



Quality Assurance Agency for Higher Education

Meeting of the Board of Directors

By Video Conference, 11:00 – 15:00

Minutes of the meeting on 15 March 2023

Present

Board Members:

Professor Simon Gaskell (Chair)
Professor Nic Beech
Dr Fazal Dad (through item 6)
Dr Vanessa Davies (from Item 7)
Ms Sara Drake
Ms Linda Duncan
Mr Alex Fraser
Professor Rachid Hourizi
Ms Xenia Levantis
Professor Karl Leydecker
Professor John Sawkins
Professor Oliver Turnbull
Mr Peter Vermeulen
Mr Craig Watkins
Professor Philip Wilson
Professor Tim Woods

In attendance

Officers:

Ms Vicki Stott (Chief Executive)
Mr Alastair Delaney (Executive Director of Operations (Deputy CEO))
Mr Tom Yates (Director of Corporate Affairs)
Ms Caroline Blackburn (Finance Director)
Ms Rachel Hill-Kelly (Assistant Company Secretary)

Welcome, apologies and Chair's opening remarks

1. The Chair welcomed members to the meeting, with Linda Duncan technically attending as an observer. Apologies had been received from Sue Rigby, David Jones and Chloe Field. The Board noted the retirement of Angela Joyce before the end of her second term, due to the pressure of other commitments.
2. The Board noted the recommendations from the Nomination and Remuneration Committee (NRC) for the following appointments:

- a. Fazal Dad, for an initial 3-year term from 15 March 2023 to 14 March 2026 under Article 50 (vi), following nomination by the Association of Colleges;
 - b. Peter Vermeulen, for an initial 3-year term from 15 March 2023 until 14 March 2026, and as Honorary Treasurer under Article 50 (iii), following a competitive search process;
 - c. Alex Fraser for an initial 3-year term from 22 June 2023 until 21 June 2026 under Article 50 (vii), following a competitive search process.
 - d. The selection process for the vacancy under Article 50 (viii) had yielded a second very strong candidate and NRC had recommended the co-option of Phil Deans for an initial 3-year term from 15 March 2023 until 14 March 2026 under Article 50 (viii).
3. The Board was content with all four of the proposed appointments, but expressed concern about the lack of gender diversity. In particular it was noted that a more balanced Board composition would ensure that apologies from female members did not disproportionately alter the gender balance at individual meetings.
 4. The recruitment panel and NRC had both noted the emerging issue in gender balance; diversity of all types had been a consideration in selection of both the recruiter and candidates; the candidates had emerged from a balanced longlist. Particular attention would be paid to addressing the issue at the next opportunity.
 5. The Board **approved** the appointment of Fazal Dad, Peter Vermeulen and Alex Fraser, who then all joined the meeting.
 6. The Board **approved** the co-option of Phil Deans for an initial 3-year term under Article 50 (viii)

Quorum and Interests (Item 2)

7. 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 14 December 2022, (Item 3, BD-22/23-29)

8. The minutes of the meeting held on 14 December 2022 were **approved** as an accurate record.
9. Matters arising in the minutes:
 - 22-23-07 Vicki Stott had written to Lord Patten and had received no response.
 - 22-23-21 The DfE had now launched the consultation on the de-designation of QAA as Designated Quality Body which would close ahead of the 31 March 2023 date from when QAA no longer consented to be designated. The responses from Universities UK and the Russell Group to the consultation had been made public.

- 22-23-46 The Board noted that Simon Gaskell would chair an ACDAP meeting on 16 March 2023 and would use the opportunity to pass on the Board's thanks to members then.

10. All other actions were noted as complete or addressed elsewhere on the agenda.

Consultative Board, Monday 23 January 2023 Update (Item 4, oral item)

11. The Chair provided an update on the meeting of 23 January 2023. The format of inviting Consultative Board members to share their organisations' priorities at recent meetings had generated useful and lively discussion. The meeting had been well attended; only the representative from OfS had sent apologies.
12. VS had provided an update on QAA activity. There had been useful updates on activity in Scotland, Wales and Northern Ireland and important contributions from representative bodies on priorities where QAA might contribute, for example on perceptions about "low-quality" degrees. There had been useful discussion of ways in which QAA could attract more senior engagement with some of its activities. Sara Drake had attended and noted the very strong support for QAA, and that those who attended got real value from the meeting.
13. The Board agreed it would be useful to include a summary report from the Consultative Board in the Committee Reporting paper for future Board meetings.
Action: RHK.

Chief Executive's Report, update on interactions with Funders and Regulators, and ENQA Review Visit (Item 5, BD-22/23-30)

14. Vicki Stott presented the report. The European Association for Quality Assurance in Higher Education (ENQA) review visit had taken place in the week commencing 27 February. In its feedback at the end of the visit, the review team had noted very positive meetings across the agency and with stakeholders.
15. The ENQA team had been impressed with several elements of the agency, and commented on the complex landscape in which QAA operated. They noted QAA was well placed to navigate this complexity and was a dynamic agency responding to this landscape. They recognised that QAA had a strong quality culture and significant expertise.
16. Strengths highlighted included a dedication to the European Standards and Guidelines (ESGs), a strong international reputation and a good relationship with the sector. They had commended QAA's pioneering work on student engagement and reaction to the pandemic. Staff were commended as dedicated and diligent, with a knowledgeable reviewer pool and thoughtful leadership from the Board and SLT. The Internal Quality Assurance manual might be considered an example of best practice.
17. Areas for further reflection and improvement highlighted by the ENQA team included being more systemic in quality reports and supplying a coherent narrative. The team had been impressed by the shift to hybrid working but suggested the agency reflect on possible downsides and think more about the limitations of online training.
18. Oversight and consistency of methods should be clearer; the Assessment and Reviews Group and the Assessment and Reviews Operation Group played a strong

role but should be tasked beyond shared principles. There was further clarity needed in differentiating complaints and appeals, and use of a single independent reviewer should be reconsidered.

19. QAA would respond quickly to any recommendations made. The draft review report would be provided in May and QAA would have two weeks to comment on factual errors. It would go to the June meeting of ENQA's review committee and then be published. EQAR and ENQA would consider the report in their respective registration committees in October to December; QAA was not expecting anything significant in the report that would call its ENQA membership or EQAR registration into question.
20. The Board noted overall it had been an extremely positive visit and thanked the QAA staff team for their efforts in respect of the review.
21. VS provided an update on her recent visit to Dubai which had included meetings with the Knowledge and Human Development Authority (KHDA), the accreditation body in Dubai, and the Commission for Academic Accreditation (CAA), the overarching body for the United Arab Emirates.
22. KHDA had raised concerns about equivalence of provision on some branch campuses with that on campuses in the UK. John Sawkins noted that providers were live to the risk that 'sameness' could be restrictive. Branch campuses could be run on the same principles but the student experience could be enriched through study abroad in a different environment.
23. VS had held positive meetings with both CAA and Professor Baniyas (Director, CAA). CAA had raised a concern that at present there were not current published reports on English providers. The possibility of a joint accreditation similar to QAA's International Quality Review (IQR) had been suggested. IQR was expensive and would not be fully relevant to branch campuses of UK institutions. QAA would consider how to tailor the offer without undermining its value for international providers through market research with branch campuses. The Chair noted the important service QAA provided to the wider sector in having such discussions with overseas authorities.
24. Alastair Delaney provided an update on the Quality Enhancement Review (QER) process in Wales. The draft handbook was nearly complete and the sector and stakeholders would be consulted with a chance for formal responses before it was finalised and translated.
25. In Scotland, the Scottish Funding Council's Tertiary Quality Project Steering Group had discussed taking forward quality arrangements. The College sector had stated it wanted a single method, agency and approach. QAA now expected to be commissioned by the end of the month to develop the framework; the implementation date would be from spring 2025 onwards. QAA had also recently received the commission for enhancement work in Scotland.
26. Simon Gaskell asked about the development of partnerships with the British Council and Universities UK International (UUKi). Eduardo Ramos had joined QAA as Director of International and Professional Services from UUKi and had strengthened links. QAA was a member of the British Council's reference group; some of QAA's international work (for example in Vietnam) had come through the British Council.

QAA's New Strategy (Item 6, BD-22/23-31)

27. VS and Tom Yates presented the new draft strategy. The consultation process had encompassed around 500 stakeholders and 46 stakeholder groups. The new

strategy tried to strike a tone of confidence and clarity on how QAA differentiated itself in the sector. The Board noted that the five year plan would be revised in light of the new strategy.

28. TY highlighted that the strategy was silent on people, values, culture and only briefly mentioned sustainability; these gaps would be filled through further work with staff, including at the staff conference in September.
29. The Board suggested the strategy more clearly convey the enhanced efficiency for individual providers that came from coordinated action on behalf of the sector through QAA's convening power.
30. The Board suggested further minor amendments, and that the reference to QAA's role in England convey more forward-looking ambition. QAA's plans for work on short courses and micro-credentials would be incorporated into the five-year plan.
31. Consideration was being given to the agency's structure, the skills and experience of staff in different areas to support the strategic shift and build staff capability to deliver it. Further business development capacity was needed; this was strong in International but now needed to be developed for UK business. A more coordinated approach to managing flexible part-time staff (FPTs) and some cultural change work to embed intent-based leadership and business responsiveness would follow.
32. The Board praised the creation of an excellent strategy and in particular the speed at which it had been created. The launch in April would be as close as possible to the end of QAA being designated as DQB.
33. The Board **approved** the strategy subject to the minor amendments discussed.

Fazal Dad left the meeting

Vanessa Davies joined the meeting

Annual Review of the Risk Tolerance Thresholds (Item 7, BD-22/23-32)

34. TY presented the risk tolerance thresholds. No change of substance was proposed; the risk rating scale text had been simplified. The Audit and Risk Committee had considered the tolerance thresholds in January and agreed to recommend them to Board.
35. The Board **approved** the risk tolerance thresholds.

QAA Strategic Risk Register Review (Item 8, BD-22/23-33)

36. TY presented the risk register. The risk that the OfS would publish the Triennial Review report on QAA's performance as Designated Quality Body (DQB) had crystallised in January shortly after its last meeting.
37. The House of Lords Industry and Regulators Committee was conducting an inquiry on the work of the OfS. The evidence sessions might further reinforce the OfS critical narrative; this would be countered in QAA's own evidence submission.
38. TY updated the Board on the House of Lord's inquiry so far. Two witness sessions had been held to date. In these the misrepresentation of QAA work as described in

the Triennial Review report had been repeated, including the incorrect assertion that QAA had routinely undertaken consultancy work during its time as DQB and had therefore been conflicted. QAA expected to be called to give oral evidence after Easter and was preparing written evidence, which would correct points of fact where necessary.

39. QAA would remain alert to risks reflected in the Triennial Review report and possible perceptions that QAA represented an outmoded model no longer relevant in England. VS added that QAA remained alive to potential conflicts of interest. The new services would be delivered in such a way that QAA would not be ruled out from stepping back into the DQB role in future, should the circumstances permit.
40. QAA would be robust in correcting inaccuracies while highlighting English Sector non-compliance with the European Standards and Guidelines, recognising that there was nothing to be gained in appearing confrontational with the OfS.
41. A strong value proposition for membership would be articulated to address risk S3. Action around risk S4 would progress as resource allowed to ensure the agency remained well aligned with views of the sector. There were procurement requirements on universities for scope 3 emissions and in Scotland treasury management policies now needed to reference divestment of fossil fuels.
42. The Board **approved** the risk register.

Membership Renewal Plans (Item 9, BD-22/23-34)

43. Alastair Delaney presented an update on membership renewal plans. Renewal was an important focus for QAA over the coming period.
44. QAA was alert to the pressures on provider budgets. The renewal campaign had started with the fee notification for renewal being sent in March to land ahead of providers' budget setting timelines. Formal invitations to renew would be sent in June and any not received followed up in July.
45. Renewals were actively pursued, putting engagement in place where there were concerns a provider might not renew. A small number of renewal orders had already been received. One provider had expressed its intent not to renew and QAA would be meeting with them to address concerns.
46. There were no indications that the sector might move away from membership but some members might be lost due to financial pressures. QAA would target those who took out membership for the first time last year, and larger institutions which represented significant income.
47. The Chair observed that the yearly renewal cycle was a salutary discipline in that QAA continually evaluated its value proposition and listened to the sector. The new strategy would be useful in reinforcing that value to members.
48. Peter Vermeulen agreed it was useful to have that point of renewal, but asked whether a three-year membership option might spread the workload (and risk). QAA had considered this and ruled it out to date, but was happy to revisit the question. It was highlighted the need to ensure that PVCs were aware of the value proposition.

Quarter 2 Monitoring and Performance Report on Annual Plan and Finances (Item 10, BD-22/23-35)

49. AD presented the report for the second quarter of 2022-23.
50. The International and Professional Services income target was shown as amber. Although there was a strong pipeline, not all work would be delivered within the financial year. International Associate membership had not experienced the take up expected, and there was further challenge in aligning the UK membership offer and the international offer. Full international membership required an IQR, and International Associate Membership was targeted at those preparing for IQR which naturally limited numbers. The Director of IPS was working to improve the offering.
51. There were no colleges in Scotland with QAA membership at present; progression on expanding the membership offer was on hold until Scottish Funding Council (SFC) decisions had been made about the new framework.
52. Access Validating Agencies had raised concerns about the timeline for implementation of the changes to diploma specification and grading scheme; an internal review was underway to review regulatory arrangements. The review of the approach to Alternative Providers was on hold until staff capacity become available in April.
53. The expansion of essay mills legislation was beyond QAA control and as yet there was no legislation to attach it to. The rise of ChatGPT and other artificial intelligence had altered concerns on academic integrity so resource was now focussed on this.
54. Membership events had seen disappointing participation rates for online sessions. It was felt this was down to competing priorities for participant time and recordings being available after the event, but Membership would continue to check that the offering was attractive.
55. QAA would collaborate with Jisc on innovative teaching. QAA was alert to the potential blurring of the differentiation from other agencies such as Advance HE in some areas of work; this was mitigated by showing willing to cooperate with agencies, and being clear about QAA's particular expertise and contribution.
56. Caroline Blackburn presented the quarter 2 finances. The forecast was now for a modest operating surplus, an improvement on both the Q1 position and budget. This was driven by savings in support areas, impairments taken in the last financial year, some savings in IT spend, and lower utility costs than forecast. Some vacancy savings had been made through short gaps in filling posts.
57. Securing international income remained a focus. LD noted that the International work had suffered from overly optimistic estimates in the past, and that a well defined control framework was now in place to ensure consistent forecasting of international income.
58. At the end of March the DQB would be in a refund position as no profit or loss could be made under HERA. The first wave of new services would launch after April, though no revenue was forecast for the current financial year. There were a number of leads for the new services.
59. The dilapidations payment was being negotiated with the landlord for the exit of the third floor space in Southgate House. The forthcoming USS triennial pension valuation was expected to be a significant improvement on the last, with USS having

expressed cautious optimism; any impact on QAA's balance sheet would come in 2024.

60. Peter Vermeulen questioned the apparent increase in staff costs. CB explained that the use of Flexible Part-Time (FPT) resource was from non-pay budgets and then transferred into the pay budget as a reclassification; some redundancy and closure costs of the DQB function were also included there.

Report on Financial Matters (Item 11, BD 22/23-36)

61. CB presented the report and the Treasury Management policy. There had been a triennial review of investments with the portfolio managers Rathbones. The portfolio had outperformed benchmarks but not met the target of CPI+4%. In response to turbulent equity markets, some investments had been reallocated into cash and commodities.
62. Board members asked about Environment, Social and Governance (ESG) aspects of the investments. QAA was invested in a conglomerated ethical portfolio specifically for charities; it excluded tobacco, gaming and alcohol stocks, though it did invest in energy. As was common with other investment houses Rathbones had a corporate ESG screen and not a blanket exclusion. It included players that were considered to contribute positively to ESG issues and those that by staying invested, the fund could affect change as a major stakeholder.
63. Karl Leydecker noted that not all stakeholders would agree with the evaluation of some investments as ESG-positive. LD noted that there were challenges in being highly prescriptive. Other Board members noted wider divestment from oil and gas companies in the HE sector; TY mentioned the recent USS threat to vote against director renewals at BP and Shell unless carbon reduction commitments were improved.
64. The Treasury Management policy was **approved** subject to an amendment at paragraph 12 to clarify that the policy was subject to specific guidelines as set out by the Trustees. **Action:** CB would investigate the possibility of coming into closer alignment with the sector on fossil fuel divestment.
65. The Board noted the UUS pension update and the change to SAUL coming into effect from 1 April 2022.
66. The Board noted the proposed changes to the Bank Mandate to remove Linda Duncan and include further signatories. The bank mandate would now include:
- Simon Gaskell (Chair)
 - Peter Vermeulen (Honorary Treasurer)
 - Vicki Stott (CEO)
 - Alastair Delaney (DCEO)
 - Caroline Blackburn (Finance Director)
 - Tom Yates (Director of Corporate Affairs)
 - Lucy Moore (Financial Controller)
 - Stephanie Stephenson (Marketing and Events Manager)

The Board **approved** the amended Bank Mandate.

Policy Updates (Item 12, BD 22/23-37)

67. CB presented the Health and Safety Policy. Minor changes had been made to reflect the move into a serviced office space. The need was now for first aid responsible people rather than trained first aiders and all the office-based contracted staff had been trained as such. All those on office contracts would be trained to be fire marshals.
68. Staff with a home working location were responsible for the safety of their working environment. QAA offered training, annual refreshers and a yearly DSE assessment. The Health and Safety Policy was **approved**.

QAA Code of Best Practice (Item 13, BD 22/23-38)

69. TY presented the revised Code, which had been renamed the Code of Good Practice in Governance. It reflected the recent changes to Articles of Association, and made clearer that the guidance applied to Board committees. The introductory text had been aligned to the new strategy. The Code of Good Practice in Governance was **approved**.

Appointments and Retirements to Board and Board Committees (Item 14, BD 22/23-39)

70. SG presented the appointments and retirements to Board and Board Committees.

71. The Board **approved** the appointment of:

- a) Peter Vermeulen to the Audit and Risk Committee for an initial 3-year term following formal approval of his appointment to the Board on 15 March 2023;
- b) Rachid Hourizi and Fazal Dad, to the Access, Recognition and Licencing Committee (ARLC), for initial 3-year terms;
- c) To the Strategic Advisory Committee for Wales (QAAW)
 - Nicola Poole, for a second 3-year term as representative of the Wales Quality Network;
 - David Morris, for a second 3-year term as Senior Representative of the Welsh Government;
 - Professor Nicky Callow, for an initial 3-year term as the nominee for Universities Wales.

72. The Board noted the retirement of Angela Joyce on 7 March 2023. David Jones would retire from the Board once the nomination for a replacement had been received from DfE-NI. The Chair had thanked Angela Joyce for her contributions and would write to David Jones to do the same when his term ended. **Action:** SG to write to thank David Jones.

73. A Person Specification for recruiting an international board member had been drafted. The Articles of Association enabled the Board to co-opt an international Board member, a recommendation by ENQA in the previous review. The Board **approved** the person specification.

74. The Board noted that Linda Duncan's term as Vice-Chair had ended. In accordance with the Article 64 the Vice-Chair was drawn from among the Independent Board members. The Board **approved** the appointment of Sara Drake as Vice-Chair.

Committee Reporting (Item 15, BD 22/23-40)

75. The Board noted the updates from Board Committees and agreed they were useful summaries of discussions. The Chair of Audit and Risk Committee further highlighted that ARC had discussed the lone working policy and had received a first report on Corporate Social Responsibility and Sustainability.

Advisory Committee on Degree Awarding Powers (ACDAP) Terms of Reference (Item 16, BD 22/23-41)

76. TY presented the proposal. England had provided the bulk of applications and ACDAP would therefore now need to convene on a more ad-hoc basis. The intermittency of those meetings would make continuity more difficult. ACDAP had given its advice on the drafting of the terms of reference and it was conscious of striking the right balance of understanding of the sectors.
77. The Board **approved** the new terms of reference and categories of membership to be implemented from 1 April 2022. The Board noted that changes to the membership would result in the retirement of some existing members before the end of their term.

Any Other Business (Item 17)

82. The Chair asked the Board if it would be useful to hold an away day with the October Board meeting, as has been the practice in recent years, and whether they would be content with a venue in the south east of England. Board members were content on both points, but it was pointed out that there was an unfortunate clash with school holiday dates in Scotland. **Action:** Governance team to consult on dates for October 2024 Board meeting and away day.
83. The Chair thanked Linda Duncan for her two terms as a Board member and in particular for her work as honorary treasurer and vice chair.

Date of the next meeting

Wednesday 14 June 2023 in Glasgow Caledonian University, plus a civic reception to coincide with the Scottish Enhancement conference.