



Quality Assurance Agency for Higher Education

Meeting of the Board of Directors

St Hugh's College, Oxford. 11 October 2023

Present

Board Members

Simon Gaskell (Chair)
Nic Beech
Fazal Dad
Vanessa Davies
Phil Deans
Sara Drake
Rachid Hourizi
Odette Hutchinson
Xenia Levantis
Sue Rigby
John Sawkins
Oliver Turnbull
Peter Vermeulen
Craig Watkins
Tim Woods

Officers

Vicki Stott (Chief Executive)
Alastair Delaney (Executive Director of Operations (Deputy CEO))
Tom Yates (Director of Corporate Affairs)
Caroline Blackburn (Finance Director)
Rachel Hill-Kelly (Assistant Company Secretary)
Rob Stroud (Director of Assessment Services and Access to HE, for Item 9)

Welcome, apologies and Chair's opening remarks

1. Simon Gaskell welcomed members to the meeting. Apologies had been received from Karl Leydecker, Chloe Field and Alex Fraser.

Quorum and Interests (Item 2)

2. The meeting was declared quorate, Peter Vermeulen declared an interest relating to part of item 10, and would recuse himself for the item.

Minutes of the Meeting held on 14 June 2023 and Matters Arising from the Minutes (Item 3, BD 23/24-01)

3. The minutes were approved subject to the addition of Chloe Field in the list of those present at the meeting.
4. SG had written to David Jones to thank him for his service on the Board.
5. In matters arising, the suggestion from ENQA that QAA create a central review committee was still being given consideration.
6. All actions were noted as complete or addressed elsewhere in the agenda.

Chief Executive's report and report of policy developments and interactions with funders and regulators in the UK nations (Item 4 BD 23/24-02)

7. Vicki Stott presented the report. Subsequent to the report VS had met with the Vice Chancellor of Warwick University.
8. Possible approaches to policy ahead of the general election were discussed. An incoming Labour government would be unlikely to address higher education policy as an early priority, but would bring a change of tone away from the rhetoric around low-quality degrees: it was concerned about the impact on the sector's international reputation. Funding remained the biggest policy challenge for the sector.
9. Board members asked about the prospect of legislative change to reform higher education regulation in the light of the House of Lords Industry and Regulators Committee's report on the work of OfS, and about how QAA's new services might be affected if the agency were asked to return to a formal role supporting the regulator in England.
10. VS responded that Labour did have concerns about the burden of regulation, but was unlikely to take on radical reform through early legislation. The Industry and Regulators Committee had opened a follow-up inquiry into Ofwat as the recommendations of its earlier report had not been followed.
11. The executive team had been considering scenarios in England including a potential return to a DQB-style role, and how the development of the new services should best continue without threatening that possibility. Standards such as the Quality Code were part of QAA's irreducible core; enhancement was a golden thread that ran through the four nations.
12. The response from the sector to QAA's evidence at the House of Lords inquiry had been positive; this could be taken to reflect the effort that had gone into preparation for the enquiry, and had led to some sustained momentum. An attempt at constructive engagement with the OfS might help to shift the polarised position. Board members encouraged QAA to keep channels of communication open.
13. An International Advisory Panel for QAA had been proposed. It would draw on existing members of the accreditation panel for IQR, and would have a wider remit, for example advising on emerging markets for QAA. The plan was to implement this in the new year; the ENQA suggestion of an international Board member would be revisited at that point.
14. The Chair noted that additional material was available in the Board (on-line) reading room; it would be helpful in future for this to be flagged in the agenda. **Action:** RHK to add reference to agenda of reading room items.

Vanessa Davies joined the meeting.

QAA Strategic risk register review (Item 5 BD 23/24-03)

15. Tom Yates presented the risk register, which had as usual been reviewed by the Senior Leadership Team. The Audit and Risk Committee had not met since the last Board meeting, so had not considered the latest updates.
16. Risk S1 (marginalisation in England) had been downgraded from probable to possible post-mitigation, and was perhaps now as much an area of longer-term opportunity as of risk. QAA's public affairs work was a new mitigation which was proving effective.
17. Included in risk S2 was policy development in Scotland and Wales, where the ambiguity around ultimate responsibility for quality in Scotland had been flagged. AD clarified that this related to the Scottish Funding Council (SFC)'s remit rather than QAA's role. SG commented that there was increasing convergence between all UK nations except England, focused on enhancement. The UK Standing Committee for Quality Assessment (UKSCQA) would discuss divergence at its next meeting.
18. Risk S3 had been updated following a successful membership renewal campaign, but next year looked more challenging still.
19. Risk S4: corporate governance risk had been included following previous Board discussions, and in line with current practice to consider environment, sustainability and governance together. QAA would need to consider governance arrangements if it took on a major new contract or if it were asked to return to a statutory role in England.
20. The Board asked whether there had been a lasting impact on international perception from QAA's decision to demit the DQB role. Anecdotal evidence suggested not: any concern related to the English policy and regulatory approach rather than to QAA.
21. Tim Woods asked about QAA's own use of artificial intelligence, following its well-received advice to the sector. TY responded that there had been some testing and internal discussions but that it was still early days.
22. The Board **approved** the risk register.

Year-end Monitoring and Performance Report on Annual Plan and Finances (Item 6 BD 23/24-04)

23. Alastair Delaney presented an overview of the 2022-23 annual plan. The overall picture was of completed key performance indicators, and any issues had previously been flagged to the Board.
24. The Board noted QAA's strong performance in challenging circumstances. QAA was not alone in experiencing high drop-out rates at in-person events. Attendance was still high if the event was seen to be of value and productive but travel was a factor. Hybrid events were costly but could work well, such as with the Scottish Enhancement Conference. Other models for events included regional hubs for participation to address travel issues.
25. Continuing financial pressure on the sector meant there was no room for complacency about membership in England; work was still needed on the value

proposition for the coming year.

26. The international membership scheme had been rethought to delineate the offer and increase numbers. Phil Deans noted that in China there was strong interest in IQR but some confusion with International Programme Accreditation, which required attention. QAA would need to remain alert to the potential for a conflict between international membership services and the QE-TNE scheme, though the former was at an institutional level and the latter at a country level.
27. Caroline Blackburn presented the financial overview for 2022-23. The variance reported at the end of Q3 of £200k better than forecast was driven by investment income and the finalised positions in moving away from Jisc as IT provider, and the former Gloucester office. Trackers had been improved for international income, and learning on pipeline lag had improved accuracy of budgeting for the coming year.
28. The pension deficit had reduced, largely as a result of a higher discount rate. The reserves position at the end of the year, at £2.3m, was higher than the Statement of Recommended Practice level, recalculated at £1.3m-£2.1m, and likely to increase further because of the USS pension valuation and a lower than estimated outturn for dilapidations on the former Gloucester office. QAA would need to consider ways to use those additional reserves; CB had discussed this with PV.
29. The Board noted that, given the turbulent year, the financial position was remarkably secure. It had been wise to exclude investment returns from the forecast. None of the variances were expected to repeat next year. The USS position was unpredictable and might well return to deficit in due course, so it was not entirely clear what spare reserves would be available longer term. Spending of reserves should focus on investment in core activity that would generate income and not expose the agency to recurrent expenditure.

Update on Quarter 1 Performance (Item 7, Oral Item)

30. Following the ENQA review, an action plan was being drafted to address the report's recommendations. This would be presented to the Board in due course, with regular progress reports to follow.
31. The membership renewal campaign had achieved the income target but overall membership numbers were down; members not renewing were mainly the smallest institutions (band A).
32. In Wales, QAA was working by agreement with HEFCW to embed the new approaches in the Quality Enhancement Review (QER) 2 method to enable QER2 to start next year. HEFCW had given QAA funding for enhancement.
33. In Northern Ireland, QAA had the go-ahead to update the review approach and was submitting revised plans to the Department of the Economy; sector engagement continued and there would be a QAA Northern Ireland conference in November. Odette Hutchinson indicated that progress behind the scenes was good, with infrastructure being established to enable work on the new methodology.
34. The Welsh government had applied for EQAR membership which was awaiting EQAR approval. Scotland's application to EQAR had been accepted. Scotland was a signatory to the Bologna agreement so it had both UK and Scottish membership.
35. Caroline Blackburn outlined projected income for 2023-24. £8.6m of revenue

included the membership fee and Scottish Funding Council funding. £6.1m had been received with £2.4m to go. There were £1.3m of signed contracts in the international pipeline with achievable delivery dates that would mean work would be invoiced in 2023-24, with a further £740k out in proposals.

36. Across the new services £40k-worth of signed contracts was being delivered and proposals were out representing a further £220k potential income. Further leads were being developed for the new services and a clearer picture would be available in December.
37. Some posts were being kept vacant, with others filled if considered business-critical. One such role being contemplated was a data role to improve QAA's data capability. The Board noted the risk that leaving roles unfilled placed significant pressure on existing staff.

Report on Financial Matters (Item 8 BD 23/24-05)

38. CB presented the report. An initial investigation into divestment from fossil fuels suggested the best approach would be to look at asset classes to invest in that would not be at the mercy of the peaks and troughs that some of the existing ESG investments were experiencing.
39. The USS pension scheme had returned to surplus. Universities UK and the University and College Union (UCU) had issued a joint statement supporting a return to pre-April 2022 contribution levels (possibly from January 2024) and benefits, and a form of augmentation for benefits lost since April 2022.

Rob Stroud joined the meeting by videolink

Service Presentation: Assessment Services and Access to Higher Education (Item 9)

40. RS provided a presentation on the new directorate. It was formed principally of two distinct areas of work, the new services in England and the Access to HE diploma, so covered both a new challenge and an activity with 26 years of history. The team also covered QAA's Educational Oversight activity on behalf of the Home Office.
41. It was an unknown environment for the new services, and quick delivery was needed for interested providers. Tight cost controls were in place to make best use of resource.
42. Four new services had been developed and launched since April 2023. A Degree Awarding Powers (DAPs) service and a Targeted Quality Review service (TQS) had been launched first. A New Provider service (NPS) was now being offered and an Elective Quality Review (EQR) service would be launched in November. Charges ranged between £4k-£100k each depending on the scope.
43. Four staff had been retained from the former DQB team. A new business development manager was also working alongside the team.
44. The new services were all designed to be complementary to QAA membership so as not to cut across it; customers would be directed to membership where appropriate, aiding understanding of the value of membership.
45. Initial interest was strongest for the DAPs service so far, with £65k in revenue

already generated and nine further proposals sent. Marketing for services would include Google AdWords and social media.

46. The DAPs service had been carefully designed to help providers seeking DAPs build capacity for the benefit of the sector, and to provide actionable insights for the providers.
47. QAA's Educational Oversight work was due to be reviewed; it was a decade old. There was a risk that current Home Office officials had a poor understanding of the method. Political change might have implications for current student visa arrangements; ultimately there was a risk that QAA could lose the Educational Oversight role.
48. The Board noted the potential for conflict of interest with some of the new services should QAA return to a DQB role in future, but the services had been designed to be adjusted in this event. In most cases a separation in governance and management could allow for both to be undertaken, dependent on the view of the regulator and Secretary of State.
49. Access to HE regulation was one of the QAA's charitable objects; the Access to HE diploma was the only level 3 qualification to sit outside the Ofqual framework. The DfE had reconfirmed that the diploma would fit in the Lifelong Learning Entitlement model.
50. Regulation was overseen by the Access Recognition and Licencing Committee (ARLC), and the diploma was delivered under a licence via awarding bodies known as Access Validating Authorities (AVAs), of which there were currently 9. The scheme did not operate in Scotland. QAA monitored the AVAs according to a set of conditions. There were around 35-40,000 student enrolments each year, a number that was currently showing some decline.
51. There were three challenges for the Access team at present. One had been lack of resource following the departure of the Access manager, but a new Access manager had now been appointed. The other pressing challenges were addressing the concerns of the AVAs around the diploma's development, and updating the outdated regulation.
52. The pandemic had interrupted development of the diploma specification and grading scheme. The AVAs had raised issues with QAA about the implementation of changes, and raised concerns through a letter to the CEO.
53. Development had been paused, and once implementation of the new arrangements was in place QAA had committed to a 12-week consultation. A revision of the regulatory scheme for Access was needed, and licensing criteria would be streamlined for agility.
54. Despite the current challenges, QAA had delivered a valuable service since 1997, and Access to HE was well regarded in the sector. A key feature of the diploma was that debt was forgiven if the student went on to further study; QAA had held discussions with DfE in respect of qualification reforms. These suggested the debt treatment would continue, subject to consideration of what further study would be considered under the Lifelong Learning Entitlement.
55. SG noted it was a useful presentation and emphasised QAA's longevity in delivering the Access to HE diploma. **Action:** RHK to add slides to the reading room.

Appointments and Retirements to Board and Board Committees (Item 10 BD 23/24-05)

56. SG presented the appointments paper.

57. The Board **approved** the appointment of Ms Xenia Levantis for a second and final 1-year term from 18 October 2023 until 18 October 2024 under Article 50 (iv).

58. The Board **approved** the appointments to the following Committees:

- a. to the Wales Strategic Advisory Committee (WSAC)
 - Myfanwy Davies for an initial 2-year term from 11 October 2023 to 1 October 2026;
- d. To the Student Advisory Committee (SSAC)
 - Xenia Levantis, as co-chair for a second 1-year term;
 - The following members for a second and final 1- year term:

Alam Mahbulul	Nottingham Trent University	Student
Conor Naughton	Nottingham Trent University	Student
Cali Jakes	Lancaster University	Student
Kathryn Cribbin	Manchester Met University	SU Staff Member
Zoe Newth	Bath Spa University	SU Staff Member
Liam Brady	University of Glasgow	Sabbatical Officer
Jack Medlin	Keele University	Graduate
Lucy Adams	Leeds Beckett University	Student
Ellis Thomas	University of South Wales	SU Staff Member
Stella Morris	University of St Andrews	Student

- The following members for an initial 1-year term (see item 3):

Sam Maccallum	University of Edinburgh	Graduate
Sofia Soberon	University of South Wales	Sabbatical Officer
Oscar Minto	University of Reading	Student
Grace Duffy	Queen's University Belfast	Sabbatical Officer
Charlotte Baker	University of Winchester	Sabbatical Officer
Emily Bastable	University of Southampton	Student
Nerius Shah	Northumbria University, Newcastle	Sabbatical Officer
Dola Dada	University of Sunderland	Sabbatical Officer

- e. To the Audit and Risk Committee (ARC)
 - Xenia Levantis, for a second 1-year term.

59. The Board noted that only 8 of the 10 SSAC vacancies had been appointed to allow an extension for applications to recruit a further member from a Welsh provider and a student with the perspective of higher education delivery in a further education provider.

Committee Reporting (Item 11 BD 23/24-06)

60. SG presented the report from the Consultative Board, which continued to be a useful mechanism for discussion.

61. VS's report to the Nomination and Remuneration Committee (NRC) was available to all Board members in the reading room and it provided a useful summary of QAA activity for the year.
62. NRC had recommended to the Board that a Senior Independent Director be appointed. The role served two purposes: it was a mechanism separate from the Chair and Vice-Chair that enabled an annual appraisal of the Chair in a more formal fashion; it would also be a route for speaking up ("whistleblowing") and complaints, for occasions when directing these through the Chair or Vice-Chair was not appropriate. NRC felt that while there was no immediate need it would be a useful mechanism to have in place.
63. The Board **approved** the principle of appointing a Senior Independent Director. The Chair asked Board members to consider whether they would be willing to fulfil that function and contact TY to put themselves forward.

Executive Directors left the meeting

Executive Pay Award (Item 12 BD 23/24-07)

64. SG presented the recommendation from NRC for Executive remuneration.
65. The Board **approved** the Executive Director and CEO pay awards.

Calling of the Annual General Meeting (Item 13 BD 23/24-08)

66. The Board **approved** the calling of the AGM as part of the December Board meeting and strategic discussion.

Any Other Business

67. There was none.

Date of the next meeting

68. The next meeting would be held on Wednesday 13 December 2023 by MS Teams and would include the AGM.

Board of Directors Action List				
Minute:	Action:	Owner:	Due Date:	Update:
23/24/-14	Additional reading room material to be noted on the agenda	RHK	13/12/2023	Completed
23/24/-58	ASAHE service presentation slides to be added to the reading room	RHK	13/12/2023	Completed