How do we ensure quality in an expanding higher education system?

About University Alliance

University Alliance brings together leading global universities for science, technology, design and the professions to tackle the big issues facing universities, people and the economy.

Our aim is to help build a strong future for UK universities by creating a constructive and positive space for debate and new ideas.

Cover image: *Pomp and Circumstance* courtesy of Dave Herholz via Flickr

Contents

Executive Summary

- The higher education system in England is changing at an unprecedented rate. Shifts from Funding Council grants to tax-payer backed student loans; the planned lifting of student number controls in 2015-16; the fast expansion of the private sector; global challenge; rising student expectations...

- University Alliance is looking at how the higher education sector can best manage this mass of change. In this report, we consider what kind of quality assurance system is going to be fit for this more complex new world of expanding higher education. Quality assurance does, and should, sit within a broader framework for regulation of providers. This paper primarily focuses on quality assurance rather than the wider regulatory system.

- There is a tricky path to be negotiated, to keep the best features of the current quality assurance system but to ensure that it is well adapted to new conditions. In this publication, we set out some of the most fundamental principles of the current UK-wide quality assurance system, including: high thresholds for degree awarding powers and university title; non-interference of the Government in what is taught and who is admitted; all higher education providers developing and signing up to agreed descriptions of quality and standards; external checks that all higher education providers are keeping to these; excellent public information and funding by retention. We want to continue to see these principles at the heart of the system.

- But the quality assurance system must also evolve. At a time of change and expansion in the sector, there is a need to balance two risks: the risk of stifling innovation vs. the risk of the growth of poor quality provision.

- There is an added complication, in that the quality assurance system is largely underpinned by UK-level reference points, yet many of the funding, policy and regulatory changes are specific to England only.

- We set out nine recommendations for the future of the quality assurance system in England. These recommendations are based on the fundamental principles set out above. Many are not new, some are already in train, but it is important to highlight them as part of a package which must and should be pushed through, in order to protect the quality of English higher education.

Recommendations

The failure to introduce legislation to deal with the proposals arising from the 2011 Department for Business, Innovation and Skills (BIS) consultation on the regulation of the sector is regrettable; it has led to patchwork policy-making, inconsistencies in the treatment of students and providers, and a good deal of difficulty in long-term planning. We support general calls for a higher education Bill to be introduced as soon as possible; this should be a priority for whatever Government is in power after the 2015 General Election.

1. **A balanced approach to quality, acknowledging the importance of both external accountability and self-regulation, is needed. Our view is that there should be a single regulatory body for all higher education providers in England. This body would, ideally, commission the Quality Assurance Agency (QAA) to undertake quality assurance across the system. The organisations to which higher education providers are accountable must have the powers, resources and procedures needed to carry out their roles.**

The risk-based quality assurance system is yet to be fully implemented, and a lot is resting on it. It needs to be monitored carefully to ensure that risks are being correctly identified and addressed. This is particularly important as number controls are coming off from 2015-16 for all but the highest risk higher education providers.

2. **The risk-based quality assurance system should be carefully reviewed and further developed.**

We need to look at where the risks might be. Two possible areas are around collaborative arrangements and changing corporate structures. In addition, there has been especially rapid growth among alternative providers of Higher National Diplomas (HNDs) and Higher National Certificates (HNCs), many of whom have relatively short track-records in working within the UK higher education quality assurance system and who do not have links with degree awarding bodies.

3. **In the re-design of the regulatory system, particular attention should be paid to collaborative provision; changing ownership, control or corporate structures; and HND/HNC provision in providers with a relatively short track-record in working within the UK higher education quality assurance system.**

Quality assurance and enhancement, as well as effective student choice, may be compromised because there are different information requirements of different providers. Although the Government expects to provide £900m in student support to alternative (private) providers next year (2014-15), there is almost no comparable information about these providers' satisfaction, retention or employability rates.

> **4.** **We should move with all speed towards parity of information from different providers.**

Students in the great majority of alternative providers do not have access to external complaints moderation. This is not fair and requires legislative attention.

> **5.** **Each student should have access to an independent complaints procedure once their provider's procedure has been exhausted.**

The sector as a whole needs to continue to plan for institutional and programme failure and how these will be managed, in order to protect the interests of students. This is a difficult issue to resolve, but it is not going to go away.

> **6.** **The sector needs to continue to think carefully with BIS, the Higher Education Funding Council for England (HEFCE) and the National Union of Students (NUS) about institutional and programme failure, in order to decide how those should be managed.**

Fair admissions needs protecting, but we need to avoid blunt policy responses.

> **7.** **The QAA should pay particular attention to the section of the UK Quality Code on recruitment, selection and admissions, and there should be a discussion at national level about how far providers of all types are adhering to this part of the Code. We do not support the introduction of the blunt instrument of centrally-imposed minimum entry requirements.**

We believe that the principle of funding in three tranches on the basis of retention, which has been preserved through the structure of fee loan payments through the Student Loan Company (SLC), will be an increasingly important part of the system as it expands. In the long term, when data allows, the funding system should be adjusted to provide further incentives for retention.

8. **Increase sensitivity of funding (or hold back funding) in relation to retention, based on a benchmark approach for different providers. This makes ensuring that all providers are providing data on retention even more of an imperative.**

Finally, quality costs. In particular, there is a need to increase Student Opportunity funding if we are to ensure that students from non-traditional backgrounds, who require additional support, succeed in higher education and beyond, not just get through the door in the first place.

9. **A supportive funding environment is needed, particularly one which takes account of the additional costs of supporting and retaining non-traditional students.**

University Alliance looks forward to being part of the continuing debate.

Acknowledgements

We would like to thank those experts and leaders from across the sector who provided evidence towards our review:

- Professor Janet Beer, Vice-Chancellor, Oxford Brookes University;
- Simon Foster, Senior Higher Education Policy Adviser, HEFCE;
- Heather Fry, Director (Education, Participation and Students), HEFCE;
- Janet Graham, Director, Supporting Professionalism in Admissions Programme;
- Dr Stephen Jackson, Director of Reviews, QAA;
- John Rushforth, Deputy Vice-Chancellor, University of the West of England;
- Philip Lomas, Team Leader: Higher Education Student Experience, Department for Business, Innovation and Skills;
- Professor Philip Martin, Emeritus Professor, Sheffield Hallam University;
- Professor Tim McIntyre-Bhatty, Deputy Vice-Chancellor, Bournemouth University;
- Gordon McKenzie, Deputy Director, Department for Business, Innovation and Skills;
- Professor Nigel Weatherill, Vice-Chancellor, Liverpool John Moores University;
- Professor Robin Middlehurst, Professor of Higher Education, Kingston University;
- Greg Wade, Programme Manager, Universities UK; and
- Andy Westwood, Chief Executive, GuildHE.

This report represents the position of the University Alliance on quality in higher education, and not necessarily the views of these contributors. Any errors are the author's own.

Chapter 1: Introduction

How do we ensure quality in an expanding higher education system?

Quality and standards form the foundations on which the value and reputation of English higher education are based. Undertaking higher education is a life changing experience, requiring a considerable investment of time and money from the individual. Employers, students and taxpayers rightly expect a high quality student experience and consistently robust standards of awards. What could be more important?

But at a time when the English higher education system is changing quickly - expanding in some areas, contracting in others - there are both opportunities and risks for quality and standards. University Alliance therefore welcomes the renewed focus on quality assurance and regulation, in order to protect the interests of students, employers and taxpayers.

Many interested bodies have set out their views about how quality assurance and regulation should evolve in order to meet changing demands. In this publication, we pull together some of the arguments, and set out our views on how the quality assurance system needs to develop, with a particular focus on undergraduate level. We:

- set out how the higher education sector is rapidly changing;
- describe the breadth of a high quality student experience, and how the quality of it is currently assured; and
- make recommendations for how the quality assurance system can keep up with the pace of change.

A rapidly changing higher education sector

The higher education sector is changing very rapidly. Maximum undergraduate student fees have increased from around £3,000[1] to £9,000 per year. Those students - the majority of whom will be repaying student loans well into their fifties[2] - are rightly expecting value for the fees that they pay. Quality is top of the agenda for those students.

But this shift in funding towards private contributions, rather than teaching grant to institutions, also has a big impact on how quality assurance is managed. HEFCE has a statutory responsibility for quality assessment of provision which it funds. But HEFCE is funding less and less: £4.3bn teaching funding in 2011-12, falling to £1.6bn in 2014-15, with a further £0.5bn cut expected in 2015-16[3]. As HEFCE will be providing one quarter of its previous teaching funding, with the majority of funding coming directly from student fees, its role is being recast as a "lead regulator" (although legislative change is lagging behind).

---

[1] Capped at £3,375 in 2011-12

[2] *Payback time? Student debt and loan repayments: what will the 2012 loans mean for graduates?* Claire Crawford and Wenchao Jin (2014), Institute of Fiscal Studies and Sutton Trust

[3] 2014-15 initial teaching allocations £1,582m (as at March 2014), of which £500m is allocated in respect of 'old regime' students (that is, students who entered before the new fees regime in September 2012). 2013-14 adjusted teaching allocation £2,326m; 2012-13 final teaching allocation £3,231m; 2011-12 initial teaching allocation £4.339m (correct as at March 2011)- all figures from the HEFCE website

The make-up of the sector is also changing. Alternative providers - that is, providers of higher education, whether for profit or not-for-profit, who are not funded by HEFCE - are quickly increasing in size and prominence, boosted by access to the student loans system. Students at alternative higher education providers have been eligible to apply for a tuition fee loan of up to £6,000 since 2012-13. The Government estimates that it will provide £900m in student finance to students studying in the private sector in 2014-15[4]. In the words of Jack Grove writing in the Times Higher, "that expenditure is roughly equivalent to the total income received by four or five mid-sized public universities.[5]" It is nearly nine times more than in 2011-12[6].

Internationally, higher education is changing, and our global reputation must be fiercely guarded. The UK is the second most popular destination for overseas students after the US, and international fee income represents a very significant source of income for institutions. We are already seeing a decline in international student recruitment due to the Government's immigration policies, including restrictions on post-study work visas. International competition is also increasing. It is essential that we continue to meet the high expectations of those students who do choose to come to the UK to study.

Finally - growth. Not only will there be 30,000 new student places provided to HEFCE-funded institutions in 2014-15, but, most daringly, student number controls will be lifted entirely from HEFCE-funded institutions and lower-risk alternative providers in 2015-16. University Alliance believes that this is excellent news for the students, universities and the UK. It shows that the Government are future focussed and fully recognise the role that graduates and universities play in driving the UK economy towards a more prosperous future. The Treasury estimates that releasing student number controls in this way will bring an additional 60,000 entrants into the system each year[7], costing an additional £700m per year. But it is not without its challenges. Experience from Australia, as well as with the AAB policy here, has taught us that it is fiendishly difficult to predict take-up accurately - or to establish what will happen if the Government has underestimated demand or if risk is not adequately assessed.

> A high quality, sustainable higher education sector is of great importance to business. The importance of our higher education sector to robust, sustainable economic growth must not be underestimated.
>
> *Confederation of British Industry (CBI)*[8]

---

[4] David Willetts written parliamentary answer 26 March 2014. The response notes that forecasts of expenditure at alternative providers remain especially uncertain, due to not yet knowing how many students will receive support in 2013-14.

[5] Times Higher, Private college funding to hit £1 billion, 28 March 2014
http://www.timeshighereducation.co.uk/news/private-college-funding-to-hit-1-billion/2012337.article

[6] SLC funding (fee and maintenance loans, plus grants) to alternative providers rose from £104 million in 2011-12 to £270 million in 2012-13, according to SLC data released on 28 January 2014 and analysed by the Times Higher. The SLC dataset can be found at: http://www.slc.co.uk/statistics/national-statistics/newnationalstatistics1.aspx

[7] Lifting of the student numbers cap from 2015-16- This is costed on the basis of an additional 30,000 higher education entrants in 2014-15 and 60,000 in 2015-16 onwards. (HM Treasury, Autumn Statement, December 2013, p54).

[8] http://www.cbi.org.uk/business-issues/education-and-skills/in-focus/the-education-sector/?page=4

We have entered a new phase of intense competition between institutions, fuelled both by funding and regulatory changes but also by a demographic turndown in 18 year olds and increased challenges in recruiting international students. Some argue strongly that competition, especially combined with releasing student number controls, drives up quality. But competition of itself cannot not drive quality in an imperfect market, particularly without repeat purchase. Indeed, it could work against it, by encouraging providers to take short cuts for short-term gain. So our question in this publication is: "How do we ensure quality in an expanding higher education system?"

Reduced by 3/4

HEFCE teaching grant

Tripled Maximum
Tripled undergraduate
Tripled fee

x9

Total SLC funding for students at alternative providers

(2011-12 actual to 2014-15 projected)

60,000

Treasury estimate of the number of additional entrants into the HE system from 2015-16

14
202

Alternate providers and further education colleges now directly subscribing to the QAA

A further

94

alternative providers applied for QAA reviews to allow their students to access student loans, of whom

45

passed (2013-14)

Chapter 2: The breadth of a high quality student experience, and how the quality of it is currently assured

The higher education sector is phenomenally diverse - and becoming more so, at provider level at least. There is great strength and excellence in this diversity. We therefore need a definition of quality which can take into account the great variety of students, levels and providers. For example:

- the 21 year old student on a work placement during the BA (Hons) in Computer Animation at Bournemouth University;
- the mature student studying an Higher National Diploma (HND), accredited by Edexcel (Pearson), one day a week at Hartlepool College as part of a Higher Level Apprenticeship in Civil Engineering;
- the career changer studying a Foundation Degree in Hand Embroidery, accredited by the University for the Creative Arts, at the Royal School of Needlework;
- the international student studying an LLB (Hons) in Law at BPP University (which is owned by BPP Holdings Ltd, a subsidiary of the American for-profit company Apollo Global);
- the 18 year old studying a BSc in chemistry at the University of Bristol; and
- the career enhancer studying a single module in business management at the Open University.

All of the people in these examples are experiencing an English higher education. They must come under the same higher education quality assurance system, which must assure broadly the same things. It must assure the provision of student learning opportunities which allow the student to meet the standards required for their higher education award.

Just as the quality assurance system needs to take account of a phenomenally diverse sector, it also needs to take account of the very many facets of excellent student learning opportunities. Some people, in a search for a single "quality indicator" alight on proxies such as numbers of contact hours. Clearly the time spent in lectures, seminars and similar is important, and that is why details are included in the Key Information Set for each course. But it is not the be-all and end-all. To imply this would reduce the student learning experience to its most basic, and fail to grasp what is special and unique about a higher education experience.

The University Alliance publication *More Than Just A Degree: stories of empowered students* set out some of the features of excellent learning opportunities - in particular, the breadth of the student experience. As Chantelle Holt, a student at Oxford Brookes University, describes, universities create an environment that is rich and diverse so students can choose their own paths. Universities offer excellence in learning and teaching; professional staff who deliver, and who have a commitment to the student and to their discipline; an infrastructure around learning including social and thinking spaces. Universities are part of the community, undertaking public engagement and widening participation. There are close and productive links with employers, as well as great extra-curricular opportunities. Students are engaged and help to develop the curriculum. Universities respond to changing demands for provision of

different forms of learning (e.g. flipped learning, independent study modules, massive open online courses). And the universities grow global graduates, equipped for employability in a fast-changing international world. So quality cannot be reduced to a single indicator. A centrally designed set of externally developed rules will not work; it is vitally important that there is no "one size fits all" definition of quality imposed by the state.

Case Study: Chantelle Holt, BA (Hons) Architecture, Oxford Brookes University

I don't want it to sound like a sob story or anything but I grew up on a council estate so there weren't many opportunities. Probably the most important thing to happen to me was to get a place at the nearby technology college – one of the first academies. It meant I had the pick of universities to choose from because I got really good grades. I went to Oxford Brookes because its Architecture Course has such a high standing in the industry. Many of the tutors are practising architects and we were regularly visited by industry 'gurus'.

I was so hyped up when I got to university. I was looking forward to joining lots of societies, to learn and to grow in lots of different ways. Architecture is one of most intensive courses alongside medicine, so you are under constant time-pressure. It's a big change from school in that way – a kind of baptism of fire in terms of time management. But saying that I was doing a lot – I was also running a newspaper, making a whole series of films and working part-time. So it is probably no surprise that time was such a hot commodity. It is great finding out that the techniques and creative approach to doing things that you learned at university can be applied at work. It has been very exciting seeing my designs become reality!

There is so much to do if you are willing to put yourself forward and give it a go. I particularly liked taking the independent study modules as you could complete your own research and develop ideas in the areas you were interested in. Through one of these I applied for some research funding from the Reinvention Centre for Undergraduate Research. You could apply for funding to do research and have articles published in their journal. I was awarded £2,000 to develop some work focusing on different film techniques used to represent architecture.

I've had two jobs since I graduated as part of the professionally accredited placement year you need to qualify. Both have been with firms I did optional work experience with while I was still at university. The first was with a firm called Green Planning Solutions and my current firm is BHM Architects – they specialise in school design. It is great finding out that the techniques and creative approach to doing things that you learned at university can be applied at work. Whatever happens in my future career I know I have had a great grounding – I have gained so many skills that I can use in different ways. The main thing I have learned is to be a go-getter; there are an amazing number of opportunities out there - you just have to jump on them!

Chapter 3: How is quality currently secured?

The quality assurance system is continually changing and being improved. There are currently more safeguards than ever before.

Let us take a student like Chantelle, studying at an Alliance university - or indeed any HEFCE-funded university.

1. The first protection for a student of the standards and quality of their course is perhaps very obvious but it should not be taken for granted: what it takes to be allowed to call an organisation a university. The word "university" has statutory protection, and there are high entry thresholds both to the use of the term and to the ability to award higher education qualifications.

2. Before a student applies to the university, they are able to look up and compare course-level Key Information Sets, providing a comparable set of data on satisfaction, employment rates and other key indicators. These are the indicators which students told researchers were important to them in choosing a course, and are published on the university's website and centrally on the Unistats website. The applicant is also able to get further information from performance indicators, for example relating to retention and employment outcomes, freely available and used in league tables.

3. The course which the student chooses to study had to be internally validated before it was started. It was designed with reference to a subject benchmark, which describes minimum threshold standards for each subject no matter where it is delivered in the sector. It was also designed to fit with the Framework of Higher Education Qualifications, which sets out what constitutes a bachelors degree, a Certificate of higher education (and so on). All courses are designed and delivered with reference to the UK Quality Code, a set of precepts and guidance for quality across areas as diverse as admissions, careers advice, assessment and feedback. All three of these: the subject benchmark, FHEQ and UK Quality Code were collaboratively produced by the sector and published by the QAA.

4. Exam scripts are sent to an external examiner for review, as a check to ensure that the standards are broadly comparable across the sector. They may also be double marked within the institution. This is unusual compared with other countries.

5. After each module, students are invited to complete a student feedback questionnaire, the results of which are scrutinised by the course leader and the Head of Department. This allows staff to pick up on and address student concerns. Staff also use the National Student Survey results, which come from a national survey of all final year students, in order to look for issues at a course by course level. It is also reflected in league tables, which are a key driver of change for the university as it wants to do well in them.

6. There are incentives for the university to provide good learning opportunities, so that students do not choose to leave the course. Funds from tuition fee loans are provided to the university by the SLC in three instalments during the year, based on completion. Teaching grant from HEFCE for higher cost subjects and higher cost students[9] is also linked to completion.

7. The governing body of the university subscribes to the Committee of University Chairmen Code of Practice, which requires the body to ensure the effective operation of academic governance - involving the Senate/Academic Board or equivalent - in order to maintain quality and ensure that the interests of students are at the heart of governance.

8. The university is reviewed every six years by the QAA, under the new Higher Education Review process. The QAA would visit more frequently if the university did not have a strong track record in managing standards and quality. The QAA makes a judgement about:

    a) the provision of learning opportunities;
    b) the setting and/or maintenance of academic standards;
    c) the provision of public information; and
    d) the enhancement of the quality of student learning opportunities.

    The QAA also looks at a particular theme which is considered particularly worthy of further analysis or enhancement, and which changes periodically. For example, the themes for 2013-14 and 2014-15 are "student involvement in quality assurance and enhancement" and "student employability." The reviews are carried out by peer reviewers - staff and students from other higher education providers. Students from the host university are also involved, being invited to provide a student submission, meet review teams and work with the university to implement the recommendations of the review. The reports are openly published.

9. The university works with students as partners in quality assurance, for example student representatives at course level, a student engagement officer (etc). The QAA also involves students: for example, there are two student members of the QAA Board, plus 17 members of a QAA Student Advisory Board. There are over 80 trained student reviewers now available to take part in QAA reviews.[10]

10. A course such as Chantelle's leads to a professional qualification which will allow her to practise a particular profession, so it is recognised and assessed by one of the very many professional, statutory and regulatory bodies (PSRBs) operating in higher education. There is no definitive figure for the number of such bodies, but the Higher Education Better Regulation Group list 130 of them in a database on their website,[11] offering professional quality assurance of programmes in subjects such as medicine, allied health, teacher training, accounting, law and architecture. This is a sizeable and

---

[9] Currently supported through the Student Opportunity Fund.

[10] Numbers taken from *Review of the QAA* by ENQA , July 2013

[11] Higher Education Better Regulation Group, Database of professional, statutory and regulatory bodies, published at
http://www.hebetterregulation.ac.uk/OurWork/Pages/Professional,StatutoryandregulatoryBodies(PSRBs).aspx

important part of the quality assurance system, especially for Alliance universities. To give an idea of scale, a university like the University of the West of England has relationships with 65 PSRBs, varying in type and amount of engagement. An applicant will know from the Key Information Set which PSRB is involved with their course, so there is no confusion as to whether the course is recognised or not.

11. If a student has a complaint or a concern about his or her course, there is an internal complaints procedure. Should the student not be satisfied by the response to their complaint, they can escalate it, free of charge, to the Office of the Independent Adjudicator (OIA) for Higher Education.

12. If a student has a concern about quality and standards at the university, they can raise a cause for concern directly with the QAA and ask them to investigate. Indeed, anyone can raise a cause for concern, including HEFCE or a member of staff or the public. This can bring forward a full review by the QAA. If that is failed, HEFCE's policy on unsatisfactory quality will be invoked, leading to detailed attention and action plans. The ultimate sanction for publicly-funded institutions, to be agreed at HEFCE Board level, is removal of all or part of HEFCE funding.

13. The course meets European guidelines. For example, the Framework of Higher Education Qualifications is carefully designed to be compatible with the European qualifications framework (Framework for Qualifications of the European Higher Education Area). The QAA has been reviewed for membership of the European Network of Quality Agencies (ENQA) against the European Standards and Guidelines.

This description of the safeguards is necessarily quite long, because there are so many safeguards, both internal and external. And it is this balance of safeguards - some internal to the university, others mutually agreed by the sector, yet others imposed from outside - which is so important. It is not simply a matter of an external inspectorate coming in regularly and the university 'jumping through the hoops' in order to pass; rather there is a culture of quality embedded in the university, at all levels from individual staff to schools to the governance of the university.

This culture is a shared culture with other providers of higher education. The sector has worked together over many years to produce shared statements of expectations relating to quality and standards, to which all are held to account, no matter where the higher education is delivered. In addition, providers are and should be reflective and feel an obligation to perform at the shared, expected standard.

> "We don't believe universities should be able to take short cuts on quality and get degree awarding powers at a fast rate. The existing rules are more than adequate to allow new entrants to the market - that have demonstrated high quality over time - to be able to compete."

> *Carl Lygo, Vice-Chancellor, BPP University, Guardian interview, Jan 2012*

Universities are also acutely aware of their reputation, and this will be influenced in real time by social media: for example, The Student Room is full of personal views about the quality of the student experience.

Chapter 4: Principles for quality assurance of English higher education

The principles and objectives set out below are central to the processes and safeguards just described. We see these as vital foundations for the higher education system - both now and in the future. We want to see these continue to be at the heart of the system whilst it evolves to meet future challenges.

Vital principles for quality assurance of English higher education - both now and in the future

- **Stringent criteria for gaining degree awarding powers and university title**. This is the absolute basis of ensuring quality and standards.

- **Robust thresholds for allowing access to funding** (whether direct teaching funding or student support) - this protects quality and standards and lowers the risk of institutional failure.

- **A balance between external accountability and self-regulation**. The sector has worked together over many years, with students, employers and professional bodies, to develop shared descriptions of quality and standards - and then the QAA, an operationally independent body, checks that these are being adhered to. Unaddressed failure leads to funding sanctions (removal of HEFCE grant for HEFCE-funded institutions, refusal of designation for student support purposes for non-HEFCE-funded institutions).

- **Students are fully engaged**. Students are partners in their learning, not just passive consumers. Students are involved in quality assurance and enhancement at all levels, from student representation at course level to acting as reviewers visiting other universities to sitting on the QAA and HEFCE Board.

- **By law, the Government cannot tell a university whom to admit**. Minimum entry requirements to higher education are not centrally stipulated - allowing institutions to make fair judgements based on individual candidates.

- **By law, the Government cannot tell a university what to teach**. There is no national curriculum in higher education, and the Secretary of State cannot attach terms to the HEFCE grant relating to the contents of particular courses nor the manner in which they are taught, supervised or assessed.

- **Peer review, rather than professional inspectors**. Reviews of UK higher education provision are conducted by people with current or very recent relevant experience in managing, developing, delivering and/or assessing higher education in higher education institutions or colleges. Every Higher Education Review team also includes a student, as a full and equal member. External examining is also a vital feature of the system.

- **Supports quality enhancement** - not just about passing a test but about getting better and improving quality all the time.

- **Not 'one size fits all' but flexible and risk-based**. Identifies where the greatest risks to quality and standards lie, and concentrates efforts accordingly.

- **Transparent and fair**. Where there are differences in how institutions are dealt with under the quality assurance system, those differences should be objectively justifiable rather than the result of history.

- **Effective**. Ensures that any provision that falls below national expectations can be detected and the issues speedily addressed.

- **Efficient**, in order to avoid disproportionate use of effort and resources which could otherwise be directed to the delivery of frontline student teaching.

- **Provides information to the public** - and there is a good reason if information is not available.

- **Deals fairly with complaints**. There is an independent place to take complaints which have not been satisfactorily resolved within the institution.

- **Not just England-focused** - fitting with UK and European quality expectations, and draws on international expertise, for example with the addition of international reviewers as observers to the Higher Education Review process.[12]

---

[12] This list is not exhaustive. For further principles and objectives of the quality assurance system, see Annex B of Future arrangements for quality assurance in England and Northern Ireland: outcomes of consultation, HEFCE 2010/17

Chapter 5: Recommendations for the future of quality assurance

We positively welcome the way in which the higher education quality assurance system has undergone continuous change and improvement. By its nature it is constantly evolving. For example, the QAA has just finished an ambitious and wide-ranging review to update and refresh the entire Quality Code, section by section. The QAA have also just opened a consultation on the Framework of Higher Education Qualifications. The first Higher Education Reviews, a new process of risk-based quality assurance, started earlier this year.

The wider regulatory system, within which the quality assurance system fits, is also undergoing change. The failure to introduce legislation to deal with the proposals arising from the 2011 BIS consultation on a new fit-for-purpose regulatory framework for the higher education sector[13] is regrettable; it has led to patchwork policy-making, inconsistencies in the treatment of students and providers, and a good deal of difficulty in long-term planning. We support general calls for an higher education Bill to be introduced as soon as possible; this should be a priority for whatever Government is in power after the 2015 General Election.

At a time of growth and change in the sector, there is a need to balance two risks: the risk of stifling innovation vs. the risk of poor quality provision, especially rapidly growing poor quality provision. The Treasury have explicitly linked the raising of student number controls to the government continuing to "closely monitor quality of provision across the sector."

> The higher education sector has an internationally excellent reputation for quality. The government will continue to closely monitor quality of provision across the sector and reserves the right to reimpose number controls on institutions that expand their student numbers at the expense of quality.

> *Autumn Statement 2013*[14]

> "For alternative providers number controls will continue in 2014-15 as planned. From 2015-16 student numbers at high quality alternative providers will be freed from student number controls in a similar manner as for HEFCE-funded providers. However number controls will be retained for high risk alternative providers."

> *BIS, Alternative higher education providers: student number controls, final guidance for 2014-15, December 2013*

---

[13] https://www.gov.uk/government/consultations/bis-technical-consultation-uo-a-new-fit-for-purpose-regulatory-framework-for-the-higher-education-sector

[14] https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/263942/35062_Autumn_Statement_2013.pdf

The Government originally consulted on regulatory changes in 2011, with a view to informing a future Higher Education Bill. But that legislation has not been enacted, meaning that some problems to do with regulation are being resolved in an ad-hoc way. HEFCE are severely limited by law in their ability to make requirements of the circa 130 alternative providers who are designated for student support purposes, despite the very substantial flows of taxpayer backed loans flowing to these institutions.

Students in some providers could be disadvantaged because of the way regulation applies inequitably to their organisation. This might affect the quality of their tuition or student experience or the sustainability of their provider and, by extension, perceptions of the higher system as a whole. Regulatory Partnership Group, Corporate Forms and Structures Working Group: Summary Report (February 2014)) "For alternative providers number controls will continue in 2014-15 as planned. From 2015-16 student numbers at high quality alternative providers will be freed from student number controls in a similar manner as for HEFCE-funded providers. However number controls will be retained for high risk alternative providers."

BIS, Alternative higher education providers: student number controls, final guidance for 2014-15, December 2013

"In place of a level playing field, there is an unkempt meadow."

Unfinished Business?: Higher Education Legislation, Nick Hillman, HEPI Report 65

In this section, we set out nine recommendations for the future of the quality assurance system. Some of these recommendations aim to make the playing field more level between different types of providers, others address issues of particular risk or potential confusion. Many are not new - some are already in train - but we see it as important to highlight them as part of a package which must and should be pushed through, in order to protect the quality of English higher education.

1) The regulatory landscape is not fit-for-purpose

The government has sought to 'put students at the heart of the system', arguing that well-informed and discerning students making choices in a competitive market will drive quality up and costs down. Yet it has not all been left to the market, with the QAA, HEFCE and the OIA maintaining important roles.

We should recognise how far existing bodies have gone, within the limits of their powers, to adapt to this new world. For example, the role of the QAA is much expanded, and the types of institution with whom they are directly engaging has changed. The QAA has welcomed more than 200 further education colleges as new subscribers, and also now has 14 non-publicly funded higher education institution subscribers[15]. The QAA also engages with a large number of institutions who are not subscribers, receiving 94 applications for Review for Specific Course Designation and a further 24 for Educational Oversight in 2013, all to be carried out within a short time window compared with the cycles of Higher Education Review and its predecessors. This has required extensive and impressive scaling up of existing activity. But, as with HEFCE, the QAA's powers are limited in certain ways.

There is widespread agreement on the desirability of a single regulatory framework regardless of the type of provider, much of which will require legislation (and much of which is beyond the remit of this publication).

> *Student rights and protections should be embedded across the whole sector, not on the basis of students paying fees or even on the basis of public funding going into your institution, but because being a student in the United Kingdom, in a university, college or private provider, or for that matter an institution outside the UK whose degrees are validated by a UK institution, should mean that you have access to fundamental rights and protections in law. That these should rest on your student status, not on the movement of money around the system.*
>
> *Rachel Wenstone, Vice-President (Higher Education), NUS*

A number of bodies have made recommendations about the shape of the necessary regulatory landscape, for example: the establishment of a Higher Education Council which would broadly take over the functions previously held by HEFCE, Office for Fair Access (OFFA), OIA and QAA

---

[15] Figures provided by the QAA. Subscribers invoiced in 2013: 174 higher education institutions of whom 14 non publicly-funded, 202 further education colleges.

(Browne Report 2010); the merging of HEFCE, QAA and the OIA into a single higher education regulator (IPPR Commission on the future of higher education 2013); setting up a Council for Higher Education incorporating OFFA, OSL (formerly SLC) and a new body, OCID (Office for Competition and Institutional Diversity), with contractual relationships with QAA, UCAS, and HESA (Higher Education Commission 2013).

We recommend that HEFCE should be established in statute as the overall regulator of all forms of higher education provision, whether the provider is in receipt of teaching grant or whether the providers' students have access to student finance. QAA would continue to be commissioned by HEFCE to undertake the quality assurance part of the regulatory process, against a sector-owned framework.

This would support the principles of the higher education quality assurance system set out earlier, particularly the need to balance external accountability and self-regulation. The QAA's legitimacy depends on its independence from both funders and providers. This is such a fundamental point, internationally recognised, that it is a basic requirement for its continuing membership of and recognition by the European Network of Quality Agencies (ENQA). ENQA, in a positive 2013 review of the QAA, noted the importance of protecting the operational independence of the QAA due to funding and regulatory changes.

> **1.** **A balanced approach to quality, acknowledging the importance of both external accountability and self-regulation, is needed. Our view is that there should be a single regulatory body for all higher education providers in England. This body would, ideally, commission the Quality Assurance Agency (QAA) to undertake quality assurance across the system. The organisations to which higher education providers are accountable must have the powers, resources and procedures needed to carry out their roles.**

2) The risk-based quality assurance system is new, and a lot is resting on it

The principles of risk-based quality assurance underpin Higher Education Review (which is the latest evolution of the core QAA review method). Higher Education Review was launched earlier this year, and therefore requires careful attention to be sure that it is delivering what was asked of it:

- that students' interests are being protected;
- that institutions are being treated equitably, if not identically;
- that the right risks are being specified;
- that the system is able to measure and locate those risks; and
- that Higher Education Review is sufficiently elastic to be successfully expanded from QAA subscribers to other higher education providers.

A review of this new method is planned, once a fair number of institutions have been through it, most likely in 2015-16. The QAA, HEFCE, BIS and the sector will want to pay attention to particular areas of interest noted by ENQA in 2013:

- how the new risk-based approach is put into practice - whether the procedures will be fit for purpose; and

- ensuring that the review procedures used are sufficient to provide adequate evidence to support the findings and conclusions reached.

In addition, the government has said that it will continue to closely monitor quality of provision across the sector and reserves the right to reimpose number controls on institutions that expand their student numbers at the expense of quality. It is not yet clear how this monitoring will be carried out. With specific reference to alternative providers, the Government has said that HEFCE will run an annual monitoring exercise to collect information about the ongoing financial sustainability, quality of provision, and changes to management and governance arrangements (Willetts written parliamentary answer 7 April 2014). Details, including the role of the QAA in this, as well as coverage of publicly-funded providers, have not yet been published. Nor is it yet absolutely clear how high risk alternative providers, who will continue to be subject to student number controls, will be identified, particularly in terms of moving from high to low risk or vice versa.

> "Students clearly have the right to expect the highest quality learning opportunities. We want the Council to develop mechanisms that protect and assure the quality of the academic student experience when we remove student number controls in 2015-16."
>
> *2014 Grant letter from BIS to HEFCE*

HEFCE and BIS are developing their policy thinking in this area. We hope that there will be a consultation later this year on the development of the risk-based assurance system, and look forward to contributing.

> **2.** **The risk-based quality assurance system should be carefully reviewed and further developed.**

3) We need to look at where the risks might be

Structures in higher education are changing rapidly; in particular, franchising and validating arrangements are complex, highly varied and fast-changing. This can have great benefits for students, in terms of being able to access a degree close to home, for example. However, there are risks too. For example, there is a possibility that some newer alternative providers will seek to grow rapidly through franchise arrangements with HEFCE-funded institutions. This might be one way to get around student number controls, when they are not universally lifted. This would be a concern if it were to go against the purpose of the controls, which is to limit the student risk from very fast growing newly established provision. BIS should continue to review this issue carefully. We welcome HEFCE work on a project to map franchise and validation arrangements.

We also concur with the recommendation of the Regulatory Partnership Group Corporate Forms working group that higher education providers which experience a change of ownership, control or corporate structure should be reassessed to confirm that they continue to meet designation requirements.

There has been particularly rapid growth among alternative providers of Higher National Diplomas (HNDs) and Higher National Certificates (HNCs). The scale and speed of this growth in particular led to in-year controls on recruitment being imposed on alternative providers in 2013-14. We recommend that this provision and its links to the UK Quality Code should be given particular attention, especially where it is in providers with a relatively short-track record in working within the UK higher education quality assurance system.

> **3.** **In the re-design of the regulatory system, particular attention should be paid to collaborative provision; changing ownership, control or corporate structures; and HND/HNC provision in providers with a relatively short track-record in working within the UK higher education quality assurance system.**

4) Quality and effective student choice may be compromised because there are different information requirements of different providers

It is strange that, from the students' point of view, alternative providers - even those who receive the same or more SLC funding as a publicly-funded institution - are not required to take part in all of the quality assurance processes set out above.

For example, an applicant to BA (Hons) Music Production at the University of Central Lancashire, Leeds Metropolitan University or Hull College, has access to Key Information Sets. But an applicant to BA (Hons) Contemporary Music Production at the Academy of Contemporary Music will not be able to locate a Key Information Set, simply because the Academy is an alternative provider.

Alternative providers[16] are not included in HESA performance indicators, so we cannot compare their employment outcomes, retention or contribution to widening participation. Most do not take part in the National Student Survey, so it is impossible to compare student satisfaction rates.

Confusingly, the applicants can look up Key Information Sets for some alternative providers, for example, BPP University or Regents University London, although many of the pieces of key information are unavailable.

Different providers need to have equivalence in the type of information they make publicly available so that students can make informed choices and so that providers are properly accountable to the public and to students.

Rachel Wenstone, Vice-President (Higher Education), NUS

Alternative providers (aside from the smallest providers) will be required to subscribe to HESA from 2014-15 as a condition of specific course designation. BIS tell us that over time, this will allow alternative providers to produce Key Information Sets[17], but there are still serious obstacles to requiring all alternative providers to take part in the employability and satisfaction surveys. Retention data is many years away.

Clearly, these things cannot be achieved overnight. And there will always be technical issues, for example, relating to small sample sizes. But this is not simply an issue about applicants having information to drive choice, important as that is. Transparent and comparable information on retention, employability and satisfaction is part of the quality assurance and enhancement system, allowing institutions, funders and policy-makers to see where improvements need to be made. It can drive an external cause for concern investigation, for example, as well as contributing to quality enhancement within the institution.

It is a risk to quality that alternative providers who are part of the English quality assurance system and who are receiving increasing amounts of public money (via tax-payer backed fee loans) are not publishing retention, employability and satisfaction statistics like other providers.

4. We should move with all speed towards parity of information from different providers.

---

[16] With the exception of the University of Buckingham

[17] Alternative providers specific course designation: guidance for providers, BIS, June 2013

5) It is not right that students have different access to complaints procedures depending on where they study

Students at most alternative providers cannot ask the OIA to adjudicate on any complaint. The situation is further confused by the small number of alternative providers who voluntarily choose to subscribe to the OIA, or who are required to when they achieve university status.

"It is extremely unfortunate that students in higher education have different access to complaints procedures depending on where they study. It was a key theme of the Coalition Government's 2011 White Paper that market reforms needed to be anchored by a level playing field of regulation brought about by legislation. This has not happened,

At present, therefore, students in publicly-funded universities have direct access to the OIA Scheme (free of all charges) since these institutions are required – under the 2004 Act – to join the Scheme. Providers without university title are not required to join, but can do so – if they choose and if they meet OIA tests of good governance. A small number have done this. Students studying at Colleges with powers to award Foundation Degrees are not covered. higher education students in FE have restricted access to the OIA depending on the detail of the franchise arrangement with the partner university.

All of this is not only unsatisfactory but also inequitable. I came across one private supplier charging £200 pounds to a student to make a complaint. This was a strong disincentive to make a complaint."

Rob Behrens, Independent Adjudicator and Chief Executive of the OIA

> **5.** Each student should have access to an independent complaints procedure once their provider's procedure has been exhausted.

6) We need to plan for institutional and programme failure

A perfect market depends on failure, but that is no good for student protection. So we also need to think about institutional and programme failure, and how the interests of the students - whether financial or academic - can be protected. The capacity to be 'taught out' is an important one.

In the past HEFCE had a budget to mobilise, in order to help students to transfer to other providers when one provider either decided to shut a course or was forced to shut a course, but there are serious questions about what would happen in future.

Some have called for an insurance scheme, but there are concerns that low risk institutions should not subsidise the high risk.

The Office of Fair Trading paid particular attention to exit regimes in a report published in March 2014, and recommended that its successor body, the Competitions and Markets Authority, should return to the subject in a compliance review. Work is currently being scoped within the representative bodies Universities UK and GuildHE, and the Regulatory Partnership Group are also taking an interest.

> **6.** The sector needs to continue to think carefully with BIS, the Higher Education Funding Council for England (HEFCE) and the National Union of Students (NUS) about institutional and programme failure, in order to decide how those should be managed.

7) Fair admissions needs protecting, but we need to avoid blunt policy responses

All higher education providers are taking part in a hugely complex new game, with changed rules and many unknown quantities. This represents a great challenge for fair admissions and selecting the right students for the right course. With increasing financial competition, there may be a risk that some institutions may make decisions which benefit them in the short-term financially, by taking on students who are not right for the course. Those students would then be more likely than average to drop out. If this were to happen, it would be a concern.

Interestingly, we can learn here from the experience in Australia when it introduced a demand-driven funding system, by removing student number controls from public universities. There were concerns about whether the level of growth would affect the quality of students admitted and their ability to stay the course. A recent review of the demand-driven funding system found that those concerns have not been borne out by experience to date, and pointed to a number of safeguards including the role of the Australian Tertiary Education Quality Standards Agency (TEQSA) in examining whether institutions are taking on appropriate students and have appropriate diagnostic processes to identify and help students at risk of failure.

The review explicitly recommended that minimum entry requirements were not introduced, for the same reasons that we would not want to see them introduced in England. Not only is there is no central methodology to deliver such a requirement, but it would also discriminate

in particular against students coming in through non-traditional routes. This approach would not take account of the significant added value that universities deliver – meaning that these students go on to achieve high standard degrees and employment outcomes regardless of their qualifications on entry.

> "Fair decisions on higher education admission require more information about individual applicants and higher education provider capacity than government can ever have. At the margins, any minimum is going to exclude some applicants who could succeed if they were given a chance."
>
> *Review of the demand-driven funding system, Andrew Norton and David Kemp, published by Australian Government Department of Education, Australia (2014)*

The UK Quality Code has a section on recruitment, selection and admissions, which is used as a reference point in QAA review for all institutions. Given that admissions may be a particular area of concern, we would welcome particular attention by the QAA to this section of the Quality Code, and a discussion at national level about how far providers of all types are adhering to this part of the Code.

> **7.** **The QAA should pay particular attention to the section of the UK Quality Code on recruitment, selection and admissions, and there should be a discussion at national level about how far providers of all types are adhering to this part of the Code. We do not support the introduction of the blunt instrument of centrally-imposed minimum entry requirements.**

8) We should think creatively around further ways to support retention

In England's pre-2012 funding system, the HEFCE funding methodology ensured that funding was on the basis of completion of that year of study, with adjustments made for any students that dropped out throughout the year. With the shift to fee-based funding, England sensibly preserved the principle and ensured that fee loans are paid to universities at three points throughout the year – allowing funding to be withheld for any students that have dropped out.

We believe that this principle of funding by retention will be an increasingly important part of the system as it expands. In the long term, when data allows, the funding system should be adjusted to provide further incentives for retention.

> **8.** **Increase sensitivity of funding (or hold back funding) in relation to retention, based on a benchmark approach for different providers. This makes ensuring that all providers are providing data on retention even more of an imperative.**

9) Quality costs

Finally, the elephant in the room about quality is funding. Quality cannot be achieved on the cheap. Low cost, low value higher education has a low return on investment for the individual (low employability) and the state (low tax revenue). Universities are managing a considerable shake-up in funding, including the removal of £45m from the teaching budget for 2014-15. The fee cap, set in 2012, has also not increased in line with inflation, so is decreasing in value in real terms. There are concerns that resource for teaching high cost subjects and high cost students may be eroded if, for example, more students enter the system than budgeted for when the cap is lifted, if grant funding is extended to alternative providers or if the sale of the student loan book does not achieve the expected result.

In particular, we argue that there is a need to increase Student Opportunity funding. It is reasonable to expect that lifting student number controls will bring more non-traditional students into the higher education system, as it did in Australia. Student Opportunity funding is essential if we are to ensure that these students succeed in higher education and beyond, not just get through the door in the first place. As we argue in *Closing the Gap: Unlocking opportunity through higher education*, an increase in this funding will have positive effects on our country's commitment to social mobility and would be a sound investment decision in the long term.

University Alliance will argue in a report to be published in June 2014 that we need an evolution of the funding system, which will allow high quality higher education to be affordable to students, graduates and the state. We will set out our plans for how this might be implemented.

> **9.** **A supportive funding environment is needed, particularly one which takes account of the additional costs of supporting and retaining non-traditional students.**

Conclusion

We believe that high quality higher education is essential, and that further safeguards can be put in place to protect it. We do not believe that increased competition automatically leads to a 'race to the bottom' any more than it automatically leads to a 'race to the top' - but the current pace of change means that additional safeguards are needed.

These additional safeguards need to be flexible yet robust, and sensitive to the widest definitions of an excellent student learning experience. They also need to adhere to the principles of quality assurance which have served so well so far.

The English quality assurance system has evolved over time and adjusted with successive waves of expansion. We are optimistic that it will evolve to meet the new challenges ahead.

In this way, we can protect the UK quality brand, keep our reputation globally and support the considerable investment - both time and money - which students, employers and taxpayers are placing in the higher education system.

UNIVERSITY ALLIANCE