



Quality Assurance Agency for Higher Education

Meeting of the Board of Directors

Glasgow Caledonian University, and by video conference, 11:00 – 15:00

Minutes of the meeting on 14 June 2023

Present

Board Members:

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

In attendance

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 6)

Welcome, apologies and Chair's opening remarks

1. The Chair welcomed members to the meeting. The Board noted it had received a nomination under Article 50(ii) from the Department for Education in Northern Ireland,

to appoint to the Board Professor Odette Hutchinson. The Board **approved** the appointment of Odette Hutchinson for an initial three-year term until 14 June 2026.

2. The Board noted the early retirement of David Jones from the Board.

Odette Hutchinson joined the meeting

3. The Chair congratulated Nic Beech on his recent appointment as Vice Chancellor of the University of Salford.

Quorum and Interests (Item 2)

4. 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 15 March 2023, (Item 3, BD-22/23-42)

5. The minutes of the meeting held on 15 March 2023 were **approved** as an accurate record.
6. Matters arising in the minutes:
 - a. 22-23-15: Caroline Blackburn would bring a revised Approach to Treasury Management policy to the October meeting.
 - b. 22-23-72: Simon Gaskell would write to thank David Jones on his formal retirement now his successor had been nominated.
 - c. 22-23-82: The date of October 2024 Board meeting had been agreed.
7. All other actions were noted as complete.

Chief Executive's Report, update on interactions with Funders and Regulators, (Item 4, BD-22/23-43)

8. Vicki Stott presented the report. She had undertaken a number of constructive international visits and meetings including with the National Commission for Academic Accreditation and Assessment (NCAAA), the Saudi accreditation body.
9. The senior leadership teams of QAA and Advance HE had met. Discussions had suggested the two agencies' offerings were largely distinct.
10. The two agencies had considered potential areas for collaboration; the greatest scope appeared to be in the handshake point between the agencies and clarity for the sector in describing the offers.
11. A sector mapping exercise was being undertaken with a consultancy, Gate One, to scope and clarify the offerings of the four sector agencies, in response to Universities UK's keenness for agencies to have clearly defined remits. Further workshops would focus on international work and data analysis.
12. QAA had taken a paper on the development of the Quality Code to the UK Standing Committee on Quality Assurance (UKSCQA).
13. SG and VS had met with Universities UK, which was developing a new strategy. The unhelpful rhetoric around low quality degrees was discussed.

14. The Subject Benchmark Statement (SBS) for Mathematics, Statistics and Operational Research had received further media coverage. QAA had given thought about how to engage, and would not respond directly to open letters. QAA had spoken to the SBS advisory group chairs.
15. The Board noted that the lack of a direct QAA response had been seen as provocative by some: a second open letter included a note that QAA silence was deafening. The Board agreed that the risks in engaging outweighed any potential benefit. Chloe Field noted the NUS experience in this area suggested that dignified silence was the right approach.
16. The membership renewal campaign was going well so far. Revenue committed had that morning passed the £1m point. Some institutions might yet not renew due to financial pressures, and Board members had noted with disappointment OfS's discouraging wording about QAA in a letter to accountable officers. Fazal Dad noted it was necessary to be crystal clear about the value of membership for colleges. QAA had held working groups and workshops with colleges to tease out the value proposition for them.
17. Oliver Turnbull noted QAA was in a good position as a trusted voice to bring order to discussions around artificial intelligence (AI). QAA had published two pieces of guidance; one in response to initial concern in the sector and a second on how to use AI in a constructive way, given the increasing integration of AI tools into standard products. A third piece on assessment would be published shortly. Work was underway with Jisc to legitimise the technology and with Advance HE on staff development.
18. SG noted that student input on AI was vital and QAA well placed to channel it. AI had been discussed at SSAC and there was a continuing clamour for sector guidance. Most institutional responses ignored the potential, and focussed on banning its use or on detection. This raised student concerns about false positives. Xenia Levantis noted it had much potential to benefit disabled students and suggested QAA work with the Disabled Students Commission.
19. Alastair Delaney presented the update on interactions with funders and regulators. The Scottish Enhancement conference on 14 and 15 June was at full capacity for both days, with further participants joining online from around the world.
20. Kathryn O'Loan was shortly to join QAA from the Scottish Funding Council to take up the position as Director of Scotland, Wales and Northern Ireland.
21. QAA had been formally commissioned to take forward the Scottish quality enhancement and quality assurance framework for the tertiary sector. QAA had applied for, and expected to be awarded, additional resources to support implementation.
22. Submissions had been made to the Scottish Concerns Scheme in respect of the strike action. QAA had revived its guidance issued during the pandemic to support institutions. Universities Scotland had attempted but failed to reach agreement in the sector on a line about assuring the quality of those degrees affected. This meant greater focus on QAA to provide assurance that quality and integrity of awards was maintained during the action. The Board stressed the importance of the principle that responsibility for quality rested ultimately with institutions.
23. In Wales QAA had published the new handbook for the Quality Enhancement Review. An audit by the Welsh Language Commissioner had been very positive.

QAA would appeal formally to the Commissioner in order to retain its registered trademark in Wales, as the compliance notice currently required a translation which would render QAA as ASA.

24. In Northern Ireland, QAA still awaited a response from the Department for the Economy on the commission for quality assurance arrangements. NUS-USI had met with QAA and was keen to engage with the review method going forward.
25. Scotland had taken governmental membership of EQAR. Wales had started the application process.

Odette Hutchinson left the meeting

ENQA Update (Item 5, BD-22/23-44)

26. Alastair Delaney provided an update on the ENQA report which QAA had received for an accuracy check in May.
27. Overall the outcome was very positive, and QAA had been judged compliant for almost all standards and non-compliant for none. The report included commendations across QAA's UK and International work, and praised the top-to-bottom involvement of students. QAA's international reputation was described as gold standard.
28. The report identified two areas of partial compliance. 3.4 (thematic analysis) was one. QAA did significant thematic analysis, but the definition of the standard was narrow and referred to analysis of reports. QAA would seek improvements in this area.
29. 2.5 (criteria for outcomes) was the other area of partial compliance. The recommendation focused on creating a central committee for approving review reports. This was not something QAA did, given its multiplicity of review methods. QAA had challenged this judgement, on the basis that it seemed prescriptive of a solution rather than identifying an issue.
30. The Board discussed the recommendation. QAA could argue that the Assessment and Reviews Group (ARG) served an equivalent purpose, but Board members also considered the potential advantages of a review committee. The standard aimed for consistency of judgement; ENQA had raised no concerns about QAA's judgements or their consistency, and a review committee would add a delay to the publication of reports. QAA needed to reflect on the recommendation, however, as there might be an opportunity to create something positive.
31. At present three elements assured consistency: the Internal Quality Assurance (IQA) manual (though it was not yet fully embedded); ARG checking methodologies to ensure they were consistent; and an annual report on each method that was discussed at ARG.
32. Board members agreed that the case for a central committee was not a logical one in QAA's case, but felt that some kind of externality was needed so that the Board could be assured of consistency across review methods. QAA should consider options to meet this need, which might involve some kind of audit or periodic sampling.
33. Once the ENQA report had been published, the Public Affairs team would use it in messaging. The conclusions would need to be landed with the Westminster

Government in particular. The totality of the report would be shared to avoid looking as if the organisation was cherry-picking findings.

34. QAA had responded to the accuracy check draft and it would now go to the ENQA Agency Review Committee, which did have the power to change judgements. The final report would likely be published in July before going to the EQAR Registration Committee.
35. The Board noted the significant amount of work that had gone into the review, particularly by Laura Porter who had led the ENQA review team, and congratulated and thanked them.

Rob Stroud joined the meeting

Access to HE Diploma Specification and Grading Scheme Review (Item 6, BD-22/23-45)

36. VS introduced the item, and acknowledged that the situation outlined in the paper was not an entirely satisfactory state of affairs. Rob Stroud was working to resolve the issues.
37. RS presented the paper. The formal position of QAA in respect of the Access to HE Diploma was as a non-statutory regulator. The work had been allocated by the DfE in 1997 on QAA's creation. Vanessa Davies pointed out that this might not constitute lasting vires, but the Board noted that the original correspondence in 1996 was unequivocal that it was a function of QAA going forward. Since then QAA had trademarked the Access to HE qualification and name, along with other intellectual property that would act as safeguards. However, the basis for QAA's role should to be clarified in case of challenge. **Action:** Governance to review the historic Access to HE documentation.
38. The Diploma was regulated through licensing bodies, known as Access Validating Agencies (AVAs), through the Grading Scheme and the licencing requirements QAA placed on AVAs, collectively known as the recognition scheme.
39. The Diploma was highly successful in its aim of widening participation and supporting adults into higher education. 26% of Access students declared a disability, 23% were classified as disadvantaged and most were over 25 years of age. It was an important qualification for the sector, predominantly delivered in further education colleges. One significant advantage was that students who took a loan and carried on into HE had their Access loan written off.
40. ARLC had scrutinised the proposal to change the Diploma Specification and Grading Scheme. It set out a structure for the Diploma with the aim of simplifying the arrangements and driving consistency in the AVAs. ARLC had received a letter of concern from AVA CEOs which had been given due consideration in drawing up the recommendations included in the paper.
41. The proposals on the Grading Scheme were technical in nature; they should remove some complexity and included the development of a subject descriptor for nursing and health professions.
42. The Board was asked to approve retrospective changes to the grading scheme arrangements outlined in paragraphs 52 and 53. Some of these had been reported to ARLC but not always to the Board. The Board **approved** the changes in retrospect.

43. Fazal Dad noted, as a member of ARLC, that the structure of the qualification meant that government was looking at funding it as part of the Lifelong Loan Entitlement (LLE). The changes should support modular accumulation as greater consistency had been introduced and included larger credit units within each diploma. At present the number of 3 credit modules did not lend itself to the LLE, and the changes should ease the transition.
44. It was not anticipated that the AVA CEO concerns would cause a problem with implementation. The AVA letter sought to delay the implementation and ARLC had discussed this at length. Testing of the changes had been carried out since the letter was received. The implementation timetable had been the main concern, so QAA had sought feedback on the feasibility of implementation, and RS had met some AVA CEOs on an individual basis. Concerns should be partially allayed by the support QAA was offering.
45. Board members wondered whether there was potential for an actual or perceived conflict of interest with the nursing Diploma and a potential successful bid for the Nursing and Midwifery Council (NMC) quality assurance contract. This was unlikely as the Diploma was a level 3 qualification, but QAA would consider the risk in developing the bid for the NMC contract. An internal firewall or governance separation could be considered if needed.
46. Board members wondered whether more should be done to promote the success of the Access to HE Diploma, including with government. The Augur report had commended the Diploma over its year zero approach. Simplification would lay the ground work for scaling up provision. Through all the level 3 reforms, and reductions in the number of qualifications, Access to HE had been explicitly protected in the same way as A-levels and T-levels, which spoke to its credibility within government.
47. The Board **approved** the changes to the Diploma Specification and Grading Scheme.

QAA Strategic Risk Register Review (Item 7, BD-22/23-46)

48. Tom Yates presented the risk register, which been scrutinised by the Senior Leadership Team and the Audit and Risk Committee. The descriptions of the risks had changed but the assessment of the risk ratings had not.
49. Risk S1 marginalisation: the position had clarified as OfS had taken assessments in-house, though that left QAA free to operate above the regulatory baseline.
50. Risk S2: fragmentation now represented a less direct risk to QAA as there was progress with respect to its own role in all three devolved nations.
51. Risk S6: demission of the DQB role had left a revenue gap to fill. Plans for growth of new services had been included in the mitigations.
52. Craig Watkins noted the register was a useful tool for highlighting the dynamic nature of the QAA context, and useful for the leadership team. The change of situation post-DQB had consequences that flowed through other risks. The register highlighted the pace of change and that QAA needed to stay on top of mitigations. The financial situation would be a focus for the external auditors.
53. The Board suggested that the risk around governance could be more distinctly captured. The register had included a governance risk in a previous iteration which through discussion about the level of granularity had fallen away. **Action:** Executive

to consider recording as a separate risk the possible failure of governance and the reputational impact this could have.

54. The Board **approved** the risk register, noting the further considerations to follow.

Sue Rigby left the meeting

Quarterly Performance and Finance Monitoring Report (Item 8, BD-22/23-47)

55. AD presented the Quarter 3 performance report. Most indicators were on track. The international income target would be missed due to the variables in length of pipeline from contract to delivery. The international membership and accreditation offer had underperformed against expectations and would be revisited.

56. The membership offer for colleges in Scotland had been paused until the Scottish Funding Council announcement. The deadlines for Access reviews would not be met. Alternative Provider provision had been moved into the new Assessment Services and Access to Higher Education team.

57. Board members expressed concern that in respect of international activities income often seemed to lag behind target, and asked if lessons were being learned. Caroline Blackburn noted the executive was alive to the issue, and was confident the issues were distinct and addressed. This year the ACE for impact work in the African nations had adversely affected otherwise accurate targets.

58. Analysis on the pipeline stages was being used to improve the accuracy of the forecast, and internal processes examined to speed up revenue collection. The Board noted that part of the learning was cultural and adapting to new ways of working in new cultures. It was a young business stream that had expanded into new markets each year, so there was cumulative learning as QAA matured in international markets.

59. CB presented the financial monitoring report. The operating surplus was materially the same as at quarter 2 and better than budgeted. This was in part due to lower business support costs. The DQB was in a refund position.

60. The Innovation and Development (I&D) fund had been used to develop the new services. In order to fund next years development CB proposed to replenish the I&D fund by £140,000 from the assumed current operating surplus. Peter Vermeulen had met with CB to discuss and subject to affordability welcomed the suggestion. The Board **approved** the proposal, capped at the surplus generated this year up to the sum of £140,000.

Draft Annual Plan and Budget (Item 9, BD-22/23-48)

61. AD presented the annual plan for 2023-24. It was an overview plan with measurable outcomes wherever possible, supported by detailed operational plans. Performance monitoring would be done through SLT.

62. Strategic development: QAA was looking at opportunities for new contracts, including one for the Nursing and Midwifery Council and the European Network of Information Centres contract.

63. Board members asked how QAA was ensuring that the new services, made possible by demission of the DQB function, would not prevent the option of returning to a formal role within the English quality system in future. In such an eventuality QAA

would need a governance separation or separate entity to avoid potential conflicts of interest.

64. The Board **approved** the annual plan.
65. Caroline Blackburn presented the 2023-24 budget and outlined the context. While presented here in comparison with the current year's budget, it had been drawn up from a zero base in conversation with all budget holders and the Senior Leadership Team.
66. QAA had ceased to receive DQB income. The new tertiary role in Scotland would enter its first year, and it was anticipated that international services would continue to grow. The budget allowed for an annual pay rise and in-house IT provision at a similar cost to that previously provided by Jisc. The need to run a deficit budget had been discussed at the Board meeting in December and there had been support for this.
67. Membership fee band changes and inflation had been applied. Membership would offer additional training to an institution which might add to the income. The risk to the projection was that renewals did not match expectations.
68. Income from QE-TNE work would continue next year alongside some small bespoke work.
69. In Assessment Services and Access to Higher Education there would be no notable change in Access to HE or Alternative Provider budgets. Education Oversight reviews may yet contribute additional income. Two new services had been launched and three others were in development for launch in 2023-24.
70. Board members asked whether the income target for the new services was realistic. CB explained some of the reasons for slow international growth, including delays from work in Africa.
71. QAA had applied to the Scottish Funding Council for transitional funding. Investments were now returning more than was currently forecast.
72. The outlined deficit budget recognised the need to invest to grow. QAA was a complex organisation to support, with extensive governance arrangements and significant compliance requirements, all of which meant a large fixed cost base. Expenditure budgets would be released month by month as a control.
73. The reserves forecast included the need to support the development of new services and the Nursing and Midwifery Council bid.
74. The Board agreed that it was appropriate to invest at this point. Some Board members expressed their nervousness at approving a deficit budget, while others wondered whether the approach was in fact too conservative: was more required to accelerate the return on investment and maximise opportunity for success? VS noted that accelerating returns sat with improving processes, which was within QAA's control.
75. CB outlined the best, most likely and worst case budget scenarios.
76. CB had modelled two years ahead to demonstrate the means of a return to surplus. In Membership only inflation on the existing income had been forecast, other areas had prudent forecasting. Scotland, Wales and Northern Ireland income would grow

over the three years and none of the potential large contracts were included in the forecast.

77. A breakeven budget had been modelled for 2023-24.
78. PV had provided detailed scrutiny of the budget, and had found the team's engagement with him helpful. He was confident in the case for an investment budget to capture and replace revenue despite the risk. He proposed that a breakeven budget should be sought in 2024-25 rather than the following year as forecast; this would encourage a mindset of finding cost savings. Income should be monitored through the year so that the budget could be reconsidered if revenue was falling short. PV recommended that approval be granted for the budget as presented.
79. The Board agreed the Executive needed the autonomy to fill posts if business critical. The pay budget assumed full staffing through the year; posts could be held when vacated and filled if critical, though QAA had a low staff turnover.
80. The Board **approved** the budget subject to close ongoing monitoring of expenditure and income.

Report on Financial Matters (Item 10, BD 22/23-49)

81. CB presented the update on Financial Matters. PV and CB had discussed the treasury management policy and the position on fossil fuel investment and would bring a proposal to the October Board.
82. There had been a significant data incident for the USS pension scheme, and, subsequent to circulation of the papers, a similar incident relating to the SAUL pension scheme; QAA had staff members in both schemes. The full extent was as yet unknown.

Review of the Scheme of Delegated Authority, Financial Regulations and Compliance Framework (Item 11, BD-22/23-50)

83. TY presented the update. The changes had been scrutinised by the Audit and Risk Committee. Minor changes were proposed to Scheme of Delegated Authority and Financial Regulations. No changes were proposed to the compliance framework.
84. The Board **approved** the changes.

Policy Updates (Item 12, BD-22/23-51)

85. TY presented the updated Comments, Compliments and Complaints procedure. Changes had been made to ensure compliance with the QAA Welsh Language Compliance notice and to offer flexibility if a complaint was received with an appeal and may materially impact on the appeal. The judgement on this was now at the discretion of Director of Corporate Affairs.
86. The Approach to Risk Management was recommended for approval following scrutiny at the Audit and Risk Committee in May.
87. The Board **approved** the policies.

Appointments to Board and Board Committees (Item 13, BD-22/23-52)

88. SG presented the appointments and retirements for approval. An updated paper had been circulated to include the appointment of Odette Hutchinson.
89. The Board **approved** the appointment of Chloe Field for a second and final term.
90. The Board **approved** the following appointments to the Advisory Committee for Degree Awarding Powers (ACDAP)
 - a. Ms Emma Williams, nominated by the Welsh Strategic Advisory Committee, for an initial 3-year term from 14 June 2023 until 14 June 2026;
 - b. Professor Tina Harrison, nominated by the Scottish Strategic Advisory Committee, for an initial 3-year term from 14 June 2023 until 14 June 2026;
 - c. Professor Clare Peddie, nominated by the Scottish Strategic Advisory Committee, for an initial 3-year term from 14 June 2023 until 14 June 2026.
91. The Board noted it was Philip Wilson's final meeting. The Chair thanked him for his unique perspective and lateral thinking, and for his service to QAA.
92. The Board noted that in preparation for the end of the second terms of Craig Watkins, Vanessa Davies and Sara Drake the restricted tender for the provision of recruitment services for three Independent Board members would be published on Contract Finder shortly.
93. The Board welcomed the key criterion for a successful tender bid of the ability to deliver a diverse shortlist that will help ensure a balanced and representative Board. TY said he would be interrogating search firms' proposals on diversity, it was a particular priority in this coming recruitment round. SG commented that there may be scope for more formal reporting on Board diversity.

Committee Reporting (Item 14, BD-22/23-53)

94. SG provided an update from the Consultative Board meeting.
95. The final DQB Committee had taken place and the minutes circulated for approval.
96. The Audit and Risk Committee recommended revised terms of reference for approval. The Board **approved** the amended terms of reference subject to the second 'audit' being removed at 4b and clarity that ARC received reports on sustainability. **Action:** RHK to amend terms of reference.
97. The Board noted that consideration of ACDAP's advice in respect of the Scottish Rural University College at the October Board would constitute an unreasonable delay for the applicant, and **approved** the consideration of ACDAP's advice by circulation.

Any Other Business

98. The Board discussed the size of papers for the meeting. SG proposed a move towards a briefer pack containing the main Board papers, which as always should be as brief as reasonably possible, and with secondary material to be accessible to Board members online; some organisations referred to this as a "reading room". The timings of the agenda items would be included on the agenda going forward.

Action: Governance team to implement and the Board would review the effectiveness in twelve months.

Date of the Next Meeting

99. The next meeting would be held on Wednesday 11 October in St Hugh's College Oxford.