

HEFCE Revised Operating Model for Quality Assessment: Annual Provider Review

Summary

HEFCE published detailed guidance on the Annual Provider Review process, which forms part of the revised operating model for quality assessment, in October 2016. This paper provides a summary of the process.

One action required.

Recommended Action

Senate is asked to **note** the paper.

Publication: Open

HEFCE Revised Operating Model for Quality Assessment: Annual Provider Review

At its meeting in October 2016, Senate received an update on HEFCE's revised operating model for quality assessment.¹ The components of the new model of most relevance to City will be the Annual Provider Review including assurance on quality from governing bodies to HEFCE and a five Yearly HEFCE Assurance Review (HAR) visit. City's HAR visit is due in 2017/18.

Key Features of the Annual Provider Review (APR) Process

HEFCE published detailed guidance on the APR process from 2016/17 in October 2016.² The key features of the process are as follows:

- Existing data and information will be used. There will be no new data requests or a requirement for a submission from providers. A provider will only be required to take action where HEFCE identifies areas of concern.
- Indicators and metrics will be used in a contextualised and rounded way.
- Existing risk processes will be used to make more consistent judgements about financial sustainability and good management and governance.
- Judgements on quality and standards matters will be reached through peer review.

The APR process will take place for all providers that are funded by HEFCE, regardless of whether a provider chooses to enter the TEF. APR is intended to provide baseline assurances on quality about all providers to students but, unlike the TEF, will not produce differential judgements about quality above the baseline. A provider will not be eligible to receive a TEF Year Two award if it receives an APR judgement for quality and standards matters of 'does not meet requirements' before May 2017.

HEFCE's APR schedule for 2016/17 is set out in Appendix 1.

APR Data and Metrics

The APR process will make use of student data and other data that providers already submit to HESA and HEFCE. This will be drawn together with other information about each provider and presented in an 'APR dashboard'.

Some of the metrics used to monitor quality through APR will be the same as those used in the TEF Year Two. In addition, APR will monitor student recruitment patterns and, in 2016/17, will consider supplementary indicators in relation to degree outcomes and taught postgraduate students. Time series data will be used to assess performance over time and benchmarked metrics will be used to take account of operating context.

The elements of the APR dashboard and the approach that HEFCE will take to benchmarking are set out in Annex B of HEFCE's guidance document. A summary of the elements of the dashboard is provided in Appendix 2 of this paper.

HEFCE will draw on its engagement activities with institutions to underpin the APR process with an up-to-date understanding of the HE sector and the strategies and plans of individual providers. HEFCE will use visits to providers undertaken by its regional teams each academic

¹ http://www.city.ac.uk/_media/city-site/documents/about/education/academic-committees/education-and-student-committee/2015-16/13/5b-HEFCE-QA-arrangements-Sept-2016.pdf

² http://www.hefce.ac.uk/media/HEFCE,2014/Content/Pubs/2016/201629/HEFCE2016_29.pdf

year to provide an opportunity for discussion of the trends and patterns in the provider's data and actions in progress or planned by the provider in response.

Assessment process

The APR dashboard and profile of each provider will be considered by the HEFCE APR Group, which will make a preliminary assessment on quality and standards, and on financial sustainability, good management and governance. This preliminary assessment will identify any areas of concern in a provider's profile. Particular attention will be given to areas where:

- Performance is significantly below benchmark levels
- Performance is on a downwards trajectory
- The absolute value of an indicator or metric gives cause for concern
- There are other significant changes or events, for example, in borrowing levels.

A provider will be invited to provide written comment where concerns are identified in the preliminary assessment and these will be taken into account by the APR group in its judgements.

For the financial sustainability, management and governance judgement, the APR group will determine whether the provider is:

- Not at higher risk
- At higher risk

For the quality and standards judgement, providers will be classified as follows:

- The APR Group has concerns following its preliminary assessment
- The APR Group has no concerns following its preliminary assessment

A meeting of HEFCE's Quality Committee will be convened to make final peer judgements about quality and standards matters taking into account:

- The APR Group's classification for quality and standards for the provider and the reasons for this
- The provider's written response to any concerns raised following the preliminary assessment on quality and standards matters
- The APR dashboard for each provider

The Quality Committee will make one of the following APR judgements:

- Meets requirements – the provider will continue to undergo APR in subsequent years.
- Meets requirements with conditions – the provider will continue to undergo APR in subsequent years, but with an action plan to address areas of immediate concern.
- Pending – the outcome for the provider is not yet available.
- Does not meet requirements – the provider will return to developmental enhanced scrutiny, with a peer review visit as appropriate and an ongoing schedule of four-yearly visits, with an action plan to address areas of immediate concern.

Serious concerns about quality and standards arising from the process will result in a quality review visit from the QAA through HEFCE's Unsatisfactory Quality Scheme.

Communication of judgements

Providers will be informed of their judgement through HEFCE's existing risk assessment letter and this will identify any areas for improvement and any requirement for an action plan. Judgements for 2016/17 will be made by 28th April 2017.

HEFCE will publish the outcomes of the quality and standards aspects of the APR process on the Register of higher education providers. HEFCE does not intend to publish the outcomes of the risk assessment on financial sustainability, good management and governance in line with current arrangements.

A provider can only appeal against the outcomes of the APR process on the grounds of procedural irregularity and this must be done within 14 working days of the APR outcome being notified.

Alison Edridge
Student and Academic Services
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Appendix 1: APR schedule for 2016-17

Deadline	Activity
from October 2016	Structured visits to providers to discuss trends and patterns in their data begin and run throughout the academic year Prioritisation of visits to providers where our current understanding of context and data allow us to anticipate questions arising during the APR process
by end October 2016	TEF Year Two metrics to be released to providers and additional guidance on TEF Year Two to be published
November – January 2017	Webinars and events to discuss the APR process more fully with providers
1 December 2016	Deadline for submission of Annual Accountability Return for HEIs and Quality Assessment Return for FECs
December – January 2017	Assessment of Annual Accountability Returns and Quality Assessment Returns
January 2017	Preparation of APR dashboard for each provider
week beginning 30 January 2017	HEFCE APR Group meets to undertake preliminary assessment for each provider
by 10 February 2017	Letters issued to providers where the APR Group has identified concerns that could, in its view, lead to a negative APR outcome
10 February – 9 March 2017	Engagement with those providers where the APR Group has identified concerns to explain reasons for this and confirm action required
9 March 2017	Deadline for written responses from providers where the APR Group has identified concerns
20 March 2017	HEFCE APR Group reconvenes to consider written responses from providers where its preliminary assessment identified concerns
week beginning 17 April 2017	Quality Committee meets to make final judgements about quality and standards matters
week beginning 24 April 2017	Additional meeting for Quality Committee decision-making if required
from week beginning 17 April 2017	Engagement with providers where APR outcome is 'pending'
by 28 April 2017	Risk assessment letters and quality assessment letters sent to providers
14 working days later	Deadline for any appeals against outcomes of APR process
after appeals deadline has passed	Publication of APR outcomes on quality and standards matters on the Register of higher education providers
during May 2017	Any appeals against APR outcomes considered
from May 2017	QAA visits under Unsatisfactory Quality Scheme where required
1 May 2017	Submission of APR outcomes on quality and standards matters to the TEF Year Two team
end of May 2017	Announcement of TEF Year Two outcomes
by 31 May 2017	Final action plans submitted and agreed for all providers with an APR outcome of 'meets requirements with conditions'
during June 2017	Quality Committee makes decisions about any provider that has undergone further investigation under the Unsatisfactory Quality Scheme, including the arrangements for any necessary action plans. Provider is notified of outcome through a risk assessment letter or a quality assessment letter. Any TEF Year Two award is removed from a provider with a 'does not meet requirements' APR outcome for quality and standards matters

Appendix 2: Summary of Elements of the APR Dashboard

Data-based indicators (provider)

- Student recruitment patterns – actual and forecast
- Sub-contractual arrangements – providers teaching students on behalf of the APR institution, and other providers whose students are taught by the APR institution
- Financial sustainability or HEIs – actual and forecast
- Estates management statistics

Data-based metrics (student)

- NSS outcomes on student satisfaction – average agreement to Question 22 (overall satisfaction)
- Student non-continuation (sourced from TEF metrics)
- Graduate employment of further study outcomes (sourced from TEF metrics)
- Supplementary information where available: Postgraduate success and non-continuation rates
- Supplementary information where available: Postgraduate employment and further study outcomes

Data-based indicators (student)

- Supplementary information where available: differential student degree outcomes – new element introduced for APR

Assurance-based information

- Governance - assurance statement on financial sustainability, management and governance, data quality, value for money, and quality and standards; any action plan required by HEFCE; current/recent concerns about data quality; notified material events (e.g. mergers); any activity under previously required action plans from any source
- Concerns and complaints – current and recent investigations under the Unsatisfactory Quality scheme or under the QAA Concerns Scheme; any activity under previous HEFCE Unsatisfactory Quality Policy

Current provider categorisations

- Current HEFCE risk status and current level of engagement of HEFCE with provider based on risk
- Current status of provider in the operating model for quality assessment