

## **Guidance on the 2019-20 Annual Provider Review (APR) – November 2019**

### **Introduction**

1. This guidance sets out the process for the forthcoming Annual Provider Review (APR) due to be run by the Office for Students (OfS), for the Department for the Economy (DfE).
2. The APR enables the Department to discharge its responsibilities for assessing the quality and standards of the Higher Education providers it funds.
3. The key features of the Annual Provider Review remain largely unchanged from last year and it will continue to draw on existing data and information, thus reducing the burden on our HE Providers.

### **Key Elements of the APR Process**

4. The two key elements of the APR process are:-
  - Assurance statements from a provider's Governing Body (known as "Annual Assurance Returns", AARs): these relate to oversight of academic governance, focusing on the continuous improvement of the academic experience and of student outcomes, as well as the reliability of degree standards. AARs for this year are due with the Department on 2 December 2019;
  - Scrutiny of key pieces of data<sup>1</sup> the APR process makes use of the student data and other data that providers already submit to the Higher Education Statistics Agency (HESA) and the Department. The process draws together data and other information about each provider and present this in an 'APR dashboard'.

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<sup>1</sup> E.g. - Student non-continuation rates, National Student Survey outcomes, and student employment outcomes

### **Assessment criteria**

5. It is not the case that performance against a single indicator, or series of indicators, will automatically result in a particular assessment, but attention will focus on areas in which:
  - performance is on a downwards trajectory.
  - the absolute value of an indicator gives cause for concern;
  - there are other significant changes or events.
6. The intention here is to form a rounded view of the performance of an HE provider and to make a judgement about any areas of concern.

### **Intelligence gathering**

7. Through our engagement with individual providers the Department has developed a sound understanding of the higher education sector and a strategic view of the context in which individual providers are operating. It ensures that judgements are contextualised and not overly mechanistic.
8. We will draw on our engagement activities throughout the academic year to ensure that the APR process is similarly underpinned by an up-to-date understanding of the HE sector and the strategies and plans of individual providers.

### **Unsatisfactory Quality Scheme investigations where there are serious concerns**

9. Where serious concerns about quality and standards matters are found during the APR process, the process set out in the second stage of the Department's Unsatisfactory Quality Scheme (UQS) will be followed. DfE will notify the provider that the case has been referred to the QAA for investigation and will indicate the likely timescales for the investigation. The QAA will conduct a desk-based analysis of the evidence followed by a 1-2 day investigation visit.
10. The QAA will produce a findings report which will form part of the evidence base for a provider's final APR judgement, alongside the provider's APR dashboard and contextual information. A provider will receive its APR outcome once the Department has considered the new evidence. In the meantime, the provider will receive a 'Pending' judgement on the DfE register, to indicate that the APR process for this provider is not yet complete.

11. The UQS outcome will be one of the following:
- **No issues found** – there is not sufficient evidence to support the concern, or there is credible evidence that the concern has already been satisfactorily addressed by the provider.
  - **Minor issues found** – there is evidence of minor issues of concern that require the provider to develop and implement an action plan.
  - **Serious issues found** – there is evidence of serious issues of concern that require the provider to develop and implement an action plan. Enhanced ongoing monitoring is required as part of the broader quality assessment framework.
12. The UQS report outcome will not automatically lead to a certain APR judgement; instead it will form part of the evidence when the Department reconsiders the evidence as a whole.

### **The APR process in 2019-20**

13. **Annex A** sets out the process we will use for APR this year, whilst **Annex B** provides more detail on the elements of the APR dashboard and the approach we will take.

### **Relationship between APR and Home Office educational oversight requirements for Tier 4 sponsorship**

14. The outcomes from the quality and standards aspects of this APR process, including from any Unsatisfactory Quality Scheme (UQS) investigation, will determine the ability of a provider to continue to meet the Home Office's requirements for educational oversight for Tier 4 sponsorship. **Annex C**, sets out the Tier 4 sponsorship arrangements as they currently apply.

## Annex A: The APR process

### Scope

1. The Annual Provider Review (APR) will take place for all DfE funded Higher Education providers.

### The APR dashboard

2. An APR dashboard will be constructed for each provider using the indicators and other information set out in **Annex B**.

### Preliminary assessment – week commencing 13 April 2020.

3. The APR dashboard for each provider will be considered by the OfS Officer's Group<sup>2</sup>. The Group will only consider the quality and standards profile of each provider, **financial sustainability, good management and governance does not form part of this process**.
4. The Group's preliminary assessment will identify any areas of concern in a provider's profile. It is not the case that performance against a single indicator, or series of indicators will automatically result in a particular assessment, but attention will focus on areas in which:
  - performance is on a downwards trajectory
  - the absolute value of an indicator gives cause for concern
  - there are other significant changes or events.
5. Where the Group has identified concerns that could, in its view, lead to a negative APR outcome, the provider will be invited to comment. The Department will therefore write to a provider, **during week commencing 27 April 2020**, if the preliminary assessment identifies such concerns. This correspondence will be sent to the Head of Institution. At this stage of the process DfE will engage with the provider to ensure that the preliminary assessment and required next steps are clearly understood.
6. In these circumstances, a provider will be required to respond in writing with any further information it deems appropriate. The deadline for this written response will be 4 weeks to allow its consideration before the next stage of the APR process takes place.

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<sup>2</sup> The OfS Officers Group consists of a number of experienced staff from different disciplinary areas in the OfS.

## Guidance on written responses to preliminary concerns

7. Providers will be invited to respond to concerns in a way they consider appropriate, so variation in the format of information submitted is expected. Provider's responses will be assessed in light of whether:
  - the response has answered the questions posed in our letter
  - the provider shows awareness of the concern(s) raised and their causes
  - the provider has already put in place actions to address the area(s) of concern or intends to do so
  - the actions are likely to deliver appropriate and timely improvement

## Quality and standards judgement

8. The OfS Officer's Group **will meet during week commencing 8 June 2020** and, where appropriate, consider written responses to determine for all providers a **preliminary judgement**, which will be one of the following classifications:
  - A. The Group has concerns following its preliminary assessment
  - B. The Group has no concerns following its preliminary assessment
9. The Department is responsible for making **final judgements** about quality and standards matters, with the following information to be considered by the Department in reaching its judgement:
  - the OfS Officer's Group A or B classification for quality and standards for each provider and the reasons for this
  - the provider's response in cases where the OfS Officer's Group sought a written response from the provider as part of its preliminary assessment on quality and standards matters
  - the APR dashboard for each provider.
10. The Department will make one of the following APR judgements for each provider in relation to quality and standards matters:
  - **Meets requirements** for quality and standards.
  - **Meets requirements with an action plan** – the provider meets requirements for quality and standards, and is implementing an action plan to improve some areas.
  - **Pending** – the Annual Provider Review outcome for this provider is not yet available. A 'pending' outcome means that the process has

not yet been completed for this provider.

- **Does not meet currently requirements** for quality and standards – the provider will be subject to additional scrutiny and has an action plan to address areas of concern.
12. Where the Department has serious concerns about quality and standards matters, the process set out in the second stage of its Unsatisfactory Quality Scheme will be followed and the provider will receive a quality review visit from the QAA to investigate in more detail the areas of concern.
  13. The Department will consider the findings of the QAA quality review visit, together with the evidence from the APR process, and will reach a final APR judgement on quality and standards matters. The 'pending' judgement will be replaced by one of the following:
    - **Meets requirements** for quality and standards
    - **Meets requirements with an action plan** – this provider meets the requirements for quality and standards and is implementing an action plan to improve in some areas
    - **The provider does not meet requirements** for quality and standards. It is subject to additional scrutiny and has an action plan to address areas of concern.

### **Communication of judgements**

14. The Department will write to a provider's accountable officer and to the chair of its governing body to share the APR outcomes. We anticipate that this will be during **week commencing 13 July 2020** but this is subject to final confirmation.
15. The letter will identify any areas for improvement, and any requirement for an action plan and further monitoring. For any provider required to complete an action plan, the letter will also set out the date by which this is to be done. The Department will oversee the progress made by an individual provider on its action plan throughout the year.
16. The Department will publish outcomes of the APR process, no later than **November 2020**, on the Quality Section of the DfENI website at <https://www.economy-ni.gov.uk/articles/higher-education-quality-assurance>.
17. The outcomes from the APR process, including from any Unsatisfactory Quality Scheme investigation, will determine whether an HE Provider continues to meet the Home Office's requirements for educational oversight for Tier 4 sponsorship - **Annex C**.

### **Action plan guidance**

18. The Department is not prescriptive about the format or length of action plans. However we will assess whether the action plan:
- A is comprehensive and evidence-based
  - B recognises and addresses the issue
  - C has appropriate milestones and deliverables
  - D has been approved by the provider's senior team and has engaged with the governing body
  - E Involves the validating/franchise partner where relevant

### **Appeal process**

19. A provider may appeal against the outcomes of the APR process only on the grounds of procedural irregularity, i.e. that the published process has not been followed.
20. Any appeal on the grounds of procedural irregularity must be submitted within 14 working days of the notification of the APR outcome. Publication of the APR outcome will be postponed until any appeal can be resolved.
21. An Appeal Panel of three members drawn from senior officials from OfS and DfE who have not previously been involved in the process will be convened to consider the appeal. The outcome of an appeal will be one of the following:
- appeal rejected
  - appeal partially upheld
  - appeal upheld in full.
22. The Appeal Panel's decision shall be final.

## **Annex B: The use of data and the elements of the APR Dashboard**

1. The elements of the APR dashboard are shown in Table 1 below. It provides further detail in relation to both the data-based elements of the APR process and the information drawn from other sources.
2. The data-based elements of the APR process will be governed by some overarching principles. These are described below.

### **Data sources**

3. The APR process will:
  - make use of the student and other data that providers already submit to HESA, and the Department. There are no new data requirements.
  - as far as possible, make use of established indicators.

### **Data coverage and reporting**

4. For the purposes of the APR process a student-based indicator is 'reportable' if it refers to at least 10 students, and in the case of survey data, has met the response rate threshold<sup>3</sup>.
5. Where possible, we will consider the data-based elements of the APR for five successive academic years. For student-based indicators, this means that we will consider five successive entry (or qualifying) cohorts. The five academic years forming the basis for each of the year-specific indicators will then be combined to provide a sixth indicator, based on the aggregate cohort. This will help to ensure that we understand a provider's performance over time and are not basing a judgement on a snapshot of performance. We believe that this will also minimise the risk of non-reportable indicators.
6. The student-based indicators included within the APR dashboard will be reported separately for a provider's full-time and part-time students, and for their undergraduate and postgraduate students. They will include all students registered at the provider (regardless of where those students are taught).
7. Table 1 shows that, at present, a number of the student-based indicators are limited to coverage of UK-domiciled undergraduate students. Where the coverage of the data is shown to include EU and other overseas students, the information will be reported separately for these students.

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<sup>3</sup> For the measures using National Student Survey data, this is 50 per cent. For measures using the Destinations of Leavers from Higher Education (DLHE) survey, this is 85 per cent of the target which is equivalent to 68 per cent for full-time students and 59.5 per cent for part-time students. The response rate threshold that will apply to the Graduate Outcomes survey will be determined in early 2020.



8. The APR process will take a holistic view of a provider's profile, coupling indicators and data with institutional intelligence throughout the process. As such, a provider that does not have a complete set of indicators will not be disadvantaged in the APR process: we will work with the data and information available to us. We recognise that, due to data collection methods in further education (FE) this is particularly pertinent to our FE colleges.
9. The holistic and context-sensitive design of the APR process means that occurrences of complete or partial absence of data-based elements can be placed within our broader understanding of the provider and its circumstances. This will include an understanding of the reasons behind the absence – for example, small cohorts, response rates in survey-based data or other causes – as well as of any circumstances of the provider that may improve coverage of the data-based elements in future years.

**Table 1: Elements of the APR dashboard**

Type	Category	Indicator(s)	Splits	Coverage	Source
Data-based indicator (provider)	Student recruitment patterns.	Number of new entrants for the current year and previous four years. Absolute and proportional change in student recruitment between 2014-15 and 2018-19.	Change in: <ul style="list-style-type: none"> <li>undergraduate UK and EU-domiciled new entrant numbers</li> <li>undergraduate international new entrant numbers</li> <li>taught postgraduate UK and EU-domiciled new entrant numbers</li> <li>taught postgraduate international new entrant numbers.</li> </ul>	All students included in the relevant HESA datasets as new entrants within the HESA standard registration population in the year in question.  Based on registering provider.	HESA datasets for 2014-15 to 2018-19 or the Consolidated Data Return (CDR) for NI providers in the equivalent years.
		Overall student numbers for the current year and previous four years. Absolute and proportional change in overall student numbers between 2014-15 and 2018-19.	Change in: <ul style="list-style-type: none"> <li>undergraduate UK and EU-domiciled student numbers</li> <li>undergraduate international student numbers</li> <li>taught postgraduate UK and EU-domiciled student numbers</li> <li>taught postgraduate international student numbers.</li> </ul>	All students included in the relevant HESA datasets as new entrants within the HESA standard registration population in the year in question.  Based on registering provider.	
Data-based indicator (provider, HEIs only)	Sub-contractual arrangements.	Other providers teaching students on behalf of the APR institution in 2018-19, under sub-contractual arrangements.	Total numbers of undergraduate students taught by each named provider.  Total numbers of taught postgraduate students taught by each named provider.	All students included in the relevant HESA datasets as taught by another provider	HESA datasets for 2018-19

Type	Category	Indicator(s)	Splits	Coverage	Source
		Other providers whose students are taught by the APR institution in 2018-19, under sub-contractual arrangements.	Total numbers of undergraduate students being taught on behalf of each named provider.  Total numbers of taught postgraduate students being taught on behalf of each named provider.	Based on registering provider.	
Data-based indicator (student)	National Student Survey outcomes (student satisfaction).	Agreement to Question 27 (overall satisfaction) of the NSS, or the equivalent question from previous years.	Reported separately for the provider's full-time and part-time students and for students responding to the NSS in 2015 through to 2019.	All UK, other EU and non-EU final-year students registered on higher education (HE) Level 4, 5 and 6 programmes. Students who do not reach the final year of their course, or whose programmes are less than or equal to one full-time equivalent are excluded from the indicators.  Based on registering provider.	Annual publication of NSS results.  (or appropriate equivalent for NI FECs where available)
Data-based indicator (student)	Student retention rates.	Proportion of undergraduate students who continue at the same HE provider or who are studying at HE level at another provider. This indicator tracks students from the year they enter a HE provider to the following year (for full-time students) or the following	Reported separately for the provider's full-time and part-time students and for students starting undergraduate and postgraduate HE in the most recent five year of available data.	All UK-domiciled students included in the relevant HESA/CDR datasets and registered as starting on HE Level programmes.  Based on registering provider.	Analysis of students tracked within HESA datasets.  (or appropriate equivalent for NI FECs).

Type	Category	Indicator(s)	Splits	Coverage	Source
		two years (for part-time students).			
Data-based indicator (student)	Graduate employment or further study outcomes.	Undergraduate and Postgraduate leavers who report in the annual destinations surveys that they are working or studying (or both), expressed as a proportion of all those who are working or studying or seeking work at six months after leaving HE.	Reported separately for the provider's full-time and part-time students and for students qualifying from undergraduate and postgraduate HE in the most recent five years of available data.	All UK-domiciled HE leavers included in the relevant HESA/CDR datasets and have been awarded full qualifications. Students who did not gain a HE qualification, are excluded from the indicators.  Based on registering provider.	Analysis of the Destinations of Leavers from Higher Education (DLHE) and Graduate Outcomes datasets.  (or appropriate equivalent for NI FE providers if any available).
Data-based indicator (provider)  Assurance-based information	Governance.	Assurance statement (Annual Accountability Return) signed by Accountable Officer on behalf of governing body: <ul style="list-style-type: none"> <li>• data quality</li> <li>• quality and standards</li> </ul>	Not applicable.	Based on registering provider.	Annual Accountability Return.  OfS data assurance work.

Type	Category	Indicator(s)	Splits	Coverage	Source
Assurance-based information		<p>Current and recent concerns about data quality.</p> <p>Any notified material events, including changes to corporate form, ownership, mergers.</p> <p>Any activity under previously required action plans from any source.</p>			
	Concerns and complaints.	Current and recent investigations under the Unsatisfactory Quality Scheme.	Not applicable.	Based on registering provider.	OfS. QAA. DfE
Current provider categorisations	Current status in the operating model for quality assessment.	<p>One of the following:</p> <ul style="list-style-type: none"> <li>• developmental period</li> <li>• established.</li> </ul> <p>Any action plan required as a result of either:</p> <ul style="list-style-type: none"> <li>• a QAA quality review visit</li> </ul> <p>The previous year's APR.</p>	Not applicable.	Based on registering provider.	OfS DfE

## **Annex C: Relationship of APR outcomes to Home Office educational oversight requirements for Tier 4 sponsorship**

1. The outcomes from the 2019-20 APR process, including from any Unsatisfactory Quality Scheme investigation, will determine the eligibility of a provider to continue to meet the Home Office's requirements for educational oversight for Tier 4 sponsorship.

<b>APR outcome</b>	<b>Educational oversight requirement for Tier 4</b>
Meets requirements	Meets educational oversight requirements
Meets requirements with an action plan	Meets educational oversight requirements
Pending – the APR process for this provider has not yet been completed	Continues to meet educational oversight requirements while 'pending' status is resolved
Does not meet requirements	Does not meet educational oversight requirements until an action plan has been implemented and satisfactorily completed
<b>Where a 'pending' APR status leads to an investigation under the Unsatisfactory Quality Scheme (UQS):</b>	
No issues found as a result of UQS investigation	Meets educational oversight requirements
Minor issues found as a result of UQS investigation	Meets educational oversight requirements
Serious issues found as a result of UQS investigation, leading to an overall 'does not meet requirements' judgement	Does not meet educational oversight requirements until an action plan has been implemented and satisfactorily completed