

Designation of a quality body and a data body

*This document is exempt from publication until the designation of the data and quality body is confirmed.
Review date: 1 April 2018.*

Issue

1. The Higher Education and Research Act 2017 (HERA) provides for the designation of a body to carry out the OfS's quality and standards assessment functions and a body to carry out the OfS's information duties. The board is asked to:
 - a. consider our assessment of the suitability of the Quality Assurance Agency (QAA) to perform the assessment functions;
 - b. consider our assessment of the suitability of the Higher Education Statistics Agency (HESA) to perform the information duties;
 - c. make appropriate recommendations to the Secretary of State;
 - d. note that, should these organisations be designated, the board would have an opportunity at a later meeting to consider more fully the way it wishes to work with the designated bodies and the content of the designation agreements. As part of this discussion the board would, if it wishes, be able to draw on HEFCE's experiences of working with the two bodies.

Recommendation(s)

2. That the board recommend to the Secretary of State that:
 - a. that there is only one body suitable to be designated to perform the quality and standards assessment functions and that the Quality Assurance Agency (QAA) therefore be designated to carry out the assessment functions (effective date of 1st April 2018);
 - b. that there is only one body suitable to be designated to perform the information duties and that the Higher Education Statistics Agency (HESA) therefore be designated to carry out the information duties (effective date of 1st August 2019).

Further information

3. Please contact Susan Lapworth (s.lapworth@hefce.ac.uk).

Background

4. HERA provides for;
 - a. the designation of a body to carry out the OfS's assessment functions set out in section 23 (assessing the quality of, and the standards applied to, higher education), and section 46 (advice to the OfS on the granting, variation or revocation of degree awarding powers),
 - b. the designation of a body to carry out the OfS's information duties set out in sections 64 and 65.
5. The Department for Education (DfE) invited Expressions of Interest (EoI) from organisations wishing to be considered for designation in August 2017. One organisation expressed an interest in being designated as the quality body; and one organisation expressed an interest in being designated as the data body.
6. In October 2017 under section 118 of HERA, the DfE consulted in accordance with HERA Schedule 4 paragraph 1(3) and Schedule 6 paragraph 1(3) about the suitability of each body for designation. The OfS must now consider the responses to the consultation and consider whether there is a body suitable to perform each of these roles.

A body to perform the quality and standards assessment functions

7. In relation to the quality and standards assessment functions:
 - a. The OfS must consider whether there is a body suitable to perform the assessment functions.
 - b. If the OfS considers that there is only one body that is suitable to perform the assessment functions, the OfS must recommend that body to be designated to perform those functions.
 - c. If the OfS considers that there is more than one body suitable to perform the assessment functions, the OfS must recommend the most appropriate body to be designated to perform those functions. HERA says that 'the most appropriate body' means, out of those bodies, the body whose designation the OfS considers would be most appropriate for securing the effective assessment of the quality of, and the standards applied to, higher education provided by English higher education providers.
 - d. If the OfS considers that there is no body that is suitable to perform the assessment functions, the OfS may not recommend a body to be designated to perform those functions.
8. A body is suitable to perform the assessment functions if the body satisfies conditions A to D as set out in HERA Schedule 4.
9. The Quality Assurance Agency (QAA) was the only body to express an interest in being designated to perform the assessment functions; its response to the EoI is provided at Annex A. The response to the subsequent consultation was overwhelmingly positive, with the vast majority of respondents stating that the QAA meets all of the designation conditions outlined in Schedule 4 of HERA. There were 158 responses to the consultation, 155 of which were in favour of designation, with one

respondent against designation, and two that were unsure. The consultation invited respondents to suggest any other organisation that was considered suitable for designation, however there were no additional organisations suggested for designation. The analysis of consultation responses is provided in Annex B.

10. Drawing on the information submitted by the QAA, on the responses to the consultation, and on other sources of publicly available information, the following paragraphs set out an assessment of the QAA's suitability to be recommended for designation against the designation Conditions A to D.

Condition A: the body is capable of performing the assessment functions in an effective manner

11. The QAA submission states that since 1997 QAA has carried out work on behalf of HEFCE and the other UK higher education funders to assess the quality and standards of higher education. The QAA's submission uses examples to highlight how the various aspects of the work that it has undertaken are relevant to the guidance and assessment functions it would assume if it were to be designated.
12. Analysis of the consultation responses shows that the QAA is well-respected and has long-standing, extensive experience of assessing and supporting the development of the quality assurance systems and standards that underpin the higher education sector. The organisation is recognised internationally as a highly capable, trustworthy and competent provider of quality assurance services.
13. Consultation responses state that the QAA's review methods have been developed and adapted to meet the needs of an increasingly diverse sector, including the use of peer review, which has given the QAA credibility within the sector. It has played a key role in the development of practice, for example through the development of the subject benchmark statements, provision of guidance for all providers in the sector and oversight of the UK Quality Code for Higher Education (UKQC). The QAA's recent approach to the consultation on a revised UKQC demonstrates an outcomes-based approach as well as a simplified model.
14. The consultation shows that the QAA has experience of working with diverse institutions and has demonstrated understanding of the different types of provider within the sector and the need to adapt its approach when working across a diverse sector.
15. Though overwhelmingly in favour of designation, some respondents raised issues in relation to the capacity and capability of the QAA to deliver the expectations of the OfS and expressed concerns about the extent to which it would be able to transition successfully to a new proportionate and risk-based approach.
16. The QAA undoubtedly has a track record of assessing quality across the UK higher education sector and has developed its approach to some extent to reflect the changing needs of an increasingly diverse sector. A major challenge for the designated body will be to fully understand the philosophical approach that underpins the OfS's regulatory framework and to ensure that the

design and operation of quality assessment activities is coherent with this. Our judgement is that the QAA will need to address the implications of this shift at a strategic level and ensure that it is able to lead the organisation through changed thinking and working practices. In particular, we would expect further work to be needed to: fully realise a risk- and outcomes-based approach to review; ensure that the review process is designed and supported by individuals with appropriate regulatory and/or investigatory skills rather than relying solely on peer review; ensure that an appropriate balance is found between its historically close relationship with the sector and successfully adopting the regulatory role required of a designated body.

17. Our assessment is that the QAA meets Condition A.

Condition B(a): the persons who determine the strategic priorities of the body represent a broad range of registered higher education providers

18. Consultation responses suggest that the QAA operates a governance structure which includes and ensures strong student engagement through student representatives and its Student Advisory Committee. However, some respondents to the consultation said that the arrangements of a designated body should be more reflective of the diversity of the sector (including providers with and without degree awarding powers).
19. QAA is a company limited by guarantee and a registered charity. The company's members are the UK higher education representative bodies: GuildHE Limited, Higher Education Wales, Universities Scotland, and Universities UK (UUK).
20. QAA's strategic priorities are determined by its board, rather than by its company members. The QAA submission states that the structure of its board 'embodies co-regulation, representing all sections of English and wider UK higher education, including students, universities, further education colleges and alternative providers'. The board is responsible for developing and overseeing the strategic direction, policy development, finances, and performance of QAA. There are 18 members of the board; six members are independent of the sector and the QAA submission states that 'the independent directors are the largest group, ensuring that no one sector interest can dominate'. The full composition of the board is as follows:
- four members appointed jointly by the four UK higher education funding bodies;
 - four members appointed jointly by the UK representative bodies (GuildHE, Universities Scotland, Universities UK and Universities Wales);
 - six independent members (drawn from industry and the professions);
 - one independent member with experience of alternative providers;
 - one nominated member by the UK Council of Colleges;
 - one independent student member;
 - one member nominated by the National Union of Students.
21. There are eight members from 'traditional' higher education providers (three from English providers) and one representative from a provider delivering higher education in further education.

There are no representatives from alternative providers, though alternative provider interests are represented by Independent HE.

22. Our judgement is that while these arrangements provide some form of representation for each of the main groups of providers in England (i.e. HEIs, FECs and alternative providers), the board may wish to discuss the extent to which the current QAA board does represent a broad range of the providers that will be registered with the OfS.
23. On balance, our assessment is that the QAA meets Condition B(a).

Condition B(b): the body commands the confidence of registered higher education providers

24. 98% of respondents to the consultation were in favour of designation of the QAA. The consultation responses demonstrate that QAA is well-respected across the sector and is seen as having long-standing experience assessing quality and standards with a diverse range of providers. The responses highlight that QAA has demonstrated understanding of the different types of provider within the sector and the need to adapt its approach to reflect this diversity.
25. Our assessment is that the QAA meets Condition B(b).

Condition B(c): the body exercises its functions independent of any particular higher education provider

26. The QAA's submission describes the organisation as the 'UK's independent quality body'. It goes on to state that QAA judgements are 'made by teams of independent peer reviewers, following published process and their judgements cannot be influenced'.
27. Review teams currently consist of at least two peer reviewers, each of whom is trained before carrying out reviews and whose work is monitored and evaluated. All reviews are overseen and moderated by Quality Specialists from the QAA's staff. All providers have recourse to a published appeals process, which is overseen by the QAA's Governance Team, with appeals being conducted by dedicated appeal reviewers. We therefore believe that, as far as is possible, the QAA has in place appropriate checks and balances to ensure the independence of review judgements within its current review methods.
28. This view is corroborated by the majority of consultation responses. The consultation respondents were generally very positive about the QAA's independence and were confident in the processes that the QAA operates. There were some comments from respondents in the alternative provider sector about the need to ensure that the designated body is flexible in its approach in order to support a greater diversity of providers, focusing on student outcomes rather than prescribing particular processes or approaches.
29. Our assessment is that the QAA meets Condition B(c).

Condition C: the body consents to being designated under Schedule 4 of HERA

30. By submitting an EoI the QAA has consented to being named as a possible designated quality body. We therefore assume that it consents to being designated if successful. If the Secretary of State decides to designate the recommended body, the Secretary of State will notify the body of the designation before the date on which the designation takes effect.
31. Our assessment is that the QAA meets Condition C.

Condition D: the body is a body corporate and is not — (a) a servant or agent of the Crown, or (b) a body to which the Secretary of State appoints members

32. The QAA is incorporated as a company limited by guarantee and so is a 'body corporate'. As a registered charity, it is not, nor can it be, a servant or agent of the Crown. According to its articles of association, the QAA's members are appointed by the members themselves and not by the Secretary of State.
33. Our assessment is that the QAA meets Condition D.

Recommendation and next steps

34. On the basis of our assessment, the QAA meets the designation Conditions A-D set out in HERA, and is therefore suitable to perform the assessment functions. Our assessment is that there is no other body suitable to perform the assessment functions. We therefore recommend that the board recommends to the Secretary of State that the QAA is suitable to perform the assessment functions.
35. The OfS must notify the Secretary of State of its recommendation, and is required to publish that notification. The Secretary of State will then decide whether to designate the recommended body. Should the Secretary of State decide to designate the QAA, we expect that the 'effective date' (the date on which designation begins) would be 1 April 2018.

A body to perform the information duties

36. In relation to the information duties:
 - a. The OfS must consider whether there is a body suitable to be designated;
 - b. If the OfS considers that there is only one body that is suitable to be designated, the OfS must recommend the designation of that body;
 - c. If the OfS considers that there is more than one body that is suitable to be designated, the OfS must recommend the designation of whichever one of those bodies it considers appropriate;
 - d. If the OfS considers that there is no body that is suitable to be designated, the OfS may not recommend the designation of a body.
37. A body is suitable to perform the information functions if the body satisfies conditions A to D set out in HERA Schedule 6.
38. The Higher Education Statistics Agency (HESA) was the only body to express an interest in being designated to perform the information functions; its response to the EoI is provided at Annex C. The response to the subsequent consultation was overwhelmingly positive, with the vast majority of respondents agreeing that HESA meets all of the designation conditions outlined in Schedule 6 of HERA.
39. Of the 132 responses to the consultation, 130 were in favour of designation, and only two respondents were unsure. The consultation invited respondents to suggest any other organisation that might be considered suitable for designation; there were no additional organisations suggested for designation. The analysis of consultation responses is provided at Annex D.
40. Drawing on the information submitted by the HESA, on the responses to the consultation, and on other sources of publicly available information, the following paragraphs set out an assessment of HESA's suitability to be recommended for designation against the designation Conditions A to D.

Condition A: the body is capable of performing the information functions in an effective manner

41. HESA has been carrying out many of the functions required of the designated body on behalf of the UK funding councils since it was created in 1993. Its submission highlights that HESA has strong capabilities in technical capacity, data quality and standards, and data security. It currently collects comprehensive data and information on UK higher education from 261 providers covering students, staff, finances, destinations of students, and estates. Confidence in these areas is also reflected in many of the responses to the consultation.
42. HESA undoubtedly has a long and successful track record of collecting information directly from providers which is a key requirement, but it has less experience of processing data in bulk that has been independently collected by other agencies such as the ESFA. This is a high priority area that HESA would need to address. As the designated information body, it would be required to develop its processes for handling data that has been collected by other bodies and would need to improve

its knowledge and expertise of these other sources of information. Our judgement is that HESA is capable of doing this and suitable expectations could be included in the designation agreement.

43. A major challenge that the information body faces is having to deal with a wide range of providers, together with the diversity of provision and modes of delivery across those providers. This is a theme that was picked up by some respondents to the consultation (notably some alternative providers). In general, the comments were constructive and often framed with reference to representation and governance but they do highlight the need for excellent targeted communications and the need for the information body to work with providers to understand their particular circumstances. Our judgement is that HESA appreciates the importance of this and has shown itself capable of commanding the confidence of new entrants to the sector.
44. HESA is in the process of modernising its data collection infrastructure under the Data Futures Programme which is due to become fully operational in the 2019-20 academic year. This is a major reform programme that will significantly improve HESA's capabilities and enable flexible, efficient and effective in-year data collection. So far, HESA has made good progress with Data Futures and it is on track for completion in time for 2019-20. Our judgement is that Data Futures is a suitable operational design for data collection to meet the OfS's requirements in terms of technology, capacity and capability.
45. Our assessment is that HESA meets Condition A.

Condition B(a): the persons who determine the strategic priorities of the body represent a broad range of registered higher education providers

46. Legally, HESA is a company limited by guarantee and a registered charity. It is wholly owned by UUK and GuildHE. However, UUK and GuildHE do not exercise direct management control over the HESA board, but instead are able to nominate five members of the board out of a total of 13. It is the HESA board that determines the strategic priorities and is supported in this by its Advisory Committees.
47. The board is constituted to reflect the diverse interests of providers of information that HESA collects. The structure includes representatives from all sections of UK higher education and includes students, universities, further education colleges and alternative providers. In terms of providers, the balance of interests represented at board level broadly reflects the distribution of students across providers.
48. Our assessment is that HESA meets Condition B(a).

Condition B(b): the body commands the confidence of registered higher education providers

49. HESA is a well-established organisation with a long track-record of carrying out many of the function expected of the information body. The responses to the consultation reflect this fact, with

99 per cent of respondents believing that HESA is a suitable body for designation. There were no negative responses suggesting that HESA was not suitable.

50. Our assessment is that HESA meets Condition B(b).

Condition B(c): the body exercises its functions independent of any particular higher education provider.

51. HESA is not dependent on any particular higher education provider in order to exercise any of its functions. It employs all of its staff and does not outsource any of its activities to providers.

52. Our assessment is that HESA meets Condition B(c).

Condition C: the body consents to being designated under Schedule 6 of HERA

53. By submitting an EoI HESA has consented to being named as a possible designated data body. We therefore assume that it consents to being designated if successful. If the Secretary of State decides to designate the recommended body, the Secretary of State will notify the body of the designation before the date on which the designation takes effect.

54. Our assessment is that HESA meets Condition C.

Condition D: the body is a body corporate and is not — (a) a servant or agent of the Crown, or (b) a body to which the Secretary of State appoints members

55. HESA is incorporated as a company limited by guarantee and so is a 'body corporate'. As a registered charity, it is not, nor can it be, a servant or agent of the Crown. The Secretary of State does not appoint its members.

56. Our assessment is that HESA meets Condition D.

Recommendation and next steps

57. On the basis of our assessment HESA meets the designation Conditions A-D set out in HERA, and is therefore suitable to perform the information duties. Our assessment is that there is no other body suitable to perform the information duties. We therefore recommend that the board recommends to the Secretary of State that HESA is suitable to perform the information duties.

58. The OfS must notify the Secretary of State of its recommendation, and is required to publish that notification. The Secretary of State will then decide whether to designate the recommended body. Should the Secretary of State decide to designate HESA, we expect that the 'effective date' (the date on which designation begins) would be 1 August 2019.

Annex: QAA Expression of interest for the role of the Designated Quality Body



Expression of Interest: the Quality Assurance Agency for Higher Education

Designation of a body to perform the assessment functions for higher education in England

The Quality Assurance Agency for Higher Education (QAA) welcomes the opportunity to present this expression of interest. Building on two decades of experience, QAA is ready to work with its partners and stakeholders to ensure the UK continues to benefit from an independent, internationally respected and forward-looking system of quality assurance.

QAA is the UK's independent, expert, higher education quality agency and is a registered charity and not-for-profit organisation. Established in 1997 through [agreement of governments, funders and the sector](#), QAA has co-regulation embodied in its governance and operations. QAA was referenced in the 2016 higher education White Paper, [Success as a knowledge economy](#), as underpinning the UK sector's international reputation for quality.

QAA safeguards standards, and drives quality assurance and enhancement for all providers of higher education. Students play a key role in its governance and are involved in all of its activities.

Since its foundation, QAA has conducted over 4,500 quality and standards reviews, adapting, innovating and evolving methods to meet the changing needs of an increasingly diverse sector; governments; students; professional, regulatory and statutory bodies; and employers.

QAA's capacity, expertise and experience demonstrate that it is the most capable and qualified organisation to perform the functions of the designated quality body in an effective and cost-efficient manner, and to lead the future direction of UK higher education quality assurance.

QAA's track record provides the evidence of its capability to perform the assessment functions presented in the *Higher Education and Research Act 2017*. QAA meets all conditions for designation as set out in the Act.

1. Capability to assess the quality of, and the standards applied to, higher education

1.1. Assessment against initial registration requirements

Over the past two decades, QAA has designed, managed and developed the UK-wide expectations for quality on behalf of the sector (the [UK Quality Code for Higher Education](#) and the UK Frameworks for Higher Education Qualifications - FHEQ and FHEQIS), to assess applicants' quality and standards for initial registration as higher education providers. QAA's capability and experience in assessing the quality of, and standards applied to, applicants' higher education provision is unrivalled. QAA also has [cooperation agreements](#) with a range of other regulators operating in UK further and higher education,

to maximise efficiencies.

QAA's ability to innovate was demonstrated in its design in 2016-17 of the method for Quality Review Visits, a new gateway process for entry into higher education in England and Northern Ireland. 30 reviews were completed and 20 providers achieved successful outcomes. QAA will work alongside the Office for Students (OfS) to develop processes for entry to the register that align with the wider regulatory approach.

QAA supports the government's ambition to facilitate the entry of new, innovative, high quality providers to higher education in England. Since 2012, QAA's work has aligned with the requirements of both the Home Office and Department for Education, reviewing providers wishing to obtain course designation and/or Tier 4 licences. QAA sets a high bar, recognising and supporting high quality provision, and safeguarding student interests and the reputation of the sector from those that do not meet UK expectations. Of the 462 alternative providers that initially engaged with QAA review, 218 achieved successful review outcomes.

As the designated quality body, QAA would bring significant expertise in undertaking quality assessment for new entrants and safeguarding the reputation of the sector.

1.2. Assessment against ongoing registration requirements

QAA would draw on its substantial experience of assessing quality and standards to confirm to the OfS that providers meet ongoing registration conditions. QAA would advise and work with the OfS in designing and delivering a proportionate, risk-based approach to assessment, addressing issues as they arise.

QAA's agility in responding to changes in the policy landscape and development of new methodologies has been demonstrated repeatedly, including: the introduction of the revised models for quality assessment in England and Northern Ireland; the revised method of Enhancement-led Institutional Review in Scotland; and the new Quality Enhancement Review method for Wales.

QAA has made a significant contribution to the government's Teaching Excellence Framework (TEF) from the outset and to its continuing development, working closely with HEFCE to manage the assessment process for 299 providers in TEF Year 2.

QAA has pioneered student engagement in quality and standards, and its approach has been commended internationally. Students are embedded in QAA's governance, with two student members on its board, and a Student Advisory Committee providing strategic input on developments in the higher education sector. QAA is committed to ensuring students are involved and empowered in shaping their learning experiences and provides opportunities for students and student bodies to do so in review and assessment methods. QAA expects providers to embed student involvement in their quality arrangements and would ensure students continue to be central to the regulatory framework.

'QAA is to be commended for its broader approach to ensuring very active student engagement in all key aspects of its work.'

[Final ENQA report](#) on its 2013 review of QAA

QAA would work with the OfS to safeguard the interests of students, addressing weaknesses in the management of academic quality and standards. For England and Northern Ireland, QAA already undertakes investigations referred to it under the Unsatisfactory Quality Scheme. For Scotland and Wales, and for all UK alternative providers, it operates its own [Concerns Scheme](#). From 2012-16, QAA dealt with almost 2,000 general enquiries and handled 322 cases. Improvements made as a result of the Scheme have had a

direct and positive impact on the academic experiences of students and providers.

1.3. Guidance for higher education providers

QAA has proven experience in delivering effective advice and guidance for higher education providers. It has developed, consulted on and published handbooks and related guidance for reviews, and briefings on other quality and standards issues. During 2016-17, QAA's published guidance included review handbooks for transnational education, Quality Review Visits, and new methods in Scotland and Wales. It uses new technologies and methodologies such as podcasts and webinars to disseminate its findings and to engage with the sector in a cost-effective way, enabling targeted messaging to relevant groups.

QAA has worked with the sector to develop, maintain and review the UK Quality Code and associated guidance that is accessible for providers and other stakeholders. This has included: case studies on using the Quality Code in practice; workshops; guidance for non-technical audiences; toolkits for specific groups (such as colleges); and the development of online tools. QAA is currently working with the sector and the UK-wide Standing Committee on Quality Assessment to revise the Quality Code.

QAA has been a significant contributor to recent major policy developments including: advice and guidance on the TEF; higher and degree apprenticeships; accelerated degrees; credit frameworks; and tackling plagiarism and essay mills.

QAA publishes thematic analyses on wider trends and good practice. Its online Knowledgebase includes 3,148 examples of good practice, 5,548 recommendations and 415 affirmations from its reviews since 2009. Feedback from QAA subscribers has led to work on topics including student transitions and the role of student satisfaction data in quality assurance and enhancement.

2. Advice on degree awarding powers

Since its foundation, QAA has provided expert advice to UK government and all devolved administrations on applications for degree awarding powers and university title. Its advice has led to 80 successful applications since 2004. QAA works with potential applicants to improve their understanding of the requirements and expectations associated with applying for degree awarding powers.

The process of applying for, and granting, degree awarding powers has evolved over time. QAA has advised government on revisions to the criteria and, more recently, the publication of scrutiny reports and the inclusion of student members on all review teams. QAA is already working on methods to integrate registration and application for probationary degree awarding powers, to simplify the process for new applicants.

Detailed scrutiny of the evidence provided by an applicant is undertaken by peer assessment. The independent [Advisory Committee on Degree Awarding Powers](#) (ACDAP) considers the outcomes from peer assessment, together with the evidence submitted by the applicant, and makes recommendations to QAA's board, which then determines the nature of advice to be provided.

ACDAP has evolved, for example with the addition of a student member in 2014, and on 7 September 2017 it recommended changes to its membership to ensure alignment with the Act's requirements. The committee also recognised the need for reform of its processes and has commissioned a review to ensure these are fit for the new regulatory environment.

3. Sector-wide representation

QAA's strategic priorities are determined by its [board](#). All 18 board members are unpaid non-executive directors and are trustees for the purposes of charity law. The board structure embodies co-regulation, representing all sections of English and wider UK higher education, including students, universities, further education colleges and alternative providers, with a rich mix of skills and experience. The six independent board members, with their expertise in industrial, commercial, financial and professional practice, provide an external perspective that furthers the board's public interest remit. The independent directors are the largest group, ensuring that no one sector interest can dominate. The chair of the board must be an independent director.

QAA regularly reviews its governance arrangements to ensure the board operates in line with best practice and charity law.

4. Confidence of higher education providers

4.1. Confidence at the point of designation

QAA is respected and trusted as the UK's independent quality body, both nationally and internationally. Its work commands the respect of the sector because it is developed and shaped with and by the sector, students and other key stakeholders. QAA works with over 600 providers including universities, colleges and alternative providers, giving it unparalleled knowledge, experience and insight across the full provider range. QAA engages strategically and operationally with the sector, its representative bodies, mission groups and individual providers of all types.

'In terms of the quality and regulation landscape, there is widespread recognition of the significant role that the QAA has long played in the sector, and the importance of co-ownership of the quality regime...'

*[Report of the Universities UK Review Group](#) on UK Higher Education Sector Agencies
(January 2017)*

QAA is an international leader, influencing key areas of policy including the Bologna Process, the European Standards and Guidelines for Quality Assurance, and the qualifications frameworks for the European Higher Education Area.

QAA's case to become the designated quality body for England is officially supported by, and has the confidence of, the following bodies:

Association of Colleges
GuildHE
Independent Higher Education
National Union of Students
Universities UK.

QAA commands the confidence of the wider UK sector, demonstrated through separate agreements this year with Universities Scotland and Universities Wales to exclusively undertake external quality assessments of their higher education providers until 2023. This facilitates coherence and QAA is uniquely positioned to unify approaches to quality across the four nations.

QAA is responsible for assuring transnational education (TNE) for the UK sector, underpinning its world-class reputation. It has undertaken reviews in countries including China, Hong Kong, India, Malaysia, Russia, Singapore and the United Arab Emirates, and operates 15 formal strategic relationships with quality bodies overseas, to provide confidence in UK TNE provision.

QAA has been internationally recognised through recent awards from [INQAAHE](#) and the [Asia-Pacific Quality Network](#).

4.2. Maintaining confidence in the spirit of co-regulation

QAA was created as a key partner in the system of co-regulation. To maintain the confidence of the sector and the OfS, as the designated quality body QAA would continue to be:

Expert and authoritative
 World-class
 Innovative and responsive
 Driving UK-wide consistency of higher education standards
 Not-for-profit and mission-led
 Independent and accountable
 Collaborative
 Committed to working with and for students
 Cost-efficient and effective.

QAA would maintain sector confidence and dialogue through its board, advisory committees, sector Sounding Board, annual subscriber surveys, networks, events and consultations. QAA's provider liaison programme enables it to exchange intelligence and ideas, and facilitate invaluable insights into the needs of providers. QAA's staff have great breadth and depth of expertise, and its reviewers are drawn from senior staff across the entire sector.

'As well as discharging statutory requirements on behalf of HEFCE (mainly around quality assessment), the sector works with the QAA to support and develop quality assurance and the academic infrastructure within institutions, recognising that ultimately the standards and quality of higher education rest primarily with autonomous institutions... This is a widely admired self-regulatory approach that is unique to the UK and fundamental to the maintenance of academic standards.'

Quality, equity, sustainability: the future of higher education regulation, [Report of the Universities UK Regulation Task and Finish Group](#) (February 2015)

QAA is a company limited by guarantee and a registered charity. It does not have constitutional links with government or individual higher education providers. Whilst independent, QAA listens carefully and responds to its full range of stakeholders in developing its plans and quality assurance processes.

We confirm that, in respect of Condition D for designation in the *Higher Education and Research Act 2017*, QAA is a body corporate, and not a servant or agent of the crown, or a body to which the Secretary of State appoints members.

'This is the hallmark of the QAA - that they work in partnership with the sector and, indeed, in partnership with government. But they maintain a sufficient distance and they are known to be independent, and this is the essence of the reputation of UK higher education. There is a secure regulatory foundation and set of guidelines in the [Quality] Code, but the QAA is independent and therefore to be trusted.'

Professor Janet Beer, Vice-Chancellor, University of Liverpool, and President, Universities UK (May 2017)

QAA's internal safeguards ensure the integrity of decision making. Judgements from reviews are made by teams of independent peer reviewers, following published process and their judgements cannot be influenced, other than at appeal. It has robust mechanisms and policies in place to ensure that those undertaking work on its behalf act in a fair and impartial manner. All QAA reviewer contracts include a code of practice, and copies of its ethical conduct and anti-

bribery policy, to prevent conflicts of interest.

As a founding member of the European Association for Quality Assurance in Higher Education (ENQA), QAA is reviewed every five years to ensure it meets [European Standards and Guidelines](#), including being fully compliant with the independence requirement. The expert panel from QAA's most recent review in 2013 reported:

'QAA's overall performance against the standards of the ESG [European Standards and Guidelines] is uniformly high. It is a trustworthy, effective and highly credible agency and a leader in the field.'

[Final ENQA report 2013 review of QAA](#)

As a forward-looking, strongly stakeholder-focused organisation, QAA will continue to develop its deep understanding of both individual providers and the sector. Its approach embodies co-regulation, embedding the autonomy, expertise and academic freedom of UK providers, while ensuring that stakeholders in higher education, including students, continue to be partners with roles to play.

5. Fees

QAA is highly experienced in ensuring transparent separation of different funding streams and their allocation, and already meets this requirement through its work with the UK's funding bodies, the Home Office and Department for Education (see section 6). Taking account of [Treasury guidelines](#), QAA would ensure clear and transparent separation of fees and charges for the performance of statutory and non-statutory functions, by publishing a statement of the fees it charges and the basis on which they are calculated. QAA would work with the OfS and the sector to determine what would be chargeable as statutory functions.

QAA manages a complex financial portfolio with a variety of funding arrangements across the UK and internationally. It is experienced in providing detailed analysis to the funding bodies on its method for allocating charges. This provides confidence in QAA's financial management and that it delivers value for money. There is no cross-subsidy of any non-statutory functions by statutory ones. By generating additional revenues, QAA acquires economies of scale. Where it undertakes other contracted activity, this is aligned with its charitable objects as set out in its [Articles of Association](#).

6. Reporting, governance and accounting arrangements

QAA operates a robust system of corporate governance and accounting practices.

The board governs QAA in line with its Articles of Association, vision, mission, values, aims and charitable objects. The board is responsible for compliance with legal and statutory requirements and with the published [Code of Practice](#). QAA is regulated by the Charity Commission for England and Wales and the Office of the Scottish Charity Regulator.

The board is supported in its decision making by its [governance and advisory committees](#). New board members attend an induction programme covering the work of QAA, governance, operations and strategic plans. Guidance is provided on their responsibilities and good practice as charity trustees.

Day-to-day management of QAA is delegated by the board to the [chief executive](#) through a scheme of delegation and financial regulations. Rigorous planning and reporting processes are in place, giving the board confidence that QAA is being managed effectively.

QAA has a strong track record in internal and external audit. Internal auditors report three times

each year to the Audit and Risk Committee on their findings. This informs the Committee's annual opinion to the board on arrangements for risk management, control and governance, and for economy, efficiency and effectiveness (value for money).

QAA publishes and monitors a reserves policy as part of the published annual reports presented to its annual general meeting of members. This provides financial stability to ensure it can deliver the requirements of the OfS and the sector. An Honorary Treasurer provides assurance to the board on the financial aspects of QAA's work.

QAA is a not-for-profit organisation, robustly accountable for the delivery of its work programmes, with significant experience in producing annual reports for the UK funding bodies and their advisory committees.

Annex B: Summary of DQB consultation responses

Overall there was overwhelming support for the Quality Assurance Agency (QAA) as a body that is credible and suitable to fulfil the role of the Designated Quality Body (DQB). Some concerns around the future shape and design of the DQB were expressed, but this was outweighed by general support for QAA to be designated the new Quality Body. No organisations were proposed as an alternative to the QAA.

Main findings from the consultation

To complement respondents' affirmation that QAA is capable of meeting the designation conditions as set out in paragraph 4 of Schedule 4 to HERA, positive comments from sector bodies were submitted and are generally along the following themes:

- QAA is well-respected and has long-standing, extensive experience of assessing and supporting the development of the quality assurance systems and standards that underpin the UK Higher Education sector.
- QAA is recognised internationally as a highly capable, trustworthy and competent provider of quality assurance services.
- QAA has demonstrated its independence, as well as its commitment to engaging students and co-regulation, over more than twenty years.
- The QAA review methods have been developed and adapted to meet the needs of an increasingly diverse sector, including the use of peer reviews that has given QAA credibility within the sector. It has played a key role in the development of practice, for example through the development of the subject benchmark statements, provision of guidance for all providers in the sector and oversight of the UK Quality Code for Higher Education (UKQC). The QAA's recent approach to the consultation on a revised UKQC demonstrates an outcomes-based approach as well as a simplified model.
- QAA has experience of working with diverse institutions and has demonstrated understanding of the different types of provider within the sector and the need to adapt approach when working across the sector.
- QAA operates a governance structure which includes and ensures strong student engagement through student representatives and the student advisory committee.

Some concerns and issues were expressed regarding the future design and shape of the Designated Quality Body (DQB) and the quality system they will oversee if designated. These comments were wide ranging and related to:

- Whether the DQB has the necessary capacity and capability to deliver the expectations of the OfS and whether it can transition to a new proportionate and risk-based approach.
- A need for the DQB to establish a robust quality system and process that takes into account contextual evidence, is flexible so that it can adapt to independent higher education providers.

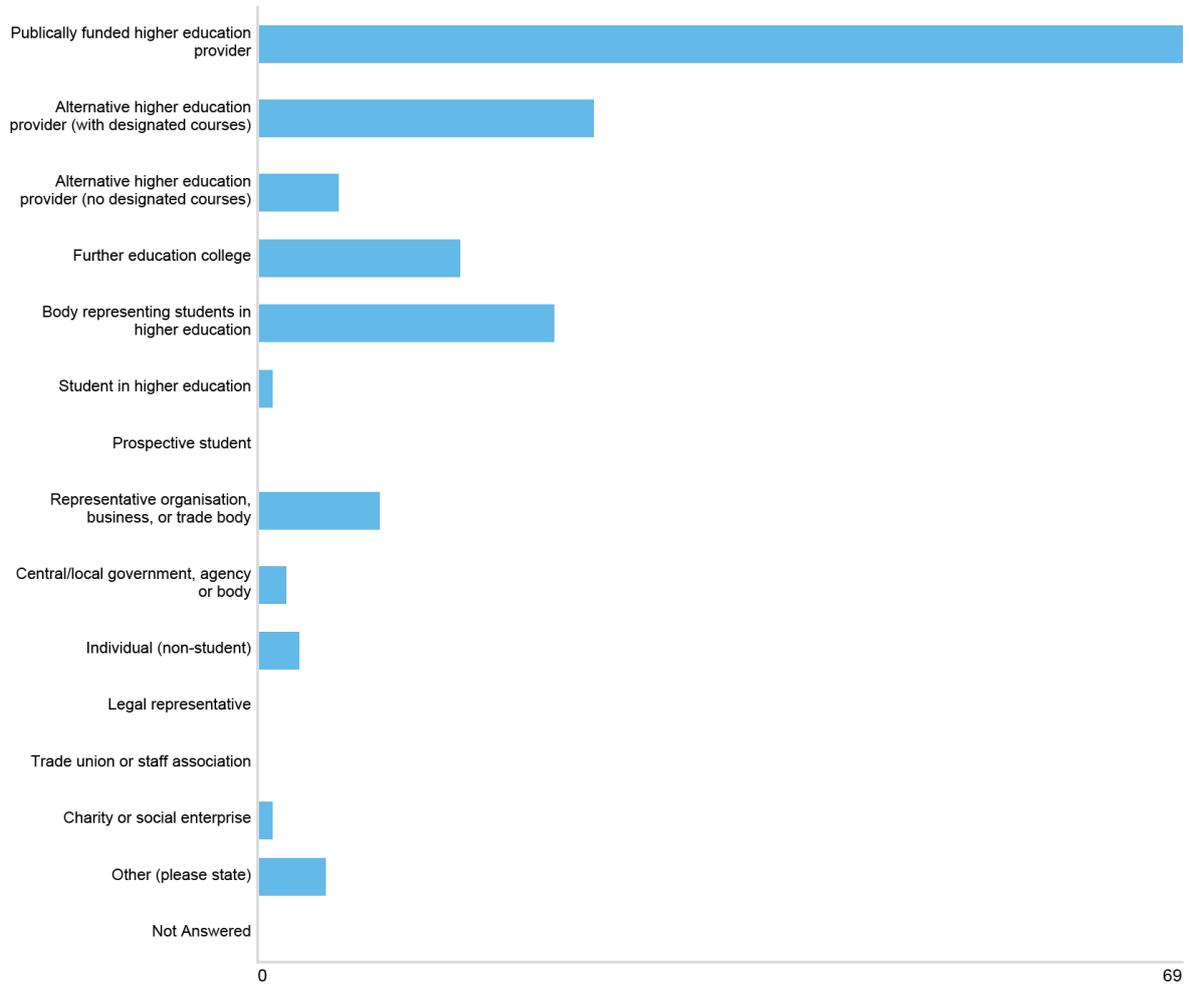
- Concerns that the DQB does not place disproportionate burdens on providers – in particular smaller Alternative Providers - and that any transitional burdens to a new Quality Review System are well managed. Duplication with other regulatory bodies should also be avoided.
- The DQB needs to be more representative of the sector - particularly encompassing Independent Higher Education in its layers of governance and is more reflective of the diverse Higher Education providers with and without Degree Awarding Powers (DAPs).
- The DQB will need to develop a robust process for the assessment of applications for DAPs if it is to support the OfS' objective of facilitating market diversification.
- Any fees charged by the DQB are proportionate, provide value for money for students and providers, and conflicts of interest are avoided.
- The DQB needs to be truly independent of the OfS and that greater clarity is needed about the precise role of the DQB in informing the decision-making of the regulator, particularly following initial registration of providers.
- Details should be published regarding the way in which the new OfS Quality Assessment Committee will work with the OfS and the DQB in order to provide advice on the exercise of the quality and standards function.
- The DQB should be a quality assessment body which can operate on a UK wide and international basis as the QAA currently function.

Question analysis

We asked respondents a series of questions on the DQB. Respondents could answer the questions digitally via the online survey or through written responses sent through to us via email or post. The following report is a factual summary of the responses received, which numbered 158 in total.

Questions 1-2

These questions invited the respondents to provide their names, organisation and location in order for us to explore the results by strata. The breakdown of respondents is contained in the chart and table, below.



Option	Total	Percent
Publicly funded higher education provider	69	43.67%
Alternative higher education provider (with designated courses)	25	15.82%
Alternative higher education provider (no designated courses)	6	3.80%
Further education college	15	9.49%
Body representing students in higher education	22	13.92%
Student in higher education	1	0.63%
Prospective student	0	0%
Representative organisation, business, or trade body	9	5.70%
Central/local government, agency or body	2	1.27%
Individual (non-student)	3	1.90%
Legal representative	0	0%
Trade union or staff association	0	0%
Charity or social enterprise	1	0.63%
Other (please state)	5	3.16%
Not Answered	0	0%

Other type of organisation

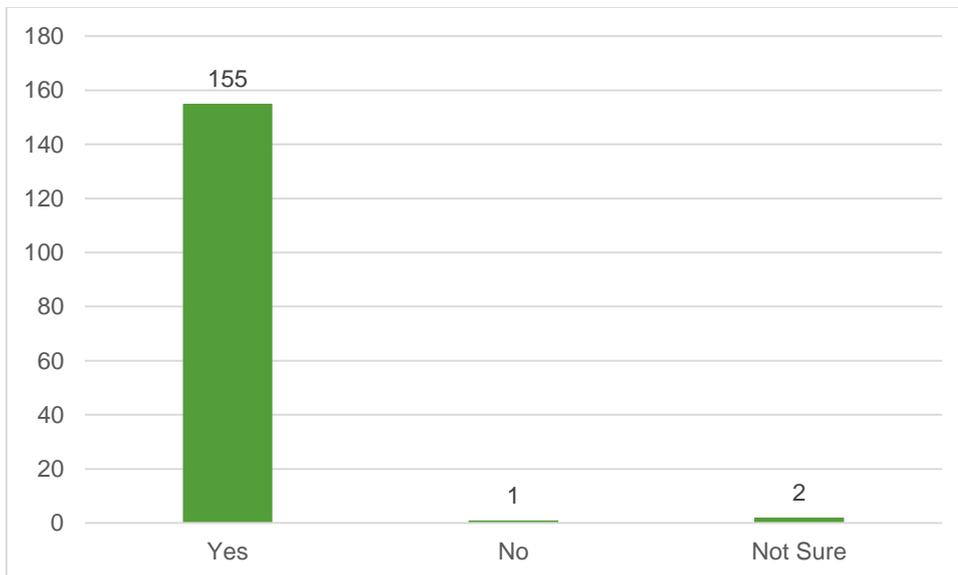
There were 9 responses to this part of the question.

Location outside England (if applicable)

There were 11 responses to this part of the question.

Question 3

Please state whether, in your opinion, QAA is capable of meeting all of the designation conditions



Option	Total	Percent
Yes	155	98.10%
No	1	0.63%
Not Sure	2	1.27%

All except 3 respondents felt that QAA is capable of meeting all the designation conditions.

Question 4

If you believe that an organisation that did not submit an expression of interest would be more suitable for the role you can provide their details below, if you wish.

No suggestions were provided for an alternative organisation that would be more suitable for the Designated Quality Body role.

Annex C: HESA Expression of interest for the role of the Designated Data Body

HESA (HIGHER EDUCATION STATISTICS AGENCY LIMITED) RESPONSE TO THE EXPRESSION OF INTEREST

INTRODUCTION

HESA is pleased to submit this expression of interest to become the designated data body for higher education (HE) information in England.

We believe HESA is ideally placed to deliver the requirements of the designated body, as this provides an opportunity to build on and develop its existing capability and relationships gained through 24 years' experience of collecting, processing and publishing information about the higher education sector. In this time, we have innovated, shaped and adapted the data landscape, and developed services and products to meet the requirements of Government and providers in a higher education landscape undergoing significant change.

We have delivered this in the spirit of co-regulation, and welcome the opportunity presented to continue to evolve and extend our expertise and services to an increasingly diverse sector. We also welcome the opportunity to better represent the needs of students and graduate employers and to enable the Office for Students (OfS) to deliver its duties.

We have set out in this document the evidence to demonstrate that we have the capabilities to perform the duties of the designated body. Whilst we recognise that the exact role and approach is subject to further agreement, we are confident that our strong relationships and track record will mean we can achieve this transition without disruption to services, and maintaining the rigour and quality of higher education data.

HESA: BACKGROUND AND HISTORY

HESA was formed in 1993 as both a company limited by guarantee, and a charity. The members of the company are the sector representative bodies Universities UK (UUK) and GuildHE. Our Articles of Association have been recently revised to more accurately represent the new higher education Landscape (see Annex A). HESA also operates a wholly owned commercial subsidiary, HESA Services Limited.

1. CAPABILITY

HESA has strong capabilities in technical capacity, data quality and standards, and data security to deliver the functions set out in the Act. Our analytical power, versatility, and user focus, combined with our rich store of high-quality, historic data, is unmatched anywhere else in the UK. We continue to shape the higher education data landscape in the information we compile and make available, as is evidenced with our current development programmes on Data Futures and Graduate Outcomes.

CURRENT OPERATIONS AND TECHNICAL CAPABILITY

HESA operates well-developed and efficient systems and processes to collect, store, process, and disseminate its data. We currently collect data from 261 higher education providers (HEPs) across the UK. Our 14 collection streams provide a significant set of information regarding all aspects of higher education, from the people involved – students, staff and graduates – to the core educational offering, through to the essential business of running an HEP, such as estates management, business interactions, and financial reporting.

HESA works closely with HEPs, with relevant sector professional groups, and with our Statutory Customers to ensure the sector voice is integrated into the data collection and quality assurance processes from end-to-end. This, combined with HESA's statistical expertise and knowledge of the sector, ensures that the resulting datasets are of the very highest quality.

GUIDANCE FOR HEPs

HESA offers substantial guidance to providers throughout the collection process, aiding their processes, resulting in better quality data and sector data capability:

- Our Liaison team provide bespoke support to those submitting data (40,000 contacts with 3,500 stakeholders in 2016/17)
- Our Training & Consultancy team offers training solutions on all aspects of the data journey with CPD-accredited courses and webinars attended by more than 3,000 delegates
- HESA has inducted over 100 alternative providers (APs), providing tailored support to assist them in preparing for HESA data collection, leading to excellent ongoing working relationships. This experience will enable us to devise an effective induction programme in anticipation of new providers due to become registered by 2019/20.

HESA operates data processing platforms built to best current practice standards and used by more than 3,500 HEP staff to quality assure, process, and store billions of data items each year. The Heidi Plus business intelligence platform provides dashboards, reports, and visualisations to higher education sector staff at 147 providers, giving them access to detailed insights on the full range of HESA data going back to 2007/08.

DATA QUALITY AND STANDARDS

HESA data is widely recognised for its high quality, consistency, authority, and comparability. HESA has been publishing National Statistics products since 1996, and in 2008 HESA was designated as a producer of Official Statistics. Three of the twelve outputs we currently produce have been designated as National Statistics by the UK Statistics Authority (UKSA). National statistics include Statistical First Releases and Higher Education Statistics for the UK.

Official Statistics products include published data relating to students, staff, finance, Destinations of Leavers, estate management, interaction with business, and the UK Performance Indicators (UKPIs) for higher education. Methodologies used in the production of the UKPIs have been adopted for use in the Teaching Excellence Framework (TEF) scheme developed by the Department for Education.

We publish clear guidance on arrangements for protecting confidential data, in line with principle 5 of the UKSA Code of Practice. We are committed to preserving the confidentiality of the data we collect, process, and disseminate, in compliance with the relevant legal and regulatory frameworks and guidance. This helps maintain the trust and co-operation of those individuals who supply data to HESA for onward use.

DATA SECURITY

HESA gives absolute priority to information security. In 24 years we have had no data breaches, and no complaints to the Information Commissioner's Office about the use or processing of our data.

We employ a Data Protection Officer and a Legal Counsel specialising in data protection who work closely with HESA's Head of Information Security to ensure best practice in data protection and legal compliance. All HESA staff are required to undertake regular data protection and information security training.

HESA has been certified to ISO 27001 Information Security standard for over 10 years, and is also currently gaining the new Cyber Essentials Plus certification. We deploy multiple layers of industry standard controls to protect our data and systems, including: data encryption; pseudonymisation; strong authentication; and strict access controls.

Data that is considered sensitive under the Data Protection Act 1998, or special category under the GDPR, is identified prior to collection, and additional controls are applied to limit access. Release of such data is closely monitored, and only happens where there are clear legal grounds.

2. REDUCING THE BURDEN OF DATA COLLECTION

HESA aims to ensure that the burden of data collection on providers is minimised, whilst ensuring that the data we collect and disseminate has maximum value for all our stakeholders. We are undertaking significant programmes to upgrade our services and technology platforms and to embed the benefits across all users. The three main areas of activity are: Data Futures; Graduate Outcomes; and the establishment of a new governance function.

DATA FUTURES

Data Futures is a transformational programme for the higher education sector to provide in-year student data by 2019/20. Funded and supported by the funding councils of the UK higher education sector, it embodies a co-design approach with a range of providers.

The data futures platform will deliver a more modernised and efficient approach to data collection for a larger, more complex, and more dynamic higher education sector including:

- earlier sight of changes and developments in relation to the student population and provision for policy makers and providers;
- supporting a 'lead indicators' approach to regulation, facilitating early warning of any issues emerging with providers;
- Smoothing the resource load on providers
- facility for a hub for other data commissioners to collect their data via HESA, rather than directly from providers. This will directly reduce the burden on providers whilst enriching the data, adding to better insight and analysis for stakeholders.

GRADUATE OUTCOMES

The Graduate Outcomes survey will replace the existing Destination of Leavers of Higher Education (DLHE) survey, and the Longitudinal DLHE survey from 2017/18 and will collect data 15 months after graduation. It will be based on a new model of 'open centralisation', which will deliver significant savings across the sector, while providing more robust data in which all parties can have confidence.

The new survey will continue to provide key information on graduates' activities and outcomes, but in addition will capture information on the 'graduate voice'. Supporting more informed student choice, it will provide policymakers, HEPs, and the wider public with richer insights into the value of higher education and the state of the graduate labour market.

DEVELOPING GOOD DATA GOVERNANCE

HIGHER EDUCATION DATA LANDSCAPE STEERING GROUP

HESA has led on the formation of the Higher Education Data Landscape Steering Group (HEDLSG), established to provide oversight and leadership of the data landscape and advice and guidance to HESA. It comprises membership drawn from across the higher education sector, and adjacent sectors (for example, health education and research).

The HEDLSG seeks to accelerate the standardisation and rationalisation of data collections, and enhance the capability of data management, across the UK higher education sector. HESA colleagues have supported HEDLSG in the development of a Code of Practice for data collectors for a more consistent approach to the governance of data collections and the assessment of burden. Intended to drive the adoption of standard data definitions, encourage the sharing and re-use of data, it will enable comparative metrics of the data collection burden to be considered as a routine part of data collections management.

BURDEN MINIMISATION FRAMEWORK

HESA has recently introduced a burden minimisation framework, to understand what burden means and how it is assessed for HESA data collections.

The model has 3 functions:

1. Define the data requirement in a consistent and rigorous way.
2. Assess the burden through a rich set of criteria, with engagement with data customers and HEPs.
3. Minimise burden through carefully-planned releases, smoothing change so that it can best be absorbed by the sector.

Further activities regarding burden reduction are embedded in HESA's operating model. These include:

- regular reviews of operational information of current collections
- a roadmap, harmonising and rationalising data
- initiatives targeting known areas of burden where sector-wide collaboration can effect a quantifiable reduction.

3. OPEN DATA

HESA is delivering year two of our Open Data Strategy. Developed with the support of the Open Data Institute following a public consultation, the aim is to release as much of our data as possible as open data by 2021.

Open data at HESA will be freely accessible to anyone, and available in machine-readable format. The first datasets released as open data will be available this autumn, with further outputs to follow early in 2018. More information is available on our open data webpage.

4. SECTOR-WIDE REPRESENTATION

HESA is a co-regulated sector agency. This means that sector representation, input and expertise are key features of its governance arrangements, balanced by independence, autonomy, and a close working relationship with Statutory Customers.

HESA has recently updated and modernised its Articles of Association. We have expanded the HESA board membership to ensure it is sufficiently broad and representative. board membership now includes:

- 4 places for UUK nominees
- 1 place for a GuildHE nominee
- 5 places for co-opted members (to include a graduate employer)
- 1 place for a student representative
- 1 place for a further education (FE) sector representative
- 1 place for an alternative provider representative.

In addition, observers from the OfS, UKRI, UUK, GuildHE, AoC, and Independent higher education will be invited to attend board meetings.

We have also introduced a new Statutory Advisory Council to provide strategic oversight for HESA's statutory activities, ensuring separation from non-statutory functions. This Council will report into the main board with membership drawn from the higher education sector, HESA's Statutory Customers, and additional independent expertise (for example, the ONS).

5. CONFIDENCE OF HIGHER EDUCATION PROVIDERS

HESA has a direct relationship with 261 HEPs in the UK sector, representing the full breadth and diversity of provision. We value these relationships greatly, and strive to remain open and accessible to all our subscribers.

For nearly 25 years HESA has operated as a co-regulated shared service working on behalf of HEPs, to collect and submit data to the four higher education funding councils, research councils, and relevant Government departments of the UK (our 'Statutory Customers'). This spirit of co-regulation remains fundamental to HESA's ethos and operations today.

We have in place have a range of formal and informal mechanisms through which we maintain the confidence of providers. These offer routes to raise issues or concerns:

- Formally through membership of HESA's main Committees, user groups, strategic steering groups, and operational working groups, working across data collection and dissemination processes and on specific projects.
- Informal channels include seminars, conferences, and training events, social media and direct phone and email contact.
- HESA engagement with higher education sector representative and professional groups.

Through these relationships and the changes we have made to our governance arrangements (detailed in section 4), we believe we are well placed to command the confidence of higher education providers and their representatives in our capabilities and activities, and that we have the mechanisms to extend this confidence to those providers yet to be registered.

6. FEES AND FUNDING

CURRENT FINANCIAL MODEL

As a non-profit-making organisation, HESA's principal income source is an annual subscription charged to HEPs (see our 2015/16 Trustees' Report and Financial Statements).

The subscription model is transparent, and reflects affordability for providers, consisting of a fixed (banded) element, and a variable per capita element based on student numbers. Alternative providers adhere to the same model, charged at 95% of the rate for publicly funded providers.

To actively minimise the subscription charged to providers, HESA also derives income through three routes:

1. Work with other statutory bodies, providing data, data collection and services on a chargeable basis.
2. A wholly owned commercial subsidiary (HESA Services Limited), which provides training, consultancy, bespoke data and analytical services, and access to our hosted business intelligence service.
3. Grant funding for specific purposes (for example, Data Futures).

HESA does not seek to make a profit, but instead re-invests any surplus generated each year in service improvement and optimisation.

FUTURE FINANCIAL PLANS

HESA is currently reengineering its financial model to align its approach with the requirements of a designated data body. This entails carrying out a thorough and detailed analysis of the costs of all our activities to allow us to better adapt to meet emerging requirements. The financial model comprises three components:

1. A core subscription covering statutory services only. This will cover only the activity required by a provider to discharge its statutory responsibilities. The statutory subscription would be stepped according to the categorisation of each provider on the higher education register.
2. A premium optional subscription, covering additional services that providers may wish to access.
3. A range of commercial offerings, currently offered through HESA Services Limited.

We would seek to maintain a consistent funding model across the UK, to reduce costs and complexity.

EFFICIENCY AND VALUE FOR MONEY

HESA operates as a shared service that facilitates the discharging of providers' statutory responsibilities regarding data and information provision to Government in the most efficient and effective way.

A core aim of our strategy is to secure greater efficiency in our operational costs. To this end we are using the data from our activity costing to develop a significant efficiency programme from 2018. In addition, we aim to collaborate and share capabilities with other sector agencies where it makes sense to do so.

This year we have achieved better efficiency and value for money through a number of collaborations:

- With the M5 Group (comprising HESA, Jisc, and QAA): this has reduced the long run costs of back-office functions such as technology support and pooled expertise on business systems implementation (including our Customer Relationship Management solution which will enable us to better track our engagement with providers).
- With Jisc: in addition to our work together in product and service development, we have also utilised their capabilities in their support for the procurement of Graduate Outcomes
- With HECSU, Jisc, and UCAS: to develop a strategic data partnership to deliver new products and services relating to the student journey and opportunities for sharing resources including staffing, premises, and information security.

We combine industry-leading cloud and on-premises databases, business intelligence, and CRM applications, with bespoke data processing applications. Our ambition is for all of our platforms to be moved to the cloud to leverage the low-cost, high-capacity utility computing available.

7. GOVERNANCE AND ACCOUNTABILITY

TRANSPARENCY AND ACCOUNTABILITY

As both a charity and a private company, HESA files a report on its activities and its finances with the Charity Commission and with Companies House annually. These documents are publicly and freely available. In addition, HESA is regulated by the Charity Commission, as well as being accountable to its Statutory Customers, to the members of the Company (UUK and GuildHE), and to UK Statistics Authority for certain activities. We are therefore accustomed to dealing with a high degree of regulation and accountability, and always seek to discharge our public responsibilities in as open and transparent a manner as possible.

ASSURANCE AND RISK

HESA has an Audit Committee, reporting into its main board, which meets twice a year. As part of its Terms of Reference, the Audit Committee keeps under review HESA's risk and assurance processes, including reviewing Internal Audit reports, and the ISO 27001 (information security) audit reports. HESA's next internal audit is scheduled for January 2018, and will focus on GDPR compliance and preparedness.

HESA's financial statements and Trustees' Report are reviewed annually by our External Auditors.

HESA publishes an annual impact report setting out our progress against our strategy and aims. The Impact Report for 2016/17 has just been published which provides further demonstration of our credibility, capability and track record to become the designated data body.

FURTHER INFORMATION

Information on any aspect of this submission is available from Paul Clark, chair executive: paul.clark@hesa.ac.uk.

Annex D: Summary of DDB consultation responses

Overall there was overwhelming support for the Higher Education Statistics Agency (HESA) as a body that is credible and suitable to fulfil the role of the Designated Data Body (DDB). Some concerns were expressed, particularly about the need for the DDB to take full advantage of opportunities to reduce the burden on providers through maximising data co-ordination with other agencies and bodies and ensuring the DDB works to increase its understanding and representation for alternative providers and further education colleges.

Main findings from the consultation

There was overwhelming support for the Higher Education Statistics Agency (HESA) to be designated the new Data Body and that HESA are capable of meeting the designation conditions. No organisations were proposed as an alternative to HESA.

Positive comments from sector bodies were submitted and are generally along the following themes:

- HESA has the technical capacity, extensive experience in data collection, analysis and assessment to meet the needs of multiple agencies and stakeholders as well as higher education providers.
- HESA has the confidence of the sector, is independent whilst at the same time epitomising the principles of co-regulation to face the future higher education data, information and choice challenges with confidence.

Some concerns and issues were expressed regarding the future design and shape of the Designated Data Body (DDB). These comments were wide ranging and related to:

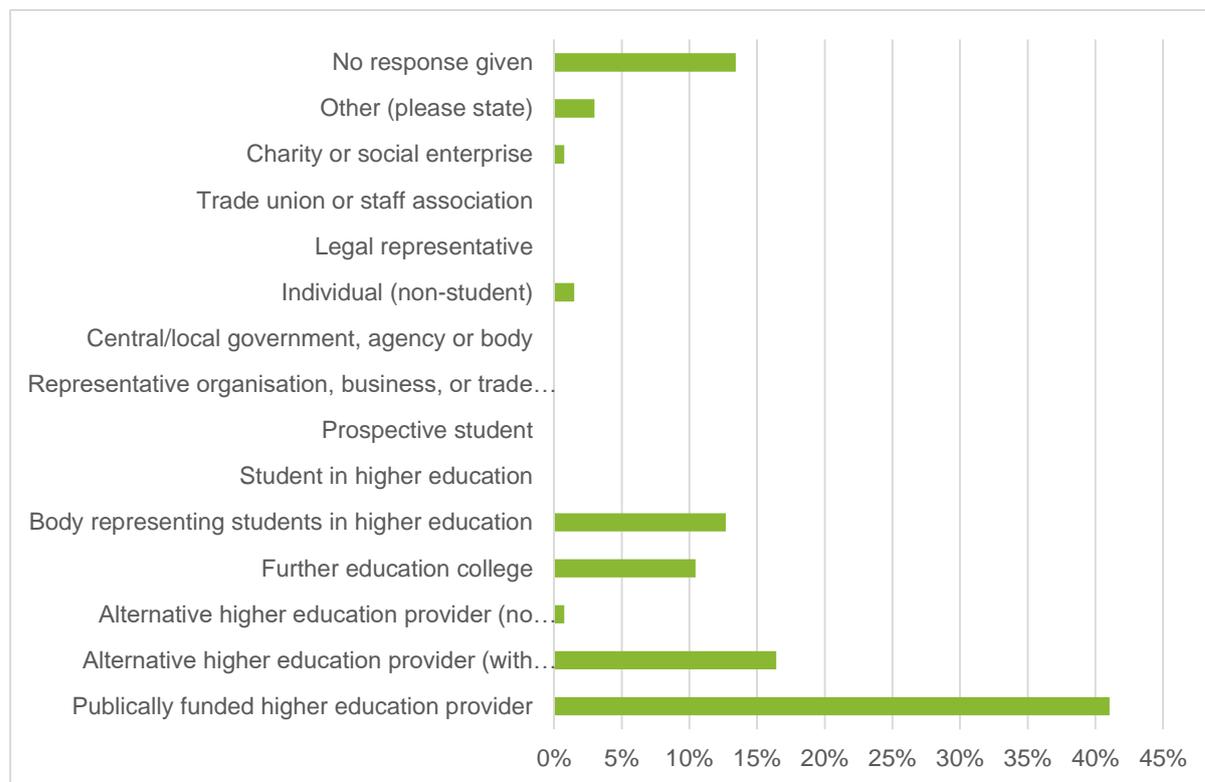
- The potential reporting burdens on providers as information reporting is expected to be in as near to real time as possible.
- A need for the DDB to support providers through the transition to more real time information.
- The need for the DDB to better understand the diversity of alternative providers and further education colleges and ensure they are represented throughout its governance, groups and committees.
- Any fees charged by the DDB are proportionate, provide value for money for students and providers and reflect the differences in the scale and funding of providers.

Question analysis

We asked respondents a series of questions on the DDB. Respondents could answer the questions digitally via the online survey or through written responses sent through to us via email or post. The following report is a factual summary of the responses received, which numbered 134 in total.

Question 1-2

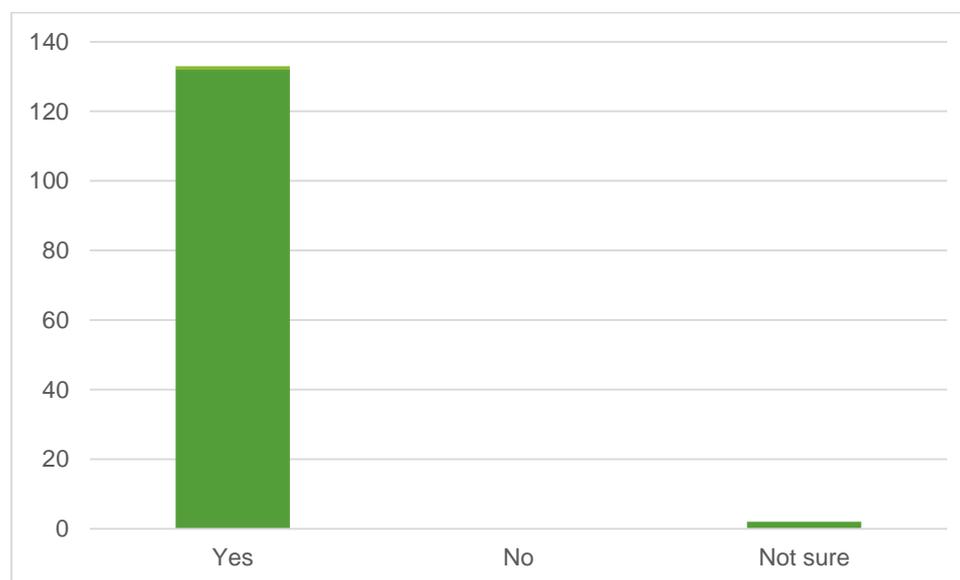
These questions invited the respondents to provide their names, organisation and location in order for us to explore the results by strata. The breakdown of respondents is contained in the chart and table, below.



Option	Total	Percent
Publically funded higher education provider	55	41%
Alternative higher education provider (with designated courses)	22	16%
Alternative higher education provider (no designated courses)	1	1%
Further education college	14	10%
Body representing students in higher education	17	13%
Student in higher education	0	0%
Prospective student	0	0%
Representative organisation, business, or trade body	0	0%
Central/local government, agency or body	0	0%
Individual (non-student)	2	1%
Legal representative	0	0%
Trade union or staff association	0	0%
Charity or social enterprise	1	1%
Other (please state)	4	3%
No response given	18	13%

Question 3

Please state whether, in your opinion, HESA is capable of meeting all of the designation conditions



Option	Total	Percent
Yes	132	99%
No	0	0%
Not Sure	2	1%

All except 2 respondents felt that HESA is capable of meeting all the designation conditions.

Question 4

If you believe that an organisation that did not submit an expression of interest would be more suitable for the role you can provide their details below, if you wish.

No suggestions were provided for an alternative organisation that would be more suitable for the Designated Data Body role.