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**Policy development**

**Consultation outcomes**

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This publication is for information

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This document reports on the outcomes and next steps of the HEFCE consultation 'A risk-based approach to quality assurance: Consultation' (HEFCE 2012/11), on a more risk-based approach to the quality assurance of higher education in England.

# A risk-based approach to quality assurance

## Outcomes of consultation and next steps

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## **A risk-based approach to quality assurance: Outcomes of consultation and next steps**

To	Heads of HEFCE-funded higher education institutions Heads of HEFCE-funded further education colleges Heads of universities in Northern Ireland All other subscribers to the QAA in England
Of interest to those responsible for	Quality assurance, quality enhancement and the student experience (England and Northern Ireland)  Planning, Governing bodies and Academic boards  Student union officers and student representatives  Quality assurance of higher education in Northern Ireland (Department for Employment and Learning)  Alternative providers of higher education  Other organisations with an interest in the quality assurance of higher education, including employer bodies, professional, statutory and regulatory bodies, Department of Health, the UK Border Agency and other government stakeholders
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### **Executive summary**

#### **Purpose**

1. This document reports on the outcomes of, and next steps arising from, the HEFCE consultation 'A risk-based approach to quality assurance: Consultation' (HEFCE 2012/11). This consultation on a more risk-based approach to the quality assurance of higher education (HE) in England took place in the summer of 2012.

#### **Key points**

2. The Government's higher education White Paper, 'Students at the Heart of the System', which was published by the Department for Business, Innovation and Skills in June 2011, invited HEFCE to consult on the introduction of a more risk-based approach to quality assurance, '[to focus] the effort of the Quality Assurance Agency for Higher Education (QAA) where it will have the most impact, and giving students power to hold universities to account.' (White Paper, paragraph 3.19).

3. The ensuing consultation, which closed at the end of July, elicited 130 responses from across the HE sector. The responses showed strong support for the three key principles which were identified in the consultation document as essential for developing a more risk-based approach to quality assurance, namely:

- the retention of a universal system for HE providers which continues to promote enhancement
- an approach which is robust and rigorous, enabling HEFCE to carry out its statutory duty to secure assessments of quality for HE providers that have access to public funding
- an approach which enables students to continue to play a prominent role in assessing their own academic experiences.

4. General support was also expressed for our proposal to use the QAA's existing method of Institutional Review as the basis of building a risk-based approach, given the success of this new method in ensuring rigorous, robust review which fully involves students, but is proportionate in regulatory terms.

5. We were pleased to receive so many responses to the consultation, from a wide range of interests. In addition, the consultation events were well attended, especially by student representatives. The responses we received to the consultation questions showed wide cross-sector agreement on a range of key proposals, including that steps should be taken to:

- reduce unnecessary burden and achieve better regulation, targeting the QAA's efforts where they are most needed
- tailor external review to the individual circumstances of providers (a 'one size fits all' approach was not seen as appropriate for such a diverse sector)
- continue to involve students fully as central partners in the process, in assessing and improving the quality of their HE experience
- continue to ensure that enhancement is a core dimension of quality assurance
- ensure transparency, for example through the application of clear criteria where appropriate.

6. In what follows, we present a package of measures agreed by our Board, which aim to achieve a more transparent, proportionate and risk-based approach to quality assurance which will target the efforts of the QAA where they will have the most impact. We are asking the QAA to review all providers with access to HEFCE funding using a single review method, which can be varied according to institutional circumstances (for example, whether or not an institution has degree-awarding powers). In developing these recommendations, we have taken steps to ensure, not only that enhancement activities continue to comprise a major part of the risk-based quality assurance approach, but that students continue to play a central role in the quality assurance and improvement of their education.

7. In summary:

- a. We will continue to meet our statutory duty to ensure the regular assessment of quality and standards in all the institutions we fund, through the existing but strengthened method of Quality Assurance review known as Institutional Review.

- b. Greater transparency will be achieved by asking the QAA to publish a rolling programme of reviews on its web-site, which clearly indicates when a provider's next review is due to take place; institutions will not be assigned to particular categories.
- c. We are asking the QAA to focus its efforts where they will have the most impact, by tailoring external review to suit the circumstances of individual providers (for instance, by adjusting the frequency, nature and intensity of reviews depending on the provider).
- d. Rather than asking the QAA to refine its review methods through the establishment of a core and module approach (with modules for particular types of provision which carry greater risks), we will ask the QAA to no longer undertake separate reviews of collaborative provision, and to work towards an integrated review method for all providers of HE. Such a review method should take sufficient account of the circumstances of individual providers, including whether or not a provider has degree awarding powers, and the nature of its partnership arrangements.
- e. We are asking the QAA to discontinue any form of mid-cycle review, given that there are already safeguards, including the QAA's concerns scheme, which allow it to initiate work with institutions that have issues to address between reviews (see paragraph h. below).
- f. We will ensure that for those institutions with a longer track record of successfully assuring quality and standards, the actual period between reviews is set at six years (that is to say reviews will take place in a six-year 'cycle'). Specifically, we will ask the QAA to ensure that it does not schedule any reviews in a shorter cycle during the transition period to the new approach.
- g. We will ask the QAA to review those providers with a shorter track record of assuring quality and standards at a more frequent interval of four years ( that is to say a four year 'cycle').
- h. We will seek to ensure that failures in standards and quality between scheduled reviews are addressed through continued application and promotion of the QAA's concerns scheme.
- i. Rather than implement the proposed annual review of data, we will ask the QAA to take greater account of publicly available data and information in its review methods, for example, through the institutional self evaluation document, the student written submission, and its own concerns scheme. HEFCE will continue to use established processes for monitoring the risk profile of institutions, which draw on the accountability information that we routinely collect.
- j. We will ensure a strong approach to enhancement by retaining the new judgement on the enhancement of student learning opportunities and the thematic element of the Institutional Review.
- k. We will ensure that students continue to be at the heart of the process, in part by keeping the review cycle to a maximum of six years, enabling their input to be considered at least as frequently as it is in the current six year cycle. We will also ask the QAA to continue to encourage providers to engage with students as partners, as part of a

continuous process of enhancement, and ensuring that safeguards are in place as appropriate, through the QAA and the Office of the Independent Adjudicator.

l. The QAA will consult on a revised handbook for this more risk-based review method, with the aim of implementing it in academic year 2013-14.

m. We plan to undertake an independent evaluation of the revised approach in 2015-16, once it has been in operation for two years.

### **Action required**

8. No immediate action is required, but institutions may wish to familiarise themselves with the key recommendations of the risk-based approach set out in this document, ahead of the QAA consultation on a draft handbook for the new approach. The consultation will open in winter 2012, on the basis of HEFCE's letter of guidance to the QAA on how to take forward this more risk-based approach to quality assurance.

9. The Department for Employment and Learning has considered the findings and recommendations of this consultation, and the implications they will have for the HE institutions in Northern Ireland. They have agreed to implement any changes to the current Quality Assurance process in line with the recommendations, and will work with HEFCE and QAA to agree the way forward. However, as HE provision in further education colleges in Northern Ireland is quality-assured through the QAA's Integrated Quality and Enhancement Review process, any proposed changes to a more risk-based quality assurance process will not apply to further education colleges in Northern Ireland.

## Introduction

10. HEFCE's consultation on a more risk-based approach to quality assurance in HE, which closed on 31 July, elicited 130 responses<sup>1</sup>. For a detailed analysis of the responses received to all of the questions posed, please see Annex A of this document.

11. In embarking on a consultation about developing a more risk-based approach to quality assurance, our intention has been to:

- develop an approach to quality assurance which will direct attention to where it is most needed, focussing effort where it will have the most benefit in the development, enhancement and protection of quality and standards
- ensure student interests have more prominence.

12. In presenting these outcomes, we are seeking to adhere to three key principles, identified in the consultation document as essential to the development of a risk-based approach to quality assurance, and set out below. These principles, which were supported by over three-quarters of consultation responses, concerned:

- the retention of a universal system for higher education (HE) providers which continues to promote enhancement
- an approach which is robust and rigorous, enabling HEFCE to carry out its statutory duty to secure assessments of quality for HE providers that have access to public funding
- an approach which enables students to continue to play a prominent role in assessing their own academic experiences.

13. From our analysis of the responses, it is evident that the sector is fully supportive of a robust approach to quality assurance which is more tailored to suit individual institutional circumstances, and directs effort to where it is most needed. Support was also expressed for achieving greater transparency in Quality Assurance Agency for Higher Education (QAA) external review processes.

14. In what follows, therefore, we present a package of outcomes as agreed by our Board which will result in a transparent, proportionate and more risk-based approach to quality assurance that ensures that the interests of students continue to be promoted and protected. We are asking the QAA to review all providers with access to HEFCE funding using a single review method, to be varied according to institutional circumstances (for example, whether or not they have degree-awarding powers).

15. In making these recommendations, we are also reflecting the aims of the Department of Business, Innovation and Skills (BIS), as set out in the 2011 English HE White Paper, 'Students at the Heart of the System', in particular in relation to transparency and reduced regulation for strong performers<sup>2</sup>.

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<sup>1</sup> [www.hefce.ac.uk/pubs/year/2012/201211/](http://www.hefce.ac.uk/pubs/year/2012/201211/).

<sup>2</sup> BIS higher education White Paper (<http://c561635.r35.cf2.rackcdn.com/11-944-WP-students-at-heart.pdf>).

## Key themes to emerge from the consultation

16. The consultation responses showed wide support on a range of key issues, namely that steps should be taken to:

- reduce unnecessary burden and achieve better regulation, targeting the QAA's efforts where they are most needed
- tailor external review to the individual circumstances of providers (a 'one size fits all' approach was not seen as appropriate for such a diverse sector)
- continue to involve students fully in the process as central partners in assessing and improving the quality of their HE experience
- continue to ensure that enhancement is a core dimension of quality assurance
- ensure transparency, for example, through the application of clear criteria where necessary.

17. In particular, respondents supported our principled intention to build on the existing method of Institutional Review as the basis for a more risk-based approach to quality assurance. The more robust nature of the Institutional Review method, with its clearer judgements, focus on risk and reduced bureaucratic burden compared with previous methods, provides a strong foundation upon which to base the changes we are now making.

## Summary of outcomes and next steps

18. The agreed outcomes of the consultation take full account of the arguments put forward at the consultation events and the overall thrust of the written responses. Of course, some conflicting views emerged from the consultation process and we have done all that we can to balance the weight of the arguments presented. The agreed outcomes interlink one with another and need to be considered as a coherent, integrated package. The key components of the move to a risk-based approach to quality assurance are as follows:

- a. We will continue to meet our statutory duty to ensure the regular assessment of quality and standards in all the institutions we fund, through the existing but strengthened method of Quality Assurance review known as Institutional Review.
- b. Greater transparency will be achieved by asking the QAA to publish a rolling programme of reviews on its web-site, which clearly indicates when a provider's next review is due to take place; institutions will not be assigned to particular categories.
- c. We are asking the QAA to focus its efforts where they will have the most impact, by tailoring external review to suit the circumstances of individual providers (for instance, by adjusting the frequency, nature and intensity of reviews depending on the provider).
- d. Rather than asking the QAA to refine its review methods through the establishment of a core and module approach (with modules for particular types of provision which carry greater risks), we will ask the QAA to no longer undertake separate reviews of collaborative provision, and to work towards an integrated review method for all providers of HE. Such a review method should take sufficient account of the circumstances of individual providers, including whether or not a provider has degree awarding powers, and the nature of its partnership arrangements.



e. We are asking the QAA to discontinue any form of mid-cycle review, given that there are already safeguards, including the QAA's concerns scheme, which allow it to initiate work with institutions that have issues to address between reviews (see paragraph h. below).

f. We will ensure that for those institutions with a longer track record of successfully assuring quality and standards, the actual period between reviews is set at six years (that is to say reviews will take place in a six-year 'cycle'). Specifically, we will ask the QAA to ensure that it does not schedule any reviews in a shorter cycle during the transition period to the new approach.

g. We will ask the QAA to review those providers with a shorter track record of assuring quality and standards at a more frequent interval of four years ( that is to say a four year 'cycle').

h. We will seek to ensure that failures in standards and quality between scheduled reviews are addressed through continued application and promotion of the QAA's concerns scheme.

i. Rather than implement the proposed annual review of data, we will ask the QAA to take greater account of publicly available data and information in its review methods, for example, through the institutional self evaluation document, the student written submission, and its own concerns scheme. HEFCE will continue to use established processes for monitoring the risk profile of institutions, which draw on the accountability information that we routinely collect.

j. We will ensure a strong approach to enhancement by retaining the new judgement on the enhancement of student learning opportunities and the thematic element of the Institutional Review.

k. We will ensure that students continue to be at the heart of the process, in part by keeping the review cycle to a maximum of six years, enabling their input to be considered at least as frequently as it is in the current six year cycle. We will also ask the QAA to continue to encourage providers to engage with students as partners, as part of a continuous process of enhancement, and ensuring that safeguards are in place as appropriate, through the QAA and the Office of the Independent Adjudicator.

l. The QAA will consult on a revised handbook for this more risk-based review method, with the aim of implementing it in academic year 2013-14.

a. We plan to undertake an independent evaluation of the revised approach in 2015-16, once it has been in operation for two years.

19. In addition to meeting the HE White Paper's call for transparency and better regulation, our package of recommendations also meets a further call in the White Paper for students to be able 'to hold universities to account' (paragraph 3.19), for example through greater promotion of the QAA's concerns scheme, a continued focus on student engagement across a broad range of quality assurance processes, as well as retaining a six-yearly interval for review.

## Key consultation outcomes and proposals

20. In the consultation, we asked for views on a number of issues, which are summarised below. Our recommendations arising from responses to these issues can be found in the sections identified in boxes.

- how universities' and colleges' engagement with the quality assurance system should vary in nature, frequency and intensity, depending on their track record in quality assurance and the profile of their provision (Sections one and three)
- how universities and colleges should undergo a core Institutional Review and additional Institutional Review modules (for example on collaborative provision, if the institution offers this) (Section two)
- whether and how the QAA should investigate the possible reduction or streamlining of its engagement during review with those providers which have a substantial proportion of their provision accredited by professional, statutory and regulatory bodies (PSRBs) (Section four)
- how HEFCE should put in place a more rigorous and robust process for instigating 'out-of-cycle' QAA investigations when concerns about quality and standards arise (Section five).

21. In the consultation document, we also highlighted the importance of enhancement and student engagement. In our response below, we emphasise:

- that the enhancement element of review must be retained, with ongoing effort by the QAA to share good practice (Section five)
- that student engagement in quality assurance and enhancement must also be retained and further promoted (Section seven).

22. Below we provide details of the dominant responses to the key consultation issues. We also set out our recommendations and guidance to the QAA, as well as the rationale behind these outcomes, in order to ensure that a more risk-based approach to quality assurance is implemented.

### **Section one: Publishing a rolling programme of reviews and the criteria for frequency of engagement**

#### **Single published timetable for review for all providers reviewed by the QAA**

23. In the consultation document we proposed the publication of a rolling programme of reviews for all providers with access to HEFCE funding. We suggested that this programme would set out two different routes through the quality assurance system, which would result in a provider's external quality assurance review being varied in nature, frequency and intensity. The route by which a provider would be reviewed would depend on its track record (as demonstrated through institution-wide external review of its quality and standards) and the nature of its provision.

24. A clear theme to emerge from the consultation was support for greater transparency in an amended review process. A majority of respondents to the consultation also agreed that a provider's external review should vary according to individual circumstances. However, many respondents expressed concerns about the 'two route' approach, despite reassurances given in

the consultation document that neither route would be an indication of quality. Many in the sector were concerned that a two-route approach could have a negative impact on the reputation of some providers in the proposed Route A.

25. In response to these views, we will ask the QAA to publish a single timetable for external review for all institutions, but without use of routes. The timetable will comprise a rolling programme, setting out a provisional review schedule for the next six years, updated whenever circumstances change (see paragraph 38). We will ask the QAA to publish this on its web-site. We consider that this will ensure transparency and clarity, and protect the reputation of English HE overseas.

26. In particular, we have listened to the concerns expressed by further education colleges (FECs). As there will be no introduction of separate routes, we believe there is no longer a need to offer FECs an option to 'fast-track' to a longer interval between reviews.

27. We remain of the view – held by many consultation respondents – that length of track record (consisting of multiple external institution-wide reviews) is an important indicator of an institution's ability to assure the quality and standards of its HE. For this reason, track record will remain as one of the criteria used to determine the interval between reviews (see paragraphs 29 to 43).

#### Guidance to the QAA

28. In view of the desirability of tailoring reviews to the individual circumstances of providers, HEFCE will ask the QAA to publish a single rolling timetable which sets out a provisional schedule for the following six years showing when the reviews of all institutions with access to HEFCE funding are next due to take place. In order to ensure transparency, this timetable should be published on the QAA web-site and be updated regularly, and as frequently as appropriate.

#### **Review of all providers after a maximum interval of six years**

29. In the consultation, we asked respondents to indicate what the interval between reviews, ranging from six to ten years, should be for providers with a longer track record.

30. A clear majority of respondents indicated that the actual period between reviews for any provider should range from six to seven years, with most indicating a preference for six years. We consider a six-year interval appropriate for a number of reasons, which are set out below. These include that such an interval will enable HEFCE to meet its statutory duty for ensuring that assessment of the quality of HE occurs on a sufficiently regular basis, providing for the institutional maintenance of quality and standards and an enhancement focus through regular and robust external review. However, a six-year interval has a knock-on effect on some other areas, which will need to be adjusted to ensure an appropriate overall reduction in burden (for example, the removal of mid-cycle review).

31. We have noted comments that the transition between review methods has meant that the average interval for the majority of providers between their two most recent QAA reviews has been just under five years. We will ask the QAA to ensure that no review is brought forward for operational reasons and that, where track record allows, an institution's review cycle is a full six years.

32. Retaining the current interval between reviews (but ensuring it does actually operate at six years) is appropriate for the reasons given in the consultation, and further elaborated below.

- a. A six-year interval was felt to balance sufficiently the needs of students with a desire to have proportionate QAA engagement. HE providers and representative bodies were in agreement with student representatives that the needs of students should be a key factor in determining the frequency of reviews.
- b. It will ensure that there are sufficient reviews to highlight good practice and contribute to enhancement through dissemination to the sector.
- c. It will enable comparability with the other UK nations, which is essential for maintaining student, public and stakeholder consideration of HE across the country, and for recognition and information purposes.
- d. Many PSRBs, both within the UK and overseas, rely upon the outcomes of the QAA review process to inform their own judgements for accreditation or statutory purposes. An unintended consequence of increasing the interval between QAA reviews might be that PSRBs feel obliged to consider extending their investigations to provide more timely assurance for their own requirements. Thus, for some providers, regulatory gains in reducing QAA review frequency might be negated by increased PSRB engagement.
- e. It will support the international reputation of HE.

33. We also note that the UK Border Agency currently accepts a six-year interval between reviews as sufficient for its purposes for granting Highly Trusted Status.

34. A number of respondents to the consultation indicated that the review process for granting degree-awarding powers should be used to substitute for one of the two eligible reviews for less frequent QAA external reviews, given that it is a rigorous and detailed process covering a wider range of issues than Institutional Review and involves the analysis of primary evidence. We propose to ask the QAA to use its discretion as to whether such processes are sufficiently robust, rigorous and in-depth to count as one of the two external institution-wide reviews required for review at a six yearly interval.

#### Guidance to the QAA

35. We are asking the QAA to review all providers with a sufficient track record of assuring the quality and standards of their provision (the pre-requisite will be two or more external institution-wide reviews), every six years. From the commencement of this more risk-based approach to quality assurance in 2013-14, the QAA is to ensure that all eligible providers have a full six-year interval from the date of their previous review. We ask the QAA to use its discretion in deciding whether a successful review for the conferral of taught degree-awarding powers should count as one of the two reviews required for review on a six-yearly basis.

#### **Reviewing some institutions more frequently**

36. We proposed in the consultation document that institutions with a shorter track record should be reviewed more frequently than those with a longer track record, and asked what this shorter interval between reviews should be.

37. A spectrum of responses was given to this question, ranging from two to six years, or 'half of route B'. The largest number of respondents indicated that four years would be the optimum interval for more frequent reviews. The reason given was that any shorter interval would be inappropriate, as 'quality takes time': time is required for institutions to embed quality procedures and evidence of enhancement, meaning more frequent review would be purposeless.

38. In view of this 'quality takes time' argument, and clear views from consultation responses, we are asking the QAA to review those providers who meet the relevant criteria to be reviewed on a four-yearly interval. As proposed in the consultation document, an institution's track record will be the key determinant of this more frequent review, but there will also need to be other criteria. We are asking the QAA to ensure that an institution's next review will take place within four years, if any of the following apply:

- it has not yet undergone two successful external institution-wide reviews
- it has had an investigation under the QAA concerns scheme upheld against it since its last review, even if its action plan has now been signed off
- it has undergone significant material changes such as takeover, merger or expansion of activities, either beyond those reported when degree-awarding powers were originally granted or since the last review (see paragraph 108).

There may be other factors that might warrant an earlier review, and we will ask the QAA to consider this further.

39. We have developed these additional criteria because, as we are no longer recommending the annual review of data (see Section five), we need to ensure that quality and standards are adequately safeguarded. One of the tasks of the data panel could have been to ask the QAA to look at, for example, any changes of ownership that have occurred during the year (see above), with a view to considering any impact on quality and standards.

40. When there is either an upheld concerns scheme investigation or significant material change, as indicated above, we will ask the QAA to ensure that the next review takes place within four years from the publication of the concerns scheme's outcome or when the material change takes effect. If a review visit is already scheduled, the next review may take place less than four years from the change occurring or the publication of the concerns report.

41. The review at a four-yearly interval of a provider which has recently undergone significant material change may require HEFCE to exchange information with the QAA. In this case, once the provider has undergone a timely successful review, it would next be reviewed in six years' time. We believe that the successful review of a provider in such circumstances will safeguard the reputation of its provision, as the provider will have been judged capable of continuing appropriately to manage its own procedures for assuring academic quality and standards.

42. Other issues will be dealt with through the QAA concerns scheme. For example, if one or more PSRBs indicate concerns about systemic issues in one part of an institution's provision, which indicate wider problems in its management of quality and standards, PSRBs are able to ask the QAA to investigate in a timely fashion using its concerns scheme.

43. Once a provider has undergone a second successful external review – and if no concerns about the quality of provision arise thereafter – its next review will normally be scheduled for six years' time.

## Guidance to the QAA

44. In view of the need to provide public assurance for the assessment of quality and standards of providers with access to HEFCE funding, we wish to invite the QAA to review at an interval of four years (from the date of the last review) those institutions which have not yet undergone two external institution-wide reviews of their HE provision. Any provider that has had concerns upheld about the quality of its provision, through a full inquiry under the QAA's concerns scheme, should also normally be reviewed after four years or at the planned date of the next review, whichever is sooner. Similarly, to provide assurance that an institution has successfully managed significant material change such as a change in ownership, the interval between the last and next review should be four years. We will also ask the QAA to consider whether there are other circumstances where a review after four years or earlier might be deemed necessary, and to discuss these with us and the sector as appropriate.

## **Section two: Nature of review under a risk-based approach to quality assurance**

### **Overview**

45. In our consultation document, we proposed that Institutional Review should be tailored to reflect the provision offered by individual providers. A wide cross-section of respondents agreed with the approach, commenting on the considerable diversity of the sector. In a sector comprising institutions of different missions, sizes, approaches to learning and teaching and recruitment strategies, a 'one size fits all' approach to quality assurance was not felt to be appropriate.

46. The QAA already tailors external review of institutions according to institutional circumstances, and HEFCE is inviting the QAA to develop this approach further. This more tailored approach should achieve better regulation. In particular, HEFCE is asking the QAA to:

- review all provision in a single visit, varying its engagement as appropriate
- establish a clearer demarcation between the areas reviewed at a validating body and those reviewed at the delivering partner, removing duplication of activities
- cease mid-cycle reviews.

### **Review of all provision in a single external QAA review visit**

47. The consultation document suggested that Institutional Review might be revised to incorporate a 'core and module' approach, tailoring review to an institution's provision through additional modules focusing on particular elements of provision seen to carry greater potential risks, such as collaborative provision.

48. Following analysis of the consultation, we will ask the QAA to take an approach to review that allows the review team to investigate all types of provision in a holistic and consistent way, meaning there will be no separate reviews of different types of provision at a single institution. The QAA is invited to tailor the review to the institution's provision, varying the number of days of the review visit and number of reviewers as appropriate. This will reduce the time an institution is in 'review mode' overall; and will lead to a more bespoke review.

49. This approach should address concerns about potential duplication between modules and lack of clarity on how modules would be selected, and recognises that collaborative provision is

indeed 'core' to many providers. However it retains the same overall idea of tailoring review to suit institutional circumstances.

#### Guidance to the QAA

50. In view of the need to tailor review more appropriately to institutional circumstances, and thus to ensure better regulation, we ask the QAA to integrate the review of all collaborative provision with the institutional review of 'home' provision, so that there is no need for separate reviews. In further detail, HEFCE invites the QAA to:

- review all provision in a single visit, varying its investigations as appropriate
- establish a clearer demarcation between the areas reviewed at a validating body and those reviewed at the delivering partner, avoiding any duplication of activities
- Cease mid-cycle reviews.

#### **Reform of the review of collaborative provision**

51. It is important that future arrangements for the review of collaborative provision reflect the expanding scale and nature of such provision. The QAA's recent consultation on Chapter B10 of the UK Quality code relating to the management of collaborative arrangements sets out (on page 5) a list of examples of such arrangements<sup>3</sup>. In putting forward the following recommendations to the QAA, we recognise that account will need to be taken of the good practice in collaborative arrangements established in this QAA consultation. However, we also consider that the scope of the draft chapter may be broader than collaborative provision for review purposes. While we are asking the QAA to adhere as far as possible to the broad features set out below, we acknowledge that in practice, given the need for further development of the approach, full implementation may not be possible for the start of the more risk-based approach in 2013-14. Upon publication of the outcomes of the QAA's consultation on Chapter B10 (due in December 2012), HEFCE will consider whether there is a need for further guidance for the QAA on taking forward reforms to the review of collaborative provision.

52. It is widely accepted that some types of collaborative provision may carry more risks than others, and that this needs to be reflected in the QAA's approach. As such, we consider that the collaboration and partnership element of review needs to focus on franchise and validation arrangements.

#### *Review of collaborative provision to suit institutional circumstances more closely*

53. When an institution is validating awards delivered by other bodies or institutions, then the QAA should assess the arrangements for managing these awards in the context of the validating institution's own review. However, we would not expect it to be necessary to consider in detail all aspects of the provision at those delivery bodies which are publicly-funded, given that the QAA will also review such provision separately at some point in its published review schedule. Rather, the QAA should pay particular attention to the validated provision at those delivery bodies which themselves do not participate in any form of QAA review (for example at alternative providers of HE, or at FECs which offer higher education but may be outside the purview of the higher

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<sup>3</sup> This consultation closed on 19 October  
([www.qaa.ac.uk/Publications/InformationAndGuidance/Pages/collaborative-arrangements-consultation.aspx](http://www.qaa.ac.uk/Publications/InformationAndGuidance/Pages/collaborative-arrangements-consultation.aspx)).

education quality assurance system)<sup>4</sup>. Where an HE institution validates provision at a publicly-funded FEC, the QAA will continue to review the FEC directly in respect of its HE provision, but will primarily be concerned with how the FEC exercises its duties in line with the expectations set out in the **revised** review handbook.

54. This approach enables the QAA to make more use of information gathered under reviews of partners, thus removing the need to consider in depth all documentation relating to that partnership at both the awarding body and the delivering body, with the attendant burden and potential duplication.

55. With regard to collaborative partnerships, the institutional review of the degree-awarding institution would broadly focus on the setting of academic standards through programme design and the approval and maintenance of academic standards.

56. Review of HE providers without full degree-awarding powers would continue to focus on how they meet their responsibilities for the maintenance of quality and standards as reflected in the UK Quality Code, and the relevant partnership agreement between the bodies concerned.

57. The nature of the relationship between the partners and the content of their written agreement will more precisely determine the parameters to be looked at in each review. This reflects the fact that degree-awarding institutions delegate different levels of responsibility to their partners.

58. The above demarcation approach offers the following potential benefits:

- limiting the need for degree-awarding institutions to be directly involved in their partners' QAA reviews
- thus reducing the intensity of review of collaborative provision (for example, requiring less information and fewer domestic partner visits)
- thus also reducing the amount which institutions without degree-awarding powers need to be involved in the reviews of their validating institution, providing they undergo one of the two variants of review for publicly-funded institutions.

59. In summary, this approach will reduce burden by streamlining review activity, improving the overall effectiveness of QAA review of collaborative provision by allowing teams the discretion to focus in detail on a narrower range of issues, or to cover those partnerships where risks are higher. It will therefore be more risk-based, focusing effort where it is most needed.

#### *Overseas validation and other partnership forms*

60. Given this removal of duplication in the overall review process, we will ask the QAA during review of the validating institution to devote more resource to those aspects of overseas collaboration that are deemed to involve more risk, using teleconferencing as appropriate.

61. To ensure the continued strong reputation of UK HE overseas, the QAA is also considering revisiting how overseas audit functions as part of its transnational higher education strategy. This

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<sup>4</sup> It is important to note that, in its response to the consultations on the higher education White Papers 'Students at the heart of the system' and 'A new regulatory framework for the HE sector', the Government indicated that it intends to bring alternative providers into the quality assurance framework operated by the QAA, where students have access to public funding through the student finance package. Discussions are now taking place on these arrangements.



may need to include consideration of the discrepancy that reviews of collaborative provision lead to judgements, whereas overseas audit, currently a separate activity, does not.

62. HEFCE is therefore asking the QAA to consider how to take this approach forward and, in particular, to reconsider application of the four existing judgements to collaborative provision, as to assure the quality and standards of overseas provision and thus safeguard the reputation of English HE. We expect the same grading system to be retained, but we consider that new areas of judgement need to be developed.

#### Guidance to the QAA

63. We ask the QAA to consider carefully how it might tailor the review of an institution's collaborative provision to reflect its circumstances more closely, thus ensuring burden is reduced and a better regulatory environment is put in place.

64. In a reformed approach to the review of collaborative provision, we expect that any institution which undergoes review, but whose awards are validated by another institution, will not be expected to participate to any significant extent in the review of collaborative provision at its validating partner. This would mean that the QAA pays particular attention to the validated provision of partners which themselves are not subject to QAA review arrangements, including those overseas.

65. We look forward to seeing more detailed proposals on this issue in the forthcoming consultation on the handbook for a more risk-based approach to quality assurance. We acknowledge that further development of the method will be required in light of the outcomes of the QAA's own consultation on the UK HE Quality Code's chapter on collaborative arrangements, and thus that it may not be possible to implement this element of the new approach to quality assurance for the start of 2013-14. We believe consideration may also need to be given to whether the existing judgements for collaborative provision under Institutional Review continue to be suitable in their current format and remit.

66. HEFCE may consider producing supplementary guidance for the QAA regarding reforms to the review of collaborative provision following the publication of the outcomes of the Agency's Quality Code consultation.

#### **Removal of mid-cycle review**

67. In the consultation document, we proposed that the risk-based approach to quality assurance should equally apply to mid-cycle progress monitoring, so that the nature of QAA involvement would vary according to the individual circumstances of the provider.

68. While we did not ask a specific question about mid-cycle review, a number of respondents stressed the need to achieve an effective regulatory balance between the various elements of external review. For example, many respondents indicated that any benefits of moving to an eight or ten-year interval between reviews might be eroded if mid-cycle reviews were made more onerous to compensate for this longer interval.

69. In recognition of the retaining of a shorter interval, and that the mid-cycle monitoring is not based on peer review, we are asking the QAA to remove the requirement for any provider to undergo mid-cycle review.

70. We believe that quality and standards can be effectively safeguarded between reviews through recourse to the QAA's concerns scheme, and that enhancement activities are unlikely be

unaffected by removing mid-cycle review. Moreover, there are other mechanisms (for example action plans) which follow up where action is needed after a review. We are confident that institutions will see the benefits in terms of reduced administrative demands.

#### Guidance to the QAA

71. In view of the goal of achieving a better and less burdensome regulatory environment, and the need to focus effort where most needed, we are asking the QAA to discontinue mid-cycle review for all providers it reviews.

### **Section three: Intensity of review within a more risk-based approach to quality assurance**

72. Our consultation document set out our intention to reduce the intensity of review for those institutions with a longer track record of assuring the quality and standards of their provision. The changes towards a more integrated and tailored review, described above, reflect this intention.

73. We are also confident that the more bespoke approach will enable the QAA to meet the commitment of ensuring that risk-based quality assurance is proportionate for providers with small pockets of HE provision.

74. We acknowledge the view from the consultation responses that shorter review visits do not necessarily reduce the institutional effort, as the preparations and documentation requirements remain the same. In the light of the proposals above, we will ask the QAA to be more explicit in its discussions at each preparatory meeting with an institution about how it will tailor the review more effectively to the provider's circumstances, and how it will take greater account of self-evaluations. We expect that, where the QAA is confident about the track record of a provider, steps will be taken to reduce further the intensity of review.

#### Guidance to the QAA

75. We believe a more tailored approach to reviews should reduce the intensity of the QAA's engagement with providers that have a strong track record in managing quality and standards. We therefore ask the QAA to use its discretion in seeking to limit the parameters of review, where appropriate, in view of the risk-based approach to quality assurance.

### **Section four: Seeking to achieve a better regulatory environment arising from PSRB accreditation and QAA review activities**

76. In the consultation document we asked whether and, if so how, the QAA should seek to streamline or modify its external review activities for those providers which have a substantial proportion of their provision accredited by PSRBs.

77. Many respondents to the consultation supported the principle of streamlining QAA and PSRB review activity. In particular, a number of respondents referred to the work currently being taken forward by the Higher Education Better Regulation Group and the QAA in this area, following the agreement of the Principles for Better Regulation of Higher Education in the United Kingdom<sup>5</sup>.

78. It was, however, widely acknowledged that PSRBs' review processes and those of the QAA do not produce comparable information, with the former focusing on standards of subject-level accreditation and the latter being a peer-led consideration of institution-wide management

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<sup>5</sup> For further information, please see: [www.hebetterregulation.ac.uk/HEConcordat/Pages/default.aspx](http://www.hebetterregulation.ac.uk/HEConcordat/Pages/default.aspx).

of standards and quality. The low level of student engagement with PSRB accreditation processes was also noted. A number of respondents further commented that, as PSRB activity varies significantly, it would be difficult to achieve consistent cross-sector progress in this area. As such, the consultation only produced a few tangible proposals for how PSRB and QAA activity could be streamlined.

79. HEFCE is fully supportive of the progress made in this area, and we are pleased to engage with the HE Better Regulation Group's discussions of this issue. Discussions on this are also taking place under the auspices of the Regulatory Partnership Group (RPG) (formerly the Interim Regulatory Partnership Group), which brings together the sector organisations with oversight responsibilities for HE in England<sup>6</sup>. The RPG recently commissioned a review of the data and information landscape. The review made recommendations for achieving an improved data landscape for HE, including common data standards and a coherent approach to data collection. PSRBs' information requirements will be identified as part of a second phase of this work, which is intended to investigate the data and information demands made on providers and find ways to streamline them.

80. In addition to supporting this ongoing activity, HEFCE is asking the QAA to make further progress in this area, in particular through the further development of individual agreements with PSRBs. Specific agreements with the General Medical Council, General Dental Council and Ofsted have contributed to reducing burden on institutions. This case-by-case development approach is appropriate in view of the number of PSRBs and their different roles according to statutory, regulatory and course accreditation requirements.

81. In order to address this issue further, HEFCE is inviting the QAA to consider how greater weighting can be given to PSRB reports, where available, as evidence, and how to source and consider more reports prior to a review visit. We also invite the QAA, where possible, to consider greater synchronicity in timetabling between QAA and PSRB visits, should a provider express support for this.

#### Guidance to the QAA

82. We ask the QAA to continue with efforts to remove duplication between PSRB and QAA activity and thus achieve a better regulatory environment for providers. In particular, we wish the QAA to consider the timing of reviews; how greater weighting can be given to PSRB reports, where available, as evidence in QAA reviews; and how to obtain and consider more reports prior to a visit. We also support the QAA in its efforts to develop further agreements with individual PSRBs in order to reduce regulatory burden.

### **Section five: Safeguarding the quality and standards of HE – mechanisms to investigate concerns raised**

83. We stated in the consultation document that a more risk-based approach should include mechanisms to instigate out-of-cycle interventions. We indicated that one such mechanism already existed, namely the QAA's concerns scheme, and we also proposed the introduction of an annual review of nationally collected data.

84. Many respondents expressed support for the concerns scheme, considering it a sufficient mechanism to enable standards and quality to be safeguarded; it was consistently argued that an

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<sup>6</sup> For further information on the RPG, please see: [www.hefce.ac.uk/about/intro/wip/rpg/](http://www.hefce.ac.uk/about/intro/wip/rpg/).

annual review of data was therefore not required. Other concerns about the scope, validity, availability and reliability of data were expressed. These concerns are considered in detail in Annex A.

85. In the light of the changes to the frequency, nature and intensity of review and the concerns expressed, we will not be implementing our proposals for an annual data review by an external panel. HEFCE remains of the view, however, that there are national data available which are relevant to the consideration of quality and standards at institutional, and sometimes at departmental, level. We will continue to use established processes for monitoring the risk profile of institutions, which draw on the accountability information we routinely collect and on other information such as quality assurance assessments.

86. We will therefore ask the QAA to ensure that all providers make explicit reference in their self evaluation documents (SEDs) to their achievements and shortfalls against relevant nationally benchmarked data, such as National Student Survey data and national performance indicators. Should the data suggest that a provider's performance is falling substantially below its benchmarks, we will look to the QAA to consider the reasons given for this and, equally important, the steps the provider is taking to bring about change. (We also suggested in the consultation document that changes of ownership could serve as a factor that may affect quality, and we have indicated in paragraph 40 that this information may result in the review being brought forward.) We will ask the QAA to report annually to us on how the sector is responding, and any broader issues or concerns the Agency has as a result.

87. We also ask the QAA to encourage student unions to give detailed consideration of the published data sets, and to comment as appropriate in the student written submission (SWS). The QAA may also wish to consider how to ensure that good practice in this area, through both SEDs and SWS, is shared and disseminated.

88. As part of its statutory duty, HEFCE is asked to form an annual opinion on both the performance of the QAA and the quality assurance system as a whole. This is reported to the National Audit Office and BIS. We expect that the information from the QAA on which this annual opinion is based will, in future years, make explicit reference to how institutions are considering benchmarks in their SEDs and the usefulness of student comment on this.

89. HEFCE will also continue to feel able to use the concerns scheme, if it considers that there is sufficient justification to do so.

90. To ensure that the concerns scheme operates effectively and robustly, we will encourage the QAA to further its efforts to raise awareness of the scheme, working closely with student organisations. A number of consultation responses indicated that the difference between the QAA concerns scheme and the OIA complaints service does not seem sufficiently clear, and that the interconnections between the two would seem to need some consideration

91. This will entail setting out clearly when a student should raise an issue under the QAA's Concerns Scheme (if it indicates **serious systemic or procedural problems**) or through the OIA which deals with individual student complaints about providers. With this in mind, we are pleased that the QAA and the OIA have a memorandum of understanding in place concerning information sharing between the two organisations and we look to their continued efforts to ensure greater clarity and awareness regarding recourse to the respective complaints schemes. This will help to ensure that the interests of students are better protected. We will also invite the

QAA to continue to make its work more public-facing, so that students feel empowered to raise concerns.

#### Guidance to the QAA

92. While HEFCE has a responsibility for promoting and protecting the student interest, and equally to ensure that quality and standards are maintained between scheduled reviews, we now wish our responsibility for quality assessment to follow a risk-based approach. We therefore invite the QAA to ensure that its reviewers consider carefully, at each external review, the nationally published data set for that institution. We ask the QAA to ensure that all providers make explicit reference in their SEDs to their achievements and shortfalls against relevant nationally benchmarked data. Should the data suggest that a provider's performance falls substantially below its benchmarks, we look to the QAA to consider the reasons given for this and, equally importantly, the steps the institution is taking, or intends to take as a consequence to bring about improvement.

93. Similarly, we will ask the QAA to encourage student unions to use their SWS effectively, including making reference to institutional benchmarks and performance.

94. We will ask the QAA to comment in its annual report to us on how these arrangements are working.

95. Given the importance of the concerns scheme within risk-based quality assurance, we also wish to see the QAA make greater effort to promote the scheme in cooperation with the National Union of Students (NUS), so that students and other interested parties are familiar with its existence alongside their recourse to the OIA's complaints procedure, and with the different remits of the OIA and the QAA. More generally, we also look to the QAA to continue to make its work more public-facing so that students feel more empowered to raise concerns.

#### **Section six: Enhancement-focused quality assurance**

96. In our consultation document, we emphasised the importance of risk-based quality assurance retaining a focus on enhancement and continuous improvement. In particular, in basing our proposals on the existing Institutional Review method we indicated that the QAA should retain both the existing judgement on the enhancement of student learning opportunities and the thematic element of Institutional Review. Together, these help to ensure universal engagement with Part B of the UK Quality Code (on assuring and enhancing academic quality) and a strong commitment to development and enhancement.

97. Respondents to the consultation strongly agreed with us in emphasising that enhancement activity is important, and that a risk-based approach to quality assurance should continue to promote its importance. We fully endorse the QAA's comments in response to the consultation indicating that the concept of quality assurance should include enhancement. This has been an important factor in considering the frequency, nature and intensity of reviews. We also recognise that the Higher Education Academy (HEA) and the QAA are already working together to embed good practice more widely. We set out some of the views expressed on this issue in further detail in Annex A.

98. Throughout the consultation and in this outcomes document, we remain clear that quality assurance is not simply about meeting a set of minimum standards, but that it also drives a cycle of improvement, best practice and excellence. We are also clear that enhancement activities

should include an innovative dimension, by which for example institutions might develop the students' learning experiences or flexibility of provision. The innovation might be through further cross-institutional or collaborative approaches, or through greater and more effective use of learning technologies, as well as in many other areas.

99. In the consultation document, we specifically proposed that special thematic review across one or more institutions might provide an opportunity within the review process to address, in a timely way, issues that are attracting legitimate public interest or concern. Few comments were made on this specific proposal. Under its concerns scheme however, the QAA may already, upon receipt of intelligence derived from a range of sources (such as published data), undertake such issue-based enquiries in more than one provider. Thus, if the QAA detects emerging patterns showing systemic issues across the sector, it already has the powers to investigate further. Hence we will not proceed with this specific proposal for thematic review.

#### Guidance to the QAA

100. Given respondents' strong agreement with the consultation proposal that risk-based quality assurance should be enhancement-focused, the QAA should ensure that external review continues to enable the sharing of good practice and promotes continuous improvement.

### **Section seven: Student engagement**

101. There were references throughout the consultation responses to the strength of the new review method and the benefits of placing much greater emphasis on the role of students – both as partners in the review process and in the broader expectations of engagement across their whole learning experience (now addressed in chapter B5 of the UK Quality Code). However, a number of respondents expressed disappointment that the proposals offered nothing substantively new, and felt that, by focusing attention on complaints and concerns, they risked undermining the positive impact of these broader expectations of student engagement. We are strongly supportive of the broader focus on student engagement and although we do not plan to change current arrangements, we do intend to work together with the NUS, the QAA, the HEA and other partners to ensure that good practice in the sector is further sustained and strengthened. We also acknowledge that the QAA will be reviewing its new chapter in the Quality Code after two years to ensure that it remains sufficiently challenging.

#### Guidance to the QAA

102. Given the consultation responses' emphasis on the importance of full student engagement in quality assurance, and in addition to its activities to make its work more public-facing, the QAA is invited to continue to promote the role of students throughout the ongoing institutional processes of quality assurance and enhancement activities. We also wish the QAA to continue to take steps to ensure that the SWS are a central part of the review process and that student unions are well equipped to provide them to a high standard, taking national data into account.

103. The QAA must also make further effort to ensure, in cooperation with the HEA and the NUS, that good practice continues to be shared.

## **Quality assessment and HEFCE's financial sustainability and risk procedures**

104. Some respondents questioned whether our proposals in the consultation document achieve a truly 'risk-based' approach to quality assurance. It was also suggested in other responses that a more fundamental back-to-basics approach would have been more appropriate. Others suggested closer scrutiny of other aspects of the quality assurance system such as the breadth and depth of the UK Quality Code. We set out in the original consultation document the parameters for the consultation as agreed with BIS.

105. Given concerns about an over-simplified approach to quality assurance, and potentially unjustified negative effects on institutions' reputations, we did not propose a risk-based categorisation of institutions, or a risk matrix which would seek to categorise how institutions manage risk. (Indeed, such an approach would have required changes to the judgements already in place.) Instead, our recommendations concern the introduction of a national oversight which covers the processes in place to assure quality. The QAA is contracted to look at these processes and how they are managed. A risk-based approach ensures that the QAA as an independent body directs its attention where it will have the most impact. Our outcomes therefore continue to support the QAA's primary responsibility of looking at institutional arrangements for ensuring quality and standards of provision. We would not wish to, and could not, extend the QAA's remit further, for example by proposing special consideration of governance and management issues across the spectrum of institutions' activity. HEFCE will continue to use established processes for monitoring the risk profile of institutions, which draw on the accountability information we routinely collect and on other information such as quality assurance assessments.

### **Next steps**

106. The QAA will undertake a sector-wide consultation on a draft handbook (which will incorporate a summary operational description) this winter, with the final version to be published in 2013, allowing sufficient time for institutions to prepare for the new approach. This handbook will be based on and further develop the guidance we will give to the QAA as indicated in this document.

107. Publication of the final version of the handbook in the spring of 2013 will allow institutions time to prepare for the implementation of a more risk-based approach to quality assurance in 2013-14, but, as indicated previously, with the first reviews not scheduled until January 2014. Prior to the implementation of the new approach, the QAA will run training events for providers.

108. Currently under Institutional Review, if an institution receives a 'fails to meet' judgement or makes unsatisfactory progress on a 'requires improvement to meet' judgement, and then subsequently fails to make satisfactory progress in implementing an improvement plan agreed with the QAA, HEFCE's 'Policy for addressing unsatisfactory quality in institutions' (HEFCE 2011/36, available at [www.hefce.ac.uk/pubs/year/2011/201136/](http://www.hefce.ac.uk/pubs/year/2011/201136/)) will be triggered. We will update this policy for the start of the risk-based approach to quality assurance in 2013-14, to take account of the new funding and regulatory environment.

109. We will also develop plans for the evaluation of this more risk-based approach to ensure that it is working effectively and robustly, with any resulting revision to be implemented in 2015-16.

## **Annex A**

### **Detailed analysis of responses**

This annex is available for download alongside this document on the HEFCE website under Publications.



List of abbreviations

<b>BIS</b>	Department for Business, Innovation and Skills
<b>FEC</b>	Further education college
<b>HE</b>	Higher education
<b>HEA</b>	Higher Education Academy
<b>HEBRG</b>	Higher Education Better Regulation Group
<b>HEFCE</b>	Higher Education Funding Council for England
<b>HEI</b>	Higher education institution
<b>NUS</b>	National Union of Students
<b>Ofsted</b>	Office for Standards in Education, Children's Services and Skills
<b>OIA</b>	Office of the Independent Adjudicator
<b>PSRB</b>	Professional, statutory and regulatory body/bodies
<b>QAA</b>	Quality Assurance Agency for Higher Education
<b>RPG</b>	The Regulatory Partnership Group (formerly the Interim Regulatory Partnership Group)
<b>SED</b>	Self-evaluation document
<b>SWS</b>	Student written submission