Guidelines for completion of mission-based performance compacts

July 2013
Preface

In May 2013, the Department of Education and Skills published *Report to the Minister for Education and Skills on system reconfiguration, inter-institutional collaboration and system governance in Irish higher education* (Configuration Report) which set out the autonomous, diverse institutions that will comprise the Irish higher education system into the future, together with their key relationships in alliances, and in regional and thematic clusters.

As part of the ongoing reform envisaged by the Department, the HEA is now initiating a process of strategic dialogue with the higher education institutions. Specifically, this dialogue will seek:

- To demonstrate how each institution is making its distinctive contribution to key national expectations of higher education
- To support institutions’ efforts to improve their own performance – through better strategic planning and management, particularly with regard to the increasingly competitive global environment in which our institutions operate
- To demonstrate how institutions are performing against the objectives set out in their own strategic plans
- To enhance the accountability of higher education in respect of the very significant public funding allocated annually.

**Development of a mission-based performance compact**

As a first step in this strategic dialogue, the HEA is inviting institutions to develop a mission-based performance compact, henceforth referred to as the ‘institutional compact’, that is appropriate to their distinct mission and role within Irish higher education.

The institutional compact will be the instrument through which the HEA and the institution agree on the institution’s mission, profile and strategy, and it will formally set out the institution’s agreed objectives and the criteria against which progress towards these will be assessed.

**In this document**

The HEA has developed a draft institutional compact. This is a standard template structure that is intended to meet the needs of all institutions.

The purpose of these guidelines is to guide higher education institutions on how to develop their own institutional compact based upon the supplied draft.

1. **Structure of the institutional compact** sets out the structure of the draft compact, including details of what parts of it the institutions must complete.

2. **Strategic dialogue and performance funding** sets out how the proposed process will work.

3. **Setting out development plans and objectives** describes how institutions should approach the task of setting out their development plans and objectives (in section 5 of the institutional compact).
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1. Structure of the institutional compact

The draft institutional compact consists of seven sections, of which sections 3, 4 and 5 require detailed input from the institution.

In its totality, the institutional compact sets out the objectives that the institution is setting itself over a three-year period.

**1. Establishment of the Compact**

Provides for the establishment of the Compact.

No input required here

**2. Performance funding framework**

Sets out the Performance Funding Framework within which the HEA will allocate performance funding to the institution.

No input required here.

**3. Mission and strategy statement**

Sets out the higher education institution’s mission and overall strategy to achieve this mission.

**This is a critical part of the compact** and will be specifically assessed.

The institution should provide a commentary on its current and planned institutional profile and on how its profile is related to mission and underpinned by a sustainable financial plan.

In order to create and sustain a diverse yet coherent system of higher education, it will be essential that all institutions have a clear perspective on their particular mission and role within the overall system. In particular, it will be essential that institutions ensure that their activities and programmes continue to reflect and are appropriate to their mission.

The future system will be characterised by differentiation based on important features such as particular mix of NFQ levels, discipline specialisation, programme orientation, emphasis on regional engagement, student profile, mode of provision, research intensity and specialisation, intensity of internationalisation and international focus, and so on.

**4. Current and Planned profile**

The institution fills in details of its planned profile as at 2016/2017 on the spreadsheet supplied. The current profile has been provided to be used as the baseline for comparison with, and also to help formulate, the future profile.
5. Development plans and objectives
In this section, the institution sets out its development plans and objectives, as derived from its own Strategic Plan. In total, there are seven subsections here, corresponding to the five key national objective domains and to regional clusters and institutional consolidation.

See Setting out development plans and objectives (on page 9) for more detailed guidelines on each of the topics that should be covered in this section of the draft compact.

Institutions are also expected to indicate in further technical appendices how their objectives might be objectively verified.

6. Annual Compliance Statement
As the strategic dialogue process develops, the HEA will take into account the ongoing compliance of institutions.

Where significant or urgent compliance issues arise, they will be discussed as part of the strategic dialogue in 2013.

7. Agreement
Confirmation (signed) of the agreement between the HEA and the institution. This section will be completed upon conclusion of the strategic dialogue process.

Appendices
The institution should include any relevant appendices at this point in the institutional compact.

Provision is made in the draft compact for one appendix for each of the development plans and objectives.

Institutions may add further appendices as they see fit.

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What institutions must submit to the HEA
Higher education institutions are required to submit the completed performance compact in electronic format (by email) and 10 hard copies.

A word limit of 6,000 applies to sections 1 to 7 of the compact. In its totality, the compact should therefore not exceed 9,000 words, to include 3,000 words (approx.) of existing text. A separate word count of 10,000 applies to the appendices.

- **Electronic format**
  - The completed performance compact (Word)
  - The current *and* planned profiles (as PDF and Excel attachments respectively)

- **Hard copy**
  - The completed performance compact with the current and planned profiles bound in at section 4
2. Strategic dialogue and performance funding

2.1 Phased, developmental approach to implementation

The process of strategic dialogue being introduced in 2013 will lead to agreed institutional compacts between each of the institutions and the HEA for the period 2014–2016.

As the strategic dialogue progresses and matures, both the HEA and the institutions will learn from the process, and that learning will inform how the dialogue further progresses.

**Strategic plan as source for institutional compact**

The strategic dialogue process is intended to strengthen and not to replace or pre-empt existing institutional planning and governance procedures. It is recognised that most of the institutions are already well advanced in having robust strategic planning processes in place and that they are already engaged in the process of setting and monitoring the achievement of objectives.

The institution’s strategic plan as formally adopted and monitored by its governing authority should be the primary source for the institution’s compact submission and (in subsequent years) for its self-review performance report. Where an institution’s strategic plan expires before the end of the compact period this will be taken into account in the dialogue process and in the ongoing review of objectives.

Through a cascade of accountability, high level objectives agreed for the institution should inform work planning, workload allocation and employee performance management and development systems, in line with previously agreed public sector reform.

2.2 Amount of performance funding

After an initial introductory or learning period during which the total amount of performance funding will be limited to €5m, a percentage of the core grant will be set aside to be allocated annually as performance-related funding. This percentage in future years will be **up to 10 per cent**.

In the first year (2013) of the strategic dialogue, performance-related funding from the 2014 grant allocation will be subject to successful engagement with the process leading to completion of the strategic dialogue process and an agreed institutional compact.

In subsequent years, performance funding will be allocated based upon verified satisfactory performance against agreed objectives set out in the institution’s institutional compact – see **Assessment of performance** immediately below.

2.3 Assessment of performance

In the first year of the strategic dialogue process, the focus will be on engaging with the process and in establishing agreed institutional compacts with the HEA. In subsequent years, the process will have two objectives:

- Agreement of objectives for the next three years
- Assessment of performance against these agreed objectives
The development plans and objectives that each institution includes in its institutional compact (section 5) will form the criteria against which its performance will be assessed. Institutions themselves are invited to propose the performance indicators that should be used for these purposes.

The assessment will be a holistic review of the institution’s performance, and will be carried out by a review team, comprising members of the HEA executive and a number of external national and international experts in higher education. As well as reviewing the objectives the institution has set for itself, the assessment will consider the quality of the institution’s strategic planning and its performance monitoring processes, and it will also take into account how challenging the objectives are.

The assessment will examine any evidence of how the institution is building upon its strengths and addressing any weaknesses. In this context, institutions are encouraged to include details such as significant findings from institutional and other quality assurance processes and reviews, feedback from competitive funding processes, and findings from studies such as the HEA progression study.

Performance may be assessed as Category 1 or Category 2.

<table>
<thead>
<tr>
<th>Performance assessed as</th>
<th>Consequences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1</td>
<td>Institutions may draw down performance-related funding.</td>
</tr>
<tr>
<td>Category 2</td>
<td>Institutions will not be eligible to draw down performance-related funding until specified deficiencies have been addressed.</td>
</tr>
</tbody>
</table>

**Category 2 performance**

In the event of an institution receiving a Category 2 performance assessment in the December/January meeting, a revised plan will be sought from the institution and a further meeting will be held with that institution in March. If the institution’s performance at this meeting still merits Category 2, it will not be eligible to draw down performance funding in that year. Funding foregone will be reallocated to other institutions through the Recurrent Grant Allocation Model.

**Annual self-evaluation**

A key part of the assessment of institutional performance will be an annual institutional self-evaluation of overall performance and progress against agreed objectives as set out in its institutional compact. This evaluation should take the form of an annual performance report to the HEA.

The institution will be required to identify and explain any areas where performance does not meet the objectives outlined in the institutional compact.

Where the self-assessment leads to proposals from the institution to alter objectives or other terms of the institutional compact, these should be clearly identified for discussion in subsequent strategic dialogue with the HEA.
2.5 Prerequisite compliance

As the process develops, the HEA will take into account the ongoing compliance of institutions with important foundational requirements such as:

- Compliance with statutory quality assurance processes
- Compliance in making satisfactory annual statements required under their Code of Governance and with all other requirements of that Code
- Compliance in providing details of satisfactory financial outturn, budget and financial plan
- Compliance with employment control framework
- Data returns to the HEA

Where significant or urgent compliance issues arise (such as unacceptable financial deficit, weakness in financial plans or major omissions or delays in returns and a pattern of such problems), they will be discussed as part of the strategic dialogue in 2013.
3. Setting out development plans and objectives

3.1 Overview

In Section 5 of the institutional compact, institutions are required to set out their development plans and objectives within a standardised template. In each case, the inputs must be based upon the strategic plan as adopted by their governing authority.

In total, institutions are asked to provide information under seven distinct categories or domains of objectives, five of which relate to key national objectives (the other two being regional clusters and institutional consolidation).

- Regional clusters
- Participation, equality of access, and lifelong learning
- Excellent teaching and learning and quality of the student experience
- High quality, internationally competitive research and innovation
- Enhanced engagement with enterprise and the community and embedded knowledge exchange
- Enhanced internationalisation
- Institutional consolidation

Each of these categories is described in more detail in sections 3.3 to 3.9 below.

3.2 Inputs required

For each domain of objectives, institutions are asked to provide a strategy summary and details of institution objectives and performance indicators.

**Strategy Summary**

The strategy summary should refer to the objectives chosen and why, and should show how the objectives in each domain relate to the institution’s overall mission and profile.

It should also refer to indicators of success and the benchmarks that inform the choice of target, showing how the achievement of their objectives will be verified.

Where necessary, further supporting evidence with regard to the benchmarks and means of objective verification should be provided in appendices. Any external factors or assumptions that might affect institutional progress towards stated development objectives should be included in this strategy summary.

**Institution objectives and performance indicators**

Institutions are asked to outline, in table form, their institution objectives and performance indicators in relation to each of the domains. The following inputs are required:

- The objectives that the institution has set in this area and to be achieved by the end of the strategic dialogue period.
- The targets or performance indicators by which achievement of the objectives can be monitored or assessed – these should be high-level or key performance indicators only, although they need not be quantitative. In some cases the indicators might relate to processes completed rather than metrics or values attained.
- The baseline for the indicator from which progress will be measured—this is the verified position from which the institution is starting on the journey towards its objective.
- The more immediate or interim targets or milestones on the path to the final target that the institution has set in relation to each area.

All indicators must be objectively verifiable.

Institutions should also set out in further technical appendices where necessary the means of verification—for quantifiable objectives, these could be the data source or type of objectively verifiable statistics; or for more qualitative objectives, they could relate to milestones on completing process improvements, independently established benchmarks or other quality criteria.

### 3.3 Illustrative examples

A number of completed examples of how objectives and targets might be set out, illustrating some quantitative and some more qualitative objectives, are provided as Appendix A to this document. These examples are illustrative only and should not be taken as being prescriptive or universal. Similar compacts negotiated in other countries such as Australia or Scotland also provide good illustrative examples of a logical framework for setting out objectives and indicators and may be found at:

- For Scotland, [click here for link](#)
- For Australia, [click here for link](#)

### 3.4 Regional clusters

Every institution must form part of a regional cluster and an assessment of the performance of the cluster and of the institution’s participation in it will form a significant part of the overall assessment of each institution’s performance.

Regional clusters are expected to be accountable to the governing authorities of their participating higher education institutions.

Institutions should focus on the specific steps they are taking or propose to take in relation to the following priority objectives of regional clusters:

- Shared, coordinated academic planning
- Regionally coordinated approach to transfer and progression pathways
- Coordinated regional approach to enterprise and the community and to regional development
- Shared services and facilities, including harmonisation of systems and processes where this could add value or enable further collaboration at a later stage
- Shared and coordinated approach to the presentation and promotion of the region internationally

It is expected that regions will prioritise one or two objectives in the early stages of their operation.

### 3.5 Increased participation, equality of access, and lifelong learning

Ireland is uniquely fortunate in facing growth in the age cohort from which the majority of entrants to higher education are drawn; and responding sustainably to the
increasing demand for higher education remains one of the biggest challenges facing the system. This objective recognises both the continuing demand for higher education from students, and the essential role that higher education skills play in building a strong knowledge economy and an inclusive society. This objective will be informed by and continually updated to take account of economic forecasts (including both volume and levels of skills required) and specific policy objectives and targets as set in the HEA’s National Plan for Equity of Access to Higher Education.

As well as the quantitative targets, institutions should also set goals for continued development of clear routes of access and progression pathways; and these must be flexible and coherent within regions and nationally, and must include recognition of prior learning.

3.6 Excellent teaching and learning and quality of the student experience

It is expected that differences in the teaching and learning strategies of the various institutions will be evident, reflecting the range of differences in institution missions.

All institutions will be required to set out the vision that underpins their portfolio of undergraduate programmes and how their planned provision is aligned with their particular mission within the system.

Ways in which Institutions might demonstrate the approaches they use to improve their overall performance include:

- By benchmarking themselves against relevant peers in other countries
- By clearly linking programmes to defined learning outcomes
- By appropriate assessment of teaching and learning
- By training staff professionally
- By using student feedback to inform programme content and delivery
- By engaging with industry and other stakeholders.

Groups of institutions within regional clusters will be required to demonstrate how they coordinate the regional planning and delivery of programmes to ensure that there is no unnecessary duplication and offerings are not fragmented.

Institutions will also be required to demonstrate how they are addressing areas where particular progression difficulties are evident.

3.7 High quality, internationally competitive research and innovation

It is expected that differences in the research strategies of the various institutions will be evident, reflecting the range of differences in institution missions.

Institutions engaged in research will be required to demonstrate how the research is:

- Appropriate to their mission and overall strategy
- Underpinned by a coherent and robust research strategy built on existing institutional areas of strength with identified areas of focus
- Delivering on the objectives of the Prioritisation Action Group that are relevant to the institution
- Demonstrably of international standard
Well integrated with the institution’s teaching mission. Institutions must demonstrate that PhD provision meets national quality requirements, and that it actively exploits collaboration as a means to meet those standards – it is expected that an increasing proportion of PhD students will be engaged in structured programmes.

3.8 Enhanced engagement with enterprise and the community and embedded knowledge exchange

Institutional strategies for engagement are in many cases at a development stage and this will be recognised in the strategic dialogue process.

Higher education institutions should have open engagement with their communities and this engagement should broadly infuse their mission. Ways in which institutions might demonstrate such engagement include:

- Being responsive to labour market and skills needs – for example, by systematically seeking feedback from employers on the value and relevance of graduates’ skills; and by acting appropriately on such feedback
- Developing strategies for knowledge transfer to enterprise and the community – the HEA will take account of any findings in relation to performance against knowledge exchange indicators agreed as part of the Strategy for Science, Technology and Innovation.

Groups of institutions within regional clusters will be required to demonstrate how they coordinate regional planning and engagement with enterprise within the region. It is recognised that the regional coordination of engagement is even less developed than institutional engagement strategies. In the first round of strategic dialogue the HEA will look for evidence of how regional clusters plan to deliver on this objective over the longer term.

Institutions should recognise civic engagement by their staff and students and put in place structures that welcome and encourage involvement by the wider community in a range of activities.

3.9 Enhanced internationalisation

Institutions are expected to attract a significantly increased number of non-EU international students, while continuing also to increase their participation in EU programmes. Institutions should demonstrate how curricula are being appropriately internationalised.

Research-active institutions should demonstrate how they are attractive to overseas faculty and how international research links are being improved.

3.10 Institution consolidation

All institutions are expected to work within the proposed higher education system configuration approved by the Minister for Education and Skills. This must be reflected in their strategic plans and in the input they make to the institutional compact under the institutional consolidation category.

Where the position of an institution within the landscape necessitates change to its corporate structure, a risk management process and a set of progress milestones against which performance can be measured, should be included.
Appendix A: Illustrative examples

The following pages show some examples of how an institution might complete some of the details in the Institution objectives and performance indicators tables.

## Regional clusters: Institution objectives and performance indicators

<table>
<thead>
<tr>
<th>Institution objective</th>
<th>Performance indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agree and Implement Regional Cluster Plan for Academic Programme Provision, addressing unnecessary duplication and fragmentation</td>
<td>Members Approve and Implement Shared Regional Academic Plan</td>
</tr>
<tr>
<td></td>
<td>Sub-Indicators might include:</td>
</tr>
<tr>
<td></td>
<td>■ Regional SWOT carried out identifying academic and research strengths, weaknesses and priority development areas of member HEIs.</td>
</tr>
<tr>
<td></td>
<td>■ Regional Demand mapped against member strengths</td>
</tr>
<tr>
<td></td>
<td>■ New Course Development Process agreed by members in line with Regional Academic Plan</td>
</tr>
<tr>
<td></td>
<td>■ Existing Programmes CAO Offerings revised and reduced in line with Regional Plan</td>
</tr>
<tr>
<td></td>
<td>■ Existing Programmes provision later years, improved coherence, quality and efficiency of provision</td>
</tr>
</tbody>
</table>

### Baseline

- SWOT completed
- Mapping Completed
- Process Agreed
- CAO offerings reviewed in line with Regional Plan (incl SWOT & Mapping)
- Regional Cluster Book of Modules compiled, mapped to strengths

### Interim target, end 2014

- New Process being Implemented
- CAO offerings reduced in line with Regional Plan
- Analysis of duplication/fragmentation extended to module level and to later years of programmes

### Interim target, end 2015

- 50% Programmes revised in line with analysis, demonstrating improved Quality, critical mass, coherence, efficiency of provision

### Final target, end 2016

To add more institution objectives, copy and paste one of the tables above HERE and edit as required.
## Participation, equal access and lifelong learning: institution objectives and performance indicators

1. **Institution objective**: Improved completion rates for Access Target Group HEAR entrants to HEI average at least one level higher.

   **Performance indicator**: Progression rate 1 to year 2 for HEAR entrants.

   **Baseline**: 2011 progression rate – 75%.

   **Interim target, end 2014**: 80%.

   **Interim target, end 2015**: 83%.

   **Final target, end 2016**: 85% (ie HEI average).

2. **Institution objective**

   **Performance indicator**

   **Baseline**

   **Interim target, end 2014**

   **Interim target, end 2015**

   **Final target, end 2016**

3. **Institution objective**

   **Performance indicator**

   **Baseline**

   **Interim target, end 2014**

   **Interim target, end 2015**

   **Final target, end 2016**

To add more institution objectives, copy and paste one of the tables above HERE and edit as required.
**Excellent teaching and learning and quality of the student experience:**
**Institution objectives and performance indicators**

<table>
<thead>
<tr>
<th>Institution objective</th>
<th>Performance indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bring Quality Assurance arrangements into full statutory compliance and into line with best practice</td>
<td>Have Developed, Approved by GA and implemented a strategy and work programme to address all recommendations of institution review</td>
</tr>
<tr>
<td></td>
<td>Sub-Indicators on aspects of the strategy might include for example</td>
</tr>
<tr>
<td></td>
<td>Overhauled student evaluation system in place</td>
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<td></td>
<td>Established College wide T&amp;L strategy informed by increased engagement with best practice in T&amp;L policy, practice and QA</td>
</tr>
<tr>
<td></td>
<td>Revised system of Recognition of T&amp;L in promotion</td>
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<td></td>
<td>Introduce mandatory pedagogical &amp; research supervision training for new staff</td>
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<table>
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<th>Baseline</th>
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<tr>
<td>Interim target, end 2014</td>
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<td>Interim target, end 2015</td>
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<td>Final target, end 2016</td>
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