



Higher Education Policy Institute

**HEPI Occasional Report (6)
New arrangements for Quality Assurance
in Higher Education**

QUALITY ASSURANCE IN HIGHER EDUCATION

DEVELOPING THE NEW HIGHER EDUCATION REVIEW

Anthony McClaran, Chief Executive QAA

Recent developments in quality assurance

1. The 2011 government white paper, *Students at the Heart of the System* included proposals for a move towards a more risk-based approach to the quality assurance of higher education in England. There has been an inclination in some quarters to view some of the paper's policy direction as radically new and even potentially destructive of some of the key values of quality assurance but, in reality, it was more evolutionary than the debate in public or the media might suggest, with some clear antecedents. It is worth reminding ourselves of the main directions in the development of quality assurance over recent years, to help place these latest changes in context.
2. The recent history of public and political debate about the role of external quality assurance — from the report of the Innovation, Universities, Science & Skills select committee in the summer of 2009, through the then Labour government's *Higher Ambitions* in 2009, to the Browne report in 2010 — has established some key cross-cutting themes for the future direction of higher education quality assurance in England. In many ways, the 2011 white paper has built on these: a new emphasis on the centrality of the student experience; a need to ensure better public information about higher education; and a closer engagement with the 'public interest' which QAA was explicitly established to serve, in 1997.
3. It is also worth reflecting on the strongly deregulatory momentum which has already been achieved in quality assurance over the past fifteen years, from the removal of subject review in 2001 and discipline trails in 2005, to the progressive lengthening of the cycle of review since then. A risk-based approach is not entirely new either, having been used as the basis for determining the frequency of review — with a shorter interval between reviews for those institutions with 'limited' or 'no confidence' judgements — in Wales since 2009-10.
4. Within QAA, we have already made significant changes, driven partly in response to the themes discussed above. Notably, student engagement has been strengthened at every level of the Agency's practice and is the first aim of the 2011-14 QAA Strategy. Changes include the introduction of student reviewers, greater involvement of student representatives in the review process, and a formal role for students in QAA governance through a Student Advisory Board and the inclusion of two student members on the QAA Board. Contrary to some rather gloomy predictions, greater student involvement in quality assurance across reviews and QAA governance has so far proven to be an unqualified success.

5. Additionally, communication with students and the public has been made clearer and more direct, using all the channels that modern technology offers. The QAA Concerns Scheme, capable of investigating specific threats to quality or standards quickly and effectively, has been securely established. There has also been a transition to new review methods, notably the Institutional Review method for England & Northern Ireland, which was developed in extensive consultation with the sector and was launched in the 2011-12 academic year, replacing Institutional Audit.

6. These specifically English changes have taken place in the context of a quality assurance framework which has, since QAA's inception, been UK-wide but adapted in its application across each of the four nations. The central component of that framework is the UK Quality Code for Higher Education, setting out the expectations that apply to all providers of UK higher education.

Shaping a more risk-based approach: consulting with the sector

7. Following the 2011 government White Paper, subsequent technical consultation and response, the steps to implementation moved forward with a detailed consultation with the English higher education sector between May and July 2012, led by the Higher Education Funding Council for England (HEFCE). QAA acted as expert adviser to HEFCE during the development of the consultation document, entitled "A Risk-Based Approach to Quality Assurance".

8. The consultation placed emphasis on making external review proportionate to the provider's proven track record:

"Our intention is to move to a lighter-touch approach where track record and type of provision warrant such a change. We propose that our guidance to the Quality Assurance Agency (QAA), following the consultation, will direct attention and effort where it will have the most benefit in the development, enhancement and protection of quality and standards."

9. The consultation proposed changes to the nature, frequency and intensity of QAA's engagement with providers. Any change, however, was underpinned by three key principles.

10. First, that a universal system of quality assurance would be retained for higher education providers, which continued to promote enhancement, and was based on continuous improvement and the effective dissemination of best practice.

11. Secondly, that any new approach to be adopted would be robust and rigorous, enabling HEFCE to fulfil its statutory duty to secure assessments of quality in higher education providers that have access to public funding.

12. Thirdly, that students would continue to play a prominent role in assessing their own academic experiences – something which the UK's National Union of Students had already been working on with a number of

Agencies, alongside improvements by higher education providers to student representation and engagement with quality assurance.

13. There were 130 responses to the consultation, the outcomes of which were published by HEFCE in October 2012. The responses showed wide support on a range of key issues and, in particular, for the proposal to build on the recently revised method of Institutional Review as the basis for a more risk-based approach to quality assurance, with its clearer judgements, focus on risk and reduced bureaucratic burden compared with previous methods. Alongside this was an emphasis from respondents on ensuring that enhancement remained a core dimension of English quality assurance, and on continuing to involve students fully in the quality assurance process, as partners in assessing and improving the quality of their own higher education.

14. There was also broad support for reducing unnecessary burden and achieving better regulation by targeting QAA's efforts where they are most needed, and for increasing transparency about reviews and the rolling review programme. Respondents also welcomed the proposal to tailor external review to the individual circumstances of providers (as opposed to a 'one size fits all' approach).

15. However, a number of the original proposals were dropped as a result of the consultation. The proposed Routes A & B (which would have determined the frequency of review for each institution) were removed, following respondents' concerns about possible negative reputational impact of being in one route rather than another. Nor would the proposed annual review of data be implemented. Instead, QAA would take greater account of publicly available data and information in its review methods. The proposed "core and module" approach to individual reviews was also dropped and a single review, albeit one tailored to the circumstances of each institution, proposed instead.

16. The main outcomes being taken forward include:

- A six year review cycle for those institutions with a longer track record of successfully assuring quality and standards (the pre-requisite will be two or more external institution-wide reviews)
- A four year review cycle for those providers with a shorter track record
- Greater transparency through the publication of a rolling forward programme of reviews
- Reviews more tailored to the circumstances of individual providers (for instance, by adjusting their frequency, nature and intensity)
- A single review visit and no separate reviews of different types of provision (for instance, no separate review of collaborative provision)
- An end to mid-cycle review, with quality and standards safeguarded between reviews through QAA's Concerns Scheme

Considerations in developing the new method: Higher Education Review

17. In developing the new method, Higher Education Review, QAA has remained committed to fulfilling its mission of safeguarding the standards, and improving the quality, of higher education. It is critical that any variation in the intensity of review for individual providers is based on sound evidence and does not prevent QAA reviewers from investigating the key issues affecting students and other stakeholders who may expect to rely on its work.

18. On 28 January 2013, QAA opened its consultation on Higher Education Review which will be launched in 2013-14 and, it has been confirmed, will also operate in Northern Ireland. Higher Education Review will succeed two existing methods: Institutional Review in England and Northern Ireland (IRENI) and Review of College Higher Education (RCHE).

19. The overall aim of Higher Education Review is to inform students and the wider public whether a provider meets the expectations of the higher education sector for:

- The setting and/or maintenance of academic standards
- The provision of learning opportunities
- The provision of information
- The enhancement of the quality of its higher education provision

20. Higher Education Review will involve a two-stage process. The first stage is called Initial Appraisal and will determine the intensity of the second stage of the process, the review visit.

21. As with its predecessors, Higher Education Review will be carried out by peer reviewers — staff and students from other higher education providers — against the expectations for higher education provision set out in the Quality Code.

22. Students remain at the heart of Higher Education Review. They will continue to be full members of QAA's peer review teams. There will also continue to be opportunities for the provider's students to take part in the review, through the student written submission, meeting the review team during their visit, working with their providers in response to review outcomes and acting as lead student representatives.

23. The QAA consultation focused on the draft Handbook for the new method, exploring areas including the new Initial Appraisal stage, the proposed pilot introduction of international reviewers, judgements about 'Managing Higher Education with Others', determining review intensity and future evaluation of the new method.

24. The consultation closed on 22 April 2013. This will allow time for implementation — following preparation and training — to begin in the 2013-14 academic year, with the first reviews taking place in early 2014.

Future considerations and challenges

25. As QAA undertakes this work, it remains critical that it achieves the right balance of interests under the new method, bringing together a lighter touch, transparency, consistency, professional judgement and a tailored approach for each provider. Framing all of this, QAA must continue to ensure that students and their interests are at the heart of a robust quality assurance process, within a clear UK framework for review.

26. There are other considerations and challenges to address. QAA must ensure that it identifies and puts in place indicators which will flag future risk within a provider and not focused only on past performance. QAA must also examine — with its partners in the Regulatory Partnership Group (see below) — any need for greater account to be taken of finance and governance in the future, as part of an overall risk assessment.

27. Then there is the danger of risk as a 'self-fulfilling prophecy', where a provider marked as potentially higher risk suffers, perhaps unfairly, from negative public perceptions and consequently is open to greater external risk. How does a risk-based system avoid stifling the very innovation which is at the heart of a successful higher education system? Some risks may present problems, but risk-taking is essential.

28. Over and above all of this, there are the emerging challenges of new providers and new methods of delivery such as MOOCs (massive open online courses) entering the marketplace, to which all QAA review methods will need to adapt for the future.

29. It is also important to remember that the move to a more risk-based approach is taking place within a broader, changing higher education policy context. It was in response to this that the Regulatory Partnership Group was established in September 2011, to oversee the transition to the new regulatory arrangements for higher education in England. Jointly chaired by HEFCE and the Student Loans Company, its other members include the chief executives of QAA, the Higher Education Statistics Agency (HESA), the Office for Fair Access (OFFA) and the Office of the Independent Adjudicator (OIA).

30. The Regulatory Partnership Group has designed a work programme to implement the planned changes to funding and regulation in the sector. The programme has four main elements:

- Developing a new operating framework – the new operating framework will set out the roles, responsibilities, relationships and accountabilities of the various organisations involved in the regulation of higher education in England.
- Developing the successor to HEFCE's Financial Memorandum – this will reflect the changing landscape of higher education funding and the accountabilities of higher education providers.

- Redesigning the data and information landscape – a project to enhance arrangements for the collection, sharing and dissemination of data and information about the higher education system.
- Investigating constitutions and corporate forms – an analysis of the changing corporate forms of higher education providers and the implications of this for the interests of students and the wider public, and the reputation of the UK’s higher education system.

31. In a time of change within the higher education sector, the aspiration is that these projects should provide a clearer understanding of the regulatory landscape for higher education provision in England, safeguarding its reputation and quality for the future.

32. It is clear that the move towards a more risk-based approach marks a significant new stage for the external quality assurance of higher education. Previous models — from the early efforts of the Committee of Vice-Chancellors & Principals’ Academic Audit Unit, through the work of the Higher Education Quality Council (HEQC), to the audit methodology of QAA itself — have stressed the importance of treating every institution identically, within a fixed audit interval and through the same audit visit. The motives were sound: to ensure fairness and to avoid any suggestions that a priori judgement had been made in advance of the institutional visit itself. The approach was, arguably, well-suited to a relatively homogenous sector, with what Sir David Watson has called a “controlled reputational range”. It is less appropriate for an increasingly diverse sector with a significant number of new entrants of very different kinds. It is inflexible and struggles to respond to greatly differing levels of activity, complexity and potential risk.

33. However, despite (and arguably because of) a period of challenge and change, key values central to the exercise of effective higher education quality assurance remain firmly in place.

34. QAA continues as an independent charitable body, with autonomous responsibility for its operations and working in partnership with institutions that are themselves autonomous. QAA’s external quality assurance processes and judgements are driven by criteria and methodologies which may be influenced, but cannot be determined, by third parties. Peer review — not inspection — remains at the heart of the new review methods. Indeed, with recent additional responsibility for educational oversight on behalf of the Home Office and UK Border Agency, and for designated provision, QAA has proved that the model developed in partnership with the established higher education sector can be extended effectively to a new range of alternative providers.

35. This has supported an entirely consistent strategic aim, also reflected in the 2011 government white paper, that higher education, wherever and by whomever it is delivered, should be quality assured within the same external framework, to “safeguard the public interest in sound standards of higher education qualifications”

RISK-BASED QUALITY ASSURANCE – THE RISKS

Professor Roger Brown, Professor of HE Policy at Liverpool Hope

36. Anthony McClaran describes very reasonably and clearly the recent moves to a more student-centred, risk-based quality regime. However, the issue is whether – given the new and more competitive environment in which all higher education institutions are now having to operate – this regime will be strong enough to protect the future quality and standards of UK universities' and colleges' programmes and awards. There are at least three sets of reasons for supposing that it will not be.

37. Before coming to that, we should remind ourselves of the main features of the new environment being created through the Government's higher education reforms. They include:

- An overall reduction in the public resources going into HE
- A shift to a voucher system for funding teaching, so that for most subjects the only income institutions receive is the student fee
- The nearly threefold increase in the level of the full-time undergraduate course fee
- Competition on fees, fee waivers, and bursaries and scholarships between providers
- A substantial deregulation of funded places
- The lowering of the barriers to market entry for new providers (and the exit of some existing ones)
- A number of moves to strengthen the role of students as consumers, supported by
- Greatly increased information about institutions and courses.

38. Together, these will take the UK – or at least the English – higher education system closer to a genuine economic market than anywhere else outside the US private sector. But even without these, the present regime has a number of major limitations. There is also the question of who actually controls the quality assurance regime.

39. There is a further, underlying point. In a supply-driven system, where resources, conditions and types of offerings do not vary greatly between institutions, where the taxpayer is meeting most of the cost, and where there is little information purporting to indicate educational quality, there is less likely to be huge external interest in quality. Once these conditions are relaxed, though, and especially where students or families are meeting most of the costs (even though subsidised), quality is of much greater importance. Whereas previously consumers may have been content to accept the bona fides of the institutions and their staff to protect quality, attention now shifts to the outcomes, and whether those outcomes represent good value for money for the investment made. Yet because of increasing diversity those judgements are even harder to make.

The limitations of the present regime

40. As Anthony says, the scope of the current QA regime has been considerably broadened over the years, and especially since the 2009 report of the House of Commons Innovation, Universities, Skills and Science Committee (IUSSC), and especially one of its central criticisms, that the review process did not focus sufficiently on academic standards. Whilst the greater post-2011 focus on standards is welcome, the general extension of coverage – to the point where there are no fewer than 126 indicators that reviewers may take into account – carries a very clear risk that the reviews will be reduced to a box-ticking, compliance process rather than an open dialogue where the reviewers have both the time and the means to enquire deeply into any aspect of institutional quality, pursuing audit trails and asking awkward questions as they go. Whilst this is still possible in theory, it is much harder to do because of the expansion in both the core content and in the number of judgements reviewers are required to make.

41. Moving to a more selective, 'risk-based' approach exacerbates this even though between them HEFCE and QAA have done a good deal to neutralise the original Government proposals that might have seen certain providers avoiding review altogether. Yet the fundamental problems with a risk-based approach remain. They were well set out in an earlier HEPI report by Professor Roger King. The main one is that past experience can never be a reliable guide to future performance, especially bearing in mind how quickly things can change – for example, the appointment of a new Vice-Chancellor or a sudden drop in student enrolments – and the number and diversity of educational activities in which institutions are now engaged, both here and abroad. Other issues include the need for robust and defensible criteria for distinguishing between providers and/or areas of provision, the need to minimise the risk of challenge from institutions with likely 'high-risk' areas of provision, and the need for rapid responses when problems arise. It may not therefore be too cynical to suggest that the risk-based approach will continue until, and only until, the first 'low-risk' provider is found to have major quality problems.

42. Giving evidence a few years ago to a House of Commons Select Committee, the former head of OFSTED, Christine Gilbert, reckoned that 47 per cent of schools judged to be "Outstanding" previously, had lost that grading in their next inspection. That year's Ofsted Annual Report stated that of the Outstanding schools inspected in 2010-11, 40 per cent had seen their overall grade drop. Three schools dropped three levels, from Outstanding to Inadequate and 11 more dropped two levels, to Satisfactory. The report commented that 'This underlines the fact that a previous track record of success is no guarantee that schools will continue to flourish'.

43. What is particularly ironic in this context is the fact that even though the scope of review has considerably expanded, it still does not cover all of

the institutional policies and practices that are recognised as being critical for quality and standards.

44. In two recent authoritative reports for the Higher Education Academy, Professor Graham Gibbs has drawn attention to a number of key 'process variables' that are critical for student learning but that are either not covered at all by the current regime or are covered only indirectly. They include cohort and class size, the level and quality of student engagement and effort, the extent of close contact with lecturers, who undertakes the teaching, the quantity and quality of feedback to students, the amount of collaborative learning, and the level and quality of investment in learning resources (a further difficulty is that these all vary within institutions). Many of these have also been highlighted by HEPI's academic experience surveys.

45. Gibbs's critique points to a basic weakness in the current quality arrangements - the absence of any reference to the level and use of resources. Anthony accepts that - looking to the future and as part of risk assessment - there may be a need to take greater account of finance and governance. However from the point of view of what actually goes on in institutions it is quite artificial to focus only on academic policies and practices when it is the interaction between those policies and practices on the one hand, and management and governance decisions on resource allocation on the other, that largely determine the quality of what institutions actually offer. The current regime's failure to accommodate this aspect of quality management is in itself sufficient to invalidate the whole process.

46. If there were any doubts on this score, they should surely be removed by the cases, reported to the House of Commons Committee and included in its report, where institutional managements intervened to override academic decisions in the interests of resourcing or reputation. The two most serious cases occurred at Bournemouth and Manchester Met. At Bournemouth, Professor Paul Buckland resigned in 2007 in protest at the decision of the university authorities that 13 students whom he and an exam board had failed should nevertheless be deemed to have passed. He subsequently won his claim for compensation for unfair dismissal. The authorities at Manchester Met disciplined a lecturer, Walter Cairns, who had protested at management attempts to force him to lower his standards of assessment because of the damage that high failure rates could do to the university's finances. When he complained to the Select Committee about his treatment, he was removed from the Academic Board at the Vice-Chancellor's insistence.

47. Finally, on coverage, although broader than previously (it now includes HE provided in FECs for example) it is accepted that the review regime does not cover all the providers whose students are entitled to publicly subsidised loans, and will not do so without legislation of which there is at present no sight. This could become even more critical as more

and more 'for profit' providers owing their primary loyalty to their owners rather than to their students enter the market. The Government's failure properly to scrutinise the takeover of BPP University College by Apollo Inc in 2009, and the takeover of what is now the University of Law by Montagu Private Equity in 2012, underline this concern. This takes us to the second source of vulnerability, the new competitive environment.

The new competitive environment

48. The institutional cases reported to the IUSSC were clear warning signals of the dangers to quality assurance even before 2012. The greater level of competition that we are now seeing, with unpredictable outcomes for an increasing proportion of institutions, poses an even greater threat. The present QA regime rests upon three cardinal assumptions:

- Quality assurance is resource-blind: no account is taken of differences in institutional standing or resources, still less are any judgements or comments made about resourcing levels, management or usage
- Whilst regulation is important, the key to quality improvement is quality enhancement: 'promoting and encouraging good practice and supporting institutions in their development', to quote from the QAA's response to the 2011 Government consultation document on the post-2012 regulatory framework.
- The best mechanism for defining and protecting quality and standards is academic peer review.

49. Each of these assumptions is actually or potentially threatened by the new competitive environment ushered in by the Government's reforms.

50. The regime's resource blindness is partly explained by the fact that (a) the previous HEFCE method for allocating teaching funding (which represented more than half of institutions' resources for teaching) made some attempt to keep institutions' funding for teaching within some sort of range and (b) there was in practice little price competition between institutions in determining either tuition fees or bursaries and scholarships. Also, though for different reasons, neither HEFCE nor UniversitiesUK was keen for QAA to enter this territory. Now however it is expected – and clearly intended by the Government – that there will be greater competition on both tuition and student support. And even if there is not, there are already considerable resourcing disparities between institutions which most experts expect to see grow as a quasi-market in student education develops. It should incidentally be observed that these disparities may not be confined to between-institution differences in cases where the same courses are offered in subsidiary institutions under the same awarding powers.

51. Most experts agree that it is quality enhancement that really makes the difference to quality. Yet it is clear from every one of the Government's pronouncements that it sees competition between institutions – buttressed

by quality information and indicators that may eventually include graduate earnings and debt levels for each degree course - as the key to raising quality. Hence the absence, in the 2011 consultation document, to any reference at all to quality enhancement as a key component of quality assurance. Yet there is very little evidence to support the claim that competition is the key to raising standards.

52. However potentially the most damaging implication for quality assurance of the new competitive environment is the threat that it poses to the academic community as the guardians of academic standards (as we have already seen in the Bournemouth and Manchester Met cases). Again, this is hardly an accident. It is of the essence of the Government's reforms that in future it is consumers (students) who should and will determine what is offered rather than producers (universities and colleges). There is a very clear risk that the responsibility for determining the appropriateness of standards and programmes will pass from academics and professional and subject bodies to students and, effectively, the media, through such devices as institutional rankings and league tables, websites like ratemyprofessor.com, and thousands of web-based reviews (my own former university was at the last count subject to over 30,000 such reviews).

53. If the veracity of this statement is doubted, consider how much institutional effort already goes into preparing for, supervising, publicising and following-up the results of the annual National Student Survey. In effect, the NSS - and the Key Information Set (KIS) - has displaced QAA review as the chief quality assurance mechanism across the sector. Yet as Professor Gibbs and many others have pointed out, the NSS has very little worthwhile to tell us about academic quality and standards, never mind its complete failure to allow for input variables, as the first evaluation of the survey pointed out:

"The need to take into account student profiles when making any comparisons... as 'raw' figures do not take into account the characteristics of students, their courses and the institutions in which they study may produce at best misleading and at worst invalid measures of teaching."

The control of quality

54. The final issue is in a sense the most important of all. It is the question of who controls quality through quality assurance.

55. Anthony describes the QAA as being an 'expert adviser' to HEFCE - albeit in one limited respect. Increasingly, however, QAA is becoming an agent of HEFCE, which in turn is of course an agent of the Government. To appreciate the significance, some brief background is needed.

56. Prior to 1992, at least in the university sector, quality and standards were seen as the institutions' business, as a letter in September 1989 from the Chair of the Universities Funding Council, HEFCE's immediate

predecessor, to the Chairman of the Committee of Vice Chancellors and Principals (now UniversitiesUK) made clear. This position changed when the legislation abolishing the binary line, the Further and Higher Education Act 1992, placed a duty on the funding councils to assess the quality of education in the institutions they funded. It should be noted that this duty did not, and still does not, extend to the consideration of their academic standards. This remained the responsibility of the individual institutions but monitored by a sector-owned body, the Higher Education Quality Council; however Section 82 (2) of the Act provided that the standards monitoring function could be transferred to the funding councils collectively if the Secretary of State gave the necessary direction (a direction that has not yet been made).

57. When HEQC was abolished, and to protect the universities' position, QAA was established as an independent agency to, in effect, hold the ring between the Government and the sector. It contracted with the funding councils to carry out teaching quality assessments and with the institutions individually to monitor standards. Teaching quality assessment finally came to an end in 2005. Paradoxically, however, the influence of the Government, through HEFCE, has increased. Thus it was HEFCE that conducted the consultation on the post-2011 quality assurance regime, and it was HEFCE that conducted the recent consultation on the risk-based approach to quality assurance. Moreover, the Government has declared its intention to make HEFCE the 'independent lead' regulator for higher education although again the legislation needed to give effect to that has yet to appear. Given that neither the Government nor HEFCE yet has any powers over institutions' academic standards it seems extraordinary that the sector appears to have accepted this major assertion of Government power with so little objection.

Conclusion

58. Even without the increased competitive pressures that we are already experiencing as the intended product of the Government's reforms, the present quality assurance regime is seriously deficient in both coverage and method. The move towards a risk-based approach will increase this inadequacy, and indeed increased market competition is already rendering it irrelevant. What is needed instead is a regime that covers all HE providers operating in the UK; focuses on the issues that really matter for quality (the standards institutions set for their students and how they allocate and use their resources for this purpose); cannot easily be traduced by compliance and games-playing; has powers to control both participation in, and entry to, the market; is completely independent both of the sector and of the Government and its agencies; and is adequately resourced. That is the role previously played by the CNAA which assured quality and standards in the former polytechnic sector.