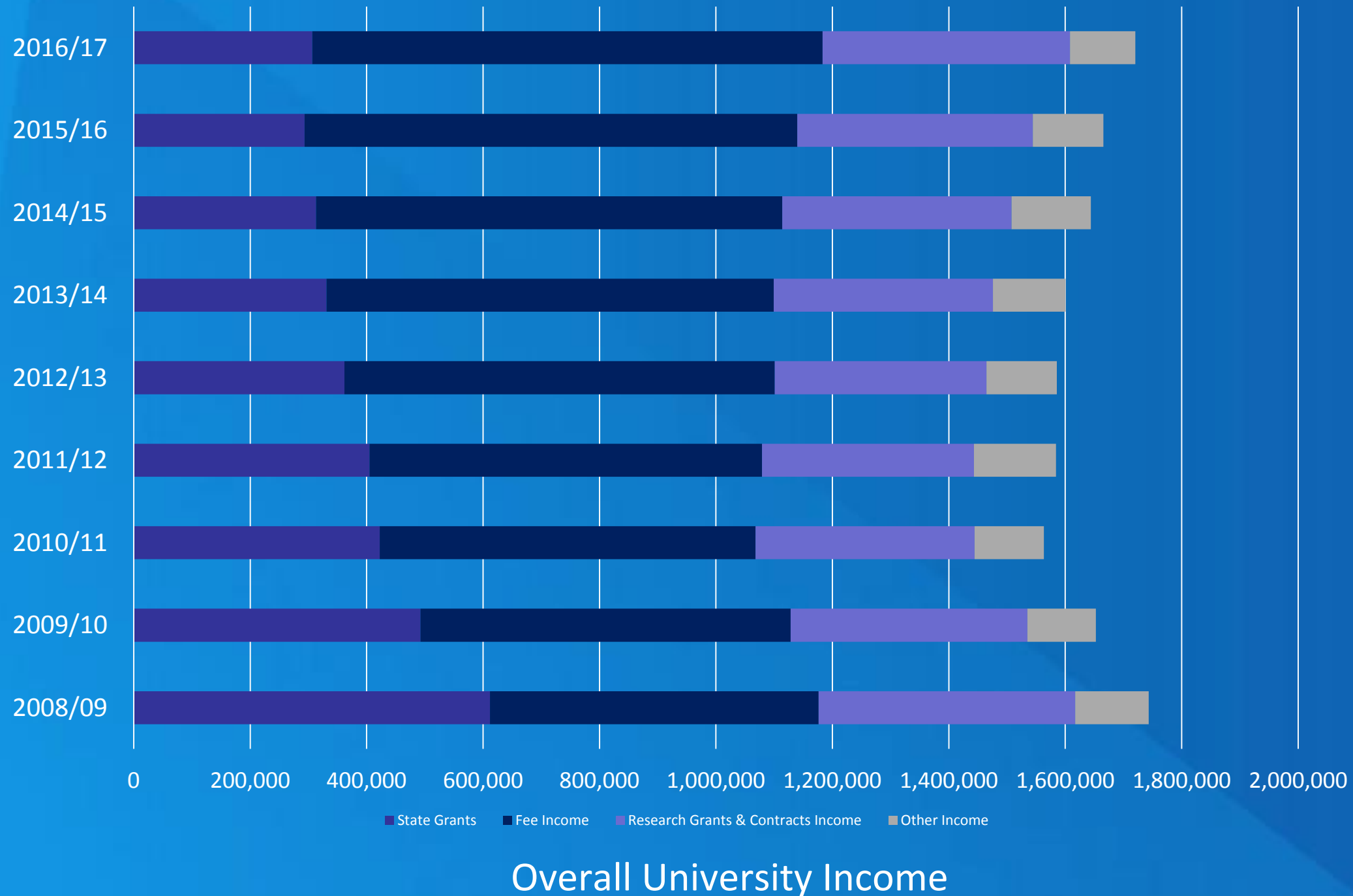


International Non-
EU Students up &
now 14% of FTEs



Major transitions
reform to reduce entry
routes (down 7%)

But there is a 'hidden' risk to quality of provision given wider funding environment...



Staff/Student Ratios

2008/09
18.1

2008/09
23.5

Emerging concern over quality

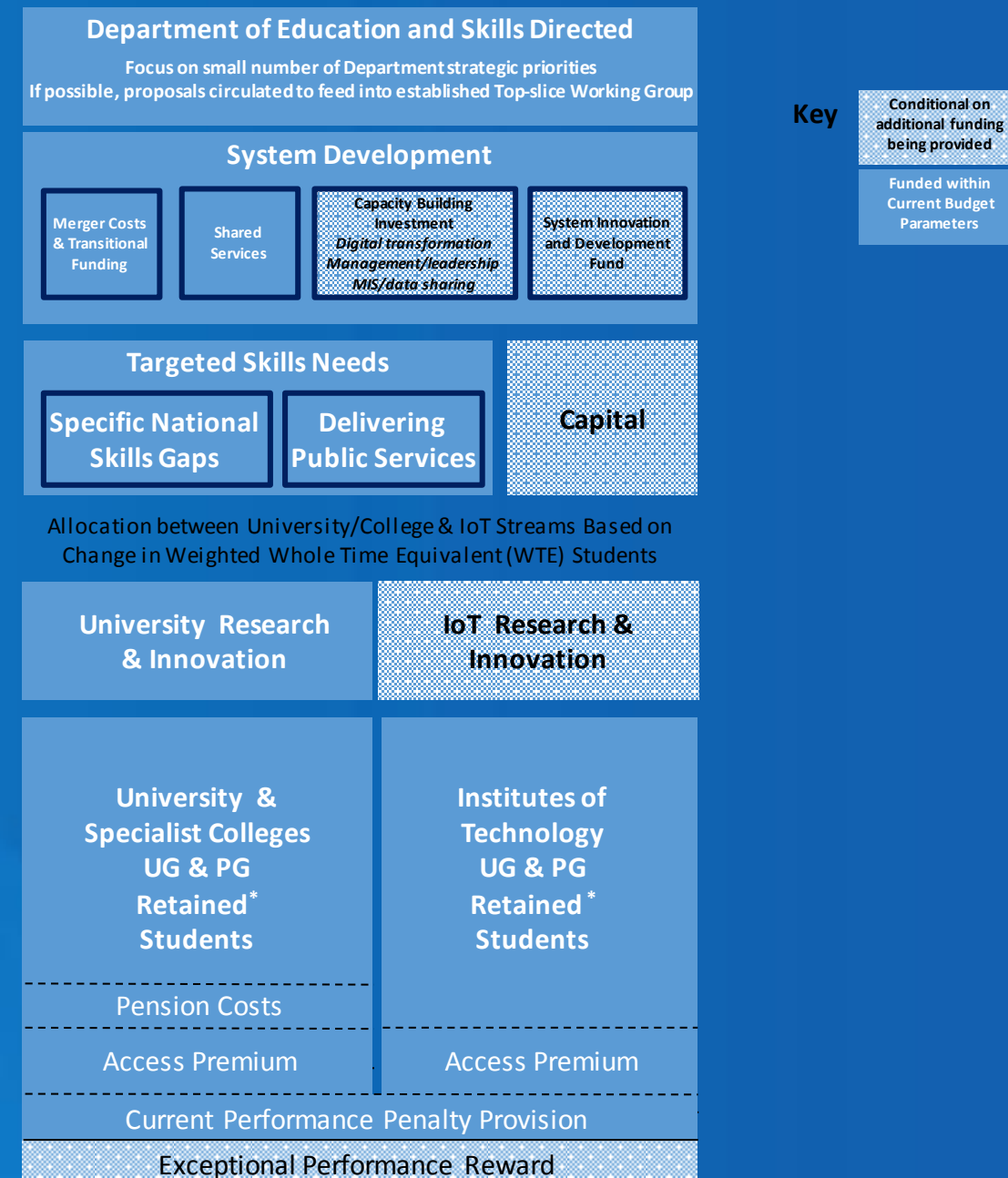
Reliance on non-Exchequer income

An overall governance framework has been established to provide clarity on respective responsibilities...



The reform of the funding model will form the final piece of the jigsaw in embedding performance-based system...

- Minimum standard resource
- Performance funding pools and potential sectoral compacts
- Skills development channels
- Further embedding lifelong learning
- Ensuring appropriate weightings (and addressing STEM disincentive)
- Greater recognition of research mission & appropriate research overheads
- Common costing system
- Governance penalties



While there is concern over increasing level of control it could serve as platform for future autonomy...

- HEA is now a effectively a regulator
- While on one hand this means more 'control', the governance, performance and funding mechanisms put in place should provide the platform for offering greater autonomy
- Lack of staffing autonomy major barrier to further improving efficiency and performance
- Addressing this would allow universities to pursue alternative income sources with greater vigour
- Might help embed a proper system of workload allocation
- Key to sustainable system with state funding likely to continue to be constrained