

Minutes of the OfS board meeting – 23 May 2024

Location: Teams

Timings: 1330 – 1700

Present members: James Wharton (Chair) (items 1-15)
Arif Ahmed (Director for Freedom of Speech and Academic Freedom)
John Blake (Director for Fair Access and Participation)
Martin Coleman
Elizabeth Fagan
Katja Hall
Verity Hancock
Rachel Houchen
Susan Lapworth (Chief Executive)
Simon Levine
Dayo Olukoshi
Michael Spence
Caleb Stevens

Patrick Curry, Director Higher Education, Quality and Education from the Department for Education (DfE) (items 1-16)

Apologies: Paul Huffer, Head of Legal

Officers: Jean Arnold, Deputy Director of Quality
Jamie Black, Head of Higher Education Market (item 16)
Matthew Craddock, Deputy Head of Legal
Harriette Craddock, Chief of Staff
Will Dent, Head of Financial Analysis (item 16)
Josh Fleming, Director of Strategy and Delivery
Katherine Jacob, Corporate Governance Senior Officer (clerk)
Meg Matthews, Head of Development and Effectiveness
Sophie McIvor, Head of Communications
Sam Muzzlewhite, Head of Financial Assessment (item 16)
Philippa Pickford, Director of Regulation
Nolan Smith, Director of Resources and Finance
David Smy, Deputy Director Enabling Regulation
Mike Spooner, Senior Adviser to the CEO and Chair

Item 1. Chair's welcome

1. No apologies were received from members. The Head of Legal had sent apologies and the Deputy Head of Legal attended in his place.
2. Board members and the Department for Education (DfE) representative were welcomed.

3. The chair informed the board that there have been no developments in the recruitment of new members to the board.
4. The chair informed the board that since the last meeting he had:
 - a. Attended a quarterly meeting with the Committee of University Chairs and a meeting with the National Union of Students.
 - b. Attended the quarterly performance review of the OfS with DfE.
 - c. Met with the Secretary of State to discuss antisemitism on campus.
 - d. Met with Luke Hall, the new Minister of State for Skills, Apprenticeships and Higher Education.
 - e. Had an introductory meeting with Ofqual's chair, Frances Wadsworth.
 - f. Been on provider visits to St George's University of London and University College, Birmingham.
5. The board noted its general duties as set out on the agenda and the need to have regard to these and other relevant considerations as it considers papers and makes decisions.

Item 2. Approval of minutes from the last meeting

6. The minutes of the board meeting on 8 February 2024 were approved.

Item 3. Chief Executive's report

7. The chief executive noted highlights from her written report:
 - a. The annual report on the financial sustainability of higher education providers was published on 16 May 2024 and landed well in the sector and in the press. In parallel, the OfS has been providing information to the Department for Education (DfE) to support the Migration Advisory Committee's review into the Graduate route. This work has delivered strong impact for the sector.
 - b. Exempt from publication.
8. The chief executive noted that following yesterday's announcement of a general election on 4 July, plans are being reviewed to determine which OfS activities will need to be paused during the pre-election period. The board will be informed of any significant implications.
9. The board asked for detailed information on the independent review of Data Futures.
 - a. It was confirmed that the contract is currently being produced and work is expected to start in early June.
 - b. The review will allow Jisc and providers to use the lessons learned in 2023 to inform the data return due at the end of 2024.
 - c. The board commented that the review will be extremely important for relations with the sector and will establish whether the product is fit for purpose.

- d. A report on Data Futures and the independent review will be brought to the next board meeting.

Item 4. OfS Public Bodies Review

10. The board was provided with an update on the OfS Public Bodies Review and the recommendations made. The final draft of the report was also circulated to the board, but it is subject to ministerial clearance. It is not yet clear what impact the timing of the general election will have on the process of clearance and publication.
11. The DfE representative confirmed that DfE will recommend to ministers that the report is published.
12. The board agreed to have a full discussion of the recommendations made in the report once the final version is published, so that the board's view on the report can be conveyed to the new ministers.

Item 5. Strategic goal progress report

13. The board received the six-monthly update on progress towards the strategic goals.
14. It was noted that guidance letters may be received from a new government which could affect implementation of the strategy. It was confirmed that the OfS will continue to deliver the strategy and protect student interests in a way that preserves the independence of the OfS and maintains flexibility, while taking guidance from a new government into account.

Item 6. Development of the new strategy

15. Draft wording of the new strategy was shared with the board for discussion. This included emerging thinking on defining the student interest. **Exempt from publication.**
16. **Exempt from publication.**
17. The board was reminded that there would be an informal board meeting to discuss the strategic goals on 4 June, and that it would receive the draft strategy to discuss at its formal meeting on 4 July.

Item 7. Business plan and intervention strategy 2024-25

18. An overview of the business plan, including the principles used to construct the plan and the decisions taken about priorities, was shared with the board for information. The intervention strategy was also shared with the board.
19. **Exempt from publication.**
20. **Exempt from publication.**
21. **Exempt from publication.**
22. **Exempt from publication.**
23. The board was reassured that work is continuously underway to improve efficiency and flexibility, and that the Data Transformation Programme will help solve technical issues and

also drive efficiency and effectiveness. A Chief Data Officer is being recruited to drive this work strategically.

Item 8. Exempt from publication

24. Exempt from publication.

25. Exempt from publication.

26. Exempt from publication.

27. Exempt from publication.

Item 9. OfS Communications plan 2024-25

28. Exempt from publication.

29. The board welcomed the plan.

Item 10. Board effectiveness review

30. The board completed an effectiveness survey in December and January. The responses were positive and broadly in line with responses in previous years.

31. Exempt from publication.

Item 11. Risk report

32. The risk report updated the board on the current strategic risks and the principal corporate risks that are rated as 'high'. The annual review of the strategic risks is currently underway, and the updated risks will be presented for approval at the next board meeting.

33. Exempt from publication.

34. The board received the risk report.

Item 12. Student panel update

35. A written report of the work of the student panel and the meeting held on 21 March was shared with the board.

Item 13. Report from the Quality Assessment Committee

36. A written report of the committee meeting held on 11 March was shared with the board. At the meeting, the committee had focused on degree awarding powers.

Closing remarks

37. Members and staff were thanked for their contributions.

38. The board was reminded that the next ordinary board meeting would be on Thursday 4 July, on Teams.

39. James Wharton left the meeting and Martin Coleman took over chairing.

Item 14. Report from the Provider Risk Committee

40. A written report of the committee meeting held on 29 February was shared with the board.

Item 15. Report from the Risk and Audit Committee

41. A written report of the committee meeting held on 6 March was shared with the board. The committee had discussed Data Futures, and had had a deep dive on the student interest.

Restricted Item 16. Assessing financial sustainability

42. Jamie Black, Head of Higher Education Market, Will Dent, Head of Financial Analysis, and Sam Muzzlewhite, Head of Financial Assessment joined the meeting.

43. The report 'Financial sustainability of higher education providers in England' had been published on 16 May 2024. The board heard that the report had landed well in the sector and more widely and that feedback on the quality of the analysis and messaging had been extremely positive.

44. The report shows that providers are forecasting a gradual financial recovery over the next few years, dependent on student recruitment. The OfS considers the sector's outlook to be over-optimistic, given the significant reduction in student numbers in both the international and domestic markets recently.

45. The board made the following comments:

- a. It will be important to ensure that providers acknowledge the over-optimism in the aggregate forecast and take action at an individual level. It was explained that the OfS will follow up with providers according to their specific circumstances.
- b. The circumstances for each provider vary enormously across the sector, so the OfS should focus on general messaging to providers rather than recommending responses to specific issues.
- c. Financial sustainability is only one element of ascertaining the viability of a business and so the OfS should take care to consider other elements in relation to the overall health of the sector.
- d. Providers must realistically appraise their challenges and come up with robust mitigations.
- e. It is vital that providers have strong governance, and it was suggested the OfS could provide models. It was confirmed that work has started on strengthening the management and governance (E) initial conditions so that only providers with sufficiently strong governance models would be able to register.

46. Michael Spence and Verity Hancock left the meeting due to a conflict of interest. Patrick Curry left the meeting.