

Professor Andrew Deeks,  
President,  
University College Dublin,  
Belfield,  
Dublin 4.

19<sup>th</sup> February 2016

Subject: Strategic Dialogue Cycle 2 Outcome

Dear President,

Further to my letter of 27<sup>th</sup> November 2015, I now confirm the outcome of the strategic dialogue cycle 2 process as it pertains to your institution. In respect of the performance funding process, I can confirm that your institution has been placed in Category 1 and performance funding will be released in full in respect of the 2016 budget allocation.

I commend you on your institution's performance but would also draw your attention to the need for continued capacity building in our higher education system through a process of ongoing and further improvement. I would therefore encourage each higher education institution's leadership to carefully consider the actions they might take in order to address both the individual and systemic issues set out later in this letter.

In assessing performance under the second cycle of strategic dialogue we have relied upon the self-evaluation report submitted by your institution, the "Reflections on Performance" document as prepared by the HEA, the discussion at our recent strategic dialogue meeting and any subsequent correspondence from your institution received by the mid-December deadline.

Please now find attached copies of this documentation, along with a final copy of your institution's performance evaluation report. The attached are final versions which have been updated to reflect any amendments provided in accordance with the process as set out last November. It is our intention to publish these documents on the HEA website in the coming days. Finally, I attach a copy of the Process auditors' report setting out their views on the conduct of this round of strategic dialogue.

A summary of specific aspects of overall performance as they pertain to your institution are as follows:

- A strong self-evaluation report demonstrating significant progress in monitoring and implementing compact objectives;
- A strategic and coherent review of performance including clear evidence of self-reflection on past performance and identification of future issues/risks arising;
- Clear commitment to the student cohort and to quality in programme provision, research, teaching and learning, internationalisation and engagement with enterprise;
- The alignment of the strategic dialogue process with recent strategic planning rounds is welcome. The establishment of benchmarks and setting of KPIs in line with performance indicators in the compact demonstrates institutional confidence as well as a high level of ambition and mission clarity;
- The use of benchmarking, against appropriate peer institutions, to monitor and review progress should be developed further where possible.

I should also like to outline the following general feedback from cycle 2 of strategic dialogue which was informed by input from the HEA Board and our external advisors to the process:

#### General context

- This round of strategic dialogue has taken place during a period of significant public sector reform. The engagement, and subsequent system level report, provides an opportunity to communicate the strengths of a responsive and well-performing higher education system that continues to provide quality higher education in order to meet Ireland's needs.
- Overall the level of system performance has been strong and there are some fine examples of good practice such as the benchmarking of performance and the sharpening of indicators at school, departmental and institutional levels. This is being achieved notwithstanding seven years of reducing resources alongside a significant growth in the provision of student places.

#### Improving the system

- The best performing higher education institutions have demonstrated good progress and an ability to move beyond a simple process-driven approach to their strategic intentions. Over time, all HEIs should become more outcome-focused and have clear priorities grounded in a stated institutional strategy such as, for example, stated priorities to serve a particular cohort of students, to advance gender equality, to differentiate the institution, or to make a regional,

national or international contribution to education, society, research and/or enterprise.

- There are, however, some areas of practice which need significant improvement. In some cases the evidence of a focused and strategic approach to institutional direction and management was not strong. In other cases, evidence of a coherent plan to address performance failure or impending performance failure (with reference to the published performance compact) was not clearly articulated.
- In order to address these concerns institutions should, where there are weaknesses at institutional, faculty or disciplinary level, seek to review their objectives and better incorporate the use of benchmarking (as a means of setting a context for the statement of institutional ambition) to ensure that strategic goals:
  - are appropriately linked to overall institutional strategy;
  - represent a performance stretch in ambition;
  - strike an appropriate balance between process and outcome.
- Related to this benchmarking process, there is a continuing need for institutions to ensure that they are prioritising between (and across) their chosen compact domains so as to reflect and build on the institution's particular mission and strengths.
- For those high-performing HEIs there remains a need to continually improve their offer so as to maintain their international standing and relevance. In considering the future development of the strategic dialogue process, the HEA will also reflect on how engagement in the process can foster the setting of higher risk, or stretch, targets while accepting that not meeting such targets may not represent failure.

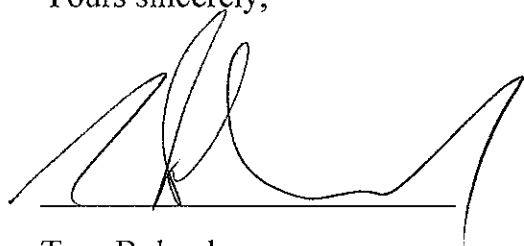
The HEA is of the view that careful strategic prioritisation alongside the benchmarking of relative performance can act as an assurance to higher education institutions, but also collectively serve as an indicator of overall national performance. Given the competitive international environment in which individual HEIs, regions and indeed Ireland compete, it is also imperative that poor performing HEIs address any deficits. Where institutional performance is sub-optimal this should be a concern for both the management and governance functions of a higher education institution. There is a responsibility and accountability that lies with Governing Bodies where institutional performance is not strong and therefore an onus on Governing Bodies to respond.

In HEIs' consideration and development of current and future strategic priorities, the HEA would also emphasise the need for institutions to have regard to ongoing and evolving policy priorities such as:

- Support for the ongoing *Transitions Agenda*;
- The *National Plan for Equity of Access to Higher Education, 2015-2019*;
- The need for flexible, innovative and interdisciplinary skills provision, to meet the changing needs of participants, enterprise and the community as set out in the *Action Plan(s) for Jobs*; the *National Skills Strategy 2025*; and, the *National Policy Statement on Entrepreneurship*;
- Research activity, regional skills fora and the delivery of the ambitious targets as set out in *Innovation 2020* and *Enterprise 2025*.

Finally, the need for oversight and accountability (for performance and for public funding), cannot be overstated. The 2015 round of strategic dialogue was the second cycle of a process designed to ensure responsiveness and accountability at an all-institution and system level. The process is, however, at an early stage and the 2% performance funding adjustment applied in 2015 was therefore considered appropriate for this round. In the future, as the process matures, the HEA will continue to use strategic dialogue to recognise good performance but will also use the full performance funding scale (withholding up to 10%) as a means to drive performance and accountability across the system.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tom Boland', written over a horizontal line.

Tom Boland  
Chief Executive

cc. Chair of UCD Governing Body