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Professor Colin Riordan
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17th December 2018

Dear Professor Riordan,

Transforming Cardiff and the Financial Unsustainability of Cardiff University

We write to you due to our concerns over the Transforming Cardiff programme that is currently being devised and of which elements, such as the VSS scheme, have already been approved and are about to be implemented.

We write to you to ask for the implementation of all aspects of *Transforming Cardiff* to be immediately halted until at least April 2019.

We ask for this for two main reasons:

1. The UEB has not yet made a clear enough case for Transforming Cardiff. In particular, the elements of Transforming Cardiff that seek to justify the reduction of staff costs do so by reference to figures that paint a highly misleading picture of the situation in our University. Analysis of the case for Transforming Cardiff reveals how this is based on a range of flawed assumptions regarding the reliability and meaning of underpinning data. As we will show below, a wider evaluation of official data and measurements that would ideally guide the University in making operational decisions of this kind are available. Analysis of these suggests that staff costs have not risen significantly or disproportionately over the last 8 years and should therefore not considered to be a major factor bringing about the current financial situation of the University.

2. Insufficient attention has been paid to the ramifications of Transforming Cardiff for both workload and student feedback (NSS). Rising workloads and increasingly negative student feedback have the potential to affect the future performance, educational and financial, in significant ways. We are also concerned that rushing Transforming Cardiff through at this current point in time will weaken the University's ability to weather the effects of two events that that will impose a variety of challenges for the University and its employees: Brexit and the Government review of student finance.

This request is underpinned by evidence, which is presented on the following pages. As University workers, we believe that evidence-based arguments should at least be heard and if shown to be correct they should have some influence on decision-making.

Yours sincerely

Cardiff UCU Executive Committee

cc UEB

cc Chair of Council

Transforming Cardiff and the Financial Unsustainability of Cardiff University

Over recent months, representatives of the University management have sought to communicate to staff how the University is in a financially unsustainable situation. University management has made an explicit effort to explain how this situation has arisen. We have listened carefully to the explanations afforded. For example, Chief Financial Officer (CFO) Robert Williams clearly explained during the Annual Staff conference that this situation has been caused by four factors. Three of them, research income, tuition fee income, government grant income, affect the income side of the operating budget. The fourth element in the CFO's list was staff costs. Staff were told explicitly that staff costs have been rising faster than income. The CFO was able to point to a 4.8% year-on-year increase of total staff costs. He explained that these rises are not purely down to wage rises, but also to additional pay awards in the form of spinal point progression as well as to a rise in staff numbers and externally imposed costs such as provisions for pensions, the apprenticeship levy and increases in National Insurance contributions. From the figure of the annual staff cost increase of 4.8%, the CFO moved on to explain that staff cost to income ratio has reached 60% and that this is figure is too high when compared to the performance of other Universities. Staff were told that this figure normally lies somewhere between 50% and 55%. Accordingly, the financial strategy of the University would seek to reduce this figure to 'normal' levels. Rightly, the CFO explained that two principal routes are available to do this: growing income and reducing costs. Unfortunately, the CFO only mentioned staff costs as costs that needed to be reduced. Undoubtedly, he did so on the basis that staff costs are the biggest item of expenditure that university is facing and that staff costs have outgrown income during the financial year 2017/2018. We also note that the CFO did not specify the extent to which future income growth would contribute to the reduction of the staff cost to income ratio, nor did he explain by how much the actual staff costs would have to be cut.

A very similar analysis was offered recently by Deputy Vice Chancellor (DVC) Karen Holford in a video that set out to explain the Transforming Cardiff programme in more detail. The DVC referred to the same factors negatively affecting income as the CFO – research income and contributions, government grants, tuition fees – and she also specifically mentioned 'rising staff costs' as a cost factor contributing to the financial unsustainable situation of the University. In the video, the DVC focusses exclusively on the staff cost to income ratio, which she referred to as standing at 59% to justify the need to reduce staff costs. The DVC also set out how this unsustainable situation would be turned around and like the CFO, she mentioned that income growth and reductions in staff costs would play complementary roles on our way forwards towards regaining financial sustainability. Both DVC and CFO announced the target of reaching a staff cost to income ratio by 2020/21, but just like the CFO, the DVC did not provide any specifications concerning the respective contributions of income growth and cost savings over this three-year period.

We have gone to some length to reproduce the arguments made by the DVC and by the CFO to demonstrate that we understand them. We also acknowledge that (1) the University is currently running a deficit; (2) that the staff cost to income ratio stands at about 59% and (3) that staff costs have risen by around 4.8% compared to the previous financial year.

Yet while we understand these arguments and also acknowledge the facts that members of the UEB have put forward to justify the need for Transforming Cardiff, we do not believe that these arguments and facts present an adequate case to advocate the direct reduction of staff costs - which is, thus far, the only visible part of Transforming Cardiff. A new Voluntary Severance Scheme has already been approved and our different Heads of Schools have not been able to rule out compulsory redundancies in the future. The proposed cuts will affect all categories of staff: academic and clinical, administrative, technical and operative.

The figures mobilised by members of the UEB tell a very particular story about staff cost rises and how they are apparently partly responsible for the financially unsustainable position our University finds itself in. Nevertheless, the picture presented is highly selective and misleading – while University Management has not explicitly stated that the staff body itself has substantially grown in recent years, the reference to staff costs inexorably rising relative to income is being presented in such a way that gives that very impression. Moreover, of particular concern, there is a failure on the part of those communicating the Transforming Cardiff exercise to highlight the disastrous potential effects that cuts to staff costs will wreak upon the University; in the face of very serious concerns being highlighted around a workload crisis at Cardiff, and of understaffing following many years of budget cuts and flat budgets across many schools, Transforming Cardiff threatens to deepen and entrench that crisis.

As we highlight here, reference to a broader of set of figures and official data suggests quite a different situation to that being presented by University management. It is one that suggests that (a) staff costs have not risen disproportionately over the last few years; and (b) that we are under-staffed. Reference to these data reveals how the justifications for, and measures proposed under Transforming Cardiff, have simply not been properly thought through – and that proceeding with Transforming Cardiff without full appraisal of the facts will only threaten the future of this University and the livelihoods of those that are employed by it.

Are Staff Costs a major cause of the Deficit?

With regard to the size of staff costs as an expense to the University, we note that both figures that underpin the case for Transforming Cardiff – 59% staff cost to income ratio and 4.8% annual staff cost rise – are only relevant for the financial year 2017/18. This limitation to a single year is particularly odd given the fluctuations with regard to income and expenditure of the University.

Instead of looking at a single year, if we look at data over a number of years, for example, from 2009/10 onwards, we can clearly see that staff costs have actually risen very modestly during this period. Table 1 shows the absolute size of total staff costs as laid out in the financial accounts of the University as well as the year-on-year growth of this category of expenditure.

Table 1: Total Staff Costs in million £ and year-on-year change[1]

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Average
Total Staff Costs in million £	244	241	250	249	253	262	283	291	
Annual change in %		-0.9	3.5	-0.3	1.7	3.7	7.8	2.7	**2.6**

Table 1 demonstrates only a modest rise in total staff costs at our University over the past 8 years (the official financial accounts for 2017/18 have not yet been published). On average, total staff costs have risen by **2.6%** annually during this period. Even if we take the figures for 2017/18 as presented by the CFO into account, the average growth rate over the nine-year period is **2.9%**. For a 'people's organisation' like a University, which requires continuous investment in its most important resource – its staff – this average growth rate does not look unsustainable. This is especially the case when the figure is considered in a wider context.

- We can look at the development of staff numbers. After all, rising total staff costs can be attributed to wage growth as well as to growth in staff numbers. Table 2 shows that **staff numbers have risen by a mere 1.3% over the last 8 years**. Over the last 7 years, student numbers have grown twice as fast as staff numbers. Given that a significant part of the work performed by staff is directly or indirectly related to students, increases in student numbers translate directly and indirectly into increased workload. A slight rise in staff numbers in the face of significant increases in student numbers is therefore not only to be expected but is also necessary to offer students the best possible education and service.

[1] All figures in Table 1 are taken from the publically available Annual Financial Reports of Cardiff University.

Table 2: FTE Student Numbers relative to FTE Staff Numbers - Year-on-year change[2]

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Average
Total FTE Staff	5131	5202	5202	5162	5122	5268	5510	5598	
Annual change in %		1.4	0.0	-0.8	-0.8	2.9	4.6	1.6	**1.3**
Total Student		25642	24838	25644	30134	31607	31138	30872	
Annual change in %			-3.1	3.2	17.5	4.9	-1.5	-0.9	**3.4**
Total FTE Students		20119	19489	20121	23644	24800	24432	24223	
Annual change in %			-3.1	3.2	17.5	4.9	-1.5	-0.9	**3.4**

- If we accept that half of the average growth of staff costs can be attributed to growing staff numbers, we see that actual per person staff costs have only increased by 1.3% over the last 8 years. We note that the rise in staff costs as shown in Table 1 does not take inflation into account. Over the same eight-year period, the two main measures for inflation, CPI and RPI, have grown by an annual average of 2.1% and 3.1% respectively. If both inflation measures are averaged out, the **combined inflation rate of 2.6% means that total staff costs when looked at from the perspective of those who receive the wages – the staff working in the University – have not risen at all. In fact, in real terms, staff costs have actually fallen**.

- While staff can be regarded as a 'cost factor', the number of staff employed in the University must also bear some relationship to the growth of the student population which is a significant source of workload. Table 2 juxtaposes the rise in staff costs and its annual growth with the rise in student numbers and its annual growth. We observe that the annual growth rate of student numbers outpaces the growth of total staff costs, which suggests that we are now able to 'service more customers' for less money compared to 6 or 7 years ago. This development should only be celebrated as a sign for growing efficiency and productivity if feedback from staff and students is positive. It is anything but. NSS feedback appears to be in free fall for a number of years, while especially academic and clinical staff have indicated through their responses to the staff survey for years that workload levels have become unmanageable. The tragic death of Malcom Anderson earlier this year was a strong reminder that excessive workload can have devastating consequences.

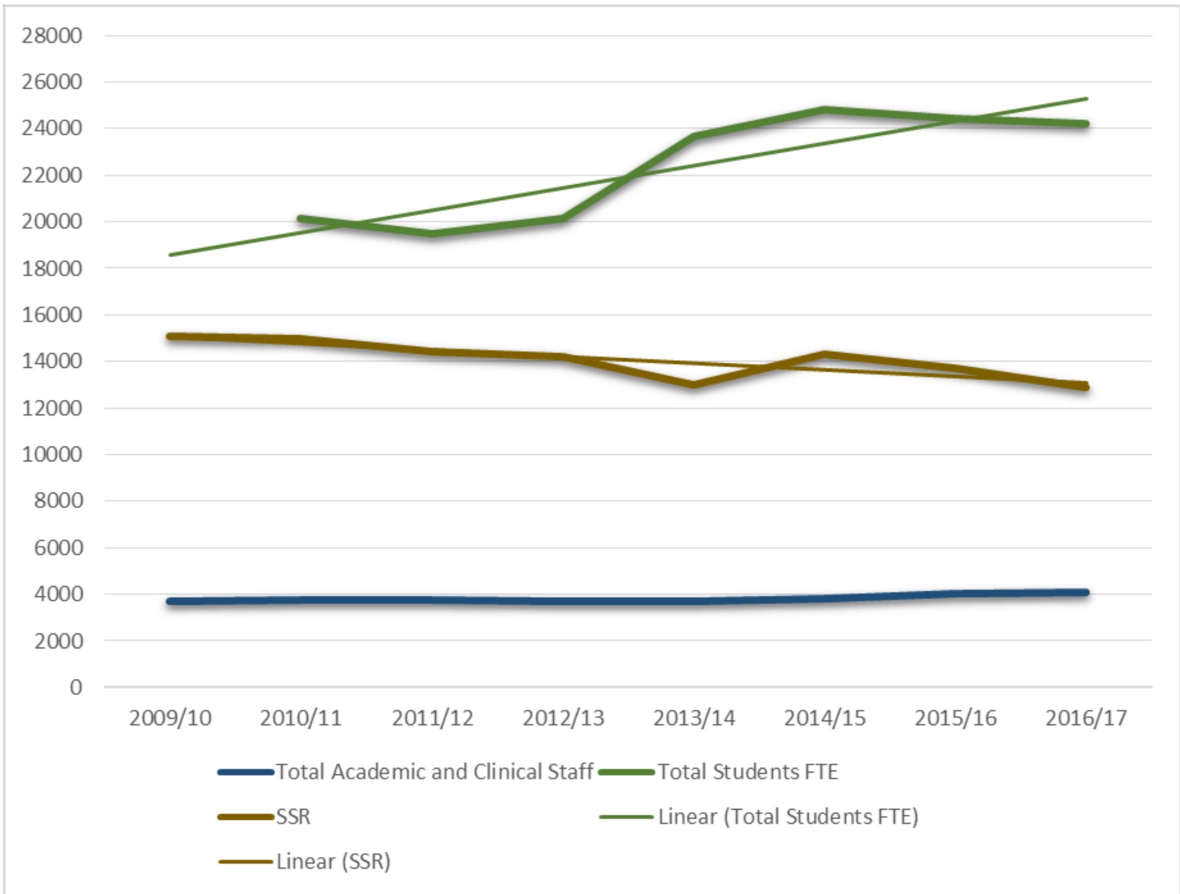
In sum, while the undisputable figures put forward by both DVC and CFO suggest that staff costs constitute one of four main reasons as to why the University is currently running a deficit, the analysis presented here is putting forward equally indisputable figures which show – and we believe, convincingly – why staff costs are not a main contributor to the financial unsustainable situation of our University: staff costs have simply not risen very fast over the last 8 years.

Before we turn to an alternative explanation of the causes of the current deficit, an additional source of confusion about staff numbers and staff costs needs to be cleared up. Through various channels, some of us have heard that the Student-Staff ratio as reported by the Higher Education Statistics Agency (HESA) has been invoked within Cardiff University Council as well as by members of the UEB in order to support the argument that there is no shortage of staff to deal with increased workload

[2] Figures for FTE Staff numbers are taken from CU Annual Financial Reports. The figures for Total Student Numbers Headcount can be found in the 2018 CU Annual Equality and Diversity Report (http://www.cardiff.ac.uk/__data/assets/pdf_file/0016/1138111/Strategic-Equality-Plan-Annual-Report.pdf). The figures for Total FTE Student are extrapolated from the 2016/17 figures, which is the only year for which FTE Student figures have been reported CU Annual Financial Statements. Based on the figures for Headcount and FTE, a ratio is created that is then applied to all years in the series. The resulting figures are likely to be an underestimation of past FTE Student figures dues to the very recent decline of part-time student numbers across the Higher Education sector.

caused by the rise in student recruitment. Using the figures provided by Cardiff University, we can construct the following graph which displays a curious pattern:

Graph 1: FTE Academic and Clinical Staff vs FTE Students vs Student-Staff Ratio (SSR)[3]



The graph shows three different things:

1) Rising student numbers (see also Table 2 above);

2) Stagnant staff numbers as reported in the financial accounts of the University; and

3) A continuously falling Student-Staff Ratio.

As we note in the detailed Appendix at the end of this letter, given the wide and flexible scope afforded by HESA to Higher Education providers when it comes to collating their annual staff numbers, it should be apparent to anyone, especially those in senior management positions, that the SSR is not a metric of the actual size or strength of the workforce and, following logically from this, cannot be used to make claims about the workforce's capacity to deal with a given workload.

Despite the relative opaqueness of SSR figures and despite the fact that we do not know what criteria someone contracted to the University needs to fulfil to be counted as 'staff' in the context of the financial accounts, we can safely deduce from the graph above, that the word 'staff' is used differently in the context of the University's financial accounts from its use in the context of HESA. We can also safely deduce from the graph that the category 'staff as reported to HESA' must be much larger – and growing – than the category 'staff as listed in the financial accounts' as it is otherwise impossible for

[3] Figures for FTE Academic and Clinical Staff taken from Cardiff University Annual Financial Reports. FTE Student numbers: see previous footnote. The figures for the Student-Staff Ratio (SSR) are taken from Guardian University League Table and the Complete University Guide. The league table providers advise that Staff Student Ratios for particular years are not reflecting the actually SSR for this year because they utilise HESA data that can be up to 18 months out of date. To account for this, we have assumed that the figures in these two league tables are out by one year. So the figure shown for 2009/10 in the Graph above is reported in the League Table as data for 2011 and so on. To bring the SSR ratio figures up to scale of the graph, they have been normalised by multiplying each figure by 1000 (this means a SSR of 15.1 shows in the graph at 15100 in the y-axis of the graph).

staff numbers (as reported in the accounts) to stay stagnant while the SSR is continuously falling. Until we have a full explanation that sheds light on the differences between the two meanings of ‘staff’ we can only speculate: to us, the graph appears to capture the extent to which labour relations within the University have been ‘casualised’ over recent years.[4] This provides one possible explanation for how the SSR can be falling when staff numbers remain static and student numbers increase. It appears that the SSR includes people that are contracted to the University but whose contracts are not of a sufficient ‘quality’ to warrant inclusion into numbers that are published in the financial accounts. Until we have full transparency around the staff figures that underpin the SSR – and there is good academic evidence available that suggests that Higher Education providers are afforded with a great deal of interpretive flexibility when it comes to constructing the staff figures (see Appendix) – we do not believe that operational decisions in the University should be informed by SSR figures.

Re-Analysing the Deficit

Given that according to our analysis the total staff costs cannot be considered as a major cause for the deficit, the analysis of UEB members needs to be revisited and revised. We agree mostly with the ‘income side’ of the analysis: cuts to government grants and capped tuition fees are indeed factors contributing to stunted income growth. Likewise, the fall in research income has a similar effect. What about the ‘expenditure side’ of the equation? Table 3 lists all major categories of expenditure in absolute terms and in annual changes.

Table 3: Cardiff University Expenditure

Expenditure	**2009/10**	**2010/11**	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**Average**
Total Staff Costs in million £	244	241	250	249	253	262	283	291	
Annual change in %		-0.9	3.5	-0.3	1.7	3.7	7.8	2.7	**2.6**
Other Expenses in million £	152	144	150	160	157	172	167	175	
Annual change in %		-5.2	4.7	6.1	-1.5	9.0	-2.6	4.5	**2.1**
Depreciation in million £	17	14	15	16	18	23	26	32	
Annual change in %		-19.4	6.8	9.1	11.4	25.9	15.5	22.0	**10.2**
Interests and other finance costs in million £	4.4	2.9	1.4	1.3	1.2	1.2	7.6	12.3	
Annual change in %		-35.3	-52.4	-4.7	-5.0	-5.7	552.2	61.4	**72.9**
TOTAL in million £	419	402	417	427	430	458	485	513	
Annual change in %		-3.8	3.6	2.3	0.8	6.6	5.7	6.0	**3.0**

The first thing to note is that total expenses have, on average, grown faster than total staff costs over the last 8 years, further putting the rise of staff costs into proper perspective. The second thing to note is that there are two items on the expenditure list that have disproportionality grown over the last eight years: Depreciation and Interests and other finance costs. The rises in these two expense categories

[4] While the graph captures only academic and clinical staff, numbers for administrative and technical staff in the University, as reported in the Financial Reports have also remained static. For example, while accounts listed 937 administrative members of staff in 2009/10, the figure stood at 979 in 2016/17. In light of the disproportionate rise in student numbers during the same period, casualisation is likely to affect administrative staff to a similar extent as it affects academic staff.

can be clearly attributed to the £300m Bond that the University issued in 2016. The bond issue, while providing the University with £300 in cash, will cost us a total of around £570m until 2055.

The ‘Interests and other finance costs’ category is a total of all the expenses related to financing costs such as interest rates. Given that the University is paying the annual interest charge of £9.162m out of our operating budget, any deficit smaller than £9.162m can be entirely attributed to these interest payments.

Depreciation is an accounting method of allocating the cost of a tangible asset over its useful life and is used to account for declines in value. In other words, depreciation is an expense that converts the value attributed to a tangible asset into cash reserves, so that at the end of the write-off period when the asset is assumed to have no residual value, the institution has cash to replace the asset. It is very important to understand that depreciation, while being an expense like staff costs, is nonetheless very distinctive from staff costs. Staff cost is an expense that costs the University cash: University money is transferred to staff, the state and pension schemes in the form of wages, pension and NI contributions. The money spent on staff costs leaves the University. Depreciation costs, in contrast, do not leave the University. While they cause tangible assets to lose book value over time, they increase the cash reserves of the University at the same time.

Depreciation costs have increased significantly, especially over the last 5 years or so. This is a direct consequence of the modernisation of the campus in the form of new equipment and refurbished class rooms. But depreciation is also directly linked to the construction of new buildings, an activity that is financed by the Bond. Given the current construction activity of the University, it is safe to say that building-related depreciation costs will increase significantly over the coming years when the Innovation Campus and the Centre for Student Life become operational.

Looking at the numbers, our question is this: why have neither the DVC nor the CFO mentioned depreciation and finance costs as major causes for the deficit and the financially unsustainable situation? Moreover, given the current level of building activity depreciation costs will continue to rise over the coming years and will affect our operating budget for decades to come. While members of the UEB have repeatedly asserted publically that the bond is entirely separate from the operational budget and that it thus has no effect on the financial performance of the University. This is simply not true. As this analysis has shown, the University’s operating budget is directly affected by the bond through interest payments (an expense) and depreciation (another expense). In addition, the cash surplus target of 5% of total income set out in first iteration of The Way Forward was also specifically in place to enable repayment of the bond by 2055.

While Cardiff University is undoubtedly facing challenging times, we believe that an appropriate response to these challenges can only be developed when it is underpinned by sound and rigorous analysis. We have shown that the analysis provided by members of the UEB falls short of this in at least two ways: first, staff costs are not a major cause for the financially unsustainable situation of the University and second, the UEB’s analysis fails to consider the effects of the bond on the operational budget of the University. We urge members of the UEB but also those on University bodies such as Senate, Council and the various committees to halt Transforming Cardiff for a few months at least to ensure that a robust and rigorous analysis of the situation is produced.

A second reason to pause Transforming Cardiff

The technical analysis of staff costs and their contribution to the deficit of the University raises questions which need to be addressed before a programme like Transforming Cardiff is implemented. Nevertheless, there are further significant reasons informing our advocacy for a complete halt of the implementation of Transforming Cardiff.

Transforming Cardiff has been proposed only a few weeks ago, yet there seems to be a great rush to push this programme through and implement it as quickly as possible. We believe this is a strategic error that has the potential to cause not only disruption across the University on a massive scale over the coming months, but irreparable harm. The reason for this fear is that we are currently at a moment in time at which we do not know how several momentous decisions that will affect Universities throughout the UK will play out. Nationally and internationally, these decisions include:

- Nationally, we are faced with an ongoing Brexit process that is likely to have profound repercussions for the University in the form of potential changes to the flow of international students and to the availability of research funding. While the consequences of Brexit are likely to affect the UK for the years to come, we should know more about the direction of travel by the end of March 2019.
- Also on a national level, the government is currently reviewing tuition fees and it is very likely that the review will bring changes to the levels of tuition fees that Universities can charge students. The review is due to be completed by February 2019.
- Locally, a review of workload across the University is currently under way and the final report is expected in January 2019. It is plausible that the review will confirm what staff has been saying for years, namely that there is a workload crisis and that the only remedy is to recruit more staff. Yet, the VSS scheme opens in January and compulsory redundancies, while not being confirmed, have not been ruled out either.

In addition to these three items, we are concerned that premature redundancies – while voluntary at this stage – will have further deleterious effects on NSS feedback and for the generation of research income the University hopes to lever in. In respect of the NSS, we do not know whether the review of NSS scores to be undertaken by Amanda Coffey has occurred yet or not, but from a staff perspective it would not be surprising if the increasingly less positive student feedback is linked to increases in workload and declines in staff numbers relative to student numbers, which has led to staff having less time to attend to student needs. In respect of research income generation, the University has set highly ambitious KPIs under the new Way Forward aspirations, which includes a doubling of research income. At a point when staff are already questioning the extent to which the workload crisis in the University has affected the ability of staff to generate research income, the prospect of further staff leaving the University under the VSS, and disruption of critical professional staff and academic synergies through a programme of change under the Transforming Cardiff banner, hardly provides confidence for the future of the University in its ability to meet its ambitious income targets.

Asking for a pause to give the institution ‘time to think’ will not financially ruin the University. Only 12 month ago, Stuart Palmer, Chair of Council, wrote the following in the Annual Financial Report of our University: “The University is in a strong position with cash and short term investments of £419m at 31 July 2017 which will be used to invest in the enhancement of the University’s facilities and **to weather any future financial storms**.”[5] The time that halting Transforming Cardiff affords should be used, among other things, to produce a new thorough and credible analysis of the financial situation of the University that does not exclude certain areas from consideration and to develop a plan for the future that is based on such an analysis.

Appendix

Staff Numbers in the context of the student staff ratio

The disparity between academic staff numbers appearing in the financial accounts and the academic staff numbers underpinning the Student Staff Ratio, indicates that one of these measures must be including, or excluding data that informs the other. In evaluating the integrity of the data informing the SSR, and concerns surrounding its compilation and accuracy, we are alert to the SSR as a highly unreliable source of information (comparative or intra-institutional) about the workforce, numbers of individuals in active service, and available capacity and manpower. Research highlights a range of concerns and mysteries over the construction of SSR leading some to argue that it should come with a ‘health warning’ (Court 2012). A common concern expressed here is the significant amount of discretion afforded to Higher Education Providers (HEPs) when it comes to reporting ‘staff’ numbers to HESA (Bryson *et al.* 2007, Court 2012, White 2016). For example, while it was widely thought that HEPs reported hourly paid staff under ‘a-typical’, many in fact report this category of staff under ‘fixed-term’ or ‘part-time’ (Cambridge UCU 2018) and aggregate this

[5] Cardiff University Annual Report and Financial Statements 2016/2017, p.21.

population as ‘full time equivalents’. In turn, others have highlighted the increasing use of ‘agreements’ rather than contracts of employment for post-graduate hourly paid tutors which results in an under-reporting of casualised staff to HESA. Reporting variations can be seen across different HEPs in terms of returning individuals who are on ‘sabbatical’ to HESA. These, and broader examples should serve to highlight the dangers of using HESA data to provide a snapshot (or even a rule of thumb to evaluate) of a HEP’s workforce.

While concerns have been raised about the extent to which those external to an HEP, such as prospective students, can rely upon league tables which are informed by SSRs (for which SSRs are afforded heavy weighting), our present concern is with a more troubling ramification: the extent to which the SSR, as a metric derived from HESA data, is used internally to inform operational concerns relating to the workforce of Cardiff University. Despite the grave concerns we highlight below, which we would have anticipated would have been well-known by Cardiff Management, indications are that the SSR is actively used for internal-facing operational decision. Insofar as AHSS College has used the SSR in this way, and such figures have made their way into Senior Management Teams, more recently we have also been advised that the SSR has been pointed to in Council as a key figure demonstrating the presence of a workforce where there is sufficient capacity to meet existing workload.

For us, this raises obvious alarm bells. Given the deployment of a variety of ‘accounting techniques’ that HEPs use in reporting to HESA, which are well known to mask the increased reliance upon hourly paid and casualised staff, coupled with the fact that other groups of actors counted within HESA statistics as FTEs are in fact not engaged in active (or full active) service,[6] it should be apparent that HESA statistics *do not provide a metric of the actual strength of the workforce or the capacity available within it*. While HEPs are well known to be bundling together contracted hourly paid staff and reporting these to HESA as Full Time Equivalents, those leading the University should be acutely aware of the workload that this category of staff cannot, and do not perform. In other words, whatever calculation is arrived at to combine hourly paid contracted staff for 1FTE, they are *not* the equivalent of a 1FTE. A genuine full time equivalent member of staff undertakes a far wider range of necessary duties (e.g. research outputs, scholarship, student support and personal tutoring, teaching related administration including module and programme innovation and development, public engagement, broader administration including student monitoring, marketing, recruitment, postgraduate and undergraduate studies, engagement with University committees, and involvement in a broader range of citizenship, including open days etc.), and none of these would or could form part of the work of contracted hourly paid staff. For this reason, 1FTE under the SSR is extremely misleading.[7]

By way of example, take a department of 12 FTE personnel all of whom are employed on Teaching and Research contracts in 2016/17. The school has a total of 300 FTE students and its intake is consistent from one year to the next. Let us assume further that,

- 2.0 members of staff used the VSS to leave the department in August of the prior year;
- That 1.0 member of staff is on maternity leave;
- That 1.0 member of staff is bought out on a grant by 80%;
- That 1.0 member of staff is on long-term sick leave;
- That 1.0 member of staff is on University research leave.

In the case of each of those members of staff, each one counts nevertheless as 1FTE. In theory, the fourth member of staff should fit the category of ‘sabbatical’ and not be

[6] For example, those on maternity or sick leave can be counted as FTE; insofar as those on ‘sabbatical leave’ are not supposed to be returned to HESA (but rather should be counted as 0FTE where sabbatical is for a year or the appropriate portion depending on the period of leave) (HESA 2017a) there is variability in HEP’s practices in terms of whether they are reported as 1FTE or not.

[7] Far more can be said here; for example, under HESA, staff involved exclusively in professional postgraduate programmes are merged with those engaged in undergraduate programmes when returned under a single cost centre, so that the SSR on undergraduate league tables for a particular field can look superficially impressive. Nevertheless, using the SSR as an indicator for those programmes would be tantamount to trusting data that more than doubles the actual staff capacity for a particular department.

returned, but in practice we understand that such a staff member is returned as 1FTE at Cardiff.

According to HESA 2017/18 data, the department has an SSR of 25:1.
For Internal Purposes for 2017/18, the department in fact has SSR of 41.6:1

These factors are amplified further by virtue of staff returns to HESA being based on the contract of employment, rather than what staff actually do; no revision to the HESA record is made to account for schools comprised of staff on T&R or T&S contracts that successfully lever in grant or industry funding achieving partial or full-buy outs. In the context of some schools where success is increasingly enjoyed in securing grant funding, the use of HESA data will be extremely misleading in terms of highlighting capacity and available resource within those units. Alongside the fact that the HESA data is the product of retrospective data relating to one year prior (HESA 2017b), the most that HESA data and the SSR metric produced as a result can tell us, is in a very crude and misleading way, the number of ‘contracts’ of employment any particular HEP holds. In all of these respects, the SSR, is something of a fiction which serves external-facing purposes. Nevertheless, given the significant limitations of data capture behind the SSR, HESA data and the SSR should *not* be used to inform internal operational decisions or in evaluating what workforce capacity different schools or colleges possess, or even the university at large.

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