



Quality Assurance Agency for Higher Education

Meeting of the Board of Directors

Senate House, University of London and by Video Conference, 12:00 – 16:00

Minutes of the meeting on 15 June 2022

Present

Board Members:

Professor Simon Gaskell (Chair)
Ms Eve Alcock
Professor Nic Beech
Dr Vanessa Davies
Ms Sara Drake
Ms Linda Duncan
Ms Hillary Gyebi-Ababio
Professor Maria Hinfelaar
Professor Rachid Hourizi
Ms Angela Joyce
Professor Karl Leydecker
Professor Sue Rigby
Professor John Sawkins
Professor Oliver Turnbull
Mr Craig Watkins
Professor Philip Wilson

In attendance

Officers:

Ms Vicki Stott (Chief Executive)
Mr Alastair Delaney (Executive Director of Operations (Deputy CEO))
Mr Tom Yates (Director of Corporate Affairs)
Ms Caroline Blackburn (Finance Director)
Ms Rachel Hill-Kelly (Assistant Company Secretary)
Ms Millie Crook (Head of Human Resources and Organisational Development) (*Item 9 only*)

Welcome, apologies and Chair's opening remarks (Item 1)

1. The Chair welcomed members to the meeting and the Board **approved** the appointment of Professor Karl Leydecker who then joined the meeting.
2. Apologies had been received from Professor David Jones.

Quorum and Interests (Item 2)

3. The meeting was declared quorate. No interests were declared beyond those previously notified and included in the Register of Interests.

Minutes of the Board meeting held on 9 March 2022, actions and matters arising (Item 3, BD-21/22-44)

4. The Board approved the minutes of the meeting held on 9 March 2022.
5. 09/03/77 The review of the Scheme of Delegations had been partially completed as the triennial situation continued to evolve.

09/03/63 the I&D fund had a healthy balance that allowed for investment in business development. QAA had recruited new flexible part-time staff, had standardised the process for international reviewers, and would centralise reviewer management. Delivery of the International pipeline could be met from the existing budget.
6. All other actions from the previous meeting were noted as complete or were addressed in later items; the Board noted the updates provided.

Consultative Board Update (Item 4, oral item)

Meeting held on 23 May 2022

7. Notes from the meeting were available on the Board site for members. It had been well attended including an OfS observer. GuildHE and UUK had emphasised the importance of a pan-UK quality body.
8. The Association of Colleges (AoC) had commented on AoC members' increasing confidence in QAA and the receptiveness of QAA to their feedback.
9. An update on the European Quality Assurance Register for Higher Education (EQAR) registration had been given. The importance of a pan-UK approach had been emphasised by members; there was concern about the visible divergence created by necessarily ruling QAA work in England out of scope for EQAR purposes.
10. James Harrison had provided an update on developments in Scotland, Wales and Northern Ireland. No further issues for discussion had been forthcoming from Consultative Board members. The Chair noted that the Consultative Board remained a useful forum for members and QAA to raise issues.

Chief Executive's Report (Item 5, BD-21/22-45)

11. Vicki Stott presented her report. It was with great sadness that VS reported the murder of a member of the Subject Benchmark Statement advisory group for English. VS had written a letter of condolence to the Vice Chancellor of the University of Suffolk where they had worked.
12. VS had attended the International Network for Quality Assurance Agencies in Higher Education (INQAAHE) annual conference in Mexico. It reinforced the impression that the UK was significantly ahead of many parts of the world in its use of artificial intelligence and data to inform matters of quality and standards.
13. The new minister for HE in UAE was a longstanding friend of QAA and would meet with QAA early in their tenure. Moves towards joint accreditation with local agencies in the Emirates were proceeding well.
14. QAA planned to reform the licensing arrangements and refresh its regulatory approach for the Access to HE Diploma; an International Access to HE diploma was in development.
15. VS continued to meet Vice Chancellors; discussion increasingly focused on the triennial review of the DQB function. Simon Gaskell suggested that the series of still ostensibly introductory meetings, should become a rolling programme.
16. VS had met with Minister for Universities, Michelle Donelan MP. Meetings with the DfE permanent secretary Susan Ackland-Hood and the shadow Universities Minister Matt Western had been postponed.
17. The QAA dinner to coincide with the Education World Forum had been well attended with a range of productive discussions to further collaborative work with partners around the world. John Sawkins noted that successful international relationships had been built by QAA and increased in importance in a short space of time.
18. SG informed the Board that the Director of International and Professional Services, Stephanie Sandford, was leaving to take a valuable opportunity in the private sector; her departure would represent a significant loss to the QAA. The Board expressed its thanks to SS for her work. **Action:** SG would send a note of thanks.

Report and Interactions with Funders and Regulators (Item 6, BD-21/22-46)

19. Alastair Delaney presented the report and highlighted there had been frequent engagement with the Scottish Funding Council (SFC) regarding the implications of its review into coherent provision and sustainability. James Dunphy from SFC would attend the Quality Debate event following the Board meeting, and was keen to discuss the future relationship. QAA Scotland had held an excellent Enhancement conference.
20. In Wales, the Tertiary Education and Research Bill (Wales) was awaiting Royal Assent. QAA had continued to work on the future of quality with the Welsh Government, Estyn and HEFCW through monthly meetings. Maria Hinfelaar highlighted that September would be the start of a lengthy transition period in Wales; QAA would have to work with both the current regulator and the new shadow agency.

21. In Northern Ireland, QAA was waiting for the Department for the Economy (DfE-NI) to specify the new approach to quality, and to contract with QAA for the successor to the Unsatisfactory Quality Investigation Scheme. AD had flagged to DfE-NI that QAA's Self-Assessment Report for the European Association for Quality Assurance in Higher Education (ENQA) would need to make visible Northern Ireland was non-compliant with the European Standards and Guidelines if no new approach was indicated in time.
22. In England AD continued to meet weekly with DfE officials including the Deputy Director. More formal meetings were held on a regular basis with DfE. SG noted the improved relationship was a constructive development in communication with DfE.
23. SG expressed concern that in Scotland, the spirit of collaboration that had hitherto existed was at risk.
24. Hillary Gyebi-Ababio asked about QAA engagement with the UKSCQA "UK-ness" statement. AD reported that Universities Scotland had rewritten it, but that it was still a work in progress. JS recalled that when this was last discussed there had been difficulty in identifying commonality initially, but it had emerged later in the process.
25. HGA informed the Board that following the NUS Scotland vote in favour of an independent NUS Scotland, the NUS was exploring options for how its relationship with NUS Scotland might work, possibly on a model such as the student movement in Northern Ireland, NUS USI.

Update on the Triennial Review of the DQB Function and Strategy (Item 7, BD-21/22-47)

26. VS provided a recap of the strategy and principles for the triennial review agreed at the Board meeting on 9 March. DQB must assure both quality and standards. The situation remained complex and fast-moving.
27. At a strategic level, communication with OfS was now being conducted by correspondence. The Board provided appropriate and robust challenge to the Executive as ever, but the two were entirely united in their approach.
28. At an operational level communication and engagement with the OfS continued as normal. Rob Stroud continued to meet weekly with OfS, and 30 further commissions for Quality and Standards Reviews were anticipated.
29. OfS had issued a Direction in relation to the new review method being developed.
30. The relationship with DfE was far better. QAA had been honest on its track record as DQB. DfE had asked QAA to provide a submission for the Secretary of State outlining the options for the future: remain DQB with a revised MoU, remain DQB with an entirely new arrangement whereby the DQB would report to DfE rather than to OfS, or demit the role.
31. There was at present no obvious alternative to QAA as DQB so any alternative agency might be starting from scratch.
32. DfE had requested submissions from QAA and OfS by 17 June ahead of the Parliamentary Recess so the Secretary of State could give a direction of travel.

33. The Board agreed that it was important to QAA's credibility to meet the deadline with a concise submission; it was an opportunity to influence ministerial thinking on the process. The prospect of a decision slipping still further was uncomfortable and would make it difficult for QAA to plan.
34. Nic Beech understood that UUK had written to DfE, having been sounded out as to whether an alternative to QAA as DQB existed.
35. VS clarified the position in respect to the potential judicial review. QAA had forwarded the correspondence between QAA and OfS, and QAA's legal advice, to DfE in the hope that DfE would reach its own view on the question of the DQB's independence.
36. The OfS had competing priorities in the autumn with eight business schools under investigation and the launch of the Teaching Excellence Framework. There was dissatisfaction in the sector and the possibility of legal action by providers against the OfS.
37. There was some concern from government officials as to non-compliance of the UK's obligations in the EHEA, and the risk to the Government's EQAR membership; this concern was driven by the implications for student and graduate mobility and international student recruitment.
38. The DfE special advisor, meanwhile, was under the misapprehension that no provider had failed a review since 1997. QAA had sent over data to correct this perception. Data on all review methods between 1997 and 2017 showed an average of 10% of judgements were negative. Since designation in 2017, 27% of overall judgements had been negative.
39. Tom Yates commented that perhaps DfE had misunderstood the QAA membership function. QAA was working with a PR firm and a secondee to the Policy and Communications team. The executive had held a workshop with the PR team the previous day.
40. It appeared there was appetite in the sector, at Westminster and from the media for QAA to be heard not as part of a 'quality war' but as an independent authority with opinions on quality. QAA was doing this through the 'QAA at 25' programme including the debate that would follow the Board meeting. There was concern that in QAA remaining quiet in the public sphere to deflect the OfS claim of conflict of interest, QAA had left a vacuum. QAA was saying the right things in private to decision makers, this now needed to be backed up in public discourse. QAA was now considering actions to rectify this.
41. The three potential triennial outcomes had been discussed with the PR company, who had advised that were QAA to demit it would be unlikely to be able to do so quietly, even with a coordinated approach with OfS and DfE. The press and the sector would pick up on the issue; QAA could be portrayed as letting the sector down and therefore should strengthen its conditions for that scenario.
42. It was suggested that bringing the judicial review claim could have a positive impact and should be given further consideration. A review would bring clarity around the DQB independence under HERA; the sector and media would see QAA standing up for itself; a negative verdict would provide an acceptable rationale to the sector for QAA to demit the role. A positive verdict would strengthen QAA's position in resetting the terms of the designation. QAA was seeking the opinion of Counsel.

43. The Board discussed the pros and cons of proceeding with a judicial review. The Chair noted that undertaking a judicial review would require the support of the Board. Alternative ways of seeking clarification would be worth considering.
44. VS summarised the three scenarios again, as set out in the draft submission. The question for the Board was where the red lines were in the likely negotiations to come. SG pointed out that the final outcome might be a combination of some kind.
45. There were discussions to be had with DfE about a future role for QAA in End-Point quality assurance of apprenticeships, the Teaching Excellence Framework and TNE. QAA was well placed to support TNE and did so in other parts of the UK already.
46. The Board considered the first scenario in which QAA remained DQB with a revised MoU. It left open the possibility of atrophy through lack of use of the DQB by OfS, and there was a danger that it might not provide the desired fresh start.
47. JS noted that option one was viable only if the relationship with the OfS could be genuinely reset. Retaining a role for quality as well as standards remained a red line; this was essential for recruitment and planning purposes. The conflict of interest issue would need to be considered resolved. OfS could not continue to challenge the validity of the membership offering.
48. Independence, oversight and monitoring were areas where QAA was prepared to negotiate: it was not unreasonable for OfS to form a view on the DQB's performance.
49. Similar conditions applied to the second scenario in which QAA remained DQB, reporting to DfE as part of a co-regulatory arrangement. The Board agreed that DfE was unlikely to support this; Eve Alcock asked what mechanisms would be available if the position was agreed in principle but not materialised in practice. VS noted that there could be reciprocal monitoring by DfE of OfS. SG suggested the first option propose a channel to DfE, and revised MoU included in the points of principle.
50. The Board thought that it would be helpful to reorder the submission so that a series of principles were stated upfront; these would be the 'red lines' in any scenario. They would cover:
 - the need for autonomy and independence, including the ability to speak out;
 - the end of the claim of a conflict of interest;
 - the scope of the role to cover both quality and standards;
 - transparency in the form of the publication of reports;
 - and recognition of expertise, including the ability to draw on knowledge in other parts of QAA and to use student reviewers.
51. If these principles could not be met then QAA would reluctantly demit the DQB role; further consideration would need to be given to the terms for doing so. SG commented that QAA might demit without creating difficulties for the other parties involved in the triennial, but agreed that it would not be a silent exit. The Board noted that there was no explicit provision in HERA for the DQB to demit; QAA would in effect withdraw its consent to be designated.

52. The submission should highlight the benefits of QAA's preferred outcomes to the sector, students, DfE and the OfS. MH cautioned that to demit would have repercussions for the devolved nations, and that QAA would need to assess the potential impact on the relationships with the nations.
53. The Chair noted that while there had been robust and detailed challenge to the detail of the submission, the Board was unanimous in its support for the approach to the triennial and **approved** the strategy and principles underpinning it. The submission would be amended to reflect the discussion and the final draft approved by circulation before Friday 17 June. **Action:** TY to circulate final draft for approval.
54. The decision to go to judicial review could not be taken without Board approval. The deadline for proceeding was 7 July. The Board **approved** the proposal that the executive team further explore the options available for legal clarity on HERA. This should include detail on the cost and risk exposure for QAA as a charity.

Update from the DQB Governance Working group (Item 8, BD-21/22-48)

55. TY presented an update on the governance separation. The creation of the new DQB England (DQBE) Board had been announced, and the new DQB website had gone live, on 29 March. EQAR had indicated that this would enable QAA to move DQB work out of scope for its purposes. Recruiters had been appointed, with break points in the contract to allow flexibility. Other changes were deliberately being progressed less quickly than if the triennial outcome were certain.
56. A set of internal governance rules had been created to support the operational separation. Minor changes had been made to the terms of reference of the Nominations and Remunerations Committee and Student Strategic Advisory Committee. Changes to the Advisory Committee on Degree Awarding Powers would be needed in due course. The Board **approved** the amended terms of reference and internal governance rules.
57. EA asked about the process for SSAC to nominate to the DQBE Board. SG envisioned that it would be through expressions of interest to the co-chairs and a discussion with them. EA highlighted the potential for conflicts of interest. The Governance team would be responsible for ensuring that potential for/declarations of these was managed carefully during the nominations process.
58. ACDAP terms of reference would need careful consideration particularly in relation to Scotland, Wales and Northern Ireland. The Governance team would seek VD input on ACDAP in due course.

Millie Crook joined the meeting

Recruitment Update (Item 9, BD-21/22-49)

59. Millie Crook provided an update on general recruitment within QAA. The Chair thanked MC for a comprehensive and useful update and suggested that a similar update be brought to the Board periodically. **Action:** MC to provide annual updates on general recruitment.

Millie Crook left the meeting

QAA Strategic Risk Register Review (Item 10, BD-21/22-50)

60. TY presented the strategic risk register. The proposal to combine risks S4 and S5 had been discussed at SLT and Audit and Risk Committee. The risks were considered to be distinct and therefore remained separate. The Board **approved** the risk register.

2021-22 Year End Annual Plan Monitoring (Item 11, BD-21/22-51)

61. AD presented the annual plan.
62. QAA was funded for External Quality Assurance (EQA) end-point assessment work only until the end of July. It was an exemplar of good relations with OfS. QAA would be ready to deliver the EQA pilot in September 2022 once the residual issues were resolved. SG noted the annual plan was a useful mechanism for monitoring by the Executive to interrogate its own performance and the Board was reassured by its use.
63. Caroline Blackburn informed the Board that the overall budget was similar to forecast, while for International and Professional Services the budget was better than projected.

2022-23 Draft Annual Plan and Budget (Item 12, BD-21/22-52)

64. AD presented the annual priorities. Targets had been set for each area of the business and an additional section of QAA organisational development changes added. QAA was poised to respond quickly to the triennial outcome and would monitor actions to ensure they had the intended effect.
65. It would be important to build a growth mindset amongst staff to facilitate these changes. All areas had KPIs and target dates. International and Professional Services also had financial targets. A new directorate of Europe, Access and Educational Oversight had been created and was temporarily headed by AD. Alternative Provider work would need to move from QAE to the new directorate to satisfy EQAR. If QAA demit then a range of services would be developed and would sit in the new directorate.
66. Karl Leydecker asked if the plan was sustainable in relation to staff well-being. VS noted that there was a need to create growth opportunities and the SLT were enthused by the plans. Workload planning sat behind these opportunities and flexible part-time staff would be deployed to help deliver those; they could be resourced and funded by the International and Professional services work.
67. Wellbeing was a high priority, and staff representative groups were being established. MC had a number of projects on staff well-being. CB noted that the pandemic had raised the profile of wellbeing; overall there had not been many HR issues raised. QAA was a small open organisation and staff were comfortable speaking up. This extended to Flexible Part-Time staff who had been deployed to ease workload as part of wellbeing considerations. SG asked for a report on the use of FPTs in QAA. **Action:** CB to report on use of FPTs.
68. HGA noted a particular concern around the well-being of the DQB team and their morale. CB informed the Board that resilience support had been brought in and coaching made available to the team. Morale was high as QAA was now seen to be defending its position.

69. Oliver Turnbull asked if there had been a recent general staff survey. Specific surveys had been conducted on the Flex+ arrangements. OT noted that conducting the same survey allowed for comparison. Following a discussion on use of office space VD noted that the Board had not had sight of the strategic people plan and this would be useful to have. SG suggested MC provide a paper on surveys conducted and CB the strategic people plan. **Action:** MC to provide a short paper on survey outcomes and CB to share strategic people plan.
70. CB presented the draft budget for 2022-23. It remained similar to that presented in March. If QAA demit it could grow existing opportunities and a five year projection budget provided more detail.
71. The main challenge remained delivering a huge jump in income post March 2023. 20 further assessments had been included, though this would provide no contribution to overheads. The projected end date of DQB work had been extended to March 2023 giving an additional contribution of £650,000 income from the DQB.
72. Quality Assurance work with Scottish alternative providers was not included, though that was being developed. An additional £50,000 had been allowed for pay rises. CB had scoped out the office move and utility costs; the IT service transition was factored in to allow QAA to move to a cloud based service. Reviewer management was being centralised and resource was required for the ENQA review. The deficit was predicted to be £108,000.
73. The challenge for 2022-23 would be the increase in transnational activity and growth which was not currently factored into budget. SLT would need to decide how to deploy IT resources and priorities.
74. A 4% average pay rise had been factored in. In the sector the pay rise was expected to be between 3.01%-7% dependant on pay grade. QAA was looking to stagger the pay rise, but negotiations had not yet been started. The increase would come into effect on 1 November. The I&D reserve was healthy; and would be used to support the new areas of growth. The impact of the 2020 USS valuation had been included in the 2020-21 budget and gave adequate reserves.
75. No number had been placed on the best case budget scenario. The worst case scenario assumed designation ended in January 2023 and was based on the ability to retain members. The impact of the financial climate on the sector might lead to some members not renewing. It was possible not all of the International and Professional Services opportunities would convert and there was a pipeline lag. Cost reductions would be considered. A headcount freeze had been introduced with the exception for when skills could not be found in the DQB team.
76. LD noted the worst case scenario had been comprehensively covered. Some smaller HEIs could be lost in the changed structure, but CB was comfortable with the tolerance. The Board **approved** the draft budget and annual plan.

Report on Financial Matters (Item 13, BD-21/22-53)

77. The Board received the report and noted that investment management benchmarking had been undertaken in March. Further questions and challenge had been provided to the fund manager. Comparators had been chosen that best reflected QAA and were of similar size. LD noted some were not specific for charities but had ESG considerations included. There was an opportunity to use the triennial review to reconsider

investments. The climate impact of investments could be included in considerations. QAA could refine what it specifically included and excluded in its portfolio and green investment portfolios had been performing better.

78. Twelve desks in a lower floor of Southgate House would be rented after the lease on existing office space expired. The Flex+ policy meant that staff worked wherever activity fitted best, and fewer staff were now based in Gloucester. Use of the office tended to focus on specific purposes such as meetings. The staff conference would focus on building a sense of community to encourage teams to get together and for new staff to meet the rest of the organisation.
79. Changing the estate would save money and maximise the offering. It was a 2 year fixed licence; approximately 50-60% of the staff were still based near Gloucester. SD noted one weakness of the Flex+ approach was that it could lead to silo working. VS noted she was conscious of this and the HR strategy was looking to optimise cross-Agency team working. The intention was to showcase staff who set up groups to cross work. In the staff forum there had been appetite for special interest groups to be set up; a schedule of brown bag sessions had been running in the all staff meetings to share areas of work. SG noted the continuing challenge would be capturing best practice.
80. Craig Watkins informed the group that one initiative in Kantar had been based on research on the challenges of hybrid culture. New staff in particular found it harder to understand what the organisational culture was. The mission and culture needed to be clearly communicated; it could not be assumed that it would be picked up in the way it would in an office. **Action:** CW to forward research to VS.
81. The IT service contract with Jisc would be terminated. Changes at Jisc meant it was open to mutual termination of the agreement and an end date was being negotiated. CB was working on the best way forward. SG asked about the implications for service and cost. The hope was that provision following a new tender would give QAA better hardware and service desk support.
82. The Financial report was **approved**.
83. The bank mandate had been changed to include Alastair Delaney as signatory. The changes to the mandate were **approved** by circulation.

Board and Committee Business

Policy Reviews (Appeals and Representations) (Item 14, BD-21/22-54)

84. The Board noted the changes proposed to the Appeals and Representations policies and **approved** the changes.

Appointments and Retirements to Board Committees (Item 15, BD-21/22-55)

85. The Board noted the nomination from the NUS of Chloe Field and **approved** her appointment for an initial one-year term.
86. The Board noted and **approved** the appointments to committees in paragraph 6.
87. The Board noted and **approved** the reappointment of Professor John Sawkins, Professor Sue Rigby and Ms Angela Joyce for a second and final three-year term.

88. The Board noted that Professor Maria Hinfelaar's term would end in September and this would be her last meeting. The Chair thanked MH for her significant contributions to the Board.
89. The Board noted that both Hillary Gyebo-Ababio and Eve Alcock's terms would end before the next meeting. The Chair thanked them for the contributions and invaluable representation of the student perspective.

Committee Reporting (Item 16, BD-21/22-56)

90. The Board noted the reports from the committees. HGA commented that within SSAC there had been an increasing number of postgraduate representatives and strong representation of the postgraduate voice had been particularly beneficial.

ENQA Update (Item 17, BD-21/22-57)

91. The Board received the report and noted that QAA work as DQB would be out of scope. The Board endorsed the approach outlined in the paper.
92. The previous ENQA review had recommended the addition of an international Board member. As Board meetings were now hybrid this made the practicalities of adding such a member straightforward. It might best be done by taking a power to co-opt Board members. The Board **agreed** that the articles of association should be amended. **Action:** TY to amend articles and begin consideration of recruitment.
93. The Board noted the final submission of the self-assessment report would be in early September. Board approval of the final submission would take place by correspondence.

Any Other Business (Item 18)

94. No further business was raised.

Chair's closing remarks (Item 19)

Date of the Next Meeting (Item 20)

95. The Chair confirmed the next meeting would take place on **Wednesday 19 October 2022**. The meeting was closed at 16.16.

Board of Directors Action List				
Minute:	Action:	Owner:	Due Date:	Update:
21/22/18	SG to send note of thanks to Stephanie Sandford	SG		Completed.
21/22/53	TY to circulate final draft for approval	TY	17 June	Completed.
21/22/59	MC to provide periodic updates on general recruitment	MC		Included in Board annual plans for agendas. Will go to December meeting
21/22/67	CB to report on use of FPTs.	CB	19 October	Will be included in HR report in December.
21/22/69	MC to provide a short paper on surveys conducted and CB strategic people plan.	MC	19 October	Both will be included in HR report at December Board meeting.
21/22/80	CW to forward research to VS	CW		
21/22/92	TY to amend articles and begin consideration of recruitment.	TY	19 October	Discussed at Item 10.