

# **A risk-based approach to quality assurance**

## **Online response form**

Name : Paul Cottrell

Position : Head of Policy

Institution/organisation : University and College Union

Email : pcottrell@ucu.org.uk

Responding as : Other - please specify in box below - Trade union

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### **Your responses**

#### **1a**

Please comment on the extent to which you consider that the agreed quality assurance system and HEBRG principles, set out in paragraphs 52-56, provide an appropriate basis for a more risk-based approach to quality assurance.

It is important that more risk-based quality assurance does not result in an increased administrative and data-gathering burden. We are concerned that the annual data review (paragraphs 107-117) will do precisely that.

It is also ironic that as the government seeks to introduce a risk-based quality assurance system, their own fees and funding agenda will add greatly to the risks of higher education institutions.

#### **1b**

Are there any other principles that should apply?

In response to question 1b, we would insist that HEFCE's risk-based regulatory regime must apply the principle that for-profit corporate forms be treated automatically as high risk and regulated accordingly, with a distinctive set of regulatory processes and checks applying. The current formulation ('regulation should ensure that the interests of students and taxpayers are safeguarded and promoted as higher education operates in a more competitive environment') is far too weak. Our reasons for the special treatment of for-profit providers are set out in more detail in numbered sections 1-2 below.

There is also a case for saying that, with funding cuts, and the change in the funding and fee regime in England, risks to quality should include a wider spectrum of issues, including the impact of the financial situation at a provider, because sharp changes in income could have a major impact on academic quality.

1. Why HEFCE's consultation and the QAA's risk-based regulatory regime should take into account for-profit private providers not yet in the system.

UCU remains completely opposed to the entry of for-profit providers into the publicly subsidised and regulated higher education system and we will continue to campaign around this objective in the appropriate spheres.

However, in spite of the decision to withdraw the planned White Paper, the government remains committed to promoting for-profit higher education. The absence

of legislation that brings such providers under a single regulatory framework means that for-profit providers are currently able to access publicly subsidised student loans for their students while operating outside Student Number Controls and outside of the cycles of quality assurance reviews required of HEFCE funded institutions.

HEFCE's consultation document itself notes that "the risk-based quality assurance system would also apply to an expanded sector if future legislation results in a wider range of providers being brought within HEFCE's quality assurance remit." (p.2)

Yet in the absence of any legislation for the foreseeable future, it seems likely that the government will attempt to use existing regulatory machinery to achieve some level of regulatory control of alternative providers accessing student support via the Secretary of State.

The current consultation document proposes that the consultation will apply to those institutions in receipt of public funding and subscribing to the QAA. As noted above, it is possible that the government will act in the interim, ahead of legislation to bring for-profit private providers into the quality assurance system by requiring them to subscribe the QAA (paragraph 50).

UCU's position is that there is a serious danger of a consultation being held to develop a risk-based quality assurance system on the basis of one set of institutions and then being applied to another quite distinctive set of institutions, for which it is ill-equipped.

Our view is that the consultation and the risk-based quality assurance system must take into account the totality of possible institutions which may be brought into the system.

Not to do this would be to repeat mistakes that were made in the US higher education system, where a light touch accreditation system grew up to service a sector of autonomous self-governing institutions and proved quite incapable of dealing with large, shareholder-driven online learning private providers.

2. Why a risk-based quality assurance regime must recognise for-profit as a separate and distinct category:

The consultation document and the proposals for the risk-based quality assurance use two sets of distinctions:

- Providers with no track record and those with an established record
- Publicly funded institutions and private providers.

There are good reasons for using these categories, since institutions with no track record do pose higher risks, while the category of private providers does cover most of those new providers who will be brought into the government's proposed 'single regulatory framework' at a later date.

However, UCU believes that HEFCE and the QAA must take into account the

category of for-profit as a distinctive and meaningful category of provider, posing distinctive risks that require specific regulatory measures.

At an analytical level, for-profit providers pose a distinctive risk because unlike exempt charities, their corporate form generally means that they fall within an area of company law that enshrines the prior right of shareholders and the obligation on managers to prioritise shareholder value above all other considerations.

At an empirical level, the experience of the US for-profit sector has amply demonstrated the need for government and regulatory agencies to separate out for-profit providers as a special case.

No one would pretend, for example, that Ashford University or the University of the Rockies in the US are substantially the same provider following their acquisition and conversion to for-profit status, as they were before. It was only after their conversion to for-profit status that their drop-out rates soared to 84%. Yet if track record were the only criteria on which risk was assessed, this would be the implication and the regulatory regime would be incapable of reflecting genuine risk.

The appalling record of the for-profit sector has embedded the distinction between different corporate forms in public discourse and public policy. Both accrediting agencies and the federal government in the US now discriminate between not-for-profit and for-profit providers. Not to learn that lesson would represent a serious failure in our regulatory agencies.

We would strongly recommend close examination of the data on American for-profit institutions gathered by the US Senate Committee on Health, Education, Labor, and Pensions and published today (31 July 2012): "For Profit Higher Education - The Failure to Safeguard the Federal Investment and Ensure Student Success". The report charts the shocking exploitation of students by the sector and its misuse of federal funds on a massive scale. The report points to the lack of regulation as one of the major factors that has allowed many for-profit HE institutions in the USA to get away with this behaviour.

## **2a**

In the pursuit of a more risk-based approach to quality assurance, the consultation proposes that the extent, nature and frequency of external quality assurance should vary according to the track record and scope of the provision of the higher education provider. Do you agree?

Agree

## **2b**

Please explain the reasons for your answer.

In response to question 2, we agree with the proposal to vary the extent, nature and frequency of external quality assurance according to track record. However, we would caution against a shorter visit as things are already very compressed, and would allow reviewers even less time to form a judgement.

In addition, we again insist that the quality assurance regime needs to reflect corporate form.

The consultation document proposes that FECs and new providers on Route A might transfer to Route B after two successful reviews. (p. 21, paragraph 78, 79)

We would suggest that for-profit providers should stay on Route A indefinitely. This is to reflect the fact that track record cannot be the only criteria used to assess risk. As stated above, the particular drivers of their specific corporate form mean that these providers should remain at a higher risk category.

We would also suggest that any review of for-profit providers must reflect in its content the different drivers and the risk posed by those institutional drivers.

For example, as in our response to the technical consultation, we would suggest that review of a for-profit provider should look at:

- Analysis of levels of student satisfaction, graduation and outcomes – these must at least be comparable with the sectoral average.
- Close scrutiny of academic processes and governance structures to ensure that internal and external quality assurance are functioning properly.
- Scrutiny of academic decision-making to ensure that decisions about provision affecting student choice and learning are not made purely for commercial reasons.
- Scrutiny of the independence, accountability, representativeness and transparency of governance arrangements.
- Scrutiny of the protection of academic freedom.
- Scrutiny of publicly available accounts in order to ensure that providers are adhering to the appropriate investment thresholds, consistent with high quality providers.
- Consideration of the relationship with any parent and associated companies in the UK and internationally.
- Analysis of the risk posed to students by the finances of the company or any parent or associated company.

### **3a**

Do you consider that establishing within Institutional Review a core review process and additional modules for particular types of provision (for example on elements of collaborative provision) would help with achieving the risk-based approach to quality assurance?

Agree

### **3b**

Please explain the reasons for your answer.

We support the suggestion that HEFCE develop new additional Institutional Review modules to examine collaboration, partnership, distance learning and joint venture provision which may pose a risk to quality. (pp. 22-23, paragraph 89)

Once again, we would insist that where collaborations, partnerships or joint ventures involve for-profit companies, these modules contain an enhanced level of scrutiny, as detailed above, to reflect the extra risk involved. The example of the University of Wales should be lesson enough as to why this is necessary.

**4a**

Please indicate, for providers with a longer track record, on Route B, what should be the interval between external QAA institutional reviews, ranging from six to ten years.

We believe that six years remains a reasonable interval between QAA institutional reviews.

**4b**

Please explain the reasons for your answer.

While we are keen to ensure that the administrative burden is kept to a minimum, ten years between reviews is a long time, as a lot can change within that period. For students, ten years between reviews would mean numerous cohorts starting courses between reviews. Changing to ten years would also mean other HE regulators, such as PSRBs, having to change because they currently rely on a shorter review cycle by QAA. A ten year gap would also mean that the UK was out of step with European quality assurance schemes. For these reasons we would caution against ten year intervals between reviews.

**5a**

Please indicate, for providers with a shorter track record, on Route A, what should be the interval between external QAA institutional reviews. Bearing in mind the need for there to be a relationship between the review intervals of the two routes, do you have a view about the minimum or maximum interval between reviews on Route A?

We would favour an interval of 4 years between reviews for new providers.

**5b**

Please explain the reasons for your answer.

Four years is a reasonable period in relation to the length of academic programmes.

The dominant view in the consultation exercise held in London was that after 2+ reviews a further education provider would probably move to Route B status. Many HE in FE providers would already have been reviewed under IQER, so another review in 2013-15 would mean they could go on to the longer cycle.

**5c**

Given the evolution of the quality assurance system, most further education colleges with higher education provision will be reviewed according to Route A initially. Should these providers have the option to undertake an early review during 2013-15 so that they may be able to transfer more quickly to Route B?

Agree

**6a**

Should – and, if so, how might – the QAA seek to streamline or modify its external review activities for those providers which have a substantial proportion of their provision accredited by PSRBs?

Agree

**6b**

Please explain the reasons for your answer.

In order to minimise the burden on higher education institutions with considerable amounts of provision that requires PSRB accreditation, streamlining might be a good

idea, provided the QAA and PSRB principles and priorities were relatively compatible. One of our concerns is that PSRBs might be very focused on getting the qualification, while broader HE values might not register too highly.

### **7a**

What form of annual assessment of key quantitative and qualitative data could be undertaken to determine whether there are grounds for any out-of-cycle investigations, which may or may not lead to some kind of formal review?

We have a number of major concerns with the proposals in this section of the consultation. Annual data review will add to the bureaucracy of the assurance process and yet very little of the data concerns academic quality.

In our view the consultation document underestimates the limitations of the National Student Survey (NSS) as an indicator of quality. UCU believes that the NSS casts students as passive consumers of a 'student experience' rather than active participants in their education. NSS data is also used by the media and by university management for comparative and self-representative purposes despite its many flaws. Courses are being closed, or threatened with closure, where management expectations regarding NSS results and student participation rates are not met. For these reasons NSS data should not be used as one of the triggers for a QAA quality review.

Data from the Destinations of Leavers from Higher Education (DELHE) is also problematic as an indicator of the academic quality of courses. Using the DELHE as a potential trigger for an out-of-cycle investigation seems to imply that HEIs and their staff can somehow be held accountable for the occupation and salary that students access a year after graduation. We believe that such an approach is flawed because it would require unambiguous linkages between education and labour markets which are difficult to theorise (except demand for some professional roles, e.g. teachers and nurses) and even more difficult to effectively operationalise. It also does not fit the nature of national labour markets which are always changeable and currently volatile, increasingly subject to ever-changing global labour market pressures where the trend is to push down the price of highly skilled intellectual labour. Finally, the approach fails to take into consideration the equality dimension of graduate 'employability' (i.e. women and BME graduates are likely to receive a lower graduate premium, irrespective of course or institution).

While we continue to believe that the for-profit sector poses distinctive risks that require tougher regulatory measures, we support the suggestion that changes of ownership should be one of the triggers for an out-of-cycle investigation (paragraph 110d).

### **7b**

Are there any other data or information sources that the panel should consider?

We remain sceptical of the value of an annual data review. However, even within that framework, it is disappointing that the consultation document either rejects some of the material conditions that underpin academic quality (e.g. student: staff ratios, paragraph 116) or fails to consider other key sources of data (e.g. the proportion that an institution spends on staffing).

## 8

Do you have any other comments on this document or further suggestions for what we might do?

In general, we believe that institutional quality and academic standards can only be maintained and improved in a context whereby adequate public resources are made available for teaching and learning. We are very concerned about the impact of the funding cuts and job losses on the quality of the 'student experience' (for example, larger class sizes) and we call on HEFCE to stress the importance of stable public funding in underpinning the future quality assurance framework.

Higher education is going through a period of almost unprecedented change. If staff are going to be able to meet the challenges of increased student expectation and continue to deliver an efficient and effective higher education system, they need to be fairly rewarded and recognised for their work. While we recognise that terms and conditions of employment are not the remit of HEFCE or the QAA, it is deeply disappointing that the consultation document has very little to say about staff involvement in the quality assurance system and their key role in guaranteeing a high-quality 'student experience'.

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